

J.P.Morgan

**JPMorgan Chase Bank, N.A., - New Zealand Branch and Associated
JPMorgan Chase Bank, New Zealand Banking Group**

Disclosure Statement

For the six months ended 30 June 2024



Disclosure Statement

For the six months ended 30 June 2024

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1. DEFINITIONS

In this Disclosure Statement, unless the context otherwise requires:

Term	Description
Registered Bank	The worldwide operations of JPMorgan Chase Bank, National Association or JPMorgan Chase Bank, N.A. This includes the Banking Group.
NZ Branch	The New Zealand operations of the Registered Bank conducted through its New Zealand Branch.
JPMCC	JPMorgan Chase & Co, the ultimate non-bank holding company of the Registered Bank.
Banking Group	The consolidated New Zealand operations of the Registered Bank, and includes the business conducted through the New Zealand Branch and J.P. Morgan Securities Australia Limited.
General Auditor	External and independent party appointed to conduct an assessment on internal controls and financial reporting.

Unless otherwise defined in this Disclosure Statement, terms defined in the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (“**the Order**”) have the same meaning in this document.

2. CORPORATE INFORMATION

Registered Bank

JPMorgan Chase Bank, National Association

Address of the Registered Bank’s main office

1111 Polaris Parkway
Columbus, Delaware, Ohio, 43240
United States of America

Ultimate Non-Bank Holding Company

JPMorgan Chase & Co.

Ultimate Non-Bank Holding Company’s Address for Service

383 Madison Avenue
New York, New York 10179
United States of America

Incorporation

The Registered Bank is a national banking association offering a wide range of banking and financial services to its customers both domestically and internationally. It is chartered by the Office of the Comptroller of the Currency (the “OCC”), an independent bureau of the United States Department of the Treasury. The Registered Bank’s business address is located at 1111 Polaris Parkway, Columbus, Delaware, OH, 43240, United States.

The Registered Bank was organised in the legal form of a banking corporation under the laws of the State of New York on 26 November 1968 for an unlimited duration. On 13 November 2004 it converted from a New York State banking corporation to a national banking association. On the same date Bank One, National Association (Chicago, Illinois) and Bank One, National Association (Columbus, Ohio) merged into and under the charter and title of JPMorgan Chase Bank, National Association with the Registered Bank being the surviving legal entity.

The Registered Bank is a wholly-owned bank subsidiary of JPMCC. The shares of common stock of JPMCC are listed on the New York Stock Exchange.

3. FINANCIAL SUPPORT

Ranking of Local Creditors in Winding-up

NZ Branch is a branch of the Registered Bank and is not a separate legal entity. Therefore, assets and liabilities of NZ Branch are consolidated in the balance sheet of the Registered Bank.

The rights of all creditors of the Registered Bank, including those located in New Zealand, in the event of the Registered Bank's insolvency, would be governed by the U.S. Federal Deposit Insurance Act of 1950. Under U.S. federal law, the Office of the Comptroller of the Currency, as the appropriate federal banking regulator of national banks, is empowered to declare a national bank insolvent, and appoint the Federal Deposit Insurance Corporation (the "FDIC") as receiver. In this role, the FDIC is authorised to liquidate the assets of the insolvent institution and distribute the proceeds to the institution's creditors. Payment to holders of insured deposits held in the Registered Bank's U.S. Branches, administrative expenses of the receiver and secured creditors rank in priority of payment over all other unsecured creditors, including depositors in the Registered Bank's non-U.S. branches (such as NZ Branch) who would then rank *pari passu* in order of payment. The basic insurance amount is US\$250,000 per U.S. depositor per insured. In addition, U.S. federal law provides that national banks are not required to repay deposits at their non-U.S. branches if the relevant branch cannot pay them due to an action by the local government preventing payment or an act of war, insurrection or civil strife, unless the bank has expressly agreed in writing to repay the deposits under those circumstances.

Guarantee Arrangements

No material obligations of the New Zealand business of the Registered Bank (or the Banking Group) are guaranteed as at the date of signing the Disclosure Statement.

4. CORPORATE GOVERNANCE

Directors of the Registered Bank

The name, occupation, professional qualifications and country of residence of each Director of the Registered Bank are as follows:

Linda B Bammann - Independent Non-Executive Director
Retired Deputy Head of Risk Management of JPMorgan Chase & Co.
BA - Stanford University; MA - University of Michigan
United States of America

Stephen B Burke - Independent Non-Executive Director – Non-Executive Chairman of the Board
Retired President, Chairman and Chief Executive Officer of NBCUniversal, LLC and NCBUniversal Media, LLC.
Senior Advisor of Comcast Corporation
BA - Colgate University; MBA - Harvard Business School
United States of America

Todd A Combs - Independent Non-Executive Director
Investment Officer at Berkshire Hathaway Inc.
President and Chief Executive Officer of GEICO
BS - Florida State University; MBA - Columbia Business School
United States of America

Mark A Weinberger - Independent Non-Executive Director
former Global Chairman and Chief Executive Officer at Ernst & Young LLP
BA - Emory University; MBA and J.D.- Case Western Reserve University
Country of residence - United States of America

Alicia B Davis – Independent Non-Executive Director
Chief Executive Officer of Alto Pharmacy, LLC
BA- Northwestern University, MA – Rensselaer Polytechnic Institute, MBA – Indiana University

Directors of the Registered Bank (continued)

James Dimon - Director
Chief Executive Officer, Chairman and President of JPMorgan Chase Bank, National Association
Chairman of the Board and Chief Executive Officer of JPMorgan Chase & Co.
BA - Tufts University; MBA - Harvard Business School
United States of America

Timothy P Flynn - Independent Non-Executive Director (Retired in May 2024)
Retired Chairman of KPMG International, and Retired Chairman and Chief Executive Officer of KPMG
Director of United Health Group and of Wal-Mart Stores, Inc.
BA - The University of St. Thomas
United States of America

Alex Gorsky – Independent Non-Executive Director
Retired Chairman and Chief Executive Officer of Johnson & Johnson
MBA – University of Pennsylvania Wharton School
United States of America

Melody Hobson - Independent Non-Executive Director
Co-CEO, President and Director of Ariel Investments, LLC and Director and Vice Chair of Starbucks Corporation
BA - Princeton University
United States of America

Michael A. Neal - Independent Non-Executive Director (Retired in May 2024)
Retired Vice Chairman General Electric Company and Retired Chairman and Chief Executive Officer of GE Capital
BS - Georgia Institute of Technology
United States of America

Phebe N Novakovic – Independent Non-Executive Director
Chairman and Chief Executive Officer of General Dynamics
MBA – University of Pennsylvania Wharton School
United States of America

Virginia M. Rometty - Independent Non-Executive Director
Retired President and Chief Executive Officer of IBM
BS - Northwestern University
United States of America

Address to which communications addressed to the Directors may be sent

JPMorgan Chase & Co.
Attention (Board member(s))
Office of the Secretary
JPMorgan Chase Bank, National Association
4 New York Plaza, Floor 8
New York, New York 10004-241310004
United States of America

Non-banking group companies of which the Directors of the Registered Bank are directors

The following Directors of the Registered Bank hold the following directorships:

- Mr. Burke is a director of Berkshire Hathaway Inc., a company incorporated in the United States of America
- Mr. Combs is a director of Berkshire Hathaway subsidiaries Charter Brokerage LLC, Duracell Inc., and Precision Castparts Corp., companies incorporated in the United States of America

Non-banking group companies of which the Directors of the Registered Bank are directors (continued)

- Mr. Flynn is a director of United Health Group, and Wal-Mart Stores, Inc., companies incorporated in the United States of America
- Mr Gorsky is a director of Apple, IBM, New York-Presbyterian Hospital and the Travis Manion Foundation, companies incorporated in the United States of America
- Ms. Hobson is a director and Vice Chair of Starbucks Corporation, a company incorporated in the United States of America
- Mr. Weinberger is a director of Johnson & Johnson, MetLife, and Saudi Aramco, as well as JUST Capital and the National Bureau of Economic Research

Each of the Directors of the Registered Bank also serves on the Board of Directors of JPMCC.

