



AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
HONG KONG BRANCH

FINANCIAL DISCLOSURE STATEMENT
Year ended 30 September 2020



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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 financial year 30 September 2020.

The Branch principally engages in global institutional and corporate customers in Hong Kong across three products sets: Transaction Banking, Loans & Specialised Finance and Markets.

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.

Note: In the event of any difference in interpretation or meaning between the Chinese and English version of this statement, the English version shall prevail.

Section A - Branch Information

	Year ended 30-Sep-20		Year ended 30-Sep-19	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
I. Unaudited Income Statement Information				
Interest income		2,023,463		3,527,416
Interest expense		(1,432,920)		(2,836,268)
Other operating income				
- Gains less losses arising from trading in foreign currencies		(187,940)		65,327
- Gains less losses on securities held for trading purposes		21,367		3,924
- Gains less losses from other trading activities		557,914		308,193
- Net fees and commission income	210,425		219,951	
Less: direct income related expense	<u>0</u>	210,425	<u>0</u>	219,951
- Others		159,017		114,231
Operating expenses				
- Staff and rental	(774,763)		(843,683)	
- Others	<u>(278,463)</u>	(1,053,226)	<u>(319,065)</u>	(1,162,748)
Impairment loss and specific provision and collective provision for impaired assets		(67,123)		20,430
Gains less losses from disposal of property, plant and investment properties		<u>(41)</u>		<u>13</u>
Profit before taxation		230,936		260,469
Taxation (charge)		<u>(71,418)</u>		<u>(56,037)</u>
Profit after taxation		<u>159,518</u>		<u>204,432</u>

	30-Sep-20 HK\$'000	31-Mar-20 HK\$'000
II. Unaudited Balance Sheet Information		
Assets		
Cash and balances with banks (except those included in amount due from overseas offices)	1,507,401	7,641,725
Placements with banks maturing between 1 and 12 months (except those included in amount due from overseas offices)	38,750	7,431,085
Amount due from central banks	73,637	78,089
Amount due from overseas offices	38,558,152	29,115,310
Trade bills	3,423,090	4,191,522
Certificate of deposit held	0	0
Securities held for trading purposes	0	0
Loans and receivables		
Loans and advances to customers	45,778,029	58,883,873
Loans and advances to banks	0	0
Accrued interest and other accounts	31,229,433	43,037,891
Provisions for impaired loans and receivables		
- Collective	(382,937)	(444,378)
- Specific - Loans and advances	(3,188)	(8,852)
- Investment securities	0	0
Investment securities	15,636,979	12,443,334
Other investments	81,697	27,510
Property, plant and equipment and investment properties	285,789	298,635
Total assets	136,226,832	162,695,744
Liabilities		
Deposits and balances from banks (except those included in amount due to overseas offices)	24,802,654	8,244,860
Amount due to central bank	0	2,758,270
Deposits from customers		
Demand deposits and current accounts	20,246,240	14,225,967
Saving deposits	148	148
Time, call and notice deposits	18,392,780	30,678,073
Amount due to overseas offices	40,123,063	62,283,124
Issued debt securities	0	0
Other liabilities	32,661,947	44,505,302
Total liabilities	136,226,832	162,695,744

III. Unaudited Additional Balance Sheet Information

	30-Sep-20 HK\$'000	31-Mar-20 HK\$'000
(i) (a) Gross impaired loans and advances to customers	57,438	8,890
Of which: Those which are individually determined to be impaired	3,188	8,890
Impaired loans and advances breakdown by major geographical areas		
<i>Hong Kong</i>	3,188	8,890
<i>Others</i>	0	0
Amount of specific provisions made for such loans and advances	3,188	8,852
Value of collateral which has been taken into account in respect of such loans and advances to which the specific provisions relate	0	0
Percentage of such loans and advances to total advances to customers	0.01%	0.02%
(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	0	0
- 1 year or less but more than 6 months	0	73
- More than 1 year	3,188	8,817
Overdue loans and advances breakdown by major geographical areas		
<i>Hong Kong</i>	3,188	8,890
Amount of specific provisions made for such overdue loans	3,188	8,852
Market value of collateral held against the covered portion of overdue loans	0	0
Covered portion of overdue loans	0	0
Uncovered portion of overdue loans	3,188	8,890
Percentage of such loans and advances to total loans and advances to customers		
- 6 months or less but more than 3 months	0.00%	0.00%
- 1 year or less but more than 6 months	0.00%	0.00%
- More than 1 year	0.01%	0.02%
(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	0	0
Percentage of such loans and advances to total loans and advances to customers	0.00%	0.00%
(d) There is no impaired, overdue nor rescheduled loans and advances to banks as of 30 Sep 2020 and 31 Mar 2020.		
(e) Repossessed assets	0	0

