

## Quarterly Investor Report

### Reporting Dates

Collection Period End Date:	18-Dec-17
Determination Date:	19-Dec-17
Trust Payment Date:	29-Dec-17

### Transaction Parties

Issuers	Bank of New Zealand BNZ International Funding Limited, acting through its London Branch
Seller	Bank of New Zealand
Guarantor	Bank of New Zealand
Covered Bond Guarantor	CBG Trustee Company Limited
Security Trustee	New Zealand Permanent Trustees Limited
Bond Trustee	Deutsche Trustee Company Limited
Trust Manager	BNZ Facilities Management Limited
Servicer	Bank of New Zealand
NZ Paying Agent	Computershare Investor Services Limited
UK Paying Agent	Deutsche Bank AG, London Branch
Asset Monitor	Ernst & Young
Calculation Manager	Bank of New Zealand

### Other Tests

Issuer Event of Default	No
Covered Bond Guarantor Event of Default	No
Yield Shortfall Test	N/A
Interest Rate Shortfall Test	N/A
Asset Coverage Test	Pass
Pre-Maturity Test (only applicable to Hard Bullet Covered Bonds)	Pass

### BNZ's Unsecured Ratings

	Short Term	Long Term
Fitch	F1+	AA-
Moody's	P-1	A1
S&P	A-1+	AA-

### BNZ's Covered Bond Ratings

	Long Term
Fitch	AAA
Moody's	Aaa

Bond Issuance				
ISIN	Bonds	Issue Date	Principal Balance	Principal Balance (NZD Equiv.) Exchange
NZBCBDT003C3	Series 4 Tranche 1	31 March 2011	NZD 300,000,000	\$300,000,000
NZBCBDT345C8	Series 6 Tranche 1	19 January 2012	NZD 225,000,000	\$225,000,000
NZBCBDT345C8	Series 6 Tranche 2	3 February 2012	NZD 125,000,000	\$125,000,000
NZBCBDT004C1	Series 8 Tranche 1	3 February 2016	NZD 300,000,000	\$300,000,000
XS1434582703	Series 9 Tranche 1	17 June 2016	EUR 750,000,000	\$1,205,117,271
XS1639238820	Series 10 Tranche 1	3 July 2017	EUR 750,000,000	\$1,154,689,655
<b>Total</b>				<b>\$3,309,806,926</b>
ISIN	Listing	Coupon Frequency	Coupon Rate	Interest Rate Type
NZBCBDT003C3	Unlisted	Quarterly	3 month NZD-BKBM plus 1.27% p.a.	Floating rate
NZBCBDT345C8	Unlisted	Semi-annual	5.773% p.a.	Fixed rate
NZBCBDT345C8	Unlisted	Semi-annual	5.773% p.a.	Fixed rate
NZBCBDT004C1	Unlisted	Semi-annual	4.261% p.a.	Fixed rate
XS1434582703	LUX	Annual	0.125% p.a.	Fixed rate
XS1639238820	LUX	Annual	0.500% p.a.	Fixed rate
ISIN	Note Type	Final Maturity Date	Common Code	
NZBCBDT003C3	Hard Bullet	31 March 2019	n/a	
NZBCBDT345C8	Hard Bullet	19 January 2018	n/a	
NZBCBDT345C8	Hard Bullet	19 January 2018	n/a	
NZBCBDT004C1	Soft Bullet	3 February 2023	n/a	
XS1434582703	Soft Bullet	17 June 2021	143458270	
XS1639238820	Soft Bullet	3 July 2024	163923882	

BNZ Covered Bond Programme  
 Mortgage Loan Portfolio Characteristics and Asset Coverage

**Total Portfolio Characteristics**

Total Amount:	3,972,274,800.53
Number of Loans:	24,027
Weighted Average Interest Rate (%):	4.91%
Weighted Average Interest Rate - Fixed (%):	4.68%
Weighted Average Interest Rate - Variable (%):	5.67%
Average Loan Balance:	165,325.46
Max Loan Balance:	2,133,961.24
Weighted Average Term To Maturity (Months):	274.12
Max Term Remaining (Months):	357
Weighted Average Seasoning (Months):	45.82
Weighted Average LVR (%):	47.00%
Weighted Average LVR Indexed (%):	40.35%

