

**Registered Bank Disclosure Statements (New Zealand  
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 452.**

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

**(1) Title:** Registered Bank Disclosure Statements (New Zealand 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 1530

**(2) Title:** Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 Amendment Order 2015

**Date:** published in the New Zealand Gazette, [19 February 2015](#), No. 16, page 48

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

**Date:** published in the New Zealand Gazette, [6 August 2015](#), No. 87, page 44

**(4) Title:** Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 Amendment Order 2018

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**(5) Title:** Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 Amendment Order 2021

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**(6) Title:** Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 Amendment Order 2021 (No. 2)

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**(7) Title:** Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 Amendment Order 2021 (No. 3)

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**(9) Title:** Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 Amendment Order 2024

**Date:** published in the New Zealand Gazette [8 May 2024](#)

# Registered Bank Disclosure Statements (New Zealand 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 (New Zealand Incorporated Registered Banks) Order 2014.

### 2 Commencement

This Order comes into force on 31 March 2014 except for clause 26 which comes into force on 30 March 2014.

### 3 Application

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

### 4 Interpretation

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

**Act** means the Reserve Bank of New Zealand Act 1989

**Additional Tier 1 capital** has the same meaning as in BPR110: Capital Definitions

**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

**affiliated insurance entity** has the same meaning as in BPR160: Insurance, Securitisation and Loan Transfers

**affiliated insurance group** has the same meaning as in BPR160: Insurance, Securitisation and Loan Transfers

**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 auditing and assurance standard** has the same meaning as in section 5(1) of the Financial Reporting Act 2013

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

**bank** means a registered bank or an overseas bank

**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.

**BPR001: Glossary** means the Reserve Bank document entitled “BPR001: Glossary”

**BPR100: Capital Adequacy** means the Reserve Bank document entitled “BPR100: Capital Adequacy”

**BPR110: Capital Definitions** means the Reserve Bank document entitled “BPR110: Capital Definitions”

**BPR130: Credit Risk RWAs Overview** means the Reserve Bank document entitled “BPR130: Credit Risk RWAs Overview”

**BPR133: IRB Credit Risk RWAs** means the Reserve Bank document entitled “BPR133: IRB Credit Risk RWAs”

**BPR140: Market Risk** means the Reserve Bank document entitled “BPR140: Market Risk”

**BPR160: Insurance, Securitisation and Loan Transfers** means the Reserve Bank document entitled “BPR160: Insurance, Securitisation and Loan Transfers”

**capital**, in clause 5 of Schedule 2, in relation to—

- (a) 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; and
- (b) a banking group, means the amount of capital held by the banking group, determined in accordance with the conditions of registration relating to capital adequacy for the registered bank heading the banking group

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

**Common Equity Tier 1 capital** has the same meaning as in BPR110: Capital Definitions

**Common Equity Tier 1 capital ratio** has the same meaning as in BPR100: Capital Adequacy

**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

**Connected Exposures Policy (BS8)** means the Reserve Bank document entitled “Connected Exposures Policy (BS8)”

**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 6 of Schedule 13 for the purposes of Schedule 13

**credit risk** has the same meaning as in NZ IFRS 7

**currency risk** has the same meaning as in NZ IFRS 7

**EAD** (“exposure at default”), for the purposes of calculating the risk-weight on a credit exposure subject to the IRB approach, means the value of EAD for that exposure determined under the applicable EAD methodology for the exposure specified in BPR 133: IRB Credit Risk RWAs

**equity** has the same meaning as “equity” given in “New Zealand Equivalent to the IASB Conceptual Framework for Reporting” issued in 2018 (2018 NZ Conceptual Framework)

**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** has the same meaning as “group” 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, except for the definition of “subsidiary” which has the meaning as defined in this Order

**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  
**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

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

**IRB approach** means the internal ratings-based approach for modelling credit risk as provided for in BPR 100: Capital Adequacy

**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

**LGD** (“loss given default”), for the purpose of calculating the risk-weight on a credit exposure subject to the IRB approach, means the value of LGD for that exposure determined under the applicable LGD methodology for the exposure specified in BPR 133: IRB Credit Risk RWAs

**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

**NZ IAS 1** means New Zealand Equivalent to International Accounting Standard 1 (Presentation of Financial Statements), approved under the Financial Reporting Act 1993 and continuing in force under the Financial Reporting Act 2013

**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 an overseas 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 overseas bank

**past due** has the same meaning as in NZ IFRS 9 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

**PD** (“probability of default”), for the purpose of calculating the risk-weight on a credit exposure subject to the IRB approach, means the value of PD for that exposure determined under the applicable PD methodology for the exposure specified in BPR 133: IRB Credit Risk RWAs

**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

**prudential capital buffer ratio** has the same meaning as in BPR 100: Capital Adequacy

**quasi-sovereign agency** refers to an overseas national or state-government level institution that is not the sovereign national government but that is of equivalent credit quality, and that is

included in [the list of quasi-sovereign agencies and supranationals](#) provided on the Reserve Bank website

**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 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

**solo basis**, in relation to the calculation of a registered bank's capital ratios, has the same meaning as in Subpart B2 of BPR100: Capital Adequacy

**subsidiary** has the same meaning as in section 5 of the Financial Reporting Act 2013

**supranational** means an entity that is formed by two or more sovereign states to promote economic development for the member countries and that is included in [the list of quasi-sovereign agencies and supranationals](#) provided on the Reserve Bank website

**Tier 1 capital** has the same meaning as in BPR110: Capital Definitions

**Tier 1 capital ratio** has the same meaning as in BPR 100: Capital Adequacy

**Tier 2 capital** has the same meaning as in BPR110: Capital Definitions

**Total capital** has the same meaning as in BPR110: Capital Definitions

**Total capital ratio** has the same meaning as in BPR 100: Capital Adequacy

**ultimate non-bank 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 registered bank 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, has the meaning given in BPR001: Glossary; or
- (c) if neither paragraph (a) nor (b) applies, 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 shorter or longer 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 12.

## **7 Full and half year disclosure statements to be audited**

- (1) A full year disclosure statement of a registered bank must be subject to a reasonable assurance engagement.
- (2) A half year disclosure statement of a registered bank must be subject to a limited assurance engagement if it is not subject to a reasonable assurance engagement.
- (3) The assurance engagements required under subclauses (1) and (2) must be carried out in accordance with applicable auditing and assurance standards.
- (4) The assurance report or reports on a full or half year disclosure statement—
  - (a) must be of the form specified in clause 25A or clause 25B as applicable; and
  - (b) must be prepared in accordance with applicable auditing and assurance standards.

## **8 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;
  - (c) readily accessible from the main landing page or front page for the registered bank's Internet site via a link labelled "disclosure statements"; and
  - (d) 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.

## **9 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.

## **10 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.

## **11 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.

## **12 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

- 13 Information must be in English**  
The information in a disclosure statement must be in English.
- 14 Disclosure statement not to be false or misleading**  
In addition to the information required in this Order, a disclosure statement—
  - (a) must contain such other information that, in the opinion of the directors, 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 consider appropriate to include in the disclosure statement.
- 15 Requirements when registered bank is unable to disclose information**  
Subject to clause 16(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.
- 16 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.

**17 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

**18 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 banking group, without also stating whether or not that person guarantees any of the obligations of the registered bank or any member of its banking group.

**19 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.

**20 Auditor's report or review statement**

*[Revoked]*

**Subpart 2—Content of disclosure statements**

**21 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;
- (b) the information prescribed in Schedules 4, 7, 13, 14, 15 and 17;
- (c) if the registered bank has not been accredited by the Reserve Bank to use the internal models based approach to capital adequacy, the information prescribed in Schedule 9; and
- (d) if the registered bank has been accredited by the Reserve Bank to use the internal models based approach to capital adequacy, the information prescribed in Schedule 11.

- (2) Paragraphs (b) to (d) of subclause (1) do not apply if the information is included in the financial statements prepared in accordance with clause 24.

**22 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;
- (b) the information prescribed in Schedules 5, 7, 13, 16 and 18;

- (c) if the registered bank has not been accredited by the Reserve Bank to use the internal models based approach to capital adequacy, the information prescribed in Schedule 9; and
  - (d) if the registered bank has been accredited by the Reserve Bank to use the internal models based approach to capital adequacy, the information prescribed in Schedule 11.
- (2) Paragraphs (b) to (d) of subclause (1) do not apply if the information is included in the financial statements prepared in accordance with clause 25.

**23 Information to be included in off quarter disclosure statements**

*[Revoked]*

**24 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.

**25 Financial statements for half year accounting period**

- (1) A half year disclosure statement of a registered bank must contain 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.

**25A Assurance reports for full year disclosure statement**

A full year disclosure statement of a registered bank must be accompanied by one or more assurance reports that—

- (a) are presented as three individual reports in accordance with the requirements of subclauses (1), (2), and (3), respectively, of clause 1 of Schedule 1; or
- (b) are presented as one or two reports combining the matters covered by the requirements of clause 1 of Schedule 1.

**25B Assurance reports for half year disclosure statement**

- (1) Unless subclause (2) applies, the half year disclosure statement must be accompanied by one or more limited assurance reports that—
  - (a) are presented as three individual reports in accordance with the requirements of subclauses (1), (2), and (3), respectively, of clause 2 of Schedule 1; or
  - (b) are presented as one or two reports combining the matters covered by the requirements of clause 2 of Schedule 1.

- (2) The registered bank may opt to have a reasonable assurance report prepared on the interim financial statements that are published in accordance with clause 25.
- (3) If subclause (2) applies, the half-year disclosure statement must be accompanied by one or more assurance reports that—
  - (a) are presented as three individual reports in accordance with the requirements of subclauses (1), (2), and (3), respectively, of clause 3 of Schedule 1; or
  - (b) are presented as one or two reports combining the matters covered by the requirements of clause 3 of Schedule 1.

### **Part 3**

#### **Miscellaneous provisions**

#### **26 Revocation**

The Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order (No 3) 2013 is revoked at the end of the day of 30 March 2014.

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## Schedule 1—Full year and half year

### Information in assurance reports

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#### **1 Assurance reports required for full year disclosure statement**

- (1) The auditor's report, as required under the Financial Markets Conduct Act 2013, on the financial statements of the registered bank's banking group required under clause 24 of the order.
- (2) A reasonable assurance report which states whether, in the auditor's opinion, the information that is required to be disclosed under Schedules 4, 7, 13, 14, 15, and 17, in all material respects,—
  - (a) presents fairly the matters to which it relates; and
  - (b) is disclosed in accordance with those schedules; and
  - (c) if applicable, has been prepared in accordance with any conditions of registration relating to disclosure requirements, imposed under section 74(4)(c) of the Act.
- (3) A limited assurance report, in relation to the information specified in clause 4, which states whether anything has come to the auditor's attention that causes the auditor to believe that the information is not in all material respects disclosed in accordance with Schedule 9 or 11, as applicable.

