ANZ BANK NEW ZEALAND LIMITED
REGISTERED BANK DISCLOSURE STATEMENT

FOR THE SIX MONTHS ENDED 31 MARCH 2016
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FOR THE SIX MONTHS ENDED 31 MARCH 2016

CONTENTS

GLOSSARY OF TERMS

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

(a) Bank means ANZ Bank New Zealand Limited;
(b) Banking Group means the Bank and all its controlled entities;
(c) Immediate Parent Company means ANZ Holdings (New Zealand) Limited;
(d) Ultimate Parent Bank means Australia and New Zealand Banking Group Limited;
(e) Overseas Banking Group means the worldwide operations of Australia and New Zealand Banking Group Limited including its controlled entities;
(f) 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;
(g) NZ Branch means the New Zealand business of the Ultimate Parent Bank;
(h) ANZ New Zealand means the New Zealand business of the Overseas Banking Group;
(i) Registered Office is Ground Floor, ANZ Centre, 23-29 Albert Street, Auckland, New Zealand, which is also the Banking Group's address for service;
(j) RBNZ means the Reserve Bank of New Zealand;
(k) APRA means the Australian Prudential Regulation Authority;
(l) the Order means the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014; and
(m) 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.

GENERAL DISCLOSURES

This Disclosure Statement has been issued in accordance with the Order.

Credit Rating Information

The Bank has three credit ratings, which are applicable to its long-term senior unsecured obligations. The Bank's credit ratings are:

Rating Agency	Current Credit Rating	Qualification
Standard & Poor's	AA-	Outlook Stable
Moody's Investors Service	Aa3	Outlook Stable
Fitch Ratings	AA-	Outlook Stable

Guarantors

No obligations of the Bank are guaranteed as at 13 May 2016.

ANZNZ Covered Bond Trust

Certain debt securities (Covered Bonds) issued by the Bank's wholly owned subsidiary, ANZ New Zealand (Int'l) Limited, are guaranteed by ANZNZ Covered Bond Trust Limited (the Covered Bond Guarantor), solely in its capacity as trustee of ANZNZ Covered Bond Trust. The Covered Bond Guarantor has guaranteed the payment of interest and principal of Covered Bonds with a carrying value as at 31 March 2016 of NZ$4,961 million, pursuant to a guarantee which is secured over a pool of assets. The Covered Bond Guarantor's address for service is Level 9, 34 Shortland Street, Auckland, New Zealand. The Covered Bond Guarantor is not a member of the Banking Group and has no credit ratings applicable to its long term senior unsecured obligations payable in New Zealand dollars. The Covered Bonds have been assigned a long term rating of Aaa and AAA by Moody's Investors Service and Fitch Ratings respectively. Details of the pool of assets that secure this guarantee are provided in Note 7.

Other Matters

APRA has reviewed the level of exposures that can be provided to the respective New Zealand banking subsidiaries and branches (New Zealand operations) of the four Australian parent banks, including the Ultimate Parent Bank.

APRA has confirmed that by 1 January 2021 no more than 5% of the Ultimate Parent Bank's Level 1 Tier 1 capital can comprise non-equity exposures to its New Zealand operations during ordinary times. Exposures in excess of this limit must be reduced in equal percentages over the five year transition period and may not increase above the exposures as at 30 June 2015. This limit does not include holdings of capital instruments or eligible secured contingent funding support provided to the Bank during times of financial stress.

The Ultimate Parent Bank established a New Zealand branch which was registered on 5 January 2009. The Bank sells, from time-to-time, residential loans and mortgages into the NZ Branch to provide funding for the Bank's business. As at 31 March 2016, the NZ Branch held approximately NZ$7.1 billion of residential loans. To satisfy APRA's requirements described above, the Bank intends to repay this funding at approximately NZ$1.6 billion per annum over the five year transition period ending 31 December 2020.

APRA has also clarified that contingent funding support by the Ultimate Parent Bank to the Bank during times of financial stress must be provided on terms that are acceptable to APRA and, in aggregate with all other exposures to its New Zealand operations, must not exceed 50% of the Ultimate Parent Bank's Level 1 Tier 1 capital. At present, only covered bonds meet APRA's criteria for contingent funding. On this basis, we believe that the Ultimate Parent Bank will continue to be able to provide financial support to the Bank.

Directorate

Nigel Williams became a Director on 14 December 2015 and ceased as alternate director for Michael Smith on 21 December 2015.

Michael Smith retired as a Director on 21 December 2015.

Auditor

The Banking Group's auditor is KPMG, Chartered Accountants, Level 9, 10 Customhouse Quay, Wellington, New Zealand.

INCOME STATEMENT

	Note	Unaudited 6 months to 31/03/2016 NZ$m	Unaudited 6 months to 31/03/2015 NZ$m	Audited Year to 30/09/2015 NZ$m
Interest income		3,264	3,445	6,926
Interest expense		1,784	2,022	4,051
Net interest income		1,480	1,423	2,875
Net trading gains		19	149	262
Net funds management and insurance income		193	211	385
Other operating income	2	220	230	523
Share of associates' profit		-	1	5
Operating income		1,912	2,014	4,050
Operating expenses	2	821	755	1,512
Profit before credit impairment and income tax		1,091	1,259	2,538
Credit impairment charge	5	52	30	74
Profit before income tax		1,039	1,229	2,464
Income tax expense		283	340	681
Profit after income tax		756	889	1,783

STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 months to 31/03/2016 NZ$m	Unaudited 6 months to 31/03/2015 NZ$m	Audited Year to 30/09/2015 NZ$m
Profit after income tax	756	889	1,783
Items that will not be reclassified to profit or loss			
Actuarial loss on defined benefit schemes	(5)	(27)	(32)
Income tax credit relating to items that will not be reclassified	2	8	9
Total items that will not be reclassified to profit or loss	(3)	(19)	(23)
Items that may be reclassified subsequently to profit or loss			
Unrealised gains recognised directly in equity	56	7	12
Realised losses / (gains) transferred to income statement	2	(13)	(16)
Income tax credit / (expense) relating to items that may be reclassified	(17)	2	1
Total items that may be reclassified subsequently to profit or loss	41	(4)	(3)
Total comprehensive income for the period	794	866	1,757

BALANCE SHEET

	Note	Unaudited 31/03/2016 NZ$m	Unaudited 31/03/2015 NZ$m	Audited 30/09/2015 NZ$m
Assets				
Cash		2,830	2,457	2,380
Settlement balances receivable		544	601	309
Collateral paid		2,114	2,123	1,929
Trading securities		12,499	12,215	12,139
Investments backing insurance contract liabilities		189	210	151
Derivative financial instruments		21,157	10,961	17,658
Current tax assets		71	4	-
Available-for-sale assets		2,245	903	1,428
Net loans and advances	4	110,357	100,695	106,357
Other assets		765	711	740
Life insurance contract assets		567	554	552
Investments in associates		4	89	4
Premises and equipment		398	372	388
Goodwill and other intangible assets		3,416	3,462	3,492
Total assets		157,156	135,357	147,527
Interest earning and discount bearing assets		130,549	118,819	124,785
Liabilities				
Settlement balances payable		1,973	1,611	1,844
Collateral received		919	364	1,687
Deposits and other borrowings	8	97,629	88,142	90,678
Derivative financial instruments		22,234	12,007	17,230
Current tax liabilities		-	-	87
Deferred tax liabilities		145	96	124
Payables and other liabilities		1,738	1,296	1,487
Provisions		187	189	191
Debt issuances	9	17,547	17,686	19,403
Subordinated debt	10	2,344	2,341	2,343
Total liabilities		144,716	123,732	135,074
Net assets		12,440	11,625	12,453
Equity				
Share capital		8,888	8,213	8,888
Reserves		31	(11)	(10)
Retained earnings		3,521	3,423	3,575
Total equity		12,440	11,625	12,453
Interest and discount bearing liabilities		112,725	103,041	108,629

The notes to the financial statements form part of and should be read in conjunction with these financial statements

CONDENSED CASH FLOW STATEMENT

	Unaudited 6 months to 31/03/2016 NZ$m	Unaudited 6 months to 31/03/2015 NZ$m	Audited Year to 30/09/2015 NZ$m
Cash flows from operating activities			
Interest received	3,243	3,384	6,857
Interest paid	(1,830)	(2,072)	(3,985)
Other cash inflows provided by operating activities	476	450	1,054
Other cash outflows used in operating activities	(1,277)	(1,085)	(1,974)
Cash flows from operating profits before changes in operating assets and liabilities	612	677	1,952
Net changes in operating assets and liabilities	1,005	(1,195)	(1,498)
Net cash flows provided by / (used in) operating activities	1,617	(518)	454
Cash flows from investing activities			
Cash inflows provided by investing activities	38	-	-
Cash outflows used in investing activities	(48)	(44)	(132)
Net cash flows used in investing activities	(10)	(44)	(132)
Cash flows from financing activities			
Cash inflows provided by financing activities	2,883	3,971	6,384
Cash outflows used in financing activities	(4,022)	(2,764)	(6,065)
Net cash flows provided by / (used in) financing activities	(1,139)	1,207	319
Net increase in cash and cash equivalents	468	645	641
Cash and cash equivalents at beginning of the period	2,471	1,830	1,830
Cash and cash equivalents at end of the period	2,939	2,475	2,471

