

The Hongkong and Shanghai Banking Corporation Limited

New Zealand Banking Group

Disclosure Statement

30 June 2025



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General disclosures

Registered Bank

The Hongkong and Shanghai Banking Corporation Limited ("HBAP")
1 Queen's Road Central
Hong Kong SAR
HBAP was incorporated in Hong Kong in 1866 under the Laws of Hong Kong.

New Zealand Branch

The Hongkong and Shanghai Banking Corporation Limited, New Zealand Branch ("Branch") is defined as the New Zealand business of HBAP (overseas incorporated bank).

New Zealand Head Office:
188 Quay Street
Auckland
New Zealand

New Zealand Banking Group

The New Zealand Banking Group ("Banking Group") is the New Zealand operations of HBAP and all New Zealand incorporated subsidiaries of HBAP. The entities that have been considered for aggregation to form the Banking Group are detailed in the Notes to and forming part of the Financial Statements, Note 1: Basis of preparation and material accounting policies.

Overseas Banking Group

The Overseas Banking Group ("HBAP Group") includes all entities consolidated for the purposes of public reporting of Group financial statements in Hong Kong including HBAP and its subsidiaries.

Ultimate Non-Bank Holding Company

The ultimate non-bank holding company of HBAP is:

HSBC Holdings plc
8 Canada Square
London E14 5HQ
United Kingdom

Access to parental disclosures

The most recent publicly available financial statements of HBAP Group and HSBC Holdings plc ("Group" or "HSBC Group") can be found at HSBC Holdings plc's website, www.hsbc.com.

Ranking of Local Creditors in a Winding-up

Under Section 265 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance of the Hong Kong SAR, which HBAP is subject to, in the event of a winding up of HBAP, there shall be paid in priority to all other unsecured debts preferential payments, namely and firstly certain employee wages and compensation related payments, then statutory debts to the Hong Kong SAR Government, and afterwards the aggregate amount held on deposit (up to the statutory limit prescribed in the Hong Kong Deposit Protection Scheme Ordinance regardless of the number or amount of deposits) for certain deposits in Hong Kong. There are no other material legislative or regulatory restrictions in Hong Kong SAR which would materially subordinate the claims of any class of New Zealand branch unsecured creditors on the assets of HBAP to those of any other class of unsecured creditors of HBAP in a winding up of HBAP.

Guarantee Arrangements

No material obligations of HBAP that relate to the Branch are guaranteed as at the date of signing this Disclosure Statement.

Other Material Matters

There are no material matters that, if disclosed, would adversely affect the decision of a person to subscribe for debt securities of which HBAP and the Banking Group is the issuer.

Auditor

New Zealand Banking Group

PricewaterhouseCoopers New Zealand
PwC Tower
15 Customs Street West
Auckland, New Zealand

Overseas Banking Group

PricewaterhouseCoopers
22nd floor
Prince's Building
10 Chater Road
Hong Kong SAR

New Zealand Chief Executive Officer / Responsible Person

The New Zealand Chief Executive Officer, Antony Shaw, has been authorised in writing by each Director named below, in accordance with section 82 of the Banking (Prudential Supervision) Act 1989 (formerly the Reserve Bank of New Zealand Act 1989), to sign this Disclosure Statement on the Directors' behalf. Accordingly, Antony Shaw is a Responsible Person under the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the "Order").

He joined the HSBC Group in 2003 and resides in Australia. He is Chief Executive Officer and Executive Director of HSBC Bank Australia Limited and is a member of the Australian Institute of Company Directors.

Communications addressed to the responsible person may be sent to:

c/o The Hongkong and Shanghai Banking Corporation Limited,
New Zealand Branch
PO Box 5947
Victoria Street West
Auckland 1142
New Zealand

General disclosures

Board of Directors of HBAP

The Directors of HBAP at the time this Disclosure Statement was signed are:

Peter Tung Shun WONG, GBS, JP

Non-executive Chairman (since June 2021)

He is also an advisor to the Group Chairman and the Group Chief Executive of HSBC Holdings plc. He holds a Bachelor of Arts, a Master of Business Administration and a Master of Science from Indiana University, a Doctor of Laws, honoris causa, from the Hang Seng University of Hong Kong and a Doctor of Business Administration, honoris causa, from Lingnan University.

Before his retirement as a HSBC employee in June 2021, he was an executive Director, Chief Executive and Deputy Chairman of the Bank. He was also a non-executive Director of Hang Seng Bank Limited.

David Gordon ELDON, GBS, CBE, JP

Independent* non-executive Deputy Chairman (since June 2021)

He holds an Honorary Doctor of Business Administration from City University of Hong Kong and is a Fellow of the UK Chartered Institute of Bankers and the Hong Kong Institute of Bankers.

Before his retirement as a HSBC employee in 2005, he was an executive Director, Chief Executive Officer and Chairman of the Bank. He was also non-executive Chairman of Hang Seng Bank Limited and a Director of HSBC Holdings plc. He was non-executive Chairman of HSBC Bank Middle East Limited from 2011 to 2021. He was non-executive Chairman and a Director of Octopus Holdings Limited, Octopus Cards Limited and Octopus Cards Client Funds Limited from 2016 to 2022.

* He was re-designated from a non-executive Director to an independent non-executive Director with effect from 29 November 2024.

David Yi Chien LIAO, JP

Co-Chief Executive Officer (since June 2021)

He is also a member of the Group Operating Committee of HSBC Holdings plc, Chairman and a non-executive Director of HSBC Bank (China) Company Limited, and a non-executive Director of Hang Seng Bank Limited and Bank of Communications Co., Ltd. With effect from 1 January 2025, his management responsibilities within the HSBC Group were expanded to include oversight of the Middle East. He holds a Bachelor of Arts (major in Japanese and Economics) from the University of London.

He has previously held a number of senior positions within the Group, including the Head of Global Banking Coverage for Asia-Pacific and a Director and Chief Executive Officer of HSBC Bank (China) Company Limited.

Surendranath Ravi ROSHA

Co-Chief Executive Officer (since June 2021)

He is also a member of the Group Operating Committee of HSBC Holdings plc and an executive Director of HSBC Bank Malaysia Berhad. With effect from 1 January 2025, his management responsibilities within the HSBC Group were expanded to include oversight of the Middle East. He holds a Bachelor of Commerce from Sydenham College of Commerce & Economics, Bombay University and a Master of Business Administration from the Indian Institute of Management, Ahmedabad.

He has previously held a number of senior positions within the Group, including the Chief Executive Officer of HSBC India and Regional Head of Financial Institutions Group, Asia-Pacific.

Paul Jeremy BROUGH

Independent non-executive Director (since June 2023)

He is also an independent non-executive Director of Guoco Group Limited and Vitasoy International Holdings Limited. He holds a Bachelor of Arts (Hons) in Business Studies from Nottingham Trent University, and is an Associate of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants.

He was previously an independent non-executive Director of Habib Bank Zurich (Hong Kong) Limited from 2013 to February 2023. He

worked at KPMG Hong Kong for around 30 years and left the firm in 2012 as Senior Regional Partner.

Judy Lai Kun CHAU

Independent non-executive Director (since April 2024)

He is also a member of the Group Operating Committee of HSBC Holdings plc and an executive Director of HSBC Bank Malaysia Berhad. With effect from 1 January 2025, his management responsibilities within the HSBC Group were expanded to include oversight of the Middle East. He holds a Bachelor of Commerce from Sydenham College of Commerce & Economics, Bombay University and a Master of Business Administration from the Indian Institute of Management, Ahmedabad.

He has previously held a number of senior positions within the Group, including the Chief Executive Officer of HSBC India and Regional Head of Financial Institutions Group, Asia-Pacific.

Edward Wai Sun CHENG, GBS, JP

Independent non-executive Director (since May 2023)

He is also Deputy Chairman and Chief Executive of Wing Tai Properties Limited and Chairman of Lanson Place Hospitality Management Limited. He holds a Bachelor of Arts (Economics and Politics) from Cornell University, Ithaca, New York, and a Bachelor of Arts in Jurisprudence and a Master of Arts from the University of Oxford. He is qualified as a solicitor in England and Wales as well as in Hong Kong.

He was previously a non-executive Director of the Securities and Futures Commission of Hong Kong, and an independent non-executive Director of Standard Chartered Bank (Hong Kong) Limited. He was also the former Chairman of the Urban Renewal Authority and the University Grants Committee of Hong Kong.

Sonia Chi Man CHENG

Independent non-executive Director (since November 2020)

She is also the Chief Executive Officer of Rosewood Hotel Group. She is the Vice-Chairman and executive Director of Chow Tai Fook Jewellery Group Limited, an executive Director of New World Development Company Limited and a Director of New World China Land Limited. She holds a Bachelor of Arts with a field of concentration in Applied Mathematics from Harvard University.

Yiu Kwan CHOI

Independent non-executive Director (since October 2017)

He holds a higher certificate in Accountancy from The Hong Kong Polytechnic University and is a Fellow member of The Hong Kong Institute of Bankers.

