







# Total Assets

Impact	2005 Financial Impact	Description
Total impact	 \$4,572m	<ul style="list-style-type: none"><li>• Assets increase to \$297,757m</li></ul>



# Goodwill & Intangible Assets

Impact	2005 Financial Impact	Description
Goodwill & Intangible Assets <a href="#">AASB 138, AASB 3</a>	 \$541m	<p>The changes to goodwill and intangible assets reflect</p> <ul style="list-style-type: none"><li>• The write-back of goodwill amortisation. Under AIFRS goodwill is no longer amortised, rather it is subject to impairment testing (\$179m)</li><li>• The reclassification of software assets from premises and equipment to intangibles (\$387m)</li><li>• The de-recognition of intangible assets associated with the Origin business where, under AIFRS, the definition of a business combination is not met (decrease of \$25m)</li></ul>





# Net Loans & Advances (NLAs)

Impact	2005 Financial Impact	Description
Total impact	 \$102m	<ul style="list-style-type: none"> <li>• <b>Net Loans &amp; Advances increase to \$231,054m</b></li> </ul>
Fee Revenue <a href="#">AASB 139</a>	 \$382m	<ul style="list-style-type: none"> <li>• Under AIFRS, certain fees which are integral to the yield of a financial instrument (such as loan approval &amp; financial service fees), are capitalised and amortised over the expected useful life of the financial instruments to which they relate.</li> </ul>
Securitisation <a href="#">AASB 127</a>	 \$1,538m	<ul style="list-style-type: none"> <li>• AIFRS introduces stricter requirements for recognition of financial assets including those transferred to SPVs for securitisation</li> <li>• Additional securitisation entities and related loans and advances, previously not consolidated, now brought on balance sheet</li> </ul>
Credit Loss Provisioning <a href="#">AASB 139</a>	 \$289m	<ul style="list-style-type: none"> <li>• AIFRS is more prescriptive than previous AGAAP in its guidance on impairment provisioning and requires discounting cash flows</li> <li>• Under AIFRS, provisions can only be raised for loans where a "loss event" has occurred and is objectively verifiable</li> <li>• Under AGAAP, the annual (ELP) charge was determined as the average one year loss expected to be incurred if the same loan portfolio was held over an economic cycle</li> <li>• The adjustment to NLAs reflects the reduction of provisions previously charged under ELP where an objectively identifiable "loss event" has yet to occur</li> </ul>





# Net Loans & Advances (NLAs) cont.

Impact	2005 Financial Impact	Description
Derivative Financial Instruments <a href="#">AASB 139</a>	 \$214m	The following AIFRS changes drive the decrease: <ul style="list-style-type: none"> <li>• The designation of fair value hedges held in respect of certain interest rate exposures on net loans and advances results in fair value movements in the hedged item (\$110m) being offset against the hedging instruments</li> <li>• Fair value movements (\$104m) associated with additional securitisation entities and related assets being brought on balance sheet and offset by the valuation movements in hedging instruments</li> </ul>
Financial Instrument Valuation <a href="#">AASB 139</a>	 \$1,129m	The following AIFRS changes drive the decrease: <ul style="list-style-type: none"> <li>• The designation of a portfolio of loans that it intends to sell as Available for Sale (\$951m)</li> <li>• The reclassification of effective yield income relating to certain structured leasing transactions from Other Liabilities (\$257m) and associated marketing fees from Other Assets (increase of \$79m)</li> </ul>


# Derivative Financial Assets

Impact	2005 Financial Impact	Description
Total impact	 \$3,963m	<ul style="list-style-type: none"> <li>• <b>Derivative Finance Assets increase to \$3,963m</b></li> </ul>
Securitisation <a href="#">AASB 127</a>	 \$20m	<ul style="list-style-type: none"> <li>• Additional securitisation entities and financial assets held with ANZ Group, previously not consolidated, are required to be brought on balance sheet resulting in some instances of intercompany eliminations</li> </ul>
Derivatives Financial Instruments <a href="#">AASB 101, AASB 139</a>	 \$4,025m	<p>The following AIFRS changes drive the increase:</p> <ul style="list-style-type: none"> <li>• Separate disclosure of derivative assets, previously included in other assets (\$3,750m)</li> <li>• Recognition of the fair value of derivatives relating to securitisation vehicles and structured finance transactions now brought on balance sheet (decrease of \$30m)</li> <li>• Recognition of the fair value of other derivatives on balance sheet (\$281m)</li> </ul>
Financial Instrument Valuation <a href="#">AASB 139</a>	 \$42m	<ul style="list-style-type: none"> <li>• Adjustment to reflect the market value of counterparty risk in the fair value of derivatives. Under AGAAP, counterparty risk was notionally allowed for as part of the General Provision</li> </ul>