#### **2 Limited assurance reports for half year disclosure statement**

- (1) A limited assurance report on the interim financial statements of the registered bank's banking group required under clause 25 of the order, which states whether anything has come to the auditor's attention that causes the auditor to believe that the interim financial statements have not been prepared, in all material respects, in accordance with NZ IAS 34.
- (2) A limited assurance report which states whether anything has come to the auditor's attention that causes the auditor to believe that the information that is required to be disclosed under Schedules 5, 7, 13, 16, and 18,—
  - (a) does not present fairly, in all material respects, the matters to which it relates; or
  - (b) is not disclosed, in all material respects, in accordance with those schedules; or
  - (c) if applicable, has not been prepared, in all material respects, in accordance with any conditions of registration relating to disclosure requirements, imposed under section 74(4)(c) of the Act.
- (3) A limited assurance report, in relation to the information specified in clause 4 of this schedule, which states whether

anything has come to the auditor's attention that causes the auditor to believe that the information is not in all material respects disclosed in accordance with Schedule 9 or 11 as applicable.

### **3 Optional assurance reports for half year disclosure statement**

- (1) An auditor's report on the interim financial statements of the registered bank's banking group required under clause 25 of the order, which states whether, in the auditor's opinion, the interim financial statements are prepared, in all material respects, in accordance with NZ IAS 34.
- (2) A reasonable assurance report which states whether, in the auditor's opinion, the information that is required to be disclosed under Schedules 5, 7, 13, 16, and 18, in all material respects,—
  - (a) presents fairly the matters to which it relates; and
  - (b) is disclosed in accordance with those schedules; and
  - (c) if applicable, has been prepared in accordance with any conditions of registration relating to disclosure requirements, imposed under section 74(4)(c) of the Act.
- (3) A limited assurance report, in relation to the information specified in clause 4, which states whether anything has come to the auditor's attention that causes the auditor to believe that the information is not in all material respects disclosed in accordance with Schedule 9 or 11 as applicable.

### **4 Applicable capital adequacy and liquidity disclosure**

The information referred to in clauses 1(3), 2(3), and 3(3) is the information relating to capital adequacy and regulatory liquidity requirements that the registered bank is required to disclose in accordance with—

- (a) Schedule 11, if the registered bank has been accredited by the Reserve Bank to use the internal models based approach to capital adequacy; or
  - (b) Schedule 9, in any other case.
-

## Schedule 2—Full year

### Information to be included in disclosure statement

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#### 1 **Details of ultimate parent bank and ultimate non-bank 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 non-bank 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.

#### 2 **Interests in 5% or more of voting securities of registered bank**

To the extent that it is reasonably practicable for the registered bank to obtain it, the following information:

- (a) the name of each person who has a direct or indirect qualifying interest in 5% or more of the voting securities of the registered bank, and the percentage of the interest that each of those persons holds;
- (b) the nature of each interest identified in paragraph (a) if the person holding it is not a registered and beneficial holder of the securities; and
- (c) the name of each person who has the ability to directly or indirectly appoint 25% or more of the board of directors (or other persons exercising powers of management,

however described), and the percentage of the directors that each of those persons has the ability to appoint.

### **3 Priority of creditors' claims**

Information on the priority of the claims of each class of creditor over the registered bank's assets in the event that the registered bank is liquidated or ceases to trade.

### **4 Guarantees**

- (1) A statement on whether or not any material obligations of the registered bank are guaranteed as at the date its directors sign its disclosure statement.
- (2) If any material obligations of the registered bank are guaranteed under a guarantee that is not a government guarantee, for each such guarantee the matters set out in clauses 5 and 6.
- (3) If the registered bank has a government guarantee, for each such guarantee the matters set out in clauses 7 and 8.
- (4) If any material obligations of the registered bank are guaranteed under a cross guaranteeing arrangement, the matters required by clause 9.
- (5) Subclause (2) does not apply if subclause (4) applies.

### **5 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.
- (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 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.

### **6 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 incorporation which 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, in a winding up of that guarantor.
- (5) If there are any such material legislative or regulatory restrictions,—
  - (a) the title of the legislation or regulations involved and the nature of the subordination of the rights of the creditors which they create; and
  - (b) 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.

## **7 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.

## **8 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.

## **9 Material cross guarantees**

- (1) If a person has entered into a material cross guaranteeing arrangement with the registered bank, 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 6 as if those provisions applied to the guarantees of the obligations of the registered bank, as well as to the guarantees the registered bank has given in respect of the first-mentioned person's obligations.

## **10 Directors**

- (1) An address to which communications to the directors 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 and responsible person.
- (3) If applicable, the name of each director on whose behalf each responsible person has signed the disclosure statement.
- (4) In relation to each director,—
  - (a) the nature and amount of any transaction which the director or any immediate relative or close business associate of the director 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 which 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 that director'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 which are members of the registered bank's banking group, of which the director 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.

## **11 Auditors**

The name and address of any auditor whose assurance report or reports are referred to in the disclosure statement.

## **12 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 of the registered bank came into effect.
- (4) A description of the nature and extent of each case where the registered bank has not complied in a material respect with a condition of registration, if any such cases have arisen during the full year accounting period in terms of subclause (5).
- (5) For the purpose of subclause (4), the registered bank will be treated as not complying in a material respect with a condition of registration during the full year accounting period if,—
  - (a) on one or more days during the full year accounting period the registered bank was not compliant with the condition of registration; and
  - (b) on or before the signing date,—
    - (i) in the case where the registered bank first became aware of the breach on or after 1 January 2021, the Reserve Bank has published information about the breach on the Reserve Bank website; or
    - (ii) in the case where the registered bank first became aware of the breach on or before 31 December 2020, the Reserve Bank has notified the registered bank that it considers the breach to be material.

## **13 Pending proceedings or arbitration**

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

## **14 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.

## **15 Historical summary of financial statements**

- (1) An 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 paid or provided for dividends;
  - (k) total assets;
  - (l) total individually impaired assets;
  - (m) total liabilities; and
  - (n) equity.
- (4) A statement on whether or not the amounts specified in subclause (3) have been taken from audited financial statements.

## **16 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.

**17 Directors' statements**

- (1) A statement by the directors as to whether or not each director believes, after due enquiry, that, as at the date on which the disclosure statement is signed,—
- (a) the disclosure statement contains all the information that is required by this Order; and
  - (b) the disclosure statement is not false or misleading.
- (2) A statement by the directors as to whether or not each director believes, after due enquiry, that, over the full year accounting period—
- (a) the registered bank has complied in all material respects with each condition of registration that applied during that period, in terms of subclause (3);
  - (b) credit exposures to connected persons (if any) were not contrary to the interests of the registered bank's banking group; and
  - (c) the registered bank 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, operational risk and other business risks, and that those systems were being properly applied.
- (3) For the purpose of subclause (2)(a), the registered bank has complied in all material respects with each of its conditions of registration that applied during the period if the Reserve Bank has not published any information about a breach on its website under subclause 12(5)(b)(i), and has not notified the bank of any material breach under subclause 12(5)(b)(ii).

**18 Auditor's report**

*[Revoked]*

**19 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.
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## Schedule 3—Half year

### Information to be included in disclosure statement

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#### **1 Details of ultimate parent bank and ultimate non-bank 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 non-bank 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 non-bank 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 Guarantees**

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

### **3 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.
- (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 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.

### **4 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.

### **5 Material cross guarantees**

- (1) If a person has entered into a material cross guaranteeing arrangement with the registered bank, 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 3(5) as if those provisions applied to the guarantees of the obligations of the registered bank, as well as to the guarantees the registered bank has given in respect of the first-mentioned 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.

## **6 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 on whose behalf each responsible person has signed the disclosure statement.

## **7 Auditors**

The name and address of any auditor whose assurance report or reports are referred to in the disclosure statement.

## **8 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 they occurred.
- (2) A description of the nature and extent of each case where the registered bank has not complied in a material respect with a condition of registration, if any such cases have arisen during the half year accounting period in terms of subclause (3).
- (3) For the purpose of subclause (2), the registered bank will be treated as not complying in a material respect with a condition of registration during the half year accounting period if,—
  - (a) on one or more days during the half year accounting period the registered bank was not compliant with the condition of registration; and
  - (b) on or before the signing date,—
    - (i) in the case where the registered bank first became aware of the breach on or after 1 January 2021, the Reserve Bank has published information about the breach on the Reserve Bank website; or
    - (ii) in the case where the registered bank first became aware of the breach on or before 31 December

2020, the Reserve Bank has notified the registered bank that it considers the breach to be material.”

**9 Pending proceedings or arbitration**

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

**10 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.

**11 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.

**12 Directors’ statements**

(1) A statement by the directors as to whether or not each director believes, after due enquiry, that, as at the date on which the disclosure statement is signed,—

- (a) the disclosure statement contains all the information that is required by this Order; and
- (b) the disclosure statement is not false or misleading.

(2) A statement by the directors as to whether or not each director believes, after due enquiry, that, over the half year accounting period,—

- (a) the registered bank has complied in all material respects with each condition of registration that applied during that period, in terms of subclause (3);
- (b) credit exposures to connected persons (if any) were not contrary to the interests of the registered bank’s banking group; and
- (c) the registered bank 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, operational risk and other business risks, and that those systems were being properly applied.
- (3) For the purpose of subclause (2)(a), the registered bank has complied in all material respects with each of its conditions of registration that applied during the period if the Reserve Bank has not published any information about a breach on its website under subclause 8(3)(b)(i), and has not notified the bank of any material breach under subclause 8(3)(b)(ii).

**13 Auditor's report or review statement**  
*[Revoked]*

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## 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 information that is required to be disclosed under subclause (1) 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 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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6	Additional information on liquidity risk ..... 33
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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) In subclauses (1)(d) and (1)(e), 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 25 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 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:
- housing loans;
  - residential mortgages; or
  - 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 3 to 8 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 3 to 8 must relate to the registered bank’s banking group.

#### **2 Asset quality breakdown by major type of credit exposure**

The information that is required to be disclosed under clauses 3 to 8 must be categorised according to the following types of credit exposure:

- (a) if the registered bank has not been accredited by the Reserve Bank to use the internal models based approach to capital adequacy, the following:
  - (i) residential mortgage loans;
  - (ii) on balance sheet corporate exposures; and
  - (iii) on balance sheet exposures excluding those referred to by subparagraphs (i) and (ii) and excluding exposures to sovereigns and central banks, multilateral development banks and other international organisations, public sector entities, and banks; and
  - (iv) total credit exposures;
- (b) if the registered bank has been accredited by the Reserve Bank to use the internal models based approach to capital adequacy, the following:
  - (i) exposures secured by residential mortgages;
  - (ii) retail exposures as defined in BPR133: IRB Credit Risk RWAs excluding those referred to by subparagraph (i); and

- (iii) corporate exposures as defined in BPR 133: IRB Credit Risk RWAs; and
- (iv) total credit exposures.

