



AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
HONG KONG BRANCH

FINANCIAL DISCLOSURE STATEMENT

Half-year ended 31 March 2023

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 2023.

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-23		Half-year ended 31-Mar-22	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
I. Unaudited Income Statement Information				
Interest income		2,683,020		687,893
Interest expense		(2,106,930)		(252,915)
Other operating income				
- Gains less losses arising from trading in foreign currencies		578,577		921,273
- Gains less losses on securities held for trading purposes		3,076		5,721
- Gains less losses from other trading activities		(411,934)		(726,775)
- Net fees and commission income	61,950		45,896	
Less: direct income related expense	<u>0</u>	61,950	<u>0</u>	45,896
- Others		99,964		80,664
Operating expenses				
- Staff and rental	(346,360)		(355,404)	
- Others	<u>(124,980)</u>	(471,340)	<u>(110,992)</u>	(466,396)
Impairment loss and specific provision and collective provision for impaired assets		6,748		154
Gains less losses from disposal of property, plant and investment properties		<u>235</u>		<u>221</u>
Profit before taxation		443,366		295,736
Taxation (charge)		<u>(94,204)</u>		<u>(49,147)</u>
Profit after taxation		<u>349,162</u>		<u>246,589</u>

	31-Mar-23 HK\$'000	30-Sep-22 HK\$'000
II. Unaudited Balance Sheet Information		
Assets		
Cash and balances with banks (except those included in amount due from overseas offices)	5,336,859	1,935,531
Placements with banks maturing between 1 and 12 months (except those included in amount due from overseas offices)	0	235,493
Amount due from central banks	390,505	581,912
Amount due from overseas offices	49,438,335	45,282,358
Trade bills	1,438,276	1,772,416
Certificate of deposit held	0	0
Securities held for trading purposes	0	0
Loans and receivables		
Loans and advances to customers	58,260,719	63,229,289
Loans and advances to banks	1,027,420	0
Accrued interest and other accounts	44,639,947	86,972,835
Provisions for impaired loans and receivables		
- Collective	(431,191)	(439,266)
- Specific - Loans and advances	(54,566)	(54,737)
- Investment securities	0	0
Investment securities	12,337,606	15,875,256
Other investments	107	7,868
Property, plant and equipment and investment properties	252,694	269,955
Total assets	<u>172,636,711</u>	<u>215,668,910</u>
Liabilities		
Deposits and balances from banks (except those included in amount due to overseas offices)	19,067,693	19,541,043
Amount due to central bank	4,674,087	7,721,030
Deposits from customers		
Demand deposits and current accounts	12,774,783	14,418,581
Saving deposits	0	0
Time, call and notice deposits	34,584,583	24,789,807
Amount due to overseas offices	56,301,237	62,306,375
Issued debt securities	0	338,324
Other liabilities	45,234,328	86,553,750
Total liabilities	<u>172,636,711</u>	<u>215,668,910</u>

III. Unaudited Additional Balance Sheet Information

	31-Mar-23 HK\$'000	30-Sep-22 HK\$'000
(i) (a) Impaired loans and advances to customers	54,566	54,626
Impaired loans and advances breakdown by major geographical areas		
<i>Hong Kong</i>	21,826	21,850
<i>BVI</i>	21,827	21,851
<i>Macau</i>	10,913	10,925
Amount of specific provisions made for such loans and advances	54,566	54,626
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	0.09%	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	54,566	54,626
Overdue loans and advances breakdown by major geographical areas		
<i>Hong Kong</i>	21,826	21,850
<i>BVI</i>	21,827	21,851
<i>Macau</i>	10,913	10,925
Amount of specific provisions made for such overdue loans	54,566	54,626
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	54,566	54,626
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	0.09%	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 2023 and 30 Sep 2022.		
(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-23	30-Sep-22
	HK\$'000	HK\$'000
Contingent Liabilities and Commitments		
Direct credit substitutes	3,453,188	4,663,409
Transaction-related contingencies	10,410,850	12,207,724
Trade-related contingencies	6,563,328	6,730,006
Note issuance and revolving underwriting facilities	0	0
Other commitments	89,311,164	84,091,408
Others (including Sale and repurchase agreements, forward asset purchases, amounts owing on partly paid shares and securities, forward forward deposits placed, asset sales or other transactions with recourse)	784,985	0

