

INDUSTRIAL AND COMMERCIAL BANK OF CHINA NEW ZEALAND BANKING GROUP

Disclosure Statement

For the six months ended 30 June 2021



Disclosure Statement

This Disclosure Statement has been issued by Industrial and Commercial Bank of China Limited for the year ended 30 June 2021 in accordance with the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the "Order").

In this Disclosure Statement, unless the context otherwise requires:

- (a) "Overseas Bank", "Registered Bank" or "ICBC" means Industrial and Commercial Bank of China Limited, incorporated in China;
- (b) "Overseas Banking Group" means the total worldwide business of ICBC including its controlled entities;
- (c) "Branch" means the New Zealand Branch of the Overseas Bank;
- (d) "ICBC NZ" means Industrial and Commercial Bank of China (New Zealand) Limited, the locally incorporated subsidiary of the Overseas Bank;
- (e) "NZ Banking Group" means the New Zealand operations of the Overseas Bank comprising the Branch and ICBC NZ;
- (f) "NZD" means the New Zealand Dollar, "RMB" means the Chinese Yuan, "USD" means the United States Dollar, "HKD" means the Hong Kong Dollar, "EUR" means the European Dollar and "AUD" means the Australian Dollar;
- (g) "Board" means the board of directors of the Overseas Bank; and
- (h) Words and phrases defined by the Order have the same meanings when used in this Disclosure Statement.

The financial statements of the NZ Banking Group for the six-month period ended 30 June 2021 form part of and should be read in conjunction with this Disclosure Statement.

This Disclosure Statement is available on the ICBC NZ's website at www.icbcnz.com. In addition, any person can request a hard copy of the Disclosure Statement at no charge. The copy will be provided by the end of the second working day after the day on which the request is received.

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Industrial and Commercial Bank of China – NZ Banking Group Corporate Information

Address for Service

The Registered Bank is Industrial and Commercial Bank of China Limited, incorporated in China. ICBC is subject to regulatory oversight by the China Banking and Insurance Regulatory Commission (CBIRC) and the Government of the People's Republic of China. ICBC is the ultimate parent bank and ultimate holding company of NZ Banking Group.

- (a) The registered address of ICBC is:

55 Fuxingmennei Avenue,
Xicheng District, 100140,
Beijing,
People's Republic of China

- (b) Financial Statements of Registered Bank and Financial Statement of Overseas Banking Group

The Disclosure Statement of the NZ Banking Group is available for download, free of charge, on ICBC NZ's website (www.icbcnz.com). A printed copy will also be made available, free of charge, upon request and will be dispatched by the end of the second working day after the day on which the request has been made.

The most recently published financial statements of the Overseas Banking Group are available on ICBC's website www.icbc.com.cn.

- (c) The address for service and place of business of the Branch is:

HSBC Tower, Level 11, 188 Quay Street,
Auckland 1010, New Zealand

Nature of Business

The Overseas Bank is granted a banking licence on 18 May 2020 by the Reserve Bank of New Zealand. The NZ Banking Group currently provides a range of banking and financial products to retail, corporate and institutional customers.

Limits on Material Financial Support by the Overseas Bank

There are no legislative, regulatory or other restrictions of a legally enforceable nature in China that may materially inhibit the legal ability of ICBC to provide material financial support to the NZ Banking Group.

Subordination of Claims of Creditors

There are no material legislative or regulatory restrictions in China that, in a liquidation of the Overseas Bank, subordinate the claims of any class of unsecured creditors of the Branch on the assets of the Overseas Bank to those of any other class of unsecured creditors of the Overseas Bank.

Requirement to Hold Excess Assets over Deposit Liabilities

The Overseas Bank is not required by any statute to hold in New Zealand an excess of assets over deposit liabilities.

Requirement to Maintain Sufficient Assets to Cover Ongoing Obligation to Pay Deposit Liabilities

The Overseas Bank is required to hold sufficient high quality liquid asset as per the regulatory or legislative requirement in the People's Republic of China in order to cover an ongoing obligation to pay deposit liabilities under a stressed scenario.

Guarantee Arrangements

No material obligations of the Overseas Bank that relate to the Branch are guaranteed as at the date of signing this Disclosure Statement.

Directorate

Directors of the Overseas Bank

There have been no changes in the Board since Disclosure Statement as at 31 December 2020.

Responsible Person

Qian HOU (being the New Zealand Chief Executive of the Overseas Bank) has been authorised in writing to sign this Disclosure Statement on behalf of each of the following directors: Siqing CHEN, Lin LIAO, Yongzhen LU, Fuqing ZHENG, Weidong FENG, Liqun CAO, Anthony Francis NEOH, Siu Shun YANG, Si SHEN, Nout WELLINK, Fred Zulu HU.

Auditor

The name and address of the auditor whose independent auditor's report is referred to in this disclosure statement is:

Deloitte Limited
Deloitte Centre
80 Queen Street
Auckland 1010, New Zealand

Conditions of Registration for Industrial and Commercial Bank of China Limited in New Zealand

During the reporting period there have been no changes to the Branch's conditions of registration.

These conditions of registration apply on and after 18 May 2020 as per RBNZ's letter.

The registration of Industrial and Commercial Bank of China Limited ("the registered bank") in New Zealand is subject to the following conditions:

1. That the banking group does not conduct any non-financial activities that in aggregate are material relative to its total activities.

In this condition of registration, the meaning of "material" is based on generally accepted accounting practice.

2. That the banking group's insurance business is not greater than 1% of its total consolidated assets.

For the purposes of this condition of registration, the banking group's insurance business is the sum of the following amounts for entities in the banking group:

- (a) if the business of an entity predominantly consists of insurance business and the entity is not a subsidiary of another entity in the banking group whose business predominantly consists of insurance business, the amount of the insurance business to sum is the total consolidated assets of the group headed by the entity; and
- (b) if the entity conducts insurance business and its business does not predominantly consist of insurance business and the entity is not a subsidiary of another entity in the banking group whose business predominantly consists of insurance business, the amount of the insurance business to sum is the total liabilities relating to the entity's insurance business plus the equity retained by the entity to meet the solvency or financial soundness needs of its insurance business.

In determining the total amount of the banking group's insurance business—

- (a) all amounts must relate to on-balance sheet items only, and must comply with generally accepted accounting practice; and
- (b) if products or assets of which an insurance business is comprised also contain a non-insurance component, the whole of such products or assets must be considered part of the insurance business.

For the purposes of this condition of registration,—

"insurance business" means the undertaking or assumption of liability as an insurer under a contract of insurance:

"insurer" and "contract of insurance" have the same meaning as provided in sections 6 and 7 of the Insurance (Prudential Supervision) Act 2010.

3. That the business of the registered bank in New Zealand does not constitute a predominant proportion of the total business of the registered bank.
4. That no appointment to the position of the New Zealand Chief Executive Officer of the registered bank shall be made unless:

- (a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and
 - (b) the Reserve Bank has advised that it has no objection to that appointment.
5. That Industrial and Commercial Bank of China Limited complies with the requirements imposed on it by the China Banking and Insurance Regulatory Commission.
 6. That, with reference to the following table, each capital adequacy ratio of Industrial and Commercial Bank of China Limited must be equal to or greater than the applicable minimum requirement.

Capital adequacy ratio	Minimum requirement
Common Equity Tier 1 capital	5.0 percent
Tier 1 capital	6.0 percent
Total capital	8.0 percent

For the purposes of this condition of registration, the capital adequacy ratios—

- (a) must be calculated as a percentage of the registered bank's risk weighted assets; and
 - (b) are otherwise as administered by China Banking and Insurance Regulatory Commission.
7. That liabilities of the registered bank in New Zealand, net of amounts due to related parties (including amounts due to a subsidiary or affiliate of the registered bank), do not exceed NZ\$15 billion.
 8. The registered bank may only undertake wholesale business in New Zealand – that is, business transacted with “wholesale investors” defined under the Financial Market Conduct Act 2013 (Clause 3(2), Schedule 1).
 9. That any derivative contracts entered into by the registered bank in New Zealand may only be for the purposes of hedging a customer's positions with the registered bank, or the registered bank's own risk positions.
 10. That the New Zealand assets of the registered bank do not exceed the consolidated total assets of Industrial and Commercial Bank of China (New Zealand) Limited and its subsidiaries.

In these conditions of registration,—

“banking group” means the New Zealand business of the registered bank and its subsidiaries as required to be reported in group financial statements for the group's New Zealand business under section 461B(2) of the Financial Markets Conduct Act 2013.

“business of the registered bank in New Zealand” means the New Zealand business of the registered bank as defined in the requirement for financial statements for New Zealand business in section 461B(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.

“liabilities of the registered bank in New Zealand” means the liabilities that the registered bank would be required to report in financial statements for its New Zealand business if section 461B(1) of the Financial Markets Conduct Act 2013 applied.

Pending Proceedings or Arbitration

As at the date of this Disclosure Statement, there are no pending legal proceedings or arbitrations concerning any member of the NZ Banking Group, or if publically available, the Overseas Banking Group, whether in New Zealand or elsewhere, that may have a material adverse effect on the Overseas Bank or any other member of the NZ Banking Group.

Credit Ratings

ICBC Rating Information

The Overseas Bank had the following credit ratings applicable to its long-term senior unsecured obligations:

Rating Agency/Rating Results	Moody's Investors Service, Inc.	Standard & Poor's Corporation	Fitch Ratings Ltd.
Long-term Foreign Currency Bank Deposits Rating	A1 (Upper-medium grade and low credit risk)	A (Strong Capacity to meet obligation but subject to adverse economic conditions)	A (Strong Capacity to meet obligation but vulnerable to adverse business or economic conditions)
Short-term Foreign Currency Bank Deposits Rating	P-1 (Superior ability to repay short-term debt)	A-1 (susceptible to adverse economic conditions but satisfactory capacity to meet obligations)	F1+ (strongest capacity for timely payment of financial commitments)
Outlook	Stable	Stable	Stable

Rating movement history

There has not been any Standard & Poor's and Moody's Credit rating movement in the last 3 years.

On 29 Oct 2019, Fitch has upgraded ICBC's Short term Foreign currency bank deposits rating to F1+ from F1, reflecting the Chinese central government's 73% ownership, a long history of state support, and its status as the largest bank in China.

A credit rating is not a recommendation to buy, sell or hold securities of the Overseas Bank. Such ratings are subject to revision, qualification, suspension or withdrawal at any time by the assigning rating agency. Investors in the Overseas Bank's securities are cautioned to evaluate each rating independently of any other rating.

Rating Information

The following is a summary of the descriptions of the major ratings categories of each rating agency for the rating of long-term senior unsecured obligations:

Fitch Ratings Ltd.	Standard & Poor's Corporation	Moody's Investors Service, Inc.	Description of Rating ^{1,2}
AAA	AAA	Aaa	Ability to repay principal and interest is extremely strong. This is the highest investment category.
AA	AA	Aa	Very strong ability to repay principal and interest in a timely manner.
A	A	A	Strong ability to repay principal and interest although susceptible to adverse changes in economic, business or financial conditions.
BBB	BBB	Baa	Adequate ability to repay principal and interest. More vulnerable to adverse changes (lowest "investment grade").
BB	BB	Ba	Significant uncertainties exist which could affect the payment of principal and interest on a timely basis.
B	B	B	Greater vulnerability and greater likelihood of default.
CCC	CCC	Caa	Likelihood of default considered high Timely repayment of principal and interest depends on favourable financial conditions.
CC-C	CC – C	Ca-C	Highest risk of default.
RD to D	D	-	Obligation currently in default.