### **3 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).

### **4 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.

### **5 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.

**6 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.

**6A 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.

**6B 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.

## **7 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 NZ IFRS 7 paragraph 9(c), 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 4;
  - (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 5; 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 6.

## **8 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.
-

**Schedule 8—Off quarters**

**Asset quality**

*[Repealed]*

## Schedule 9—Full year and half year

### Capital adequacy under the standardised approach, and regulatory liquidity ratios

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#### 1 Capital

- (1) The information in subclause (2) in respect of the registered bank's banking group.
- (2) The following information as at the reporting date:

#### Capital

<b>Tier 1 capital</b>		
<i>Common Equity Tier 1 ("CET1") capital</i>		
Paid-up ordinary shares issued by [the registered bank] plus related share premium	[amount]	
Retained earnings (net of appropriations)	[amount]	
Mutual capital instruments issued by [the registered bank] [itemise separate instruments if more than one issued]	[amount]	
Accumulated other comprehensive income and other disclosed reserves	[amount]	
[itemise the interests arising from ordinary shares issued by fully consolidated subsidiaries and held by third parties, adding rows as needed, for example, for each instrument to show ordinary shares, as well as any associated retained earnings or other reserves]	[amount]	
<i>Less deductions from CET1 capital</i> [if there are no deductions, this line and its associated itemisation may be omitted]		
[itemise each deduction from CET1 capital, adding rows as needed]	[deduction amount]	[subtotal: CET1 capital amount]
<i>Additional Tier 1 ("AT1") capital</i>		
[itemise any AT1 capital instruments, adding rows as needed]	[amount for each instrument including any related share premium]	

[itemise the interests arising from an instrument for any AT1 capital instruments issued by fully consolidated subsidiaries and held by third parties, adding rows as needed, for example, for each instrument to show ordinary shares (not included in CET1 capital), as well as any associated retained earnings or other reserves]	[amount]	
<i>Less deductions from AT1 capital</i> [if there are no deductions, this line and its associated itemisation may be omitted]		
[itemise each deduction from AT1 capital, adding rows as needed]	[deduction amount]	[subtotal: AT1 capital amount]
		[subtotal: Tier 1 capital amount]
<b>Tier 2 capital</b>		
[itemise any Tier 2 capital instruments, adding rows as needed]	[amount for each instrument including any related share premium]	
[itemise any Tier 2 capital instruments issued by fully consolidated subsidiaries and held by third parties, adding rows as needed]	[amount]	
Revaluation reserves	[amount]	
<i>Less deductions from Tier 2 capital</i> [if there are no deductions, this line and its associated itemisation may be omitted]		
[itemise each deduction from Tier 2 capital, adding rows as needed]	[deduction amount]	[subtotal: Tier 2 capital amount]
<b>Total capital</b>		[Total capital amount]

- (3) For the information required under subclause (2)—
- (a) an item of Additional Tier 1 capital must be identified as being classified as equity or as a liability under generally accepted accounting practice, for example, by adding a footnote;
  - (b) if there is no Additional Tier 1 capital, that must be shown in the information, for example, with nil and dashes in the row under the heading for Additional Tier 1 capital;
  - (c) if there is no Tier 2 capital, that must be shown in the information, for example, with nil and dashes in the row under the heading for Tier 2 capital;
  - (ca) if there is no mutual capital instrument, the corresponding row may be omitted;
  - (d) the layout and text formatting in subclause (2) is indicative;
  - (e) the abbreviations “CET1” and “AT1” do not need to be used instead of the full wording of those terms if the full wording is preferred by the registered bank; and
  - (f) for the avoidance of doubt, the amounts required for the subtotals for Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 1 capital and Tier 2 capital and for Total capital are as defined in this Order.
- (4) Subclause (3)(a) does not apply to deductions from Additional Tier 1 capital.

## 2 Capital structure

- (1) The information in subclauses (2) to (4) in respect of the registered bank's banking group.
- (2) For each instrument included in total capital disclosed under clause 1—
  - (a) whether the instrument is included in Common Equity Tier 1 capital, Additional Tier 1 capital or Tier 2 capital;
  - (b) the material terms and conditions of the instrument, including where applicable, but not limited to—
    - (i) voting rights;
    - (ii) issuer of the instrument;
    - (iii) issue date;
    - (iv) any maturity or scheduled redemption date;
    - (v) any options or facilities for early redemption, conversion, write-down or capital repayment and their relevant terms or conditions;
    - (vi) terms or conditions of any predetermined servicing obligations; and
    - (vii) provision for any variation or suspension of dividend or coupon payments;
  - (c) the total of cumulative preferred dividends or interest payments in arrears;
  - (d) the priority or ranking in point of security, payment or claims of the instrument; and
  - (e) a brief description of any other material terms and conditions of issue of the securities, including any related contracts or arrangements.
- (3) Any options granted or to be granted pursuant to any arrangement, over any equity share capital disclosed under clause 1, and in respect of any such option—
  - (a) the consideration given or to be given;
  - (b) the expiry date for the exercise of the option; and
  - (c) the total number of shares subject to the option.
- (4) The nature and amount of each reserve included in capital for the banking group.

## 3 Credit risk

- (1) The information in subclauses (2), (4) and (5)—
  - (a) in respect of the registered bank's banking group; and
  - (b) derived in accordance with the conditions of registration relating to capital adequacy.
- (2) The following information as at the reporting date:

### Calculation of on-balance-sheet exposures

	Total exposure after credit risk mitigation	Risk weight	Risk weighted exposure
Cash and gold bullion		0%	
Sovereigns and central banks		0%	
		20%	
		50%	
		100%	
		150%	

Multilateral development banks and other international organisations		0%	
		20%	
		50%	
		100%	
		150%	
Public sector entities		20%	
		50%	
		100%	
		150%	
Banks		20%	
		50%	
		100%	
		150%	
Corporate		20%	
		50%	
		100%	
		150%	
Residential mortgages not past due		20%	
		35%	
		40%	
		50%	
		70%	
		75%	
		80%	
		90%	
		100%	
Past due residential mortgages		35%	
		40%	
		50%	
		75%	
		100%	
Other past due assets		100%	
		150%	
Equity holdings in the Business Growth Fund that qualify for 250% risk weight		250%	
Equity holdings (not deducted from capital) included in the NZX 50 or overseas equivalent index		300%	
All other equity holdings (not deducted from capital)		400%	
Other assets		20%	
		100%	

### Calculation of off-balance sheet exposures

	Total exposure	Credit conversion factor	Credit equivalent amount	Average risk weight	Risk weighted exposure
Direct credit substitute		100%			
Asset sale with recourse		100%			
Forward asset purchase		100%			
Commitment with certain drawdown		100%			
Note issuance facility		50%			
Revolving underwriting facility		50%			
Performance-related contingency		50%			
Trade-related contingency		20%			

	Total exposure	Credit conversion factor	Credit equivalent amount	Average risk weight	Risk weighted exposure
Placements of forward deposits		100%			
Undrawn commitment to the Business Growth Fund		20%			
Other commitments where original maturity is more than one year		50%			
Other commitments where original maturity is less than or equal to one year		20%			
Other commitments that cancel automatically when the creditworthiness of the counterparty deteriorates or that can be cancelled unconditionally at any time without prior notice		0%			

### Counterparty credit risk

	Total exposure	Credit equivalent amount	Average risk weight	Risk weighted exposure
Foreign exchange contracts				
Interest rate contracts				
Other				

- (3) For the purpose of the disclosure required by subclause (2), average risk weight means the exposure-weighted average of the risk weights of individual exposures determined according to the counterparty or type of asset or issuer as appropriate.
- (4) The amount of the Credit Valuation Adjustment (CVA) capital charge, and the implied risk weighted exposure for the CVA.
- (5) If the bank allocates the implied risk weighted exposure for the CVA across individual risk weighted exposures disclosed under clause 3, an explanation that the amounts disclosed, under subclause (4), are memo items.

### 3A Qualifying Central Counterparty (QCCP) exposures

- (1) The information in subclause (2)—
  - (a) in respect of the registered bank's banking group; and
  - (b) derived in accordance with the conditions of registration relating to capital adequacy.
- (2) The following information as at the reporting date:

#### Exposures arising from trades settled on Qualifying Central Counterparties (QCCPs)

	Trade exposure or collateral amount	Average risk weight	Risk weighted exposures
Bank as QCCP clearing member, clearing own trades			
Collateral posted for clearing own trades			
Bank as client of QCCP member, clearing trades through that member			
Collateral posted for clearing via member bank			

- (3) For the purpose of the disclosure required by subclause (2), the following amounts must be excluded from the table and disclosed as part of the risk weighted exposure to the relevant individual counterparty in accordance with clause 3:

- (a) any trade exposure that the registered bank has to a clearing member of a QCCP, as a client of that clearing member, which is required for risk weighting purposes to be treated as a bilateral exposure to that clearing member;
- (b) any collateral posted by the registered bank as a client of a QCCP member which is required to be risk weighted in the same way as a direct exposure to the QCCP member;
- (c) any trade exposure that the registered bank has to a client bank which arises from a situation where the registered bank, as a member of a QCCP, clears trades for that client bank via the QCCP; and
- (d) any exposures arising from trades cleared via a central counterparty that is not a QCCP.

#### 4 Additional mortgage information

- (1) The information in subclause (2)—
  - (a) in respect of the registered bank’s banking group; and
  - (b) in respect of total residential mortgage loans as used to calculate the registered bank’s Pillar 1 capital requirement for credit risk, categorised by loan-to-valuation ratio.
- (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%.

#### 5 Credit risk mitigation

- (1) The information in subclause (2)—
  - (a) in respect of the registered bank’s banking group; and
  - (b) derived in accordance with the conditions of registration relating to capital adequacy.
- (2) The following information as at the reporting date:

##### Credit risk mitigation

Exposure class	Total value of on- and off-balance sheet exposures covered by eligible collateral (after haircutting)	Total value of on- and off-balance sheet exposures covered by guarantees or credit derivatives
Sovereign or central bank		
Multilateral development bank		
Public sector entities		
Bank		
Corporate		
Residential mortgage		
Other		

**6 Operational risk**

- (1) The information in subclause (2)—
- (a) in respect of the registered bank's banking group; and
  - (b) derived in accordance with the conditions of registration relating to capital adequacy.
- (2) The following information as at the reporting date:

**Operational risk capital requirement**

	Implied risk weighted exposure	Total operational risk capital requirement
Operational risk		

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

**7 Market risk end-period capital charges**

- (1) The information in subclause (2)—
- (a) in respect of the registered bank's banking group; and
  - (b) derived in accordance with the conditions of registration relating to capital adequacy.
- (2) The following information as at the reporting date:

**Market risk**

	Implied risk weighted exposure	Aggregate 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 aggregate capital charge.

