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# **Westpac Banking Corporation - New Zealand Banking Group Disclosure Statement**

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For the six months ended 31 March 2016



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## General information and definitions

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Certain information contained in this Disclosure Statement is required by section 81 of the Reserve Bank of New Zealand Act 1989 ('**Reserve Bank Act**') and the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 ('**Order**').

In this Disclosure Statement, reference is made to five main reporting groups:

- Westpac Banking Corporation New Zealand Branch (otherwise referred to as the '**NZ Branch**') – refers to the New Zealand Branch of Westpac Banking Corporation (trading as Westpac);
- Westpac New Zealand Limited (otherwise referred to as '**Westpac New Zealand**') – refers to a locally incorporated subsidiary of the Overseas Bank (carrying on the Overseas Bank's New Zealand consumer, business and institutional banking operations);
- Westpac Banking Corporation – New Zealand Banking Group (otherwise referred to as the '**NZ Banking Group**') – refers to the New Zealand operations of Westpac Banking Corporation Group including those entities whose business is required to be reported in the financial statements of the Overseas Banking Group's New Zealand business;
- Westpac Banking Corporation (otherwise referred to as the '**Overseas Bank**') – refers to the worldwide business of Westpac Banking Corporation excluding its controlled entities; and
- Westpac Banking Corporation Group (otherwise referred to as the '**Overseas Banking Group**') – refers to the total worldwide business of Westpac Banking Corporation including its controlled entities.

Words and phrases not defined in this Disclosure Statement, but defined by the Order, have the meaning given by the Order when used in this Disclosure Statement. All amounts referred to in this Disclosure Statement are in New Zealand dollars unless otherwise stated.

## Limits on material financial support by the ultimate parent bank

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In late 2014, Australian Prudential Regulation Authority ('**APRA**') initiated a process to reduce Australian bank non-equity exposures to their respective New Zealand banking subsidiaries and branches, so that these non-equity exposures are minimised during ordinary times. On 19 November 2015, APRA informed the Overseas Bank that its Extended Licensed Entity ('**ELE**') non-equity exposures to New Zealand banking subsidiaries is to transition to be below a limit of five percent of the Overseas Bank's Level 1 Tier 1 capital.

The ELE consists of the Overseas Bank and its subsidiary entities that have been approved by APRA to be included in the ELE for the purposes of measuring capital adequacy.

APRA has allowed a period of five years commencing on 1 January 2016 to transition to be less than the five percent limit. Exposures for the purposes of this limit include all committed, non-intraday, non-equity exposures including derivatives and off-balance sheet exposures. Further, APRA imposed two conditions over the transition period – the percentage excess above the five percent limit as at 30 June 2015, is to reduce by at least one fifth by the end of each calendar year over the transition period, and the absolute amount of routine New Zealand non-equity exposure is not to increase from the 30 June 2015 level until the Overseas Bank is, and expects to remain, below the five percent limit. For the purposes of assessing this exposure, the five percent limit excludes equity investments and holdings of capital instruments in New Zealand banking subsidiaries.

While the limit and associated conditions do not apply to the ELE's non-equity exposures to the NZ Branch (which is within the ELE), the limit and associated conditions do apply to the NZ Branch's non-equity exposures to the rest of the NZ Banking Group other than Westpac New Zealand Group Limited. As at 31 March 2016, the ELE's non-equity exposures to New Zealand banking subsidiaries affected by the limit was approximately 6.1% of Level 1 Tier 1 capital of the Overseas Bank. Non-equity exposure would need to reduce by approximately \$0.5 billion from the 31 March 2016 position to comply with the 5% limit. The Overseas Bank expects to achieve compliance with the 5% limit within the transition period.

APRA has also confirmed the terms on which the Overseas Bank 'may provide contingent funding support to a New Zealand banking subsidiary during times of financial stress'. APRA has confirmed that, at this time, only covered bonds meet its criteria for contingent funding arrangements.

## General matters

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### Directors

The Directors of the Overseas Bank at the time this Disclosure Statement was signed were:

**Lindsay Philip Maxsted**, DipBus (Gordon), FCA, FAICD – Chairman  
**Brian Charles Hartzer**, BA, CFA – Managing Director & Chief Executive Officer  
**Elizabeth Blomfield Bryan** AM, BA (Econ.), MA (Econ.)  
**Ewen Graham Wolseley Crouch** AM, BEc (Hons.), LLB, FAICD  
**Catriona Alison Deans**, BA, MBA, GAICD  
**Craig William Dunn**, BCom, FCA  
**Robert George Elstone**, BA (Hons.), MA (Econ.), MCom  
**Peter John Oswin Hawkins**, BCA (Hons.), SF Fin, FAIM, ACA (NZ), FAICD  
**Peter Ralph Marriott**, BEc (Hons.), FCA

### Changes to the Directorate

There have been no changes to the composition of the Overseas Bank's Board of Directors (the '**Board**') since 30 September 2015.

### Chief Executive Officer, NZ Branch

**Karen Lee Ann Silk**, B.Com

## Responsible person

All the Directors named above have authorised in writing David Alexander McLean, Chief Executive, Westpac New Zealand to sign this Disclosure Statement on the Directors' behalf in accordance with section 82 of the Reserve Bank Act.

## Auditors

### PricewaterhouseCoopers

PricewaterhouseCoopers Tower  
188 Quay Street  
Auckland, New Zealand

## Credit ratings

The Overseas Bank has the following credit ratings with respect to its long-term senior unsecured obligations, including obligations payable in New Zealand in New Zealand dollars, as at the date this Disclosure Statement was signed:

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

A credit rating is not a recommendation to buy, sell or hold securities of the Overseas Bank. Such ratings are subject to revision, qualification, suspension or withdrawal at any time by the assigning rating agency. Investors in the Overseas Bank's securities are cautioned to evaluate each rating independently of any other rating.

## Disclosure statements of the Overseas Bank and the financial statements of the Overseas Bank and the Overseas Banking Group

Disclosure Statements of the Overseas Bank for the last five years are available, free of charge, at the internet address [www.westpac.co.nz](http://www.westpac.co.nz). A printed copy will also be made available, free of charge, upon request and will be dispatched by the end of the second working day after the day on which the request is made.

The most recently published financial statements of the Overseas Bank and the Overseas Banking Group are for the year ended 30 September 2015 and for the six months ended 31 March 2016, respectively, and can be accessed at the internet address [www.westpac.com.au](http://www.westpac.com.au).

## Guarantee arrangements

No material obligations of the Overseas Bank that relate to the NZ Branch are guaranteed as at the date this Disclosure Statement was signed.

## Conditions of registration

There have been no changes to the conditions of registration imposed on the Overseas Bank in New Zealand since 31 December 2015.

## **Directors' and the Chief Executive Officer, NZ Branch's statement**

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Each Director of the Overseas Bank and the Chief Executive Officer, NZ Branch, believe, after due enquiry, that, as at the date on which this Disclosure Statement is signed, the Disclosure Statement:

- (a) contains all information that is required by the Order; and
- (b) is not false or misleading.

Each Director of the Overseas Bank and the Chief Executive Officer, NZ Branch, believe, after due enquiry, that, over the six months ended 31 March 2016:

- (a) the Overseas Bank has complied with all conditions of registration imposed on it pursuant to section 74 of the Reserve Bank Act; and
- (b) the NZ Branch and other members of the NZ Banking Group had systems in place to monitor and control adequately the material risks of relevant members of the NZ Banking Group, 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. For this purpose, a relevant member of the NZ Banking Group means a member of the NZ Banking Group that is not a member of Westpac New Zealand's banking group.

This Disclosure Statement has been signed on behalf of all of the Directors by David Alexander McLean, Chief Executive, Westpac New Zealand, and by Karen Lee Ann Silk, Chief Executive Officer, NZ Branch.



David Alexander McLean



Karen Lee Ann Silk

Dated this 26<sup>th</sup> day of May 2016

**Income statement** for the six months ended 31 March 2016

\$ millions	Note	NZ Banking Group		
		Six Months Ended 31-Mar-16 Unaudited	Six Months Ended 31-Mar-15 Unaudited	Year Ended 30-Sep-15 Audited
Interest income		2,124	2,219	4,451
Interest expense		(1,242)	(1,353)	(2,670)
<b>Net interest income</b>		<b>882</b>	<b>866</b>	<b>1,781</b>
Non-interest income	2	277	284	590
<b>Net operating income</b>		<b>1,159</b>	<b>1,150</b>	<b>2,371</b>
Operating expenses		(471)	(442)	(943)
Impairment charges on loans	3	(9)	(31)	(47)
<b>Profit before income tax expense</b>		<b>679</b>	<b>677</b>	<b>1,381</b>
Income tax expense		(189)	(186)	(375)
<b>Profit after income tax expense</b>		<b>490</b>	<b>491</b>	<b>1,006</b>
<b>Profit after income tax expense attributable to:</b>				
Head office account and owners of the NZ Banking Group		490	490	1,003
Non-controlling interests		-	1	3
		<b>490</b>	<b>491</b>	<b>1,006</b>

The accompanying notes (numbered 1 to 20) form part of, and should be read in conjunction with, these financial statements.