STATEMENT OF CHANGES IN EQUITY

	Share capital NZ$m	Available-for-sale revaluation reserve NZ$m	Cash flow hedging reserve NZ$m	Retained earnings NZ$m	Total equity NZ$m
As at 1 October 2014 (Audited)	8,213	-	(7)	3,575	11,781
Profit after income tax	-	-	-	889	889
Unrealised gains recognised directly in equity	-	1	6	-	7
Realised gains transferred to the income statement	-	-	(13)	-	(13)
Actuarial loss on defined benefit schemes	-	-	-	(27)	(27)
Income tax credit on items recognised directly in equity	-	-	2	8	10
Total comprehensive income for the period	-	1	(5)	870	866
Ordinary dividend paid	-	-	-	(1,015)	(1,015)
Preference dividend paid	-	-	-	(7)	(7)
As at 31 March 2015 (Unaudited)	8,213	1	(12)	3,423	11,625
As at 1 October 2014 (Audited)	8,213	-	(7)	3,575	11,781
Profit after income tax	-	-	-	1,783	1,783
Unrealised gains recognised directly in equity	-	-	12	-	12
Realised gains transferred to the income statement	-	-	(16)	-	(16)
Actuarial loss on defined benefit schemes	-	-	-	(32)	(32)
Income tax credit on items recognised directly in equity	-	-	1	9	10
Total comprehensive income for the period	-	-	(3)	1,760	1,757
Ordinary shares issued	675	-	-	-	675
Ordinary dividend paid	-	-	-	(1,745)	(1,745)
Preference dividend paid	-	-	-	(15)	(15)
As at 30 September 2015 (Audited)	8,888	-	(10)	3,575	12,453
Profit after income tax	-	-	-	756	756
Unrealised gains recognised directly in equity	-	-	56	-	56
Realised losses transferred to the income statement	-	-	2	-	2
Actuarial loss on defined benefit schemes	-	-	-	(5)	(5)
Income tax credit / (expense) on items recognised directly in equity	-	-	(17)	2	(15)
Total comprehensive income for the period	-	-	41	753	794
Ordinary dividend paid	-	-	-	(800)	(800)
Preference dividend paid	-	-	-	(7)	(7)
As at 31 March 2016 (Unaudited)	8,888	-	31	3,521	12,440

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

(i) Reporting entity and statement of compliance

These interim financial statements are for the Banking Group for the six months ended 31 March 2016. They have been prepared in accordance with New Zealand Generally Accepted Accounting Practice as appropriate for profit oriented entities, the requirements of NZ IAS 34 *Interim Financial Reporting*, IAS 34 *Interim Financial Reporting* and the Order, and should be read in conjunction with the Banking Group's financial statements for the year ended 30 September 2015.

(ii) Basis of measurement

These financial statements have been prepared on a going concern basis in accordance with historical cost concepts except that the following assets and liabilities are stated at their fair value:

- derivative financial instruments, including in the case of fair value hedging, the fair value of any applicable underlying exposure;
- financial instruments held for trading;
- financial assets treated as available-for-sale; and
- financial instruments designated at fair value through profit and loss.

(iii) Changes in accounting policies

With the exception of software changes in note 2, the accounting policies adopted by the Banking Group are consistent with those adopted and disclosed in the previous full year Disclosure Statement.

(iv) Presentation currency and rounding

The amounts contained in the financial statements are presented in millions of New Zealand dollars, unless otherwise stated.

(v) Comparatives

Certain amounts in the comparative information have been reclassified to ensure consistency with the current period's presentation.

(vi) Principles of consolidation

The financial statements consolidate the financial statements of the Bank and its subsidiaries.

2. OTHER OPERATING INCOME AND EXPENSES

Other operating income

	Unaudited 6 months to 31/03/2016 NZ$m	Unaudited 6 months to 31/03/2015 NZ$m	Audited Year to 30/09/2015 NZ$m
Net fee income	207	203	404
Fair value gain / (loss) on hedging activities and financial liabilities designated at fair value	(8)	7	64
Gain / (loss) on sale of mortgages to NZ Branch	1	(2)	1
Other income	20	22	54
Total other operating income	220	230	523

Operating expenses

During the March 2016 half, the Banking Group changed the application of its accounting policy for the capitalisation of expenditure on internally generated software assets effective from 1 October 2015. The change aligns the accounting policy for software assets with the rapidly changing technology landscape and the Banking Group's evolving digital strategy by increasing the threshold for capitalisation of software development costs and directly expensing more project related costs. The change does not affect the Banking Group's total investment in technology but does affect the timing of recognition of costs in the profit and loss account. The impact of the change on the March 2016 half was:

- Higher amortisation of NZ$65 million relating to the accelerated amortisation of software assets where the original cost was below the revised threshold at 1 October 2015. This brings forward amortisation which otherwise would have been recognised in future periods.
- Higher operating expenses of NZ$22 million relating to software development costs which otherwise would have been capitalised and amortised in future periods.

The change in capitalised software treatment has no impact on regulatory capital ratios.

NOTES TO THE FINANCIAL STATEMENTS

3. SEGMENT ANALYSIS

The Banking Group is organised into four major business segments for segment reporting purposes - Retail, Commercial, Wealth 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.

During the year ended 30 September 2015, Business Banking was integrated with Retail, having been included in Commercial previously. Segment reporting has been updated to reflect this change and other minor changes to the Banking Group's structure. Comparative data has been adjusted to be consistent with the current period's segment definitions.

Retail

Retail provides products and services to Retail and Business Banking customers via the branch network, mortgage specialists, the contact centre and a variety of self service channels (internet banking, phone banking, ATMs, website and mobile phone banking). Retail customers have personal banking requirements and Business Banking customers consist primarily of small enterprises with annual revenues of less than NZ$5 million. Core products include current and savings accounts, unsecured lending (credit cards, personal loans and overdrafts) and home loans secured by mortgages over property. The Retail segment distributes insurance and investment products on behalf of the Wealth segment.

Commercial

Commercial provides services to Commercial & Agri (CommAgri) and UDC customers. CommAgri customers consist of primarily privately owned medium to large enterprises. Commercial's relationship with these businesses ranges from simple banking requirements with revenue from deposit and transactional facilities, and cash flow lending, to more complex funding arrangements with revenue sourced from a wider range of products. UDC is principally involved in the financing and leasing of plant, vehicles and equipment, mainly for small and medium sized businesses, as well as investment products.

Wealth

Wealth comprises the Private Wealth, Funds Management and Insurance businesses, which provide private banking, investment, superannuation and insurance products and services.

Institutional

Institutional provides financial services through a number of specialised units to large multi-banked corporations, often global, which require sophisticated product and risk management solutions. Those financial services include loan structuring, foreign exchange, wholesale money market services and transaction banking.

Other

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

Business segment analysis[1]

	Retail NZ$m	Commercial NZ$m	Wealth NZ$m	Institutional NZ$m	Other[2] NZ$m	Total NZ$m
Unaudited 6 months to 31/03/2016						
External revenues	1,132	963	80	241	(504)	1,912
Intersegment revenues	(144)	(510)	79	(6)	581	-
Total revenues	988	453	159	235	77	1,912
Profit / (loss) after income tax	375	221	68	96	(4)	756
Unaudited 6 months to 31/03/2015						
External revenues	996	1,038	73	461	(554)	2,014
Intersegment revenues	(53)	(577)	84	(127)	673	-
Total revenues	943	461	157	334	119	2,014
Profit after income tax	347	242	67	167	66	889
Audited year to 30/09/2015						
External revenues	2,071	2,070	159	864	(1,114)	4,050
Intersegment revenues	(166)	(1,149)	164	(200)	1,351	-
Total revenues	1,905	921	323	664	237	4,050
Profit after income tax	697	479	136	331	140	1,783

1 Intersegment transfers are accounted for and determined on an arm's length or cost recovery basis.
2 This segment has negative external revenues as this segment incurs funding costs on behalf of the Banking Group and is reimbursed internally.

NOTES TO THE FINANCIAL STATEMENTS

4. NET LOANS AND ADVANCES

	Note	Unaudited 31/03/2016 NZ$m	Unaudited 31/03/2015 NZ$m	Audited 30/09/2015 NZ$m
Overdrafts[1]		1,128	1,169	1,162
Credit card outstandings		1,683	1,639	1,688
Term loans - housing[1]		63,487	56,150	59,904
Term loans - non-housing		43,267	41,017	42,880
Lease receivables		229	255	236
Hire purchase		999	878	946
Other		-	125	-
Total gross loans and advances		110,793	101,233	106,816
Less: Provision for credit impairment	5	(591)	(638)	(611)
Less: Unearned income		(213)	(215)	(214)
Add: Capitalised brokerage/mortgage origination fees		338	253	314
Add: Customer liability for acceptances		30	62	52
Total net loans and advances		110,357	100,695	106,357

1 Comparative amounts have been changed to reclassify revolving credit facilities secured by residential property provided to corporate customers from Overdrafts to Term loans – housing (31/03/2015 NZ$471 million, 30/09/2015 NZ$476 million).

