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Financial Disclosure by Overseas Incorporated Authorised Institution

In accordance with the Hong Kong Monetary Authority's disclosure standard for overseas incorporated authorised institutions, the required financial information as specified by the HKMA is detailed below in respect of Australia and New Zealand Banking Group Limited, Hong Kong Branch and the Group for the interim financial year 31 March 2017.

The information is also available at Australia and New Zealand Banking Group Limited Hong Kong Branch and the Public Registry of the Hong Kong Monetary Authority.

Our services include corporate banking, trade finance, treasury and retail and wealth banking services and private banking to high net worth individuals.

Section A - Branch Information (Hong Kong offices only)

	31-Mar-17 HK\$'000	31-Mar-16 HK\$'000
I. Profit and Loss Information		
Interest income	947,146	1,063,239
Interest expense	(520,977)	(570,224)
Other operating income		
- Gains less losses arising from trading in foreign currencies	292,854	250,574
- Gains less losses on securities held for trading purposes	(209)	20,695
- Gains less losses from other trading activities	145,396	77,560
- Net fees and commission income	210,318	231,527
Less: direct income related expense	<u>0</u>	<u>0</u>
- Others	(263,915) *	140,034
Operating expenses		
- Staff and rental	(667,506)	(811,046)
- Others	<u>(256,432)</u>	<u>(289,345)</u>
Impairment loss and specific provision and collective provision for impaired assets	(58,127)	(49,012)
Gains less losses from disposal of property, plant and investment properties	<u>-</u>	12
Profit before taxation	(171,452) #	64,014
Taxation (charge)	15,792	(10,562)
Profit after taxation	<u>(155,660)</u>	<u>53,452</u>

Remarks:

* Including impact of sale of Retail and Wealth business

Excluding the impact attributable to the sale of Retail and Wealth business, ANZ Hong Kong Branch noted an increase in Profit before taxation between first half of 2017 and 2016.

II. Balance Sheet Information	31-Mar-17 HK\$'000	30-Sep-16 HK\$'000
<i>Assets</i>		
Cash and balances with banks (except those included in amount due from overseas offices)	9,242,156	8,826,130
Placements with banks maturing between 1 and 12 months (except those included in amount due from overseas offices)	3,556,555	2,340,686
Amount due from central banks	1,205,305	1,733,098
Amount due from overseas offices	26,732,222	42,631,089
Trade bills	1,829,327	3,510,055
Certificate of deposit held	594,740	589,722
Securities held for trading purposes	4,323	9,851
Loans and receivables		
Loans and advances to customers	43,371,735	43,415,232
Loans and advances to banks	1,243,088	1,473,241
Accrued interest and other accounts	29,251,379	24,748,279
Provisions for impaired loans and receivables		
- Collective	(194,861)	(199,344)
- Specific - Loans and advances	(124,759)	(132,205)
- Investment securities	0	0
Investment securities	11,869,781	10,561,519
Property, plant and equipment and investment properties	138,897	358,301
Total assets	128,719,888	139,865,654
<i>Liabilities</i>		
Deposits and balances from banks (except those included in amount due to overseas offices)	3,608,612	1,197,890
Amount due to central bank	387	189
Deposits from customers		
Demand deposits and current accounts	26,185,728	30,096,391
Saving deposits	182,068	205,245
Time, call and notice deposits	40,576,527	34,159,875
Amount due to overseas offices	28,088,826	45,061,586
Issued debt securities	305,119	2,927,650
Other liabilities	29,772,621	26,216,828
Total liabilities	128,719,888	139,865,654