## Statement of comprehensive income for the six months ended 31 March 2016

\$ millions	Note	NZ Banking Group		
		Six Months Ended 31-Mar-16 Unaudited	Six Months Ended 31-Mar-15 Unaudited	Year Ended 30-Sep-15 Audited
<b>Profit after income tax expense</b>		<b>490</b>	491	1,006
<b>Other comprehensive expense which may be reclassified subsequently to the income statement:</b>				
Available-for-sale securities:				
Net unrealised (losses)/gains from changes in fair value of available-for-sale securities		(15)	3	(8)
Transferred to the income statement	2	-	-	(19)
Income tax effect		4	(1)	8
Cash flow hedges:				
Net losses from changes in fair value of cash flow hedges		(79)	(100)	(217)
Transferred to the income statement		70	8	39
Income tax effect		2	26	50
<b>Total other comprehensive expense which may be reclassified subsequently to the income statement</b>		<b>(18)</b>	(64)	(147)
<b>Other comprehensive expense which will not be reclassified subsequently to the income statement:</b>				
Remeasurement of employee defined benefit obligations		(2)	(7)	(7)
Income tax effect		1	2	2
<b>Total other comprehensive expense which will not be reclassified subsequently to the income statement</b>		<b>(1)</b>	(5)	(5)
<b>Total other comprehensive expense net of tax</b>		<b>(19)</b>	(69)	(152)
<b>Total comprehensive income</b>		<b>471</b>	422	854
<b>Total comprehensive income attributable to:</b>				
Head office account and owners of the NZ Banking Group		471	421	851
Non-controlling interests		-	1	3
		<b>471</b>	422	854

The accompanying notes (numbered 1 to 20) form part of, and should be read in conjunction with, these financial statements.

## Balance sheet as at 31 March 2016

\$ millions	Note	NZ Banking Group		
		31-Mar-16 Unaudited	31-Mar-15 Unaudited	30-Sep-15 Audited
<b>Assets</b>				
Cash and balances with central banks		1,576	1,600	939
Due from other financial institutions		560	646	168
Trading securities and other financial assets designated at fair value	4	3,412	3,666	4,215
Derivative financial instruments		5,250	3,419	5,459
Available-for-sale securities		3,713	3,520	3,421
Loans	5, 6	72,128	67,108	69,576
Life insurance assets		261	246	265
Due from related entities		2,784	1,210	3,451
Investment in associate		8	48	-
Property, plant and equipment		149	163	164
Current tax assets		25	7	-
Deferred tax assets		166	155	167
Goodwill and other intangible assets		647	704	658
Other assets		277	299	378
<b>Total assets</b>		<b>90,956</b>	<b>82,791</b>	<b>88,861</b>
<b>Liabilities</b>				
Due to other financial institutions		678	359	837
Deposits and other borrowings	8	55,972	52,909	52,986
Other financial liabilities at fair value through income statement	9	406	363	279
Derivative financial instruments		7,410	4,993	6,717
Debt issues	10	14,748	12,684	14,685
Current tax liabilities		-	-	25
Provisions		73	73	92
Other liabilities		579	543	775
<b>Total liabilities excluding related entities liabilities</b>		<b>79,866</b>	<b>71,924</b>	<b>76,396</b>
Due to related entities		3,385	4,374	4,288
Subordinated debentures	11	1,152	728	1,984
<b>Total related entities liabilities</b>		<b>4,537</b>	<b>5,102</b>	<b>6,272</b>
<b>Total liabilities</b>		<b>84,403</b>	<b>77,026</b>	<b>82,668</b>
<b>Net assets</b>		<b>6,553</b>	<b>5,765</b>	<b>6,193</b>
<b>Equity</b>				
<b>Head office account</b>				
Branch capital		1,300	1,300	1,300
Retained profits		564	481	524
<b>Total head office account</b>		<b>1,864</b>	<b>1,781</b>	<b>1,824</b>
<b>NZ Banking Group equity</b>				
Ordinary share capital		143	143	143
Retained profits		4,666	3,858	4,328
Available-for-sale securities reserve		5	37	16
Cash flow hedge reserve		(125)	(56)	(118)
<b>Total equity attributable to owners of the NZ Banking Group</b>		<b>4,689</b>	<b>3,982</b>	<b>4,369</b>
Non-controlling interests		-	2	-
<b>Total equity</b>		<b>6,553</b>	<b>5,765</b>	<b>6,193</b>
Interest earning and discount bearing assets		83,450	77,225	80,925
Interest and discount bearing liabilities		71,028	66,624	69,623

The accompanying notes (numbered 1 to 20) form part of, and should be read in conjunction with, these financial statements.



**Statement of changes in equity** for the six months ended 31 March 2016

\$ millions	NZ Banking Group								
	NZ Branch		Other members of the NZ Banking Group				Total before Non-controlling Interests	Non-controlling Interests	Total Equity
	Head Office Account		Ordinary Share Capital	Retained Profits	Available-for-sale Securities Reserve	Cash Flow Hedge Reserve			
<b>As at 1 October 2014 (Audited)</b>	1,300	450	143	3,555	35	10	5,493	6	5,499
<b>Six months ended 31 March 2015 (Unaudited)</b>									
Profit after income tax expense	-	31	-	459	-	-	490	1	491
Net gains/(losses) from changes in fair value	-	-	-	-	3	(100)	(97)	-	(97)
Income tax effect	-	-	-	-	(1)	28	27	-	27
Transferred to the income statement	-	-	-	-	-	8	8	-	8
Income tax effect	-	-	-	-	-	(2)	(2)	-	(2)
Remeasurement of employee defined benefit obligations	-	-	-	(7)	-	-	(7)	-	(7)
Income tax effect	-	-	-	2	-	-	2	-	2
<b>Total comprehensive income for the six months ended 31 March 2015</b>	-	31	-	454	2	(66)	421	1	422
Transaction with owners:									
Dividends paid on ordinary shares	-	-	-	(151)	-	-	(151)	(5)	(156)
<b>As at 31 March 2015 (Unaudited)</b>	1,300	481	143	3,858	37	(56)	5,763	2	5,765
<b>Year ended 30 September 2015 (Audited)</b>									
Profit after income tax expense	-	74	-	929	-	-	1,003	3	1,006
Net losses from changes in fair value	-	-	-	-	(8)	(217)	(225)	-	(225)
Income tax effect	-	-	-	-	3	61	64	-	64
Transferred to the income statement	-	-	-	-	(19)	39	20	-	20
Income tax effect	-	-	-	-	5	(11)	(6)	-	(6)
Remeasurement of employee defined benefit obligations	-	-	-	(7)	-	-	(7)	-	(7)
Income tax effect	-	-	-	2	-	-	2	-	2
<b>Total comprehensive income for the year ended 30 September 2015</b>	-	74	-	924	(19)	(128)	851	3	854
Transactions with owners:									
Dividends paid on ordinary shares	-	-	-	(151)	-	-	(151)	(8)	(159)
Derecognition of non-controlling interest	-	-	-	-	-	-	-	(1)	(1)
<b>As at 30 September 2015 (Audited)</b>	1,300	524	143	4,328	16	(118)	6,193	-	6,193
<b>Six months ended 31 March 2016 (Unaudited)</b>									
Profit after income tax expense	-	40	-	450	-	-	490	-	490
Net losses from changes in fair value	-	-	-	-	(15)	(79)	(94)	-	(94)
Income tax effect	-	-	-	-	4	22	26	-	26
Transferred to the income statement	-	-	-	-	-	70	70	-	70
Income tax effect	-	-	-	-	-	(20)	(20)	-	(20)
Remeasurement of employee defined benefit obligations	-	-	-	(2)	-	-	(2)	-	(2)
Income tax effect	-	-	-	1	-	-	1	-	1
<b>Total comprehensive income for the six months ended 31 March 2016</b>	-	40	-	449	(11)	(7)	471	-	471
Transaction with owners:									
Dividends paid on ordinary shares (refer to Note 11)	-	-	-	(111)	-	-	(111)	-	(111)
<b>As at 31 March 2016 (Unaudited)</b>	1,300	564	143	4,666	5	(125)	6,553	-	6,553

The accompanying notes (numbered 1 to 20) form part of, and should be read in conjunction with, these financial statements.

