

## Quarterly Investor Report

### Reporting Dates

Collection Period End Date:	18-Jun-18
Calculation Date:	19-Jun-18
Trust Payment Date:	29-Jun-18

### 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
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
Total				\$2,959,806,926
ISIN	Listing	Coupon Frequency	Coupon Rate	Interest Rate Type
NZBCBDT003C3	Unlisted	Quarterly	3 month NZD-BKBM plus 1.27% p.a.	Floating 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	
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:	3,552,222,356.30
Number of Loans:	21,744
Weighted Average Interest Rate (%):	4.86%
Weighted Average Interest Rate - Fixed (%):	4.61%
Weighted Average Interest Rate - Variable (%):	5.67%
Average Loan Balance:	163,365.63
Max Loan Balance:	2,097,792.43
Weighted Average Term To Maturity (Months):	269.92
Max Term Remaining (Months):	356
Weighted Average Seasoning (Months):	50.61
Weighted Average LVR (%):	45.29%
Weighted Average LVR Indexed (%):	37.91%

**Loan Size Distribution**

Table 1	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
<= \$100,000	497,269,654.02	14.00%	9,432	43.38%
> \$100,000 and <= \$150,000	409,235,651.72	11.52%	3,273	15.05%
> \$150,000 and <= \$200,000	483,965,951.64	13.62%	2,762	12.70%
> \$200,000 and <= \$250,000	415,769,696.13	11.70%	1,852	8.52%
> \$250,000 and <= \$300,000	416,027,703.22	11.71%	1,515	6.97%
> \$300,000 and <= \$350,000	284,281,258.82	8.00%	878	4.04%
> \$350,000 and <= \$400,000	244,990,898.73	6.90%	655	3.01%
> \$400,000 and <= \$500,000	311,442,752.62	8.77%	696	3.20%
> \$500,000 and <= \$750,000	288,720,827.05	8.13%	489	2.25%
> \$750,000 and <= \$1,000,000	104,262,977.62	2.94%	120	0.55%
> \$1,000,000 and <= \$1,500,000	63,785,373.42	1.80%	54	0.25%
> \$1,500,000 and <= \$2,000,000	28,356,818.88	0.80%	16	0.07%
> \$2,000,000 and <= \$2,500,000	4,112,792.43	0.12%	2	0.01%
Total	3,552,222,356.30	100.00%	21,744	100.00%

**Loan Interest Rate Distribution**

Table 1	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
<= 4.00%	12,113,272.50	0.34%	59	0.27%
> 4.00% and <= 5.00%	2,473,630,035.15	69.64%	13,499	62.08%
> 5.00% and <= 6.00%	995,347,505.30	28.02%	7,684	35.34%
> 6.00% and <= 7.00%	68,313,480.13	1.92%	481	2.21%
> 7.00% and <= 8.00%	2,818,063.22	0.08%	21	0.10%
Total	3,552,222,356.30	100.00%	21,744	100.00%

**Term to Legal Documented Maturity**

Table 1	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
<= 5 years	19,249,553.92	0.54%	478	2.20%
> 5 years and <= 10 years	78,899,284.29	2.22%	1,260	5.79%
> 10 years and <= 15 years	175,495,572.11	4.94%	1,654	7.61%
> 15 years and <= 20 years	628,406,479.77	17.69%	4,711	21.67%
> 20 years and <= 25 years	1,306,980,738.87	36.79%	7,454	34.28%
> 25 years and <= 30 years	1,343,190,727.34	37.81%	6,187	28.45%
Total	3,552,222,356.30	100.00%	21,744	100.00%

