

Disclosure Statement

Industrial and Commercial Bank of China (New Zealand) Limited
Disclosure statement for the three-month period ended 31 March 2015

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This is the Disclosure Statement of the Industrial and Commercial Bank of China (New Zealand) Limited ("ICBC NZ") for the three-month ended 31 March 2015 in accordance with the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (the "Order").

The financial statements of ICBC NZ for the three-month period ended 31 March 2015 form part of and should be read in conjunction with this Disclosure Statement.

This Disclosure statement is available on the registered bank's website at www.icbcnz.com. In addition, any person can request a hard copy of the registered bank's Disclosure Statements 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.

In this Disclosure Statement,

"ICBC NZ", the "Bank", the "Registered Bank" means Industrial and Commercial Bank of China (New Zealand) Limited, incorporated in New Zealand;

"Banking Group" and "Group" means the Bank and its subsidiaries. As at the date of this disclosure statement, the Bank does not have any subsidiaries and is the only member of the Banking Group.

"ICBC", the "Ultimate Parent Bank", the "Ultimate Holding Bank", the "Controlling Bank" means the Industrial and Commercial Bank of China Limited, incorporated in China;

"NZD" means the New Zealand Dollar, "RMB" means the Chinese Yuan, "USD" means the United States Dollar and "AUD" means the Australian Dollar;

"Board" means the board of directors of the Bank;

Unless otherwise stated in this Disclosure Statement, words and terms defined in the Order have the same meaning in this document.

1. General Information

1.1 Name and address for service of the registered bank

(a) The full name of the Bank is the Industrial and Commercial Bank of China (New Zealand) Limited and its registered address with the Companies Office is:

Industrial and Commercial Bank of China (New Zealand) Limited

PWC Tower, Level 11, 188 Quay Street,

Auckland 1010, New Zealand

(b) The Bank's website address is www.icbcnz.com

1.2 Details of ultimate parent bank and ultimate holding company

(a) Ultimate parent bank

The Bank's ultimate parent bank is the Industrial and Commercial Bank of China Limited, incorporated in China (ICBC).

ICBC is subject to regulatory oversight by the China Banking Regulatory Commission (CBRC) and the Government of the People's Republic of China (China). ICBC is not a New Zealand registered bank and is not subject to regulatory oversight by the Reserve Bank of New Zealand.

There has been no change to the ultimate parent bank since 31 December 2014. There have been no changes to the name or address for service of the ultimate parent bank since 31 December 2014.

(b) Ultimate holding bank

ICBC is the ultimate holding company of the Bank.

There has been no change to the ultimate holding bank since 31 December 2014. There have been no changes to the name or address for service of the ultimate holding bank since 31 December 2014.

Shareholding in ICBC

As at 31 March 2015, 69.44% of total shares in ICBC are owned by the Chinese government. The remaining 30.56% of the shares in ICBC is held by public shareholding. ICBC shares are listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange. Further details concerning the shareholdings in ICBC are on the ICBC website: www.icbc.com.cn

Annual Report of ICBC

A copy of the latest ICBC annual report is on the ICBC website: www.icbc.com.cn

(c) Summary on restrictions of supporting the 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 Bank.

1.3 Interests in 5% or more of voting securities of registered bank

The Bank is a wholly-owned subsidiary of ICBC.

2. Subordination of Claims of Creditor

2.1 Priority of claims in the event of liquidation

In the unlikely event that the Bank is put into liquidation or ceases trading, claims of secured creditors and those creditors set out in the Seventh Schedule of the Companies Act 1993 would rank ahead of the claims of unsecured creditors. Deposits from customers are unsecured and rank equally with other unsecured liabilities of the Bank.

3. Guarantees

3.1 Guarantee arrangements

As at the date of this disclosure statement, the bank is fully guaranteed by ICBC.

A copy of the guarantee of the Bank's indebtedness given by ICBC is provided in the Bank's Disclosure Statement for the period ended 31 December 2014. A copy of the Disclosure Statement can be obtained from the Bank's website www.icbcnz.com.

There have been no change in the terms of the guarantee since the date of signing of the year-end Disclosure Statement.

3.2 Details of the guarantor (Parent)

(a) The guarantor is ICBC. ICBC is the Bank's ultimate parent and ultimate holding company. ICBC is not a member of the Banking Group.

The address for service of ICBC is:

55 FuXingMenNei Street,

Xicheng District, 100140,

Beijing,

People's Republic of China

As at 31 March 2015, the most recent publicly disclosed (unaudited) capital of ICBC was RMB 1,621,260 million (per first quarterly report financials – unaudited) (NZD 349,048 million), representing 14.53% of risk weighted exposure.

(b) Credit Rating

ICBC “The ultimate Parent Bank” has 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
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)
Short-term Foreign Currency Bank Deposits Rating	P-1 (Superior ability to repay short-term debt)	A-1 (susceptible to adverse economic condition but satisfactory capacity to meet obligations)
Outlook	Stable	Stable

(c) Rating movement history

There has not been any rating movement in the last 2 years.

3.3 Details of the guaranteed obligations (Parent)

ICBC fully guarantees due payment of all indebtedness of the Bank to the Bank's depositors and other creditors.

- (i) There are no limits on the amount of the obligations guaranteed.
- (ii) There are no material conditions applicable to the guarantee, other than non-performance by the Bank.
- (iii) There are no material legislative or regulatory restrictions in China that would have the effect of subordinating the claims of the Bank'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.

4. Directors

The responsible person authorised to sign the disclosure statement on behalf of the Board, comprising:

- Donald Thomas Brash, Chairman, Independent director
- Martin Philipsen, Independent Director
- John Dalzell, Independent Director
- Jun Jing, Executive Director, resigned on 22 April 2015
- Hongbin Liu, Non-executive Director

- Qian Hou, on 22 April 2015, the Bank received RBNZ’s non-objection confirmation relating to the appointment of the Bank’s New General Manager and Executive Director.
- Xuening Yang, on 4 May 2015, RBNZ issued the non-objection confirmation for the appointment of Mr Xuening Yang as a non-independent/non-Executive Director. ICBC NZ Board has approved Mr Yang’s appointment on 28 May 2015.

in accordance to section 82 of the Reserve Bank of New Zealand Act 1989 is Qian Hou (Executive Director).

5. Auditor

The name and address of the auditor referred to in this disclosure statement is:

KPMG

KPMG Centre

18 Viaduct Harbour Avenue

Auckland 1140

New Zealand

6. Conditions of Registration For Industrial and Commercial Bank of China (New Zealand) Limited

These conditions of registration apply on and after 1 November 2014. The registration of Industrial and Commercial Bank of China (New Zealand) Limited (“the bank”) as a registered bank is subject to the following conditions:

1. That—
 - (a) the Total capital ratio of the banking group is not less than 8%;
 - (b) the Tier 1 capital ratio of the banking group is not less than 6%;
 - (c) the Common Equity Tier 1 capital ratio of the banking group is not less than 4.5%;
 - (d) the Total capital of the banking group is not less than \$30 million; and
 - (e) the process in Subpart 2H of the Reserve Bank of New Zealand document: “Capital Adequacy Framework (Standardised Approach)” (BS2A) dated July 2014 is followed for the recognition and repayment of capital.

For the purposes of this condition of registration, capital, the Total capital ratio, the Tier 1 capital ratio, and the Common Equity Tier 1 capital ratio must be calculated in accordance with the Reserve Bank of New Zealand document: “Capital Adequacy Framework (Standardised Approach)” (BS2A) dated July 2014.

- 1A. That—
 - (a) the bank has an internal capital adequacy assessment process (“ICAAP”) that accords with the requirements set out in the document “Guidelines on a bank’s

internal capital adequacy assessment process ('ICAAP')" (BS12) dated December 2007;

- (b) under its ICAAP the bank identifies and measures its "other material risks" defined as all material risks of the banking group that are not explicitly captured in the calculation of the Common Equity Tier 1 capital ratio, the Tier 1 capital ratio and the Total capital ratio under the requirements set out in the document "Capital Adequacy Framework (Standardised Approach)" (BS2A) dated July 2014; and
- (c) the bank determines an internal capital allocation for each identified and measured "other material risk".

1B. That, if the buffer ratio of the banking group is 2.5% or less, the bank must:

- (a) according to the following table, limit the aggregate distributions of the bank's earnings to the percentage limit to distributions that corresponds to the banking group's buffer ratio:

Banking group's buffer ratio	Percentage limit to distributions of the bank's earnings
0% – 0.625%	0%
>0.625 – 1.25%	20%
>1.25 – 1.875%	40%
>1.875 – 2.5%	60%

- (b) prepare a capital plan to restore the banking group's buffer ratio to above 2.5% within any timeframe determined by the Reserve Bank for restoring the buffer ratio; and
- (c) have the capital plan approved by the Reserve Bank.

For the purposes of this condition of registration,—

"buffer ratio", "distributions", and "earnings" have the same meaning as in Part 3 of the Reserve Bank of New Zealand document: "Capital Adequacy Framework (Standardised Approach)" (BS2A) dated July 2014.

- 2. 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.

- 3. 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.

4. That the aggregate credit exposures (of a non-capital nature and net of any allowances for impairment) of the banking group to all connected persons do not exceed the rating-contingent limit outlined in the following matrix:

Credit rating of the bank¹	Connected exposure limit (% of the Banking Group’s Tier 1 capital)
AA/Aa2 and above	75
AA-/Aa3	70
A+/A1	60
A/A2	40
A-/A3	30
BBB+/Baa1 and below	15

Within the rating-contingent limit, credit exposures (of a non-capital nature and net of any allowances for impairment) to non-bank connected persons shall not exceed 15% of the banking group’s Tier 1 capital.

¹ This table uses the rating scales of Standard & Poor’s, Fitch Ratings and Moody’s Investors Service. (Fitch Ratings’ scale is identical to Standard & Poor’s.)

For the purposes of this condition of registration, compliance with the rating-contingent connected exposure limit is determined in accordance with the Reserve Bank of New Zealand document entitled “Connected Exposures Policy” (BS8) dated October 2014.

