ANZ New Zealand (Int'l) Limited

(formerly ANZ National (Int’l) Limited)

Annual Report

FOR THE YEAR ENDED 30 SEPTEMBER 2012

ANZ New Zealand (Int'l) Limited

Annual Report

For the year ended 30 September 2012

Contents

Annual Report	1
Statement of Comprehensive Income	2
Statement of Changes in Equity	2
Balance Sheet	3
Cash Flow Statement	4
Notes to the Financial Statements	5
Independent Auditor’s Report	12

Annual Report

For the year ended 30 September 2012

ANZ New Zealand (Int'l) Limited ("the Company") is incorporated in New Zealand under the Companies Act 1993. Its registered office is at Level 10, 170-186 Featherston Street, Wellington, New Zealand. The ultimate parent company is Australia and New Zealand Banking Group Limited ("the Ultimate Parent"). The Company changed its name from ANZ National (Int'l) Limited on 29 October 2012.

Pursuant to section 211(3) of the Companies Act 1993, the shareholder of the Company has agreed that the Annual Report of the Company need not comply with any of the paragraphs (e) to (h) and (j) of subsection (1) and subsection (2) of section 211.

Management Report

Nature of Business

The Company provides funding facilities and wholesale funding to its parent company, ANZ Bank New Zealand Limited ("the Parent Company") (formerly ANZ National Bank Limited) including the issuance of U.S. Commercial Paper, Euro-Commercial Paper, U.S. Medium-Term Notes, Euro Medium-Term Notes and Covered Bonds. The Company's overseas activities are currently conducted through its London Branch. The Company has no subsidiaries.

The Company issued its first Covered Bonds in October 2011, and has issued Covered Bonds with a carrying value of $2,962 million as at 30 September 2012. There have not been any other material changes in the nature of the Company's business during the year.

Business Review

The increase in the Company's total assets from $19,992 million as at 30 September 2011 to $20,318 million as at 30 September 2012 has been driven primarily by new issuances of Covered Bonds, and U.S. Commercial Paper which have replaced maturities of U.S. Commercial Paper, Euro Medium-Term Notes and U.S. Medium-Term Notes. This has been partially offset by the strengthening of the NZD/USD spot rate from 0.76 at 30 September 2011 to 0.84 at 30 September 2012.

Net interest income of $8 million for the year to 30 September 2012 was consistent with the prior financial year ($8 million).

Principal Risks and Uncertainties

The Company expects minimal change to principal risks and uncertainties over the next year.

The Company's exposure to risk arises from the Company's operations as a financial intermediary and participant in the financial markets. All aspects of risk are managed within a framework of policies, limits, control procedures, systems and reporting, and risk exposures are independently monitored and controlled within predefined limits, with an internal reporting framework in place.

The Company carries minimal interest rate, liquidity and currency risk reflecting the Company's role as a financial intermediary. The Company's principal credit risk exposure continues to be to the Parent Company. Operational risk is managed through a comprehensive infrastructure of effective policies, procedures, businesses systems and compliance.

Other Information

- No important events have occurred since the end of the financial year
- No significant changes are planned to the future operations of the Company.
- The Company is not involved in research and development.
- The Company has not acquired any of its own shares.
- The Company only operates through its London branch.

Directors

The Directors of the Company as at 30 September 2012 were:

- David Hisco
- Nick Freeman; and
- Jennifer Evans

There have not been any changes to the Directors of the Company since 30 September 2011.

Responsibility Statement

As at the date on which this Responsibility Statement is signed, after due enquiry and to the best of their knowledge, the Directors confirm that:

(a) the financial statements, prepared in accordance with New Zealand Generally Accepted Accounting Practice and International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and

(b) the management report of the Company includes a fair review of the development and performance of the business and the position of the Company and the principal risks and uncertainties that it faces.