He was an independent non-executive Director of HSBC Bank (China) Company Limited from December 2016 to December 2022. He was Deputy Chief Executive of the Hong Kong Monetary Authority ('HKMA') in charge of Banking Supervision when he retired in January 2010. Before this, he was Deputy Chief Executive of the HKMA in charge of Monetary Policy and Reserves Management from June 2005 to August 2007 and held various senior positions in the HKMA including Executive Director (Banking Supervision), Head of Administration, and Head of Banking Policy from 1993 to 2005.

*** Andrea Lisa DELLA MATTEA**

Independent non-executive Director (since March 2022)

She is also the Asia Pacific President of Microsoft Operations Pte Ltd. She holds a Bachelor of Engineering and an Honorary Doctor of Engineering from James Cook University of North Queensland, Australia.

She has previously held senior leadership roles at Insight Enterprises, Inc from 2007 to 2017, including Asia Pacific Managing Director, and at Software Spectrum Inc from 1996 to 2006.

*** Manveen KAUR (known as Pam KAUR)**

Non-executive Director (since November 2023)

She was appointed Group Chief Financial Officer and an executive Director of HSBC Holdings plc effective January 2025. She is also a member of the Group Operating Committee of HSBC Holdings plc. During 2024, she was the Group Chief Risk and Compliance Officer. She holds an MBA in Finance, and a BCom (Hons) from Panjab

General disclosures

University in India, and is a Fellow member of The Institute of Chartered Accountants in England and Wales. She was previously an independent non-executive Director of Centrica plc. She joined HSBC in April 2013. Apart from the roles noted above, she has previously held the roles of Group Head of Internal Audit and Head of Wholesale Market and Credit Risk. She previously held senior leadership roles at Deutsche Bank, Royal Bank of Scotland Group plc, Lloyds TSB and Citigroup.

* **Rajnish KUMAR**

Independent non-executive Director (since August 2021)

He is also non-executive Chairman of Resilient Innovations Pvt. Ltd., non-executive Director and Chairman of Mastercard India Services Private Limited, an independent Director of Larsen and Toubro Limited and Brookprop Management Services Private Limited, an independent non-executive Director of Hero MotoCorp Limited and Ambuja Cements Limited, a Director of Lighthouse Communities Foundation, and Chairman of Board of Governors of Management Development Institute in India. He is also a senior adviser to EQT AB. He holds a Master of Science in Physics from Meerut University and a Post Graduate Certificate in Business Management from XLRI Jamshedpur in India. He is an Associate of the Indian Institute of Bankers.

He was previously Chairman of the State Bank of India until he retired in October 2020.

Beau Khoon Chen KUOK

Independent non-executive Director (since August 2020)

He is also Chairman and Managing Director of Kerry Group Limited. He holds a Bachelor of Economics from Monash University. He was previously Chairman and Chief Executive Officer of Shangri-La Asia Limited, Chairman of Kerry Properties Limited, and a non-executive Director of Wilmar International Limited.

Fred Tin Fuk Lam

Independent non-executive Director (since 18 July 2025)

He is also non-executive Chairman of Airport Authority Hong Kong,

* **Annabelle Yu LONG**

Independent non-executive Director (since August 2022)

She is also the Founding and Managing Partner of BAI Capital Fund I, L.P. and a Group Management Committee Member of Bertelsmann SE & Co. KGaA. She is an independent Director of Tapestry Inc., LexinFintech Holdings Ltd., Nio Inc. and Linmon Media Limited. She holds a Master in Business Administration from Stanford Graduate School of Business, United States and a Bachelor of Science in Electrical Engineering from University of Electronic Science and Technology, China.

Country of Residence

With the exception of those denoted with an *, all Directors reside in Hong Kong. Rajnish Kumar resides in India, Andrea Lisa Della Mattea resides in Singapore, Annabelle Yu Long resides in China and Pam Kaur resides in the United Kingdom.

Communications addressed to the Directors may be sent to:
c/o The Hongkong and Shanghai Banking Corporation Limited
GPO Box 64
Hong Kong

Change in Board of Directors for HBAP

During the year, Fred Tin Fuk Lam was appointed an independent non-executive Director with effect from 18 July 2025. Irene Yun-lien LEE retired as a Director with effect from 8 May 2025, being the date of passing the written resolutions of the Bank's shareholder in lieu of holding the 2025 Annual General Meeting ('AGM'). Save for the above, all the Directors served throughout the year.

Directors' Policy on Conflicts of Interests

The Board has a conflicts of interest policy. It sets out HBAP's policy on the notification, review or approval process of Directors' conflicts or potential conflicts of interest and the Board's approach to dealing with any non-compliance with the policy. Directors are required to notify all directorships and appointments, and any other conflict or potential conflicts of interest. The notified matter will be referred to the Board for its noting or consideration in accordance with the

conflicts of interest policy. In addition, under Division 5 of Part 11 of the Companies Ordinance (Cap. 622) of the Laws of Hong Kong, Directors who are interested either directly or indirectly in a transaction, arrangement or contract, or a proposed transaction, arrangement or contract that is significant to HBAP's business shall, if such Director's interest is material, declare the nature and extent of their interest as soon as reasonably practicable.

Article 100(h) of HBAP's Articles of Association states:

"The office of a Director shall automatically be vacated if the Director acts in contravention of the Company's conflicts of interest policy adopted by the Board from time to time and the Board has resolved that his or her office be vacated."

Credit Rating

HBAP has the following long term debt ratings for non-HK\$ long-term senior unsecured obligations which are payable in New Zealand in New Zealand dollars:

	Current Rating	Previous Rating ¹	Date of Change
Moody's Investor Service Inc.	Aa3 (stable outlook)	Aa3 (negative outlook)	29 May 2025
Standard & Poor's Corporation	AA- (stable outlook)	Not changed	-
Fitch IBCA Inc	AA- (stable outlook)	AA- (negative outlook)	23 Sep 2022

¹ Included if there has been a change in the previous two years.

Rating scales are:

Credit Ratings	Moody's ¹	S&P ²	Fitch ²
Highest quality/Extremely strong capacity to pay interest and principal	Aaa	AAA	AAA
High quality/Very strong	Aa	AA	AA
Upper medium grade/Strong	A	A	A
Medium grade (lowest investment grade)/Adequate	Baa	BBB	BBB
Predominantly speculative/Less near term vulnerability to default	Ba	BB	BB
Speculative, low grade/Great vulnerability	B	B	B
Poor to default/identifiable vulnerability	Caa	CCC	CCC
Highest speculations	Ca	CC	CC
Lowest quality, no interest	C	C	C
Defaulted on obligations	-	D	D

¹ Moody's - A numeric modifier is applied to each generic rating category from Aa to B, indicating that the counterparty is (1) in the higher end of its letter-rating category, (2) in mid-range, (3) in lower end.

² Standard & Poor's and Fitch - Ratings are modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Conditions of registration

Conditions of registration for The Hongkong and Shanghai Banking Corporation Limited in New Zealand

These conditions of registration apply on and after 1 July 2024.

The registration of The Hongkong and Shanghai Banking Corporation Limited ("the registered bank") in New Zealand is subject to the following conditions:

1. That the banking group does not conduct any non-financial activities that in aggregate are material relative to its total activities.

In this condition of registration, the meaning of "material" is based on generally accepted accounting practice.

2. That the banking group's insurance business is not greater than 1% of its total consolidated assets.

For the purposes of this condition of registration, the banking group's insurance business is the sum of the following amounts for entities in the banking group:

(a) if the business of an entity predominantly consists of insurance business and the entity is not a subsidiary of another entity in the banking group whose business predominantly consists of insurance business, the amount of the insurance business to sum is the total consolidated assets of the group headed by the entity; and

(b) if the entity conducts insurance business and its business does not predominantly consist of insurance business and the entity is not a subsidiary of another entity in the banking group whose business predominantly consists of insurance business, the amount of the insurance business to sum is the total liabilities relating to the entity's insurance business plus the equity retained by the entity to meet the solvency or financial soundness needs of its insurance business.

In determining the total amount of the banking group's insurance business—

(a) all amounts must relate to on balance sheet items only, and must comply with generally accepted accounting practice; and

(b) if products or assets of which an insurance business is comprised also contain a non-insurance component, the whole of such products or assets must be considered part of the insurance business.

For the purposes of this condition of registration,—

"insurance business" means the undertaking or assumption of liability as an insurer under a contract of insurance:

"insurer" and "contract of insurance" have the same meaning as provided in sections 6 and 7 of the Insurance (Prudential Supervision) Act 2010.

3. That the business of the registered bank in New Zealand does not constitute a predominant proportion of the total business of the registered bank.

4. That no appointment to the position of the New Zealand chief executive officer of the registered bank shall be made unless:

(a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and

(b) the Reserve Bank has advised that it has no objection to that appointment.

5. That The Hongkong and Shanghai Banking Corporation Limited complies with the requirements imposed on it by the Hong Kong Monetary Authority.

6. That, with reference to the following table, each capital adequacy ratio of The Hongkong and Shanghai Banking Corporation Limited must be equal to or greater than the applicable minimum requirement.

Capital adequacy ratio	Minimum requirement (on and after 1 January 2015) (%)
Common Equity Tier 1 capital	4.5
Tier 1 capital	6.0
Total capital	8.0

For the purposes of this condition of registration, the capital adequacy ratios—

(a) must be calculated as a percentage of the registered bank's risk weighted assets; and

(b) are otherwise as administered by the Hong Kong Monetary Authority.