IV. Unaudited 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:

	30-Sep-20 HK\$'000	31-Mar-20 HK\$'000
Contingent Liabilities and Commitments		
Direct credit substitutes	1,491,347	1,754,330
Transaction-related contingencies	7,765,575	7,463,257
Trade-related contingencies	6,928,628	8,614,623
Note issuance and revolving underwriting facilities	0	0
Other commitments	67,059,321	63,776,556
Others (including Sale and repurchase agreements, forward asset purchases, amounts owing on partly paid shares and securities, forward deposits placed, asset sales or other transactions with recourse)	270,661	1,482,065

Contingent liabilities and commitments are credit-related instruments. The contract amounts represent the amounts at risk should the contract be fully drawn upon. Since a significant portion of commitments is expected to expire without being drawn upon, the total of the contract amounts is not representative of future liquidity requirements.

	30-Sep-20 HK\$'000	31-Mar-20 HK\$'000
Derivatives		
Contract Amounts		
- Exchange rate contracts	3,785,331,229	4,583,027,148
- Interest rate contracts	6,170,396,998	7,103,456,630
- Others	0	0
	<u>9,955,728,227</u>	<u>11,686,483,778</u>
Fair Value Assets		
Customers with valid bilateral netting agreements	4,211,398	3,319,761
Customers without valid bilateral netting agreements	2,105,445	8,371,016
Total fair value assets	<u>6,316,843</u>	<u>11,690,777</u>
Fair Value Liabilities		
Customers with valid bilateral netting agreements	2,954,978	7,987,028
Customers without valid bilateral netting agreements	3,406,255	4,172,853
Total fair value liabilities	<u>6,361,233</u>	<u>12,159,881</u>

The above derivatives transactions are undertaken by the Branch in the foreign exchange and interest rate markets. The notional amounts of these instruments indicate the volume of transactions outstanding and do not represent amounts at risk.

Derivatives are carried at fair value in the balance sheet. Asset values represent the cost to the Branch of replacing all transactions with a fair value in the Branch's favor assuming that all the Branch's relevant counterparties default at the same time, and that transactions can be replaced at the market. Liability values represent the cost to the Branch's counterparties of replacing all their transactions with the Branch with a fair value in their favour if the Branch were to default.

V. Segmental Information

	30-Sep-20 HK\$'000	% covered by collateral	31-Mar-20 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	675,000	88.89%	575,000	86.96%
- Property investment	1,575,518	67.43%	1,775,636	57.82%
- Financial concerns	1,696,925	0.00%	3,433,463	0.00%
- Stockbrokers	0	0.00%	0	0.00%
- Wholesale and retail trade	1,463,616	0.00%	2,476,788	23.48%
- Manufacturing	1,570,734	0.00%	2,831,371	0.00%
- Transport and transport equipment	2,543,276	82.44%	3,015,691	71.54%
- Electricity and gas	1,671,250	0.00%	3,987,956	0.00%
- Information technology	104,625	0.00%	46,523	0.00%
- Hotels, boarding houses & catering	237,273	100.00%	237,273	100.00%
- Others	5,648,644	1.17%	2,524,746	9.82%
<i>Individuals</i>				
- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	0	0.00%	0	0.00%
- Loans for the purchase of other residential properties	0	0.00%	0	0.00%
- Credit card advances	0	0.00%	0	0.00%
- Others	0	0.00%	0	0.00%
Trade finance	3,470,959	0.05%	6,956,535	0.12%
Loans and advances for use outside Hong Kong	<u>25,120,209</u>	27.98%	<u>31,022,891</u>	30.70%
Aggregate Intra-group items included in the above	<u>45,778,029</u>		<u>58,883,873</u>	
	0		0	

