



AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
HONG KONG BRANCH

FINANCIAL DISCLOSURE STATEMENT
Half-year ended 31 March 2022

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 2022.

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

	Half-year ended 31-Mar-22		Half-year ended 31-Mar-21	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
I. Unaudited Income Statement Information				
Interest income		687,893		526,912
Interest expense		(252,915)		(213,556)
Other operating income				
- Gains less losses arising from trading in foreign currencies		921,273		269,785
- Gains less losses on securities held for trading purposes		5,721		5,895
- Gains less losses from other trading activities		(726,775)		(77,460)
- Net fees and commission income	45,896		87,883	
Less: direct income related expense	<u>0</u>	45,896	<u>0</u>	87,883
- Others		80,664		70,389
Operating expenses				
- Staff and rental	(355,404)		(367,045)	
- Others	<u>(110,992)</u>	(466,396)	<u>(125,334)</u>	(492,379)
Impairment loss and specific provision and collective provision for impaired assets		154		(78,818)
Gains less losses from disposal of property, plant and investment properties		221		261
Profit before taxation		<u>295,736</u>		<u>98,912</u>
Taxation (charge)		<u>(49,147)</u>		<u>(29,752)</u>
Profit after taxation		<u>246,589</u>		<u>69,160</u>

II. Unaudited Balance Sheet Information	31-Mar-22 HK\$'000	30-Sep-21 HK\$'000
Assets		
Cash and balances with banks (except those included in amount due from overseas offices)	2,785,088	2,369,692
Placements with banks maturing between 1 and 12 months (except those included in amount due from overseas offices)	0	0
Amount due from central banks	6,234,666	4,026,050
Amount due from overseas offices	50,004,261	40,289,114
Trade bills	2,504,847	2,654,971
Certificate of deposit held	0	0
Securities held for trading purposes	246,912	310,947
Loans and receivables		
Loans and advances to customers	68,467,666	63,515,640
Loans and advances to banks	0	0
Accrued interest and other accounts	36,038,370	26,646,535
Provisions for impaired loans and receivables		
- Collective	(414,996)	(416,696)
- Specific - Loans and advances	(54,595)	(54,270)
- Investment securities	0	0
Investment securities	15,690,221	16,708,403
Other investments	170,309	131,579
Property, plant and equipment and investment properties	292,824	216,120
Total assets	<u>181,965,573</u>	<u>156,398,085</u>
Liabilities		
Deposits and balances from banks (except those included in amount due to overseas offices)	23,973,224	23,530,131
Amount due to central bank	25,446,685	6,835,322
Deposits from customers		
Demand deposits and current accounts	26,068,545	26,586,699
Saving deposits	0	32
Time, call and notice deposits	13,273,824	8,240,707
Amount due to overseas offices	56,153,806	62,470,998
Issued debt securities	1,157,178	1,360,511
Other liabilities	35,892,311	27,373,685
Total liabilities	<u>181,965,573</u>	<u>156,398,085</u>

III. Unaudited Additional Balance Sheet Information

	31-Mar-22 HK\$'000	30-Sep-21 HK\$'000
(i) (a) Impaired loans and advances to customers	54,484	54,160
Impaired loans and advances breakdown by major geographical areas		
<i>Hong Kong</i>	21,793	21,664
<i>BVI</i>	21,794	21,664
<i>Macau</i>	10,897	10,832
Amount of specific provisions made for such loans and advances	54,484	54,160
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	0.08%	0.09%
(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	0
- More than 1 year	54,484	54,160
Overdue loans and advances breakdown by major geographical areas		
<i>Hong Kong</i>	21,793	21,664
<i>BVI</i>	21,794	21,664
<i>Macau</i>	10,897	10,832
Amount of specific provisions made for such overdue loans	54,484	54,160
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	54,484	54,160
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	0.08%	0.09%
(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 31 Mar 2022 and 30 Sep 2021.		
(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:

	31-Mar-22	30-Sep-21
	HK\$'000	HK\$'000
Contingent Liabilities and Commitments		
Direct credit substitutes	4,638,673	4,137,363
Transaction-related contingencies	10,289,984	9,423,850
Trade-related contingencies	8,551,646	8,820,251
Note issuance and revolving underwriting facilities	0	0
Other commitments	67,507,054	62,452,322
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)	0	108,844

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.

