

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED  
- ANZBGL NEW ZEALAND  
REGISTERED BANK DISCLOSURE STATEMENT**

FOR THE SIX MONTHS ENDED 31 MARCH 2024



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## GLOSSARY OF TERMS

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In this Registered Bank Disclosure Statement (Disclosure Statement) unless the context otherwise requires:

**Bank** means ANZ Bank New Zealand Limited.

**Banking Group** means the Bank and all its controlled entities.

**Immediate Parent Company** means ANZ Funds Pty Limited, which is the immediate parent company of ANZ Holdings (New Zealand) Limited.

**Ultimate Non-Bank Holding Company, ANZGHL** means ANZ Group Holdings Limited.

**ANZ Group** means the worldwide operations of ANZGHL, including its controlled entities.

**Ultimate Parent Bank** means Australia and New Zealand Banking Group Limited.

**Overseas Banking Group** means the worldwide operations of the Ultimate Parent Bank including its controlled entities.

**New Zealand business** means all business, operations, or undertakings conducted in or from New Zealand identified and treated as if it were conducted by a company formed and registered in New Zealand.

**NZ Branch** means the New Zealand business of the Ultimate Parent Bank.

**ANZBGL New Zealand, We or Our** means the New Zealand business of the Overseas Banking Group.

**ANZ New Zealand** means the New Zealand business of the ANZ Group.

**Registered Office** is Level 10, 171 Featherston Street, Wellington, New Zealand, which is also ANZBGL New Zealand's address for service.

**RBNZ** means the Reserve Bank of New Zealand.

**APRA** means the Australian Prudential Regulation Authority.

**the Order** means the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014.

Any term or expression which is defined in, or in the manner prescribed by, the Order shall have the meaning given in or prescribed by the Order.

# INTERIM FINANCIAL STATEMENTS

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## INTERIM FINANCIAL STATEMENTS

### INCOME STATEMENT

For the six months ended 31 March	Note	2024 NZ\$m	2023 NZ\$m
Interest income		5,918	4,675
Interest expense		(3,776)	(2,548)
Net interest income		2,142	2,127
Other operating income	2	223	225
Operating income		2,365	2,352
Operating expenses		(858)	(811)
Profit before credit impairment and income tax		1,507	1,541
Credit impairment charge	5	(33)	(121)
<b>Profit before income tax</b>		<b>1,474</b>	<b>1,420</b>
Income tax expense		(419)	(398)
<b>Profit for the period</b>		<b>1,055</b>	<b>1,022</b>
Comprising:			
Profit attributable to the shareholders of the Ultimate Parent Bank		1,041	1,008
Profit attributable to non-controlling interests		14	14

### STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 March	2024 NZ\$m	2023 NZ\$m
<b>Profit after tax for the period</b>	<b>1,055</b>	<b>1,022</b>
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss	4	-
Items that may be reclassified subsequently to profit or loss		
Reserve movements:		
Unrealised gains / (losses) recognised directly in equity	48	(28)
Realised gains transferred to the income statement	(3)	(12)
<b>Income tax attributable to the above items</b>	<b>(14)</b>	<b>11</b>
<b>Other comprehensive income after tax</b>	<b>35</b>	<b>(29)</b>
<b>Total comprehensive income for the period</b>	<b>1,090</b>	<b>993</b>
Comprising total comprehensive income attributable to:		
Shareholders of the Ultimate Parent Bank	1,076	979
Non-controlling interests	14	14

## BALANCE SHEET

As at	Note	31 Mar 24 NZ\$m	30 Sep 23 NZ\$m
<b>Assets</b>			
Cash and cash equivalents		12,918	13,094
Settlement balances receivable		651	401
Collateral paid		709	801
Trading securities		5,783	5,921
Derivative financial instruments		8,490	8,747
Investment securities		11,609	10,958
Net loans and advances	4	151,167	149,627
Deferred tax assets		443	396
Goodwill and other intangible assets		3,096	3,119
Premises and equipment		346	371
Other assets		1,232	1,154
<b>Total assets</b>		<b>196,444</b>	<b>194,589</b>
<b>Liabilities</b>			
Settlement balances payable		3,543	2,886
Collateral received		1,003	1,500
Deposits and other borrowings	6	147,886	144,393
Derivative financial instruments		7,839	8,287
Current tax liabilities		3	59
Payables and other liabilities		2,437	1,954
Employee entitlements		115	122
Other provisions		206	209
Debt issuances	7	16,465	18,494
<b>Total liabilities</b>		<b>179,497</b>	<b>177,904</b>
<b>Net assets</b>		<b>16,947</b>	<b>16,685</b>
<b>Shareholders' equity</b>			
Share capital	10	11,055	11,055
Reserves	10	(61)	(93)
Retained earnings	10	5,128	5,173
<b>Equity attributable to the shareholders of the Ultimate Parent Bank</b>		<b>16,122</b>	<b>16,135</b>
Non-controlling interests	10	825	550
<b>Total shareholders' equity</b>		<b>16,947</b>	<b>16,685</b>

# INTERIM FINANCIAL STATEMENTS

## CASH FLOW STATEMENT

	2024 NZ\$m	2023 NZ\$m
<b>For the six months ended 31 March</b>		
<b>Profit after income tax</b>	1,055	1,022
<b>Adjustments to reconcile to net cash provided by/(used in) operating activities:</b>		
Depreciation and amortisation	55	60
Loss on sale and impairment of premises and equipment	1	1
Net derivatives/foreign exchange adjustment	(256)	742
Other non-cash movements	(12)	(134)
<i>Net (increase)/decrease in operating assets:</i>		
Collateral paid	92	1,096
Trading securities	138	1,571
Net loans and advances	(1,540)	(50)
Other assets	(352)	333
<i>Net increase/(decrease) in operating liabilities:</i>		
Deposits and other borrowings (excluding items included in financing activities)	3,522	(1,228)
Settlement balances payable	657	(1,512)
Collateral received	(497)	(906)
Other liabilities	430	256
<b>Total adjustments</b>	<b>2,238</b>	<b>229</b>
<b>Net cash provided by operating activities<sup>1</sup></b>	<b>3,293</b>	<b>1,251</b>
<b>Cash flows from investing activities</b>		
Investment securities:		
Purchases	(1,495)	(2,822)
Proceeds from sale or maturity	1,320	3,348
Other assets	(19)	(30)
<b>Net cash provided by/(used in) investing activities</b>	<b>(194)</b>	<b>496</b>
<b>Cash flows from financing activities</b>		
Deposits and other borrowings (excluding borrowings from Immediate Parent and Ultimate Parent Bank) <sup>2</sup>	(29)	1,000
Debt issuances: <sup>3</sup>		
Issue proceeds	887	500
Redemptions	(3,250)	(2,203)
Borrowings from Immediate Parent and Ultimate Parent Bank: <sup>4</sup>		
Change in short term borrowings	(30)	(55)
Proceeds from issue of preference shares	271	-
Repayment of lease liabilities	(25)	(23)
Dividends paid	(1,099)	(884)
<b>Net cash used in financing activities</b>	<b>(3,275)</b>	<b>(1,665)</b>
Net change in cash and cash equivalents	(176)	82
Cash and cash equivalents at beginning of period	13,094	12,575
<b>Cash and cash equivalents at end of period</b>	<b>12,918</b>	<b>12,657</b>

1 Net cash provided by operating activities includes income taxes paid of NZ\$536 million (2023: NZ\$702 million).

2 Movement in deposits and other borrowings include repayments of repurchase transactions entered into with the RBNZ under the Term Lending Facility of NZ\$29 million (2023: amount drawn under the Funding for Lending Programme of NZ\$1,000 million).

3 Movement in debt issuances (Note 7 Debt issuances) also includes a NZ\$16 million decrease (2023: NZ\$975 million decrease) from the effect of foreign exchange rates, a NZ\$350 million increase (2023: NZ\$226 million increase) from changes in fair value hedging instruments and nil from other changes (2023: NZ\$2 million increase).

4 Movement in borrowings from Immediate Parent and Ultimate Parent Bank (Note 6 Deposit and other borrowings) also includes a NZ\$9 million increase (2023: NZ\$103 million decrease) from the effect of foreign exchange rates and a NZ\$21 million increase (2023: NZ\$24 million increase) from changes in fair value hedging instruments.

## STATEMENT OF CHANGES IN EQUITY

	Share capital and initial head office account NZ\$m	Reserves NZ\$m	Retained earnings NZ\$m	Equity attributable to shareholders of the Ultimate Parent Bank NZ\$m	Non-controlling interests NZ\$m	Total shareholders' equity NZ\$m
<b>As at 1 October 2022</b>	11,055	48	4,369	15,472	550	16,022
Profit for the period	-	-	1,008	1,008	14	1,022
Other comprehensive income for the period	-	(29)	-	(29)	-	(29)
<b>Total comprehensive income for the period</b>	-	(29)	1,008	979	14	993
<b>Transactions with equity holders in their capacity as equity owners:</b>						
Ordinary dividend paid	-	-	(870)	(870)	-	(870)
Preference dividends paid	-	-	-	-	(14)	(14)
<b>As at 31 March 2023</b>	11,055	19	4,507	15,581	550	16,131
<b>As at 1 October 2023</b>	11,055	(93)	5,173	16,135	550	16,685
Profit for the period	-	-	1,041	1,041	14	1,055
Other comprehensive income for the period	-	32	3	35	-	35
<b>Total comprehensive income for the period</b>	-	32	1,044	1,076	14	1,090
<b>Transactions with equity holders in their capacity as equity owners:</b>						
Ordinary dividend paid	-	-	(1,085)	(1,085)	-	(1,085)
Preference shares issued (net of issue costs)	-	-	(4)	(4)	275	271
Preference dividends paid	-	-	-	-	(14)	(14)
<b>As at 31 March 2024</b>	11,055	(61)	5,128	16,122	825	16,947

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 1. ABOUT OUR INTERIM FINANCIAL STATEMENTS

These financial statements for ANZBGL New Zealand have been prepared in accordance with the requirements of the Order and should be read in conjunction with ANZBGL New Zealand's financial statements for the year ended 30 September 2023.

On 6 May 2024, the Directors resolved to authorise the issue of these financial statements.

### BASIS OF PREPARATION

These financial statements comply with:

- New Zealand Generally Accepted Accounting Practice (NZ GAAP), as defined in the Financial Reporting Act 2013;
- NZ IAS 34 *Interim Financial Reporting* and other applicable Financial Reporting Standards, as appropriate for publicly accountable for-profit entities; and
- IAS 34 *Interim Financial Reporting*.

The consolidated financial statements of ANZBGL New Zealand comprise the financial statements of the NZ Branch and all of the New Zealand businesses of all the subsidiaries of the Ultimate Parent Bank.

We present the financial statements of ANZBGL New Zealand in New Zealand dollars and have rounded values to the nearest million dollars (NZ\$m), unless otherwise stated.

The accounting policies adopted by ANZBGL New Zealand are consistent with those adopted and disclosed in the previous full year financial statements.