5. That exposures to connected persons are not on more favorable terms (e.g. as relates to such matters as credit assessment, tenor, interest rates, amortization schedules and requirement for collateral) than corresponding exposures to non-connected persons.
6. That the bank complies with the following corporate governance requirements:
 - (a) the board of the bank must have at least five directors;
 - (b) the majority of the board members must be non-executive directors;
 - (c) at least half of the board members must be independent directors;
 - (d) an alternate director,—
 - (i) for a non-executive director must be non-executive; and
 - (ii) for an independent director must be independent;
 - (e) at least half of the independent directors of the bank must be ordinarily resident in New Zealand;
 - (f) the chairperson of the board of the bank must be independent;
 - (g) the bank’s constitution must not include any provision permitting a director, when exercising powers or performing duties as a director, to act other than in what he or she believes is the best interests of the company (i.e. the bank); and
 - (h) that the business and affairs of the bank are managed by, or under the direction or supervision of, the board of the bank.

For the purposes of this condition of registration, “non-executive” and “independent” have the same meaning as in the Reserve Bank of New Zealand document entitled “Corporate Governance” (BS14) dated July 2014.

7. That no appointment of any director, chief executive officer, or executive who reports or is accountable directly to the chief executive officer, is made in respect of the bank 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.
8. That a person must not be appointed as chairperson of the board of the bank 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.
9. That the bank has a board audit committee, or other separate board committee covering audit matters, that meets the following requirements:

- (a) the mandate of the committee must include: ensuring the integrity of the bank's financial controls, reporting systems and internal audit standards;
- (b) the committee must have at least three members;
- (c) every member of the committee must be a non-executive director of the bank;
- (d) the majority of the members of the committee must be independent; and
- (e) the chairperson of the committee must be independent and must not be the chairperson of the bank.

For the purposes of this condition of registration, "non-executive" and "independent" have the same meaning as in the Reserve Bank of New Zealand document entitled "Corporate Governance" (BS14) dated July 2014.

- 10. That a substantial proportion of the bank's business is conducted in and from New Zealand.
- 11. That the banking group complies with the following quantitative requirements for liquidity-risk management:
 - (a) the one-week mismatch ratio of the banking group is not less than zero per cent at the end of each business day;
 - (b) the one-month mismatch ratio of the banking group is not less than zero per cent at the end of each business day; and
 - (c) the one-year core funding ratio of the banking group is not less than 75 per cent at the end of each business day.

For the purposes of this condition of registration, the ratios identified must be calculated in accordance with the Reserve Bank of New Zealand documents entitled "Liquidity Policy" (BS13) dated July 2014 and "Liquidity Policy Annex: Liquid Assets" (BS13A) dated December 2011.

- 12. That the bank has an internal framework for liquidity risk management that is adequate in the bank's view for managing the bank's liquidity risk at a prudent level, and that, in particular:
 - (a) is clearly documented and communicated to all those in the organisation with responsibility for managing liquidity and liquidity risk;
 - (b) identifies responsibility for approval, oversight and implementation of the framework and policies for liquidity risk management;
 - (c) identifies the principal methods that the bank will use for measuring, monitoring and controlling liquidity risk; and
 - (d) considers the material sources of stress that the bank might face, and prepares the bank to manage stress through a contingency funding plan.
- 13. That no more than 10% of total assets may be beneficially owned by a SPV.

For the purposes of this condition,—
"total assets" means all assets of the banking group plus any assets held by any SPV that are not included in the banking group's assets:

“SPV” means a person—

- (a) to whom any member of the banking group has sold, assigned, or otherwise transferred any asset;
- (b) who has granted, or may grant, a security interest in its assets for the benefit of any holder of any covered bond; and
- (c) who carries on no other business except for that necessary or incidental to guarantee the obligations of any member of the banking group under a covered bond:

“covered bond” means a debt security issued by any member of the banking group, for which repayment to holders is guaranteed by a SPV, and investors retain an unsecured claim on the issuer.

14. That—

- (a) no member of the banking group may give effect to a qualifying acquisition or business combination that meets the notification threshold, and does not meet the non-objection threshold, unless:
 - (i) the bank has notified the Reserve Bank in writing of the intended acquisition or business combination and at least 10 working days have passed; and
 - (ii) at the time of notifying the Reserve Bank of the intended acquisition or business combination, the bank provided the Reserve Bank with the information required under the Reserve Bank of New Zealand Banking Supervision Handbook document “Significant Acquisitions Policy” (BS15) dated December 2011; and
- (b) no member of the banking group may give effect to a qualifying acquisition or business combination that meets the non-objection threshold unless:
 - (i) the bank has notified the Reserve Bank in writing of the intended acquisition or business combination;
 - (ii) at the time of notifying the Reserve Bank of the intended acquisition or business combination, the bank provided the Reserve Bank with the information required under the Reserve Bank of New Zealand Banking Supervision Handbook document “Significant Acquisitions Policy” (BS15) dated December 2011; and
 - (iii) the Reserve Bank has given the bank a notice of non-objection to the significant acquisition or business combination.

For the purposes of this condition of registration, “qualifying acquisition or business combination”, “notification threshold” and “non-objection threshold” have the same meaning as in the Reserve Bank of New Zealand Banking Supervision Handbook document “Significant Acquisitions Policy” (BS15) dated December 2011.

15. That, for a loan-to-valuation measurement period, the total of the bank's qualifying new mortgage lending amounts must not for residential properties with a loan-to- valuation ratio of more than 80%, exceed 10% of the total of the qualifying new mortgage lending amounts arising in the loan-to-valuation measurement period.
16. That the bank must not make a residential mortgage loan unless the terms and conditions of the loan contract or the terms and conditions for an associated mortgage require that a borrower obtain the bank's agreement before the borrower can grant to another person a charge over the residential property used as security for the loan.
17. That the bank must not permit a borrower to grant a charge in favour of another person over a residential property used as security for a residential mortgage loan unless the sum of the lending secured by the charge and the loan value for the residential mortgage loan would not exceed 80% of the property value of the residential property when the lending secured by the charge is drawn down.
18. That the bank must not provide a residential mortgage loan if the residential property to be mortgaged to the bank as security for the residential mortgage loan is subject to a charge in favour of another person unless the total amount of credit secured by the residential property would not exceed 80% of the property value when the residential mortgage loan is drawn down.
19. That the bank must not act as broker or arrange for a member of its banking group to provide a residential mortgage loan.

In these conditions of registration,— “banking group”—

(a) means Industrial and Commercial Bank of China (New Zealand) Limited (as reporting entity) and all other entities included in the group as defined in section 6(1) of the Financial Markets Conduct Act 2013 for the purposes of Part 7 of that Act (unless paragraph (b) applies); or

(b) means Industrial and Commercial Bank of China (New Zealand) Limited's financial reporting group (as defined in section 2(1) of the Financial Reporting Act 1993):

"generally accepted accounting practice"-

(a) has the same meaning as in section 8 of the Financial Reporting Act 2013 (unless paragraph (b) applies); or

(b) means generally accepted accounting practice within the meaning of section 3 of the Financial Reporting Act 1993 if the bank is required to prepare financial statements in accordance with that practice.

In conditions of registration 15 to 19,—

“loan-to-valuation ratio”, “loan value”, “property value”, “qualifying new mortgage lending amount” and “residential mortgage loan” have the same meaning as in the Reserve Bank of New Zealand document entitled “Framework for Restrictions on High-LVR Residential Mortgage Lending” (BS19) dated October 2014:

“loan-to-valuation measurement period” means—

- (a) the period starting on 19 November 2013 and ending on the last day of April 2014; and
- (b) thereafter a period of six calendar months ending on the last day of the sixth calendar month, the first of which ends on the last day of May 2014.

Non-compliance with conditions of registration

The Bank’s Condition of Registration requirement on connected party credit exposure limit was breached, when a large customer remittance was received in a related party Nostro account. The connected party exposure limit of 40% was exceeded by 11% for 6 days.

7. Pending Proceedings or Arbitration

As at the date of this disclosure statement, there are no pending legal proceedings or arbitration concerning any member of the registered bank’s banking Group, whether in New Zealand or elsewhere, that may have a material adverse effect on the Registered Bank or any other member of the Banking Group.

8. Credit Ratings

ICBC NZ Rating Information

The credit rating of the Bank is as follows:

Rating Agency/Rating Results	Standard & Poor’s Ratings Services
Long-term Foreign Currency Bank Deposits Rating	A (Strong Capacity to meet obligation but subject to adverse economic conditions)
Short-term Foreign Currency Bank Deposits Rating	A-1 (susceptible to adverse economic conditions but satisfactory capacity to meet obligations)
Long-term Local Currency Bank Deposits Rating	A (Strong Capacity to meet obligation but subject to adverse economic conditions)
Short-term Local Currency Bank Deposits Rating	A-1 (susceptible to adverse economic conditions but satisfactory capacity to meet obligations)
Outlook	Stable

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 IBCA, Inc	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.*

9. Other Material Matters

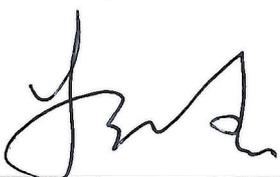
The registered Bank's Directors are of the opinion that there are no other matters relating to the business or affairs of the Registered Bank or its Banking Group that are not contained elsewhere in this Disclosure Statement and which would, if disclosed, materially adversely affect the decision of a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

10. Directors' Statements

Each Director of the Registered Bank 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 Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 ("the Order"); and
 - (b) The Disclosure Statement is not false or misleading.
2. During the three-month ended 31 March 2015:
 - (a) the Bank has complied with its conditions of registration, except as disclosed on page 11 of this Disclosure Statement;
 - (b) Credit exposures to connected persons were not contrary to the interest of the Banking Group; and
 - (c) The Registered Bank had systems in place to monitor and control adequately the Banking Group's material risks, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, operational risk and other business risks, and that those systems were being properly applied.

