Australia and New Zealand Banking Group Limited

ABN 11 005 357 522

Full Year

30 September 2019

Consolidated Financial Report

Dividend Announcement

and Appendix 4E

The Consolidated Financial Report and Dividend Announcement contains information required by Appendix 4E of the Australian Securities Exchange (ASX) Listing Rules. It should be read in conjunction with ANZ's 2019 Annual Report, and is lodged with the ASX under listing rule 4.2A.

Name of Company: Australia and New Zealand Banking Group Limited
ABN 11 005 357 522

Report for the year ended 30 September 2019

Operating Results[1]				**AUD million**
Statutory operating income from continuing operations	⇩	-6%	to	18,785
Statutory profit attributable to shareholders	⇩	-7%	to	5,953
Cash profit[2]	⇧	6%	to	6,161
Cash profit continuing operations[2]	▫	0%	to	6,470

Dividends[3]	**Cents per share**	**Franked amount per share**
Proposed final dividends[4]	80	70%
Interim dividend	80	100%
Record date for determining entitlements to the proposed 2019 final dividend		12 November 2019
Payment date for the proposed 2019 final dividend		18 December 2019

Dividend Reinvestment Plan and Bonus Option Plan

Australia and New Zealand Banking Group Limited (ANZ) has a Dividend Reinvestment Plan (DRP) and a Bonus Option Plan (BOP) that will operate in respect of the proposed 2019 final dividend. For the 2019 final dividend, ANZ intends to provide shares under the DRP through an on-market purchase and BOP through the issue of new shares. The 'Acquisition Price' to be used in determining the number of shares to be provided under the DRP and BOP will be calculated by reference to the arithmetic average of the daily volume weighted average sale price of all fully paid ANZ ordinary shares sold in the ordinary course of trading on the ASX and Chi-X during the ten trading days commencing on 15 November 2019, and then rounded to the nearest whole cent. Shares provided under the DRP and BOP will rank equally in all respects with existing fully paid ANZ ordinary shares. Election notices from shareholders wanting to commence, cease or vary their participation in the DRP or BOP for the 2019 final dividend must be received by ANZ's Share Registrar by 5.00pm (Australian Eastern Daylight Time) on 13 November 2019. Subject to receiving effective contrary instructions from the shareholder, dividends payable to shareholders with a registered address in the United Kingdom (including the Channel Islands and the Isle of Man) or New Zealand will be converted to Pounds Sterling or New Zealand Dollars respectively at an exchange rate calculated on 15 November 2019.

1. Unless otherwise noted, all comparisons are to the year ended 30 September 2018.
2. Cash profit excludes non-core items included in statutory profit and is provided to assist readers in understanding the result of the core business activities of the Group. The non-core items are calculated consistently period on period so as not to discriminate between positive and negative adjustments, and fall into one of the three categories: gains or losses included in earnings arising from changes in tax, legal or accounting legislation or other non-core items not associated with the core operations of the Group; treasury shares, revaluation of policy liabilities, economic hedging and similar accounting items that represent timing differences that will reverse through earnings in the future; and accounting reclassifications between individual line items that do not impact reported results, such as policyholders tax gross up. Cash profit is not a measure of cash flow or profit determined on a cash basis. The net after tax adjustment was an increase to statutory profit of $208 million ($174 million on a continuing basis) made up of several items. Refer pages 77 to 81 for further details.
3. The unfranked portion of the dividend will be sourced from ANZ’s conduit foreign income account.
4. It is proposed that the final dividend will be 70% franked per ordinary share for Australian tax purposes (30% tax rate) and carry New Zealand imputation credits of NZD 9 cents per ordinary share.

KPMG has audited the financial statements contained within the Australia and New Zealand Banking Group Limited Annual Report and has issued an unmodified audit report. The Annual Report will be available on 4 November 2019, and will include a copy of the KPMG audit report. The financial information contained in the Condensed Consolidated Financial Statements section of this preliminary final report includes financial information extracted from the audited financial statements together with financial information that has not been audited.

Cash profit is not subject to audit by the external auditor. The external auditor has informed the Audit Committee that recurring adjustments have been determined on a consistent basis across each period presented.

David M Gonski, AC
Chairman

Shayne C Elliott
Director

30 October 2019

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CONSOLIDATED FINANCIAL REPORT, DIVIDEND ANNOUNCEMENT AND APPENDIX 4E

Year ended 30 September 2019

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This Consolidated Financial Report, Dividend Announcement and Appendix 4E has been prepared for Australia and New Zealand Banking Group Limited (the “Company” or “Parent Entity”) together with its subsidiaries which are variously described as “ANZ”, “Group”, “ANZ Group”, “the consolidated entity”, “the Bank”, “us”, “we” or “our”.

All amounts are in Australian dollars unless otherwise stated. The Company has a formally constituted Audit Committee of the Board of Directors. The Condensed Consolidated Financial Statements were approved by resolution of a Committee of the Board of Directors on 30 October 2019.

When used in this Results Announcement the words “estimate”, “project”, “intend”, “anticipate”, “believe”, “expect”, “should” and similar expressions, as they relate to ANZ and its management, are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. ANZ does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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SUMMARY OF 2019 FULL YEAR RESULTS AND ASSOCIATED DISCLOSURE MATERIALS

The following disclosure items were lodged separately with the ASX and NZX and can be accessed via the ANZ Shareholder Centre on the Group website https://www.anz.com/shareholder/centre/ within the disclosures for 2019 Full Year Results.

Available on 31 October 2019 – 2019 Full Year Results

- **Consolidated Financial Report, Dividend Announcement & Appendix 4E**
- **Results Presentation and Investor Discussion Pack**
- **News Release**
- **Key Financial Data Summary**

Available on or after 4 November 2019

- **2019 Annual Report**
- **2019 The Company Financial Report**
- **2019 Corporate Governance Statement**
- **APS 330 Pillar III Disclosure at 30 September 2019**
- **2019 Climate-Related Financial Disclosures**
- **2019 ESG Supplement**
- **United Kingdom Disclosure and Transparency Rules Submission**

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Guide to Full Year Results

ACCOUNTING STANDARDS ADOPTED

During the September 2019 full year, the Group adopted two new Accounting Standards, AASB 9 *Financial Instruments* (AASB 9) and AASB 15 *Revenue from Contracts with Customers* (AASB 15):

- AASB 9 - the Group implemented an expected credit loss methodology for impairment of financial assets, and revised the classification and measurement of certain financial assets from 1 October 2018. Consequently, the Group increased its provision for credit impairment by $813 million through opening retained earnings. Comparative information has not been restated.
- AASB 15 - the main impact of adoption is that certain items previously netted are now presented gross in operating income and operating expenses. Comparative information has been restated which increased total operating income for the September 2018 full year by $153 million and increased total operating expenses by the same amount.

For further details on key requirements and impacts of the changes described above refer to Note 1 and 16 of the Condensed Consolidated Financial Statements.

NON-IFRS INFORMATION

Statutory profit is prepared in accordance with recognition and measurement requirements of *Australian Accounting Standards*, which comply with *International Financial Reporting Standards* (IFRS). The Group provides additional measures of performance in the Consolidated Financial Report & Dividend Announcement which are prepared on a basis other than in accordance with accounting standards. The guidance provided in *Australian Securities and Investments Commission (ASIC) Regulatory Guide 230* has been followed when presenting this information.

Cash Profit

Cash profit, a non-IFRS measure, represents ANZ's preferred measure of the result of the core business activities of the Group, enabling readers to assess Group and Divisional performance against prior periods and against peer institutions. The adjustments made in arriving at cash profit are included in statutory profit which is subject to audit within the context of the external auditor's audit of the 2019 ANZ Annual Financial Statements (when released). Cash profit is not subject to audit by the external auditor. The external auditor has informed the Audit Committee that cash profit adjustments have been determined on a consistent basis across each period presented.

- **Adjustments between statutory profit and cash profit -** To calculate cash profit, the Group excludes non-core items from statutory profit. Refer to pages 77 to 81 for adjustments between statutory and cash profit.
- **Large/Notable items within cash profit** - The Group's cash profit result from continuing operations includes a number of items collectively referred to as large/notable items. While these items form part of cash profit, given their nature and significance, they have been presented separately with comparative information, where relevant, to provide transparency and aid comparison. Refer to pages 16 to 20 for details of large/notable items.

DISCONTINUED OPERATIONS

The financial results of the Wealth Australia businesses being divested and associated Group reclassification and consolidation impacts are treated as discontinued operations from a financial reporting perspective. These businesses qualify as discontinued operations, a subset of assets and liabilities held for sale, as they represent a major line of business.

The Group Income Statement and Statement of Comprehensive Income show discontinued operations separately from continuing operations in a separate line item 'Profit/(Loss) from discontinued operations'.

- **Sale to IOOF Holdings Limited (IOOF)**

  On 17 October 2017, the Group announced it had agreed to sell its OnePath pensions and investments (OnePath P&I) business and Aligned Dealer Groups (ADGs) businesses to IOOF. The sale of the ADG business completed on 1 October 2018. On 17 October 2019, the Group announced it had agreed a revised sale price for its OnePath P&I business and ADGs to IOOF of $850 million, being a $125 million reduction from the original sale price of $975 million announced in October 2017. The new price of $850 million includes approximately $25 million that ANZ has already received for the sale of ADGs in October 2018. The revised terms reflect changing market conditions and include lower overall warranty caps as well as some changes to the strategic alliance arrangements. Subject to APRA approval, the Group expects the transaction to complete in the first quarter of calendar year 2020. The impact of the reduction in price has been reflected in the 2019 financial results.

- **Sale to Zurich Financial Services Australia (Zurich)**

  On 12 December 2017, ANZ announced that it had agreed to sell its life insurance business to Zurich and regulatory approval was obtained on 10 October 2018. The transaction was completed on 31 May 2019.

Included in the 'Cash loss from discontinued operations' is:

- A $23 million loss ($81 million loss after tax) was recognised in the September 2019 half. This is attributable to sale related adjustments and write-downs, the reversal of the life-to-date cash profit adjustments on the revaluation of policy liabilities sold to Zurich, partially offset by the recycling of gains previously deferred in equity reserves on sale completion. A $632 million loss (pre and post-tax) was recognised on the reclassification of Wealth Australia discontinued operations businesses to held for sale in the September 2018 full year; and
- Customer remediation which includes provisions for expected refunds to customers and related remediation costs associated with inappropriate advice or services not provided in the pensions and investments and life insurance businesses.

	Half Year		Full Year	
	Sep-19	Mar-19	Sep-19	Sep-18
	$M	$M	$M	$M
Customer remediation (pre-tax)	**166**	75	**241**	181
Customer remediation (post-tax)	**154**	53	**207**	127

CONTINUING OPERATIONS

Divisional Performance

The presentation of divisional results has been impacted by a number of methodology and structural changes during the September 2019 full year. Prior period comparatives have been restated:

- The methodology for allocating earnings on capital at a business unit level changed from Economic Capital to Regulatory Capital. While neutral at a Group level, this change impacted net interest income at the divisional level;
- The residual Asia Retail and Wealth businesses have been transferred from the former Asia Retail and Pacific division to Technology, Services & Operations (TSO) and Group Centre division. The remaining segment has been renamed Pacific division; and
- ANZ's lenders mortgage insurance, share investing, general insurance distribution and financial planning businesses which were previously part of the continuing operations of Wealth Australia now form part of the Australia Retail and Commercial division (previously named Australia division) and Wealth Australia ceases to exist as a continuing division.

Other than those described above, there have been no other significant changes impacting divisional performance.

Statutory Profit Results

	Half Year Sep 19 $M	Half Year Mar 19 $M	Half Year Movt	Full Year Sep 19 $M	Full Year Sep 18 $M	Full Year Movt
Net interest income	**7,040**	7,299	-4%	**14,339**	14,514	-1%
Other operating income	**2,452**	1,994	23%	**4,446**	5,470	-19%
Operating income	**9,492**	9,293	2%	**18,785**	19,984	-6%
Operating expenses	**(4,706)**	(4,365)	8%	**(9,071)**	(9,401)	-4%
Profit before credit impairment and income tax	**4,786**	4,928	-3%	**9,714**	10,583	-8%
Credit impairment charge	**(402)**	(392)	3%	**(794)**	(688)	15%
Profit before income tax	**4,384**	4,536	-3%	**8,920**	9,895	-10%
Income tax expense	**(1,325)**	(1,284)	3%	**(2,609)**	(2,784)	-6%
Non-controlling interests	**(6)**	(9)	-33%	**(15)**	(16)	-6%
Profit attributable to shareholders of the Company from continuing operations	**3,053**	3,243	-6%	**6,296**	7,095	-11%
Profit/(Loss) from discontinued operations	**(273)**	(70)	large	**(343)**	(695)	-51%
Profit attributable to shareholders of the Company	**2,780**	3,173	-12%	**5,953**	6,400	-7%

Earnings Per Ordinary Share (cents)	Reference Page	Half Year Sep 19	Half Year Mar 19	Half Year Movt	Full Year Sep 19	Full Year Sep 18	Full Year Movt
Basic	98	**98.3**	111.7	-12%	**210.0**	221.6	-5%
Diluted	98	**94.7**	106.4	-11%	**201.9**	212.1	-5%

	Reference Page	Half Year Sep 19	Half Year Mar 19	Full Year Sep 19	Full Year Sep 18
Ordinary Share Dividends (cents)					
Interim - fully franked[1,2]	97	**-**	80	**80**	80
Final	97				
- fully franked[1,2]	97	**-**	-	**-**	80
- partially franked[2,3]	97	**80**	-	**80**	-
Total	97	**80**	80	**160**	160
Ordinary share dividend payout ratio[4]	97	**81.6%**	71.4%	**76.2%**	72.1%
Profitability Ratios					
Return on average ordinary shareholders' equity[5]		**9.3%**	10.8%	**10.0%**	10.9%
Return on average assets[6]		**0.56%**	0.65%	**0.61%**	0.68%
Net interest margin		**1.72%**	1.79%	**1.75%**	1.87%
Net interest income to average credit RWAs[6]		**4.03%**	4.23%	**4.13%**	4.28%
Efficiency Ratios					
Operating expenses to operating income		**51.8%**	48.6%	**50.2%**	49.6%
Operating expenses to average assets[6]		**1.00%**	0.94%	**0.97%**	1.05%
Credit Impairment Charge/(Release)					
Individually assessed credit impairment charge ($M)		**398**	379	**777**	773
Collectively assessed credit impairment charge/(release) ($M)		**4**	13	**17**	(85)
Total credit impairment charge ($M)	102	**402**	392	**794**	688
Individually assessed credit impairment charge as a % of average gross loans and advances[6,7]		**0.13%**	0.12%	**0.13%**	0.13%
Total credit impairment charge as a % of average gross loans and advances[6,7]		**0.13%**	0.13%	**0.13%**	0.12%

1. *Fully franked for Australian tax purposes (30% tax rate).*
2. *Carry New Zealand imputation credits of NZD 9 cents per ordinary share for the proposed 2019 final dividend (2019 interim dividend: NZD 9 cents; 2018 final dividend: NZD 10 cents; 2018 interim dividend: NZD 9 cents).*
3. *Partially franked at 70% for Australian tax purposes (30% tax rate).*
4. *Dividend payout ratio is calculated using the proposed 2019 final, 2019 interim, 2018 final and 2018 interim dividends.*
5. *Average ordinary shareholders' equity excludes non-controlling interests.*
6. *Average assets, average gross loans and advances and average credit RWAs include assets held for sale.*
7. *Credit impairment charge used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Cash Profit Results[1]

	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Net interest income	**7,040**	7,299	-4%	**14,339**	14,514	-1%
Other operating income	**2,243**	2,447	-8%	**4,690**	4,853	-3%
Operating income	**9,283**	9,746	-5%	**19,029**	19,367	-2%
Operating expenses	**(4,706)**	(4,365)	8%	**(9,071)**	(9,401)	-4%
Profit before credit impairment and income tax	**4,577**	5,381	-15%	**9,958**	9,966	0%
Credit impairment charge	**(402)**	(393)	2%	**(795)**	(688)	16%
Profit before income tax	**4,175**	4,988	-16%	**9,163**	9,278	-1%
Income tax expense	**(1,263)**	(1,415)	-11%	**(2,678)**	(2,775)	-3%
Non-controlling interests	**(6)**	(9)	-33%	**(15)**	(16)	-6%
Cash profit from continuing operations	**2,906**	3,564	-18%	**6,470**	6,487	0%
Cash profit/(loss) from discontinued operations	**(259)**	(50)	large	**(309)**	(682)	-55%
Cash profit	**2,647**	3,514	-25%	**6,161**	5,805	6%

Earnings Per Ordinary Share (cents)	Half Year			Full Year		
	Sep 19	Mar 19	Movt	Sep 19	Sep 18	Movt
Basic	**93.6**	123.0	-24%	**216.7**	199.9	8%
Diluted	**90.3**	116.8	-23%	**208.1**	192.3	8%

	Reference Page	Half Year		Full Year	
		Sep 19	Mar 19	Sep 19	Sep 18
Ordinary Share Dividends					
Ordinary share dividend payout ratio[2]		**85.7%**	64.5%	**73.6%**	79.5%
Profitability Ratios					
Return on average ordinary shareholders' equity[3]		**8.9%**	11.9%	**10.4%**	9.8%
Return on average assets[4]		**0.53%**	0.72%	**0.63%**	0.61%
Net interest margin		**1.72%**	1.79%	**1.75%**	1.87%
Net interest income to average credit RWAs[4]		**4.03%**	4.23%	**4.13%**	4.28%
Efficiency Ratios					
Operating expenses to operating income		**52.9%**	46.4%	**49.5%**	52.0%
Operating expenses to average assets[4]		**1.00%**	0.94%	**0.97%**	1.05%
Credit Impairment Charge/(Release)					
Individually assessed credit impairment charge ($M)	34	**398**	380	**778**	773
Collectively assessed credit impairment charge/(release) ($M)	34	**4**	13	**17**	(85)
Total credit impairment charge ($M)	34	**402**	393	**795**	688
Individually assessed credit impairment charge as a % of average gross loans and advances[4,5]		**0.13%**	0.12%	**0.13%**	0.13%
Total credit impairment charge as a % of average gross loans and advances[4,5]		**0.13%**	0.13%	**0.13%**	0.12%

Cash Profit/(Loss) By Division	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Australia Retail and Commercial	**1,492**	1,703	-12%	**3,195**	3,626	-12%
Institutional	**816**	1,012	-19%	**1,828**	1,480	24%
New Zealand	**646**	753	-14%	**1,399**	1,521	-8%
Pacific	**26**	33	-21%	**59**	72	-18%
TSO and Group Centre	**(74)**	63	large	**(11)**	(212)	-95%
Discontinued Operations	**(259)**	(50)	large	**(309)**	(682)	-55%
Cash profit	**2,647**	3,514	-25%	**6,161**	5,805	6%

1. *Cash profit excludes non-core items included in statutory profit and is provided to assist readers in understanding the results of the core business activities of the Group. Refer to pages 77 to 81 for the reconciliation between statutory and cash profit. Refer to pages 16 to 20 for information on large/notable items included in continuing cash profit.*
2. *Dividend payout ratio is calculated using the proposed 2019 final, 2019 interim, 2018 final and 2018 interim dividends.*
3. *Average ordinary shareholders' equity excludes non-controlling interests.*
4. *Average assets, average gross loans and advances and average credit RWAs include assets held for sale.*
5. *Credit impairment charge used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Financial Performance Summary – Total and continuing operations

For financial reporting purposes the results of discontinued operations are shown in a separate line item 'Profit/(Loss) from discontinued operations'. In the table below, Total cash profit - inclusive of discontinued operations and Cash profit - continuing operations are shown. For the purpose of understanding the impact of discontinued operations across various Income Statement categories, Total cash profit - inclusive of discontinued operations is presented such that each Income Statement line item is inclusive of discontinued operations.

	Half Year						Full Year					
	Total - inclusive of discontinued operations		Movement	Continuing operations		Movement	Total - inclusive of discontinued operations		Movement	Continuing operations		Movement
	Sep 19 $M	Mar 19 $M	Sep 19 v. Mar 19	Sep 19 $M	Mar 19 $M	Sep 19 v. Mar 19	Sep 19 $M	Sep 18 $M	Sep 19 v. Sep 18	Sep 19 $M	Sep 18 $M	Sep 19 v. Sep 18
Net interest income	**7,021**	7,242	-3%	**7,040**	7,299	-4%	**14,263**	14,514	-2%	**14,339**	14,514	-1%
Other operating income	**2,299**	2,651	-13%	**2,243**	2,447	-8%	**4,950**	4,601	8%	**4,690**	4,853	-3%
Operating income	**9,320**	9,893	-6%	**9,283**	9,746	-5%	**19,213**	19,115	1%	**19,029**	19,367	-2%
Operating expenses	**(4,934)**	(4,586)	8%	**(4,706)**	(4,365)	8%	**(9,520)**	(9,945)	-4%	**(9,071)**	(9,401)	-4%
Profit before credit impairment and income tax	**4,386**	5,307	-17%	**4,577**	5,381	-15%	**9,693**	9,170	6%	**9,958**	9,966	0%
Credit impairment charge	**(402)**	(392)	3%	**(402)**	(393)	2%	**(794)**	(688)	15%	**(795)**	(688)	16%
Profit before income tax	**3,984**	4,915	-19%	**4,175**	4,988	-16%	**8,899**	8,482	5%	**9,163**	9,278	-1%
Income tax expense	**(1,331)**	(1,392)	-4%	**(1,263)**	(1,415)	-11%	**(2,723)**	(2,661)	2%	**(2,678)**	(2,775)	-3%
Non-controlling interests	**(6)**	(9)	-33%	**(6)**	(9)	-33%	**(15)**	(16)	-6%	**(15)**	(16)	-6%
Cash Profit	**2,647**	3,514	-25%	**2,906**	3,564	-18%	**6,161**	5,805	6%	**6,470**	6,487	0%
Average interest earning assets	**814,831**	811,528	0%	**814,831**	811,528	0%	**813,219**	774,883	5%	**813,219**	774,883	5%
Average deposits and other borrowings	**642,448**	635,822	1%	**642,448**	635,822	1%	**639,144**	617,008	4%	**639,144**	617,008	4%
Funds under management[1]	**84,171**	83,164	1%	**35,754**	33,816	6%	**84,171**	81,122	4%	**35,754**	30,734	16%
Earnings per share (basic)	**93.6**	123.0	-24%	**102.7**	124.8	-18%	**216.7**	199.9	8%	**227.6**	223.4	2%
Ordinary share dividend payout ratio	**85.7%**	64.5%		**78.0%**	63.6%		**73.6%**	79.5%		**70.1%**	71.1%	
Profitability Ratios												
Return on average ordinary shareholders' equity[2]	**8.9%**	11.9%		**9.8%**	12.0%		**10.4%**	9.8%		**10.9%**	11.0%	
Return on average assets	**0.53%**	0.72%		**0.59%**	0.77%		**0.63%**	0.61%		**0.68%**	0.72%	
Net interest margin	**1.72%**	1.79%		**1.72%**	1.80%		**1.75%**	1.87%		**1.76%**	1.87%	
Net interest income to average credit RWAs	**4.03%**	4.23%		**4.04%**	4.26%		**4.13%**	4.28%		**4.15%**	4.28%	
Efficiency Ratios												
Operating expenses to operating income	**52.9%**	46.4%		**50.7%**	44.8%		**49.5%**	52.0%		**47.7%**	48.5%	
Operating expenses to average assets	**1.00%**	0.94%		**0.96%**	0.94%		**0.97%**	1.05%		**0.95%**	1.04%	
FTE[3]	**39,060**	39,359	-1%	**37,588**	37,364	1%	**39,060**	39,924	-2%	**37,588**	37,860	-1%

1. *Funds under management for continuing operations relates to New Zealand Wealth in the New Zealand division and Private Bank in Australia Retail and Commercial division.*
2. *Average ordinary shareholders' equity excludes non-controlling interests.*
3. *The actual FTE that will transfer to IOOF on sale completion of OnePath P&I or at a later date is currently being determined. Discontinued FTE is based on an estimate using an allocation methodology.*

Key Balance Sheet Metrics[1]

	Reference Page	As at Sep 19	Mar 19	Sep 18	Movement Sep 19 v. Mar 19	Sep 19 v. Sep 18
Capital Management						
Common Equity Tier 1 (Level 2)						
- APRA Basel 3	46	**11.4%**	11.5%	11.4%		
- Internationally Comparable Basel 3[2]	46	**16.4%**	16.9%	16.8%		
Credit risk weighted assets ($B)	118	**358.1**	345.5	337.6	4%	6%
Total risk weighted assets ($B)	46	**417.0**	396.3	390.8	5%	7%
APRA Leverage Ratio	49	**5.6%**	5.4%	5.5%		
Balance Sheet: Key Items						
Gross loans and advances ($B)		**618.8**	613.8	608.4	1%	2%
Net loans and advances ($B)		**615.3**	610.2	605.5	1%	2%
Total assets ($B)		**981.1**	980.3	943.2	0%	4%
Customer deposits ($B)		**511.8**	493.4	487.3	4%	5%
Total equity ($B)		**60.8**	60.0	59.4	1%	2%

Liquidity Risk	Reference Page	As at Sep 19	Mar 19	Sep 18	Movement Sep 19 v. Mar 19	Sep 19 v. Sep 18
Liquidity Coverage Ratio[3]	44	**143%**	137%	142%	6%	1%
Net Stable Funding Ratio	45	**116%**	115%	115%	1%	1%

	Reference Page	As at Sep 19	Mar 19	Sep 18	Movement Sep 19 v. Mar 19	Sep 19 v. Sep 18
Impaired Assets[4]						
Gross impaired assets ($M)	37	**2,029**	2,128	2,139	-5%	-5%
Gross impaired assets as a % of gross loans and advances		**0.33%**	0.35%	0.35%		
Net impaired assets ($M)	37	**1,215**	1,237	1,219	-2%	0%
Net impaired assets as a % of shareholders' equity		**2.0%**	2.0%	2.1%		
Individually assessed provision ($M)	36	**814**	891	920	-9%	-12%
Individually assessed provision as a % of gross impaired assets		**40.1%**	41.9%	43.0%		
Collectively assessed provision ($M)[5]	36	**3,376**	3,378	2,523	0%	34%
Collectively assessed provision as a % of credit risk weighted assets		**0.94%**	0.98%	0.75%		
Net Tangible Assets						
Net tangible assets attributable to ordinary shareholders ($B)[6]		**55.5**	53.7	53.1	3%	5%
Net tangible assets per ordinary share ($)		**19.59**	18.94	18.47	3%	6%

Net Loans And Advances By Division (Excluding Held for Sale)	As at Sep 19 $B	Mar 19 $B	Sep 18 $B	Movement Sep 19 v. Mar 19	Sep 19 v. Sep 18
Australia Retail and Commercial	**331.9**	336.6	341.3	-1%	-3%
Institutional	**164.5**	151.7	149.2	8%	10%
New Zealand[7]	**116.7**	118.8	111.3	-2%	5%
Pacific	**2.1**	2.1	2.1	0%	0%
TSO and Group Centre	**0.1**	0.1	0.6	0%	-83%
Net loans and advances by division	**615.3**	609.3	604.5	1%	2%

1. *Balance Sheet amounts and metrics include assets and liabilities held for sale unless otherwise stated.*
2. *See page 46 for further details regarding the differences between APRA Basel 3 and Internationally Comparable Basel 3 standards.*
3. *Liquidity Coverage Ratio is calculated on a half year average basis.*
4. *In the September 2019 half, ANZ implemented a more market responsive collateral valuation methodology for the home loan portfolio in Australia which increased the number of home loans being classified as impaired rather than past due. Comparative information has not been restated for this change in methodology. Additionally, refinement to underlying data resulted in a transfer from past due and sub-standard categories into impaired assets. Comparative information has been restated with a transfer of $106 million at March 2019 and $126 million at September 2018.*
5. *On adoption of AASB 9 on 1 October 2018, the Group increased the collectively assessed provision by $813 million. Comparative information has not been restated*
6. *Equals total shareholders' equity less total non-controlling interests, goodwill and other intangible assets.*
7. *Excluding the impact of foreign currency translation, the New Zealand division Net loans and advances increased 2% compared to March 2019 and 4% compared to September 2018.*

Large/Notable Items – continuing operations

Large/notable items included in cash profit from continuing operations are described below.

Divestment impacts (continuing operations)

The Group announced the following divestments in line with the Group's strategy to create a simpler, better capitalised, better balanced and more agile bank. As these divestments do not qualify as discontinued operations under accounting standards they form part of continuing operations. The financial impacts from these divestments are summarised below including the business results for those divestments that have completed:

	Gain/(Loss) on sale from divestments				Completed divestment business results[1]			
	Half Year		Full Year		Half Year		Full Year	
Cash Profit Impact	Sep 19 $M	Mar 19 $M	Sep 19 $M	Sep 18 $M	Sep 19 $M	Mar 19 $M	Sep 19 $M	Sep 18 $M
Asia Retail and Wealth businesses	-	-	-	99	-	-	-	30
SRCB	-	-	-	2	-	-	-	-
UDC	-	-	-	11	-	-	-	-
MCC	-	-	-	240	-	-	-	10
Paymark	-	37	37	-	-	4	4	5
Cambodia JV	10	-	10	(42)	10	21	31	40
OPL NZ	7	197	204	(3)	-	14	14	90
PNG Retail, Commercial and SME	1	-	1	(19)	4	5	9	10
Profit/(Loss) before income tax	18	234	252	288	14	44	58	185
Income tax benefit/(expense) and non-controlling interests	-	(47)	(47)	(97)	(7)	(19)	(26)	(59)
Cash profit/(loss) from continuing operations	18	187	205	191	7	25	32	126

1. *For business results that relate to completed divestments, comparative information has been restated for items included in the September 2019 half.*

- **Asia Retail and Wealth businesses**

  The Group completed the sale of Retail and Wealth businesses in Singapore, Hong Kong, China, Taiwan and Indonesia to Singapore's DBS Bank in 2017. The Group completed the sale of its Retail business in Vietnam to Shinhan Bank Vietnam during the 2018 full year and recognised a $99 million gain, net of costs associated with the sale.

- **Shanghai Rural Commercial Bank (SRCB)**

  On 3 January 2017, the Group announced it had agreed to sell its 20% stake in Shanghai Rural Commercial Bank (SRCB). The sale was completed during the 2018 full year.

