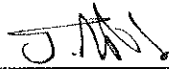


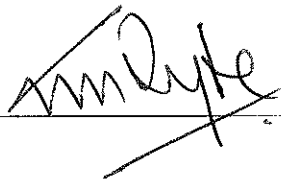
Annual Report of ANZ National (Int'l) Limited for the Year to 30 September 2007

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

Accordingly, there is no information to be provided in this Annual Report other than the financial statements for the year to 30 September 2007 and the Audit Report thereon, which are enclosed.



Director



Director



Date

ANZ NATIONAL (INT'L) LIMITED

328154

FINANCIAL STATEMENTS

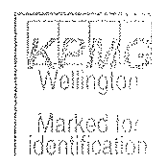
FOR THE YEAR ENDED

30 SEPTEMBER 2007

INCOME STATEMENT for the year ended 30 September 2007

	Note	Year to 30/09/2007 \$000	Year to 30/09/2006 \$000
Interest income	5	1,103,591	822,734
Interest expense	5	1,093,568	812,648
Net interest income		10,023	10,086
Net foreign exchange gains/(losses)		98	(44)
Total income		10,121	10,042
Operating expenses	6	877	882
Profit before income tax		9,244	9,160
Income tax expense	7	3,051	3,024
Profit after income tax		6,193	6,136

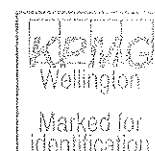
The notes on pages 6 to 18 form part of and should be read in conjunction with these financial statements.



STATEMENT OF CHANGES IN EQUITY for the year ended 30 September 2007

	Note	Year to 30/09/2007 \$000	Year to 30/09/2006 \$000
Currency translation adjustments after tax		(40)	(4)
Net expense recognised directly in equity		(40)	(4)
Profit after income tax		6,193	6,136
Total recognised income and expenses for the year		6,153	6,132
Retained profits at beginning of the year		17,414	10,613
Transfer to foreign currency translation reserve		(2,404)	669
Ordinary dividend paid		(20,000)	-
Retained profits at end of the year		1,163	17,414
Foreign currency translation reserve at beginning of the year		(455)	214
Currency translation adjustments		2,404	(669)
Foreign currency translation reserve at end of the year		1,949	(455)
Ordinary share capital at beginning and end of the year		500	500
Equity at end of the year		3,612	17,459

The notes on pages 6 to 18 form part of and should be read in conjunction with these financial statements.

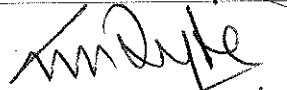


BALANCE SHEET as at 30 September 2007

	Note	30/09/2007 \$000	30/09/2006 \$000
Assets			
Liquid assets	8	2,156	2,243
Amounts due from related parties	9	24,183,360	19,596,744
Other assets		-	65
Total assets		24,185,516	19,599,052
Liabilities			
Deposits and other borrowings	10	9,319,363	6,893,520
Amounts due to related parties	11	3,075,791	1,802,738
Payables and other liabilities	12	90,136	89,679
Bonds and notes	13	11,694,861	10,793,920
Current tax liabilities		1,753	1,736
Total liabilities		24,181,904	19,581,593
Net assets		3,612	17,459
Equity			
Ordinary share capital	14	500	500
Foreign currency translation reserve		1,949	(455)
Retained profits		1,163	17,414
Total equity		3,612	17,459

For and on behalf of the Board of Directors:

 Director

 Director

5/12/07 Date of issue

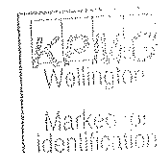
The notes on pages 6 to 18 form part of and should be read in conjunction with these financial statements.



CASH FLOW STATEMENT for the year ended 30 September 2007

	Note	Year to 30/09/2007 \$000	Year to 30/09/2006 \$000
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Interest received		1,019,664	749,408
		<u>1,019,664</u>	<u>749,408</u>
<i>Cash was applied to:</i>			
Interest paid		(1,009,923)	(739,548)
Operating expenses		(873)	(857)
Payment of tax		(3,014)	(2,611)
		<u>(1,013,810)</u>	<u>(743,016)</u>
Net cash flows provided by operating activities	23	<u>5,854</u>	<u>6,392</u>
Cash flows from investing activities			
<i>Cash was provided from:</i>			
Decrease in other assets		65	-
		<u>65</u>	<u>-</u>
<i>Cash was applied to:</i>			
Increase in due from parent company		(6,402,282)	(2,624,136)
Increase in other assets		-	(65)
		<u>(6,402,282)</u>	<u>(2,624,201)</u>
Net cash flows used in investing activities		<u>(6,402,217)</u>	<u>(2,624,201)</u>

The notes on pages 6 to 18 form part of and should be read in conjunction with these financial statements.