This Disclosure Statement is dated 28 May 2015 and has been signed by Qian Hou as responsible person for and on behalf of all the Directors (by Directors' resolution):



(Signature)
Qian Hou
Executive Director

11. Appendix 1 -- Financial Statements

Industrial and Commercial Bank of China (New Zealand) Limited

Financial Statements for the three-month period ended 31 March 2015

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STATEMENT OF COMPREHENSIVE INCOME		Unaudited 31 March 2015 3 months	Unaudited 31 March 2014 3 months	Audited 31 December 2014 12 months
For the three months ended 31 March 2015	Notes Ref.	\$'000	\$'000	\$'000
Interest Income		2,534	428	3,621
Interest Expense		(1,530)	-	(656)
Net Interest Income		1,004	428	2,965
Other Income (including Fees and commission)	2	1,017	204	631
Total operating income		2,021	632	3,596
Operating expenses		(1,656)	(915)	(6,046)
Impairment provisioning on loans and advances	3	(38)	-	(483)
Net profit/(loss) before taxation		327	(283)	(2,933)
Taxation (expense)/ benefit		-	-	(42)
Net profit/(loss) for the period		327	(283)	(2,975)
Net change in available-for sale reserve (net of tax)		-	-	-
Net change in cash-flow hedge reserve (net of tax)		-	-	-
Foreign currency translation reserve		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income		327	(283)	(2,975)

The accompanying notes 1-18 form an integral part of these financial statements.

Industrial and Commercial Bank of China (New Zealand) Limited
 Financial Statements for the three-month period ended 31 March 2015

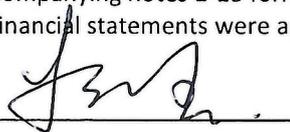
STATEMENT OF CHANGES IN EQUITY	Notes Ref.	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
For the three months ended 31 March 2015 (Unaudited)				
Balance at the beginning of the period		60,378	(3,162)	57,216
Profit/(loss) for the period		-	327	327
Total comprehensive income for the period		-	327	327
Balance at 31 March 2015		60,378	(2,835)	57,543
For the twelve months ended 31 December 2014 (audited)				
Balance at the beginning of the period		60,378	(187)	60,191
Profit/(loss) for the period		-	(2,975)	(2,975)
Total comprehensive income for the period		-	(2,975)	(2,975)
Balance at 31 December 2014		60,378	(3,162)	57,216
For the three months ended 31 March 2014 (unaudited)				
Balance at the beginning of the period		60,378	(187)	60,191
Profit/(loss) for the period		-	(283)	(283)
Total comprehensive income for the period		-	(283)	(283)
Balance at 31 March 2014		60,378	(470)	59,908

The accompanying notes 1-18 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION	Notes Ref.	Unaudited 31 March 2015 \$'000	Unaudited 31 March 2014 \$'000	Audited 31 December 2014 \$'000
As at 31 March 2015				
Assets				
Cash, cash equivalents and balances with central banks		95,703	5,916	376,620
Balances due from related parties	9	6,459	11,571	246
Due from banks and other financial institutions		70,000	38,000	205,000
Financial assets designated at fair value through profit or loss		-	-	-
Financial assets held for trading		490	-	20
Available-for-sale assets		-	-	-
Derivative Financial Assets		-	-	-
Reverse repurchase agreements		-	-	-
Loans and advances to customers	5	118,425	17,351	85,696
Property, plant and equipment		1,755	2,460	1,879
Intangible assets		6	10	7
Current taxation		-	-	-
Deferred tax assets		-	-	-
Other assets		1,496	484	1,008
Total assets		294,334	75,792	670,476
Liabilities				
Due to central banks, banks and other financial institutions		1	-	1
Balances due to related parties	9	123,965	-	547,019
Financial liabilities held for trading		432	-	-
Derivative Financial Liabilities		-	-	-
Reverse repurchase Agreements		-	-	-
Deposits and other borrowings	6	59,339	15,333	13,318
Certificates of Deposit		-	-	-
Debt securities issued	7	50,000	-	50,000
Deferred tax liabilities		-	-	-
Other liabilities		3,054	551	2,922
Total liabilities		236,791	15,884	613,260
Shareholder's equity				
Share capital		60,378	60,378	60,378
Reserves		(2,835)	(470)	(3,162)
Total shareholder's equity		57,543	59,908	57,216
Total shareholder's equity and liabilities		294,334	75,792	670,476
Total interest earning and discount bearing assets	10	255,191	72,987	667,094
Total interest and discount bearing liabilities		212,269	-	604,202

The accompanying notes 1-18 form an integral part of these financial statements.

These financial statements were approved by the directors on 28 May 2015 and are signed on their behalf by:



Qian Hou
 Executive Director

STATEMENT OF CASH FLOWS

For the three months ended 31 March 2015	Notes Ref.	Unaudited 31 March 2015 3 months \$'000	Unaudited 31 March 2014 3 months \$'000	Audited 31 December 2014 12 months \$'000
Cash flows from operating activities				
Interest received		2,018	472	3,220
Fees and other income		1,025	205	734
Operating expenses paid		(1,749)	(1,032)	(4,224)
Interest paid		(939)	-	(97)
Taxes paid		-	-	(42)
Net cash flows from operating activities before changes in operating assets and liabilities		355	(355)	(409)
Net changes in operating assets and liabilities:				
(Increase)/decrease in financial assets held for trading		-	-	-
Decrease/(increase) in available-for-sale-assets		-	-	-
Decrease/(increase) in loans and advances		(32,767)	(17,351)	(86,179)
Decrease/(increase) in balances due from other financial institutions		135,000	18,475	(148,525)
Increase / (Decrease) in deposits and other borrowings		46,021	15,333	13,318
(Decrease)/increase in balances due to related parties		(423,054)	-	547,019
Increase/ (Decrease) in balances due to financial institutions		-	-	1
(Increase) / Decrease in other assets		-	(77)	100
Increase/(decrease) in other liabilities and provisions		(237)	-	271
Decrease/(increase) in balances due from related parties		(6,213)	(11,571)	(246)
Increase / (Decrease) in certificates of deposit		-	-	-
Net cash flows from operating activities		(280,895)	4,454	325,350
Cash flows from investing activities				
Purchase of property, plant and equipment		(22)	(168)	(360)
Purchase of intangible software assets		-	-	-
Purchase of customer relationships		-	-	-
Net cash flows from investing activities		(22)	(168)	(360)
Cash flows from financing activities				
Issue of shares		-	-	-
Capital injection from shareholders		-	-	-
Proceeds from term subordinated debt		-	-	-
Proceeds from related parties		-	-	-
Increase in debt securities issued		-	-	50,000
Dividends paid		-	-	-
Net cash flows from financing activities		-	-	50,000
(Decrease)/increase in cash and cash equivalents		(280,917)	4,286	374,990
Add opening cash and cash equivalents		376,620	1,630	1,630
Effect of exchange rate changes on cash and cash equivalents		-	-	-
Cash and cash equivalents		95,703	5,916	376,620

STATEMENT OF CASH FLOWS (Cont.)	Unaudited 31 March 2015 3 months \$'000	Unaudited 31 March 2014 3 months \$'000	Audited 31 December 2014 12 months \$'000
For the three months ended 31 March 2015	Notes Ref.		
Reconciliation of net profit after taxation to net cash-flows from operating activities			
Net profit/(loss) after taxation	327	(283)	(2,975)
Non cash movements:			
Unrealised fair value adjustments	(470)	-	(20)
Depreciation	146	135	561
Amortisation of intangibles	1	1	4
Amortisation of financial instruments	-	-	-
Increase in collective allowance for impairment losses	38	-	483
Increase in individual allowance for impairment losses	-	-	-
(Increase)/decrease in deferred expenditure	-	-	-
Unsecured lending losses	-	-	-
Unrealised foreign exchange loss/(gain)	432	-	-
(Increase)/decrease in deferred taxation	-	-	-
Interest expense on debt securities issued	-	-	-
		-	
Increase in operating assets and liabilities	147	136	1,028
(Increase)/decrease in interest receivable	(516)	-	(443)
Decrease/(increase) in payable accruals	524	-	625
Decrease/(increase) in loans and advances	(32,767)	(17,351)	(86,179)
Decrease/(increase) in balances due from other financial institutions	135,000	18,475	(148,525)
Increase/ (Decrease) in deposits and other borrowings	46,021	15,333	13,318
Increase / (Decrease) in balances due to other financial institutions	-	-	1
(Decrease)/increase in other liabilities	(391)	(254)	1,493
(Decrease)/increase in balances due to related parties	(423,054)	(11,571)	547,019
Increase / (Decrease) in current taxation	-	-	-
Decrease/(increase) in other assets	27	(31)	234
Decrease/(increase) in balances due from related parties	(6,213)	-	(246)
Net cash flows from operating activities	280,895	4,454	325,350

1 STATEMENT OF ACCOUNTING POLICIES

(1) Reporting Entity

The reporting entity is Industrial and Commercial Bank of China (New Zealand) Limited (the "Bank"). The Bank does not prepare group financial statements as the bank does not have any subsidiaries. The Bank is registered under the Companies Act 1993 and is incorporated in New Zealand. The Bank was incorporated on 13 March 2013. The financial statements are for the three months ended 31 March 2015. These financial statements have been prepared and presented in accordance with the Registered Bank Disclosure Statements (New Zealand) Incorporated Registered Banks Order 2014 ("the Order").

They were approved for issue by the Directors on 28 May 2015. The address of the Bank's registered office is Level 11, 188 Quay Street, Auckland 1010, New Zealand. The bank provides its products and services to retail and wholesale/institutional customers.

(2) Basis of Preparation

These interim financial statements are for the Bank for the three months ended 31 March 2015. 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 (NZ IAS) 34 Interim Financial Reporting (NZ IAS 34) and the Order, and should be read in conjunction with the Bank's financial statements for the year ended 31 December 2014.

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 held for trading, financial assets and liabilities designated at fair value through profit or loss and available-for-sale financial assets, and all derivative financial instruments that have been measured at fair value, as further explained in the respective accounting policies below. 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.