### BASIS OF MEASUREMENT

We have prepared the financial information in accordance with the historical cost basis - except for the following assets and liabilities which we have stated at their fair values:

- derivative financial instruments and in the case of fair value hedging, a fair value adjustment made to the underlying hedged item;
- financial instruments held for trading;
- financial assets and financial liabilities designated at fair value through profit and loss (FVTPL); and
- financial assets at fair value through other comprehensive income (FVOCI).



## KEY JUDGEMENTS AND ESTIMATES

In the process of applying ANZBGL New Zealand's accounting policies, management has made a number of judgements and applied estimates and assumptions about past and future events. Discussion of the critical accounting estimates and judgements, which include complex or subjective decisions or assessments, are provided in the previous full year financial statements. Such estimates and judgements are reviewed on an ongoing basis.

The global economy continues to face challenges associated with inflation and interest rate uncertainties, labour market constraints, continuing geopolitical tensions, and impacts from climate change, which contributes to an elevated level of estimation uncertainty involved in the preparation of these financial statements.

ANZBGL New Zealand has made various accounting estimates in these financial statements based on forecasts of economic conditions which reflect expectations and assumptions at 31 March 2024 about future events considered reasonable in the circumstances. Thus there is a considerable degree of judgement involved in preparing these estimates. Actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of these differences may significantly impact accounting estimates included in these financial statements. The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses and recoverable amounts of non-financial assets.

The impact of these uncertainties on each of these accounting estimates is discussed further in the relevant notes of these financial statements and/or in the relevant notes in the previous full year financial statements. Readers should consider these disclosures in light of the inherent uncertainties described above.



## 2. OTHER OPERATING INCOME

For the six months ended 31 March	2024 NZ\$m	2023 NZ\$m
<b>(i) Fee and commission income</b>		
Lending fees	10	13
Non-lending fees	370	375
Commissions	14	15
Funds management income	122	120
Fee and commission income	516	523
Fee and commission expense	(261)	(273)
<b>Net fee and commission income</b>	<b>255</b>	<b>250</b>
<b>(ii) Other income</b>		
Net trading gains	122	105
Gain on sale of investment securities designated at FVOCI	1	13
Fair value gain / (loss) on hedging activities and financial liabilities designated at fair value	(162)	(146)
Net foreign exchange earnings and other financial instruments income	(39)	(28)
Adjustment to gain on sale of UDC Finance Ltd	2	-
Other	5	3
<b>Other income</b>	<b>(32)</b>	<b>(25)</b>
<b>Other operating income</b>	<b>223</b>	<b>225</b>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 3. SEGMENT REPORTING

ANZBGL New Zealand is organised into three major business segments for segment reporting purposes - Personal, Business & Agri and Institutional. Centralised back office and corporate functions support these segments. These segments are consistent with internal reporting provided to the chief operating decision maker, being the Bank's Chief Executive Officer.

Segment reporting has been updated to reflect minor changes to ANZBGL New Zealand's structure. Comparative amounts have been adjusted to be consistent with the current period's segment definitions.

#### Personal

Personal provides a full range of banking and wealth management services to consumer and private banking customers. We deliver our services via our internet and app-based digital solutions and network of branches, mortgage specialists, relationship managers and contact centres.

#### Business & Agri

Business & Agri provides a full range of banking services through our digital, branch and contact centres channels, and traditional relationship banking and sophisticated financial solutions through dedicated managers. These cover privately owned small, medium and large enterprises, the agricultural business segment, government and government related entities.

#### Institutional

The Institutional division services governments, global institutional and corporate customers via the following business units:

- **Transaction Banking** provides customers with working capital and liquidity solutions including documentary trade, supply chain financing, commodity financing as well as cash management solutions, deposits, payments and clearing.
- **Corporate Finance** provides customers with loan products, loan syndication, specialised loan structuring and execution, project and export finance, debt structuring and acquisition finance and corporate advisory services.
- **Markets** provide customers with risk management services on foreign exchange, interest rates, credit, commodities and debt capital markets in addition to managing ANZBGL New Zealand's interest rate exposure and high quality liquid asset portfolio.

#### Other

Other includes treasury and back office support functions, none of which constitutes a separately reportable segment.

For the six months ended 31 March	Personal		Business & Agri		Institutional		Other		Total	
	2024 NZ\$m	2023 NZ\$m	2024 NZ\$m	2023 NZ\$m	2024 NZ\$m	2023 NZ\$m	2024 NZ\$m	2023 NZ\$m	2024 NZ\$m	2023 NZ\$m
Net interest income	1,170	1,215	515	498	379	348	78	66	2,142	2,127
Net fee and commission income										
- Lending fees	4	3	-	-	6	10	-	-	10	13
- Non-lending fees	228	220	118	132	26	23	(2)	-	370	375
- Commissions	13	15	-	-	-	-	1	-	14	15
- Funds management income	122	120	-	-	-	-	-	-	122	120
- Fee and commission expense	(168)	(167)	(93)	(106)	-	-	-	-	(261)	(273)
Net fee and commission income	199	191	25	26	32	33	(1)	-	255	250
Other income	1	1	-	-	129	147	(162)	(173)	(32)	(25)
Other operating income	200	192	25	26	161	180	(163)	(173)	223	225
Operating income	1,370	1,407	540	524	540	528	(85)	(107)	2,365	2,352
Operating expenses	(591)	(568)	(134)	(118)	(122)	(113)	(11)	(12)	(858)	(811)
Profit before credit impairment and income tax	779	839	406	406	418	415	(96)	(119)	1,507	1,541
Credit impairment release / (charge)	(22)	(50)	18	(32)	(29)	(39)	-	-	(33)	(121)
<b>Profit / (loss) before income tax</b>	<b>757</b>	<b>789</b>	<b>424</b>	<b>374</b>	<b>389</b>	<b>376</b>	<b>(96)</b>	<b>(119)</b>	<b>1,474</b>	<b>1,420</b>
Income tax credit / (expense)	(212)	(221)	(119)	(105)	(109)	(105)	21	33	(419)	(398)
Non-controlling interests	-	-	-	-	-	-	(14)	(14)	(14)	(14)
<b>Profit / (loss) after income tax<sup>1</sup></b>	<b>545</b>	<b>568</b>	<b>305</b>	<b>269</b>	<b>280</b>	<b>271</b>	<b>(89)</b>	<b>(100)</b>	<b>1,041</b>	<b>1,008</b>

<sup>1</sup> Attributable to the shareholders of the Ultimate Parent Bank.

	Personal		Business & Agri		Institutional		Other		Total	
	31 Mar 24	30 Sep 23	31 Mar 24	30 Sep 23	31 Mar 24	30 Sep 23	31 Mar 24	30 Sep 23	31 Mar 24	30 Sep 23
As at	NZ\$m	NZ\$m	NZ\$m	NZ\$m	NZ\$m	NZ\$m	NZ\$m	NZ\$m	NZ\$m	NZ\$m
<b>Financial position</b>										
Goodwill	1,042	1,042	695	695	1,269	1,269	-	-	3,006	3,006
Net loans and advances	108,721	106,444	23,887	24,424	18,559	18,759	-	-	151,167	149,627
Customer deposits	90,493	88,086	18,296	18,345	26,578	26,098	-	-	135,367	132,529

#### Other segment

The Other segment profit/(loss) after tax comprises:

	2024	2023
For the six months ended 31 March	NZ\$m	NZ\$m
Personal and Business & Agri central functions	2	2
Group Centre	26	3
Economic hedges	(117)	(105)
<b>Total</b>	<b>(89)</b>	<b>(100)</b>

## 4. NET LOANS AND ADVANCES

	Note	31 Mar 24	30 Sep 23
		NZ\$m	NZ\$m
Overdrafts		926	973
Credit cards		1,268	1,262
Term loans - housing		109,474	107,346
Term loans - non-housing		39,782	40,345
<b>Subtotal</b>		<b>151,450</b>	<b>149,926</b>
Unearned income		(23)	(28)
Capitalised brokerage and other origination costs		477	459
<b>Gross loans and advances</b>		<b>151,904</b>	<b>150,357</b>
Allowance for expected credit losses	5	(737)	(730)
<b>Net loans and advances</b>		<b>151,167</b>	<b>149,627</b>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 5. ALLOWANCE FOR EXPECTED CREDIT LOSSES

This note should be read in conjunction with the estimates, assumptions and judgements included in Note 1 About our interim financial statements.

	31 Mar 24			30 Sep 23		
	Collectively assessed NZ\$m	Individually assessed NZ\$m	Total NZ\$m	Collectively assessed NZ\$m	Individually assessed NZ\$m	Total NZ\$m
Net loans and advances at amortised cost	690	47	737	670	60	730
Off-balance sheet commitments	132	1	133	122	5	127
<b>Total</b>	<b>822</b>	<b>48</b>	<b>870</b>	<b>792</b>	<b>65</b>	<b>857</b>

The following tables present the movement in the allowance for expected credit losses (ECL).

#### Net loans and advances

Allowance for ECL is included in net loans and advances.

	Stage 1 NZ\$m	Stage 2 NZ\$m	Stage 3		Total NZ\$m
			Collectively assessed NZ\$m	Individually assessed NZ\$m	
<b>As at 1 October 2023</b>	193	398	79	60	730
Transfer between stages	35	(42)	3	4	-
New and increased provisions (net of releases)	(27)	9	42	40	64
Write-backs	-	-	-	(31)	(31)
Bad debts written-off (excluding recoveries)	-	-	-	(20)	(20)
Discount unwind	-	-	-	(6)	(6)
<b>As at 31 March 2024</b>	<b>201</b>	<b>365</b>	<b>124</b>	<b>47</b>	<b>737</b>

#### Off-balance sheet credit related commitments - undrawn and contingent facilities

Allowance for ECL is included in other provisions.

	Stage 1 NZ\$m	Stage 2 NZ\$m	Stage 3 Collectively assessed NZ\$m	Stage 3 Individually assessed NZ\$m	Total NZ\$m
<b>As at 1 October 2023</b>	80	39	3	5	127
Transfer between stages	4	(4)	-	-	-
New and increased provisions (net of releases)	(12)	22	-	(4)	6
<b>As at 31 March 2024</b>	<b>72</b>	<b>57</b>	<b>3</b>	<b>1</b>	<b>133</b>

### CREDIT IMPAIRMENT CHARGE - INCOME STATEMENT

	2024 NZ\$m	2023 NZ\$m
<b>For the six months ended 31 March</b>		
New and increased provisions (net of releases) <sup>1</sup>		
- Collectively assessed	30	98
- Individually assessed	40	37
Write-backs	(31)	(9)
Recoveries of amounts previously written-off	(6)	(5)
<b>Total credit impairment charge</b>	<b>33</b>	<b>121</b>

<sup>1</sup> Includes the impact of transfers between collectively assessed and individually assessed.