**Loan Size Distribution**

Table 1	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
<= \$100,000	554,135,215.48	13.95%	10,403	43.30%
> \$100,000 and <= \$150,000	454,807,320.53	11.45%	3,619	15.06%
> \$150,000 and <= \$200,000	528,626,328.23	13.31%	3,004	12.50%
> \$200,000 and <= \$250,000	454,525,192.96	11.44%	2,024	8.42%
> \$250,000 and <= \$300,000	457,262,571.17	11.51%	1,661	6.91%
> \$300,000 and <= \$350,000	321,714,415.70	8.10%	993	4.13%
> \$350,000 and <= \$400,000	265,418,080.83	6.68%	709	2.95%
> \$400,000 and <= \$500,000	368,747,045.14	9.28%	823	3.43%
> \$500,000 and <= \$750,000	338,504,800.90	8.52%	571	2.38%
> \$750,000 and <= \$1,000,000	120,707,580.22	3.04%	139	0.58%
> \$1,000,000 and <= \$1,500,000	73,422,186.48	1.85%	62	0.26%
> \$1,500,000 and <= \$2,000,000	30,255,101.65	0.76%	17	0.07%
> \$2,000,000 and <= \$2,500,000	4,148,961.24	0.10%	2	0.01%
Total	3,972,274,800.53	100.00%	24,027	100.00%

**Loan Interest Rate Distribution**

Table 2	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
<= 4.00%	15,067,470.75	0.38%	65	0.27%
> 4.00% and <= 5.00%	2,545,719,968.77	64.09%	13,835	57.58%
> 5.00% and <= 6.00%	1,317,916,879.05	33.18%	9,483	39.47%
> 6.00% and <= 7.00%	89,410,448.48	2.25%	614	2.56%
> 7.00% and <= 8.00%	3,923,255.20	0.10%	29	0.12%
> 8.00% and <= 9.00%	236,778.28	0.01%	1	0.00%
Total	3,972,274,800.53	100.00%	24,027	100.00%

**Term to Legal Documented Maturity**

<b>Table 3</b>	<b>Loan Size Amount</b>	<b>Loan Size Amount %</b>	<b>Loan Size Volume</b>	<b>Loan Size Volume %</b>
<= 5 years	21,442,789.24	0.54%	501	2.09%
> 5 years and <= 10 years	90,228,266.52	2.27%	1,425	5.93%
> 10 years and <= 15 years	209,663,797.74	5.28%	2,016	8.39%
> 15 years and <= 20 years	613,528,969.25	15.45%	4,603	19.16%
> 20 years and <= 25 years	1,377,463,552.94	34.68%	7,827	32.58%
> 25 years and <= 30 years	1,659,947,424.84	41.79%	7,655	31.86%
<b>Total</b>	<b>3,972,274,800.53</b>	<b>100.00%</b>	<b>24,027</b>	<b>100.00%</b>

**LVR Distribution**

<b>Table 4</b>	<b>Loan Size Amount</b>	<b>Loan Size Amount %</b>	<b>Loan Size Volume</b>	<b>Loan Size Volume %</b>
<= 25%	650,952,549.01	16.39%	6,782	28.23%
> 25% and <= 30%	244,331,634.73	6.15%	1,586	6.60%
> 30% and <= 35%	291,104,367.08	7.33%	1,655	6.89%
> 35% and <= 40%	291,318,874.30	7.33%	1,612	6.71%
> 40% and <= 45%	296,364,689.50	7.46%	1,600	6.66%
> 45% and <= 50%	309,289,516.07	7.79%	1,676	6.98%
> 50% and <= 55%	318,378,297.82	8.02%	1,653	6.88%
> 55% and <= 60%	339,542,611.45	8.55%	1,717	7.15%
> 60% and <= 65%	320,220,589.63	8.06%	1,615	6.72%
> 65% and <= 70%	348,708,949.92	8.78%	1,672	6.96%
> 70% and <= 75%	330,123,300.16	8.31%	1,575	6.56%
> 75% and <= 80%	231,939,420.86	5.84%	884	3.68%
<b>Total</b>	<b>3,972,274,800.53</b>	<b>100.00%</b>	<b>24,027</b>	<b>100.00%</b>

