

**Registered Bank Disclosure Statements (Overseas
Incorporated Registered Banks) Order 2014
(as amended)**

Note: This is a Reserve Bank working copy. The official version of the Principal Order is published in a [supplement](#) dated 21 February 2014 to the New Zealand Gazette of 20 February 2014, page 542.

This working copy consolidates the following Amendment Orders to the Principal Order:

(1) Title: Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 Amendment Order 2014

Date: published in a [supplement](#) dated 26 May 2014 to the New Zealand Gazette of 22 May 2014, page 1534

(2) Title: Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 Amendment Order 2015

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(3) Title: Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 Amendment Order (No. 2) 2015

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(4) Title: Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 Amendment Order 2018

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Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014

JERRY MATEPARAE, Governor-General

Order in Council

At Wellington this 17th day of February 2014

Present:

His Excellency the Governor-General in Council

Pursuant to section 81 of the Reserve Bank of New Zealand Act 1989, His Excellency the Governor-General, acting on the advice and with the consent of the Executive Council and on the advice of the Minister of Finance given in accordance with a recommendation of the Reserve Bank of New Zealand, makes the following Order.

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Order

1 Title

This Order is the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014.

2 Commencement

This Order comes into force on 31 March 2014 except for clause 27 which comes into force on 30 March 2014.

3 Application

This Order applies to a registered bank that is incorporated outside New Zealand.

4 Interpretation

(1) In this Order, unless the context otherwise requires,—

Act means the Reserve Bank of New Zealand Act 1989

address for service, in relation to—

- (a) an individual, means the address of their usual place of business in New Zealand or, if no such address exists, the address of their usual place of business outside New Zealand;
- (b) a company, means the address for service adopted by the company under section 192 of the Companies Act 1993; or
- (c) any other entity, means the address of its principal office or principal place of business in New Zealand or, if no such address exists, its principal office or principal place of business outside New Zealand

allowance for credit impairment loss means an amount which has been created against identified credit losses or in respect of an identified deterioration in the value of any asset or class of asset attributable to an increase in credit risk as set out in NZ IAS 39 paragraphs 58 to 62

applicable financial reporting standard has the same meaning as in section 5(1) of the Financial Reporting Act 2013

banking group, in relation to a registered bank,—

- (a) means the financial reporting group; or
- (b) if the Reserve Bank has, by notice in writing to the registered bank, after consultation with the registered bank, agreed to or required the inclusion or exclusion of any entity or any part of any entity, means the financial reporting group including or excluding that entity or that part of that entity, as the case may be

Basel II, as the context requires, refers either to the capital adequacy framework set out in the paper “International Convergence of Capital Measurement and Capital Standards” issued by the Basel Committee on Banking Supervision in June 2006 or to a country’s or jurisdiction’s implementation of prudential requirements derived from that framework.

Basel III, as the context requires, refers either to Basel II as issued by the Basel Committee on Banking Supervision as supplemented by the Committee’s paper “Basel III: A global

regulatory framework for more resilient banks and banking systems” issued in June 2011 or to a country’s or jurisdiction’s implementation of prudential requirements derived from that framework.

branch means the New Zealand business of a registered bank
capital, in clause 7 of Schedule 2, in relation to an overseas banking group, means the amount of capital held by the overseas banking group, determined in accordance with the requirements of the authority having the power to impose minimum capital requirements on the overseas banking group

Capital Adequacy Framework (Standardised Approach) (BS2A) means the Reserve Bank document entitled “Capital Adequacy Framework (Standardised Approach) (BS2A)”

Capital Adequacy Framework (Internal Models Based Approach) (BS2B) means the Reserve Bank document entitled “Capital Adequacy Framework (Internal Models Based Approach) (BS2B)”

collective credit impairment allowance means an allowance for credit impairment loss on groups of financial assets

company—

- (a) has the same meaning as in section 2(1) of the Companies Act 1993; and
- (b) includes an overseas company within the meaning of that section

conditions of registration, in relation to a registered bank, means the conditions of registration imposed on the registered bank by the Reserve Bank under section 74 of the Act

country of domicile for a registered bank is either—

- (a) the country or jurisdiction determined by the Reserve Bank and notified to the registered bank; or
- (b) if paragraph (a) does not apply, the country that falls into the greatest number of the following categories:
 - (i) the country of its home supervisor for banking supervisory purposes;
 - (ii) the country in which it is incorporated;
 - (iii) the country of its principal place of business outside New Zealand; and
 - (iv) the country in which its head office is located

credit rating is defined in clause 7 of Schedule 10 for the purposes of Schedule 10

credit risk has the same meaning as in NZ IFRS 7

currency risk has the same meaning as in NZ IFRS 7

equity has the same meaning as “equity” in the “New Zealand Equivalent to the IASB Conceptual Framework for Financial Reporting”

equity risk means the risk arising from changes in the prices of equity instruments

fair value has the same meaning as in NZ IFRS 13

financial asset has the same meaning as in NZ IAS 32

financial instrument has the same meaning as in NZ IAS 32

financial liability has the same meaning as in NZ IAS 32

financial reporting group means the New Zealand business of all the members of the registered bank’s group, where group

has the same meaning as in section 6(1) of the Financial Markets Conduct Act 2013

generally accepted accounting practice has the same meaning as in section 8 of the Financial Reporting Act 2013

government guarantee means a guarantee of all or some of a registered bank's obligations, or a similar arrangement, provided—

- (a) by the New Zealand government under a guarantee or similar arrangement; or
- (b) by a sovereign authority in an overseas jurisdiction

group of closely related counterparties means a group of legal or natural persons who are related in such a way that—

- (a) the financial soundness of any one of them may materially affect the financial soundness of the others;
- (b) one has the power to control the others; or
- (c) one has the capacity to exercise significant influence over the others

holding company has the same meaning as in section 5 of the Companies Act 1993

immediate relative, in relation to any person, means their spouse, civil union partner, or de facto partner (as defined in the Property (Relationships) Act 1976), and any parent, brother, sister or child, in each case whether or not adoptive, of that person or of their spouse, civil union partner or de facto partner

independent director, in relation to a registered bank, means a director who is not—

- (a) an employee of the registered bank; or
- (b) a director, trustee, or employee of—
 - (i) a holding company of the registered bank; or
 - (ii) any other entity capable of controlling or significantly influencing the registered bank

individual credit impairment allowance means an allowance for credit impairment loss on individual assets

individually impaired asset means a financial asset that is individually determined to be impaired in accordance with NZ IAS 39 or meets the definition of a “credit-impaired financial asset” in accordance with NZ IFRS 9, consistent with the impairment methodology the registered bank applies in preparing its financial statements

insurance business, in relation to a registered bank, has the same meaning as in the conditions of registration for the registered bank

interest rate risk has the same meaning as in NZ IFRS 7

issuer has the same meaning as in section 11 of the Financial Markets Conduct Act 2013

key management personnel has the same meaning as in NZ IAS 24

loss allowance has the same meaning as in NZ IFRS 9

material,—

- (a) in relation to a statement, fact or item to which generally accepted accounting practice applies, has the meaning given to it by generally accepted accounting practice; or

- (b) in relation to a statement, fact or item to which generally accepted accounting practice does not apply, means that the inclusion or omission of the statement, fact, or item, or the method of treating the disclosure of the statement, fact, or item, would be likely to influence a reasonable user of the disclosure statement

New Zealand business means all business, operations, or undertakings conducted in or from New Zealand identified and treated as if it were conducted by a company formed and registered in New Zealand

NZ IAS 24 means New Zealand Equivalent to International Accounting Standard 24 (Related Party Disclosures), approved under the Financial Reporting Act 1993 and continuing in force under the Financial Reporting Act 2013

NZ IAS 32 means New Zealand Equivalent to International Accounting Standard 32 (Financial Instruments: Presentation), approved under the Financial Reporting Act 1993 and continuing in force under the Financial Reporting Act 2013

NZ IAS 34 means New Zealand Equivalent to International Accounting Standard 34 (Interim Financial Reporting), approved under the Financial Reporting Act 1993 and continuing in force under the Financial Reporting Act 2013

NZ IAS 39 means New Zealand Equivalent to International Accounting Standard 39 (Financial Instruments: Recognition and Measurement), approved under the Financial Reporting Act 1993 and continuing in force under the Financial Reporting Act 2013

NZ IFRS 7 means New Zealand Equivalent to International Financial Reporting Standard 7 (Financial Instruments: Disclosures), approved under the Financial Reporting Act 1993 and continuing in force under the Financial Reporting Act 2013

NZ IFRS 9 means New Zealand Equivalent to International Financial Reporting Standard 9 (Financial Instruments), approved under the Financial Reporting Act 2013

NZ IFRS 13 means New Zealand Equivalent to International Financial Reporting Standard 13 (Fair Value Measurement), approved under the Financial Reporting Act 2013

other asset under administration means any asset that is not an impaired asset or a 90 day past due asset where the counterparty—

- (a) is in receivership, liquidation, bankruptcy, statutory management, a no asset procedure, voluntary administration or any other form of administration in New Zealand; or
- (b) is in any other equivalent form of voluntary or involuntary administration in an overseas jurisdiction

overseas banking group means a registered bank and all other entities included in the group for the purposes of public reporting of group financial statements in the country of domicile of the registered bank

past due has the same meaning as in NZ IFRS 7 and an asset that is a specified number of days past due includes an asset for which, in relation to the contracted terms, conditions, or limits

that applied to the asset immediately before non-performance commenced—

- (a) any payment of principal, interest or other forms of monies owing is overdue, or has not been paid in accordance with the asset's terms and conditions, for at least the specified number of days; or
- (b) amounts owing under revolving facilities have been continuously outside of limits for at least the specified number of days

premises means any staffed premises of the registered bank or an agency of the registered bank in New Zealand to which the registered bank's customers or potential customers have access in order to conduct banking business

relevant member, in clause 19 of Schedule 2 and clause 14 of Schedule 3, means a member of the registered bank's banking group that is not a member of a New Zealand incorporated registered bank's banking group

reporting date means the last day of the accounting period for a disclosure statement

responsible person means a person authorised in writing by a director or the New Zealand chief executive officer to sign the disclosure statement of a registered bank in accordance with section 82 of the Act

signing date means the date recorded on the disclosure statement in order to comply with section 82, being the date of the last signature on the statement

subsidiary has the same meaning as in section 6(1) of the Financial Markets Conduct Act 2013

ultimate holding company, in relation to a registered bank, means the body corporate that—

- (a) is the registered bank's holding company; and
- (b) is not itself a subsidiary of another body corporate; and
- (c) is not a bank

ultimate parent bank, in relation to a registered bank, means the bank that—

- (a) is the registered bank's holding company; and
- (b) is not itself a subsidiary of another bank

working day means a day of the week on which the head office of a branch in New Zealand is open for business.