7. That liabilities of the registered bank in New Zealand, net of amounts due to related parties (including amounts due to a subsidiary or affiliate of the registered bank), do not exceed NZ\$15 billion.

8. That, for a loan-to-valuation measurement period ending on or after 31 December 2024, the total of the business of the registered bank in New Zealand's qualifying new mortgage lending amount in respect of property-investment residential mortgage loans with a loan-to-valuation ratio of more than 70%, must not exceed 5% of the total of the qualifying new mortgage lending amount in respect of property-investment residential mortgage loans arising in the loan-to-valuation measurement period.

9. That, for a loan-to-valuation measurement period ending on or after 31 December 2024, the total of the business of the registered bank in New Zealand's qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans with a loan-to-valuation ratio of more than 80%, must not exceed 20% of the total of the qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans arising in the loan-to-valuation measurement period.

10. That, for a debt-to-income measurement period, the total of the business of the registered bank in New Zealand's qualifying new mortgage lending amount in respect of property-investment residential mortgage loans with a debt-to-income ratio of more than 7, must not exceed 20% of the total of the qualifying new mortgage lending amount in respect of property-investment residential mortgage loans arising in the debt-to-income measurement period.

11. That, for a debt-to-income measurement period, the total of the business of the registered bank in New Zealand's qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans with a debt-to-income ratio of more than 6, must not exceed 20% of the total of the qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans arising in the debt-to-income measurement period.

12. That the business of the registered bank in New Zealand must not make a residential mortgage loan unless the terms and conditions of the loan contract or the terms and conditions for an associated mortgage require that a borrower obtain the registered bank's agreement before the borrower can grant to another person a charge over the residential property used as security for the loan.

In these conditions of registration,—

"banking group" means the New Zealand business of the registered bank and its subsidiaries as required to be reported in group financial statements for the group's New Zealand business under section 461B(2) of the Financial Markets Conduct Act 2013.

"business of the registered bank in New Zealand" means the New Zealand business of the registered bank as defined in the requirement for financial statements for New Zealand business in section 461B(1) of the Financial Markets Conduct Act 2013.

"generally accepted accounting practice" has the same meaning as in section 8 of the Financial Reporting Act 2013.

"liabilities of the registered bank in New Zealand" means the liabilities that the registered bank would be required to report in financial statements for its New Zealand business if section 461B(1) of the Financial Markets Conduct Act 2013 applied.

In conditions of registration 8 and 9, —

Conditions of registration

“loan-to-valuation ratio”, “non property-investment residential mortgage loan”, “property-investment residential mortgage loan”, “qualifying new mortgage lending amount in respect of property-investment residential mortgage loans”, and “qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans” have the same meaning as in the Reserve Bank of New Zealand document entitled “Framework for Restrictions on High-LVR Residential Mortgage Lending” (BS19) dated October 2021, and where the version dates of the Reserve Bank of New Zealand Banking Prudential Requirement (BPR) documents referred to in BS19 for the purpose of defining these terms are—

BPR document	Version date
BPR131: Standardised credit risk RWAs	1 July 2024
BRP001: Glossary	1 October 2023

“loan-to-valuation measurement period” means a rolling period of six calendar months ending on the last day of the sixth calendar month.

In conditions of registration 10 and 11, —

“debt-to-income ratio”, “debt-to-income measurement period”, “non property-investment residential mortgage loan”, “property-investment residential mortgage loan”, “qualifying new mortgage lending amount in respect of property-investment residential mortgage loans”, and “qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans” have the same meaning as in the Reserve Bank of New Zealand document entitled “Framework for Restrictions on High Debt-To-Income Residential Mortgage lending” (BS20) dated 3 April 2023, and where the version dates of the Reserve Bank of New Zealand Banking Prudential Requirement (BPR) documents referred to in BS20 for the purpose of defining these terms are—

BPR document	Version date
BPR131: Standardised credit risk RWAs	1 July 2024
BRP001: Glossary	1 October 2023

“debt-to-income measurement period” means—

(a) the initial period of six calendar months from the date of this conditions of registration (1 July 2024) ending on 31 December 2024; and

(b) thereafter, a rolling period of six calendar months ending on the last day of the sixth calendar month, the first of which ends on 31 January 2025 and covers the months of August, September, October, November and December 2024 and January 2025.

In condition of registration 12, —

“residential mortgage loan” has the same meaning as in the Reserve Bank of New Zealand document entitled “Framework for Restrictions on High Debt-To-Income Residential Mortgage lending” (BS20) dated 3 April 2023, and where the version dates of the Reserve Bank of New Zealand Banking Prudential Requirement (BPR) documents referred to in BS20 for the purpose of defining these terms are—

BPR document	Version date
BPR131: Standardised credit risk RWAs	1 July 2024
BRP001: Glossary	1 October 2023

Changes to Conditions of Registration since the 31 December 2024 Disclosure Statement

There have been no changes to the Conditions of Registration since 31 December 2024.

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Interim financial statements

Statement of comprehensive income

For the six months ended 30 June 2025

		Half-year to	
		30 Jun 2025 \$000	30 Jun 2024 \$000
Continuing operations	Notes*		
Interest income		141,577	182,837
Interest expense		(91,575)	(126,358)
Net interest income		50,002	56,479
Net trading income	3	6,661	5,319
Other net operating income	4	20,779	19,824
Net operating income before credit impairment charges		77,442	81,622
Change in expected credit losses and other credit impairment charges	7	(30)	2,616
Net operating income		77,412	84,238
Operating expenses		(30,029)	(25,350)
Operating profit before tax		47,383	58,888
Income tax expense		(13,271)	(16,471)
Profit after tax from continuing operations		34,112	42,417
Profit/(loss) after income tax from discontinued operations	14	—	(10,034)
Profit after tax attributable to the owners of the Banking Group		34,112	32,383
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income:			
Fair value gains in other comprehensive income		665	(1,246)
Income taxes		(193)	345
Other comprehensive income for the period		472	(901)
Total comprehensive income for the period attributable to the owners of the Banking Group¹		34,584	31,482

1 Total comprehensive income for the period attributable to the owners of the Banking Group for half year 2025 from continuing operations was \$35m (2024: \$42m) and total comprehensive loss from discontinued operations for half year 2025 was nil (2024: \$10m).

* For Notes on the financial statements, see page 10.

Statement of changes in equity

For the six months ended 30 June 2025

	Half-year to	
	30 Jun 2025 \$000	30 Jun 2024 \$000
Head Office Account¹		
At 1 Jan	26,991	41,510
Profit after tax	34,112	32,383
At 30 Jun	61,103	73,893
Financial assets at Fair Value through Other Comprehensive Income Reserve		
At 1 Jan	5,612	(4,823)
Fair value changes taken to equity	665	(1,246)
Tax on movements and transfers	(193)	345
At 30 Jun	6,084	(5,724)
Share-based Payment Reserve		
At 1 Jan	2,065	1,975
Transferred to the profit or loss	(77)	84
At 30 Jun	1,988	2,059
Total equity at 30 Jun	69,175	70,228

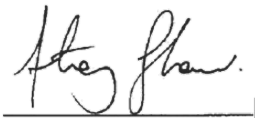
1 The Head Office account is interest free, repayable at the discretion of the Branch and subordinated to all other debts.

Balance sheet

As at 30 June 2025

		At		
		30 Jun 2025 \$000	30 Jun 2024 \$000	31 Dec 2024 \$000
	Notes *			
Assets				
Cash and demand balances with central banks		1,682,954	2,135,422	1,592,928
Advances to banks		9,001	6,019	1,071
Financial investments	11	915,808	1,129,287	1,245,836
Derivative financial instruments		2,421	167	191
Advances to customers	6	2,278,271	2,292,551	2,951,785
Amounts due from related parties	15	1,233,711	461,505	659,282
Other assets		18,712	28,629	26,496
Current tax asset		1,897	—	—
Property, plant and equipment		16,161	20,687	20,726
Deferred tax asset		2,000	5,397	8,436
Goodwill and intangible assets		997	1,543	1,270
Total assets		6,161,933	6,081,207	6,508,021
Liabilities				
Deposits by banks		210,830	308,436	326,775
Derivative financial instruments		231	160	173
Customer deposits	12	3,430,642	2,873,483	3,400,361
Debt securities		—	400,000	—
Amounts due to related parties	15	2,419,406	2,391,093	2,672,920
Current tax liability		—	746	14,770
Other liabilities		31,649	37,061	58,354
Total liabilities		6,092,758	6,010,979	6,473,353
Net assets		69,175	70,228	34,668
Equity				
Head Office account		61,103	73,893	26,991
Financial assets at fair value through other comprehensive income reserve		6,084	(5,724)	5,612
Share-based payment reserve		1,988	2,059	2,065
Total equity		69,175	70,228	34,668

* For Notes on the financial statements, see page 10.



Antony Shaw
27 August 2025

For and on behalf of the Directors of The Hongkong and Shanghai Banking Corporation Limited by their attorney.

Letters from each of the Directors appointing the Chief Executive Officer as their agent to sign this Disclosure Statement are still in force and have not been revoked.