- **UDC Finance (UDC)**

  On 11 January 2017, the Group announced that it had entered into a conditional agreement to sell UDC to HNA Group (HNA). On 21 December 2017, the Group announced that it had been informed that New Zealand's Overseas Investment Office had declined HNA's application to acquire UDC. The agreement with HNA was terminated in January 2018 and an $18 million cost recovery was recognised in respect of the terminated transaction process. The Group incurred transaction costs of $7 million in the September 2018 half. The assets and liabilities of UDC ceased being classified as held for sale at 30 September 2018.

- **Metrobank Card Corporation (MCC)**

  On 18 October 2017, the Group announced it had entered into a sale agreement with its joint venture partner Metropolitan Bank & Trust Company (Metrobank) in relation to its 40% stake in the Philippines based Metrobank Card Corporation (MCC). The Group sold its 40% stake in two equal tranches in January and September 2018. The Group recognised a net gain on sale of $240 million and a dividend of $10 million during the 2018 full year.

- **Paymark Limited (Paymark)**

  On 17 January 2018, the Group entered into an agreement to sell its 25% shareholding in Paymark Limited to Ingenico Group. The transaction was completed on 11 January 2019. The Group recognised a net gain on sale of $37 million during the March 2019 half.

- **ANZ Royal Bank (Cambodia) Ltd (Cambodia JV)**

  On 17 May 2018, the Group announced it had reached an agreement to sell its 55% stake in Cambodia JV to J Trust, a Japanese diversified financial holding company listed on the Tokyo Stock Exchange. During the 2018 full year, the Group recognised a $42 million loss on the reclassification of assets and liabilities to held for sale. The transaction completed on 19 August 2019 and the Group recognised a $10 million net gain on sale, comprising a $30 million release from foreign currency translation reserve, partially offset by a $17 million dividend withholding tax associated with the sale completion and $3 million of asset write-offs in the September 2019 half.

- **OnePath Life (NZ) Ltd (OPL NZ)**

  On 30 May 2018, the Group announced that it had agreed to sell OPL NZ to Cigna Corporation. The transaction completed on 30 November 2018 and the Group recognised a $197 million net gain on sale in the March 2019 half, comprising a $115 million gain on the reversal of the life-to-date cash profit adjustments on the revaluation of policy liabilities sold, a $56 million gain on sale, and a $26 million release from the foreign currency translation reserve; and a provision release of $7 million in the September 2019 half.

- **Papua New Guinea Retail, Commercial and Small-Medium Sized Enterprise businesses (PNG Retail, Commercial and SME)**

  On 25 June 2018, the Group announced it had entered into an agreement to sell its Retail, Commercial and Small-Medium Sized Enterprise (SME) banking businesses in Papua New Guinea to Kina Bank. During the 2018 full year, the Group recognised a $19 million loss on the reclassification of assets and liabilities to held for sale. The transaction completed on 23 September 2019 and the Group recognised a gain of $1 million net of costs associated with the sale.

Other large/notable items (continuing operations)

- **Customer remediation**

  Customer remediation includes provisions for expected refunds to customers, remediation project costs and related customer and regulatory claims, penalties and litigation outcomes.

  Customer remediation charges of $585 million have been recognised in the September 2019 full year (Sep 19 half: $485 million; Mar 19 half: $100 million; Sep 18 full year: $419 million). $212 million relates to customer remediation impacting operating income (Sep 19 half: $148 million; Mar 19 half: $64 million; Sep 18 full year: $228 million), and $373 million relates to customer remediation impacting operating expenses (Sep 19 half: $337 million; Mar 19 half: $36 million; Sep 18 full year: $191 million).

- **Accelerated software amortisation**

  During the 2018 full year, the Group accelerated the amortisation of certain software assets, predominantly relating to the Institutional division following a review of the International business in light of divestments. An accelerated amortisation expense of $251 million was recognised in the 2018 full year.

- **Royal Commission legal costs**

  External legal costs associated with responding to the Royal Commission were $15 million for the September 2019 full year (Sep 19 half: $2 million; Mar 19 half: $13 million; Sep 18 full year: $55 million).

- **Restructuring**

  The Group recognised restructuring expenses of $77 million in the September 2019 full year (Sep 19 half: $26 million; Mar 19 half: $51 million; Sep 18 full year: $227 million) largely relating to changes to the Group’s enablement functions announced during the period. The prior period largely related to the move of the Australia Retail and Commercial division and technology function to agile ways of working in the 2018 full year.

Large/Notable items - continuing operations

Cash Profit Results	Half Year							Full Year						
	Sep 19 $M	Large/ notables $M	Sep 19 ex. Large/ notables $M	Mar 19 $M	Large/ notables[1] $M	Mar 19 ex. Large/ notables $M	Movt ex. Large/ notables %	Sep 19 $M	Large/ notables $M	Sep 19 ex. Large/ notables $M	Sep 18 $M	Large/ notables[1] $M	Sep 18 ex. Large/ notables $M	Movt ex. Large/ notables %
Net interest income	**7,040**	**(98)**	**7,138**	7,299	7	7,292	-2%	**14,339**	**(91)**	**14,430**	14,514	7	14,507	-1%
Other operating income	**2,243**	**3**	**2,240**	2,447	231	2,216	1%	**4,690**	**234**	**4,456**	4,853	380	4,473	0%
Operating income	**9,283**	**(95)**	**9,378**	9,746	238	9,508	-1%	**19,029**	**143**	**18,886**	19,367	387	18,980	0%
Operating expenses	**(4,706)**	**(384)**	**(4,322)**	(4,365)	(125)	(4,240)	2%	**(9,071)**	**(509)**	**(8,562)**	(9,401)	(838)	(8,563)	0%
Profit before credit impairment and income tax	**4,577**	**(479)**	**5,056**	5,381	113	5,268	-4%	**9,958**	**(366)**	**10,324**	9,966	(451)	10,417	-1%
Credit impairment charge	**(402)**	**(2)**	**(400)**	(393)	1	(394)	2%	**(795)**	**(1)**	**(794)**	(688)	(28)	(660)	20%
Profit/(Loss) before income tax	**4,175**	**(481)**	**4,656**	4,988	114	4,874	-4%	**9,163**	**(367)**	**9,530**	9,278	(479)	9,757	-2%
Income tax benefit/(expense) and non-controlling interests	**(1,269)**	**82**	**(1,351)**	(1,424)	(17)	(1,407)	-4%	**(2,693)**	**65**	**(2,758)**	(2,791)	98	(2,889)	-5%
Cash profit/(loss) from continuing operations	**2,906**	**(399)**	**3,305**	3,564	97	3,467	-5%	**6,470**	**(302)**	**6,772**	6,487	(381)	6,868	-1%

Cash Profit/(Loss) By Division	Half Year							Full Year						
	Sep 19 $M	Large/ notables $M	Sep 19 ex. Large/ notables $M	Mar 19 $M	Large/ notables[1] $M	Mar 19 ex. Large/ notables $M	Movt ex. Large/ notables %	Sep 19 $M	Large/ notables $M	Sep 19 ex. Large/ notables $M	Sep 18 $M	Large/ notables[1] $M	Sep 18 ex. Large/ notables $M	Movt ex. Large/ notables %
Australia Retail and Commercial	**1,492**	**(303)**	**1,795**	1,703	(83)	1,786	1%	**3,195**	**(386)**	**3,581**	3,626	(366)	3,992	-10%
Institutional	**816**	**(32)**	**848**	1,012	8	1,004	-16%	**1,828**	**(24)**	**1,852**	1,480	(186)	1,666	11%
New Zealand	**646**	**(58)**	**704**	753	14	739	-5%	**1,399**	**(44)**	**1,443**	1,521	56	1,465	-2%
Pacific	**26**	**(14)**	**40**	33	-	33	21%	**59**	**(14)**	**73**	72	-	72	1%
TSO and Group Centre[2]	**(74)**	**8**	**(82)**	63	158	(95)	-14%	**(11)**	**166**	**(177)**	(212)	115	(327)	-46%
Cash profit/(loss) from continuing operations	**2,906**	**(399)**	**3,305**	3,564	97	3,467	-5%	**6,470**	**(302)**	**6,772**	6,487	(381)	6,868	-1%

1. *Where applicable, comparative information has been restated for large/notable items included in the September 2019 half.*
2. *TSO and Group Centre includes the Gain/(Loss) on sale from divestments. It also includes the divested business results for the completed sales of Paymark, MCC and Asia Retail and Wealth businesses.*

Large/Notable items - continuing operations

Within continuing cash profit, the Group has recognised some large/notable items. These items are shown in the tables below.

	September 2019 Full Year						September 2018 Full Year						
	Large/notable items included in continuing cash profit						Large/notable items included in continuing cash profit						
	Gain/(Loss) on sale from divestments $M	Divested business results[1] $M	Customer remediation $M	Royal Commission legal costs $M	Restructuring $M	Total $M	Gain/(Loss) on sale from divestments $M	Divested business results[1] $M	Customer remediation $M	Accelerated software amortisation $M	Royal Commission legal costs $M	Restructuring $M	Total $M
Cash Profit													
Net interest income	-	50	(141)	-	-	**(91)**	-	112	(105)	-	-	-	**7**
Other operating income	252	53	(71)	-	-	**234**	298	205	(123)	-	-	-	**380**
Operating income	252	103	(212)	-	-	**143**	298	317	(228)	-	-	-	**387**
Operating expenses	-	(44)	(373)	(15)	(77)	**(509)**	(10)	(104)	(191)	(251)	(55)	(227)	**(838)**
Profit before credit impairment and income tax	252	59	(585)	(15)	(77)	**(366)**	288	213	(419)	(251)	(55)	(227)	**(451)**
Credit impairment charge	-	(1)	-	-	-	**(1)**	-	(28)	-	-	-	-	**(28)**
Profit before income tax	252	58	(585)	(15)	(77)	**(367)**	288	185	(419)	(251)	(55)	(227)	**(479)**
Income tax benefit/(expense) and non-controlling interests	(47)	(26)	110	5	23	**65**	(97)	(59)	124	45	17	68	**98**
Cash profit from continuing operations	205	32	(475)	(10)	(54)	**(302)**	191	126	(295)	(206)	(38)	(159)	**(381)**

	September 2019 Half Year						March 2019 Half Year					
	Large/notable items included in continuing cash profit						Large/notable items included in continuing cash profit					
	Gain/(Loss) on sale from divestments $M	Divested business results[1] $M	Customer remediation $M	Royal Commission legal costs $M	Restructuring $M	Total $M	Gain/(Loss) on sale from divestments $M	Divested business results[1] $M	Customer remediation $M	Royal Commission legal costs $M	Restructuring $M	Total $M
Cash Profit												
Net interest income	-	21	(119)	-	-	**(98)**	-	29	(22)	-	-	**7**
Other operating income	18	14	(29)	-	-	**3**	234	39	(42)	-	-	**231**
Operating income	18	35	(148)	-	-	**(95)**	234	68	(64)	-	-	**238**
Operating expenses	-	(19)	(337)	(2)	(26)	**(384)**	-	(25)	(36)	(13)	(51)	**(125)**
Profit before credit impairment and income tax	18	16	(485)	(2)	(26)	**(479)**	234	43	(100)	(13)	(51)	**113**
Credit impairment charge	-	(2)	-	-	-	**(2)**	-	1	-	-	-	**1**
Profit before income tax	18	14	(485)	(2)	(26)	**(481)**	234	44	(100)	(13)	(51)	**114**
Income tax benefit/(expense) and non-controlling interests	-	(7)	80	1	8	**82**	(47)	(19)	30	4	15	**(17)**
Cash profit from continuing operations	18	7	(405)	(1)	(18)	**(399)**	187	25	(70)	(9)	(36)	**97**

1. *For business results that relate to completed divestments, comparative information has been restated for large/notable items included in the September 2019 half.*

Large/Notable items - continuing operations

Within continuing cash profit, the Group has recognised some large/notable items. The impact of these items on the divisional results are shown in the tables below.

	September 2019 Full Year						September 2018 Full Year[1]						
	Large/notable items included in continuing cash profit						Large/notable items included in continuing cash profit						
	Gain/(Loss) on sale from divestments $M	Divested business results[2] $M	Customer remediation $M	Royal Commission legal costs $M	Restructuring $M	Total $M	Gain/(Loss) on sale from divestments $M	Divested business results[2] $M	Customer remediation $M	Accelerated software amortisation $M	Royal Commission legal costs $M	Restructuring $M	Total $M
Profit before income tax													
Australia Retail and Commercial	-	-	(447)	-	(20)	**(467)**	-	-	(385)	(29)	-	(111)	**(525)**
Institutional	-	46	(49)	-	(16)	**(19)**	-	54	(7)	(222)	-	(25)	**(200)**
New Zealand	-	20	(75)	-	(8)	**(63)**	-	109	(27)	-	-	(9)	**73**
Pacific	-	-	(14)	-	-	**(14)**	-	-	-	-	-	-	**-**
TSO and Group Centre[3]	252	(8)	-	(15)	(33)	**196**	288	22	-	-	(55)	(82)	**173**
Profit before income tax	252	58	(585)	(15)	(77)	**(367)**	288	185	(419)	(251)	(55)	(227)	**(479)**
Income tax benefit/(expense) and non-controlling interests	(47)	(26)	110	5	23	**65**	(97)	(59)	124	45	17	68	**98**
Cash profit from continuing operations	205	32	(475)	(10)	(54)	**(302)**	191	126	(295)	(206)	(38)	(159)	**(381)**

	September 2019 Half Year						March 2019 Half Year[1]					
	Large/notable items included in continuing cash profit						Large/notable items included in continuing cash profit					
	Gain/(Loss) on sale from divestments $M	Divested business results[2] $M	Customer remediation $M	Royal Commission legal costs $M	Restructuring $M	Total $M	Gain/(Loss) on sale from divestments $M	Divested business results[2] $M	Customer remediation $M	Royal Commission legal costs $M	Restructuring $M	Total $M
Profit before income tax												
Australia Retail and Commercial	-	-	(347)	-	(1)	**(348)**	-	-	(100)	-	(19)	**(119)**
Institutional	-	17	(49)	-	(9)	**(41)**	-	29	-	-	(7)	**22**
New Zealand	-	-	(75)	-	(6)	**(81)**	-	20	-	-	(2)	**18**
Pacific	-	-	(14)	-	-	**(14)**	-	-	-	-	-	**-**
TSO and Group Centre[3]	18	(3)	-	(2)	(10)	**3**	234	(5)	-	(13)	(23)	**193**
Profit before income tax	18	14	(485)	(2)	(26)	**(481)**	234	44	(100)	(13)	(51)	**114**
Income tax benefit/(expense) and non-controlling interests	-	(7)	80	1	8	**82**	(47)	(19)	30	4	15	**(17)**
Cash profit from continuing operations	18	7	(405)	(1)	(18)	**(399)**	187	25	(70)	(9)	(36)	**97**

1. *Where applicable, comparative information has been restated for large/notable items included in the September 2019 half.*
2. *Relates to business results for completed divestments.*
3. *TSO and Group Centre includes the Gain/(Loss) on sale from divestments. It also includes the divested business results for the completed sales of Paymark, MCC and Asia Retail and Wealth businesses.*

Full Time Equivalent Staff

As at 30 September 2019, ANZ employed 39,060 staff (Mar 19: 39,359; Sep 18: 39,924) on a full-time equivalent (FTE) basis.

Division	Half Year			Full Year		
	Sep 19	Mar 19	Movt	Sep 19	Sep 18	Movt
Australia Retail and Commercial	**13,903**	13,660	2%	**13,903**	13,731	1%
Institutional[1]	**5,468**	6,085	-10%	**5,468**	6,188	-12%
New Zealand	**6,121**	6,003	2%	**6,121**	6,165	-1%
Pacific	**1,086**	1,096	-1%	**1,086**	1,125	-3%
TSO and Group Centre	**11,010**	10,520	5%	**11,010**	10,651	3%
Total FTE from continuing operations	**37,588**	37,364	1%	**37,588**	37,860	-1%
Discontinued operations[2]	**1,472**	1,995	-26%	**1,472**	2,064	-29%
Total FTE	**39,060**	39,359	-1%	**39,060**	39,924	-2%
Average FTE	**39,147**	39,571	-1%	**39,358**	42,388	-7%

Geography	Half Year			Full Year		
	Sep 19	Mar 19	Movt	Sep 19	Sep 18	Movt
Australia	**18,874**	18,652	1%	**18,874**	18,671	1%
Asia, Pacific, Europe & America[1]	**12,695**	13,396	-5%	**12,695**	13,742	-8%
New Zealand	**7,491**	7,311	2%	**7,491**	7,511	0%
Total FTE	**39,060**	39,359	-1%	**39,060**	39,924	-2%

1. *Institutional FTE reduced by 606 as a result of the Cambodia JV and PNG Retail, Commercial and SME divestments completed in the September 2019 half.*
2. *The actual FTE that will transfer to IOOF on sale completion or at a later date is currently being determined. The discontinued operations FTE is an estimate based on an allocation methodology.*

Other Non-Financial Information

	Half Year			Full Year		
Shareholder value - ordinary shares	Sep 19	Mar 19	Movt	Sep 19	Sep 18	Movt
Share price ($)						
- high	**29.30**	28.36	3%	**29.30**	30.80	-5%
- low	**25.36**	22.98	10%	**22.98**	26.08	-12%
- closing	**28.52**	26.03	10%	**28.52**	28.18	1%
Closing market capitalisation of ordinary shares ($B)	**80.8**	73.7	10%	**80.8**	81.0	0%
Total shareholder returns (TSR)	**12.9%**	-4.8%	large	**9.2%**	0.6%	large

	As at Sep 19		
Credit Ratings	Short-Term	Long-Term	Outlook
Moody's Investor Services	P-1	Aa3	Stable
Standard & Poor's	A-1+	AA-	Stable
Fitch Ratings	F1+	AA-	Negative

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Non-IFRS Information

Statutory profit is prepared in accordance with recognition and measurement requirements of Australian Accounting Standards, which comply with *International Financial Reporting Standards* (IFRS). The Group provides additional measures of performance in the Consolidated Financial Report & Dividend Announcement which are prepared on a basis other than in accordance with accounting standards. The guidance provided in *Australian Securities and Investments Commission (ASIC) Regulatory Guide 230* has been followed when presenting this information.

Cash Profit

Cash profit, a non-IFRS measure, represents ANZ's preferred measure of the result of the core business activities of the Group, enabling readers to assess Group and Divisional performance against prior periods and against peer institutions. To calculate cash profit, the Group excludes non-core items from statutory profit (refer to Definitions on pages 128 to 129 for further details). The adjustments made in arriving at cash profit are included in statutory profit which is subject to audit within the context of the external auditor's audit of the 2019 ANZ Annual Financial Statements (when released). Cash profit is not subject to audit by the external auditor. The external auditor has informed the Audit Committee that cash profit adjustments have been determined on a consistent basis across each period presented.

The Group Results section is reported on a cash profit basis for continuing operations unless otherwise stated. For information on discontinued operations please refer to the Guide to Full Year Results on page 10.

	Half Year			Full Year		
	Sep 19 $M	**Mar 19 $M**	**Movt**	**Sep 19 $M**	**Sep 18 $M**	**Movt**
Statutory profit attributable to shareholders of the Company from continuing operations	**3,053**	3,243	-6%	**6,296**	7,095	-11%
Adjustments between statutory profit and cash profit[1]						
Revaluation of policy liabilities	**-**	77	-100%	**77**	(14)	large
Economic hedges	**(67)**	185	large	**118**	(248)	large
Revenue and expense hedges	**(79)**	60	large	**(19)**	(9)	large
Structured credit intermediation trades	**(1)**	(1)	0%	**(2)**	(4)	-50%
Sale of SRCB	**-**	-	n/a	**-**	(333)	-100%
Total adjustments between statutory profit and cash profit from continuing operations	**(147)**	321	large	**174**	(608)	large
Cash profit from continuing operations	**2,906**	3,564	-18%	**6,470**	6,487	0%

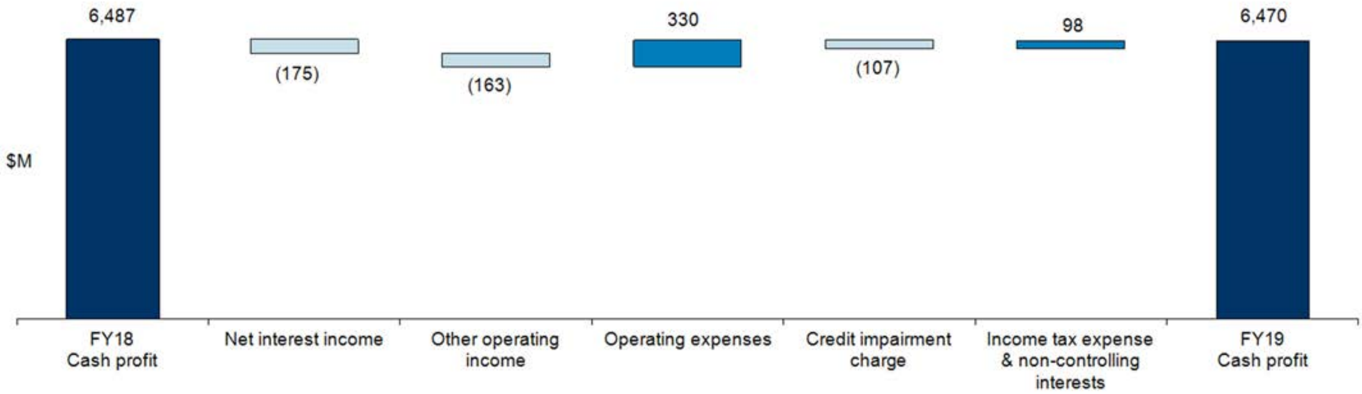
1. *Refer to pages 77 to 81 for analysis of the adjustments between statutory profit and cash profit.*

Group performance - cash profit	Half Year			Full Year		
	Sep 19 $M	**Mar 19 $M**	**Movt**	**Sep 19 $M**	**Sep 18 $M**	**Movt**
Net interest income	**7,040**	7,299	-4%	**14,339**	14,514	-1%
Other operating income	**2,243**	2,447	-8%	**4,690**	4,853	-3%
Operating income	**9,283**	9,746	-5%	**19,029**	19,367	-2%
Operating expenses	**(4,706)**	(4,365)	8%	**(9,071)**	(9,401)	-4%
Profit before credit impairment and income tax	**4,577**	5,381	-15%	**9,958**	9,966	0%
Credit impairment charge	**(402)**	(393)	2%	**(795)**	(688)	16%
Profit before income tax	**4,175**	4,988	-16%	**9,163**	9,278	-1%
Income tax expense	**(1,263)**	(1,415)	-11%	**(2,678)**	(2,775)	-3%
Non-controlling interests	**(6)**	(9)	-33%	**(15)**	(16)	-6%
Cash profit from continuing operations	**2,906**	3,564	-18%	**6,470**	6,487	0%

	Half Year			Full Year		
Cash profit/(loss) by Division	**Sep 19 $M**	**Mar 19 $M**	**Movt**	**Sep 19 $M**	**Sep 18 $M**	**Movt**
Australia Retail and Commercial	**1,492**	1,703	-12%	**3,195**	3,626	-12%
Institutional	**816**	1,012	-19%	**1,828**	1,480	24%
New Zealand	**646**	753	-14%	**1,399**	1,521	-8%
Pacific	**26**	33	-21%	**59**	72	-18%
TSO and Group Centre	**(74)**	63	large	**(11)**	(212)	-95%
Cash profit from continuing operations	**2,906**	3,564	-18%	**6,470**	6,487	0%

Group Performance – continuing operations

Group Cash Profit - September 2019 Full Year v September 2018 Full Year



- **September 2019 v September 2018**

  Cash profit from continuing operations decreased $17 million (0%) compared with the September 2018 full year. Excluding foreign currency translation movements, cash profit decreased $54 million (-1%).

  - Net interest income decreased $175 million (-1%) largely due to lower interest rates and competitive pressures resulting in a 11 basis point decrease in the net interest margin, partially offset by 5% growth in average interest earning assets. The lower net interest margin reflects growth in lower margin Markets Balance Sheet activities, higher proportionate growth in the lower Institutional business, customer switching to principal and interest in Australia home loans, deposit margin compression and lower earnings on capital, partially offset by the impact of home loans repricing. The increase in average interest earning assets reflects growth in Institutional banking portfolios and home loan growth in the New Zealand division. Refer to pages 26 and 27 for further details on key movements.
  - Other operating income decreased $163 million (-3%) largely as the result of net divestment impacts of $198 million, a $120 million decrease in net fee and commission income, and $130 million decrease primarily in other income attributable to realised losses on economic hedges against foreign currency denominated revenue streams (which offset favourable foreign currency translations elsewhere in the Group) and a reduction in income from the lenders mortgage insurance business. This was partially offset by higher Markets other operating income of $154 million, a $79 million increase in share of associate's profit and a $52 million decrease in customer remediation within other operating income. Refer to pages 28 to 30 for further details on key movements.
  - Operating expenses decreased $330 million (-4%) primarily due to an accelerated software amortisation charge in the prior period of $251 million, lower restructuring expenses of $150 million, a reduction in expenses following the sale of OnePath Life (NZ) and Asia Retail and Wealth businesses of $60 million, lower Royal Commission legal costs of $40 million and lower FTE. This was partially offset by higher customer remediation of $182 million within operating expenses, inflation, the impact of foreign currency translation and regulatory compliance spend in New Zealand. Refer to pages 31 to 32 for further details on key movements.
  - Credit impairment charges increased $107 million (+16%) largely due to higher collectively assessed credit impairment charges, primarily as a result of the prior period benefitting from the release of temporary economic overlays and a greater number of customer upgrades. Refer to pages 34 and 35 for further details on key movements.

  Excluding large/notable items, cash profit decreased $96 million (-1%).

- **September 2019 v March 2019**

  Cash profit from continuing operations decreased $658 million (-18%) compared with the March 2019 half. Excluding foreign currency translation movements, cash profit decreased $669 million (-19%).

  - Net interest income decreased $259 million (-4%) largely due to lower interest rates and competitive pressures resulting in a 8 basis point decrease in the net interest margin. The lower net interest margin reflects deposit margin compression from lower interest rates, higher proportionate growth in the lower Institutional business, customer switching to principal and interest in Australia home loans and asset competition. This was partially offset by lower funding costs and the impact of home loans re-pricing. Refer to pages 26 and 27 for further details on key movements.
  - Other operating income decreased $204 million (-8%) largely as a result of net divestment impacts of $241 million and lower Markets other operating income of $47 million. This was partially offset by a $49 million increase in net fee and commission income, $22 million increase in other income and lower customer remediation of $13 million within other operating income. Refer to pages 28 to 30 for further details on key movements.
  - Operating expenses increased $341 million (+8%) primarily due to higher customer remediation of $301 million within operating expenses, higher investment and marketing spend and the impact of foreign currency translation, partially offset by lower restructuring expenses of $25 million and Royal Commission legal costs of $11 million. Refer to pages 31 to 32 for further details on key movements.
  - Credit impairment charges increased $9 million (+2%) largely due to higher individually assessed credit impairment charges, partially offset by lower collectively assessed credit impairment charges. Refer to pages 34 and 35 for further details on key movements.

  Excluding large/notable items, cash profit decreased $162 million (-5%).

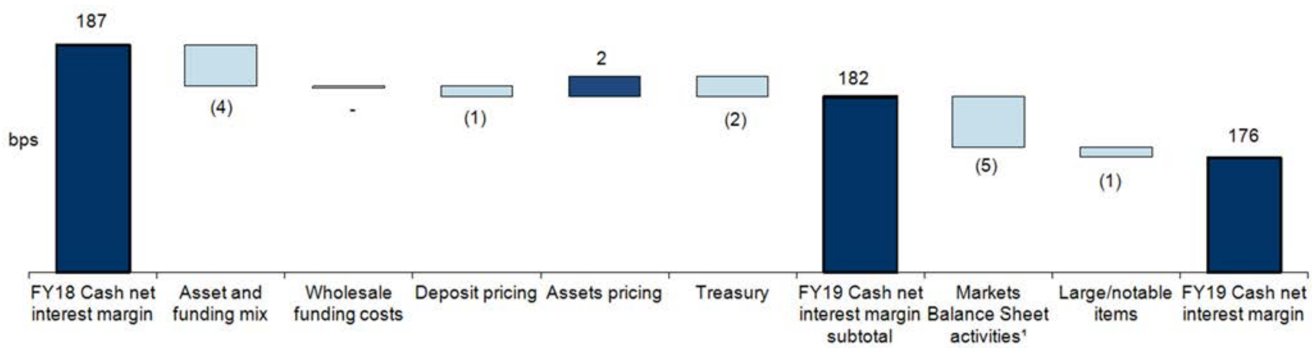
Net Interest Income - continuing operations

	Half Year			Full Year		
Group	**Sep 19 $M**	**Mar 19 $M**	**Movt**	**Sep 19 $M**	**Sep 18 $M**	**Movt**
Cash net interest income[1]	**7,040**	7,299	-4%	**14,339**	14,514	-1%
Average interest earning assets[2]	**814,831**	811,528	0%	**813,219**	774,883	5%
Average deposits and other borrowings[2]	**642,448**	635,822	1%	**639,144**	617,008	4%
Net interest margin (%) - cash	**1.72**	1.80	-8 bps	**1.76**	1.87	-11 bps
Group (excluding Markets business unit)						
Cash net interest income[1,3]	**6,829**	7,019	-3%	**13,848**	13,856	0%
Average interest earning assets[2]	**566,907**	563,579	1%	**565,282**	544,211	4%
Average deposits and other borrowings[2]	**462,283**	459,478	1%	**460,884**	456,442	1%
Net interest margin (%) - cash[3]	**2.40**	2.50	-10 bps	**2.45**	2.55	-10 bps

	Half Year			Full Year		
Cash profit net interest margin by major division[1]	**Sep 19 $M**	**Mar 19 $M**	**Movt**	**Sep 19 $M**	**Sep 18 $M**	**Movt**
Australia Retail and Commercial						
Net interest margin (%) - cash[3]	**2.58**	2.61	-3 bps	**2.59**	2.69	-10 bps
Average interest earning assets	**309,684**	314,215	-1%	**311,944**	314,048	-1%
Average deposits and other borrowings	**204,791**	202,765	1%	**203,781**	202,884	0%
Institutional						
Net interest margin (%) - cash[3]	**0.80**	0.85	-5 bps	**0.82**	0.88	-6 bps
Average interest earning assets[2]	**375,573**	372,270	1%	**373,926**	341,525	9%
Average deposits and other borrowings[2]	**290,948**	281,770	3%	**286,372**	263,742	9%
New Zealand						
Net interest margin (%) - cash[3]	**2.27**	2.39	-12 bps	**2.33**	2.42	-9 bps
Average interest earning assets[2]	**118,714**	116,201	2%	**117,461**	109,554	7%
Average deposits and other borrowings[2]	**86,970**	86,244	1%	**86,608**	80,444	8%

1. *Includes large/notable items of -$98 million for the September 2019 half (Mar 19 half: $7 million; Sep 18 full year: $7million). Refer to pages 16 to 20 for further details on large/notable items. Also includes the major bank levy of -$185 million for the September 2019 half (Mar 19 half: -$178 million; Sep 18 full year: -$355 million).*
2. *Average balance sheet amounts include assets and liabilities reclassified as held for sale from continuing operations.*
3. *In the March 2019 half, the methodology for allocating earnings on capital at a business unit level changed from being based on Economic Capital to Regulatory Capital. While neutral at a Group level, this change impacted net interest income at the divisional level and comparative information has been restated accordingly.*

Group net interest margin - September 2019 Full Year v September 2018 Full Year



1. Markets Balance Sheet activities includes the impact of discretionary liquid assets and other Balance Sheet activities.

