

**Australia and New Zealand Banking Group Limited
– New Zealand Branch
Disclosure Statement**

FOR THE SIX MONTHS ENDED 31 MARCH 2012 | NUMBER 14 ISSUED MAY 2012

Disclosure Statement

For the six months ended 31 March 2012

Contents

General Disclosures	2
Income Statement and Statement of Comprehensive Income	3
Statement of Changes in Equity	4
Balance Sheet	5
Condensed Cash Flow Statement	6
Notes to the Financial Statements	7
Directors' and New Zealand Chief Executive Officer's Statement	22
Auditors' Report	23

Glossary of Terms

In this Disclosure Statement unless the context otherwise requires:

- (a) "Bank" means ANZ National Bank Limited;
- (b) "Banking Group" means ANZ National Bank Limited and all its controlled entities;
- (c) "Immediate Parent Company" means ANZ Funds Pty Limited, which is the immediate parent company of 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 Level 10, 170-186 Featherston Street, Wellington 6011, New Zealand, which is also ANZ New Zealand'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 (Overseas Incorporated Registered Banks) Order 2012; 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 Ultimate Parent Bank has three current credit ratings, which are applicable to its long-term senior unsecured obligations which are payable in New Zealand in New Zealand dollars.

The Ultimate Parent Bank's Credit Ratings are:

Rating Agency	Current Credit Rating	Qualification
Standard & Poor's	AA-	Outlook Stable
Moody's Investors Service	Aa2	Outlook Stable
Fitch Ratings	AA-	Outlook Stable

Guarantors

As at the date of signing of this Disclosure Statement, the Ultimate Parent Bank benefits from certain guarantees from the Commonwealth of Australia under:

- a) in the case of certain deposits and other accounts up to A\$1 million, a scheme pursuant to the Banking Act 1959 of the Commonwealth of Australia; and
- b) in the case of certain wholesale funding, a Deed of Guarantee executed by the Treasurer (and related scheme rules). The Australian Government closed this scheme to new debt securities on 31 March 2010.

As at the date of signing of this Disclosure Statement, the NZ Branch has no obligations guaranteed under these schemes.

New Zealand Guarantee Arrangements

The Crown guarantees specific issuances of wholesale funding of participating New Zealand financial institutions under the New Zealand Wholesale Funding Guarantee Facility. The Government closed this scheme to new debt securities on 30 April 2010. The NZ Branch does not have a guarantee under this scheme. However, a member of ANZ New Zealand, ANZ National Bank Limited, has debt securities with a carrying value of \$331 million for which the Crown has issued a Guarantee Eligibility Certificate.

Certain debt securities ("Covered Bonds") issued by the Bank or its wholly owned subsidiary, ANZ National (Int'l) Limited, are guaranteed by ANZNZ Covered Bond Trust Limited, solely in its capacity as trustee of ANZNZ Covered Bond Trust (the "Covered Bond Guarantor"). The Covered Bond Guarantor has guaranteed the payment of interest and principal of Covered Bonds with a carrying value as at 31 March 2012 of \$1,898 million, pursuant to a guarantee which is secured over a pool of assets. The Covered Bond Guarantor's address for service is Level 10, 141 Willis Street, Wellington, New Zealand. The Covered Bond Guarantor is not a member of ANZ New Zealand 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.

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 the 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 internet address anz.com.

Directorate

On 1 April 2012, Ms P J Dwyer was appointed as a non-executive Director of Australia and New Zealand Banking Group Limited.

There have been no other changes to the Directors of Australia and New Zealand Banking Group Limited since 30 September 2011, the balance date of the last full year Disclosure Statement.

Auditors

ANZ New Zealand's auditors are KPMG, Chartered Accountants, Level 9, 10 Customhouse Quay, Wellington, New Zealand.

Income Statement

\$ millions		Unaudited 6 months to 31/03/2012	Unaudited 6 months to 31/03/2011	Audited Year to 30/09/2011
	Note			
Interest income		3,276	3,453	6,757
Interest expense		1,915	2,168	4,157
Net interest income		1,361	1,285	2,600
Net trading gains		79	140	228
Net funds management and insurance income		139	126	265
Other operating income	2	223	108	314
Share of profit of equity accounted associates and jointly controlled entities		1	1	2
Operating income		1,803	1,660	3,409
Operating expenses	2	863	910	1,688
Profit before provision for credit impairment and income tax		940	750	1,721
Provision for credit impairment	6	103	85	190
Profit before income tax		837	665	1,531
Income tax expense		222	187	446
Profit for the period		615	478	1,085

Statement of Comprehensive Income

\$ millions		Unaudited 6 months to 31/03/2012	Unaudited 6 months to 31/03/2011	Audited Year to 30/09/2011
Profit for the period		615	478	1,085
Unrealised gains recognised directly in equity		11	7	72
Realised gains transferred to income statement		(7)	(36)	(38)
Actuarial gain / (loss) on defined benefit schemes		(2)	8	(64)
Income tax credit on items recognised directly in equity		5	6	11
Total comprehensive income for the period		622	463	1,066