# Trading & Investment Securities and Available for Sale Assets

Impact	2005 Financial Impact	Description
Total impact	 \$4,101m	<ul style="list-style-type: none"> <li>• Trading &amp; Investment Securities and Available for Sale Assets increase to \$17,327m</li> </ul>
Securitisation <a href="#">AASB 127</a>	 \$3,101m	<ul style="list-style-type: none"> <li>• AIFRS introduces stricter requirements for recognition of financial assets including those transferred to SPVs for securitisation</li> <li>• Additional securitisation entities and related trading and investment securities, previously not consolidated, now brought on balance sheet</li> </ul>
Derivative Financial Instruments <a href="#">AASB 139</a>	 \$10m	<ul style="list-style-type: none"> <li>• Additional securitisation entities and financial assets held with ANZ Group, previously not consolidated, are required to be brought on balance sheet resulting in some instances of intercompany eliminations</li> </ul>
Other <a href="#">AASB 139</a>	 \$1,010m	<ul style="list-style-type: none"> <li>• "Other" reflects the combination of;</li> <li>• On adoption of AIFRS, the Group has designated a portfolio of loans and certain corporate bonds that it intends to sell as Available for Sale</li> <li>• Under AIFRS, quoted trading and investment securities are measured at 'bid' or 'offer' prices rather than 'mid' prices</li> </ul>







# Shares in Controlled Entities, Associates & JV's

Impact	2005 Financial Impact	Description
Interests in Joint Ventures <a href="#">AASB 131</a>	 \$84m	Reduced value of INGA impacted by: <ul style="list-style-type: none"> <li>– Increased policy liabilities resulting from a change in the actuarial valuation. Under AIFRS the liabilities are discounted at the risk free rate and exclude deferred acquisition costs (DACs), previously the margin on services approach permitted policy liabilities to be measured on a present value basis, inclusive of DACs.</li> <li>– Initial fee income previously taken to income upfront will be deferred and amortised to income over time</li> </ul> These reductions to the carrying value of the investment in INGA are offset by the write-back of notional INGA goodwill amortisation of \$43m for the year ended 30 September 2005 and the increase in deferred acquisition costs associated with the funds management and life insurance businesses.



## Premises & Equipment

Impact	2005 Financial Impact	Description
Reclassification of software assets <a href="#">AASB 138</a>	 \$387m	<ul style="list-style-type: none"> <li>• Reclassification of software assets from premises and equipment to intangibles</li> </ul>









# Other Assets

Impact	2005 Financial Impact	Description
Total impact	 \$3, 781m	<ul style="list-style-type: none"> <li>• <b>Other Assets decrease to \$6,122m</b></li> </ul>
Defined Benefit Schemes <a href="#">AASB 119</a>	 \$8m	<ul style="list-style-type: none"> <li>• Recognition of surplus net assets in certain defined benefit superannuation schemes as an asset. Under AGAAP, these schemes were accounted for on a cash basis with the net position not recognised as an asset</li> </ul>
Fee Revenue <a href="#">AASB 139</a>	 \$15m	<ul style="list-style-type: none"> <li>• Deferral of mortgage insurance fees recognised as an adjustment to yield</li> </ul>
Securitisation <a href="#">AASB 127</a>	 \$16m	<ul style="list-style-type: none"> <li>• AIFRS introduces stricter requirements for recognition of financial assets, including those transferred to SPVs for securitisation and related assets previously not consolidated, are now brought on balance sheet</li> </ul>
Derivatives Financial Instruments <a href="#">AASB 101, AASB 139</a>	 \$3,761m	<p>The following AIFRS changes drive the increase:</p> <ul style="list-style-type: none"> <li>• Separate disclosure of derivative assets, previously included in other assets (\$3,750m)</li> <li>• Fair value movements (\$11m) associated with additional securitisation entities and related assets being brought on balance sheet and offset by the valuation movements in hedging instruments</li> </ul>
Hybrid Securities <a href="#">AASB 132</a>	 \$11m	<ul style="list-style-type: none"> <li>• Under AIFRS, ANZ StEPS is reclassified from equity to liabilities and as a result, the related prepaid issue costs have been recognised separately</li> </ul>


# Other Assets cont.

Impact	2005 Financial Impact	Description
Financial Instrument Valuation <a href="#">AASB 139</a>	 \$38m	The following AIFRS changes drive the increase: <ul style="list-style-type: none"> <li>• The reclassification of prepaid marketing fees associated with effective yield income relating to certain structured leasing transactions to Net Loans and Advances (decrease of \$79m)</li> <li>• Reclassification of other assets previously included in an AGAAP hedging relationship and offset against the underlying hedged item</li> </ul>
Other	 \$2m	<ul style="list-style-type: none"> <li>• The write-back of capitalised brokerage costs</li> </ul>