Statement of cash flows

For the six months ended 30 June 2025

The tables below include discontinued operations. For details on discontinued operations, refer Note 14 Segment Reporting.

	30 Jun 2025 \$000	30 Jun 2024 \$000
Cash flows from/(to) operating activities		
Interest received	141,912	175,728
Fees and commissions	18,803	18,987
Trading income	6,229	5,525
Interest paid	(94,753)	(143,706)
Operating expenses	(23,889)	(41,176)
Income tax paid	(23,693)	—
Net cash flows from operating activities before changes in operating assets and liabilities	24,609	15,358
Changes in operating assets and liabilities arising from cash flow movements		
Cash was provided net from/applied net (to):		
Advances to customers	675,343	654,557
Amounts due from related parties	(575,060)	(74,016)
Other assets	(839)	3,148
Other liabilities	(23,219)	(6,778)
Deposits by banks	(115,945)	50,769
Customer deposits	30,281	(1,197,045)
Amounts due to related parties	(248,437)	(1,251)
Net change in operating assets and liabilities	(257,876)	(570,616)
Net cash flows (to) operating activities	(233,267)	(555,258)
Cash flows from/(to) investing activities		
Financial investments purchased	(249,643)	(335,130)
Financial investments matured	589,020	259,009
Proceeds from sale of fixed assets	4,161	—
Acquisition of property, plant and equipment	(6,182)	(55)
Net cash flows from/(to) investing activities	337,356	(76,176)
Cash flows to financing activities		
Principal payments on lease liabilities	(6,127)	(976)
Net cash flows to financing activities	(6,127)	(976)
Net increase/(decrease) in cash and cash equivalents	97,962	(632,410)
Effect of exchange rate fluctuations on cash held	(6)	—
Cash and cash equivalents at the beginning of the period	1,593,999	2,798,666
Cash and cash equivalents at the end of the period	1,691,955	2,166,256

Analysis of cash and cash equivalents

	30 Jun 2025 \$000	30 Jun 2024 \$000
Cash and demand balances with central banks	1,682,954	2,135,422
Items in the course of collection from other banks ¹	—	10
Gross advances to banks - demand	9,001	6,009
Treasury bills	—	24,817
Less: items in the course of transmission to other banks ¹	—	(2)
Cash and cash equivalents at the end of the period	1,691,955	2,166,256

¹ Items in the course of collection from / transmission to other banks are presented on the balance sheet within Advances to banks and Deposits by banks respectively.

Notes on the financial statements

1 Basis of preparation and material accounting policies

(a) Reporting entity

These financial statements are for The Hongkong and Shanghai Banking Corporation Limited, New Zealand Banking Group ("Banking Group").

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

Intra-group balances are eliminated in preparing the Banking Group's financial statements (if any). The following entities have been aggregated to form the Banking Group:

– **The Hongkong and Shanghai Banking Corporation Limited, New Zealand Branch**

– **HSBC Nominees (New Zealand) Limited**

This New Zealand incorporated entity is the Branch's nominee company which provides custodian services. HSBC Nominees (New Zealand) Limited is wholly owned by HBAP. Income and expenses of the custodian services business are included in the Branch's financial statements.

(b) Basis of reporting

These financial statements are general purpose financial statements prepared in accordance with the requirements of the Financial Markets Conduct Act 2013, the Banking (Prudential Supervision) Act 1989, and the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the "Order").

These financial statements comply with Generally Accepted Accounting Practice in New Zealand and other authoritative pronouncements of the External Reporting Board ("XRB"), as appropriate for for-profit entities.

These financial statements are presented in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") and New Zealand equivalent to International Accounting Standard 34 *Interim Financial Reporting* ("NZ IAS 34"). These financial statements are condensed and do not include all disclosures required for full annual financial statements.

(c) Measurement base

These financial statements are based on the general principles of historical cost accounting, as modified by applying fair value accounting to financial assets at fair value through other comprehensive income, financial assets and financial liabilities at fair value through profit or loss and all financial derivative contracts. They are prepared on a going concern basis and the accrual basis of accounting has been adopted. The presentation currency and functional currency is New Zealand dollars. All amounts are rounded to thousands of New Zealand dollars and all references to "\$" is to New Zealand dollars unless otherwise stated.

(d) Comparative figures

These financial statements include comparative information as required by New Zealand equivalent to International Accounting Standard 1 ("NZ IAS 1") and the Order. The comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

(e) Regulatory changes

There have been no regulatory changes impacting these financial statements.

(f) Changes in accounting policies, accounting estimates and judgments

The accounting policies applied by the Banking Group for these financial statements are consistent with those described in Note 1 of the 31 December 2024 Disclosure Statement.

Critical accounting estimates and judgments applicable for these financial statements are consistent with those included in 31 December 2024 Disclosure Statement. The updated estimates and judgments relating to expected credit losses ("ECL") is set out in Note 7.

(g) Authorisation of financial statements

These financial statements were authorised for issue on 27 August 2025 by Antony Shaw on behalf of the Directors of The Hongkong and Shanghai Banking Corporation Limited.

(h) Future accounting developments

Amendments to NZ IFRS 9 'Financial Instruments' and NZ IFRS 7 'Financial Instruments: Disclosures'

In June 2024, the XRB issued amendments to NZ IFRS 9 'Financial Instruments' and NZ IFRS 7 'Financial Instruments: Disclosures', effective for annual reporting periods beginning on, or after, 1 January 2026. In addition to guidance as to when certain financial liabilities can be deemed settled when using an electronic payment system, the amendments also provide further clarification regarding the classification of financial assets that contain contractual terms that change the timing or amount of contractual cash flows, including those arising from Environmental, Social and Governance ("ESG")-related contingencies, and financial assets with certain non-recourse features. The Banking Group is undertaking an assessment of the potential impact.

NZ IFRS 18 'Presentation and Disclosure in Financial Statements'

In May 2024, the XRB issued NZ IFRS 18 'Presentation and Disclosure in Financial Statements', effective for annual reporting periods beginning on or after 1 January 2027. The new accounting standard aims to give users of financial statements more transparent and comparable information about an entity's financial performance. It will replace NZ IAS 1 'Presentation of Financial Statements' but carries over many requirements from that IFRS Accounting Standard unchanged. In addition, there are three sets of new requirements relating to the structure of the income statement, management-defined performance measures and the aggregation and disaggregation of financial information.

While IFRS 18 will not change recognition criteria or measurement bases, it may have an impact on presenting information in the financial statements, in particular the income statement. The Banking Group is currently assessing impacts and data readiness.

2 Risk management

There were no material changes to the Banking Group's policies for managing risks in relation to credit, currency, interest rates, equity, liquidity, operational or any other material business risks to which the Banking Group is exposed during the six months ended 30 June 2025.

3 Net trading income

	Half-year to	
	30 Jun 2025 \$000	30 Jun 2024* \$000
Foreign exchange gains	7,293	5,485
(Losses)/gains on revaluation of derivatives	(632)	77
Total	6,661	5,562

*The comparatives include discontinued operations. For details on discontinued operations, refer Note 14 Segment Reporting.

4 Other net operating income

	Half-year to	
	30 Jun 2025 \$000	30 Jun 2024* \$000
Fee and commission income	22,179	21,710
Fee and commission expense	(3,134)	(2,433)
Other income/(expense)	1,734	(31)
Total	20,779	19,246

*The comparatives include discontinued operations. For details on discontinued operations, refer Note 14 Segment Reporting.

5 Auditor's remuneration

Fees paid/payable to the auditor of the Banking Group in relation to the audit of the financial statements and for the audit-related limited assurance engagement on compliance with the information required on credit and market risk exposures and capital adequacy related to the 30 June 2025 financial statements amounted to \$158 thousand (30 June 2024: \$156 thousand).

There were no other services provided by the auditor, including any network firms, for the Banking Group in the 2025 financial year (2024 financial year: nil). The amounts above exclude goods and services tax.

6 Advances to customers

	At		
	30 Jun 2025 \$000	30 Jun 2024 \$000	31 Dec 2024 \$000
Overdrafts	20,887	8,587	43,533
Term lending	2,142,817	2,226,282	2,771,108
Corporate credit card advances	6,190	4,866	4,148
Trade finance receivables	118,038	56,147	144,267
Total gross advances to customers	2,287,932	2,295,882	2,963,056
Expected credit loss allowance	(9,661)	(3,331)	(11,271)
Total net advances to customers	2,278,271	2,292,551	2,951,785

7 Asset quality – gross exposure and expected credit loss

Gross exposure of past due but not individually impaired advances to customers

	At
	30 Jun 2025
	\$000
Less than 30 days	9,236
At least 30 days but less than 60 days	11
At least 60 days but less than 90 days	—
At least 90 days	—
Total past due but not individually impaired	9,247

Reconciliation of changes in gross exposure/nominal amount and allowances for loans and advances to banks and customers

The disclosures below provide a reconciliation by stage of the Banking Group's gross exposure/nominal amount, allowances, and expected credit loss for loans and advances to banks and customers, including loan commitments and financial guarantees. Movements are calculated on a quarterly basis and therefore fully capture stage movements between quarters. If movements were calculated on a year-to-date basis they would only reflect the opening and closing position of the financial instrument.