**8 Market risk peak end-of-day 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 9.
- (2) The following information in respect of peak end-of-day aggregate capital charges 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	Aggregate 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 aggregate capital charge.

**9 Method for deriving peak end-of-day aggregate capital charge**

- (1) For the purpose of the disclosure required by clause 8, peak end-of-day aggregate capital charge for each category of market risk is derived by determining the maximum over the relevant period of the aggregate capital charge at the close of each business day derived in accordance with—
- (a) BPR140: Market Risk; or
  - (b) any other method, but only if the aggregate market risk capital charge derived in accordance with that method is not, in the opinion of the registered bank (such opinion to be 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 aggregate capital charge for each category of market risk.

**10 Total capital requirements**

- (1) The information in subclause (2)—
- (a) in respect of the registered bank’s banking group; and
  - (b) derived in accordance with the conditions of registration relating to capital adequacy.
- (2) The following information as at the reporting date:

	Total exposure after credit risk mitigation	Risk weighted exposure or implied risk weighted exposure	Total capital requirement
Total credit risk + equity			
Operational risk	n/a		
Market risk	n/a		
TOTAL	n/a		

**11 Capital ratios**

- (1) The information in subclause (2) in respect of the registered bank’s banking group.
- (2) The following information as at the reporting date:

**Capital ratios compared to minimum ratio requirements**

	Common Equity Tier 1 capital ratio	Tier 1 capital ratio	Total capital ratio
Ratio			
Minimum ratio requirement			

**Prudential capital buffer ratio**

Prudential capital buffer ratio	
Buffer trigger ratio	

- (3) The information that is required to be disclosed under subclause (2) must include comparative figures for the previous corresponding period.
- (4) Subclause (3) does not require a comparative figure to be produced for a previous corresponding period if that figure had not previously been required to be disclosed for the previous corresponding period.

## **12 Solo capital adequacy**

- (1) The information in subclause (2) in respect of the registered bank.
- (2) The following information as at the reporting date for the registered bank on a solo basis:
  - (a) Common Equity Tier 1 capital ratio;
  - (b) Tier 1 capital ratio; and
  - (c) Total capital ratio.
- (3) The information that is required to be disclosed under subclause (2) must include comparative figures for the previous corresponding period.
- (4) Subclause (3) does not require a comparative figure to be produced for a previous corresponding period if a figure had not previously been required to be disclosed for the previous corresponding period.

## **13 Capital for other material risks**

- (1) The information in subclause (2)—
  - (a) in respect of the registered bank's banking group; and
  - (b) derived in accordance with the conditions of registration relating to capital adequacy.
- (2) The following information as at the reporting date:
  - (a) internal capital allocation for other material risks; and
  - (b) a summary description of the risks covered by the internal capital allocation for other material risks.
- (3) The information that is required to be disclosed under subclause (2) must include comparative figures for the previous corresponding period.

## **14 Information about ultimate parent bank and ultimate parent banking group**

- (1) If the registered bank is a subsidiary of an ultimate parent bank,—
  - (a) the most recent publicly available information for the following in respect of the registered bank's ultimate parent bank and ultimate parent bank group:
    - (i) the Common Equity Tier 1 capital ratio, if applicable;
    - (ii) the Tier 1 capital ratio;
    - (iii) the Total capital ratio; and
    - (iv) the date to which the measures of Common Equity Tier 1 capital ratio (if applicable), Tier 1 capital ratio and Total capital ratio relate; and
  - (b) a statement as to—

- (i) whether or not the ultimate parent bank or ultimate parent 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 capital 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
  - (ii) to the extent that the information is publicly available, whether or not the ultimate parent bank or ultimate parent bank 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 ultimate parent 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 ultimate parent bank or ultimate parent bank group.
- (2) The information that is required to be disclosed under subclause (1) must include comparative figures for the previous corresponding period.

## **15 Regulatory liquidity ratios**

- (1) The information in subclause (2) in respect of the registered bank's banking group.
  - (2) The average values of each of the following regulatory liquidity ratios over each of the periods referred to in subclause (3), using the averaging method set out in subclause (4):
    - (a) the one-week mismatch ratio;
    - (b) the one-month mismatch ratio; and
    - (c) the core funding ratio.
  - (3) The periods referred to in subclause (2) are:
    - (a) the three month period ending on the reporting date; and
    - (b) the three month period ending on the date three months before the reporting date.
  - (4) To calculate the average value of a ratio specified in subclause (2) over a period specified in subclause (3), the bank must calculate the ratio at the close of each working day in the period in accordance with the conditions of registration relating to liquidity-risk management, and calculate the arithmetic average of all of the daily ratio figures.
-

**Schedule 10—Off quarters**

**Capital adequacy under the standardised approach**

*[Repealed]*

## Schedule 11—Full year and half year

### Capital adequacy under the internal models based approach, and regulatory liquidity ratios

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#### 1 Capital

- (1) The information in subclause (2) in respect of the registered bank's banking group.
- (2) The following information as at the reporting date:

#### Capital

<b>Tier 1 capital</b>		
<i>Common Equity Tier 1 ("CET1") capital</i>		
Paid-up ordinary shares issued by [the registered bank] plus related share premium	[amount]	
Retained earnings (net of appropriations)	[amount]	
Accumulated other comprehensive income and other disclosed reserves	[amount]	
[itemise the interests arising from ordinary shares issued by fully consolidated subsidiaries and held by third parties, adding rows as needed, for example, for each instrument to show ordinary shares, as well as any associated retained earnings or other reserves]	[amount]	
<i>Less deductions from CET1 capital [if there are no deductions, this line and its associated itemisation may be omitted]</i>		

[itemise each deduction from CET1 capital, adding rows as needed]	[deduction amount]	[subtotal: CET1 capital amount]
<b>Additional Tier 1 (“AT1”) capital</b>		
[itemise any AT1 capital instruments, adding rows as needed]	[amount for each instrument including any related share premium]	
[itemise the interests arising from an instrument for any AT1 capital instruments issued by fully consolidated subsidiaries and held by third parties, adding rows as needed, for example, for each instrument to show ordinary shares (not included in CET1 capital), as well as any associated retained earnings or other reserves]	[amount]	
<i>Less deductions from AT1 capital</i> [if there are no deductions, this line and its associated itemisation may be omitted]		
[itemise each deduction from AT1 capital, adding rows as needed]	[deduction amount]	[subtotal: AT1 capital amount]
		[subtotal: Tier 1 capital amount]
<b>Tier 2 capital</b>		
[itemise any Tier 2 capital instruments, adding rows as needed]	[amount for each instrument including any related share premium]	
[itemise any Tier 2 capital instruments issued by fully consolidated subsidiaries and held by third parties, adding rows as needed]	[amount]	
Revaluation reserves	[amount]	
Eligible impairment allowance in excess of expected loss	[amount]	
<i>Less deductions from Tier 2 capital</i> [if there are no deductions, this line and its associated itemisation may be omitted]		
[itemise each deduction from Tier 2 capital, adding rows as needed]	[deduction amount]	[subtotal: Tier 2 capital amount]
<b>Total capital</b>		[Total capital amount]

- (3) For the information required under subclause (2)—
- (a) an item of Additional Tier 1 capital must be identified as being classified as equity or as a liability under generally accepted accounting practice, for example, by adding a footnote;
  - (b) if there is no Additional Tier 1 capital, that must be shown in the information, for example, with nil and dashes in the row under the heading for Additional Tier 1 capital;
  - (c) if there is no Tier 2 capital, that must be shown in the information, for example, with nil and dashes in the row under the heading for Tier 2 capital;
  - (d) the layout and text formatting in subclause (2) is indicative;
  - (e) the abbreviations “CET1” and “AT1” do not need to be used instead of the full wording of those terms if the full wording is preferred by the registered bank; and
  - (f) for the avoidance of doubt, the amounts required for the subtotals for Common Equity Tier 1 capital, Additional

Tier 1 capital, Tier 1 capital and Tier 2 capital and for Total capital are as defined in this Order.

- (4) Subclause (3)(a) does not apply to deductions from Additional Tier 1 capital.

## **2 Capital structure**

- (1) The information in subclauses (2) to (4) in respect of the registered bank's banking group.
- (2) For each instrument included in total capital disclosed under clause 1—
- (a) whether the instrument is included in Common Equity Tier 1 capital, Additional Tier 1 capital or Tier 2 capital;
  - (b) the material terms and conditions of the instrument, including where applicable, but not limited to—
    - (i) voting rights;
    - (ii) issuer of the instrument;
    - (iii) issue date;
    - (iv) any maturity or scheduled redemption date;
    - (v) any options or facilities for early redemption, conversion, write-down or capital repayment and their relevant terms or conditions;
    - (vi) terms or conditions of any predetermined servicing obligations; and
    - (vii) provision for any variation or suspension of dividend or coupon payments;
  - (c) the total of cumulative preferred dividends or interest payments in arrears;
  - (d) the priority or ranking in point of security, payment or claims of the instrument; and
  - (e) a brief description of any other material terms and conditions of issue of the securities, including any related contracts or arrangements.
- (3) Any options granted or to be granted pursuant to any arrangement, over any equity share capital disclosed in clause 1, and in respect of any such option—
- (a) the consideration given or to be given;
  - (b) the expiry date for the exercise of the option; and
  - (c) the total number of shares subject to the option.
- (4) The nature and amount of each reserve included in capital for the banking group.