CASH FLOW STATEMENT for the year ended 30 September 2007 (continued)

	Year to 30/09/2007 \$000	Year to 30/09/2006 \$000
Cash flows from financing activities		
<i>Cash was provided from:</i>		
Increase in deposits and other borrowings	2,750,014	-
Increase in due to related parties	1,426,124	628,954
Proceeds from bonds and notes	2,924,199	5,298,969
	7,100,337	5,927,923
<i>Cash was applied to:</i>		
Decrease in due to other financial institutions	-	(95,244)
Decrease in deposits and other borrowings	-	(2,914,694)
Decrease in due to related parties	-	(127,977)
Redemptions of bonds and notes	(683,996)	(179,942)
Decrease in other liabilities	(65)	(26)
Dividends paid	(20,000)	-
	(704,061)	(3,317,883)
Net cash flows provided by financing activities	6,396,276	2,610,040
Net cash flows provided by operating activities	5,854	6,392
Net cash flow used in investing activities	(6,402,217)	(2,624,201)
Net cash flow provided by financing activities	6,396,276	2,610,040
	(87)	(7,769)
Opening cash and cash equivalents	2,243	10,012
	2,156	2,243
Reconciliation of closing cash and cash equivalents to balance sheet:		
Liquid assets	8 2,156	2,243

The notes on pages 6 to 18 form part of and should be read in conjunction with these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES**(i) Basis of preparation**

These financial statements for ANZ National (Int'l) Limited ('the Company') have been prepared in accordance with the requirements of the Companies Act 1993 and the Financial Reporting Act 1993.

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Principles, applying the Framework for Differential Reporting for Entities Applying the New Zealand Equivalents to International Financial Reporting Standards Reporting Regime ('Framework for Differential Reporting'). They comply with New Zealand equivalents to International Financial Reporting Standards and other applicable Financial Reporting Standards, as appropriate to profit-orientated entities that qualify for and apply Differential Reporting exemptions. The Company has taken advantage of all the Differential Reporting exemptions except those available under NZ IAS 7: Cash Flow Statements and NZ IAS 12: Income Taxes.

The Company qualifies for Differential Reporting exemptions as it has no public accountability and at balance date every owner of the Company was also a member of the Company's governing body.

(ii) Presentation currency and rounding

The amounts contained in the financial statements are presented in thousands of New Zealand dollars, unless otherwise stated.

The Company has chosen to use New Zealand dollars as its presentation currency as it is a New Zealand incorporated company, with its immediate parent company reporting in New Zealand dollars.

The results and financial position of the Company are translated into New Zealand dollars from its functional currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the that balance sheet;
- income and expenses for each income statement are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised as a separate component of equity.

(iii) Changes in accounting policies

There have been no changes in accounting policies during the year.

The Company has not early adopted NZ IFRS 7: Financial Instruments: Disclosures ('NZ IFRS 7') issued in November 2005. This standard is effective for annual accounting periods beginning on or after 1 January 2007. Application of NZ IFRS 7 will result in changes to disclosures about the risks arising from financial instruments. The initial application of NZ IFRS 7 is not expected to have an impact on the financial results.

The Company has not early adopted NZ IFRS 8: Operating Segments issued in December 2006. This standard is effective for annual accounting periods beginning on or after 1 January 2009.

(iv) Measurement base

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

(v) Accounting estimates

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.

(vi) Foreign currency**Functional currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Company's functional currency is United States dollars, whereas the presentation currency is New Zealand dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses resulting from (i) the settlement of such transactions, and (ii) the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)**(vii) Interest income and interest expense**

Interest income and interest expense are recognised in the income statement 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.