The transfers of financial instruments represent the impact of stage transfers upon the gross exposure / nominal amount and associated allowance for ECL.

Changes in 'New financial assets originated or purchased', 'assets derecognised (including final repayments)' and 'net further lending / repayment' represent the impact from volume movements within the Banking Group's lending portfolio.

The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers, for example, moving from a 12-month (stage 1) to a lifetime (stage 2) ECL measurement basis. Net remeasurement excludes the underlying customer risk rating / probability of default movements of the financial instruments transferring stage. This is captured, along with other credit quality movements in the 'net new lending and changes to risk parameters (model inputs)' line item.

The movement in expected credit losses for other financial assets are excluded from the tables below as they are not material.

Reconciliation of changes in gross exposure/nominal amount and allowances for loans and advances to customers including loan commitments and financial guarantees for wholesale clients

	Half-year to 30 Jun 2025							
	Stage 1		Stage 2		Stage 3		Total	
	Gross Exposure	Allowance for ECL	Gross Exposure	Allowance for ECL	Gross Exposure	Allowance for ECL	Gross Exposure	Allowance for ECL
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
At 1 Jan 2025	4,594,922	(2,206)	241,397	(2,590)	55,241	(8,002)	4,891,560	(12,798)
Transfer of financial instruments:								
– transfers from Stage 1 to 2	(140,640)	201	140,640	(201)	—	—	—	—
– transfers from Stage 2 to 1	147,057	(26)	(147,057)	26	—	—	—	—
– transfers to Stage 3	—	—	—	—	—	—	—	—
– transfers from Stage 3	—	—	—	—	—	—	—	—
Net further lending / repayment	(566,712)	—	(71,435)	—	23,274	—	(614,873)	—
Net re-measurement of ECL arising from transfer of stage	—	10	—	(218)	—	—	—	(208)
Net new lending and changes to risk parameters (model inputs)	—	527	—	1,814	—	(191)	—	2,150
Asset derecognised (including final repayments)	(381,157)	9	(1,214)	—	(18)	—	(382,389)	9
Model update ¹	—	(950)	—	(556)	—	—	—	(1,506)
New financial assets originated or purchased	760,580	(392)	—	—	—	—	760,580	(392)
At 30 Jun 2025	4,414,050	(2,827)	162,331	(1,725)	78,497	(8,193)	4,654,878	(12,745)
ECL on loans and advances to banks and customers including loan commitments and financial guarantees - profit or loss charge/(release) for the period	—	621	—	(865)	—	191	—	(53)
Total ECL profit or loss charge / (release) for the period	—	621	—	(865)	—	191	—	(53)

¹ The model used to calculate expected credit loss was refined during the period to make improvements in model inputs and apply more granular segmentation of the portfolio. For the half-year ended 30 June 2025, these model refinements increased the wholesale portfolio allowance for ECL by \$1.5m.

As at 30 June 2025, the sensitivity weightings that apply to the economic scenarios used in the calculation of provision for ECL have moved 10% of the weighting from central scenario to downside scenario compared to 31 December 2024 (to capture risks of the economic consequences of current geopolitical issues). This change is reflected in the ECL reported in the above table.

At 30 June 2025, there were no assets under administration (31 December 2024: nil). The aggregate amount as at 30 June 2025 of any undrawn balances on lending commitments to counterparties for whom drawn balances are classified as individually impaired, before deducting allowances for credit impairment loss where applicable, was nil (31 December 2024: nil).

Change in expected credit loss

	For the six months ended	
	30 Jun 2025 \$000	30 Jun 2024 \$000
Advances to customers		
– new allowances net of allowance releases	(1,500)	(1,790)
– recoveries of amounts previously written off	—	—
– amounts written off	—	—
Loan commitments and guarantees	1,560	(647)
Other financial assets ¹	(30)	(179)
Total change in expected credit loss	30	(2,616)

¹ Other financial assets include cash with central bank, amount due from related parties, financial investment and other assets.

8 Asset quality – financial instruments by stage allocation

	Gross \$000	Allowance for ECL \$000	Net \$000
Advances to customers at amortised cost	2,287,932	(9,661)	2,278,271
– stage 1	2,110,783	(1,950)	2,108,833
– stage 2	115,359	(1,461)	113,898
– stage 3	61,790	(6,250)	55,540
Advances to banks at amortised cost¹	9,001	—	9,001
– stage 1	9,001	—	9,001
– stage 2	—	—	—
– stage 3	—	—	—
Loan and other credit-related commitments	2,261,149	(2,875)	2,258,274
– stage 1	2,197,729	(733)	2,196,996
– stage 2	46,713	(199)	46,514
– stage 3	16,707	(1,943)	14,764
Financial guarantees and similar contracts	96,796	(209)	96,587
– stage 1	96,537	(144)	96,393
– stage 2	259	(65)	194
– stage 3	—	—	—
Total at 30 Jun 2025	4,654,878	(12,745)	4,642,133

¹ Advances to banks at Amortised Cost excludes 'Items in the course of collection from other banks'.

Balances related to cash with central banks, amounts due from related parties, financial investments and other assets are not included in the table above due to not having material ECL balances.

9 Concentrations of credit risk

Maximum exposure to credit risk

The maximum credit risk of on-balance sheet financial assets is best represented by the carrying amount of the assets, net of any provision for expected credit loss. The credit risk exposure does not take into account the fair value of any collateral, in the event of other parties failing to perform their obligations under financial instruments.

Credit exposures

	At
	30 Jun 2025 \$000
On-balance sheet credit exposures	
Cash and demand balances with central banks	1,682,954
Advances to banks	9,001
Financial investments	915,808
Derivative financial instruments	2,421
Advances to customers	2,278,271
Amounts due from related parties	1,233,711
Other assets	18,607
Total on-balance sheet credit exposures	6,140,773
Total off-balance sheet credit exposures	3,760,512
Total credit exposures	9,901,285

Concentrations of credit risk exist if a number of counterparties are engaged in similar economic 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 by industry and geographical area

	At
	30 Jun 2025 \$000
Concentrations of credit risk by industry	
Banks and financial institutions	4,391,708
Commercial and industrial	2,026,493
Commercial real estate and construction	644,927
Electricity, telecommunication and other utilities	1,167,922
Wholesale and retail trade	625,072
Agriculture, forestry and mining	153,214
Transport	331,383
Government	274,544
Other	286,022
Total	9,901,285
Concentrations of credit risk by geographical area	
New Zealand	7,521,006
Hong Kong	1,234,470
China	147,804
Australia	260,867
United States	342,823
United Kingdom	40,403
Philippines	91,616
Other Overseas	262,296
Total	9,901,285

10 Concentrations of funding risk

Concentrations of funding risk by product, industry and geographical area

	At
	30 Jun
	2025
	\$000
Concentrations of funding by product	
Deposits by banks	210,830
Customer deposits	3,430,642
Debt securities	—
Amounts due to related parties	2,419,406
Total	6,060,878
Concentrations of funding by industry	
Banks and financial institutions	4,209,747
Commercial and industrial	657,254
Commercial real estate and construction	116,258
Wholesale trade	298,229
Agriculture, forestry and mining	107,520
Transport	149,715
Electricity, telecommunication and other utilities	94,618
Government	44,649
Other	382,888
Total	6,060,878
Concentrations of funding by geographical area	
New Zealand	3,331,508
Hong Kong	2,218,780
China	1,822
United Kingdom	61,151
United States	23,796
Australia	102,885
Singapore	80,148
Other Overseas	240,788
Total	6,060,878

11 Financial investments

Carrying amounts of financial investments

	At		
	30 Jun 2025 \$000	30 Jun 2024 \$000	31 Dec 2024 \$000
Financial investments measured at fair value through other comprehensive income	876,353	850,018	985,165
– treasury and other eligible bills	62,574	73,456	—
– debt securities	813,757	776,540	985,143
– equity securities	22	22	22
Debt instruments measured at amortised cost	39,455	279,269	260,671
– treasury and other eligible bills	—	14,692	—
– debt securities	39,455	264,577	260,671
Total	915,808	1,129,287	1,245,836

12 Customer deposits

	At		
	30 Jun 2025 \$000	30 Jun 2024 \$000	31 Dec 2024 \$000
Current accounts	2,874,496	2,586,794	3,001,962
Savings and deposit accounts	556,146	286,689	398,399
Total customer deposits at amortised cost	3,430,642	2,873,483	3,400,361

13 Additional financial disclosures on the balance sheet

	At		
	30 Jun 2025 \$000	30 Jun 2024 \$000	31 Dec 2024 \$000
Total interest earning and discount bearing assets	6,119,745	6,024,784	6,450,902
Total interest and discount bearing liabilities	5,844,981	5,748,897	6,183,106
Total liabilities net of amounts due to related parties	3,673,121	3,619,837	3,800,285

14 Segment reporting

Following the HSBC Group organisational announcement in October 2024, effective from 1 January 2025, the NZ Banking Group's reporting segments comprise of one business segment - Corporate and Institutional Banking (CIB), along with Corporate Centre. This business segment has been formed from the integration of our Commercial Banking business and our Global Banking Markets business. Comparatives have been re-presented to conform to the current year's presentation.