- **September 2019 v September 2018**

  Net interest margin (-11 bps)

  - Asset mix and funding mix (-4 bps): unfavourable asset mix from the impacts of customer switching from interest only to principal and interest home loans in the Australia Retail and Commercial division, customer switching from variable to fixed home loans in the New Zealand division and unfavourable mix impacts from a higher proportion of Institutional lending.
  - Wholesale funding costs (0 bps): broadly flat basis risk and broadly flat spreads on wholesale funding.
  - Deposit pricing (-1 bps): margin compression from lower interest rates and competition in the Australia Retail and Commercial and New Zealand divisions. Higher deposit margins in the Institutional division during the March 2019 half were offset by rate cuts in the September 2019 half.

- Assets pricing (+2 bps): impact of re-pricing of home loans in the Australia Retail and Commercial division, partially offset by increased competition in all divisions.
- Treasury (-2 bps): lower earnings on capital reflecting a lower interest rate environment.
- Markets Balance Sheet activities (-5 bps): growth in lower interest margin Markets Balance Sheet trading activities and the impact of flattening yield curve.
- Large/notable items (-1 bps): the impact of higher customer remediation and the impact of divestments.

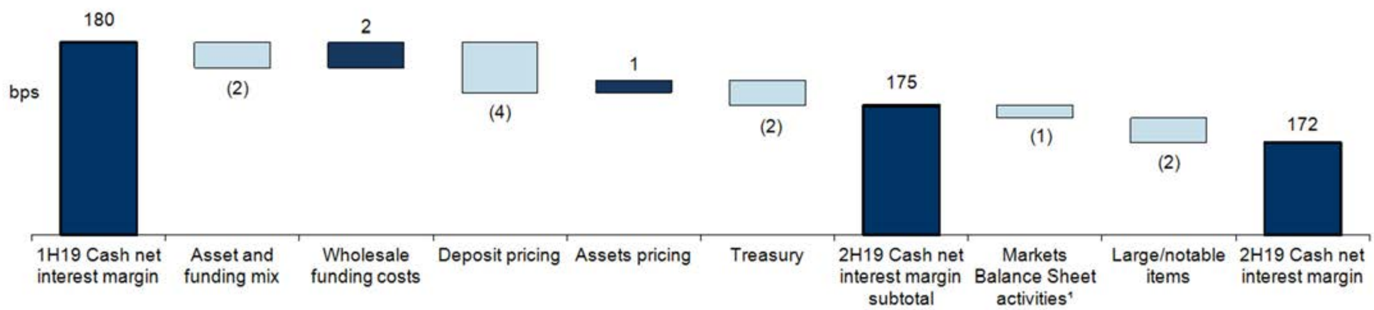
Average interest earning assets (+$38.3 billion or +5%)

- Average net loans and advances (+$20.9 billion or +4%): increase primarily driven by growth in Institutional lending, home loan growth in the New Zealand division, and foreign currency translation movements.
- Average trading and investment securities/available-for-sale assets (+$5.8 billion or +5%): increase primarily driven by an increase in liquid assets in Markets and the impact of foreign currency translation movements, partially offset by a decrease in trading securities.
- Average cash and other liquids (+$11.6 billion or +12%): increase primarily driven by higher central bank cash balances, and the impact of foreign currency translation movements.

Average deposits and other borrowings (+$22.1 billion or +4%)

- Average deposits and other borrowings (+$22.1 billion or +4%): increase primarily driven by growth in the Institutional and New Zealand divisions, and the impact of foreign currency translation movements.

Group net interest margin - September 2019 Half Year v March 2019 Half Year



1. *Markets Balance Sheet activities includes the impact of discretionary liquid assets and other Balance Sheet activities.*

- **September 2019 v March 2019**

Net interest margin (-8 bps)

- Asset mix and funding mix (-2 bps): unfavourable asset mix from the impacts of customer switching from interest only to principal and interest home loans and lower unsecured lending in the Australia Retail and Commercial division, and a higher proportion of Institutional lending.
- Wholesale funding costs (+2 bps): favourable basis risk and broadly flat wholesale funding spreads.
- Deposit pricing (-4 bps): margin compression across all divisions from lower interest rates and competition.
- Assets pricing (+1 bps): impact of re-pricing of home loans in the Australia Retail and Commercial division, partially offset by increased competition in all divisions.
- Treasury (-2 bps): lower earnings on capital reflecting a lower interest rate environment.
- Markets Balance Sheet activities (-1 bps): the impact of lower interest margins on trading activities.
- Large/notable (-2 bps): the impact of higher customer remediation in the September 2019 half.

Average interest earning assets (+$3.3 billion)

- Average net loans and advances (+$4.0 billion or +1%): increase primarily driven by growth in Institutional lending, home loans in the New Zealand division, and the impact of foreign currency translation movements. This was partially offset by a reduction in lending in the Australia Retail and Commercial division.
- Average trading and investment securities/available-for-sale assets (+$4.0 billion or +3%): increase primarily driven by an increase in liquid assets in Markets and the impact of foreign currency translation movements.
- Average cash and other liquids (-$4.7 billion or -4%): decrease primarily driven by lower central bank cash balances, and the impact of foreign currency translation movements.

Average deposits and other borrowings (+$6.6 billion or +1%)

- Average deposits and other borrowings (+$6.6 billion or +1%): increase primarily driven by growth in the Institutional and Australia Retail and Commercial divisions, and the impact of foreign currency translation movements.

Other Operating Income - continuing operations

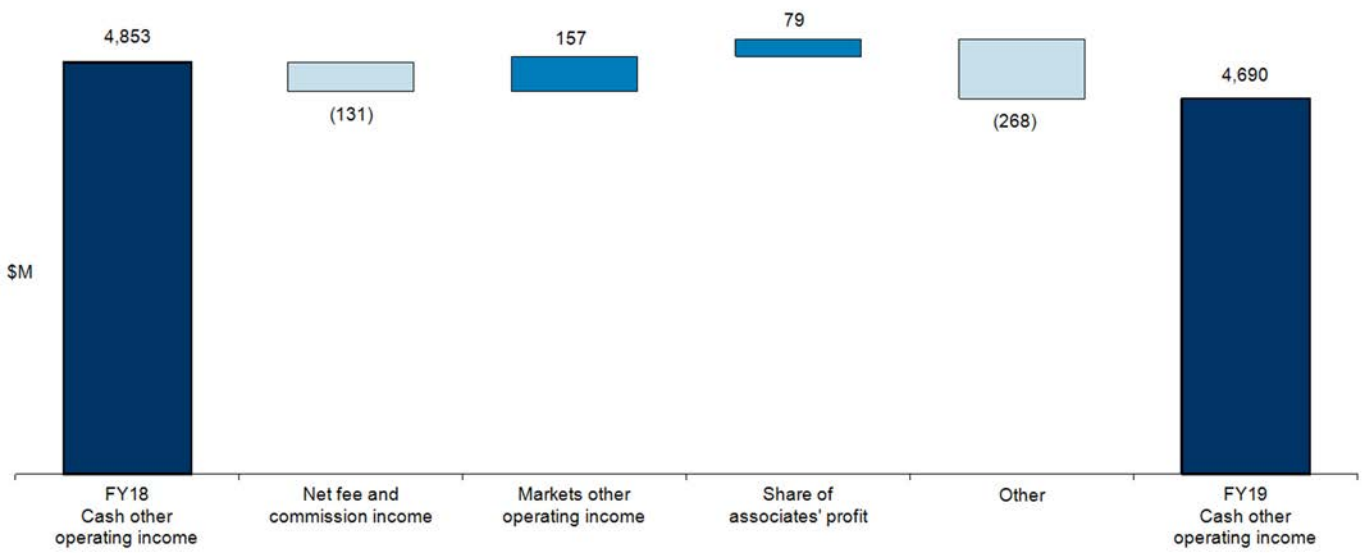
	Half Year			Full Year[1]		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Net fee and commission income[2]	**1,275**	1,218	5%	**2,493**	2,624	-5%
Markets other operating income	**619**	667	-7%	**1,286**	1,129	14%
Share of associates' profit[2]	**131**	131	0%	**262**	183	43%
Other[2,3]	**218**	431	-49%	**649**	917	-29%
Total cash other operating income from continuing operations[4]	**2,243**	2,447	-8%	**4,690**	4,853	-3%

	Half Year			Full Year[1]		
Markets income	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Net interest income	**211**	280	-25%	**491**	658	-25%
Other operating income	**619**	667	-7%	**1,286**	1,129	14%
Total cash Markets income from continuing operations	**830**	947	-12%	**1,777**	1,787	-1%

	Half Year			Full Year[1]		
Other operating income by division	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Australia Retail and Commercial	**696**	651	7%	**1,347**	1,510	-11%
Institutional	**1,066**	1,126	-5%	**2,192**	2,066	6%
New Zealand	**278**	302	-8%	**580**	671	-14%
Pacific	**54**	50	8%	**104**	100	4%
TSO and Group Centre	**149**	318	-53%	**467**	506	-8%
Total cash other operating income from continuing operations[4]	**2,243**	2,447	-8%	**4,690**	4,853	-3%

1. *On adoption of AASB 15, the Group reclassified certain items previously netted which are now presented gross in operating income and operating expenses. Comparative information has been restated accordingly which increased total operating income by $153 million for the September 2018 full year.*
2. *Excluding Markets.*
3. *Includes foreign exchange earnings and net income from insurance business.*
4. *Includes large/notable items of $3 million for the September 2019 half (Mar 19 half: $231 million; Sep 18 full year: $380 million). Refer to items on pages 16 to 20 for further details on large/notable items.*

Other operating income - September 2019 Full Year v September 2018 Full Year



Other operating income (excluding large/notable items)	Half Year			Full Year[1]		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Net fee and commission income[2]	**1,293**	1,244	4%	**2,537**	2,657	-5%
Markets other operating income	**618**	665	-7%	**1,283**	1,129	14%
Share of associates' profit[2]	**131**	131	0%	**262**	183	43%
Other[2,3]	**198**	176	13%	**374**	504	-26%
Total cash other operating income from continuing operations	**2,240**	2,216	1%	**4,456**	4,473	0%

Other operating income by division (excluding large/notable items)	Half Year			Full Year[1]		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Australia Retail and Commercial	**704**	693	2%	**1,397**	1,625	-14%
Institutional	**1,064**	1,109	-4%	**2,173**	2,036	7%
New Zealand	**287**	280	3%	**567**	552	3%
Pacific	**54**	50	8%	**104**	100	4%
TSO and Group Centre	**131**	84	56%	**215**	160	34%
Total cash other operating income from continuing operations	**2,240**	2,216	1%	**4,456**	4,473	0%

1. *On adoption of AASB 15, the Group reclassified certain items previously netted which are now presented gross in operating income and operating expenses. Comparative information has been restated accordingly which increased total operating income by $153 million for the September 2018 full year.*
2. *Excluding Markets.*
3. *Includes foreign exchange earnings and net income from insurance business.*

- **September 2019 v September 2018**

  Other operating income decreased by $163 million (-3%).

  Net fee and commission income (-$131 million or -5%)

  - $125 million decrease in the Australia Retail and Commercial division primarily driven by lower fee income due to the reduction or removal of commercial and retail fees and lower volumes.
  - $42 million decrease due to the impact of divested business results.
  - $14 million decrease in the Institutional division excluding Markets primarily due to higher interchange and scheme costs in the payments and cash management business and a slowdown in loan syndication activities. This was partially offset by higher guarantee and commitment fees in the Transaction Banking business and favourable foreign currency translation movements.
  - $38 million increase in the New Zealand division primarily due to an increase in commission fees, higher funds under management income and favourable foreign currency translation movements.
  - $17 million increase due to lower customer remediation in 2019.

  Markets income (-$10 million or -1%)

  - $120 million decrease in Balance Sheet trading driven by a reduction in net interest income from falling and flattening yield curves.
  - $71 million increase in Franchise Trading primarily attributable to favourable market conditions in Australia and New Zealand rates and tighter credit spreads in the March 2019 half ($96 million). This was partially offset by adverse derivative valuation adjustments primarily from falling AUD and NZD swap rates (-$25 million).
  - $39 million increase in Franchise Sales due to Australian and New Zealand clients restructuring to lock in low rates, and franchise growth initiatives in North East Asia.

  Share of associates' profit (+$79 million or +43%)

  - $79 million increase in profits from associates of which $44 million relates to P.T. Bank Pan Indonesia and $36 million relates to AmBank.

  Other (-$268 million or -29%)

  - $154 million decrease due to a loss of income from divested businesses of $111 million, primarily related to OnePath Life (NZ) and a $43 million decrease due to gains on sale recognised in 2018 from divestments of $295 million in respect of MCC, Asia Retail and Wealth, SRCB, UDC, Cambodia JV and PNG Retail, Commercial and SME. This was partially offset by divestment impacts recognised in 2019: One Path Life (NZ) ($204 million), Cambodia JV ($10 million) and Paymark ($37 million).
  - $64 million decrease in the TSO and Group Centre division primarily due to realised losses on economic hedges against foreign currency denominated revenue streams as the result of the NZD and USD strengthening against the AUD of $51 million in 2019 compared to a $4 million gain in 2018. These offset favourable foreign currency translations elsewhere in the Group.
  - $61 million decrease in the Australia Retail and Commercial division. This was partly due to a reduction in income from the lenders mortgage insurance business.
  - $28 million increase due to lower customer remediation in 2019.

  Excluding large/notable items, other operating income decreased $17 million.

- **September 2019 v March 2019**

  Other operating income decreased by $204 million (-8%).

  Net fee and commission income (+$57 million or +5%)

  - $44 million increase in the Australia Retail and Commercial division primarily as the result of higher credit card rebates incentives.
  - $11 million increase due to lower remediation costs in the September 2019 half.
  - $7 million decrease in the Institutional division excluding Markets primarily due to a reduction in upfront fees within Loans and Specialised Finance business, partially offset by favourable foreign currency translation movements.

  Markets income (-$117 million or -12%)

  - $66 million decrease in Balance Sheet trading attributable to reduced net interest income from falling and flattening yield curves.
  - $53 million decrease in Franchise Trading primarily attributable to challenging market conditions in international rates markets, particularly greater China ($111 million). This was partially offset by favourable derivative valuation adjustments ($58 million).
  - $2 million increase in Franchise Sales primarily attributable to customer activity in New Zealand.

  Other (-$213 million or -49%)

  - $238 million decrease due to a loss of income from divested businesses of $22 million primarily related to OnePath Life (NZ) and divestment impacts of $216 million for One Path Life NZ ($197 million) and gain on sale from Paymark ($37 million) recognised in the March 2019 half. This was partially offset by divestment impacts in the September 2019 half for Cambodia JV ($10 million) and One Path Life NZ ($7 million).
  - $13 million decrease in the Australia Retail and Commercial division primarily due to a reduction in income from the lenders mortgage insurance business.
  - $9 million net decrease in the TSO and Group Centre division due to realised losses on economic hedges against foreign currency denominated revenue streams as the result of the NZD strengthening against the AUD. These offset favourable foreign currency translations elsewhere in the Group.
  - $27 million increase due to dividend income from Bank of Tianjin in the September 2019 half.
  - $11 million increase in the Institutional division primarily due to credit spread movements driving fair value adjustments on loans measured at fair value following the adoption of AASB 9.

  Excluding large/notable items, other operating income increased $24 million (1%).

Operating Expenses - continuing operations

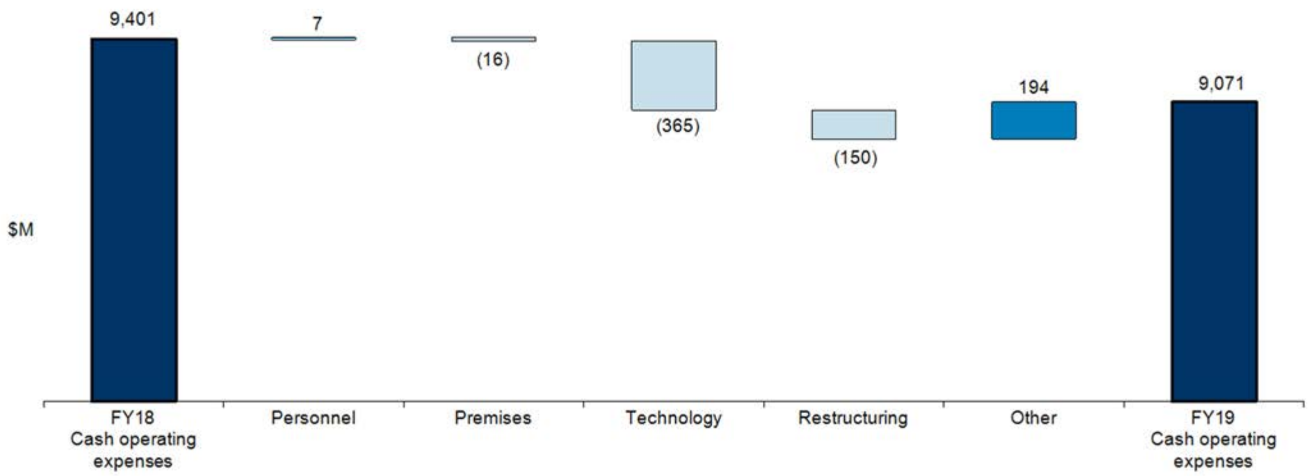
	Half Year			Full Year[1]		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Personnel	**2,395**	2,370	1%	**4,765**	4,758	0%
Premises	**389**	406	-4%	**795**	811	-2%
Technology (excluding personnel)	**770**	764	1%	**1,534**	1,899	-19%
Restructuring	**26**	51	-49%	**77**	227	-66%
Other	**1,126**	774	45%	**1,900**	1,706	11%
Total cash operating expenses from continuing operations[2]	**4,706**	4,365	8%	**9,071**	9,401	-4%
Full time equivalent staff (FTE) from continuing operations	**37,588**	37,364	1%	**37,588**	37,860	-1%
Average full time equivalent staff (FTE) from continuing operations	**37,405**	37,558	0%	**37,480**	40,016	-6%

	Half Year			Full Year[1]		
Expenses by division	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Australia Retail and Commercial	**2,161**	1,913	13%	**4,074**	4,075	0%
Institutional	**1,347**	1,320	2%	**2,667**	2,948	-10%
New Zealand	**674**	612	10%	**1,286**	1,205	7%
Pacific	**80**	70	14%	**150**	128	17%
TSO and Group Centre	**444**	450	-1%	**894**	1,045	-14%
Total cash operating expenses from continuing operations[2]	**4,706**	4,365	8%	**9,071**	9,401	-4%

	Half Year			Full Year		
FTE by division	Sep 19	Mar 19	Movt	Sep 19	Sep 18	Movt
Australia Retail and Commercial	**13,903**	13,660	2%	**13,903**	13,731	1%
Institutional[3]	**5,468**	6,085	-10%	**5,468**	6,188	-12%
New Zealand	**6,121**	6,003	2%	**6,121**	6,165	-1%
Pacific	**1,086**	1,096	-1%	**1,086**	1,125	-3%
TSO and Group Centre	**11,010**	10,520	5%	**11,010**	10,651	3%
Total FTE from continuing operations	**37,588**	37,364	1%	**37,588**	37,860	-1%
Average FTE from continuing operations	**37,405**	37,558	0%	**37,480**	40,016	-6%

1. *On adoption of AASB 15, the Group reclassified certain items previously netted which are now presented gross in operating income and operating expenses. Comparative information has been restated accordingly which increased total operating expenses by $153 million for the September 2018 full year.*
2. *Includes large/notable items of $384 million for the September 2019 half (Mar 19 half: $125 million; Sep 18 full year: $838 million). Refer to items on pages 16 to 20 for further details on large/notable items.*
3. *Institutional FTE reduced by 606 as a result of the Cambodia JV and PNG Retail, Commercial and SME divestments completed in the September 2019 half.*

Operating expenses - September 2019 Full Year v September 2018 Full Year



Expenses (excluding large/notable items)	Half Year			Full Year[1]		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Personnel	**2,341**	2,352	0%	**4,693**	4,594	2%
Premises	**387**	403	-4%	**790**	807	-2%
Technology (excluding personnel)	**768**	762	1%	**1,530**	1,639	-7%
Restructuring	**-**	-	n/a	**-**	-	n/a
Other	**826**	723	14%	**1,549**	1,523	2%
Total cash operating expenses from continuing operations	**4,322**	4,240	2%	**8,562**	8,563	0%

Expenses by division (excluding large/notable items)	Half Year			Full Year[1]		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Australia Retail and Commercial	**1,885**	1,858	1%	**3,743**	3,756	0%
Institutional	**1,282**	1,293	-1%	**2,575**	2,661	-3%
New Zealand	**650**	604	8%	**1,254**	1,155	9%
Pacific	**73**	70	4%	**143**	128	12%
TSO and Group Centre	**432**	415	4%	**847**	863	-2%
Total cash operating expenses from continuing operations	**4,322**	4,240	2%	**8,562**	8,563	0%

1. *On adoption of AASB 15, the Group reclassified certain items previously netted which are now presented gross in operating income and operating expenses. Comparative information has been restated accordingly which increased total operating expenses by $153 million for the September 2018 full year.*

- **September 2019 v September 2018**

  Operating expenses decreased by $330 million (-4%).

  - Personnel expenses increased $7 million (0%) largely driven by higher regulatory compliance spend in the New Zealand division, higher employee leave provisions, wage inflation and the impact of insourcing technology services. This was offset by lower FTE, lower personnel expenses following the sale of OnePath Life (NZ) and Asia Retail and Wealth businesses ($33 million) and lower customer remediation ($58 million).
  - Premises expenses decreased $16 million (-2%) primarily driven by the consolidation of our property footprint.
  - Technology expenses decreased $365 million (-19%) largely due to accelerated amortisation charge in the prior period ($251 million) and the insourcing of technology services.
  - Restructuring expenses decreased $150 million (-66%) due to higher spend in the prior period associated with the move to agile ways of working in the Australia Retail and Commercial division and technology function.
  - Other expenses increased $194 million (+11%) largely due to higher customer remediation ($240 million), partially offset by lower expenses following the sale of OnePath Life (NZ) and Asia Retail and Wealth businesses ($26 million) and a reduction in Royal Commission legal costs ($40 million).

  Excluding large/notable items, operating expenses decreased $1 million.

- **September 2019 v March 2019**

  Operating expenses increased by $341 million (+8%).

  - Personnel expenses increased $25 million (+1%) largely driven by the insourcing of technology services, an increase in customer remediation ($39 million), and higher regulatory compliance spend. This was partially offset by a decrease in employee leave provisions in the September half and lower personnel expenses in the September half following the sale of OnePath Life (NZ) ($3 million).
  - Premises expenses decreased $17 million (-4%) primarily driven by the consolidation of our property portfolio.
  - Restructuring expenses decreased $25 million (-49%) due to higher spend in the prior period associated with the move to agile ways of working in Group's enablement functions.
  - Other expenses increased $352 million (+45%) largely related to higher customer remediation ($262 million), higher investment spend and higher marketing spend which is typically higher in the September half. This was partially offset by lower Royal Commission legal costs ($11 million).

  Excluding large/notable items, operating expenses increased $82 million (+2%).

Software Capitalisation - continuing operations

As at 30 September 2019, the Group's intangible assets included $1,323 million of costs incurred to acquire and develop software. Details are presented in the table below:

	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Balance at start of period	**1,368**	1,421	-4%	**1,421**	1,856	-23%
Software capitalised during the period	**222**	199	12%	**421**	393	7%
Amortisation during the period[1]	**(265)**	(252)	5%	**(517)**	(820)	-37%
Software impaired/written-off	**(1)**	(3)	-67%	**(4)**	(17)	-76%
Foreign currency translation movements	**(1)**	3	large	**2**	9	-78%
Total capitalised software from continuing operations	**1,323**	1,368	-3%	**1,323**	1,421	-7%

Net book value by division	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Australia Retail and Commercial	**260**	306	-15%	**260**	344	-24%
Institutional	**223**	246	-9%	**223**	277	-19%
New Zealand	**7**	14	-50%	**7**	17	-59%
TSO and Group Centre	**833**	802	4%	**833**	783	6%
Total from continuing operations	**1,323**	1,368	-3%	**1,323**	1,421	-7%

1. *The September 2018 full year includes an accelerated amortisation expense of $251 million.*

Credit Risk – continuing operations

The Group has adopted AASB 9 *Financial Instruments* effective from 1 October 2018 which has resulted in key changes to the classification and measurement of financial assets, including the impairment of financial assets. Under the new standard, provision for credit impairment is based on an expected credit loss model (ECL) incorporating forward looking information. The presentation of credit risk information for the September and March 2019 halves and the September 2019 full year have been amended accordingly. Comparative information has not been restated and continues to reflect the requirements of the previous standard AASB 139 *Financial Instruments: Recognition and Measurement*. For further details on key requirements and impacts of the changes described above refer to Note 1 and 16 of the Condensed Consolidated Financial Statements.

Credit impairment charge/(release)

	Collectively Assessed			Individually Assessed			Total		
	Full Year			Full Year			Full Year		
Division	**Sep 19 $M**	**Sep 18 $M**	**Movt**	**Sep 19 $M**	**Sep 18 $M**	**Movt**	**Sep 19 $M**	**Sep 18 $M**	**Movt**
Australia Retail and Commercial	**7**	(14)	large	**705**	712	-1%	**712**	698	2%
Institutional	**10**	(20)	large	**(12)**	(24)	-50%	**(2)**	(44)	-95%
New Zealand	**12**	(43)	large	**75**	49	53%	**87**	6	large
Pacific	**(12)**	(2)	large	**11**	5	large	**(1)**	3	large
TSO and Group Centre	**-**	(6)	-100%	**(1)**	31	large	**(1)**	25	large
Total	**17**	(85)	large	**778**	773	1%	**795**	688	16%

	Collectively Assessed			Individually Assessed			Total		
	Half Year			Half Year			Half Year		
Division	**Sep 19 $M**	**Mar 19 $M**	**Movt**	**Sep 19 $M**	**Mar 19 $M**	**Movt**	**Sep 19 $M**	**Mar 19 $M**	**Movt**
Australia Retail and Commercial	**(39)**	46	large	**355**	350	1%	**316**	396	-20%
Institutional	**33**	(23)	large	**-**	(12)	-100%	**33**	(35)	large
New Zealand	**17**	(5)	large	**40**	35	14%	**57**	30	90%
Pacific	**(6)**	(6)	0%	**3**	8	-63%	**(3)**	2	large
TSO and Group Centre	**(1)**	1	large	**-**	(1)	-100%	**(1)**	-	n/a
Total	**4**	13	-69%	**398**	380	5%	**402**	393	2%

September 2019 Full Year	Collectively Assessed				Individually Assessed			
Division	**Stage 1 $M**	**Stage 2 $M**	**Stage 3 $M**	**Total $M**	**Stage 3 - New and increased $M**	**Stage 3 - Recoveries and write-backs $M**	**Total $M**	**Total $M**
Australia Retail and Commercial	(35)	(26)	68	**7**	1,173	(468)	**705**	**712**
Institutional	27	(13)	(4)	**10**	55	(67)	**(12)**	**(2)**
New Zealand	1	10	1	**12**	131	(56)	**75**	**87**
Pacific	(4)	(6)	(2)	**(12)**	16	(5)	**11**	**(1)**
TSO and Group Centre	-	-	-	**-**	-	(1)	**(1)**	**(1)**
Total	(11)	(35)	63	**17**	1,375	(597)	**778**	**795**

September 2018 Full Year

Individually assessed credit impairment charge/(release) under AASB 139

Division	**New and increased $M**	**Recoveries and write-backs $M**	**Total $M**
Australia Retail and Commercial	1,109	(397)	**712**
Institutional	143	(167)	**(24)**
New Zealand	143	(94)	**49**
Pacific	13	(8)	**5**
TSO and Group Centre	36	(5)	**31**
Total	1,444	(671)	**773**

September 2019 Half Year	Collectively Assessed				Individually Assessed			
Division	Stage 1 $M	Stage 2 $M	Stage 3 $M	Total $M	Stage 3 - New and increased $M	Stage 3 - Recoveries and write-backs $M	Total $M	Total $M
Australia Retail and Commercial	(14)	(69)	44	**(39)**	637	(282)	**355**	**316**
Institutional	8	22	3	**33**	37	(37)	**-**	**33**
New Zealand	5	15	(3)	**17**	71	(31)	**40**	**57**
Pacific	(3)	(2)	(1)	**(6)**	5	(2)	**3**	**(3)**
TSO and Group Centre	(1)	-	-	**(1)**	-	-	**-**	**(1)**
Total	(5)	(34)	43	**4**	750	(352)	**398**	**402**

March 2019 Half Year	Collectively Assessed				Individually Assessed			
Division	Stage 1 $M	Stage 2 $M	Stage 3 $M	Total $M	Stage 3 - New and increased $M	Stage 3 - Recoveries and write-backs $M	Total $M	Total $M
Australia Retail and Commercial	(21)	43	24	**46**	536	(186)	**350**	**396**
Institutional	19	(35)	(7)	**(23)**	18	(30)	**(12)**	**(35)**
New Zealand	(4)	(5)	4	**(5)**	60	(25)	**35**	**30**
Pacific	(1)	(4)	(1)	**(6)**	11	(3)	**8**	**2**
TSO and Group Centre	1	-	-	**1**	-	(1)	**(1)**	**-**
Total	(6)	(1)	20	**13**	625	(245)	**380**	**393**

Collectively assessed credit impairment charge

- **September 2019 v September 2018**

  The collectively assessed credit impairment charge increased by $102 million primarily driven by a $55 million increase in the New Zealand division and a $30 million increase in the Institutional division. The increase in the New Zealand division was primarily due to release of a temporary economic overlay in 2018, followed by a new temporary economic overlay in 2019. The increase in the Institutional division was due to a greater number of customer upgrades in the prior period.