- (2) A term or expression that is used in this Order and not defined in it or in the Act—

- (a) if defined in a registered bank's conditions of registration, has in relation to the registered bank the same meaning as under its conditions of registration; or
- (b) if paragraph (a) does not apply and if applicable, must be interpreted in a way that complies with generally accepted accounting practice.

5 Accounting periods for disclosure statements

- (1) A **full year accounting period** is—

- (a) the 12 month period that begins on the day after one balance date and ends on the next balance date;

- (b) the period longer or shorter than 12 months that begins on the day after one balance date and ends on the next balance date due to—
 - (i) the date of the registered bank’s incorporation;
 - (ii) a change of the registered bank’s balance date; or
 - (c) for a first disclosure statement, the period determined by the Reserve Bank.
- (2) **Balance date**—
- (a) in subclause (1), has the same meaning as in section 5(1) of the Financial Reporting Act 2013; or
 - (b) for a first disclosure statement, means the date determined by the Reserve Bank.
- (3) **A half year accounting period**—
- (a) if subclause (1)(a) applies, is the first 6 month period of a full year accounting period; or
 - (b) if subclause (1)(b) applies, is the period determined by the Reserve Bank under subclause (4).
- (4) If subclause (1)(b) applies, the Reserve Bank may, after consultation with the registered bank, determine the length of the half year accounting period in the longer or shorter full year accounting period.

Part 1

General requirements for disclosure statements

6 General requirements for disclosure statements

- (1) A disclosure statement may be—
 - (a) a full year disclosure statement;
 - (b) a half year disclosure statement; or
 - (c) a first disclosure statement.
- (2) Subject to subclause (4), a registered bank must produce—
 - (a) a full year disclosure statement for each full year accounting period; and
 - (b) a half year disclosure statement for each half year accounting period.
- (3) When registered as a registered bank, a registered bank must produce a first disclosure statement.
- (4) If a full year disclosure statement and a half year disclosure statement are required in respect of the same accounting period, the registered bank is only required to produce the full year disclosure statement.
- (5) Further details are set out—
 - (a) for full year and half year disclosure statements in Part 2 and in the Schedules of this Order; and
 - (b) for first disclosure statements in clause 13.

7 Disclosure statement of overseas financial statements

- (1) A disclosure statement may be an overseas financial statement.
- (2) An overseas financial statement is a disclosure statement if—
 - (a) it is a financial statement for—
 - (i) the registered bank; or

- (ii) the overseas banking group of the registered bank;
 - (b) it is publicly available in any jurisdiction; and
 - (c) it meets the reporting requirements that apply to the registered bank in its country of domicile.
- (3) Publication by the registered bank in accordance with clause 9 is sufficient to meet the requirement under section 82 of the Act to date and sign a disclosure statement that is an overseas financial statement if the registered bank retains a signed and dated record that—
 - (a) authorises the publication of the overseas financial statements;
 - (b) is dated and signed—
 - (i) by the person required to date and sign the disclosure statement under section 82; and
 - (ii) within 2 working days of publication in accordance with clause 9; and
 - (c) confirms the disclosure statement is the most recent publicly available overseas financial statement of the registered bank as at the date it is signed.
- (4) For the purposes of subclause (3) and in the context of section 22 of the Electronic Transactions Act 2002, the sending of an email message that contains the overseas financial statements may be appropriate to the purpose for which, and the circumstances in which, the signature is required.

8 Full and half year disclosure statements to be audited

- (1) A full year disclosure statement of a registered bank must be audited.
- (2) A half year disclosure statement of a registered bank must be reviewed by an auditor if it is not audited.
- (3) An auditor's report or review statement must meet the requirements of clause 21.

9 Publication on Internet

- (1) A disclosure statement is published when it is made available on the registered bank's Internet site for New Zealand.
- (2) A disclosure statement published on a registered bank's Internet site must be—
 - (a) publicly available at no charge;
 - (b) readily accessible from the main landing page or front page for the registered bank's Internet site via a link labelled "disclosure statements"; and
 - (c) maintained on the registered bank's Internet site for at least 5 years after the last day on which the disclosure statement must be published.

10 Time of publication

- (1) A registered bank must publish—
 - (a) a full year disclosure statement within 3 months of the reporting date for the full year disclosure statement; and
 - (b) a half year disclosure statement within—

- (i) 2 months of the reporting date for the half year disclosure statement; or
 - (ii) if the Reserve Bank considers the registered bank has reasonable grounds for not being able to comply with subparagraph (i), 3 months of the reporting date for the half year disclosure statement.
- (2) A first disclosure statement must be published by a registered bank on the day of the registered bank's registration.
 - (3) A disclosure statement that is an overseas financial statement under clause 7 must be published by a registered bank before the end of the first working day after the day on which it enters the public domain in the registered bank's country of domicile.

11 Delivery to Reserve Bank

- (1) On the day a disclosure statement is published the disclosure statement must be sent to the Reserve Bank by the registered bank.
- (2) If the Reserve Bank specifies a form or format for the disclosure statement to be sent to it, the disclosure statement must be provided in the form or format specified by the Reserve Bank.
- (3) The Reserve Bank may specify more than one form or format.

12 Requests for copies

- (1) A person may request a copy of any of a registered bank's disclosure statements.
- (2) A registered bank must provide a copy of the disclosure statements requested by a person free of charge.
- (3) If a person requests a copy of the registered bank's most recent disclosure statement in person at the premises of the registered bank, the registered bank—
 - (a) may refer the person to its Internet site; but
 - (b) must offer to provide a printed copy to the person of its most recent full year disclosure statement and any subsequent half year disclosure statement that is published when the request is made.
- (4) If a person accepts an offer made under subclause (3)(b), the registered bank must dispatch to the person a printed copy of the offered disclosure statements by the end of the second working day after the day on which the request is made.
- (5) Other than in relation to a request made in person at the premises of the registered bank or by accessing a copy published on the registered bank's Internet site, if a person requests a copy of the registered bank's most recent disclosure statement, the registered bank—
 - (a) may refer the person to its Internet site; but
 - (b) must offer to provide to the person by other suitable means a copy of its most recent full year disclosure statement and any subsequent half year disclosure statement that is published when the request is received.
- (6) If a person accepts an offer made under subclause (5)(b), the registered bank must dispatch to the person a copy of the

offered disclosure statements by the end of the second working day after the day on which the request is received.

- (7) Other than in relation to a request for the registered bank's most recent disclosure statement or by accessing a copy published on the registered bank's Internet site, if a person requests a copy of any of the registered bank's disclosure statements, the registered bank—
- (a) may refer the person to its Internet site; but
 - (b) must offer to provide to the person by other suitable means a copy of the requested disclosure statements that are published when the request is made.
- (8) If a person accepts an offer made under subclause (7)(b), the registered bank must dispatch to the person a copy of the requested disclosure statements by the end of the second working day after the day on which the request is received.
- (9) To avoid doubt, in this clause a printed copy is a copy in non-electronic form.

13 First disclosure statement

- (1) Subject to subclauses (2) to (4), a registered bank's first disclosure statement must meet the requirements that apply to a full year disclosure statement.
- (2) The Reserve Bank must determine the full year accounting period and balance date for a first disclosure statement.
- (3) The balance date determined by the Reserve Bank may be a date before the date on which the registered bank is registered as a registered bank.
- (4) The Reserve Bank must give notice in writing to an applicant bank of the accounting period and balance date for the first disclosure statement—
- (a) at least 1 month before the date the bank is registered as a registered bank; or
 - (b) on a date agreed by the applicant bank and the Reserve Bank.

Part 2

Content of disclosure statements

Subpart 1—General requirements

14 Information must be in English

The information in a disclosure statement must be in English.

15 Disclosure statement not to be false or misleading

In addition to the information that is required in this Order, a disclosure statement—

- (a) must contain such other information that, in the opinion of the directors and New Zealand chief executive officer, is necessary or desirable to ensure that the disclosure statement is not false or misleading in any material particular; and
- (b) except as otherwise expressly provided in this Order, may contain any other information that the directors and

New Zealand chief executive officer consider appropriate to include in the disclosure statement.

16 Requirements when registered bank is unable to disclose information

Subject to clause 17(3), if a registered bank is unable because of systems limitations or because of circumstances beyond its control to disclose information under this Order, the disclosure statement must—

- (a) state that fact, and explain those limitations or circumstances; and
- (b) contain the closest available alternative to the information that must be disclosed under this Order.

17 Comparative information

- (1) Any comparative information that is required to be disclosed under this Order for the previous corresponding accounting period must be restated so that it corresponds to the information disclosed for the current accounting period.
- (2) If there has been a material restatement of prior period amounts, the nature of, and the reason for, the restatement must be disclosed.
- (3) A registered bank need not disclose comparative information that is not readily available in the time since the last day of the previous corresponding accounting period.

18 Disclosure statement not to contain offer of financial products

A disclosure statement must not contain any offer of financial products within the meaning of the Financial Markets Conduct Act 2013.

19 Information about shareholders

The disclosure statement of a registered bank must not state or imply that a person is, or intends to become, a shareholder of the registered bank or of a member of its overseas banking group, without also stating whether or not that person guarantees any of the obligations of the registered bank or any member of its overseas banking group.