The NZ Executive Committee, which includes senior management of each business unit, acts as the Banking Group's chief operating decision-maker and assesses the Banking Group's performance on this basis.

The Banking Group operates primarily in New Zealand and predominately all revenues from and assets held with external customers are generated or held in New Zealand. The Banking Group does not rely on any single major customer for its revenue base.

For the half year ended 30 June 2025, the Banking Group's reportable segments under NZ IFRS 8 'Operating Segments' comprise one business, along with Corporate Centre.

Corporate and Institutional Banking (CIB)

Manages the relationships with corporate customers providing loans, deposits and other transactions including trade finance and payment solutions and manages the relationships with institutional customers and undertakes the Banking Group's investment banking operations.

The profit or loss, assets and liabilities of this operating segment is represented by the Statement of comprehensive income and Balance sheet which forms part of the Interim financial statements.

For the half year ended 30 June 2024, the Banking Group comprises the following main business segments:

International Wealth and Premier Banking (IWPB)

Includes loans, deposits and other transactions with retail customers. On 13 June 2023, the Branch announced that it will be exiting its IWPB business in New Zealand via a wind-down. Discontinuation of IWPB business was completed effective 27 June 2024.

Corporate and Institutional Banking (CIB)

Manages the relationships with corporate customers providing loans, deposits and other transactions including trade finance and payment solutions and manages the relationships with institutional customers and undertakes the Banking Group's investment banking operations.

Corporate Centre

Includes central and Group support costs with associated recoveries that cannot be meaningfully attributed.

	Half-year to 30 Jun 2024			
	International Wealth and Premier Banking (Discontinued Operation)	Corporate and Institutional Banking	Corporate Centre	Aggregated
	\$000	\$000	\$000	\$000
Net interest income / (loss)	658	55,428	1,051	57,137
Net trading income / (loss)	243	6,620	(1,301)	5,562
Net fee and commission income / (loss)	(77)	18,018	1,336	19,277
Other income	(501)	364	106	(31)
Net operating income / (loss) before loan impairment charges	323	80,430	1,192	81,945
Change in expected credit loss	—	2,616	—	2,616
Net operating income	323	83,046	1,192	84,561
Operating (expense) / recovery	(14,253)	(25,397)	47	(39,603)
Operating profit before tax	(13,930)	57,649	1,239	44,958
Balance sheet data				
Advances to customers	—	2,292,551	—	2,292,551
Customer deposits	—	2,873,483	—	2,873,483

	Year ended 31 Dec 2024			
	International Wealth and Premier Banking (Discontinued Operation)	Corporate and Institutional Banking	Corporate Centre	Aggregated
	\$000	\$000	\$000	\$000
Net interest income / (loss)	643	110,369	(766)	110,246
Net trading income / (loss)	226	11,105	120	11,451
Net fee and commission income / (loss)	(84)	41,926	(1,241)	40,601
Other income	(500)	429	430	359
Net operating income / (loss) before loan impairment charges	285	163,829	(1,457)	162,657
Change in expected credit loss	—	(6,038)	—	(6,038)
Net operating income	285	157,791	(1,457)	156,619
Operating (expense) / recovery	(14,748)	(55,917)	222	(70,443)
Operating profit before tax	(14,463)	101,874	(1,235)	86,176
Balance sheet data				
Advances to customers	—	2,951,785	—	2,951,785
Customer deposits	—	3,400,361	—	3,400,361

Comparatives have been re-presented to confirm to the current year's organisation design.

Cash flow from discontinued operation

	30 Jun	30 Jun	31 Dec
	2025	2024	2024
	\$000	\$000	\$000
Net cash flows to operating activities	—	(399,128)	(399,149)
Net cash flows from investing activities	—	—	—
Net cash flows from/(to) financing activities	—	—	—
Net decrease in cash and cash equivalents	—	(399,128)	(399,149)

15 Related party transactions

Related party transactions are unsecured and entered into in the normal course of business. During the year there have been dealings between the Banking Group, HBAP and its subsidiaries and associated companies and other members of the ultimate holding company. Dealings include activities such as funding, accepting deposits, derivative transactions together with management and technical fees.

There has been no significant change in the nature or volume of related party transactions during the period.

	At		
	30 Jun	30 Jun	31 Dec
	2025	2024	2024
	\$000	\$000	\$000
Assets			
Amounts due from related parties	1,233,711	461,505	659,282
Derivative financial instruments - assets	2,416	118	146
Total related party assets	1,236,127	461,623	659,428
Liabilities			
Amounts due to related parties	2,419,406	2,391,093	2,672,920
Derivative financial instruments - liabilities	231	49	148
Total related party liabilities	2,419,637	2,391,142	2,673,068

16 Fair value of financial instruments

Determination of fair value of financial instruments carried at fair value

Fair values are determined according to the following hierarchy:

Level 1 – quoted market price

Financial instruments with quoted prices for identical instruments in active markets.

Level 2 – valuation technique using observable inputs

Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 – valuation technique with significant unobservable inputs

Financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

The table below provides an analysis of the various bases described above which have been deployed for valuing financial assets and financial liabilities measured at fair value.

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
At 30 Jun 2025				
Assets				
Financial investments	876,331	—	22	876,353
Derivative financial instruments	—	2,421	—	2,421
Liabilities				
Derivative financial instruments	—	231	—	231
	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
At 30 Jun 2024				
Assets				
Financial investments	849,996	—	22	850,018
Derivative financial instruments	—	167	—	167
Liabilities				
Derivative financial instruments	—	160	—	160
At 31 Dec 2024				
Assets				
Financial investments	985,143	—	22	985,165
Derivative financial instruments	—	191	—	191
Liabilities				
Derivative financial instruments	—	173	—	173

There have been no transfers between levels 1, 2 or 3 for the six months ended 30 June 2025 (31 December 2024: Nil). Any transfers between levels of the fair value hierarchy would be deemed to occur at the end of the reporting period.

Methodologies

The methodologies and assumptions used when determining fair value depend on the terms and risk characteristics of the various instruments and include the following:

Cash and demand balances with central banks

For cash and short – term funds the carrying amount is equivalent to the fair value.

Debt securities issued

Fair value for certificates of deposit and medium term notes issued with maturities less than six months is approximated to be the carrying value. For certificates of deposit and medium term notes issued with a maturity greater than six months but less than a year, fair value is determined by using discounted cash flow methods using the interest rates applicable to financial instruments of similar maturity. Inputs applied in getting the fair value of debt securities between six and 12 months are observable market-corroborated inputs which include interest rates and forward curves observable at commonly reported intervals, and credit spreads. Debt securities greater than 12 months are fair valued using market-corroborated swap rates.

Financial investments

For hold to collect and sell securities that are quoted in active markets, fair values are determined by reference to the current quoted bid/offer price. Where quoted prices are not available, fair value is determined with reference to quoted prices for similar instruments in active markets, or through the use of a valuation model where inputs are observable.

Advances to customers, advances to banks, and amounts due from related parties

Fair values of advances to customers, advances to banks, and amounts due from related parties with maturities of six months or longer have been estimated by discounting cash flows up to the next repricing date with reference to current rates at which similar loans and advances would be made to other borrowers with a similar credit rating and the same maturities. The fair values of advances to customers, advances to banks, and amounts due from related parties with maturities less than six months are approximated to be the carrying value.

Deposits by banks, customer deposits, and other amounts due to related parties

The fair values of deposits and other liabilities with maturities of less than six months are approximated to be the carrying amount. For liabilities with maturities of six months or longer, fair values have been based on quoted market prices, where such prices exist. Otherwise, fair values have been estimated by reference to rates currently offered by the Banking Group for similar liabilities of similar maturities.

Notes on the financial statements

Derivative financial instruments

The fair values of exchange rate and interest rate contracts were obtained from quoted market prices or discounted cash flow models. Inputs applied in getting the fair value of derivative financial instruments are market observable inputs which include interest rates and forward curves observable at commonly reported intervals where required.

Other assets and other liabilities

For other assets and other liabilities, the carrying amount is considered to be the fair value.

Fair Value of financial instruments not carried at fair value

The table below summarises the carrying values and fair values of financial assets and financial liabilities not measured at fair value in the Banking Group at the end of the current and comparative periods.

			At			
			30 Jun 2024		31 Dec 2024	
	Carrying value	Fair Value	Carrying value	Fair Value	Carrying value	Fair Value
	\$000	\$000	\$000	\$000	\$000	\$000
Assets						
Advances to customers	2,287,932	2,287,932	2,295,882	2,292,551	2,963,056	2,951,785
Financial investments – debt securities at amortised cost	39,455	40,138	279,269	279,229	260,671	262,180
Liabilities						
Customer deposits	3,430,642	3,430,623	2,873,483	2,873,486	3,400,361	3,400,354
Debt securities issued	—	—	400,000	399,341	—	—
Amounts due to related parties	2,419,406	2,419,524	2,391,093	2,383,654	2,672,920	2,671,743

Other financial instruments not carried at fair value are typically short-term in nature and reprice to the current market rates frequently. Accordingly, their carrying amount is a reasonable approximation of fair value. This includes cash and demand balances with central banks, advances to banks and deposits by banks, other assets and other liabilities, and amounts due from related parties.