(3) Presentation Currency

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

(4) Changes in accounting policies

The same accounting policies and methods of computation have been followed in preparing these financial statements as were used in preparing the Disclosure Statement for the period ended 31 December 2014.

(5) Comparative Financial Statements

Certain comparative balances have been reclassified to ensure the consistency with the current financial year's presentation. These reclassifications have no impact on the overall financial performance or financial position for the comparative reporting periods.

2 OTHER INCOME

	Unaudited 31 March 2015 3 months \$'000	Unaudited 31 March 2014 3 months \$'000	Audited 31 December 2014 12 months \$'000
Other Income			
Banking and lending fee income	72	203	137
Net commissions revenue	143	-	325
Payment services fee income	76	-	37
Bad debts recovered	-	-	-
Net foreign exchange gains and commissions	255	-	109
Gain on sale of property, plant and equipment	-	-	-
Net gains/(losses) on revaluation of financial instruments	471	-	20
Other revenue	-	1	3
Total Other Income	1,017	204	631

3 IMPAIRMENT ALLOWANCE

Unaudited – 31 March 2015

	Other exposures excluding sovereigns and central banks \$'000	Retail Mortgage Lending \$'000	Corporate and institutional \$'000	Total as at 31 March 2015 \$'000
Individually impaired assets				
Balance at the beginning of the year	-	-	-	-
Charge to statement of comprehensive income in current year	-	-	-	-
Bad debts written off	-	-	-	-
Balance at 31 March 2015	-	-	-	-

	Other exposures excluding sovereigns and central banks \$'000	Retail Mortgage Lending \$'000	Corporate and institutional \$'000	Total as at 31 March 2015 \$'000
Collective allowance for impairment losses				
Balance at the beginning of the year	1	19	463	483
Charge to statement of comprehensive income in current year	2	13	23	38
Advances written off	-	-	-	-
Balance at 31 March 2015	3	32	486	521

3 IMPAIRMENT ALLOWANCE continued

Audited 31 December 2014

	Other exposures excluding sovereigns and central banks	Retail Mortgage Lending	Corporate and institutional	Total as at 31 December 2014
	\$'000	\$'000	\$'000	\$'000
Individually impaired assets				
Balance at the beginning of the year	-	-	-	-
Charge to statement of comprehensive income in current year	-	-	-	-
Bad debts written off	-	-	-	-
Balance as at 31 December 2014	-	-	-	-

	Other exposures excluding sovereigns and central banks	Retail Mortgage Lending	Corporate and institutional	Total as at 31 December 2014
	\$'000	\$'000	\$'000	\$'000
Collective allowance for impairment losses				
Balance at the beginning of the year	-	-	-	-
Charge to statement of comprehensive income in current year	1	19	463	483
Advances written off	-	-	-	-
Balance as at 31 December 2014	1	19	463	483

Unaudited 31 March 2014

	Other exposures excluding sovereigns and central banks	Retail Mortgage Lending	Corporate and institutional	Total as at 31 March 2014
	\$'000	\$'000	\$'000	\$'000
Individually impaired assets				
Balance at the beginning of the year	-	-	-	-
Charge to statement of comprehensive income in current year	-	-	-	-
Bad debts written off	-	-	-	-
Balance as at 31 March 2014	-	-	-	-

	Other exposures excluding sovereigns and central banks	Retail Mortgage Lending	Corporate and institutional	Total as at 31 March 2014
	\$'000	\$'000	\$'000	\$'000
Collective allowance for impairment losses				
Balance at the beginning of the year	-	-	-	-
Charge to statement of comprehensive income in current year	-	-	-	-
Advances written off	-	-	-	-
Balance as at 31 March 2014	-	-	-	-

4 TAXATION

During the three months ended 31 March 2015 there were no changes in the effective income tax rate.

5 LOANS AND ADVANCES TO CUSTOMERS

	Unaudited 31 March 2015 \$'000	Unaudited 31 March 2014 \$'000	Audited 31 December 2014 \$'000
Residential mortgage loans	18,374	-	11,233
Corporate exposures	75,592	11,300	50,660
Syndicated Loans	24,920	6,051	24,278
Retail Loans	60	-	8
Other exposures	-	-	-
Allowance for impairment provisioning	(521)	-	(483)
Total net loans and receivables	118,425	17,351	85,696
Current	36,225	11,300	12,901
Non-Current	82,200	6,051	72,795

6 DEPOSITS AND OTHER BORROWINGS

	Unaudited 31 March 2015 \$'000	Unaudited 31 March 2014 \$'000	Audited 31 December 2014 \$'000
Retail deposits	40,337	25	6,262
Wholesale deposits	19,002	15,308	7,056
Other	-	-	-
Total deposits	59,339	15,333	13,318
New Zealand	57,277	15,333	12,005
Overseas	2,062	-	1,313
Current	59,207	15,333	13,298
Non-Current	132	-	20

7 DEBT SECURITIES ISSUED

	Unaudited 31 March 2015 \$'000	Unaudited 31 March 2014 \$'000	Audited 31 December 2014 \$'000
Certificates of deposit (CDs)	-	-	-
Other debt securities	50,000	-	50,000
Total debt securities issued	50,000	-	50,000
Current	-	-	-
Non-Current	50,000	-	50,000

8 ASSET QUALITY

Unaudited 31 March 2015	Other exposures excluding sovereigns and central banks \$'000	Residential mortgage loans \$'000	Corporate exposures \$'000	Total \$'000
Total neither past due nor impaired	60	18,374	100,512	118,946
Past due assets but not impaired				
Less than 30 days past due	-	-	-	-
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 but not impaired	-	-	-	-
Individually impaired assets				
Balance at beginning of the year	-	-	-	-
Additions	-	-	-	-
Amounts written off	-	-	-	-
Deletions	-	-	-	-
Total individually impaired assets	-	-	-	-
Total gross loans and advances	60	18,374	100,512	118,946
Individually assessed provisions				
Balance at beginning of the year	-	-	-	-
Charged/(credit) to the statement of comprehensive income:				
New provisions	-	-	-	-
Amounts recovered	-	-	-	-
Reversals of previously recognised impairment losses	-	-	-	-
Amounts written off	-	-	-	-
Balance at end of the period	-	-	-	-
Collectively assessed provisions				
Balance at beginning of the year	-	-	-	-
Charged (credit) to the statement of comprehensive income	3	32	486	521
Balance at end of the period	3	32	486	521
Total provisions for impairment losses	3	32	486	521
Total net loans and advances	57	18,342	100,026	118,425

8 ASSET QUALITY continued

Audit 31 December 2014	Other exposures excluding sovereigns and central banks \$'000	Residential mortgage loans \$'000	Corporate exposures \$'000	Total \$'000
Total neither past due nor impaired	8	11,233	74,938	86,179
Past due assets but not impaired				
Less than 30 days past due	-	-	-	-
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 but not impaired	-	-	-	-
Individually impaired assets				
Balance at beginning of the year	-	-	-	-
Additions	-	-	-	-
Amounts written off	-	-	-	-
Deletions	-	-	-	-
Total individually impaired assets	-	-	-	-
Total gross loans and advances	8	11,233	74,938	86,179
Individually assessed provisions				
Balance at beginning of the year	-	-	-	-
Charged/(credit) to the statement of comprehensive income:				
New provisions	-	-	-	-
Amounts recovered	-	-	-	-
Reversals of previously recognised impairment losses	-	-	-	-
Amounts written off	-	-	-	-
Balance at end of the period	-	-	-	-
Collectively assessed provisions				
Balance at beginning of the year	-	-	-	-
Charged (credit) to the statement of comprehensive income	1	19	463	483
Balance at end of the period	1	19	463	483
Total provisions for impairment losses	1	19	463	483
Total net loans and advances	7	11,214	74,475	85,696

8 ASSET QUALITY continued

Unaudited 31 March 2014	Other exposures excluding sovereigns and central banks \$'000	Residential mortgage loans \$'000	Corporate exposures \$'000	Total \$'000
Total neither past due nor impaired	6,051	-	11,300	17,351
Past due assets but not impaired				
Less than 30 days past due	-	-	-	-
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 but not impaired	-	-	-	-
Individually impaired assets				
Balance at beginning of the year	-	-	-	-
Additions	-	-	-	-
Amounts written off	-	-	-	-
Deletions	-	-	-	-
Total individually impaired assets	-	-	-	-
Total gross loans and advances	6,051	-	11,300	17,351
Individually assessed provisions				
Balance at beginning of the year	-	-	-	-
Charged/(credit) to the statement of comprehensive income:				
New provisions	-	-	-	-
Amounts recovered	-	-	-	-
Reversals of previously recognised impairment losses	-	-	-	-
Amounts written off	-	-	-	-
Balance at end of the period	-	-	-	-
Collectively assessed provisions				
Balance at beginning of the year	-	-	-	-
Charged (credit) to the statement of comprehensive income	-	-	-	-
Balance at end of the period	-	-	-	-
Total provisions for impairment losses	-	-	-	-
Total net loans and advances	6,051	-	11,300	17,351

The weighted average number of days past due for these assets is nil. Of the total amount recorded as loans and advances at nil, 0% is owed by the largest debtors.

The Bank 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 31 March 2015. Therefore, the Bank does not have any such collateral sold or re-pledged and not having an obligation to return it.

8 ASSET QUALITY continued

Undrawn balances on lending commitments to counterparties within the impaired asset category were \$18,352,450 as at 31 March 2015 (31 December 2014: \$18,754,000).

There has been no interest revenue foregone on restructured, individually impaired or greater than 90 days past due assets during the period ended 31 March 2015.

The Bank is wholly owned by the Industrial and Commercial Bank of China Limited, a company incorporated in China. All related party transactions are conducted on normal commercial terms and conditions. No related party debts have been written off or forgiven during the period.

9 TRANSACTIONS WITH RELATED PARTIES

A. Guarantees

The Company'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 Regulatory Commission (CBRC) under their respective rules and guidelines. ICBC is not a New Zealand registered bank and is not subject to regulatory oversight by the Reserve Bank of New Zealand.