**LVR Distribution**

Table 1	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
<= 25%	639,836,316.24	18.01%	6,560	30.17%
> 25% and <= 30%	243,190,000.38	6.85%	1,525	7.01%
> 30% and <= 35%	289,528,121.40	8.15%	1,587	7.30%
> 35% and <= 40%	259,868,611.77	7.32%	1,480	6.81%
> 40% and <= 45%	271,252,420.40	7.64%	1,463	6.73%
> 45% and <= 50%	296,864,615.01	8.36%	1,571	7.22%
> 50% and <= 55%	283,818,166.42	7.99%	1,542	7.09%
> 55% and <= 60%	281,764,577.55	7.93%	1,475	6.78%
> 60% and <= 65%	283,408,578.79	7.98%	1,369	6.30%
> 65% and <= 70%	309,325,349.01	8.71%	1,442	6.63%
> 70% and <= 75%	244,391,559.82	6.88%	1,182	5.44%
> 75% and <= 80%	148,974,039.51	4.19%	548	2.52%
Total	3,552,222,356.30	100.00%	21,744	100.00%

**LVR Indexed Distribution**

Table 1	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
<= 25%	884,947,231.06	24.91%	8,239	37.89%
> 25% and <= 30%	324,144,238.70	9.13%	1,893	8.71%
> 30% and <= 35%	371,415,257.83	10.46%	1,969	9.06%
> 35% and <= 40%	351,038,817.79	9.88%	1,841	8.47%
> 40% and <= 45%	344,992,505.64	9.71%	1,800	8.28%
> 45% and <= 50%	360,564,791.59	10.15%	1,828	8.41%
> 50% and <= 55%	307,137,860.40	8.65%	1,494	6.87%
> 55% and <= 60%	240,384,463.48	6.77%	1,094	5.03%
> 60% and <= 65%	163,051,646.38	4.59%	710	3.27%
> 65% and <= 70%	109,301,119.37	3.08%	498	2.29%
> 70% and <= 75%	66,813,806.97	1.88%	282	1.30%
> 75% and <= 80%	28,430,617.09	0.80%	96	0.44%
Total	3,552,222,356.30	100.00%	21,744	100.00%

**Geographic Distribution**

Table 1	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Ashburton	32,087,656.57	0.90%	234	1.08%
Auckland	722,901,529.15	20.35%	3,322	15.28%
Blenheim	23,847,802.62	0.67%	177	0.81%
Christchurch	441,536,578.39	12.43%	2,857	13.14%
Coromandel	49,823,525.30	1.40%	368	1.69%
Dunedin	128,771,102.25	3.63%	1,046	4.81%
Gisborne	18,976,714.14	0.53%	158	0.73%
Hamilton	239,772,032.37	6.75%	1,701	7.82%
Hawkes Bay	81,400,585.12	2.29%	589	2.71%
Masterton	11,049,765.70	0.31%	104	0.48%
Nelson	51,270,196.96	1.44%	384	1.77%
North Shore	415,742,279.78	11.70%	2,050	9.43%
Northland	77,084,477.24	2.17%	573	2.64%
Oamaru	10,402,825.98	0.29%	93	0.43%
Palmerston North	78,870,059.44	2.22%	694	3.19%
Rotorua	39,007,535.63	1.10%	300	1.38%
South Auckland	455,002,114.91	12.81%	2,295	10.55%
Southland	38,608,056.80	1.09%	357	1.64%
Taranaki	30,388,500.59	0.86%	216	0.99%
Tauranga	149,061,379.24	4.20%	985	4.53%
Timaru	45,300,853.42	1.28%	368	1.69%
Wanganui	26,267,440.90	0.74%	253	1.16%
Wellington	350,517,976.16	9.87%	2,330	10.72%
West Coast	15,960,137.06	0.45%	143	0.66%
Whakatane	18,571,230.58	0.52%	147	0.68%
Total	3,552,222,356.30	100.00%	21,744	100.00%

**Mortgage Insurance**

Table 1	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Not PMI Mortgage Insured	3,547,511,040.33	99.87%	21,711	99.85%
PMI Mortgage Insurance	4,711,315.97	0.13%	33	0.15%
Total	3,552,222,356.30	100.00%	21,744	100.00%