20 Disclosure of currency that is not New Zealand dollars

A registered bank must disclose the currency used if information is disclosed in a currency that is not New Zealand dollars.

21 Auditor's report or review statement

- (1) An auditor's report on the full year disclosure statement of a registered bank must—
 - (a) include the information prescribed in clause 2 of Schedule 1; and
 - (b) be signed by the auditor, either in the auditor's own name or the name of the auditor's firm.

- (2) An auditor's report or review statement on the half year disclosure statement of a registered bank must—
- (a) include the information prescribed in either clause 2 or clause 3 (as applicable) of Schedule 1; and
 - (b) be signed by the auditor, either in the auditor's own name or the name of the auditor's firm.

Subpart 2—Content of disclosure statement

22 Information to be included in full year disclosure statement

- (1) A full year disclosure statement of a registered bank must include, in respect of the most recent full year accounting period—
- (a) all of the information prescribed in Schedule 2; and
 - (b) the information prescribed in Schedules 4, 7, 9 to 11 and 13.
- (2) Subclause (1)(b) does not apply to the extent that the information prescribed by that subclause is included in the financial statements prepared in accordance with clause 25.

23 Information to be included in half year disclosure statement

- (1) A half year disclosure statement of a registered bank must include, in respect of the most recent half year accounting period—
- (a) all of the information prescribed in Schedule 3; and
 - (b) the information prescribed in Schedules 5, 7, 9, 10, 12 and 14.
- (2) Subclause (1)(b) does not apply to the extent that the information prescribed by that subclause is included in the financial statements prepared in accordance with clause 26.

24 Information to be included in off quarter disclosure statement

[Repealed]

25 Financial statements for full year accounting period

- (1) A full year disclosure statement of a registered bank must contain or be accompanied by the financial statements of the registered bank's banking group.
- (2) The financial statements referred to in subclause (1) must be prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 as if every reference in that Act to a group were a reference to the registered bank's banking group.
- (3) The financial statements referred to in subclause (1) must be presented in New Zealand dollars.

26 Financial statements for half year accounting period

- (1) A half year disclosure statement of a registered bank must include or be accompanied by interim financial statements of the registered bank's banking group prepared in accordance with NZ IAS 34.
- (2) The financial statements referred to in subclause (1) must be presented in New Zealand dollars.

Part 3
Miscellaneous provisions

27 Revocation

The Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order (No 2) 2013 is revoked at the end of the day of 30 March 2014.

Schedule 1—Full year and half year

Information in audit reports and review statements

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1 How this Schedule applies

- (1) An auditor's report or review statement must address the financial statements and the information prepared in accordance with this Order except for the information required under Schedules 2 and 3.
- (2) For a full year disclosure statement, an auditor's report must meet the requirements of clause 2 as they apply to a full year disclosure statement.
- (3) For a half year disclosure statement,—
 - (a) if the disclosure statement is audited by an auditor, the auditor's report must meet the requirements of clause 2 as they apply to a half year disclosure statement; and
 - (b) if the disclosure statement is reviewed by an auditor, the auditor's review statement must meet the requirements of clause 3.

2 Audit report required for full year disclosure statements but optional for half year disclosure statements

- (1) The auditor's report must in respect of a full year disclosure statement and may in respect of a half year disclosure statement state—
 - (a) the work done by the auditor;
 - (b) the scope and limitations of the audit;
 - (c) the existence of any relationship (other than that of auditor) which the auditor has with, or interest the auditor has in, the registered bank and any associated person of the registered bank;
 - (d) whether or not the auditor has obtained all the information and explanations that the auditor has required;
 - (e) whether or not, in the auditor's opinion, as far as appears from an examination of them, proper accounting records have been kept by the registered bank's banking group;
 - (f) whether or not, in the auditor's opinion, the financial statements of the registered bank's banking group comply with generally accepted accounting practice, and if they do not, the respects in which they fail to comply;

- (g) whether or not, in the auditor's opinion (where applicable), the information has been prepared in accordance with guidelines issued under section 78(3) of the Act (if any) or any conditions of registration, and is in accordance with the books and records of the registered bank's banking group;
 - (h) whether or not, in the auditor's opinion,—
 - (i) for an auditor's report that relates to a full year disclosure statement, the financial statements of the registered bank's banking group give a true and fair view of the matters to which they relate and, if they do not, the respects in which they fail to give such a view; and
 - (ii) for an auditor's report that relates to a half year disclosure statement, the interim financial statements of the registered bank's banking group are prepared, in all material respects, in accordance with NZ IAS 34;
 - (i) whether or not, in the auditor's opinion, the information that is required to be disclosed under the applicable schedules listed in subclause (2) fairly states the matters to which it relates in accordance with those schedules and, if it does not, the respects in which it fails to fairly state those matters; and
 - (j) for the information relating to credit and market risk exposures and capital adequacy that is required to be disclosed under Schedule 9—
 - (i) that the information has been examined by the auditor;
 - (ii) whether or not anything has come to the auditor's attention which would cause the auditor to believe that the information is not in all material respects disclosed in accordance with Schedule 9.
- (2) For the purposes of subclause (1)(i),—
- (a) if the auditor's report relates to a full year disclosure statement, the applicable schedules are Schedules 4, 7, 10, 11, and 13; and
 - (b) if the auditor's report relates to a half year disclosure statement, the applicable schedules are Schedules 5, 7, 10, 12 and 14.

3 Audit review statement for half year disclosure statements

If a half year disclosure statement is not audited and instead is reviewed by an auditor, the auditor's review statement must—

- (a) for financial statements prepared in accordance with clause 26 of Part 2, state—
 - (i) that the financial statements have been examined by the auditor; and
 - (ii) whether or not anything has come to the auditor's attention which would cause the auditor to believe that the financial statements have not

- been prepared, in all material respects, in accordance with NZ IAS 34; and
- (b) for the information that is required to be disclosed under Schedules 5, 7, 10, 12 and 14, state—
 - (i) that the information has been examined by the auditor; and
 - (ii) whether or not anything has come to the auditor's attention which would cause the auditor to believe that the information does not fairly state the matters to which it relates in accordance with those schedules; and
 - (c) for the information relating to credit and market risk exposures and capital adequacy that is required to be disclosed under Schedule 9, state—
 - (i) that the information has been examined by the auditor; and
 - (ii) whether or not anything has come to the auditor's attention which would cause the auditor to believe that the information is not in all material respects disclosed in accordance with Schedule 9.
-

Schedule 2—Full year

Information to be included in disclosure statement

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1 Details of registered bank

The name and the address of the registered bank's principal office, or place of business, outside New Zealand.

2 Details of ultimate parent bank and ultimate holding company

If applicable,—

- (a) the name and address for service of the ultimate parent bank of the registered bank;
- (b) the name and address for service of the ultimate holding company of the registered bank; and
- (c) a summary of any regulations, legislation, or other restrictions of a legally enforceable nature that may materially inhibit the legal ability of the bodies corporate referred to in paragraphs (a) and (b) to provide material financial support to the registered bank or the branch.

3 Subordination of claims of creditors

- (1) A statement on whether or not there are any material legislative or regulatory restrictions in the registered bank's country of domicile that, in a liquidation of the registered bank, subordinate the claims of any class of unsecured creditors of the branch on the assets of the registered bank to those of any other class of unsecured creditors of the registered bank.

- (2) If subclause (1) applies,—
- (a) the title of the legislation or regulations involved;
 - (b) the nature of the subordination of the rights of creditors of the branch; and
 - (c) the nature and amount of each class of the branch's liabilities that are affected.

4 Requirement to hold excess assets over deposit liabilities

If the registered bank is required by any statute to hold in New Zealand an excess of assets over deposit liabilities,—

- (a) the title of the statute;
- (b) a description of the requirement; and
- (c) a statement whether or not, since the commencement of the full year accounting period, the registered bank has at all times complied with that requirement.

5 Requirement to maintain sufficient assets to cover ongoing obligation to pay deposit liabilities

If the registered bank is subject to any regulatory or legislative requirement in the registered bank's country of domicile to maintain sufficient assets in that country to cover an ongoing obligation to pay deposit liabilities in that country,—

- (a) the title of the legislation or regulations that impose the requirement;
- (b) a description of the requirement; and
- (c) a statement that the requirement has the potential to impact on the management of the liquidity of the New Zealand business of the registered bank.

6 Guarantees

- (1) A statement on whether or not any material obligations of the registered bank that relate to the branch are guaranteed as at the date its directors and New Zealand chief executive officer sign its disclosure statement.
- (2) If any material obligations of the registered bank that relate to the branch are guaranteed under a guarantee that is not a government guarantee, for each such guarantee the matters set out in clauses 7 and 8.
- (3) If any material obligations of the registered bank that relate to the branch are guaranteed under a government guarantee, for each such guarantee the matters set out in clauses 9 and 10.
- (4) If any material obligations of the registered bank that relate to the branch are guaranteed under a cross guaranteeing arrangement, the matters required by clause 11.
- (5) Subclause (2) does not apply if subclause (4) applies.

7 Details of guarantor

- (1) The name and address for service of the guarantor.
- (2) A statement on whether or not the guarantor is a member of the registered bank's banking group or its overseas banking group.
- (3) Either—
 - (a) the amount of the net tangible assets of the guarantor as shown in the most recent publicly available audited

financial statements, together with any qualifications in the auditor's report on those financial statements that reflect on the statement of those assets in the financial statements; or

- (b) if the guarantor is a bank, the most recent publicly disclosed capital of the guarantor's group expressed as an amount and as a percentage of risk weighted exposures, and the date to which that measure of capital relates.
- (4) A statement on whether or not the guarantor has any credit ratings applicable to its long term senior unsecured obligations payable in the currency of the country of its incorporation, and if so, in respect to each such rating—
 - (a) the name of the person who gave the credit rating;
 - (b) the rating applying on the signing date, and all qualifications to that rating;
 - (c) each change made to the rating in the 2 years immediately before the signing date and the date on which that change occurred; and
 - (d) descriptions or explanations of all steps in the applicable rating scales.