## KEY JUDGEMENTS AND ESTIMATES

### *Collectively assessed allowance for expected credit losses*

In estimating collectively assessed ECL, ANZBGL New Zealand makes judgements and assumptions in relation to:

- the selection of an estimation technique or modelling methodology; and
- the selection of inputs for those models, and the interdependencies between those inputs.

The judgements and associated assumptions have been made within the context of the uncertainty as to how various factors might impact the global economy, and reflect historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. ANZBGL New Zealand's ECL estimates are inherently uncertain and, as a result, actual results may differ from these estimates.

The following table summarises the key judgements and assumptions in relation to the model inputs and the interdependencies between those inputs, and highlights significant changes during the current period.

Judgement / assumption	Description	Considerations for the six months ended 31 March 2024
<b>Determining when a significant increase in credit risk (SICR) has occurred or reversed</b>	<p>In the measurement of ECL, judgement is involved in determining whether there has been a SICR since initial recognition of a loan, which would result in it moving from Stage 1 to Stage 2. This is a key area of judgement since transition from Stage 1 to Stage 2 increases the ECL from an allowance based on the probability of default in the next 12 months, to an allowance for lifetime ECL. Subsequent decreases in credit risk resulting in transition from Stage 2 to Stage 1 may similarly result in significant changes in the ECL allowance.</p> <p>The setting of precise SICR trigger points requires judgement which may have a material impact upon the size of the ECL allowance. ANZBGL New Zealand monitors the effectiveness of SICR criteria on an ongoing basis.</p>	<p>The determination of SICR was consistent with prior periods.</p>
<b>Measuring both 12-month and lifetime ECL</b>	<p>The probability of default (PD), loss given default (LGD) and exposure at default (EAD) factors used in determining ECL are point-in-time measures reflecting the relevant forward-looking information determined by management. Judgement is involved in determining which forward-looking information is relevant for particular lending portfolios and for determining each portfolio's point-in-time sensitivity. In addition, judgement is required where behavioural characteristics are applied in estimating the lifetime of a facility which is used in measuring ECL.</p>	<p>The PD, LGD and EAD models are subject to ANZBGL New Zealand's model risk policy that stipulates periodic model monitoring and re-validation, and defines approval procedures and authorities according to model materiality.</p> <p>There were no material changes to the policy. A new PD model was implemented for the agri portfolio during the period, replacing the prior model, with impacts largely offset by the release of a model overlay held in anticipation of model implementation.</p>
<b>Base case economic forecast</b>	<p>ANZBGL New Zealand derives a forward-looking 'base case' economic scenario which reflects our view of future macroeconomic conditions.</p>	<p>There have been no changes to the types of forward-looking variables (key economic drivers) used as model inputs.</p> <p>As at 31 March 2024, the base case assumptions have been updated to reflect a moderation in inflation and rising unemployment. The economy is forecast to continue to grow below trend. Despite increased household disposable incomes, limited flow-through to household consumption is forecast.</p> <p>The expected outcomes of key economic drivers for the base case scenario at 31 March 2024 are described below under the heading 'Base case economic forecast assumptions'.</p>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### KEY JUDGEMENTS AND ESTIMATES

Judgement / assumption	Description	Considerations for the six months ended 31 March 2024
<b>Probability weighting of each economic scenario (base case, upside, downside and severe downside scenarios)<sup>1</sup></b>	<p>Probability weighting of each economic scenario is determined by management considering the risks and uncertainties surrounding the base case economic scenario at each measurement date.</p> <p>The assigned probability weightings are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected.</p>	<p>Probability weightings in the current period remain unchanged from the prior period, reflecting our assessment of the continuing downside risks from the impact of high interest rates and inflation.</p> <p>Weightings for current and prior periods are as detailed in the section below under the heading on 'Probability weightings'.</p>
<b>Management temporary adjustments</b>	<p>Management temporary adjustments to the ECL allowance are used in circumstances where it is judged that our existing inputs, assumptions and model techniques do not capture all the risk factors relevant to our lending portfolios. Emerging local or global macroeconomic, microeconomic or political events, natural disasters, and natural hazards that are not incorporated into our current parameters, risk ratings, or forward-looking information are examples of such circumstances.</p>	<p>Management have continued to apply adjustments to accommodate uncertainty associated with higher inflation and interest rates. Management overlays have been made for risks particular to mortgages and commercial lending.</p> <p>Management temporary adjustments total NZ\$71 million (September 2023: NZ\$176 million).</p> <p>Management has considered and concluded no temporary adjustment is required at 31 March 2024 to the ECL in relation to climate- or weather-related events during the period.</p>

<sup>1</sup> The upside and downside scenarios are fixed by reference to average economic cycle conditions instead of economic conditions prevailing at balance date, and are based on a combination of more optimistic (in the case of the upside) and pessimistic (in the case of the downside) economic conditions.

#### Base case economic forecast assumptions

The economic drivers of the base case economic forecasts, reflective of our view of future macroeconomic conditions, used at 31 March 2024 are set out below. For years beyond the near-term forecasts below, the ECL models apply simplified assumptions for the economic conditions to calculate lifetime loss. There is a high level of estimation uncertainties when forming these forecasts.

New Zealand	Actual calendar year	Forecast calendar year	
	2023	2024	2025
GDP (annual % change)	0.8%	0.9%	1.3%
Unemployment rate (annual average)	3.7%	4.5%	5.3%
Residential property prices (annual % change)	-0.7%	3.0%	5.0%
Consumer price index (CPI) (annual % change)	5.7%	3.1%	2.2%

The base case economic forecasts are for a continuing slowdown in economic activity. Continued high inflation is expected to keep interest rates high for longer and dampen growth over the forecast period.

## KEY JUDGEMENTS AND ESTIMATES

### Probability weightings

Probability weightings for each scenario are determined by management considering the risks and uncertainties surrounding the base case economic scenario including the uncertainties described above.

Scenario weightings remain the same as those applied in September 2023 as noted in the table below.

The assigned probability weightings are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. ANZBGL New Zealand considers these weightings to provide estimates of the possible loss outcomes and taking into account short and long term inter-relationships within ANZBGL New Zealand's credit portfolios. The weightings applied are set out below:

	31 Mar 24	30 Sep 23
Base	50.0%	50.0%
Upside	0.0%	0.0%
Downside	37.5%	37.5%
Severe downside	12.5%	12.5%

### ECL - Sensitivity analysis

Given inherent economic uncertainties and the judgement applied to factors used in determining the expected default of borrowers in future periods, ECL reported by ANZBGL New Zealand should be considered as a best estimate within a range of possible estimates.

The table below illustrates the sensitivity of ANZBGL New Zealand's allowance for collectively assessed ECL to key factors used in determining it at 31 March 2024:

	ECL NZ\$m	Impact on ECL NZ\$m
If 1% of Stage 1 facilities were included in Stage 2	832	10
If 1% of Stage 2 facilities were included in Stage 1	821	(1)
100% upside scenario	243	(579)
100% base scenario	405	(417)
100% downside scenario	743	(79)
100% severe downside scenario	2,161	1,339

### *Individually assessed allowance for expected credit losses*

In estimating individually assessed ECL, ANZBGL New Zealand makes judgements and assumptions in relation to expected repayments, the realisable value of collateral, business prospects for the customer, competing claims and the likely cost and duration of the work-out process. Judgements and assumptions in respect of these matters have been updated to reflect amongst other things, the uncertainties described above and in Note 1 About our interim financial statements.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 6. DEPOSITS AND OTHER BORROWINGS

	31 Mar 24 NZ\$m	30 Sep 23 NZ\$m
Term deposits	57,527	54,198
On demand and short term deposits	60,586	60,673
Deposits not bearing interest	17,254	17,658
Total customer deposits	135,367	132,529
Certificates of deposit	1,962	2,328
Commercial paper	3,437	2,253
Securities sold under repurchase agreements	4,266	4,429
Borrowings from Ultimate Parent Bank and Immediate Parent Company	2,854	2,854
<b>Deposits and other borrowings</b>	<b>147,886</b>	<b>144,393</b>

### 7. DEBT ISSUANCES

ANZBGL New Zealand uses a variety of funding programmes to issue unsubordinated debt (including senior debt and covered bonds) and subordinated debt. The difference between unsubordinated debt and subordinated debt is that holders of unsubordinated debt take priority over holders of subordinated debt owed by the relevant issuer and subordinated debt will be repaid by the relevant issuer only after the repayment of claims of depositors, other creditors and the unsubordinated debt holders.

	31 Mar 24 NZ\$m	30 Sep 23 NZ\$m
Senior debt	12,606	13,466
Covered bonds	2,178	3,373
<b>Total unsubordinated debt</b>	<b>14,784</b>	<b>16,839</b>
Subordinated debt	1,681	1,655
<b>Total debt issued</b>	<b>16,465</b>	<b>18,494</b>

Covered bonds are guaranteed by ANZ NZ Covered Bond Trust Limited (the Covered Bond Guarantor), solely in its capacity as trustee of ANZ NZ Covered Bond Trust (the Covered Bond Trust). The Covered Bond Trust is a member of ANZBGL New Zealand, whereas the Covered Bond Guarantor is not a member of ANZBGL New Zealand.

Substantially all of the assets of the Covered Bond Trust are made up of certain housing loans and related securities originated by the Bank which are security for the guarantee by the Covered Bond Guarantor as trustee of the Covered Bond Trust of issuances of covered bonds by the Bank, or its wholly owned subsidiary ANZ New Zealand (Int'l) Limited, from time to time. The assets of the Covered Bond Trust are not available to creditors of the Bank, although the Bank (or its liquidator or statutory manager) may have a claim against the residual assets of the Covered Bond Trust (if any) after all priority ranking creditors of the Covered Bond Trust have been satisfied.



## 8. CREDIT RISK

This note should be read in conjunction with the estimates, assumptions and judgements included in Note 1 About our interim financial statements and Note 5 Allowance for expected credit losses.

### Maximum exposure to credit risk

For financial assets recognised on the balance sheet, the maximum exposure to credit risk is the carrying amount. In certain circumstances there may be differences between the carrying amounts reported on the balance sheet and the amounts reported in the tables below. Principally, these differences arise in respect of financial assets that are subject to risks other than credit risk, such as equity instruments which are primarily subject to market risk, or bank notes and coins.

For undrawn facilities, this maximum exposure to credit risk is the full amount of the committed facilities. For contingent exposures, the maximum exposure to credit risk is the maximum amount ANZBGL New Zealand would have to pay if the instrument is called upon.

The table below shows our maximum exposure to credit risk of on-balance sheet and off-balance sheet positions before taking account of any collateral held or other credit enhancements.