**Seasoning**

Table 1	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
>= 3 and < 6 months	6,951,365.08	0.20%	50	0.23%
>= 6 and < 12 months	113,539,997.25	3.20%	697	3.21%
>= 12 and < 18 months	161,128,692.75	4.54%	1,070	4.92%
>= 18 and < 24 months	203,026,133.28	5.72%	1,200	5.52%
>= 24 and < 36 months	367,275,293.95	10.34%	1,942	8.93%
>= 36 and < 48 months	869,632,830.84	24.48%	4,573	21.03%
>= 48 and < 60 months	729,470,101.18	20.54%	4,486	20.63%
>= 60 months	1,101,197,941.97	31.00%	7,726	35.53%
Total	3,552,222,356.30	100.00%	21,744	100.00%

Interest Rate Type				
Table 1	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Fixed	2,723,066,953.70	76.66%	14,775	67.95%
Variable	829,155,402.60	23.34%	6,969	32.05%
Total	3,552,222,356.30	100.00%	21,744	100.00%

Fixed Rate Maturity				
Table 1	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
<= 1 year	1,432,796,442.94	40.34%	7,866	36.18%
> 1 and <= 2 years	1,053,470,410.42	29.66%	5,678	26.11%
> 2 and <= 3 years	195,482,206.10	5.50%	1,021	4.70%
> 3 and <= 4 years	26,902,983.85	0.76%	146	0.67%
> 4 and <= 5 years	9,914,913.23	0.28%	42	0.19%
> 5 and <= 6 years	3,765,815.84	0.11%	17	0.08%
> 6 and <= 7 years	734,181.32	0.02%	5	0.02%
Total	2,723,066,953.70	76.66%	14,775	67.95%

Principal Amortisation				
Table 1	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Principal and Interest	3,197,015,748.10	90.00%	20,436	93.98%
Interest only, reverting to P&I	355,206,608.20	10.00%	1,308	6.02%
Total	3,552,222,356.30	100.00%	21,744	100.00%

Remaining Interest Only Period				
Table 1	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
<= 1 year	139,797,244.05	3.94%	551	2.53%
> 1 and <= 2 years	146,353,629.56	4.12%	510	2.35%
> 2 and <= 3 years	37,509,271.33	1.06%	130	0.60%
> 3 and <= 4 years	15,296,062.21	0.43%	52	0.24%
> 4 and <= 5 years	13,761,096.35	0.39%	53	0.24%
> 5 and <= 6 years	1,254,122.97	0.04%	6	0.03%
> 6 and <= 7 years	698,000.00	0.02%	3	0.01%
> 7 years	537,181.73	0.02%	3	0.01%
Total	355,206,608.20	10.00%	1,308	6.02%

Arrears				
Table 1	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Current	3,549,172,776.40	99.91%	21,723	99.90%
1-30 days in arrears	3,049,579.90	0.09%	21	0.10%
Total	3,552,222,356.30	100.00%	21,744	100.00%

Loan Documentation				
Table 1	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Full Documentation	3,552,222,356.30	100.00%	21,744	100.00%
Total	3,552,222,356.30	100.00%	21,744	100.00%

**Asset Coverage Test**

<b>Aggregate Current Principal Balance of Mortgage Loans</b>		<b>\$3,552,222,356.30</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>\$3,552,222,356.30</b>
Asset Percentage (%)	x	92.00%
"A"	+	<b>\$3,268,044,567.80</b>
"B" : Term and/or Demand Loan Advances not applied	+	\$0.00
"C" : Substitution Assets & Authorised Investments	+	\$10,957.28
"D" : Mortgage Loan Principal Receipts in GIC Account	+	\$0.00
"E" : Sale Proceeds in Pre-Maturity Ledger	+	\$0.00
"Z" : 4.1 x \$2,960m x 0 (WAM x CB x NCF)	-	\$0.00
<b>Adjusted Aggregate Mortgage Loan Amount</b>		<b>\$3,268,055,525.08</b>
<b>Principal Amount Outstanding</b>		<b>\$2,959,806,925.96</b>
<b>Asset Coverage Test Results</b>		<b>PASS</b>