¹ Moody's applies numeric modifiers to each generic rating category from Aa to B, indicating that the counterparty is (1) in the higher end of its letter rating category, (2) in mid-range, or (3) in lower end. Fitch and S&P apply plus (+) or minus (-) signs to ratings from "AA" to "CCC" to indicate relative standing within the major rating categories.

² Credit ratings are statements of opinion issues by rating agencies. A credit rating is not a statement of fact, an endorsement of the rated entity, or a recommendation to buy, hold, or sell securities. Analytic services provided by rating agencies are the result of separate activities designed to preserve the independence and objectivity of rating opinions.

Other Material Matters

The Directors of the Overseas Bank are of the opinion that there are no other matters relating to the business or affairs of the NZ Banking Group that are not contained elsewhere in this Disclosure Statement and which would, if disclosed, materially affect the decision of a person to subscribe for debt securities of which the Overseas Bank or any member of its NZ Banking Group is the issuer.

Directors' and New Zealand Chief Executive Officer's Statements

Each Director of the Overseas Bank and the New Zealand Chief Executive Officer states that he or she believes, after due enquiry, that:

1. As at the date on which the Disclosure Statement is signed:
 - (a) The Disclosure Statement contains all the information that is required by the Order; and
 - (b) The Disclosure Statement is not false or misleading.
2. During the six months ended 30 June 2021:
 - (a) The Overseas Bank has complied with all conditions of registration that applied during the period;
 - (b) The Branch and ICBC NZ have systems in place to monitor and control adequately relevant members of the NZ Banking Group's material risks, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk and other business risks, and that those systems are properly applied.

This Disclosure Statement is dated 27 August 2021 and has been signed by Qian Hou as the New Zealand Chief Executive Officer and as agent authorized in writing by each director of Overseas Bank.



Qian Hou
New Zealand Chief Executive Officer

Appendix 1 - Financial Statements

Industrial and Commercial Bank of China NZ Banking Group

Financial Statements for the six months ended 30 June 2021

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STATEMENT OF COMPREHENSIVE INCOME

Thousands of dollars	Note	Unaudited 30 June 2021 6 months	Unaudited 30 June 2020** 6 months	Audited 31 December 2020 12 months
Interest income*		33,467	36,626	67,195
Interest expense*		(12,285)	(21,444)	(37,261)
Net interest income		21,182	15,182	29,934
Net gains/(losses) on financial instruments at fair value through P&L		3,656	13,474	24,565
Fees and other income/(losses)	2	(4,720)	(7,423)	(19,163)
Total operating income		20,118	21,233	35,336
Operating expenses		(8,745)	(8,203)	(17,859)
Impairment provisioning on financial assets	3	(1,353)	(151)	(864)
Net profit/(loss) before taxation		10,020	12,879	16,613
Taxation expense	4	(2,783)	(3,607)	(4,719)
Net profit/(loss) after taxation		7,237	9,272	11,894
Other comprehensive income		-	-	-
Total comprehensive income		7,237	9,272	11,894

* All interest income and interest expense are calculated using the effective interest method.

** The NZ Banking Group operations began on 18 May 2020. By the end of June 2020, as the Branch has not yet started business operation, the information presented in the above table has been extracted from financial statements of ICBC NZ.

The accounting policies and other notes (1-21) form part of, and should be read in conjunction with, these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

		Branch Head Office Account		Other members of the NZ Banking Group		
Thousands of dollars	Note	Branch Capital	Retained Earnings	Share Capital	Retained Earnings	Total
For the six months ended 30 June 2021 (unaudited)						
Balance at 31 December 2020		84,000	(644)	233,540	36,367	353,263
Capital injection from shareholders		-	-	-	-	-
Net profit/(loss) and other comprehensive income for the year		-	1,064	-	6,173	7,237
Total equity movement for the year		-	1,064	-	6,173	7,237
Balance at 30 June 2021		84,000	420	233,540	42,540	360,500
For the six months ended 30 June 2020 (unaudited)**						
Balance at 31 December 2019		-	-	233,540	23,509	257,049
Capital injection from shareholders		-	-	-	-	-
Net profit/(loss) and other comprehensive income for the year		-	-	-	9,272	9,272
Total equity movement for the year		-	-	-	9,272	9,272
Balance at 30 June 2020		-	-	233,540	32,781	266,321
For the year ended 31 December 2020 (audited)						
Balance at 31 December 2019		-	-	233,540	23,509	257,049
Impact of initial adoption of NZ IFRS 16		-	-	-	320	320
Balance at 1 January 2020		-	-	233,540	23,829	257,369
Capital injection from shareholders		84,000	-	-	-	84,000
Net profit/(loss) and other comprehensive income for the year		-	(644)	-	12,538	11,894
Total equity movement for the year		84,000	(644)	-	12,538	95,894
Balance at 31 December 2020		84,000	(644)	233,540	36,367	353,263

** The NZ Banking Group operations began on 18 May 2020. By the end of June 2020, as the Branch has not yet started business operation, the information presented in the above table has been extracted from financial statements of ICBC NZ.

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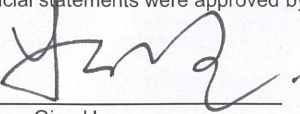
STATEMENT OF FINANCIAL POSITION

Thousands of dollars	Note	Unaudited As at 30 June 2021	Unaudited As at 30 June 2020**	Audited As at 31 December 2020
Assets				
Cash, cash equivalents and balances with central banks		410,053	364,738	200,771
Amounts due from related parties	10	872,917	1,951	118,284
Due from banks and other financial institutions		30,000	183,900	10,000
Investment securities		194,569	189,154	197,210
Derivative financial assets		2,427	20,156	7,698
Loans and advances to customers	5,9	2,202,959	1,681,432	1,748,109
Right-of-use assets		8,384	8,076	9,212
Current tax receivable		-	-	491
Property, plant and equipment		287	81	153
Intangible assets		5	10	7
Deferred tax assets		5,530	5,231	4,856
Other assets		6,617	5,354	5,386
Total assets		3,733,748	2,460,083	2,302,177
Liabilities				
Due to central banks and other financial institutions		1	1	1
Amounts due to related parties	10	2,014,548	691,051	596,873
Derivative financial liabilities		1,852	4,662	3,292
Deposits from customers	6	502,546	797,628	650,797
Certificates of deposit	7	214,073	42,427	79,750
Subordinated loans due to related parties	8	70,000	70,000	70,000
Debt securities issued	7	546,340	560,914	523,178
Lease liabilities		8,862	8,389	9,645
Current tax payable		1,204	338	-
Deferred tax liabilities		228	1,321	876
Other liabilities		13,594	17,031	14,502
Total liabilities		3,373,248	2,193,762	1,948,914
Head office account				
Branch capital		84,000	-	84,000
Retained profit		420	-	(644)
NZ Banking Group's equity				
Share capital		233,540	233,540	233,540
Reserves		42,540	32,781	36,367
Total NZ Banking Group's equity		360,500	266,321	353,263
Total NZ Banking Group's equity and liabilities		3,733,748	2,460,083	2,302,177
Interest bearing assets and liabilities				
Total interest earning and discount bearing assets	17	3,714,956	2,428,772	2,285,394
Total interest and discount bearing liabilities	17	3,308,843	2,122,858	1,880,950

** The NZ Banking Group operations began on 18 May 2020. By the end of June 2020, as the Branch has not yet started business operation, the information presented in the above table has been extracted from financial statements of ICBC NZ.

The accounting policies and other notes (1-21) form part of, and should be read in conjunction with, these Financial Statements.

These financial statements were approved by the directors on 27 August 2021 and are signed on their behalf by:


Qian Hou
New Zealand Chief Executive Officer

STATEMENT OF CASH FLOWS

Thousands of dollars	Unaudited 30 June 2021	Unaudited 30 June 2020**	Audited 31 December 2020
Cash flows applied to operating activities			
Interest income	34,741	38,314	68,975
Other income/(loss)	2,766	(8,626)	1,789
Interest expense	(15,759)	(22,316)	(39,360)
Long-term lease payments	(760)	(638)	(1,340)
Variable lease	(7)	(3)	(9)
Personnel expenses	(6,006)	(6,368)	(12,305)
Other operating expenses`	(2,238)	(1,595)	(4,450)
Taxes paid	(2,410)	(5,437)	(7,572)
Net cash flows applied to operating activities before changes in operating assets and liabilities	10,327	(6,669)	5,728
Changes in operating assets and liabilities arising from cash flow movements:			
(Increase)/decrease in loans and advances to customers	(455,757)	35,558	(31,949)
Increase / (decrease) in deposits from customers	(148,251)	(17,217)	(164,048)
Increase/(decrease) in amounts due to related parties	1,364,011	169,615	223,085
Increase/(decrease) in other liabilities	218	36	(410)
(Increase)/decrease in amounts due from related parties	(754,640)	21,199	(95,134)
Increase / (decrease) in certificates of deposit	134,323	(5,270)	32,053
Net change in operating assets and liabilities	139,904	203,921	(36,403)
Net cash flows applied to operating activities	150,231	197,252	(30,675)
Cash flows applied to investing activities			
Purchase of property, plant and equipment	(172)	(48)	(144)
Purchase of intangible assets	-	-	-
Purchase of investment securities	2,250	(6,646)	(15,146)
Net cash flows applied to investing activities	2,078	(6,694)	(15,290)
Cash flows applied to financing activities			
Capital injection from shareholders	-	-	84,000
Increase in subordinated loans due to related parties	-	-	-
Increase/(decrease) in debt securities issued	23,310	(101,000)	(138,696)
Net cash flows applied to financing activities	23,310	(101,000)	(54,696)
Increase/(decrease) in cash and cash equivalents	175,619	89,558	(100,661)
Cash and cash equivalents at beginning of year	165,746	266,407	266,407
Cash and cash equivalents	341,365	355,965	165,746
Cash and cash equivalents at end of the period comprised:			
Cash, cash equivalents and balances with central banks	410,053	364,738	200,771
Due from banks and other institutions classified as cash equivalents	30,000	183,900	10,000
Due to central banks and other financial institutions classified as cash and cash equivalents	(1)	(1)	(1)
Amount due to related parties classified as cash and cash equivalents	(98,687)	(192,672)	(45,024)
Total cash and cash equivalents	341,365	355,965	165,746

** The NZ Banking Group operations began on 18 May 2020. By the end of June 2020, as the Branch has not yet started business operation, the information presented in the above table has been extracted from financial statements of ICBC NZ.

The accounting policies and other notes (1-21) form part of, and should be read in conjunction with, these Financial Statements.

