

**ANZ NEW ZEALAND (INT'L) LIMITED
INTERIM FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED 31 MARCH 2021



INTERIM FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 March	Note	2021 NZ\$m	2020 NZ\$m
Interest income		146	219
Interest expense		(142)	(215)
Profit before credit impairment and income tax		4	4
Credit impairment release / (charge)	2	2	(3)
Profit before income tax		6	1
Income tax expense		(1)	(1)
Profit for the period		5	-

There are no items of other comprehensive income.

BALANCE SHEET

As at	Note	31 Mar 21 NZ\$m	30 Sep 20 NZ\$m
Assets			
Due from the Parent Company	2	19,902	20,649
Total assets		19,902	20,649
Liabilities			
Accrued interest payable		9	20
Commercial paper		3,542	1,747
Current tax liabilities		1	1
Debt issuances	3	16,339	18,875
Total liabilities		19,891	20,643
Net assets		11	6
Equity			
Retained earnings		11	6
Total Equity		11	6

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

CASH FLOW STATEMENT

For the six months ended 31 March	2021 NZ\$m	2020 NZ\$m
Cash flows from operating activities		
Interest received	157	225
Interest paid	(153)	(221)
Income taxes paid	(1)	(1)
Net cash flows provided by operating activities	3	3
Cash flows from investing activities		
Increase in due from the Parent Company	(474)	(3,528)
Net cash flows used in investing activities	(474)	(3,528)
Cash flows from financing activities		
Proceeds from issue of debt issuances	-	2,327
Increase in commercial paper	1,859	1,722
Redemption of debt issuances	(1,388)	(524)
Net cash flows provided by financing activities	471	3,525
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the period	-	-
Cash and cash equivalents at end of the period	-	-

STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 March	2021 NZ\$m	2020 NZ\$m
Total equity (retained earnings)		
Opening balance	6	4
Profit or loss	5	-
Closing balance	11	4

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) as applicable to interim financial statements. ANZ New Zealand (Int'l) Limited (the Company) is a publicly accountable for-profit entity for the purposes of complying with NZ GAAP.

These financial statements comply with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the financial statements for the year ended 30 September 2020.

These financial statements were approved by the Board of Directors on 7 May 2021.

Use of estimates and assumptions

The preparation of these interim financial statements requires the use of management judgement, estimates and assumptions that affect reported amounts and the application of policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable. Actual results may differ from these estimates.

Allowance for expected credit losses and coronavirus (COVID-19) pandemic

During the six months ended 31 March 2021 the collectively assessed allowance for expected credit losses (ECL) decreased by NZ\$2 million, reflecting the impact of an improved economic outlook since 30 September 2020.

The uncertain evolution of the COVID-19 pandemic increases the risk to the forecast resulting in an understatement or overstatement of the ECL balance due to uncertainties around:

- the extent and duration of the disruption to business arising from the actions of governments, businesses and consumers to contain the spread of the virus;
- the impact, extent and duration of the expected economic downturn (and forecasts for key economic factors including GDP, employment and house prices). This includes disruption to capital markets, and the impacts on credit quality, liquidity, unemployment, consumer spending, as well as specific sector impacts and other restructuring activities; and
- the efficacy, extent and pace of roll-out of vaccines, as well as the effectiveness of government and central bank measures that have been and will be put in place to support businesses and consumers through this disruption.

Actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact ECL.

Basis of measurement

These interim financial statements have been prepared on a going concern basis in accordance with historical cost concepts.

Presentation currency and rounding

The amounts contained in the financial statements are presented in millions of New Zealand dollars.

Changes in accounting policies

The accounting policies applied by the Company are consistent with those applied and disclosed in the previous full year financial statements.

2. RELATED PARTY TRANSACTIONS

Commercial paper and debt issuances are guaranteed by the Parent Company. Debt issuances, other than covered bonds, are otherwise unsecured and rank equally with other unsecured liabilities.

Amounts due from the Parent Company are lent on similar terms as the underlying funding raised, and are net of an allowance for ECL of NZ\$9 million (30 September 2020: NZ\$11 million).

Covered Bonds

As at 31 March 2021, covered bonds of NZ\$4,196 million (30 September 2020: NZ\$4,456 million) included in debt issuances were guaranteed by ANZ Covered Bond Trust Limited as trustee of ANZ Covered Bond Trust (the Trust) under the terms of the Parent Company's covered bond programme.

Substantially all of the assets of the Trust are made up of certain housing loans and related securities originated by the Parent Company which are security for the guarantee by ANZ Covered Bond Trust Limited as trustee of the Trust of issuances of covered bonds by the Company, or the Parent Company, from time to time. The assets of the Trust are not available to creditors of the Company or the Parent Company, although the Company or the Parent Company (or its liquidator or statutory manager) may have a claim against the residual assets of the Trust (if any) after all prior ranking creditors of the Trust have been satisfied.

3. DEBT ISSUANCES

	31 Mar 21 NZ\$m	30 Sep 20 NZ\$m
U.S. medium-term notes	7,525	9,496
Euro medium-term notes	4,618	4,923
Covered bonds	4,196	4,456
Total debt issued	16,339	18,875

4. FAIR VALUE MEASUREMENTS

Financial assets and financial liabilities not measured at fair value

No assets or liabilities are carried at fair value. Below is a comparison of the carrying amounts as reported on the balance sheet and fair value of financial asset and liability categories other than those categories where the carrying amount is considered a reasonable approximation of fair value:

	31 Mar 21		30 Sep 20	
	Carrying amount NZ\$m	Fair value NZ\$m	Carrying amount NZ\$m	Fair value NZ\$m
Financial assets				
Due from Parent Company	19,902	20,361	20,649	21,341
Financial liabilities				
Commercial paper	3,542	3,543	1,747	1,748
Debt issuances	16,339	16,797	18,875	19,566



Independent Review Report

To the shareholder of ANZ New Zealand (Int'l) Limited

Report on the interim financial statements

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements on pages 2 to 5 do not:

- i. present fairly in all material respects ANZ New Zealand (Int'l) Limited's (the 'Company') financial position as at 31 March 2021 and its financial performance and cash flows for the six month period ended on that date; and
- ii. comply with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

We have completed a review of the accompanying interim financial statements which comprise:

- the balance sheet as at 31 March 2021;
- the statements of comprehensive income, changes in equity and cash flows for the six month period then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for conclusion

A review of the interim financial statements in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* ("NZ SRE 2410") is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

As the auditor of ANZ New Zealand (Int'l) Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

Our firm has also provided other services to the Company in relation to prospectus reviews and assurance services. These matters have not impaired our independence as reviewer of the Company. The firm has no other relationship with, or interest in, the Company.



Use of this Independent review report

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



Responsibilities of the Directors for the interim financial statements

The Directors, on behalf of the Company, are responsible for:

- the preparation and fair presentation of the interim financial statements in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*;
- implementing necessary internal control to enable the preparation of interim financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. We conducted our review in accordance with NZ SRE 2410 issued by the New Zealand External Reporting Board. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on these interim financial statements

This description forms part of our Independent review report.

KPMG
Auckland

7 May 2021