For and on behalf of the Board of Directors:

Nick Freeman	Jennifer Evans
Director	Director
22 November 2012	22 November 2012

Statement of Comprehensive Income

$ millions	Note	**Year to 30/09/2012**	Year to 30/09/2011
Interest income	**6**	**425**	438
Interest expense	**2**	**417**	430
Net interest income		**8**	8
Operating expenses		**1**	1
Profit before income tax		**7**	7
Income tax expense	**3**	**2**	2
Profit after income tax		**5**	5

There are no items of other comprehensive income.

Statement of Changes in Equity

$ millions	Note	Foreign Currency Translation Reserve	Retained Profits	Total Equity
As at 1 October 2010		3	3	6
Profit after tax		-	5	5
Ordinary dividend paid	**8**	-	(3)	(3)
As at 30 September 2011		3	5	8
Transfer on change in functional currency		**(3)**	**3**	**-**
Profit after income tax		**-**	**5**	**5**
Total comprehensive income		**(3)**	**8**	**5**
Ordinary dividend paid	**8**	**-**	**(8)**	**(8)**
As at 30 September 2012		**-**	**5**	**5**

Balance Sheet

$ millions	Note	30/09/2012	30/09/2011
Assets			
Due from the Parent Company	**6**	**20,318**	19,992
Total assets		**20,318**	19,992
Liabilities			
Accrued interest payable		**98**	104
Commercial paper	**4**	**5,444**	4,790
Current tax liabilities		**1**	1
Due to other related parties		**206**	2
Bonds and notes	**5**	**14,564**	15,087
Total liabilities		**20,313**	19,984
Net assets		**5**	8
Equity			
Foreign currency translation reserve		**-**	3
Retained profits		**5**	5
Total Equity	**8**	**5**	8

For and on behalf of the Board of Directors:

Nick Freeman
Director
22 November 2012

Jennifer Evans
Director
22 November 2012

Cash Flow Statement

$ millions	**Year to 30/09/2012**	Year to 30/09/2011
Cash flows from operating activities		
Interest received	**431**	444
Interest paid	**(423)**	(436)
Operating expenses	**(1)**	(1)
Tax paid	**(2)**	(2)
Net cash flows provided by operating activities	**5**	5
Cash flows from investing activities		
Decrease / (increase) in due from the Parent Company	**(2,580)**	2,823
Decrease in due from other related parties	**-**	1,427
Net cash flows provided by / (used in) investing activities	**(2,580)**	4,250
Cash flows from financing activities		
Proceeds from bonds and notes	**4,877**	1,767
Increase in due to other related parties	**204**	-
Increase / (decrease) in commercial paper	**1,595**	(2,940)
Redemption of bonds and notes	**(4,093)**	(3,079)
Dividends paid	**(8)**	(3)
Net cash flows provided by / (used in) financing activities	**2,575**	(4,255)
Net increase in cash and cash equivalents	**-**	-
Cash and cash equivalents at beginning of the year	**-**	-
Cash and cash equivalents at end of the year	**-**	-

Reconciliation of profit after income tax to net cash flows provided by operating activities		
Profit after income tax	**5**	5
Adjustments		
Change in accrued interest receivable	**6**	7
Change in accrued interest payable	**(6)**	(7)
Net cash flows provided by operating activities	**5**	5

Liquidity facilities		
Unsecured liquidity facilities available to the Company	-	1,250

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

Notes to the Financial Statements

1. Significant Accounting Policies

(a) Basis of preparation

(i) Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Companies Act 1993 and the Financial Reporting Act 1993.

These financial statements have also been prepared in accordance with New Zealand Generally Accepted Accounting Practice. They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate to profit-oriented entities. The financial statements comply with International Financial Reporting Standards ("IFRS").

The principal accounting policies adopted in the preparation of the financial statements are set out below.

(ii) Use of estimates and assumptions

The preparation of the 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.