(viii) 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 relating to fair value hedges are assessed as being effective;
- 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 Banking Group is, in substance, acting as an agent only; or
- where costs are incurred on behalf of customers from whom the Banking Group is reimbursed.

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

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. 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.

(x) Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and not classified as available-for-sale. The loans and advances are initially recognised at fair value including transaction costs that are directly attributable to the issue of the loan or advance. They are subsequently measured at amortised cost using the effective interest method, less any impairment loss. They are derecognised when the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership.

As part of the Company's lending policy, adequate and appropriate security is obtained where deemed necessary. Factors considered are the quality and priority of the securities obtained. Securities include registered first mortgages, trust deeds, charges over assets and enforced financial covenants.

Loans and advances are regularly reviewed for any impairment loss. Credit loss provisions are raised for loans that are known to be impaired. Loans are impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the loan and prior to the reporting date, and that the loss event (or events) has had an impact on the estimated future cash flows (recoverable amount) of the loan.

(xi) Deposits and other borrowings

Deposits and other borrowings includes commercial paper issuances. Deposits and other borrowings are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost. The interest expense is recognised using the effective interest method as explained in Accounting Policy (vii).

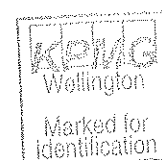
(xii) Bonds and notes

Bonds and notes are initially recognised at fair value plus transaction costs and subsequently stated at amortised cost. Interest expense is recognised in the income statement using the effective interest method.

(xiii) Income tax

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.

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 (continued)

1. ACCOUNTING POLICIES (continued)**(xiii) Income tax (continued)**

Deferred tax is accounted for using the tax balance sheet liability method. Deferred tax arises by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement reflects the tax consequences that would follow from the manner in which the Company, at the reporting date, recovers or settles the carrying amount of its assets or liabilities.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets, including those related to the tax effects of income tax losses and credits available to be carried forward, are recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and credits can be utilised.

Current and deferred tax assets are offset only to the extent that they relate to income taxes imposed by the same taxation authority and there is a legal right and intention to settle on a net basis and it is allowed under the tax law.

(xiv) 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.

(xv) Contingent liabilities

Liabilities are no longer contingent, and are recognised on the balance sheet, when the transaction is probable in that the contingency is likely to occur and the contingency can be reasonably measured. Further disclosure is made within Note 22 Contingent Liabilities and Other Commitments, where the above requirements are not met, but there is a possible obligation that is higher than remote. Specific details are provided together with an estimate of the range or a statement that such an estimate is not possible.

(xvi) Comparatives

To ensure consistency with the current year, all comparative figures have been restated where appropriate.

(xvii) Segment reporting

Business segments are distinguished 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 deposits and on-lending to its parent company at a margin, the Company does not have any reportable segments, as the majority of its revenue is not earned from external customers.

(xviii) Cash flow statement**Basis of preparation**

The cash flow statement has been prepared using the direct approach.

Cash and cash equivalents

Cash and cash equivalents include liquid assets with an original term to maturity of less than three months.

Netting of cash flows

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 deposits and other borrowings and related party balances.



NOTES TO THE FINANCIAL STATEMENTS (continued)

2. NATURE OF COMPANY AND ITS BUSINESS

The company is incorporated in New Zealand under the Companies Act 1993, and is based in New Zealand. Its registered office is at Level 14, ANZ Tower, 215-229 Lambton Quay, Wellington, New Zealand.

The Company provides funding facilities and wholesale funding to its parent company, ANZ National Bank Limited via issuance of U.S. Commercial Paper, Euro-Commercial Paper, U.S. Medium-Term Notes and Euro Medium-Term Notes. The Company's overseas activities are conducted through its London branch.

3. PARENT COMPANY

The parent company is ANZ National Bank Limited which is incorporated in New Zealand. The ultimate parent company is Australia and New Zealand Banking Group Limited which is incorporated in Australia.

4. RELATED PARTIES

The Company is a wholly owned subsidiary of ANZ Holdings (New Zealand) Limited Group, which is a member of the Australia and New Zealand Banking Group Limited group of companies ('ANZ Group'). All members of the ANZ Group are considered to be related parties of the Company.

Details of transactions with related parties during the ordinary course of business are set out in the relevant notes to these financial statements.