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-23	30-Sep-22
	HK\$'000	HK\$'000
Derivatives		
Contract Amounts		
- Exchange rate contracts	5,813,739,220	5,495,168,830
- Interest rate contracts	5,516,719,415	5,838,011,039
- Others	0	0
	<u>11,330,458,635</u>	<u>11,333,179,869</u>
Fair Value Assets		
Customers with valid bilateral netting agreements	3,592,001	6,412,416
Customers without valid bilateral netting agreements	2,805,328	6,571,623
Total fair value assets	<u>6,397,329</u>	<u>12,984,039</u>
Fair Value Liabilities		
Customers with valid bilateral netting agreements	3,565,787	10,248,205
Customers without valid bilateral netting agreements	3,129,620	1,111,524
Total fair value liabilities	<u>6,695,407</u>	<u>11,359,729</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-23 HK\$'000	% covered by collateral	30-Sep-22 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	850,000	100.00%	850,000	100.00%
- Property investment	950,000	73.68%	1,200,000	58.33%
- Financial concerns	5,371,876	0.00%	5,120,357	0.00%
- Stockbrokers	0	0.00%	0	0.00%
- Wholesale and retail trade	343,745	0.00%	777,908	0.00%
- Manufacturing	6,038,697	0.00%	8,132,271	0.15%
- Transport and transport equipment	2,370,938	81.16%	2,172,003	100.00%
- Electricity and gas	3,427,922	9.12%	3,569,565	8.76%
- Information technology	541,665	0.00%	779,295	0.00%
- Hotels, boarding houses & catering	224,000	0.00%	0	0.00%
- Others	4,486,213	0.42%	4,764,121	0.39%
<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	1,773,259	0.00%	2,911,932	0.00%
Loans and advances for use outside Hong Kong	31,882,404	23.04%	32,951,837	19.37%
	<u>58,260,719</u>		<u>63,229,289</u>	
<i>Aggregate Intra-group items included in the above</i>	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>	24,119,204	24,401,976
<i>China</i>	7,064,235	10,290,882
<i>Cayman Islands</i>	7,924,636	9,670,199
<i>Others</i>	<u>19,152,644</u>	<u>18,866,232</u>
	<u>58,260,719</u>	<u>63,229,289</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 31/03/2023	Non-Bank private sector				HK\$ M
	Banks	Official Sector	Non-Bank Financial Institutions	Non-Financial Private sector	Total
<i>Developed Countries</i>	51,629	358	1,378	4,740	58,105
of which Australia	50,108	0	0	76	50,184
<i>Developing Asia and Pacific</i>	4,178	1,472	899	12,430	18,979
of which China	2,914	1,472	899	7,795	13,080
<i>Offshore centres</i>	3,071	259	8,692	19,179	31,201
of which Cayman Islands	0	0	2,767	5,798	8,565
of which Hong Kong	1,606	258	4,582	8,011	14,457
As at 30/09/2022	Non-Bank private sector				HK\$ M
	Banks	Official Sector	Non-Bank Financial Institutions	Non-Financial Private sector	Total
<i>Developed Countries</i>	47,416	1,338	1,433	4,695	54,882
of which Australia	45,902	0	0	51	45,953
<i>Developing Asia and Pacific</i>	1,023	2,165	0	15,356	18,544
of which China	706	2,165	0	11,678	14,549
<i>Offshore centres</i>	1,916	0	9,363	23,088	34,367
of which Cayman Islands	0	0	5,093	7,564	12,657
of which Hong Kong	1,378	0	2,631	9,050	13,059