Statement of Changes in Equity

\$ millions	Ordinary share capital and head office account	Available-for-sale revaluation reserve	Cash flow hedging reserve	Retained earnings	Total equity attributable to owners of the parent entity	Non-controlling entities	Total equity
As at 1 October 2010	6,424	58	102	1,236	7,820	1	7,821
Profit after income tax attributable to parent	-	-	-	478	478	-	478
Valuation gain / (losses) recognised in other comprehensive income	-	11	(4)	-	7	-	7
Losses / (gains) transferred to income statement	-	(42)	6	-	(36)	-	(36)
Actuarial gain on defined benefit schemes	-	-	-	8	8	-	8
Income tax credit / (expense) on items recognised directly in equity	-	8	-	(2)	6	-	6
Total comprehensive income for the period	-	(23)	2	484	463	-	463
Ordinary dividend paid	-	-	-	(215)	(215)	-	(215)
Preference dividend paid	-	-	-	(105)	(105)	-	(105)
As at 31 March 2011 (Unaudited)	6,424	35	104	1,400	7,963	1	7,964
As at 1 October 2010	6,424	58	102	1,236	7,820	1	7,821
Profit after income tax attributable to parent	-	-	-	1,085	1,085	-	1,085
Valuation gain recognised in other comprehensive income	-	21	51	-	72	-	72
Losses / (gains) transferred to income statement	-	(42)	4	-	(38)	-	(38)
Actuarial loss on defined benefit schemes	-	-	-	(64)	(64)	-	(64)
Income tax credit / (expense) on items recognised directly in equity	-	9	(16)	18	11	-	11
Total comprehensive income for the period	-	(12)	39	1,039	1,066	-	1,066
Ordinary dividend paid	-	-	-	(215)	(215)	-	(215)
Preference dividend paid	-	-	-	(206)	(206)	-	(206)
Movement in non-controlling interests	-	-	-	-	-	(1)	(1)
As at 30 September 2011 (Audited)	6,424	46	141	1,854	8,465	-	8,465
Profit after income tax attributable to parent	-	-	-	615	615	-	615
Valuation gain / (losses) recognised in other comprehensive income	-	26	(15)	-	11	-	11
Gains transferred to income statement	-	-	(7)	-	(7)	-	(7)
Actuarial loss on defined benefit schemes	-	-	-	(2)	(2)	-	(2)
Income tax credit / (expense) on items recognised directly in equity	-	(1)	6	-	5	-	5
Total comprehensive income for the period	-	25	(16)	613	622	-	622
Preference dividend paid	-	-	-	(85)	(85)	-	(85)
As at 31 March 2012 (Unaudited)	6,424	71	125	2,382	9,002	-	9,002

Balance Sheet

\$ millions	Note	Unaudited 31/03/2012	Unaudited 31/03/2011	Audited 30/09/2011
Assets				
Liquid assets		2,355	1,799	2,455
Due from other financial institutions		1,907	3,257	3,633
Trading securities		10,904	7,373	9,466
Derivative financial instruments		10,076	10,283	14,294
Current tax assets		92	57	-
Available-for-sale assets		252	793	411
Net loans and advances	4	93,817	95,395	93,613
Investments backing insurance policyholder liabilities		165	82	97
Insurance policy assets		231	169	200
Shares in associates and jointly controlled entities		100	145	100
Other assets		938	1,624	857
Deferred tax assets		84	222	125
Premises and equipment		320	331	325
Goodwill and other intangible assets		3,497	3,529	3,507
Total assets		124,738	125,059	129,083
Interest earning and discount bearing assets		108,483	107,433	108,126
Liabilities				
Due to other financial institutions		10,258	12,293	12,247
Deposits and other borrowings	8	70,914	68,349	69,238
Derivative financial instruments		10,363	9,818	14,178
Current tax liabilities		-	-	4
Payables and other liabilities		1,819	2,046	2,416
Provisions		338	377	309
Bonds and notes		18,541	20,019	18,472
Term funding		1,766	1,766	1,766
Loan capital		1,737	2,427	1,988
Total liabilities (excluding head office account)		115,736	117,095	120,618
Net assets (excluding head office account)		9,002	7,964	8,465
Represented by:				
Share capital and head office account		6,424	6,424	6,424
Reserves		196	139	187
Retained earnings		2,382	1,400	1,854
Parent shareholder's equity and head office account		9,002	7,963	8,465
Non-controlling interests		-	1	-
Total equity and head office account		9,002	7,964	8,465
Interest and discount bearing liabilities		97,839	99,607	98,397

Condensed Cash Flow Statement

\$ millions	Unaudited 6 months to 31/03/2012	Unaudited 6 months to 31/03/2011	Audited Year to 30/09/2011
Cash flows from operating activities			
Interest received	3,245	3,384	6,661
Interest paid	(1,939)	(2,097)	(4,088)
Other cash inflows provided by operating activities	458	444	893
Other cash outflows used in operating activities	(1,071)	(1,033)	(1,959)
Cash flows from operating profits before changes in operating assets and liabilities	693	698	1,507
Net changes in operating assets and liabilities	(3,310)	(1,414)	1,575
Net cash flows provided by / (used in) operating activities	(2,617)	(716)	3,082
Cash flows from investing activities			
Cash inflows provided by investing activities	16	-	69
Cash outflows used in investing activities	(38)	(62)	(119)
Net cash flows used in investing activities	(22)	(62)	(50)
Cash flows from financing activities			
Cash inflows provided by financing activities	2,417	3,617	3,992
Cash outflows used in financing activities	(1,961)	(1,863)	(4,514)
Net cash flows provided by / (used in) financing activities	456	1,754	(522)
Net increase / (decrease) in cash and cash equivalents	(2,183)	976	2,510
Cash and cash equivalents at beginning of the period	6,088	3,578	3,578
Cash and cash equivalents at end of the period	3,905	4,554	6,088