The Bank has sold residential mortgages to the NZ Branch with a net carrying value of NZ$7,107 million as at 31 March 2016 (31/03/2015 NZ$8,323 million, 30/09/2015 NZ$8,011 million). These assets qualify for derecognition as the Bank does not retain a continuing involvement in the transferred assets.

5. PROVISION FOR CREDIT IMPAIRMENT

Credit impairment charge / (release)

	Retail mortgages NZ$m	Other retail exposures NZ$m	Non-retail exposures NZ$m	Total NZ$m
Unaudited 31/03/2016				
New and increased provisions	8	57	39	104
Write-backs	(16)	(9)	(16)	(41)
Recoveries of amounts written off previously	-	(11)	(2)	(13)
Individual credit impairment charge / (release)	(8)	37	21	50
Collective credit impairment charge / (release)	(1)	4	(1)	2
Credit impairment charge / (release)	(9)	41	20	52
Unaudited 31/03/2015				
New and increased provisions	12	50	41	103
Write-backs	(16)	(9)	(31)	(56)
Recoveries of amounts written off previously	(1)	(10)	(1)	(12)
Individual credit impairment charge / (release)	(5)	31	9	35
Collective credit impairment release	-	(1)	(4)	(5)
Credit impairment charge / (release)	(5)	30	5	30
Audited 30/09/2015				
New and increased provisions	31	107	76	214
Write-backs	(39)	(19)	(59)	(117)
Recoveries of amounts written off previously	(1)	(20)	(8)	(29)
Individual credit impairment charge / (release)	(9)	68	9	68
Collective credit impairment charge / (release)	(1)	9	(2)	6
Credit impairment charge / (release)	(10)	77	7	74

NOTES TO THE FINANCIAL STATEMENTS

Movement in provision for credit impairment

	Retail mortgages NZ$m	Other retail exposures NZ$m	Non-retail exposures NZ$m	Total NZ$m
Unaudited 31/03/2016				
Collective provision				
Balance at beginning of the period	77	127	253	457
Charge / (release) to income statement	(1)	4	(1)	2
Balance at end of the period	76	131	252	459
Individual provision				
Balance at beginning of the period	54	9	91	154
New and increased provisions net of write-backs	(8)	48	23	63
Bad debts written off	(1)	(50)	(29)	(80)
Discount unwind	(1)	-	(4)	(5)
Balance at end of the period	44	7	81	132
Total provision for credit impairment	120	138	333	591
Unaudited 31/03/2015				
Collective provision				
Balance at beginning of the period	78	118	255	451
Release to income statement	-	(1)	(4)	(5)
Balance at end of the period	78	117	251	446
Individual provision				
Balance at beginning of the period	72	15	128	215
New and increased provisions net of write-backs	(4)	41	10	47
Bad debts written off	-	(44)	(21)	(65)
Discount unwind	(2)	-	(3)	(5)
Balance at end of the period	66	12	114	192
Total provision for credit impairment	144	129	365	638
Audited 30/09/2015				
Collective provision				
Balance at beginning of the year	78	118	255	451
Charge / (release) to income statement	(1)	9	(2)	6
Balance at end of the year	77	127	253	457
Individual provision				
Balance at beginning of the year	72	15	128	215
New and increased provisions net of write-backs	(8)	88	17	97
Bad debts written off	(4)	(94)	(54)	(152)
Discount unwind	(6)	-	-	(6)
Balance at end of the year	54	9	91	154
Total provision for credit impairment	131	136	344	611

NOTES TO THE FINANCIAL STATEMENTS

6. IMPAIRED ASSETS AND PAST DUE ASSETS

	Retail mortgages NZ$m	Other retail exposures NZ$m	Non-retail exposures NZ$m	Total NZ$m
Unaudited 31/03/2016				
Balance at beginning of the period	97	32	253	382
Transfers from productive	32	67	107	206
Transfers to productive	(17)	(3)	(4)	(24)
Assets realised or loans repaid	(39)	(15)	(113)	(167)
Write offs	(1)	(50)	(29)	(80)
Total impaired assets	72	31	214	317
Undrawn facilities with impaired customers	-	-	12	12
Unaudited 31/03/2015				
Balance at beginning of the period	189	35	410	634
Transfers from productive	39	61	59	159
Transfers to productive	(46)	(4)	(33)	(83)
Assets realised or loans repaid	(53)	(13)	(105)	(171)
Write offs	-	(44)	(21)	(65)
Total impaired assets	129	35	310	474
Undrawn facilities with impaired customers	1	-	19	20
Audited 30/09/2015				
Balance at beginning of the year	189	35	410	634
Transfers from productive	89	126	155	370
Transfers to productive	(69)	(7)	(46)	(122)
Assets realised or loans repaid	(108)	(28)	(212)	(348)
Write offs	(4)	(94)	(54)	(152)
Total impaired assets	97	32	253	382
Undrawn facilities with impaired customers	1	-	14	15

Credit quality of financial assets that are past due but not impaired

A large portion of retail credit exposures, such as residential mortgages, are generally well secured. That is, the fair value of associated security should be sufficient to ensure that the Banking Group will recover the entire amount owing over the life of the facility and there is reasonable assurance that collection efforts will result in payment of the amounts due in a timely manner.

Ageing analysis of loans that are past due but not impaired

	Retail mortgages NZ$m	Other retail exposures NZ$m	Non-retail exposures NZ$m	Total NZ$m
Unaudited 31/03/2016				
1 to 5 days	333	124	457	914
6 to 29 days	197	92	77	366
1 to 29 days	530	216	534	1,280
30 to 59 days	137	37	120	294
60 to 89 days	103	21	2	126
90 days or over	110	33	51	194
	880	307	707	1,894

NOTES TO THE FINANCIAL STATEMENTS

7. ASSETS PLEDGED AS COLLATERAL FOR LIABILITIES

	Carrying Amount		
	Unaudited 31/03/2016 NZ$m	Unaudited 31/03/2015 NZ$m	Audited 30/09/2015 NZ$m
Cash collateral given on derivative financial instruments	2,114	2,123	1,929
Securities sold under agreements to repurchase	140	43	47
Residential mortgages pledged as security for covered bonds	10,065	7,010	7,547
Assets pledged as collateral for UDC secured investments	2,571	2,423	2,441
Total financial assets pledged as collateral	14,890	11,599	11,964

ANZNZ Covered Bond Trust (the Covered Bond Trust)

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 ANZNZ Covered Bond Trust Limited 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 prior ranking creditors of the Covered Bond Trust have been satisfied.

The Banking Group continues to recognise the assets of the Covered Bond Trust on its balance sheet as, although they are pledged as security for covered bonds, the Bank retains substantially all the risks and rewards of ownership.

8. DEPOSITS AND OTHER BORROWINGS

	Note	Unaudited 31/03/2016 NZ$m	Unaudited 31/03/2015 NZ$m	Audited 30/09/2015 NZ$m
Term deposits		37,574	34,855	34,982
On demand and short term deposits		43,569	37,591	41,436
Deposits not bearing interest		7,268	6,263	6,716
UDC secured investments	7	1,737	1,629	1,736
Total customer deposits		90,148	80,338	84,870
Certificates of deposit		1,859	1,462	745
Commercial paper		5,451	6,273	4,964
Deposits from banks		140	43	47
Deposits from other members of ANZ New Zealand		31	26	52
Total deposits and other borrowings		97,629	88,142	90,678

9. DEBT ISSUANCES

	Unaudited 31/03/2016 NZ$m	Unaudited 31/03/2015 NZ$m	Audited 30/09/2015 NZ$m
Domestic bonds	4,000	3,325	3,525
U.S. medium term notes[1]	5,944	6,138	6,831
Euro medium term notes[1]	2,535	3,711	3,598
Covered bonds[1]	4,961	4,382	5,335
Index linked notes	36	35	35
Total debt issuances	17,476	17,591	19,324
Fair value hedge adjustment	206	148	175
Less debt issuances held by the Bank	(135)	(53)	(96)
Total debt issuances	17,547	17,686	19,403

[1] These debt issuances are issued by ANZ New Zealand (Int'l) Limited and are guaranteed by the Bank.

Debt issuances, other than covered bonds, are unsecured and rank equally with other unsecured liabilities of the Banking Group.