17 Interest rate risk – repricing schedule

The table below analyses the Banking Group's financial assets and financial liabilities into relevant maturity groupings based on the earlier of residual contractual maturity or next interest repricing date.

	Up to 3 months \$m	Over 3 months and up to 6 months \$m	Over 6 months and up to 1 year \$m	Over 1 year and up to 2 years \$m	Over 2 years \$m	Total interest bearing \$m	Non interest bearing \$m	Total \$m
At 30 Jun 2025								
Financial assets								
Cash and demand balances with central banks	1,683	—	—	—	—	1,683	—	1,683
Advances to banks	9	—	—	—	—	9	—	9
Financial investments	93	—	198	82	543	916	—	916
Derivative financial instruments	—	—	—	—	—	—	2	2
Advances to customers	2,188	39	15	36	—	2,278	—	2,278
Amounts due from related parties	1,234	—	—	—	—	1,234	—	1,234
Other assets	—	—	—	—	—	—	19	19
Total financial assets	5,207	39	213	118	543	6,120	21	6,141
Financial liabilities								
Deposits by banks	208	—	—	—	—	208	3	211
Derivative financial instruments	—	—	—	—	—	—	—	—
Customer deposits	3,414	3	1	—	—	3,418	13	3,431
Debt securities	—	—	—	—	—	—	—	—
Amounts due to related parties	2,212	—	—	—	—	2,212	207	2,419
Other liabilities	—	—	1	1	5	7	25	32
Total financial liabilities	5,834	3	2	1	5	5,845	248	6,093

18 Liquidity risk management

Liquidity risk is the risk that the Banking Group does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows.

Liquid assets are assets which are readily convertible to cash to meet the Banking Group's liquidity requirement. Liquid assets consist of demand balances with the central bank, government and local government bonds, and registered certificates of deposits issued by other banks. The Banking Group holds the following liquid assets in order to manage its liquidity risk:

	At
	30 Jun 2025
	\$m
Cash and demand balances with central banks	1,683
Financial Investments	916
Total	2,599

Maturity Analysis – undiscounted cash flows basis

The table below analyses the Banking Group's financial liabilities into relevant maturity groupings based on their remaining contractual maturities. The amounts in the table below represent all cash flows relating to principal and future interest payments on an undiscounted basis. Therefore, they may differ to the carrying amounts on the Balance Sheet.

The Banking Group does not manage its liquidity risk on the basis of information below.

	On Demand	0-1 month	1-3 months	3-12 months	1-5 years	Over 5 years	No specific maturity	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
At 30 Jun 2025								
Financial liabilities								
Deposits by banks	211	—	—	—	—	—	—	211
Customer deposits	2,873	403	151	4	—	—	—	3,431
Debt securities	—	—	—	—	—	—	—	—
Amounts due to related parties	440	24	11	272	1,749	—	—	2,496
Other liabilities	22	—	2	2	5	1	—	32
Total non-derivative financial liabilities	3,546	427	164	278	1,754	1	—	6,170
Derivative financial instruments – held for trading purposes	—	—	—	—	—	—	—	—
Total undiscounted derivatives	—	—	—	—	—	—	—	—
Undrawn loan commitments	602	—	1,801	—	—	—	—	2,403

19 Market risk exposures

Aggregate market risk exposures are derived in accordance with the Reserve Bank of New Zealand document, BPR140: Market Risk and is calculated on a six monthly basis.

The period end exposure is the exposure as at the end of the period reported. The peak exposure is the peak end-of-day market risk exposure over the half year accounting period at the close of each business day. The peak is calculated separately for each category of exposure and may not have occurred at the same time. For the half-year ending 30 June 2025, the peak exposure is also 30 June 2025.

	Implied risk weighted exposure \$m	Notional capital charge \$m
Exposure period at 30 Jun 2025 (unaudited)		
Interest rate risk	146.88	11.75
Foreign currency risk	0.50	0.04
Equity risk	—	—
Peak exposure period 1 Jan 2025 to 30 Jun 2025 (unaudited)		
Interest rate risk	146.88	11.75
Foreign currency risk	0.63	0.05
Equity risk	—	—

20 Contingent liabilities and other commitments

Contingent liabilities and commitments are credit-related instruments which include letters of credit, guarantees and commitments to extend credit. The amounts below represent the amount at risk should contracts be fully drawn upon and client's default.

	At		
	30 Jun 2025 \$000	30 Jun 2024 \$000	31 Dec 2024 \$000
Direct credit substitutes	120,590	59,238	82,274
Transaction related contingent items	899,023	835,517	940,994
Trade related contingent items	337,582	398,982	359,166
Commitments, maturity one year or more	1,463,067	1,647,863	1,212,737
Commitments, maturity up to one year	940,250	692,568	612,538
Total	3,760,512	3,634,168	3,207,709
Capital commitments			
Contracted expenditure	—	—	230

21 Insurance, securitisation, funds management and other fiduciary activities

The Banking Group:

- does not conduct any insurance business or non-financial activities in New Zealand. HBAP does not carry on any insurance business or non-financial activities in New Zealand that is outside its Banking Group;
- does not market or distribute insurance products;
- is not involved in the origination, marketing or servicing of securitisation schemes; and
- is not involved in the establishment, marketing, or sponsorship of trust, funds management, or other fiduciary activities.

22 Events subsequent to the reporting date

There were no other material events after balance date that require disclosure in the financial statements.

23 Capital adequacy ratios of HBAP Group

The approaches used in calculating the HBAP Group's regulatory capital and risk weighted assets ("RWA") are in accordance with the Hong Kong Monetary Authority ("HKMA") Banking (Capital) Rules.

The HBAP Group uses the advanced internal ratings-based ('IRB') approach and the foundation IRB approach to calculate its credit risk for the majority of its non-securitisation exposures. For collective investment scheme exposures, the HBAP Group uses the look-through approach to calculate the RWAs. For securitization exposures, the HBAP Group uses the securitisation IRB approach, securitisation external ratings-based approach or securitisation standardised approach to determine credit risk for its banking book securitisation exposures. For counterparty credit risk, the HBAP Group uses both the standardised (counterparty credit risk) approach and the internal models (counterparty credit risk) approach to calculate its default risk exposures for derivatives, and the comprehensive approach for securities financing transactions. For credit valuation adjustment ('CVA'), the group uses the standardised CVA approach and the full basic CVA approach to calculate CVA risk capital charge.

The HBAP Group uses the standardised (market risk) approach to calculate its market risk capital charge and the standardised operational risk approach to calculate its operational risk capital charge.

The capital adequacy disclosure made by the HBAP Group can be found in the HBAP Group Banking Disclosure Statement available at www.hsb.com.hk/legal/regulatory-disclosures/.

HBAP Group exceeded the minimum capital adequacy requirements as specified by the HKMA as at 30 June 2025, and reported the following capital adequacy ratios under the Basel III final reform package, which were the most recent publicly available information:

HBAP Group Basel III Capital Ratios (Unaudited)

	At		
	30 Jun 2025 %	30 Jun 2024 %	31 Dec 2024 %
Common Equity Tier 1 (CET1) capital	17.9	15.8	16.3
Tier 1 capital	20.5	17.4	18.4
Total capital	22.7	19.4	20.3

The capital ratios for HBAP, as a stand-alone entity, are not publicly available.

24 Profitability, size and asset quality of HBAP Group

HBAP Group selected financial information

	Half-year to	Year ended	
	30 Jun 2025	30 Jun 2024	31 Dec 2024
Profitability			
Net profit after tax (HKD\$m)	57,427	69,049	129,251
Net profit after tax over the previous 12 month period as a percentage of average total assets (%) ¹	1.1	0.9	1.2
Size			
Total assets (HKD\$m)	11,491,146	10,650,089	10,948,940
Percentage increase/(decrease) in total assets over the previous 12 months period (%)	7.9	2.3	4.3
Asset quality			
HKFRS 9 Stage 3 and POCI gross carrying value (HKD\$m) ²	100,861	96,813	99,995
HKFRS 9 Stage 3 and POCI ECL (HKD\$m) ^{3, 4}	(25,116)	(30,710)	(24,976)
HKFRS 9 Stage 1 and 2 ECL (HKD\$m) ³	(13,842)	(10,593)	(11,877)
HKFRS 9 Stage 3 gross carrying value / Total assets (%) ²	0.9	0.9	0.9
HKFRS 9 Stage 3 and POCI ECL / Stage 3 and POCI gross carrying value (%) ^{2, 3, 4}	24.9	31.7	25.0

¹ Average total assets for HBAP Group is not publicly available. This calculation uses a two-point average of total assets as at the end of the reported period and the comparative period ended 12 months earlier.

² Gross carrying value of advances to banks and customers, including nominal value of loan commitments and financial guarantees and other financial assets. The Banking Group considers this balance to be the best representation of 'total individually impaired assets'.

³ ECL on advances to banks and customers including loan commitments and financial guarantees, and other financial assets. The Banking Group considers this balance to be the best representation of 'total collective credit impairment allowance'.

⁴ The Banking Group considers this balance to be the best representation of 'total individual credit impairment allowance'.

