

KINGFISHER TRUST 2016-1 FINANCIAL REPORT

FOR THE PERIOD 2 NOVEMBER 2016 TO 30 SEPTEMBER 2017

ABN 45 221 705 537

TRUST MANAGER'S REPORT

ANZ Capel Court Limited (ABN 30 004 768 807), the "Trust Manager" of Kingfisher Trust 2016-1 ("the Trust") presents its report together with the financial statements of the Trust for the period 2 November 2016 to 30 September 2017 and the independent auditor's report thereon.

Principal activities

The principal activity of the Trust for the period was the securitisation of residential mortgages from Australia and New Zealand Banking Group Limited ("ANZ").

There were no significant changes in the nature of the activities of the Trust during the period.

Review of operations

The Trust was established under the ANZ RMBS Master Trust Deed dated 2 November 2016 ("the Master Trust Deed"), and the Notice of Creation of Trust dated 2 November 2016 for the purpose of securitising residential mortgages. The securitisation of residential mortgages by the Trust was funded by the issuance of floating rate notes ("Notes") by Perpetual Corporate Trust Limited (ABN 99 000 341 533) (the "Trustee") on behalf of the Trust, and the funds provided by the participation and residual unitholders.

Result

The net profit attributable to the unitholders' of the Trust for the period 2 November 2016 to 30 September 2017 was \$12,455,936.

Distribution

Distributions made to and provided for the residual income unitholders during the period was \$12,455,936.

Significant change in the state of affairs

There were no significant changes in the state of affairs of the Trust during the period other than those disclosed in this report.

Significant events after balance date

The Trust Manager is not aware of any matter or circumstances not otherwise dealt within this report or financial statements that has significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in subsequent financial years.

Signed on behalf of ANZ Capel Court Limited as Trust Manager of Kingfisher Trust 2016-1.



Susanna Vandenberg
Trust Manager
ANZ Capel Court Limited

Date: 25-01-2018

TRUSTEE'S STATEMENT

Perpetual Corporate Trust Limited, as Trustee of the Trust (the "Trustee"), presents its report together with the special purpose financial statements of the Trust for the period 2 November 2016 to 30 September 2017 and the independent auditors' report thereon.

The financial statements for the Trust for the period 2 November 2016 to 30 September 2017 have been prepared by the Trust Manager, as required by the Master Trust Deed.

The auditor of the Trust, KPMG, who has been appointed by the Trustee in accordance with the Master Trust Deed, has conducted an audit of the financial statements.

A review of the operations of the Trust and the results of those operations for the period 2 November 2016 to 30 September 2017 is contained within the Trust Manager's Report.

Based on our ongoing program of monitoring of the Trust, the Trust Manager and our review of the financial statements, we believe that:

(a) the Trust has been conducted in accordance with the Master Trust Deed; and

(b) the financial statements have been appropriately prepared in accordance with the provisions of the Master Trust Deed, and applicable Australian Accounting Standards and interpretations as described in Note 1.

The Trustee is not aware of any material matters or significant change in the state of affairs of the Trust occurring up to the date of this report that requires disclosure in the financial report and the notes thereto that has not already been disclosed.

Signed on behalf of Perpetual Corporate Trust Limited, as Trustee of Kingfisher Trust 2016-1.

Name:
Position:


Jerry Hsu

Date: 25/01/18

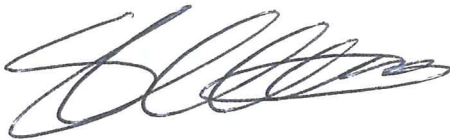
TRUST MANAGER'S STATEMENT

In the opinion of the Trust Manager for the Trust:

- a) the Trust is not a reporting entity because there are unlikely to exist users of the financial statements who are unable to command the preparation of reports tailored to specifically satisfy all of their information needs;
- b) the financial statements and notes are drawn up in accordance with the basis of accounting described in Note 1 so as to present fairly the financial position of the Trust as at 30 September 2017, as represented by its Balance sheet, and for the period then ended as represented by its Income Statement and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows;
- c) to the best of our knowledge, in all material respects the Trust has operated throughout the period 2 November 2016 to 30 September 2017 in accordance with the provisions of the Master Trust Deed;
- d) at the date of this statement, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due;
- e) the financial statements have been prepared in accordance with the provisions of the Master Trust Deed, and applicable Australian Accounting standards and interpretations as described in Note 1.