- **September 2019 v March 2019**

  The collectively assessed credit impairment charge decreased by $9 million (-69%) primarily driven by an $85 million decrease in the Australia Retail and Commercial division, partially offset by a $56 million increase in the Institutional division and a $22 million increase in the New Zealand division. The decrease in the Australia Retail and Commercial division was primarily due to the downward revision of forward looking economic scenario weights for the Australian geography in the March 2019 half, as well as part release of a temporary management overlay in the September 2019 half. The increase in the Institutional division was primarily due to a greater number of customers downgrades compared to the prior period. The increase in the New Zealand division was due to the downward revision of forward looking economic scenario weights, along with a temporary economic overlay in the September 2019 half.

Individually assessed credit impairment charge

- **September 2019 v September 2018**

  The individually assessed credit impairment charge increased by $5 million (+1%) primarily due to lower write-backs and recoveries in the New Zealand and Institutional divisions, partially offset by higher write-backs and recoveries in the Australia Retail and Commercial division and a decrease due to the sale of the Asia Retail and Wealth businesses in the prior year.

- **September 2019 v March 2019**

  The individually assessed credit impairment charge increased by $18 million (+5%) driven by increased provisions in the Institutional, Australia Retail and Commercial and New Zealand divisions. The increase in the Australia Retail and Commercial division is due to higher new and increased provision following the implementation of a more market responsive collateral valuation methodology for the Australian home loan portfolio.

Allowance for expected credit losses[1,2]

	Collectively assessed			Individually assessed			Total provision		
	As at			As at			As at		
Division	Sep 19 $M	Sep 18 $M	Movt	Sep 19 $M	Sep 18 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Australia Retail and Commercial	**1,795**	1,125	60%	**558**	569	-2%	**2,353**	1,694	39%
Institutional	**1,169**	1,073	9%	**160**	251	-36%	**1,329**	1,324	0%
New Zealand	**374**	279	34%	**72**	81	-11%	**446**	360	24%
Pacific	**38**	43	-12%	**24**	18	33%	**62**	61	2%
TSO and Group Centre	**-**	3	-100%	**-**	1	-100%	**-**	4	-100%
Total[3]	**3,376**	2,523	34%	**814**	920	-12%	**4,190**	3,443	22%

	Collectively assessed			Individually assessed			Total provision		
	As at			As at			As at		
Division	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Mar 19 $M	Movt
Australia Retail and Commercial	**1,795**	1,834	-2%	**558**	586	-5%	**2,353**	2,420	-3%
Institutional	**1,169**	1,132	3%	**160**	208	-23%	**1,329**	1,340	-1%
New Zealand	**374**	369	1%	**72**	73	-1%	**446**	442	1%
Pacific	**38**	43	-12%	**24**	24	0%	**62**	67	-7%
TSO and Group Centre	**-**	-	n/a	**-**	-	n/a	**-**	-	n/a
Total[3]	**3,376**	3,378	0%	**814**	891	-9%	**4,190**	4,269	-2%

As at Sep 19

	Collectively Assessed				Individually Assessed	
Division	Stage 1 $M	Stage 2 $M	Stage 3 $M	Total $M	Stage 3 $M	Total $M
Australia Retail and Commercial	370	1,082	343	**1,795**	558	**2,353**
Institutional	872	257	40	**1,169**	160	**1,329**
New Zealand	152	182	40	**374**	72	**446**
Pacific	18	9	11	**38**	24	**62**
Total[3]	1,412	1,530	434	**3,376**	814	**4,190**

As at Mar 19

	Collectively Assessed				Individually Assessed	
Division	Stage 1 $M	Stage 2 $M	Stage 3 $M	Total $M	Stage 3 $M	Total $M
Australia Retail and Commercial	384	1,150	300	**1,834**	586	**2,420**
Institutional	859	234	39	**1,132**	208	**1,340**
New Zealand	152	173	44	**369**	73	**442**
Pacific	20	11	12	**43**	24	**67**
Total[3]	1,415	1,568	395	**3,378**	891	**4,269**

1. *Includes allowance for expected credit losses for Net loans and advances – at amortised cost, Investment securities – debt securities at amortised cost and Off-balance sheet commitments - undrawn and contingent facilities.*
2. *Balance Sheet amounts include assets and liabilities reclassified as held for sale from continuing and discontinued operations.*
3. *On adoption of AASB 9 on 1 October 2018, the Group increased the collectively assessed provision by $813 million. Comparative information has not been restated.*

Long-Run Loss Rates

Management believe that disclosure of modelled expected loss data using average long-run loss rates for individually assessed provisions assists in assessing the longer term expected loss rates of the lending portfolio as it removes the volatility of reported earnings created by the use of accounting losses. The expected loss methodology used for economic profit is an internal measure and is not based on the credit loss provision principles of AASB 9 *Financial Instruments* which were effective from 1 October 2018.

	As at		
Long-run loss as a % of gross lending assets	**Sep 19**	**Mar 19**	**Sep 18**
Australia Retail and Commercial division	0.29%	0.29%	0.29%
New Zealand division	0.18%	0.19%	0.19%
Institutional division	0.25%	0.27%	0.27%
Total Group	**0.26%**	**0.27%**	**0.27%**

Gross Impaired Assets[1,2]

	As at			Movement	
	Sep 19 $M	**Mar 19 $M**	**Sep 18 $M**	**Sep 19 v. Mar 19**	**Sep 19 v. Sep 18**
Impaired loans	**1,711**	1,803	1,802	-5%	-5%
Restructured items[3]	**267**	264	269	1%	-1%
Non-performing commitments and contingencies	**51**	61	68	-16%	-25%
Gross impaired assets	**2,029**	2,128	2,139	-5%	-5%
Individually assessed provisions					
Impaired loans	**(791)**	(865)	(894)	-9%	-12%
Non-performing commitments and contingencies	**(23)**	(26)	(26)	-12%	-12%
Net impaired assets	**1,215**	1,237	1,219	-2%	0%
Gross impaired assets by division					
Australia Retail and Commercial	**1,468**	1,463	1,411	0%	4%
Institutional	**265**	373	442	-29%	-40%
New Zealand	**245**	238	236	3%	4%
Pacific	**51**	53	50	-4%	2%
TSO and Group Centre	**-**	1	-	-100%	n/a
Gross impaired assets	**2,029**	2,128	2,139	-5%	-5%
Gross impaired assets by size of exposure					
Less than $10 million	**1,593**	1,611	1,615	-1%	-1%
$10 million to $100 million	**247**	328	335	-25%	-26%
Greater than $100 million	**189**	189	189	0%	0%
Gross impaired assets	**2,029**	2,128	2,139	-5%	-5%

1. *Balance sheet amounts include assets and liabilities reclassified as held for sale from continuing and discontinued operations.*
2. *In the September 2019 half, ANZ implemented a more market responsive collateral valuation methodology for the home loan portfolio in Australia which increased the number of home loans being classified as impaired rather than past due. Comparative information has not been restated for the change in methodology. Additionally, refinement to underlying processes and associated data resulted in the transfer of loans from past due and sub-standard categories into impaired assets. Comparative information has been restated with a transfer of $106 million at March 2019 and $126 million at September 2018.*
3. *Restructured items are facilities where the original contractual terms have been modified for reasons related to the financial difficulties of the customer. Restructuring may consist of reduction of interest, principal or other payments legally due, or an extension in maturity materially beyond those typically offered to new facilities with similar risk.*

- **September 2019 v September 2018**

  Gross impaired assets decreased $110 million (-5%) driven by the Institutional division (-$177 million) with repayments reducing a number of large impaired assets. This was partially offset by an increase in the Australia Retail and Commercial division ($57 million) primarily driven by a number of single name impaired loans in the Commercial portfolio. The Group's individually assessed provision coverage ratio on impaired assets was 40.1% at 30 September 2019 (Sep 18: 43.0%).

- **September 2019 v March 2019**

  Gross impaired assets decreased $99 million (-5%) driven by the Institutional division ($108 million) due to repayments and write-offs. This was partially offset by the Australia Retail and Commercial ($5 million) and the New Zealand division ($7 million). The Group's individually assessed provision coverage ratio on impaired assets was 40.1% at 30 September 2019 (March 19: 41.9%).

New Impaired Assets[1,2]

	Half Year			Full Year		
	Sep 19 $M	**Mar 19 $M**	**Movt**	**Sep 19 $M**	**Sep 18 $M**	**Movt**
Impaired loans	**1,070**	857	25%	**1,927**	1,846	4%
Restructured items	**29**	13	large	**42**	224	-81%
Non-performing commitments and contingencies	**18**	20	-10%	**38**	38	0%
Total new impaired assets	**1,117**	890	26%	**2,007**	2,108	-5%
New impaired assets by division						
Australia Retail and Commercial	**916**	715	28%	**1,631**	1,604	2%
Institutional	**37**	41	-10%	**78**	169	-54%
New Zealand	**158**	120	32%	**278**	292	-5%
Pacific	**6**	14	-57%	**20**	11	82%
TSO and Group Centre	**-**	-	n/a	**-**	32	-100%
Total new impaired assets	**1,117**	890	26%	**2,007**	2,108	-5%

1. *Balance sheet amounts include assets and liabilities reclassified as held for sale from continuing and discontinued operations.*
2. *In the September 2019 half, ANZ implemented a more market responsive collateral valuation methodology for the home loan portfolio in Australia which increased the number of home loans being classified as impaired rather than past due. Comparative information has not been restated for the change in methodology.*

- **September 2019 v September 2018**

  New impaired assets decreased $101 million (-5%) primarily driven by the Institutional division as the result of an improved risk profile due to portfolio rebalancing, combined with a benign credit environment. In addition, new impaired assets decreased due to lending reductions following the sale of Asia Retail and Wealth businesses. This was partially offset by an increase in the Australia Retail and Commercial division.

- **September 2019 v March 2019**

  New impaired assets increased by $227 million (26%) driven by the Australia Retail and Commercial and New Zealand division. The increase in the Australia Retail and Commercial division is primarily driven by an increase of $167 million from the implementation of a more market responsive collateral valuation methodology for the Australian home loan portfolio. The increase in the New Zealand division is driven by a number of single name impaired loans in the Commercial & Agri portfolio.

Ageing analysis of net loans and advances that are past due but not impaired[1,2]

	As at			Movement	
	Sep 19 $M	**Mar 19 $M**	**Sep 18 $M**	**Sep 19 v. Mar 19**	**Sep 19 v. Sep 18**
1-29 days	**8,383**	9,558	8,956	-12%	-6%
30-59 days	**2,255**	2,993	2,235	-25%	1%
60-89 days	**1,369**	1,436	1,263	-5%	8%
>90 days	**3,744**	3,328	2,911	13%	29%
Total	**15,751**	17,315	15,365	-9%	3%

1. *Balance sheet amounts include assets and liabilities reclassified as held for sale from continuing and discontinued operations.*
2. *In the September 2019 half, ANZ implemented a more market responsive collateral valuation methodology for the home loan portfolio in Australia which increased the number of home loans being classified as impaired rather than past due. Comparative information has not been restated for the change in methodology. Additionally, refinement to underlying processes and associated data resulted in the transfer of loans from past due and sub-standard categories into impaired assets. Comparative information has been restated with a transfer from past due of $75 million and from sub-standard of $31 million at March 2019, and from past due of $99 million and from sub-standard of $27 million at September 2018.*

- **September 2019 v September 2018**

  Net loans and advances past due but not impaired increased $386 million due to a deterioration in home loans in the Australia Retail and Commercial division primarily in the > 90 days segment.

- **September 2019 v March 2019**

  Net loans and advances past due but not impaired decreased $1,564 million due to improvements in home loans in the Australian Retail and Commercial division primarily in the 1-29 and 30-59 days segment.

Income Tax Expense - continuing operations

	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Income tax expense on cash profit	**1,263**	1,415	-11%	**2,678**	2,775	-3%
Effective tax rate (cash profit)	**30.3%**	28.4%		**29.2%**	29.9%	

- **September 2019 v September 2018**

  The effective tax rate has decreased from 29.9% to 29.2%. The decrease of 70 bps is primarily due to higher offshore earnings which attract a lower average tax rate (-71 bps) and a net movement in respect of gains and losses on sale from divestments (-60 bps), partially offset by a net movement in other items (+74 bps) which included the impact of customer remediation.

- **September 2019 v March 2019**

  The effective tax rate has increased from 28.4% to 30.3%. The increase of 190 bps is primarily due to an increase in the provision for foreign tax on dividend repatriations (+54 bps) and a net movement in other items (+160 bps) which included the impact of customer remediation, partially offset by an overprovision in respect of prior years (-58 bps).

Impact of Foreign Currency Translation - continuing operations

The following tables present the Group's cash profit results and net loans and advances neutralised for the impact of foreign currency translation movements. Comparative data has been adjusted to remove the translation impact of foreign currency movements by retranslating prior period comparatives at current period foreign exchange rates.

Cash Profit - September 2019 Full Year vs September 2018 Full Year

	Full Year				Movement	
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX adjusted
	Sep 19 $M	Sep 18 $M	Sep 18 $M	Sep 18 $M	Sep 19 v. Sep 18	Sep 19 v. Sep 18
Net interest income	**14,339**	14,514	173	14,687	-1%	-2%
Other operating income	**4,690**	4,853	35	4,888	-3%	-4%
Operating income	**19,029**	19,367	208	19,575	-2%	-3%
Operating expenses	**(9,071)**	(9,401)	(164)	(9,565)	-4%	-5%
Profit before credit impairment and income tax	**9,958**	9,966	44	10,010	0%	-1%
Credit impairment charge	**(795)**	(688)	3	(685)	16%	16%
Profit before income tax	**9,163**	9,278	47	9,325	-1%	-2%
Income tax expense	**(2,678)**	(2,775)	(9)	(2,784)	-3%	-4%
Non-controlling interests	**(15)**	(16)	(1)	(17)	-6%	-12%
Cash profit from continuing operations	**6,470**	6,487	37	6,524	0%	-1%
Balance Sheet						
Net loans and advances[1]	**615,258**	605,463	5,289	610,752	2%	1%

Cash Profit - September 2019 Half Year vs March 2019 Half Year

	Half Year				Movement	
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX adjusted
	Sep 19 $M	Mar 19 $M	Mar 19 $M	Mar 19 $M	Sep 19 v. Mar 19	Sep 19 v. Mar 19
Net interest income	**7,040**	7,299	25	7,324	-4%	-4%
Other operating income	**2,243**	2,447	16	2,463	-8%	-9%
Operating income	**9,283**	9,746	41	9,787	-5%	-5%
Operating expenses	**(4,706)**	(4,365)	(29)	(4,394)	8%	7%
Profit before credit impairment and income tax	**4,577**	5,381	12	5,393	-15%	-15%
Credit impairment charge	**(402)**	(393)	1	(392)	2%	3%
Profit before income tax	**4,175**	4,988	13	5,001	-16%	-17%
Income tax expense	**(1,263)**	(1,415)	(2)	(1,417)	-11%	-11%
Non-controlling interests	**(6)**	(9)	-	(9)	-33%	-33%
Cash profit from continuing operations	**2,906**	3,564	11	3,575	-18%	-19%
Balance Sheet						
Net loans and advances[1]	**615,258**	610,169	(1,325)	608,844	1%	1%

1. *Balance sheet amounts include assets and liabilities reclassified as held for sale from continuing and discontinued operations.*

Earnings Related Hedges – continuing operations

Where it is considered appropriate, the Group takes out economic hedges against larger foreign exchange denominated revenue streams (primarily New Zealand Dollar, US Dollar and US Dollar correlated). New Zealand Dollar exposure relates to the New Zealand geography and USD exposures relate to Asia, Pacific, Europe & America. Details of these hedges are set out below.

	Half Year		Full Year	
	Sep 19 $M	Mar 19 $M	Sep 19 $M	Sep 18 $M
NZD Economic hedges				
Net open NZD position (notional principal)[1]	**3,451**	3,361	**3,451**	2,076
Amount taken to income (pre-tax statutory basis)[2]	**115**	(105)	**10**	13
Amount taken to income (pre-tax cash basis)[3]	**(18)**	(25)	**(43)**	5
USD Economic hedges				
Net open USD position (notional principal)[1]	**769**	561	**769**	174
Amount taken to income (pre-tax statutory basis)[2]	**(37)**	(2)	**(39)**	2
Amount taken to income (pre-tax cash basis)[3]	**(8)**	-	**(8)**	-

1. *Value in AUD at contracted rate.*
2. *Unrealised valuation movement plus realised revenue from matured or closed out hedges.*
3. *Realised revenue from closed out hedges.*

As at 30 September 2019, the following hedges were in place to partially hedge future earnings against adverse movements in exchange rates:

- NZD 3.7 billion at a forward rate of approximately NZD 1.06/AUD.
- USD 0.5 billion at a forward rate of approximately USD 0.71/AUD.

During the September 2019 full year:

- NZD 1.9 billion of economic hedges matured and a realised loss of $43 million (pre-tax) was recorded in cash profit.
- USD 0.2 billion of economic hedges matured and a realised loss of $8 million (pre-tax) was recorded in cash profit.
- An unrealised gain of $22 million (pre-tax) on the outstanding NZD and USD economic hedges were recorded in the statutory Income Statement during the year. This unrealised gain has been treated as an adjustment to statutory profit in calculating cash profit as these are hedges of future NZD and USD revenues.

Earnings per Share - continuing operations

	Half Year			Full Year		
	Sep 19	Mar 19	Movt	Sep 19	Sep 18	Movt
Cash earnings per share (cents) from continuing operations						
Basic	**102.7**	124.8	-18%	**227.6**	223.4	2%
Diluted	**98.7**	118.4	-17%	**218.1**	213.9	2%
Cash weighted average number of ordinary shares (M)[1]						
Basic	**2,829.3**	2,856.9	-1%	**2,843.1**	2,903.3	-2%
Diluted	**3,075.5**	3,125.8	-2%	**3,089.8**	3,163.7	-2%
Cash profit from continuing operations ($M)	**2,906**	3,564	-18%	**6,470**	6,487	0%
Cash profit from continuing operations used in calculating diluted cash earnings per share ($M)	**3,037**	3,701	-18%	**6,738**	6,766	0%

1. *Cash weighted average number of ordinary shares includes ANZ shares previously held in Wealth Australia discontinued operations as treasury shares. These shares ceased to be treasury shares on completion of the successor fund transfer on 13 April 2019 in preparation for the disposal of discontinued operations.*

Dividends - continuing operations

	Half Year			Full Year		
Dividend per ordinary share (cents) - continuing operations	**Sep 19**	**Mar 19**	**Movt**	**Sep 19**	**Sep 18**	**Movt**
Interim (fully franked)[1,2]	**-**	80	n/a	**80**	80	0%
Final						
- fully franked[1,2]	**-**	-	n/a	**-**	80	n/a
- partially franked[2,3,4]	**80**	-	n/a	**80**	-	n/a
Total	**80**	80	0%	**160**	160	0%
Ordinary share dividends used in payout ratio ($M)[5]	**2,268**	2,267	0%	**4,535**	4,612	-2%
Cash profit from continuing operations ($M)	**2,906**	3,564	-18%	**6,470**	6,487	0%
Ordinary share dividend payout ratio (cash basis)[5]	**78.0%**	63.6%		**70.1%**	71.1%	

1. *Fully franked for Australian tax purposes (30% tax rate).*
2. *Carry New Zealand imputation credits of NZD 9 cents per ordinary share for the proposed 2019 final dividend (2019 interim dividend: NZD 9 cents; 2018 final dividend: NZD 10 cents; 2018 interim dividend: NZD 9 cents).*
3. *Partially franked at 70% for Australian tax purposes (30% tax rate).*
4. *Final dividend for 2019 is proposed.*
5. *Dividend payout ratio is calculated using proposed 2019 final dividend of $2,268 million, which is based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the March 2019 half and September 2018 full year were calculated using actual dividend paid of $2,267 million and $4,612 million respectively.*

The Directors propose a final dividend of 80 cents be paid on each eligible fully paid ANZ ordinary share on 18 December 2019. The proposed 2019 final dividend will be partially franked at 70% for Australian tax purposes. New Zealand imputation credits of NZD 9 cents per ordinary share will also be attached.

Economic Profit - continuing operations

	Half Year			Full Year		
	Sep 19 $M	**Mar 19 $M**	**Movt**	**Sep 19 $M**	**Sep 18 $M**	**Movt**
Statutory profit attributable to shareholders of the Company from continuing operations	**3,053**	3,243	-6%	**6,296**	7,095	-11%
Adjustments between statutory profit and cash profit from continuing operations	**(147)**	321	large	**174**	(608)	large
Cash profit from continuing operations	**2,906**	3,564	-18%	**6,470**	6,487	0%
Economic credit cost adjustment	**(303)**	(316)	-4%	**(619)**	(803)	-23%
Imputation credits	**550**	601	-8%	**1,151**	1,129	2%
Economic return from continuing operations	**3,153**	3,849	-18%	**7,002**	6,813	3%
Cost of capital	**(2,646)**	(2,862)	-8%	**(5,508)**	(5,308)	4%
Economic profit from continuing operations	**507**	987	-49%	**1,494**	1,505	-1%

Economic profit is a risk adjusted profit measure used to evaluate business unit performance. This is used for internal management purposes and is not subject to audit by the external auditor.

Economic profit is calculated via a series of adjustments to cash profit. The economic credit cost adjustment replaces the accounting credit loss charge with internal expected loss based on the average long-run loss rate per annum on the portfolio over an economic cycle. The benefit of imputation credits is recognised, measured at 70% of Australian tax. The cost of capital is a major component of economic profit. At an ANZ Group level, this is calculated using average ordinary shareholders' equity (excluding non-controlling interests), multiplied by the cost of capital rate (9.0% for the September 2019 half and 10.0% for the March 2019 half with the average of 9.5% being applied to the September 2018 full year for comparative purposes). At a business unit level, capital is allocated based on Regulatory Capital, whereby higher risk businesses attract higher levels of capital. The basis of allocation was changed from Economic Capital to Regulatory Capital in the March 2019 half and comparative information was restated. This method is designed to help drive appropriate risk management and ensure business returns align with the level of risk. Key risks covered include credit risk, operational risk, market risk and other risks.

Economic profit decreased by $11 million (-1%) against the September 2018 full year driven by higher cost of capital, partially offset by favourable economic credit cost adjustment and higher imputation credits.

Economic profit decreased by $480 million (-49%) against the March 2019 half driven by lower cash profit and lower imputation credits, partially offset by lower cost of capital.

Condensed Balance Sheet - including discontinued operations

	As at			Movement	
Assets	**Sep 19 $B**	**Mar 19 $B**	**Sep 18 $B**	**Sep 19 v. Mar 19**	**Sep 19 v. Sep 18**
Cash / Settlement balances owed to ANZ / Collateral paid	**100.3**	109.9	98.0	-9%	2%
Trading and investment securities/available-for-sale assets[1]	**126.9**	121.8	112.0	4%	13%
Derivative financial instruments	**120.7**	79.4	68.4	52%	76%
Net loans and advances	**615.3**	609.3	604.5	1%	2%
Assets held for sale	**1.8**	43.5	45.2	-96%	-96%
Other	**16.1**	16.4	15.1	-2%	7%
Total assets	**981.1**	980.3	943.2	0%	4%
Liabilities					
Settlement balances owed by ANZ / Collateral received	**18.8**	18.1	18.3	4%	3%
Deposits and other borrowings	**637.7**	635.0	618.2	0%	3%
Derivative financial instruments	**121.0**	80.9	69.7	50%	74%
Liabilities held for sale	**2.1**	46.6	47.2	-95%	-96%
Debt issuances	**129.7**	129.7	121.2	0%	7%
Other	**11.0**	10.0	9.2	10%	20%
Total liabilities	**920.3**	920.3	883.8	0%	4%
Total equity	**60.8**	60.0	59.4	1%	2%

1. *On adoption of AASB 9 on 1 October 2018, the classification and measurement of financial assets were revised. Available-for-sale classification used in comparative periods ceases to exist under AASB 9 and a new classification of investment securities was introduced. Refer to Note 1 for further details. Comparative information has not been restated.*

- **September 2019 v September 2018**
  - Trading and investment securities/available-for-sale assets increased $14.9 billion (+13%) primarily driven by an increase in liquid assets in Markets and the impact of foreign currency translation movements.
  - Derivative financial assets and liabilities increased $52.3 billion (+76%) and $51.3 billion (+74%) respectively as interest rate movements resulted in higher derivative volumes and fair values, particularly in interest rate swap products.
  - Net loans and advances increased $10.8 billion (+2%) primarily driven by lending growth in the Institutional division (+$10.5 billion), growth in home loans in the New Zealand division (+$4.1 billion) and the impact of foreign currency translation movements, partially offset by the decrease in home loans in the Australia Retail and Commercial division (-$9.4 billion).
  - Assets and liabilities held for sale decreased $43.4 billion (-96%) and $45.1 billion (-96%) respectively primarily driven by the sale completion of the life insurance business to Zurich, OPL NZ, Cambodia JV and PNG Retail, Commercial & SME.
  - Deposits and other borrowings increased $19.5 billion (+3%) primarily driven by increased deposits from banks and repurchase agreements (+$9.9 billion), growth in customer deposits across the Australia Retail and Commercial (+$5.3 billion) and New Zealand division (+$2.7 billion) and the impact of foreign currency translation movements. This was partially offset by reduction in certificates of deposit and commercial paper issued (-$11.6 billion).
  - Debt issuances increased $8.5 billion (+7%) primarily driven by senior debt issuances and the impact of foreign currency translation movements.
- **September 2019 v March 2019**
  - Cash/Settlement balances owed to ANZ/Collateral paid decreased $9.6 billion (-9%) primarily driven by a decrease in balances with central banks and short term reverse repurchase agreements in Markets, overnight bank deposits in Treasury, partially offset by increase in collateral paid associated with higher derivative liability position and the impact of foreign currency translation movements.
  - Trading and investment securities/available-for-sale assets increased $5.1 billion (+4%) primarily driven by an increase in liquid assets in Markets and the impact of foreign currency translation movements.
  - Derivative financial assets and liabilities increased $41.3 billion (+52%) and $40.1 billion (+50%) respectively as interest rate movements resulted in higher derivative volumes and fair values, particularly in interest rate swap products.
  - Net loans and advances increased $6.0 billion (+1%) primarily driven by lending growth in the Institutional division (+$9.4 billion) and growth in home loans in the New Zealand division (+1.8 billion), partially offset by a decrease in home loans in the Australia Retail and Commercial division (-$4.7 billion) and the impact of foreign currency translation movements.
  - Assets and liabilities held for sale decreased $41.7 billion (-96%) and $44.5 billion (-95%) respectively, primarily driven by the sale completion of life insurance business to Zurich, Cambodia JV and PNG Retail, Commercial & SME.

Liquidity Risk - including discontinued operations

Liquidity risk is the risk that the Group is unable to meet its payment obligations as they fall due, including repaying depositors or maturing wholesale debt, or that the Group has insufficient capacity to fund increases in assets. The timing mismatch of cash flows and the related liquidity risk is inherent in all banking operations and is closely monitored by the Group and managed in accordance with the risk appetite set by the Board.

The Group's approach to liquidity risk management incorporates two key components:

- **Scenario modelling of funding sources**

  ANZ's liquidity risk appetite is defined by the ability to meet a range of regulatory requirements and internal liquidity metrics mandated by the Board. The metrics cover a range of scenarios of varying duration and level of severity. The objective of this framework is to:

  - Provide protection against shorter term extreme market dislocation and stress.
  - Maintain structural strength in the balance sheet by ensuring that an appropriate amount of longer-term assets are funded with longer-term funding.
  - Ensure that no undue timing concentrations exist in the Group's funding profile.

  A key component of this framework is the Liquidity Coverage Ratio (LCR), which is a severe short term liquidity stress scenario mandated by banking regulators including APRA. As part of meeting LCR requirements, ANZ has a Committed Liquidity Facility (CLF) with the Reserve Bank of Australia (RBA). The CLF has been established to offset the shortage of available High Quality Liquid Assets (HQLA) in Australia and provides an alternative form of contingent liquidity. The total amount of the CLF available to a qualifying Authorised Deposit-taking Institution (ADI) is set annually by APRA. From 1 January 2019, ANZ's CLF is $48.0 billion (2018 calendar year end: $46.9 billion).

- **Liquid assets**

  The Group holds a portfolio of high quality unencumbered liquid assets in order to protect the Group's liquidity position in a severely stressed environment, as well as to meet regulatory requirements. High Quality Liquid Assets comprise three categories, with the definitions consistent with Basel 3 LCR:

  - Highest-quality liquid assets (HQLA1): Cash, highest credit quality government, central bank or public sector securities eligible for repurchase with central banks to provide same-day liquidity.
  - High-quality liquid assets (HQLA2): High credit quality government, central bank or public sector securities, high quality corporate debt securities and high quality covered bonds eligible for repurchase with central banks to provide same-day liquidity.
  - Alternative liquid assets (ALA): Assets qualifying as collateral for the CLF and other eligible securities listed by the Reserve Bank of New Zealand (RBNZ).

  The Group monitors and manages the size and composition of its liquid assets portfolio on an ongoing basis in line with regulatory requirements and the risk appetite set by the Board.