In addition, the Directors of the Registered Bank are directors of a number of companies which are either wholly-owned subsidiaries of the Registered Bank, are of a charitable or philanthropic nature, or relate to their personal superannuation or business affairs, and which are not listed in this document.

Director Related Transactions

There were no transactions between the Directors and the Registered Bank or any member of the Banking Group as at the date of this Disclosure Statement which have either been entered into on terms other than those which would in the ordinary course of business of the Registered Bank or any member of the Banking Group, be given to any other person of like circumstances or means, or which could otherwise be reasonably likely to materially influence the exercise of the Directors' duties.

Responsible Persons authorised in writing to sign this Disclosure Statement in accordance with section 82 of the Reserve Bank of New Zealand Act 1989 on behalf of each Director

The name, occupation, professional qualifications and country of residence of each Responsible Person are as follows:

Robert Bedwell
Senior Country Officer, JPMorgan Australia and New Zealand Group
BCom – University of Western Sydney; MCom – University of New South Wales
Australia

Warren Davis
Senior Country Business Manager, JPMorgan Australia and New Zealand Group
Australia

Peter Stringer
Senior Financial Officer, JPMorgan Australia and New Zealand Group
BSc – University of Durham, United Kingdom; Association of Chartered Certified Accountants
Australia

New Zealand Chief Executive Officer

The name, occupation, professional qualifications and country of residence of the New Zealand Chief Executive Officer who held office at any time during the reporting period ended 30 June 2024 are as follows:

Robert Bedwell
New Zealand Chief Executive Officer
BCom – University of Western Sydney; MCom – University of New South Wales
Australia

Address to which communications addressed to the Responsible Persons, and the New Zealand Chief Executive Officer, may be sent

JPMorgan Chase Bank, N.A. - New Zealand Branch
PO Box 5652
Lambton Quay, Wellington 6145
New Zealand

Non-banking group companies of which the New Zealand Chief Executive Officer is a director

Mr Robert Bedwell is a Director of the Australian Financial Markets Association, J.P. Morgan Securities Australia Limited and J.P. Morgan Australia Group Pty Limited.

New Zealand Chief Executive Officer Related Transactions

There were no transactions between Mr Bedwell, as the New Zealand Chief Executive Officer, and the Registered Bank or any member of the Banking Group as at the date of this Disclosure Statement which have either been entered into on terms other than those which would, in the ordinary course of business of the Registered Bank or any member of the Banking Group, be given to any other person of like circumstances or means, or which could otherwise be reasonably likely to materially influence the exercise of the New Zealand Chief Executive Officer's duties.

Name and address of any auditor whose report is referred to in this Disclosure Statement

PricewaterhouseCoopers
One International Towers Sydney
Watermans Quay, Barangaroo
Sydney NSW 2000
Australia

PricewaterhouseCoopers LLP
300 Madison Avenue
New York, New York 10017
United States of America

Transactions with Related Persons

JPMCC has adopted several policies and procedures for identifying conflicts of interest and reviewing and, where appropriate approving transactions with related persons (i.e. JPMCC's Directors, executive officers and their immediate family members, among others).

Independent Non-Executive Directors are required to complete a Conflicts Questionnaire at the time of appointment, in relation to interest and relationships with connected persons. On a quarterly basis, if there are changes in the form of additions or deletions to their previously disclosed conflicts, the director should inform their Corporate Governance Contact.

Directors who are an employee of JPMCC are subject to comply with J.P. Morgan's Code of Conduct, the Firmwide Outside Activities Policy and/or the Personal Account Declaration (PAD) Policy. After becoming aware of any activities or transactions which may be subject to these policies Policy, the related person is required to report all relevant facts with respect to the transaction to the Compliance Officer of JPMCC for pre-clearance.

Regulation O

Regulation O of the Federal Reserve Board of the United States of America establishes requirements for loans and other extensions of credit that the Registered Bank may make to persons affiliated with the Registered Bank. The purpose of Regulation O is to protect the soundness of financial institutions in the United States of America by preventing unwarranted extensions of credit by a financial institution to persons affiliated with the financial institution that could put the financial institution's capital at risk. Regulation O prohibits the Registered Bank from lending to its Directors and their related interests unless such extensions of credit:

- are made on substantially the same terms and conditions, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated third parties;
- are made following credit underwriting procedures that are not less stringent than for comparable transactions with unrelated third parties; and
- do not involve more than the normal risk of repayment or present other unfavourable features.

The New Zealand Chief Executive Officer is not subject to Regulation O.

Conflicts of Interest

The Conflicts Office of JPMCC monitors the Registered Bank's business activities to avoid or manage any conflicts of interests and related reputation risks. The Conflicts Office reviews transactions, products and activities that may pose significant risks to the Registered Bank's reputation as a result of actual or perceived conflicts of interest. Any transaction, product or activity that raises significant reputation risk for the Registered Bank as a result of actual or perceived conflicts of interest must be referred to the Conflicts Office for review and approval. JPMCC's policy entitled "Global Conflicts Policy" (and related, business-specific modifications) describes the activities subject to the Registered Bank's conflicts risk management and the requirements for reporting them.

Corporate Governance and Risk Management

The Registered Bank's board and management execute their duties with regards to meeting prudential and statutory requirements by setting in place prudent risk management policies and controls.

The risk management framework and governance structure of the Registered Bank is intended to provide comprehensive controls and ongoing management of the major risks inherent in its business activities.

Within the three lines of defense model of the Registered Bank, the lines of business own management of risks and compliance with applicable laws/rules/regulations, while independent functions (Risk, Compliance, Audit) provide oversight, guidance and effective challenge.

Audit Committee and Internal Audit

The Banking Group is audited by J.P. Morgan Internal Audit, which is an independent function that provides objective assurance guided by a philosophy of adding value to improve the operations of the organization. It assists the organization in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management, and internal control processes.

The scope of Internal Audit encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the design of the organization's governance, risk management, and internal control processes as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives.

The General Auditor reports functionally to the Audit Committee of the Board of Directors and administratively to the Chief Executive Officer. This reporting relationship is designed to ensure the ongoing independence of the Internal Audit function in order to provide for the objectivity of its findings, recommendations and opinions.