The Directors of the Company do not receive any fees for services provided to the Company, nor were there any transactions with the Company during the year (2006: nil).

5. INTEREST INCOME AND EXPENSE

	Year to 30/09/2007 \$000	Year to 30/09/2006 \$000
Interest income		
Liquid assets	81	528
Parent company	1,103,412	822,086
Other	98	120
	<u>1,103,591</u>	<u>822,734</u>
Interest expense		
Other financial institutions	-	1,041
Deposits and other borrowings	408,207	328,087
Related parties	145,705	93,474
Bonds and notes	539,558	389,722
Other	98	324
	<u>1,093,568</u>	<u>812,648</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. OPERATING EXPENSES

	Year to 30/09/2007 \$000	Year to 30/09/2006 \$000
Personnel costs	675	460
Communication	109	67
Premises and equipment	4	31
Other	89	324
	<u>877</u>	<u>882</u>
Total operating expenses	<u>877</u>	<u>882</u>

Audit fees of \$10,136 have been paid by ANZ National Bank Limited for nil consideration (2006: \$9,116).

7. INCOME TAX EXPENSE

	Year to 30/09/2007 \$000	Year to 30/09/2006 \$000
Reconciliation of the prima facie income tax payable on profit with the income tax expense charged in the income statement		
Profit before income tax	9,244	9,160
Prima facie income tax at 33%	3,051	3,024
Tax effect of permanent differences	-	-
	<u>3,051</u>	<u>3,024</u>
Income tax under provided in prior years	-	-
Total income tax expense	<u>3,051</u>	<u>3,024</u>
Effective tax rate	33.0%	33.0%
The major components of the income tax expense comprise:		
Amounts recognised in the income statement		
Current income tax charge	3,051	3,024
Adjustments recognised in the current year in relation to current tax of prior years	-	-
	<u>3,051</u>	<u>3,024</u>
Total income tax expense recognised in income statement	<u>3,051</u>	<u>3,024</u>

The Company is part of a wholly owned group of companies and may receive the benefit of tax losses by way of a tax loss offset for which compensation will be paid to another member of the ANZ Holdings (New Zealand) Limited Group.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. LIQUID ASSETS

	30/09/2007 \$000	30/09/2006 \$000
Cash at bank	2,156	2,243
Total liquid assets	<u>2,156</u>	<u>2,243</u>

9. AMOUNTS DUE FROM RELATED PARTIES

	30/09/2007 \$000	30/09/2006 \$000
ANZ National Bank Limited	24,183,360	19,596,744
Total amounts due from related parties	<u>24,183,360</u>	<u>19,596,744</u>

Balances owing by ANZ National Bank Limited are lent on similar terms as the underlying funding raised.

10. DEPOSITS AND OTHER BORROWINGS

	30/09/2007 \$000	30/09/2006 \$000
Commercial paper by currency		
Euro	922,057	118,488
United States dollars	6,556,252	5,922,553
New Zealand dollars	30,844	226,066
Great British pounds	851,286	282,602
Japanese yen	377,067	73,790
Swiss franc	364,329	270,021
Canadian dollars	33,790	-
Australian dollars	183,738	-
Total deposits and other borrowings	<u>9,319,363</u>	<u>6,893,520</u>

Commercial paper issued is guaranteed by the parent company.

11. AMOUNTS DUE TO RELATED PARTIES

	30/09/2007 \$000	30/09/2006 \$000
Australia and New Zealand Banking Group Limited - current	1,172,350	1,074,538
Australia and New Zealand Banking Group Limited - term	1,901,829	726,688
South Pacific Merchant Finance Limited	1,384	1,298
Southpac Corporation Limited	228	214
Total amounts due from related parties	<u>3,075,791</u>	<u>1,802,738</u>

Balances owing to the Australia and New Zealand Banking Group Limited are made at normal commercial bank rates. This balance is guaranteed by the parent company.

Balances owing to other related parties are made at variable bank rates.