	Half Year Average			Movement	
	Sep 19 $B	**Mar 19 $B**	**Sep 18 $B**	**Sep 19 v. Mar 19**	**Sep 19 v. Sep 18**
Market Values Post Discount[1]					
HQLA1	**131.5**	134.5	137.0	-2%	-4%
HQLA2	**9.5**	7.6	5.1	25%	86%
Internal Residential Mortgage Backed Securities[2]	**34.5**	34.2	38.9	1%	-11%
Other ALA[3]	**12.2**	12.9	13.1	-5%	-7%
Total liquid assets	**187.7**	189.2	194.1	-1%	-3%
Cash flows modelled under stress scenario					
Cash outflows	**176.6**	176.3	177.5	0%	-1%
Cash inflows	**45.4**	38.6	41.2	18%	10%
Net cash outflows	**131.2**	137.7	136.3	-5%	-4%
Liquidity Coverage Ratio[4]	**143%**	137%	142%	6%	1%

1. *Half year average basis, calculated as prescribed per APRA Prudential Regulatory Standard (APS 210 Liquidity) and consistent with APS 330 requirements.*
2. *In accordance with APRA requirement, March and September 2019 NZD denominated liquid asset balances beyond that required to achieve 100% NZD LCR must be considered not transferrable and thus excluded from Level 2 LCR.*
3. *Comprised of assets qualifying as collateral for the CLF, excluding internal residential mortgage backed securities, up to approved facility limit; and any liquid assets contained in the RBNZ's Liquidity Policy - Annex: Liquidity Assets - Prudential Supervision Department Document BS13A12.*
4. *All currency Level 2 LCR.*

Funding - including discontinued operations

ANZ targets a diversified funding base, avoiding undue concentrations by investor type, maturity, market source and currency.

$23.6 billion of term wholesale debt with a remaining term greater than one year as at 30 September 2019 was issued during the year.

The following table shows the Group's total funding composition:

	As at			Movement	
	Sep 19 $B	Mar 19 $B	Sep 18 $B	Sep 19 v. Mar 19	Sep 19 v. Sep 18
Customer deposits and other liabilities					
Australia Retail and Commercial	**208.0**	203.4	202.7	2%	3%
Institutional	**217.3**	205.4	205.8	6%	6%
New Zealand	**83.4**	85.4	79.8	-2%	5%
Pacific	**3.5**	3.5	3.5	0%	0%
TSO and Group Centre[1]	**(0.4)**	(4.3)	(4.5)	-91%	-91%
Customer deposits	**511.8**	493.4	487.3	4%	5%
Other funding liabilities[2,3]	**9.6**	8.6	8.6	12%	12%
Total customer liabilities (funding)	**521.4**	502.0	495.9	4%	5%
Wholesale funding					
Debt issuances	**113.1**	113.4	105.3	0%	7%
Subordinated debt	**16.6**	16.3	15.9	2%	4%
Certificates of deposit	**36.6**	43.6	42.7	-16%	-14%
Commercial paper	**11.7**	14.7	17.0	-20%	-31%
Other wholesale borrowings[4,5]	**92.3**	100.1	86.8	-8%	6%
Total wholesale funding	**270.3**	288.1	267.7	-6%	1%
Shareholders' equity	**60.8**	60.0	59.4	1%	2%
Total funding	**852.5**	850.1	823.0	0%	4%

1. *Includes term deposits, other deposits and an adjustment recognised in prior periods in Group Centre to eliminate Wealth Australia discontinued operations investments in ANZ deposit products.*
2. *Includes interest accruals, payables and other liabilities, provisions and net tax provisions, excluding other liabilities in Wealth Australia discontinued operations.*
3. *Excludes liability for acceptances as they do not provide net funding.*
4. *Includes borrowings from banks, securities sold under repurchase agreements, net derivative balances, special purpose vehicles and other borrowings.*
5. *Includes RBA open repurchase arrangement netted down by the exchange settlement account cash balance.*

Net Stable Funding Ratio

The following table shows the Level 2 Net Stable Funding Ratio (NSFR) composition:

	As at			Movement	
	Sep 19 $B	Mar 19 $B	Sep 18 $B	Sep 19 v. Mar 19	Sep 19 v. Sep 18
Required Stable Funding[1]					
Retail & small and medium enterprises, corporate loans <35% risk weight[2]	**182.2**	182.9	183.9	0%	-1%
Retail & small and medium enterprises, corporate loans >35% risk weight[2]	**180.7**	189.1	182.6	-4%	-1%
Other lending[3]	**27.6**	23.2	23.2	19%	19%
Liquid assets	**12.4**	10.7	9.8	16%	27%
Other assets[4]	**40.0**	40.2	36.6	0%	9%
Total Required Stable Funding	**442.9**	446.1	436.1	-1%	2%
Available Stable Funding[1]					
Retail & small and medium enterprise customer deposits	**241.3**	236.6	231.7	2%	4%
Corporate, public sector entities & operational deposits	**93.5**	91.5	91.8	2%	2%
Central bank & other financial institution deposits	**6.2**	6.1	5.3	2%	17%
Term funding	**95.6**	101.2	96.3	-6%	-1%
Short term funding & other liabilities	**2.0**	3.7	1.3	-46%	54%
Capital	**76.9**	73.9	73.3	4%	5%
Total Available Stable Funding	**515.5**	513.0	499.7	0%	3%
Net Stable Funding Ratio	**116%**	115%	115%	1%	1%

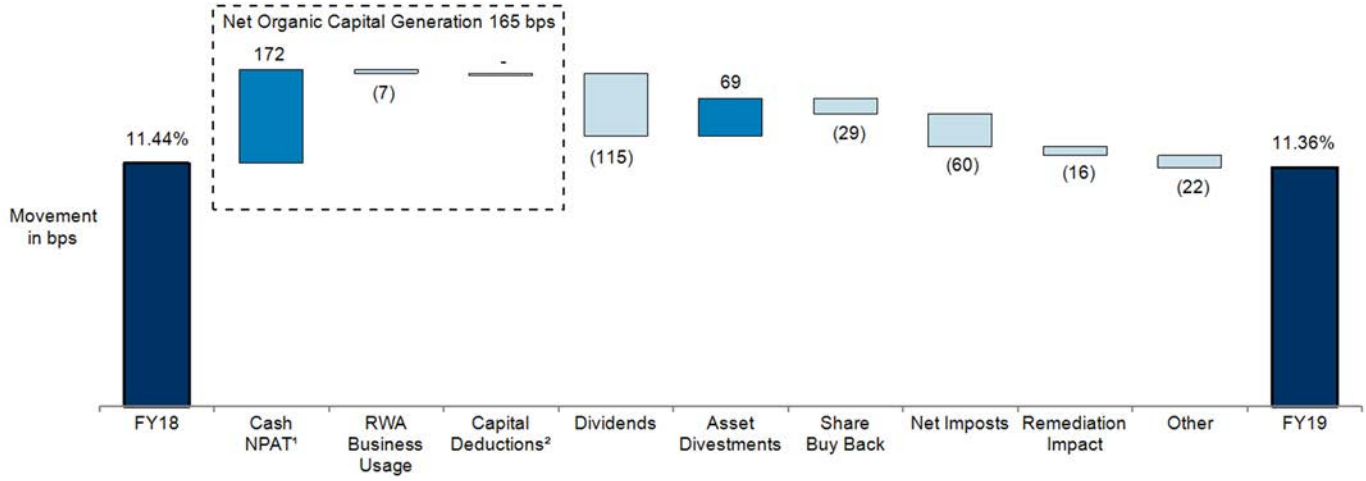
1. *NSFR factored balance as per APRA Prudential Regulatory Standard APS 210 Liquidity.*
2. *Risk weighting as per APRA Prudential Regulatory Standard APS 112 Capital Adequacy: Standardised Approach to Credit Risk.*
3. *Includes financial institution and central bank loans.*
4. *Includes off-balance sheet items, net derivatives and other assets.*

Capital Management - including discontinued operations

	As at					
	APRA Basel 3			Internationally Comparable Basel 3[1]		
	Sep 19	Mar 19	Sep 18	Sep 19	Mar 19	Sep 18
Capital Ratios (Level 2)						
Common Equity Tier 1	**11.4%**	11.5%	11.4%	**16.4%**	16.9%	16.8%
Tier 1	**13.2%**	13.4%	13.4%	**18.8%**	19.3%	19.2%
Total capital	**15.3%**	15.3%	15.2%	**21.4%**	21.7%	21.6%
Risk weighted assets ($B)	**417.0**	396.3	390.8	**330.4**	310.9	305.6

1. *Internationally Comparable methodology aligns with APRA's information paper entitled "International Capital Comparison Study" (13 July 2015).*

APRA Basel 3 Common Equity Tier 1 (CET1) – September 2019 v September 2018



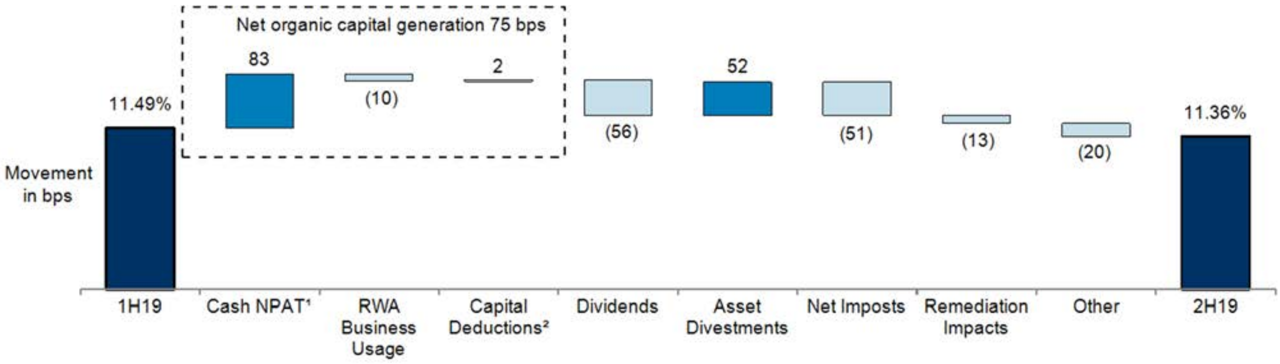
1. *Excludes large/notable items for the purposes of Regulatory Capital Management attribution. Refer to pages 19 to 20.*
2. *Capital deductions represent the movement in retained earnings in deconsolidated entities, capitalised software, expected losses in excess of eligible provisions shortfall and other intangibles in the period.*

- **September 2019 v September 2018**

  ANZ's CET1 ratio decreased 8 bps to 11.4% during the year. Key drivers of the movement in the CET1 ratio were:

  - Net organic capital generation of 165 bps. This was primarily driven by cash profit (excluding large/notable and one-off items), partially offset by underlying RWA growth (excluding foreign currency translation impacts, regulatory changes and other one-offs).
  - Payment of the September 2018 final and the March 2019 interim dividends (net of BOP issuance, neutralised DRP) reduced the CET1 ratio by 115 bps.
  - Capital benefits from asset disposals completed during the year increased the CET1 ratio by 69 bps, partially offset by-on market share buy-back of $1.1 billion which decreased the CET1 ratio by 29 bps (completion of the announced $3 billion during the March 2019 half).
  - Net Imposts reduced the CET1 ratio by 60 bps, including impacts from implementation of Standardised Approach for Measuring Counterparty Credit Risk Exposures (SA-CCR) (-18 bps), APRA Operational Risk overlay (-18 bps), implementation of risk weight floors for the New Zealand mortgages and farm lending portfolios (-18 bps) and other RWA modelling changes (-6 bps).
  - Customer remediation impacts (continuing and discontinuing) reduced the CET1 by 16 bps.
  - Other impacts include impact of AASB 9 transition (-5 bps), movements in non-cash earnings, net foreign currency translation, defined benefit plan impacts and movements in deferred tax assets (-7 bps), and various other movements (-10 bps).

APRA Basel 3 Common Equity Tier 1 (CET1 ratio) - September 2019 v March 2019



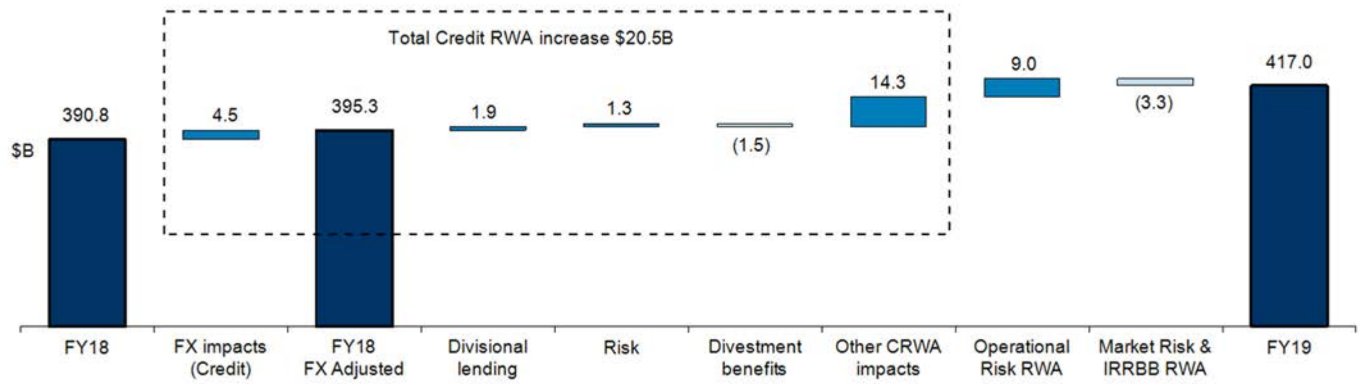
1. *Excludes large/notable items for the purposes of Regulatory Capital Management attribution. Refer to pages 16 to 20.*
2. *Capital deductions represent the movement in retained earnings in deconsolidated entities, capitalised software, expected losses in excess of eligible provision shortfall and other intangibles in the period.*

- **September 2019 v March 2019**

  ANZ's CET1 ratio decreased 13 bps to 11.4% during the September 2019 half. Key drivers of the movement in the CET1 ratio were:
  - Net organic capital generation of 75 bps. This was primarily driven by cash profit (excluding large/notable items and one-off items), which was partially offset by underlying RWA growth (excluding foreign currency translation movements, regulatory changes and other one-offs) and minor benefits from other business capital deductions.
  - Payment of the March 2019 interim dividend (net of BOP issuance, neutralised DRP) reduced the CET1 ratio by 56 bps.
  - Capital benefits from asset disposals increased the CET1 ratio by 52 bps (~+$2 billion), mainly from the sale completion of the life insurance business to Zurich.
  - Net Imposts reduced the CET1 ratio by 51 bps, including impacts from implementation of SA-CCR (-18 bps), APRA Operational Risk overlay (-18 bps), implementation of risk weights floors for the New Zealand mortgages and farm lending portfolios (-18 bps) and net other RWA modelling changes.
  - Customer remediation impacts (continuing and discontinuing) reduced the CET1 ratio by 13 bps.
  - Other impacts include movements in non-cash earnings, net foreign currency translation, defined benefit plan impacts and movements in deferred tax assets (-10 bps) and various other movements (-10 bps).

Total Risk Weighted Assets	**As at**			**Movement**	
	Sep 19 $B	**Mar 19 $B**	**Sep 18 $B**	**Sep 19 v. Mar 19**	**Sep 19 v. Sep 18**
Credit RWA	**358.1**	345.5	337.6	4%	6%
Market risk and IRRBB RWA	**12.3**	13.1	15.6	-6%	-21%
Operational RWA	**46.6**	37.7	37.6	23%	24%
Total RWA	**417.0**	396.3	390.8	5%	7%

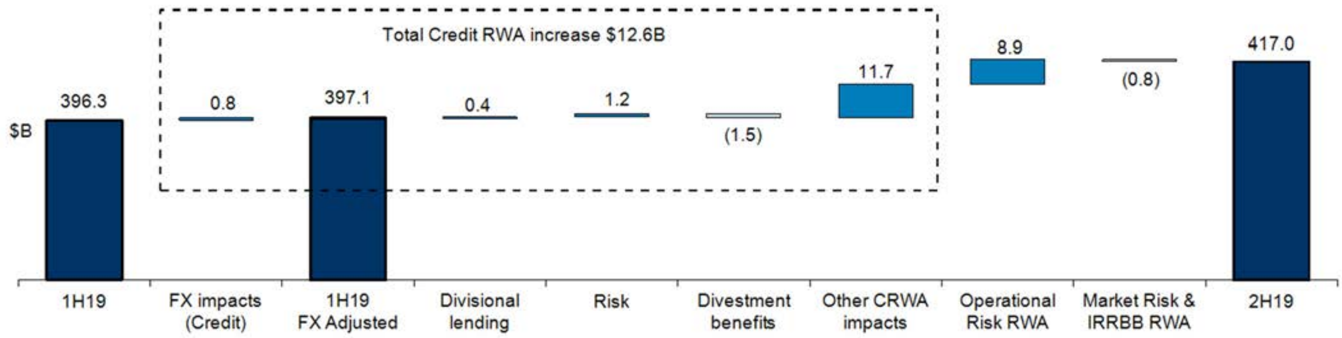
Total Risk Weighted Assets (RWA) – September 2019 v September 2018



- **September 2019 v September 2018**

  Total RWA increased $26.2 billion. Excluding the impact of foreign currency translation and other non-recurring CRWA changes, underlying CRWA (divisional lending and risk migration) increased by $3.2 billion mainly driven by lending growth in the Institutional division, partially offset by reduction in the Australia Retail and Commercial division. Other CRWA changes are mainly the net impacts from RWA Imposts including impacts from implementation of SA-CCR and risk weight floors for the New Zealand mortgages and farm lending portfolios, partially offset by CRWA reduction from asset divestments. Non-CRWA increased by $5.7 billion mainly driven by additional Operational Risk capital overlay in relation to the major banks' risk governance self-assessments.

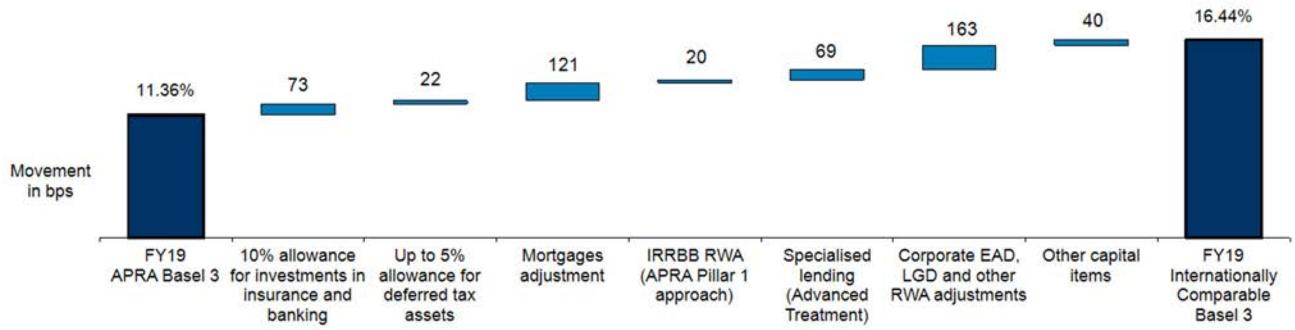
Total Risk Weighted Assets (RWA) - September 2019 v March 2019



- **September 2019 v March 2019**

  Total RWA increased by $20.7 billion. Excluding the impact of foreign currency translation movements and other non-recurring CRWA changes, underlying CRWAs (divisional lending and risk migration) increased by $1.6 billion, mainly driven by lending growth in the Institutional division. Other CRWA changes are mainly net impacts from RWA Imposts including impacts from implementation of SA-CCR and risk weight floors for NZ mortgages and farm lending portfolios, partially offset by CRWA reduction from asset divestments. The increase in non-CRWA of $8.1 billion mainly reflects higher Operational Risk RWA which includes the Operational Risk capital overlay from APRA in relation to the major banks' risk governance self-assessments.

APRA to Internationally Comparable[1] Common Equity Tier 1 (CET1 ratio) as at 30 September 2019



1. ANZ's interpretation of the regulations documented in the Basel Committee publications: "Basel 3: A global regulatory framework for more resilient banks and banking systems" (June 2011) and "International Convergence of Capital Measurement and Capital Standards" (June 2006). Also includes differences identified in APRA's information paper entitled "International Capital Comparison Study" (13 July 2015).

The above provides a reconciliation of the CET1 ratio under APRA's Basel 3 prudential capital standards to Internationally Comparable Basel 3 standards. APRA views the Basel 3 reforms as a minimum requirement and hence has not incorporated some of the concessions proposed in the Basel 3 rules and has also set higher requirements in other areas. As a result, Australian banks' Basel 3 reported capital ratios will not be directly comparable with international peers. The International Comparable Basel 3 CET1 ratio incorporates differences between APRA and both the Basel Committee Basel 3 framework (including differences identified in the March 2014 Basel Committee's Regulatory Consistency Assessment Programme (RCAP) on Basel 3 implementation in Australia) and its application in major offshore jurisdictions.

The material differences between APRA Basel 3 and Internationally Comparable Basel 3 ratios include:

Deductions

- Investments in insurance and banking associates - APRA requires full deduction against CET1. On an Internationally Comparable basis, these investments are subject to a concessional threshold before a deduction is required.
- Deferred tax assets - A full deduction is required from CET1 for deferred tax assets (DTA) relating to temporary differences. On an Internationally Comparable basis, this is first subject to a concessional threshold before the deduction is required.

Risk Weighted Assets (RWA)

- Mortgages RWA - APRA imposes a floor of 20% on the downturn Loss Given Default (LGD) used in credit RWA calculations for residential mortgages. The Internationally Comparable Basel 3 framework requires a downturn LGD floor of 10%. Additionally, from July 2016, APRA requires a higher correlation factor than the Basel framework.
- IRRBB RWA - APRA requires inclusion of Interest Rate Risk in the Banking Book (IRRBB) within the RWA base for the CET1 ratio calculation. This is not required on an Internationally Comparable basis.
- Specialised lending - APRA requires the supervisory slotting approach to be used in determining credit RWA for specialised lending exposures. The Internationally Comparable basis allows for the advanced internal ratings based approach to be used when calculating RWA for these exposures.
- Unsecured Corporate Lending LGD - an adjustment to align ANZ's unsecured corporate lending LGD to 45% to be consistent with banks in other jurisdictions. The 45% LGD rate is also used in the Foundation Internal Ratings-Based approach (FIRB).
- Undrawn Corporate Lending Exposure at Default (EAD) - an adjustment to ANZ's credit conversion factors (CCF) for undrawn corporate loan commitments to 75% (used in FIRB approach) to align with banks in other jurisdictions.

Leverage Ratio - including discontinued operations

At 30 September 2019, the Group's APRA Leverage Ratio was 5.6% which is above the 3.5% APRA proposed minimum for internal ratings-based approach ADI (IRB ADI) which includes ANZ. The following table summarises the Group's Leverage Ratio calculation:

	As at			Movement	
	Sep 19 $M	Mar 19 $M	Sep 18 $M	Sep 19 v. Mar 19	Sep 19 v. Sep 18
Tier 1 Capital (net of capital deductions)[1]	**55,221**	53,075	52,218	4%	6%
On-balance sheet exposures (excluding derivatives and securities financing transaction exposures)	**810,644**	810,915	785,405	0%	3%
Derivative exposures	**34,258**	31,439	30,676	9%	12%
Securities financing transaction exposures	**36,923**	37,287	36,066	-1%	2%
Other off-balance sheet exposures	**107,400**	105,942	102,810	1%	4%
Total exposure measure	**989,225**	985,583	954,957	0%	4%
APRA Leverage Ratio	**5.6%**	5.4%	5.5%		
Internationally Comparable Leverage Ratio	**6.2%**	6.0%	6.1%		

1. *Prior period numbers have not been restated for the impact of AASB 15 to align with previously reported regulatory returns.*

- **September 2019 v September 2018**

  APRA leverage ratio increased 11 bps during the year. Key drivers of the movement were:

  - Net organic capital generation (largely from cash profit excluding large/notable and one-off items) less dividends paid during the year (+23 bps).
  - Exposure growth including derivatives which collectively reduced the leverage ratio by 11 bps.
  - Net other impacts included the on-market share buy-back completed in the March 2019 half, customer remediation impacts, foreign currency translation movements, deferred tax assets and other items, partially offset by benefits from asset divestments (-1 bps).

- **September 2019 v March 2019**

  APRA leverage ratio increased 19 bps during the September 2019 half. Key drivers of the movement were:

  - Net organic capital generation (largely from cash profit excluding large/notable and one-off items) less dividends paid during the September 2019 half (+12 bps).
  - Exposure growth (-1 bps).
  - Net other impacts included benefits from asset divestments, partially offset by customer remediation impacts, foreign currency translation movements, deferred tax assets and other items (+8 bps).

Capital Management – Other Regulatory Developments

- **Financial System Inquiry (FSI)**

  The Australian Government completed a comprehensive inquiry into Australia's financial system in 2014 which included a number of key recommendations that may have an impact on regulatory capital levels. APRA initiatives in support of the FSI are:

  - In July 2017, APRA released an information paper outlining its assessment on the additional capital required for the Australian banking sector to be considered 'unquestionably strong' as originally outlined in the FSI final report in December 2014. APRA indicated that "in the case of the four major Australian banks, this equated to a benchmark CET1 capital ratio, under the current capital adequacy framework, of at least 10.5 percent. APRA also stated that the major banks should meet this benchmark by 1 January 2020 at the latest".
  - APRA is currently consulting on the revisions to the capital framework that will produce 'unquestionably strong' capital ratios with the release of their proposals on revisions to credit risk, operational risk, market risk and interest rate risk in the banking book requirements in February 2018, June 2019 and September 2019. While the final forms of these proposals will only be determined later in 2020, the Group expects the implementation of any revisions to the current requirements will result in further changes to the risk weighting framework for certain asset classes and other risk types (such as market and operational risk). APRA has announced that it does not expect that the changes to the risk weights will necessitate further increases in capital for ADIs, although this could vary by ADI depending on the final requirements.
  - APRA released a discussion paper in August 2018 on adjustments to the overall design of the capital framework to improve transparency, international comparability and flexibility of the ADI capital framework. The focus of the proposals is on the presentation of the capital ratios to facilitate comparability whilst recognising the relative capital strength of ADIs and measures to enhance supervisory flexibility in times of financial stress. APRA's consultation for the above is currently taking place with final prudential standards planned to be made available by 2020.

  APRA's consultation for the above is currently taking place with target implementation by 2022 without any phase-in arrangements. Given the number of items that are currently open for consultation with APRA, the final outcome of the FSI including any further changes to APRA's prudential standards or other impacts on the Group remains uncertain.

- **APRA Total Loss Absorbing Capacity Requirements**

  In July 2019, APRA announced its decision on loss-absorbing capacity in which it will require domestic systemically important banks (D-SIBs), including ANZ, to increase their Total Capital by 3% of risk-weighted assets by January 2024. Based on ANZ's capital position as at 30 September 2019, this represents an incremental increase in the Total Capital requirement of approximately $12 billion, with an equivalent decrease in other senior funding. APRA has stated that it anticipates that D-SIBs would satisfy the requirement predominantly with Tier 2 capital.

- **Revisions to Related Entities Framework**

  APRA announced in August 2019 that it will implement its proposal to reduce limits for Australian ADIs' exposure to related entities, reducing limits from 50% of Level 1 Total capital to 25% of Level 1 Tier 1 capital from January 2021. As exposures are measured net of capital deductions, the proposed changes to APRA's capital regulations (contained in APS111 below) would affect the measurement of ADI exposures. On the basis that the APS111 revisions are implemented as currently proposed, the reduction in the above limits is not expected to have a material impact on ANZ and its subsidiaries.

- **Revisions to APS111 Capital Adequacy**

  In October 2019, APRA released a discussion paper on draft revisions to the prudential standards APS111 Capital Adequacy: Measurement of Capital for consultation. The most material change from APRA's proposal is in relation to the treatment of capital investments for each banking and insurance subsidiary at Level 1 with the tangible component of the investment changing from 400% risk weighting to:

  - 250% risk weighting up to an amount equal to 10% of ANZ's net Level 1 Common Equity Tier 1 (CET1); and
  - the remainder of the investment will be treated as a CET1 capital deduction.

  ANZ is reviewing the implications for its current investments. The net impact on the Group is unclear and will depend upon a number of factors including the capitalisation of the affected subsidiaries at the time of implementation, the final form of the prudential standard, as well as the effect of management actions being pursued that have the potential to materially offset the impact of these proposals. Based on ANZ's current investment in its affected subsidiaries and in the absence of any offsetting management actions, the above proposals implies a reduction in ANZ's Level 1 CET1 capital ratio of up to approximately $2.5bn (~75 basis points). However, ANZ believes that this outcome is unlikely and, post implementation of management actions, the net capital impact could be minimal. There is no impact on ANZ's Level 2 CET1 capital ratio arising from these proposed changes, which are proposed to be implemented from 1 January 2021.

- **Level 3 Conglomerates (Level 3)**

  APRA is extending its prudential supervision framework to Conglomerate Groups via the Level 3 framework which will regulate a bancassurance group such as ANZ as a single economic entity with minimum capital requirements and additional monitoring of risk exposure levels.

  In August 2016, APRA confirmed the deferral of capital requirements for Conglomerate Groups to allow for the final capital requirements arising from FSI recommendations and from international initiatives to be determined.

  The non-capital components of the Level 3 framework relating to group governance, risk exposures, intragroup transactions and other risk management and compliance requirements came into effect on 1 July 2017. These have had no material impact on the Group's capital position.

- **The Reserve Bank of New Zealand (RBNZ) review of capital requirements**

  The Reserve Bank of New Zealand (RBNZ) has been reviewing its New Zealand capital adequacy framework. The RBNZ expects to announce its finalised policy decisions in early December 2019 which include the outcomes of the RBNZ consultation relating to the amount, form and timing of implementation. This may include amongst other things:

  - increases in the risk weighting applied to the assets of banks in New Zealand;
  - increases to the percentage of capital held against those risk weights in New Zealand; and
  - changes to the regulatory capital criteria for subordinated instruments.

  The overall impact on the Group depends on a number of factors. These include the outcome of the RBNZ consultations, ANZ New Zealand's balance sheet at the time of implementation, and the outcome of other reviews currently underway by APRA.

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Divisional Performance - continuing operations

The Group operates on a divisional structure with five continuing divisions: Australia Retail and Commercial, Institutional, New Zealand, Pacific, and Technology, Services & Operations (TSO) and Group Centre. For further information on the composition of divisions, refer to the Definitions on page 130.