(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>	29,338,752	37,642,297
<i>China</i>	9,165,729	12,051,245
<i>Others</i>	<u>7,273,548</u>	<u>9,190,331</u>
	<u>45,778,029</u>	<u>58,883,873</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

As at 30/09/2020	Non-Bank private sector				HK\$ M
	Banks	Official Sector	Non-Bank Financial Institutions	Non-Financial Private sector	Total
<i>Developed Countries</i>	44,197	3,941	1,946	3,088	53,172
of which Australia	39,579	0	0	164	39,743
<i>Offshore Centres</i>	711	3	597	15,432	16,743
of which Hong Kong	109	3	565	7,681	8,358
<i>Developing Asia and Pacific</i>	3,682	3,834	902	16,396	24,814
of which China	2,250	3,834	902	12,217	19,203
As at 31/03/2020	Non-Bank private sector				HK\$ M
	Banks	Official Sector	Non-Bank Financial Institutions	Non-Financial Private sector	Total
<i>Developed Countries</i>	31,660	6,260	696	3,210	41,826
of which Australia	30,503	0	0	95	30,598
<i>Offshore Centres</i>	2,360	3	3,034	18,748	24,145
of which Hong Kong	1,788	3	3,034	9,971	14,796
<i>Developing Asia and Pacific</i>	15,589	2,624	1,771	21,772	41,756
of which China	14,522	2,624	1,771	17,272	36,189

V. Segmental Information (cont'd)

(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.

	30-Sep-20		
	HK\$ M		
	<u>On-balance</u>	<u>Off-balance</u>	<u>Total</u>
	<u>sheet exposures</u>	<u>sheet exposures</u>	
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	10,951	1,522	12,473
Local governments, local government-owned entities and their subsidiaries and JVs	1,065	10	1,075
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	14,364	7,566	21,930
Other entities of central government not reported in the 1st item above	1,682	2,482	4,164
Other entities of central government not reported in the 2nd item above	1,226	7	1,233
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	2,562	934	3,496
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	0	95	95
Total	31,850	12,616	44,466
Total assets after provision	136,227		
On-balance sheet exposures as percentage of total assets	23.38%		

	31-Mar-20		
	HK\$ M		
	<u>On-balance</u>	<u>Off-balance</u>	<u>Total</u>
	<u>sheet exposures</u>	<u>sheet exposures</u>	
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	13,056	2,053	15,109
Local governments, local government-owned entities and their subsidiaries and JVs	2,863	65	2,928
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	17,006	8,343	25,349
Other entities of central government not reported in the 1st item above	2,707	937	3,644
Other entities of central government not reported in the 2nd item above	1,876	140	2,016
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	3,928	582	4,510
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	3	164	167
Total	41,439	12,284	53,723
Total assets after provision	162,696		
On-balance sheet exposures as percentage of total assets	25.47%		

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.

	USD	CNY	JPY	AUD	EUR	NZD	OTH	30-Sep-20 Total
<i>Equivalent to millions of HKD</i>								
Spot assets	53,295	5,797	25,446	3,828	3,641	462	784	93,253
Spot liabilities	(50,476)	(5,843)	(25,450)	(5,214)	(483)	(131)	(781)	(88,378)
Forward purchases	1,854,418	740,799	93,550	110,441	29,521	6,683	127,711	2,963,123
Forward sales	(1,859,140)	(739,313)	(92,906)	(109,152)	(32,636)	(7,001)	(127,734)	(2,967,882)
Net options position	0	0	0	0	0	0	0	0
Net long (short) position	(1,903)	1,440	640	(97)	43	13	(20)	116
Net structural position	0	0	0	0	0	0	0	0