STATEMENT OF CASH FLOWS (CONTINUED)

Thousands of Dollars	Unaudited 30 June 2021	Unaudited 30 June 2020**	Audited 31 December 2020
Reconciliation of net profit after taxation to net cash-flows from operating activities			
Net profit/(loss) after taxation	7,237	9,272	11,894
Non cash movements:			
Unrealised fair value adjustments	2,316	(4,717)	(3,628)
Depreciation	38	19	43
Amortisation of intangibles	2	2	5
Amortisation of Right-of-use assets	711	598	1,317
Amortisation of financial instruments	391	359	804
Increase/(decrease) in allowance for impairment losses	1,353	153	870
Bad debts recovery	-	(2)	(6)
Unrealised foreign exchange gain/(loss)	1,515	(9,960)	15
(Increase)/decrease in deferred taxation	(1,381)	922	728
Amortisation of debt securities issued	(148)	6	(10)
Increase/(decrease) in operating assets and liabilities	4,797	(12,620)	138
(Increase)/decrease in interest receivable	(778)	1,720	1,554
Increase/(decrease) in interest payable	(3,420)	(995)	(2,309)
(Increase)/decrease in loans and advances to customers	(455,757)	35,558	(31,949)
Increase/(decrease) in deposits from customers	(148,251)	(17,217)	(164,048)
Increase/(decrease) in certificates of deposit	134,323	(5,270)	32,053
Increase/(decrease) in lease liabilities	(666)	(522)	(1,121)
Increase/(decrease) in other liabilities	2,075	(644)	(1,299)
Increase/(decrease) in amounts due to related parties	1,364,011	169,615	223,085
(Increase)/decrease in current taxation	1,754	(2,752)	(3,581)
(Increase)/decrease in other assets	(454)	(92)	42
(Increase)/decrease in amounts due from related parties	(754,640)	21,199	(95,134)
Net cash flows from operating activities	150,231	197,252	(30,675)

The NZ Banking Group operations began on 18 May 2020. By the end of June 2020, as the Branch has not yet started business operation, the information presented in the above table has been extracted from financial statements of ICBC NZ.

The accounting policies and other notes (1-21) form part of, and should be read in conjunction with, these Financial Statements.

STATEMENT OF CASH FLOWS (CONTINUED)**Reconciliation of liabilities arising from financing activities****For the year ended 30 June 2021 (unaudited)**

	Balance at the beginning of the year	Net Cash flow	Non-cash changes		30 June 2021
			Amortisation	Foreign Exchange movement	
Subordinated loans due to related parties	70,000	-	-	-	70,000
Debt securities issued	523,178	23,310	(148)	-	546,340
Total liabilities from financing activities	593,178	23,310	(148)	-	616,340

For the year ended 30 June 2020 (unaudited)

	Balance at the beginning of the year	Net Cash flow	Non-cash changes		30 June 2020
			Amortisation	Foreign Exchange movement	
Subordinated loans due to related parties	70,000	-	-	-	70,000
Debt securities issued	661,440	(101,000)	6	468	560,914
Total liabilities from financing activities	731,440	(101,000)	6	468	630,914

For the year ended 31 December 2020 (audited)

	Balance at the beginning of the year	Net Cash flow	Non-cash changes		31 December 2020
			Amortisation	Foreign Exchange movement	
Subordinated loans due to related parties	70,000	-	-	-	70,000
Debt securities issued	661,440	(138,696)	(10)	444	523,178
Total liabilities from financing activities	731,440	(138,696)	(10)	444	593,178

Note 1 - Accounting Policies

(1) Reporting Entity

The reporting entity is Industrial and Commercial Bank of China Limited, Auckland Branch (the "Branch"). The reporting group is the NZ Banking Group which is an aggregation of the Branch and Industrial and Commercial Bank of China (New Zealand) Limited ("ICBC NZ"), a locally incorporated subsidiary of Industrial and Commercial Bank of China Limited (the "Overseas Bank"). The NZ Banking Group operations began on 18 May 2020.

The financial statements have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 and the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the "Order"). They were approved for issue by the Board of Directors of the Overseas Bank (the "Board") on 9 September 2020.

The NZ Banking Group provides its products and services to retail and wholesale/institutional customers.

(2) Basis of Preparation

These interim financial statements are for the NZ Banking Group for the six months ended 30 June 2021. They have also been prepared in accordance with Generally Accepted Accounting Practice in New Zealand, as appropriate for profit oriented entities, and the New Zealand Equivalent to International Accounting Standards 34, Interim Financial Reporting (NZ IAS 34), International Accounting Standard 34 (IAS 34), and the Order, and should be read in conjunction with the NZ Banking Group's financial statements for the year ended 31 December 2020. These interim financial statements do not include all the disclosures required for full annual financial statements and are condensed financial statements in accordance with NZ IAS 34.

The financial statements have been prepared on a going concern basis in accordance with the historical cost convention, except for derivative financial instruments, financial assets and liabilities measured at fair value through profit or loss and financial assets and liabilities measured at fair value through other comprehensive income that have been measured at fair value. The carrying values of recognised assets and liabilities, that are hedged in fair value hedges and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

For the purpose of the Statement of Cash Flows, due from banks and other financial institutions are treated as cash and cash equivalents as these are short-term highly liquid investments with original maturities of less than three months from the date of acquisition.

(3) Basis of Aggregation

The NZ Banking Group is an aggregation of the individual financial statements of the Branch and ICBC NZ. All transactions and balances between entities within the NZ Banking Group have been fully eliminated where they exist.

(4) Presentation Currency

The reporting currency of these financial statements is New Zealand dollars, the currency of the primary economic environment in which the NZ Banking Group operates ("the functional currency"). The financial statements are presented in New Zealand dollars and rounded to the nearest thousands (\$'000) unless otherwise stated.

(5) Critical accounting estimates and judgments

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. Management is required to make judgments on accounting policies and estimates concerning the carrying values of assets and liabilities that are not readily available from other sources. These estimates and associated assumptions are based on historical experience and various other facts appropriate to the particular circumstances. Actual results may differ from these estimates.

Estimates, judgments and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The information about estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following accounting policies and notes:

- Impairment Allowance: determining inputs into the Expected Credit Loss (ECL) measurement model, including incorporation of forward-looking information and recoverable cash flows.
- Deferred Taxation:
- Fair value of derivatives

Estimation uncertainties:

Assumptions made as at each reporting date (e.g. the calculation of the ECL and fair value adjustments), are based on best estimates at that date. There have been no significant changes to the accounting estimates, judgments and assumptions used in preparing the financial statements compared to those applied in the preparation of the Disclosure Statement for the year ended 31 December 2020.

Note 1 - Accounting Policies (continued)

The Bank has considered the impact of COVID-19 in determining the estimates, assumptions and judgments used to prepare financial statements. Consistent with prior periods the most significant area impacted by COVID-19 is the measurement of ECL. While the methodologies in the ECL calculations remained unchanged from those applied in the Disclosure Statement for the year ended 31 December 2020, the Bank has incorporated estimates specific to the impact of COVID-19, based on the judgment and performance of the loan portfolio to-date, and identified an overlay provision of \$3.4 million reflecting the positive COVID-19 recovery and improved economic outlook.

(6) Change in Accounting Policies

Accounting policies are consistent with those applied in the Disclosure Statement for the year ended 31 December 2020.

There are no new amendments to accounting standards relevant to the Banking Group as at 30 June 2021.

(7) Comparative Financial Statements

Certain comparative balances have been reclassified to ensure consistency with the current financial year's presentation. These immaterial reclassifications have no impact on the overall financial performance or financial position for the comparative reporting periods. Disclosure Statement comparative affected are: Statement of Cashflow as at 30 June 2020, and Statement of Cashflow as at 31 December 2020.

Note 2 – Fees and Other Income

Thousands of dollars	Unaudited 30 June 2021 6 months	Unaudited 30 June 2020 6 months	Audited 31 December 2020 12 months
Banking and lending fee income	254	327	755
Payment services fee income	217	290	506
Net foreign exchange gains/(losses)	(5,191)	(8,040)	(20,425)
Other revenue	-	-	1
Total other income/(losses)	(4,720)	(7,423)	(19,163)

Note 3 - Impairment Allowance

The following tables show changes in the impairment allowances. For further information on how changes in gross carrying amounts of financial instruments have contributed to the changes in the impairment allowances set out in the table below, refer to Note 9.

Unaudited 30 June 2021

Impairment allowance

Thousands of dollars	Other exposures excluding sovereigns and central banks	Retail Mortgage Lending	Corporate and institutional	Investment securities	Due from banks and other financial institutions	Loan commitments and financial guarantee contracts	Cash and cash equivalents	Amount due from related parties	Total as at 30 June 2021
Provision for credit impairment measured on a 12-month ECL (stage 1) - collective	1	2,298	8,044	9	-	759	1	7	11,119
Provision for credit impairment measured on a lifetime ECL not credit impaired (stage 2) - collective	1	341	-	-	-	-	-	-	342
Provision for credit impairment measured on a lifetime ECL credit impaired (stage 3) - collective	-	-	-	-	-	-	-	-	-
Provision for credit impairment measured on a lifetime ECL credit impaired (stage 3) - specific	4	570	3,425	-	-	-	-	-	3,999
Balance as at 30 June 2021	6	3,209	11,469	9	-	759	1	7	15,460

Note 3 - Impairment Allowance (continued)

Unaudited 30 June 2020

Impairment allowance

Thousands of dollars	Other exposures excluding sovereigns and central banks	Retail Mortgage Lending	Corporate and institutional	Investment securities	Due from banks and other financial institutions	Loan commitments and financial guarantee contracts	Cash and cash equivalents	Amount due from related parties	Total as at 30 June 2020
Provision for credit impairment measured on a 12-month ECL (stage 1) - collective	1	2,164	6,783	9	1	437	-	-	9,395
Provision for credit impairment measured on a lifetime ECL not credit impaired (stage 2) - collective	-	-	-	-	-	-	-	-	-
Provision for credit impairment measured on a lifetime ECL credit impaired (stage 3) - collective	-	-	-	-	-	-	-	-	-
Provision for credit impairment measured on a lifetime ECL credit impaired (stage 3) - specific	-	570	3,425	-	-	-	-	-	3,995
Balance as at 30 June 2020	1	2,734	10,208	9	1	437	-	-	13,390

Audited 31 December 2020

Impairment allowance

Thousands of dollars	Other exposures excluding sovereigns and central banks	Retail Mortgage Lending	Corporate and institutional	Investment securities	Due from banks and other financial institutions	Loan commitments and financial guarantee contracts	Cash and cash equivalents	Amount due from related parties	Total as at 31 December 2020
Provision for credit impairment measured on a 12-month ECL (stage 1) - collective	1	2,166	7,598	9	-	321	-	-	10,095
Provision for credit impairment measured on a lifetime ECL not credit impaired (stage 2) - collective	-	17	-	-	-	-	-	-	17
Provision for credit impairment measured on a lifetime ECL credit impaired (stage 3) - collective	-	-	-	-	-	-	-	-	-
Provision for credit impairment measured on a lifetime ECL credit impaired (stage 3) - specific	-	570	3,425	-	-	-	-	-	3,995
Balance as at 31 December 2020	1	2,753	11,023	9	-	321	-	-	14,107

