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## Independent Limited Assurance Report to the Directors and Management of Bank of New Zealand ('BNZ')

### Assurance Conclusion

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the Bank of New Zealand's Sustainable Finance Figures as at 30 September 2023 have not been prepared, in all material respects, in accordance with BNZ's Sustainable Finance Framework.

### Scope

We have been engaged by BNZ to perform a 'limited assurance engagement' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on BNZ's Sustainable Finance Figures (the "Subject Matter") contained in BNZ's Climate Report and Sustainable Futures Report for the year ended 30 September 2023 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

### Subject Matter and Criteria

<b>Subject Matter</b>	Sustainable Finance Figures for the year ended 30 September 2023 <sup>1</sup> , specifically the following values: <ul style="list-style-type: none"> <li>▶ NZ\$ 1.343bn of sustainable bonds</li> <li>▶ NZ\$ 0.275bn of sustainability-linked loans</li> <li>▶ NZ\$ 0.306bn of green loans</li> <li>▶ NZ\$ 0.039bn of eligible sector finance</li> </ul>
<b>Criteria</b>	▶ BNZ's Sustainable Finance Framework

### Criteria applied by BNZ

In preparing the Sustainable Finance Figures, BNZ applied BNZ's Sustainable Finance Framework (the "Criteria"). Such Criteria were specifically designed for reporting BNZ's Sustainable Finance Figures. As a result, the subject matter information may not be suitable for another purpose.

### BNZ's Responsibility

BNZ's management is responsible for selecting the Criteria, and for presenting the Sustainable Finance Figures for the year ended September 2023 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

### EY's Responsibility

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (New Zealand) ('ISAE (NZ) 3000 (Revised)')*, and the terms of reference for this engagement as agreed with BNZ on 13 September 2023. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

<sup>1</sup> These values include NZ\$ 0.051bn of green loans and NZ\$ 0.038bn of eligible sector finance from the year ended 30 September 2022, and NZ\$ 0.022bn of green loans from the year ended 30 September 2021, which were categorized as sustainable finance transactions during the year ended 30 September 2023.



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### Our independence and quality management

We are independent of BNZ in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Ernst & Young applies Professional and Ethical Standard 3 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Sustainable Finance figure and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- ▶ Conducting interviews with personnel to understand the business and reporting process, including the processes for collecting, collating and reporting the subject matter during the reporting period
- ▶ Checking that the sustainable finance eligibility criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- ▶ Testing on a sample basis the value of sustainable finance transactions

- ▶ Testing on a sample basis, underlying source information to check the accuracy of the data
- ▶ Seeking management representation

We also performed such other procedures as we considered necessary in the circumstances.

### Level of Assurance

A limited assurance engagement consists of making enquiries and applying analytical, and other evidence-gathering procedures sufficient for us to obtain a meaningful level of assurance as the basis for providing a negative form of conclusion. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, these procedures were not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Limitations on scope

There are inherent limitations in performing assurance - for example, assurance engagements are based on selective testing of the information being examined - and it is possible that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ISAE (NZ) 3000 and BNZ's Sustainable Finance Framework dated 30 November 2022 is subjective and will be interpreted differently by different stakeholder groups.

### Restricted use

This report is intended solely for the information and use of BNZ and is not intended to be and should not be used by anyone other than those specified parties.

Pip Best  
Partner - Assurance  
Ernst & Young Limited

Auckland  
6 December 2023