Internal Audit follows a comprehensive four year risk-based cycle audit plan, which is developed after risk assessments are completed at the Audit Universe Item (AUI) level ("Bottom Up" Risk Assessment). The plan is supplemented to ensure that key risks, controls, and topics obtain adequate coverage in the plan year (referred to as the "Top Down" Analysis). Depending on the nature and risk profile of the business and the related audit objectives, one or more of the following audit activity types may be leveraged:

- Audit – Examination of significant business and operational key risks and the controls established to mitigate those risks, including compliance with laws, regulations and established policies and procedures
- Change Activity (including Post-acquisition Integration Reviews) – Encompasses any event with significant impact on the control environment, including new products/businesses, new/significantly revised regulations, new accounting pronouncements, large-scale remediation programs, system development/implementation, business migrations/consolidations, business divestitures and branch/office closures. Post-acquisition integration reviews are performed upon the purchase of an entire company, the purchase of a portfolio from another business, the in-sourcing of a business process from another company, or participation in a joint venture to assess the control environment of the acquired company/process in relation to JPMC standards

Audit Committee and Internal Audit (continued)

- Targeted Control Review – Focused on a select group of key risks and controls to allow Internal Audit to quickly assess and communicate whether key controls are operating effectively or require remediation
- Continuous Auditing – component of audit coverage and ongoing evaluation of the Firm’s businesses; provides near real-time assessments of controls through repeatable and automated tests of automated controls, and system-dependent manual controls
- Audit Issue Validation – Audit issues (audit identified issues and non-audit identified issues considered relevant to scope) are validated for appropriate remediation within 60 days and 12 months of closure for High and Medium severity issues respectively.

The Board of Directors’ Audit Committee is comprised solely of four non-management Directors who are required to meet the independence and expertise requirements of all applicable laws and regulations. The purpose of the Audit Committee is to assist the Board of Directors' oversight of:

- The independent registered public accounting firm's qualifications and independence;
- The performance of the JPMCC’s internal audit function and the independent registered public accounting firm; and
- Management's responsibilities to assure that there is an effective system of controls reasonably designed to:
 - Safeguard the assets and income of JPMCC;
 - Assure the integrity of JPMCC’s financial statements; and
 - Maintain compliance with JPMCC’s ethical standards, policies, plans and procedures, and with laws and regulations.

Conditions of Registration

Changes to the Conditions of Registration

There have been no changes to the Bank’s Conditions of Registration since the reporting date for the previous Disclosure Statement.

Conditions of registration for JPMorgan Chase Bank, N.A. in New Zealand

These conditions of registration apply on and after 1 June 2023

The registration of JPMorgan Chase Bank, N.A. (“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.*

Conditions of Registration (continued)

Conditions of registration for JPMorgan Chase Bank, N.A. in New Zealand These conditions of registration apply on and after 1 June 2023

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 JPMorgan Chase Bank, N.A. complies with the requirements imposed on it by the Office of the Comptroller of the Currency and the Federal Reserve Bank of New York.*
- 6. That, with reference to the following table, each capital adequacy ratio of JPMorgan Chase Bank, N.A. must be equal to or greater than the applicable minimum requirement.*

<i>Capital adequacy ratio</i>	<i>Minimum requirement on and after 1 January 2015</i>
<i>Common Equity Tier 1 capital</i>	<i>4.5 percent</i>
<i>Tier 1 capital</i>	<i>6 percent</i>
<i>Total capital</i>	<i>8 percent</i>

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 Office of the Comptroller of the Currency and the Federal Reserve Bank of New York.*
- 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 retail deposits of the registered bank in New Zealand do not exceed \$200 million. For the purposes of this condition retail deposits are defined as deposits by natural persons, excluding deposits with an outstanding balance which exceeds \$250,000.*
 - 9. That, for a loan-to-valuation measurement period ending on or after 30 November 2023, 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 65%, 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.*

Conditions of Registration (continued)

Conditions of registration for JPMorgan Chase Bank, N.A. in New Zealand These conditions of registration apply on and after 1 June 2023

10. That, for a loan-to-valuation measurement period ending on or after 30 November 2023, 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 15% 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.
11. 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 9 to 11,—

“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”, “qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans”, and “residential mortgage loan” 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 October 2021
BPR001: Glossary	1 July 2021

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

5. PENDING PROCEEDINGS OR ARBITRATION

There are no pending proceedings or arbitration of which we are aware that may have a material adverse effect on the Banking Group, nor, to the extent publicly available, that may have a material adverse effect on the Registered Bank.

6. CURRENT CREDIT RATING OF THE REGISTERED BANK

The Registered Bank has the following general credit ratings applicable to long term senior unsecured obligations payable in any country or currency and applicable in New Zealand, in New Zealand dollars:

	<i>Current Rating</i>	<i>Previous Credit Rating (if changed in the previous two years)</i>	<i>Outlook</i>
Moody's Investor Services, Inc	Aa2	-	Negative
Standard & Poor's Corporation	A+	-	Positive
Fitch IBCA, Inc	AA	-	Stable

Legend to Rating Scales

<i>Long Term Debt Ratings</i>	<i>Moody's (a)</i>	<i>S&P (b)</i>	<i>FITCH (b)</i>
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
Predominately speculative/Less near term vulnerability to default	Ba	BB	BB
Speculative, low grade/Greater vulnerability	B	B	B
Poor to default/Identifiable vulnerability	Caa	CCC	CCC
Highest speculations	Ca	CC	CC
Lowest quality, no interest	C	C	C
Payment in default, in arrears – questionable value		D	D

- (a) Moody's applies numeric modifiers to each generic ratings 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
- (b) S&P and Fitch apply plus (+) or minus (-) signs to ratings from AA to CCC, to indicate relative standing within the major rating categories.

7. INSURANCE BUSINESS AND NON-CONSOLIDATED ACTIVITIES

The Banking Group does not conduct any insurance business.

The Registered Bank does not conduct in New Zealand, outside of the Banking Group, any insurance business or non-financial activities.

8. MORTGAGE BUSINESS

The Banking Group does not provide mortgage loans in New Zealand.

9. OTHER MATERIAL MATTERS

There are no other matters relating to the business or affairs of the Registered Bank and the Banking Group which are not contained elsewhere in this Disclosure Statement which, if disclosed, would materially adversely affect the decision of a person to subscribe for debt securities of which the Registered Bank or any member of the Banking Group is the issuer.

10. FINANCIAL STATEMENTS OF THE REGISTERED BANK AND BANKING GROUP

Any person, upon request and without charge, may obtain a copy of the Banking Group's most recent Disclosure Statement, which contains a copy of the most recent publicly available (un-audited) consolidated financial statements of the Registered Bank ("Call Report") for the period ended 30 June 2024 and the Registered Bank's audited financial statements for the fiscal year ended 31 December 2023 ("2023 Financials") by requesting a copy from jpm_rbnz_finance_aus@jpmorgan.com. The most recent Call Report is also available online at <http://www.jpmorgan.com/pages/international/newzealand>.

The Call Report is prepared in accordance with the regulatory instructions issued by the Federal Financial Institutions Examination Council ("FFIEC"), as compared to the 2023 Financials which is prepared in accordance with U.S. GAAP. In 1997, the FFIEC adopted U.S. GAAP as the reporting basis for the consolidated balance sheet, income statement and related schedules included in the Call Report. Despite the adoption of U.S. GAAP as the reporting basis for the Call Report, the presentation of financial statements in the Call Report differs significantly from the presentation of financial statements included in the 2023 Financials, the Call Report generally contains less disclosure than audited financial statements prepared in accordance with U.S. GAAP.