This statement is made for and on behalf of ANZ Capel Court Limited, as Trust Manager of the Kingfisher Trust 2016-1.

Signed for and on behalf of ANZ Capel Court Limited, as Trust Manager of Kingfisher Trust 2016-1:



Susanna Vandenberg
Trust Manager
ANZ Capel Court Limited

Date: 25.01.2018

INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

	Note	Period 02/11/2016 to 30/09/2017 \$
Interest income		60,017,207
Bank interest income		366
Finance income		60,017,573
Total revenue		60,017,573
Note interest expense		41,470,393
Net swap interest paid		981,247
Liquidity and redraw facility fees		74,280
Finance expense		42,525,920
Servicer fee		3,672,896
Custodian fee		220,374
Trustee fee		113,864
Trust manager fee		647,202
Other expenses		381,381
Total expenses		47,561,637
Profit for the period		12,455,936
Other comprehensive income		-
Profit attributable to unitholders		12,455,936
<i>Financing costs attributable to unitholders</i>		
Distribution to unitholders		12,455,936
Total financing costs attributable to unitholders		12,455,936

BALANCE SHEET

	Note	30/09/2017 \$
Assets		
Cash and cash equivalents		12,534
Trade and other receivables	3	9,118,024
Loans and receivables	4	1,551,102,359
Total assets		1,560,232,917
Liabilities (excluding net assets attributable to unitholders)		
Trade and other payables	5	9,130,448
Interest bearing liabilities	6	1,551,102,359
Total liabilities (excluding net liabilities attributable to unitholders)		1,560,232,807
Net assets attributable to unitholders		110

STATEMENT OF CHANGES IN EQUITY

	Trust Units Issued	Reserves	Total
	\$	\$	\$
Balance at 1 October 2016	-	-	-
Participation units issued	10	-	10
Residual units issued	100	-	100
Profit attributable to unitholders	-	12,455,936	12,455,936
Total distribution for the period	-	(12,455,936)	(12,455,936)
Balance at 30 September 2017	110	-	110

STATEMENT OF CASH FLOWS

	Period 02/11/2016 to 30/09/2017 \$
Cash flows from operating activities	
Interest income received	50,899,550
Payments to suppliers	(4,720,949)
Net swap payments	7,116,202
Borrowing costs paid	(40,752,448)
Net cash provided by operating activities	12,542,355
Cash flows from investing activities	
(Payments) for receivables	(2,006,950,005)
Proceeds from collection of receivables (net of redraws)	455,847,646
Net cash (used in) investing activities	(1,551,102,359)
Cash flows from financing activities	
Proceeds from issue of units	110
Proceeds from borrowings	2,000,000,000
(Repayment) of borrowings	(448,897,641)
Distributions paid	(12,529,931)
Net cash provided by financing activities	1,538,572,538
Net increase in cash and cash equivalents	12,534
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of period	12,534
Cash and cash equivalents	
	30/09/2017 \$
Cash at bank	12,534

Reconciliation of cash flow from operating activities

	Period 02/11/2016 to 30/09/2017
	\$
Finance cost attributable to unitholders	12,455,936
Net cash provided by operating activities before	
changes in assets and liabilities	12,455,936
Increase in trade and other receivables	(9,118,024)
Increase in payables and other liabilities	389,049
Increase in interest and swap interest payable	8,815,394
Net cash provided by operating activities	12,542,355

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Financial reporting Framework

In the opinion of the Trust Manager, the Trust is not a reporting entity because there are unlikely to exist users of the special purpose financial report who are unable to command the preparation of reports tailored to specifically satisfy all of their information needs. The financial statements of the Trust have been drawn up as special purpose financial statements for use by the Trust Manager, Trustee, and the unitholders and for the purpose of fulfilling the requirements of the Master Trust Deed.

The Trust is a for-profit entity.

The Kingfisher Trust 2016-1 is a unit trust established and domiciled in Australia.

Basis of preparation and statement of compliance

The special purpose financial statements have been prepared on the basis of historical cost unless otherwise stated. Cost is based on the fair values of the consideration given in exchange for assets.