**LVR Indexed Distribution**

<b>Table 5</b>	<b>Loan Size Amount</b>	<b>Loan Size Amount %</b>	<b>Loan Size Volume</b>	<b>Loan Size Volume %</b>
<= 25%	877,886,231.63	22.10%	8,328	34.66%
> 25% and <= 30%	336,683,443.92	8.48%	1,965	8.18%
> 30% and <= 35%	356,870,093.74	8.98%	1,966	8.18%
> 35% and <= 40%	359,348,563.01	9.05%	1,837	7.65%
> 40% and <= 45%	393,031,347.66	9.89%	2,023	8.42%
> 45% and <= 50%	374,135,741.65	9.42%	1,943	8.09%
> 50% and <= 55%	357,438,932.59	9.00%	1,742	7.25%
> 55% and <= 60%	325,281,242.46	8.19%	1,531	6.37%
> 60% and <= 65%	239,507,792.69	6.03%	1,101	4.58%
> 65% and <= 70%	167,375,547.19	4.21%	771	3.21%
> 70% and <= 75%	117,298,501.43	2.95%	547	2.28%
> 75% and <= 80%	67,417,362.56	1.70%	273	1.14%
<b>Total</b>	<b>3,972,274,800.53</b>	<b>100.00%</b>	<b>24,027</b>	<b>100.00%</b>

### Geographic Distribution

Table 6	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Ashburton	32,444,815.60	0.82%	239	0.99%
Auckland	811,396,882.94	20.43%	3,761	15.65%
Blenheim	24,788,750.94	0.62%	181	0.75%
Christchurch	472,274,028.27	11.89%	3,006	12.51%
Coromandel	55,565,265.52	1.40%	409	1.70%
Dunedin	139,979,330.26	3.52%	1,114	4.64%
Gisborne	21,797,388.91	0.55%	187	0.78%
Hamilton	268,671,625.93	6.76%	1,897	7.90%
Hawkes Bay	89,074,892.32	2.24%	639	2.66%
Masterton	11,704,415.93	0.29%	107	0.45%
Nelson	64,025,098.57	1.61%	458	1.91%
North Shore	479,778,747.70	12.08%	2,317	9.64%
Northland	85,990,078.65	2.16%	642	2.67%
Oamaru	11,127,532.87	0.28%	103	0.43%
Palmerston North	85,675,534.05	2.16%	730	3.04%
Rotorua	43,604,425.96	1.10%	343	1.43%
South Auckland	516,366,627.41	13.00%	2,610	10.86%
Southland	40,299,392.10	1.01%	373	1.55%
Taranaki	35,145,294.28	0.88%	249	1.04%
Tauranga	170,428,433.50	4.29%	1,106	4.60%
Timaru	49,461,243.85	1.25%	394	1.64%
Wanganui	30,985,470.29	0.78%	291	1.21%
Wellington	394,423,138.67	9.93%	2,566	10.68%
West Coast	15,641,772.88	0.39%	141	0.59%
Whakatane	21,624,613.13	0.54%	164	0.68%
Total	3,972,274,800.53	100.00%	24,027	100.00%

### Mortgage Insurance

Table 7	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Not PMI Mortgage Insured	3,966,633,579.57	99.86%	23,979	99.80%
PMI Mortgage Insurance	5,641,220.96	0.14%	48	0.20%
Total	3,972,274,800.53	100.00%	24,027	100.00%