8 Details of guaranteed obligations

- (1) A description of the obligations that are guaranteed.
- (2) A statement on whether or not there are any limits on the amount of the obligations guaranteed and, if so, a brief summary of the nature of those limits.
- (3) A statement on whether or not there are any material conditions applicable to the guarantee other than non-performance by the principal obligor and, if so, a brief summary of those conditions.
- (4) A statement on whether or not there are any material legislative or regulatory restrictions in the guarantor's country of domicile that, in a liquidation of the guarantor, would have the effect of subordinating the claims under the guarantee of any of the creditors of the registered bank on the assets of the guarantor to other claims on the guarantor.
- (5) If there are any such material legislative or regulatory restrictions,—
 - (a) the title of the legislation or regulations involved;
 - (b) the nature of the subordination of the rights of the creditors; and
 - (c) the amount of the liabilities that are affected.
- (6) If the guarantee has an expiry date,—
 - (a) a statement of the date the guarantee expires; and
 - (b) if the registered bank has an option to roll over or renew the guarantee, a statement explaining that option.

9 Details of government guarantors

- (1) The name and address for service of the guarantor.
- (2) A statement on how to obtain information about the government guarantee, for example, via an Internet site maintained by or on behalf of the government guarantor.

- (3) To the extent the government guarantee is provided by means other than a contract, a statement of how to obtain the legislation, regulations or other documents that set out the terms and conditions of the government guarantee.
- (4) A statement on how to obtain the most recent audited financial statements of the government guarantor, for example, via an Internet site maintained by or on behalf of the government guarantor.
- (5) The government guarantor's issuer credit ratings in respect of its long term obligations payable in the currency of its jurisdiction and for each rating—
 - (a) the name of the person who gave the credit rating;
 - (b) the rating applying on the signing date, and all qualifications to that rating;
 - (c) each change made to the rating in the 2 years immediately before the signing date and the date on which that change occurred; and
 - (d) descriptions or explanations of all steps in the applicable rating scales.

10 Details of obligations guaranteed by government guarantors

- (1) A description of the obligations guaranteed by the government guarantor.
- (2) A statement on whether or not there are any limits on the amount of the obligations guaranteed and, if so, a brief summary of the nature of those limits.
- (3) A statement on whether or not there are any material conditions applicable to the guarantee other than non-performance by the principal obligor and, if so, a brief summary of those conditions.
- (4) If the government guarantee has an expiry date,—
 - (a) a statement of the date the guarantee expires; and
 - (b) if the registered bank has an option to roll over or renew the guarantee, a statement explaining that option.

11 Material cross guarantees

- (1) If a person has entered into a material cross guaranteeing arrangement with the registered bank that relates to the branch, the matters set out in subclauses (2) and (3).
- (2) A description of the guaranteeing group and the nature of the cross guaranteeing arrangement.
- (3) The matters required to be disclosed under subclauses (2) to (6) of clause 8 as if those provisions applied to:
 - (a) the guarantees of the obligations of the registered bank that relate to the branch; and
 - (b) the guarantees the registered bank has given in respect of the person's obligations.

12 Directors

- (1) An address to which communications to the directors, the New Zealand chief executive officer, and responsible persons (if any), may be sent.

- (2) The name, occupation(s) (separately identifying which is the primary occupation), technical or professional qualifications, and country of residence of each director, the New Zealand chief executive officer, and each responsible person.
- (3) If applicable, the name of each director, and the New Zealand chief executive officer, on whose behalf each responsible person has signed the disclosure statement.
- (4) In relation to each director and, if applicable, the New Zealand chief executive officer,—
 - (a) the nature and amount of any transaction that the director or the New Zealand chief executive officer or any immediate relative or close business associate of the director or the New Zealand chief executive officer has with the registered bank or any member of the registered bank's banking group that either—
 - (i) has been entered into on terms other than those that would, in the ordinary course of business of the registered bank or any member of the registered bank's banking group, be given to any other person of like circumstances or means; or
 - (ii) could otherwise be reasonably likely to influence materially the exercise of the director's or New Zealand chief executive officer's duties;
 - (b) whether or not the director is an executive director;
 - (c) whether or not the director is an independent director; and
 - (d) the names of all companies, other than those that are members of the registered bank's banking group of which the director or the New Zealand chief executive officer holds office as a director.
- (5) A statement on whether or not there is a board audit committee or other separate board committee covering audit matters, and if so, the total number of persons who comprise the committee, and of these, the number who are—
 - (a) directors (other than independent directors); and
 - (b) independent directors.
- (6) The policy of the board of directors for avoiding or dealing with conflicts of interest which may arise from the personal, professional, or business interests of the directors.

13 Auditors

The name and address of any auditor whose report is referred to in the disclosure statement.

14 Conditions of registration

- (1) A copy of the conditions of registration that applied at the balance date for the disclosure statement.
- (2) If applicable, a description of any changes to the conditions of registration that have occurred since the reporting date for the previous disclosure statement, including the dates on which the changes occurred.
- (3) A statement of the date on which the conditions of registration came into effect.

- (4) If the registered bank has not complied with all conditions of registration over the full year accounting period, a description of the nature and extent of each case of non-compliance.

15 Pending proceedings or arbitration

A description of any pending legal proceedings or arbitration concerning any member of the registered bank's banking group or, if publicly available, its overseas banking group, whether in New Zealand or elsewhere, that may have a material adverse effect on the registered bank or its banking group.

16 Credit rating

If the registered bank is required, by a notice given to it under section 80 of the Act, to obtain or maintain a rating of its creditworthiness or financial condition by a person nominated or approved by the Reserve Bank, with respect to each rating obtained or maintained by the registered bank that complies with the notice given under section 80 of the Act, the following information:

- (a) the name of the person who gave the rating;
- (b) the type of rating;
- (c) the rating applying on the signing date, and all qualifications to that rating;
- (d) any change made to the rating in the 2 years immediately before the signing date and the date on which the change occurred; and
- (e) descriptions or explanations of all steps in the applicable rating scales.

17 Historical summary of financial statements

- (1) A historical summary of financial statements for the registered bank's banking group for each of the 5 most recent consecutive full year accounting periods.
- (2) The amounts in the historical summary of financial statements must be amounts that—
 - (a) are taken from financial statements of the registered bank's banking group; and
 - (b) give a true and fair view of the results and the state of affairs of the registered bank's banking group for the period concerned.
- (3) The amounts that appear in the historical summary of financial statements must include the following:
 - (a) total interest revenue;
 - (b) total interest expense;
 - (c) total other revenue;
 - (d) total credit impairment losses charged to the income statement;
 - (e) total other expenses;
 - (f) net profit or loss before taxation;
 - (g) taxation;
 - (h) net profit or loss after taxation;
 - (i) net profit or loss attributable to non-controlling interests;
 - (j) the amount of branch profits repatriated;

- (k) total assets;
 - (l) total individually impaired assets;
 - (m) total liabilities; and
 - (n) head office account.
- (4) A statement on whether or not the amounts specified in subclause (3) have been taken from audited financial statements.

18 Other material matters

Details of any matters relating to the business or affairs of the registered bank and its banking group that—

- (a) are not contained elsewhere in the disclosure statement; and
- (b) would, if disclosed, materially affect the decision of a person to subscribe for debt securities of which the registered bank or any member of the registered bank's banking group is the issuer.

19 Directors' and New Zealand chief executive officer's statements

- (1) A statement or statements by the directors and the New Zealand chief executive officer as to whether or not each director and the New Zealand chief executive officer believes, after due enquiry, that—
- (a) as at the date on which the disclosure statement is signed—
 - (i) the disclosure statement contains all the information that is required by this Order; and
 - (ii) the disclosure statement is not false or misleading; and
 - (b) over the full year accounting period, the registered bank has complied with all conditions of registration that applied during that period.
- (2) If the registered bank's banking group does not include a New Zealand incorporated registered bank, a statement or statements by the directors and the New Zealand chief executive officer as to whether or not each director and the New Zealand chief executive officer believes, after due enquiry, that, over the full year accounting period, the branch had systems in place to monitor and control adequately the material risks of the registered bank's banking group including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, and other business risks, and that those systems were being properly applied.
- (3) If the registered bank's banking group includes a New Zealand incorporated registered bank, a statement or statements by the directors and the New Zealand chief executive officer as to whether or not each director and the New Zealand chief executive officer believes, after due enquiry, that, over the full year accounting period, the branch and, if applicable, any other members of the registered bank's banking group had systems in place to monitor and control adequately the material risks of relevant members of the registered bank's banking group

including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, and other business risks, and that those systems were being properly applied.

- (4) If, for the purposes of subclause (3), a member of the registered bank's banking group had systems to monitor and control adequately the material risks of a relevant member of the registered bank's banking group, a statement required under subclause (3) must identify that member as well as the member for which it monitored and controlled the risks.

20 Financial statements of registered bank and overseas banking group

A statement on how to access the most recent publicly available financial statements for the registered bank and its overseas banking group.

21 Auditor's report

A copy of the auditor's report referred to in clause 21(1) of Part 2.

22 Index

An index to the contents of the disclosure statement that—

- (a) refers to the main components of the disclosure statement;
 - (b) lists the notes to the financial statements in the disclosure statement; and
 - (c) if needed, includes any other information that might help a reader locate key information in the disclosure statement.
-

Schedule 3—Half year

Information to be included in disclosure statement

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1 Details of ultimate parent bank and ultimate holding company

- (1) If since the balance date for the most recent full year disclosure statement there has been a change in either the ultimate parent bank or the ultimate holding company of the registered bank,—
 - (a) a statement of the nature of the changes;
 - (b) the name and address for service of the ultimate parent bank; and
 - (c) the name and address for service of the ultimate holding company.
- (2) If since the balance date for the most recent full year disclosure statement there has been a material change in regulations, legislation, or other restrictions of a legally enforceable nature that may materially inhibit the legal ability of the bodies corporate referred to in subclause (1) to provide material financial support to the registered bank, a statement of the nature of the changes.