# Deferred Tax Assets

Impact	2005 Financial Impact	Description
Total impact	 \$116m	<ul style="list-style-type: none"> <li>Deferred tax assets increase to \$1,453m</li> </ul>
Defined Benefit Schemes <a href="#">AASB 119</a>	 \$44m	<ul style="list-style-type: none"> <li>Deferred tax assets associated with a number of defined benefit pension plan deficits. A defined benefit liability of \$166m is booked in "other liabilities"</li> </ul>
Fee Revenue <a href="#">AASB 118, AASB 139</a>	 \$121m	<ul style="list-style-type: none"> <li>Deferred tax assets related to the capitalisation of certain fees which are integral to the yield of a financial instrument and the deferral of certain service type fees</li> </ul>
Derivatives Financial Instruments <a href="#">AASB 101, AASB 139</a>	 \$49m	<ul style="list-style-type: none"> <li>Deferred tax assets related to re-measurement of derivatives at fair value rather than cost</li> </ul>
Securitisation <a href="#">AASB 127</a>	 \$2m	<ul style="list-style-type: none"> <li>Deferred tax assets associated with additional securitisation entities previously not consolidated, now required to be brought on balance sheet</li> </ul>
Credit Loss Provisioning <a href="#">AASB 139</a>	 \$105m	<ul style="list-style-type: none"> <li>The deferred tax asset adjustment relates to the tax impact of reducing provisions previously charged under ELP where a "loss event" has yet to be objectively assessed as having occurred</li> </ul>
Hybrid Securities <a href="#">AASB 132</a>	 \$4m	<ul style="list-style-type: none"> <li>Deferred tax assets associated with the prepaid issue costs on ANZ StEPS</li> </ul>
Other	 \$9m	<ul style="list-style-type: none"> <li>Includes deferred tax assets associated with share based payments</li> </ul>





# Total Liabilities

Impact	2005 Financial Impact	Description
Total impact	 \$5,811m	<ul style="list-style-type: none"> <li>• Liabilities increase to \$279,508m</li> </ul>




# Deposits & Other Borrowings

Impact	2005 Financial Impact	Description
Total impact	 \$4,559m	<ul style="list-style-type: none"> <li>• Deposits &amp; Other Borrowings increase to \$190,252m</li> </ul>
Securitisation <a href="#">AASB 127</a>	 \$4,629m	<ul style="list-style-type: none"> <li>• AIFRS introduces stricter requirements for recognition of financial liabilities including those transferred to SPVs for securitisation</li> <li>• Additional securitisation entities previously not consolidated and related deposits and other borrowings, are required to be brought on balance sheet</li> </ul>
Derivatives Financial Instruments <a href="#">AASB 139</a>	 \$70m	<ul style="list-style-type: none"> <li>• Additional securitisation entities and financial liabilities held with ANZ Group, previously not consolidated, are required to be brought on balance sheet resulting in some instances of intercompany eliminations</li> </ul>


# Derivative Financial Liabilities

Impact	2005 Financial Impact	Description
Total impact	 \$4,266m	<ul style="list-style-type: none"> <li>• <b>Derivative Financial Liabilities increase to \$4,266m</b></li> </ul>
Securitisation <a href="#">AASB 127</a>	 \$2m	<ul style="list-style-type: none"> <li>• Additional securitisation entities and financial assets held with ANZ Group, previously not consolidated, are required to be brought on balance sheet resulting in some instances of intercompany eliminations</li> </ul>
Derivative Financial Instruments <a href="#">AASB 101, AASB 139</a>	 \$4,262m	<p>The following AIFRS changes drive the increase:</p> <ul style="list-style-type: none"> <li>• Separate disclosure of derivative liabilities, previously included in other liabilities (\$4,225m)</li> <li>• The designation of fair value hedges held in respect of certain interest rate exposures results in fair value movements in the hedging instruments being offset against the hedged item (decrease of \$19m)</li> <li>• Recognition of the fair value of derivatives relating to securitisation vehicles and structured finance transactions now brought on balance sheet (\$56m)</li> </ul>
Other	 \$6m	<ul style="list-style-type: none"> <li>• Under AIFRS, certain derivative financial instruments are measured at 'bid' or 'offer' prices rather than 'mid' prices</li> </ul>






# Loan Capital

Impact	2005 Financial Impact	Description
Total impact	 \$1,065m	<ul style="list-style-type: none"> <li>• Loan capital increases to \$10,202m</li> </ul>
Hybrid Securities <a href="#">AASB 132</a>	 \$1,000m	<ul style="list-style-type: none"> <li>• Under AIFRS ANZ StEPS is reclassified from equity to liabilities. The face value of StEPS securities is A\$1b.</li> </ul>
Derivative Financial Instruments <a href="#">AASB 139</a>	 \$65m	<ul style="list-style-type: none"> <li>• The designation of fair value hedges held in respect of certain interest rate exposures on certain subordinated debt results in fair value movements in the hedging instruments being offset against the hedged item</li> </ul>