Note 3 - Impairment Allowance (continued)

Unaudited 30 June 2021

Movement in provision for credit impairment

Thousands of dollars	Stage 1 (Collective provision)	Stage 2 (Collective provision)	Stage 3 (Collective provision)	Stage 3 (Specific Provision)	Total
Residential mortgage lending					
Balance at beginning of period	2,166	17	-	570	2,753
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	132	324	-	-	456
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 30 June 2021	2,298	341	-	570	3,209
Other exposures excluding sovereigns and central banks					
Balance at beginning of period	1	-	-	-	1
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	-	1	-	4	5
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 30 June 2021	1	1	-	4	6
Corporate and institutional					
Balance at beginning of period	7,598	-	-	3,425	11,023
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	446	-	-	-	446
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 30 June 2021	8,044	-	-	3,425	11,469
Investment securities					
Balance at beginning of period	9	-	-	-	9
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	-	-	-	-	-
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 30 June 2021	9	-	-	-	9

Note 3 - Impairment Allowance (continued)

Unaudited 30 June 2021

Movement in provision for credit impairment

Thousands of dollars	Stage 1 (Collective provision)	Stage 2 (Collective provision)	Stage 3 (Collective provision)	Stage 3 (Specific Provision)	Total
Due from banks and other financial institutions					
Balance at beginning of period	-	-	-	-	-
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	-	-	-	-	-
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 30 June 2021	-	-	-	-	-

Provision for loan commitments and financial guarantee contracts

Balance at beginning of period	321	-	-	-	321
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	438	-	-	-	438
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 30 June 2021*	759	-	-	-	759

Amounts due from related parties

Balance at beginning of period	-	-	-	-	-
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	7	-	-	-	7
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 30 June 2021	7	-	-	-	7

Cash and cash equivalents

Balance at beginning of period	-	-	-	-	-
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	1	-	-	-	1
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 30 June 2021	1	-	-	-	1

Total charges to statement of comprehensive income in current year	1,024	325	-	4	1,353
Total impairment allowance as at 30 June 2021	11,119	342	-	3,999	15,460

*The provision for loan commitments and financial guarantee contracts is included in other liabilities.

Note 3 - Impairment Allowance (continued)

Unaudited 30 June 2020

Movement in provision for credit impairment

Thousands of dollars	Stage 1 (Collective provision)	Stage 2 (Collective provision)	Stage 3 (Collective provision)	Stage 3 (Specific Provision)	Total
Residential mortgage lending					
Balance at beginning of period	2,314	-	-	570	2,884
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	(150)	-	-	-	(150)
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 30 June 2020	2,164	-	-	570	2,734
Other exposures excluding sovereigns and central banks					
Balance at beginning of period	1	-	-	-	1
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	-	-	-	(2)	(2)
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	2	2
Balance as at 30 June 2020	1	-	-	-	1
Corporate and institutional					
Balance at beginning of period	5,942	-	-	3,425	9,367
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	841	-	-	-	841
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 30 June 2020	6,783	-	-	3,425	10,208
Investment securities					
Balance at beginning of period	8	-	-	-	8
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	1	-	-	-	1
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 30 June 2020	9	-	-	-	9

Note 3 - Impairment Allowance (continued)

Unaudited 30 June 2020

Movement in provision for credit impairment

Thousands of dollars	Stage 1 (Collective provision)	Stage 2 (Collective provision)	Stage 3 (Collective provision)	Stage 3 (Specific Provision)	Total
Due from banks and other financial institutions					
Balance at beginning of period	1	-	-	-	1
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	-	-	-	-	-
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 30 June 2020	1	-	-	-	1
Provision for loan commitments and financial guarantee contracts					
Balance at beginning of period	976	-	-	-	976
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	(539)	-	-	-	(539)
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 30 June 2020	437	-	-	-	437
Amounts due from related parties					
Balance at beginning of period	-	-	-	-	-
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	-	-	-	-	-
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 30 June 2020	-	-	-	-	-
Cash and cash equivalents					
Balance at beginning of period	-	-	-	-	-
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	-	-	-	-	-
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 30 June 2020	-	-	-	-	-
Total charges to statement of comprehensive income in current year	153	-	-	(2)	151
Total impairment allowance as at 30 June 2020	9,395	-	-	3,995	13,390

Note 3 - Impairment Allowance (continued)

Audited 31 December 2020

Movement in provision for credit impairment

Thousands of dollars	Stage 1 (Collective provision)	Stage 2 (Collective provision)	Stage 3 (Collective provision)	Stage 3 (Specific Provision)	Total
Residential mortgage lending					
Balance at beginning of period	2,314	-	-	570	2,884
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	(17)	17	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge/(Recovery) to statement of comprehensive income in current year	(131)	-	-	-	(131)
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 31 December 2020	2,166	17	-	570	2,753
Other exposures excluding sovereigns and central banks					
Balance at beginning of period	1	-	-	-	1
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge/(Recovery) to statement of comprehensive income in current year	-	-	-	(6)	(6)
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	6	6
Balance as at 31 December 2020	1	-	-	-	1
Corporate and institutional					
Balance at beginning of period	5,942	-	-	3,425	9,367
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge/(Recovery) to statement of comprehensive income in current year	1,656	-	-	-	1,656
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 31 December 2020	7,598	-	-	3,425	11,023
Investment securities					
Balance at beginning of period	8	-	-	-	8
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge/(Recovery) to statement of comprehensive income in current year	1	-	-	-	1
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 31 December 2020	9	-	-	-	9

Note 3 - Impairment Allowance (continued)

Audited 31 December 2020

Movement in provision for credit impairment

Thousands of dollars	Stage 1 (Collective provision)	Stage 2 (Collective provision)	Stage 3 (Collective provision)	Stage 3 (Specific Provision)	Total
Due from banks and other financial institutions					
Balance at beginning of period	1	-	-	-	1
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge/(Recovery) to statement of comprehensive income in current year	(1)	-	-	-	(1)
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 31 December 2020	-	-	-	-	-
Provision for loan commitments and financial guarantee contracts					
Balance at beginning of period	976	-	-	-	976
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge/(Recovery) to statement of comprehensive income in current year	(655)	-	-	-	(655)
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 31 December 2020	321	-	-	-	321
Amounts due from related parties					
Balance at beginning of period	-	-	-	-	-
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	-	-	-	-	-
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 31 December 2020	-	-	-	-	-
Cash and cash equivalents					
Balance at beginning of period	-	-	-	-	-
Changes to the opening balance due to transfer between ECL stages					
Transfer to stage 1	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-
Charge to statement of comprehensive income in current year	-	-	-	-	-
Bad debts written off	-	-	-	-	-
Bad debts recovered	-	-	-	-	-
Balance as at 31 December 2020	-	-	-	-	-
Total charge/(Recovery) to statement of comprehensive income in current year	870	-	-	(6)	864
Total impairment allowance as at 31 December 2020	10,095	17	-	3,995	14,107

Note 4 – Taxation

Consistent with NZ IAS 12 the NZ Banking Group has recognised tax benefits total \$5,530K as at 30 June 2021 (30 June 2020: \$5,231K, 31 December 2020: \$4,856K). The majority of the tax benefits recognised relate to the allowance for impairment losses, accelerated depreciation, and other provisions.

Thousands of dollars	Unaudited 30 June 2021 6 months	Unaudited 30 June 2020 6 months	Audited 31 December 2020 12 months
Net profit/(loss) before taxation	10,020	12,879	16,613
Tax calculated at a tax rate of 28%	2,806	3,606	4,652
Over/(under) provision from prior period	-	(1)	-
Temporary differences not recognised	(23)	-	-
Utilisation of tax losses previously unrecognised	-	-	-
Other permanent differences	-	2	67
Taxation charge/(benefit) as per the statement of comprehensive income	2,783	3,607	4,719
Represented by:			
Current tax	4,164	2,685	3,991
Deferred tax	(1,381)	922	728
Taxation charge/(benefit) as per the statement of comprehensive income	2,783	3,607	4,719

Note 5 – Loans and Advances to Customers

Thousands of dollars	Unaudited 30 June 2021	Unaudited 30 June 2020	Audited 31 December 2020
Residential mortgage loans	485,321	453,057	457,688
Corporate exposures	1,732,295	1,241,273	1,304,137
Credit Cards	27	45	61
Other exposures	-	-	-
Allowance for impairment losses	(14,684)	(12,943)	(13,777)
Total net loans and receivables	2,202,959	1,681,432	1,748,109
Current	354,381	410,998	375,149
Non-Current	1,848,578	1,270,434	1,372,960

Note 6 – Deposits from Customers

Thousands of dollars	Unaudited 30 June 2021	Unaudited 30 June 2020	Audited 31 December 2020
Demand deposits not bearing interest	47,527	47,552	49,294
Demand deposits bearing interest	28,910	27,100	13,680
Term deposits	426,109	722,976	587,823
Total deposits	502,546	797,628	650,797
Current	498,973	770,211	626,940
Non-Current	3,573	27,417	23,857

Note 7 – Certificates of Deposit and Debt Securities Issued

Thousands of dollars	Unaudited 30 June 2021	Unaudited 30 June 2020	Audited 31 December 2020
Certificates of deposit (CDs)	214,073	42,427	79,750
Other debt securities	546,340	560,914	523,178
Total debt securities issued	760,413	603,341	602,928
Current	452,481	377,463	266,580
Non-Current	307,932	225,878	336,348

Note 8 – Subordinated Loans due to Related Parties

Thousands of dollars	Unaudited 30 June 2021	Unaudited 30 June 2020	Audited 31 December 2020
Subordinated loans due to related parties	70,000	70,000	70,000
Total debt securities issued	70,000	70,000	70,000
Current	-	-	-
Non-Current	70,000	70,000	70,000

The subordinated loan due to related parties of NZ\$70m as at 30 June 2021 are 5-year term of unsecured debts.

Note 9 – Asset Quality

Unaudited 30 June 2021	Other exposures excluding sovereigns and central banks	Residential mortgage loans	Corporate and institutional exposures	Total
Thousands of dollars				
Total neither past due nor impaired	12	484,773	1,726,949	2,211,734
Past due assets not impaired				
Less than 30 days past due	7	3	-	10
At least 30 days but less than 60 days past due	-	-	-	-
At least 60 days but less than 90 days past due	4	-	-	4
At least 90 days past due	-	-	-	-
Total past due assets not impaired	11	3	-	14
Individually impaired assets				
Balance at beginning of the period	-	545	5,359	5,904
Additions	4	-	(13)	(9)
Amounts written off	-	-	-	-
Deletions	-	-	-	-
Total individually impaired assets	4	545	5,346	5,895
Total gross loans and advances	27	485,321	1,732,295	2,217,643
Individually assessed provisions				
Balance at beginning of the period	-	570	3,425	3,995
Charge/(credit) to the statement of comprehensive income:				
New provisions	4	-	-	4
Reversals of previously recognised impairment losses	-	-	-	-
Amounts recovered	-	-	-	-
Amounts written off	-	-	-	-
Balance at end of the period	4	570	3,425	3,999
Collectively assessed provisions				
Balance at beginning of the period	1	2,183	7,598	9,782
Charge/(credit) to the statement of comprehensive income	1	456	446	903
Other movements	-	-	-	-
Balance at end of the period	2	2,639	8,044	10,685
Total provisions for impairment losses	6	3,209	11,469	14,684
Total net loans and advances	21	482,112	1,720,826	2,202,959

The NZ Banking Group does not have any restructured assets, any financial, real estate or other assets acquired through security enforcement or any other assets under administration as at 30 June 2021 (30 June 2020: nil, 31 December 2020: nil). Therefore, the NZ Banking Group does not have any such collateral sold or re-pledged and does not have an obligation to return it.

