

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

FOR THE SIX MONTHS ENDED 31 MARCH 2023



INTERIM FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 March	Note	2023 NZ\$m	2022 NZ\$m
Interest income		206	129
Interest expense		(202)	(125)
Profit before credit impairment and income tax		4	4
Credit impairment release / (charge)	2	3	(2)
Profit before income tax		7	2
Income tax expense		(2)	(1)
Profit for the period		5	1

There are no items of other comprehensive income.

BALANCE SHEET

As at	Note	31 Mar 23 NZ\$m	30 Sep 22 NZ\$m
Assets			
Due from the Parent Company	2	18,569	20,752
Total assets		18,569	20,752
Liabilities			
Commercial paper		2,769	2,964
Current tax liabilities		2	1
Debt issuances	3	15,778	17,772
Total liabilities		18,549	20,737
Net assets		20	15
Equity			
Retained earnings		20	15
Total Equity		20	15

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	2023 NZ\$m	2022 NZ\$m
Cash flows from operating activities		
Interest received	203	140
Interest paid	(199)	(136)
Tax paid	(1)	-
Net cash flows provided by operating activities	3	4
Cash flows from investing activities		
Decrease in due from the Parent Company	1,112	384
Net cash flows provided by investing activities	1,112	384
Cash flows from financing activities		
Proceeds from debt issuances	-	2,680
Redemption of debt issuances	(1,189)	(3,600)
Net proceeds from commercial paper	74	532
Net cash flows used in financing activities	(1,115)	(388)
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	2023 NZ\$m	2022 NZ\$m
Total equity (retained earnings)		
Opening balance	15	14
Profit for the period	5	1
Closing balance	20	15

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 2022.

These financial statements were approved by the Board of Directors on 11 May 2023.

Use of estimates and assumptions

The preparation of these financial statements requires the use of management judgement, estimates and assumptions impacting the application of accounting policies and financial outcomes. Discussion of the critical accounting estimates and judgements, which include complex or subjective decisions or assessments, are provided in the previous full year financial statements. Such estimates and judgements are reviewed on an ongoing basis.

Allowance for expected credit losses

During the six months ended 31 March 2023 the collectively assessed allowance for expected credit losses (ECL) decreased by NZ\$3 million, mainly reflecting changes in maturity profile of amounts due from the Parent Company since 30 September 2022.

The global economy is facing challenges associated with high inflation, increasing interest rates, labour market constraints, and continuing geopolitical tensions which contributes to an elevated level of estimation uncertainty involved in the preparation of these financial statements.

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 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\$8 million (30 September 2022: NZ\$11 million).

Covered Bonds

As at 31 March 2023, covered bonds of NZ\$4,334 million (30 September 2022: NZ\$4,292 million) included in debt issuances were guaranteed by ANZ NZ Covered Bond Trust Limited as trustee of ANZ NZ 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 NZ 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 23 NZ\$m	30 Sep 22 NZ\$m
U.S. medium-term notes	7,174	9,196
Euro medium-term notes	4,270	4,284
Covered bonds	4,334	4,292
Total debt issued	15,778	17,772

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 23		30 Sep 22	
	Carrying amount NZ\$m	Fair value NZ\$m	Carrying amount NZ\$m	Fair value NZ\$m
Financial assets				
Due from Parent Company	18,569	17,470	20,752	19,406
Financial liabilities				
Commercial paper	2,769	2,771	2,964	2,962
Debt issuances	15,778	14,677	17,772	16,428



Independent review report

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

Report on the interim financial statements

Conclusion

We have completed a review of the accompanying interim financial statements of ANZ New Zealand (Int'l) Limited (the "Company"), which comprise:

- the balance sheet as at 31 March 2023;
- 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.

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 present, in all material respects, the Company's financial position as at 31 March 2023 and its financial performance and cash flows for the six month period ended on that date, in compliance with NZ IAS 34 *Interim Financial Reporting* ("NZ IAS 34").

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;
- implementing necessary internal control to enable the preparation of an interim financial statements that is 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. 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.

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

11 May 2023