## **3 Credit risk subject to the IRB approach**

- (1) The information in subclauses (2) and (4)—
- (a) in respect of the capital of the registered bank's banking group; and
  - (b) derived in accordance with the conditions of registration relating to capital adequacy.
- (2) For each exposure class where the IRB approach is applied, the following information as at the reporting date:

Name of exposure class				
Exposure-weighted PD grade	Exposure amounts	Exposure-weighted LGD (%) used for the capital calculation	Exposure-weighted risk weight (%)	Risk weighted assets
Exposure-weighted PD grade 1 (%)				
Exposure-weighted PD grade 2 (%)				
...				
...				
Default PD grade				
AGGREGATE EXPOSURE-WEIGHTED PD GRADE	TOTAL EXPOSURES	AGGREGATE EXPOSURE-WEIGHTED LGD GRADE (%)	AGGREGATE EXPOSURE-WEIGHTED RISK WEIGHT (%)	TOTAL RISK WEIGHTED ASSETS

- (3) For the purpose of the disclosure required by subclause (2),—
- (a) the exposure-weighted value in any box in the first, third and fourth column of the table is given by the following formula:

$$\frac{\sum_i(\text{exposure}_i \times \text{multiplier}_i)}{\sum_i(\text{exposure}_i)}$$

where—

- (i) “exposure<sub>*i*</sub>” is the value of the *i*<sup>th</sup> exposure in the relevant box;
- (ii) “multiplier<sub>*i*</sub>” is the value, as applicable, of the risk-weight, LGD or PD that corresponds to exposure<sub>*i*</sub>; and
- (iii) “*i*” indexes all exposures for the box.
- (b) the PD grades must either be those used internally for rating exposures in that exposure class or aggregated from those used internally, provided that where PD grades are aggregated:
- (i) the disclosure must be based on a minimum of five non-default aggregated PD grades and one default aggregated PD grade; and
- (ii) the aggregated PD grades should be reasonably evenly distributed across the range of PD grades used in the internal rating system; and
- (iii) the PD disclosed for each aggregated grade must be the exposure-weighted average of the PDs included in the aggregation; and
- (c) the exposures disclosed must comprise outstanding loans, and EAD on undrawn commitments and other off-balance sheet exposures that are used in the calculation of regulatory capital.
- (4) For each exposure class the following information as at the reporting date:
- (a) total value of undrawn commitments and other off-balance sheet contingent liabilities;

- (b) the total counterparty credit risk on derivatives and securities financing transactions;
  - (c) the EAD of undrawn commitments and other off-balance sheet contingent liabilities; and
  - (d) the EAD of counterparty credit risk on derivatives and securities financing transactions.
- (5) For the purpose of the disclosure required by subclauses (2) and (4) the exposure classes to be disclosed are those defined in BPR133: IRB Credit Risk RWAs except that the retail exposure class must be disclosed as if the following two exposure sub-classes of the retail exposure class were each a separate exposure class:
- (a) exposures secured by residential mortgages; and
  - (b) all other retail lending.

#### **4 Additional mortgage information**

- (1) The information in subclause (2)—
- (a) in respect of the registered bank's banking group; and
  - (b) in respect of total exposures secured by residential mortgages as used to calculate the Pillar 1 capital requirement for credit risk, categorised by loan-to-valuation ratio.
- (2) 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					

- (3) For the purpose of the disclosure required by subclause (2)—
- (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 as used in the capital calculation (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.
- (4) A description of the main assumptions used in preparing the information required by subclause (2).

#### **5 Specialised lending subject to the slotting approach**

- (1) If the slotting approach for specialised lending exposures as defined in BPR133: Credit Risk RWAs is used, the information in subclause (2) in respect of the registered bank's banking group.

- (2) The following information as at the reporting date in respect of specialised exposures subject to the slotting approach:

**On-balance sheet exposures**

Total exposures after credit risk mitigation	Risk weight	Risk weighted assets
	70%	
	90%	
	115%	
	250%	

**Off-balance sheet exposures**

	EAD	Average risk weight	Risk weighted assets
Undrawn commitments and other off-balance sheet exposures			

- (3) For the purpose of the disclosure required by subclause (2), average risk weight means the EAD-weighted average of the risk weights of individual exposures determined according to the counterparty or type of asset or issuer as appropriate.

**6 Credit risk exposures subject to the standardised approach**

- (1) The information in subclause (2)—
- in respect of the registered bank's banking group; and
  - in respect of any credit risk exposures that are not subject to the IRB approach or the slotting approach to specialised lending and do not arise from equity holdings.
- (2) The following information as at the reporting date:

**Credit risk exposures subject to the standardised approach**

**On-balance sheet exposures by separate risk weight**

	Total exposure after credit risk mitigation	Risk weight	Risk weighted assets
Cash and gold bullion		0%	
Sovereigns and central banks		0%	
		20%	
		50%	
		100%	
		150%	
Multilateral development banks and other international organisations		0%	
		20%	
		50%	
		100%	
		150%	

Public sector entities		20%	
		50%	
		100%	
		150%	
Banks		20%	
		50%	
		100%	
		150%	

**Other on-balance sheet exposures by average risk weight**

	Total exposure after credit risk mitigation	Average risk weight	Risk weighted assets
Corporate			
Residential mortgages			
Past due assets			
Other assets			

**Off-balance sheet exposures**

	Total exposure or principal amount	Average credit conversion factor	Credit equivalent amount	Average risk weight	Risk-weighted assets
Total off-balance sheet exposures subject to the standardised approach					
Memo item: Undrawn commitment to the Business Growth Fund					

**Counterparty credit risk for counterparties subject to the standardised approach**

	Total exposure or principal amount	Credit equivalent amount	Average risk weight	Risk weighted assets
Foreign exchange contracts				
Interest rate contracts				
Other				

- (3) For the purpose of the disclosure required by subclause (2)—
- (a) average risk weight means the exposure-weighted average of the risk weights of individual exposures determined according to the counterparty or type of asset or issuer as appropriate; and
  - (b) average credit conversion factor means the exposure-weighted average of the credit conversion factors for individual exposures.

**6A Other counterparty credit risk exposures**

- (1) The information in subclauses (2), (4) and (5)—
- (a) in respect of the registered bank's banking group; and
  - (b) derived in accordance with the conditions of registration relating to capital adequacy.

- (2) The following information as at the reporting date:

**Exposures arising from trades settled on Qualifying Central Counterparties (QCCPs)**

	Trade exposure or collateral amount	Average risk weight	Risk-weighted assets
Bank as QCCP clearing member, clearing own trades			
Collateral posted for clearing own trades			
Bank as client of QCCP member, clearing trades through that member			
Collateral posted for clearing via member bank			

- (3) For the purpose of the disclosure required by subclause (2), the following amounts must be excluded from the table and disclosed as part of the risk weighted asset for the relevant individual counterparty in accordance with clause 3 or 6 as applicable:
- (a) any trade exposure that the registered bank has to a clearing member of a QCCP, as a client of that clearing member, which is required for risk weighting purposes to be treated as a bilateral exposure to that clearing member;
  - (b) any collateral posted by the registered bank as a client of a QCCP member which is required to be risk weighted in the same way as a direct exposure to the QCCP member;
  - (c) any trade exposure that the registered bank has to a client bank which arises from a situation where the registered bank, as a member of a QCCP, clears trades for that client bank via the QCCP; and
  - (d) any exposures arising from trades cleared on a central counterparty that is not a QCCP.
- (4) The amount of the Credit Valuation Adjustment (CVA) capital charge, and the implied risk weighted exposure for the CVA.
- (5) If the bank allocates the implied risk weighted exposure for the CVA across individual risk weighted assets disclosed under clauses 3, 5 and 6, an explanation that the amounts disclosed, under subclause (4), are memo items.

**7 Credit risk mitigation**

- (1) The information in subclause (2)—
- (a) in respect of the registered bank's banking group; and
  - (b) derived in accordance with the conditions of registration relating to capital adequacy.
- (2) The following information as at the reporting date:

**Credit risk mitigation**

<b>Exposure class</b>	For portfolios subject to the standardised approach: total value of exposures covered by eligible financial collateral (after haircutting)	For all portfolios: total value of exposures covered by guarantees or credit derivatives
Sovereign		
Bank		
Corporate (including specialised lending)		
Residential mortgage		
Other		

**8 Equity exposures**

- (1) The information in subclause (2)—
- in respect of the registered bank's banking group; and
  - derived in accordance with the conditions of registration relating to capital adequacy.
- (2) The following information as at the reporting date:

**Equity exposures**

	Total exposure	Risk weight	Risk weighted exposure
Equity holdings in the Business Growth Fund that qualify for 250% risk weight		250%	
Equity holdings (not deducted from capital) included in the NZX 50 or overseas equivalent index		300%	
All other equity holdings (not deducted from capital)		400%	

**8A Explanation of the standardised floor**

- (1) The information in subclauses (2) to (4)—
- in respect of the registered bank's banking group; and
  - derived in accordance with the conditions of registration relating to capital adequacy.
- (2) The following information at the reporting date:

**Impact of the standardised floor on total credit risk RWAs**

	Risk weighted assets	
	Calculated for compliance purposes	Recalculated using the standardised approach
Total IRB and supervisory slotting exposures		
Credit risk supervisory adjustment <i>[if applicable]</i>		n/a
Subtotal <i>[if applicable]</i>		n/a
Standardised floor at 85% of standardised equivalents	n/a	
IRB and slotting RWAs with floor applied		n/a
RWAs for standardised exposures		n/a
Total credit risk RWAs		n/a

- (3) An explanation of how the standardised floor applies to the calculation of total risk weighted assets for credit risk.
- (4) If applicable, an explanation of the nature and amount of each credit risk supervisory adjustment.
- (5) For the purpose of the disclosure required by subclause (2)—
  - (a) total IRB and supervisory slotting risk weighted exposures calculated for compliance purposes refers to the total risk weighted assets that the registered bank calculates using either an accredited IRB model or the supervisory slotting approach for specialised corporate lending, including any applicable scalar;
  - (b) “risk weighted assets recalculated using the standardised approach” has the same meaning as “standardised equivalent RWAs” in Part C of BPR130: Credit Risk RWAs Overview;
  - (c) the row “Credit risk supervisory adjustment” is required if the Reserve Bank has, by means of conditions of registration, imposed any overlay on the risk weighted assets that the registered bank calculates using one or more of its IRB models, and must show the aggregate amount of any such overlays;
  - (d) the row “Subtotal” must show, if applicable, the sum of the amounts referred to in paragraphs (a) and (c); and
  - (e) “RWAs for standardised exposures” refers to the total risk weighted assets that the registered bank calculates for credit risk exposures that are not covered by paragraph (a) which, to avoid doubt, corresponds to all risk weighted assets required to be disclosed under clauses 6, 6A and 8.

## 9 Scalar

- (1) For the purpose of the disclosure required by this Schedule, risk-weighted on- and off-balance sheet credit exposures and capital requirements must be the amounts after multiplying by the scalar (if any) specified in BPR130: Credit Risk RWAs Overview, as applicable to different classes of exposure.
- (2) If applicable,—
  - (a) an explanation of which figures disclosed are shown after multiplying by the scalar referred to in subclause (1); and
  - (b) a statement of the value of the scalar.

## 10 Operational risk

- (1) The information in subclause (2)—
  - (a) in respect of the registered bank’s banking group; and
  - (b) derived in accordance with the conditions of registration relating to capital adequacy.
- (2) The following information as at the reporting date:

### Operational risk capital requirement

Approach implemented:		
	Implied risk weighted exposure	Total operational risk capital requirement
Operational risk		

- (3) For the purpose of the disclosure required by subclause (2)—
- (a) approach implemented means the capital adequacy approach to operational risk implemented by the registered bank in accordance with its conditions of registration relating to capital adequacy;
  - (b) implied risk weighted exposure must be calculated as 12.5 x total operational risk capital requirement.