Undrawn balances on lending commitments to counterparties were \$825,104K as at 30 June 2021 (30 June 2020: \$445,295K, 31 December 2020: \$522,062K).

There has been \$12,606 interest revenue foregone on individually impaired or greater than 90 days past due assets during the period ended 30 June 2021 (30 June 2020: \$62,965 interest revenue and \$11,183 fee revenue, 31 December 2020: \$14,317 interest revenue). The NZ Banking Group is wholly owned by the Industrial and Commercial Bank of China Limited, a company incorporated in China. No related party debts have been written off or forgiven during the period.

Note 9 – Asset Quality (continued)

Unaudited 30 June 2020	Other exposures excluding sovereigns and central banks	Residential mortgage loans	Corporate and institutional exposures	Total
Thousands of dollars				
Total neither past due nor impaired	41	452,512	1,232,919	1,685,472
Past due assets not impaired				
Less than 30 days past due	4	-	-	4
At least 30 days but less than 60 days past due	-	-	-	-
At least 60 days but less than 90 days past due	-	-	-	-
At least 90 days past due	-	-	-	-
Total past due assets not impaired	4	-	-	4
Individually impaired assets				
Balance at beginning of the period	-	545	7,947	8,492
Additions	2	-	407	409
Amounts written off	-	-	-	-
Reversal of impairment	(2)	-	-	(2)
Total individually impaired assets	-	545	8,354	8,899
Total gross loans and advances	45	453,057	1,241,273	1,694,375
Individually assessed provisions				
Balance at beginning of the period	-	570	3,425	3,995
Charge/(credit) to the statement of comprehensive income:				
New provisions	-	-	-	-
Reversals of previously recognised impairment losses	(2)	-	-	(2)
Amounts recovered	2	-	-	2
Amounts written off	-	-	-	-
Balance at end of the period	(2)	570	3,425	3,995
Collectively assessed provisions				
Balance at beginning of the period	1	2,314	5,942	8,257
Charge/(credit) to the statement of comprehensive income	-	(150)	841	691
Other movements	-	-	-	-
Balance at end of the period	1	2,164	6,783	8,948
Total provisions for impairment losses	1	2,734	10,208	12,943
Total net loans and advances	44	450,323	1,231,065	1,681,432

Note 9 – Asset Quality (continued)

Audited 31 December 2020	Other exposures excluding sovereigns and central banks	Residential mortgage loans	Corporate and institutional exposures	Total
Thousands of dollars				
Total neither past due nor impaired	60	457,143	1,298,777	1,755,980
Past due assets not impaired				
Less than 30 days past due	1	-	-	1
At least 30 days but less than 60 days past due	-	-	-	-
At least 60 days but less than 90 days past due	-	-	-	-
At least 90 days past due	-	-	-	-
Total past due assets not impaired	1	-	-	1
Individually impaired assets				
Balance at beginning of the year	-	545	7,947	8,492
Additions	6	-	-	6
Amounts written off	-	-	-	-
Deletions	(6)	-	(2,587)	(2,593)
Total individually impaired assets	-	545	5,360	5,905
Total gross loans and advances	61	457,688	1,304,137	1,761,886
Individually assessed provisions				
Balance at beginning of the year	-	570	3,425	3,995
Charge/(credit) to the statement of comprehensive income:				
New provisions	6	-	-	6
Reversals of previously recognised impairment losses	-	-	-	-
Amounts recovered	(6)	-	-	(6)
Amounts written off	-	-	-	-
Balance at end of the period	-	570	3,425	3,995
Collectively assessed provisions				
Balance at beginning of the year	1	2,314	5,942	8,257
Charge/(credit) to the statement of comprehensive income	-	(131)	1,656	1,525
Other movements	-	-	-	-
Balance at end of the year	1	2,183	7,598	9,782
Total provisions for impairment losses	1	2,753	11,023	13,777
Total net loans and advances	60	454,935	1,293,114	1,748,109

Note 10 – Balances with Related Entity

A. Balance with related parties

Thousands of dollars	Unaudited 30 June 2021	Unaudited 30 June 2020	Audited 31 December 2020
Amounts due from ultimate parent	872,917	1,951	118,284
Amount due from controlled entities of ultimate parent	-	-	-
Total amount due from related entities	872,917	1,951	118,284
Current	872,917	1,951	118,284
Non-Current	-	-	-
Amounts due to ultimate parent	2,013,984	690,750	596,445
Amount due to controlled entities of ultimate parent	564	301	428
Total amount due to related entities	2,014,548	691,051	596,873
Current	1,648,987	192,672	291,299
Non-Current	365,561	498,379	305,574

1. Nostro account balance held with parent and controlled entities of ultimate parent as at 30 June 2021 is \$27,600K (30 June 2020: \$4,576K, 31 December 2020: \$17,226K). This is included in cash and cash equivalents balance. Parent includes ICBC Head Office and other branches.

2. ICBC NZ operations are guaranteed by the parent ICBC Group which, from time to time, transfers payments through the ICBC NZ Vostro account. The balance of ICBC NZ Vostro account was \$98,687K as at 30 June 2021 (30 June 2020: \$193,000K, 31 December 2020: \$45,000K).

3. As at 30 June 2021, ICBC NZ has issued NZ\$70m 5-years subordinated loan from ICBC Head Office (Note 8). The accrued interest of subordinated loan is NZ\$194K as at 30 June 2021 (30 June 2020: \$323K, 31 December 2020: \$199K).

4. The total liabilities of the Branch, net of amounts due to related parties as at 30 June 2021 is \$82,421K (30 June 2020: nil, 31 December 2020: nil).

B. Related party transactions

Thousands of dollars	Unaudited 30 June 2021	Unaudited 30 June 2020	Audited 31 December 2020
Interest income on amount due from related entities			
Ultimate parent	1,232	9	58
Subsidiaries of ultimate parent	-	-	-
Total interest income on amount due from related entities	1,232	9	58
Interest expense on amount due to related entities			
Ultimate parent	3,316	4,690	7,443
Subsidiaries of ultimate parent	-	-	-
Total interest expense on amount due to related entities	3,316	4,690	7,443
Other operating income			
Gain/(loss) on derivative contracts with ultimate parent	(632)	(387)	(1,030)
Gain/(loss) on derivative contracts with subsidiaries of ultimate parent	(251)	(178)	(432)
Other income	-	-	-
Total other operating income	(883)	(565)	(1,462)

Interest payable to parent as at 30 June 2021 was \$800K (30 June 2020: \$520K, 31 December 2020: \$310K), and interest payable to subsidiaries of the ultimate parent was nil (30 June 2020: nil, 31 December 2020: nil). This is included in interest payable balance and interest paid expense.

Interest receivable from parent as at 30 June 2021 was nil (30 June 2020: nil, 31 December 2020: nil). This is included in interest receivable balance and interest income.

Parent includes ICBC Head Office and other branches.

Note 10 – Balances with Related Entity (continued)

Overseas Bank includes ICBC Head Office and other branches.

There are no loans guaranteed by related parties as at 30 June 2021 (30 June 2020: nil, 31 December 2020: nil).

As at 30 June 2021, there is no loans transferred to ICBC Hong Kong Branch by risk participation agreement (30 June 2020: \$187M, 31 December 2020: \$187M).

C. Senior management compensation

Thousands of dollars	Unaudited 30 June 2021	Unaudited 30 June 2020	Audited 31 December 2020
Salaries and other short-term benefits*	864	1,310	2,070
Other benefits	-	-	-
Total key management compensation	864	1,310	2,070

* Senior management compensation was incurred and paid by ICBC NZ, who employed all staff.

D. Guarantees

The NZ Banking Group's ultimate parent company is the Industrial and Commercial Bank of China Limited, a Chinese incorporated bank (ICBC). ICBC is subject to regulatory oversight by the China Banking and Insurance Regulatory Commission (CBIRC) under its rules and guidelines.

All the obligations of ICBC NZ are guaranteed by ICBC. There are no legislative, regulatory or other restrictions of a legally enforceable nature in China (ICBC's country of incorporation) that may materially inhibit the legal ability of ICBC to provide material financial support to the Bank.

As at the date of signing this disclosure statement, ICBC has the following credit rating applicable to its long-term senior unsecured obligations:

Rating Agency/Rating Results	Moody's Investors Service, Inc.	Standard & Poor's Corporation	Fitch Ratings Ltd.
Long-term Foreign Currency Bank Deposits Rating	A1 (Upper-medium grade and low credit risk)	A (Strong capacity to meet obligations but subject to adverse economic conditions)	A (Strong Capacity to meet obligation but vulnerable to adverse business or economic conditions)
Short-term Foreign Currency Bank Deposits Rating	P-1 (Superior ability to repay short-term debt)	A-1 (susceptible to adverse economic conditions but satisfactory capacity to meet obligations)	F1+ (strongest capacity for timely payment of financial commitments)
Outlook	Stable	Stable	Stable

ICBC guarantees due payment of all obligations of ICBC NZ to the ICBC NZ's depositors and other creditors.

(i) There are no limits on the amount of the obligations guaranteed.

(ii) Termination of the guarantee under any of the circumstances outlined in clause 6 Termination of the Guarantee is subject to satisfaction of the relevant obligations in respect of each creditor which have been incurred on or prior to the date of termination.

(iii) There are no material legislative or regulatory restrictions in China that would have the effect of subordinating the claims of ICBC NZ's creditors under the guarantee to other claims on ICBC in a winding up of ICBC.

(iv) The ICBC guarantee does not have an expiry date.

Note 11 – Concentration of Credit Risk

The following table breaks down the NZ Banking Group's main credit exposures at their carrying amounts, as categorised by the industry sectors of its counterparties. Industry analysis as at balance date is as follows.