Notes to the Financial Statements

1. Significant Accounting Policies

(i) Reporting entity and statement of compliance

These financial statements are for ANZ New Zealand for the six months ended 31 March 2012. They have been prepared in accordance with the requirements of NZ IAS 34 *Interim Financial Reporting* and the Order, and should be read in conjunction with ANZ New Zealand's financial statements for the year ended 30 September 2011.

(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.

Insurance policy assets are measured using the Margin on Services model, and defined benefit obligations are measured using the Projected Unit Credit method.

(iii) Changes in accounting policies

The accounting policies adopted by ANZ New Zealand 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. This includes reclassifying certain investment assets that relate to the insurance business from due from other financial institutions and available-for-sale assets to investments backing insurance policyholder liabilities to better reflect the purpose for which the assets are held.

(vi) Basis of aggregation

The basis of aggregation is an addition of individual financial statements of the entities in ANZ New Zealand. All transactions between entities within ANZ New Zealand have been eliminated.

2. Other Operating Income and Expenses

Other operating income includes a fair value loss of \$5 million (31/03/2011 \$114 million loss; 30/09/2011 \$123 million loss) on the revaluation of financial assets and liabilities designated at fair value and on hedging activities. Other operating income excluding these fair value adjustments is \$228 million (31/03/2011 \$222 million; 30/09/2011 \$437 million).

Operating expenses include costs for the six months ended 31 March 2012 of \$84 million (31/03/2011 \$141 million; 30/09/2011 \$162 million) incurred in relation to the planned move to a single banking technology platform, which is expected to deliver further operational efficiencies and improved service levels and business outcomes.

Notes to the Financial Statements

3. Segmental Analysis

For segment reporting purposes, ANZ New Zealand is organised into three major business segments - Retail, Commercial 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.

Segmental reporting has been updated to reflect minor changes to ANZ New Zealand's structure. Comparative data has been adjusted to be consistent with the current period's segment definitions.

Retail

Retail provides banking products and services to individuals through separate ANZ and The National Bank of New Zealand branded distribution channels. Personal banking customers have access to a wide range of financial services and products. Retail contains ANZ New Zealand's wealth businesses which include private banking and investment services provided to high net worth individuals, the OnePath wealth management and insurance businesses, and other investment products. This segment also includes other profit centres supporting the Retail segment.

Commercial

Commercial provides services to Business Banking, Commercial & Agri, and UDC customers. Business Banking services are offered to small enterprises (typically with annual revenues of less than \$5 million). Commercial & Agri customers consist of primarily privately owned medium to large enterprises. ANZ New Zealand'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.

Institutional

Institutional provides financial services to large multi-banked corporations, often global, who require sophisticated product and structuring solutions. The Institutional business unit includes the following specialised units:

- Markets - provides foreign exchange, interest rate and commodity trading and sales-related services, origination, underwriting, structuring, risk management and sale of credit and derivative products globally;
- Transaction Banking - provides cash management, trade finance and international payments;
- Global Loans - provides origination, credit analysis, structuring and execution of specific customer transactions.

Other

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

Business segment analysis¹

\$ millions	Retail	Commercial	Institutional	Other ²	Total
Unaudited 6 months to 31/03/2012					
External revenues	840	1,416	378	(831)	1,803
Intersegment revenues	(110)	(672)	(44)	826	-
Total revenues	730	744	334	(5)	1,803
Profit before income tax	278	424	239	(104)	837
Unaudited 6 months to 31/03/2011					
External revenues	944	1,521	242	(1,047)	1,660
Intersegment revenues	(189)	(770)	69	890	-
Total revenues	755	751	311	(157)	1,660
Profit before income tax	301	438	235	(309)	665
Audited year to 30/09/2011					
External revenues	1,796	2,945	563	(1,895)	3,409
Intersegment revenues	(338)	(1,459)	82	1,715	-
Total revenues	1,458	1,486	645	(180)	3,409
Profit before income tax	539	848	495	(351)	1,531

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 ANZ New Zealand and is reimbursed internally.