III. Additional Balance Sheet Information

	31-Mar-17 HK\$'000	30-Sep-16 HK\$'000
(i) (a) Gross impaired loans and advances to customers	187,472	249,083
Of which: Those which are individually determined to be impaired	154,114	212,755
Impaired loans and advances breakdown by major geographical areas		
<i>Hong Kong</i>	152,546	211,190
<i>Others</i>	1,568	1,565
Amount of specific provisions made for such loans and advances	124,759	132,205
Value of collateral which has been taken into account in respect of such loans and advances to which the specific provisions relate	31,200	56,585
Percentage of such loans and advances to total advances to customers	0.36%	0.49%
(b) Amount of other assets (including trade bills and debt securities) which are individually determined to be impaired	0	0
Impaired other assets breakdown by geographical areas	0	0
Amount of specific provisions made for such other assets	0	0
Value of collateral which has been taken into account in respect of such other assets to which the specific provisions relate	0	0
Percentage of such other assets to total other assets	0.00%	0.00%
(ii) (a) Gross amount of loans and advances to customers which have been Overdue for		
- 6 months or less but more than 3 months	12,613	16,574
- 1 year or less but more than 6 months	14,491	106,644
- More than 1 year	85,125	11,346
Overdue loans and advances breakdown by major geographical areas		
<i>Hong Kong</i>	112,229	134,564
Amount of specific provisions made for such overdue loans	100,645	100,631
Market value of collateral held against the covered portion of overdue loans	30,397	53,977
Covered portion of overdue loans	21,713	38,144
Uncovered portion of overdue loans	90,516	96,420
Percentage of such loans and advances to total loans and advances to customers		
- 6 months or less but more than 3 months	0.03%	0.04%
- 1 year or less but more than 6 months	0.03%	0.25%
- More than 1 year	0.20%	0.03%
(b) Other assets (including trade bills and debt securities) which have been Overdue for		
- 6 months or less but more than 3 months	0	0
- 1 year or less but more than 6 months	0	0
- More than 1 year	0	0
Overdue other assets breakdown by geographical areas	0	0
(c) Amount of rescheduled loans and advances to customers, excluding those which have been overdue for more than 3 months and report in item (ii) (a) above	13,712	12,431
Percentage of such loans and advances to total loans and advances to customers	0.03%	0.03%
(d) There is no impaired, overdue nor rescheduled loans and advances to banks as of 31 Mar 2017 and 30 Sep 2016.		
(e) Repossessed assets	0	0

IV. Off-balance Sheet Exposures

(i) The contractual or notional amounts of each of the following significant class of off-balance sheet financial instruments or contracts outstanding:

	31-Mar-17 HK\$'000	30-Sep-16 HK\$'000
<i>Contingent Liabilities and Commitments</i>		
Direct credit substitutes	8,978,202	9,927,116
Transaction-related contingencies	4,835,232	5,775,027
Trade-related contingencies	2,745,546	2,281,596
Note issuance and revolving underwriting facilities	0	0
Other commitments	17,081,154	14,568,249
Others (including forward asset purchases, amounts owing on partly paid shares and securities, forward forward deposits placed, asset sales or other transactions with recourse)	4,851,669	2,321,136
<i>Derivatives</i>		
<i>Contract Amounts</i>		
- Exchange rate contracts (excluding forward foreign exchange contracts arising from swap deposit arrangements)	3,551,753,635	3,411,545,471
- Interest rate contracts	1,199,046,734	948,078,482
- Others	0	3,408
<i>Fair value</i>		
- Exchange rate contracts (excluding forward foreign exchange contracts arising from swap deposit arrangements)	443,132	(192,148)
- Interest rate contracts	(318,444)	(182,344)
- Others	0	0

The contractual amounts and fair value above do not take into account the effect of bilateral netting arrangements.