**Statement of cash flows** for the six months ended 31 March 2016

\$ millions	NZ Banking Group		
	Six Months Ended 31-Mar-16 Unaudited	Six Months Ended 31-Mar-15 Unaudited	Year Ended 30-Sep-15 Audited
<b>Cash flows from operating activities</b>			
Interest income received	2,149	2,220	4,475
Interest expense paid	(1,272)	(1,367)	(2,647)
Non-interest income received	232	278	511
Operating expenses paid	(448)	(406)	(813)
Income tax paid	(230)	(231)	(369)
Cash flows from operating activities before changes in operating assets and liabilities	431	494	1,157
Net (increase)/decrease in:			
Due from other financial institutions	(159)	(441)	105
Trading securities and other financial assets designated at fair value	709	(135)	(537)
Loans	(2,531)	(2,112)	(4,489)
Due from related entities	547	(308)	(2,250)
Other assets	4	1	-
Net (decrease)/increase in:			
Due to other financial institutions	(159)	(782)	(304)
Deposits and other borrowings	2,986	2,302	2,375
Other financial liabilities at fair value through income statement	127	(709)	(793)
Other liabilities	17	10	(9)
Net movement in external and related entity derivative financial instruments	(511)	1,358	2,964
<b>Net cash provided by/(used in) operating activities</b>	<b>1,461</b>	<b>(322)</b>	<b>(1,781)</b>
<b>Cash flows from investing activities</b>			
Purchase of available-for-sale securities	(275)	(617)	(930)
Proceeds from maturities/sale of available-for-sale securities	-	65	506
Net movement in life insurance assets	4	51	32
Proceeds from disposal of subsidiary	-	-	7
Cash receipts from associate	-	-	48
Purchase of capitalised computer software	(19)	(21)	(39)
Proceeds from disposal of software	-	-	2
Purchase of property, plant and equipment	(4)	(3)	(24)
<b>Net cash used in investing activities</b>	<b>(294)</b>	<b>(525)</b>	<b>(398)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from debt issues	3,181	4,110	7,775
Repayments of debt issues	(2,233)	(3,570)	(7,124)
Net movement in due to related entities	(372)	(250)	(743)
Settlement of promissory note	-	-	(48)
Proceeds from issuance of subordinated debentures	-	-	1,172
Redemption of subordinated debentures	(762)	-	-
Payment of dividends to ordinary shareholders	(111)	(151)	(151)
Payment of dividends to minority shareholders	-	(5)	(8)
<b>Net cash (used in)/provided by financing activities</b>	<b>(297)</b>	<b>134</b>	<b>873</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>870</b>	<b>(713)</b>	<b>(1,306)</b>
Cash and cash equivalents at beginning of the period/year	1,037	2,343	2,343
<b>Cash and cash equivalents at end of the period/year</b>	<b>1,907</b>	<b>1,630</b>	<b>1,037</b>
<b>Cash and cash equivalents at end of the period/year comprise:</b>			
Cash on hand	189	199	249
Cash and balances with central banks	1,387	1,401	690
Due from other financial institutions	331	30	98
<b>Cash and cash equivalents at end of the period/year</b>	<b>1,907</b>	<b>1,630</b>	<b>1,037</b>

The accompanying notes (numbered 1 to 20) form part of, and should be read in conjunction with, these financial statements.

# Notes to the financial statements

## Note 1 Statement of accounting policies

### Statutory base

In these financial statements reference is made to the following reporting entities:

- Westpac Banking Corporation New Zealand Branch (otherwise referred to as the '**NZ Branch**') – refers to the New Zealand Branch of Westpac Banking Corporation (trading as Westpac);
- Westpac New Zealand Limited (otherwise referred to as '**Westpac New Zealand**') – refers to a locally incorporated subsidiary of the Overseas Bank (carrying on the Overseas Bank's New Zealand consumer, business and institutional banking operations);
- Westpac Banking Corporation - New Zealand Banking Group (otherwise referred to as the '**NZ Banking Group**') – refers to the New Zealand operations of Westpac Banking Corporation Group including those entities whose business is required to be reported in the financial statements of the Overseas Banking Group's New Zealand business;
- Westpac Banking Corporation (otherwise referred to as the '**Overseas Bank**') – refers to the worldwide business of Westpac Banking Corporation excluding its controlled entities; and
- Westpac Banking Corporation Group (otherwise referred to as the '**Overseas Banking Group**') – refers to the total worldwide business of Westpac Banking Corporation including its controlled entities.

These consolidated financial statements have been prepared and presented in accordance with the Reserve Bank of New Zealand Act 1989 ('**Reserve Bank Act**') and the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 ('**Order**').

These financial statements have also been prepared in accordance with Generally Accepted Accounting Practice in New Zealand, as appropriate for profit-oriented entities, and the New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* and should be read in conjunction with the Disclosure Statements for the year ended 30 September 2015 and for the three months ended 31 December 2015. These financial statements comply with International Accounting Standard 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board.

These financial statements were authorised for issue by the Overseas Bank's Board of Directors (the '**Board**') on 26 May 2016. The Board has the power to amend the financial statements after they are authorised for issue.

### Basis of preparation

The financial statements are based on the general principles of historical cost accounting, as modified by applying fair value accounting to available-for-sale financial assets, financial assets and financial liabilities at fair value through income statement and all financial derivative contracts. The going concern concept and the accrual basis of accounting have been adopted. All amounts are expressed in New Zealand dollars unless otherwise stated.

The same accounting policies and methods of computation have been followed in preparing these financial statements as were used in preparing the financial statements for the year ended 30 September 2015.

Certain comparative information has been restated to ensure consistent treatment with the current reporting period. Where there has been a material restatement of comparative information the nature of, and the reason for, the restatement is disclosed in the relevant note.

## Note 2 Non-interest income

\$ millions	NZ Banking Group		
	Six Months Ended 31-Mar-16 Unaudited	Six Months Ended 31-Mar-15 Unaudited	Year Ended 30-Sep-15 Audited
<b>Fees and commissions</b>			
Transaction fees and commissions	91	106	194
Lending fees (loan and risk)	32	33	65
Other non-risk fee income	25	20	45
<b>Total fees and commissions</b>	<b>148</b>	<b>159</b>	<b>304</b>
<b>Wealth management revenue</b>			
Fees from trust and other fiduciary activities	21	19	38
Net life insurance income and change in policy liabilities	55	52	100
<b>Total wealth management revenue</b>	<b>76</b>	<b>71</b>	<b>138</b>
<b>Trading income</b>			
Foreign exchange trading	45	52	103
Interest rate trading	(3)	(7)	14
<b>Total trading income</b>	<b>42</b>	<b>45</b>	<b>117</b>
<b>Net ineffectiveness on qualifying hedges</b>	<b>(2)</b>	<b>-</b>	<b>(4)</b>
<b>Other non-interest income</b>			
Dividend income	-	-	2
Gain on sale of available-for-sale securities	-	-	19
Gain on disposal of a subsidiary	-	-	4
Share of profit of associate accounted for using the equity method	8	-	-
Other	5	9	10
<b>Total other non-interest income</b>	<b>13</b>	<b>9</b>	<b>35</b>
<b>Total non-interest income</b>	<b>277</b>	<b>284</b>	<b>590</b>

# Notes to the financial statements

## Note 3 Impairment charges on loans

\$ millions	NZ Banking Group		
	Six Months Ended 31-Mar-16 Unaudited	Six Months Ended 31-Mar-15 Unaudited	Year Ended 30-Sep-15 Audited
Collectively assessed provisions	(16)	(11)	(23)
Individually assessed provisions	2	25	34
Bad debts written-off directly to the income statement	23	17	36
<b>Total impairment charges on loans</b>	<b>9</b>	<b>31</b>	<b>47</b>

## Note 4 Trading securities and other financial assets designated at fair value

\$ millions	NZ Banking Group		
	31-Mar-16 Unaudited	31-Mar-15 Unaudited	30-Sep-15 Audited
Government and semi-government securities	708	1,264	1,813
Debt securities	1,765	2,218	2,124
Securities purchased under agreement to resell	939	184	278
<b>Total trading securities and other financial assets designated at fair value</b>	<b>3,412</b>	<b>3,666</b>	<b>4,215</b>

## Note 5 Loans

\$ millions	NZ Banking Group		
	31-Mar-16 Unaudited	31-Mar-15 Unaudited	30-Sep-15 Audited
Overdrafts	1,292	1,220	1,249
Credit card outstandings	1,547	1,445	1,537
Money market loans	1,375	1,156	1,386
Term loans:			
Housing	43,428	40,800	42,121
Non-housing	23,579	21,812	22,475
Other	1,316	1,136	1,223
<b>Total gross loans</b>	<b>72,537</b>	<b>67,569</b>	<b>69,991</b>
Provisions for impairment charges on loans	(409)	(461)	(415)
<b>Total net loans</b>	<b>72,128</b>	<b>67,108</b>	<b>69,576</b>

As at 31 March 2016, \$4,303 million of housing loans were used by the NZ Banking Group to secure the obligations of Westpac Securities NZ Limited ('WSNZL') under Westpac New Zealand's Global Covered Bond Programme ('CB Programme') (31 March 2015: \$3,591 million, 30 September 2015: \$4,821 million). These housing loans were not derecognised from the NZ Banking Group's balance sheet in accordance with the accounting policies outlined in Note 1 to the financial statements included in the Disclosure Statement for the year ended 30 September 2015. As at 31 March 2016, the New Zealand dollar equivalent of bonds issued by WSNZL under the CB Programme was \$4,090 million (31 March 2015: \$3,036 million, 30 September 2015: \$4,022 million).