The presentation of divisional results has been impacted by a number of methodology and structural changes during the period. Prior period comparatives have been restated:

- The methodology for allocating earnings on capital at a business unit level changed from Economic Capital to Regulatory Capital. While neutral at a Group level, this change impacted net interest income at the divisional level;
- The residual Asia Retail and Wealth businesses have been transferred from the former Asia Retail and Pacific division to TSO and Group Centre division. The remaining segment has been renamed Pacific division; and
- ANZ's lenders mortgage insurance, share investing, general insurance distribution and financial planning businesses which were previously part of the continuing operations of Wealth Australia now form part of the Australia Retail and Commercial division (previously named Australia division) and Wealth Australia ceases to exist as a continuing division.

The divisional results were also impacted by the adoption of two new accounting standards:

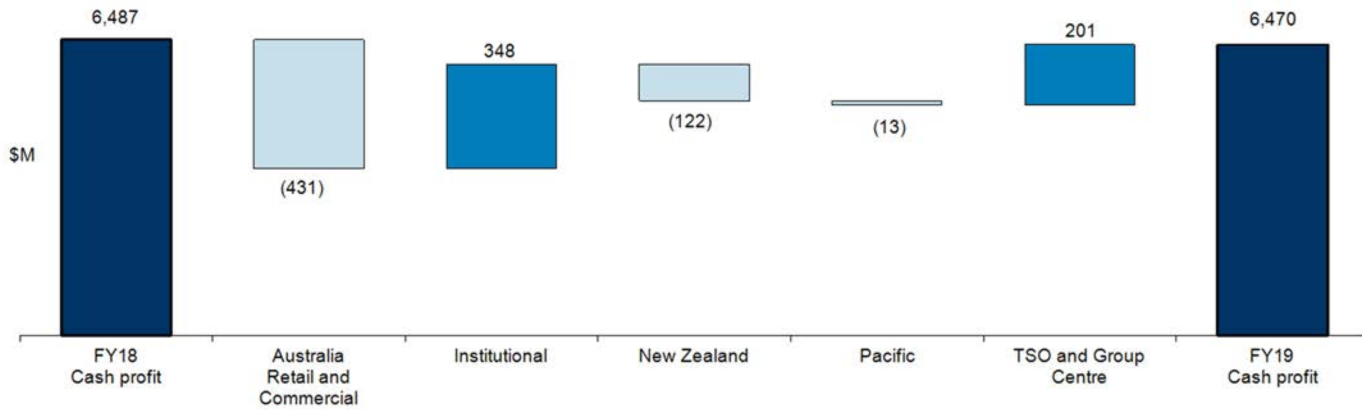
- AASB 9 - the Group implemented an expected credit loss methodology for impairment of financial assets, and revised the classification and measurement of certain financial assets from 1 October 2018. Consequently, the Group increased its provision for credit impairment by $813 million through opening retained earnings. Comparative information has not been restated.
- AASB 15 - the main impact of adoption is that certain items previously netted are now presented gross in operating income and operating expenses. Comparative information has been restated which increased total operating income for the September 2018 full year by $153 million and increased total operating expenses by the same amount.

Other than those described above, there have been no other significant changes.

The Divisional Results section is reported on a cash profit basis for continuing operations. For information on discontinued operations please refer to the Guide to Full Year Results on page 10.

The divisions reported are consistent with internal reporting provided to the chief operating decision maker, being the Chief Executive Officer.

Cash profit by division - September 2019 Full Year v September 2018 Full Year



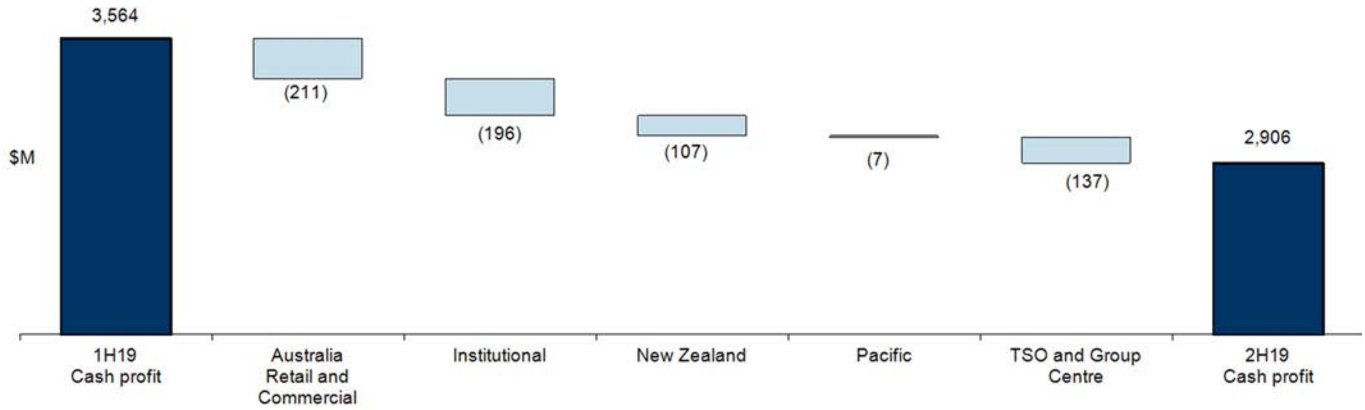
September 2019 Full Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	8,092	3,080	2,736	128	303	**14,339**
Other operating income	1,347	2,192	580	104	467	**4,690**
Operating income	9,439	5,272	3,316	232	770	**19,029**
Operating expenses	(4,074)	(2,667)	(1,286)	(150)	(894)	**(9,071)**
Profit before credit impairment and income tax	5,365	2,605	2,030	82	(124)	**9,958**
Credit impairment (charge)/release	(712)	2	(87)	1	1	**(795)**
Profit/(Loss) before income tax	4,653	2,607	1,943	83	(123)	**9,163**
Income tax expense and non-controlling interests	(1,458)	(779)	(544)	(24)	112	**(2,693)**
Cash profit/(loss) from continuing operations	3,195	1,828	1,399	59	(11)	**6,470**

September 2018 Full Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	8,449	2,993	2,651	131	290	**14,514**
Other operating income	1,510	2,066	671	100	506	**4,853**
Operating income	9,959	5,059	3,322	231	796	**19,367**
Operating expenses	(4,075)	(2,948)	(1,205)	(128)	(1,045)	**(9,401)**
Profit before credit impairment and income tax	5,884	2,111	2,117	103	(249)	**9,966**
Credit impairment (charge)/release	(698)	44	(6)	(3)	(25)	**(688)**
Profit/(Loss) before income tax	5,186	2,155	2,111	100	(274)	**9,278**
Income tax expense and non-controlling interests	(1,560)	(675)	(590)	(28)	62	**(2,791)**
Cash profit/(loss) from continuing operations	3,626	1,480	1,521	72	(212)	**6,487**

September 2019 Full Year vs September 2018 Full Year

	Australia Retail and Commercial	Institutional	New Zealand	Pacific	TSO and Group Centre	Group
Net interest income	-4%	3%	3%	-2%	4%	**-1%**
Other operating income	-11%	6%	-14%	4%	-8%	**-3%**
Operating income	-5%	4%	0%	0%	-3%	**-2%**
Operating expenses	0%	-10%	7%	17%	-14%	**-4%**
Profit before credit impairment and income tax	-9%	23%	-4%	-20%	-50%	**0%**
Credit impairment charge/(release)	2%	-95%	large	large	large	**16%**
Profit/(Loss) before income tax	-10%	21%	-8%	-17%	-55%	**-1%**
Income tax expense and non-controlling interests	-7%	15%	-8%	-14%	81%	**-4%**
Cash profit/(loss) from continuing operations	-12%	24%	-8%	-18%	-95%	**0%**

Cash profit by division - September 2019 Half Year v March 2019 Half Year



September 2019 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	4,000	1,501	1,351	60	128	**7,040**
Other operating income	696	1,066	278	54	149	**2,243**
Operating income	4,696	2,567	1,629	114	277	**9,283**
Operating expenses	(2,161)	(1,347)	(674)	(80)	(444)	**(4,706)**
Profit before credit impairment and income tax	2,535	1,220	955	34	(167)	**4,577**
Credit impairment (charge)/release	(316)	(33)	(57)	3	1	**(402)**
Profit/(Loss) before income tax	2,219	1,187	898	37	(166)	**4,175**
Income tax expense and non-controlling interests	(727)	(371)	(252)	(11)	92	**(1,269)**
Cash profit/(loss) from continuing operations	1,492	816	646	26	(74)	**2,906**

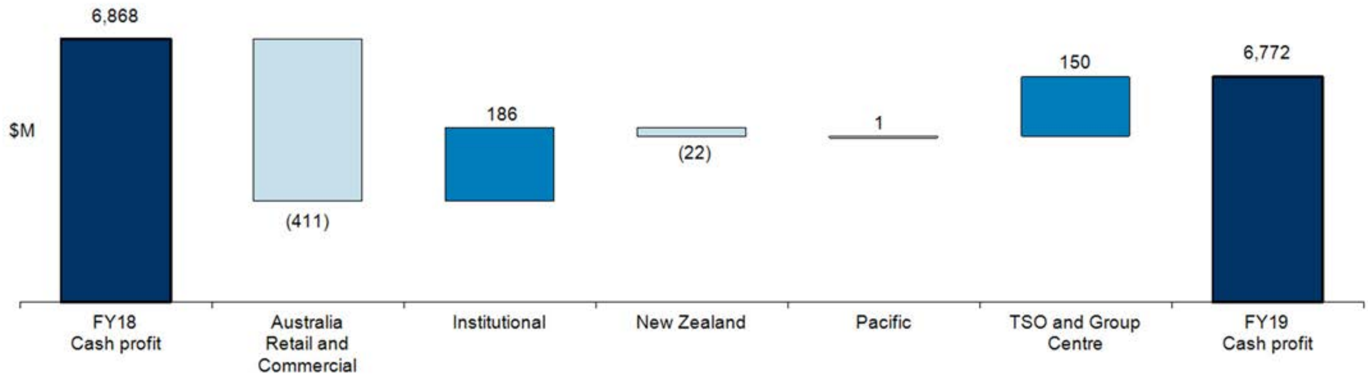
March 2019 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	4,092	1,579	1,385	68	175	**7,299**
Other operating income	651	1,126	302	50	318	**2,447**
Operating income	4,743	2,705	1,687	118	493	**9,746**
Operating expenses	(1,913)	(1,320)	(612)	(70)	(450)	**(4,365)**
Profit before credit impairment and income tax	2,830	1,385	1,075	48	43	**5,381**
Credit impairment (charge)/release	(396)	35	(30)	(2)	-	**(393)**
Profit/(Loss) before income tax	2,434	1,420	1,045	46	43	**4,988**
Income tax expense and non-controlling interests	(731)	(408)	(292)	(13)	20	**(1,424)**
Cash profit/(loss) from continuing operations	1,703	1,012	753	33	63	**3,564**

September 2019 Half Year vs March 2019 Half Year

	Australia Retail and Commercial	Institutional	New Zealand	Pacific	TSO and Group Centre	Group
Net interest income	-2%	-5%	-2%	-12%	-27%	**-4%**
Other operating income	7%	-5%	-8%	8%	-53%	**-8%**
Operating income	-1%	-5%	-3%	-3%	-44%	**-5%**
Operating expenses	13%	2%	10%	14%	-1%	**8%**
Profit before credit impairment and income tax	-10%	-12%	-11%	-29%	large	**-15%**
Credit impairment charge/(release)	-20%	large	90%	large	n/a	**2%**
Profit/(Loss) before income tax	-9%	-16%	-14%	-20%	large	**-16%**
Income tax expense and non-controlling interests	-1%	-9%	-14%	-15%	large	**-11%**
Cash profit/(loss) from continuing operations	-12%	-19%	-14%	-21%	large	**-18%**

Cash profit by division (excluding large/notable items[1]) - September 2019 Full Year v September 2018 Full Year

The Group cash profit results include a number of items collectively referred to as large/notable items. While these items form part of cash profit they have been excluded from the tables below given their nature and significance.



1. *Refer to pages 16 to 20 for a description of large/notable items.*

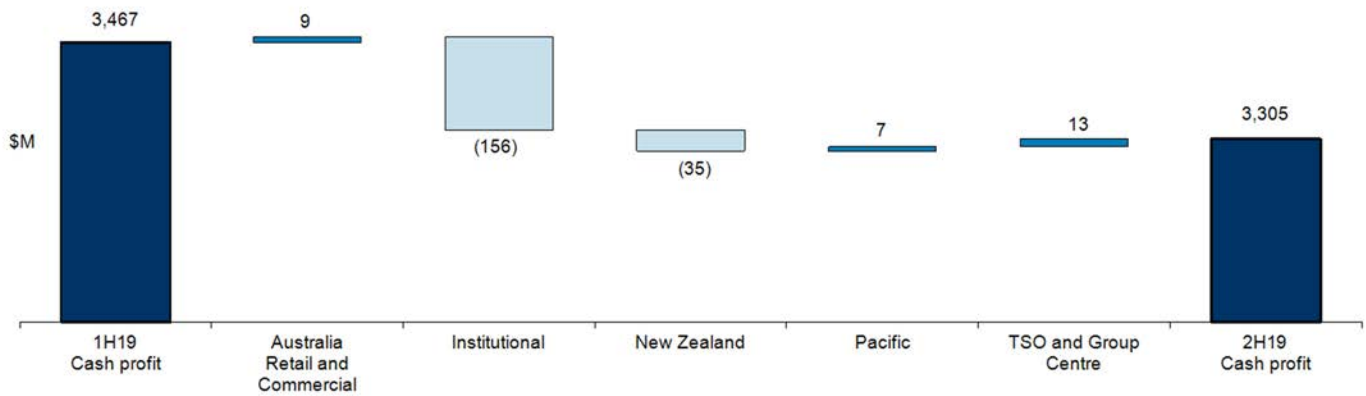
September 2019 Full Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	8,178	3,025	2,780	135	312	**14,430**
Other operating income	1,397	2,173	567	104	215	**4,456**
Operating income	9,575	5,198	3,347	239	527	**18,886**
Operating expenses	(3,743)	(2,575)	(1,254)	(143)	(847)	**(8,562)**
Profit before credit impairment and income tax	5,832	2,623	2,093	96	(320)	**10,324**
Credit impairment (charge)/release	(712)	3	(87)	1	1	**(794)**
Profit/(Loss) before income tax	5,120	2,626	2,006	97	(319)	**9,530**
Income tax expense and non-controlling interests	(1,539)	(774)	(563)	(24)	142	**(2,758)**
Cash profit/(loss) from continuing operations	3,581	1,852	1,443	73	(177)	**6,772**

September 2018 Full Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	8,540	2,934	2,647	131	255	**14,507**
Other operating income	1,625	2,036	552	100	160	**4,473**
Operating income	10,165	4,970	3,199	231	415	**18,980**
Operating expenses	(3,756)	(2,661)	(1,155)	(128)	(863)	**(8,563)**
Profit before credit impairment and income tax	6,409	2,309	2,044	103	(448)	**10,417**
Credit impairment (charge)/release	(698)	46	(6)	(3)	1	**(660)**
Profit/(Loss) before income tax	5,711	2,355	2,038	100	(447)	**9,757**
Income tax expense and non-controlling interests	(1,719)	(689)	(573)	(28)	120	**(2,889)**
Cash profit/(loss) from continuing operations	3,992	1,666	1,465	72	(327)	**6,868**

September 2019 Full Year vs September 2018 Full Year

	Australia Retail and Commercial	Institutional	New Zealand	Pacific	TSO and Group Centre	Group
Net interest income	-4%	3%	5%	3%	22%	**-1%**
Other operating income	-14%	7%	3%	4%	34%	**0%**
Operating income	-6%	5%	5%	3%	27%	**0%**
Operating expenses	0%	-3%	9%	12%	-2%	**0%**
Profit before credit impairment and income tax	-9%	14%	2%	-7%	-29%	**-1%**
Credit impairment charge/(release)	2%	-93%	large	large	0%	**20%**
Profit/(Loss) before income tax	-10%	12%	-2%	-3%	-29%	**-2%**
Income tax expense and non-controlling interests	-10%	12%	-2%	-14%	18%	**-5%**
Cash profit/(loss) from continuing operations	-10%	11%	-2%	1%	-46%	**-1%**

Cash profit by division (excluding large/notable items[1]) - September 2019 Half Year v March 2019 Half Year



1. *Refer to pages 16 to 20 for a description of large/notable items.*

September 2019 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	4,064	1,477	1,399	67	131	**7,138**
Other operating income	704	1,064	287	54	131	**2,240**
Operating income	4,768	2,541	1,686	121	262	**9,378**
Operating expenses	(1,885)	(1,282)	(650)	(73)	(432)	**(4,322)**
Profit before credit impairment and income tax	2,883	1,259	1,036	48	(170)	**5,056**
Credit impairment (charge)/release	(316)	(31)	(57)	3	1	**(400)**
Profit/(Loss) before income tax	2,567	1,228	979	51	(169)	**4,656**
Income tax expense and non-controlling interests	(772)	(380)	(275)	(11)	87	**(1,351)**
Cash profit/(loss) from continuing operations	1,795	848	704	40	(82)	**3,305**

March 2019 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	4,114	1,548	1,381	68	181	**7,292**
Other operating income	693	1,109	280	50	84	**2,216**
Operating income	4,807	2,657	1,661	118	265	**9,508**
Operating expenses	(1,858)	(1,293)	(604)	(70)	(415)	**(4,240)**
Profit before credit impairment and income tax	2,949	1,364	1,057	48	(150)	**5,268**
Credit impairment (charge)/release	(396)	34	(30)	(2)	-	**(394)**
Profit/(Loss) before income tax	2,553	1,398	1,027	46	(150)	**4,874**
Income tax expense and non-controlling interests	(767)	(394)	(288)	(13)	55	**(1,407)**
Cash profit/(loss) from continuing operations	1,786	1,004	739	33	(95)	**3,467**

September 2019 Half Year vs March 2019 Half Year

	Australia Retail and Commercial	Institutional	New Zealand	Pacific	TSO and Group Centre	Group
Net interest income	-1%	-5%	1%	-1%	-28%	**-2%**
Other operating income	2%	-4%	3%	8%	56%	**1%**
Operating income	-1%	-4%	2%	3%	-1%	**-1%**
Operating expenses	1%	-1%	8%	4%	4%	**2%**
Profit before credit impairment and income tax	-2%	-8%	-2%	0%	13%	**-4%**
Credit impairment (charge)/release	-20%	large	90%	large	n/a	**2%**
Profit/(Loss) before income tax	1%	-12%	-5%	11%	13%	**-4%**
Income tax expense and non-controlling interests	1%	-4%	-5%	-15%	58%	**-4%**
Cash profit/(loss) from continuing operations	1%	-16%	-5%	21%	-14%	**-5%**

Australia Retail and Commercial – continuing operations
Mark Hand

Divisional performance was impacted by a number of large/notable items. Refer to pages 16 to 20 and pages 57 to 58 for details.

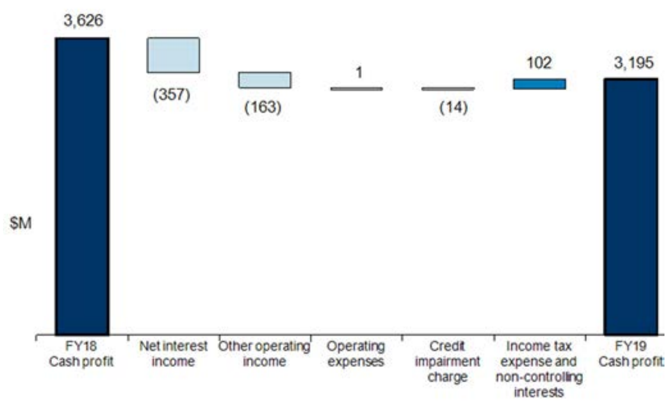
	Half Year			Full Year		
	Sep 19 $M	**Mar 19 $M**	**Movt**	**Sep 19 $M**	**Sep 18 $M**	**Movt**
Net interest income	**4,000**	4,092	-2%	**8,092**	8,449	-4%
Other operating income	**696**	651	7%	**1,347**	1,510	-11%
Operating income	**4,696**	4,743	-1%	**9,439**	9,959	-5%
Operating expenses	**(2,161)**	(1,913)	13%	**(4,074)**	(4,075)	0%
Profit before credit impairment and income tax	**2,535**	2,830	-10%	**5,365**	5,884	-9%
Credit impairment charge	**(316)**	(396)	-20%	**(712)**	(698)	2%
Profit before income tax	**2,219**	2,434	-9%	**4,653**	5,186	-10%
Income tax expense and non-controlling interests	**(727)**	(731)	-1%	**(1,458)**	(1,560)	-7%
Cash profit	**1,492**	1,703	-12%	**3,195**	3,626	-12%
Balance Sheet						
Net loans and advances	**331,871**	336,584	-1%	**331,871**	341,310	-3%
Other external assets	**4,350**	4,151	5%	**4,350**	4,139	5%
External assets	**336,221**	340,735	-1%	**336,221**	345,449	-3%
Customer deposits	**208,005**	203,366	2%	**208,005**	202,732	3%
Other external liabilities	**9,610**	9,665	-1%	**9,610**	10,302	-7%
External liabilities	**217,615**	213,031	2%	**217,615**	213,034	2%
Risk weighted assets	**162,060**	159,310	2%	**162,060**	159,282	2%
Average gross loans and advances	**336,302**	341,282	-1%	**338,785**	341,199	-1%
Average deposits and other borrowings	**204,791**	202,765	1%	**203,781**	202,884	0%
Ratios						
Return on average assets	**0.88%**	0.99%		**0.94%**	1.05%	
Net interest margin	**2.58%**	2.61%		**2.59%**	2.69%	
Operating expenses to operating income	**46.0%**	40.3%		**43.2%**	40.9%	
Operating expenses to average assets	**1.28%**	1.12%		**1.20%**	1.18%	
Individually assessed credit impairment charge/(release)	**355**	350	1%	**705**	712	-1%
Individually assessed credit impairment charge/(release) as a % of average GLA[1]	**0.21%**	0.21%		**0.21%**	0.21%	
Collectively assessed credit impairment charge/(release)	**(39)**	46	large	**7**	(14)	large
Collectively assessed credit impairment charge/(release) as a % of average GLA[1]	**(0.02%)**	0.03%		**0.00%**	0.00%	
Gross impaired assets	**1,468**	1,463	0%	**1,468**	1,411	4%
Gross impaired assets as a % of GLA	**0.44%**	0.43%		**0.44%**	0.41%	
Total full time equivalent staff (FTE)	**13,903**	13,660	2%	**13,903**	13,731	1%

1. *Credit impairment charge used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Performance September 2019 v September 2018

- Lending volumes decreased as a result of lower system credit growth, asset competition, more conservative home loan origination risk settings and execution challenges that were addressed during the year.
- Net interest margin decreased as a result of home loan mix changes and higher discounting, the impact of official cash rate decreases on low-rate deposits, regulatory impact on credit card pricing, and higher customer remediation. This was partially offset by home loans re-pricing.
- Other operating income decreased as the result of higher customer remediation, and lower fee income due to the removal of fees and lower volumes.
- Operating expenses were flat with higher inflation, higher compliance costs and increased technology infrastructure spend offset by productivity initiatives including workforce and branch optimisation.
- Credit impairment charges increased primarily due to an increase in collectively assessed credit impairment as a result of a weakening Australian economic outlook, partially offset by higher recoveries and write-backs.

Cash Profit September 2019 v September 2018



Australia Retail and Commercial – continuing operations

Mark Hand

Individually assessed credit impairment charge/(release)	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Retail	**186**	**195**	**-5%**	**381**	**427**	**-11%**
Home Loans	36	45	-20%	81	99	-18%
Cards and Personal Loans	144	147	-2%	291	311	-6%
Deposits and Payments[1]	6	3	100%	9	17	-47%
Commercial	**169**	**155**	**9%**	**324**	**285**	**14%**
Business Banking	73	57	28%	130	94	38%
Small Business Banking	96	98	-2%	194	191	2%
Individually assessed credit impairment charge/(release)	**355**	**350**	**1%**	**705**	**712**	**-1%**

Collectively assessed credit impairment charge/(release)	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Retail	**(24)**	**35**	**large**	**11**	**(37)**	**large**
Home Loans	35	49	-29%	84	29	large
Cards and Personal Loans	(57)	(16)	large	(73)	(63)	16%
Deposits and Payments[1]	(2)	2	large	-	(3)	-100%
Commercial	**(15)**	**11**	**large**	**(4)**	**23**	**large**
Business Banking	(15)	4	large	(11)	35	large
Small Business Banking	(3)	5	large	2	(12)	large
Private Bank	3	2	50%	5	-	n/a
Collectively assessed credit impairment charge/(release)	**(39)**	**46**	**large**	**7**	**(14)**	**large**

Net loans and advances	As at			Movement	
	Sep 19 $M	Mar 19 $M	Sep 18 $M	Sep 19 v. Mar 19	Sep 19 v. Sep 18
Retail	**274,797**	**279,483**	**283,088**	**-2%**	**-3%**
Home Loans	264,981	269,020	272,007	-2%	-3%
Cards and Personal Loans	8,958	9,574	10,128	-6%	-12%
Deposits and Payments[1]	69	42	62	64%	11%
Advice	789	847	891	-7%	-11%
Commercial	**57,074**	**57,101**	**58,222**	**0%**	**-2%**
Business Banking	41,275	40,805	41,277	1%	0%
Small Business Banking	13,803	14,265	15,002	-3%	-8%
Private Bank	1,996	2,031	1,943	-2%	3%
Net loans and advances	**331,871**	**336,584**	**341,310**	**-1%**	**-3%**

Customer deposits	As at			Movement	
	Sep 19 $M	Mar 19 $M	Sep 18 $M	Sep 19 v. Mar 19	Sep 19 v. Sep 18
Retail	**120,880**	**117,374**	**119,763**	**3%**	**1%**
Home Loans[2]	27,078	26,915	27,639	1%	-2%
Cards and Personal Loans	265	240	263	10%	1%
Deposits and Payments	93,537	90,219	91,861	4%	2%
Commercial	**87,125**	**85,992**	**82,969**	**1%**	**5%**
Business Banking	19,731	19,797	19,191	0%	3%
Small Business Banking	41,799	40,614	39,976	3%	5%
Private Bank	25,595	25,581	23,802	0%	8%
Customer deposits	**208,005**	**203,366**	**202,732**	**2%**	**3%**

1. *Net loans and advances for the deposits and payments business represent amounts in overdraft.*
2. *Customer deposit amounts for the home loans business represent balances in offset accounts.*

Australia Retail and Commercial – continuing operations

Mark Hand

September 2019 Full Year	Retail $M	Commercial $M	Total $M
Net interest income	5,513	2,579	**8,092**
Other operating income	885	462	**1,347**
Operating income	6,398	3,041	**9,439**
Operating expenses	(2,874)	(1,200)	**(4,074)**
Profit before credit impairment and income tax	3,524	1,841	**5,365**
Credit impairment (charge)/release	(392)	(320)	**(712)**
Profit before income tax	3,132	1,521	**4,653**
Income tax expense and non-controlling interests	(1,000)	(458)	**(1,458)**
Cash profit	2,132	1,063	**3,195**
Individually assessed credit impairment charge/(release)	381	324	**705**
Collectively assessed credit impairment charge/(release)	11	(4)	**7**
Net loans and advances	274,797	57,074	**331,871**
Customer deposits	120,880	87,125	**208,005**
Risk weighted assets	109,168	52,892	**162,060**
September 2018 Full Year			
Net interest income	5,733	2,716	8,449
Other operating income	1,037	473	1,510
Operating income	6,770	3,189	9,959
Operating expenses	(2,911)	(1,164)	(4,075)
Profit before credit impairment and income tax	3,859	2,025	5,884
Credit impairment (charge)/release	(390)	(308)	(698)
Profit before income tax	3,469	1,717	5,186
Income tax expense and non-controlling interests	(1,042)	(518)	(1,560)
Cash profit	2,427	1,199	3,626
Individually assessed credit impairment charge/(release)	427	285	712
Collectively assessed credit impairment charge/(release)	(37)	23	(14)
Net loans and advances	283,088	58,222	341,310
Customer deposits	119,763	82,969	202,732
Risk weighted assets	105,890	53,392	159,282
September 2019 Full Year vs September 2018 Full Year			
Net interest income	-4%	-5%	-4%
Other operating income	-15%	-2%	-11%
Operating income	-5%	-5%	-5%
Operating expenses	-1%	3%	0%
Profit before credit impairment and income tax	-9%	-9%	-9%
Credit impairment (charge)/release	1%	4%	2%
Profit before income tax	-10%	-11%	-10%
Income tax expense and non-controlling interests	-4%	-12%	-7%
Cash profit	-12%	-11%	-12%
Individually assessed credit impairment charge/(release)	-11%	14%	-1%
Collectively assessed credit impairment charge/(release)	large	large	large
Net loans and advances	-3%	-2%	-3%
Customer deposits	1%	5%	3%
Risk weighted assets	3%	-1%	2%

Australia Retail and Commercial – continuing operations

Mark Hand

September 2019 Half Year	Retail $M	Commercial $M	Total $M
Net interest income	2,774	1,226	**4,000**
Other operating income	460	236	**696**
Operating income	3,234	1,462	**4,696**
Operating expenses	(1,585)	(576)	**(2,161)**
Profit before credit impairment and income tax	1,649	886	**2,535**
Credit impairment (charge)/release	(162)	(154)	**(316)**
Profit before income tax	1,487	732	**2,219**
Income tax expense and non-controlling interests	(507)	(220)	**(727)**
Cash profit	980	512	**1,492**
Individually assessed credit impairment charge/(release)	186	169	**355**
Collectively assessed credit impairment charge/(release)	(24)	(15)	**(39)**
Net loans and advances	274,797	57,074	**331,871**
Customer deposits	120,880	87,125	**208,005**
Risk weighted assets	109,168	52,892	**162,060**
March 2019 Half Year			
Net interest income	2,739	1,353	4,092
Other operating income	425	226	651
Operating income	3,164	1,579	4,743
Operating expenses	(1,289)	(624)	(1,913)
Profit before credit impairment and income tax	1,875	955	2,830
Credit impairment (charge)/release	(230)	(166)	(396)
Profit before income tax	1,645	789	2,434
Income tax expense and non-controlling interests	(493)	(238)	(731)
Cash profit	1,152	551	1,703
Individually assessed credit impairment charge/(release)	195	155	350
Collectively assessed credit impairment charge/(release)	35	11	46
Net loans and advances	279,483	57,101	336,584
Customer deposits	117,374	85,992	203,366
Risk weighted assets	107,288	52,022	159,310
September 2019 Half Year vs March 2019 Half Year			
Net interest income	1%	-9%	-2%
Other operating income	8%	4%	7%
Operating income	2%	-7%	-1%
Operating expenses	23%	-8%	13%
Profit before credit impairment and income tax	-12%	-7%	-10%
Credit impairment (charge)/release	-30%	-7%	-20%
Profit before income tax	-10%	-7%	-9%
Income tax expense and non-controlling interests	3%	-8%	-1%
Cash profit	-15%	-7%	-12%
Individually assessed credit impairment charge/(release)	-5%	9%	1%
Collectively assessed credit impairment charge/(release)	large	large	large
Net loans and advances	-2%	0%	-1%
Customer deposits	3%	1%	2%
Risk weighted assets	2%	2%	2%

Institutional - continuing operations

Mark Whelan

Divisional performance was impacted by a number of large/notable items. Refer to pages 16 to 20 and pages 57 to 58 for details.