NOTES TO THE FINANCIAL STATEMENTS (continued)

12. PAYABLES AND OTHER LIABILITIES

	30/09/2007	30/09/2006
	\$000	\$000
Accrued interest payable	90,067	89,614
Other	69	65
	<u>90,136</u>	<u>89,679</u>

13. BONDS AND NOTES

	30/09/2007	30/09/2006
	\$000	\$000
Bonds and notes by currency		
Euro	2,151,694	1,703,944
United States dollars	6,599,340	6,898,590
Hong Kong dollars	442,476	488,571
New Zealand dollars	420,000	320,000
Great British pounds	1,978,220	1,265,759
Japanese yen	103,131	117,056
	<u>11,694,861</u>	<u>10,793,920</u>

Bonds and notes issued are guaranteed by the parent company.

14. ORDINARY SHARE CAPITAL

	30/09/2007	30/09/2006
	No. of Shares	No. of Shares
Ordinary shares at beginning and end of the year	<u>500,000</u>	<u>500,000</u>
	30/09/2007	30/09/2006
	\$000	\$000
Ordinary share capital at beginning and end of the year	<u>500</u>	<u>500</u>

The dividend on ordinary shares was \$40 per share (2006: nil).

The ordinary shares have the rights and powers prescribed by Section 36 of the Companies Act 1993, whereby they have equal rights regarding voting, dividends and the residual assets upon winding up of the Company.

15. CONCENTRATION OF CREDIT RISK AND FUNDING

Concentrations of credit risk arise when the Company is exposed to risk in activities or industries of a similar nature. Concentrations of funding arise where the Company is funded by industries of a similar nature. The Company's principal activities are within the finance industry in the United Kingdom, with credit exposure principally based in the finance industry in New Zealand.



NOTES TO THE FINANCIAL STATEMENTS (continued)

16. FINANCIAL INSTRUMENTS - INTEREST RATE SENSITIVITY ANALYSIS AND WEIGHTED AVERAGE INTEREST RATES

Financial instruments are entered into by the Company in its operations as a financial intermediary. There are no material off balance sheet instruments. Weighted average interest rates are presented in their base currency and the carrying value in New Zealand dollar equivalents. The weighted average interest rates and interest rate sensitivity of financial instruments at balance date were:

30/09/2007	Weighted average interest rate (%)	Notional or Carrying value \$000	At call or less than 3 months \$000	3-6 months \$000	6-12 months \$000	1-5 years \$000	Interest rate insensitive \$000
Assets							
Liquid assets	7.25	2,156	2,096	-	-	-	60
Amounts due from related parties	5.33	24,183,360	20,454,898	1,778,482	1,284,894	665,086	-
Total financial assets		24,185,516	20,456,994	1,778,482	1,284,894	665,086	60
Liabilities and equity							
Deposits and other borrowings	6.08	9,319,363	7,152,350	1,427,985	739,028	-	-
Amounts due to related parties	3.11	3,075,791	2,708,891	200,497	166,403	-	-
Payables and other liabilities	n/a	90,136	90,067	-	-	-	69
Bonds and notes	5.15	11,694,861	10,500,312	150,000	379,463	665,086	-
Total financial liabilities		24,180,151	20,451,620	1,778,482	1,284,894	665,086	69
Non-financial liabilities	n/a	1,753	-	-	-	-	1,753
Equity	n/a	3,612	-	-	-	-	3,612
Total liabilities and equity		24,185,516	20,451,620	1,778,482	1,284,894	665,086	5,434
Net repricing profile		-	5,374	-	-	-	(5,374)

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. FINANCIAL INSTRUMENTS - INTEREST RATE SENSITIVITY ANALYSIS AND WEIGHTED AVERAGE INTEREST RATES (continued)

30/09/2006	Weighted average interest rate (%)	Notional or Carrying value \$000	At call or less than 3 months \$000	3-6 months \$000	6-12 months \$000	1-5 years \$000	Interest rate insensitive \$000
Assets							
Liquid assets	6.79	2,243	2,197	-	-	-	46
Amounts due from related parties	5.10	19,596,744	15,683,077	1,516,439	1,066,143	1,331,085	-
Other assets	n/a	65	-	-	-	-	65
Total financial assets		19,599,052	15,685,274	1,516,439	1,066,143	1,331,085	111
Liabilities and equity							
Deposits and other borrowings	5.16	6,893,520	4,482,266	1,386,515	1,024,739	-	-
Amounts due to related parties	5.07	1,802,738	1,802,738	-	-	-	-
Payables and other liabilities	n/a	89,679	89,614	-	-	-	65
Bonds and notes	4.99	10,793,920	9,306,507	114,924	41,404	1,331,085	-
Total financial liabilities		19,579,857	15,681,125	1,501,439	1,066,143	1,331,085	65
Non-financial liabilities	n/a	1,736	-	-	-	-	1,736
Equity	n/a	17,459	-	-	-	-	17,459
Total liabilities and equity		19,599,052	15,681,125	1,501,439	1,066,143	1,331,085	19,260
Net repricing profile		-	4,149	15,000	-	-	(19,149)