# Notes to the financial statements

## Note 6 Credit quality, impaired assets and provisions for impairment charges on loans

\$ millions	NZ Banking Group 31-Mar-16 Unaudited
<b>Neither past due nor impaired</b>	<b>70,831</b>
<b>Past due and not impaired assets:</b>	
Less than 30 days past due	1,043
At least 30 days but less than 60 days past due	202
At least 60 days but less than 90 days past due	65
At least 90 days past due	84
<b>Total past due and not impaired assets</b>	<b>1,394</b>
<b>Individually impaired assets<sup>1</sup></b>	
Balance at beginning of the period	282
Additions	105
Amounts written off	(5)
Returned to performing or repaid	(70)
<b>Balance at end of the period</b>	<b>312</b>
<b>Total gross loans<sup>2</sup></b>	<b>72,537</b>
<b>Individually assessed provisions</b>	
Balance at beginning of the period	118
Impairment charges on loans:	
New provisions	10
Reversal of previously recognised impairment charges on loans	(8)
Amounts written off	(4)
<b>Balance at end of the period</b>	<b>116</b>
<b>Collectively assessed provisions</b>	
Balance at beginning of the period	329
Impairment recoveries on loans	(16)
Interest adjustments	13
<b>Balance at end of the period</b>	<b>326</b>
Total provisions for impairment charges on loans and credit commitments	442
Provision for credit commitments	(33)
<b>Total provisions for impairment charges on loans</b>	<b>409</b>
<b>Total net loans</b>	<b>72,128</b>

<sup>1</sup> The NZ Banking Group had undrawn balances on lending commitments of \$34 million to counterparties for whom drawn balances are classified as individually impaired assets as at 31 March 2016 (31 March 2015: \$57 million, 30 September 2015: \$103 million).

<sup>2</sup> The NZ Banking Group did not have other assets under administration as at 31 March 2016.

## Note 7 Financial assets pledged as collateral

In addition to assets supporting the CB Programme, the NZ Banking Group has provided collateral to secure liabilities as part of standard terms of transaction with other financial institutions. The carrying value of financial assets pledged as collateral to secure liabilities is:

\$ millions	NZ Banking Group		
	31-Mar-16 Unaudited	31-Mar-15 Unaudited	30-Sep-15 Audited
Cash	229	616	70
Securities pledged under repurchase agreements:			
Available-for-sale securities	-	32	-
Trading securities and other financial assets designated at fair value	331	157	220
<b>Total amount pledged to secure liabilities (excluding CB Programme)</b>	<b>560</b>	<b>805</b>	<b>290</b>

# Notes to the financial statements

## Note 8 Deposits and other borrowings

\$ millions	NZ Banking Group		
	31-Mar-16 Unaudited	31-Mar-15 Unaudited	30-Sep-15 Audited
<b>Deposits and other borrowings at fair value</b>			
Certificates of deposit	1,045	1,456	1,070
<b>Total deposits and other borrowings at fair value</b>	<b>1,045</b>	<b>1,456</b>	<b>1,070</b>
<b>Deposits and other borrowings at amortised cost</b>			
Non-interest bearing, repayable at call	4,467	3,847	4,032
Other interest bearing:			
At call	25,318	22,549	23,871
Term	25,142	25,057	24,013
<b>Total deposits and other borrowings at amortised cost</b>	<b>54,927</b>	<b>51,453</b>	<b>51,916</b>
<b>Total deposits and other borrowings</b>	<b>55,972</b>	<b>52,909</b>	<b>52,986</b>

The NZ Branch held no retail deposits from individuals as at 31 March 2016 (31 March 2015: nil, 30 September 2015: nil).

## Note 9 Other financial liabilities at fair value through income statement

\$ millions	NZ Banking Group		
	31-Mar-16 Unaudited	31-Mar-15 Unaudited	30-Sep-15 Audited
Securities sold short	76	174	60
Securities sold under agreements to repurchase	330	189	219
<b>Total other financial liabilities at fair value through income statement</b>	<b>406</b>	<b>363</b>	<b>279</b>

## Note 10 Debt issues

\$ millions	NZ Banking Group		
	31-Mar-16 Unaudited	31-Mar-15 Unaudited	30-Sep-15 Audited
<b>Short-term debt</b>			
Commercial paper	1,630	2,997	2,716
<b>Total short-term debt</b>	<b>1,630</b>	<b>2,997</b>	<b>2,716</b>
<b>Long-term debt</b>			
Non-domestic medium-term notes	6,115	3,758	5,024
Covered bonds	4,090	3,036	4,022
Domestic medium-term notes	2,913	2,893	2,923
<b>Total long-term debt</b>	<b>13,118</b>	<b>9,687</b>	<b>11,969</b>
<b>Total debt issues</b>	<b>14,748</b>	<b>12,684</b>	<b>14,685</b>
Debt issues at amortised cost	13,118	9,687	11,969
Debt issues at fair value	1,630	2,997	2,716
<b>Total debt issues</b>	<b>14,748</b>	<b>12,684</b>	<b>14,685</b>
<b>Movement in debt issues</b>			
Balance at beginning of the period/year	14,685	12,592	12,592
Issuance during the period/year	3,181	4,110	7,775
Repayments during the period/year	(2,233)	(3,570)	(7,124)
Effect of foreign exchange movements during the period/year	(923)	(429)	1,464
Effect of fair value movements and amortisation adjustments during the period/year	38	(19)	(22)
<b>Balance at end of the period/year</b>	<b>14,748</b>	<b>12,684</b>	<b>14,685</b>

# Notes to the financial statements

## Note 11 Related entities

Controlled entities of the NZ Banking Group as at 30 September 2015 are set out in Note 24 to the financial statements included in the NZ Banking Group's Disclosure Statement for the year ended 30 September 2015.

On 24 March 2016, \$111 million of dividends were declared and paid by the following entities:

- Westpac Group Investments-NZ-Limited declared and paid a dividend of \$34 million to Westpac Overseas Holdings Pty Limited and Westpac Custodian Nominees Pty Limited;
- BT Financial Group (NZ) Limited declared and paid a dividend of \$27 million to Westpac Equity Holdings Pty Ltd; and
- Westpac Financial Services Group-NZ- Limited declared and paid a dividend of \$50 million to Westpac Equity Holdings Pty Ltd.

The total liabilities of the NZ Branch, net of amounts due to related entities as at 31 March 2016, amounted to \$7,847 million (31 March 2015: \$4,933 million, 30 September 2015: \$7,384 million).

On 31 March 2016, the NZ Banking Group repaid the US\$525 million of junior subordinated convertible debentures to the trustee of the Tavarua Funding Trust IV, a member of the Overseas Banking Group.

## Note 12 Fair value of financial instruments

### Fair valuation control framework

The NZ Banking Group's control environment uses a fair valuation control framework where the fair value is either determined or validated by a function independent of the party that undertakes the transaction. This framework formalises the policies and procedures used by the NZ Banking Group to achieve compliance with relevant accounting, industry and regulatory standards. The framework includes specific controls relating to the revaluation of financial instruments, independent price verification, fair value adjustments and financial reporting.

The method of determining a fair value according to the fair valuation control framework differs depending on the information available.

### Fair value hierarchy

The NZ Banking Group categorises all fair value instruments according to the following hierarchy:

- **Level 1**  
Financial instruments valued using recent unadjusted quoted prices in active markets for identical assets or liabilities. An active market is one in which prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis.  
Valuation of Level 1 instruments requires little or no management judgment.
- **Level 2**  
Valuation techniques utilising observable market prices applied to these assets or liabilities include the use of market standard discounting methodologies, option pricing models and other valuation techniques widely used and accepted by market participants.
- **Level 3**  
Financial instruments valued using at least one input that could have a significant effect on the instrument's valuation which is not based on observable market data (unobservable input). Unobservable inputs are those not readily available in an active market due to illiquidity or complexity of the product. These inputs are generally derived and extrapolated from other relevant market data and calibrated against current market trends and historic transactions.  
These valuations are calculated using a high degree of management judgment.

A financial instrument's categorisation within the valuation hierarchy is based on the lowest level input that is significant to the fair value measurement.

### Financial instruments measured at fair value

The following information summarises the attribution of financial instruments measured at fair value to the fair value hierarchy based on the measurement basis after initial recognition:

\$ millions	NZ Banking Group 31-Mar-16 (Unaudited)			Total
	Level 1	Level 2	Level 3 <sup>1</sup>	
<b>Financial assets</b>				
Trading securities and other financial assets designated at fair value	106	3,249	57	3,412
Derivative financial instruments	5	5,240	5	5,250
Available-for-sale securities	1,623	2,090	-	3,713
Life insurance assets	3	258	-	261
Due from related entities	-	915	-	915
<b>Total financial assets carried at fair value</b>	<b>1,737</b>	<b>11,752</b>	<b>62</b>	<b>13,551</b>
<b>Financial liabilities</b>				
Deposits and other borrowings at fair value	-	1,045	-	1,045
Other financial liabilities at fair value through income statement	76	330	-	406
Derivative financial instruments	6	7,404	-	7,410
Debt issues at fair value	-	1,630	-	1,630
Due to related entities	-	813	-	813
<b>Total financial liabilities carried at fair value</b>	<b>82</b>	<b>11,222</b>	<b>-</b>	<b>11,304</b>

<sup>1</sup> Balances within this category of the fair value hierarchy are not considered material to the total trading securities and other financial assets designated at fair value or total derivative financial instruments balances.

