

Australia and New Zealand Banking Group Limited, Representação Permanente (Timor-Leste Branch) 2023 Balance Sheet and Profit and Loss

In accordance with the Central Bank Instruction No.15/2021, below is a copy of the audited balance sheet and profit and loss account of Australia and New Zealand Banking Group Limited, Representação Permanente (Timor-Leste Branch) ("Bank") for the 12 months ending 30 September 2023.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2023 (US\$'000)	2022 (US\$'000)
Interest income	11,275	3,575
Interest expense	(78)	(38)
Net interest income	11,197	3,537
Other operating income	1,831	1,804
Operating income	13,028	5,341
Operating expenses	(3,479)	(3,782)
Profit before credit impairment and income tax	9,549	1,559
Credit impairment release/ (charge)	(779)	841
Profit before income tax	8,770	2,400
Income Tax expense	(877)	(248)
Profit after income tax	7,893	2,152

There are no items of other comprehensive income

BALANCE SHEET

	2023 (US\$'000)	2022 (US\$'000)
Assets		
Cash and cash equivalents	214,036	202,046
Regulatory deposits	375	375
Net loans and advances	23,816	23,417
Premises and equipment	2,210	2,677
Other assets	142	686
Total assets	240,579	229,201
Liabilities		
Settlement balances payable	615	145
Deposits and other borrowings	207,316	204,810
Current tax liabilities	894	247
Deferred tax liabilities	118	146
Payables and other liabilities	1,220	1,431
Employee entitlements	0	3
Other provisions	215	111
Total liabilities	210,378	206,893
Net assets	30,201	22,308
Equity		
Retained earnings	30,201	22,308
Total equity	30,201	22,308



Independent Auditor's Report

To the shareholders of Australia and New Zealand Banking Group Limited – Timor-Leste Branch

Opinion

We have audited the **Financial Statements** of Australia and New Zealand Banking Group Limited – Timor-Leste Branch (the Bank).

In our opinion, the accompanying Financial Statements of the Bank are in accordance with United Nations Transitional Administration in East Timor Regulation No. 2000/8 on Banking and Licensing Supervision, including:

- giving a true and fair view of the **Bank's** financial position as at 30 September 2023 and of its financial performance for the year ended on that date; and
- complying with the International Financial Reporting Standards (IFRS).

The **Financial Statements** comprise:

- Balance sheet as at 30 September 2023;
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Cash flow statement for the year then ended;
- Notes including a summary of significant accounting policies; and
- Country Head's and Chief Operating Officer's Report.

Basis of opinion

We conducted our audit in accordance with *International Standards on Auditing* (ISAs). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

We are independent of the Bank in accordance with ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Statements in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other information

Other Information is financial and non-financial information in the Bank's annual reporting which is provided in addition to the Financial Statements and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Statements does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information. Based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report, we have nothing to report.

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Restriction on use and distribution

The Financial Statements have been prepared to assist the Bank in complying with the financial reporting requirements of the United Nations Transitional Administration in East Timor Regulation No. 2000/8 on Banking and Licensing Supervision.

As a result, the Financial Statements and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Shareholders of the Bank and Banco Central de Timor Leste and should not be used by parties other than the Shareholders of the Bank and Banco Central de Timor Leste. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Statements to which it relates, to any person other than the Shareholders of the Bank and Banco Central de Timor Leste or for any other purpose than that for which it was prepared.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for:

- preparing the Financial Statements that give a true and fair view in accordance with *International Financial Reporting Standards* and in accordance with the *United Nations Transitional Administration in East Timor Regulation No. 2000/8 on Banking and Licensing Supervision*;
- implementing necessary internal control to enable the preparation of Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error; and
- assessing the Bank's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Bank or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objective is:

- to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

As part of the audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Those Charged with Governance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

The auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards.

KPMG

Luke Snowdon
Partner
Darwin
18 January 2023