(iii) Basis of measurement

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

(iv) Changes in accounting policies and application of new accounting standards

On 1 October 2011 the Company changed its functional currency to New Zealand dollars ("NZD") from United States dollars ("USD"), because of the increase in the number of currencies in which funding is obtained and that the Company operates as a financial intermediary with the Parent Company. NZD was chosen as the new functional currency because it is the functional currency of the Parent Company and the Company's activities are substantially managed in NZD. The change in functional currency has been accounted for prospectively from the date of change. As shown in the statement of changes in equity, the foreign currency translation reserve of $3 million was transferred to retained profits on 1 October 2011.

The Company previously applied the Framework for Differential Reporting for Entities applying the NZ IFRS Reporting Regime ("the Framework for Differential Reporting"). This year, the Company has elected to not apply exemptions available under the Framework for Differential Reporting, which related only to disclosure and did not impact any recognition or measurement criteria.

The Company has applied, where relevant, all new or revised NZ IFRSs and NZ IFRS Interpretations applicable to the year ended 30 September 2012; however these affected disclosure only and did not have a material impact.

(v) Rounding

The amounts contained in the financial statements have been rounded to the nearest million dollars, except where otherwise stated.

(vi) Comparatives

Related party payables with a carrying value of $2,294 million as at 30 September 2011 have been reclassified to bonds and notes ($2,290 million) and accrued interest ($4 million) to show all bonds and notes on issue together, and to be consistent with disclosures in the financial statements of the Parent Company. Interest income and interest expense for the year ended 30 September 2011 have been increased by $54 million to adjust for interest that had previously been shown net.

These reclassifications did not change the amounts for total assets, total liabilities, or net interest income that had been reported previously. Amounts in the cash flow statement and the notes to the financial statements have been reclassified accordingly.

(vii) Foreign currency translation

Functional and presentation currency

The financial statements are presented in New Zealand dollars, which is Company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities resulting from foreign currency transactions are subsequently translated at the spot rate at reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different to those at which they were initially recognised or included in a previous financial report, are recognised in the income statement in the period in which they arise.

(b) Income and expense recognition

Interest income and interest expense are recognised in the statement of comprehensive income as they accrue, using the effective interest method.

The effective interest method calculates the amortised cost of a financial asset or financial liability and allocates the interest income or interest expense, including any fees and directly related transaction costs that are an integral part of the effective interest rate, over the expected life of the financial asset or liability. The application of the method has the effect of recognising income and expense on the financial asset or liability evenly in proportion to the amount outstanding over the period to maturity or repayment.

(c) Income tax

(i) Income tax expense

Income tax on profits for the period comprises current and deferred tax. It is recognised in the income statement as tax expense, except when it relates to items credited directly to equity, in which case it is recorded in equity.

(ii) Current tax

Current tax is the expected tax payable on taxable income for the period, based on tax rates (and tax laws) which are enacted or substantively enacted by the reporting date and including any adjustment for tax payable in previous periods. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Notes to the Financial Statements

(d) Recognition and derecognition of financial assets and financial liabilities

(i) Recognition

Financial assets include amounts due from the Parent Company. Financial liabilities include commercial paper, amounts due to related parties and bonds and notes.

The Company recognises a financial asset or liability on its balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial asset or liability. Financial assets and financial liabilities are initially recognised at fair value including directly attributable transaction costs and subsequently measured at amortised cost.

(ii) Derecognition

The Company derecognises a financial asset from its balance sheet when, and only when, (i) the contractual rights to the cash flows from the financial asset expire, or (ii) the Company has transferred all or substantially all of the risks and rewards of ownership of the financial asset and no longer controls the financial asset. The Company derecognises a financial liability from its balance sheet, when and only when, it is extinguished.

(e) Presentation

(i) Offsetting of income and expenses

Income and expenses are not offset unless required or permitted by an accounting standard. This generally arises in the following circumstances:

- where gains and losses from a group of similar transactions are reported on a net basis such as foreign exchange gains and losses;
- where amounts are collected on behalf of third parties, where the Company is, in substance, acting as an agent only; or
- where costs are incurred on behalf of customers from whom the Company is reimbursed.