Thousands of dollars	Unaudited 30 June 2021	Unaudited 30 June 2020	Audited 31 December 2020
Government	429,177	423,361	247,768
Finance (including banks)	1,114,229	373,692	304,758
Households	486,105	453,884	458,453
Transport and storage	41,638	137,461	85,590
Communications	27,285	27,285	27,285
Accommodation and food service	50,236	21,984	-
Construction	57,941	260,108	145,850
Property services	920,615	346,008	571,262
Agriculture	5,300	5,303	5,303
Forestry, fishing and mining	87,856	92,821	91,585
Health and community services	157,984	165,386	165,048
Retail and wholesale trade	60,136	60,129	70,129
Manufacturing	219,956	91,473	83,073
Education	-	179	22,665
Electricity, gas and water	75,018	-	-
Administration and support services	-	-	21,984
Less: allowance for impairment provisioning	(14,701)	(12,952)	(13,786)
Total financial assets	3,718,775	2,446,122	2,286,967
Less: non-interest earning financial assets	(3,819)	(17,350)	(1,573)
Total interest earning and discount bearing financial assets	3,714,956	2,428,772	2,285,394

An analysis of financial assets by geographical sector at balance date is as follows:

Thousands of dollars	Unaudited 30 June 2021	Unaudited 30 June 2020	Audited 31 December 2020
New Zealand	2,505,395	2,202,883	1,935,810
Overseas	1,213,380	243,239	351,157
Total financial assets	3,718,775	2,446,122	2,286,967

Note 11 – Concentration of Credit Risk (continued)

Maximum Exposure to Credit Risk - On and Off Balance Sheet

Thousands of dollars	Unaudited 30 June 2021	Unaudited 30 June 2020	Audited 31 December 2020
Loans and advances to customers	2,202,959	1,681,432	1,748,109
Derivative financial instruments	1,443	4,659	3,333
Trade and Other Receivables	-	-	-
Other financial assets	3,765	3,173	3,452
On Balance Sheet Credit Exposures (excluding credit exposure to connected parties and banks with long-term credit rating of A- or A3 or above)	2,208,167	1,689,264	1,754,894
Cash and cash equivalents	410,053	364,738	200,771
Amounts due from related parties	872,917	1,951	118,284
Due from other financial institutions	30,000	183,900	10,000
Investment securities	194,569	189,154	197,210
Derivative financial instruments	984	15,497	4,365
Loans and advances to customers	-	-	-
Tax Receivable	-	-	-
Other financial assets	2,085	1,618	1,443
Total on Balance Sheet Credit Exposures	3,718,775	2,446,122	2,286,967
Off Balance Sheet Exposures	825,104	453,877	530,724
Total Off Balance Sheet Credit Exposures	825,104	453,877	530,724

The credit exposures shown are based on actual credit exposures and are calculated net of allowances for impairment loss.

As at 30 June 2021, 51.48% of the NZ Banking Group's mortgage portfolio is owner-occupied residential properties (30 June 2020: 56.45%, 31 December 2020: 53.97%).

As at the reporting date, of the drawn balances on credit facilities with undrawn commitments, there are none that are classified as individually impaired, or balances under administration (30 June 2020: nil, 31 December 2020: nil).

Note 12 – Concentration of Funding

Concentrations of funding arise where the NZ Banking Group is funded by industries of a similar nature or in particular geographies. An analysis of financial liabilities by industry sector and geography at balance date is as follows:

Thousands of dollars	Unaudited 30 June 2021	Unaudited 30 June 2020	Audited 31 December 2020
<u>New Zealand</u>			
Transport and storage	50,242	59,048	26,208
Financing investment and insurance	697,279	771,858	716,865
Electricity, gas and water	80	-	51
Food and other manufacturing	830	177,739	171,552
Construction	24,887	23,961	11,006
Communication	243	1,692	880
Government, local authorities and services	39,384	40,223	59,198
Agriculture	1	14	1
Forestry	2,007	150	279
Health and community services	23	16	21
Property and business services	16,133	22,581	19,340
Accommodation and food services	1,059	945	134
Education	35,467	49,382	9,121
Retail and wholesale trade	1,774	6,572	3,039
Other	18,531	8,331	14,420
Households	57,812	69,651	73,482
<u>Overseas</u>			
Amounts due to related parties	2,086,391	764,911	669,412
Financing investment and insurance (not including ICBC group)	263,815	78,922	64,249
Households	74,863	114,481	106,663
Other deposits	968	1,529	1,984
Total financial liabilities	3,371,789	2,192,006	1,947,905
Less: non-interest bearing financial liabilities	(62,946)	(69,148)	(66,955)
Total interest and discount bearing liabilities	3,308,843	2,122,858	1,880,950

An analysis of financial liabilities by funding type at balance date is as follows:

Thousands of dollars	Unaudited 30 June 2021	Unaudited 30 June 2020	Audited 31 December 2020
Deposits from customers	502,546	797,628	650,797
Registered Banks	1	1	1
Derivative financial liabilities	1,852	4,662	3,292
Certificates of deposit	214,073	42,427	79,750
Subordinated loans due to related parties	70,000	70,000	70,000
Debts securities issued	546,340	560,914	523,178
Related Parties	2,014,548	691,051	596,873
Lease liabilities	8,862	8,389	9,645
Other	13,567	16,934	14,369
Total financial liabilities	3,371,789	2,192,006	1,947,905

Note 13 – Contingent Liabilities and Commitments

Thousands of dollars	Unaudited 30 June 2021	Unaudited 30 June 2020	Audited 31 December 2020
Performance/financial guarantees issued on behalf of customers	-	8,582	8,662
Total contingent liabilities	-	8,582	8,662
Undrawn Commitments	825,104	445,295	522,062

Note 14 – Subsequent Events after Balance Sheet Date

There were no subsequent events after balance date which would materially affect the financial statements.

Note 15 – Fair Value of Financial Instruments

Fair value Assumptions

- i. The carrying value of cash and cash equivalents is the fair value.
- ii. For on demand and deposits from customers maturing within six months, due from/to other financial institutions, the carrying value is considered to be the fair value; for those categories with maturities more than six months, the fair value is calculated on a discounted cash flow basis using the current interest rate offered for a similar maturity.
- iii. The carrying value of loans and advances to customers is net of allowance for impairment loss. For loans and advances to customers maturing or repricing within six months, the carrying value is considered to be fair value; for those categories with maturities more than six months, the fair value are calculated on a discounted cash flow basis using the current interest rate offered for a similar maturity.
- iv. For amounts due from/to related parties maturing or repricing within six months, the carrying value is considered to be fair value; for those categories with maturities more than six months, the fair value is calculated on a discounted cash flow basis using the current interest rate offered for a similar maturity.
- v. The fair value of investment securities, derivative financial instruments, and debt securities is determined by a discounted cash flow basis, which is based on the interest rate repricing and maturity of the instruments.
- vi. The carrying value of other financial assets and liabilities is considered to be the fair value.

Measurement of Fair Value Management

Under NZ IFRS 13, the fair value of financial instruments is determined on a hierarchical basis that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is:

- Level 1 fair value measurement are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Note 15 – Fair Value of Financial Instruments (continued)

Financial assets and liabilities measured at fair value

Unaudited 30 June 2021		Estimated Fair Value			
Thousands of dollars	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets					
Cash, cash equivalents and balances with central banks	410,053	-	410,053	-	410,053
Amounts due from related parties	872,917	-	872,853	-	872,853
Due from banks and other financial institutions	30,000	-	30,000	-	30,000
Investment securities	194,569	200,523	-	-	200,523
Derivative financial assets	2,427	-	2,427	-	2,427
Loans and advances to customers	2,202,959	-	2,205,920	-	2,205,920
Other financial assets	5,850	-	5,850	-	5,850
Total financial assets	3,718,775	200,523	3,527,103	-	3,727,626
Financial liabilities					
Due to central banks and other financial institutions	1	-	1	-	1
Amounts due to related parties	2,014,548	-	2,014,362	-	2,014,362
Derivative financial liability	1,852	-	1,852	-	1,852
Deposits from customers	502,546	-	502,737	-	502,737
Certificates of deposit	214,073	-	213,987	-	213,987
Subordinated loans due to related parties	70,000	-	70,000	-	70,000
Debt securities issued	546,340	-	550,430	-	550,430
Lease liabilities	8,862	-	8,862	-	8,862
Other financial liabilities	13,567	-	13,567	-	13,567
Total financial liabilities	3,371,789	-	3,375,798	-	3,375,798
Unaudited 30 June 2020					
		Estimated Fair Value			
Thousands of dollars	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets					
Cash, cash equivalents and balances with central banks	364,738	-	364,738	-	364,738
Amounts due from related parties	1,951	-	1,951	-	1,951
Due from banks and other financial institutions	183,900	-	183,900	-	183,900
Investment securities	189,154	200,303	-	-	200,303
Derivative financial assets	20,156	-	20,156	-	20,156
Loans and advances to customers	1,681,432	-	1,686,272	-	1,686,272
Other financial assets	4,791	-	4,791	-	4,791
Total financial assets	2,446,122	200,303	2,261,808	-	2,462,111
Financial liabilities					
Due to central banks and other financial institutions	1	-	1	-	1
Amounts due to related parties	691,051	-	691,051	-	691,051
Derivative financial liability	4,662	-	4,662	-	4,662
Deposits from customers	797,628	-	798,385	-	798,385
Certificates of deposit	42,427	-	42,427	-	42,427
Subordinated loans due to related parties	70,000	-	70,000	-	70,000
Debt securities issued	560,914	-	564,950	-	564,950
Lease liabilities	8,389	-	8,389	-	8,389
Other financial liabilities	16,934	-	16,934	-	16,934
Total financial liabilities	2,192,006	-	2,196,799	-	2,196,799

Note 15 – Fair Value of Financial Instruments (continued)

Audited 31 December 2020		Estimated Fair Value			
Thousands of dollars	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets					
Cash, cash equivalents and balances with central banks	200,771	-	200,771	-	200,771
Amounts due from related parties	118,284	-	118,284	-	118,284
Due from banks and other financial institutions	10,000	-	10,000	-	10,000
Investment securities	197,210	208,083	-	-	208,083
Derivative financial assets	7,698	-	7,698	-	7,698
Loans and advances to customers	1,748,109	-	1,750,363	-	1,750,363
Other financial assets	4,895	-	4,895	-	4,895
Total financial assets	2,286,967	208,083	2,092,011	-	2,300,094
Financial liabilities					
Due to central banks and other financial institutions	1	-	1	-	1
Amounts due to related parties	596,873	-	596,873	-	596,873
Derivative financial liability	3,292	-	3,292	-	3,292
Deposits from customers	650,797	-	651,615	-	651,615
Certificates of deposit	79,750	-	79,750	-	79,750
Subordinated loans due to related parties	70,000	-	70,000	-	70,000
Debt securities issued	523,178	-	529,622	-	529,622
Lease liabilities	9,645	-	9,645	-	9,645
Other financial liabilities	14,369	-	14,369	-	13,761
Total financial liabilities	1,947,905	-	1,955,167	-	1,955,167

Note 16 – Liquidity Risk

Liquidity risk is the risk that funds will not be sufficient or will not be raised at a reasonable cost in a timely manner to meet the needs of asset growth or repayment of debts due, although remaining solvent. This may arise from amount or maturity mismatches of assets and liabilities.

The NZ Banking Group manages its liquidity risk through the Treasury Department and aims at:

1. Optimising the structure of assets and liabilities;
2. Maintaining the stability of the deposit base;
3. Projecting cash flows and evaluating the level of current assets; and
4. Maintaining an efficient internal fund transfer mechanism/agreement with the Parent Bank for liquidity.