**11 Market risk end-period capital charges**

- (1) The information in subclause (2)—
  - (a) in respect of the registered bank’s banking group; and
  - (b) derived in accordance with the conditions of registration relating to capital adequacy.
- (2) The following information as at the reporting date:

**Market risk**

	Implied risk weighted exposure	Aggregate 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 aggregate capital charge.

**12 Market risk peak end-of-day 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 13.
- (2) The following information in respect of peak end-of-day aggregate capital charges for the half year accounting period or for the then remaining part of the full year accounting period (as applicable):

**Market risk**

	Implied risk weighted exposure	Aggregate 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 aggregate capital charge.

**13 Method for deriving peak end-of-day aggregate capital charge**

- (1) For the purpose of the disclosure required by clause 12, peak end-of-day aggregate capital charge for each category of market risk is derived by determining the maximum over the relevant

period of the aggregate capital charge at the close of each business day derived in accordance with—

- (a) BPR140: Market Risk; or
  - (b) any other method, but only if the aggregate market risk capital charge derived in accordance with that method is not, in the opinion of the registered bank (such opinion to be 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 aggregate capital charge for each category of market risk.

#### 14 Total capital requirements

- (1) The information in subclause (2)—
  - (a) in respect of the registered bank’s banking group; and
  - (b) derived in accordance with the conditions of registration relating to capital adequacy.
- (2) The following information as at the reporting date:

	Total exposure after credit risk mitigation	Risk weighted exposure or implied risk weighted exposure	Total capital requirement
Total credit risk			
Operational risk	n/a		
Market risk	n/a		
TOTAL	n/a		

- (3) For the purpose of the disclosure required by subclause (2), the bank must provide an explanation of how the amounts disclosed in the table incorporate each supervisory adjustment or overlay (if any) that the Reserve Bank has imposed on the bank’s capital ratio calculations by means of conditions of registration.

#### 15 Capital ratios

- (1) The information in subclause (2) in respect of the registered bank’s banking group.
- (2) The following information as at the reporting date:

##### Capital ratios compared to minimum ratio requirements

	Common Equity Tier 1 capital ratio	Tier 1 capital ratio	Total capital ratio
Ratio			
Minimum ratio requirement			

##### Prudential capital buffer ratio

Prudential capital buffer ratio	
Buffer trigger ratio	

- (3) The information that is required to be disclosed under subclause (2) must include comparative figures for the previous corresponding period.

- (4) Subclause (3) does not require a comparative figure to be produced for a previous corresponding period if that figure had not previously been required to be disclosed for the previous corresponding period.

**16 Solo capital adequacy**

- (1) The information in subclause (2) in respect of the registered bank.
- (2) The following information as at the reporting date for the registered bank on a solo basis:
- (a) Common Equity Tier 1 capital ratio;
  - (b) Tier 1 capital ratio; and
  - (c) Total capital ratio.
- (3) The information that is required to be disclosed under subclause (2) must include comparative figures for the previous corresponding period.

**17 Capital for other material risks**

- (1) The information in subclause (2)—
- (a) in respect of the registered bank's banking group; and
  - (b) derived in accordance with the conditions of registration relating to capital adequacy.
- (2) The following information as at the reporting date:
- (a) internal capital allocation for other material risks; and
  - (b) a summary description of the risks covered by the internal capital allocation for other material risks.
- (3) The information that is required to be disclosed under subclause (2) must include comparative figures for the previous corresponding period.

**17A Standardised equivalents of IRB risk weighted assets**

- (1) The information in subclause (2) in respect of the registered bank's banking group.
- (2) The following information as at the reporting date:

**Credit risk: standardised equivalents of IRB risk weighted assets**

<b>IRB exposure class</b>	<b>Exposure under the IRB approach</b>	<b>IRB risk weighted assets</b>	<b>Equivalent exposure under the standardised approach</b>	<b>Standardised equivalents of risk weighted assets</b>
First IRB exposure class				
Second IRB exposure class				
...				
Specialised lending subject to the slotting approach				
<b>TOTAL</b>				

- (3) For the purpose of the disclosure required by subclause (2):
- (a) the bank must disclose the same IRB exposure classes that it uses for the breakdown of IRB risk weighted assets under clause 3;
  - (b) for each IRB exposure class,—

- (i) the value for “Exposure under the IRB approach” is the aggregate amount shown for that exposure class in the column “Exposure amounts” required to be disclosed under clause 3;
  - (ii) the value for “IRB risk weighted assets” is the aggregate amount shown for that exposure class in the column “Risk weighted assets” required to be disclosed under clause 3;
- (c) in the row “Specialised lending subject to the slotting approach”:
- (i) the value for “Exposure under the IRB approach” is the sum of the amounts required to be disclosed under clause 5 for “Total exposures after credit risk mitigation” in the on-balance sheet exposures table and “EAD” in the off-balance sheet exposures table; and
  - (ii) the value for “IRB risk weighted assets” is the sum of the amounts required to be disclosed under clause 5 for risk weighted assets in the on-balance sheet exposures table and the off-balance sheet exposures table;
- (d) the column “Equivalent exposure under the standardised approach” must show for each row the aggregate on-balance sheet exposures and credit equivalent amounts for off-balance sheet exposures, for all exposures falling within the respective IRB exposure class or supervisory slotting, calculated in accordance with the standardised risk weighting approach in BPR131: Standardised Credit Risk RWAs; and
- (e) the column “Standardised equivalents of risk weighted assets” must show for each row the aggregate risk weighted assets for all exposures falling within the respective IRB exposure class or supervisory slotting, calculated in accordance with the standardised risk weighting approach in BPR131: Standardised Credit Risk RWAs.

### **17B Standardised equivalent capital ratios**

- (1) The information in subclauses (2) and (3)—
- (a) in respect of the registered bank’s banking group; and
  - (b) derived in accordance with the conditions of registration relating to capital adequacy.
- (2) The following information as at the reporting date:

#### **Standardised equivalent capital ratios**

	<b>CET1 capital</b>	<b>Tier 1 capital</b>	<b>Total capital</b>
Standardised equivalent capital amount			
Standardised equivalent total RWAs			
Ratio			

- (3) An explanation of how the “Standardised equivalent total RWAs” and “Standardised equivalent capital amount” figures relate to the corresponding values that the registered bank calculates for compliance purposes.
- (4) For the purpose of the disclosure required by subclause (2),—
- (a) “Standardised equivalent capital amount” refers to the amount that the bank would have in the respective category of capital if it were not accredited to use the IRB approach;
  - (b) “Standardised equivalent total RWAs” refers to the sum of the following amounts:
    - (i) standardised equivalent RWAs as defined in Part C of BPR130: Credit Risk RWAs Overview, being the bank’s total IRB and supervisory slotting risk weighted assets recalculated using the standardised approach;
    - (ii) risk weighted assets for credit risk exposures that are not covered by subparagraph (i) which, to avoid doubt, corresponds to all risk weighted assets required to be disclosed under clauses 6, 6A and 8;
    - (iii) implied risk weighted exposure for operational risk; and
    - (iv) implied risk weighted exposure for market risk.
  - (c) “Ratio” refers to the amount of the respective category of capital as a percentage of “Standardised equivalent total RWAs”.

**17C Historical comparison with standardised capital ratios and risk weights**

- (1) The information in subclause (2) in respect of the registered bank’s banking group for the reporting date and for all previous full-year reporting dates (if any) which were—
- (a) on or after 30 June 2024; and
  - (b) at most 4 years before the reporting date.
- (2) The information required for each date specified under subclause (1) is:
- (a) total capital ratio;
  - (b) total capital ratio recalculated as if the bank were not an IRB bank;
  - (c) actual average risk weight for all modelled credit risk exposures, which must be calculated as a ratio in which:
    - (i) the numerator is the total risk weighted assets for all exposures that are subject to the IRB modelling approach or the supervisory slotting approach, including any applicable scalar; and
    - (ii) the denominator is the total EAD for all exposures covered by subparagraph (i);
  - (d) standardised equivalent average risk weight for all modelled credit risk exposures, which must be calculated as a ratio in which:
    - (i) the numerator is the total risk weighted assets for all exposures referred to in paragraph (c)(i),

- recalculated as if the bank were a standardised bank; and
    - (ii) the denominator is the total on-balance sheet exposures and credit equivalent amounts for all exposures referred to in paragraph (c)(i), defined in accordance with the standardised risk weighting approach in BPR131: Standardised Credit Risk RWAs.
- (3) An explanation of what each row of the table represents.

## **18 Information about ultimate parent bank and ultimate parent banking group**

- (1) If the registered bank is a subsidiary of an ultimate parent bank,—
  - (a) the most recent publicly available information for the following in respect of the registered bank's ultimate parent bank and ultimate parent bank group:
    - (i) the Common Equity Tier 1 capital ratio, if applicable;
    - (ii) the Tier 1 capital ratio;
    - (iii) the Total capital ratio; and
    - (iv) the date to which the measures of Common Equity Tier 1 capital ratio (if applicable), Tier 1 capital ratio and Total capital ratio relate; and
  - (b) a statement as to—
    - (i) whether or not the ultimate parent bank or ultimate parent 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 capital 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
    - (ii) to the extent that the information is publicly available, whether or not the ultimate parent bank or ultimate parent bank 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 ultimate parent 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 ultimate parent bank or ultimate parent bank group.
- (2) The information that is required to be disclosed under subclause (1) must include comparative figures for the previous corresponding period.

**19 Regulatory liquidity ratios**

- (1) The information in subclause (2) in respect of the registered bank's banking group.
  - (2) The average values of each of the following regulatory liquidity ratios over each of the periods referred to in subclause (3), using the averaging method set out in subclause (4):
    - (a) the one-week mismatch ratio;
    - (b) the one-month mismatch ratio; and
    - (c) the core funding ratio.
  - (3) The periods referred to in subclause (2) are:
    - (a) the three month period ending on the reporting date; and
    - (b) the three month period ending on the date three months before the reporting date.
  - (4) To calculate the average value of a ratio specified in subclause (2) over a period specified in subclause (3), the bank must calculate the ratio at the close of each working day in the period in accordance with the conditions of registration relating to liquidity-risk management, and calculate the arithmetic average of all of the daily ratio figures.
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**Schedule 12—Off quarters**

**Capital adequacy under the internal models based approach**

*[Repealed]*

## Schedule 13—All periods

### Concentration of credit exposures to individual counterparties

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#### 1 Credit exposure information: general requirements

- (1) In this Schedule, credit exposure information must be disclosed either on the basis of—
- (a) actual credit exposures; or
  - (b) internal limits that were not materially exceeded between the reporting date for the previous disclosure statement and the reporting date for the disclosure statement.
- (2) A statement of the method used for disclosing the credit exposure information required by this Schedule.