(ii) Offsetting of assets and liabilities

Assets and liabilities are offset and the net amount reported in the balance sheet only where:

- there is a current enforceable legal right to offset the asset and liability; and
- there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(iii) Cash flow statement

Cash and cash equivalents comprise cash at bank.

Certain cash flows have been netted in order to provide more meaningful disclosure, as many of the cash flows are received and immediately lent to the Parent Company. These cash flows are high volume and short term in nature and include commercial paper and related party balances.

(iv) Segment reporting

Business segments are distinguishable components of the Company that provide products or services that are subject to risks and rewards that are different to those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and rewards that are different to those components operating in other economic environments.

As the principal activity of the Company is the raising of external funding, which is on-lent to the Parent Company at a margin, and the majority of its revenue is not earned from external customers, the Company does not have any reportable segments.

(f) Other

(i) Accounting Standards not early adopted

The following standards and amendments were available for early adoption but have not been applied by the Company in these financial statements. The Company currently does not intend to apply any of these pronouncements until their effective date and is assessing their impact on its financial statements.

NZ IFRS 13 Fair value measurement (effective for periods commencing after 1 January 2013)
Provides a single source of guidance on fair value measurement and requires certain disclosures regarding fair value.

NZ IFRS 9 Financial Instruments (effective for periods commencing after 1 January 2015)
Specifies a simpler methodology for classifying and measuring financial assets, with two primary measurement categories: amortised cost and fair value. Requires the amount of change in the fair value attributable to changes in credit risk of certain liabilities designated under the fair value option to be presented in other comprehensive income.

Notes to the Financial Statements

2. Interest Expense

$ millions	**Year to 30/09/2012**	Year to 30/09/2011
Commercial paper	**20**	16
Bonds and notes	**397**	414
Total interest expense	**417**	430

3. Income Tax

$ millions	**Year to 30/09/2012**	Year to 30/09/2011
Reconciliation of the prima facie income tax payable on profit		
Profit before income tax	**7**	7
Prima facie income tax at 28% (2011: 30%)	**2**	2
Total income tax expense	**2**	2
Amounts recognised in the statement of comprehensive income		
Current tax	**2**	2

4. Commercial Paper

$ millions	**30/09/2012**	30/09/2011
U.S. commercial paper	**4,954**	4,302
Euro commercial paper	**490**	488
Total commercial paper	**5,444**	4,790

Commercial paper issued is guaranteed by the Parent Company.

5. Bonds and notes

$ millions	**30/09/2012**	30/09/2011
U.S. medium term notes	**7,423**	9,088
Euro medium term notes	**4,179**	5,999
Covered bonds	**2,962**	-
Total bonds and notes	**14,564**	15,087

Bonds and notes issued are guaranteed by the Parent Company. $205 million (2011: $2,317 million) of the notes also benefit from a supporting guarantee from the New Zealand Crown. Bonds and notes are unsecured and rank equally with other unsecured liabilities.

Covered Bonds

Substantially all of the assets of the ANZNZ Covered Bond Trust (the “Trust”) are made up of certain housing loans and related securities originated by the Parent Company which are security for the guarantee by ANZNZ 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.

Notes to the Financial Statements

6. Related Party Transactions

Transactions with other related parties

The Company undertakes transactions with the Parent Company and other members of the Australia and New Zealand Banking Group Limited group of companies ("ANZ Group"). These transactions principally consist of funding transactions. Other members of the ANZ Group provide administrative functions, including remuneration of key management personnel, to the Company for which no payments have been made.

Audit fees of $32,633 (2011: $32,633) have been paid by the Parent Company for nil consideration (2011: nil).

All interest income is from the Parent Company. Interest expense on bonds and notes includes $30 million (2011: $30 million) paid to subsidiaries of the Ultimate Parent.

Balances with related parties

Amounts due from the Parent Company are lent on similar terms as the underlying funding raised.

Bonds and notes includes $1,257 million (2011: $2,290 million) of notes that have been issued to subsidiaries of the Ultimate Parent.