The special purpose financial statements have been prepared in accordance with the provisions of the Master Trust Deed, the recognition and measurement principles of accounting specified by relevant Australian Accounting Standards ("AASB") (including Australian Accounting Interpretations) and the disclosure requirement of the following standards:

- AASB 101 Presentation of Financial Statements
- AASB 107 Cash Flow Statements
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 110 Events after the Balance Sheet Date
- AASB 1031 Materiality
- AASB 1054 Additional Australian Disclosures.

Use of estimates and judgements

The application of Australian Accounting Standards requires judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

The accounting policies set out below have been consistently applied in preparing the financial statements for the period 2 November 2016 to 30 September 2017.

(i) Finance income and expenses

Interest income is recognised as it accrues 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 over the expected life of the financial asset or financial liability so as to achieve a constant yield on the financial asset or liability.

Interest expense on financial liabilities measured at amortised cost is recognised in the Income statement as it accrues using the effective interest method.

(ii) Taxation

Under current legislation the Trust is not subject to income tax as its taxable income (including assessable realised capital gains) is distributed in full to the residual income unitholders. Realised capital losses are not distributed to unitholders but are retained in the Trust to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to residual income unitholders.

(iii) Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, GST is recognised as part of the cost of acquisition of the asset or as part of the related expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(iv) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash at bank and investments in money market instruments which are highly liquid investments with maturities of less than three months that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

(v) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently at amortised cost, less any allowance for impairment.

(vi) Loans and receivables

Loans and receivables represent the contractual cash flows due from ANZ in relation to mortgage loans which have been securitised by the Trust. The related mortgage assets are not derecognised from ANZ's balance sheet as they do not meet the de-recognition criteria under AASB 139. The loans are measured at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

(vii) Impairment

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of

NOTES TO THE FINANCIAL STATEMENTS

the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

(viii) Trade and other payables

Trade and other payables are recognised when the Trust becomes obliged to make future payments resulting from the purchase of goods and services.

(ix) Interest bearing liabilities

Interest bearing liabilities are initially recorded at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost, with differences in initial recognised amounts and redemption values being recognised in the income statement over the period of borrowing using an effective interest method.

(x) Distributions

In accordance with the Master Trust Deed, the Trust fully distributes its distributable income to residual income unitholders by way of cash. Distributions to residual income unitholders comprise the income of the Trust to which the residual income unitholders are presently entitled. The distributions are payable at the end of each financial year.

(xi) Derivative financial instruments

The Trust enters into derivative financial instruments, namely interest rate swaps, to manage its exposure to interest rate risk. Costs or gains arising at the time of entering into a hedge transaction are deferred and brought to account over the life of the hedge.

As the financial assets do not qualify for de-recognition from the originator (ANZ), in line with AASB 139, the interest rate swap income and expense is recognised on an accruals basis.

(xii) Going concern

The Trust accounts are prepared on a going concern basis.

(xiii) Accounting standards not yet effective

The following standards and amendments were available for early adoption, but have not been applied by the Trust in these financial statements. The Trust does not intend to apply any of the pronouncements until their effective date.

• AASB 9 Financial Instruments

The AASB issued the final version of AASB 9 in 2014. AASB 9 is not mandatorily effective for the Trust until 1 October 2018. When operative, this standard will replace AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 addresses recognition and measurement requirements for financial assets and financial liabilities, impairment requirements that introduce an expected credit loss impairment model and general hedge accounting requirements which more closely align with risk management activities undertaken when hedging financial and non-financial risks. The Trust is not yet able to reasonably estimate the impact on its financial statements.

• AASB 15 Revenue from Contracts with Customers

The AASB issued AASB 15 in December 2014. The standard is not mandatorily effective for the Company until 1 October 2017. AASB 15 contains new requirements for the recognition of revenue and additional disclosures about revenue. It is expected that a significant proportion of the Trust's revenue will be outside the scope of AASB15.

A number of other AASB standards are also available for early adoption, but have not been applied by the Trust in these financial statements. These standards involve amendments of a technical nature which are not expected to have a material impact on the Trust.

NOTES TO THE FINANCIAL STATEMENTS

2. AUDITORS' COMPENSATION

30/09/2017

\$

Audit services

KPMG Australia:

Audit or review of financial statements	14,009
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Total compensation of auditors	14,009
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The policy of the ultimate parent entity, ANZ, allows KPMG Australia or any of its related practices to provide assurance and other audit-related services that, while outside the scope of the statutory audit, are consistent with the role of auditor. KPMG Australia or any of its related practices may not provide services that are perceived to be materially in conflict with the role of auditor. These include consulting advice and subcontracting of operational activities normally undertaken by management, and engagements where the auditor may ultimately be required to express an opinion on its own work. However, non-audit services that are not perceived to be materially in conflict with the role of auditor may be provided by KPMG Australia or any of its related practices subject to the approval of the Audit Committee.