# Notes to the financial statements

## Note 12 Fair value of financial instruments (continued)

\$ millions	NZ Banking Group 31-Mar-15 (Unaudited)			Total
	Level 1	Level 2	Level 3 <sup>1</sup>	
<b>Financial assets</b>				
Trading securities and other financial assets designated at fair value	164	3,456	46	3,666
Derivative financial instruments	1	3,411	7	3,419
Available-for-sale securities	2,012	1,466	42	3,520
Life insurance assets	21	225	-	246
Due from related entities	-	737	-	737
<b>Total financial assets carried at fair value</b>	<b>2,198</b>	<b>9,295</b>	<b>95</b>	<b>11,588</b>
<b>Financial liabilities</b>				
Deposits and other borrowings at fair value	-	1,456	-	1,456
Other financial liabilities at fair value through income statement	118	245	-	363
Derivative financial instruments	1	4,992	-	4,993
Debt issues at fair value	-	2,997	-	2,997
Due to related entities	-	880	-	880
<b>Total financial liabilities carried at fair value</b>	<b>119</b>	<b>10,570</b>	<b>-</b>	<b>10,689</b>

\$ millions	NZ Banking Group 30-Sep-15 (Audited)			Total
	Level 1	Level 2	Level 3 <sup>1</sup>	
<b>Financial assets</b>				
Trading securities and other financial assets designated at fair value	161	4,010	44	4,215
Derivative financial instruments	7	5,448	4	5,459
Available-for-sale securities	1,619	1,802	-	3,421
Life insurance assets	21	244	-	265
Due from related entities	-	1,030	-	1,030
<b>Total financial assets carried at fair value</b>	<b>1,808</b>	<b>12,534</b>	<b>48</b>	<b>14,390</b>
<b>Financial liabilities</b>				
Deposits and other borrowings at fair value	-	1,070	-	1,070
Other financial liabilities at fair value through income statement	41	238	-	279
Derivative financial instruments	4	6,708	5	6,717
Debt issues at fair value	-	2,716	-	2,716
Due to related entities	-	1,358	-	1,358
<b>Total financial liabilities carried at fair value</b>	<b>45</b>	<b>12,090</b>	<b>5</b>	<b>12,140</b>

<sup>1</sup> Balances within this category of the fair value hierarchy are not considered material to the total trading securities and other financial assets designated at fair value, total derivative financial instruments or total available-for-sale securities balances.

There were no material amounts of changes in fair value estimated using a valuation technique incorporating significant non-observable inputs, that were recognised in either the income statement or the statement of comprehensive income of the NZ Banking Group during the six months ended 31 March 2016 (31 March 2015: no material changes in fair value, 30 September 2015: no material changes in fair value).

### Analysis of movements between fair value hierarchy levels

During the period there were no material transfers between levels of the fair value hierarchy (31 March 2015: nil, 30 September 2015: nil).

### Financial instruments not measured at fair value

The following table summarises the carrying amounts and the estimated fair values of the NZ Banking Group's financial instruments not measured at fair value:

\$ millions	NZ Banking Group					
	31-Mar-16 (Unaudited)		31-Mar-15 (Unaudited)		30-Sep-15 (Audited)	
	Total Carrying Amount	Estimated Fair Value	Total Carrying Amount	Estimated Fair Value	Total Carrying Amount	Estimated Fair Value
<b>Financial assets</b>						
Loans	72,128	72,320	67,108	67,071	69,576	69,757
<b>Total financial assets</b>	<b>72,128</b>	<b>72,320</b>	<b>67,108</b>	<b>67,071</b>	<b>69,576</b>	<b>69,757</b>
<b>Financial liabilities</b>						
Deposits and other borrowings	54,927	55,004	51,453	51,515	51,916	52,012
Debt issues	13,118	13,203	9,687	9,801	11,969	12,038
Due to related entities	2,572	2,583	3,494	3,494	2,930	2,944
Subordinated debentures	1,152	1,141	728	723	1,984	1,977
<b>Total financial liabilities</b>	<b>71,769</b>	<b>71,931</b>	<b>65,362</b>	<b>65,533</b>	<b>68,799</b>	<b>68,971</b>



# Notes to the financial statements

## Note 12 Fair value of financial instruments (continued)

For cash and balances with central banks, due from and due to other financial institutions and non-derivative balances due from related entities which are carried at amortised cost and other types of short-term financial instruments recognised in the balance sheet under 'other assets' and 'other liabilities', the carrying amount is equivalent to fair value. These items are either short-term in nature or reprice frequently, and are of a high credit rating.

A description of how fair value is derived for financial instruments not measured at fair value is disclosed in Note 26 of the NZ Banking Group's financial statements for the year ended 30 September 2015.

## Note 13 Contingent liabilities, contingent assets and credit commitments

\$ millions	NZ Banking Group		
	31-Mar-16 Unaudited	31-Mar-15 Unaudited	30-Sep-15 Audited
<b>Commitments for capital expenditure</b>			
Due within one year	3	3	5
<b>Lease commitments (all leases are classified as operating leases)</b>			
Premises and sites	207	250	233
Motor vehicles	3	6	5
<b>Total lease commitments</b>	<b>210</b>	<b>256</b>	<b>238</b>
<b>Lease commitments are due as follows:</b>			
One year or less	53	60	58
Between one and five years	136	150	146
Over five years	21	46	34
<b>Total lease commitments</b>	<b>210</b>	<b>256</b>	<b>238</b>
<b>Credit risk-related instruments</b>			
Standby letters of credit and financial guarantees	378	421	447
Trade letters of credit	286	260	224
Non-financial guarantees	602	606	561
Commitments to extend credit	25,066	22,651	23,834
Other commitments	-	110	220
<b>Total credit risk-related instruments</b>	<b>26,332</b>	<b>24,048</b>	<b>25,286</b>

In March 2013, litigation funder, Litigation Lending Services (NZ) Limited, announced potential representative actions against five New Zealand banks in relation to certain fees. Westpac New Zealand is the defendant in proceedings filed on 20 August 2014 by the plaintiff group. Proceedings have also been filed against three other banks. At this stage the impact of the proceedings against Westpac New Zealand cannot be determined with any certainty.

The NZ Banking Group has other contingent liabilities in respect of actual and potential claims and proceedings. An assessment of the NZ Banking Group's likely loss in respect of these matters has been made on a case-by-case basis and provision has been made in these financial statements, where appropriate.

Additional information relating to any provision or contingent liability has not been provided where disclosure of such information might be expected to seriously prejudice the position of the NZ Banking Group.

# Notes to the financial statements

## Note 14 Segment information

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The NZ Banking Group operates predominantly in the consumer banking and wealth, commercial, corporate and institutional banking and investments and insurance sectors within New Zealand. On this basis, no geographical segment information is provided.

The operating segment results have been presented on a management reporting basis and consequently internal charges and transfer pricing adjustments have been reflected in the performance of each operating segment. Intersegment pricing is determined on a cost recovery basis.

The NZ Banking Group does not rely on any single major customer for its revenue base.

Comparative information for the six months ended 31 March 2015 has been restated following a change to the NZ Banking Group's operating segments in the last quarter of the year ended 30 September 2015 as a result of an internal re-organisation of the business. In the current reporting period, a further change has been made to allocate head office operating expenses and net internal interest expense to the NZ Banking Group's operating segments. Comparative information has been restated to ensure consistent presentation with the current reporting period.

The NZ Banking Group's operating segments are defined by the customers they serve and the services they provide. The NZ Banking Group has identified the following main operating segments:

- Consumer Banking and Wealth provides financial services predominantly for individuals;
- Commercial, Corporate and Institutional Banking provides a broad range of financial services for commercial, corporate, agricultural, institutional, government and small to medium sized enterprise customers, and the supply of derivatives and risk management products to the entire Westpac customer base in New Zealand; and
- Investments and Insurance provides funds management and insurance services.

Reconciling items primarily represent:

- business units that do not meet the definition of operating segments under New Zealand equivalents to International Financial Reporting Standards 8 *Operating Segments*;
- elimination entries on consolidation/aggregation of the results, assets and liabilities of the NZ Banking Group's controlled entities in the preparation of the aggregated financial statements of the NZ Banking Group; and
- results of certain business units excluded for management reporting purposes, but included within the aggregated financial statements of the NZ Banking Group for statutory financial reporting purposes.