11. STATEMENT BY THE DIRECTORS AND NEW ZEALAND CHIEF EXECUTIVE OFFICER

Each Director, and the New Zealand Chief Executive Officer, after due enquiry, believes that:

- This Disclosure Statement contains all the information that is required by the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) as at the date on which this Disclosure Statement is signed;
- The Registered Bank has complied in all material aspects with each condition of registration that applied during the half year accounting period;
- NZ Branch had systems in place to monitor and control adequately the material risks of the Registered Bank's 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 during the half year accounting period; and
- This Disclosure Statement is not false or misleading as at the date on which this Disclosure Statement is signed.

The current members of the Board of Directors of the Registered Bank are Linda B Bammann, Stephen B Burke, Todd A Combs, Mark A Weinberger, Alicia Davis, James Dimon, Alex Gorsky, Mellody Hobson, Phebe N Novakovic, and Virginia M. Rometty.

The Disclosure Statement is signed by Mr Stringer as a Responsible Person on behalf of each of the Directors, and Mr Bedwell, as New Zealand Chief Executive Officer.



Peter Stringer

27 August 2024

Date



Robert Bedwell

27 August 2024

Date

Signed on behalf of the Directors of JPMorgan Chase Bank, National Association.

12. Disclosure Statement

FOR THE SIX MONTHS ENDED 30 JUNE 2024

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

		Banking Group (\$'000)	
		Unaudited	Unaudited
Note		6 months	6 months
		30/06/2024	30/06/2023
	Interest income		
	Calculated using the effective interest rate method	25,104	17,086
	Being from instruments held at fair value	72,356	89,214
	Total interest income	97,460	106,300
	Interest expense		
	Calculated using the effective interest rate method	(15,614)	(9,425)
	Being from instruments held at fair value	(64,074)	(81,695)
	Total interest expense	(79,688)	(91,120)
	Net interest income	17,772	15,180
	Other operating income/(loss)	7,705	12,597
	Total operating income	25,477	27,777
	Operating expenses	(8,926)	(5,905)
	Credit impairment losses	(7,992)	307
	Net profit/(loss) before taxation	8,559	22,179
	Income tax (expense)/benefit	(2,982)	(6,651)
	Net profit/(loss) after taxation	5,577	15,528
	Other comprehensive income/(loss), net of tax	43	(8)
	Total comprehensive income for the period	5,620	15,520

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

Banking Group (\$'000)					
Note	Share Capital	Other Reserves	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
30 June 2023					
	-	-	-	-	-
	-	-	-	15,528	15,528
7	-	(93)	85	-	(8)
	-	(93)	85	15,528	15,520
	-	93	(85)	(15,528)	(15,520)
6	-	-	-	-	-
30 June 2024					
	-	-	-	-	-
	-	-	-	5,577	5,577
7	-	-	43	-	43
	-	-	43	5,577	5,620
	-	-	(43)	(5,577)	(5,620)
6	-	-	-	-	-

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

		Banking Group (\$'000)		
		Unaudited	Audited	
Note		6 months	12 months	
		30/06/2024	31/12/2023	
ASSETS				
Current Assets				
	Cash and cash equivalents	8	923,222	780,087
	Margin and other receivables	9	72,653	32,675
	Financial assets at fair value through profit or loss	10	2,762,470	1,723,908
	Financial assets at amortised cost	11	132,089	174,867
	Income tax asset		1,726	-
	Derivative assets		-	24
			3,892,160	2,711,561
Non Current Assets				
	Right-of-use asset	12	138	212
	Property, plant & equipment		50	53
	Deferred tax assets		3,586	1,360
			3,774	1,625
			3,895,934	2,713,186
LIABILITIES				
Current Liabilities				
	Deposits – short term	13	1,067,138	956,710
	Financial liabilities at fair value through profit or loss	14	2,617,903	1,464,279
	Derivative liabilities		223	-
	Margin and other payables	15	206,067	282,204
	Lease liabilities	12	128	153
	Provision for taxation		-	9,788
			3,891,459	2,713,134
Non Current Liabilities				
	Lease liabilities	12	-	52
	Provision for taxation		4,475	-
			4,475	52
			3,895,934	2,713,186
Net Assets				
			-	-
EQUITY				
	Attributable to the shareholders of the Banking Group		-	-
	Total Equity	5	-	-

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	Banking Group (\$'000)	
	Unaudited 6 months 30/06/2024	Unaudited 6 months 30/06/2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Fees, commissions and other income received	7,840	10,930
Payments to suppliers and employees	(11,680)	(3,270)
Receipts from/(payments to) related parties	(92,743)	(426,419)
Net movement in margin balances	-	(12,857)
Net proceed from disposal/(purchase) of financial instruments	128,090	(166,192)
Net (increase)/decrease in loans	42,778	(57,146)
Increase/(decrease) in deposits	36,993	637,934
Tax paid	(10,825)	(6,869)
Interest received	65,977	85,521
Interest paid	(20,252)	(5,534)
Net cash inflow/(outflow) from operating activities	22 146,178	56,097
CASH FLOWS FROM INVESTING ACTIVITIES		
Plant and equipment	3	2
Net cash inflow/(outflow) from investing activities	3	2
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for leases	(77)	(77)
Repatriation of profit	(2,969)	(3,742)
Net cash (outflow)/inflow from financing activities	(3,046)	(3,819)
Net increase/(decrease) in cash	143,135	52,280
Opening cash and cash equivalents	780,087	485,216
Effect of changes in foreign exchange rates on cash balances	-	(8,967)
Closing cash and cash equivalents	8 923,222	528,529

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A. Statutory Base

These financial statements have been prepared and presented in accordance with the requirements of the Financial Reporting Act 2013, the Financial Markets Conduct Act 2013 (the Act), the Companies Act 1993, the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order, 2014 (as amended), the Reserve Bank of New Zealand Act 1989, applicable New Zealand equivalents to International Financial Reporting Standards (NZ-IFRS) and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The financial report, comprising the financial statements and accompanying notes of the Banking Group (as defined on page 1) comply with International Financial Reporting Standards.

These financial statements are for the Banking Group and are authorised by the Directors for issue on 27 August 2024. The Registered Bank has the power to amend and re-issue the financial report.

B. Measurement Base

The financial statements are based on the general principles of historical cost, as modified by the valuation of certain assets and liabilities which are recorded at their fair values. The going concern concept and the accruals concept of accounting have been adopted. All amounts are expressed in New Zealand dollars and all references to “\$” are to New Zealand dollars unless otherwise stated. The amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

C. Basis of Aggregation and Preparation

The financial statements of NZ Branch and the New Zealand branch operations of J.P. Morgan Securities Australia Limited have been aggregated to form the Banking Group.

All transactions and balances between entities within the Banking Group have been eliminated.

D. Comparatives

Where necessary, comparatives have been reclassified to conform with changes in presentation in the current reporting period. Where restatements are material, the nature of and the reason for the restatement are disclosed in the relevant note.

E. Critical Accounting Estimates and Judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Banking Group’s accounting policies. Estimates and judgements are determined using historical knowledge and other factors, including a reasonable expectation of future events. Estimates, where applied, are subject to continuing evaluation for appropriateness. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are detailed below.