### Seasoning

Table 8	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
>= 3 and < 6 months	125,016,023.52	3.15%	781	3.25%
>= 6 and < 12 months	204,252,778.54	5.14%	1,371	5.71%
>= 12 and < 18 months	209,405,587.88	5.27%	1,211	5.04%
>= 18 and < 24 months	229,459,737.48	5.78%	1,178	4.90%
>= 24 and < 36 months	628,216,023.77	15.82%	3,063	12.75%
>= 36 and < 48 months	918,812,389.68	23.13%	5,274	21.95%
>= 48 and < 60 months	678,663,590.61	17.09%	4,004	16.66%
>= 60 months	978,448,669.05	24.63%	7,145	29.74%
Total	3,972,274,800.53	100.00%	24,027	100.00%

### Interest Rate Type

Table 9	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Fixed	3,058,626,083.80	77.00%	16,412	68.31%
Variable	913,648,716.73	23.00%	7,615	31.69%
Total	3,972,274,800.53	100.00%	24,027	100.00%

### Fixed Rate Maturity

Table 10	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
<= 1 year	1,361,197,806.43	34.27%	7,349	30.59%
> 1 and <= 2 years	1,215,142,352.54	30.59%	6,569	27.34%
> 2 and <= 3 years	424,219,622.61	10.68%	2,206	9.18%
> 3 and <= 4 years	36,535,116.87	0.92%	178	0.74%
> 4 and <= 5 years	16,579,345.25	0.42%	87	0.36%
> 5 and <= 6 years	1,540,376.73	0.04%	9	0.04%
> 6 and <= 7 years	3,411,463.37	0.09%	14	0.06%
Total	3,058,626,083.80	77.00%	16,412	68.31%

### Principal Amortisation

Table 11	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Principal and Interest	3,528,641,829.87	88.83%	22,379	93.14%
Interest only, reverting to P&I	443,632,970.66	11.17%	1,648	6.86%
Total	3,972,274,800.53	100.00%	24,027	100.00%

### Remaining Interest Only Period

Table 12	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
<= 1 year	166,170,431.66	4.18%	673	2.80%
> 1 and <= 2 years	141,030,469.51	3.55%	505	2.10%
> 2 and <= 3 years	94,429,385.69	2.38%	321	1.34%
> 3 and <= 4 years	25,689,796.66	0.65%	95	0.40%
> 4 and <= 5 years	12,884,830.41	0.32%	39	0.16%
> 5 and <= 6 years	1,897,150.00	0.05%	9	0.04%
> 6 and <= 7 years	1,023,000.00	0.03%	4	0.02%
> 7 years	507,906.73	0.01%	2	0.01%
Total	443,632,970.66	11.17%	1,648	6.86%

### Arrears

Table 13	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Current	3,972,274,800.53	100.00%	24,027	100.00%
Total	3,972,274,800.53	100.00%	24,027	100.00%

### Loan Documentation

Table 14	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Full Documentation	3,972,274,800.53	100.00%	24,027	100.00%
Total	3,972,274,800.53	100.00%	24,027	100.00%

**Asset Coverage Test**

<b>Aggregate Current Principal Balance of Mortgage Loans</b>		<b>\$3,972,274,800.53</b>
less: Aggregate Defaulted Mortgage Loans	-	\$0.00
less: Aggregate amount of loan balances over the lesser of:		
(1) 80% of Indexed Valuation and		
(2) 80% of Latest Valuation	-	\$0.00
<b>Adjusted Mortgage Loan Balance Amount</b>		<b>\$3,972,274,800.53</b>
Asset Percentage (%)	x	90.50%
"A"	+	<b>\$3,594,908,694.48</b>
"B" : Term and/or Demand Loan Advances not applied	+	\$0.00
"C" : Substitution Assets & Authorised Investments	+	\$353,029,688.73
"D" : Mortgage Loan Principal Receipts in GIC Account	+	\$0.00
"E" : Sale Proceeds in Pre-Maturity Ledger	+	\$0.00
"Z" : 4.1 x \$3,310m x 0 (WAM x CB x NCF)	-	\$0.00
<b>Adjusted Aggregate Mortgage Loan Amount</b>		<b>\$3,947,938,383.21</b>
<b>Principal Amount Outstanding</b>		<b>\$3,309,806,925.96</b>
<b>Asset Coverage Test Results</b>		<b>PASS</b>