	USD	CNY	JPY	AUD	EUR	NZD	OTH	31-Mar-20 Total
<i>Equivalent to millions of HKD</i>								
Spot assets	68,511	5,569	24,150	1,595	4,247	374	58	104,504
Spot liabilities	(73,456)	(5,079)	(24,149)	(1,791)	(485)	(115)	(849)	(105,924)
Forward purchases	2,243,104	950,476	88,583	111,028	43,356	14,749	182,949	3,634,245
Forward sales	(2,239,974)	(948,997)	(87,963)	(110,850)	(47,115)	(14,999)	(182,162)	(3,632,060)
Net options position	0	0	0	0	0	0	0	0
Net long (short) position	(1,815)	1,969	621	(18)	3	9	(4)	765
Net structural position	0	0	0	0	0	0	0	0

VII. Liquidity Information Disclosures

(i) Liquidity Maintenance Ratio (LMR)
Average LMR for 3 months period (%)

30-Sep-20	30-Sep-19
43.29%	36.13%

(ii) Core Funding Ratio (CFR)
Average CFR for 3 months period (%)

30-Sep-20	30-Sep-19
141.58%	151.01%

In accordance with the The Banking (Liquidity) Rules ("BLR"), the reported figures of LMR and CFR are calculated based on the 3 months' average of the last quarter of the relevant reporting period. Average value of LMR and CFR are based on the arithmetic mean of the average value of the respective ratio for each calendar month as reported in the Return of Liquidity Position and the Return of Stable Funding Position submitted for the reporting period.

(iii) ANZ HK Branch on and off balance sheet **

HK\$ M	30-Sep-20			30-Sep-19		
	Total *	Contractual maturity of cash flows and securities flows arising from the relevant bank		Total *	Contractual maturity of cash flows and securities flows arising from the relevant bank	
		Up to 1 year	Over 1 year		Up to 1 year	Over 1 year
On balance sheet liabilities						
Total On balance sheet liabilities	896,415	393,684	502,731	953,747	463,890	489,857
Total Off balance sheet obligations	46,440	46,440	0	41,108	41,108	0
HK\$ M	30-Sep-20			30-Sep-19		
	Total *	Contractual maturity of cash flows and securities flows arising from the relevant bank		Total *	Contractual maturity of cash flows and securities flows arising from the relevant bank	
		Up to 1 year	Over 1 year		Up to 1 year	Over 1 year
On balance sheet assets						
Total On balance sheet assets	897,868	379,373	518,495	954,529	452,433	502,096
Total Off balance sheet claims	2,907	2,886	21	460	460	0
Contractual Maturity Mismatch		(57,865)	15,785		(52,106)	12,239
Cumulative Contractual Maturity Mismatch		(255,358)	(198,865)		(241,730)	(176,869)

* For derivatives balances included herein, total column represents PV of amount payable/receivable arising from the derivative contracts not the cash flow as shown in each time buckets.

(iv) Liquidity exposures and funding needs**

HK\$ M	30-Sep-20			30-Sep-19		
	Total	Estimated cash flows arising from selected assets, liabilities and off balance sheet items		Total	Estimated cash flows arising from selected assets, liabilities and off balance sheet items	
		Up to 1 year	Over 1 year		Up to 1 year	Over 1 year
Irrevocable loan commitments or facilities granted according to estimated dates and amounts of drawdown by customers	279	279	0	1,659	1,659	0
Loans and advances to non-bank customers according to estimated dates and amounts of repayment by customers	45,787	19,666	26,121	51,525	31,757	19,768

(v) Concentration limits on collateral pools and sources of funding (both products and counterparties)**

HK\$ M	30-Sep-20		30-Sep-19	
	Total amount	As % of total liabilities	Total amount	As % of total liabilities
Significant funding instruments				
Deposits from customers	38,656	28.38%	47,061	29.88%
Funding raised from connected parties	41,708	30.61%	62,758	39.85%
Funding raised from banks (excluding connected parties)	23,734	17.42%	6,805	4.32%

There are no hard limits with regards to deposit concentration or sources of funding. To address concentration risk, Hong Kong ALCO reviews balance sheet trends and sets guidelines in terms of single counterparty deposit caps and approach.