# Notes to the financial statements

## Note 14 Segment information (continued)

\$ millions	NZ Banking Group				Total
	Consumer Banking and Wealth	Commercial, Corporate and Institutional	Investments and Insurance	Reconciling Items	
<b>Six months ended 31 March 2016 (Unaudited)</b>					
Net interest income	491	370	(2)	23	882
Non-interest income	95	113	66	3	277
<b>Net operating income</b>	<b>586</b>	<b>483</b>	<b>64</b>	<b>26</b>	<b>1,159</b>
Net operating income from external customers	797	709	67	(414)	1,159
Net internal interest expense	(211)	(226)	(3)	440	-
<b>Net operating income</b>	<b>586</b>	<b>483</b>	<b>64</b>	<b>26</b>	<b>1,159</b>
Operating expenses	(332)	(123)	(15)	(1)	(471)
Impairment (charges)/recoveries on loans	(22)	13	-	-	(9)
<b>Profit before income tax expense</b>	<b>232</b>	<b>373</b>	<b>49</b>	<b>25</b>	<b>679</b>
<b>Total gross loans</b>	<b>39,616</b>	<b>32,859</b>	-	<b>62</b>	<b>72,537</b>
<b>Total deposits and other borrowings</b>	<b>32,119</b>	<b>22,808</b>	-	<b>1,045</b>	<b>55,972</b>
<b>Six months ended 31 March 2015 (Unaudited)</b>					
Net interest income	482	349	(4)	39	866
Non-interest income	101	115	60	8	284
<b>Net operating income</b>	<b>583</b>	<b>464</b>	<b>56</b>	<b>47</b>	<b>1,150</b>
Net operating income from external customers	766	677	60	(353)	1,150
Net internal interest expense	(183)	(213)	(4)	400	-
<b>Net operating income</b>	<b>583</b>	<b>464</b>	<b>56</b>	<b>47</b>	<b>1,150</b>
Operating expenses	(303)	(116)	(15)	(8)	(442)
Impairment (charges)/recoveries on loans	(23)	(15)	-	7	(31)
<b>Profit before income tax expense</b>	<b>257</b>	<b>333</b>	<b>41</b>	<b>46</b>	<b>677</b>
<b>Total gross loans</b>	<b>37,160</b>	<b>30,409</b>	-	-	<b>67,569</b>
<b>Total deposits and other borrowings</b>	<b>29,679</b>	<b>21,774</b>	-	<b>1,456</b>	<b>52,909</b>
<b>Year ended 30 September 2015 (Audited)</b>					
Net interest income	975	704	(8)	110	1,781
Non-interest income	195	259	120	16	590
<b>Net operating income</b>	<b>1,170</b>	<b>963</b>	<b>112</b>	<b>126</b>	<b>2,371</b>
Net operating income from external customers	1,541	1,405	120	(695)	2,371
Net internal interest expense	(371)	(442)	(8)	821	-
<b>Net operating income</b>	<b>1,170</b>	<b>963</b>	<b>112</b>	<b>126</b>	<b>2,371</b>
Operating expenses	(627)	(234)	(30)	(52)	(943)
Impairment (charges)/recoveries on loans	(27)	(21)	-	1	(47)
<b>Profit before income tax expense</b>	<b>516</b>	<b>708</b>	<b>82</b>	<b>75</b>	<b>1,381</b>
<b>Total gross loans</b>	<b>38,225</b>	<b>31,746</b>	-	<b>20</b>	<b>69,991</b>
<b>Total deposits and other borrowings</b>	<b>31,152</b>	<b>20,764</b>	-	<b>1,070</b>	<b>52,986</b>

## Note 15 Insurance business

The following table presents the aggregate amount of the NZ Banking Group's insurance business conducted through one of its controlled entities, Westpac Life-NZ- Limited, calculated in accordance with the Overseas Bank's conditions of registration as at the reporting date:

\$ millions	NZ Banking Group	
	31-Mar-16	Unaudited
Total assets of life insurance business	185	
As a percentage of total assets of the NZ Banking Group	0.20%	

# Notes to the financial statements

## Note 16 Risk management

### 16.1 Credit risk

#### The NZ Banking Group's residential mortgages by loan-to-value ratio ('LVR') as at 31 March 2016 (Unaudited)

In order to calculate origination LVR, the current exposure is that used in the internal ratings based approach for mortgage lending. For loans originated from 1 January 2008, the NZ Banking Group utilises its loan origination system.

For loans originated prior to 1 January 2008, the origination LVR is not separately recorded, and therefore, is not available for disclosure. For these loans, the NZ Banking Group utilises its dynamic LVR process to calculate an origination LVR. Exposures for which no LVR is available have been included in the 'Exceeds 90%' category in accordance with the requirements of the Order.

LVR range (\$ millions)	NZ Banking Group 31-Mar-16 (Unaudited)			Total
	Does not Exceed 80%	Exceeds 80% and not 90%	Exceeds 90%	
On-balance sheet exposures	36,046	5,130	1,939	43,115
Undrawn commitments and other off-balance sheet exposures	7,997	447	148	8,592
<b>Value of exposures</b>	<b>44,043</b>	<b>5,577</b>	<b>2,087</b>	<b>51,707</b>

#### NZ Banking Group's reconciliation of residential mortgage-related amounts

The table below provides the NZ Banking Group's reconciliation of amounts disclosed in this Disclosure Statement that relate to mortgages on residential property.

\$ millions	NZ Banking Group 31-Mar-16 Unaudited
<b>Term loans - Housing (as disclosed in Note 5)</b>	<b>43,428</b>
<i>Reconciling items:</i>	
Unamortised deferred fees and expenses	(178)
Fair value hedge adjustments	(135)
Value of undrawn commitments and other off-balance sheet amounts relating to residential mortgages	8,592
<b>Residential mortgages by LVR</b>	<b>51,707</b>

### 16.2 Market risk

#### Market risk notional capital charges

The NZ Banking Group's aggregate market risk exposure is derived in accordance with the Reserve Bank document 'Capital Adequacy Framework (Standardised Approach)' ('BS2A').

For each category of market risk, the NZ Banking Group's peak end-of-day aggregate capital charge is derived by determining the maximum over the six months ended 31 March 2016 of the aggregate capital charge for that category of market risk at the close of each business day derived in accordance with BS2A.

The following table provides a summary of the NZ Banking Group's notional capital charges by risk type as at the reporting date and the peak end-of-day notional capital charges by risk type for the six months ended 31 March 2016:

\$ millions	NZ Banking Group 31-Mar-16 (Unaudited)	
	Implied Risk-weighted Exposure	Notional Capital Charge
<b>End-of-period</b>		
Interest rate risk	3,628	290
Foreign currency risk	20	2
Equity risk	-	-
	<b>3,648</b>	<b>292</b>
<b>Peak end-of-day</b>		
Interest rate risk	4,846	388
Foreign currency risk	20	2
Equity risk	-	-

# Notes to the financial statements

## Note 16 Risk management (continued)

### Interest rate sensitivity

The following table presents a breakdown of the earlier of the contractual repricing or maturity dates of the NZ Banking Group's net asset position as at 31 March 2016. The NZ Banking Group uses this contractual repricing information as a base, which is then altered to take account of consumer behaviour, to manage its interest rate risk.

\$ millions	NZ Banking Group 31-Mar-16 (Unaudited)					Non- interest Bearing	Total
	Up to 3 Months	Over 3 Months and Up to 6 Months	Over 6 Months and Up to 1 Year	Over 1 Year and Up to 2 Years	Over 2 Years		
<b>Financial assets</b>							
Cash and balances with central banks	1,343	-	-	-	-	233	1,576
Due from other financial institutions	560	-	-	-	-	-	560
Trading securities and other financial assets designated at fair value	2,921	128	59	85	219	-	3,412
Derivative financial instruments	-	-	-	-	-	5,250	5,250
Available-for-sale securities	202	101	31	590	2,789	-	3,713
Loans	38,951	4,775	8,685	14,554	5,572	(409)	72,128
Life insurance assets	11	4	3	-	-	243	261
Due from related entities	1,867	-	-	-	-	917	2,784
Other assets	-	-	-	-	-	220	220
<b>Total financial assets</b>	<b>45,855</b>	<b>5,008</b>	<b>8,778</b>	<b>15,229</b>	<b>8,580</b>	<b>6,454</b>	<b>89,904</b>
Non-financial assets							1,052
<b>Total assets</b>							<b>90,956</b>
<b>Financial liabilities</b>							
Due to other financial institutions	674	-	-	-	-	4	678
Deposits and other borrowings	38,562	6,487	4,591	1,230	635	4,467	55,972
Other financial liabilities at fair value through income statement	406	-	-	-	-	-	406
Derivative financial instruments	-	-	-	-	-	7,410	7,410
Debt issues	7,402	202	1,375	-	5,769	-	14,748
Other liabilities	-	-	-	-	-	447	447
Due to related entities	2,543	-	-	-	-	842	3,385
Subordinated debentures	1,152	-	-	-	-	-	1,152
<b>Total financial liabilities</b>	<b>50,739</b>	<b>6,689</b>	<b>5,966</b>	<b>1,230</b>	<b>6,404</b>	<b>13,170</b>	<b>84,198</b>
Non-financial liabilities							205
<b>Total liabilities</b>							<b>84,403</b>
<b>On balance-sheet interest rate repricing gap</b>	<b>(4,884)</b>	<b>(1,681)</b>	<b>2,812</b>	<b>13,999</b>	<b>2,176</b>		
<b>Net derivative notional principals</b>							
Net interest rate contracts (notional):							
Receivable/(payable)	18,796	(3,924)	(4,365)	(10,160)	(347)		
<b>Net interest rate repricing gap</b>	<b>13,912</b>	<b>(5,605)</b>	<b>(1,553)</b>	<b>3,839</b>	<b>1,829</b>		

### 16.3 Liquidity risk

#### Liquid assets

The table below shows the NZ Banking Group's holding of liquid assets and represents the key liquidity information provided to management. Liquid assets include high quality assets readily convertible to cash to meet the NZ Banking Group's liquidity requirements. In management's opinion, liquidity is sufficient to meet the NZ Banking Group's present requirements.