Amounts due to other related parties are guaranteed by the Parent Company.

7. Current and Non-current Assets and Liabilities

$ millions	**30/09/2012**		30/09/2011	
	Current	**Non-current**	Current	Non-current
Assets				
Due from Parent Company	**9,707**	**10,611**	9,172	10,820
Total assets	**9,707**	**10,611**	9,172	10,820
Liabilities				
Accrued interest payable	**98**	**-**	104	-
Commercial paper	**5,444**	**-**	4,790	-
Current tax liabilities	**1**	**-**	1	-
Due to other related parties	**206**	**-**	2	-
Bonds and notes	**3,953**	**10,611**	4,267	10,820
Total liabilities	**9,702**	**10,611**	9,164	10,820

Assets and liabilities are classified as current if:

- it is expected they will be realised, consumed or settled in the normal operating cycle or within twelve months after the end of the reporting date; or
- they are held primarily for trading; or
- they are assets that are cash or a cash equivalent; or
- they are liabilities where there is no unconditional right to defer settlement for at least twelve months.

8. Equity

Capital management policies

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide funding for the shareholder and to maintain an optimal capital structure to reduce the cost of capital.

The Company's capital comprises issued share capital and retained earnings. The Company's dividend policy is to distribute all retained profits to the Parent Company.

Ordinary share capital

The Company's share capital consists of 500,000 (2011: 500,000) fully paid ordinary shares that have the rights and powers prescribed by Section 36 of the Companies Act 1993. The shares have a carrying value of $499,900.

The dividend on ordinary shares was $16.58 per share (2011: $6.01).

Notes to the Financial Statements

9. Financial Risk Management

Financial instruments are entered into by the Company in its operations as a financial intermediary. The Company's operations are matched funded to minimise interest rate, currency and liquidity risks.

There are no material off balance sheet instruments. All aspects of risk are managed within a framework of policies, limits, control procedures, systems and reporting. Risk exposures are independently monitored and controlled within predefined limits, with an internal reporting framework in place.

Credit risk

Credit risk is the potential that the counterparty to a financial transaction will fail to perform according to the terms and conditions of the contract, thus causing loss.

The Company's principal exposure is to the Parent Company and the carrying amount represents the Company's maximum and net exposure to credit risk.

Market risk

Interest rate risk

The impact of a 1% rate movement on the Company's net interest income would not have a material impact.

The following tables represent the interest rate sensitivity of the Company's assets and liabilities by showing the periods in which these instruments may reprice (that is, when interest rates applicable to each asset or liability can be changed). The repricing gaps are based on contractual repricing information.

$ millions	Carrying value	At call or less than 3 months	3-6 months	6-12 months	1-5 years	Non interest bearing
30/09/2012						
Assets						
Due from the Parent Company	**20,318**	**8,862**	**2,048**	**2,570**	**6,730**	**108**
Total financial assets	**20,318**	**8,862**	**2,048**	**2,570**	**6,730**	**108**
Liabilities and equity						
Accrued interest payable	**98**	**-**	**-**	**-**	**-**	**98**
Commercial paper	**5,444**	**3,216**	**2,053**	**175**	**-**	**-**
Due to other related parties	**206**	**204**	**-**	**-**	**-**	**2**
Bonds and notes	**14,564**	**5,439**	**-**	**2,395**	**6,730**	**-**
Total financial liabilities	**20,312**	**8,859**	**2,053**	**2,570**	**6,730**	**100**
Net repricing profile	**6**	**3**	**(5)**	**-**	**-**	**8**

$ millions	Carrying value	Less than 3 months	3-6 months	6-12 months	1-5 years	Non interest bearing
30/09/2011						
Assets						
Due from the Parent Company	19,992	9,487	1,188	2,066	7,139	112
Total financial assets	19,992	9,487	1,188	2,066	7,139	112
Liabilities and equity						
Accrued interest payable	104	-	-	-	-	104
Commercial paper	4,790	3,502	1,183	105	-	-
Due to other related parties	2	-	-	-	-	2
Bonds and notes	15,087	5,986	-	1,962	7,139	-
Total financial liabilities	19,983	9,488	1,183	2,067	7,139	106
Net repricing profile	9	(1)	5	(1)	-	6

Notes to the Financial Statements

Currency risk

Currency risk arises from changes in foreign exchange rates impacting on residual currency positions that may result from the Company's business as a financial intermediary.