Notes to the Financial Statements

4. Net Loans and Advances

\$ millions	Note	Unaudited 31/03/2012	Unaudited 31/03/2011	Audited 30/09/2011
Overdrafts		1,986	2,083	1,847
Credit card outstandings		1,410	1,386	1,367
Term loans - housing		53,647	53,882	53,547
Term loans - non-housing		37,321	38,595	37,398
Finance lease receivables		800	749	768
Gross loans and advances		95,164	96,695	94,927
Provision for credit impairment	6	(1,150)	(1,290)	(1,183)
Unearned finance income		(259)	(263)	(256)
Fair value hedge adjustment		62	263	134
Deferred fee revenue and expenses		(55)	(54)	(51)
Capitalised brokerage/mortgage origination fees		55	44	42
Total net loans and advances		93,817	95,395	93,613

5. Impaired Assets, Past Due Assets and Other Assets Under Administration

\$ millions	Retail mortgages	Other retail exposures	Non retail exposures	Total
Unaudited 31/03/2012				
Balance at the beginning of the period	517	61	1,194	1,772
Transfers from productive	176	61	341	578
Transfers to productive	(34)	(1)	(92)	(127)
Assets realised or loans repaid	(203)	(26)	(243)	(472)
Write offs	(35)	(43)	(47)	(125)
Total individually impaired assets	421	52	1,153	1,626
Unaudited 31/03/2011				
Balance at the beginning of the period	554	81	1,403	2,038
Transfers from productive	287	71	453	811
Transfers to productive	(30)	-	(16)	(46)
Assets realised or loans repaid	(210)	(30)	(253)	(493)
Write offs	(36)	(51)	(96)	(183)
Total individually impaired assets	565	71	1,491	2,127
Audited 30/09/2011				
Balance at the beginning of the period	554	81	1,403	2,038
Transfers from productive	527	158	774	1,459
Transfers to productive	(83)	(1)	(101)	(185)
Assets realised or loans repaid	(407)	(71)	(691)	(1,169)
Write offs	(74)	(106)	(191)	(371)
Total individually impaired assets	517	61	1,194	1,772

Notes to the Financial Statements

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 ANZ New Zealand 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

\$ millions

	Retail mortgages	Other retail exposures	Non retail exposures	Total
Unaudited 31/03/2012				
1 to 5 days	464	145	525	1,134
6 to 29 days	491	102	77	670
1 to 29 days	955	247	602	1,804
30 to 59 days	243	44	282	569
60 to 89 days	57	19	58	134
90 days or over	120	47	128	295
	1,375	357	1,070	2,802

Other assets under administration

Other assets under administration are any loans, not being impaired or 90 days or more past due, where the customer is in any form of voluntary or involuntary administration, including receivership, liquidation, bankruptcy or statutory management.

\$ millions

	Retail mortgages	Other retail exposures	Non retail exposures	Total
Unaudited 31/03/2012				
Other assets under administration	-	-	9	9
Undrawn facilities with impaired customers	-	-	28	28
Unaudited 31/03/2011				
Other assets under administration	-	-	12	12
Undrawn facilities with impaired customers	-	-	46	46
Audited 30/09/2011				
Other assets under administration	-	-	6	6
Undrawn facilities with impaired customers	-	-	26	26

Notes to the Financial Statements

6. Provision for Credit Impairment

\$ millions

	Retail mortgages	Other retail exposures	Non retail exposures	Total
Unaudited 31/03/2012				
Collective provision				
Balance at beginning of the period	130	147	395	672
Credit to income statement	(5)	(20)	(8)	(33)
Balance at end of the period	125	127	387	639
Individual provision (individually impaired assets)				
Balance at beginning of the period	165	36	310	511
Charge to income statement	21	26	89	136
Recoveries of amounts previously written off	1	8	5	14
Bad debts written off	(35)	(43)	(47)	(125)
Discount unwind	(8)	(1)	(16)	(25)
Balance at end of the period	144	26	341	511
Total provision for credit impairment	269	153	728	1,150
Collective provision credit	(5)	(20)	(8)	(33)
Individual provision charge	21	26	89	136
Total charge to income statement	16	6	81	103
Unaudited 31/03/2011				
Collective provision				
Balance at beginning of the period	122	149	533	804
Charge / (credit) to income statement	(5)	1	(62)	(66)
Balance at end of the period	117	150	471	738
Individual provision (individually impaired assets)				
Balance at beginning of the period	218	50	348	616
Charge to income statement	15	38	98	151
Recoveries of amounts previously written off	-	9	1	10
Bad debts written off	(36)	(51)	(96)	(183)
Discount unwind	(9)	(1)	(32)	(42)
Balance at end of the period	188	45	319	552
Total provision for credit impairment	305	195	790	1,290
Collective provision charge / (credit)	(5)	1	(62)	(66)
Individual provision charge	15	38	98	151
Total charge to income statement	10	39	36	85
Audited 30/09/2011				
Collective provision				
Balance at beginning of the year	122	149	533	804
Charge / (credit) to income statement	8	(2)	(138)	(132)
Balance at end of the year	130	147	395	672
Individual provision (individually impaired assets)				
Balance at beginning of the year	218	50	348	616
Charge to income statement	37	79	206	322
Recoveries of amounts previously written off	2	17	3	22
Bad debts written off	(74)	(106)	(191)	(371)
Discount unwind	(18)	(4)	(56)	(78)
Balance at end of the year	165	36	310	511
Total provision for credit impairment	295	183	705	1,183
Collective provision charge / (credit)	8	(2)	(138)	(132)
Individual provision charge	37	79	206	322
Total charge to income statement	45	77	68	190