	Reported		Excluded <sup>1</sup>		Maximum exposure to credit risk	
	31 Mar 24 NZ\$m	30 Sep 23 NZ\$m	31 Mar 24 NZ\$m	30 Sep 23 NZ\$m	31 Mar 24 NZ\$m	30 Sep 23 NZ\$m
<b>On-balance sheet positions</b>						
Net loans and advances	151,167	149,627	-	-	151,167	149,627
Other financial assets:						
Cash and cash equivalents	12,918	13,094	197	155	12,721	12,939
Settlement balances receivable	651	401	-	-	651	401
Collateral paid	709	801	-	-	709	801
Trading securities	5,783	5,921	-	-	5,783	5,921
Derivative financial instruments	8,490	8,747	-	-	8,490	8,747
Investment securities	11,609	10,958	-	-	11,609	10,958
Other financial assets <sup>2</sup>	1,018	996	-	-	1,018	996
<b>Total other financial assets</b>	<b>41,178</b>	<b>40,918</b>	<b>197</b>	<b>155</b>	<b>40,981</b>	<b>40,763</b>
<b>Subtotal</b>	<b>192,345</b>	<b>190,545</b>	<b>197</b>	<b>155</b>	<b>192,148</b>	<b>190,390</b>
<b>Off-balance sheet commitments</b>						
Undrawn and contingent facilities <sup>3</sup>	28,445	28,477	-	-	28,445	28,477
<b>Total</b>	<b>220,790</b>	<b>219,022</b>	<b>197</b>	<b>155</b>	<b>220,593</b>	<b>218,867</b>

1 Coins, notes and cash at bank within cash and cash equivalents were excluded as they do not have credit risk exposure.

2 Other financial assets mainly comprise accrued interest and acceptances.

3 Undrawn and contingent facilities include guarantees, letters of credit and performance related contingencies, net of collectively assessed and individually assessed allowance for expected credit losses.

### Credit quality

We use ANZBGL New Zealand's internal customer credit rating (CCR) to manage the credit quality of financial assets. To enable wider comparisons, ANZBGL New Zealand's CCRs are mapped to external rating agency scales as follows:

Credit quality description	Internal CCR	ANZBGL New Zealand customer requirements	Moody's Rating	S&P Global Ratings
Strong	CCR 0+ to 4-	Demonstrated superior stability in their operating and financial performance over the long-term, and whose earnings capacity is not significantly vulnerable to foreseeable events.	Aaa – Baa3	AAA – BBB-
Satisfactory	CCR 5+ to 6-	Demonstrated sound operational and financial stability over the medium to long-term even though some may be susceptible to cyclical trends or variability in earnings.	Ba1 – B1	BB+ – B+
Weak	CCR 7+ to 8=	Demonstrated some operational and financial instability, with variability and uncertainty in profitability and liquidity projected to continue over the short and possibly medium term.	B2 – Caa	B - CCC
Defaulted	CCR 8- to 10	When doubt arises as to the collectability of a credit facility, the financial instrument (or 'the facility') is classified as defaulted.	n/a	n/a

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### Net loans and advances

	Stage 1 NZ\$m	Stage 2 NZ\$m	Stage 3		Total NZ\$m
			Collectively assessed NZ\$m	Individually assessed NZ\$m	
<b>As at 31 March 2024</b>					
Strong	116,684	3,439	-	-	120,123
Satisfactory	20,927	4,736	-	-	25,663
Weak	601	3,412	-	-	4,013
Defaulted	-	-	1,360	291	1,651
<b>Subtotal</b>	<b>138,212</b>	<b>11,587</b>	<b>1,360</b>	<b>291</b>	<b>151,450</b>
Allowance for ECL	(201)	(365)	(124)	(47)	(737)
<b>Net loans and advances at amortised cost</b>	<b>138,011</b>	<b>11,222</b>	<b>1,236</b>	<b>244</b>	<b>150,713</b>
<b>Coverage ratio</b>	<b>0.15%</b>	<b>3.15%</b>	<b>9.12%</b>	<b>16.15%</b>	<b>0.49%</b>
Unearned income					(23)
Capitalised brokerage and other origination costs					477
<b>Net carrying amount</b>					<b>151,167</b>

### As at 30 September 2023

Strong	117,117	3,656	-	-	120,773
Satisfactory	20,004	5,032	-	-	25,036
Weak	505	2,432	-	-	2,937
Defaulted	-	-	893	287	1,180
<b>Subtotal</b>	<b>137,626</b>	<b>11,120</b>	<b>893</b>	<b>287</b>	<b>149,926</b>
Allowance for ECL	(193)	(398)	(79)	(60)	(730)
<b>Net loans and advances at amortised cost</b>	<b>137,433</b>	<b>10,722</b>	<b>814</b>	<b>227</b>	<b>149,196</b>
<b>Coverage ratio</b>	<b>0.14%</b>	<b>3.58%</b>	<b>8.85%</b>	<b>20.91%</b>	<b>0.49%</b>
Unearned income					(28)
Capitalised brokerage and other origination costs					459
<b>Net carrying amount</b>					<b>149,627</b>

### Off-balance sheet commitments - undrawn and contingent facilities

	Stage 1 NZ\$m	Stage 2 NZ\$m	Stage 3		Total NZ\$m
			Collectively assessed NZ\$m	Individually assessed NZ\$m	
<b>As at 31 March 2024</b>					
Strong	23,751	270	-	-	24,021
Satisfactory	3,278	980	-	-	4,258
Weak	7	266	-	-	273
Defaulted	-	-	18	8	26
<b>Gross undrawn and contingent facilities</b>	<b>27,036</b>	<b>1,516</b>	<b>18</b>	<b>8</b>	<b>28,578</b>
Allowance for ECL included in other provisions	(72)	(57)	(3)	(1)	(133)
<b>Net undrawn and contingent facilities</b>	<b>26,964</b>	<b>1,459</b>	<b>15</b>	<b>7</b>	<b>28,445</b>
<b>Coverage ratio</b>	<b>0.27%</b>	<b>3.76%</b>	<b>16.67%</b>	<b>12.50%</b>	<b>0.47%</b>

### As at 30 September 2023

Strong	24,088	202	-	-	24,290
Satisfactory	3,343	701	-	-	4,044
Weak	8	234	-	-	242
Defaulted	-	-	15	13	28
<b>Gross undrawn and contingent facilities</b>	<b>27,439</b>	<b>1,137</b>	<b>15</b>	<b>13</b>	<b>28,604</b>
Allowance for ECL included in other provisions	(80)	(39)	(3)	(5)	(127)
<b>Net undrawn and contingent facilities</b>	<b>27,359</b>	<b>1,098</b>	<b>12</b>	<b>8</b>	<b>28,477</b>
<b>Coverage ratio</b>	<b>0.29%</b>	<b>3.43%</b>	<b>20.00%</b>	<b>38.46%</b>	<b>0.44%</b>

## 9. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

### Fair value hierarchy

ANZBGL New Zealand categorises assets and liabilities carried at fair value into a fair value hierarchy as required by NZ IFRS 13 *Fair Value Measurement* based on the observability of inputs used to measure the fair value:

- Level 1 – valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuations using inputs other than quoted prices included within Level 1 that are observable for a similar asset or liability, either directly or indirectly; and
- Level 3 – valuations where significant unobservable inputs are used to measure the fair value of the asset or liability.

The following table presents assets and liabilities carried at fair value in accordance with the fair value hierarchy:

	Fair value measurements							
	Quoted market price (Level 1)		Using observable inputs (Level 2)		Using unobservable inputs (Level 3)		Total	
	31 Mar 24 NZ\$m	30 Sep 23 NZ\$m	31 Mar 24 NZ\$m	30 Sep 23 NZ\$m	31 Mar 24 NZ\$m	30 Sep 23 NZ\$m	31 Mar 24 NZ\$m	30 Sep 23 NZ\$m
<b>Assets</b>								
Cash and cash equivalents	-	-	448	668	-	-	448	668
Trading securities <sup>1</sup>	4,465	3,989	1,318	1,932	-	-	5,783	5,921
Derivative financial instruments	4	38	8,485	8,709	1	-	8,490	8,747
Investment securities <sup>1</sup>	10,325	7,796	1,283	3,161	1	1	11,609	10,958
<b>Total</b>	<b>14,794</b>	<b>11,823</b>	<b>11,534</b>	<b>14,470</b>	<b>2</b>	<b>1</b>	<b>26,330</b>	<b>26,294</b>
<b>Liabilities</b>								
Deposits and other borrowings	-	-	3,651	2,882	-	-	3,651	2,882
Derivative financial instruments	19	2	7,815	8,275	5	10	7,839	8,287
Other financial liabilities	689	367	-	4	-	-	689	371
<b>Total</b>	<b>708</b>	<b>369</b>	<b>11,466</b>	<b>11,161</b>	<b>5</b>	<b>10</b>	<b>12,179</b>	<b>11,540</b>

<sup>1</sup> During the six months ended 31 March 2024, NZ\$134 million of assets were transferred from Level 1 to Level 2 and \$2,205 million of assets were transferred from Level 2 to Level 1 for ANZBGL New Zealand due to a change of the observability of valuation inputs. There were no other material transfers between Level 1 and Level 2 during the year. Transfers into and out of levels are measured at the beginning of the reporting period in which the transfer occurred.

### Financial assets and financial liabilities not measured at fair value

Below is a comparison of the carrying amounts as reported on the balance sheet and fair values of financial asset and financial liability categories other than those categories where the carrying amount is at fair value or considered a reasonable approximation of fair value.

The fair values below have been calculated using discounted cash flow techniques where contractual future cash flows of the instrument are discounted using discount rates incorporating wholesale market rates or market borrowing rates of debt with similar maturities or a yield curve appropriate for the remaining term to maturity.

	Carrying amount		Fair value	
	31 Mar 24 NZ\$m	30 Sep 23 NZ\$m	31 Mar 24 NZ\$m	30 Sep 23 NZ\$m
<b>Financial assets</b>				
Net loans and advances <sup>1</sup>	151,167	149,627	150,806	148,564
<b>Total</b>	<b>151,167</b>	<b>149,627</b>	<b>150,806</b>	<b>148,564</b>
<b>Financial liabilities</b>				
Deposits and other borrowings <sup>2</sup>	144,235	141,511	144,282	141,424
Debt issuances <sup>1</sup>	16,465	18,494	16,562	18,468
<b>Total</b>	<b>160,700</b>	<b>160,005</b>	<b>160,844</b>	<b>159,892</b>

<sup>1</sup> Fair value hedging is applied to certain financial instruments within these categories. The resulting fair value adjustments mean that the carrying value differs from the amortised cost.

<sup>2</sup> Excludes commercial paper and securities sold under repurchase agreements (Note 6 Deposits and other borrowings) designated at fair value through profit or loss.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 10. SHAREHOLDERS' EQUITY

#### SHAREHOLDERS' EQUITY

	31 Mar 24 NZ\$m	30 Sep 23 NZ\$m
Share capital and initial head office account	11,055	11,055
Reserves		
FVOCI reserve	(13)	(39)
Cash flow hedge reserve	(48)	(54)
Total reserves	(61)	(93)
Retained earnings	5,128	5,173
<b>Equity attributable to shareholders of the Ultimate Parent Bank</b>	<b>16,122</b>	<b>16,135</b>
Non-controlling interests	825	550
<b>Total shareholders' equity</b>	<b>16,947</b>	<b>16,685</b>

#### SHARE CAPITAL

The table below details the movement in issued shares and share capital for the period.