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-23		
	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)	4,895	1,150	6,045
Local governments, local government-owned entities and their subsidiaries and JVs	267	0	267
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	12,684	5,326	18,010
Other entities of central government not reported in the 1st item above	4,628	3,136	7,764
Other entities of central government not reported in the 2nd item above	1,718	79	1,797
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	4,969	250	5,219
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	2,295	123	2,418
Total	31,456	10,064	41,520
Total assets after provision	172,637		
On-balance sheet exposures as percentage of total assets	18.22%		

	30-Sep-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)	5,580	1,376	6,956
Local governments, local government-owned entities and their subsidiaries and JVs	267	0	267
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	17,205	6,110	23,315
Other entities of central government not reported in the 1st item above	4,249	2,807	7,056
Other entities of central government not reported in the 2nd item above	2,326	27	2,353
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	4,930	497	5,427
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	2,295	183	2,478
Total	36,852	11,000	47,852
Total assets after provision	215,669		
On-balance sheet exposures as percentage of total assets	17.09%		

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

				31-Mar-23
	<u>USD</u>	<u>CNY</u>	<u>OTH</u>	<u>Total</u>
<i>Equivalent to millions of HKD</i>				
Spot assets	63,471	5,881	40,609	109,961
Spot liabilities	(71,846)	(2,813)	(33,735)	(108,394)
Forward purchases	2,868,273	1,169,162	545,114	4,582,549
Forward sales	(2,862,037)	(1,177,955)	(551,384)	(4,591,376)
Net options position	0	0	0	0
Net long (short) position	(2,139)	(5,725)	604	(7,260)
Net structural position	0	0	0	0

				30-Sep-22
	<u>USD</u>	<u>CNY</u>	<u>OTH</u>	<u>Total</u>
<i>Equivalent to millions of HKD</i>				
Spot assets	67,350	4,004	40,175	111,529
Spot liabilities	(64,802)	(3,793)	(40,628)	(109,223)
Forward purchases	2,730,681	1,097,131	451,672	4,279,484
Forward sales	(2,736,091)	(1,101,035)	(450,705)	(4,287,831)
Net options position	0	0	0	0
Net long (short) position	(2,862)	(3,693)	514	(6,041)
Net structural position	0	0	0	0

VII. Liquidity Information Disclosures

(i) Liquidity Maintenance Ratio (LMR)	31-Mar-23	31-Mar-22
Average LMR for 3 months period (%)	46.64%	38.90%

(ii) Core Funding Ratio (CFR)	31-Mar-23	31-Mar-22
Average CFR for 3 months period (%)	133.78%	112.92%

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

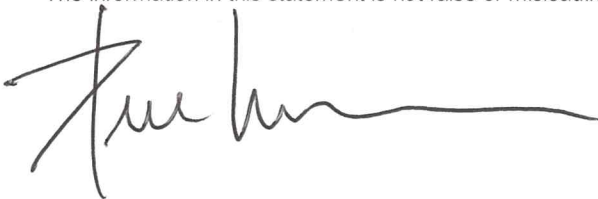
	Basel III 31-Mar-23 A\$M	Basel III 30-Sep-22 A\$M
Qualifying Capital		
Tier 1		
Adjusted shareholders' equity and outside equity interests	76,451	73,912
Deductions	(10,887)	(10,354)
Tier 1 capital	65,564	63,558
Tier 2 capital	24,068	19,277
Total qualifying capital	89,632	82,835
Capital adequacy ratios (%)		
Tier 1	15.1%	14.0%
Tier 2	5.5%	4.2%
Total	20.6%	18.2%
Risk weighted assets	435,514	454,718

II. Other Financial Information	31-Mar-23 A\$M	30-Sep-22 A\$M
Total assets	1,111,200	1,085,729
Total liabilities	1,041,591	1,019,328
Total gross loans and advances	693,745	675,989
Total deposits and other borrowings	842,564	797,281
	31-Mar-23 A\$M	31-Mar-22 A\$M
Profit before income tax	5,009	5,035

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

30 June 2023