As at 31 March 2015, 69.44% of total shares in ICBC are owned by the Chinese government. The remaining 30.56% of the shares in ICBC are held by public shareholding. ICBC shares were listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange.

The obligations of the Bank 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 31 March 2015, all the obligations of the Bank are guaranteed by ICBC.

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
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)
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)
Outlook	Stable	Stable

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

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

(ii) There are no material conditions applicable to the guarantee, other than non-performance by the Bank.

(iii) There are no material legislative or regulatory restrictions in China that would have the effect of subordinating the claims of the Bank'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.

9 TRANSACTIONS WITH RELATED PARTIES continued

B. Balance with related parties

	Unaudited 31 March 2015 \$'000	Unaudited 31 March 2014 \$'000	Audited 31 December 2014 \$'000
Amounts due from parent ¹	6,459	11,553	246
Total balances due from parent	6,459	11,553	246
Current	6,459	11,553	246
Non-Current	-	-	-
Parent Vostro account balance	93,237	-	517,694
Amounts due to parent ²	30,728	-	29,325
Total balances due to parent	123,965	-	547,019
Current	119,957	-	543,194
Non-Current	4,008	-	3,825
Off Balance sheet transactions			
Due from parent ³	6,315	-	4,656
Due to parent ³	(6,459)	-	(6,632)
Total off balance sheet transactions	(144)	-	(1,976)

1.The amounts due from parent NZ\$6.459M refer to a trade finance with ICBC SUZHOU.

2.The amounts due to parent NZ\$30.728M refer to Money Market with ICBC head office.

3.The off balance transactions with related parties refer to a USD swap for CNY30,000,000 contract with ICBC Singapore.

Nostro account balance held with parent as at 31 March 2015 is NZ\$994,342 (31 December 2014 NZ\$1,442,575). This is included in cash and cash equivalents balance.

Parent includes ICBC Head Office and other ICBC branches.

C. Related party transactions

	Unaudited 31 March 2015 \$'000	Unaudited 31 March 2014 \$'000	Audited 31 December 2014 \$'000
Income			
Interest received from parent	11	-	313
Other income received from parent	11	-	-
Total income received from parent	22	-	313
Expense			
Interest paid to parent	753	-	566
Other expense paid to parent	19	-	-
Total expense paid to parent	772	-	566
Net operating income from parent	(750)	-	(253)

10 CONCENTRATION OF CREDIT RISK

The following table breaks down the Bank'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. For further details on how credit risk is managed and for On Balance Sheet and Off Balance Sheet credit exposure details, refer to note 16.

	Unaudited 31 March 2015 \$'000	Unaudited 31 March 2014 \$'000	Audited 31 December 2014 \$'000
New Zealand			
Government	15,728	-	280,435
Finance (including banks)	113,476	43,916	299,170
Households	18,435	-	11,241
Transport and storage	14,520	-	14,700
Communications	8,980	6,051	8,524
Electricity, gas and water	-	-	-
Construction	9,313	-	8,650
Property services	152	149	152
Agriculture and forestry	27,710	11,300	5,862
Health and community services	-	-	-
Personal and other services	-	-	-
Retail and wholesale trade	2,158	-	-
Food and other manufacturing	6,100	-	6,920
Overseas			
Finance, investment and insurance (including ICBC)	7,410	11,571	1,642
Retail and wholesale trade	31,730	-	30,281
Less allowance for impairment provisioning	(521)	-	(483)
Total financial assets (interest earning)	255,191	72,987	667,094
Finance, investment and insurance (non- interest earning)	36,038	-	640
Other financial assets	1,244	58	702
Total net financial assets	292,473	73,045	668,436

An analysis of financial assets (interest earning) by geographical sector at balance date is as follows

	Unaudited 31 March 2015 \$'000	Unaudited 31 March 2014 \$'000	Audited 31 December 2014 \$'000
New Zealand			
North Island	210,139	61,416	629,254
South Island	6,070	-	6,069
Overseas			
China	7,211	11,571	775
USA	-	-	-
Singapore	199	-	867
Hong Kong	31,572	-	30,129
Australia	-	-	-
Total financial assets (interest earning)	255,191	72,987	667,094

10 CONCENTRATION OF CREDIT RISK continued

Maximum Exposure to Credit Risk - On and Off Balance Sheet

	Unaudited 31 March 2015 \$'000	Unaudited 31 March 2014 \$'000	Audited 31 December 2014 \$'000
Cash and cash equivalents	-	-	-
Available-for-sale assets	-	-	-
Financial assets held for trading	-	-	-
Loans and advances	118,425	17,351	85,696
Due from other financial institutions	-	-	-
Derivative financial instruments	-	-	-
Tax Receivable	-	-	-
Trade and Other Receivables	-	-	-
Investment in Subsidiary	-	-	-
Other financial assets	1,247	207	602
On Balance Sheet Credit Exposures (excluding credit exposure to connected parties and banks with long-term credit rating of A- or A3 or above)	119,672	17,558	86,298
Cash and cash equivalents	95,703	5,916	376,620
Available-for-sale assets	-	-	-
Financial assets held for trading	490	-	20
Loans and advances	-	-	-
Balances with related parties	6,459	11,571	246
Due from other financial institutions	70,000	38,000	205,000
Derivative financial instruments	-	-	-
Tax Receivable	-	-	-
Trade and Other Receivables	-	-	-
Investment in Subsidiary	-	-	-
Other financial assets	149	-	252
Total on Balance Sheet Credit Exposures	292,473	73,045	668,436
Off Balance Sheet Exposures	25,545	-	29,484
Total Off Balance Sheet Credit Exposures	25,545	-	29,484

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

100% of the Banking Group's mortgage portfolio is owner occupied residential properties.

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.

Credit exposure to individual counterparties

Credit exposure concentrations are disclosed on the basis of actual exposures and gross of set-offs. Peak end-of-day aggregate credit exposures have been calculated using the Bank's tier one capital at the end of the half year.

The number of individual counterparties, excluding connected persons, where the period end and peak end-of-day aggregate actual credit exposures, net of individual credit impairment allowances, equaled or exceeded 10% of the Bank's shareholder's equity:

10 CONCENTRATION OF CREDIT RISK continued

PEAK END OF DAY CREDIT EXPOSURES: Percentage of Bank's shareholders' Equity	Unaudited During the period ended 31 March 2015 Number of Counterparties		Unaudited During the period ended 31 March 2014 Number of Counterparties		Audited During the period ended 31 December 2014 Number of Counterparties	
	BANK	OTHER	BANK	OTHER	BANK	OTHER
10% - 14%	-	1	-	1	-	3
15% - 19%	-	2	-	1	-	1
20% - 24%	-	-	-	-	-	-
25% - 29%	-	2	-	-	-	3
30% - 34%	-	3	-	-	-	2
35% - 39%	-	-	-	-	-	-
40% - 44%	-	1 ¹	-	-	-	-
45% - 50%	-	-	-	-	-	-
50% - 55%	-	-	-	-	-	1

Peak end of day credit exposure is calculated by determining the maximum end of day aggregate amount of credit exposure over the financial period for individual counterparties, and then dividing that amount by the bank's Reserves as at the reporting date.

AS AT REPORTING DATE: Percentage of Bank's shareholders' Equity	Unaudited During the period ended 31 March 2015 Number of Counterparties		Unaudited During the period ended 31 March 2014 Number of Counterparties		Audited During the period ended 31 December 2014 Number of Counterparties	
	BANK	OTHER	BANK	OTHER	BANK	OTHER
10% - 14%	-	1	-	1	-	1
15% - 19%	-	2	-	1	-	1
20% - 24%	-	-	-	-	-	-
25% - 29%	-	2	-	-	-	3
30% - 34%	-	3	-	-	-	2
35% - 39%	-	-	-	-	-	-
40% - 44%	-	1 ¹	-	-	-	-
45% - 50%	-	-	-	-	-	-

Individual counterparties in the "Bank" category exclude credit exposures to any bank with a Standard & Poor's investment grade rating of A- or A3 or above, or its equivalent.

Individual counterparties in the "Other" category exclude credit exposures to any customer with a Standard & Poor's investment grade rating of A- or A3 or above, or its equivalent.

Those counterparties that do not have a long-term credit rating.

These calculations are net of individually assessed provisions.

¹ The loan classified within the 40%-44% category is fully collateralised by cash deposits.

11 CONTINGENT LIABILITIES AND COMMITMENTS

	Unaudited 31 March 2015	Unaudited 31 March 2014	Audited 31 December 2014
	\$'000	\$'000	\$'000
Performance/financial guarantees issued on behalf of customers	7,193	-	10,730
Total contingent liabilities	7,193	-	10,730
Undrawn Commitments	18,352	-	18,754

As at 31 March 2015 there are no financial assets that have been pledged as collateral for liabilities or contingent liabilities.

12 SUBSEQUENT EVENTS AFTER BALANCE SHEET DATE

On 22 April 2015, the Bank received RBNZ's non-objection confirmation relating to the appointment of the Bank's New General Manager and Executive Director Ms Hou.

On 4 May 2015, RBNZ issued the non-objection confirmation for the appointment of Mr Xuening Yang as a non-independent/non-Executive Director. ICBC NZ Board has approved Mr Yang's appointment on 28 May 2015.

13 DIVIDEND

During the three months ended 31 March 2015 the Bank has not paid any dividends to its shareholders (31 December 2014: nil).