2 Changes in subordination of claims of creditors

If, since the balance date for the most recent full year disclosure statement, there have been any material changes in any material legislative or regulatory restrictions in the registered bank's country of domicile that, in a liquidation of the registered bank, subordinate the claims of any class of unsecured creditors of the branch on the assets of the registered bank to those of any other class of unsecured creditors of the registered bank, a description of those changes.

3 Changes to the requirement to hold excess assets over deposit liabilities

If, since the balance date for the most recent full year disclosure statement, there have been any material changes in any statute that requires the registered bank to hold in New Zealand an excess of assets over deposit liabilities, a description of those changes.

4 Changes to the requirement to maintain sufficient assets to cover ongoing obligation to pay deposit liabilities

If, since the balance date for the most recent full year disclosure statement, there have been any material changes in any regulatory or legislative requirement in the registered bank's country of domicile that require the registered bank to maintain sufficient assets in that country to cover an ongoing obligation to pay deposit liabilities in that country, a description of those changes.

5 Guarantees

- (1) A statement on whether or not any material obligations of the registered bank that relate to the branch are guaranteed as at the date its directors and New Zealand chief executive officer sign its disclosure statement.
- (2) If any material obligations of the registered bank that relate to the branch are guaranteed under a guarantee that is not a government guarantee, for each such guarantee the matters set out in clause 6.
- (3) If any material obligations of the registered bank that relate to the branch are guaranteed under a government guarantee, for each such guarantee the matters set out in clause 7.
- (4) If any material obligations of the registered bank that relate to the branch are guaranteed under a cross guaranteeing arrangement, the matters required by clause 8.
- (5) Subclause (2) does not apply if subclause (4) applies.

6 Summary information on guarantor and guaranteed obligations

- (1) The name and address for service of the guarantor.
- (2) A statement on whether or not the guarantor is a member of the registered bank's banking group or its overseas banking group.
- (3) A statement on whether or not the guarantor has any credit ratings applicable to its long term senior unsecured obligations payable in the currency of the country of its incorporation, and if so, in respect to each such rating—
 - (a) the name of the person who gave the credit rating; and
 - (b) the rating applying on the signing date, and all qualifications to that rating.
- (4) A summary description of the obligations that are guaranteed.
- (5) If the guarantee has an expiry date,—
 - (a) a statement of the date the guarantee expires; and
 - (b) if the registered bank has an option to roll over or renew the guarantee, a statement explaining that option.

- (6) If the registered bank's most recent full year disclosure statement contains further information about the guarantee:
 - (a) a statement to that effect;
 - (b) information on how to obtain a copy of that disclosure statement; and
 - (c) if there have been any material changes in the terms of the guarantee since the date on which the signing of that disclosure statement was completed, a description of those changes.

7 Summary information on government guarantors and government-guaranteed obligations

- (1) The name and address for service of the guarantor.
- (2) A statement on how to obtain information about the government guarantee, for example, via an Internet site maintained by or on behalf of the government guarantor.
- (3) A summary description of the obligations guaranteed by the government guarantor.
- (4) If the government guarantee has an expiry date,—
 - (a) a statement of the date the guarantee expires; and
 - (b) if the registered bank has an option to roll over or renew the guarantee, a statement explaining that option.
- (5) If the registered bank's most recent full year disclosure statement contains further information about the guarantee:
 - (a) a statement to that effect;
 - (b) information on how to obtain a copy of that disclosure statement; and
 - (c) if there have been any material changes in the terms of the guarantee since the date on which the signing of that disclosure statement was completed, a description of those changes.

8 Material cross guarantees

- (1) If a person has entered into a material cross guaranteeing arrangement with the registered bank that relates to the branch, the matters set out in subclauses (2) to (4).
- (2) A summary description of the guaranteeing group and the nature of the cross guaranteeing arrangement.
- (3) The matters required to be disclosed under clause 6(5) as if the clause applied to:
 - (a) the guarantees of the obligations of the registered bank that relate to the branch; and
 - (b) the guarantees the registered bank has given in respect of the person's obligations.
- (4) If the registered bank's most recent full year disclosure statement contains further information about the cross guaranteeing arrangement:
 - (a) a statement to that effect;
 - (b) information on how to obtain a copy of that disclosure statement; and
 - (c) if there have been any material changes in the cross guaranteeing arrangements since the date on which the

signing of that disclosure statement was completed, a description of those changes.

9 Changes in registered bank's board of directors

- (1) A statement on whether or not there have been any changes in the composition of the registered bank's board of directors since the balance date for its most recent full year disclosure statement, and if so, the changes involved, and the name of each director affected by the changes.
- (2) If applicable, the name of each director, and the New Zealand chief executive officer, on whose behalf each responsible person has signed the half year disclosure statement.

10 Auditors

The name and address of any auditor whose report or review statement is referred to in the disclosure statement.

11 Conditions of registration

- (1) If any changes to the conditions of registration have occurred between the reporting date for the previous disclosure statement and the reporting date for the disclosure statement, a description of those changes including the dates on which the changes occurred.
- (2) If the registered bank has not complied with all conditions of registration over the half year accounting period, a description of the nature and extent of each case of non-compliance.

12 Credit rating

If the registered bank is required, by a notice given to it under section 80 of the Act, to obtain or maintain a rating of its creditworthiness or financial condition by a person nominated or approved by the Reserve Bank, with respect to each rating obtained or maintained by the registered bank that complies with the notice given under section 80 of the Act, the following information:

- (a) the name of the person who gave the rating;
- (b) the type of rating; and
- (c) the rating applying on the signing date, and all qualifications to that rating.

13 Other material matters

Details of any matters relating to the business or affairs of the registered bank and its banking group that—

- (a) are not contained elsewhere in the disclosure statement; and
- (b) would, if disclosed, materially affect the decision of a person to subscribe for debt securities of which the registered bank or any member of its banking group is the issuer.

14 Directors' and New Zealand chief executive officer's statements

- (1) A statement or statements by the directors and the New Zealand chief executive officer as to whether or not each director and the New Zealand chief executive officer believes, after due enquiry, that—
 - (a) as at the date on which the disclosure statement is signed—
 - (i) the disclosure statement contains all the information that is required by this Order; and
 - (ii) the disclosure statement is not false or misleading; and
 - (b) over the half year accounting period, the registered bank has complied with all conditions of registration that applied during that period.
- (2) If the registered bank's banking group does not include a New Zealand incorporated registered bank, a statement by the directors and the New Zealand chief executive officer as to whether or not each director and the New Zealand chief executive officer believes, after due enquiry, that, over the half year accounting period, the branch had systems in place to monitor and control adequately the material risks of relevant members of the registered bank's banking group including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, and other business risks, and that those systems were being properly applied.
- (3) If the registered bank's banking group includes a New Zealand incorporated registered bank, a statement or statements by the directors and the New Zealand chief executive officer as to whether or not each director and the New Zealand chief executive officer believes, after due enquiry, that, over the half year accounting period, the branch and, if applicable, any other members of the registered bank's banking group had systems in place to monitor and control adequately the material risks of relevant members of the registered bank's banking group including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, and other business risks, and that those systems were being properly applied.

15 Financial statements of registered bank and overseas banking group

A statement on how to access the most recent publicly available financial statements for the registered bank and its overseas banking group.

16 Auditor's report or review statement

A copy of the auditor's report or review statement referred to in clause 21(2) of Part 2.

Schedule 4—Full year

Additional financial disclosures

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1 Additional information on statement of financial position

- (1) The following information in respect of the registered bank’s banking group:
 - (a) total interest earning and discount bearing assets; and
 - (b) total interest and discount bearing liabilities.
- (2) The following information:
 - (a) the total liabilities of the registered bank in New Zealand, net of amounts due to related parties (including amounts due to a subsidiary or affiliate of the registered bank); and
 - (b) if the registered bank’s conditions of registration limit its retail deposits in New Zealand, the total retail deposits of the registered bank in New Zealand.
- (3) The information that is required to be disclosed under subclauses (1) and (2) must include comparative figures for the previous corresponding period.

2 Additional information on concentrations of credit risk

- (1) In disclosing information on concentrations of credit exposure in terms of customer and industry sector in compliance with paragraphs 34(c) and B8 of NZ IFRS 7, the information in subclause (2) in respect of the registered bank’s banking group.
- (2) Separate disclosure of credit risk exposure to the agricultural sector, if material to the registered bank’s banking group.
- (3) For the purpose of the disclosure required by subclause (2), if the bank categorises sector credit risk concentrations using the Australian and New Zealand Standard Industrial Classification 2006, the amounts disclosed must relate to subdivision A01 “Agriculture” of that classification.

3 Additional information on interest rate sensitivity

- (1) In addition to the sensitivity analysis of interest rate risk presented in compliance with NZ IFRS 7, the information in subclause (2) in respect of the registered bank’s banking group.

- (2) An interest rate repricing schedule showing, for each class of financial assets and financial liabilities, contractual repricing or maturity dates, whichever dates are earlier, grouped into maturity bands including at least the following:

Total	Up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 2 years	Over 2 years	Not interest-bearing
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4 Additional information on liquidity risk

In disclosing the maturity analyses of financial liabilities required by paragraphs 39(a) and (b) of NZ IFRS 7, the registered bank must include an “on demand” time band.

5 Registered bank profitability and size

The following information in respect of the registered bank’s overseas banking group:

- (a) net profit or loss after tax for the most recent period for which the information is publicly available, specifying the period and end date to which this information applies;
- (b) net profit or loss after tax over the previous 12 month period, expressed as a percentage of the average of total assets, and the end date of the most recent period for which the information is publicly available; and
- (c) total assets as at the most recent date for which the information is publicly available and the percentage change in total assets over the 12 months ending on that date.