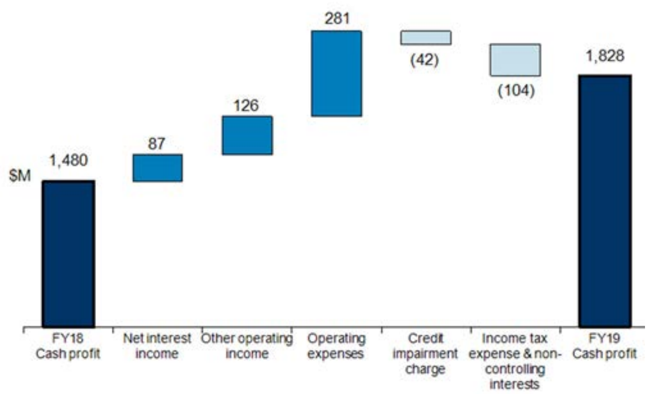
	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Net interest income	**1,501**	1,579	-5%	**3,080**	2,993	3%
Other operating income	**1,066**	1,126	-5%	**2,192**	2,066	6%
Operating income	**2,567**	2,705	-5%	**5,272**	5,059	4%
Operating expenses	**(1,347)**	(1,320)	2%	**(2,667)**	(2,948)	-10%
Profit before credit impairment and income tax	**1,220**	1,385	-12%	**2,605**	2,111	23%
Credit impairment (charge)/release	**(33)**	35	large	**2**	44	-95%
Profit before income tax	**1,187**	1,420	-16%	**2,607**	2,155	21%
Income tax expense and non-controlling interests	**(371)**	(408)	-9%	**(779)**	(675)	15%
Cash profit	**816**	1,012	-19%	**1,828**	1,480	24%
Balance Sheet[1]						
Net loans and advances	**164,526**	152,548	8%	**164,526**	150,133	10%
Other external assets	**346,094**	307,198	13%	**346,094**	276,607	25%
External assets	**510,620**	459,746	11%	**510,620**	426,740	20%
Customer deposits	**217,259**	205,364	6%	**217,259**	205,809	6%
Other deposits and borrowings	**73,412**	79,148	-7%	**73,412**	67,374	9%
Deposits and other borrowings	**290,671**	284,512	2%	**290,671**	273,183	6%
Other external liabilities	**157,505**	119,353	32%	**157,505**	104,861	50%
External liabilities	**448,176**	403,865	11%	**448,176**	378,044	19%
Risk weighted assets	**181,088**	167,406	8%	**181,088**	163,713	11%
Average gross loans and advances	**159,355**	153,982	3%	**156,676**	141,184	11%
Average deposits and other borrowings	**290,948**	281,770	3%	**286,372**	263,742	9%
Ratios[1]						
Return on average assets	**0.33%**	0.44%		**0.38%**	0.34%	
Net interest margin	**0.80%**	0.85%		**0.82%**	0.88%	
Net interest margin (excluding Markets)	**2.02%**	2.10%		**2.05%**	2.11%	
Operating expenses to operating income	**52.5%**	48.8%		**50.6%**	58.3%	
Operating expenses to average assets	**0.54%**	0.58%		**0.56%**	0.69%	
Individually assessed credit impairment charge/(release)	**-**	(12)	-100%	**(12)**	(24)	-50%
Individually assessed credit impairment charge/(release) as a % of average GLA[2]	**0.00%**	(0.02%)		**(0.01%)**	(0.02%)	
Collectively assessed credit impairment charge/(release)	**33**	(23)	large	**10**	(20)	large
Collectively assessed credit impairment charge/(release) as a % of average GLA[2]	**0.04%**	(0.03%)		**0.01%**	(0.01%)	
Gross impaired assets	**265**	373	-29%	**265**	442	-40%
Gross impaired assets as a % of GLA	**0.16%**	0.24%		**0.16%**	0.29%	
Total full time equivalent staff (FTE)	**5,468**	6,085	-10%	**5,468**	6,188	-12%

1. *Balance Sheet amounts include assets and liabilities reclassified as held for sale from continuing operations.*
2. *Credit impairment charge used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Performance September 2019 v September 2018

- Lending volumes grew across Loans & Specialised Finance, Markets and Transaction Banking. Customer deposits grew in Markets and Transaction Banking.
- Net interest margin ex-Markets decreased primarily due to reduction in lending margins, partially offset by higher deposit margins.
- Other operating income increased as a result of higher Markets income across all businesses.
- Operating expenses decreased due to a reduction in FTE and related costs, and lower ongoing software amortisation charges. This was partially offset by inflation.
- Credit impairment charges increased primarily due to an increase in individually assessed impairment charges driven by lower write-backs and recoveries, and an increase in collectively assessed impairment charges as a result of a greater number of customer upgrades in the prior period.

Cash Profit September 2019 v September 2018



Institutional - continuing operations

Mark Whelan

Institutional by Geography[1]

	Half Year			Full Year		
Australia	**Sep 19 $M**	**Mar 19 $M**	**Movt**	**Sep 19 $M**	**Sep 18 $M**	**Movt**
Net interest income	**832**	874	-5%	**1,706**	1,664	3%
Other operating income	**518**	484	7%	**1,002**	964	4%
Operating income	**1,350**	1,358	-1%	**2,708**	2,628	3%
Operating expenses	**(601)**	(606)	-1%	**(1,207)**	(1,241)	-3%
Profit before credit impairment and income tax	**749**	752	0%	**1,501**	1,387	8%
Credit impairment (charge)/release	**(15)**	5	large	**(10)**	48	large
Profit before income tax	**734**	757	-3%	**1,491**	1,435	4%
Income tax expense and non-controlling interests	**(221)**	(227)	-3%	**(448)**	(428)	5%
Cash profit	**513**	530	-3%	**1,043**	1,007	4%
Individually assessed credit impairment charge/(release)	**(11)**	(1)	large	**(12)**	(46)	-74%
Collectively assessed credit impairment charge/(release)	**26**	(4)	large	**22**	(2)	large
Net loans and advances	**97,583**	84,653	15%	**97,583**	85,261	14%
Customer deposits	**75,973**	71,623	6%	**75,973**	78,562	-3%
Risk weighted assets	**93,090**	84,617	10%	**93,090**	82,993	12%
Asia, Pacific, Europe, and America						
Net interest income	**503**	546	-8%	**1,049**	1,035	1%
Other operating income	**419**	535	-22%	**954**	858	11%
Operating income	**922**	1,081	-15%	**2,003**	1,893	6%
Operating expenses	**(624)**	(633)	-1%	**(1,257)**	(1,539)	-18%
Profit before credit impairment and income tax	**298**	448	-33%	**746**	354	large
Credit impairment (charge)/release	**(12)**	31	large	**19**	38	-50%
Profit before income tax	**286**	479	-40%	**765**	392	95%
Income tax expense and non-controlling interests	**(103)**	(129)	-20%	**(232)**	(155)	50%
Cash profit	**183**	350	-48%	**533**	237	large
Individually assessed credit impairment charge/(release)	**15**	(6)	large	**9**	(22)	large
Collectively assessed credit impairment charge/(release)	**(3)**	(25)	-88%	**(28)**	(16)	75%
Net loans and advances	**60,208**	60,457	0%	**60,208**	58,289	3%
Customer deposits	**123,468**	116,080	6%	**123,468**	111,717	11%
Risk weighted assets	**74,997**	71,248	5%	**74,997**	70,456	6%
New Zealand						
Net interest income	**166**	159	4%	**325**	294	11%
Other operating income	**129**	107	21%	**236**	244	-3%
Operating income	**295**	266	11%	**561**	538	4%
Operating expenses	**(122)**	(81)	51%	**(203)**	(168)	21%
Profit before credit impairment and income tax	**173**	185	-6%	**358**	370	-3%
Credit impairment (charge)/release	**(6)**	(1)	large	**(7)**	(42)	-83%
Profit before income tax	**167**	184	-9%	**351**	328	7%
Income tax expense and non-controlling interests	**(47)**	(52)	-10%	**(99)**	(92)	8%
Cash profit	**120**	132	-9%	**252**	236	7%
Individually assessed credit impairment charge/(release)	**(4)**	(5)	-20%	**(9)**	44	large
Collectively assessed credit impairment charge/(release)	**10**	6	67%	**16**	(2)	large
Net loans and advances	**6,735**	7,438	-9%	**6,735**	6,583	2%
Customer deposits	**17,818**	17,661	1%	**17,818**	15,530	15%
Risk weighted assets	**13,001**	11,541	13%	**13,001**	10,264	27%

1. *Balance Sheet amounts include assets and liabilities reclassified as held for sale from continuing operations.*

Institutional - continuing operations

Mark Whelan

Individually assessed credit impairment charge/(release)	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Transaction Banking	(6)	(3)	100%	(9)	5	large
Loans & Specialised Finance	4	(10)	large	(6)	(28)	-79%
Markets	-	-	n/a	-	(4)	-100%
Central Functions	2	1	100%	3	3	0%
Individually assessed credit impairment charge/(release)	**-**	**(12)**	**-100%**	**(12)**	**(24)**	**-50%**

Collectively assessed credit impairment charge/(release)	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Transaction Banking	10	6	67%	16	(12)	large
Loans & Specialised Finance	12	(22)	large	(10)	(9)	11%
Markets	11	(6)	large	5	1	large
Central Functions	-	(1)	-100%	(1)	-	n/a
Collectively assessed credit impairment charge/(release)	**33**	**(23)**	**large**	**10**	**(20)**	**large**

Net loans and advances[1]	As at			Movement	
	Sep 19 $M	Mar 19 $M	Sep 18 $M	Sep 19 v. Mar 19	Sep 19 v. Sep 18
Transaction Banking	19,495	18,200	17,340	7%	12%
Loans & Specialised Finance	110,554	107,761	101,159	3%	9%
Markets	34,473	25,902	31,201	33%	10%
Central Functions	4	685	433	-99%	-99%
Net loans and advances	**164,526**	**152,548**	**150,133**	**8%**	**10%**

Customer deposits[1]	As at			Movement	
	Sep 19 $M	Mar 19 $M	Sep 18 $M	Sep 19 v. Mar 19	Sep 19 v. Sep 18
Transaction Banking	101,766	99,479	99,519	2%	2%
Loans & Specialised Finance	1,013	925	1,289	10%	-21%
Markets	112,471	102,411	102,490	10%	10%
Central Functions	2,009	2,549	2,511	-21%	-20%
Customer deposits	**217,259**	**205,364**	**205,809**	**6%**	**6%**

1. *Balance Sheet amounts include assets and liabilities reclassified as held for sale from continuing operations.*

Institutional - continuing operations
Mark Whelan

September 2019 Full Year[1]	Transaction Banking $M	Loans & Specialised Finance $M	Markets $M	Central Functions $M	Total $M
Net interest income	1,055	1,482	491	52	**3,080**
Other operating income	724	149	1,286	33	**2,192**
Operating income	1,779	1,631	1,777	85	**5,272**
Operating expenses	(813)	(637)	(1,095)	(122)	**(2,667)**
Profit/(Loss) before credit impairment and income tax	966	994	682	(37)	**2,605**
Credit impairment (charge)/release	(7)	16	(5)	(2)	**2**
Profit/(Loss) before income tax	959	1,010	677	(39)	**2,607**
Income tax expense and non-controlling interests	(264)	(274)	(208)	(33)	**(779)**
Cash profit/(loss)	695	736	469	(72)	**1,828**
Individually assessed credit impairment charge/(release)	(9)	(6)	-	3	**(12)**
Collectively assessed credit impairment charge/(release)	16	(10)	5	(1)	**10**
Net loans and advances	19,495	110,554	34,473	4	**164,526**
Customer deposits	101,766	1,013	112,471	2,009	**217,259**
Risk weighted assets	26,120	97,361	57,373	234	**181,088**
September 2018 Full Year					
Net interest income	927	1,354	658	54	2,993
Other operating income	721	172	1,129	44	2,066
Operating income	1,648	1,526	1,787	98	5,059
Operating expenses	(825)	(638)	(1,180)	(305)	(2,948)
Profit/(Loss) before credit impairment and income tax	823	888	607	(207)	2,111
Credit impairment (charge)/release	7	37	3	(3)	44
Profit/(Loss) before income tax	830	925	610	(210)	2,155
Income tax expense and non-controlling interests	(237)	(248)	(159)	(31)	(675)
Cash profit	593	677	451	(241)	1,480
Individually assessed credit impairment charge/(release)	5	(28)	(4)	3	(24)
Collectively assessed credit impairment charge/(release)	(12)	(9)	1	-	(20)
Net loans and advances	17,340	101,159	31,201	433	150,133
Customer deposits	99,519	1,289	102,490	2,511	205,809
Risk weighted assets	25,717	87,472	49,658	866	163,713
September 2019 Full Year vs September 2018 Full Year					
Net interest income	14%	9%	-25%	-4%	3%
Other operating income	0%	-13%	14%	-25%	6%
Operating income	8%	7%	-1%	-13%	4%
Operating expenses	-1%	0%	-7%	-60%	-10%
Profit/(Loss) before credit impairment and income tax	17%	12%	12%	-82%	23%
Credit impairment (charge)/release	large	-57%	large	-33%	-95%
Profit/(Loss) before income tax	16%	9%	11%	-81%	21%
Income tax expense and non-controlling interests	11%	10%	31%	6%	15%
Cash profit/(loss)	17%	9%	4%	-70%	24%
Individually assessed credit impairment charge/(release)	large	-79%	-100%	0%	-50%
Collectively assessed credit impairment charge/(release)	large	11%	large	n/a	large
Net loans and advances	12%	9%	10%	-99%	10%
Customer deposits	2%	-21%	10%	-20%	6%
Risk weighted assets	2%	11%	16%	-73%	11%

1. *Balance Sheet amounts include assets and liabilities reclassified as held for sale from continuing operations.*

Institutional - continuing operations

Mark Whelan

September 2019 Half Year[1]	Transaction Banking $M	Loans & Specialised Finance $M	Markets $M	Central Functions $M	Total $M
Net interest income	524	740	211	26	**1,501**
Other operating income	361	72	619	14	**1,066**
Operating income	885	812	830	40	**2,567**
Operating expenses	(407)	(315)	(545)	(80)	**(1,347)**
Profit/(Loss) before credit impairment and income tax	478	497	285	(40)	**1,220**
Credit impairment (charge)/release	(4)	(16)	(11)	(2)	**(33)**
Profit/(Loss) before income tax	474	481	274	(42)	**1,187**
Income tax expense and non-controlling interests	(131)	(132)	(88)	(20)	**(371)**
Cash profit/(loss)	343	349	186	(62)	**816**
Individually assessed credit impairment charge/(release)	(6)	4	-	2	**-**
Collectively assessed credit impairment charge/(release)	10	12	11	-	**33**
Net loans and advances	19,495	110,554	34,473	4	**164,526**
Customer deposits	101,766	1,013	112,471	2,009	**217,259**
Risk weighted assets	26,120	97,361	57,373	234	**181,088**

March 2019 Half Year[1]	Transaction Banking $M	Loans & Specialised Finance $M	Markets $M	Central Functions $M	Total $M
Net interest income	531	742	280	26	1,579
Other operating income	363	77	667	19	1,126
Operating income	894	819	947	45	2,705
Operating expenses	(406)	(322)	(550)	(42)	(1,320)
Profit/(Loss) before credit impairment and income tax	488	497	397	3	1,385
Credit impairment (charge)/release	(3)	32	6	-	35
Profit/(Loss) before income tax	485	529	403	3	1,420
Income tax expense and non-controlling interests	(133)	(142)	(120)	(13)	(408)
Cash profit/(loss)	352	387	283	(10)	1,012
Individually assessed credit impairment charge/(release)	(3)	(10)	-	1	(12)
Collectively assessed credit impairment charge/(release)	6	(22)	(6)	(1)	(23)
Net loans and advances	18,200	107,761	25,902	685	152,548
Customer deposits	99,479	925	102,411	2,549	205,364
Risk weighted assets	25,475	93,198	47,902	831	167,406

September 2019 Half Year vs March 2019 Half Year	Transaction Banking	Loans & Specialised Finance	Markets	Central Functions	Total
Net interest income	-1%	0%	-25%	0%	-5%
Other operating income	-1%	-6%	-7%	-26%	-5%
Operating income	-1%	-1%	-12%	-11%	-5%
Operating expenses	0%	-2%	-1%	90%	2%
Profit/(Loss) before credit impairment and income tax	-2%	0%	-28%	large	-12%
Credit impairment (charge)/release	33%	large	large	n/a	large
Profit/(Loss) before income tax	-2%	-9%	-32%	large	-16%
Income tax expense and non-controlling interests	-2%	-7%	-27%	54%	-9%
Cash profit/(loss)	-3%	-10%	-34%	large	-19%
Individually assessed credit impairment charge/(release)	100%	large	n/a	100%	-100%
Collectively assessed credit impairment charge/(release)	67%	large	large	-100%	large
Net loans and advances	7%	3%	33%	-99%	8%
Customer deposits	2%	10%	10%	-21%	6%
Risk weighted assets	3%	4%	20%	-72%	8%

1. *Balance Sheet amounts include assets and liabilities reclassified as held for sale from continuing operations.*

Institutional - continuing operations
Mark Whelan

Analysis of Markets operating income[1]

Composition of Markets operating income by business activity	Half Year Sep 19 $M	Half Year Mar 19 $M	Half Year Movt	Full Year Sep 19 $M	Full Year Sep 18 $M	Full Year Movt
Franchise Sales[2]	**467**	465	0%	**932**	893	4%
Franchise Trading[3]	**173**	226	-23%	**399**	328	22%
Balance Sheet[4]	**190**	256	-26%	**446**	566	-21%
Markets operating income	**830**	947	-12%	**1,777**	1,787	-1%
Includes:						
Derivative valuation adjustments	**48**	(10)	large	**38**	63	-40%

1. *Markets operating income includes net interest income and other operating income.*
2. *Franchise Sales represents direct client flow business on core products such as fixed income, foreign exchange, commodities and capital markets.*
3. *Franchise Trading primarily represents management of the Group's strategic positions and those taken as part of direct client sales flow. Franchise Trading also includes the impact of valuation adjustments made when determining the fair value of derivatives (includes credit and funding adjustments, bid-offer adjustments and associated hedges).*
4. *Balance Sheet represents hedging of interest rate risk on the Group's loan and deposit books and the management of the Group's liquidity portfolio.*

Composition of Markets operating income by geography	Half Year Sep 19 $M	Half Year Mar 19 $M	Half Year Movt	Full Year Sep 19 $M	Full Year Sep 18 $M	Full Year Movt
Australia	**292**	312	-6%	**604**	653	-8%
Asia, Pacific, Europe & America	**390**	507	-23%	**897**	864	4%
New Zealand	**148**	128	16%	**276**	270	2%
Markets operating income	**830**	947	-12%	**1,777**	1,787	-1%

Institutional - continuing operations

Mark Whelan

Market risk

Traded market risk

Below are aggregate Value at Risk (VaR) exposures at 99% confidence level covering both physical and derivatives trading positions for the Bank's principal trading centres.

99% confidence level (1 day holding period)

	As at	High for year	Low for year	Avg for year	As at	High for year	Low for year	Avg for year
	Sep 19 $M	Sep 19 $M	Sep 19 $M	Sep 19 $M	Sep 18 $M	Sep 18 $M	Sep 18 $M	Sep 18 $M
Value at Risk at 99% confidence								
Foreign exchange	**1.4**	**9.5**	**1.2**	**4.1**	3.7	10.3	1.7	4.2
Interest rate	**3.6**	**10.4**	**3.6**	**5.8**	8.4	16.0	4.9	7.9
Credit	**5.1**	**5.4**	**1.2**	**3.1**	2.5	6.5	2.3	4.0
Commodities	**1.6**	**3.9**	**1.4**	**2.2**	3.7	4.5	1.4	3.1
Equity	**-**	**-**	**-**	**-**	-	-	-	-
Diversification benefit	**(5.5)**	**n/a**	**n/a**	**(7.2)**	(10.5)	n/a	n/a	(8.1)
Total VaR	**6.2**	**13.4**	**5.1**	**8.0**	7.8	19.9	6.9	11.1

Non-traded interest rate risk

Non-traded interest rate risk is managed by Markets and relates to the potential adverse impact of changes in market interest rates on future net interest income for the Group. Interest rate risk is reported using various techniques including VaR and scenario analysis based on a 1% shock.

99% confidence level (1 day holding period)

	As at	High for year	Low for year	Avg for year	As at	High for year	Low for year	Avg for year
	Sep 19 $M	Sep 19 $M	Sep 19 $M	Sep 19 $M	Sep 18 $M	Sep 18 $M	Sep 18 $M	Sep 18 $M
Value at Risk at 99% confidence								
Australia	**22.7**	**22.7**	**16.4**	**18.9**	21.9	32.7	20.3	23.6
New Zealand	**9.6**	**9.6**	**7.1**	**8.0**	6.8	7.1	5.6	6.6
Asia, Pacific, Europe & America	**17.6**	**17.7**	**12.9**	**16.1**	15.1	15.1	12.5	13.7
Diversification benefit	**(17.8)**	**n/a**	**n/a**	**(14.8)**	(16.1)	n/a	n/a	(14.4)
Total VaR	**32.1**	**32.1**	**25.2**	**28.2**	27.7	36.4	26.0	29.5

Impact of 1% rate shock on the next 12 months' net interest income margin

	As at	
	Sep 19	Sep 18 [1]
As at period end	**1.19%**	1.21%
Maximum exposure	**1.19%**	1.79%
Minimum exposure	**0.33%**	0.77%
Average exposure (in absolute terms)	**0.69%**	1.11%

1. *Prior period numbers have been restated to reflect IRR model enhancements.*

New Zealand - continuing operations
Antonia Watson (Acting)

Divisional performance was impacted by a number of large/notable items. Refer to pages 16 to 20 and pages 57 to 58 for details (in AUD).

Table reflects NZD for New Zealand (AUD results shown on page 74)

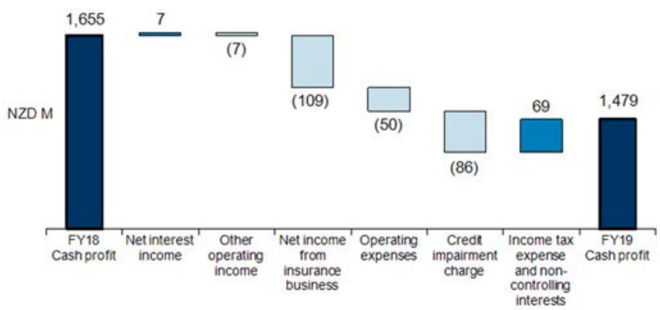
	Half Year			Full Year		
	Sep 19 NZD M	**Mar 19 NZD M**	**Movt**	**Sep 19 NZD M**	**Sep 18 NZD M**	**Movt**
Net interest income	**1,428**	1,464	-2%	**2,892**	2,885	0%
Other operating income[1]	**294**	300	-2%	**594**	601	-1%
Net income from insurance business[2]	**-**	19	-100%	**19**	128	-85%
Operating income	**1,722**	1,783	-3%	**3,505**	3,614	-3%
Operating expenses	**(713)**	(647)	10%	**(1,360)**	(1,310)	4%
Profit before credit impairment and income tax	**1,009**	1,136	-11%	**2,145**	2,304	-7%
Credit impairment (charge)/release	**(61)**	(31)	97%	**(92)**	(6)	large
Profit before income tax	**948**	1,105	-14%	**2,053**	2,298	-11%
Income tax expense and non-controlling interests	**(265)**	(309)	-14%	**(574)**	(643)	-11%
Cash profit	**683**	796	-14%	**1,479**	1,655	-11%
Balance Sheet[3]						
Net loans and advances	**125,991**	124,025	2%	**125,991**	121,551	4%
Other external assets	**3,983**	3,549	12%	**3,983**	4,515	-12%
External assets	**129,974**	127,574	2%	**129,974**	126,066	3%
Customer deposits	**90,004**	89,096	1%	**90,004**	87,101	3%
Other deposits and borrowings	**2,461**	2,240	10%	**2,461**	2,486	-1%
Deposits and other borrowings	**92,465**	91,336	1%	**92,465**	89,587	3%
Other external liabilities	**25,377**	23,555	8%	**25,377**	24,592	3%
External liabilities	**117,842**	114,891	3%	**117,842**	114,179	3%
Risk weighted assets	**70,727**	62,260	14%	**70,727**	62,463	13%
Average gross loans and advances	**125,521**	123,000	2%	**124,264**	119,342	4%
Average deposits and other borrowings	**91,898**	91,231	1%	**91,565**	87,541	5%
Net funds management income	**109**	113	-4%	**222**	221	0%
Funds under management	**34,145**	31,403	9%	**34,145**	30,665	11%
Average funds under management	**32,726**	30,389	8%	**31,610**	29,700	6%
Ratios[3]						
Return on average assets	**1.06%**	1.26%		**1.16%**	1.34%	
Net interest margin	**2.27%**	2.39%		**2.33%**	2.42%	
Operating expenses to operating income	**41.4%**	36.3%		**38.8%**	36.2%	
Operating expenses to average assets	**1.10%**	1.03%		**1.07%**	1.06%	
Individually assessed credit impairment charge/(release)	**42**	37	14%	**79**	52	52%
Individually assessed credit impairment charge/(release) as a % of average GLA[4]	**0.07%**	0.06%		**0.06%**	0.04%	
Collectively assessed credit impairment charge/(release)	**19**	(6)	large	**13**	(46)	large
Collectively assessed credit impairment charge/(release) as a % of average GLA[4]	**0.03%**	(0.01%)		**0.01%**	(0.04%)	
Gross impaired assets	**265**	249	6%	**265**	258	3%
Gross impaired assets as a % of GLA	**0.21%**	0.20%		**0.21%**	0.21%	
Total full time equivalent staff (FTE)	**6,121**	6,003	2%	**6,121**	6,165	-1%

1. *Includes net funds management income previously reported under net funds management and insurance income.*
2. *Relates to OnePath Life (NZ) Limited, a controlled entity, which was sold on 30 November 2018.*
3. *Balance Sheet amounts include assets and liabilities reclassified as held for sale from continuing operations.*
4. *Credit impairment charge used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Performance September 2019 v September 2018

- Lending and customer deposit volumes grew across all portfolios and funds under management increased during the period.
- Net interest margin decreased as a result of compressed deposit margins and home loan mix changes.
- Operating income decreased primarily due to the loss of income as the result of the OnePath Life (NZ) divestment, and an one-off insurance recovery in the prior period.
- Operating expenses increased primarily due to higher regulatory compliance spend, partly offset by the OnePath Life (NZ) divestment.
- Credit impairment charges increased primarily due to an increase in individually assessed impairment charges driven by lower write-backs and recoveries, and an increase in collectively assessed impairment charges in Commercial driven by the release of an Agri economic cycle adjustment in 2018.

