

Supplementary document dated 21 December 2023



**Bank of China (New Zealand) Limited**  
as Issuer

## **Medium Term Note Programme**

This document supplements the product disclosure statement dated 16 October 2023 for the Medium Term Note Programme of Bank of China (New Zealand) Limited.

This document is to be read together with the product disclosure statement referred to above.

## Overview of this document

### Purpose

The purpose of this document is to supplement the product disclosure statement dated 16 October 2023 (the “**Existing Product Disclosure Statement**”) for the Medium Term Note Programme of Bank of China (New Zealand) Limited (“**BOCNZ**”) in relation to the credit rating of the programme provided by Moody’s Investors Service.

### Contents

Section 1 of the Existing Product Disclosure Statement (Key Information Summary), as supplemented by this document, is set out in full below.

### Interpretation

On and after the date of this document, you should refer to the Key Information Summary as set out below, and not to Section 1 of the Existing Product Disclosure Statement.

References to the “**Product Disclosure Statement**” below, and (on and after the date of this document) in the application instructions and application form at the back of the Existing Product Disclosure Statement, are to be read as references to the Existing Product Disclosure Statement as supplemented by this document.

## 1 Key Information Summary

*This section replaces the key information summary set out in section 1 of the Existing Product Disclosure Statement.*

### What is this?

This is an offer of unsecured, unsubordinated medium term notes ("**Notes**"). Notes are debt securities issued by Bank of China (New Zealand) Limited ("**BOCNZ**"). You give BOCNZ money, and in return BOCNZ promises to pay you interest and repay the money at the end of the term. If BOCNZ runs into financial trouble, you might lose some or all of the money you invested.

### About BOCNZ and Bank of China Limited ("**BOC**") and its subsidiaries (together, the "**BOC Group**")

BOCNZ is a company registered in New Zealand with incorporation number 5305661. BOCNZ became a registered bank in New Zealand on 21 November 2014. BOCNZ offers a range of financial products and services including deposits, corporate lending, remittance, international settlement, global markets, trade finance and mortgage loans.

Information about BOCNZ, including its financial statements, is published in disclosure statements required under the Banking (Prudential Supervision) Act 1989. BOCNZ's disclosure statements are available at [www.bankofchina.com/nz/en/index.html](http://www.bankofchina.com/nz/en/index.html).

BOCNZ's parent company is BOC, incorporated in the People's Republic of China ("**China**"). BOC is subject to regulatory oversight by the National Administration of Financial Regulation and the Government of China. The BOC Group operates in New Zealand through BOCNZ as well as through an Auckland branch of BOC ("**BOC Auckland Branch**"), which is also a registered bank in New Zealand and subject to regulatory oversight by the Reserve Bank of New Zealand ("**RBNZ**").

The BOC Group provides customers with a wide range of financial products and services and has formed a cross-market, internationalised and integrated business model with a focus on commercial banking, global trade service, corporate banking and financial markets services.

### Purpose of this offer

The purpose of the offer of Notes is to raise funds which will be used for the general corporate purposes of BOCNZ, including making loans and other banking products available to BOCNZ's customers.

### Key terms of the offer

Issuer:	BOCNZ
Description:	A retail programme for the issuance of unsecured, unsubordinated medium term notes
Guarantee:	The Notes are guaranteed by BOC Auckland Branch under a Deed of Guarantee dated 22 October 2021 (" <b>Guarantee</b> "). See section 4 of this document (Key Features of the Notes) for further details
Series and tranches:	<p>The Notes are issued in series, and each series may be made up of one or more tranches of Notes offered on different dates. All the Notes in a series will have identical terms, except that different tranches within the series may have different issue dates, issue prices, first interest payment dates and interest commencement dates</p> <p>Final terms will be prepared for each tranche of Notes, setting out the specific details for that tranche (see section 2 (Terms of the Offer) for further details about the final terms)</p>
Issue price:	Notes may be issued at an issue price equal to, above or below their principal amount, as set out in the relevant final terms
Term:	The Notes will have an original term of 365 days or more, with the particular term set out in the relevant final terms
Interest rate:	<p>Notes may bear interest at either:</p> <ul style="list-style-type: none"><li>• a fixed interest rate for the whole term of the Notes; or</li><li>• a floating interest rate calculated as a specific margin (which will apply for the whole term of the</li></ul>

Notes) over the 3 month wholesale bank bill rate (but provided that the relevant floating interest rate will not at any time be lower than zero)

Non-interest bearing (zero coupon) Notes may also be issued

The interest rate or method by which the interest rate will be determined (and any relevant fallback provisions for unavailability of the 3 month wholesale bank bill rate) will be set out in the relevant final terms