** Figures herein are in line with the reporting basis of the HKMA Return on Liquidity Monitoring Tools (Form MA(BS)23).

vi) Liquidity Risk Management

Group Key Principles

- Liquidity and funding risk is the risk that the Group is unable to meet its payment obligations as they fall due including repaying depositors or maturing wholesale debt or having insufficient capacity to fund increases in assets.
- The key principles in managing Liquidity and Funding risk include:
 - maintaining our ability to meet liquidity 'survival horizons' under a range of stress scenarios to meet cash flow obligations over a short to medium term horizon;
 - maintaining a strong structural funding profile; and
 - maintaining a portfolio of high-quality liquid assets to act as a source of liquidity in times of stress.

ANZ Hong Kong ALCO

- In ANZ Hong Kong Branch, the Hong Kong Asset and Liability Committee (ALCO), a sub-committee of Group ALCO (GALCO), is responsible for the oversight of liquidity risk. The Committee's main objectives are to add value by managing and positioning the balance sheet consistent with the Group's appetite for Risk.
- HK ALCO's responsibilities and duties are set out in the ALCO charter which is reviewed on an annual basis. HK ALCO's responsibilities and duties in terms of liquidity and funding risk are to:
 - Ensure that the country has sufficient liquidity to meet its obligations as they fall due across a wide range of operating circumstances without incurring unacceptable losses to the Group.
 - Approve and oversee the effective implementation and operation of the Group's liquidity and funding control framework. To ensure that:
 - It meets regulatory requirements in relation to liquidity risk and stable funding requirements;
 - Liquidity risk remains within the risk appetite set by the ANZ Board and Risk Committee;
 - The Bank is able to meet its commitments at all times;
 - Liquidity and funding risks are actively and prudently managed (through appropriate diversification, stability, and cost efficiency).

Funding Strategy

Overview of Funding Strategy

- ANZ Hong Kong Branch (ANZHK) raises a mixture of term deposits and call and savings accounts from corporate and FI customers.
- Deposit funding is supplemented by long-term and short-term intragroup funding.

Structural Funding and Short-Term Liquidity Measures

- The Net Stable Funding Ratio (NSFR) was introduced as an APRA prudential requirement from 1 January 2018 and replaced the Group's Core Funding Ratio (CFR) methodology as a measure of structural funding of the balance sheet.

- NSFR is managed at a Group level for International ANZ sites and for Top 5 sites, of which ANZ HK is included.
- No country level NSFR plan is set. Within the Top 5 sites, quarterly guidance (NSFR or otherwise) is provided such that overall International will come within the overall target. No country level NSFR is to be below the specified threshold, which is measured on a month end basis. This provides value especially when the country has to make medium term considerations e.g. taking deposits past the calendar year, loan growth.
- An NSFR of below threshold is not necessarily an issue if Group levels are expected to be met by year end. A below threshold NSFR can be tolerated for a short period of time, however a strong and stable structural funding profile for the branch is important.
- If the NSFR is below the threshold, then a discussion on the actions to be taken will be made at Hong Kong ALCO.
- In addition to the longer-term HKMA CFR and APRA NSFR, ANZHK's funding decisions are guided by the LCR and LMR. Daily liquidity stress testing is conducted using the LCR, with ANZHK required to maintain a cash surplus (100%) over the 30-day scenario horizon.
- Revised liquidity risk appetite settings were approved by Group ALCO (Sept-17) to reflect the maturity of the LCR framework and ANZ's stress testing approach. Stress tests were undertaken over three time horizons and a range of severities, with the most severe outcome setting the liquidity risk appetite. To supplement the existing LCR limits at zero:
 - Target & trigger (buffer) framework for the Liquidity Coverage Ratio (LCR) is in place
 - The group stress test results are applied to set the country LCR target outcome, with the trigger level set at 50% of the target buffer above an LCR of 100%.
 - Target levels are the expected operating LCR on average over a period, with a breach of a trigger ratio requiring reporting and plan to return to the target level to local ALCO, Group Treasury and Group General Manager Markets Risk.
- As a category 2A institution, ANZ Hong Kong Branch is required to maintain an LMR of not less than 25% on average in each calendar month. HK ALCO has established the Branch's internal limit higher at 30%. The Branch's LMR is monitored daily with subsequent rounds of forecast throughout the day. The ratio will undergo heightened scrutiny from senior management, through the Hong Kong ALCO, where it drops below the 30% target level. This process ensures the Branch has time to address and react to an unusually low ratio before reaching the regulatory minimum.