Currency risk is monitored in terms of open positions to each currency, based on nominal value and the duration of each exposure. The total amount of foreign currency exposures, whether recognised or unrecognised, within each currency is not material.

Liquidity risk

Liquidity risk is the risk that under certain conditions, cash outflows can exceed cash inflows in a given period. Liquidity risk arises from mismatch in the final maturity of on-balance sheet assets and liabilities plus settlement of off-balance sheet activities.

The following maturity analysis of assets and liabilities has been prepared on the basis of the remaining period to contractual maturity as at balance date. The amounts represent principal and interest cash flows and may differ compared to the amounts reported on the balance sheet.

$ millions	Total	Less than 3 months	3-12 months	1-5 years	Beyond 5 years	No specified maturity
30/09/2012						
Assets						
Due from the Parent Company	**21,060**	**4,478**	**5,469**	**9,545**	**1,568**	**-**
Total financial assets	**21,060**	**4,478**	**5,469**	**9,545**	**1,568**	**-**
Liabilities						
Commercial paper	**5,449**	**2,632**	**2,817**	**-**	**-**	**-**
Due to other related parties	**206**	**206**	**-**	**-**	**-**	**-**
Bonds and notes	**15,379**	**1,626**	**2,652**	**9,534**	**1,567**	**-**
Total financial liabilities	**21,034**	**4,464**	**5,469**	**9,534**	**1,567**	**-**
Net liquidity gap	**26**	**14**	**-**	**11**	**1**	**-**

$ millions	Total	Less than 3 months	3-12 months	1-5 years	Beyond 5 years	No specified maturity
30/09/2011						
Assets						
Due from the Parent Company	20,793	4,714	4,756	11,323	-	-
Total financial assets	20,793	4,714	4,756	11,323	-	-
Liabilities						
Commercial paper	4,794	3,374	1,420	-	-	-
Due to other related parties	2	2	-	-	-	-
Bonds and notes	15,969	1,333	3,324	11,312	-	-
Total financial liabilities	20,765	4,709	4,744	11,312	-	-
Net liquidity gap	28	5	12	11	-	-

Notes to the Financial Statements

10. Fair value of financial instruments

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

- for accrued interest payable, the carrying amount is equivalent to the fair value.
- for all other financial assets and financial liabilities, estimated fair values are based on market rates.

	30/09/2011		30/09/2010	
$ millions	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial assets				
Due from the Parent Company	**20,318**	**20,460**	19,992	20,149
Total financial assets	**20,318**	**20,460**	19,992	20,149
Financial liabilities				
Accrued interest payable	**98**	**98**	104	104
Commercial paper	**5,444**	**5,445**	4,790	4,790
Due to other related parties	**206**	**206**	2	2
Bonds and notes	**14,564**	**14,706**	15,087	15,244
Total financial liabilities	**20,312**	**20,455**	19,983	20,140

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of ANZ New Zealand (Int'l) Limited (formerly ANZ National (Int'l) Limited) ("the Company") on pages 2 to 11. The financial statements comprise the balance sheet as at 30 September 2012, the statement of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of the financial statements in accordance with generally accepted accounting practice in New Zealand that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

Opinion

In our opinion the financial statements on pages 2 to 11:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards; and
- give a true and fair view of the financial position of the Company as at 30 September 2012 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993, we report that:

- we have obtained all the information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by ANZ New Zealand (Int'l) Limited as far as appears from our examination of those records.

KPMG

Wellington
22 November 2012

anz.co.nz