	Number of issued shares		NZ\$ millions	
	31 Mar 24	30 Sep 23	31 Mar 24	30 Sep 23
Ordinary shares	378,155,112	378,155,112	1,450	1,450
Redeemable preference shares <sup>1</sup>	8,354,563,940	8,354,563,940	9,594	9,594
<b>Total share capital</b>	<b>8,732,719,052</b>	<b>8,732,719,052</b>	<b>11,044</b>	<b>11,044</b>
NZ Branch initial head office account	-	-	11	11
<b>Total share capital &amp; initial head office account</b>	<b>8,732,719,052</b>	<b>8,732,719,052</b>	<b>11,055</b>	<b>11,055</b>

<sup>1</sup> Includes 44,990 (2023: 44,990) uncalled NZ\$1.00 shares.

#### NON-CONTROLLING INTERESTS

ANZBGL New Zealand has issued perpetual preference shares (PPS). The PPS are considered non-controlling interests to ANZBGL New Zealand.

	Profit attributable to non-controlling interest		Equity attributable to non-controlling interest		Dividend paid to non-controlling interests	
	31 Mar 24	30 Sep 23	31 Mar 24	30 Sep 23	31 Mar 24	30 Sep 23
Perpetual preference shares	14	27	825	550	14	27
<b>Total</b>	<b>14</b>	<b>27</b>	<b>825</b>	<b>550</b>	<b>14</b>	<b>27</b>

PPS do not carry any voting rights. They are classified as equity instruments as there is no contractual obligation for the Bank to either deliver cash or another financial instrument or to exchange financial instruments on a potentially unfavourable basis.

In the event of liquidation, holders of PPS are entitled to a maximum amount equal to the issue price of the PPS. Holders of PPS rank behind the claims of all depositors and other creditors of the Bank (other than creditors that rank equally with the PPS), equally with the rights of other holders of PPS and other equal ranking securities and obligations, and in priority to the rights of holders of ordinary shares.

Holders of PPS are entitled to receive dividends that are discretionary, non-cumulative and subject to conditions. If a PPS dividend is not paid, there are certain restrictions on the ability of the Bank to pay a dividend on its ordinary shares. Holders of the PPS have no other rights to participate in the profits or property of the Bank.

Holders of PPS have no right to require that the PPS be redeemed.

ANZBGL New Zealand has two classes of PPS that are quoted on the NZX Debt Market: PPS issued in 2022 and PPS issued in 2024.

The key terms of the PPS are as follows:

	2022 PPS	2024 PPS
Issue date	18 July 2022	19 March 2024
Issue amount	NZ\$550 million	NZ\$275 million
First optional redemption date	18 July 2028	19 March 2030
Final maturity date	Perpetual	Perpetual
Dividend amount	6.95% per annum until 18 July 2028 (after which it changes to a floating rate equal to the aggregate of the New Zealand 3-month bank bill rate plus 3.25%), multiplied by one minus the New Zealand company tax rate (where the PPS dividend is fully imputed).	7.60% per annum until 19 March 2030 (after which it changes to a floating rate equal to the aggregate of the New Zealand 3-month bank bill rate plus 3.25%), multiplied by one minus the New Zealand company tax rate (where the PPS dividend is fully imputed).

As at 31 March 2024, the PPS carried a BBB credit rating from S&P Global Ratings. S&P Global Ratings upgraded the credit rating on the PPS from BBB to BBB+ on 3 April 2024.

The Bank may, at its option, redeem a class of PPS on an optional redemption date (being each scheduled quarterly dividend payment date from the first optional redemption date), or at any time following the occurrence of a tax event or regulatory event, subject to prior written approval of RBNZ and certain other conditions being met.

## 11. COMMITMENTS AND CONTINGENT LIABILITIES

	31 Mar 24 NZ\$m	30 Sep 23 NZ\$m
<b>Credit related commitments and contingencies</b>		
Contract amount of:		
Undrawn facilities	25,997	26,055
Guarantees and letters of credit	1,140	1,029
Performance related contingencies	1,441	1,520
<b>Total</b>	<b>28,578</b>	<b>28,604</b>

ANZBGL New Zealand guarantees the performance of customers by issuing standby letters of credit and guarantees to third parties, including its Ultimate Parent Bank. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers, therefore these transactions are subjected to the same credit origination, portfolio management and collateral requirements for customers applying for loans. As the facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements.

### OTHER CONTINGENT LIABILITIES

There are outstanding court proceedings, claims and possible claims for and against ANZBGL New Zealand. Where relevant, expert legal advice has been obtained and, in the light of such advice, provisions and/or disclosures as deemed appropriate have been made. In some instances we have not disclosed the estimated financial impact of the individual items either because it is not practicable to do so or because such disclosure may prejudice seriously the interests of ANZBGL New Zealand.

### REGULATORY AND CUSTOMER EXPOSURES

ANZBGL New Zealand regularly engages with its regulators in relation to regulatory investigations, surveillance and reviews, reportable situations, civil enforcement actions (whether by court action or otherwise), formal and informal inquiries and regulatory supervisory activities both in New Zealand and globally. ANZBGL New Zealand has received various notices and requests for information from its regulators as part of both industry-wide and ANZBGL New Zealand-specific reviews, and has also made disclosures to its regulators at its own instigation. The nature of these interactions can be wide ranging and, for example, may include a range of matters including responsible lending practices, regulated lending requirements, product suitability and distribution, interest and fees and the entitlement to charge them, customer remediation, wealth advice, insurance distribution, pricing, competition, conduct in financial markets and financial transactions, capital market transactions, anti-money laundering and counter-terrorism financing obligations, privacy obligations and information security, business continuity management, reporting and disclosure obligations and product disclosure documentation. There may be exposures to customers which are additional to any regulatory exposures. These could include class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with such reviews and possible exposures remain uncertain.

### LOAN INFORMATION LITIGATION

In September 2021, a representative proceeding was brought against the Bank, alleging breaches of disclosure requirements under consumer credit legislation in respect of variation letters sent to certain loan customers. The bank is defending the allegations. In July 2022, the High Court ruled that the plaintiffs may bring the proceeding as an opt-out representative action on behalf of a class, being certain customers who entered into a home loan or personal loan with the Bank between 6 June 2015 and 28 May 2016 and requested a variation to that loan during that period. Aspects of the decision were appealed by both parties, and a hearing took place at the Court of Appeal in April 2024. The Bank is awaiting judgment.

### WARRANTIES AND INDEMNITIES

ANZBGL New Zealand has provided warranties, indemnities and other commitments in favour of the purchaser in connection with various disposals of businesses and assets and other transactions, covering a range of matters and risks. It is exposed to potential claims under those warranties, indemnities and commitments, some of which are currently active. The outcomes and total costs associated with these exposures remain uncertain.

# LIMITED ASSURANCE REPORT



## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE DIRECTORS OF AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

#### REPORT ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### CONCLUSION

We have completed a review of the accompanying consolidated interim financial statements of the New Zealand business of Australia and New Zealand Banking Group Limited (ANZBGL) and its subsidiaries (ANZBGL New Zealand) on pages 4 to 21 which comprise:

- the consolidated statement of financial position as at 31 March 2024;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended; and
- notes, including a summary of material accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements have not been prepared, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting* (NZ IAS 34) and IAS 34 *Interim Financial Reporting* (IAS 34).

#### BASIS FOR CONCLUSION

A review of the consolidated interim financial statements in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410) is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

As the auditor of ANZBGL New Zealand, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

Our firm has also provided other services to ANZBGL New Zealand in relation to review of regulatory returns, internal controls reports, prospectus assurance, agreed upon procedures and other assurance engagements. Subject to certain restrictions, partners and employees of our firm may also deal with ANZBGL New Zealand on normal terms within the ordinary course of trading activities of the business of ANZBGL New Zealand. These matters have not impaired our independence as reviewer of ANZBGL New Zealand. The firm has no other relationship with, or interest in, ANZBGL New Zealand.

#### USE OF THIS INDEPENDENT REVIEW REPORT

This independent review report is made solely to ANZBGL's directors. Our review work has been undertaken so that we might state to the directors those matters we are required to state to them in the independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors for our review work, this independent review report, or any of the opinions we have formed.

#### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Directors, on behalf of ANZBGL New Zealand, are responsible for:

- the preparation and fair presentation of the consolidated interim financial statements in accordance with NZ IAS 34 and IAS 34;
- implementing necessary internal control to enable the preparation of a consolidated interim financial statements that are free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

#### AUDITOR'S RESPONSIBILITIES FOR THE REVIEW OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Our responsibility is to express a conclusion on the consolidated interim financial statements based on our review. We conducted our review in accordance with NZ SRE 2410. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements are not prepared, in all material respects, in accordance with NZ IAS 34 and IAS 34.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on ANZBGL New Zealand's consolidated interim financial statements.

The engagement partner on the review resulting in this independent auditor's review report is Jamie Munro.

KPMG  
Auckland

6 May 2024

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# REGISTERED BANK DISCLOSURES

This section contains the additional disclosures required by the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014.

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<b>Section</b>	<b>Order reference</b>	<b>Page</b>
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B2. Additional financial disclosures	Schedule 5	26
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B4. Credit and market risk exposures and capital adequacy	Schedule 9	32
B5. Insurance business	Schedule 12	33
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## REGISTERED BANK DISCLOSURES

### B1. GENERAL DISCLOSURES

#### Guarantees

No material obligations of the NZ Branch are guaranteed as at 6 May 2024.

Covered bonds issued by ANZ New Zealand (Int'l) Limited, a subsidiary of the Bank, are guaranteed. Refer to page 16 for further details.

#### Changes in the Ultimate Parent Bank's Board of Directors

As at 6 May 2024, there have been changes to the Directors of the Ultimate Parent Bank since 30 September 2023, the balance date of the last full year disclosure statement. These changes were:

- Ilana Atlas and John Macfarlane retired as independent non-executive directors on 21 December 2023;
- John Cincotta and Richard Gibb were appointed as independent non-executive directors on 15 February 2024;
- Rt Hon Sir John Key, GNZM AC retired as an independent non-executive director on 14 March 2024; and
- Scott St John was appointed as an independent non-executive director on 25 March 2024.

#### Auditors

KPMG, 18 Viaduct Harbour Avenue, Auckland, New Zealand.

#### Pending proceedings or arbitration

A description of any pending legal proceedings or arbitration concerning any member of ANZBGL New Zealand that may have a material adverse effect on the NZ Branch or ANZBGL New Zealand is included in Note 11 Commitments and contingent liabilities.

#### Credit rating

The Ultimate Parent Bank has credit ratings that apply to its long-term senior unsecured obligations payable in New Zealand in New Zealand dollars.