- **Fair Value**

Where an active market exists for a financial instrument, fair values are determined by reference to the quoted prices at balance date. These instruments are classified as level 1. However, for certain financial instruments where no active market exists, judgement is used to select the valuation technique which best estimates its fair value.

The fair value of all other financial instruments held by the Banking Group at balance date is determined using valuation techniques or models which apply market observable inputs. These instruments are classified as level 2.

The Banking Group does not hold any financial instruments classified as level 3 on the fair value hierarchy.

- **Measurement of the expected credit loss allowance**

An expected credit loss allowance (“ECL”) is required for financial assets measured at amortised cost and fair value through other comprehensive income as well as lending-related commitments such as loan commitments and financial guarantees. The measurement of ECL requires the use of complex models and significant assumptions about future economic conditions and credit behaviors.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Critical Accounting Estimates and Judgements (continued)

- **Measurement of the expected credit loss allowance (continued)**

A number of significant judgements are also required in measuring ECL, such as:

- Determining the criteria for identifying when financial instruments have experienced a significant increase in credit risk;
- Choosing appropriate forecasts and assumptions for the measurement of ECL;
- Application of post-model adjustments;
- Establishing the number and relative weightings of forward-looking scenarios for each type of financial instrument/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

There are no other judgements that management has made in the process of applying the Banking Group's accounting policies that have a significant effect on the amounts recognised in the financial statements, nor any key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

F. Significant Accounting Policies

During the six months ended 30 June 2024, the New Zealand Banking Group assessed its secured financing transactions to determine if balances could be offset, and qualifying transactions were offset. Financial assets and liabilities are offset and the net amount is reported in the statement of financial position where the Banking Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

There have been no other changes in accounting policies or methods of computation in the preparation of the financial statements for the six months ended 30 June 2024, since the most recent annual financial statements for the year ended 31 December 2023.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 June 2024**

NOTE 1 – NET INTEREST INCOME

	Banking Group (\$'000)	
	Unaudited 6 months 30/06/2024	Unaudited 6 months 30/06/2023
Financial assets at amortised cost		
Cash and cash equivalents	18,247	10,856
Loans and advances	6,857	5,357
Financial assets at fair value through profit or loss	72,356	90,087
Total interest income	97,460	106,300
Financial liabilities at amortised cost	(15,613)	(9,423)
Financial liabilities at fair value through profit or loss	(64,074)	(81,695)
Other	(1)	(2)
Total interest expense	(79,688)	(91,120)
Total net interest income	17,772	15,180

NOTE 2 – OTHER OPERATING INCOME/(LOSS)

	Banking Group (\$'000)	
	Unaudited 6 months 30/06/2024	Unaudited 6 months 30/06/2023
Fee and commissions income	10,207	14,313
Trading (loss)/income	(2,269)	(1,461)
Other (loss)/income	(233)	(255)
Total other operating (loss)/income	7,705	12,597

NOTE 3 – OPERATING EXPENSES

	Banking Group (\$'000)	
	Unaudited 6 months 30/06/2024	Unaudited 6 months 30/06/2023
Administration expenses	5,231	2,788
Fee and commissions expenses	1,495	1,330
Employee expenses	1,034	730
Occupancy expenses	76	46
Depreciation & amortisation	88	87
Professional services expenses	254	317
Technology & communications expenses	1	-
Other expenses	747	607
Total operating expenses	8,926	5,905

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 June 2024

Banking Group (\$'000)	
Unaudited	Unaudited
6 months	6 months
30/06/2024	30/06/2023

NOTE 4 – CREDIT IMPAIRMENT LOSSES

(Increase)/decrease in collective loss allowances on loans receivable (Note 11)
Reversals of previously recognised impairment losses

(8,085)	61
93	246
(7,992)	307

Banking Group (\$'000)	
Unaudited	Unaudited
6 months	6 months
30/06/2024	30/06/2023

NOTE 5 – INCOME TAX EXPENSE/(BENEFIT)

(a) The components of tax expense/ (benefit) comprise:

Current tax	5,209	6,259
Deferred tax	(2,227)	384
Over/ (Under) provision for prior years	-	8
	2,982	6,651

(b) The prima facie tax on operating surplus before tax is reconciled to the income tax expense/ (benefit) as follows

Operating surplus/(deficit) before tax	8,559	22,179
Income tax expense/(benefit) - prima facie at the Australian rate of 30% and New Zealand rate of 28%	2,604	6,533
Under/(Over) provision in prior years	-	8
Tax effect on non deductible expense	139	110
Tax effect on other assessable income	239	-
Total income tax expense	2,982	6,651

NOTE 6 – EQUITY

Profits of the Banking Group are repatriated to the Head Office on a monthly basis. Similarly, any losses are reimbursed by Head Office on a monthly basis.

Banking Group (\$'000)	
Unaudited	Unaudited
6 months	6 months
30/06/2024	30/06/2023

NOTE 7 – OTHER COMPREHENSIVE INCOME

Opening balance	-	-
Gains/(losses) on loans designated as FVOCI	-	(93)
Foreign currency translation reserve movement	43	85
Movement during the period	43	(8)
(Repatriation)/reimbursement (to)/from head office	(43)	8
Closing balance	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 June 2024

Banking Group (\$'000)	
Unaudited	Audited
6 months	12 months
30/06/2024	31/12/2023

NOTE 8 – CASH AND CASH EQUIVALENTS

Due from central and other banks

New Zealand - short term deposit	590,000	585,000
New Zealand - at call	215,167	177,980
Overseas - at call	118,055	17,107
Total due from central and other banks	923,222	780,087
Total cash and cash equivalents	923,222	780,087

8 (a) Reconciliation of Cash

Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

Cash and cash equivalents	923,222	780,087
	923,222	780,087

Banking Group (\$'000)	
Unaudited	Audited
6 months	12 months
30/06/2024	31/12/2023

NOTE 9 – MARGIN AND OTHER RECEIVABLES

Trade receivable	44,409	473
Margin receivable	8,502	16,730
Interest receivable	12,545	10,642
Amounts due from related parties	4,006	1,632
Fee income receivable	2,849	2,791
Other receivable	342	407
Total margin and other receivables	72,653	32,675

Banking Group (\$'000)	
Unaudited	Audited
6 months	12 months
30/06/2024	31/12/2023

NOTE 10 – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Government bonds, notes and securities	195,924	101,944
Cash collateral pledged on reverse repurchase agreements	2,566,546	1,621,964
Total financial assets at fair value through profit or loss	2,762,470	1,723,908

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 June 2024

Banking Group (\$'000)	
Unaudited	Audited
6 months	12 months
30/06/2024	31/12/2023

NOTE 11 – FINANCIAL ASSETS AT AMORTISED COST

Loans and advances	143,362	178,147
Expected credit loss allowance	(11,273)	(3,280)
Total financial assets at amortised cost	132,089	174,867