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10. SUBORDINATED DEBT

	Unaudited 31/03/2016 NZ$m	Unaudited 31/03/2015 NZ$m	Audited 30/09/2015 NZ$m
ANZ Capital Notes[1]			
NZD 1,003m ANZ New Zealand Internal Capital Notes (ANZ NZ ICN)	1,003	1,003	1,003
NZD 500m ANZ New Zealand Capital Notes (ANZ NZ CN)[2]	495	494	494
Perpetual subordinated debt			
NZD 835m perpetual subordinated bond[2,3]	835	835	835
AUD 10m perpetual subordinated floating rate loan	11	10	11
Total subordinated debt issued	2,344	2,342	2,343
Less subordinated debt instruments held by the Bank	-	(1)	-
Total subordinated debt	2,344	2,341	2,343

[1] These instruments qualify as additional tier 1 capital.
[2] These instruments are listed on the New Zealand Debt Market (NZDX). The Market Surveillance Panel of the NZX granted the Bank a waiver from the requirements of Listing Rules 10.3 (relating to the provision of preliminary announcements of half yearly and annual results to the NZX) and 10.4 (relating to preparing and providing a copy of half yearly and annual reports to the NZX).
[3] These instruments qualify as tier 2 capital under RBNZ's transitional rules. Refer to note 12 for further details.

Subordinated debt is subordinated in right of payment in the event of liquidation or wind up to the claims of depositors and all creditors of the Bank.

ANZ Capital Notes

- On 5 March 2015, the Bank issued 10.0 million convertible notes (ANZ NZ ICN) to the NZ Branch at NZ$100 each, raising NZ$1,003 million.
- On 31 March 2015, the Bank issued 500 million convertible notes (ANZ NZ CN) at NZ$1 each, raising NZ$500 million before issue costs.

ANZ Capital Notes (the notes) are fully paid mandatorily convertible non-cumulative perpetual subordinated notes.

As at 31 March 2016, ANZ NZ CN carried a BBB- credit rating from Standard and Poor's.

The notes are classified as debt given there are circumstances beyond the Bank's control where the principal is converted into a variable number of shares of the Bank (ANZ NZ ICN) or the Ultimate Parent Bank (ANZ NZ CN).

Interest

Interest on the notes is non-cumulative and payable as follows:

- ANZ NZ ICN: payable semi-annually in arrears in March and September in each year. The interest rate is based on a floating rate equal to the aggregate of the New Zealand 6 month bank bill rate plus a 380 basis point margin.
- ANZ NZ CN: payable quarterly in arrears in February, May, August and November in each year. The interest rate is fixed at 7.2% per annum until 25 May 2020, and thereafter will be based on a floating rate equal to the aggregate of the New Zealand 3 month bank bill rate plus a 350 basis point margin.

Interest payments are subject to the Bank's absolute discretion and certain payment conditions being satisfied (including RBNZ and APRA (ANZ NZ CN only) requirements). If interest is not paid on the notes the Bank may not, except in limited circumstances, pay dividends or undertake a share buy-back or other capital reduction on its ordinary shares until interest is next paid.

Conversion features

On 24 March 2025 (ANZ NZ ICN) or 25 May 2022 (ANZ NZ CN) or an earlier date under certain circumstances, the relevant notes will mandatorily convert into a variable number of ordinary shares of the:

- Bank based on the net assets per share in the Bank's most recently published Disclosure Statement (ANZ NZ ICN); or
- Ultimate Parent Bank based on the average market price of the Ultimate Parent Bank's ordinary shares over a specified period prior to conversion less a 1% discount, subject to a maximum conversion number (ANZ NZ CN).

The mandatory conversion will be deferred for a specified period if the conversion tests are not met.

The Bank may be required to convert some or all of the notes if a common equity capital trigger event, or an RBNZ or APRA (ANZ NZ CN only) non-viability trigger event occurs. The ANZ ICN will convert into ordinary shares of the Bank and the ANZ CN will convert into ordinary shares of the Ultimate Parent Bank, subject to a maximum conversion number.

A common equity capital trigger event occurs if the:

- Banking Group's common equity tier 1 capital ratio is equal to or less than 5.125%; or
- Overseas Banking Group's Level 2 common equity tier 1 capital ratio is equal to or less than 5.125% (ANZ CN only).

An RBNZ non-viability trigger event occurs if the RBNZ directs the Bank to convert or write off the notes or a statutory manager is appointed to the Bank and decides the Bank must convert or write off the notes. An APRA non-viability trigger event occurs if APRA notifies the Ultimate Parent Bank that, without the conversion or write-off of certain securities or a public sector injection of capital (or equivalent support), it considers that the Ultimate Parent Bank would become non-viable.

On 25 May 2020 the Bank has the right, subject to satisfying certain conditions, to redeem (subject to receiving RBNZ's and APRA's prior approval), or to convert into ordinary shares

NOTES TO THE FINANCIAL STATEMENTS

of the Ultimate Parent Bank, all or some of the ANZ NZ CN at its discretion on similar terms as mandatory conversion.

On 24 March 2023 the Bank has the right, subject to satisfying certain conditions, to redeem (subject to receiving RBNZ's prior approval), or to convert into ordinary shares of the Bank, all or some of the ANZ NZ ICN at its discretion on similar terms as mandatory conversion.

Rights of holders in event of liquidation

The notes rank equally with each other and with the Bank's preference shares and lower than perpetual subordinated debt. Holders of the notes do not have any right to vote in general meetings of the Bank.

Perpetual subordinated debt

Perpetual subordinated debt instruments are classified as debt reflecting an assessment of the key terms and conditions of the instruments, and an assessment of the ability, and likelihood of interest payments being deferred. These instruments have interrelationships that have been considered in this assessment.

NZD 835,000,000 bond

This bond was issued by the Bank on 18 April 2008.

The Bank may elect to redeem the bond on 18 April 2018 (the Call Date) or any interest payment date subsequent to 18 April 2018. Interest is payable semi-annually in arrears on 18 April and 18 October each year, up to and including the Call Date and then quarterly thereafter. Should the bond not be called at the Call Date, the Coupon Rate from the Call Date onwards will be based on a floating rate equal to the aggregate of the 3 month bank bill rate plus a 300 basis point margin.

As at 31 March 2016, this bond carried a BBB+ rating by Standard and Poor's and an A3 rating by Moody's.

The coupon interest on the bond is 5.28% per annum until 18 April 2018.

AUD 10,000,000 loan

This loan was drawn down by the Bank on 27 March 2013 and has no fixed maturity. Interest is payable semi-annually in arrears on 15 March and 15 September each year. The Bank may repay the loan on any interest payment date after the NZD 835,000,000 bond has been repaid in full.

Coupon interest is based on a floating rate equal to the aggregate of the Australian 6 month bank bill rate plus a 240 basis point margin, increasing to the Australian 6 month bank bill rate plus a 440 basis point margin from 15 September 2018.

11. RELATED PARTY BALANCES

	Unaudited 31/03/2016 NZ$m	Unaudited 31/03/2015 NZ$m	Audited 30/09/2015 NZ$m
Total due from related parties	5,422	2,960	4,195
Total due to related parties	6,404	4,173	5,487

NOTES TO THE FINANCIAL STATEMENTS

12. CAPITAL ADEQUACY

Basel III capital ratios

	Banking Group			Bank		
	31/03/2016	31/03/2015	30/09/2015	31/03/2016	31/03/2015	30/09/2015
Unaudited						
Common equity tier 1 capital	10.0%	10.1%	10.5%	8.9%	8.8%	9.4%
Tier 1 capital	12.2%	12.4%	12.7%	11.2%	11.2%	11.8%
Total capital	12.8%	13.3%	13.6%	11.8%	12.2%	12.7%
Buffer ratio	4.8%	5.3%	5.6%			
RBNZ minimum ratios:						
Common equity tier 1 capital	4.5%	4.5%	4.5%			
Tier 1 capital	6.0%	6.0%	6.0%			
Total capital	8.0%	8.0%	8.0%			
Buffer requirement	2.5%	2.5%	2.5%			

Capital of the Banking Group

	Unaudited 31/03/2016 NZ$m
Tier 1 capital	
Common equity tier 1 capital	
Paid up ordinary shares issued by the Bank	8,588
Retained earnings (net of appropriations)	3,521
Accumulated other comprehensive income and other disclosed reserves	31
Less deductions from common equity tier 1 capital	
Goodwill and intangible assets, net of associated deferred tax liabilities	(3,404)
Cash flow hedge reserve	(31)
Expected losses to the extent greater than total eligible allowances for impairment	(237)
Common equity tier 1 capital	8,468
Additional tier 1 capital	
Preference shares	300
ANZ Capital Notes[1]	1,503
Capital attributable to The Bonus Bonds Trust investors	38
Additional tier 1 capital	1,841
Total tier 1 capital	10,309
Tier 2 capital	
Qualifying tier 2 capital instruments subject to phase-out under RBNZ Basel III transition arrangements	
NZD 835,000,000 perpetual subordinated bond[1]	835
Less deductions from tier 2 capital	
Basel III transition adjustment[2]	(367)
Total tier 2 capital	468
Total capital	10,777

1 A summary of the terms of these instruments is included in note 10.

2 Certain instruments issued by the Bank qualify as tier 2 capital instruments subject to phase-out under RBNZ Basel III transition arrangements. Fixing the base at the nominal amount of such instruments outstanding at 31 December 2012, their recognition is capped at 60% of that base from 1 January 2015; 40% from 1 January 2016; 20% from 1 January 2017; and from 1 January 2018 onwards these instruments will not be included in regulatory capital.