	31-Mar-22	30-Sep-21
	HK\$'000	HK\$'000
Derivatives		
Contract Amounts		
- Exchange rate contracts	4,657,227,217	3,596,935,397
- Interest rate contracts	5,991,260,597	5,123,265,053
- Others	0	0
	<u>10,648,487,814</u>	<u>8,720,200,450</u>
Fair Value Assets		
Customers with valid bilateral netting agreements	3,212,513	3,081,225
Customers without valid bilateral netting agreements	2,407,094	1,804,550
Total fair value assets	<u>5,619,607</u>	<u>4,885,775</u>
Fair Value Liabilities		
Customers with valid bilateral netting agreements	4,482,842	2,831,180
Customers without valid bilateral netting agreements	213,861	1,486,244
Total fair value liabilities	<u>4,696,703</u>	<u>4,317,424</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

	31-Mar-22 HK\$'000	% covered by collateral	30-Sep-21 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	1,000,000	100.00%	1,000,000	100.00%
- Property investment	1,276,900	60.84%	1,509,525	46.38%
- Financial concerns	4,264,249	0.00%	3,066,911	0.00%
- Stockbrokers	0	0.00%	0	0.00%
- Wholesale and retail trade	988,074	0.00%	577,044	13.50%
- Manufacturing	6,306,961	0.00%	1,373,933	0.00%
- Transport and transport equipment	1,755,259	77.70%	1,695,802	77.04%
- Electricity and gas	4,099,197	3.83%	2,735,357	0.00%
- Information technology	119,043	0.00%	0	0.00%
- Hotels, boarding houses & catering	0	0.00%	0	0.00%
- Others	7,349,096	0.34%	6,810,248	0.37%
<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	5,316,879	0.00%	11,015,728	0.00%
	0			
Loans and advances for use outside Hong Kong	35,992,008	16.28%	33,731,092	20.38%
Aggregate Intra-group items included in the above	<u>0</u>		<u>0</u>	

(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>	26,657,763	26,439,918
<i>China</i>	13,879,047	11,473,744
<i>Cayman Islands</i>	12,510,303	10,631,253
<i>Others</i>	15,420,553	14,970,725
	<u>68,467,666</u>	<u>63,515,640</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 31/03/2022	Non-Bank private sector				HK\$ M
	Banks	Official Sector	Non-Bank Financial Institutions	Non-Financial Private sector	Total
<i>Developed Countries</i>	54,594	2,299	2,978	1,608	61,479
of which Australia	50,354	0	167	51	50,572
<i>Developing Asia and Pacific</i>	1,717	5,361	2,196	18,947	28,221
of which China	1,463	5,361	2,180	15,753	24,757
<i>Offshore centres</i>	422	0	10,231	22,362	33,015
of which Cayman Islands	0	0	4,862	9,899	14,761
of which Hong Kong	132	0	2,663	8,736	11,531
As at 30/09/2021	Non-Bank private sector				HK\$ M
	Banks	Official Sector	Non-Bank Financial Institutions	Non-Financial Private sector	Total
<i>Developed Countries</i>	43,275	3,046	1,458	3,242	51,021
of which Australia	40,587	0	0	54	40,641
<i>Developing Asia and Pacific</i>	2,223	4,950	1,342	17,739	26,254
of which China	2,070	4,950	1,342	14,648	23,010
<i>Offshore centres</i>	1,678	0	12,380	20,507	34,565
of which Cayman Islands	0	0	10,812	0	10,812
of which Hong Kong	1,295	0	1,568	13,971	16,834

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

	31-Mar-22		
	HK\$ M		
	<u>On-balance</u> <u>sheet exposures</u>	<u>Off-balance</u> <u>sheet exposures</u>	<u>Total</u>
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	8,717	691	9,408
Local governments, local government-owned entities and their subsidiaries and JVs	698	0	698
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	16,823	6,623	23,446
Other entities of central government not reported in the 1st item above	3,662	2,836	6,498
Other entities of central government not reported in the 2nd item above	2,494	40	2,534
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	5,466	611	6,077
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	1,897	181	2,078
Total	39,757	10,982	50,739
Total assets after provision	181,966		
On-balance sheet exposures as percentage of total assets	21.85%		