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Unaudited 31 March 2015	Carrying amount \$'000	Estimated Fair Value \$'000
Financial assets		
Cash and cash equivalents	95,703	95,703
Due from other financial institutions	70,000	70,000
Financial assets at fair value through profit or loss	-	-
Financial assets held for trading	490	490
Available-for-sale assets	-	-
Loans and advances	118,425	117,635
Balances with related parties	6,459	6,398
Other financial assets	1,396	1,396
Total financial assets	292,473	291,622
Financial liabilities		
Due to other financial institutions	1	1
Financial liabilities held for trading	432	432
Deposits and other borrowings	59,339	59,150
Debt securities issued	50,000	47,175
Term subordinated debt	-	-
Due to related parties	123,965	123,840
Other financial liabilities	2,972	2,972
Total financial liabilities	236,709	233,570

14 FAIR VALUE OF FINANCIAL INSTRUMENTS continued

Audited 31 December 2014	Carrying amount \$'000	Estimated Fair Value \$'000
Financial assets		
Cash and cash equivalents	376,620	376,620
Due from other financial institutions	205,000	205,000
Financial assets at fair value through profit or loss	-	-
Financial assets held for trading	20	20
Available-for-sale assets	-	-
Loans and advances	85,696	85,361
Balances with related parties	246	244
Other financial assets	854	854
Total financial assets	668,436	668,099
Financial liabilities		
Due to other financial institutions	1	1
Financial liabilities held for trading	-	-
Deposits and other borrowings	13,318	13,285
Debt securities issued	50,000	46,905
Term subordinated debt	-	-
Due to related parties	547,019	546,832
Other financial liabilities	2,864	2,864
Total financial liabilities	613,202	609,887

Unaudited 31 March 2014	Carrying amount \$'000	Estimated Fair Value \$'000
Financial assets		
Cash and cash equivalents	5,916	5,916
Due from other financial institutions	38,000	38,000
Financial assets at fair value through profit or loss	-	-
Financial assets held for trading	-	-
Available-for-sale assets	-	-
Loans and advances	17,351	17,351
Balances with related parties	11,571	11,571
Other financial assets	207	207
Total financial assets	73,045	73,045
Financial liabilities		
Due to other financial institutions	-	-
Financial liabilities held for trading	-	-
Deposits and other borrowings	15,333	15,333
Debt securities issued	-	-
Term subordinated debt	-	-
Due to related parties	-	-
Other financial liabilities	487	487
Total financial liabilities	15,820	15,820

14 FAIR VALUE OF FINANCIAL INSTRUMENTS continued

Fair value Assumptions

- (i) The carrying value of cash and cash equivalents are equivalent to the fair value.
- (ii) For on demand and mature within six months deposits, due from/to other financial institutions, the carrying value are considered to be the fair value; for these categories with maturities more than six months, the fair values are calculated in discounted cashflow method using the current interest rate offered for similar maturity.
- (iii) The fair value of loans and advances, due to related party, and balance with related parties are determined by discounted cashflow method, which is based on the interest rate repricing and maturity of the instruments.
- (iv) The carrying value of other financial assets and liabilities are considered to be the fair value.

Fair Value Measurements Recognised in the Balance Sheet

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 measurements 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).

Unaudited 31 March 2015	Cash and cash equivalents \$'000	Financial assets at fair value		Debt securities issued \$'000	Deposits and other borrowings \$'000	Financial Liabilities at fair value		FX contracts \$'000	Interest rate swaps \$'000	Total \$'000
		through profit or loss \$'000	Other financial assets \$'000			through profit or loss \$'000				
Level 1	-	-	-	-	-	-	-	-	-	-
Level 2	-	-	-	-	-	-	(432)	490		58
Level 3	-	-	-	-	-	-	-	-	-	-
Total Amount	-	-	-	-	-	-	(432)	490		58

Audited 31 December 2014	Cash and cash equivalents \$'000	Financial assets at fair value		Debt securities issued \$'000	Deposits and other borrowings \$'000	Financial Liabilities at fair value		FX contracts \$'000	Interest rate swaps \$'000	Total \$'000
		through profit or loss \$'000	Other financial assets \$'000			through profit or loss \$'000				
Level 1	-	-	-	-	-	-	-	-	-	-
Level 2	-	-	-	-	-	-	-	20		20
Level 3	-	-	-	-	-	-	-	-	-	-
Total Amount	-	-	-	-	-	-	-	20		20

14 FAIR VALUE OF FINANCIAL INSTRUMENTS continued

Unaudited 31 March 2014	Financial assets at fair value				Financial Liabilities at fair value				Total \$'000
	Cash and cash equivalents \$'000	through profit or loss \$'000	Other financial assets \$'000	Debt securities issued \$'000	Deposits and other borrowings \$'000	through profit or loss \$'000	FX contracts \$'000	Interest rate swaps \$'000	
Level 1	-	-	-	-	-	-	-	-	-
Level 2	-	-	-	-	-	-	-	-	-
Level 3	-	-	-	-	-	-	-	-	-
Total Amount	-	-	-	-	-	-	-	-	-

15 LIQUIDITY RISK

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

The Bank 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 Bank under non-derivative financial liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are contractual undiscounted cash flows and are not disclosed based on expected cash flows.

15 LIQUIDITY RISK continued

Unaudited 31 March 2015	On Demand \$'000	Up to 3 months \$'000	3 to 12 months \$'000	Between 1 & 5 years \$'000	More than 5 years \$'000	Total \$'000
Financial assets						
Cash and cash equivalents	95,708	-	-	-	-	95,708
Due from other financial institutions	-	70,055	-	-	-	70,055
Financial assets at fair value through profit or loss	-	-	-	-	-	-
Available-for-sale assets	-	-	-	-	-	-
Loans and advances	-	15,420	26,675	89,875	32,944	164,914
Due from related parties	-	6,538	-	-	-	6,538
Other financial assets	-	1,244	-	-	152	1,396
Total financial assets	95,708	93,257	26,675	89,875	33,096	338,611
Financial liabilities						
Due to other financial institutions	1	-	-	-	-	1
Financial liabilities held for trading	-	-	-	-	-	-
Deposits and other borrowings	3,230	30,052	26,264	145	-	59,691
Debt securities issued	-	520	1,433	54,330	-	56,283
Term subordinated debt	-	-	-	-	-	-
Due to related parties	93,244	-	27,068	4,124	-	124,436
Other financial liabilities	295	705	1,315	318	342	2,975
Total financial liabilities	96,770	31,277	56,080	58,917	342	243,386
Net non derivative cash flows	(1,062)	61,980	(29,405)	30,958	32,754	95,225
Derivative cash flows						
Inflows from derivatives	-	45,429	593	2,370	-	48,392
Outflows from derivatives	-	(45,116)	(841)	(1,963)	-	(47,920)
Total	-	313	(248)	407	-	472
Off balance sheet cash flows						
Financial guarantees inflows	-	-	49	50	-	99
Financial guarantees outflows	-	(2,891)	-	(4,302)	-	(7,193)
Commitments outflows	(1,166)	(2,004)	(3,181)	(9,864)	(2,137)	(18,352)
Total	(1,166)	(4,895)	(3,132)	(14,116)	(2,137)	(25,446)
Net cash flows	(2,228)	57,398	(32,785)	17,249	30,617	70,251

15 LIQUIDITY RISK continued

Audited 31 December 2014	On Demand \$'000	Up to 3 months \$'000	3 to 12 months \$'000	Between 1 & 5 years \$'000	More than 5 years \$'000	Total \$'000
Financial assets						
Cash and cash equivalents	376,647	-	-	-	-	376,647
Due from other financial institutions	-	205,248	-	-	-	205,248
Financial assets at fair value through profit or loss	-	-	-	-	-	-
Available-for-sale assets	-	-	-	-	-	-
Loans and advances	-	7,426	8,205	62,283	21,979	99,893
Due from related parties	-	248	-	-	-	248
Other financial assets	140	562	81	-	170	953
Total financial assets	376,787	213,484	8,286	62,283	22,149	682,989
Financial liabilities						
Due to other financial institutions	1	-	-	-	-	1
Financial liabilities held for trading	-	-	-	-	-	-
Deposits and other borrowings	1,801	10,192	1,369	22	-	13,384
Debt securities issued	-	281	2,029	54,620	-	56,930
Term subordinated debt	-	-	-	-	-	-
Due to related parties	9,694	508,146	26,284	3,936	-	548,060
Other financial liabilities	672	352	1,198	318	324	2,864
Total financial liabilities	12,168	518,971	30,880	58,896	324	621,239
Net non derivative cash flows	364,619	(305,447)	(22,594)	3,387	21,825	61,750
Derivative cash flows						
Inflows from derivatives	-	-	1,185	2,370	-	3,555
Outflows from derivatives	-	(282)	(845)	(2,254)	-	(3,381)
Total	-	(282)	340	116	-	174
Off balance sheet cash flows						
Financial guarantees inflows	-	6,682	-	99	-	6,781
Financial guarantees outflows	-	(6,632)	-	-	-	(6,632)
Total	-	50	-	99	-	149
Net cash flows	364,619	(305,679)	(22,254)	3,602	21,825	62,073

15 LIQUIDITY RISK continued

Unaudited 31 March 2014	On Demand \$'000	Up to 3 months \$'000	3 to 12 months \$'000	Between 1 & 5 years \$'000	More than 5 years \$'000	Total \$'000
Financial assets						
Cash and cash equivalents	5,916	-	-	-	-	5,916
Due from other financial institutions	-	38,000	-	-	-	38,000
Financial assets at fair value through profit or loss	-	-	-	-	-	-
Available-for-sale assets	-	-	-	-	-	-
Loans and advances	-	-	11,300	6,051	-	17,351
Due from related parties	18	11,553	-	-	-	11,571
Other financial assets	-	58	-	-	149	207
Total financial assets	5,934	49,611	11,300	6,051	149	73,045
Financial liabilities						
Due to other financial institutions	-	-	-	-	-	-
Financial liabilities held for trading	-	-	-	-	-	-
Deposits and other borrowings	-	15,333	-	-	-	15,333
Debt securities issued	-	-	-	-	-	-
Term subordinated debt	-	-	-	-	-	-
Due to related parties	-	-	-	-	-	-
Other financial liabilities	138	-	349	-	-	138
Total financial liabilities	138	15,333	349	-	-	15,820
Net non derivative cash flows	5,796	34,278	10,951	-	149	57,225
Derivative cash flows						
Inflows from derivatives	-	-	-	-	-	-
Outflows from derivatives	-	-	-	-	-	-
Total	-	-	-	-	-	-
Off balance sheet cash flows						
Financial guarantees	-	-	-	-	-	-
Total	-	-	-	-	-	-
Net cash flows	5,796	34,278	10,951	-	149	57,225

16 CAPITAL ADEQUACY

A. Issued Capital

The Bank had 60,377,729 fully paid up ordinary shares (tier one capital) issued at NZ \$1 per share as at 31 March 2015.

