



AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED  
HONG KONG BRANCH

FINANCIAL DISCLOSURE STATEMENT

Year ended 30 September 2021



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 2021.

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-21		Year ended 30-Sep-20	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>I. Unaudited Income Statement Information</b>				
Interest income		1,081,442		2,023,463
Interest expense		(452,491)		(1,432,920)
Other operating income				
- Gains less losses arising from trading in foreign currencies		464,033		(187,940)
- Gains less losses on securities held for trading purposes		13,641		21,367
- Gains less losses from other trading activities		(161,704)		557,914
- Net fees and commission income	184,377		210,425	
Less: direct income related expense	<u>0</u>	184,377	<u>0</u>	210,425
- Others		116,194		159,017
Operating expenses				
- Staff and rental	(730,837)		(774,763)	
- Others	<u>(249,501)</u>	(980,338)	<u>(278,463)</u>	(1,053,226)
Impairment loss and specific provision and collective provision for impaired assets		(88,242)		(67,123)
Gains less losses from disposal of property, plant and investment properties		171		(41)
Profit before taxation		<u>177,083</u>		<u>230,936</u>
Taxation (charge)		<u>(29,516)</u>		<u>(71,418)</u>
Profit after taxation		<u>147,567</u>		<u>159,518</u>

<b>II. Unaudited Balance Sheet Information</b>	<b>30-Sep-21</b> <b>HK\$'000</b>	<b>31-Mar-21</b> <b>HK\$'000</b>
<b>Assets</b>		
Cash and balances with banks (except those included in amount due from overseas offices)	2,369,692	1,319,516
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	4,026,050	429,522
Amount due from overseas offices	40,289,114	28,974,588
Trade bills	2,654,971	3,585,624
Certificate of deposit held	0	0
Securities held for trading purposes	310,947	355,365
Loans and receivables		
Loans and advances to customers	63,515,640	48,009,781
Loans and advances to banks	0	0
Accrued interest and other accounts	26,646,535	35,826,526
Provisions for impaired loans and receivables		
- Collective	(416,696)	(408,334)
- Specific - Loans and advances	(54,270)	(50,936)
- Investment securities	0	0
Investment securities	16,708,403	18,948,544
Other investments	131,579	45,012
Property, plant and equipment and investment properties	216,120	251,713
Total assets	<u>156,398,085</u>	<u>137,286,921</u>
<b>Liabilities</b>		
Deposits and balances from banks (except those included in amount due to overseas offices)	23,530,131	8,834,245
Amount due to central bank	6,835,322	0
Deposits from customers		
Demand deposits and current accounts	26,586,699	29,137,875
Saving deposits	32	32
Time, call and notice deposits	8,240,707	12,852,173
Amount due to overseas offices	60,878,200	46,202,654
Issued debt securities	1,360,511	0
Other liabilities	28,966,483	40,259,942
Total liabilities	<u>156,398,085</u>	<u>137,286,921</u>

### III. Unaudited Additional Balance Sheet Information

	30-Sep-21 HK\$'000	31-Mar-21 HK\$'000
(i) (a) Impaired loans and advances to customers	54,160	224,823
Impaired loans and advances breakdown by major geographical areas		
<i>China</i>	21,664	170,727
<i>Hong Kong</i>	21,664	21,638
<i>Others</i>	10,832	32,458
Amount of specific provisions made for such loans and advances	54,160	50,936
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%	0.47%
(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	170,727
- 1 year or less but more than 6 months	0	54,096
- More than 1 year	54,160	0
Overdue loans and advances breakdown by major geographical areas		
<i>China</i>	21,664	170,727
<i>Hong Kong</i>	21,664	21,638
<i>Others</i>	10,832	32,458
Amount of specific provisions made for such overdue loans	54,160	50,936
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	54,160	224,823
Percentage of such loans and advances to total loans and advances to customers		
- 6 months or less but more than 3 months	0.00%	0.36%
- 1 year or less but more than 6 months	0.00%	0.11%
- More than 1 year	0.09%	0.00%
(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 2021 and 31 Mar 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:

	<b>30-Sep-21</b>	<b>31-Mar-21</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Contingent Liabilities and Commitments</b>		
Direct credit substitutes	4,137,363	4,387,284
Transaction-related contingencies	9,423,850	6,600,437
Trade-related contingencies	8,820,251	8,676,874
Note issuance and revolving underwriting facilities	0	0
Other commitments	62,452,322	70,113,759
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)	108,844	595,880

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.