The tables below summarise the cash flows payable or receivable by the NZ Banking Group under financial assets and liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are contractual undiscounted cash flows and include both principal and associated future interest payments and therefore will not agree to the carrying values on the balance sheet. Actual cash flows can differ significantly from contractual cash flows as a result of future events.

Accrued interest within the other financial assets/liabilities captions in the statement of financial position is included in this table in the row in which the related financial instrument is presented.

Note 16 – Liquidity Risk (continued)

Unaudited 30 June 2021	On Demand	Up to 3 months	3 to 12 months	Between 1 & 5 years	More than 5 years	Total
Thousands of dollars						
Financial liabilities						
Due to central banks and other financial institutions	1	-	-	-	-	1
Amounts due to related parties	99,100	828,914	727,600	369,404	-	2,025,018
Deposits from customers	79,053	213,867	209,959	3,862	-	506,741
Certificates of deposit	-	160,000	55,000	-	-	215,000
Subordinated loans due to related parties	-	193	595	70,586	-	71,374
Debt securities issued	-	11,773	234,513	316,892	-	563,178
Long-term lease liabilities	-	376	1,142	5,651	2,305	9,474
Other financial liabilities	-	90	9,074	-	-	9,164
Total financial liabilities	178,154	1,215,213	1,237,883	766,395	2,305	3,399,950
Derivative cash flows						
Inflows from derivatives	-	78,561	3,598	8,473	-	90,632
Outflows from derivatives	-	(79,166)	(2,239)	(6,550)	-	(87,955)
Total	-	(605)	1,359	1,923	-	2,677
Off balance sheet cash flows						
Financial guarantees outflows	-	-	-	-	-	-
Commitments outflows	825,104	-	-	-	-	825,104
Total	825,104	-	-	-	-	825,104

Unaudited 30 June 2020	On Demand	Up to 3 months	3 to 12 months	Between 1 & 5 years	More than 5 years	Total
Thousands of dollars						
Financial liabilities						
Due to central banks and other financial institutions	1	-	-	-	-	1
Amounts due to related parties	192,672	1,241	5,054	508,936	-	707,903
Deposits from customers	77,678	256,427	449,299	28,988	-	812,392
Certificates of deposit	-	8,000	35,000	-	-	43,000
Subordinated loans due to related parties	-	357	732	71,989	-	73,078
Debt securities issued	-	2,320	341,799	236,038	-	580,157
Long-term lease liabilities	-	326	985	5,302	2,644	9,257
Other financial liabilities	563	266	3,019	-	-	3,848
Total financial liabilities	270,914	268,937	835,888	851,253	2,644	2,229,636
Derivative cash flows						
Inflows from derivatives	-	97,483	55,340	11,390	-	164,213
Outflows from derivatives	-	(89,654)	(50,594)	(8,430)	-	(148,678)
Total	-	7,829	4,746	2,960	-	15,535
Off balance sheet cash flows						
Financial guarantees outflows	-	-	2,082	6,500	-	8,582
Commitments outflows	445,295	-	-	-	-	445,295
Total	445,295	-	2,082	6,500	-	453,877

Note 16 – Liquidity Risk (continued)

Audited 31 December 2020	On Demand	Up to 3 months	3 to 12 months	Between 1 & 5 years	More than 5 years	Total
Thousands of dollars						
Financial liabilities						
Due to central banks and other financial institutions	1	-	-	-	-	1
Amounts due to related parties	45,024	187,118	63,076	309,928	-	605,146
Derivative Financial Liabilities	-	-	-	-	-	-
Deposits from customers	66,313	367,457	202,104	24,600	-	660,474
Certificates of deposit	-	40,000	40,000	-	-	80,000
Subordinated loans due to related parties	-	197	566	70,961	-	71,724
Debt securities issued	-	78,809	115,645	344,248	-	538,702
Lease liabilities	-	378	1,146	5,961	2,851	10,336
Other financial liabilities	-	53	448	-	-	501
Total financial liabilities	111,338	674,012	422,985	755,698	2,851	1,966,884
Derivative cash flows						
Inflows from derivatives	-	80,561	3,945	9,462	-	93,968
Outflows from derivatives	-	(79,555)	(2,549)	(6,874)	-	(88,978)
Total	-	1,006	1,396	2,588	-	4,990
Off balance sheet cash flows						
Financial guarantees outflows	-	5,523	3,139	-	-	8,662
Commitments outflows	522,062	-	-	-	-	522,062
Total	522,062	5,523	3,139	-	-	530,724

Liquidity portfolio management

Thousands of dollars	Unaudited 30 June 2021	Unaudited 30 June 2020	Audited 31 December 2020
Cash, cash equivalents and balances with central banks	410,053	364,738	200,771
Due from banks and other financial institutions	30,000	183,900	10,000
Financial securities	194,569	189,154	197,210
Total liquidity portfolio	634,622	737,792	407,981

Note 17 – Interest Rate Risk

The NZ Banking Group's interest rate risk mainly arises from the mismatches between the repricing dates of interest generating assets and interest-bearing liabilities. The NZ Banking Group manages its interest rate risk by:

1. Regularly monitoring the macroeconomic factors that may have impact on the benchmark interest rates;
2. Optimising the differences in timing between contractual repricing (maturities) of interest-generating assets and interest-bearing liabilities; and
3. Managing the deviation of the pricing of interest-generating assets and interest-bearing liabilities from the benchmark interest rates.

A principal part of the NZ Banking Group's management of interest rate risk is to monitor the sensitivity of projected net interest income under varying interest rate scenarios (simulation modelling). The NZ Banking Group aims to mitigate the impact of prospective interest rate movements which could reduce future net interest income, while balancing the cost of such hedging on the current revenue.

The following table demonstrates the contractual repricing or maturity dates, whichever is earlier, of the NZ Banking Group's assets and liabilities:

Unaudited 30 June 2021	Non-interest bearing	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	Total
Thousands of dollars							
Financial assets							
Cash, cash equivalents and balances with central banks	10,402	399,651	-	-	-	-	410,053
Amounts due from related parties	(7)	385,070	313,893	173,962	-	-	872,918
Due from banks and other financial institutions	-	30,000	-	-	-	-	30,000
Investment securities	(9)*	9,000	-	-	21,576	164,002	194,569
Derivative financial assets	2,427	-	-	-	-	-	2,427
Loans and advances to customers	(14,684)*	1,768,674	140,040	227,696	78,598	2,635	2,202,959
Other financial assets	5,690	-	-	-	-	159	5,849
Total financial Assets	3,819	2,592,395	453,933	401,658	100,174	166,796	3,718,775
Financial liabilities							
Due to central banks and other financial institutions	-	1	-	-	-	-	1
Amounts due to related parties	-	1,175,967	658,581	180,000	-	-	2,014,548
Derivative financial liability	1,852	-	-	-	-	-	1,852
Deposits from customers	47,527	244,186	108,237	99,023	2,652	921	502,546
Certificates of deposit	-	159,550	-	54,523	-	-	214,073
Subordinated loans due to related parties	-	35,000	35,000	-	-	-	70,000
Debt securities issued	-	430,494	-	7,913	8,032	99,901	546,340
Lease liabilities	-	-	7	16	-	8,839	8,862
Other financial liabilities	13,567	-	-	-	-	-	13,567
Total financial liabilities	62,946	2,045,198	801,825	341,475	10,684	109,661	3,371,789
On-balance sheet gap	(59,127)	547,197	(347,892)	60,183	89,490	57,135	346,986
Net derivative notional principals	-	(100,000)	-	-	-	100,000	-
Net effective interest rate gap	(59,127)	447,197	(347,892)	60,183	89,490	157,135	346,986

*The whole amount relates to the impairment of financial assets.

Note 17 – Interest Rate Risk (continued)

Unaudited 30 June 2020	Non- interest bearing	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	Total
Thousands of dollars							
Financial assets							
Cash, cash equivalents and balances with central banks	5,514	359,224	-	-	-	-	364,738
Amounts due from related parties	-	1,951	-	-	-	-	1,951
Due from banks and other financial institutions	-	183,900	-	-	-	-	183,900
Investment securities	(9)*	15,504	-	13,319	-	160,340	189,154
Derivative financial assets	20,156	-	-	-	-	-	20,156
Loans and advances to customers	(12,943)*	1,216,707	147,440	239,795	74,073	16,360	1,681,432
Other financial assets	4,632	-	-	-	-	159	4,791
Total financial Assets	17,350	1,777,286	147,440	253,114	74,073	176,859	2,446,122
Financial liabilities							
Due to central banks and other financial institutions	-	1	-	-	-	-	1
Amounts due to related parties	-	582,672	108,379	-	-	-	691,051
Derivative financial liability	4,662	-	-	-	-	-	4,662
Deposits from customers	47,552	288,461	159,277	274,921	25,810	1,607	797,628
Certificates of deposit	-	7,857	34,570	-	-	-	42,427
Subordinated loans due to related parties	-	35,000	35,000	-	-	-	70,000
Debt securities issued	-	401,067	2,280	31,690	18,053	107,824	560,914
Lease liabilities	-	-	-	-	59	8,330	8,389
Other financial liabilities	16,934	-	-	-	-	-	16,934
Total financial liabilities	69,148	1,315,058	339,506	306,611	43,922	117,761	2,192,006
On-balance sheet gap	(51,798)	462,228	(192,066)	(53,497)	30,151	59,098	254,116
Net derivative notional principals	-	(125,000)	2,000	23,000	-	100,000	-
Net effective interest rate gap	(51,798)	337,228	(190,066)	(30,497)	30,151	159,098	254,116

*The whole amount relates to the impairment of financial assets.

Note 17 – Interest Rate Risk (continued)

Audited 31 December 2020	Non- interest bearing	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	Total
Thousands of dollars							
Financial assets							
Cash, cash equivalents and balances with central banks	2,925	197,846	-	-	-	-	200,771
Amounts due from related parties	-	3,024	115,260	-	-	-	118,284
Due from banks and other financial institutions	-	10,000	-	-	-	-	10,000
Investment securities	(9)*	14,001	13,135	-	6,221	163,862	197,210
Derivative financial assets	7,698	-	-	-	-	-	7,698
Loans and advances to customers	(13,777)*	1,355,378	185,372	170,402	45,089	5,645	1,748,109
Other financial assets	4,736	-	-	-	-	159	4,895
Total financial Assets	1,573	1,580,249	313,767	170,402	51,310	169,666	2,286,967
Financial liabilities							
Due to central banks and other financial institutions	-	1	-	-	-	-	1
Amounts due to related parties	-	481,299	115,574	-	-	-	596,873
Derivative financial liability	3,292	-	-	-	-	-	3,292
Deposits from customers	49,294	379,365	126,070	72,211	22,234	1,623	650,797
Certificates of deposit	-	39,936	39,814	-	-	-	79,750
Subordinated loans due to related parties	-	35,000	35,000	-	-	-	70,000
Debt securities issued	-	397,214	-	10,140	15,513	100,311	523,178
Lease liabilities	-	-	-	14	27	9,604	9,645
Other financial liabilities	14,369	-	-	-	-	-	14,369
Total financial liabilities	66,955	1,332,815	316,458	82,365	37,774	111,538	1,947,905
On-balance sheet gap	(65,382)	247,434	(2,691)	88,037	13,536	58,128	339,062
Net derivative notional principals	-	(98,000)	(2,000)	-	-	100,000	-
Net effective interest rate gap	(65,382)	149,434	(4,691)	88,037	13,536	158,128	339,062

*The whole amount relates to the impairment of financial assets.