6 Reconciliation of mortgage-related amounts

- (1) The information in subclause (2) in respect of the registered bank’s banking group as at the balance date.
- (2) A table providing a reconciliation between any figures disclosed elsewhere in the full year disclosure statement that relate to mortgages on residential property, including but not limited to amounts described by any of the following terms:
 - (a) housing loans;
 - (b) residential mortgages; or
 - (c) retail mortgages.
- (3) In providing the reconciliation table required by subclause (2), the bank must explain any differences between the numbers, including, if applicable, but not limited to, the following explanations:
 - (a) whether an amount includes lending for the purpose of investment in residential property or only covers owner-occupied housing;
 - (b) whether or not an amount includes any corporate lending secured on residential mortgages; and
 - (c) whether an amount only includes drawn-down loan balances or also includes undrawn lending commitments.

Schedule 5—Half year

Additional financial disclosures

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1 Additional information on statement of financial position

(1) The following information in respect of the registered bank's banking group—

- (a) total interest earning and discount bearing assets;
- (b) total interest and discount bearing liabilities;
- (c) the amount of any financial assets that have been pledged as collateral for liabilities or contingent liabilities, presented on a basis that is consistent with any such information disclosed in the financial statements for the most recent full year accounting period and that complies with paragraph 14 of NZ IFRS 7;
- (d) total amounts due from related entities; and
- (e) total amounts due to related entities.

(2) The following information in respect of the branch:

- (a) the total liabilities of the registered bank in New Zealand, net of amounts due to related parties (including amounts due to a subsidiary or affiliate of the registered bank); and
- (b) if the registered bank's conditions of registration limit its retail deposits in New Zealand, the total retail deposits of the registered bank in New Zealand.

(3) In paragraphs (d) and (e) of subclause (1), related entities does not include key management personnel of the registered bank's banking group.

2 Additional information on income statement

Within the interim financial statements included in the half year disclosure statement in accordance with clause 26 of Part 2, either in the income statement or in the explanatory notes, information allowing the following amounts to be separately identified:

- (a) net trading gains or losses;
- (b) if applicable, credit risk adjustments on financial assets at fair value;
- (c) other fair value adjustments not included in the amounts referred to in subclause (b); and

- (d) other operating income excluding amounts referred to in subclauses (a) to (c).

3 Additional information on concentrations of credit risk

- (1) In respect of the registered bank's banking group, information on concentrations of credit exposure in terms of customer and industry sector as if paragraphs 34(c) and B8 of NZ IFRS 7 applied to the half year disclosure statement.
- (2) The information required to be disclosed by subclause (1) must separately show the registered bank's banking group's credit risk exposure to the agricultural sector, if material to the registered bank's banking group.
- (3) For the purpose of the disclosure required by subclause (2), if the bank categorises sector credit risk concentrations using the Australian and New Zealand Standard Industrial Classification 2006, the amounts disclosed must relate to subdivision A01 "Agriculture" of that classification.

4 Additional information on concentrations of funding

In respect of the registered bank's banking group, information on concentrations of funding in terms of customer and industry sector and in terms of geographical area as if paragraphs 34(c) and B8 of NZ IFRS 7 applied to the half year disclosure statement.

5 Additional information on interest rate sensitivity

- (1) In respect of the registered bank's banking group, the information on interest rate risk in subclause (2).
- (2) An interest rate repricing schedule showing, for each class of financial assets and financial liabilities, contractual repricing or maturity dates, whichever dates are earlier, grouped into maturity bands including at least the following:

Total	Up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 2 years	Over 2 years	Not interest- bearing
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6 Additional information on liquidity risk

- (1) In respect of the registered bank's banking group, maturity analyses of financial liabilities as if the requirements of paragraphs 39(a) and (b), and paragraphs B10A to B11D of Appendix B, of NZ IFRS 7 applied.
- (2) In disclosing the information required by subclause (1), the registered bank must include an "on demand" time band in the maturity analyses of the registered bank's banking group's financial liabilities.
- (3) An analysis of financial assets held by the registered bank's banking group for the purpose of managing liquidity risk, presented on a basis that is consistent with any such information disclosed in the financial statements for the most recent full year accounting period and that complies with NZ IFRS 7.

7 Registered bank profitability and size

The following information in respect of the registered bank's overseas banking group:

- (a) net profit or loss after tax for the most recent period for which the information is publicly available, specifying the period and end date to which this information applies;
- (b) net profit or loss after tax over the previous 12 month period, expressed as a percentage of the average of total assets, and the end date of the most recent period for which the information is publicly available; and
- (c) total assets as at the most recent date for which the information is publicly available and the percentage change in total assets over the 12 months ending on that date.

8 Reconciliation of mortgage-related amounts

- (1) The information in subclause (2) in respect of the registered bank's banking group as at the reporting date.
 - (2) A table providing a reconciliation between any figures disclosed elsewhere in the half year disclosure statement that relate to mortgages on residential property, including but not limited to amounts described by any of the following terms:
 - (a) housing loans;
 - (b) residential mortgages; or
 - (c) retail mortgages.
 - (3) In providing the reconciliation table required by subclause (2), the bank must explain any differences between the numbers, including, if applicable, but not limited to, the following explanations:
 - (a) whether an amount includes lending for the purpose of investment in residential property or only covers owner-occupied housing;
 - (b) whether or not an amount includes any corporate lending secured on residential mortgages; and
 - (c) whether an amount only includes drawn-down loan balances or also includes undrawn lending commitments.
-

Schedule 6—Off quarters

Additional financial disclosures

[Repealed]

Schedule 7—Full year and half year

Asset quality

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1 Scope of asset quality disclosure

- (1) For the full year disclosure statement, the information on asset quality required to be disclosed under clauses 2 to 7 must—
 - (a) relate to the registered bank’s banking group; and
 - (b) include comparative figures for the previous corresponding period.
- (2) For the half year disclosure statement, the information on asset quality required to be disclosed under clauses 2 to 7 must relate to the registered bank’s banking group.

2 Past due assets

- (1) The amount of assets that are, as at the reporting date, past due and are not individually impaired assets, classified according to the following ageing categories:
 - (a) less than 30 days past due;
 - (b) at least 30 days but less than 60 days past due;
 - (c) at least 60 days but less than 90 days past due; and
 - (d) at least 90 days past due.
- (2) To avoid doubt, a registered bank may disclose information in addition to that required by subclause (1) to provide further ageing analysis of past due assets but if additional ageing categories are used the amounts disclosed must be summed to provide the total amounts required to be disclosed by subclause (1).

3 Movements in individually impaired assets

If the registered bank assesses credit impairment allowances in accordance with NZ IAS 39, information on movements in the pre-allowance balance of individually impaired assets over the full year or half year accounting period as applicable, separately disclosing—

- (a) the pre-allowance opening balance;
- (b) additions;
- (c) amounts written off;

- (d) deletions;
- (e) the pre-allowance closing balance; and
- (f) the aggregate amount of individual credit impairment allowances against individually impaired assets at the reporting date.

4 Movements in balances of total individual credit impairment allowances

- (1) If the registered bank assesses credit impairment allowances in accordance with NZ IAS 39, information on movements in the balances of total individual credit impairment allowances over the full year or half year accounting period as applicable, separately disclosing—
 - (a) the opening balance;
 - (b) the charge (credit) to the statement of financial performance for an increase or decrease in individual credit impairment allowances;
 - (c) amounts written off;
 - (d) recoveries of amounts written off in previous periods;
 - (e) reversals of previously recognised impairment losses;
 - (f) other movements, and the nature of those other movements; and
 - (g) the closing balance.
- (2) Movements must be reconciled to the charges allocated to the statement of financial performance.

5 Movements in balance of collective credit impairment allowance

- (1) If the registered bank assesses credit impairment allowances in accordance with NZ IAS 39, information on movements in the balance of the collective credit impairment allowance over the full year or half year accounting period as applicable, separately disclosing—
 - (a) the opening balance;
 - (b) the charge (credit) to the statement of financial performance for increase or decrease in the collective credit impairment allowance;
 - (c) other movements, and the nature of those other movements; and
 - (d) the closing balance.
- (2) Movements must be reconciled to the charges allocated to the statement of financial performance.

5A Movements in components of loss allowance (NZ IFRS 9)

- (1) In the half year disclosure statement, if the registered bank measures loss allowances for financial instruments in accordance with NZ IFRS 9, a reconciliation from the opening balance to the closing balance of the loss allowance as if paragraph 35H of NZ IFRS 7 applied.
- (2) When disclosing the information specified in subclause (1), and when disclosing the information required by paragraph 35H of NZ IFRS 7 for the full year disclosure statement, the registered bank must include the items in subclause (3) in respect of the

loss allowance, to the extent not otherwise disclosed to comply with NZ IFRS 7.

- (3) The items referred to in subclause (2) are:
 - (a) the opening balance;
 - (b) the charge (credit) to the statement of financial performance for an increase or decrease in individual loss allowances;
 - (c) amounts written off;
 - (d) recoveries of amounts written off in previous periods;
 - (e) reversals of previously recognised impairment losses;
 - (f) other movements, and the nature of those other movements; and
 - (g) the closing balance.

5B Impacts of changes in gross financial assets on loss allowances (NZ IFRS 9)

- (1) In the half year disclosure statement, if the registered bank measures loss allowances for financial instruments in accordance with NZ IFRS 9, an explanation of how changes in the gross carrying amounts of financial instruments contributed to changes in loss allowances, as if paragraph 35I of NZ IFRS 7 applied.
- (2) When disclosing the information specified in subclause (1), and when disclosing the information required by paragraph 35I of NZ IFRS 7 for the full year disclosure statement, the registered bank must include the items in subclause (3) in respect of gross asset balances, to the extent not otherwise disclosed to comply with NZ IFRS 7.
- (3) The items referred to in subclause (2) are:
 - (a) the pre-allowance opening balance;
 - (b) additions;
 - (c) amount written off;
 - (d) deletions;
 - (e) the pre-allowance closing balance; and
 - (f) the loss allowance at the reporting date.