As at 6 May 2024, the Ultimate Parent Bank's credit ratings are:

Rating agency	Credit rating	Qualification
S&P Global Ratings	AA-	Outlook Stable
Fitch Ratings	A+	Outlook Stable
Moody's Investors Service	Aa2	Outlook Stable

#### Other material matters

##### *Climate Statements*

The Ultimate Parent Bank is a climate reporting entity (CRE) and is required to produce group climate statements for its New Zealand business under New Zealand's mandatory climate-related disclosure legislation. ANZBGL New Zealand will issue its first mandatory climate statements under the Financial Markets Conduct Act 2013 (FMCA) and the Aotearoa New Zealand Climate Standards (NZ CS) for the financial year ending 30 September 2024.

##### *RBNZ capital requirements*

RBNZ has revised the capital adequacy requirements applying to New Zealand locally incorporated registered banks, which are set out in RBNZ's Banking Prudential Requirements documents. As a result, the Banking Group is materially increasing the level of capital it holds over the transition period from October 2021 to July 2028. The key requirements still being implemented are:

- The Banking Group's total capital requirement will progressively increase to 18% of RWA, including tier 1 capital of at least 16% of RWA. Up to 2.5% of the tier 1 capital requirement can be made up of additional tier 1 (AT1) capital, with the remainder of the tier 1 requirement made up of common equity tier 1 (CET1) capital, from July 2024. AT1 capital must consist of perpetual preference shares, which may be redeemable. The total capital requirement can also include tier 2 capital of up to 2% of RWA. Tier 2 capital must consist of long-term subordinated debt.
- The tier 1 capital requirement will include a CET1 prudential capital buffer of 9% of RWA. This will include: a 2% domestic systemically important bank capital buffer; a 1.5% 'early-set' counter-cyclical capital buffer, which can be temporarily reduced to 0% following a financial crisis, or temporarily increased; and a 5.5% capital conservation buffer.
- Contingent capital instruments will no longer be treated as eligible regulatory capital. As at 31 March 2024, the Bank had NZ\$1,238 million of AT1 capital instruments that will progressively lose eligible regulatory capital treatment over the transition period to July 2028.

#### Financial statements of the Ultimate Parent Bank and Overseas Banking Group

Copies of the most recent publicly available financial statements of the Ultimate Parent Bank and Overseas Banking Group will be provided immediately, free of charge, to any person requesting a copy where request is made at the Registered Office. The most recent publicly available financial statements for the Ultimate Parent Bank and Overseas Banking Group can also be accessed at the website [anz.com/shareholder/centre/](https://anz.com/shareholder/centre/).

## REGISTERED BANK DISCLOSURES

### B2. ADDITIONAL FINANCIAL DISCLOSURES

#### Additional information on the balance sheet

As at 31 March 2024	NZ\$m
Total interest earning and discount bearing assets	182,054
Total interest and discount bearing liabilities	151,005
Total amounts due from related entities	5,907
Total amounts due to related entities	9,054
Total liabilities of the NZ Branch less amounts due to related entities	1

#### *Assets charged as security for liabilities*

The following disclosure excludes the amounts presented as collateral paid and received on the balance sheet that relate to derivative liabilities and derivative assets respectively. The terms and conditions of those collateral agreements are included in the standard Credit Support Annex that forms part of the International Swaps and Derivatives Association Master Agreement under which most of our derivatives are executed.

Assets charged as security for liabilities include the following types of instruments:

- securities provided as collateral for repurchase transactions. These transactions are governed by standard industry agreements;
- specified residential mortgages provided as security for notes and bonds issued to investors as part of ANZBGL New Zealand's covered bond programmes;
- collateral provided to RBNZ under the Term Lending Facility and Funding for Lending Programme; and
- collateral provided to a clearing house.

The carrying amounts of assets pledged as security are as follows:

As at 31 March 2024	NZ\$m
Securities sold under agreements to repurchase	446
Residential mortgages pledged as security for repurchase agreements with RBNZ	4,889
Total assets of the ANZNZ Covered Bond Trust pledged as security for covered bonds	9,642
Other	236

#### Additional information on the income statement

The amounts of net trading gains or losses and other fair value adjustments are included in Note 2 Other operating income. ANZBGL New Zealand does not have any loans and advances designated at fair value through profit or loss. Other operating income for the purposes of the Order comprises net fee and commission income, and all other items of other income (all in Note 2 Other operating income).

**Additional information on concentrations of credit risk**

Analysis of financial assets by industry is based on Australian and New Zealand Standard Industrial Classification (ANZSIC) codes. The significant categories shown are the level one New Zealand Standard Industry Output Categories (NZSIOC), except that Agriculture is shown separately as required by the Order.

Composition of financial instruments that give rise to credit risk by industry group are presented below:

As at 31 March 2024	Loans and advances NZ\$m	Other financial assets NZ\$m	Off-balance sheet credit related commitments NZ\$m	Total NZ\$m
<b>New Zealand residents</b>				
Agriculture	15,391	86	937	16,414
Forestry and fishing, agriculture services	513	6	112	631
Mining	160	6	260	426
Manufacturing	2,499	157	1,882	4,538
Electricity, gas, water and waste services	694	211	1,463	2,368
Construction	915	5	953	1,873
Wholesale trade	1,549	38	1,549	3,136
Retail trade and accommodation	2,778	18	854	3,650
Transport, postal and warehousing	1,088	45	624	1,757
Finance and insurance services	875	15,288	1,461	17,624
Rental, hiring & real estate services	37,467	2,104	1,838	41,409
Professional, scientific, technical, administrative and support services	1,026	7	431	1,464
Public administration and safety	196	9,168	832	10,196
Health care and social assistance	863	5	305	1,173
Households	81,731	425	13,734	95,890
All other New Zealand residents <sup>1</sup>	1,562	93	1,272	2,927
<b>Subtotal</b>	<b>149,307</b>	<b>27,662</b>	<b>28,507</b>	<b>205,476</b>
<b>Overseas</b>				
Finance and insurance services	80	13,304	71	13,455
Households	1,502	8	-	1,510
All other non-NZ residents	561	7	-	568
<b>Subtotal</b>	<b>2,143</b>	<b>13,319</b>	<b>71</b>	<b>15,533</b>
<b>Gross subtotal</b>	<b>151,450</b>	<b>40,981</b>	<b>28,578</b>	<b>221,009</b>
Allowance for ECL	(737)	-	(133)	(870)
<b>Subtotal</b>	<b>150,713</b>	<b>40,981</b>	<b>28,445</b>	<b>220,139</b>
Unearned income	(23)	-	-	(23)
Capitalised brokerage and other origination costs	477	-	-	477
<b>Maximum exposure to credit risk</b>	<b>151,167</b>	<b>40,981</b>	<b>28,445</b>	<b>220,593</b>

<sup>1</sup> All other New Zealand residents includes exposures to information media and telecommunications, education and training; arts and recreation services; and other services.

## REGISTERED BANK DISCLOSURES

### Additional information on concentrations of funding

Analysis of funding liabilities by industry is based on ANZSIC codes. The significant categories shown are the level one NZSIOC.

As at 31 March 2024	Note	NZ\$m
<b>Funding composition</b>		
Customer deposits	6	135,367
<i>Wholesale funding</i>		
Debt issuances		16,465
Certificates of deposit and commercial paper		5,399
Other borrowings		7,120
Total wholesale funding		28,984
<b>Total deposits and wholesale funding</b>		<b>164,351</b>
<b>Customer deposits by industry - New Zealand residents</b>		
Agriculture, forestry and fishing		4,426
Mining		203
Manufacturing		2,866
Construction		2,983
Wholesale trade		2,412
Retail trade and accommodation		2,293
Transport, postal and warehousing		1,437
Financial and insurance services		13,648
Rental, hiring and real estate services		3,602
Professional, scientific, technical, administrative and support services		6,526
Public administration and safety		1,727
Health care and social assistance		1,628
Arts, recreation and other services		2,426
Households		76,308
All other New Zealand residents <sup>1</sup>		3,039
Subtotal		125,524
<b>Customer deposits by industry - overseas</b>		
Households		9,086
All other non-NZ residents		757
Subtotal		9,843
Total customer deposits		135,367
<b>Wholesale funding (financial and insurance services industry)</b>		
New Zealand		7,098
Overseas		21,886
Total wholesale funding		28,984
<b>Total deposits and wholesale funding</b>		<b>164,351</b>
<b>Concentrations of funding by geography</b>		
New Zealand		132,622
Australia		3,364
United States		12,402
Europe		8,903
Other countries		7,060
<b>Total deposits and wholesale funding</b>		<b>164,351</b>

<sup>1</sup> All other New Zealand residents includes electricity, gas, water and waste services; information media and telecommunications; and education and training.

### Additional information on interest rate sensitivity

The following table represents the interest rate sensitivity of ANZBGL New Zealand's assets, liabilities and off-balance sheet instruments by showing the periods in which these instruments may reprice, that is, when interest rates applicable to each asset or liability can be changed.

As at 31 March 2024	Total NZ\$m	Up to 3 months NZ\$m	Over 3 to 6 months NZ\$m	Over 6 to 12 months NZ\$m	Over 1 to 2 years NZ\$m	Over 2 years NZ\$m	Not bearing interest <sup>1</sup> NZ\$m
<b>Assets</b>							
Cash and cash equivalents	12,918	12,552	-	-	-	-	366
Settlement balances receivable	651	-	-	-	-	-	651
Collateral paid	709	709	-	-	-	-	-
Trading securities	5,783	1,041	140	99	684	3,819	-
Derivative financial instruments	8,490	-	-	-	-	-	8,490
Investment securities	11,609	297	264	152	970	9,924	2
Net loans and advances	151,167	65,111	22,478	31,947	23,021	8,846	(236)
Other financial assets	1,018	-	-	-	-	-	1,018
<b>Total financial assets</b>	<b>192,345</b>	<b>79,710</b>	<b>22,882</b>	<b>32,198</b>	<b>24,675</b>	<b>22,589</b>	<b>10,291</b>
<b>Liabilities</b>							
Settlement balances payable	3,543	2,026	-	-	-	-	1,517
Collateral received	1,003	1,003	-	-	-	-	-
Deposits and other borrowings	147,886	90,521	18,723	15,038	2,913	3,437	17,254
Derivative financial instruments	7,839	-	-	-	-	-	7,839
Debt issuances	16,465	1,078	-	1,995	390	13,002	-
Lease liabilities	190	11	12	23	41	103	-
Other financial liabilities	1,944	689	-	-	-	-	1,255
<b>Total financial liabilities</b>	<b>178,870</b>	<b>95,328</b>	<b>18,735</b>	<b>17,056</b>	<b>3,344</b>	<b>16,542</b>	<b>27,865</b>
<b>Hedging instruments</b>							
Interest sensitivity gap	13,475	(5,869)	3,397	2,486	17,115	13,920	(17,574)

<sup>1</sup> Excludes non-coupon bearing discount financial assets and financial liabilities which are shown as repricing on their maturity date.

### Additional information on liquidity risk

#### Maturity analysis of financial liabilities

The table below provides residual contractual maturity analysis of financial liabilities at 31 March 2024 within relevant maturity groupings. All outstanding debt issuances are profiled on the earliest date on which ANZBGL New Zealand may be required to pay. The amounts represent principal and interest cash flows – so they may differ from equivalent amounts reported on the balance sheet.