Note 18 - Securitisation, Funds Management, Other Fiduciary Activities and the Marketing and Distribution of Insurance Products

As at balance date the NZ Banking Group was not involved in:

- The establishment, marketing, or sponsorship of trust, custodial, funds management or other fiduciary activities; or
- The origination of securitised assets; or
- The marketing or servicing of securitisation schemes; or
- The marketing and distribution of insurance products or conducting of insurance business.

Note 19 – Risk Management Policies

There have been no material changes to the risk management policies, and no new categories of risk to which the NZ Banking Group has become exposed since 31 December 2020.

Note 20 – Capital Adequacy

(a) ICBC NZ capital adequacy requirements

Regulatory capital adequacy ratios are calculated by expressing capital as a percentage of risk weighted exposures. As a condition of registration, ICBC NZ must comply with the following minimum capital requirements set by the RBNZ:

- The Total capital ratio of the Banking Group is not less than 8%;
- The Tier 1 capital ratio of the Banking Group is not less than 6%;
- The Common Equity Tier 1 capital ratio of the Banking Group is not less than 4.5%; and
- The Total capital of the Banking Group is not less than \$30 million.

The 'Banking Group' means ICBC NZ and its subsidiaries. As at the date of this disclosure statement, ICBC NZ does not have any subsidiaries and is the only member of the Banking Group.

For the six months ended 30 June 2021, ICBC NZ has complied in full with its regulatory and internal capital adequacy requirements.

(b) Overseas Banking Group capital adequacy requirements

The Overseas Banking Group's capital adequacy ratios are calculated in accordance with the Capital Rules for Commercial Banks (Provisional) and other relevant regulations promulgated by the China Banking and Insurance Regulatory Commission ("CBIRC"). With the approval of the CBIRC, the Overseas Banking Group adopts the advanced capital measurement approaches, which include Foundation Internal Ratings-based Approach for corporate exposures, Internal Ratings-based Approach for retail exposures, and Internal Models Approach for market risk and Standardised Approach for operational risk. For risk exposures not covered by the advanced approaches, the corresponding portion shall be calculated adopting non-advanced approaches.

As a Systemically Important Bank, the Overseas Banking Group's capital adequacy ratios are required to meet the lowest requirements of CBIRC, that is, the common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio should be no less than 5.0%, 6.0% and 8.0% respectively, in addition to a 2.5% buffer ratio and 1.5% additional capital required for global Systemically Important Banks.

Both the Overseas Bank and the Overseas Banking Group are required by the CBIRC to hold minimum capital at least equal to that specified under the Basel II Standardised Approach and are required to publicly disclose this capital adequacy information on a quarterly basis. This information is available via the Overseas Bank's website (www.icbc.com.cn).

The Overseas Bank and the Overseas Banking Group each met the capital requirements imposed on them by the CBIRC as at 31 March 2021, the latest reporting date.

The table below summarises the Overseas Bank's and Overseas Banking Group's common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio calculated in accordance with the Capital Rules for Commercial Banks (Provisional) and other relevant regulations promulgated by the CBIRC.

	31 March 2021	31 March 2020	31 December 2020
Overseas Banking Group			
Common Equity Tier 1 Capital Ratio	13.29%	13.15%	13.18%
Tier 1 Capital Ratio	14.36%	14.19%	14.28%
Total Capital Ratio	17.01%	16.52%	16.88%
Overseas Bank			
Common Equity Tier 1 Capital Ratio	13.21%	13.12%	13.14%
Tier 1 Capital Ratio	14.28%	14.14%	14.24%
Total Qualifying Capital Ratio	17.11%	16.64%	17.02%

Note 20 – Capital Adequacy (continued)

(c) Additional mortgage information

Residential mortgages by loan-to-valuation ratio

30 June 2021

Thousands of dollars

Loan-to-valuation ratio	Does not exceed 80%	Exceeds 80% and not 90%	Exceeds 90%	Total
Value of exposures	482,112	-	-	482,112

30 June 2020

Thousands of dollars

Loan-to-valuation ratio	Does not exceed 80%	Exceeds 80% and not 90%	Exceeds 90%	Total
Value of exposures	450,323	-	-	450,323

31 December 2020

Thousands of dollars

Loan-to-valuation ratio	Does not exceed 80%	Exceeds 80% and not 90%	Exceeds 90%	Total
Value of exposures	454,935	-	-	454,935

Reconciliation of residential mortgage-related amounts

Thousands of dollars	30 June 2021	30 June 2020	31 December 2020
Residential mortgage loans (as disclosed in Note 5)			
On balance sheet exposures			
Residential – owner occupied	249,830	255,741	247,025
Residential - investment	235,491	197,316	210,663
Provisions for impairment losses on loans and advances	(3,209)	(2,734)	(2,753)
Residential mortgages by loan-to-valuation ratio	482,112	450,323	454,935
Off balance sheet exposures	-	-	-
Total	482,112	450,323	454,935

(d) Market Risk

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 Part 10 of the Reserve Bank document BS2A Capital Adequacy Framework (Standardised Approach).

30 June 2021

Thousands of dollars	End-period capital charges		Peak end-of-day capital charges	
	Implied risk weighted exposure	Notional capital charge	Implied risk weighted exposure	Notional capital charge
Interest rate risk	101,450	8,116	137,563	11,005
Foreign currency risk	6,525	522	79,638	6,371
Equity risk	-	-	-	-
Total capital requirements	107,975	8,638	217,201	17,376

Note 20 – Capital Adequacy (continued)

30 June 2020	End-period capital charges		Peak end-of-day capital charges	
	Implied risk weighted exposure	Notional capital charge	Implied risk weighted exposure	Notional capital charge
Thousands of dollars				
Interest rate risk	68,363	5,469	84,838	6,787
Foreign currency risk	4,250	340	4,838	387
Equity risk	-	-	-	-
Total capital requirements	72,613	5,809	89,676	7,174

31 December 2020	End-period capital charges		Peak end-to-day capital charges	
	Implied risk weighted exposure	Notional capital charge	Implied risk weighted exposure	Notional capital charge
Thousands of dollars				
Interest rate risk	60,150	4,812	78,313	6,265
Foreign currency risk	4,750	380	5,525	442
Equity risk	-	-	-	-
Total capital requirements	64,900	5,192	83,838	6,707

Note 21 – Other information on the Overseas Banking Group

As at 31 March 2021

Profitability

Net profit after tax for the 3 month period (RMB millions)	86,297
Net profit after tax for the previous 12 month period as a percentage of average total assets	0.96%

Size

Total assets (RMB millions)	34,367,549
Percentage change in total assets over the previous 12 month period	7.08%

As at 31 December 2020

Asset quality

Total gross individually impaired assets (RMB millions)	294,352
Total individually impaired assets as a percentage of total assets	0.88%
Total individually assessed provisions (RMB millions)	220,293
Total individually assessed provisions as a percentage of total gross individually impaired assets	74.84%
Total collective provision (RMB millions)	347,166

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE SHAREHOLDER OF INDUSTRIAL AND COMMERCIAL BANK OF CHINA NEW ZEALAND BANKING GROUP

Conclusion

We have reviewed pages 10 to 45 of the Disclosure Statement of Industrial and Commercial Bank of China New Zealand Banking Group (the 'Banking Group') which comprises the consolidated interim financial statements of the Banking Group and the supplementary information required to be disclosed under Schedules 5, 7, 9, 12 and 14 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the 'Order'). The Banking Group comprises the Industrial and Commercial Bank of China Limited, Auckland Branch and Industrial and Commercial Bank of China (New Zealand) Limited.

The consolidated interim financial statements comprise the consolidated statement of financial position of the Banking Group as at 30 June 2021, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six month period ended on that date, and a summary of significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that:

- the consolidated interim financial statements on pages 10 to 45 (excluding the supplementary information) have not been prepared and do not present fairly, in all material respects, the financial position of the Banking Group as at 30 June 2021 and its financial performance and cash flows for the six months ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*;
- the supplementary information disclosed in accordance with Schedules 5, 7, 12 and 14 of the Order does not fairly state the matters to which it relates in accordance with those Schedules; and
- the supplementary information disclosed on pages 43 to 45 relating to credit and market risk exposures and capital adequacy as required by Schedule 9 of the Order is not, in all material respects, disclosed in accordance with Schedule 9 of the Order.

Basis for Conclusion

We conducted our review in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* ('NZ SRE 2410 (Revised)'). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Disclosure Statement* section of our report.

We are independent of the Banking Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor, we have no relationship with or interests in the Banking Group, except that partners and employees of our firm deal with the Banking Group on normal terms within the ordinary course of trading activities of the business of the Banking Group.

Directors' responsibilities for the Disclosure Statement

The Directors are responsible on behalf of the Banking Group for the preparation and fair presentation of the consolidated interim financial statements in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the preparation and presentation of the supplementary information which fairly states the matters required to be disclosed under Schedules 3, 5, 7, 9, 12 and 14 of the Order.

Auditor's responsibilities for the review of the Disclosure Statement

Our responsibility is to express a conclusion on the consolidated interim financial statements and the supplementary information based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that:

- the consolidated interim financial statements presented by the Directors (excluding the supplementary information), taken as a whole, are not prepared and do not present fairly the matters to which they relate, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*;
- the supplementary information presented by the Directors (excluding the supplementary information relating to credit and market risk exposures and capital adequacy) does not fairly state the matters to which it relates in accordance with Schedules 5, 7, 12 and 14 of the Order; and
- the supplementary information presented by the Directors related to credit and market risk exposures and capital adequacy is not, in all material respects, disclosed in accordance with Schedule 9 of the Order.

A review of the consolidated interim financial statements and the supplementary information in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently do not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial statements or the supplementary information.

Restriction on use

This report is made solely to the Banking Group's shareholder, as a body. Our review has been undertaken so that we might state to the Banking Group's shareholder those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Banking Group's shareholder as a body, for our engagement, for this report, or for the conclusions we have formed.



Jason Stachurski
Partner
for Deloitte Limited
Auckland, New Zealand
27 August 2021

This review report relates to the unaudited interim Disclosure Statement of Industrial and Commercial Bank of China New Zealand Banking Group (the 'Banking Group') for the six months ended 30 June 2021 included on the Banking Group's website. The Banking Group's Board of Directors is responsible for the maintenance and integrity of the Banking Group's website. We have not been engaged to report on the integrity of the Banking Group's website. We accept no responsibility for any changes that may have occurred to the unaudited interim Disclosure Statement since it was initially presented on the website. The review report refers only to the unaudited interim Disclosure Statement named above. It does not provide an opinion on any other information which may have been hyperlinked to/from this unaudited interim Disclosure Statement. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the unaudited interim Disclosure Statement and related review report dated 27 August 2021 to confirm the information included in the unaudited interim Disclosure Statement presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.