NOTES TO THE FINANCIAL STATEMENTS

Terms of ordinary share capital

All ordinary shares share equally in dividends and any proceeds available to ordinary shareholders on the winding up of the Bank. On a show of hands every member who is present at a meeting in person or by proxy or by representative is entitled to one vote, and upon a poll every member shall have one vote for each share held.

Terms of preference shares

All preference shares were issued on 25 September 2013 by the Bank to the Immediate Parent and do not carry any voting rights. The preference shares are wholly 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. The key terms of the preference shares are as follows:

Dividends

Dividends are payable at the discretion of the Directors of the Bank and are non-cumulative. The Bank must not resolve to pay any dividend or make any other distribution on its ordinary shares until the next preference share dividend payment date if the Directors elect to not pay a dividend on the preference shares.

Should the Bank elect to pay a dividend, the dividend is payable at 72% of BKBM + 3.25% p.a., with dividend payments scheduled to be made in March and September each year.

Redemption features

The preference shares are redeemable, subject to prior written approval of the RBNZ, by the Bank providing notice in writing to holders of the preference shares:

- on any date on or after a change to laws or regulations that adversely affects the regulatory capital or tax treatment of the preference shares; or
- on any dividend payment date on or after 1 March 2019; or
- on any date after 1 March 2019 if the Bank has ceased to be a wholly owned subsidiary of the Ultimate Parent Bank.

The preference shares may be redeemed for nil consideration should an RBNZ non-viability trigger event, as defined in the RBNZ document Capital Adequacy Framework (Internal Models Based Approach) (BS2B), occur.

Rights of holders in event of liquidation

In the event of a liquidation of the Bank, holders of preference shares are entitled to available subscribed capital per share, pari passu with all holders of existing preference shares and ANZ Capital notes but in priority to all holders of ordinary shares. They have no entitlement to participate in further distribution of profits or assets.

Capital requirements of the Banking Group

	Exposure at default	Risk weighted exposure or implied risk weighted exposure[1]	Total capital requirement
	NZ$m	NZ$m	NZ$m
Unaudited 31/03/2016			
Corporate exposures	49,096	29,741	2,379
Sovereign exposures	12,624	329	26
Bank exposures	10,861	3,743	299
Retail mortgage exposures	69,556	16,543	1,324
Other retail exposures	10,712	8,563	685
Exposures subject to internal ratings based approach	152,849	58,919	4,713
Specialised lending exposures subject to slotting approach	10,747	9,949	796
Exposures subject to standardised approach	2,137	347	27
Equity exposures	6	25	2
Other exposures	3,671	1,719	138
Total credit risk	169,410	70,959	5,676
Operational risk	n/a	5,923	474
Market risk	n/a	7,474	598
Total	169,410	84,356	6,748

[1] Total credit risk weighted exposures include a scalar of 1.06 in accordance with the Bank's Conditions of Registration.

NOTES TO THE FINANCIAL STATEMENTS

Implementation of the advanced internal ratings based approach to credit risk measurement

The Banking Group adheres to the standards of risk grading and risk quantification as set out for Internal Ratings Based (IRB) banks in the RBNZ document *Capital Adequacy Framework (Internal Models Based Approach)* (BS2B).

Under this IRB Framework banks use their own measures for calculating the level of credit risk associated with customers and exposures, by way of the primary components of:

Probability of Default (PD): An estimate of the level of risk of borrower default graded by way of rating models used both at loan origination and for ongoing monitoring;

Exposure at Default (EAD): The expected facility exposure at default. Total credit risk-weighted exposures include a scalar of 1.06 in accordance with the Bank's Conditions of Registration; and

Loss Given Default (LGD): An estimate of the potential economic loss on a credit exposure, incurred as a consequence of obligor default and expressed as a percentage of the facility's EAD. For Retail Mortgage exposures the Bank is required to apply the downturn LGDs according to loan to value (LVR) bands as set out in BS2B. For farm lending exposures the Banking Group is required to adopt RBNZ prescribed downturn LVR based LGDs, along with a minimum maturity of 2.5 years and the removal of the firm-size adjustment.

For exposures classified under Specialised Lending, the Banking Group uses slotting tables supplied by the RBNZ rather than internal estimates.

The exceptions to IRB treatment are three minor portfolios where, due to systems constraints, determining these IRB risk estimates is not currently feasible or appropriate. Risk weights for these exposures are calculated under a separate treatment as set out in the RBNZ document *Capital Adequacy Framework (Standardised Approach)* (BS2A).

Capital requirements by asset class under the IRB approach

Unaudited 31/03/2016	Total exposure or principal amount NZ$m	Exposure at default NZ$m	Exposure-weighted LGD used for the capital calculation %	Exposure-weighted risk weight %	Risk weighted exposure $m	Total capital requirement $m
On-balance sheet exposures						
Corporate	36,017	35,895	36	57	21,668	1,734
Sovereign	11,939	11,875	5	1	111	9
Bank	7,423	5,528	57	20	1,156	91
Retail mortgages	60,795	61,023	20	23	15,030	1,203
Other retail	5,000	5,102	76	97	5,258	421
Total on-balance sheet exposures	121,174	119,423	28	34	43,223	3,458
Off-balance sheet exposures						
Corporate	12,637	10,342	50	49	5,418	433
Sovereign	252	149	5	2	4	-
Bank	1,346	1,062	51	18	206	17
Retail mortgages	8,151	8,533	18	17	1,513	121
Other retail	5,862	5,610	79	56	3,305	264
Total off-balance sheet exposures	28,248	25,696	45	38	10,446	835
Market related contracts						
Corporate	134,701	2,859	60	88	2,655	212
Sovereign	11,302	600	5	34	214	17
Bank	715,651	4,271	61	53	2,381	191
Total market related contracts	861,654	7,730	56	64	5,250	420
Total credit risk exposures subject to the IRB approach	1,011,076	152,849	32	36	58,919	4,713

NOTES TO THE FINANCIAL STATEMENTS

IRB exposures by customer credit rating

Unaudited 31/03/2016	Probability of default %	Exposure at default NZ$m	Exposure-weighted LGD used for the capital calculation %	Exposure-weighted risk weight %	Risk weighted exposure NZ$m	Total capital requirement NZ$m
Corporate						
0 - 2	0.06	6,076	63	42	2,725	218
3 - 4	0.32	23,403	37	41	10,153	812
5	1.05	11,840	38	67	8,448	676
6	2.22	5,821	38	87	5,349	428
7 - 8	8.67	1,588	42	156	2,624	210
Default	100.00	368	45	113	442	35
Total corporate exposures	1.71	49,096	40	57	29,741	2,379
Sovereign						
0	0.01	12,479	5	2	324	26
1 - 8	0.42	145	5	3	5	-
Total sovereign exposures	0.01	12,624	5	2	329	26
Bank						
0	0.03	33	65	31	11	1
1	0.03	9,557	57	30	3,089	247
2 - 4	0.08	1,255	62	47	623	50
5 - 8	1.46	16	65	121	20	1
Total bank exposures	0.04	10,861	58	33	3,743	299
Retail mortgages						
0 - 3	0.20	16,720	12	5	882	71
4	0.46	25,304	19	15	3,967	317
5	0.92	21,554	25	33	7,458	597
6	2.02	5,292	28	64	3,613	289
7 - 8	5.30	464	29	106	523	42
Default	100.00	222	24	43	100	8
Total retail mortgages exposures	1.01	69,556	20	22	16,543	1,324
Other retail						
0 - 2	0.10	640	78	48	326	26
3 - 4	0.26	4,772	78	54	2,754	220
5	1.02	1,970	71	72	1,499	120
6	2.32	1,713	76	95	1,720	138
7 - 8	8.85	1,539	86	134	2,183	175
Default	100.00	78	79	98	81	6
Total other retail exposures	2.68	10,712	78	75	8,563	685
Total credit risk exposures subject to the IRB approach	1.20	152,849	32	36	58,919	4,713

Credit risk exposures subject to the IRB approach have been derived in accordance with BS2B and other relevant correspondence with RBNZ setting out prescribed credit risk estimates.

NOTES TO THE FINANCIAL STATEMENTS

Specialised lending subject to the slotting approach

Unaudited 31/03/2016	Exposure at default NZ$m	Risk weight %	Risk weighted exposure NZ$m	Total capital requirement NZ$m
On-balance sheet exposures				
Strong	2,886	70	2,141	171
Good	5,785	90	5,519	442
Satisfactory	577	115	703	56
Weak	62	250	165	13
Default	51	-	-	-
Total on-balance sheet exposures	9,361	86	8,528	682

	Exposure amount NZ$m	Exposure at default NZ$m	Average risk weight %	Risk weighted exposure NZ$m	Total capital requirement NZ$m
Off-balance sheet exposures					
Undrawn commitments and other off balance sheet exposures	1,441	1,264	91	1,224	98
Market related contracts	1,879	122	153	197	16
Total off-balance sheet exposures	3,320	1,386	97	1,421	114

Specialised lending exposures subject to the slotting approach have been calculated in accordance with BS2B.