#### 2 Calculation of credit exposure information

The credit exposure information required by this Schedule must—

- (a) be calculated as the amount that best represents the registered bank's banking group's maximum exposure to credit risk taking account of the guidance in paragraphs B9 and B10 of NZ IFRS 7;
- (b) exclude credit exposures to connected persons;
- (c) exclude credit exposures to the central government or central bank of any country with a long-term credit rating of A- or A3 or above, or its equivalent; and
- (d) exclude credit exposures to any supranational or quasi-sovereign agency with a long-term credit rating of A- or A3 or above, or its equivalent.

#### 3 Large exposures at the reporting date

- (1) The information in subclauses (2) and (4)—
- (a) as at the reporting date; and
  - (b) in successive ranges of 5% of the registered bank's banking group's Common Equity Tier 1 capital, commencing at 10% of Common Equity Tier 1 capital.
- (2) The number of bank counterparties described by subclause (3) to which the registered bank's banking group has an aggregate credit exposure that equals or exceeds 10% of the registered bank's banking group's Common Equity Tier 1 capital, showing separately—
- (a) those counterparties that have a long-term credit rating of A- or A3 or above, or its equivalent;

- (b) those counterparties that have a long-term credit rating of at least BBB- or Baa3, or its equivalent, and at most BBB+ or Baa1, or its equivalent, and
- (c) if applicable—
  - (i) those counterparties that have a long-term credit rating lower than BBB- or Baa3, or its equivalent; and
  - (ii) those counterparties that do not have a long-term credit rating.
- (3) A counterparty is a bank counterparty if it is—
  - (a) a bank that is not a member of a group of closely related counterparties; or
  - (b) a group of closely related counterparties of which a bank is the parent.
- (4) The number of non-bank counterparties described by subclause (5) to which the registered bank's banking group has an aggregate credit exposure that equals or exceeds 10% of the registered bank's banking group's Common Equity Tier 1 capital, showing separately—
  - (a) those counterparties that have a long-term credit rating of A- or A3 or above, or its equivalent;
  - (b) those counterparties that have a long-term credit rating of at least BBB- or Baa3, or its equivalent, and at most BBB+ or Baa1, or its equivalent; and
  - (c) if applicable—
    - (i) those counterparties that have a long-term credit rating lower than BBB- or Baa3, or its equivalent; and
    - (ii) those counterparties that do not have a long-term credit rating.
- (5) A counterparty is a non-bank counterparty if it is—
  - (a) a non-bank that is not a member of a group of closely related counterparties; or
  - (b) a group of closely related counterparties of which a bank is not the parent.

#### **4 Peak end-of-day aggregate credit exposure**

- (1) The information in subclauses (2) and (4)—
  - (a) in respect of peak end-of-day aggregate credit exposure for the period between the reporting date for the previous disclosure statement and the reporting date for the disclosure statement; and
  - (b) in successive ranges of 5% of the registered bank's banking group's Common Equity Tier 1 capital, commencing at 10% of Common Equity Tier 1 capital.
- (2) The number of bank counterparties described by subclause (3) to which the registered bank's banking group has a peak end-of-day aggregate credit exposure that equals or exceeds 10% of the registered bank's banking group's Common Equity Tier 1 capital, showing separately—
  - (a) those counterparties that have a long-term credit rating of A- or A3 or above, or its equivalent;

- (b) those counterparties that have a long-term credit rating of at least BBB- or Baa3, or its equivalent, and at most BBB+ or Baa1, or its equivalent; and
  - (c) if applicable—
    - (i) those counterparties that have a long-term credit rating lower than BBB- or Baa3, or its equivalent; and
    - (ii) those counterparties that do not have a long-term credit rating.
- (3) A counterparty is a bank counterparty if it is—
- (a) a bank that is not a member of a group of closely related counterparties; or
  - (b) a group of closely related counterparties of which a bank is the parent.
- (4) The number of non-bank counterparties described by subclause (5) to which the registered bank's banking group has a peak end-of-day aggregate credit exposure that equals or exceeds 10% of the registered bank's banking group's Common Equity Tier 1 capital, showing separately—
- (a) those counterparties that have a long-term credit rating of A- or A3 or above, or its equivalent;
  - (b) those counterparties that have a long-term credit rating of at least BBB- or Baa3, or its equivalent, and at most BBB+ or Baa1, or its equivalent; and
  - (c) if applicable—
    - (i) those counterparties that have a long-term credit rating lower than BBB- or Baa3, or its equivalent; and
    - (ii) those counterparties that do not have a long-term credit rating.
- (5) A counterparty is a non-bank counterparty if it is—
- (a) a non-bank that is not a member of a group of closely related counterparties; or
  - (b) a group of closely related counterparties of which a bank is not the parent.

## **5 Method of calculating peak end-of-day aggregate credit exposure**

For the purposes of clause 4, peak end-of-day aggregate credit exposure to an individual counterparty or a group of closely related counterparties for the period between the reporting date for the previous disclosure statement and the reporting date for the disclosure statement is derived by—

- (a) determining the maximum end-of-day aggregate amount of credit exposure over the period; and
- (b) then dividing that amount by the registered bank's banking group's Common Equity Tier 1 capital as at the reporting date for the disclosure statement.

## **6 Meaning of credit rating**

- (1) For the purposes of clauses 2 to 4, **credit rating** means a credit rating that meets the criteria in subclause (2) and that,—

- (a) in the case of a group of closely related counterparties, applies to the entity heading the group of closely related counterparties; or
  - (b) in the case of an individual counterparty (excluding a member of a group of closely related counterparties), applies to the individual counterparty.
- (2) The following criteria:
- (a) a credit rating that applies to—
    - (i) the relevant entity's long term senior unsecured obligations payable in New Zealand, in New Zealand dollars; or
    - (ii) the relevant entity's long term senior unsecured foreign currency obligations:
  - (b) a credit rating given by a rating agency that has been approved by the Reserve Bank of New Zealand under section 80 of the Act.
- (3) If an entity has 2 or more credit ratings that meet the criteria in subclauses (1) and (2) and those credit ratings are not the same, then the lowest credit rating applies.
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## Schedule 14—Full year

### Credit exposures to connected persons

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#### **1 Credit exposure information: general requirements**

- (1) In this Schedule, credit exposure information must be disclosed on the basis of actual credit exposures.
- (2) The information that is required to be disclosed under this Schedule must be derived in accordance with the registered bank's conditions of registration relating to credit exposures to connected persons and Connected Exposures Policy (BS8).

#### **2 Aggregate credit exposure**

- (1) The information in subclause (2)—
  - (a) as at the balance date; and
  - (b) in respect of peak end-of-day aggregate credit exposure for the full year accounting period.
- (2) The aggregate credit exposure of the registered bank's banking group to—
  - (a) connected persons expressed both as an amount and as a percentage of tier one capital; and
  - (b) non-bank connected persons expressed both as an amount and as a percentage of tier one capital.

#### **3 Credit exposure to connected persons**

- A statement that the information on credit exposure to connected persons—
- (a) has been derived in accordance with the registered bank's conditions of registration and Connected Exposures Policy (BS8) and is net of individual credit impairment allowances; and
  - (b) excludes advances to connected persons of a capital nature.

#### **4 Peak end-of-day aggregate exposure**

- (1) For the purposes of this Schedule, peak end-of-day aggregate credit exposure to connected persons as a ratio to tier one capital for the full year accounting period is derived by—

- (a) determining the maximum end-of-day aggregate amount of credit exposure over the accounting period; and
- (b) then dividing that amount by—
  - (i) the registered bank's banking group's tier one capital as at the reporting date; or
  - (ii) the registered bank's banking group's tier one capital at the date the maximum end-of-day aggregate amount of credit exposure occurred.
- (2) A statement of the method used to derive peak ratio information.

## **5 Rating-contingent limit**

The following information:

- (a) the rating-contingent limit that applies to the registered bank's banking group as at the balance date;
- (b) a statement as to whether any limit changes have occurred over the full year accounting period, and if so, the nature of those changes, and the dates on which they occurred; and
- (c) a statement that, within the overall rating-contingent limit, there is a sub-limit of 15% of tier one capital that applies to the aggregate credit exposure to non-bank connected persons.

## **6 Additional requirements for aggregate credit exposure to connected persons**

- (1) A statement as to whether aggregate credit exposure to connected persons has been calculated on a gross or a bilateral net basis.
- (2) If any part of the calculation has been undertaken on a bilateral net basis, the following information in respect of aggregate credit exposure to connected persons as at the balance date, and in respect of peak end-of-day aggregate credit exposure to connected persons over the full year accounting period—
  - (a) the gross amount, as a percentage of tier one capital, before any netting has taken place; and
  - (b) the amount, as a percentage of tier one capital, that has been netted off in determining the net exposure.

## **7 Unfunded contingent credit protection provided by connected persons**

A statement of the aggregate amount of contingent exposures of the registered bank's banking group to connected persons arising from unfunded contingent credit protection arrangements provided by any connected persons in respect of credit exposures to counterparties (excluding counterparties that are connected persons) as at the balance date.

## **8 Loss allowance for credit-impaired credit exposures to connected persons**

A statement of the aggregate amount of the registered bank's banking group's loss allowance for credit exposures to connected persons that are credit-impaired at the reporting date.

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## Schedule 15—Full year

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

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#### 1 Insurance products

- (1) In this Schedule, insurance products relate to insurance contracts which constitute insurance business.
- (2) Information disclosed under clauses 6 to 9 relating to entities on whose behalf the registered bank's banking group markets or distributes insurance products is required only in respect of affiliated insurance entities or affiliated insurance groups.

#### 2 Insurance business

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

- (a) the aggregate amount of insurance business as at the balance date, where the amount so disclosed 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 conducted in special purpose subsidiaries whose business activities predominantly comprise insurance business, and if so, the name of each of those subsidiaries, and a description of the insurance business conducted 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 conducted 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 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.

**4 Arrangements to ensure no adverse impacts arising from the activities specified in clause 3**

A statement on whether or not arrangements have been put in place to ensure that difficulties arising from the activities specified in clause 3 would not impact adversely on the registered bank's banking group, and if so, the nature of those arrangements.

**5 Amounts represented by activities specified in clause 3(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.

**6 Financial services provided to entities conducting activities specified in clause 3**

A statement on whether or not over the accounting period financial services provided by any member of the registered bank's banking group to entities that conduct the activities specified in clause 3(a) or (b), or on whose behalf the registered bank's banking group conducts the activities specified in clause 3(c), have been provided on arm's length terms and conditions and at fair value.

**7 Assets purchased from entities conducting activities specified in clause 3**

A statement on whether or not over the accounting period assets purchased by any member of the registered bank's banking group from entities that conduct the activities specified in clause 3, or on whose behalf the registered bank's banking group conducts the activities specified in clause 3(c), have been purchased on arm's length terms and conditions and at fair value.

