

## Quarterly Investor Report

### Reporting Dates

Collection Period End Date:	19-Mar-18
Determination Date:	20-Mar-18
Trust Payment Date:	29-Mar-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)	N/A

### 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
<b>Total</b>				<b>\$2,959,806,926</b>
ISIN	Listing	Coupon Frequency	Coupon Rate	Interest Rate Type
NZBCBDT003C3	Unlisted	Quarterly	3 month NZD-BKBM plus 1.27% p.a.	Floating rate
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:	3,552,221,771.60
Number of Loans:	21,466
Weighted Average Interest Rate (%):	4.87%
Weighted Average Interest Rate - Fixed (%):	4.63%
Weighted Average Interest Rate - Variable (%):	5.67%
Average Loan Balance:	165,481.31
Max Loan Balance:	2,115,983.77
Weighted Average Term To Maturity (Months):	272.41
Max Term Remaining (Months):	357
Weighted Average Seasoning (Months):	48.00
Weighted Average LVR (%):	46.12%
Weighted Average LVR Indexed (%):	38.87%

**Loan Size Distribution**

Table 1	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
<= \$100,000	491,443,913.04	13.83%	9,236	43.03%
> \$100,000 and <= \$150,000	403,375,420.93	11.36%	3,219	15.00%
> \$150,000 and <= \$200,000	475,776,264.74	13.39%	2,711	12.63%
> \$200,000 and <= \$250,000	408,990,470.40	11.51%	1,822	8.49%
> \$250,000 and <= \$300,000	416,264,899.39	11.72%	1,514	7.05%
> \$300,000 and <= \$350,000	288,672,239.04	8.13%	891	4.15%
> \$350,000 and <= \$400,000	242,593,144.55	6.83%	648	3.02%
> \$400,000 and <= \$500,000	325,189,873.47	9.15%	727	3.39%
> \$500,000 and <= \$750,000	300,609,463.03	8.46%	508	2.37%
> \$750,000 and <= \$1,000,000	102,257,446.45	2.88%	118	0.55%
> \$1,000,000 and <= \$1,500,000	62,869,897.29	1.77%	53	0.25%
> \$1,500,000 and <= \$2,000,000	30,047,755.50	0.85%	17	0.08%
> \$2,000,000 and <= \$2,500,000	4,130,983.77	0.12%	2	0.01%
Total	3,552,221,771.60	100.00%	21,466	100.00%