The supervisory categories of specialised lending above are associated with specific risk-weights. These categories broadly correspond to the following external credit assessments using Standard & Poor's rating scale, Strong: BBB- or better, Good: BB+ or BB, Satisfactory: BB- or B+ and Weak: B to C-.

Credit risk exposures subject to the standardised approach

Unaudited 31/03/2016	Exposure at default NZ$m	Risk weight %	Risk weighted exposure NZ$m	Total capital requirement NZ$m
On-balance sheet exposures				
Corporates	50	100	53	4
Default	1	150	2	-
Total on-balance sheet exposures	51	101	55	4

	Exposure amount NZ$m	Average credit conversion factor %	Exposure at default NZ$m	Average risk weight %	Risk weighted exposure NZ$m	Total capital requirement NZ$m
Off-balance sheet exposures						
Undrawn commitments and other off balance sheet exposures	510	47	241	99	253	20
Market related contracts	573,433	-	1,845	2	39	3
Total off balance sheet	573,943	n/a	2,086	13	292	23

Credit exposures subject to the Standardised Approach have been calculated in accordance with BS2A.

Equity exposures

Unaudited 31/03/2016	Exposure at default NZ$m	Risk weight %	Risk weighted exposure NZ$m	Total capital requirement NZ$m
All equity holdings not deducted from capital	6	400	25	2

Equity exposures have been calculated in accordance with BS2B.

NOTES TO THE FINANCIAL STATEMENTS

Other exposures

Unaudited 31/03/2016	Exposure at default NZ$m	Risk weight %	Risk weighted exposure NZ$m	Total capital requirement NZ$m
Cash	264	-	-	-
New Zealand dollar denominated claims on the Crown and the RBNZ	1,785	-	-	-
Other assets	1,622	100	1,719	138
Total other IRB credit risk exposures	3,671	44	1,719	138

Other exposures have been calculated in accordance with BS2B.

Credit risk mitigation

The Banking Group assesses the integrity and ability of counterparties to meet their contractual financial obligations for repayment. The Banking Group generally takes collateral security in the form of real property or a security interest in personal property, except for major government, bank and corporate counterparties of strong financial standing. Longer term consumer finance, in the form of housing loans, is generally secured against real estate while short term revolving consumer credit is generally unsecured.

As at 31 March 2016, under the IRB approach, the Banking Group had NZ$1,200 million of Corporate exposures covered by guarantees where the presence of the guarantees was judged to reduce the underlying credit risk of the exposures. Information on the total value of exposures covered by financial guarantees and eligible financial collateral is not disclosed, as the effect of these guarantees and collateral on the underlying credit risk exposures is not considered to be material.

Operational risk

The Banking Group uses the Advanced Measurement Approach for determining its regulatory capital requirement for operational risk calculated in accordance with BS2B. As at 31 March 2016 the Banking Group had an implied risk weighted exposure of NZ$5,923 million for operational risk and an operational risk capital requirement of NZ$474 million.

Market risk

The aggregate market risk exposures below have been calculated in accordance with BS2B. The peak end-of-day market risk exposures are for the half-year ended 31 March 2016.

	Implied risk weighted exposure		Aggregate capital charge		Peak
	Period end	Peak	Period end	Peak	occurred on
Unaudited 31/03/2016	NZ$m	NZ$m	NZ$m	NZ$m	
Interest rate risk	7,401	8,840	592	707	22/03/2016
Foreign currency risk	71	210	6	17	28/01/2016
Equity risk	2	2	-	-	1/10/2015
	7,474		598		

Pillar II Capital for other material risks

The Banking Group has an Internal Capital Adequacy Assessment Process (ICAAP) which complies with the requirements of the Bank's Conditions of Registration.

Under the Banking Group's ICAAP it identifies and measures all "other material risks", which are those material risks that are not explicitly captured in the calculation of the Banking Group's tier 1 and total capital ratios. The other material risks identified by the Banking Group include pension risk, insurance risk, strategic equity risk, fixed asset risk, deferred acquisition cost risk, value in-force risk, business retention risk and software risk.

The Banking Group's internal capital allocation for these other material risks is NZ$514 million (31/03/2015 NZ$437 million; 30/09/2015 NZ$479 million).

The Banking Group regularly reviews the methodologies used to calculate the economic capital allocated to other material risks. Updated capital methodologies (particularly relating to software, strategic equity and value in-force risk) were applied in March 2015.

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Capital adequacy of the Ultimate Parent Bank

Basel III capital ratios

	Overseas Banking Group			Ultimate Parent Bank (Extended Licensed Entity)		
Unaudited	**31/03/2016**	**31/03/2015**	**30/09/2015**	**31/03/2016**	**31/03/2015**	**30/09/2015**
Common equity tier 1 capital	9.8%	8.7%	9.6%	10.2%	8.8%	9.6%
Tier 1 capital	11.6%	10.6%	11.3%	12.2%	10.9%	11.6%
Total capital	13.7%	12.6%	13.3%	14.4%	13.1%	13.7%

For calculation of minimum capital requirements under Pillar 1 (Capital Requirements) of the Basel Accord, APRA has accredited the Overseas Banking Group to use the Advanced Internal Ratings Based (AIRB) methodology for calculation of credit risk weighted assets and the Advanced Measurement Approach (AMA) for the operational risk weighted asset equivalent.

Under prudential regulations, the Overseas Banking Group is required to maintain a Prudential Capital Ratio (PCR) as determined by APRA. The Overseas Banking Group exceeded the PCR set by APRA as at 31 March 2016 and for the comparative prior periods.

The Overseas Banking Group is required to publicly disclose Pillar 3 financial information as at 31 March 2016. The Overseas Banking Group's Pillar 3 disclosure document for the quarter ended 31 March 2016, 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.

Residential mortgages by loan-to-valuation ratio

As required by the RBNZ, LVRs are calculated as the current exposure secured by a residential mortgage divided by the Banking Group'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.

	31/03/2016		
Unaudited	**On-balance sheet NZ$m**	**Off-balance sheet NZ$m**	**Total NZ$m**
LVR range			
Does not exceed 60%	23,641	4,348	27,989
Exceeds 60% and not 70%	12,842	1,452	14,294
Exceeds 70% and not 80%	17,988	1,877	19,865
Does not exceed 80%	54,471	7,677	62,148
Exceeds 80% and not 90%	4,235	223	4,458
Exceeds 90%	2,089	251	2,340
Total	60,795	8,151	68,946

Reconciliation of mortgage related amounts

	Note	**Unaudited 31/03/2016 NZ$m**
Term loans - housing	4	63,487
Less: fair value hedging adjustment		(207)
Less: housing loans made to corporate customers		(2,514)
Add: Unsettled re-purchases of mortgages from the NZ Branch		29
On-balance sheet retail mortgage exposures subject to the IRB approach	12	60,795
Add: off-balance sheet retail mortgage exposures subject to the IRB approach		8,151
Total retail mortgage exposures subject to the IRB approach (as per LVR analysis)	12	68,946

NOTES TO THE FINANCIAL STATEMENTS

13. FINANCIAL RISK MANAGEMENT

Concentrations of credit risk

Concentrations of credit risk arise when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar risk characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

Analysis of financial assets by industry sector is based on Australian and New Zealand Standard Industrial Classification (ANZSIC) codes.

Unaudited 31/03/2016	Cash, settlements receivable and collateral paid NZ$m	Trading securities and available-for-sale assets NZ$m	Derivative financial instruments NZ$m	Net loans and advances[3] NZ$m	Other financial assets NZ$m	Credit related commitments[4] NZ$m	Total NZ$m
Industry							
Agriculture	-	-	23	18,416	71	1,481	19,991
Forestry, fishing and mining	-	-	37	882	3	906	1,828
Business and property services	-	-	46	11,171	43	2,874	14,134
Construction	-	-	17	1,468	6	844	2,335
Entertainment, leisure and tourism	-	-	31	1,254	5	244	1,534
Finance and insurance	3,703	7,681	18,847	1,329	383	1,414	33,357
Government and local authority[1]	1,785	6,965	1,111	1,179	5	1,213	12,258
Manufacturing	-	34	212	3,172	12	2,209	5,639
Personal lending	-	-	-	64,888	252	19,499	84,639
Retail trade	-	-	58	1,907	7	949	2,921
Transport and storage	-	4	89	1,672	6	731	2,502
Wholesale trade	-	-	22	1,419	6	1,447	2,894
Other[2]	-	60	664	2,066	8	1,755	4,553
	5,488	14,744	21,157	110,823	807	35,566	188,585
Less: Provision for credit impairment	-	-	-	(512)	-	(79)	(591)
Less: Unearned income	-	-	-	(213)	-	-	(213)
Add: Capitalised brokerage / mortgage origination fees	-	-	-	338	-	-	338
Total financial assets	5,488	14,744	21,157	110,436	807	35,487	188,119
Geography							
New Zealand	3,184	9,538	3,798	107,964	797	35,324	160,605
Overseas	2,304	5,206	17,359	2,472	10	163	27,514
Total financial assets	5,488	14,744	21,157	110,436	807	35,487	188,119

1 Government and local authority includes exposures to government administration and defence, education and health and community services.
2 Other includes exposures to electricity, gas and water, communications and personal services.
3 Excludes individual and collective provisions for credit impairment held in respect of credit related commitments.
4 Credit related commitments comprise undrawn facilities, customer contingent liabilities and letters of offer.