Funds Transfer Pricing of Deposits

- The relative value of deposits is assessed based upon the anticipated liquidity characteristics in a liquidity stress scenario, as well as historic observed run-off rates.
- In practice this means that different funding levels are paid to business units for raising FI or corporate deposits.
- Pricing varies by tenor and by currency. Adjustments may be made to raise additional deposits in currencies where assets exceed deposits.
- Deposit pricing implications of NSFR are also considered.

Intragroup Funding

- Short-term borrowing and lending is conducted with consideration given to the LCR and LMR positions. Lending less than 1yr is at the discretion of the Balance Sheet Trading team who are responsible for day-to-day funding and liquidity management.
- ANZHK has typically been a net borrower of liquidity from sites in Japan, New York and London.
- Both CFR and NSFR implications to the Branch are considered further in the case of longer term borrowing and lending.

Wholesale Funding

- To ensure there are no undue maturity concentrations within the wholesale funding profile, there are wholesale funding capacity limits in place. The metric is applied to pre-defined time buckets over a three-month period. Compliance with the limits are monitored and reported on a daily basis.
- ANZHK is not typically an active borrower in the local wholesale market.
- The branch maintains a USCP programme and has been able in the past to issue within limits set by Group. At present this programme is not in use.

Contingency Funding Plan

- The Group maintains APRA-reviewed liquidity crisis contingency plans for analysing and responding to a liquidity threatening event at a country and Group-wide level. Key liquidity contingency crisis planning requirements and guidelines include:

Ongoing business management	Early signs/ mild stress	Severe Stress
<ul style="list-style-type: none">• Establish crisis/severity levels• Liquidity limits• Early warning indicators	<ul style="list-style-type: none">• Monitoring and review• Management actions not requiring business rationalisation	<ul style="list-style-type: none">• Activate contingency funding plans• Management actions for altering asset and liability behaviour

- Since the precise nature of any stress event cannot be known in advance, the plans are designed to be flexible to the nature and severity of the stress.
- The ANZ Hong Kong recovery plan has been developed as a scaled down version of the Group Plan. While maintaining a consistent approach to the Group plan, the ANZ HK plan incorporates specific HKMA Recovery Planning Requirements.
- The ANZ HK recovery plan is jointly owned by the Hong Kong CRO and Hong Kong CFO, and is activated upon the approval of the Hong Kong Country Head, after discussions with the Group Treasurer. The plan leverages the Branch's existing Liquidity Crisis Management Framework and will act as a more severe adaptation of existing stress mitigation governance and strategies. Ongoing governance of the plan rests at HK Risk Management Committee level.
- Through the recovery planning process, the HK Branch has identified recovery options that senior management can consider deploying in varied types of severe stress to restore the financial viability and strength of the Hong Kong Branch without relying on public support.

SECTION B - Bank Information (consolidated basis)**I. Capital and Capital Adequacy**

	Basel III 30-Sep-20 A\$M	Basel III 31-Mar-20 A\$M
Qualifying Capital		
Tier 1		
Adjusted shareholders' equity and outside equity interests	68,871	69,273
Deductions	(12,390)	(12,978)
Tier 1 capital	56,481	56,295
Tier 2 capital	13,957	13,112
Total qualifying capital	70,438	69,407
Capital adequacy ratios (%)		
Tier 1	13.2%	12.5%
Tier 2	3.3%	2.9%
Total	16.4%	15.5%
Risk weighted assets	429,384	449,012

	30-Sep-20 A\$M	31-Mar-20 A\$M
II. Other Financial Information		
Total assets	1,042,286	1,149,955
Total liabilities	980,989	1,088,580
Total gross loans and advances	622,074	661,278
Total deposits and other borrowings	682,333	726,909
	Year ended 30-Sep-20 A\$M	Year ended 30-Sep-19 A\$M
Profit before income tax	5,516	8,920

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.



Peter Chan
Chief Executive of the Hong Kong Branch

28 January 2021