ICBC is the sole shareholder. Each share confers on the holder the right to:

- one vote on a poll at a meeting of the shareholders on any resolution to:
 - appoint or remove a Director or auditor; or
 - alter the Bank's constitution; or
 - approve a major transaction; or
 - approve an amalgamation under section 221 of the Companies Act 1993; or
 - put the Bank into liquidation;
- a proportionate share in dividends authorised by the Board; and
- a proportionate share in the distribution of the surplus assets of the Bank.

B. Other classes of capital instrument

The Bank does not have any other classes of capital instrument in its capital structure.

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

Total regulatory capital must not be less than 8% of risk weighted exposures.

- Tier One capital must not be less than 6% of risk weighted exposures.
- The Common Equity Tier one capital must not be less than 4.5% of risk weighted exposures.
- Capital must not be less than NZ\$30 million.

The capital adequacy tables set out below summarise the composition of regulatory capital and capital adequacy ratios for the period ended 31 March 2015 since 31 December 2014. The Bank has complied with both regulatory and internal capital adequacy requirements.

The Bank has considered other material risks not included below and whether to allocate any capital to cover these risks and concluded that these risks are not significant and has therefore not allocated any capital to cover them.

16 CAPITAL ADEQUACY continued

C. Tier one and two Capital

	Unaudited 31 March 2015 \$'000	Unaudited 31 March 2014 \$'000	Audited 31 December 2014 \$'000
Tier one capital			
Common Equity Tier one capital			
Issued and fully paid up share capital	60,378	60,378	60,378
Retained earnings	(2,835)	(470)	(3,162)
Accumulated other comprehensive income and other disclosed reserves	-	-	-
Interest from issue of ordinary shares	-	-	-
Less:	-	-	-
Goodwill and other intangible assets	6	10	7
Regulatory adjustments	-	-	-
Deferred tax assets	-	-	-
Total common equity tier one capital	57,537	59,898	57,209
Additional Tier one capital			
High-quality capital	-	-	-
Instruments issued	-	-	-
Share premium from issue of instruments	-	-	-
Associated retained earnings	-	-	-
Less: Regulatory adjustments	-	-	-
Total additional tier one capital	-	-	-
Total tier one capital	57,537	59,898	57,209
Tier two capital			
Instruments issued by bank	-	-	-
Share premium from issue of instruments	-	-	-
Revaluation reserves	-	-	-
Foreign currency translation reserves	-	-	-
Less: Regulatory adjustments	-	-	-
Total tier two capital	-	-	-
Total capital	57,537	59,898	57,209

16 CAPITAL ADEQUACY continued

D. Credit Risk

Unaudited 31 March 2015	Total exposure after credit risk mitigation	Risk weight	Risk weighted exposure	Minimum Pillar 1 capital requirement
	\$'000	%	\$'000	\$'000
Calculation of on-balance-sheet exposures				
Cash and gold bullion	-	-	-	-
Sovereigns and central banks	16,103	0%	-	-
Multilateral development banks and other international organisation	-	-	-	-
Public sector entities	-	-	-	-
Banks rating grade 1	113,657	20%	22,732	1,819
Banks rating grade 2	48,615	20%	9,723	778
Banks rating grade 4	2,158	50%	1,079	86
Banks unrated	5,602	20%	1,120	90
Corporate-without recognised mitigation	55,613	100%	55,613	4,449
Corporate-secured with collateral	16,270	20%	3,254	260
Corporate-guaranteed	15,030	100%	15,030	1,202
Residential mortgages not past due -LVR up to 80%.	18,374	35%	6,431	514
Residential mortgages not past due -LVR >80% but up to 90%	-	-	-	-
Past due residential mortgages	-	-	-	-
Other past due assets	-	-	-	-
Equity holdings (not deducted from capital) that are publicly traded	-	-	-	-
All other equity holdings (not deducted from capital)	-	-	-	-
Non Risk Weighted Assets	-	-	-	-
Other assets	2,912	100%	2,912	233
Total on-balance sheet exposures after credit risk mitigation	294,334	-	117,894	9,431

16 CAPITAL ADEQUACY continued

Unaudited 31 March 2015	Total exposure	Credit Conversion Factor	Credit equivalent amount	Average risk weight	Risk weighted exposure	Minimum Pillar 1 capital requirement
Calculation of off-balance-sheet exposures	\$'000	%	\$'000	%	\$'000	\$'000
Direct credit substitute	-	-	-	-	-	-
Asset sale with recourse	-	-	-	-	-	-
Forward asset purchase	-	-	-	-	-	-
Commitment with certain drawdown	-	-	-	-	-	-
Note issuance facility	-	-	-	-	-	-
Revolving underwriting facility	-	-	-	-	-	-
Performance-related contingency	4,302	50%	2,151	100%	2,151	172
Trade-related contingency	2,891	20%	578	100%	578	46
Placements of forward deposits	-	-	-	-	-	-
Other commitments where original maturity is more than one year	18,352	50%	9,176	100%	9,176	734
Other commitments where original maturity is less than or equal to one year	-	-	-	-	-	-
Other commitments that cancel automatically when the creditworthiness of the counterparty deteriorates or that can be cancelled unconditionally at any time without prior notice	-	-	-	-	-	-
Market related contracts						
(a) Foreign exchange contracts	44,336	1%	443	100%	443	35
(b) Interest rate contracts	25,000	0.50%	125	100%	125	10
(c) Other - OTC, etc	-	-	-	-	-	-
Total off-balance sheet exposures	94,881	-	12,473	-	12,473	997

16 CAPITAL ADEQUACY continued

Audited 31 December 2014	Total exposure after credit risk mitigation	Risk weight	Risk weighted exposure	Minimum Pillar 1 capital requirement
Calculation of on-balance-sheet exposures	\$'000	%	\$'000	\$'000
Cash and gold bullion	-	-	-	-
Sovereigns and central banks	280,435	0%	-	-
Multilateral development banks and other international organisation	-	-	-	-
Public sector entities	-	-	-	-
Banks rating grade 1	299,204	20%	59,841	4,787
Banks rating grade 2	2,228	20%	446	36
Banks rating grade 4	820	50%	410	33
Banks unrated	2,532	20%	506	40
Corporate - without recognised mitigation	53,912	100%	53,912	4,313
Corporate - secured with collateral	3,330	20%	666	53
Corporate - secured with guarantee	14,344	100%	14,344	1,148
Residential mortgages not past due -LVR up to 80%.	11,233	35%	3,931	315
Residential mortgages not past due -LVR >80% but up to 90%	-	-	-	-
Past due residential mortgages	-	-	-	-
Other past due assets	-	-	-	-
Equity holdings (not deducted from capital) that are publicly traded	-	-	-	-
All other equity holdings (not deducted from capital)	-	-	-	-
Non risk weighted assets	-	-	-	-
Other assets	2,438	100%	2,438	195
Total on balance sheet exposures after credit risk mitigation	670,476	-	136,494	10,920

16 CAPITAL ADEQUACY continued

Audited 31 December 2014	Total exposure	Credit Conversion Factor	Credit equivalent amount	Average Risk weight	Risk weighted exposure	Minimum Pillar 1 capital requirement
	\$'000	%	\$'000	%	\$'000	\$'000
Calculation of off-balance-sheet exposures						
Direct credit substitute	-	-	-	-	-	-
Asset sale with recourse	-	-	-	-	-	-
Forward asset purchase	-	-	-	-	-	-
Commitment with certain drawdown	-	-	-	-	-	-
Note issuance facility	-	-	-	-	-	-
Revolving underwriting facility	-	-	-	-	-	-
Performance-related contingency	4,098	50%	2,049	100%	2,049	164
Trade-related contingency	6,632	20%	1,326	100%	1,326	106
Placements of forward deposits	-	-	-	-	-	-
Other commitments where original maturity is more than one year	18,754	50%	9,377	100%	9,377	750
Other commitments where original maturity is less than or equal to one year	-	-	-	-	-	-
Other commitments that cancel automatically when the creditworthiness of the counterparty deteriorates or that can be cancelled unconditionally at any time without prior notice	-	-	-	-	-	-
Market related contracts						
(a) Foreign exchange contracts	-	-	-	-	-	-
(b) Interest rate contracts	25,000	0.50%	125	100%	125	10
(c) Other - OTC, etc	-	-	-	-	-	-
Total off-balance sheet exposures	54,484	-	12,877	-	12,877	1,030

16 CAPITAL ADEQUACY continued

Unaudited 31 March 2014	Total exposure after credit risk mitigation	Risk weight	Risk weighted exposure	Minimum Pillar 1 capital requirement
Calculation of on-balance-sheet exposures	\$'000	%	\$'000	\$'000
Cash and gold bullion	-	-	-	-
Sovereigns and central banks	-	-	-	-
Multilateral development banks and other international organisation	-	-	-	-
Public sector entities	-	-	-	-
Banks rating grade 1	43,974	20%	8,795	704
Banks rating grade 2	11,571	20%	2,314	185
Corporate-unsecured	6,051	100%	6,051	484
Corporate-secured	11,300	20%	2,260	181
Residential mortgages not past due -LVR up to 80%.	-	-	-	-
Residential mortgages not past due -LVR >80% but up to 90%	-	-	-	-
Past due residential mortgages	-	-	-	-
Other past due assets	-	-	-	-
Equity holdings (not deducted from capital) that are publicly traded	-	-	-	-
All other equity holdings (not deducted from capital)	-	-	-	-
Non risk weighted assets	-	-	-	-
Other assets	2,896	100%	2,896	232
Total on balance sheet exposure after credit risk mitigation	75,792	-	22,316	1,786

