



Cover pool monitor's assurance report to the Directors of Australia and New Zealand Banking Group Limited for the period from 24 May 2012 to 22 November 2012

We have reviewed whether the issuing Authorised Deposit-taking Institution Australia and New Zealand Banking Group Limited ("issuing ADI") and ANZ Residential Covered Bond Trust (the "Trust") maintained effective control procedures in relation to the keeping of an accurate register of the assets in the Residential Mortgages cover pool ('the cover pool') for the period from 24 May 2012 to 22 November 2012. We have also reviewed the compliance of the issuing ADI with the requirements of sections 31 and 31A of the Banking Amendment (Covered Bonds) Act 2011 ("the Act") for the period from 24 May 2012 to 22 November 2012. The reviews have been conducted pursuant to the reporting requirements specified in paragraphs 30(4)(a) and 30(4)(b) of the Act.

Respective responsibilities

The Directors of the issuing ADI and the Trust are responsible for maintaining an effective internal controls structure including control procedures in relation to the keeping of an accurate register of the assets in the cover pool, as well as compliance with the requirements of sections 31 and 31A of the Act. Our responsibility is to express conclusions on:

- Part A - whether anything has come to our attention that causes us to believe that the issuing ADI and the Trust did not maintain, in all material respects, effective control procedures in relation to the keeping of an accurate register of the assets in the cover pool for the period from 24 May 2012 to 22 November 2012; and
- Part B - compliance with the requirements of sections 31 and 31A of the Act during the period from 24 May 2012 to 22 November 2012, in all material respects.

Part A – Review of control procedures in relation to the keeping of an accurate register of the assets in the cover pool

Our review has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE) 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* to provide limited assurance that the issuing ADI and the Trust maintained effective control procedures in relation to the keeping of an accurate register of assets in the cover pool. Our procedures included enquiries of the issuing ADI and the Trust examining, on a sample basis, evidence supporting the operation of the issuing ADI's and the Trust's control procedures in relation to the keeping of an accurate register of assets in the cover pool. These procedures have been undertaken to form a conclusion as to whether anything has come to our attention that causes us to believe that the issuing ADI and the Trust did not maintain, in all material respects, effective control procedures in relation to the keeping of an accurate register of the assets in the cover pool for the period from 24 May 2012 to 22 November 2012.

Part B – Review of compliance with the requirements of sections 31 and 31A of the Act

Our review has been conducted in accordance with applicable Standards on Assurance Engagements (ASAE) 3100 *Compliance Engagements* to provide limited assurance that the issuing ADI has complied with the requirements of sections 31 and 31A of the Act. Our procedures included enquiries of the issuing ADI and examining, on a sample basis, information provided by the issuing ADI to provide evidence supporting compliance with the requirements of sections 31 and 31A of the Act. These procedures have been undertaken to form a conclusion, as to whether anything has come to our attention that causes us to believe that the issuing ADI did not comply, in all material respects, with the requirements of sections 31 and 31A of the Act for the period from 24 May 2012 to 22 November 2012.



Use of report

The review report was prepared for the Directors of the issuing ADI and the Trust in accordance with paragraphs 30(4)(a) and 30(4)(b) of the Act. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Directors of the issuing ADI and the Trust, or for any purpose other than that for which it was prepared.

We permit the disclosure of our review report to the Perpetual Corporate Trust Limited ("Trustee of ANZ Residential Covered Bond Trust"), ANZ Capel Court Limited, ("Trust Manager"), DB Trustees (Hong Kong) Limited ("Bond Trustee"), P.T. Limited ("Security Trustee") and holders (or their representatives) of the covered bonds issued by the issuing ADI and the Trust solely to enable these parties to verify that a report by the cover pool monitor has been commissioned by the Directors of the issuing ADI and the Trust and issued as required by paragraph 30(4)(c) of the Act. In doing so, we disclaim any assumption of reliance on this report and do not accept any responsibility or liability to Perpetual Corporate Trust Limited ("Trustee of ANZ Residential Covered Bond Trust"), DB Trustees (Hong Kong) limited ("Bond Trustee"), P.T. Limited ("Security Trustee") and holders (or their representatives) of the covered bonds.

Inherent Limitations

Because of the inherent limitations of any internal control structure, it is possible that fraud, error or non compliance may occur and may not be detected. A review is not designed to detect all instances of non compliance with the requirements of sections 31 and 31A of the Act as it generally comprises making enquiries primarily of the issuing ADI and the Trust and applying analytical and other review procedures.

The review conclusions expressed in this report have been formed on the above basis.

Conclusions

Part A - Review of control procedures in relation to the keeping of an accurate register of the assets in the cover pool

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the issuing ADI and the Trust did not maintain, in all material respects, effective control procedures in relation to the keeping of an accurate register of the assets in the cover pool for the period from 24 May 2012 to 22 November 2012.

Part B - Review of compliance with the requirements of sections 31 and 31A of the Act

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the issuing ADI did not comply, in all material respects, with the requirements of sections 31 and 31A of the Act for the period from 24 May 2012 to 22 November 2012.

KPMG

KPMG

Melbourne
22 November 2012