	ECL				Gross Carrying Amount			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime					
	ECL	ECL	ECL					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
31 Dec 2023								
As at 1 January 2023	(2,048)	-	-	(2,048)	97,361	-	-	97,361
New loans originated from existing commitments	-	-	-	-	-	-	-	-
New loans originated or purchased	(1,366)	-	-	(1,366)	92,900	-	-	92,900
Loans derecognised or repaid	134	-	-	134	(12,114)	-	-	(12,114)
Stage transfers	3,148	(3,148)	-	-	(25,621)	25,621	-	-
As at 31 December 2023	(132)	(3,148)	-	(3,280)	152,526	25,621	-	178,147
30 Jun 2024								
As at 1 January 2024	(132)	(3,148)	-	(3,280)	152,526	25,621	-	178,147
New loans originated from existing commitments	-	-	-	-	-	-	-	-
Increase in ECL provision	-	(8,085)	-	(8,085)	-	-	-	-
New loans originated or purchased	-	-	-	-	30,951	30	-	30,981
Loans derecognised or repaid	92	-	-	92	(65,766)	-	-	(65,766)
Stage transfers	-	-	-	-	-	-	-	-
As at 30 June 2024	(40)	(11,233)	-	(11,273)	117,711	25,651	-	143,362

*There were no Stage 3 loss allowances during the period

Neither the NZ Branch or the Banking Group have any financial assets designated as fair value through profit or loss on which there have been changes in fair value that are attributable to changes in credit risk of the financial asset. There were no individually impaired assets for the Banking Group at any point during the 2024 and the 2023 financial years.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 June 2024

NOTE 12 – LEASES

Amounts recognised in the Statement of Financial Position

The Statement of Financial Positions shows the following amounts relating to leases as at 30 June 2024:

Right-of-use assets

Properties \$138,000 (30 June 2023: \$304,000)

Lease liabilities

Current \$128,000 and Non-current nil (30 June 2023: Current \$152,000, Non-current: \$128,000).

Amounts recognised in the Statement of Comprehensive Income

The Statement of Comprehensive Income shows the following amounts relating to leases for the six months ended 30 June 2024:

Amortization charge of right-of-use assets

Properties \$83,000 (30 June 2023: \$159,000)

Interest Expense on Lease Liability

Leases \$1,000 (30 June 2023: \$2,000)

Banking Group (\$'000)	
Unaudited	Audited
6 months	12 months
30/06/2024	31/12/2023

NOTE 13 – DEPOSITS – SHORT-TERM

Deposits

	1,067,138	956,710
Total Deposits – short term	1,067,138	956,710

Retail deposits of the Registered Bank in New Zealand for the six months ended 30 June 2024 were Nil (2023: Nil).

Banking Group (\$'000)	
Unaudited	Audited
6 months	12 months
30/06/2024	31/12/2023

NOTE 14 – FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Trading securities

	148,204	73,526
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Cash collateral received on repurchase agreements

	2,469,699	1,390,753
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Total financial liabilities at fair value through profit or loss

	2,617,903	1,464,279
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 June 2024

Banking Group (\$'000)		
	Unaudited	Audited
	6 months	12 months
	30/06/2024	31/12/2023
Trade payables	61,344	2,627
Margin payable	8,502	16,730
Interest payable	6,361	7,523
Accrued expenses	1,697	2,734
Amounts due to related parties	127,969	252,350
Other payable	194	240
Total margin and other payables	206,067	282,204

NOTE 15 – MARGIN AND OTHER PAYABLES

NOTE 16 – RELATED PARTY TRANSACTIONS

During the half year period ended 30 June 2024, there have been dealings between members of the Banking Group, and dealings with other subsidiaries of the Registered Bank. Dealings include activities such as funding, accepting deposits, payment of fees on behalf of the Banking Group, income attribution received from overseas desks for the sale of credits and rates products, and transactions between J.P. Morgan Australia Group Pty Limited, the head entity in the Australian tax consolidated group, and the Australian incorporated company within the Banking Group under various tax sharing agreements. These transactions were made on terms equivalent to those that prevail in arm's length transactions. No related party debts have been written off, forgiven or provided for during the half year period ended 30 June 2024.

All of the Banking Group companies are ultimately owned by the Registered Bank.

Banking Group (\$'000)		
	Unaudited	Audited
	6 months	12 months
	30/06/2024	31/12/2023
Total due from related parties	1,317,862	1,291,730
Total due to related parties	2,516,408	1,954,023

NOTE 17 – TOTAL LIABILITIES OF THE REGISTERED BANK, NET OF AMOUNTS DUE TO RELATED PARTIES

NZ Branch (\$'000)		
	Unaudited	Audited
	6 months	12 months
	30/06/2024	31/12/2023
Total liabilities net of amounts due to related parties	783,848	561,321

NOTE 18 – COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2024, the Banking Group has no undrawn committed facilities (30 June 2023: Nil, 31 December 2023: Nil). As at 30 June 2024 the Banking Group did not have any contingent liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 June 2024

NOTE 19 – RECONCILIATION OF NET SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Banking Group (\$'000)	
	Unaudited 6 months 30/06/2024	Unaudited 6 months 30/06/2023
Net profit/(loss) for the period	5,577	15,528
Movement in Head Office Repatriation included in net surplus	(2,652)	(11,871)
Depreciation and amortisation	83	82
Interest expense on leases	1	2
Changes in operating assets and liabilities:		
Movement in financial instruments	115,309	(218,538)
Movement in trade receivable	(43,936)	19,189
Movement in fee income receivable	(58)	(773)
Movement in accrued interest receivable	(1,903)	7,454
Movement in amounts due from related parties	(2,374)	(1,011)
Movement in margin receivables	8,228	(22,425)
Movement in other receivable	65	(281)
Movement in deferred tax assets	(2,226)	384
Movement in loans	42,778	(57,146)
Movement in deposits	110,428	99,790
Movement in tax payable	(7,040)	4,842
Movement in accrued interest payable	(1,162)	5,763
Movement in margin payable	(8,228)	9,568
Movement in other payables	(45)	445
Movement in accrued expenses	(1,037)	(1,648)
Movement in amounts due to related parties	(124,381)	163,211
Movement in trade payable	58,717	34,496
Movement in foreign exchange translation balances attributable to cash and other balances	33	9,036
Net cash inflow/(outflow) from operating activities	146,178	56,097

NOTE 20 – EVENTS AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the reporting period which significantly affected, or may significantly affect, the operations, the results of those operations, or the state of affairs of the Banking Group in future financial years.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 June 2024
SUPPLEMENTAL INFORMATION

NOTE 21 – INTEREST EARNING AND DISCOUNT BEARING ASSETS AND LIABILITIES

	Banking Group (\$'000)	
	Unaudited	Unaudited
	6 months	12 months
	30/06/2024	31/12/2023
Interest earning and discount bearing assets	3,817,781	2,678,862
Interest and discount bearing liabilities	3,685,169	2,421,194

NOTE 22 – CAPITAL ADEQUACY

The Federal Reserve Board establishes capital requirements for the consolidated financial holding company, JPMCC. The Office of the Comptroller of the Currency (“OCC”) establishes similar requirements for the Registered Bank.

Under the risk-based capital guidelines of the OCC, the Registered Bank is required to maintain minimum ratios of CET1, Tier 1 and Total capital to risk-weighted assets (“RWA”). The Registered Bank is required to calculate its capital adequacy under both of the Basel III approaches (Standardized and Advanced) as required by the Collins Amendment of the Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”). The Registered Bank’s capital adequacy is evaluated against the lower of the two ratios. Failure to meet these minimum requirements could cause the OCC to take action. The Registered Bank is required to maintain minimum ratios for CET1 of 4.5%, Tier 1 Capital of 6% and Total Capital of 8% as at 30 June 2024. A capital conservation buffer of 2.5% applies in addition to these ratios.