As at 31 March 2024	On demand NZ\$m	Less than 3 months NZ\$m	3 to 12 months NZ\$m	1 to 5 years NZ\$m	After 5 years NZ\$m	Total NZ\$m
Settlement balances payable	2,875	694	-	-	-	3,569
Collateral received	-	1,003	-	-	-	1,003
Deposits and other borrowings	77,845	26,796	36,505	9,907	-	151,053
Derivative financial liabilities (trading)	-	7,761	-	-	-	7,761
Debt issuances <sup>1</sup>	-	99	3,401	13,235	2,191	18,926
Lease liabilities	-	13	39	138	17	207
Other financial liabilities	-	5	34	554	510	1,103
Derivative financial instruments (balance sheet management)						
- gross inflows	-	2,089	4,366	8,631	1,133	16,219
- gross outflows	-	(2,079)	(4,524)	(9,059)	(1,116)	(16,778)

<sup>1</sup> Any callable wholesale debt instruments have been included at their next call date.

At 31 March 2024, NZ\$28,578 million of its credit related commitments and contingent liabilities mature in less than 1 year, based on the earliest date on which ANZBGL New Zealand may be required to pay.

## REGISTERED BANK DISCLOSURES

### Liquidity portfolio management

ANZBGL New Zealand holds a diversified portfolio of cash and high quality liquid securities primarily to support liquidity risk management. The size of ANZBGL New Zealand's liquidity portfolio is determined with consideration of the amount required to meet the requirements of its internal and regulatory liquidity scenario metrics.

As at 31 March 2024	NZ\$m
Central and local government bonds	7,264
Government treasury bills	826
Certificates of deposit	278
Other bonds	8,308
Securities eligible to be accepted as collateral in repurchase transactions	16,676
Cash and balances with central banks	12,262
<b>Total liquidity portfolio</b>	<b>28,938</b>

Assets held in ANZBGL New Zealand's liquidity portfolio are all denominated in New Zealand dollars and include balances held with RBNZ and securities issued by the New Zealand Government, supranational agencies, highly rated banks, state owned enterprises, local authorities (including through a funding authority) and highly rated corporates.

The Bank also held unencumbered internal residential mortgage backed securities (RMBS) which would be accepted as collateral by RBNZ in repurchase transactions. These holdings would entitle the Bank to enter into repurchase transactions with RBNZ with a value of NZ\$10,726 million at 31 March 2024 (30 September 2023: NZ\$10,776 million).

### RBNZ Term Lending Facility (TLF) and Funding for Lending Programme (FLP)

- Between May 2020 and July 2021, RBNZ made funds available under the TLF to promote lending to businesses. The TLF is a five-year secured funding facility for New Zealand banks at a fixed rate of 0.25%.
- Between December 2020 and December 2022, RBNZ made funds available under the FLP to lower the cost of borrowing for New Zealand businesses and households. The FLP is a three-year secured funding facility for New Zealand banks at a floating rate of the New Zealand Official Cash Rate (OCR).

As at 31 March 2024, the Bank had drawn NZ\$271 million (30 September 2023: NZ\$300 million) under the TLF and NZ\$3,500 million under the FLP (30 September 2023: NZ\$3,500 million). These amounts are included in securities sold under repurchase agreements in Note 6 Deposits and other borrowings.

### Overseas Banking Group Profitability and Size

	31 Mar 24
Net profit after tax for the six months ended 31 March 2024 (AUDm) <sup>1</sup>	3,464
Net profit after tax for the 12 months ended 31 March 2024 as a percentage of average total assets	0.62%
Total assets (AUDm)	1,090,138
Percentage change in total assets in the 12 months to 31 March 2024	-1.93%

<sup>1</sup> Net profit after tax for the six months ended 31 March 2024 includes AUD 14 million of profit attributable to non-controlling interests.

### Reconciliation of mortgage related amounts

As at 31 March 2024	Note	NZ\$m
Term loans - housing <sup>1</sup>	4	109,474
Less: housing loans made to corporate customers		(1,335)
On-balance sheet residential mortgage exposures (per LVR analysis)	B4	108,139
Add: off-balance sheet residential mortgage exposures (per LVR analysis)	B4	9,586
<b>Total residential mortgage exposures (per LVR analysis)</b>	<b>B4</b>	<b>117,725</b>

<sup>1</sup> Term loans – housing includes loans secured over residential property for owner-occupier, residential property investment and business purposes.

### B3. ASSET QUALITY

This section should be read in conjunction with the estimates, assumptions and judgements included in Note 1 About our interim financial statements, Note 5 Allowance for expected credit losses and Note 8 Credit risk.

#### Movements in components of loss allowance

	Stage 1 NZ\$m	Stage 2 NZ\$m	Stage 3		Total NZ\$m
			Collectively assessed NZ\$m	Individually assessed NZ\$m	
<b>Net loans and advances</b>					
As at 1 October 2023	193	398	79	60	730
Transfer between stages	35	(42)	3	4	-
New and increased provisions (net of releases)	(27)	9	42	40	64
Write-backs	-	-	-	(31)	(31)
Recoveries of amounts previously written off	-	-	-	(6)	(6)
Credit impairment charge / (release)	8	(33)	45	7	27
Bad debts written-off (excluding recoveries)	-	-	-	(20)	(20)
Add back recoveries of amounts previously written off	-	-	-	6	6
Discount unwind	-	-	-	(6)	(6)
<b>As at 31 March 2024</b>	<b>201</b>	<b>365</b>	<b>124</b>	<b>47</b>	<b>737</b>

#### Off-balance sheet credit related commitments

As at 1 October 2023	80	39	3	5	127
Transfer between stages	4	(4)	-	-	-
New and increased provisions (net of releases)	(12)	22	-	(4)	6
Credit impairment charge / (release)	(8)	18	-	(4)	6
<b>As at 31 March 2024</b>	<b>72</b>	<b>57</b>	<b>3</b>	<b>1</b>	<b>133</b>

#### Impacts of changes in gross financial assets on loss allowances

##### Gross loans and advances

As at 1 October 2023	137,626	11,120	893	287	149,926
Net transfers in to each stage	-	1,094	597	25	1,716
Amounts drawn from new or existing facilities	16,751	703	15	170	17,639
Additions	16,751	1,797	612	195	19,355
Net transfers out of each stage	(1,716)	-	-	-	(1,716)
Amounts repaid	(14,449)	(1,330)	(145)	(171)	(16,095)
Deletions	(16,165)	(1,330)	(145)	(171)	(17,811)
Amounts written off	-	-	-	(20)	(20)
<b>As at 31 March 2024</b>	<b>138,212</b>	<b>11,587</b>	<b>1,360</b>	<b>291</b>	<b>151,450</b>
<b>Loss allowance as at 31 March 2024</b>	<b>201</b>	<b>365</b>	<b>124</b>	<b>47</b>	<b>737</b>

##### Off-balance sheet credit related commitments

As at 1 October 2023	27,439	1,137	15	13	28,604
Net transfers in to each stage	-	297	9	-	306
New and increased facilities and drawn amounts repaid	3,695	240	3	-	3,938
Additions	3,695	537	12	-	4,244
Net transfers out of each stage	(306)	-	-	-	(306)
Reduced facilities and amounts drawn	(3,792)	(158)	(9)	(5)	(3,964)
Deletions	(4,098)	(158)	(9)	(5)	(4,270)
<b>As at 31 March 2024</b>	<b>27,036</b>	<b>1,516</b>	<b>18</b>	<b>8</b>	<b>28,578</b>
<b>Loss allowance as at 31 March 2024</b>	<b>72</b>	<b>57</b>	<b>3</b>	<b>1</b>	<b>133</b>

*Explanation of how changes in the gross carrying amounts of gross loans and advances contributed to changes in loss allowance*

Overall, loss allowances are 0.48% of gross balances as at 31 March 2024, unchanged from 0.48% as at 30 September 2023. The NZ\$13 million (1.5%) increase in loss allowances was driven by an increase in the proportion of gross balances in Stage 2 and Stage 3, and changes in the forward-looking economic scenarios as described in Note 5 Allowance for expected credit losses, offset by a release of management temporary adjustments.

## REGISTERED BANK DISCLOSURES

### Past due assets and other asset quality information

As at 31 March 2024	Total NZ\$m
<b>Past due assets</b>	
Less than 30 days past due	1,130
At least 30 days but less than 60 days past due	425
At least 60 days but less than 90 days past due	368
At least 90 days past due	877
<b>Total past due but not individually impaired</b>	<b>2,800</b>
<b>Other asset quality information</b>	
Undrawn facilities with individually impaired customers	8
Other assets under administration	9

ANZBGL New Zealand does not have any loans and advances designated at fair value.

### Overseas Banking Group asset quality

As at	31 Mar 24
Individually impaired assets (AUDm)	929
Individually impaired assets as a percentage of total assets	0.1%
Individual credit impairment allowance (AUDm)	325
Individual credit impairment allowance as a percentage of individually impaired assets	35.0%
Collective credit impairment allowance (AUDm)	4,046

## B4. CREDIT AND MARKET RISK EXPOSURES AND CAPITAL ADEQUACY

### APRA Basel III capital ratios

As at 31 March	Overseas Banking Group		Ultimate Parent Bank (Extended Licensed Entity)	
	2024	2023	2024	2023
Common equity tier 1 capital	13.5%	13.2%	13.4%	12.9%
Tier 1 capital	15.4%	15.1%	15.7%	15.2%
Total capital	21.9%	20.6%	23.3%	21.6%

The Ultimate Parent Bank and the Overseas Banking Group are required to hold minimum capital as determined by APRA's capital framework, which is at least equal to that specified under the internationally agreed Basel III framework.

APRA has authorised the Ultimate Parent Bank and the Overseas Banking Group to use:

- the Internal Ratings Based (IRB) methodology for calculation of credit risk weighted assets. Where the Overseas Banking Group is not accredited to use the IRB methodology the Overseas Banking Group applies the standardised approach.
- the Standardised Measurement Approach (SMA) for the operational risk weighted asset equivalent.

The Overseas Banking Group exceeded the minimum capital requirements set by APRA as at 31 March 2024 and for the comparative prior periods.

The Overseas Banking Group is required to publicly disclose Pillar 3 financial information as at 31 March 2024. The Overseas Banking Group's Pillar 3 disclosure document for the quarter ended 31 March 2024, in accordance with APS 330: *Public Disclosure of Prudential Information*, discloses capital adequacy ratios and other prudential information. This document can be accessed at the website [anz.com](http://anz.com).



## Market risk

ANZBGL New Zealand's aggregate market risk exposures below have been calculated in accordance with the RBNZ document BPR140: *Market Risk*. The peak end-of-day market risk exposures are for the six months ended 31 March 2024.