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

Liquidity risk is the risk that the Company will encounter difficulty in meeting commitments associated with its financial liabilities and future commitments. The Company manages its exposure to liquidity risk by maintaining sufficient liquid funds to meet its commitments based on historical and forecasted cash flow requirements. As the company is a financial intermediary, it principally matches the maturity of assets held with its liabilities. Liquidity risk is therefore minimal.

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.

	Carrying value \$000	Less than 3 months \$000	3-12 months \$000	1-5 years \$000	Beyond 5 years \$000	No specified maturity \$000
30/09/2007						
Assets						
Liquid assets	2,156	2,156	-	-	-	-
Amounts due from related parties	24,183,360	8,751,615	6,245,181	9,186,564	-	-
Total assets	24,185,516	8,753,771	6,245,181	9,186,564	-	-
Liabilities						
Deposits and other borrowings	9,319,363	7,152,350	2,167,013	-	-	-
Amounts due to related parties	3,075,791	1,505,920	366,900	1,202,971	-	-
Payables and other liabilities	91,889	90,136	1,753	-	-	-
Bonds and notes	11,694,861	-	3,711,268	7,983,593	-	-
Total liabilities	24,181,904	8,748,406	6,246,934	9,186,564	-	-
Net liquidity gap	3,612	5,365	(1,753)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (continued)

	Carrying value \$000	Less than 3 months \$000	3-12 months \$000	1-5 years \$000	Beyond 5 years \$000	No specified maturity \$000
30/09/2006						
Assets						
Liquid assets	2,243	2,243	-	-	-	-
Amounts due from related parties	19,596,744	5,947,890	2,960,499	10,688,355	-	-
Other assets	65	65	-	-	-	-
Total assets	19,599,052	5,950,198	2,960,499	10,688,355	-	-
Liabilities						
Deposits and other borrowings	6,893,520	4,660,164	2,233,356	-	-	-
Amounts due to related parties	1,802,738	1,083,306	251	719,181	-	-
Payables and other liabilities	91,415	89,679	1,736	-	-	-
Bonds and notes	10,793,920	110,931	713,815	9,969,174	-	-
Total liabilities	19,581,593	5,944,080	2,949,158	10,688,355	-	-
Net liquidity gap	17,459	6,118	11,341	-	-	-

18. 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 cash and short term financial instruments, the carrying amount is equivalent to the fair value.

For amounts due from and to related parties, deposits due to other financial institutions, and debt securities issued, the estimated fair values are based on market rates

	30/09/2007 \$000 Carrying value	30/09/2007 \$000 Estimated fair value	30/09/2006 \$000 Carrying value	30/09/2006 \$000 Estimated fair value
Assets				
Liquid assets	2,156	2,156	2,243	2,243
Amounts due from related parties	24,183,360	24,168,677	19,596,744	19,597,220
Other assets	-	-	65	65
Total financial assets	24,185,516	24,170,833	19,599,052	19,599,528
Liabilities				
Deposits and other borrowings	9,319,363	9,317,126	6,893,520	6,890,089
Amounts due to related parties	3,075,791	3,074,426	1,802,738	1,802,685
Payables and other liabilities	90,136	90,136	89,679	89,679
Bonds and notes	11,694,861	11,683,781	10,793,920	10,797,880
Total financial liabilities	24,180,151	24,165,468	19,579,857	19,580,333

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. FOREIGN CURRENCY EXPOSURE

Foreign currency exposure is analysed by displaying the net open position in each currency for recognised and unrecognised financial instruments in New Zealand dollar equivalents.