The ratios given below for the Registered Bank are for the consolidated group, including the Registered Bank and its subsidiary and associated companies. The capital ratios for the Registered Bank on an unconsolidated basis are not publicly available.

Capital Adequacy Ratios	Basel III Advanced Registered Bank 30/06/2024 Unaudited	Basel III Standardised Registered Bank 30/06/2024 Unaudited	Basel III Advanced Registered Bank 30/06/2023 Unaudited	Basel III Standardised Registered Bank 30/06/2023 Unaudited
Common Equity Tier 1 Capital	17.7%	16.4%	18.1%	17.0%
Tier 1 Capital	17.7%	16.4%	18.1%	17.0%
Total Capital	18.1%	17.6%	18.5%	18.2%

As at the reporting date, the Registered Bank was well-capitalised and met all capital requirements to which it was subject.

The most recent publicly available Call Report of the Banking Group and the Registered Bank can be accessed online at <http://www.jpmorgan.com/pages/international/newzealand>.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 June 2024
SUPPLEMENTAL INFORMATION

NOTE 23 – ACTIVITIES OF THE BANKING GROUP IN NEW ZEALAND

As at 30 June 2024, no members of the Banking Group have been involved in:

- (a) the origination of securitised assets or the marketing or servicing of securitisation schemes;
- (b) the marketing and distribution of insurance products; and
- (c) the establishment, marketing, or sponsorship of trust or funds management

Custodial Services

The NZ Branch acts as the sub-custodian entity in New Zealand for global custody business only. The financial statements of the Banking Group include income in respect of custodial services provided to customers by the NZ Branch. As at 30 June 2024, securities held on behalf of NZ Branch's customers were excluded from the Statement of Financial Position. The value of securities held in custody by NZ Branch was \$35,322 million (30 June 2023: \$33,465 million).

NZ Branch is subject to the typical risks incurred by custodial operations. JPMCC maintains a range of insurance policies (for its own benefit and that of subsidiaries including NZ Branch), including Banker's Blanket Bond Insurance which provides cover for it in respect of loss of money or securities (through fraud, theft or disappearance). Such Banker's Blanket Bond cover is maintained with limits of cover which vary from time to time but which are considered prudent and in accordance with international levels and insurance market capacity.

NOTE 24 – RISK MANAGEMENT

During the six months ended 30 June 2024, the Banking Group has not become exposed to any new category of risk and there have been no material changes to the Banking Group's policies for managing risks in relation to liquidity risk, market risk (currency and interest rate risk), credit risk, operational risk or any other material business risks to which it is exposed to.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 June 2024
SUPPLEMENTAL INFORMATION

NOTE 24 – RISK MANAGEMENT (continued)

Exposure to Liquidity Risk

The following table shows a composition of our funding sources that contribute to the liquidity risk position as at 30 June 2024 and are held by the Banking Group for the purposes of managing liquidity risk.

	Banking Group (\$'000)							
	Unaudited 30/06/2024							
	Total	On Demand	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	Non specified
ASSETS								
*Cash and cash equivalents	923,222	333,222	590,000	-	-	-	-	-
*Margin and other receivables	72,653	8,502	64,151	-	-	-	-	-
*Financial assets at fair value through profit or loss	2,762,470	-	2,762,470	-	-	-	-	-
*Financial assets at amortised cost	132,089	116,146	15,943	-	-	-	-	-
Right-of-use asset	138	-	-	-	-	-	-	138
Property, plant & equipment	50	-	-	-	-	-	-	50
Income tax asset	1,726	-	-	-	-	-	-	1,726
Deferred tax assets	3,586	-	-	-	-	-	-	3,586
Total Assets	3,895,934	457,870	3,432,564	-	-	-	-	5,500
LIABILITIES								
Deposits – short term	1,067,138	1,066,586	552	-	-	-	-	-
Financial liabilities at fair value through profit or loss	2,617,903	-	2,617,903	-	-	-	-	-
Margin and other payables	206,067	8,502.00	197,565	-	-	-	-	-
Provision for taxation	4,475	-	-	-	4,475	-	-	-
Lease liabilities	128	-	38	38	52	-	-	-
Derivative liabilities	223	-	223	-	-	-	-	-
Total Liabilities	3,895,934	1,075,088	2,816,281	38	4,527	-	-	-

* Represents the Banking Group's assets held for managing liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 June 2024
SUPPLEMENTAL INFORMATION

NOTE 24– RISK MANAGEMENT (continued)

Exposure to Interest Rate Risk

The tables below summarise the pre-tax sensitivity of financial assets and financial liabilities to changes in the interest rate. The carrying value of the assets and liabilities were used as the basis for the analysis and financial modelling was used to determine the impact on those values of changes in each risk scenario. The sensitivity to interest rate movements, models the impact of a 1% parallel movement, both up and down, in the yield curve on earnings.

	Banking Group (\$'000)				
	Unaudited				
	30/06/2024				
	Carrying Amount	Interest Rate Risk			
-1%		+1%			
	Profit	Equity	Profit	Equity	
ASSETS					
Cash and cash equivalents	923,222	(19,388)	(19,388)	19,388	19,388
Margin and other receivables	72,653	-	-	-	-
Government bonds, notes and securities	195,924	(6,152)	(6,152)	6,152	6,152
Cash collateral pledged on reverse repurchase agreements	2,566,546	(143,470)	(143,470)	143,470	143,470
Financial assets at amortised cost	132,089	(10,237)	(10,237)	10,237	10,237
Right-of-use asset	138	-	-	-	-
Property, plant & equipment	50	-	-	-	-
Income tax asset	1,726	-	-	-	-
Deferred tax assets	3,586	-	-	-	-
Total Assets	3,895,934	(179,246)	(179,246)	179,246	179,246
LIABILITIES					
Deposits – short term	1,067,138	22,410	22,410	(22,410)	(22,410)
Trading securities	148,204	4,209	4,209	(4,209)	(4,209)
Cash collateral received on repurchase agreements	2,469,699	131,141	131,141	(131,141)	(131,141)
Margin and other payables	206,067	-	-	-	-
Lease liabilities	128	-	-	-	-
Derivative liabilities	223	-	-	-	-
Provision for taxation	4,475	-	-	-	-
Total Liabilities	3,895,934	157,760	157,760	(157,760)	(157,760)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 June 2024
SUPPLEMENTAL INFORMATION

NOTE 24 – RISK MANAGEMENT (continued)

Concentration of Credit Risk

The gross carrying amount of the Banking Group’s financial assets represents the maximum credit exposure. The concentration of credit risk is determined based on categories provided by The Reserve Bank of New Zealand for the preparation of regulatory returns. Each concentration is identified by shared characteristics, specifically industry and geographical area.