**Loan Interest Rate Distribution**

Table 2	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
<= 4.00%	14,077,816.93	0.40%	65	0.30%
> 4.00% and <= 5.00%	2,395,720,743.85	67.44%	13,010	60.61%
> 5.00% and <= 6.00%	1,065,201,595.30	29.99%	7,848	36.56%
> 6.00% and <= 7.00%	73,847,017.56	2.08%	521	2.43%
> 7.00% and <= 8.00%	3,374,597.96	0.09%	22	0.10%
Total	3,552,221,771.60	100.00%	21,466	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	19,654,619.09	0.55%	453	2.11%
> 5 years and <= 10 years	77,842,714.12	2.19%	1,229	5.73%
> 10 years and <= 15 years	162,568,953.20	4.58%	1,529	7.12%
> 15 years and <= 20 years	569,576,964.14	16.03%	4,278	19.93%
> 20 years and <= 25 years	1,281,098,216.77	36.06%	7,342	34.20%
> 25 years and <= 30 years	1,441,480,304.28	40.58%	6,635	30.91%
<b>Total</b>	<b>3,552,221,771.60</b>	<b>100.00%</b>	<b>21,466</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%	609,968,361.06	17.17%	6,252	29.13%
> 25% and <= 30%	234,732,826.52	6.61%	1,460	6.80%
> 30% and <= 35%	275,043,457.65	7.74%	1,568	7.30%
> 35% and <= 40%	263,929,463.76	7.43%	1,428	6.65%
> 40% and <= 45%	263,248,317.23	7.41%	1,433	6.68%
> 45% and <= 50%	279,049,907.35	7.86%	1,469	6.84%
> 50% and <= 55%	291,190,614.93	8.20%	1,534	7.15%
> 55% and <= 60%	295,803,619.87	8.33%	1,525	7.10%
> 60% and <= 65%	279,248,747.70	7.86%	1,362	6.34%
> 65% and <= 70%	308,832,276.61	8.69%	1,443	6.72%
> 70% and <= 75%	283,889,130.15	7.99%	1,371	6.39%
> 75% and <= 80%	167,285,048.77	4.71%	621	2.89%
<b>Total</b>	<b>3,552,221,771.60</b>	<b>100.00%</b>	<b>21,466</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%	844,966,711.11	23.79%	7,808	36.37%
> 25% and <= 30%	310,205,806.05	8.73%	1,815	8.46%
> 30% and <= 35%	356,802,839.41	10.04%	1,901	8.86%
> 35% and <= 40%	326,611,165.16	9.19%	1,664	7.75%
> 40% and <= 45%	363,435,025.24	10.23%	1,912	8.91%
> 45% and <= 50%	331,896,927.49	9.34%	1,707	7.95%
> 50% and <= 55%	333,129,854.34	9.38%	1,612	7.51%
> 55% and <= 60%	266,335,543.47	7.50%	1,234	5.75%
> 60% and <= 65%	181,092,024.71	5.10%	744	3.47%
> 65% and <= 70%	124,876,435.94	3.52%	602	2.80%
> 70% and <= 75%	72,817,128.47	2.05%	315	1.47%
> 75% and <= 80%	40,052,310.21	1.13%	152	0.71%
<b>Total</b>	<b>3,552,221,771.60</b>	<b>100.00%</b>	<b>21,466</b>	<b>100.00%</b>

### Geographic Distribution

Table 6	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Ashburton	30,926,030.19	0.87%	225	1.05%
Auckland	737,307,505.86	20.76%	3,361	15.66%
Blenheim	22,756,527.24	0.64%	164	0.76%
Christchurch	430,893,580.71	12.13%	2,740	12.76%
Coromandel	50,664,887.48	1.43%	367	1.71%
Dunedin	124,778,733.94	3.51%	1,007	4.69%
Gisborne	18,148,819.39	0.51%	154	0.72%
Hamilton	241,818,354.49	6.81%	1,693	7.89%
Hawkes Bay	79,526,061.79	2.24%	574	2.67%
Masterton	9,520,005.10	0.27%	91	0.42%
Nelson	52,557,545.26	1.48%	384	1.79%
North Shore	425,376,394.32	11.97%	2,089	9.73%
Northland	78,003,580.20	2.20%	575	2.68%
Oamaru	10,369,721.09	0.29%	89	0.41%
Palmerston North	78,657,525.67	2.21%	673	3.14%
Rotorua	38,682,709.17	1.09%	297	1.38%
South Auckland	457,262,385.03	12.87%	2,312	10.77%
Southland	36,996,374.51	1.04%	342	1.59%
Taranaki	30,511,468.69	0.86%	209	0.97%
Tauranga	149,021,065.94	4.20%	983	4.58%
Timaru	45,947,604.18	1.29%	371	1.73%
Wanganui	25,623,412.04	0.72%	248	1.16%
Wellington	342,694,134.13	9.65%	2,242	10.44%
West Coast	15,771,197.62	0.44%	134	0.62%
Whakatane	18,406,147.56	0.52%	142	0.66%
Total	3,552,221,771.60	100.00%	21,466	100.00%

### Mortgage Insurance

Table 7	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Not PMI Mortgage Insured	3,549,262,281.31	99.92%	21,445	99.90%
PMI Mortgage Insurance	2,959,490.29	0.08%	21	0.10%
Total	3,552,221,771.60	100.00%	21,466	100.00%