16 CAPITAL ADEQUACY continued

Unaudited 31 March 2014	Total exposure	Credit Conversion Factor	Credit equivalent amount	Average Risk weight	Risk weighted exposure	Minimum Pillar 1 capital requirement
	\$'000	%	\$'000	%	\$'000	\$'000
Calculation of off-balance-sheet exposures						
Direct credit substitute	-	-	-	-	-	-
Asset sale with recourse	-	-	-	-	-	-
Forward asset purchase	-	-	-	-	-	-
Commitment with certain drawdown	-	-	-	-	-	-
Note issuance facility	-	-	-	-	-	-
Revolving underwriting facility	-	-	-	-	-	-
Performance-related contingency	-	-	-	-	-	-
Trade-related contingency	-	-	-	-	-	-
Placements of forward deposits	-	-	-	-	-	-
Other commitments where original maturity is more than one year	-	-	-	-	-	-
Other commitments where original maturity is less than or equal to one year	-	-	-	-	-	-
Other commitments that cancel automatically when the creditworthiness of the counterparty deteriorates or that can be cancelled unconditionally at any time without prior notice	-	-	-	-	-	-
Market related contracts						
(a) Foreign exchange contracts	-	-	-	-	-	-
(b) Interest rate contracts	-	-	-	-	-	-
(c) Other - OTC, etc	-	-	-	-	-	-
Total off-balance sheet exposures	-	-	-	-	-	-

16 CAPITAL ADEQUACY continued

E. Residential mortgages by loan-to-valuation ratio

Unaudited 31 March 2015	Does not exceed 80%	Exceeds 80% and not 90%	Exceeds 90%	Total
Loan-to-valuation ratio				
Value of exposures	18,374	-	-	18,374

Audited 31 December 2014	Does not exceed 80%	Exceeds 80% and not 90%	Exceeds 90%	Total
Loan-to-valuation ratio				
Value of exposures	11,233	-	-	11,233

Unaudited 31 March 2014	Does not exceed 80%	Exceeds 80% and not 90%	Exceeds 90%	Total
Loan-to-valuation ratio				
Value of exposures	-	-	-	-

F. Reconciliation of residential mortgage-related amounts

	Unaudited 31 March 2015 \$'000	Unaudited 31 March 2014 \$'000	Audited 31 December 2014 \$'000
Residential mortgage loans (as disclosed in Note 5)	18,374	-	11,233
Residential mortgages by loan-to-valuation ratio	18,374	-	11,233

G. Credit risk mitigation

Unaudited 31 March 2015	Total value of on-and-off-balance sheet exposures covered by eligible collateral (after haircutting)	Total value of on-and-off-balance sheet exposures covered by guarantees or credit derivatives
Exposure Class	\$'000	\$'000
Sovereign or central bank	-	-
Multilateral development bank	-	-
Public sector entities	-	-
Bank	-	-
Corporate	16,270	15,030
Residential mortgage	-	-
Other	-	-
Total	16,270	15,030

16 CAPITAL ADEQUACY continued

Audited 31 December 2014	Total value of on-and-off- balance sheet exposures covered by eligible collateral (after haircutting)	Total value of on-and-off- balance sheet exposures covered by guarantees or credit derivatives
Exposure Class	\$'000	\$'000
Sovereign or central bank	-	-
Multilateral development bank	-	-
Public sector entities	-	-
Bank	-	-
Corporate	3,330	14,344
Residential mortgage	11,233	-
Other	-	-
Total	14,563	14,344

Unaudited 31 March 2014	Total value of on-and-off- balance sheet exposures covered by eligible collateral (after haircutting)	Total value of on-and-off- balance sheet exposures covered by guarantees or credit derivatives
Exposure Class	\$'000	\$'000
Sovereign or central bank	-	-
Multilateral development bank	-	-
Public sector entities	-	-
Bank	-	-
Corporate	11,300	-
Residential mortgage	-	-
Other	-	-
Total	11,300	-

H. Operational risk capital requirement

Unaudited 31 March 2015	Implied risk weighted exposure	Total operational risk capital requirement
	\$'000	\$'000
Operational risk	5,988	479

Audited 31 December 2014	Implied risk weighted exposure	Total operational risk capital requirement
	\$'000	\$'000
Operational risk	4,407	353

Unaudited 31 March 2014	Implied risk weighted exposure	Total operational risk capital requirement
	\$'000	\$'000
Operational risk	-	-

16 CAPITAL ADEQUACY continued

I. Market risk

Market risk exposures have been calculated in accordance with the methodology detailed in Part 10 of the RBNZ's BS2A Capital Adequacy framework, and schedule 9 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014. Peak exposures are calculated using the Bank's shareholders equity at the end of the period.

Unaudited 31 March 2015	End-period capital charges		Peak end-of-day capital charges	
	Implied risk weighted exposure	Aggregate capital charge	Implied risk weighted exposure	Aggregate capital charge
	\$'000	\$'000	\$'000	\$'000
Interest rate risk	4,663	373	6,400	512
Foreign currency risk	237	19	6,813	545
Equity risk	-	-	-	-
Total capital requirements	4,900	392	13,213	1,057

Unaudited 31 March 2015	Total exposure after credit risk mitigation \$'000	Risk weighted exposure or implied risk weighted exposure		Capital Requirement \$'000
		exposure		
		\$'000	\$'000	
Total credit risk + equity	389,215	130,367	10,428	10,428
Operational risk	-	5,988	479	479
Market risk	-	4,900	392	392
Total	389,215	141,255	11,299	11,299

Capital Ratios

Unaudited 31 March 2015	Common Equity Tier 1		
	capital ratio	Tier 1 capital ratio	Total capital ratio
	%	%	%
Ratio	40.73%	40.73%	40.73%
Minimum ratio requirement	4.50%	6%	8%

Buffer ratios

Unaudited 31 March 2015	Total Buffer Ratio
	%
Buffer ratio	32.73%
Buffer ratio requirement effective from 1 January 2014	2.50%

Audited 31 December 2014	End-period capital charges		Peak end-of-day capital charges	
	Implied risk weighted exposure	Aggregate capital charge	Implied risk weighted exposure	Aggregate capital charge
	\$'000	\$'000	\$'000	\$'000
Interest rate risk	3,563	285	7,063	565
Foreign currency risk	125	10	500	40
Equity risk	-	-	-	-
Total capital requirements	3,688	295	7,563	605

16 CAPITAL ADEQUACY continued

Audited 31 December 2014	Total exposure after credit risk mitigation \$'000	Risk weighted exposure or implied risk weighted exposure \$'000	Capital Requirement \$'000
Total credit risk + equity	724,960	149,371	11,950
Operational risk	-	4,407	353
Market risk	-	3,694	295
Total	724,960	157,472	12,598

Capital Ratios

Audited 31 December 2014	Common Equity Tier 1 capital ratio %	Tier 1 capital ratio %	Total capital ratio %
Ratio	36.33%	36.33%	36.33%
Minimum ratio requirement	4.50%	6%	8%

Buffer ratios

Audited 31 December 2014	Total Buffer Ratio %
Buffer ratio	28.33%
Buffer ratio requirement effective from 1 January 2014	2.50%

Unaudited 31 March 2014	End-period capital charges Implied risk weighted exposure \$'000	Aggregate capital charge \$'000	Peak end-of-day capital charges Implied risk weighted exposure \$'000	Aggregate capital charge \$'000
Interest rate risk	800	64	2,250	180
Foreign currency risk	32	3	80	6
Equity risk	-	-	-	-
Total capital requirements	832	67	2,330	186

Unaudited 31 March 2014	Total exposure after credit risk mitigation \$'000	Risk weighted exposure or implied risk weighted exposure \$'000	Capital Requirement \$'000
Total credit risk + equity	60,996	14,414	1,153
Operational risk	-	-	-
Market risk	-	832	67
Total	60,996	15,246	1,220

Capital Ratios

Unaudited 31 March 2014	Common Equity Tier 1 capital ratio %	Tier 1 capital ratio %	Total capital ratio %
Ratio	392.88%	392.88%	392.88%
Minimum ratio requirement	4.50%	6%	8%

16 CAPITAL ADEQUACY continued

Buffer ratios

Unaudited 31 March 2014

Total Buffer Ratio

%

Buffer ratio	394.79%
Buffer ratio requirement effective from 1 January 2014	2.50%

J. Capital for Other Material Risk

The Bank's ICAAP captures all material risks that the Bank faces including those not captured by Pillar 1 regulatory capital requirements, which covers strategic risk, reputational risk and start-up business risk. Noting this, the Bank has set up a buffer at 2% within the board target to mitigate all the Pillar II risks in its ICAAP as a prudent treatment.

K. Capital adequacy of Ultimate Parent Bank

The Ultimate Parent Bank of the Industrial and Commercial Bank of China (New Zealand) Limited is ICBC.

ICBC is required by the China Banking Regulatory Commission (CBRC) to hold minimum capital at least equal to that specified under the standardised approach Basel II. This information is made available to users via the ICBC website (www.icbc.com.cn).

As latest available data at 31 March 2015, ICBC's Tier One Capital was 12.51% of Total Risk-weighted Assets, and Total Capital was 14.41% of Total Risk-weighted Assets (at 31 December 2014: Tier One Capital was 12.19% of Total Risk-weighted Assets and Total Capital was 14.53% of Total Risk-weighted Assets). ICBC's capital ratios during the period ended 31 March 2015 and year ended 31 December 2014 exceeded both of the CBRC's minimum capital adequacy requirements.

17 RISK MANAGEMENT POLICIES

There have been no material changes to the risk management policies, and no new categories of risk to which the Bank has become exposed since 31 December 2014.

18 FIDUCIARY ACTIVITIES

As at balance date the Bank is not involved in:

- The establishment, marketing, or sponsorship of trust, or custodial services; or
- Funds management and other fiduciary activities; or
- The organisation of securitised assets; or
- The marketing or servicing of securitisation schemes; or
- The marketing and distribution of insurance products.