V. Segmental Information

	31-Mar-17 HK\$'000	% covered by collateral	30-Sep-16 HK\$'000	% covered by collateral
(i) Breakdown of the gross amount of loans and advances to customers by industry sectors:				
Loans and advances for use in Hong Kong				
<i>Industrial, commercial and financial</i>				
- Property development	2,635,424	66.25%	3,864,011	62.85%
- Property investment	2,302,082	33.44%	2,387,019	39.66%
- Financial concerns	2,018,135	10.70%	2,069,888	20.14%
- Stockbrokers	0		0	
- Wholesale and retail trade	718,656	2.52%	2,002,323	1.56%
- Manufacturing	1,263,362	1.92%	814,415	8.80%
- Transport and transport equipment	1,969,020	79.73%	3,565,216	62.40%
- Electricity and gas	61,220	0.00%	69,785	0.00%
- Information technology	-	0.00%	5,000	0.00%
- Hotels, boarding houses & catering	757,798	56.58%	809,671	59.37%
- Others	3,469,296	24.25%	3,246,168	13.84%
<i>Individuals</i>				
- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	0		0	
- Loans for the purchase of other residential properties	624,287	100.00%	681,405	100.00%
- Credit card advances	0		0	
- Others	3,643,347	90.20%	3,782,325	73.17%
Trade finance	9,523,212	1.30%	7,041,478	5.27%
Loans and advances for use outside Hong Kong	14,385,896	36.12%	13,076,528	38.81%
	<u>43,371,735</u>		<u>43,415,232</u>	
<i>Aggregate Intra-group items included in the above</i>	1,280,079		1,424,733	

(ii) Breakdown of the gross amount of loans and advances to customers by countries where it constitutes 10% or more of the aggregate gross amount of loans and advances to customers after taking into consideration of transfers of risks

<i>Hong Kong</i>	29,421,314	34,567,948
<i>Others</i>	13,950,421	8,847,284
	<u>43,371,735</u>	<u>43,415,232</u>

V. Segmental Information (cont'd)

(iii) Breakdown of the international claims by countries where it constitutes 10% or more of the total international claims after taking into consideration of transfers of risks, according to the location of the counterparties and the type of counterparties. HK\$ M

As at 31/03/2017

	<u>Non-Bank private sector</u>					<u>Others</u>	<u>Total</u>
	<u>Banks</u>	<u>Official Sector</u>	<u>Non-Bank Financial Institutions</u>	<u>Non-Financial Private sector</u>			
<u>Developed countries</u>							
Australia	29,618	1	0	454	0		30,073
<u>Offshore Centres</u>							
Hong Kong	441	10	644	19,358	0		20,453
<u>Developing Asia and Pacific</u>							
China	7,694	0	233	4,065	0		11,992

As at 30/09/2016

	<u>Non-Bank private sector</u>					<u>Others</u>	<u>Total</u>
	<u>Banks</u>	<u>Official Sector</u>	<u>Non-Bank Financial Institutions</u>	<u>Non-Financial Private sector</u>			
<u>Developed countries</u>							
Australia	45,236	1	0	194	0		45,431
<u>Offshore Centres</u>							
Hong Kong	990	1312	1,262	17,172	0		20,736
<u>Developing Asia and Pacific</u>							
China	8,183	0	233	3,425	0		11,841

(iv) Non-bank Mainland exposures

Non-bank counterparties and the type of direct exposures are identified in accordance with the method set out in the "Return of Mainland Activities" issued by the HKMA.

	<u>31-Mar-17</u>		<u>Total</u>
	<u>On-balance sheet exposures</u>	<u>Off-balance sheet exposures</u>	
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	10,704	5,291	15,995
Local governments, local government-owned entities and their subsidiaries and JVs	333	151	484
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,887	2,095	4,982
Other entities of central government not reported in the 1st item above	1,259	923	2,182
Other entities of central government not reported in the 2nd item above	58	0	58
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	4,871	567	5,438
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	311	460	771
Total	20,423	9,487	29,910
Total assets after provision	128,720		
On-balance sheet exposures as percentage of total assets	15.87%		

V. Segmental Information (cont'd)

	<u>On-balance</u>	<u>Off-balance</u>	<u>30-Sep-16</u>
	<u>sheet</u>	<u>sheet</u>	<u>HK\$ M</u>
			<u>Total</u>
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	7,268	2,033	9,301
Local governments, local government-owned entities and their subsidiaries and JVs	576	194	770
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,306	1,971	4,277
Other entities of central government not reported in the 1st item above	202	17	219
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	5,935	474	6,409
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	155	542	697
Total	16,442	5,231	21,673
Total assets after provision	139,866		
On-balance sheet exposures as percentage of total assets	11.76%		

VI. Currency Risk

The net position in a particular foreign currency where it constitutes 10% or more of the total net position in all foreign currencies.

