



## **China Construction Bank (New Zealand) Limited Medium Term Note Programme**

**Supplementary document dated 3 February 2020**

This document supplements the product disclosure statement dated 7 June 2019 for the Medium Term Note Programme of China Construction Bank (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 7 June 2019 (the “**Existing Product Disclosure Statement**”) for the Medium Term Note Programme of China Construction Bank (New Zealand) Limited (“**CCB NZ**”) in relation to the credit rating of the programme provided by Fitch Ratings.

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 China Construction Bank (New Zealand) Limited ("**CCB NZ**"). You give CCB NZ money, and in return CCB NZ promises to pay you interest and repay the money at the end of the term. If CCB NZ runs into financial trouble, you might lose some or all of the money you invested.

### About CCB NZ and China Construction Bank Corporation ("**CCB**") and its subsidiaries (together, the "**CCB Group**")

CCB NZ is a company registered in New Zealand with incorporation number 4929019. CCB NZ became a registered bank in New Zealand on 15 July 2014. The principal activity of CCB NZ is providing a range of banking products and services to high net worth customers, business, corporate and institutional customers.

Information about CCB NZ, including its financial statements, is published in disclosure statements required under the Reserve Bank of New Zealand Act 1989. CCB NZ's disclosure statements are available at [nz.ccb.com](http://nz.ccb.com).

CCB NZ's parent company is CCB, incorporated in the People's Republic of China ("**China**"). CCB is subject to regulatory oversight by the China Banking and Insurance Regulatory Commission and the Government of China. CCB, operating through a branch in New Zealand ("**CCB Branch**"), is also a registered bank in New Zealand and subject to regulatory oversight by the Reserve Bank of New Zealand ("**RBNZ**").

The CCB Group offers a comprehensive range of banking products and services to customers in China and around the world.

### 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 CCB NZ, including making loans and other banking products available to CCB NZ's customers.

### Key terms of the offer

Issuer	CCB NZ
Description	A retail programme for the issuance of unsecured, unsubordinated medium term notes
Parent Company Guarantee	At the date of this document, the obligations of CCB NZ are guaranteed by CCB, under a Deed of Guarantee dated 30 May 2014 (" <b>Parent Company Guarantee</b> ")
Series	The Notes are part of a retail series offered by CCB NZ. The terms of that series will be identical, except that each issue under that series may have a different issue date, maturity date, issue price, interest payment dates and interest rate, all as set out in the relevant final terms and (if applicable) confirmation of issue (" <b>issue terms</b> ")
Issue price	Notes may be issued at an issue price equal to, above or below their principal amount, as set out in the relevant issue terms.
Term	The Notes will have an original term of 365 days or more, with the particular term set out in the relevant issue terms

Interest rate	<p>Notes may bear interest at either:</p> <ul style="list-style-type: none"> <li>• a fixed rate for the whole term of the Notes; or</li> <li>• a floating rate calculated as a specific margin (which will apply for the whole term of the Notes) over the 3 month wholesale bank bill rate.</li> </ul> <p>Non-interest bearing (zero coupon) Notes may also be issued.</p> <p>The interest rate or method by which the interest rate will be determined will be set out in the relevant issue terms</p>
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 issue terms
Further payments, fees or charges	<p>By subscribing for or otherwise acquiring Notes, you agree to indemnify CCB NZ for any loss suffered by it as a result of any breach of the selling restrictions set out in section 4 of this document (Key Features of the Notes).</p> <p>Taxes may be deducted from interest payments on the Notes. See section 6 of this document (Tax) for further details</p>
Application amounts	The minimum subscription amount is \$5,000 and higher multiples of \$1,000

### Who is responsible for repaying you?

CCB NZ is responsible for the repayment of the Notes. If CCB NZ fails to repay the Notes, you may demand payment from CCB under the Parent Company Guarantee by following the steps set out in that 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 CCB Group.

### 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).

CCB NZ 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 CCB NZ goes into liquidation:

- You will be repaid only **after** CCB NZ's secured creditors and creditors preferred by law (for example, Inland Revenue and employees).
- You will be repaid **at the same time and to the same extent** as all other unsecured unsubordinated creditors of CCB NZ (including other holders of Notes).
- You will be repaid **before** CCB NZ'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 CCB NZ 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 higher risk of defaulting on their commitments. You need to decide whether the offer is fair. CCB NZ considers that the most significant risk factors are:

- As a bank, CCB NZ is susceptible to risks that its customers do not repay their loans (credit risk), including risks associated with any concentration in its loan portfolio arising as the CCB Group continues to expand its business across CCB NZ and CCB Branch.
- There is an enhanced regulatory focus on banks in New Zealand, including a broad range of current regulatory proposals relating to or potentially affecting registered banks (including the current regulatory capital review). While CCB NZ and CCB Branch do not currently expect such proposals to have a particular or disproportionate impact on their operations, they will need to be considered as they are finalised, may create new regulatory or compliance risks to be managed, and will be a significant focus of management attention. CCB NZ is also exposed to the risks of litigation, compliance and regulatory proceedings, as it and the CCB Group are subject to financial service laws, regulations, administrative actions and policies in New Zealand and China.

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**") and Fitch Ratings ("**Fitch**"). S&P Global gives ratings from AAA to C, Moody's gives ratings from Aaa to Ca and Fitch gives ratings from AAA to C.

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:*	AAA	AA	A	BBB		BB	B	CCC	CC	C
Capacity to make timely payment:	Extremely strong	Very strong	Strong Current programme rating A (stable)	Adequate	Vulnerability to non-payment:	Less vulnerable	More vulnerable	Currently vulnerable	Currently highly vulnerable	Currently highly vulnerable

Note:

\* 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:**	Aaa	Aa	A	Baa	Ba	B	Caa	Ca	
Credit risk:	Lowest	Very low	Low Current programme rating A1 (stable)	Moderate	Substantial	High	Very high	Likely in, or very near, default	

Note:

\*\* 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.

Fitch									
Rating:***	AAA	AA	A	BBB	BB	B	CCC	CC	C
Summary description:	Highest credit quality	Very high credit quality	High credit quality Current programme rating A (stable)	Good credit quality	Speculative	Highly speculative	Substantial credit risk	Very high levels of credit risk	Exceptionally high levels of credit risk

Note:

\*\*\* The modifiers "+" or "-" may be appended to a Fitch rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' ratings and ratings below the 'CCC' category.