NOTES TO THE FINANCIAL STATEMENTS

Interest rate sensitivity gap

The following tables represent the interest rate sensitivity of the Banking Group'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.

Unaudited 31/03/2016	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 NZ$m
Assets							
Cash	2,830	2,566	-	-	-	-	264
Settlement balances receivable	544	121	-	-	-	-	423
Collateral paid	2,114	2,114	-	-	-	-	-
Trading securities	12,499	1,185	412	492	3,428	6,982	-
Derivative financial instruments	21,157	-	-	-	-	-	21,157
Available-for-sale assets	2,245	1,794	171	30	160	88	2
Net loans and advances	110,357	60,507	8,378	15,110	18,997	7,824	(459)
Other financial assets	807	-	-	177	13	-	617
Total financial assets	152,553	68,287	8,961	15,809	22,598	14,894	22,004
Liabilities							
Settlement balances payable	1,973	764	-	-	-	-	1,209
Collateral received	919	919	-	-	-	-	-
Deposits and other borrowings	97,629	67,183	10,949	8,612	2,216	1,401	7,268
Derivative financial instruments	22,234	-	-	-	-	-	22,234
Debt issuances	17,547	3,703	300	1,231	3,927	8,386	-
Subordinated debt	2,344	-	1,014	-	-	1,330	-
Payables and other liabilities	1,280	142	-	-	20	628	490
Total financial liabilities	143,926	72,711	12,263	9,843	6,163	11,745	31,201
Hedging instruments	-	7,794	6,145	(1,793)	(12,978)	832	-
Interest sensitivity gap	8,627	3,370	2,843	4,173	3,457	3,981	(9,197)

Liquidity portfolio

The Banking Group holds a diversified portfolio of cash and high quality liquid securities to support liquidity risk management. The size of the Banking Group's liquidity portfolio is based on the amount required to meet its liquidity policy and includes both items classified as cash and those classified as operating assets in the Condensed Cash Flow Statement.

	Unaudited 31/03/2016 NZ$m
Cash and balances with central banks	2,052
Certificates of deposit	378
Government, local body stock and bonds	5,932
Government treasury bills	833
Reserve Bank bills	1,082
Other bonds	6,216
Total liquidity portfolio	16,493

The Bank also held unencumbered internal residential mortgage backed securities which would entitle the Banking Group to enter into repurchase transactions with a value of NZ$6,482 million at 31 March 2016.

NOTES TO THE FINANCIAL STATEMENTS

Funding Composition

The Banking Group actively uses balance sheet disciplines to prudently manage the funding mix. The Banking Group employs funding metrics to ensure that an appropriate proportion of its assets are funded from stable sources, including customer liabilities, longer-dated wholesale debt (with remaining term exceeding one year) and equity.

Analysis of funding liabilities by industry sector is based on ANZSIC codes.

	Unaudited 31/03/2016 NZ$m
Funding composition	
Customer deposits[1]	
New Zealand	80,512
Overseas	9,636
Total customer deposits	90,148
Wholesale funding	
Debt issuances	17,547
Subordinated debt	2,344
Certificates of deposit	1,859
Commercial paper	5,451
Other borrowings	171
Total wholesale funding	27,372
Total funding	117,520
Concentrations of funding by industry	
Households	57,969
Agriculture	3,105
Forestry, fishing and mining	551
Manufacturing	1,791
Entertainment, leisure and tourism	1,041
Finance and insurance	36,618
Retail trade	1,136
Wholesale trade	1,360
Business and property services	6,835
Transport and storage	697
Construction	1,463
Government and local authority	3,186
Other[2]	1,768
Total funding	117,520
Concentrations of funding by geography	
New Zealand	88,245
Australia	1,091
United States	11,236
Europe	9,740
Other countries	7,208
Total funding	117,520

1 Comprises term deposits, other deposits bearing interest and other borrowings, deposits not bearing interest and UDC secured investments

2 Other includes exposures to electricity, gas and water, communications and personal services.

NOTES TO THE FINANCIAL STATEMENTS

Contractual maturity analysis of financial assets and liabilities

The following tables present the Banking Group's financial assets and liabilities within relevant contractual maturity groupings, based on the earliest date on which the Banking Group may be required to realise an asset or settle a liability. The amounts disclosed in the tables represent undiscounted future principal and interest cash flows and may differ to the amounts reported on the balance sheet.

The contractual maturity analysis for off-balance sheet commitments and contingent liabilities has been prepared using the earliest date at which the Banking Group can be called upon to pay. The liquidity risk of credit related commitments and contingent liabilities may be less than the contract amount, and does not necessarily represent future cash requirements as many of these facilities are expected to be only partially used or to expire unused.

The Banking Group does not manage its liquidity risk on this basis.

Unaudited 31/03/2016	Total NZ$m	At call NZ$m	Up to 3 months NZ$m	Over 3 to 12 months NZ$m	Over 1 to 5 years NZ$m	Over 5 years NZ$m	No maturity specified NZ$m
Financial assets							
Cash	2,830	2,049	781	-	-	-	-
Settlement balances receivable	544	121	423	-	-	-	-
Collateral paid	2,114	-	2,114	-	-	-	-
Trading securities	13,400	-	315	1,412	10,598	1,075	-
Derivative financial assets (trading)	19,666	-	19,666	-	-	-	-
Available-for-sale assets	2,266	-	1,726	213	325	-	2
Net loans and advances	142,627	191	15,868	16,126	49,418	61,024	-
Other financial assets	377	-	188	176	13	-	-
Total financial assets	183,824	2,361	41,081	17,927	60,354	62,099	2
Financial liabilities							
Settlement balances payable	1,973	1,071	902	-	-	-	-
Collateral received	919	-	919	-	-	-	-
Deposits and other borrowings	99,078	51,103	23,271	20,693	4,011	-	-
Derivative financial liabilities (trading)	19,580	-	19,580	-	-	-	-
Debt issuances	18,402	-	1,093	3,041	12,637	1,631	-
Subordinated debt	2,803	-	11	34	681	1,231	846
Other financial liabilities	997	-	1	23	398	575	-
Total financial liabilities	143,752	52,174	45,777	23,791	17,727	3,437	846
Derivative financial instruments used for balance sheet management							
- gross inflows	14,598	-	1,295	4,469	6,730	2,104	-
- gross outflows	(15,377)	-	(1,422)	(4,919)	(6,897)	(2,139)	-
Net financial assets / (liabilities) after balance	39,293	(49,813)	(4,823)	(6,314)	42,460	58,627	(844)

Contractual maturity of off-balance sheet commitments and contingent liabilities

Unaudited 31/03/2016	Total NZ$m	Less than 1 year NZ$m	Beyond 1 year NZ$m
Non-credit related commitments	486	99	387
Credit related commitments	33,134	33,134	-
Contingent liabilities	2,432	2,432	-
Total	36,052	35,665	387

NOTES TO THE FINANCIAL STATEMENTS

14. FAIR VALUE MEASUREMENTS

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 value of financial asset and 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.

	Unaudited 31/03/2016		Unaudited 31/03/2015		Audited 30/09/2015	
	Carrying amount NZ$m	Fair value NZ$m	Carrying amount NZ$m	Fair value NZ$m	Carrying amount NZ$m	Fair value NZ$m
Assets						
Net loans and advances[1]	110,357	110,870	100,695	101,043	106,357	106,854
Liabilities						
Deposits and other borrowings[2]	97,629	97,792	88,142	88,215	90,678	90,832
Debt issuances[1]	17,547	17,656	17,686	17,862	19,403	19,516
Subordinated debt	2,344	2,252	2,341	2,343	2,343	2,288

1 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.
2 Includes commercial paper (note 8) designated at fair value through profit or loss.

Financial assets and financial liabilities measured at fair value in the balance sheet

The Banking Group uses a valuation method within the following hierarchy to determine the carrying amount of assets and liabilities held at fair value, all of which are recurring fair value measurements. There are no assets or liabilities measured at fair value on a non-recurring basis.