	<b>30-Sep-21</b>	<b>31-Mar-21</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Derivatives</b>		
<b>Contract Amounts</b>		
- Exchange rate contracts	3,596,935,397	3,736,242,570
- Interest rate contracts	5,123,265,053	5,646,639,191
- Others	0	0
	<u>8,720,200,450</u>	<u>9,382,881,761</u>
<b>Fair Value Assets</b>		
Customers with valid bilateral netting agreements	3,081,225	3,769,265
Customers without valid bilateral netting agreements	1,804,550	2,422,991
Total fair value assets	<u>4,885,775</u>	<u>6,192,256</u>
<b>Fair Value Liabilities</b>		
Customers with valid bilateral netting agreements	2,831,180	4,251,528
Customers without valid bilateral netting agreements	1,486,244	2,259,041
Total fair value liabilities	<u>4,317,424</u>	<u>6,510,569</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

	<b>30-Sep-21</b> <b>HK\$'000</b>	% covered by collateral	<b>31-Mar-21</b> <b>HK\$'000</b>	% covered by collateral
(i) Breakdown of the gross amount of loans and advances to customers by industry sectors:				
<b>Loans and advances for use in Hong Kong</b>				
<i>Industrial, commercial and financial</i>				
- Property development	1,000,000	100.00%	1,075,000	93.02%
- Property investment	1,509,525	46.38%	2,481,736	68.96%
- Financial concerns	3,066,911	0.00%	2,720,941	0.00%
- Stockbrokers	0		0	0.00%
- Wholesale and retail trade	577,044	13.50%	988,432	0.00%
- Manufacturing	1,373,933	0.00%	1,464,819	0.00%
- Transport and transport equipment	1,695,802	77.04%	1,632,680	76.19%
- Electricity and gas	2,735,357	0.00%	1,899,226	0.00%
- Information technology	0	0.00%	116,626	0.00%
- Hotels, boarding houses & catering	0	0.00%	237,273	100.00%
- Others	6,810,248	0.37%	4,879,629	0.51%
<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%
<b>Trade finance</b>	11,015,728	0.00%	3,816,403	0.00%
<b>Loans and advances for use outside Hong Kong</b>	<u>33,731,092</u>	20.38%	<u>26,697,016</u>	24.13%
<b>Aggregate Intra-group items included in the above</b>	<u>63,515,640</u>		<u>48,009,781</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>	26,439,918	19,079,344
<i>China</i>	11,473,744	11,261,886
<i>Cayman Islands</i>	10,631,253	7,703,525
<i>Others</i>	<u>14,970,725</u>	<u>9,965,026</u>
	<u>63,515,640</u>	<u>48,009,781</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 30/09/2021	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 Hong Kong	1,295	0	1,568	13,971	16,834

As at 31/03/2021	Non-Bank private sector				HK\$ M
	Banks	Official Sector	Non-Bank Financial Institutions	Non-Financial Private sector	Total
<i>Developed Countries</i>	34,702	5,107	0	1,736	41,545
of which Australia	30,679	0	0	98	30,777
<i>Developing Asia and Pacific</i>	3,965	6,055	1,172	17,789	28,981
of which China	2,932	6,055	1,172	14,077	24,236
<i>Offshore centres</i>	844	0	2,542	17,064	20,450
of which Hong Kong	366	0	573	7,412	8,351



## 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

	<b>30-Sep-21</b>		
	<b>HK\$ M</b>		
	<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
<b>Total</b>	<b>43,324</b>	<b>11,296</b>	<b>54,620</b>
Total assets after provision	156,398		
On-balance sheet exposures as percentage of total assets	27.70%		

	<b>31-Mar-21</b>		
	<b>HK\$ M</b>		
	<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)	9,649	1,258	10,907
Local governments, local government-owned entities and their subsidiaries and JVs	694	0	694
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	14,952	7,625	22,577
Other entities of central government not reported in the 1st item above	1,643	3,336	4,979
Other entities of central government not reported in the 2nd item above	1,450	212	1,662
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,873	325	2,198
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	0	200	200
<b>Total</b>	<b>30,261</b>	<b>12,956</b>	<b>43,217</b>
Total assets after provision	137,287		
On-balance sheet exposures as percentage of total assets	22.04%		

