

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

FOR THE SIX MONTHS ENDED 31 MARCH 2019



## INTERIM FINANCIAL STATEMENTS

### STATEMENT OF COMPREHENSIVE INCOME

For the six months ended	31 Mar 19 NZ\$m	31 Mar 18 NZ\$m
Interest income	207	183
Interest expense	204	180
<b>Profit before income tax</b>	<b>3</b>	<b>3</b>
Income tax expense	1	1
<b>Profit after income tax</b>	<b>2</b>	<b>2</b>

There are no items of other comprehensive income.

### BALANCE SHEET

As at	Note	31 Mar 19 NZ\$m	30 Sep 18 NZ\$m
<b>Assets</b>			
Due from the Parent Company		20,491	21,314
<b>Total assets</b>		<b>20,491</b>	<b>21,314</b>
<b>Liabilities</b>			
Accrued interest payable		12	40
Commercial paper		2,239	2,486
Current tax liabilities		2	1
Payables and other liabilities		-	1
Debt issuances	3	18,233	18,781
<b>Total liabilities</b>		<b>20,486</b>	<b>21,309</b>
<b>Net assets</b>		<b>5</b>	<b>5</b>
<b>Equity</b>			
Retained earnings		5	5
<b>Total Equity</b>		<b>5</b>	<b>5</b>

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

## CASH FLOW STATEMENT

	31 Mar 19	31 Mar 18
	NZ\$m	NZ\$m
<b>For the six months ended</b>		
<b>Cash flows from operating activities</b>		
Interest received	235	207
Interest paid	(232)	(204)
<b>Net cash flows provided by operating activities</b>	<b>3</b>	<b>3</b>
<b>Cash flows from investing activities</b>		
Decrease / (increase) in due from the Parent Company	(123)	1,401
<b>Net cash flows provided by / (used in) investing activities</b>	<b>(123)</b>	<b>1,401</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of debt issuances	2,530	2,510
Decrease in commercial paper	(190)	(1,194)
Redemption of debt issuances	(2,220)	(2,720)
<b>Net cash flows provided by / (used in) financing activities</b>	<b>120</b>	<b>(1,404)</b>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the period	-	-
<b>Cash and cash equivalents at end of the period</b>	<b>-</b>	<b>-</b>

## STATEMENT OF CHANGES IN EQUITY

	Note	31 Mar 19	31 Mar 18
		NZ\$m	NZ\$m
<b>For the six months ended</b>			
<b>Total equity (retained earnings)</b>			
<b>Opening balance</b>		<b>5</b>	<b>5</b>
NZ IFRS 9 transition adjustment	1	(2)	-
<b>Opening balance (adjusted)</b>		<b>3</b>	<b>5</b>
Profit or loss		2	2
<b>Closing balance</b>		<b>5</b>	<b>7</b>

## 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. 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 2018.

These financial statements were approved by the Board of Directors on 17 May 2019.

#### 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, except as disclosed below.

#### NZ IFRS 9 Financial Instruments (NZ IFRS 9)

NZ IFRS 9 was effective for the Company from 1 October 2018. NZ IFRS 9 addresses recognition and measurement requirements for financial assets and financial liabilities, impairment requirements that introduce an expected credit loss impairment model and general hedge accounting requirements which more closely align with risk management activities undertaken when hedging financial and non-financial risks.

The application of NZ IFRS 9 as at 1 October 2018 resulted in higher aggregate impairment provisions of approximately NZ\$2 million, and the impact on total equity is a reduction of approximately NZ\$2 million. These remain subject to change until the Company finalises its financial statements for the year ending 30 September 2019.

### 2. RELATED PARTY TRANSACTIONS

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

#### Covered Bonds

As at 31 March 2019, covered bonds of \$4,132 million (30 September 2018: \$3,958 million) included in debt issuances were guaranteed by ANZNZ Covered Bond Trust Limited as trustee of ANZNZ 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 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.

### 3. DEBT ISSUANCES

	31 Mar 19 NZ\$m	30 Sep 18 NZ\$m
U.S. medium-term notes	9,931	10,213
Euro medium-term notes	4,170	4,610
Covered bonds	4,132	3,958
Total debt issued	18,233	18,781

### 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 19		30 Sep 18	
	Carrying amount NZ\$m	Fair value NZ\$m	Carrying amount NZ\$m	Fair value NZ\$m
<b>Financial assets</b>				
Due from the Parent Company	20,491	20,563	21,314	21,092
<b>Financial liabilities</b>				
Commercial paper	2,239	2,240	2,486	2,486
Debt issuances	18,233	18,304	18,781	18,559



# 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 4 do not:

- i. present fairly in all material respects the ANZ New Zealand (Int'l) Limited's (the company) financial position as at 31 March 2019 and its financial performance and cash flows for the 6 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 statement of financial position as at 31 March 2019;
- the income statement, statements of other comprehensive income, changes in equity and cash flows for the 6 month period then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



### Basis for conclusion

A review of 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 the company, 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 controls 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.

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## 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. 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

KPMG  
Auckland

17 May 2019

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