- Level 1 – Financial instruments that have been valued by reference to unadjusted quoted prices in active markets for identical financial instruments. This category includes financial instruments valued using quoted yields where available for specific debt securities.
- Level 2 – Financial instruments that have been valued through valuation techniques incorporating inputs other than quoted prices within Level 1 that are observable for a similar financial asset or liability, either directly or indirectly.
- Level 3 – Financial instruments that have been valued using valuation techniques which incorporate significant inputs that are not based on observable market data (unobservable inputs).

There have been no substantial changes in the valuation techniques applied to different classes of financial instruments during the period.

Valuation hierarchy

	Unaudited 31/03/2016				Unaudited 31/03/2015				Audited 30/09/2015			
	Level 1 NZ$m	Level 2 NZ$m	Level 3 NZ$m	Total NZ$m	Level 1 NZ$m	Level 2 NZ$m	Level 3 NZ$m	Total NZ$m	Level 1 NZ$m	Level 2 NZ$m	Level 3 NZ$m	Total NZ$m
Financial assets												
Trading securities	12,364	135	-	12,499	12,153	62	-	12,215	11,880	259	-	12,139
Derivative financial instruments	14	21,138	5	21,157	12	10,945	4	10,961	12	17,640	6	17,658
Available-for-sale assets	1,885	358	2	2,245	581	321	1	903	900	526	2	1,428
Investments backing insurance contract liabilities	-	189	-	189	3	207	-	210	2	149	-	151
Total financial assets held at fair value	14,263	21,820	7	36,090	12,749	11,535	5	24,289	12,794	18,574	8	31,376
Financial liabilities												
Deposits and other borrowings	-	5,451	-	5,451	-	6,273	-	6,273	-	4,964	-	4,964
Derivative financial instruments	47	22,187	-	22,234	6	11,999	2	12,007	19	17,209	2	17,230
Payables and other liabilities	760	-	-	760	221	-	-	221	309	-	-	309
Total financial liabilities held at fair value	807	27,638	-	28,445	227	18,272	2	18,501	328	22,173	2	22,503

NOTES TO THE FINANCIAL STATEMENTS

15. CONCENTRATIONS OF CREDIT RISK TO INDIVIDUAL COUNTERPARTIES

The Banking Group measures its concentration of credit risk to bank counterparties on the basis of approved exposures, and to non-bank counterparties on the basis of limits.

For the six months ended 31 March 2016 there were no individual counterparties, excluding connected parties, governments and banks with long term credit ratings of A- or above, where the Banking Group's period end or peak end-of-day credit exposure equalled or exceeded 10% of the Banking Group's equity as at the end of the period.

16. INSURANCE BUSINESS

The Banking Group conducts insurance business through its subsidiary OnePath Life (NZ) Limited (OnePath Life).

The Banking Group's aggregate amount of insurance business comprises the total assets of OnePath Life of NZ$943 million (31/03/2015: NZ$958 million; 30/09/2015 NZ$884 million), which is 0.6% (31/03/2015: 0.7%; 30/09/2015 0.6%) of the total consolidated assets of the Banking Group.

17. CREDIT RELATED COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

	Face or contract value		
	Unaudited 31/03/2016 NZ$m	**Unaudited 31/03/2015 NZ$m**	**Audited 30/09/2015 NZ$m**
Credit related commitments			
Commitments with certain drawdown due within one year	1,166	1,348	1,130
Commitments to provide financial services	31,968	29,315	31,291
Total credit related commitments	33,134	30,663	32,421
Guarantees and contingent liabilities			
Financial guarantees	727	906	920
Standby letters of credit	91	52	82
Transaction related contingent items	1,483	1,245	1,385
Trade related contingent liabilities	131	93	67
Total guarantees and contingent liabilities	2,432	2,296	2,454

The Banking Group 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

On 11 March 2013, litigation funder Litigation Lending Services (NZ) Limited announced plans for a representative action against banks in New Zealand for certain fees charged to New Zealand customers over the past six years. Proceedings were filed against the Bank on 25 June 2013. The potential outcome of this litigation cannot be determined with any certainty at this stage.

The Banking Group has other contingent liabilities in respect of actual and possible claims and court proceedings.

An assessment of the Banking Group's likely loss in respect of these matters has been made on a case-by-case basis and provision made where deemed necessary.

DIRECTORS' STATEMENT

As at the date on which this Disclosure Statement is signed, after due enquiry, each Director believes that:

(i) The Disclosure Statement contains all the information that is required by the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014; and

(ii) The Disclosure Statement is not false or misleading.

Over the six months ended 31 March 2016, after due enquiry, each Director believes that:

(i) ANZ Bank New Zealand Limited has complied with all Conditions of Registration that applied during that period;

(ii) Credit exposures to connected persons were not contrary to the interests of the Banking Group;

(iii) ANZ Bank New Zealand Limited had systems in place to monitor and control adequately the Banking Group's material risks, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, operational risk and other business risks, and that those systems were being properly applied.

This Disclosure Statement is dated, and has been signed by or on behalf of all Directors of the Bank on, 13 May 2016.

Antony Carter

Shayne Elliott

David Hisco

John Judge

Mark Verbiest

Nigel Williams

Joan Withers

KPMG

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Shareholder of ANZ Bank New Zealand Limited

We have reviewed pages 3 to 27 of the interim financial statements of ANZ Bank New Zealand Limited (the Bank) and its subsidiary companies (the Banking Group) prepared and disclosed in accordance with the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (the Order) and the supplementary information prescribed in Schedules 3, 5, 7, 11, 13, 16 and 18 of the Order. The interim financial statements, and supplementary information, provide information about the past financial performance and cash flows of the Banking Group and its financial position as at 31 March 2016.

This report is made solely to the shareholder as a body. Our review work has been undertaken so that we might state to the shareholder of the Bank those matters we are required to state to them in the auditor's 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 shareholder of the Bank as a body, for our review work, this report or any of the opinions we have formed.

Directors' responsibility for the disclosure statement

The Directors of ANZ Bank New Zealand Limited are responsible for the preparation and presentation of the Disclosure Statement, which includes interim financial statements prepared in accordance with Clause 25 of the Order which give a true and fair view of the financial position of the Banking Group as at 31 March 2016 and its financial performance and cash flows for the six months ended on that date. The Directors are also responsible for such internal controls as the Directors determine are necessary to enable the preparation of the Disclosure Statement that is free from material misstatement whether due to fraud or error.

They are also responsible for the preparation of supplementary information in the Disclosure Statement which fairly states the matters to which it relates in accordance with Schedules 3, 5, 7, 11, 13, 16 and 18 of the Order.

Reviewer's responsibility

We are responsible for reviewing the interim financial statements and the supplementary information, disclosed in accordance with Clause 25, Schedules 5, 7, 11, 13, 16 and 18 of the Order and presented to us by the Directors.

Our responsibility is to express a conclusion on the interim financial statements (excluding the supplementary information) based on our review. We conducted our review in accordance with NZ SRE 2410: *Review of Financial Statements Performed by the Independent Auditor of the Entity*. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared, in all material respects, in accordance with NZ IAS 34: *Interim Financial Reporting*. As the auditor of the Bank, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

We are responsible for reviewing the supplementary information (excluding the supplementary information relating to capital adequacy) in order to report to you whether, in our opinion on the basis of the procedures described below, anything has come to our attention that would cause us to believe that the supplementary information does not fairly state the matters to which it relates in accordance with Schedules 5, 7, 13, 16 and 18 of the Order.

We are responsible for reviewing the supplementary information relating to capital adequacy in order to state whether, on the basis of the procedures described below, anything has come to our attention that would cause us to believe that the information disclosed in accordance with Schedule 11 is not in all material respects prepared in accordance with the Bank's Conditions of Registration and with the Bank's internal models for credit risk and operational risk as accredited by the Reserve Bank of New Zealand and disclosed in accordance with Schedule 11 of the Order.

A review of interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. 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). Accordingly we do not express an audit opinion on those interim financial statements.

KPMG has also provided other audit related services to the Banking Group. In addition, certain partners and employees of our firm may also deal with the Banking Group on normal terms within the ordinary course of trading activities of the Banking Group. These matters have not impaired our independence as auditors of the Banking Group. We have no other relationship with, or interest in, the Banking Group.

Review opinion

We have examined the interim financial statements including the supplementary information and based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

a. the interim financial statements (excluding the supplementary information) do not present fairly, in all material respects, the financial position of the Banking Group as at 31 March 2016 and its financial performance and cash flows for the six months ended on that date in accordance with NZ IAS 34: *Interim Financial Reporting*;
b. the supplementary information prescribed by Schedules 5, 7, 13, 16 and 18 of the Order does not fairly state the matters to which it relates in accordance with those Schedules; and
c. the supplementary information relating to capital adequacy as required by Schedule 11 of the Order, is not in all material respects prepared in accordance with the Bank's Conditions of Registration and with the Bank's internal models for credit risk and operational risk as accredited by the Reserve Bank of New Zealand, and disclosed in accordance with Schedule 11 of the Order.

Our review was completed on 13 May 2016 and our review opinion is expressed as at that date.

KPMG

Wellington

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