	30-Sep-21		
	HK\$ M		
	<u>On-balance</u> <u>sheet exposures</u>	<u>Off-balance</u> <u>sheet exposures</u>	<u>Total</u>
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	15,452	1,562	17,014
Local governments, local government-owned entities and their subsidiaries and JVs	695	0	695
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	15,163	6,428	21,591
Other entities of central government not reported in the 1st item above	2,262	2,477	4,739
Other entities of central government not reported in the 2nd item above	1,650	232	1,882
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6,215	532	6,747
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	1,887	65	1,952
Total	43,324	11,296	54,620
Total assets after provision	156,398		
On-balance sheet exposures as percentage of total assets	27.70%		

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*	OTH	31-Mar-22 Total
<i>Equivalent to millions of HKD</i>					
Spot assets	71,070	6,876	35,875	9,742	123,563
Spot liabilities	(82,357)	(5,871)	(30,138)	(4,119)	(122,485)
Forward purchases	2,279,494	1,122,013	30,393	361,134	3,793,034
Forward sales	(2,275,903)	(1,122,561)	(35,507)	(366,816)	(3,800,787)
Net options position	0	0	0	0	0
Net long (short) position	(7,696)	457	623	(59)	(6,675)
Net structural position	0	0	0	0	0

	USD	CNY	JPY	OTH	30-Sep-21 Total
<i>Equivalent to millions of HKD</i>					
Spot assets	60,556	6,510	34,589	11,986	113,641
Spot liabilities	(70,711)	(4,965)	(33,479)	(3,749)	(112,904)
Forward purchases	1,748,308	919,182	35,029	253,036	2,955,555
Forward sales	(1,744,561)	(917,378)	(35,523)	(261,327)	(2,958,789)
Net options position	0	0	0	0	0
Net long (short) position	(6,408)	3,349	616	(54)	(2,497)
Net structural position	0	0	0	0	0

*The foreign currencies that constitute 10% or less of the total net position in all foreign currencies are presented for comparative purpose only.

VII. Liquidity Information Disclosures

(i) Liquidity Maintenance Ratio (LMR)	31-Mar-22	31-Mar-21
Average LMR for 3 months period (%)	38.90%	42.17%

(ii) Core Funding Ratio (CFR)	31-Mar-22	31-Mar-21
Average CFR for 3 months period (%)	112.92%	118.48%

Approach to Liquidity Risk Management

The average Liquidity Maintenance Ratio ("LMR") for the period is the arithmetic mean of each calendar month's average liquidity ratio. It is calculated in accordance with Section 103B of Banking (Disclosure) Rules.

In compliance with The Banking (Liquidity) Rules ("BLR") which signified the implementation of LMR and Core Funding Ratio ("CFR") for category 2A institution under Basel III liquidity standards in Hong Kong, the quarterly and half yearly average values of LMR and CFR reported are calculated based on the arithmetic mean of the average values of its LMR and CFR reported in its liquidity position return, for each month during the quarter and half year respectively.

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.

SECTION B - Bank Information (consolidated basis)

I. Capital and Capital Adequacy

	Basel III 31-Mar-22 A\$M	Basel III 30-Sep-21 A\$M
Qualifying Capital		
Tier 1		
Adjusted shareholders' equity and outside equity interests	69,426	71,793
Deductions	(11,425)	(12,320)
Tier 1 capital	58,001	59,473
Tier 2 capital	14,780	17,125
Total qualifying capital	72,781	76,598
Capital adequacy ratios (%)		
Tier 1	13.2%	14.3%
Tier 2	3.4%	4.1%
Total	16.6%	18.4%
Risk weighted assets	437,910	416,086

	31-Mar-22 A\$M	30-Sep-21 A\$M
II. Other Financial Information		
Total assets	1,017,361	978,857
Total liabilities	955,605	915,181
Total gross loans and advances	654,995	633,764
Total deposits and other borrowings	780,288	743,056
	31-Mar-22 A\$M	31-Mar-21 A\$M
Profit before income tax	5,035	4,376

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.



Karl Holden
Alternate Chief Executive of the Hong Kong Branch

29 June 2022