	30/09/2007	30/09/2006
	\$000	\$000
Australian dollar	(2)	-
Canadian dollar	(2)	-
Euro	41	232
Great British pound	(625)	(612)
Hong Kong dollar	102	107
Japanese yen	(4)	11
Swiss franc	(16)	(4)
United States dollar	384	221
	<hr/>	<hr/>
Total foreign currency exposure	(121)	(45)
	<hr/>	<hr/>

20. RISK MANAGEMENT

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. Risk exposures are independently monitored and controlled within predefined limits, with an internal reporting framework in place.

Interest rate risk

The provision of loans and accepting of deposits at both fixed and variable rates gives rise to the risk that the Company could have unmatched positions. Leading to material exposures in a shifting interest rate environment.

The Company, being a financial intermediary, principally matches the interest rate risk of each asset held with the corresponding liability.

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 Company, being a financial intermediary, principally matches the maturities of assets held with its liabilities. Liquidity risk is therefore minimal.

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.

Credit risk

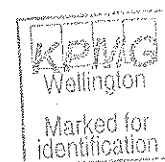
Credit risk is the potential that the counterparty to a financial transaction will fail to perform according to the terms and conditions of the contract, thus causing loss.

The Company's principal exposure is to the parent company.

Operational risk

Operational risk is the risk of losses as a result of inadequate or failed internal processes, people and systems or from external events. It includes the threat of natural disasters, systems failures, human error, process control failure, fraud, financial crime and non-compliance with legislation and regulations.

A comprehensive infrastructure of effective policies, procedures, business practices and compliance exists to manage operational risks, which is subject to full review at least annually.



NOTES TO THE FINANCIAL STATEMENTS (continued)

20. RISK MANAGEMENT (continued)**General: Internal audit**

The parent company has an independent internal audit function. Working closely with other independent risk functions, internal audit provides independent challenge by way of a risk-based programme of analysis and review. This involves an ongoing high level review of risks facing the business and development and scoping of a formal risk-focused audit programme. Internal audit also consult internally on the risk aspects of change and new business developments, formally reporting quarterly on the prevailing risk environment.

21. CAPITAL COMMITMENTS

There were no capital commitments outstanding as at 30 September 2007 (2006: nil).

22. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

There were no contingent liabilities as at 30 September 2007 (2006: nil).

As at 30 September 2007, the Company had an unsecured liquidity facility of USD \$1,000 million with Citibank Group N.A., London Branch (2006: USD \$1,000 million).

	30/09/2007 \$000	30/09/2006 \$000
Facility limit	1,320,667	1,532,236
Unutilised facility	1,320,667	1,532,236

23. NOTES TO THE CASH FLOW STATEMENT

	Year to 30/09/2007 \$000	Year to 30/09/2006 \$000
Reconciliation of net profit after tax to net cash flow from operating activities		
Net profit after tax	6,193	6,136
Adjustments to net profit after tax:		
Unrealised foreign exchange gains/(losses)	(98)	48
Increase in accrued interest income	(83,927)	(73,326)
Increase in accrued interest expense	83,645	73,100
Increase in accrued charges	4	24
Increase in income tax liabilities	37	410
Net cash flow from operating activities	5,854	6,392





Audit report

To the shareholder of ANZ National (Int'l) Limited

We have audited the financial statements on pages 1 to 18. The financial statements provide information about the past financial performance of the company and its financial position as at 30 September 2007. This information is stated in accordance with the accounting policies set out on pages 6 to 8.

Directors' responsibilities

The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position of the company as at 30 September 2007 and the results of its operations and cash flows for the year ended on that date.

Auditors' responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Directors and report our opinion to you.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Directors in the preparation of the financial statements;
- whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Our firm has also provided other services to the company in relation to other audit-related services. These matters have not impaired our independence as auditors of the company. The firm has no other relationship with, or interest in, the company.



Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by the company as far as appears from our examination of those records;
- the financial statements on pages 1 to 18:
 - comply with New Zealand generally accepted accounting practice;
 - give a true and fair view of the financial position of the company as at 30 September 2007 and the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 5 December 2007 and our unqualified opinion is expressed as at that date.

A handwritten signature in black ink, appearing to read 'KPMG'.

Wellington