	<u>CNY</u>	<u>USD</u>	<u>OTH</u>	<u>31-Mar-17</u>
				<u>Total</u>
<i>Equivalent to millions of Hong Kong Dollars</i>				
Spot assets	1,834	67,314	14,260	83,408
Spot liabilities	(3,593)	(63,233)	(14,791)	(81,617)
Forward purchases	1,378,602	1,753,633	171,653	3,303,888
Forward sales	(1,382,702)	(1,751,125)	(171,105)	(3,304,932)
Net options position	0	0	0	0
Net long (short) position	(5,859)	6,589	17	747
Net structural position	0	0	0	0

	<u>NZD</u>	<u>USD</u>	<u>OTH</u>	<u>30-Sep-16</u>
				<u>Total</u>
<i>Equivalent to millions of Hong Kong Dollars</i>				
Spot assets	1,324	73,855	24,914	100,093
Spot liabilities	(2,210)	(74,799)	(22,112)	(99,121)
Forward purchases	19,967	1,683,386	1,515,644	3,218,997
Forward sales	(18,376)	(1,680,850)	(1,518,649)	(3,217,875)
Net options position	0	0	0	0
Net long (short) position	705	1,592	(203)	2,094
Net structural position	0	0	0	0

VII. Liquidity

31-Mar-17 31-Mar-16

The average liquidity maintenance ratio (%)

37.46%

35.45%

Liquidity Information Disclosures: Approach to Liquidity Risk Management

ANZ HK Branch manages its liquidity risk in accordance with ANZ Group's Liquidity Policy, which is governed by a set of principles approved by the ANZ Board Risk Committee. The Policy provides a set of guidelines for the prudent management of liquidity in the normal course of business. The Branch also follows the guidance set forth by the HKMA in Supervisory Policy Manuals LM-1 (Regulatory Framework for Supervision of Liquidity Risk) and LM-2 (Sound Systems and Controls for Liquidity Risk Management).

Net funding exposures are managed through regular reviews of projected cash flows. Cumulative cashflow profiles under normal and stress conditions across different horizons are monitored against limits for each of these scenarios. The policy also provides a framework for the management of market access and contingency planning to withstand a liquidity crisis.

VIII. Disclosure on Remuneration

Pursuant to section 3 of Supervisory Policy Manual (CG-5) Guideline on a sound remuneration system issued by the HKMA, ANZ HK Branch complies with the requirements and has adopted the remuneration systems of ANZ Head Office. For details on ANZ Head Office Remuneration Report, please refer to pages 32 – 59 of the 2016 Annual Report.

SECTION B - Bank Information (consolidated basis)

I. Capital and Capital Adequacy

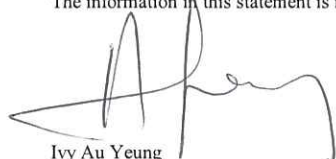
	Basel III 31-Mar-17 A\$M	Basel III 30-Sep-16 A\$M
Qualifying Capital		
Tier 1		
Adjusted shareholders' equity and outside equity interests	65,273	66,464
Deductions	(17,182)	(18,179)
Tier 1 capital	48,091	48,285
Tier 2 capital	9,648	10,328
Total qualifying capital	57,739	58,613
Capital adequacy ratios (%)		
Tier 1	12.1%	11.8%
Tier 2	2.4%	2.5%
Total	14.5%	14.3%
Risk weighted assets	397,040	408,582

II. Other Financial Information	31-Mar-17 A\$M	30-Sep-16 A\$M
Total assets	896,511	914,869
Total liabilities	838,603	856,942
Total gross loans and advances	579,211	578,944
Total deposits and other borrowings	581,407	588,195
	31-Mar-17 A\$M	31-Mar-16 A\$M
Profit before income tax	4,546	3,882

Details of Group financial information can be obtained from the website www.anz.com

Statement of Compliance

The information in this statement is not false or misleading in any material respect.



Ivy Au Yeung
Chief Executive of the Hong Kong Branch

30 June 2017