Interest periods:	Interest will be paid in arrear semi-annually (in the case of fixed rate Notes) or every 3 months (in the case of floating rate Notes), and may have a short or long initial interest period, as set out in the relevant final terms
Further payments, fees or charges:	By subscribing for or otherwise acquiring Notes, you agree to indemnify BOCNZ for any loss suffered by it as a result of any breach by you of the selling restrictions set out in section 4 of this document (Key Features of the Notes)  Taxes may be deducted from interest payments on the Notes. See section 6 of this document (Tax) for further details
Application amounts:	The minimum subscription amount is \$5,000 and higher multiples of \$1,000

#### Who is responsible for repaying you?

BOCNZ is responsible for the repayment of the Notes. At the date of this document, the Notes are guaranteed by BOC Auckland Branch under the Guarantee. BOC Auckland Branch does not constitute a separate legal entity to BOC and the obligations of BOC Auckland Branch are the obligations of BOC. If BOCNZ fails to repay the Notes, you may demand payment from BOC Auckland Branch by following the steps set out in the Guarantee. See section 4 of this document (Key Features of the Notes) for further details.

The Notes are not guaranteed by any other member of the BOC Group.

The Notes are not expected to be protected deposits under, or otherwise have the benefit of, the depositor compensation scheme established by the Deposit Takers Act 2023.

#### How you can get your money out early

You cannot redeem the Notes before their maturity date unless there is an event of default in respect of the Notes (see section 4 of this document (Key Features of the Notes) for further details).

BOCNZ does not intend to quote these Notes on a market licensed in New Zealand and there is no other established market for trading them. This means that you may not be able to sell your Notes before the end of their term.

#### How the Notes rank for repayment

If BOCNZ goes into liquidation, your right to repayment will rank:

- **behind** BOCNZ's secured creditors and creditors preferred by law (for example, Inland Revenue and employees).
- **equally** with all other unsecured unsubordinated creditors of BOCNZ (including other holders of Notes).
- **ahead** of BOCNZ's subordinated creditors (if any) and shareholders.

You should also read section 4 of this document (Key Features of the Notes).

#### No security

The Notes are unsecured.

#### Key risks affecting this investment

Investments in debt securities have risks. A key risk is that BOCNZ does not meet its commitments to repay you or pay you interest (credit risk). Section 5 of this document (Risks of Investing) discusses the main factors that give rise to the risk. You should consider if the credit risk of these debt securities is suitable for you.

The interest rate for these Notes should also reflect the degree of credit risk. In general, higher returns are demanded by investors from businesses with a higher risk of defaulting on their commitments. You need to decide whether the offer is fair. BOCNZ considers that the most significant risk factors are:

- As a financial institution, BOCNZ is particularly exposed to credit risk on its customers. Its business could be materially adversely affected if customers do not repay their loans, particularly as it may at times have a concentrated exposure to a relatively

small number of significant borrowers, geographical regions and industries over the medium term while it continues to build its loan portfolio. This may in turn affect its revenue and financial performance.

- BOCNZ and the BOC Group are subject to increasingly extensive regulations applicable to financial institutions. These regulations may impact BOCNZ's operations, in particular as a subsidiary with separate capital requirements rather than a branch of BOC.

This summary does not cover all of the risks of investing in the Notes. You should also read section 5 of this document (Risks of Investing) and section 4 of this document (Key Features of the Notes).

#### What is the Notes' credit rating?

A credit rating is an independent opinion of the capability and willingness of an entity to repay its debts (in other words, its creditworthiness). It is not a guarantee that the financial product being offered is a safe investment. A credit rating should be considered alongside all other relevant information when making an investment decision.

The programme under which the Notes are offered has been rated by S&P Global Ratings ("S&P Global") and Moody's Investors Service ("Moody's"). S&P Global gives ratings from AAA to C. Moody's gives ratings from Aaa to Ca.

A credit rating is not a recommendation to buy, sell or hold Notes.

#### Current credit ratings of the programme under which the Notes are offered

##### S&P Global

Rating <sup>1</sup>	Summary description
	<i>Capacity to make timely payment:</i>
AAA	Extremely strong
AA	Very strong
<b>A</b>	<b>Strong</b> <b>S&amp;P Global has given the programme a rating of A (stable)</b>
BBB	Adequate
	<i>Vulnerability to non-payment:</i>
BB	Less vulnerable
B	More vulnerable
CCC	Currently vulnerable
CC	Currently highly vulnerable
C	Currently highly vulnerable

Note:  
1 S&P Global's ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

##### Moody's

Rating <sup>2</sup>	Summary description
	<i>Credit risk:</i>
Aaa	Lowest
Aa	Very Low
<b>A</b>	<b>Low</b> <b>Moody's has given the programme a rating of A1 (negative)</b>
Baa	Moderate
Ba	Substantial
B	High
Caa	Very high
Ca	Likely in, or very near, default

Note:  
2 Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.