\$ millions	NZ Banking Group 31-Mar-16 Unaudited
Cash and balances with central banks	1,576
Due from other financial institutions	331
Supranational securities	1,337
NZ Government securities	2,182
NZ public securities	1,234
NZ corporate securities	1,550
Residential mortgage-backed securities	3,992
<b>Total liquid assets</b>	<b>12,202</b>

#### Contractual maturity of financial instruments

The following table presents cash flows associated with financial instruments receivable or payable at the balance sheet date, by remaining contractual maturity. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the NZ Banking Group manages inherent liquidity risk based on expected cash flows.

# Notes to the financial statements

## Note 16 Risk management (continued)

Cash flows associated with these instruments include both principal payments as well as fixed or variable interest payments incorporated into the relevant coupon period. Principal payments reflect the earliest contractual maturity date. Derivatives designed for hedging purposes are expected to be held for their remaining contractual lives, and reflect gross cash flows derived as the fixed rate and/or the expected variable rate applied to the notional amount over the remaining contractual term and where relevant includes the receipt and payment of the notional amount under the contract. Foreign exchange financial instruments have been translated to New Zealand dollars using the closing spot rates at the end of the period.

The balances in the table below will not necessarily agree to amounts presented on the face of the balance sheet as amounts in the table incorporate cash flows on an undiscounted basis and include both principal and associated future interest payments.

Other financial assets and liabilities at fair value through income statement are not all managed for liquidity purposes on the basis of their contractual maturity. The financial assets and liabilities that are managed based on their contractual maturity are presented on a contractual undiscounted basis in the table below:

\$ millions	NZ Banking Group 31-Mar-16 (Unaudited)						Total
	On Demand	Up to 1 Month	Over 1 Months and Up to 3 Months	Over 3 Months and Up to 1 Year	Over 1 Year and Up to 5 Years	Over 5 Years	
<b>Financial assets</b>							
Cash and balances with central banks	1,576	-	-	-	-	-	1,576
Due from other financial institutions	331	229	-	-	-	-	560
Trading securities and other financial assets designated at fair value	-	1,777	714	283	645	115	3,534
Derivative financial instruments:							
Held for trading	4,931	-	-	-	-	-	4,931
Held for hedging purposes (net settled)	-	(9)	(2)	55	53	-	97
Held for hedging purposes (gross settled):							
Cash outflow	-	(8)	(29)	(1,081)	(2,689)	(1,160)	(4,967)
Cash inflow	-	2	11	1,015	2,633	954	4,615
Available-for-sale securities	-	6	231	251	3,233	268	3,989
Loans	5,551	7,884	4,418	6,985	25,146	56,915	106,899
Life insurance assets	244	3	7	7	-	-	261
Due from related entities:							
Non-derivative balances	19	1,850	-	-	-	-	1,869
Derivative financial instruments:							
Held for trading	915	-	-	-	-	-	915
Other assets	-	81	-	-	-	-	81
<b>Total undiscounted financial assets</b>	<b>13,567</b>	<b>11,815</b>	<b>5,350</b>	<b>7,515</b>	<b>29,021</b>	<b>57,092</b>	<b>124,360</b>
<b>Financial liabilities</b>							
Due to other financial institutions	468	210	-	-	-	-	678
Deposits and other borrowings	29,798	3,952	9,507	11,400	2,004	-	56,661
Other financial liabilities at fair value through income statement	-	406	-	-	-	-	406
Derivative financial instruments:							
Held for trading	6,229	-	-	-	-	-	6,229
Held for hedging purposes (net settled)	-	26	58	307	362	8	761
Held for hedging purposes (gross settled):							
Cash outflow	-	8	1,822	1,785	2,476	-	6,091
Cash inflow	-	-	(1,722)	(1,532)	(2,218)	-	(5,472)
Debt issues	-	231	2,582	3,689	7,883	954	15,339
Other liabilities	-	121	-	-	-	-	121
Due to related entities:							
Non-derivative balances	2,255	-	3	10	367	-	2,635
Derivative financial instruments:							
Held for trading	778	-	-	-	-	-	778
Held for hedging purposes (gross settled):							
Cash outflow	-	-	19	55	1,815	-	1,889
Cash inflow	-	-	(18)	(51)	(1,716)	-	(1,785)
Subordinated debentures	-	-	15	43	1,388	-	1,446
<b>Total undiscounted financial liabilities</b>	<b>39,528</b>	<b>4,954</b>	<b>12,266</b>	<b>15,706</b>	<b>12,361</b>	<b>962</b>	<b>85,777</b>
<b>Total contingent liabilities and commitments</b>							
Commitments to extend credit	25,066	-	-	-	-	-	25,066
Other commitments	-	-	-	-	-	-	-
<b>Total undiscounted contingent liabilities and commitments</b>	<b>25,066</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,066</b>

**Note 17 Concentration of funding**

<b>\$ millions</b>	<b>NZ Banking Group 31-Mar-16 Unaudited</b>
<b>Funding consists of</b>	
Due to other financial institutions	678
Deposits and other borrowings	55,972
Other financial liabilities at fair value through income statement	406
Debt issues <sup>1</sup>	14,748
Due to related entities <sup>2</sup>	2,559
Subordinated debentures	1,152
<b>Total funding</b>	<b>75,515</b>
<b>Analysis of funding by geographical areas<sup>1</sup></b>	
New Zealand	55,833
Australia	3,316
United Kingdom	11,182
United States of America	1,935
Other	3,249
<b>Total funding</b>	<b>75,515</b>
<b>Analysis of funding by industry sector</b>	
Accommodation, cafes and restaurants	344
Agriculture	1,190
Construction	1,622
Finance and insurance	26,217
Forestry and fishing	187
Government, administration and defence	1,830
Manufacturing	1,509
Mining	50
Property services and business services	5,695
Services	4,281
Trade	1,554
Transport and storage	454
Utilities	639
Households	23,326
Other	4,058
<b>Subtotal</b>	<b>72,956</b>
Due to related entities <sup>2</sup>	2,559
<b>Total funding</b>	<b>75,515</b>

<sup>1</sup> The geographic region used for debt issues is based on the nature of the debt programmes. The nature of the debt programmes is used as a proxy for the location of the original purchaser. Where the nature of the debt programme does not necessarily represent an appropriate proxy, the debt issues are classified as 'Other'. These instruments may have subsequently been on-sold.

<sup>2</sup> Amounts due to related entities, as presented above, are in respect of intra-group deposits and borrowings and exclude amounts which relate to intra-group derivatives and other liabilities.

Australian and New Zealand Standard Industrial Classifications ('ANZSIC') have been used as the basis for disclosing industry sectors.

# Notes to the financial statements

## Note 18 Concentration of credit exposures

\$ millions	NZ Banking Group 31-Mar-16 Unaudited
<b>On-balance sheet credit exposures consists of</b>	
Cash and balances with central banks	1,576
Due from other financial institutions	560
Trading securities and other financial assets designated at fair value	3,412
Derivative financial instruments	5,250
Available-for-sale securities	3,713
Loans	72,128
Life insurance assets	18
Due from related entities	2,784
Other assets	220
<b>Total on-balance sheet credit exposures</b>	<b>89,661</b>
<b>Analysis of on-balance sheet credit exposures by industry sector</b>	
Accommodation, cafes and restaurants	600
Agriculture	8,073
Construction	1,340
Finance and insurance	10,909
Forestry and fishing	288
Government, administration and defence	5,835
Manufacturing	2,956
Mining	401
Property	12,428
Property services and business services	2,292
Services	2,695
Trade	3,462
Transport and storage	1,610
Utilities	2,123
Retail lending	32,198
Other	3
<b>Subtotal</b>	<b>87,213</b>
Provisions for impairment charges on loans	(409)
Due from related entities	2,784
Other assets	73
<b>Total on-balance sheet credit exposures</b>	<b>89,661</b>
<b>Off-balance sheet credit exposures</b>	
Credit risk-related instruments	26,332
<b>Total off-balance sheet credit exposures</b>	<b>26,332</b>
<b>Analysis of off-balance sheet credit exposures by industry sector</b>	
Accommodation, cafes and restaurants	129
Agriculture	772
Construction	486
Finance and insurance	1,960
Forestry and fishing	63
Government, administration and defence	727
Manufacturing	2,192
Mining	181
Property	2,855
Property services and business services	786
Services	1,288
Trade	3,127
Transport and storage	1,026
Utilities	1,818
Retail lending	8,922
<b>Total off-balance sheet credit exposures</b>	<b>26,332</b>

ANZSIC have been used as the basis for disclosing industry sectors.



**Note 18 Concentration of credit exposures (continued)****Analysis of credit exposures to individual counterparties**

The following credit exposures are based on actual credit exposures to individual counterparties and groups of closely related counterparties.

The number of individual bank counterparties (which are not members of a group of closely related counterparties), and groups of closely related counterparties of which a bank is the parent, to which the NZ Banking Group has an aggregate credit exposure or peak end-of-day aggregate credit exposure that equals or exceeds 10% of the Overseas Banking Group's equity:

- as at 31 March 2016 was nil; and
- in respect of peak end-of-day aggregate credit exposure for the three months ended 31 March 2016 was nil.