The maximum exposure to credit risk at reporting date was:

	Banking Group (\$'000)
	Unaudited 30/06/2024
Credit Risk Components:	
Cash and cash equivalents	923,222
Margin and other receivables	72,653
Financial assets at fair value through profit or loss	2,762,470
Financial assets at amortised cost	132,089
	<u>3,890,434</u>
Credit Risk by industry	
Finance	3,550,621
Wholesale trade	59,158
Local authorities	195,924
Other	84,731
	<u>3,890,434</u>
Credit Risk by geographical area	
Within New Zealand	1,715,026
Overseas	2,175,408
	<u>3,890,434</u>

Cash balances that are held with registered banks in New Zealand are rated AA- by S&P.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 June 2024
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NOTE 24 – RISK MANAGEMENT (continued)

Concentration of Funding Risk

The carrying amount of the Banking Group's financial liabilities represents the maximum funding exposure. The maximum exposure to funding risk at reporting date was:

	Banking Group (\$'000)
	Unaudited 30/06/2024
Funding Risk Components:	
Deposits – short term	1,067,138
Financial liabilities at fair value through profit or loss	2,617,903
Margin and other payables	206,067
Derivative liabilities	223
	<u>3,891,331</u>
Funding Risk by industry	
Finance	3,059,660
Administration & support services	78,266
Manufacturing	101,655
Local authorities	148,204
Information media & telecommunications	374,603
Wholesale trade	51,001
Other	77,942
	<u>3,891,331</u>
Funding Risk by geographical area	
Within New Zealand	735,498
Overseas	3,155,833
	<u>3,891,331</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 June 2024
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NOTE 24 – RISK MANAGEMENT (continued)

Interest Rate Sensitivity

The Banking Group's exposure to interest rate risk, is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the period-end interest rates on classes of financial assets and financial liabilities. The table below shows the interest rate repricing schedule for each class of financial assets and financial liabilities, contractual repricing or maturity dates, whichever dates are earlier, grouped into maturity bands.

	Banking Group (\$'000)						
	Unaudited 30/06/2024						
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	Not interest- bearing	
ASSETS							
Cash and cash equivalents	923,222	923,222	-	-	-	-	-
Margin and other receivables	72,653	-	-	-	-	-	72,653
Financial assets at fair value through profit or loss	2,762,470	2,762,470	-	-	-	-	-
Financial assets at amortised cost	132,089	132,089	-	-	-	-	-
Right-of-use asset	138	-	-	-	-	-	138
Property, plant & equipment	50	-	-	-	-	-	50
Income tax asset	1,726	-	-	-	-	-	1,726
Deferred tax assets	3,586	-	-	-	-	-	3,586
Total Assets	3,895,934	3,817,781	-	-	-	-	78,153
LIABILITIES							
Deposits – short term	1,067,138	1,067,138	-	-	-	-	-
Financial liabilities at fair value through profit or loss	2,617,903	2,617,903	-	-	-	-	-
Margin and other payables	206,067	-	-	-	-	-	206,067
Provision for taxation	4,475	-	-	-	-	-	4,475
Derivative liabilities	223	223	-	-	-	-	-
Lease liabilities	128	38	38	52	-	-	-
Total Liabilities	3,895,934	3,685,302	38	52	-	-	210,542

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 June 2024
SUPPLEMENTAL INFORMATION

NOTE 25 – EXPOSURE TO MARKET RISK

Set out below are details of market risk end-period notional capital charges. This has been derived using the Banking Prudential Requirements BPR140: Market Risk, which is in accordance with Schedule 9 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended). Market risk exposures have been derived using the Banking Prudential Requirements BPR140: Market Risk.

	Banking Group (\$'000)	
	Unaudited	
	Implied risk weighted exposure	Notional capital charge
30 June 2024		
Market Risk End-period		
Interest rate risk	-	-
Currency risk	124,516	9,961
Equity risk	-	-
1 January 2024 - 30 June 2024		
Market Risk Peak End-of-day		
Interest rate risk	-	-
Currency risk	124,516	9,961
Equity risk	-	-

NOTE 26 – ASSET QUALITY

There are no expected material losses or diminution in asset value for the Banking Group. The provision of information in relation to the following classes of assets is therefore not necessary:

- aggregate amount of any undrawn balances on lending commitments to counterparties for whom drawn balances are classified as individually impaired;
- other individually impaired assets;
- restructured assets;
- financial assets acquired through the enforcement of security;
- real estate assets acquired through the enforcement of security;
- other assets acquired through the enforcement of security; and
- other assets under administration.

The table below presents assets past due at balance date:

	Banking Group (\$'000)				Total
	Unaudited				
	Less than 30 days past due	At least 30 days but less than 60 days past due	At least 60 days but less than 90 days past due	At least 90 days past due	
30 June 2024					
Past due and not impaired	52	323	46	28	449
30 June 2023					
Past due and not impaired	83	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTHS ENDED 30 June 2024
SUPPLEMENTAL INFORMATION

NOTE 26 – ASSET QUALITY (continued)

As at the reporting date, the Banking Group has no individually impaired assets, or any assets under administration.

	Registered Bank (consolidated)	
	Unaudited 6 months 30/06/2024 US\$'000	Unaudited 6 months 30/06/2023 US\$'000
Total non-accrual loans	7,858,000	7,492,000
Total loans	1,333,973,000	1,308,352,000
Total non-accrual loans expressed as a percentage of total loans	0.6%	0.6%
Total expected credit losses	22,928,000	21,919,000
Total expected credit losses expressed as a percentage of total loans	1.7%	1.7%

NOTE 27 – REGISTERED BANK PROFITABILITY AND SIZE

	Registered Bank (consolidated)	
	Unaudited 6 months 30/06/2024 US\$'000	Unaudited 6 months 30/06/2023 US\$'000
Net profit/(loss) after taxation	28,393,000	25,712,000
Net profit/(loss) after taxation, over the previous 12 month period, as a percentage of average total assets	0.8%	1.4%
Total assets	3,510,536,000	3,382,195,000
Percentage increase/(decrease) in total assets from previous period	3.8%	0.04%



Independent auditor's review report

To the Directors of JPMorgan Chase Bank, N.A.

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 2024 of JPMorgan Chase Bank, N.A (the "Overseas Bank") in respect of the aggregated New Zealand operations of the New Zealand Branch of JPMorgan Chase Bank, N.A. and J.P. Morgan Securities Australia Limited, New Zealand Branch (the "NZ 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 statement of financial position as at 30 June 2024, 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 NZ 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; or
 - 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.

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 Disclosure Statement (excluding credit and market risk exposures and capital adequacy information disclosed in accordance with Schedule 9)* section of our report.



We are independent of the NZ 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 capacity as auditor we have no relationship with, or interests in, the NZ 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:
 - o does not present fairly, in all material respects, the matters to which it relates; or
 - o is not disclosed, in all material respects, in accordance with those schedules; or
 - o 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 Josephine Hellstern.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
27 August 2024

Sydney



Independent Assurance Report

To the Directors of JPMorgan Chase Bank, N.A

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 aggregated New Zealand operations of the New Zealand Branch of JPMorgan Chase Bank, N.A. and J.P. Morgan Securities Australia Limited, New Zealand Branch (the "NZ 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 its half year Disclosure Statement for the 6 month ended 30 June 2024 (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 NZ 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 Note 22 - Capital Adequacy, 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 JPMorgan Chase Bank, N.A 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 NZ 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

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

We are independent of the NZ Banking Group. Other than in our capacity as auditors and providers of other related assurance services we have no relationship with, or interests in, the NZ Banking Group.

Assurance practitioner's responsibilities

Our responsibility is to express a limited assurance conclusion on whether the NZ 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 NZ 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 NZ 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 NZ 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 NZ 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 Josephine Hellstern.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

Chartered Accountants
27 August 2024

Sydney