## 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

					<b>30-Sep-21</b>
	<u>USD</u>	<u>CNY</u>	<u>JPY</u>	<u>OTH</u>	<u>Total</u>
<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

					<b>31-Mar-21</b>
	<u>USD</u>	<u>CNY</u>	<u>JPY</u>	<u>OTH</u>	<u>Total</u>
<i>Equivalent to millions of HKD</i>					
Spot assets	46,930	7,447	27,672	7,292	89,341
Spot liabilities	(62,556)	(6,166)	(23,625)	(5,097)	(97,444)
Forward purchases	1,819,849	865,823	18,895	318,341	3,022,908
Forward sales	(1,804,767)	(865,650)	(22,317)	(320,573)	(3,013,307)
Net options position	0	0	0	0	0
Net long (short) position	(544)	1,454	625	(37)	1,498
Net structural position	0	0	0	0	0

VII. Liquidity Information Disclosures

(i) Liquidity Maintenance Ratio (LMR) Average LMR for 3 months period (%)	30-Sep-21 41.03%	30-Sep-20 43.29%
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(ii) Core Funding Ratio (CFR) Average CFR for 3 months period (%)	30-Sep-21 123.13%	30-Sep-20 141.58%
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Approach to Liquidity Risk Management

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-21			30-Sep-20		
	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	1,002,345	419,183	583,162	896,415	393,684	502,731
Total Off balance sheet obligations	51,200	51,200	0	46,440	46,440	0

HK\$ M	30-Sep-21			30-Sep-20		
	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	1,002,698	407,463	595,235	897,868	379,373	518,495
Total Off balance sheet claims	259	111	148	2,907	2,886	21
Contractual Maturity Mismatch		(62,809)	12,221		(57,865)	15,785
Cumulative Contractual Maturity Mismatch		(297,595)	(209,929)		(255,358)	(198,865)

\* 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

(iv) Liquidity exposures and funding needs\*\*

HK\$ M	30-Sep-21			30-Sep-20		
	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	83	83	0	279	279	0
Loans and advances to non-bank customers according to estimated dates and amounts of repayment by customers	63,530	28,713	34,817	45,787	19,666	26,121

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

HK\$ M	30-Sep-21		30-Sep-20	
	Total amount	As % of total liabilities	Total amount	As % of total liabilities
Significant funding instruments				
Deposits from customers	41,668	26.64%	38,656	28.38%
Funding raised from connected parties	64,859	41.47%	41,708	30.61%
Funding raised from banks (excluding connected parties)	21,351	13.65%	23,734	17.42%

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 plus Taiwan Branch. ANZ HK is included in the Top 5 sites.
- 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"><li>• Establish crisis/severity levels</li><li>• Liquidity limits</li><li>• Early warning indicators</li></ul>	<ul style="list-style-type: none"><li>• Monitoring and review</li><li>• Management actions not requiring business rationalisation</li></ul>	<ul style="list-style-type: none"><li>• Activate contingency funding plans</li><li>• Management actions for altering asset and liability behaviour</li></ul>

- 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 with HK ALCO and at the Institutional 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**

	<b>Basel III 30-Sep-21 A\$M</b>	<b>Basel III 31-Mar-21 A\$M</b>
<b>Qualifying Capital</b>		
<b>Tier 1</b>		
Adjusted shareholders' equity and outside equity interests	71,793	70,331
Deductions	(12,320)	(11,900)
<b>Tier 1 capital</b>	<b>59,473</b>	<b>58,431</b>
<b>Tier 2 capital</b>	<b>17,125</b>	<b>16,464</b>
<b>Total qualifying capital</b>	<b>76,598</b>	<b>74,895</b>
<b>Capital adequacy ratios (%)</b>		
Tier 1	14.3%	14.3%
Tier 2	4.1%	4.0%
<b>Total</b>	<b>18.4%</b>	<b>18.3%</b>
<b>Risk weighted assets</b>	<b>416,086</b>	<b>408,166</b>

<b>II. Other Financial Information</b>	<b>30-Sep-21 A\$M</b>	<b>31-Mar-21 A\$M</b>
Total assets	978,857	1,018,339
Total liabilities	915,181	955,763
Total gross loans and advances	633,764	618,609
Total deposits and other borrowings	743,056	706,623
	<b>30-Sep-21 A\$M</b>	<b>30-Sep-20 A\$M</b>
Profit before income tax	8,936	5,516

Details of Group financial information can be obtained from the website [www.anz.com](http://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

28 January 2022