	Implied risk weighted exposure		Notional capital charge	
	Period end NZ\$m	Peak NZ\$m	Period end NZ\$m	Peak NZ\$m
<b>As at 31 March 2024</b>				
Interest rate risk	5,791	6,289	463	503
Foreign currency risk	45	83	4	7
Equity risk	1	1	-	-

## Additional mortgage information

As required by RBNZ, LVRs are calculated as the current exposure secured by a residential mortgage divided by ANZBGL New Zealand's valuation of the security property at origination of the exposure. Off-balance sheet exposures include undrawn and partially drawn residential mortgage loans as well as commitments to lend. Commitments to lend are formal offers for housing lending which have been accepted by the customer.

	On-balance sheet NZ\$m	Off-balance sheet NZ\$m	Total NZ\$m
<b>As at 31 March 2024</b>			
<b>LVR range</b>			
Does not exceed 60%	57,845	7,242	65,087
Exceeds 60% and not 70%	20,001	1,037	21,038
Exceeds 70% and not 80%	22,888	1,026	23,914
Does not exceed 80%	100,734	9,305	110,039
Exceeds 80% and not 90%	5,696	108	5,804
Exceeds 90%	1,709	173	1,882
<b>Total</b>	<b>108,139</b>	<b>9,586</b>	<b>117,725</b>

## B5. INSURANCE BUSINESS

As at 31 March 2024, ANZBGL New Zealand does not conduct any insurance business.

## B6. RISK MANAGEMENT POLICIES

During the six months ended 31 March 2024, ANZBGL New Zealand elevated Climate Risk to Material Risk status. A dedicated Climate Risk Management team, with oversight from the Material Risk Owners, are working to integrate and embed Climate Risk into ANZBGL New Zealand's Risk Management Framework through existing policies, processes and governance frameworks.

Climate Risk is the risk that arises from the changing climate and from the global transition towards a lower emissions economy. The key elements of Climate Risk are:

- **Physical Risk** – Includes both longer-term changes in climate (chronic risk) as well as changes to the frequency and magnitude of extreme weather events (acute risk). Examples of chronic physical risk drivers include rising sea levels, rising average temperatures and ocean acidification. Examples of acute physical risk drivers include heatwaves, floods, bushfires, and cyclones.
- **Transition Risk** – The risk of transitioning to a lower emissions economy, including changes in domestic and international policy and regulatory settings, technological innovation, social adaptation, the market, as well as the heightened risk of litigation (e.g. greenwashing).

Climate Risk is considered a 'cross-cutting' risk; while Climate Risk primarily manifests as a Financial Risk, notably through Credit Risk, it may also heighten other Financial Risks and Non-Financial Risks. For example, non-financial impacts could arise from non-compliance with current and emerging regulatory expectations, damage to ANZBGL New Zealand's physical assets or business disruption caused by extreme weather events or chronic changes to weather patterns. ANZBGL New Zealand may also face legal proceedings and suffer reputational damage, for example, if it acts or is perceived to act inconsistently with public commitments in relation to climate change.

## DIRECTORS' AND NEW ZEALAND CHIEF EXECUTIVE OFFICER'S STATEMENT


As at the date on which this Disclosure Statement is signed, after due enquiry, each Director of the Ultimate Parent Bank and the Chief Executive Officer – NZ Branch believes that:

- The Disclosure Statement contains all the information that is required by the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014; and
- The Disclosure Statement is not false or misleading.

Over the six months ended 31 March 2024, after due enquiry, each Director of the Ultimate Parent Bank and the Chief Executive Officer – NZ Branch believes that:

- The Ultimate Parent Bank has complied in all material respects with each condition of registration that applied during that period<sup>1</sup>; and
  - The NZ Branch and the Bank had systems in place to monitor and control adequately the material risks of Relevant Members of ANZBGL New Zealand including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk and other business risks, and that those systems were being properly applied.
1. In accordance with the Order, the Ultimate Parent Bank has complied in all material respects with each of its conditions of registration that applied during the period if the RBNZ has not published any information about a breach on its website, and has not notified the Ultimate Parent Bank of any material breach.

Signed by the Chief Executive Officer – NZ Branch



Chris O'Neale  
Chief Executive Officer – NZ Branch  
6 May 2024

Signed on behalf of all the Directors of the Ultimate Parent Bank



Responsible Person  
6 May 2024

on behalf of the Directors of the Ultimate Parent Bank:

John Cincotta  
Shayne Elliott  
Richard Gibb  
Jane Halton, AO PSM  
Graham Hodges  
Holly Kramer  
Christine O'Reilly  
Paul O'Sullivan  
Jeff Smith  
Scott St John

## LIMITED ASSURANCE REPORTS



### INDEPENDENT AUDITOR'S REPORTS ON THE REGISTERED BANK DISCLOSURES TO THE DIRECTORS OF AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

#### REVIEW REPORT ON THE REGISTERED BANK DISCLOSURES IN SECTIONS B2, B3, B5 AND B6

#### CONCLUSION

We have completed a review of the accompanying registered bank disclosures of the New Zealand business of Australia and New Zealand Banking Group Limited (ANZBGL) and its subsidiaries (ANZBGL New Zealand) in sections B2, B3, B5 and B6 on pages 26 to 33. These comprise the information that is required to be disclosed in accordance with schedules 5, 7, 12 and 14 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (the Order).

Based on our review, nothing has come to our attention that causes us to believe that the registered bank disclosures in sections B2, B3, B5 and B6:

- do not present fairly, in all material respects, the matters to which they relate; or
- are not disclosed, in all material respects, in accordance with schedules 5, 7, 12 and 14 of the Order.

#### BASIS FOR CONCLUSION

A review of the registered bank disclosures in sections B2, B3, B5 and B6 in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410) is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

As the auditor of ANZBGL New Zealand, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

Our firm has also provided other services to ANZBGL New Zealand in relation to review of regulatory returns, internal controls reports, prospectus assurance, agreed upon procedures and other assurance engagements. Subject to certain restrictions, partners and employees of our firm may also deal with ANZBGL New Zealand on normal terms within the ordinary course of trading activities of the business of ANZBGL New Zealand. These matters have not impaired our independence as reviewer of ANZBGL New Zealand. The firm has no other relationship with, or interest in, ANZBGL New Zealand.

#### USE OF THIS INDEPENDENT REVIEW REPORT

This independent review report is made solely to ANZBGL's directors. Our review work has been undertaken so that we might state to the directors those matters we are required to state to them in the independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors for our review work, this independent review report, or any of the opinions we have formed.

#### RESPONSIBILITIES OF THE DIRECTORS FOR THE REGISTERED BANK DISCLOSURES IN SECTIONS B1, B2, B3, B5 AND B6

The Directors, on behalf of ANZBGL New Zealand, are responsible for:

- the preparation and fair presentation of the registered bank disclosures in accordance with schedules 3, 5, 7, 12 and 14 of the Order; and
- implementing necessary internal control to enable the preparation of registered bank disclosures that free from material misstatement, whether due to fraud or error.

#### AUDITOR'S RESPONSIBILITIES FOR THE REVIEW OF THE REGISTERED BANK DISCLOSURES IN SECTIONS B2, B3, B5 AND B6

Our responsibility is to express a conclusion on the registered bank disclosures in sections B2, B3, B5 and B6 based on our review. We conducted our review in accordance with NZ SRE 2410. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the registered bank disclosures in sections B2, B3, B5 and B6:

- do not present fairly, in all material respects, the matters to which they relate; or
- are not disclosed, in all material respects, in accordance with schedules 5, 7, 12 and 14 of the Order; or
- if applicable, have not been prepared, in all material respects, in accordance with any conditions of registration relating to disclosure requirements, imposed under section 74(4)(c) of the Banking (Prudential Supervision) Act 1989 (ANZBGL does not have any such conditions).

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on the registered bank disclosures in sections B2, B3, B5 and B6.

KPMG  
Auckland

6 May 2024

## LIMITED ASSURANCE REPORTS

### LIMITED ASSURANCE REPORT ON THE CREDIT AND MARKET RISK EXPOSURES AND CAPITAL ADEQUACY DISCLOSURES IN SECTION B4

#### CONCLUSION

We have reviewed the credit and market risk exposures and capital adequacy disclosures in section B4 on page 33 (the Capital Adequacy Disclosures), which comprise the information that is required to be disclosed in accordance with schedule 9 of the Order.

Based on our limited assurance conclusion, which is not a reasonable assurance engagement or audit, nothing has come to our attention that would lead us to believe that the Capital Adequacy Disclosures are not, in all material respects disclosed in accordance with schedule 9 of the Order.

#### STANDARDS WE FOLLOWED

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements other than audits or reviews of historical financial information* and Standard on Assurance Engagements 3100 (Revised) *Assurance Engagements on Compliance*. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In accordance with those standards we:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that the Capital Adequacy Disclosures are free from material misstatement and non-compliance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on the effectiveness of these controls; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

#### HOW TO INTERPRET LIMITED ASSURANCE AND MATERIAL MISSTATEMENT AND NON-COMPLIANCE

In a limited assurance engagement, the assurance practitioner performs procedures, primarily consisting of discussion and enquiries of management and others within the entity, as appropriate, and observation and walk-throughs, and evaluates the evidence obtained. The procedures selected depend on our judgement, including identifying areas where the risk of material misstatement and non-compliance with schedule 9 of the Order is likely to arise.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, within the Capital Adequacy Disclosures and non-compliance are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the Capital Adequacy Disclosures.

#### INHERENT LIMITATIONS

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error or non-compliance with compliance requirements may occur and not be detected.

#### USE OF THIS INDEPENDENT LIMITED ASSURANCE REPORT

This independent limited assurance report is made solely to ANZBGL's directors. Our assurance work has been undertaken so that we might state to the directors those matters we are required to state to them in the assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the directors for our assurance work, for this independent limited assurance report, and/or for any of the conclusions we have reached.

#### DIRECTOR'S RESPONSIBILITY FOR THE CAPITAL ADEQUACY DISCLOSURES

The Directors are responsible for the preparation of the Capital Adequacy Disclosures that are required to be disclosed in accordance with schedule 9 of the Order, which the Directors have determined to meet the needs of the recipients. This responsibility includes such internal control as the Directors determine is necessary to enable the preparation of the Capital Adequacy Disclosures that are free from material misstatement and non-compliance whether due to fraud or error.

#### OUR RESPONSIBILITY FOR THE CAPITAL ADEQUACY DISCLOSURES

Our responsibility is to express a conclusion on whether anything has come to our attention that the Capital Adequacy Disclosures have not, in all material respects, been disclosed in accordance with schedule 9 of the Order for the six-month period ended 31 March 2024.

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## OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our firm has also provided other services to ANZBGL New Zealand in relation to review of regulatory returns, internal controls reports, prospectus assurance, agreed upon procedures and other assurance engagements. Subject to certain restrictions, partners and employees of our firm may also deal with ANZBGL New Zealand on normal terms within the ordinary course of trading activities of the business of ANZBGL New Zealand. These matters have not impaired our independence as assurance providers of ANZBGL New Zealand for this engagement. The firm has no other relationship with, or interest in, ANZBGL New Zealand.



KPMG  
Auckland

6 May 2024