Notes to the Financial Statements

7. Financial Assets Pledged as Collateral

\$ millions	Unaudited 31/03/2012	Unaudited 31/03/2011	Audited 30/09/2011
Trading securities encumbered through repurchase agreements	23	396	1,219
Residential mortgages pledged as security for covered bonds	3,831	-	-
Total tangible assets of UDC Finance Limited pledged as collateral for secured stock	2,105	2,164	2,007
Total financial assets pledged as collateral	5,959	2,560	3,226

ANZ NZ Covered Bond Trust

The assets of ANZ NZ Covered Bond Trust are made up of certain housing loans and related securities originated by the Bank which are security for the guarantee by ANZ NZ Covered Bond Trust Limited as trustee of ANZ NZ Covered Bond Trust of issuances of covered bonds by the Bank, or its wholly owned subsidiary ANZ National (Int'l) Limited, from time to time. The assets of ANZ NZ 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 ANZ NZ Covered Bond Trust (if any) after all prior ranking creditors of ANZ NZ Covered Bond Trust have been satisfied.

The assets of ANZ NZ Covered Bond Trust do not qualify for derecognition from ANZ New Zealand's financial statements as the Bank retains substantially all of the risks and rewards of the transferred assets.

8. Deposits and Other Borrowings

\$ millions	Note	Unaudited 31/03/2012	Unaudited 31/03/2011	Audited 30/09/2011
Certificates of deposit		2,277	2,666	2,454
Term deposits		33,738	35,678	33,799
Demand deposits bearing interest		23,680	20,095	21,589
Deposits not bearing interest		5,305	5,455	5,118
Secured debenture stock	7	1,456	1,584	1,488
Securities sold under agreement to repurchase		-	10	-
Commercial paper		4,458	2,861	4,790
Total deposits and other borrowings		70,914	68,349	69,238

9. Related Party Transactions

\$ millions	Unaudited 31/03/2012	Unaudited 31/03/2011	Audited 30/09/2011
Total due from related parties	2,279	3,941	3,081
Total due to related parties	18,092	19,306	20,832

Notes to the Financial Statements

10. Capital Adequacy

Overseas Banking Group Basel II capital adequacy ratio (Unaudited)

	Overseas Banking Group			Ultimate Parent Bank (Extended Licensed Entity)	
	31/03/2012	31/03/2011	30/09/2011	31/03/2011	30/09/2011
Tier One Capital	11.3%	10.5%	10.9%	11.4%	11.5%
Total Capital	12.6%	12.1%	12.1%	12.6%	12.3%

For calculation of minimum capital requirements under Pillar I of the Basel II Accord, APRA has accredited the Ultimate Parent Bank 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 Ultimate Parent Bank is required to hold a minimum Prudential Capital Ratio ("PCR") as determined by APRA. The APRA minimum PCR is at least equal to the levels specified under the Basel II (internal models based) approach. The Ultimate Parent Bank exceeded the minimum capital adequacy requirements set by APRA as at 31 March 2012 and for the comparative prior periods.

The Ultimate Parent Bank is required to publicly disclose Pillar III financial information as at 31 March 2012. The Ultimate Parent Bank's Consolidated Financial Report, Dividend Announcement and Appendix 4E, for the six months ended to 31 March 2012, discloses capital adequacy ratios calculated under the Basel II methodology. The Ultimate Parent Bank also prepares a quarterly Basel II Pillar III disclosure document, the APS 330. All these documents can be accessed at the website anz.com.

Market risk

The aggregate market risk exposures below have been calculated in accordance with the RBNZ document entitled 'Capital Adequacy Framework (Internal Models Based Approach)' ("BS2B").

The peak end-of-day market risk exposures for the period are calculated separately for each category of exposure.

Unaudited 31/03/2012	Implied risk weighted exposure		Aggregate capital charge		
	As at \$m	Peak \$m	As at \$m	Peak \$m	Peak occurred on
Interest rate risk	4,352	4,432	348	355	27/03/2012
Foreign currency risk	37	57	3	5	25/11/2011
Equity risk	118	119	9	10	15/03/2012
	4,507		360		

Notes to the Financial Statements

Retail mortgages by loan-to-valuation ratio ("LVR")

As required by the RBNZ, LVRs are calculated as the current exposure secured by a residential mortgage divided by ANZ 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 may or may not be accepted by the customer.

Unaudited 31/03/2012

\$ millions

LVR range

0% - 59%

60% - 69%

70% - 79%

Less than 80%

80% - 89%

Over 90%

Total

	On-balance sheet	Off-balance sheet	Total
	20,248	3,308	23,556
	8,346	950	9,296
	11,674	1,157	12,831
	40,268	5,415	45,683
	6,846	899	7,745
	4,345	287	4,632
	51,459	6,601	58,060

Reconciliation of mortgage related amounts

\$ millions

Term loans - housing

Plus: short term housing loans classified as overdrafts

Less: housing loans made to corporate customers

On-balance sheet retail mortgage exposures subject to the IRB approach

Off-balance sheet retail mortgage exposures subject to the IRB approach

Total retail mortgage exposures subject to the IRB approach (as per LVR analysis)

	Note	Unaudited 31/03/2012
	4	53,647
		481
		(2,669)
		51,459
		6,601
		58,060

Notes to the Financial Statements

11. 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.