The number of individual non-bank counterparties (which are not members of a group of closely related counterparties), and groups of closely related counterparties of which a bank is not the parent, to which the NZ Banking Group has an aggregate credit exposure or peak-end-of day aggregate credit exposure that equals or exceeds 10% of the Overseas Banking Group's equity:

- as at 31 March 2016 was nil; and
- in respect of peak end-of-day aggregate credit exposure for the three months ended 31 March 2016 was nil.

The peak end-of-day aggregate credit exposures to each individual counterparty or a group of closely related counterparties have been calculated by determining the maximum end-of-day aggregate amount of actual credit exposure over the relevant three month period and then dividing that amount by the Overseas Banking Group's equity as at the end of the period.

Credit exposures to individual counterparties (not being members of a group of closely related counterparties) and to groups of closely related counterparties exclude exposures to the central government of any country with a long-term credit rating of A- or A3 or above, or its equivalent, or to any bank with a long-term credit rating of A- or A3 or above, or its equivalent. These calculations relate only to exposures held in the financial records of the NZ Banking Group (excluding exposures booked outside New Zealand) and were calculated net of individually assessed provisions.

**Note 19 Overseas Bank and Overseas Banking Group capital adequacy**

The table below represents the capital adequacy calculation for the Overseas Banking Group and Overseas Bank based on the Australian Prudential Regulation Authority's ('APRA') application of the Basel III capital adequacy framework.

%	31-Mar-16 Unaudited	31-Mar-15 Unaudited
<b>Overseas Banking Group</b> <sup>1,2</sup>		
Common Equity Tier 1 capital ratio	10.5	8.8
Additional Tier 1 capital ratio	1.6	1.5
Tier 1 capital ratio	12.1	10.3
Tier 2 capital ratio	1.9	1.8
Total regulatory capital ratio	14.0	12.1
<b>Overseas Bank (Extended Licensed Entity)</b> <sup>1,2</sup>		
Common Equity Tier 1 capital ratio	10.8	8.7
Additional Tier 1 capital ratio	1.8	1.7
Tier 1 capital ratio	12.6	10.4
Tier 2 capital ratio	2.2	2.1
Total regulatory capital ratio	14.8	12.5

<sup>1</sup> The capital ratios represent information mandated by APRA.

<sup>2</sup> The capital ratios of the Overseas Banking Group and the Overseas Bank (Extended Licensed Entity) are publicly available in the Overseas Banking Group's Pillar 3 report. This information is made available to users via the Overseas Bank's website ([www.westpac.com.au](http://www.westpac.com.au)).

The Overseas Banking Group is accredited by APRA to apply the Advanced Internal Ratings Based ('Advanced IRB') approach for credit risk, the Advanced Measurement Approach ('AMA') for operational risk and the internal model approach for interest rate risk in the banking book for calculating regulatory capital (known as 'Advanced Accreditation') and is required by APRA to hold minimum capital at least equal to that specified under the Advanced IRB and AMA methodologies. Under New Zealand regulations this methodology is referred to as the Basel III (internal models based) approach. With this accreditation, the Overseas Banking Group is required to disclose additional detailed information on its risk management practices and capital adequacy on a quarterly and a semi-annual basis. This information is made available to users via the Overseas Bank's website ([www.westpac.com.au](http://www.westpac.com.au)). The aim is to allow the market to better assess the Overseas Banking Group's risk and reward assessment process and hence increase the scrutiny of this process.

The Overseas Banking Group, and the Overseas Bank (Extended Licensed Entity as defined by APRA), exceeded the minimum capital adequacy requirements as specified by APRA as at 31 March 2016. APRA specifies a minimum prudential capital ratio for the Overseas Banking Group, which is not made publicly available.

# Notes to the financial statements

## Note 20 Other information on the Overseas Banking Group

Other information on the Overseas Banking Group is from the most recently published financial statements of the Overseas Banking Group for the six months ended 31 March 2016.

Profitability	31-Mar-16 Unaudited
Net profit after tax for the six months ended 31 March 2016 (A\$ millions)	3,710
Net profit after tax (for the 12 month period to 31 March 2016) as a percentage of average total assets	1.0%

Total assets and equity	31-Mar-16 Unaudited
Total assets (A\$ millions)	831,760
Percentage change in total assets over the 12 months ended 31 March 2016	4.5%
Total equity (A\$ millions)	57,981

Asset quality	31-Mar-16 Unaudited
Total individually impaired assets <sup>1, 2</sup> (A\$ millions)	2,487
Total individually impaired assets as a percentage of total assets	0.3%
Total individual credit impairment allowance <sup>3</sup> (A\$ millions)	1,185
Total individual credit impairment allowance as a percentage of total individually impaired assets	47.6%
Total collective credit impairment allowance <sup>3</sup> (A\$ millions)	2,717

<sup>1</sup> Total individually impaired assets are before allowances for credit impairment loss and net of interest held in suspense. Total individually impaired assets includes A\$656 million of assets which are determined to be impaired, but which are not individually significant, and therefore have been grouped into pools of assets for the purpose of collectively calculating an impairment provision.

<sup>2</sup> Non-financial assets have not been acquired through the enforcement of security.

<sup>3</sup> Total individual credit impairment allowance and total collective credit impairment allowance both include A\$233 million of credit impairment allowance that has been calculated collectively on groups of assets which have been determined to be impaired, but which are not individually significant.



## ***Independent Auditors' Review Report***

To the Directors of Westpac Banking Corporation

### ***Report on the Financial Statements***

We have reviewed pages 4 to 24 of the half year Disclosure Statement of Westpac Banking Corporation - New Zealand Branch (the "NZ Branch"), which consists of the financial statements required by Clause 26 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (the "Order") and the supplementary information required by Schedules 5, 7, 9, 10, 12 and 14 of the Order. The financial statements comprise the balance sheet as at 31 March 2016, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months then ended, and the notes to the financial statements that include a statement of accounting policies and other explanatory information for the NZ Banking Group. The "NZ Banking Group" comprises the New Zealand operations of the Westpac Banking Corporation Group.

### ***Directors' Responsibility for the Financial Statements***

The Directors of Westpac Banking Corporation (the "Directors") are responsible for the preparation and presentation of the half year Disclosure Statement, which includes financial statements prepared in accordance with Clause 26 of the Order and that present fairly the financial position of the NZ Banking Group as at 31 March 2016, and its financial performance and cash flows for the period ended on that date. The Directors are also responsible for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In addition, the Directors are responsible for the preparation and fair presentation of supplementary information in the half year Disclosure Statement which complies with Schedules 3, 5, 7, 9, 10, 12 and 14 of the Order.

### ***Our Responsibility***

Our responsibility is to express a conclusion on the financial statements and the supplementary information, disclosed in accordance with Clause 26 and Schedules 5, 7, 9, 10, 12 and 14 of the Order, presented by Directors, based on our review.

Our responsibility is to express a conclusion on the financial statements (excluding the supplementary information) whether, in our opinion on the basis of the procedures performed by us, anything has come to our attention that would cause us to believe that the financial statements have not been prepared, in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting* and International Accounting Standard 34: *Interim Financial Reporting*.

Our responsibility is to express a conclusion on the supplementary information (excluding the supplementary information relating to capital adequacy) whether, in our opinion on the basis of the procedures performed by us, 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.

Our responsibility is to express a conclusion on the supplementary information relating to credit and market risk exposures and capital adequacy in order to report to you whether, in our opinion on the basis of the procedures performed by us, anything has come to our attention that would cause us to believe that the supplementary information is not in all material respects:

- (a) prepared in accordance with Capital Adequacy Framework (Standardised Approach) (BS2A); and
- (b) disclosed in accordance with Schedule 9 of the Order.

## Independent auditors' review report (continued)



### **Independent Auditors' Review Report**

Westpac Banking Corporation

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* ("NZ SRE 2410"). As the auditors of the NZ Banking Group, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review 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) and International Standards on Auditing. Accordingly we do not express an audit opinion on the financial statements.

We are independent of the NZ Banking Group. We carry out other assignments on behalf of the NZ Banking Group in the areas of other assurance and advisory services. In addition, certain partners and employees of our firm may deal with the NZ Banking Group and Westpac Banking Corporation Group on normal terms within the ordinary course of trading activities of the NZ Banking Group and Westpac Banking Corporation Group. These matters have not impaired our independence as auditors of the Banking Group. We have no other interests in the NZ Banking Group or Westpac Banking Corporation Group.

#### **Opinion**

Based on our review, nothing has come to our attention that causes us to believe that:

- (a) the financial statements on pages 4 to 24 (excluding the supplementary information) have not been prepared, in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting* and International Accounting Standard 34: *Interim Financial Reporting*;
- (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:
  - (i) prepared in accordance with Capital Adequacy Framework (Standardised Approach) (BS2A); and
  - (ii) disclosed in accordance with Schedule 9 of the Order.

#### **Restriction on Use of our Report**

This report is made solely to the Directors, as a body. Our review work has been undertaken so that we might state to the Directors those matters which we are required to state to them in a 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 NZ Banking Group and the Directors, as a body, for our review procedures, for this report or for the opinions we have formed.

A handwritten signature in dark ink, appearing to read 'PricewaterhouseCoopers', is written over a light-colored background.

Chartered Accountants

26 May 2016

Auckland