Directors' and New Zealand Chief Executive Officer's Statements

Each Director and the New Zealand Chief Executive Officer believe, after due enquiry by them, that:

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

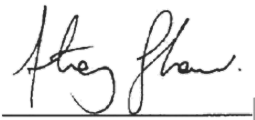
as at the date on which the Disclosure Statement is signed; and

each Director and the New Zealand Chief Executive Officer believe, after due enquiry by them, that:

- the Branch had systems in place to monitor and control adequately the material risks of the 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; and
- the Registered Bank has complied in all material respects with each conditions of registration that applied;

over the six months ended 30 June 2025.

This Disclosure Statement has been signed for and on behalf of the Directors of The Hongkong and Shanghai Banking Corporation Limited (as listed on pages 3 and 4) by their attorney, Antony Shaw, and in his capacity as Chief Executive Officer:



Antony Shaw
Chief Executive Officer
New Zealand Branch

27 August 2025

Letters from each of the Directors appointing the Chief Executive Officer as their agent to sign this Disclosure Statement are still in force and have not been revoked.



Independent auditor's review report

To the Directors of The Hongkong and Shanghai Banking Corporation Limited

Report on the interim Financial Statements and the Supplementary Information (excluding credit and market risk exposures and capital adequacy information disclosed in accordance with Schedule 9)

Our conclusion

We have reviewed the interim financial statements (the "Financial Statements") for the six-month period ended 30 June 2025 of The Hongkong and Shanghai Banking Corporation Limited (the "Overseas Bank") in respect of its New Zealand operations, comprising the New Zealand Branch and HSBC Nominees (New Zealand) Limited (the "Banking Group"), as required by clause 26 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the "Order") and the supplementary information disclosed in accordance with Schedules 5, 7, 12 and 14 of the Order (the "Supplementary Information"), excluding information relating to credit and market risk exposures and capital adequacy required to be disclosed in accordance with Schedule 9 of the Order contained in the half year disclosure statement (the "Disclosure Statement").

The Financial Statements comprise the balance sheet as at 30 June 2025, the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and notes, comprising material accounting policy information and other explanatory information.

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

- Financial Statements of the Banking Group, have not been prepared, in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34) and International Accounting Standard 34 *Interim Financial Reporting* (IAS 34); and
- Supplementary Information that is required to be disclosed in accordance with Schedules 5, 7, 12 and 14 of the Order:
 - does not present fairly, in all material respects, the matters to which it relates; or
 - is not disclosed, in all material respects, in accordance with those schedules.

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the Financial Statements and the Supplementary Information* section of our report.

We are independent of the Banking Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Other than in our capacities as auditor and assurance practitioner, we have no relationship with, or interests in, the Banking Group.



Responsibilities of the Directors for the Disclosure Statement

The Directors of the Overseas Bank (the “Directors”) are responsible, on behalf of the Overseas Bank, for the preparation and fair presentation of the Financial Statements in accordance with clause 26 of the Order, NZ IAS 34 and IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the Financial Statements and the Supplementary Information that are free from material misstatement, whether due to fraud or error.

In addition, the Directors are responsible, on behalf of the Overseas Bank, for the preparation and fair presentation of the Disclosure Statement which includes:

- all of the information prescribed in Schedule 3 of the Order; and
- the information prescribed in Schedules 5, 7, 9, 12 and 14 of the Order.

Auditor’s responsibilities for the review of the Financial Statements and the Supplementary Information

Our responsibility is to express a conclusion on the Financial Statements and the Supplementary Information based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the:

- Financial Statements, taken as a whole, have not been prepared, in all material respects, in accordance with NZ IAS 34 and IAS 34; and
- Supplementary Information that is required to be disclosed in accordance with Schedules 5, 7, 12 and 14 of the Order:
 - does not present fairly, in all material respects, the matters to which it relates; or
 - is not disclosed, in all material respects, in accordance with those schedules; or
 - if applicable, has not been prepared, in all material respects, in accordance with any conditions of registration relating to disclosure requirements imposed under section 74(4)(c) of the Banking (Prudential Supervision) Act 1989.

A review in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, 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 and consequently do not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on the Financial Statements and the Supplementary Information.

Who we report to

This report is made solely to the Directors, as a body. Our review work has been undertaken so that we might state to them those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors, as a body, for our review procedures, for this report, or for the conclusions we have formed.

The engagement partner on the review resulting in this independent auditor’s review report is Philip Taylor.

For and on behalf of:

A handwritten signature in black ink, appearing to read 'Philip Taylor', written over a faint, larger signature that appears to be 'PricewaterhouseCoopers'.

PricewaterhouseCoopers
27 August 2025

Auckland, New Zealand



Independent assurance report

To the Directors of The Hongkong and Shanghai Banking Corporation Limited

Limited assurance report on compliance with the information required on credit and market risk exposures and capital adequacy

Our conclusion

We have undertaken a limited assurance engagement on the New Zealand operations of The Hongkong and Shanghai Banking Corporation Limited's (the "Banking Group") compliance, in all material respects, with clause 23 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the "Order") which requires information prescribed in Schedule 9 of the Order relating to credit and market risk exposures and capital adequacy to be disclosed in the Banking Group's (comprising the New Zealand Branch of The Hongkong and Shanghai Banking Corporation Limited and HSBC Nominees (New Zealand) Limited) half year Disclosure Statement for the six-month period ended 30 June 2025 (the "Disclosure Statement"). The Disclosure Statement containing the information prescribed in Schedule 9 of the Order relating to credit and market risk exposures and capital adequacy will accompany our report, for the purpose of reporting to the Directors.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Banking Group's information relating to credit and market risk exposures and capital adequacy, included in the Disclosure Statement in compliance with clause 23 of the Order and disclosed in notes 19 and 23, is not, in all material respects, disclosed in accordance with Schedule 9 of the Order.

Basis for conclusion

We have conducted our engagement in accordance with Standard on Assurance Engagements 3100 (Revised) *Compliance Engagements* ("SAE 3100 (Revised)") issued by the New Zealand Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Directors' responsibilities

The Directors are responsible on behalf of The Hongkong and Shanghai Banking Corporation Limited for compliance with the Order, including clause 23 of the Order which requires information relating to credit and market risk exposures and capital adequacy prescribed in Schedule 9 of the Order to be included in the Banking Group's Disclosure Statement, for the identification of risks that may threaten compliance with that clause, controls that would mitigate those risks and monitoring ongoing compliance.

Our independence and quality management

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

We apply Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires our firm to design, implement and operate a system of quality management including policies or



procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Banking Group. Other than in our capacities as auditor and assurance practitioner, we have no relationship with, or interests in, the Banking Group.

Assurance practitioner's responsibilities

Our responsibility is to express a limited assurance conclusion on whether the Banking Group's information relating to credit and market risk exposures and capital adequacy, included in the Disclosure Statement in compliance with clause 23 of the Order is not, in all material respects, disclosed in accordance with Schedule 9 of the Order. SAE 3100 (Revised) requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Banking Group's information relating to credit and market risk exposures and capital adequacy, included in the Disclosure Statement in compliance with clause 23 is not, in all material respects, disclosed in accordance with Schedule 9 of the Order.

In a limited assurance engagement, the assurance practitioner performs procedures, primarily consisting of discussion and enquiries of management and others within the entity, as appropriate, and observation and walk-throughs, and evaluates the evidence obtained. The procedures selected depend on our judgement, including identifying areas where the risk of material non-compliance with clause 23 of the Order in respect of the information relating to credit and market risk exposures and capital adequacy is likely to arise.

Given the circumstances of the engagement we:

- obtained an understanding of the process, models, data and internal controls implemented over the preparation of the information relating to credit and market risk exposures and capital adequacy;
- obtained an understanding of the Banking Group's compliance framework and internal control environment to ensure the information relating to credit and market risk exposures and capital adequacy is in compliance with the Reserve Bank of New Zealand's (the "RBNZ") prudential requirements for banks;
- obtained an understanding and assessed the impact of any matters of non-compliance with the RBNZ's prudential requirements for banks that relate to credit and market risk exposures and capital adequacy and inspected relevant correspondence with the RBNZ;
- performed analytical and other procedures on the information relating to credit and market risk exposures and capital adequacy disclosed in accordance with Schedule 9 of the Order, and considered its consistency with the interim financial statements; and
- agreed the information relating to credit and market risk exposures and capital adequacy disclosed in accordance with Schedule 9 of the Order to information extracted from the Banking Group's models, accounting records or other supporting documentation, which included publicly available information as prescribed by clauses 5 and 6 of Schedule 9 of the Order.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion on compliance with the compliance requirements.

**Inherent limitations**

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

A limited assurance engagement on the Banking Group's information relating to credit and market risk exposures and capital adequacy prescribed in Schedule 9 of the Order to be included in the Disclosure Statement in compliance with clause 23 of the Order does not provide assurance on whether compliance will continue in the future.

Use of report

This report has been prepared for use by the Directors, as a body, for the purpose of establishing that these compliance requirements have been met.

Our report should not be used for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility for any reliance on this report to anyone other than the Directors, as a body, or for any purpose other than that for which it was prepared.

The engagement partner on the engagement resulting in this independent assurance report is Philip Taylor.

For and on behalf of:

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers
27 August 2025

Auckland, New Zealand