Concentrations of credit risk analysis

Unaudited 31/03/2012

\$ millions	Liquid assets and due from other financial institutions	Trading securities and available-for-sale assets	Derivative financial instruments	Net loans and advances	Other financial assets	Credit related commitments	Total
Industry							
Agriculture	-	-	66	16,944	99	1,989	19,098
Forestry, fishing and mining	37	-	6	714	4	343	1,104
Business and property services	15	-	49	8,424	49	2,446	10,983
Construction	-	-	2	864	5	1,018	1,889
Entertainment, leisure and tourism	-	-	31	1,101	6	462	1,600
Finance and insurance	2,204	4,079	8,772	761	270	1,122	17,208
Government and local authority ¹	1,865	6,943	356	1,221	251	1,225	11,861
Manufacturing	27	5	106	2,967	17	3,181	6,303
Personal lending	-	-	36	55,533	273	9,734	65,576
Retail trade	22	3	45	1,573	9	954	2,606
Transport and storage	26	57	78	1,631	10	617	2,419
Wholesale trade	50	-	17	1,273	7	1,418	2,765
Other ²	16	69	512	2,158	15	2,048	4,818
	4,262	11,156	10,076	95,164	1,015	26,557	148,230
Provisions for credit impairment	-	-	-	(1,150)	-	-	(1,150)
Fair value hedge adjustment	-	-	-	62	-	-	62
Unearned finance income and deferred/capitalised fees	-	-	-	(259)	-	-	(259)
Total	4,262	11,156	10,076	93,817	1,015	26,557	146,883
Geography							
New Zealand	4,026	9,080	2,985	91,995	907	26,557	135,550
Overseas	236	2,076	7,091	1,822	108	-	11,333
Total	4,262	11,156	10,076	93,817	1,015	26,557	146,883

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.

Notes to the Financial Statements

Interest rate sensitivity gap

The following table shows the interest rate sensitivity of ANZ New Zealand's assets, liabilities and off balance sheet instruments by disclosing the repricing periods for these instruments (that is, when interest rates applicable to each asset or liability can be changed).

Unaudited 31/03/2012		Less than	3 to 6	6 to 12	1 to 2	Beyond	Not bearing
\$ millions	Total	3 months	months	months	years	2 years	interest
Assets							
Liquid assets	2,355	2,159	-	-	-	-	196
Due from other financial institutions	1,907	1,778	-	-	-	-	129
Trading securities	10,904	1,532	458	212	3,569	5,133	-
Derivative financial instruments	10,076	-	-	-	-	-	10,076
Available-for-sale assets	252	30	3	60	-	41	118
Net loans and advances	93,817	71,043	4,722	6,709	7,226	3,643	474
Other financial assets	1,015	79	48	30	5	3	850
Total financial assets	120,326	76,621	5,231	7,011	10,800	8,820	11,843
Liabilities							
Due to other financial institutions	10,258	9,908	-	-	-	95	255
Deposits and other borrowings	70,914	45,603	11,313	5,851	1,201	1,641	5,305
Derivative financial instruments	10,363	-	-	-	-	-	10,363
Payables and other financial liabilities	1,464	45	-	-	6	132	1,281
Bonds and notes	18,541	7,573	147	1,526	3,561	5,734	-
Term funding	1,766	1,766	-	-	-	-	-
Loan capital	1,737	-	902	-	835	-	-
Total financial liabilities	115,043	64,895	12,362	7,377	5,603	7,602	17,204
Hedging instruments	-	(324)	(2,358)	1,831	282	569	-
Interest sensitivity gap	5,283	11,402	(9,489)	1,465	5,479	1,787	(5,361)

Notes to the Financial Statements

Funding Composition

ANZ New Zealand actively uses balance sheet disciplines to prudently manage its funding mix. ANZ New Zealand 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 terms exceeding one year) and equity.

	Unaudited
	31/03/2012
\$ millions	
Funding composition	
Customer deposits¹	
New Zealand	56,761
Overseas	7,418
	<hr/>
Total customer deposits	64,179
Wholesale funding	
Bonds and notes	18,541
Loan capital	1,737
Certificates of deposit	2,277
Commercial paper	4,458
Term funding	1,766
Due to other financial institutions	10,258
	<hr/>
Total wholesale funding	39,037
	<hr/>
Total funding	103,216
	<hr/>
Concentrations of funding by industry	
Households	41,247
Agriculture	2,449
Forestry, fishing and mining	571
Manufacturing	2,371
Entertainment, leisure and tourism	725
Finance and insurance	46,239
Retail trade	819
Wholesale trade	837
Business and property services	3,554
Transport and storage	529
Construction	728
Government and local authority	1,812
Other ²	1,335
	<hr/>
Total funding	103,216
	<hr/>
Concentrations of funding by geography³	
New Zealand	62,825
Australia	13,673
United States	13,457
Europe	7,912
Other countries	5,349
	<hr/>
Total funding	103,216
	<hr/>

¹ Represents term deposits, demand deposits bearing interest, deposits not bearing interest and secured debenture stock.

