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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 financial year 30 September 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, retail and wealth banking services and private banking to high net worth individuals. As part of Australia and New Zealand Banking Group Limited's business strategy, the retail and wealth and private banking business of Hong Kong Branch was sold to Hong Kong DBS and ceased operations on 9 September 2017. Therefore, this Financial Disclosure contains retail and wealth and private banking business figures up to 8 September 2017.

Section A - Branch Information (Hong Kong offices only)

	<u>30-Sep-17</u> HK\$'000	<u>30-Sep-16</u> HK\$'000
I. Profit and Loss Information		
Interest income	2,103,530	2,029,526
Interest expense	(1,212,780)	(1,053,681)
Other operating income		
- Gains less losses arising from trading in foreign currencies	468,503	482,023
- Gains less losses on securities held for trading purposes	6,513	101,720
- Gains less losses from other trading activities	147,292	61,276
- Net fees and commission income	419,426	491,901
Less: direct income related expense	<u>0</u>	<u>0</u>
- Others	(202,807) *	310,198
Operating expenses		
- Staff and rental	(1,311,730)	(1,588,213)
- Others	<u>(487,051)</u>	<u>(605,048)</u>
Impairment loss and specific provision and collective provision for impaired assets	(51,596)	(126,834)
Gains less losses from disposal of property, plant and investment properties	<u>(139)</u>	<u>(3,939)</u>
Profit before taxation	(120,839) #	98,929
Taxation (charge)	9,206	(17,800)
Profit after taxation	<u>(111,633)</u>	<u>81,129</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 FY2017 and 2016.

II. Balance Sheet Information	30-Sep-17 HK\$'000	31-Mar-17 HK\$'000
Assets		
Cash and balances with banks (except those included in amount due from overseas offices)	5,129,308	9,242,156
Placements with banks maturing between 1 and 12 months (except those included in amount due from overseas offices)	1,038,817	3,556,555
Amount due from central banks	358,340	1,205,305
Amount due from overseas offices	28,896,110	26,732,222
Trade bills	4,319,724	1,829,327
Certificate of deposit held	306,162	594,740
Securities held for trading purposes	11,553	0
Loans and receivables		
Loans and advances to customers	48,314,058	43,371,735
Loans and advances to banks	1,249,480	1,243,088
Accrued interest and other accounts	45,717,862	29,251,379
Provisions for impaired loans and receivables		
- Collective	(182,003)	(194,861)
- Specific - Loans and advances	(97,973)	(124,759)
- Investment securities	0	0
Investment securities	15,059,864	11,869,781
Other investments	9,983	4,323
Property, plant and equipment and investment properties	125,449	138,897
Total assets	150,256,734	128,719,888
Liabilities		
Deposits and balances from banks (except those included in amount due to overseas offices)	1,311,788	3,608,612
Amount due to central bank	1,246	387
Deposits from customers		
Demand deposits and current accounts	16,096,991	26,185,728
Saving deposits	151	182,068
Time, call and notice deposits	34,978,352	40,576,527
Amount due to overseas offices	39,607,142	28,088,826
Issued debt securities	12,460,353	305,119
Other liabilities	45,800,711	29,772,621
Total liabilities	150,256,734	128,719,888

III. Additional Balance Sheet Information

	30-Sep-17 HK\$'000	31-Mar-17 HK\$'000
(i) (a) Gross impaired loans and advances to customers	126,482	187,472
Of which: Those which are individually determined to be impaired	109,056	154,114
Impaired loans and advances breakdown by major geographical areas		
<i>Hong Kong</i>	107,480	152,546
<i>Others</i>	1,576	1,568
Amount of specific provisions made for such loans and advances	97,973	124,759
Value of collateral which has been taken into account in respect of such loans and advances to which the specific provisions relate	0	31,200
Percentage of such loans and advances to total advances to customers	0.23%	0.36%
(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	4,497	12,613
- 1 year or less but more than 6 months	28,411	14,491
- More than 1 year	73,341	85,125
Overdue loans and advances breakdown by major geographical areas		
<i>Hong Kong</i>	106,249	112,229
Amount of specific provisions made for such overdue loans	96,567	100,645
Market value of collateral held against the covered portion of overdue loans	0	30,397
Covered portion of overdue loans	0	21,713
Uncovered portion of overdue loans	106,249	90,516
Percentage of such loans and advances to total loans and advances to customers		
- 6 months or less but more than 3 months	0.01%	0.03%
- 1 year or less but more than 6 months	0.06%	0.03%
- More than 1 year	0.15%	0.20%
(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	1,576	13,712
Percentage of such loans and advances to total loans and advances to customers	0.00%	0.03%
(d) There is no impaired, overdue nor rescheduled loans and advances to banks as of 30 Sep 2017 and 31 Mar 2017.		
(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:

	30-Sep-17 HK\$'000	31-Mar-17 HK\$'000
<i>Contingent Liabilities and Commitments</i>		
Direct credit substitutes	9,298,821	8,978,202
Transaction-related contingencies	4,773,077	4,835,232
Trade-related contingencies	1,709,423	2,745,546
Note issuance and revolving underwriting facilities	0	0
Other commitments	14,475,134	17,081,154
Others (including forward asset purchases, amounts owing on partly paid shares and securities, forward deposits placed, asset sales or other transactions with recourse)	815,492	4,851,669
<i>Derivatives</i>		
<i>Contract Amounts</i>		
- Exchange rate contracts (excluding forward foreign exchange contracts arising from swap deposit arrangements)	3,700,594,602	3,551,753,635
- Interest rate contracts	1,599,162,204	1,199,046,734
- Others	0	0
<i>Fair value</i>		
- Exchange rate contracts (excluding forward foreign exchange contracts arising from swap deposit arrangements)	358,451	443,132
- Interest rate contracts	(301,311)	(318,444)
- Others	0	0

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

V. Segmental Information

	30-Sep-17 HK\$'000	% covered by collateral	31-Mar-17 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	1,962,995	72.10%	2,635,424	66.25%
- Property investment	731,740	52.87%	2,302,082	33.44%
- Financial concerns	3,204,144	0.00%	2,018,135	10.70%
- Stockbrokers	0		0	
- Wholesale and retail trade	673,279	10.44%	718,656	2.52%
- Manufacturing	1,320,286	9.91%	1,263,362	1.92%
- Transport and transport equipment	319,461	99.11%	1,969,020	79.73%
- Electricity and gas	409,132	4.56%	61,220	0.00%
- Information technology	0		0	
- Hotels, boarding houses & catering	803,249	59.04%	757,798	56.58%
- Others	6,345,116	17.94%	3,469,296	24.25%
<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	41,984	100.00%	624,287	100.00%
- Credit card advances	0		0	
- Others	0		3,643,347	90.20%
Trade finance	13,250,568	0.18%	9,523,212	1.30%
Loans and advances for use outside Hong Kong	19,252,104	36.12%	14,385,896	36.12%
Aggregate Intra-group items included in the above	<u>1,008,000</u>		<u>1,280,079</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>	33,023,118	29,421,314
<i>Others</i>	15,290,940	13,950,421
	<u>48,314,058</u>	<u>43,371,735</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 30/09/2017

Non-Bank private sector

	Banks	Official Sector	Non-Bank Financial Institutions	Non-Financial Private sector	Others	Total
<i>Developed countries</i>						
Australia	32,220	0	0	365	0	32,585
<i>Offshore Centres</i>						
Hong Kong	888	1	2,589	25,050	0	28,528
<i>Developing Asia and Pacific</i>						
China	7,619	260	235	3,797	0	11,911

As at 31/03/2017

Non-Bank private sector

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

(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-17 HK\$ M		
	On-balance sheet exposures	Off-balance sheet exposures	Total
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	18,049	1,482	19,531
Local governments, local government-owned entities and their subsidiaries and JVs	727	93	820
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	5,535	3,835	9,370
Other entities of central government not reported in the 1st item above	1,040	562	1,602
Other entities of central government not reported in the 2nd item above	257	39	296
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	5,941	3,054	8,995
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	0	515	515
Total	31,549	9,580	41,129
Total assets after provision	150,257		
On-balance sheet exposures as percentage of total assets	21.00%		

V. Segmental Information (cont'd)

	On-balance sheet	Off-balance sheet exposures	31-Mar-17
			HK\$ M Total
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%		

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.

<i>Equivalent to millions of Hong Kong Dollars</i>	<i>CNY</i>	<i>USD</i>	<i>OTH</i>	30-Sep-17 <i>Total</i>
	Spot assets	3,248	68,366	20,362
Spot liabilities	(2,213)	(70,991)	(19,189)	(92,393)
Forward purchases	1,353,517	1,812,152	219,656	3,385,325
Forward sales	(1,359,143)	(1,804,524)	(220,902)	(3,384,569)
Net options position	0	0	0	0
Net long (short) position	(4,591)	5,003	(73)	339
Net structural position	0	0	0	0

<i>Equivalent to millions of Hong Kong Dollars</i>	<i>CNY</i>	<i>USD</i>	<i>OTH</i>	31-Mar-17 <i>Total</i>
	Spot assets	1,834	67,314	14,260
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

VII. Liquidity

30-Sep-17 30-Sep-16

The average liquidity maintenance ratio (%)

37.07%

36.43%

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 36 – 61 of the 2017 Annual Report.

SECTION B - Bank Information (consolidated basis)

I. Capital and Capital Adequacy

	Basel III 30-Sep-17 A\$M	Basel III 31-Mar-17 A\$M
Qualifying Capital		
Tier 1		
Adjusted shareholders' equity and outside equity interests	66,582	65,273
Deductions	(17,258)	(17,182)
Tier 1 capital	49,324	48,091
Tier 2 capital	8,669	9,648
Total qualifying capital	57,993	57,739
Capital adequacy ratios (%)		
Tier 1	12.6%	12.1%
Tier 2	2.2%	2.4%
Total	14.8%	14.5%
Risk weighted assets	391,113	397,040

	30-Sep-17 A\$M	31-Mar-17 A\$M
II. Other Financial Information		
Total assets	897,326	896,511
Total liabilities	838,251	838,603
Total gross loans and advances	584,091	579,211
Total deposits and other borrowings	595,611	581,407
	30-Sep-17 A\$M	30-Sep-16 A\$M
Profit before income tax	10,825	8,178

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.



Maisie Chan
Alternate Chief Executive of the Hong Kong Branch

29 December 2017