**8 Funding provided to entities in aggregate and individually**

- (1) The information in subclauses (2) and (3) in respect of entities that conduct the activities specified in clause 3 or on whose behalf the registered bank's banking group conducts the activities specified in clause 3(c).
- (2) The peak end-of-day aggregate amount of funding the registered bank's banking group has provided over the full year accounting period to all such entities, expressed as an amount and as a percentage of the registered bank's banking group's tier one capital.
- (3) The peak end-of-day aggregate amount of funding the registered bank's banking group has provided over the full year accounting period to each such entity individually, expressed as an amount and as a percentage of the amount of assets of the individual entity.
- (4) The information that is required to be disclosed under this clause must include comparative figures for the previous corresponding period.

**9 Method for deriving peak end-of-day amount of funding in aggregate and individually in clause 8**

- (1) For the purposes of clause 8 the peak end-of-day aggregate amount of funding provided to any entity involved in activities specified in clause 3, or on whose behalf the registered bank's banking group conducts the activities specified in clause 3(c), includes funding provided by the purchase of securities issued by the entity.

- (2) For the purposes of clause 8, the peak end-of-day aggregate amount of funding is the maximum end-of-day aggregate amount of funding over the full year accounting period, divided by—
    - (a) in the case of clause 8(2), the registered bank's banking group's tier one capital as at the balance date;
    - (b) in the case of clause 8(3), the total assets as at the balance date of the individual entity to which the registered bank's banking group has provided funding.
  - (3) A statement of the methods used to derive peak ratio information.
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## Schedule 16—Half year

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

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#### **1 Insurance products**

- (1) In this Schedule, insurance products relate to insurance contracts which constitute insurance business.
- (2) Information disclosed under clauses 5 and 6 relating to entities on whose behalf the registered bank's banking group markets or distributes insurance products is required only in respect of affiliated insurance entities or affiliated insurance groups.

#### **2 Insurance business**

A statement on whether or not the registered bank's banking group conducts 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 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, 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; or
  - (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).

**4 Arrangements to ensure no adverse impacts arising from the activities specified in clause 3(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 3(1) would not impact adversely on the registered bank's banking group, a statement of the nature of the changes.

**5 Financial services provided to entities conducting activities specified in clause 3(1)**

If over the half year accounting period financial services provided by any member of the registered bank's banking group to entities that conduct the activities specified in clause 3(1)(a) or (b), or on whose behalf the registered bank's banking group conducts the activities specified in clause 3(1)(c), have been provided other than on arm's length terms and conditions and at fair value, a statement to that effect.

**6 Assets purchased from entities conducting activities specified in clause 3(1)**

If over the half year accounting period assets purchased by any member of the registered bank's banking group from entities that conduct the activities specified in clause 3(1), or on whose behalf the registered bank's banking group conducts the activities specified in clause 3(1)(c), have been purchased other than on arm's length terms and conditions and at fair value, a statement to that effect.

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## Schedule 17—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 risk to which the registered bank’s banking group is exposed.

#### 2 Information about risk

- (1) A general description of the registered bank’s banking group’s risk management objectives, policies, strategies and processes, to the extent not otherwise disclosed to comply with paragraph 33 of NZ IFRS 7.
- (2) 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 which give rise to that risk;
  - (b) an explanation of the structure and organisation of the relevant risk management function;
  - (c) a general description of the relevant processes for identifying, measuring and monitoring exposure to the risk, including the frequency with which exposures are monitored and reported; and
  - (d) 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;

- (iii) any policies on the use of financial instruments to mitigate or hedge risks; and
- (iv) strategies and processes for monitoring the continuing effectiveness of hedges and other mitigants.

### **3 Capital adequacy**

A summary discussion of the following matters, to the extent not otherwise disclosed to comply with paragraph 134 of NZ IAS 1:

- (a) the registered bank's banking group's approach to assessing the adequacy of its capital to support current and future activities; and
- (b) the role that directors and senior management take in the capital management process.

### **4 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, ultimate parent bank, or ultimate non-bank holding company.

### **5 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.

### **6 Measurement of impaired assets**

- (1) The information in subclause (2), to the extent not otherwise disclosed to comply with paragraph 21, and paragraphs 35F and 35G (if applicable) of NZ IFRS 7.
- (2) A description of approaches followed for individual and collective allowance for impaired assets, and any statistical methods used in assessing asset impairment, including the following information:
  - (a) the circumstances and criteria under which financial assets are assessed individually;
  - (b) the circumstances and criteria under which financial assets are assessed collectively with other financial assets;

- (c) the frequency of assessing impairment; and
- (d) how recoverable amounts are calculated.

## **7 Credit risk mitigation**

Where applicable, the following information, to the extent not otherwise disclosed to comply with paragraph 33 of NZ IFRS 7:

- (a) the policies and processes for on- and off-balance sheet netting;
- (b) an indication of the extent to which the registered bank's banking group makes use of on- and off-balance sheet netting;
- (c) whether the simple or comprehensive method is used to measure the mitigating effects of collateral;
- (d) the main types of guarantor and credit derivative counterparty and their creditworthiness; and
- (e) any material market and credit risk concentrations that might arise as a result of the mitigation taken.

## **8 Additional information about credit risk**

If a registered bank has been accredited by the Reserve Bank to use the IRB approach to credit risk, information giving a broad overview of the model approaches and methods used for the estimation of Probability of Default and, if relevant, Loss Given Default and Exposure at Default, for the following exposure classes or sub-classes as defined in BPR133: IRB Credit Risk RWAs:

- (a) any exposure class other than the retail exposure class which includes exposures of a material total value;
- (b) exposures classified as retail mortgage lending by the registered bank for the purpose of its internal credit risk modelling; and
- (c) retail exposures other than those referred to in paragraph (b).

## **9 Additional information about operational risk**

If a registered bank has implemented the Advanced Measurement Approach to operational risk, the following information:

- (a) a general description of the methodology used in the advanced measurement approach including a discussion of relevant internal and external factors considered in the bank's measurement approach, and whether economic capital is allocated across business lines; and
- (b) a description of the use of insurance for the purposes of mitigating operational risk.

## **10 Controls surrounding credit risk rating systems**

If the registered bank has been accredited by the Reserve Bank to use the IRB approach to credit risk, a discussion of the control mechanisms for the rating systems used to measure credit risk, covering independence, accountability, and rating systems reviews.

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## Schedule 18—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 risk to which the registered bank's banking group is exposed.

#### 2 Information about risks

(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; and
  - (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.

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

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### **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 (New Zealand Incorporated Registered Banks) Order (No 3) 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.

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

### **Explanatory note [to first Amendment Order]**

*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 (New Zealand 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.

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This order is administered by the Reserve Bank of New Zealand

### **Explanatory note [to second Amendment Order]**

*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 (New Zealand Incorporated Registered Banks) Order 2014. The purpose of this order is to update disclosure requirements for registered banks that are incorporated in New Zealand, 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.

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This order is administered by the Reserve Bank of New Zealand

### **Explanatory note [to third Amendment Order]**

*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 (New Zealand Incorporated Registered Banks) Order 2014, published in a Supplement to the New Zealand Gazette, 21 February 2014, No. 21, at page 452. The purpose of this order is to update disclosure requirements for New Zealand-incorporated registered banks. It removes the requirement for a bank's full year disclosure statement to include the financial statements of the bank on a stand-alone basis (unless the registered bank is the only entity in its financial reporting group). The order also removes superseded references to the Financial Reporting Act 1993.

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This order is administered by the Reserve Bank of New Zealand

### **Explanatory note [to fourth Amendment Order]**

*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 (New Zealand Incorporated Registered Banks) Order 2014, published in a Supplement to the New Zealand Gazette, 21 February 2014, No. 21, at page 452. The purpose of this order is to update disclosure requirements for New Zealand-incorporated registered banks. It removes the requirement for a New Zealand-incorporated bank to publish off-quarter disclosure statements. The order also adds a requirement to publish regulatory liquidity ratios, makes some amendments to the disclosure of individual large credit exposures, makes a few minor changes to other required disclosure, and removes or updates some expired cross-references.

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This order is administered by the Reserve Bank of New Zealand

### **Explanatory note [to fifth Amendment Order]**

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

This order comes into force on 31 March 2021. It amends the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014, published in a Supplement to the New Zealand Gazette, 21 February 2014, No. 21, at page 452. The purpose of this order is to update disclosure requirements for New Zealand-incorporated registered banks. It adds a materiality threshold to the required disclosure of any breaches of the bank's conditions of registration, and makes a corresponding change to the attestation as to whether the bank has met all of its conditions over the period.

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This order is administered by the Reserve Bank of New Zealand

### **Explanatory Note [to sixth Amendment Order]**

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

This order comes into force on 30 September 2021. It amends the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014, published in a Supplement to the New Zealand Gazette, 21 February 2014, No. 21, page 452. The purpose of this order is to update disclosure requirements upon New Zealand-incorporated registered banks. It adds a new definition of Tier 2 capital to the defined terms in the order in council that applies to New Zealand incorporated banks to allow Tier 2 capital instruments under the new prudential capital framework for registered banks to be factored into the definition of the total capital ratio for disclosure purposes.

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This order is administered by the Reserve Bank of New Zealand

### **Explanatory note [to seventh Amendment Order]**

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

This order comes into force on 31 December 2021. It amends the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014, published in a Supplement to the New Zealand Gazette, 21 February 2014, No. 21, at page 452. The purpose of this order is to update disclosure requirements for New Zealand incorporated registered banks to align with the new Banking Prudential Requirement (BPR) documents that set out the capital adequacy requirements for New Zealand incorporated banks. The order also removes some redundant material.

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This order is administered by the Reserve Bank of New Zealand

### **Explanatory note [to eighth Amendment Order]**

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

This order comes into force on 31 December 2022. It amends the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014, published in a Supplement to the New Zealand Gazette, 21 February 2014, No. 21, at page 452. The purpose of this order is to simplify the content of the auditor's assurance reports that are required to accompany disclosure statements. This order also fixes minor typographical errors.

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This order is administered by the Reserve Bank of New Zealand.

**Explanatory note [to ninth Amendment Order]**

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

This order comes into force on 30 June 2024. It amends the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014. The main purpose of this order is to implement “dual reporting” by the banks that are accredited to use their own internal ratings-based models to calculate capital requirements for credit risk. The purpose of dual reporting is to improve transparency around these banks’ credit risk models. It requires them to disclose their actual capital requirements using their internal models, alongside the non-modelled equivalent capital requirements (under the “standardised approach” used by other banks). The order also adds additional disclosure relating to counterparty credit risk arising from derivative contracts and makes minor consequential amendments arising from changes in the capital adequacy and connected exposures policies.

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This order is administered by the Reserve Bank of New Zealand.