6 Asset quality for financial assets designated at fair value

- (1) For any financial assets designated as at fair value through profit and loss on which there have been changes in fair value that are attributable to changes in credit risk of the financial asset determined in accordance with paragraph 9(c) of NZ IFRS 7, the information in subclause (2).
- (2) The following information on the assets referred to in subclause (1), separately from the equivalent information for individually impaired financial assets:
 - (a) movements over the period in the total balance of such assets, following the same breakdown as required for individually impaired assets under clause 3;
 - (b) an analysis of credit risk adjustments on individual financial assets designated at fair value, following the same breakdown as required for total individual credit impairment allowances under clause 4; and

- (c) an analysis of credit risk adjustments on groups of financial assets designated at fair value, following the same breakdown as required for total collective credit impairment allowances by clause 5.

7 Other asset quality information

The following information as at the reporting date:

- (a) the aggregate amount of any undrawn balances on lending commitments to counterparties for whom drawn balances are classified as individually impaired; and
- (b) the amount of other assets under administration.

8 Registered bank asset quality

- (1) In respect of the registered bank's overseas banking group, as at the most recent date for which the information is publicly available:

- (a) total individually impaired assets (before allowances for credit impairment loss and net of interest held in suspense);
- (b) total individually impaired assets expressed as a percentage of total assets;
- (c) the total individual credit impairment allowance;
- (d) the total individual credit impairment allowance expressed as a percentage of total individually impaired assets; and
- (e) the total collective credit impairment allowance.

- (2) If any item required to be disclosed by subclause (1) is not defined in the financial reporting standards that apply to the registered bank in its country of domicile, the registered bank must disclose information that corresponds as closely as possible to that item, provided such information is publicly available.
-

Schedule 8—Off quarters

Asset quality

[Repealed]

Schedule 9—All periods

Credit and market risk exposures and capital adequacy

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1 Additional mortgage information

- (1) If the condition in subclause (7) is not met, the information in subclause (2)—
- (a) in respect of the registered bank's banking group; and
 - (b) in respect of total residential mortgage loans and derived in accordance with the definition of loan-to-valuation ratio specified in Capital Adequacy Framework (Standardised Approach) (BS2A).
- (2) The following information as at the reporting date:

Residential mortgages by loan-to-valuation ratio

Loan-to-valuation ratio	Does not exceed 80%	Exceeds 80% and not 90%	Exceeds 90%
Value of exposures			

- (3) For the purpose of the disclosure required by subclause (2), any residential mortgage loan for which no loan-to-valuation ratio is available must be included in the category for loan-to-valuation ratios that exceed 90%.
- (4) If the condition in subclause (7) is met, the information in subclause (5)—
- (a) in respect of the registered bank's banking group; and
 - (b) in respect of total exposures secured by residential mortgages, categorised by the loan-to-valuation ratio for each exposure calculated in accordance with Capital Adequacy Framework (Internal Models Based Approach) (BS2B).
- (5) The following information as at the reporting date:

Residential mortgages by loan-to-valuation ratio

Loan-to-valuation ratio	Does not exceed 60%	Exceeds 60% and not 70%	Exceeds 70% and not 80%	Exceeds 80% and not 90%	Exceeds 90%
Value of exposures					

- (6) For the purpose of the disclosure required by subclause (5)—
- (a) exposure amounts for which no loan-to-valuation ratio is available must be included in the category for loan-to-valuation ratios that exceed 90%;

- (b) in calculating the total exposure amount in relation to any residential mortgage loan, the registered bank must include the credit equivalent amount of any off-balance sheet exposures derived in accordance with Capital Adequacy Framework (Internal Models Based Approach) (BS2B) (except that, when incorporating any off-balance sheet exposures in the loan value, the registered bank may apply a credit conversion factor of 100% rather than using its own EAD estimates); and
 - (c) the valuation used in the calculation of each loan-to-valuation ratio must be the valuation of the associated residential property at the date of origination of the loan.
- (7) The condition referred to in subclauses (1) and (4) is that the registered bank's banking group includes a New Zealand incorporated registered bank that has been fully accredited by the Reserve Bank to use the internal models based approach to capital adequacy and is subject to a condition of registration requiring capital adequacy to be measured primarily in accordance with Capital Adequacy Framework (Internal Models Based Approach) (BS2B).

2 Market risk end-period notional capital charges

- (1) The information in subclause (2)—
- (a) in respect of the registered bank's banking group; and
 - (b) derived on the basis that the notional capital charge for each category of market risk is the aggregate capital charge for that category of market risk derived in accordance with the Capital Adequacy Framework (Standardised Approach) (BS2A).
- (2) The following information as at the reporting date:

Market risk

	Implied risk weighted exposure	Notional capital charge
Interest rate risk		
Foreign currency risk		
Equity risk		

- (3) For the purpose of the disclosure required by subclause (2) implied risk weighted exposure must be calculated as 12.5 x notional capital charge.

3 Market risk peak end-of-day notional capital charges

- (1) The information in subclause (2)—
- (a) in respect of the registered bank's banking group; and
 - (b) derived in accordance with clause 4.
- (2) The following information in respect of peak end-of-day notional capital charges for market risk for the half year accounting period or the then remaining part of the full year accounting period (as applicable):

Market risk

	Implied risk weighted exposure	Notional capital charge
Interest rate risk		
Foreign currency risk		
Equity risk		

- (3) For the purpose of the disclosure required by subclause (2) implied risk-weighted exposure must be calculated as 12.5 x notional capital charge.

4 Method for deriving peak end-of-day notional capital charges

- (1) For the purpose of the disclosure required by clause 3, peak end-of-day notional capital charge for each category of market risk is derived by determining the maximum over the relevant period of the aggregate capital charge for that category at the close of each business day derived in accordance with—
- (a) Capital Adequacy Framework (Standardised Approach) (BS2A); or
 - (b) any other method, but only if the aggregate capital charge derived in accordance with that method is not, in the opinion of the registered bank (where such opinion is based on reasonable grounds), materially lower than the amount derived under paragraph (a).
- (2) A statement of the method used to derive peak end-of-day notional capital charge, for each category of market risk.

5 Capital ratios

- (1) The most recent publicly available information specified in respect of the capital ratios of the registered bank and its overseas banking group, including the following information:
- (a) the Common Equity Tier 1 capital ratio, if applicable;
 - (b) the Tier 1 capital ratio;
 - (c) the Total capital ratio; and
 - (d) the date to which the measures of Common Equity Tier 1 capital ratio (if applicable), Tier 1 capital ratio and Total capital ratio relate.
- (2) The information that is required to be disclosed under subclause (1) must include comparative figures for the previous corresponding period to the extent that the information is publicly available.

6 Minimum capital requirements

A statement as to—

- (a) whether or not the registered bank or its overseas banking group is required by the appropriate banking supervisory authority in its country of domicile to hold minimum capital at least equal to that specified under one of the Basel frameworks and if so, which (for example, Basel II or Basel III and, as applicable, the measurement approaches used for different categories

- of risk such as the standardised approach or one of the internal ratings-based approaches for credit risk); and
- (b) to the extent that the information is publicly available, whether or not the registered bank or its overseas banking group meets the capital requirements imposed on it by the appropriate banking supervisory authority in its country of domicile as at the latest reporting date; and
 - (c) the methods by which users can access information, if it has been published, that the registered bank is required to disclose to comply with Pillar 3 of Basel II, on the implementation of the Basel II or Basel III capital adequacy framework by the registered bank and its overseas banking group.
-

Schedule 10—All periods

**Concentration of credit exposures to individual
counterparties**

[Repealed]

Schedule 11—Full year

Insurance, securitisation, funds management, other fiduciary activities, and marketing and distribution of insurance products

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1 Insurance products

In this Schedule, insurance products relate to insurance contracts that constitute insurance business.

2 Insurance business in the banking group

A statement on whether or not the registered bank's banking group carries on any insurance business, and if so, the following information:

- (a) the aggregate amount of insurance business as at the balance date, where the amount is calculated in accordance with the registered bank's conditions of registration;
- (b) an explanation of how the registered bank's banking group manages its insurance business, including information on whether—
 - (i) any insurance business is carried on in special purpose subsidiaries whose business activities predominantly comprise insurance business, and if so,—
 - (A) the name of each of those subsidiaries; and
 - (B) a description of the insurance business carried on in each subsidiary; and
 - (ii) in relation to any other member of the registered bank's banking group, any insurance business is accounted for in its statement of financial position, and if so,—
 - (A) the name of that member;
 - (B) whether or not the assets relating to that member's insurance business are managed and accounted for as separate funds; and

- (C) a description of the insurance business carried on by that member; and
- (c) comparative figures for the previous corresponding period for the information that is required to be disclosed under paragraph (a).

3 Non-consolidated insurance and non-financial activities

A statement on whether or not the registered bank carries on any insurance business or non-financial activities in New Zealand that are outside its banking group, and if does, the following information:

- (a) a brief explanation of the registered bank's involvement in that insurance business or those non-financial activities;
- (b) the total assets, total equity, and total profits before and after tax of that insurance business on a consolidated basis, and if that insurance business is carried on by an overseas incorporated company, separately in respect of the overseas company's group and that group's New Zealand business;
- (c) the total assets, total equity, and total profits before and after tax of those non-financial activities on a consolidated basis, and if those non-financial activities are carried on by an overseas incorporated company, separately in respect of the overseas company's group and that group's New Zealand business; and
- (d) comparative figures for the previous corresponding period for the information that is required to be disclosed under paragraphs (a) to (c).