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

³ Funding of ANZ New Zealand via ANZ National (Int'l) Limited is classified as either from the United States or Europe, as the company conducts overseas funding activities through its London branch.

Notes to the Financial Statements

Liquidity portfolio management

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

Liquidity portfolio

\$ millions

31/03/2012

Unaudited

Balances with central banks	1,513
Securities purchased under agreement to resell	1,256
Certificates of deposit	368
Govt, local body stock and bonds	6,899
Government treasury bills	63
Other bonds	3,727
	<hr/>
Total liquidity portfolio	13,826

Notes to the Financial Statements

Contractual maturity analysis of financial assets and liabilities

The table below presents ANZ New Zealand's financial assets and liabilities within relevant contractual maturity groupings, based on the earliest date on which ANZ New Zealand 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.

Derivatives (other than those designated in a hedging relationship) and trading portfolio assets and liabilities are included at their fair value, since they will frequently be settled before contractual maturity at fair value.

The contractual maturity analysis for off-balance sheet commitments and contingent liabilities has been prepared using the earliest date at which ANZ New Zealand 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.

ANZ New Zealand does not manage its liquidity risk on the basis of the information below.

\$ millions			Less than	3 to 12		Beyond	No maturity
Unaudited 31/03/2012	Total	At call	3 months	months	1 to 5 years	5 years	specified
Financial assets							
Liquid assets	2,355	2,012	343	-	-	-	-
Due from other financial institutions	1,909	557	1,352	-	-	-	-
Trading securities	11,806	-	412	1,036	9,184	1,174	-
Derivative financial assets (trading)	8,651	-	8,651	-	-	-	-
Available-for-sale assets	262	-	31	64	49	-	118
Net loans and advances	130,690	-	12,045	21,338	37,982	59,325	-
Other financial assets	663	-	563	78	18	1	3
Total financial assets	156,336	2,569	23,397	22,516	47,233	60,500	121
Financial liabilities							
Due to other financial institutions	11,452	560	1,257	2,095	7,434	106	-
Deposits and other borrowings	72,175	28,612	22,255	18,159	3,139	10	-
Derivative financial liabilities (trading)	9,349	-	9,349	-	-	-	-
Other financial liabilities	885	-	673	7	78	127	-
Bonds and notes	19,760	-	2,794	2,464	13,490	1,012	-
Term funding	1,832	-	1,832	-	-	-	-
Loan capital	2,726	-	35	104	691	724	1,172
Total financial liabilities	118,179	29,172	38,195	22,829	24,832	1,979	1,172
Net financial assets / (liabilities)	38,157	(26,603)	(14,798)	(313)	22,401	58,521	(1,051)
Derivative financial instruments used for balance sheet management							
- gross inflows	27,458	-	3,033	5,778	18,184	463	-
- gross outflows	(26,529)	-	(3,106)	(5,460)	(17,507)	(456)	-
Net financial assets / (liabilities) after balance sheet management	39,086	(26,603)	(14,871)	5	23,078	58,528	(1,051)

Contractual maturity of off-balance sheet commitments and contingent liabilities

\$ millions		Less than	Beyond
Unaudited 31/03/2012	Total	1 year	1 year
Non-credit related commitments	237	89	148
Credit related commitments	23,825	23,825	-
Contingent liabilities	2,732	2,732	-
Total	26,794	26,646	148

Notes to the Financial Statements

12. Concentrations of Credit Risk to Individual Counterparties

ANZ New Zealand measures its concentration of credit risk in respect to bank counterparties on the basis of approved exposures, and in respect to non bank counterparties on the basis of limits.

For the six months ended 31 March 2012 there were no individual counterparties (excluding connected parties, governments and banks with long term credit ratings of A- or above) where ANZ New Zealand's period end or peak end-of-day credit exposure equalled or exceeded 10% of ANZ New Zealand's equity (as at the end of the period).

13. Insurance business

ANZ New Zealand conducts insurance business through companies in the OnePath Insurance Holdings (NZ) Limited group. The aggregate amount of insurance business in this group comprises assets totalling \$525 million (31/03/2011: \$353 million; 30/09/2011 \$438 million), which is 0.4% (31/03/2011: 0.3%; 30/09/2011 0.3%) of the total consolidated assets of ANZ New Zealand.

14. Credit Related Commitments and Contingent Liabilities

	Face or contract value		
	Unaudited 31/03/2012	Unaudited 31/03/2011	Audited 30/09/2011
\$ millions			
Credit related commitments			
Commitments with certain drawdown due within one year	904	567	527
Commitments to provide financial services	22,921	21,865	22,364
Total credit related commitments	23,825	22,432	22,891
Contingent liabilities			
Financial guarantees	1,752	1,888	1,753
Standby letters of credit	55	68	60
Transaction related contingent items	829	957	882
Trade related contingent liabilities	96	60	110
Total contingent liabilities	2,732	2,973	2,805

ANZ New Zealand guarantees the performance of customers by issuing standby letters of credit and guarantees to third parties, including its Ultimate Parent Bank. To reflect the risk associated with these transactions, they are subjected to the same credit origination, portfolio management and collateral requirements as for customers that apply for loans. The contract amount represents the maximum potential amount that could be lost if the counterparty fails to meet its financial obligations. As the facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements.