# Bonds & Notes

Impact	2005 Financial Impact	Description
Derivatives Financial Instruments <a href="#">AASB 101, AASB 139</a>	 \$7m	<ul style="list-style-type: none"> <li>• The designation of fair value hedges held in respect of certain interest rate exposures results in fair value movements in the hedging instruments being offset against the hedged item</li> </ul>


# Payables & Other Liabilities

Impact	2005 Financial Impact	Description
<b>Total impact</b>	 \$4,117m	<ul style="list-style-type: none"> <li>• <b>Payables &amp; Other Liabilities decrease to \$7,490m</b></li> </ul>
Defined Benefit Schemes <a href="#">AASB 119</a>	 \$166m	<ul style="list-style-type: none"> <li>• Recognition of the net deficit in certain defined benefit superannuation schemes as a liability. Under AGAAP, these schemes were accounted for on a cash basis with the net position not recognised as a liability</li> </ul>
Fee Revenue <a href="#">AASB 118, AASB 139</a>	 \$3m	<ul style="list-style-type: none"> <li>• Certain service type fees (such as administration fees) are deferred and amortised over the period of service</li> </ul>
Derivative Financial Instruments <a href="#">AASB 101, AASB 139</a>	 \$4,223m	<ul style="list-style-type: none"> <li>• Separate disclosure of derivative liabilities, previously included in other liabilities</li> </ul>
Securitisation <a href="#">AASB 127</a>	 \$10m	<ul style="list-style-type: none"> <li>• Additional securitisation entities previously not consolidated and related payables and other liabilities, are required to be brought on balance sheet</li> </ul>






# Payables & Other Liabilities cont.

Impact	2005 Financial Impact	Description
Financial Instrument Valuation <a href="#">AASB 139</a>	 \$131m	The following AIFRS changes drive the decrease: <ul style="list-style-type: none"> <li>• The reclassification of effective yield income relating to certain structured leasing transactions from Net Loans and Advances (\$257m)</li> <li>• Reclassifications of bonds previously included in an AGAAP hedging relationship and offset against the underlying hedged item (increase of \$126m)</li> </ul>
Other	 \$58m	"Other" largely reflects the combination of; <ul style="list-style-type: none"> <li>• Share based payment accrual relating to the \$1,000 share issue in October 2005 (\$16m)</li> <li>• Reclassification of legacy foreign currency translation and asset revaluation balances (\$39m)</li> </ul>



## Provisions

Impact	2005 Financial Impact	Description
Other	 \$16m	<ul style="list-style-type: none"> <li>• Reclassification of non lending loss provisions associated with additional securitisation entities and related assets being brought on balance sheet</li> </ul>

# Income Tax Liabilities

Impact	2005 Financial Impact	Description
Total impact	 \$29m	<ul style="list-style-type: none"> <li>Income tax liabilities increases to \$1,826m</li> </ul>
Defined Benefit Schemes <a href="#">AASB 119</a>	 \$3m	<ul style="list-style-type: none"> <li>Deferred tax liability associated with a number of defined benefit pension plan surpluses. A defined benefit asset of \$8m is booked in "other assets"</li> </ul>
Securitisation <a href="#">AASB 127</a>	 \$4m	<ul style="list-style-type: none"> <li>Deferred tax liability associated with additional securitisation entities, previously not consolidated, now brought on balance sheet</li> </ul>
Derivatives Financial Instruments <a href="#">AASB 139</a>	 \$54m	<ul style="list-style-type: none"> <li>Deferred tax liability resulting from the designation of certain fair value and cash flow hedges held in respect of interest rate exposures</li> </ul>
Financial Instrument Valuation <a href="#">AASB 139</a>	 \$20m	<p>The following changes drive the decrease:</p> <ul style="list-style-type: none"> <li>Deferred tax liability resulting from the reflection of the market value of counterparty risk in the fair value of derivatives</li> <li>Deferred tax liability relating to certain assets designated as Available for Sale</li> </ul>

# Income Tax Liabilities cont.

Impact	2005 Financial Impact	Description
Balance Sheet Method Tax Calculation <a href="#">AASB 112</a>	 \$18m	<ul style="list-style-type: none"><li>• Impact of calculating deferred tax using the 'balance sheet method' i.e. determining temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax</li><li>• AGAAP applied the 'statement of financial performance' approach whereby tax expense was calculated using profit adjusted for non-assessable and non-deductible items</li></ul>
Other	 \$6m	<ul style="list-style-type: none"><li>• Deferred tax liabilities relating to share based payments and the write-back of brokerage costs</li></ul>