### Seasoning

Table 8	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
>= 3 and < 6 months	32,397,870.81	0.91%	204	0.95%
>= 6 and < 12 months	112,223,480.25	3.16%	720	3.35%
>= 12 and < 18 months	205,030,733.53	5.77%	1,309	6.10%
>= 18 and < 24 months	193,323,586.17	5.44%	1,066	4.97%
>= 24 and < 36 months	480,486,814.81	13.53%	2,338	10.89%
>= 36 and < 48 months	878,730,458.45	24.74%	4,869	22.68%
>= 48 and < 60 months	711,422,093.09	20.03%	4,275	19.92%
>= 60 months	938,606,734.49	26.42%	6,685	31.14%
Total	3,552,221,771.60	100.00%	21,466	100.00%

## Interest Rate Type

Table 9	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Fixed	2,732,948,947.00	76.94%	14,689	68.43%
Variable	819,272,824.60	23.06%	6,777	31.57%
Total	3,552,221,771.60	100.00%	21,466	100.00%

## Fixed Rate Maturity

Table 10	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
<= 1 year	1,280,038,644.91	36.03%	7,007	32.64%
> 1 and <= 2 years	1,117,046,592.38	31.45%	5,952	27.73%
> 2 and <= 3 years	291,281,536.30	8.20%	1,510	7.03%
> 3 and <= 4 years	28,293,366.75	0.80%	145	0.68%
> 4 and <= 5 years	11,992,802.16	0.34%	54	0.25%
> 5 and <= 6 years	2,459,324.82	0.07%	13	0.06%
> 6 and <= 7 years	1,836,679.68	0.05%	8	0.04%
Total	2,732,948,947.00	76.94%	14,689	68.43%

## Principal Amortisation

Table 11	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Principal and Interest	3,163,741,483.03	89.06%	20,035	93.33%
Interest only, reverting to P&I	388,480,288.57	10.94%	1,431	6.67%
Total	3,552,221,771.60	100.00%	21,466	100.00%

## Remaining Interest Only Period

Table 12	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
<= 1 year	145,599,094.54	4.10%	599	2.79%
> 1 and <= 2 years	143,742,318.40	4.05%	478	2.23%
> 2 and <= 3 years	67,517,936.96	1.90%	236	1.10%
> 3 and <= 4 years	15,235,748.09	0.43%	66	0.31%
> 4 and <= 5 years	13,680,160.88	0.39%	40	0.19%
> 5 and <= 6 years	1,620,000.00	0.05%	7	0.03%
> 6 and <= 7 years	577,122.97	0.02%	3	0.01%
> 7 years	507,906.73	0.01%	2	0.01%
Total	388,480,288.57	10.94%	1,431	6.67%

## Arrears

Table 13	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Current	3,551,629,475.26	99.98%	21,462	99.98%
1-30 days in arrears	592,296.34	0.02%	4	0.02%
Total	3,552,221,771.60	100.00%	21,466	100.00%

## Loan Documentation

Table 14	Loan Size Amount	Loan Size Amount %	Loan Size Volume	Loan Size Volume %
Full Documentation	3,552,221,771.60	100.00%	21,466	100.00%
Total	3,552,221,771.60	100.00%	21,466	100.00%

**Asset Coverage Test**

<b>Aggregate Current Principal Balance of Mortgage Loans</b>		<b>\$3,552,221,771.60</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>\$3,552,221,771.60</b>
Asset Percentage (%)	x	90.50%
"A"	+	<b>\$3,214,760,703.30</b>
"B" : Term and/or Demand Loan Advances not applied	+	\$0.00
"C" : Substitution Assets & Authorised Investments	+	\$70,066,528.96
"D" : Mortgage Loan Principal Receipts in GIC Account	+	\$0.00
"E" : Sale Proceeds in Pre-Maturity Ledger	+	\$0.00
"Z" : 4.4 x \$2,960m x 0 (WAM x CB x NCF)	-	\$0.00
<b>Adjusted Aggregate Mortgage Loan Amount</b>		<b>\$3,284,827,232.26</b>
<b>Principal Amount Outstanding</b>		<b>\$2,959,806,925.96</b>
<b>Asset Coverage Test Results</b>		<b>PASS</b>