4 Banking group credit exposure to non-consolidated insurance business

- (1) The information in subclause (2) in respect of the registered bank's banking group, for the full year accounting period or as at the balance date, as the case may be.
- (2) With respect to the insurance group carrying on the insurance business referred to in clause 3, if applicable, and with respect to any affiliated insurance group outside the overseas banking group—
 - (a) the nature and amount of any credit enhancements provided by the registered bank's banking group;
 - (b) the total amount of funding provided by the registered bank's banking group;
 - (c) the total amount of any other credit exposures provided by the registered bank's banking group, broken down according to their ranking on a liquidation of the insurance group; and

- (d) if the entity heading the insurance group has one or more financial strength ratings, claims paying ability ratings, or credit ratings applicable to its long term senior unsecured obligations payable in New Zealand, in New Zealand dollars, in respect of each such rating—
 - (i) the name of the person who gave the rating;
 - (ii) the current rating and all qualifications to that rating;
 - (iii) any changes to the rating in the 2 years immediately before the balance date and the date on which any such change occurred; and
 - (iv) descriptions or explanations of all the steps in the applicable rating scales.
- (3) For the purpose of subclause (2), **credit enhancement, affiliated insurance group**, and **funding** must be interpreted in accordance with the Capital Adequacy Framework (Standardised Approach) (BS2A).
- (4) The information that is required to be disclosed under subclause (1) must include comparative figures for the previous corresponding period.

5 Banking group’s involvement in securitisation, funds management, other fiduciary activities, and marketing and distribution of insurance products

A statement of the nature of the registered bank’s banking group’s involvement in—

- (a) the establishment, marketing, or sponsorship of trust, custodial, funds management, and other fiduciary activities;
- (b) the origination of securitised assets, and the marketing or servicing of securitisation schemes; and
- (c) the marketing and distribution of insurance products.

6 Arrangements to ensure no adverse impacts arising from activities specified in clause 5

A statement as to whether or not arrangements have been put in place to ensure that difficulties arising from the activities specified in clause 5 would not impact adversely on the registered bank’s banking group, and if so, the nature of those arrangements.

7 Amounts represented by activities specified in clause 5(a) and (b)

- (1) A statement of the amount as at the balance date of—
 - (a) funds held in trust by any member of the registered bank’s banking group;
 - (b) funds under management by any member of the registered bank’s banking group;
 - (c) funds under custodial arrangements by any member of the registered bank’s banking group (to the extent practicable);

- (d) other funds held or managed subject to fiduciary responsibilities by any member of the registered bank's banking group; and
 - (e) outstanding securitised assets originated by any member of the registered bank's banking group.
- (2) The information that is required to be disclosed under subclause (1) must include comparative figures for the previous corresponding period.
-

Schedule 12—Half year

Insurance, securitisation, funds management, other fiduciary activities, and marketing and distribution of insurance products

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1 Insurance products

In this Schedule, insurance products relate to insurance contracts which constitute insurance business.

2 Insurance business

A statement on whether or not the registered bank's banking group carries on any insurance business, and if it does, the following information:

- (a) the aggregate amount of insurance business as at the reporting date, where the amount so disclosed is calculated in accordance with the registered bank's conditions of registration; and
- (b) if, since the reporting date for the previous disclosure statement, there have been material changes in the registered bank's banking group's approach to managing its insurance business, a description of the nature of those changes.

3 Non-consolidated insurance and non-financial activities

- (1) The information in subclause (2) if, since the reporting date for the previous disclosure statement, there has been a material change in any insurance business or non-financial activities that the registered bank carries on in New Zealand outside its banking group.
- (2) A statement of the nature of any changes in the insurance business or non-financial activities referred to in subclause (1).

4 Banking group's involvement in securitisation, funds management, other fiduciary activities, and marketing and distribution of insurance products

- (1) The information in subclause (2) if, since the reporting date for the previous disclosure statement is completed, there has been a material change in the nature of the registered bank's banking group's involvement in—

- (a) the establishment, marketing, or sponsorship of trust, custodial, funds management, and other fiduciary activities;
 - (b) the origination of securitised assets, and the marketing or servicing of securitisation schemes; or
 - (c) the marketing and distribution of insurance products.
- (2) A statement of the nature of any changes in the registered bank's banking group's involvement in the activities specified in subclause (1).

5 Arrangements to ensure no adverse impacts arising from activities specified in clause 4(1)

If, since the reporting date for the previous disclosure statement, there has been a material change in any arrangements which have been put in place to ensure that difficulties arising from the activities specified in clause 4(1) would not impact adversely on the registered bank's banking group, a statement of the nature of the changes.

Schedule 13—Full year

Risk management policies

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1 Categories of risk

Clause 2 applies to the following categories of risk:

- (a) credit risk, including concentrations of credit risk, intra-day credit risk, credit risk to bank counterparties, and related party credit risk;
- (b) currency risk;
- (c) interest rate risk;
- (d) equity risk;
- (e) liquidity risk;
- (f) operational risk; and
- (g) any other material business risk to which the registered bank’s banking group is exposed.

2 Information about risk

The following information in respect of each of the categories of risk set out in clause 1, to the extent not otherwise disclosed to comply with paragraph 33 of NZ IFRS 7:

- (a) an explanation of the nature of the risk and the activities of the registered bank’s banking group that give rise to that risk;
- (b) a general description of the methods used to identify and monitor exposure to the risk, including the frequency with which exposures are monitored; and
- (c) a general description of the systems and procedures for controlling the risk, including (if applicable)—
 - (i) whether exposure limits are employed;
 - (ii) any policies with respect to collateral or other security; and
 - (iii) any policies on the use of financial instruments to mitigate or hedge risks.

3 Reviews of banking group’s risk management systems

A statement as to—

- (a) the nature and frequency of any reviews conducted in respect of the registered bank’s banking group’s risk management systems; and
- (b) whether or not any such reviews were conducted by a party external to the registered bank’s banking group, overseas banking group, ultimate parent bank or ultimate holding company.

4 Internal audit function of banking group

- (1) A statement on whether or not the registered bank's banking group has an internal audit function.
- (2) If the registered bank's banking group has an internal audit function, a statement describing—
 - (a) the nature and scope of the internal audit function, including type and frequency of audits;
 - (b) the reporting responsibilities of the internal audit function; and
 - (c) whether or not there is a board audit committee or other separate board committee covering audit matters, and if so, the nature and scope of that committee's responsibilities.

5 Access to parental disclosures

A statement as to how users can access disclosures made by the ultimate parent bank or ultimate holding company in relation to capital adequacy requirements or risk management processes implemented by the ultimate parent bank or ultimate holding company.

Schedule 14—Half year

Risk management policies

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1 Categories of risk

Clause 2 applies if, since the reporting date for the previous disclosure statement, there has been a material change in the registered bank's banking group's policies for managing any of the following risks:

- (a) credit risk, including concentrations of credit risk, intra-day credit risk, credit risk to bank counterparties and related party credit risk;
- (b) currency risk;
- (c) interest rate risk;
- (d) equity risk;
- (e) liquidity risk;
- (f) operational risk; and
- (g) any other material business risk to which the registered bank's banking group is exposed.

2 Information about risk

- (1) A statement of the nature of the changes in the registered bank's banking group's policies for managing the risks specified in clause 1.
- (2) If, since the reporting date for the previous disclosure statement, the registered bank's banking group has become exposed to a new category of risk specified in clause 1 to which the registered bank's banking group was not previously exposed, the following information:
 - (a) the nature of that risk and the activities of the registered bank's banking group that caused the risk;
 - (b) the methods used to identify and monitor exposure to that risk, including the frequency with which exposures are monitored; and
 - (c) the systems and procedures for controlling that risk, including (if applicable)—
 - (i) whether exposure limits are employed;
 - (ii) any policies with respect to collateral or other security; and
 - (iii) any policies on the use of financial instruments to mitigate or hedge risks.

M. L. C. WEBSTER, for Clerk of the Executive Council

Explanatory note [to Principal Order]

This note is not part of the order, but is intended to indicate its general effect.

The operative provisions of this Order come into force on 31 March 2014. This Order replaces the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order (No 2) 2013.

The purpose of this Order is to validate the legal effect of the current versions of material incorporated by reference, in reliance on section 81AA and in accordance with Schedule 3 of the Reserve Bank of New Zealand Act 1989.

This Order in Council is administered in the Reserve Bank of New Zealand.

Explanatory note [to Amendment Order (1)]

This note is not part of the order, but is intended to indicate its general effect.

This order comes into force on 30 June 2014. It amends the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 to update references to the Financial Reporting Act 1993, which is being repealed. In most cases, the updated version refers either to the Financial Reporting Act 1993 for banks to which that Act still temporarily applies, or to equivalent provisions in the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013. The reference in Schedule 1 is removed altogether, as there is no equivalent in the new legislation.

This order is administered by the Reserve Bank of New Zealand

Explanatory note [to Amendment Order (2)]

This note is not part of the order, but is intended to indicate its general effect.

This order comes into force on 31 March 2015. It amends the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014. The purpose of this order is to update disclosure requirements for registered banks that are incorporated overseas, to reflect the revised approach to financial asset impairment that the External Reporting Board has implemented by issuing a new version of the financial reporting standard NZ IFRS 9.

This order is administered by the Reserve Bank of New Zealand

Explanatory note [to Amendment Order (3)]

This note is not part of the order, but is intended to indicate its general effect.

This order comes into force on 30 September 2015. It amends the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014, published in a Supplement to the New Zealand Gazette, 21 February 2014, No. 21, at page 542. The purpose of this order is to update disclosure requirements for branches of overseas-incorporated registered banks. It removes the requirement for a full year disclosure statement to include the financial statements of the branch on a stand-alone basis (unless the bank's New Zealand financial reporting group consists only of the branch). The order also removes superseded references to the Financial Reporting Act 1993.

This order is administered by the Reserve Bank of New Zealand

Explanatory note [to Amendment Order (4)]

This note is not part of the order, but is intended to indicate its general effect.

This order comes into force on 31 March 2018. It amends the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014, published in a Supplement to the New Zealand Gazette, 21 February 2014, No. 21, at page 542. The purpose of this order is to update disclosure requirements for branches of overseas-incorporated registered banks. It removes the requirements for an overseas branch to publish off-quarter disclosure statements, and to disclose information on individual large credit exposures. The order also makes a few minor changes to other required disclosure, and removes or updates some expired cross-references.

This order is administered by the Reserve Bank of New Zealand