3. TRADE AND OTHER RECEIVABLES

30/09/2017

\$

GST receivable	1
Interest receivable	9,118,023
Total trade and other receivables	9,118,024

4. LOANS AND RECEIVABLES

30/09/2017

\$

Loan receivables - at amortised cost	1,551,102,359
Total Loans and receivables	1,551,102,359

The Trust has not recorded a provision against loan receivables associated with securitised mortgages assets. Given the low loan value ratio of the current portfolio and absence of any significant losses to date, it is deemed that no provision is currently against the mortgage portfolio.

5. TRADE AND OTHER PAYABLES

30/09/2017

\$

Net swap interest payable	8,097,449
Note interest payable	717,945
Trust distributions payable (refer Note 7)	(73,995)
Sundry creditors and accruals	389,049
Total trade and other payables	9,130,448

6. INTEREST BEARING LIABILITIES

30/09/2017

\$

Class A1 notes issued - at amortised cost	1,391,102,359
Class A2 notes issued - at amortised cost	70,000,000
Class B notes issued - at amortised cost	48,000,000
Class C notes issued - at amortised cost	14,000,000
Class D notes issued - at amortised cost	12,000,000
Class E notes issued - at amortised cost	8,000,000
Class F notes issued - at amortised cost	8,000,000
Total interest bearing liabilities	1,551,102,359

NOTES TO THE FINANCIAL STATEMENTS

7. DISTRIBUTIONS PAYABLE

	30/09/2017
	\$
Distributions payable at the beginning of the period	-
Profit attributable to unitholders	12,455,936
Net assets attributable to unitholders	12,455,936
Distributions paid during the period	(12,529,931)
Distributions payable at the end of the period	(73,995)

8. COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments and contingent liabilities as at 30 September 2017.

9. EVENTS SINCE THE END OF THE FINANCIAL PERIOD

There have been no significant events subsequent to balance date which would have a material effect on the Trust's financial statements up to the date of this report.

10. TRUST DETAILS

The principal place of business of the Trust is Level 10, 100 Queen Street, Melbourne, Victoria 3000, and its principal activity is the securitisation of residential mortgages.



Independent Auditor's Report

To the Unitholders of Kingfisher Trust 2016-1

Opinion

We have audited the Financial Report of Kingfisher Trust 2016-1 (the Trust).

In our opinion, the accompanying Financial Report presents fairly, in all material respects, the financial position of the Trust as at 30 September 2017, and of its financial performance and its cash flows for the period 2 November 2016 to 30 September 2017, in accordance with the accounting policies described in Note 1 to the financial statements.

The Financial Report comprises:

- Balance sheet as at 30 September 2017,
- Statement of income and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the period 2 November 2016 to 30 September 2017,
- Notes including a summary of significant accounting policies,
- Trustee's Statement, and
- Trust Manager's Statement.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. 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 Report* section of our report.

We are independent of the Trust in accordance with the 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 Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to Note 1 to the Financial Report, which describes the basis of preparation.

The Financial Report has been prepared to assist the Trust to meet its financial reporting obligations under the ANZ RMBS Master Trust Deed.

As a result, the Financial Report 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 Trust and Trust Manager and should not be used by or distributed to parties other than the Trust and Trust Manager. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the Trust Manager or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in the Trust's financial reporting which is provided in addition to the Financial Report and the Auditor's Report. The Trust Manager is responsible for the Other Information.



The Other Information we obtained prior to the date of this Auditor's Report was the Trust Manager's Report.

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

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report 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, and 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.

Responsibilities of the Trust Manager for the Financial Report

The Trust Manager is responsible for:

- the preparation and fair presentation of the Financial Report and have determined that the basis of preparation described in Note 1 to the Financial Report is appropriate.
- implementing necessary internal control to enable the preparation of a Financial Report that is free from material misstatement, whether due to fraud or error
- assessing the Trust's 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 the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is 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 *Australian Auditing Standards* 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 this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

Melbourne

25 January 2018