Other contingent liabilities

ANZ New Zealand has other contingent liabilities in respect of actual and possible claims and court proceedings. An assessment of ANZ New Zealand's likely loss in respect of these matters has been made on a case-by-case basis and provision made where deemed necessary.

Notes to the Financial Statements

15. Additional Disclosures

NZ Branch Funding

\$ millions	Unaudited 31/03/2012
Total liabilities of the NZ Branch less amounts due to related parties	37

Overseas Banking Group Profitability and Size

AUD millions	Unaudited 31/03/2012
Profit for the period for the 6 months ended 31/03/2012 ¹	2,923
Net profit after tax for the 12 months ended 31/03/2012 as a percentage of average total assets	1.0%
Total assets as at 31/03/2012	603,236
Percentage change in total assets in the 12 months ended 31/03/2012	12.2%

¹ Net profit after tax for the period includes \$4 million of profit attributable to non-controlling interests.

Overseas Banking Group asset quality

AUD millions	Unaudited 31/03/2012
Gross impaired assets	5,343
Gross impaired assets as a percentage of total assets	0.9%
Individual provision	1,714
Individual provision as a percentage of gross impaired assets	32.1%
Collective provision	2,994

16. Subsequent Events

On 24 April 2012 the Board of ANZ Holdings (New Zealand) Limited resolved to pay an ordinary dividend of \$400 million, and this was paid on 27 April 2012.

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:

- (i) The Disclosure Statement contains all the information that is required by the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2012; and
- (ii) The Disclosure Statement is not false or misleading.

Over the six months ended 31 March 2012, after due enquiry, each Director of the Ultimate Parent Bank and the Chief Executive Officer – NZ Branch believes that:

- (i) The Ultimate Parent Bank has complied with all Conditions of Registration that applied during that period;
- (ii) The Ultimate Parent Bank had systems in place to monitor and control adequately ANZ New Zealand's material risks, 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.

This Disclosure Statement is dated 23 May 2012, and has been signed by the Chairman of the Ultimate Parent Bank, as agent for all Directors, and by the Chief Executive Officer – NZ Branch.



J P Morschel
Chairman



A J Bradshaw
Chief Executive Officer – NZ Branch



Independent Auditors' Review Report

To the Directors of Australia and New Zealand Banking Group Limited - New Zealand Branch

We have reviewed pages 3 to 21 of the interim financial statements of Australia and New Zealand Banking Group Limited – New Zealand Branch and its related entities ('ANZ New Zealand') prepared and disclosed in accordance with the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2012 (the 'Order') and the supplementary information prescribed in Schedules 3, 5, 7, 9, 10, 12 and 14 of the Order. The interim financial statements, and supplementary information, provide information about the past financial performance and cash flows of ANZ New Zealand and its financial position as at 31 March 2012.

Directors' responsibilities

The Directors of Australia and New Zealand Banking Group Limited - New Zealand Branch are responsible for the preparation and presentation of the Disclosure Statement, which includes interim financial statements prepared in accordance with Clause 26 of the Order which give a true and fair view of the financial position of ANZ New Zealand as at 31 March 2012 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, 9, 10, 12 and 14 of the Order.

Reviewers' responsibilities

We are responsible for reviewing the interim financial statements and the supplementary information, disclosed in accordance with Clause 26, Schedules 3, 5, 7, 9, 10, 12 and 14 of the Order and presented to us by the Directors.

We are responsible for reviewing the interim financial statements (excluding the supplementary information) 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 interim financial statements have not been prepared, in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34 ("NZ IAS 34"): Interim Financial Reporting and do not present a true and fair view of the financial position of ANZ New Zealand as at 31 March 2012 and its financial performance and cash flows for the six months ended on that date.

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, 10, 12 and 14 of the Order

We are responsible for reviewing the supplementary information relating to credit and market risk exposures and 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 9 is not in all material respects prepared in accordance with the Capital Adequacy Framework (Basel I Approach) (BS2) and Capital Adequacy Framework (Standardised Approach) (BS2A); and disclosed in accordance with Schedule 9 of the Order.

We have performed our review in accordance with the review engagement standard RS-1 Statement of Review Engagement Standards issued by the External Reporting Board. A review is limited primarily to enquiries of ANZ New Zealand personnel and analytical review procedures applied to the financial data, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

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



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) have not been prepared, in all material respects, in accordance with NZ IAS 34: Interim Financial Reporting and do not present a true and fair view of the financial position of ANZ New Zealand as at 31 March 2012 and its financial performance and cash flows for the six months ended on that date;
- b. the supplementary information prescribed by Schedules 5, 7, 10, 12 and 14 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 credit and market risk exposures and capital adequacy prescribed by Schedule 9 of the Order, is not in all material respects prepared in accordance with Capital Adequacy Framework (Basel 1 Approach) (BS2) and Capital Adequacy Framework (Standardised Approach) (BS2A), and disclosed in accordance with Schedule 9 of the Order.

Our review was completed on 23 May 2012 and our review opinion is expressed as at that date.

A handwritten signature in black ink that reads 'KPMG' in a stylized, cursive font.

Wellington