



Independent Limited Assurance Report to the Directors of Australia and New Zealand Banking Group Limited.

Conclusion

Part A – 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 Australia and New Zealand Banking Group Limited (“issuing ADI”) and ANZ Residential Covered Bond Trust (“Trust”) did not maintain, in all material respects, the keeping of an accurate register of the assets in the cover pool for the period 23 May 2020 to 23 November 2020.

Part B – Compliance with the requirements of sections 31 and 31A of the Banking Act 1959 (“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 23 May 2020 to 23 November 2020.

Scope

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 (“Trust”) maintained the keeping of an accurate register of the assets in the Residential Mortgages cover pool (“the cover pool”) for the period 23 May 2020 to 23 November 2020. We have also reviewed the compliance of the issuing ADI with the requirements of sections 31 and 31A of the Banking Act 1959 (“the Act”) for the period 23 May 2020 to 23 November 2020. The reviews have been conducted pursuant to the reporting requirements specified in sections 30(4)(a) and 30(4)(b) of the Act.



Basis for Conclusion

Part A

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ASAE 3000).

In accordance with ASAE 3000 we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the issuing ADI and the Trust did not maintain the keeping of an accurate register of the assets in the cover pool; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Part B

We conducted our engagement in accordance with Australian Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* (ASAE 3100) issued by the Auditing and Assurance Standards Board. We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3100 we have:

- used our professional judgement to assess the risks that may cause material non-compliance with each of requirements of sections 31 and 31A of the Act, and to plan and perform the engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the issuing ADI has not complied, in all material respects, with the requirements of sections 31 and 31A of the Act; and
- considered relevant internal controls when designing our assurance procedures; however, we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

In a limited assurance engagement, the assurance practitioner performs procedures, primarily consisting of discussion and enquiries of management and others within the entity, as appropriate, and observation and walk-throughs and evaluates the evidence obtained. The procedures selected depend on our judgement, including identifying areas where the risk of material non-compliance with the requirements is likely to arise.

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

Part A

- enquiries of the issuing ADI and the Trust, and examining, on a sample basis, evidence supporting the operation of the issuing ADI's and the Trust's procedures in relation to the keeping of an accurate register of the assets in the cover pool.



Part B

- 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;
- walkthroughs to obtain an understanding of relevant compliance activities that are undertaken to meet the requirements of sections 31 and 31A of the Act.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance may occur and 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.

A limited assurance engagement throughout the specified period does not provide assurance on whether compliance with the requirements of sections 31 and 31A of the Act will continue in the future.

Use of this Assurance Report

This report has been prepared for the Directors of the issuing ADI and the Trust for the purpose of sections 30(4)(a) and 30(4)(b) of the Act and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of the issuing ADI and the Trust, or for any other purpose 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 section 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.



Management's Responsibility

Management are responsible for:

- the compliance activities undertaken to meet the requirements of sections 31 and 31A of the Act;
- identification of the risks that threaten the compliance requirements identified above being met and identifying, designing and implementing controls which will mitigate those risks and monitor ongoing compliance;
- maintaining an effective internal control structure including control procedures in relation to the keeping of an accurate register of the assets in the cover pool.

Our Responsibility

Our responsibility is to express conclusions on 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:

- Part A – the keeping of an accurate register of the assets in the cover pool for the period 23 May 2020 to 23 November 2020; and
- Part B – compliance with the requirements of sections 31 and 31A of the Act during the period 23 May 2020 to 23 November 2020.

Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control to maintain a comprehensive system of quality control.

A handwritten version of the KPMG logo in blue ink, with the letters 'KPMG' in a cursive, slightly slanted font.

Melbourne
23 November 2020