Cash Profit September 2019 v September 2018



New Zealand - continuing operations

Antonia Watson (Acting)

Individually assessed credit impairment charge/(release)	Half Year			Full Year		
	Sep 19 NZD M	Mar 19 NZD M	Movt	Sep 19 NZD M	Sep 18 NZD M	Movt
Retail	**23**	**24**	**-4%**	**47**	**50**	**-6%**
Home Loans	1	-	n/a	1	2	-50%
Other	22	24	-8%	46	48	-4%
Commercial	**19**	**13**	**46%**	**32**	**2**	**large**
Individually assessed credit impairment charge/(release)	**42**	**37**	**14%**	**79**	**52**	**52%**

Collectively assessed credit impairment charge/(release)	Half Year			Full Year		
	Sep 19 NZD M	Mar 19 NZD M	Movt	Sep 19 NZD M	Sep 18 NZD M	Movt
Retail	**(7)**	**5**	**large**	**(2)**	**(2)**	**0%**
Home Loans	2	4	-50%	6	2	large
Other	(9)	1	large	(8)	(4)	100%
Commercial	**26**	**(11)**	**large**	**15**	**(44)**	**large**
Collectively assessed credit impairment charge/(release)	**19**	**(6)**	**large**	**13**	**(46)**	**large**

Net loans and advances[1]	As at			Movement	
	Sep 19 NZD M	Mar 19 NZD M	Sep 18 NZD M	Sep 19 v. Mar 19	Sep 19 v. Sep 18
Retail	**82,527**	**81,108**	**79,090**	**2%**	**4%**
Home Loans	79,475	77,851	75,685	2%	5%
Other	3,052	3,257	3,405	-6%	-10%
Commercial	**43,464**	**42,917**	**42,461**	**1%**	**2%**
Net loans and advances	**125,991**	**124,025**	**121,551**	**2%**	**4%**

Customer deposits[1]	As at			Movement	
	Sep 19 NZD M	Mar 19 NZD M	Sep 18 NZD M	Sep 19 v. Mar 19	Sep 19 v. Sep 18
Retail	73,866	71,882	70,260	3%	5%
Commercial	16,138	17,214	16,841	-6%	-4%
Customer deposits	**90,004**	**89,096**	**87,101**	**1%**	**3%**

1. *Balance Sheet amounts include assets and liabilities reclassified as held for sale from continuing operations.*

New Zealand - continuing operations

Antonia Watson (Acting)

September 2019 Full Year	Retail NZD M	Commercial NZD M	Central Functions NZD M	Total NZD M
Net interest income	1,821	1,057	14	**2,892**
Other operating income[1]	578	17	(1)	**594**
Net income from insurance business[2]	19	-	-	**19**
Operating income	2,418	1,074	13	**3,505**
Operating expenses	(1,078)	(274)	(8)	**(1,360)**
Profit before credit impairment and income tax	1,340	800	5	**2,145**
Credit impairment (charge)/release	(45)	(47)	-	**(92)**
Profit before income tax	1,295	753	5	**2,053**
Income tax expense and non-controlling interests	(361)	(211)	(2)	**(574)**
Cash profit	934	542	3	**1,479**
Individually assessed credit impairment charge/(release)	47	32	-	**79**
Collectively assessed credit impairment charge/(release)	(2)	15	-	**13**
Net loans and advances	82,527	43,464	-	**125,991**
Customer deposits	73,866	16,138	-	**90,004**
Risk weighted assets	36,645	33,153	929	**70,727**
September 2018 Full Year				
Net interest income	1,872	1,004	9	2,885
Other operating income[1]	564	20	17	601
Net income from insurance business[2]	130	-	(2)	128
Operating income	2,566	1,024	24	3,614
Operating expenses	(1,039)	(258)	(13)	(1,310)
Profit before credit impairment and income tax	1,527	766	11	2,304
Credit impairment (charge)/release	(48)	42	-	(6)
Profit before income tax	1,479	808	11	2,298
Income tax expense and non-controlling interests	(413)	(227)	(3)	(643)
Cash profit	1,066	581	8	1,655
Individually assessed credit impairment charge/(release)	50	2	-	52
Collectively assessed credit impairment charge/(release)	(2)	(44)	-	(46)
Net loans and advances[3]	79,090	42,461	-	121,551
Customer deposits[3]	70,260	16,841	-	87,101
Risk weighted assets[3]	30,043	31,264	1,156	62,463
September 2019 Full Year vs September 2018 Full Year				
Net interest income	-3%	5%	56%	0%
Other operating income[1]	2%	-15%	large	-1%
Net income from insurance business[2]	-85%	n/a	-100%	-85%
Operating income	-6%	5%	-46%	-3%
Operating expenses	4%	6%	-38%	4%
Profit before credit impairment and income tax	-12%	4%	-55%	-7%
Credit impairment (charge)/release	-6%	large	n/a	large
Profit before income tax	-12%	-7%	-55%	-11%
Income tax expense and non-controlling interests	-13%	-7%	-33%	-11%
Cash profit	-12%	-7%	-63%	-11%
Individually assessed credit impairment charge/(release)	-6%	large	n/a	52%
Collectively assessed credit impairment charge/(release)	0%	large	n/a	large
Net loans and advances[3]	4%	2%	n/a	4%
Customer deposits[3]	5%	-4%	n/a	3%
Risk weighted assets[3]	22%	6%	-20%	13%

1. *Includes net funds management income previously reported under net funds management and insurance income.*
2. *Relates to OnePath Life (NZ) Limited, a controlled entity, which was sold on 30 November 2018.*
3. *Balance Sheet amounts include assets and liabilities reclassified as held for sale from continuing operations.*

New Zealand - continuing operations

Antonia Watson (Acting)

September 2019 Half Year	Retail NZD M	Commercial NZD M	Central Functions NZD M	Total NZD M
Net interest income	881	540	7	**1,428**
Other operating income[1]	287	7	-	**294**
Net income from insurance business[2]	-	-	-	**-**
Operating income	1,168	547	7	**1,722**
Operating expenses	(564)	(146)	(3)	**(713)**
Profit/(Loss) before credit impairment and income tax	604	401	4	**1,009**
Credit impairment (charge)/release	(16)	(45)	-	**(61)**
Profit/(Loss) before income tax	588	356	4	**948**
Income tax expense and non-controlling interests	(164)	(100)	(1)	**(265)**
Cash profit/(Loss)	424	256	3	**683**
Individually assessed credit impairment charge/(release)	23	19	-	**42**
Collectively assessed credit impairment charge/(release)	(7)	26	-	**19**
Net loans and advances	82,527	43,464	-	**125,991**
Customer deposits	73,866	16,138	-	**90,004**
Risk weighted assets	36,645	33,153	929	**70,727**

March 2019 Half Year	Retail NZD M	Commercial NZD M	Central Functions NZD M	Total NZD M
Net interest income	940	517	7	1,464
Other operating income[1]	291	10	(1)	300
Net income from insurance business[2]	19	-	-	19
Operating income	1,250	527	6	1,783
Operating expenses	(514)	(128)	(5)	(647)
Profit/(Loss) before credit impairment and income tax	736	399	1	1,136
Credit impairment (charge)/release	(29)	(2)	-	(31)
Profit/(Loss) before income tax	707	397	1	1,105
Income tax expense and non-controlling interests	(197)	(111)	(1)	(309)
Cash profit/(Loss)	510	286	-	796
Individually assessed credit impairment charge/(release)	24	13	-	37
Collectively assessed credit impairment charge/(release)	5	(11)	-	(6)
Net loans and advances	81,108	42,917	-	124,025
Customer deposits	71,882	17,214	-	89,096
Risk weighted assets	29,897	31,344	1,019	62,260

September 2019 Half Year vs March 2019 Half Year	Retail	Commercial	Central Functions	Total
Net interest income	-6%	4%	0%	-2%
Other operating income[1]	-1%	-30%	-100%	-2%
Net funds management and insurance income[2]	-100%	n/a	n/a	-100%
Operating income	-7%	4%	17%	-3%
Operating expenses	10%	14%	-40%	10%
Profit/(Loss) before credit impairment and income tax	-18%	1%	large	-11%
Credit impairment (charge)/release	-45%	large	n/a	97%
Profit/(Loss) before income tax	-17%	-10%	large	-14%
Income tax expense and non-controlling interests	-17%	-10%	0%	-14%
Cash profit/(Loss)	-17%	-10%	n/a	-14%
Individually assessed credit impairment charge/(release)	-4%	46%	n/a	14%
Collectively assessed credit impairment charge/(release)	large	large	n/a	large
Net loans and advances[3]	2%	1%	n/a	2%
Customer deposits[3]	3%	-6%	n/a	1%
Risk weighted assets[3]	23%	6%	-9%	14%

1. *Includes net funds management income previously reported under net funds management and insurance income.*
2. *Relates to OnePath Life (NZ) Limited, a controlled entity, which was sold on 30 November 2018.*
3. *Balance Sheet amounts include assets and liabilities reclassified as held for sale from continuing operations.*

New Zealand - continuing operations

Antonia Watson (Acting)

Table reflects AUD for New Zealand
NZD results shown on page 70

	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Net interest income	**1,351**	1,385	-2%	**2,736**	2,651	3%
Other operating income[1]	**278**	284	-2%	**562**	554	1%
Net income from insurance business[2]	**-**	18	-100%	**18**	117	-85%
Operating income	**1,629**	1,687	-3%	**3,316**	3,322	0%
Operating expenses	**(674)**	(612)	10%	**(1,286)**	(1,205)	7%
Profit before credit impairment and income tax	**955**	1,075	-11%	**2,030**	2,117	-4%
Credit impairment (charge)/release	**(57)**	(30)	90%	**(87)**	(6)	large
Profit before income tax	**898**	1,045	-14%	**1,943**	2,111	-8%
Income tax expense and non-controlling interests	**(252)**	(292)	-14%	**(544)**	(590)	-8%
Cash profit	**646**	753	-14%	**1,399**	1,521	-8%
Consisting of:						
Retail	**401**	482	-17%	**883**	979	-10%
Commercial	**242**	271	-11%	**513**	534	-4%
Central Functions	**3**	-	n/a	**3**	8	-63%
Cash profit	**646**	753	-14%	**1,399**	1,521	-8%
Balance Sheet[3]						
Net loans and advances	**116,729**	118,841	-2%	**116,729**	111,334	5%
Other external assets	**3,690**	3,401	8%	**3,690**	4,136	-11%
External assets	**120,419**	122,242	-1%	**120,419**	115,470	4%
Customer deposits	**83,387**	85,372	-2%	**83,387**	79,780	5%
Other deposits and borrowings	**2,280**	2,146	6%	**2,280**	2,277	0%
Deposits and other borrowings	**85,667**	87,518	-2%	**85,667**	82,057	4%
Other external liabilities	**23,512**	22,571	4%	**23,512**	22,525	4%
External liabilities	**109,179**	110,089	-1%	**109,179**	104,582	4%
Risk weighted assets	**65,527**	59,658	10%	**65,527**	57,213	15%
Average gross loans and advances	**118,789**	116,278	2%	**117,537**	109,667	7%
Average deposits and other borrowings	**86,970**	86,244	1%	**86,608**	80,444	8%
Net funds management income	**103**	107	-4%	**210**	204	3%
Funds under management	**31,633**	30,090	5%	**31,633**	28,087	13%
Average funds under management	**30,970**	29,119	6%	**29,900**	27,292	10%
Ratios[3]						
Return on average assets	**1.06%**	1.26%		**1.16%**	1.34%	
Net interest margin	**2.27%**	2.39%		**2.33%**	2.42%	
Operating expenses to operating income	**41.4%**	36.3%		**38.8%**	36.3%	
Operating expenses to average assets	**1.10%**	1.03%		**1.07%**	1.06%	
Individually assessed credit impairment charge/(release)	**40**	35	14%	**75**	49	53%
Individually assessed credit impairment charge/(release) as a % of average GLA[4]	**0.07%**	0.06%		**0.06%**	0.04%	
Collectively assessed credit impairment charge/(release)	**17**	(5)	large	**12**	(43)	large
Collectively assessed credit impairment charge/(release) as a % of average GLA[4]	**0.03%**	(0.01%)		**0.01%**	(0.04%)	
Gross impaired assets	**245**	238	3%	**245**	236	4%
Gross impaired assets as a % of GLA	**0.21%**	0.20%		**0.21%**	0.21%	
Total full time equivalent staff (FTE)	**6,121**	6,003	2%	**6,121**	6,165	-1%

1. *Includes net funds management income previously reported under net funds management and insurance income.*
2. *Relates to OnePath Life (NZ) Limited, a controlled entity, which was sold on 30 November 2018.*
3. *Balance Sheet amounts include assets and liabilities reclassified as held for sale from continuing operations.*
4. *Credit impairment charge used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Pacific- continuing operations

Antonia Watson (Acting)

Divisional performance was impacted by a number of large/notable items. Refer to pages 16 to 20 and pages 57 to 58 for details of these items.

	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Net interest income	**60**	68	-12%	**128**	131	-2%
Other operating income	**54**	50	8%	**104**	100	4%
Operating income	**114**	118	-3%	**232**	231	0%
Operating expenses	**(80)**	(70)	14%	**(150)**	(128)	17%
Profit/(Loss) before credit impairment and income tax	**34**	48	-29%	**82**	103	-20%
Credit impairment (charge)/release	**3**	(2)	large	**1**	(3)	large
Profit/(Loss) before income tax	**37**	46	-20%	**83**	100	-17%
Income tax expense and non-controlling interests	**(11)**	(13)	-15%	**(24)**	(28)	-14%
Cash profit/(loss)	**26**	33	-21%	**59**	72	-18%
Balance Sheet						
Net loans and advances	**2,120**	2,135	-1%	**2,120**	2,114	0%
Customer deposits	**3,546**	3,474	2%	**3,546**	3,467	2%
Risk weighted assets	**3,400**	3,840	-11%	**3,400**	3,915	-13%
Total full time equivalent staff (FTE)	**1,086**	1,096	-1%	**1,086**	1,125	-3%

TSO and Group Centre - continuing operations

Divisional performance was impacted by a number of large/notable items. Refer to pages 16 to 20 and pages 57 to 58 for details of these items.

	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Share of associates profit	**133**	126	6%	**259**	179	45%
Operating income (other)[1]	**144**	367	-61%	**511**	617	-17%
Operating income	**277**	493	-44%	**770**	796	-3%
Operating expenses[2]	**(444)**	(450)	-1%	**(894)**	(1,045)	-14%
Profit/(Loss) before credit impairment and income tax	**(167)**	43	large	**(124)**	(249)	-50%
Credit impairment (charge)/release	**1**	-	n/a	**1**	(25)	large
Profit/(Loss) before income tax	**(166)**	43	large	**(123)**	(274)	-55%
Income tax expense and non-controlling interests	**92**	20	large	**112**	62	81%
Cash profit/(loss)	**(74)**	63	large	**(11)**	(212)	-95%
Risk weighted assets	**4,501**	5,607	-20%	**4,501**	6,238	-28%
Total full time equivalent staff (FTE)[3]	**11,010**	10,520	5%	**11,010**	10,651	3%

1. *Includes gain on sale from divestments of $18 million in the September 2019 half (Mar 19 half: $234 million; Sep 18 full year: $288 million).*
2. *Includes Royal Commission and restructuring costs of $12 million in the September 2019 half (Mar 19 half: $26 million; Sep 18 full year: $137 million).*
3. *FTE are allocated between continuing and discontinued operations. The actual FTE that will transfer to IOOF on sale completion or at a later date is currently being determined.*

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Non-IFRS information

The Group provides additional measures of performance in the Consolidated Financial Report & Dividend Announcement which are prepared on a basis other than in accordance with accounting standards. The guidance provided in *ASIC's Regulatory Guide 230* has been followed when presenting this information.

Adjustments between statutory profit and cash profit

Cash profit represents ANZ's preferred measure of the result of the core business activities of the Group, enabling readers to assess Group and Divisional performance against prior periods and against peer institutions. To calculate cash profit, the Group excludes non-core items from statutory profit (refer to Definitions for further details). The adjustments made in arriving at cash profit are included in statutory profit which is subject to audit within the context of the external auditor's audit of the 2019 ANZ Annual Financial Statements (when released). Cash profit is not subject to audit by the external auditor. The external auditor has informed the Audit Committee that cash profit adjustments have been determined on a consistent basis across each period presented.

	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Statutory profit attributable to shareholders of the Company from continuing operations	**3,053**	3,243	-6%	**6,296**	7,095	-11%
Adjustments between statutory profit and cash profit from continuing operations						
Revaluation of policy liabilities	**-**	77	-100%	**77**	(14)	large
Economic hedges	**(67)**	185	large	**118**	(248)	large
Revenue and expense hedges	**(79)**	60	large	**(19)**	(9)	large
Structured credit intermediation trades	**(1)**	(1)	0%	**(2)**	(4)	-50%
Sale of SRCB	**-**	-	n/a	**-**	(333)	-100%
Total adjustments between statutory profit and cash profit from continuing operations	**(147)**	321	large	**174**	(608)	large
Cash profit from continuing operations	**2,906**	3,564	-18%	**6,470**	6,487	0%
Statutory profit attributable to shareholders of the Company from discontinued operations	**(273)**	(70)	large	**(343)**	(695)	-51%
Adjustments between statutory profit and cash profit from discontinued operations						
Treasury shares adjustment	**7**	(18)	large	**(11)**	7	large
Revaluation of policy liabilities	**7**	38	-82%	**45**	6	large
Total adjustments between statutory profit and cash profit from discontinued operations	**14**	20	-30%	**34**	13	large
Cash profit/(loss) from discontinued operations	**(259)**	(50)	large	**(309)**	(682)	-55%
Cash profit	**2,647**	3,514	-25%	**6,161**	5,805	6%

Explanation of adjustments between statutory profit and cash profit - continuing operations

- **Revaluation of policy liabilities – OnePath Life (NZ)**

  When calculating policy liabilities, the projected future cash flows on insurance contracts are discounted to reflect the present value of the obligation, with the impact of changes in the market discount rate each period being reflected in the Income Statement. ANZ includes the impact on the re-measurement of insurance contracts attributable to changes in market discount rates as an adjustment to statutory profit to remove the volatility attributable to changes in market interest rates which revert to zero over the life of insurance contracts. With the sale completion of the OnePath Life (NZ) Ltd business, the March 2019 half includes the reversal of the life-to-date cash profit adjustments on the revaluation of policy liabilities sold, increasing cash profit before tax by $115 million ($81 million after tax).

- **Economic and revenue and expense hedges**

  The Group enters into economic hedges to manage its interest rate and foreign exchange risk which, in accordance with accounting standards, result in fair value gains and losses being recognised within the Income Statement. ANZ removes the fair value adjustments from cash profit since the profit or loss resulting from the hedge transactions will reverse over time to match with the profit or loss from the economically hedged item as part of cash profit. This includes gains and losses arising from approved classes of derivatives not designated in accounting hedge relationships but which are considered to be economic hedges, including hedges of larger foreign exchange denominated revenue and expense streams, primarily NZD and USD (and USD correlated), as well as ineffectiveness from designated accounting hedges.

  Economic hedges comprise:

  - Funding related swaps (primarily cross currency interest rate swaps) used to convert the proceeds of foreign currency debt issuances into floating rate Australian dollar and New Zealand dollar debt. As these swaps do not qualify for hedge accounting, movements in the fair values are recorded in the Income Statement. The main drivers of these fair values are currency basis spreads and Australian dollar and New Zealand dollar fluctuations against other major funding currencies.

- Economic hedges of select structured finance and specialised leasing transactions that do not qualify for hedge accounting. The main drivers of these fair value adjustments are movements in the Australian and New Zealand term structure of interest rates.
- Ineffectiveness from designated accounting hedge relationships.

In the September 2019 full year, the majority of the loss on economic hedges adjusted from cash profit relates to funding related swaps, principally from narrowing basis spreads on AUD/USD and NZD/USD currency pairs partially offset by the weakening of both the AUD and NZD against USD.

The gain on revenue and expense hedges adjusted from cash profit in the September 2019 full year was mainly due to the strengthening of AUD against the NZD in the second half 2019.

	Half Year		Full Year	
	Sep 19 $M	Mar 19 $M	Sep 19 $M	Sep 18 $M
Economic hedges	(96)	260	164	(349)
Revenue and expense hedges	(111)	85	(26)	(12)
Increase/(decrease) to cash profit before tax	(207)	345	138	(361)
Increase/(decrease) to cash profit after tax	(146)	245	99	(257)

- **Structured credit intermediation trades**

  ANZ entered into a series of structured credit intermediation trades prior to the Global Financial Crisis with eight US financial guarantors. This involved selling credit default swaps (CDSs) as protection over specific debt structures and purchasing CDS protection over the same structures. ANZ has subsequently exited its positions with six US financial guarantors and is monitoring the remaining two portfolios with a view to reducing the exposures when ANZ deems it cost effective relative to the perceived risk associated with a specific trade or counterparty.

  The notional value of outstanding bought and sold CDSs at 30 September 2019 amounted to $0.3 billion (Mar 19: $0.3 billion; Sep 18: $0.3 billion). While both the bought and sold CDSs are measured at fair value through profit and loss, the associated fair value movements do not fully offset due to the impact of credit risk on the bought CDSs which is driven by market movements in credit spreads and AUD/USD and NZD/USD rates. The fair value of the CDSs (excluding CVA) is $19 million (Mar 19: $20 million; Sep 18: $26 million) with CVA on the bought protection of $3 million (Mar 19: $4 million; Sep 18: $4 million).

  The profit and loss associated with the bought and sold protection is included as an adjustment to cash profit as it relates to a legacy business where, unless terminated early, the fair value movements are expected to reverse to zero in future periods.

- **Sale of Shanghai Rural Commercial Bank (SRCB)**

  On 3 January 2017, the Group announced that it had agreed to sell its 20% stake in Shanghai Rural Commercial Bank (SRCB).

  The impact of SRCB has been treated as an adjustment between statutory profit to cash profit. The rationale being the loss on reclassification to held for sale was expected to be largely offset by the release of reserve gains on sale completion within the 2017 full year. The transaction was subsequently completed in the 2018 full year and the entire impact of the transaction was recognised in cash profit.

- **Credit risk on impaired derivatives (nil profit after tax impact)**

  Derivative credit valuation adjustments on defaulted and impaired derivative exposures are reclassified to cash credit impairment charges to reflect the manner in which the defaulted and impaired derivatives are managed.

Explanation of adjustments between statutory profit and cash profit - discontinued operations

- **Treasury shares adjustment**

  ANZ shares held by the Group in Wealth Australia discontinued operations are deemed to be Treasury shares for accounting purposes. Dividends and realised and unrealised gains and losses from these shares are reversed as they are not permitted to be recognised as income for statutory reporting purposes. In deriving cash profit, these earnings are included to ensure there is no asymmetrical impact on the Group's profits because the Treasury shares are held to support policy liabilities which are revalued through the Income Statement. With the sale completion of the life insurance business to Zurich, there are no further ANZ shares held by the Group in Wealth Australia discontinued operations (Mar 19: 15.5 million shares; Sep 18: 15.5 million shares).

- **Revaluation of policy liabilities - Wealth Australia discontinued operations**

  When calculating policy liabilities, the projected future cash flows on insurance contracts are discounted to reflect the present value of the obligation, with the impact of changes in the market discount rate each period being reflected in the Income Statement. ANZ includes the impact on the re-measurement of the insurance contract attributable to changes in market discount rates as an adjustment to statutory profit to remove the volatility attributable to changes in market interest rates which reverts to zero over the life of the insurance contract. With the sale completion of the life insurance business to Zurich, the September 2019 half includes the reversal of the life-to-date cash profit adjustments on the revaluation of policy liabilities sold, reducing cash profit before tax by $22 million ($15 million after tax).

		Adjustments to statutory profit								
	Statutory profit	Treasury shares adjustment	Revaluation of policy liabilities	Economic hedges	Revenue and expense hedges	Structured credit intermediation trades	Credit risk on impaired derivatives	Sale of SRCB	Total adjustments to statutory profit	Cash profit
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
September 2019 Full Year										
Net interest income	14,339	-	-	-	-	-	-	-	-	14,339
Net income from insurance business	126	-	(7)	-	-	-	-	-	(7)	119
Other	4,320	-	115	164	(26)	(3)	1	-	251	4,571
Other operating income	4,446	-	108	164	(26)	(3)	1	-	244	4,690
Operating income	18,785	-	108	164	(26)	(3)	1	-	244	19,029
Operating expenses	(9,071)	-	-	-	-	-	-	-	-	(9,071)
Profit before credit impairment and tax	9,714	-	108	164	(26)	(3)	1	-	244	9,958
Credit impairment charge	(794)	-	-	-	-	-	(1)	-	(1)	(795)
Profit before income tax	**8,920**	**-**	**108**	**164**	**(26)**	**(3)**	**-**	**-**	**243**	**9,163**
Income tax expense	(2,609)	-	(31)	(46)	7	1	-	-	(69)	(2,678)
Non-controlling interests	(15)	-	-	-	-	-	-	-	-	(15)
Profit after tax from continuing operations	**6,296**	**-**	**77**	**118**	**(19)**	**(2)**	**-**	**-**	**174**	**6,470**
Profit/(Loss) after tax from discontinued operations	(343)	(11)	45	-	-	-	-	-	34	(309)
Profit after tax	**5,953**	**(11)**	**122**	**118**	**(19)**	**(2)**	**-**	**-**	**208**	**6,161**
September 2018 Full Year										
Net interest income	14,514	-	-	-	-	-	-	-	-	14,514
Net income from insurance business	273	-	(20)	-	-	-	-	-	(20)	253
Other	5,197	-	-	(349)	(12)	(5)	-	(231)	(597)	4,600
Other operating income	5,470	-	(20)	(349)	(12)	(5)	-	(231)	(617)	4,853
Operating income	19,984	-	(20)	(349)	(12)	(5)	-	(231)	(617)	19,367
Operating expenses	(9,401)	-	-	-	-	-	-	-	-	(9,401)
Profit before credit impairment and tax	10,583	-	(20)	(349)	(12)	(5)	-	(231)	(617)	9,966
Credit impairment charge	(688)	-	-	-	-	-	-	-	-	(688)
Profit before income tax	**9,895**	**-**	**(20)**	**(349)**	**(12)**	**(5)**	**-**	**(231)**	**(617)**	**9,278**
Income tax expense	(2,784)	-	6	101	3	1	-	(102)	9	(2,775)
Non-controlling interests	(16)	-	-	-	-	-	-	-	-	(16)
Profit after tax from continuing operations	**7,095**	**-**	**(14)**	**(248)**	**(9)**	**(4)**	**-**	**(333)**	**(608)**	**6,487**
Profit/(Loss) after tax from discontinued operations	(695)	7	6	-	-	-	-	-	13	(682)
Profit after tax	**6,400**	**7**	**(8)**	**(248)**	**(9)**	**(4)**	**-**	**(333)**	**(595)**	**5,805**

		Adjustments to statutory profit								
	Statutory profit	Treasury shares adjustment	Revaluation of policy liabilities	Economic hedges	Revenue and expense hedges	Structured credit intermediation trades	Credit risk on impaired derivatives	Sale of SRCB	Total adjustments to statutory profit	Cash profit
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
September 2019 Half Year										
Net interest income	7,040	-	-	-	-	-	-	-	-	7,040
Net income from insurance business	49	-	-	-	-	-	-	-	-	49
Other	2,403	-	-	(96)	(111)	(2)	-	-	(209)	2,194
Other operating income	2,452	-	-	(96)	(111)	(2)	-	-	(209)	2,243
Operating income	9,492	-	-	(96)	(111)	(2)	-	-	(209)	9,283
Operating expenses	(4,706)	-	-	-	-	-	-	-	-	(4,706)
Profit before credit impairment and tax	4,786	-	-	(96)	(111)	(2)	-	-	(209)	4,577
Credit impairment charge	(402)	-	-	-	-	-	-	-	-	(402)
Profit before income tax	**4,384**	**-**	**-**	**(96)**	**(111)**	**(2)**	**-**	**-**	**(209)**	**4,175**
Income tax expense	(1,325)	-	-	29	32	1	-	-	62	(1,263)
Non-controlling interests	(6)	-	-	-	-	-	-	-	-	(6)
Profit after tax from continuing operations	**3,053**	**-**	**-**	**(67)**	**(79)**	**(1)**	**-**	**-**	**(147)**	**2,906**
Profit/(Loss) after tax from discontinued operations	(273)	7	7	-	-	-	-	-	14	(259)
Profit after tax	**2,780**	**7**	**7**	**(67)**	**(79)**	**(1)**	**-**	**-**	**(133)**	**2,647**
March 2019 Half Year										
Net interest income	7,299	-	-	-	-	-	-	-	-	7,299
Net income from insurance business	77	-	(7)	-	-	-	-	-	(7)	70
Other	1,917	-	115	260	85	(1)	1	-	460	2,377
Other operating income	1,994	-	108	260	85	(1)	1	-	453	2,447
Operating income	9,293	-	108	260	85	(1)	1	-	453	9,746
Operating expenses	(4,365)	-	-	-	-	-	-	-	-	(4,365)
Profit before credit impairment and tax	4,928	-	108	260	85	(1)	1	-	453	5,381
Credit impairment charge	(392)	-	-	-	-	-	(1)	-	(1)	(393)
Profit before income tax	**4,536**	**-**	**108**	**260**	**85**	**(1)**	**-**	**-**	**452**	**4,988**
Income tax expense	(1,284)	-	(31)	(75)	(25)	-	-	-	(131)	(1,415)
Non-controlling interests	(9)	-	-	-	-	-	-	-	-	(9)
Profit after tax from continuing operations	**3,243**	**-**	**77**	**185**	**60**	**(1)**	**-**	**-**	**321**	**3,564**
Profit/(Loss) after tax from discontinued operations	(70)	(18)	38	-	-	-	-	-	20	(50)
Profit after tax	**3,173**	**(18)**	**115**	**185**	**60**	**(1)**	**-**	**-**	**341**	**3,514**

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Australia and New Zealand Banking Group Limited

		Half Year			Full Year[1]		
	Note	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Interest income		**15,107**	15,970	-5%	**31,077**	30,327	2%
Interest expense		**(8,067)**	(8,671)	-7%	**(16,738)**	(15,813)	6%
Net interest income	2	**7,040**	7,299	-4%	**14,339**	14,514	-1%
Other operating income	2	**2,272**	1,786	27%	**4,058**	5,014	-19%
Net income from insurance business	2	**49**	77	-36%	**126**	273	-54%
Share of associates' profit	2, 13	**131**	131	0%	**262**	183	43%
Operating income		**9,492**	9,293	2%	**18,785**	19,984	-6%
Operating expenses	3	**(4,706)**	(4,365)	8%	**(9,071)**	(9,401)	-4%
Profit before credit impairment and income tax		**4,786**	4,928	-3%	**9,714**	10,583	-8%
Credit impairment charge	8	**(402)**	(392)	3%	**(794)**	(688)	15%
Profit before income tax		**4,384**	4,536	-3%	**8,920**	9,895	-10%
Income tax expense	4	**(1,325)**	(1,284)	3%	**(2,609)**	(2,784)	-6%
Profit after tax from continuing operations		**3,059**	3,252	-6%	**6,311**	7,111	-11%
Profit/(Loss) after tax from discontinued operations	10	**(273)**	(70)	large	**(343)**	(695)	-51%
Profit for the period		**2,786**	3,182	-12%	**5,968**	6,416	-7%
Comprising:							
Profit attributable to shareholders of the Company		**2,780**	3,173	-12%	**5,953**	6,400	-7%
Profit attributable to non-controlling interests		**6**	9	-33%	**15**	16	-6%
Earnings per ordinary share (cents) including discontinued operations							
Basic	6	**98.3**	111.7	-12%	**210.0**	221.6	-5%
Diluted	6	**94.7**	106.4	-11%	**201.9**	212.1	-5%
Earnings per ordinary share (cents) from continuing operations							
Basic	6	**107.9**	114.1	-5%	**222.1**	245.6	-10%
Diluted	6	**103.6**	108.7	-5%	**213.0**	234.2	-9%
Dividend per ordinary share (cents)	5	**80**	80	0%	**160**	160	0%

1. *On adoption of AASB 15, the Group reclassified certain items previously netted which are now presented gross in operating income and operating expenses. Comparative information has been restated accordingly which increased total operating income and total operating expenses by $153 million for the September 2018 full year.*

The notes appearing on pages 89 to 113 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

	Full Year[1]		
	Sep 19 $M	Sep 18 $M	Movt
Profit for the period from continuing operations	**6,311**	7,111	-11%
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Investment securities - equity securities at FVOCI[1]	**45**	-	n/a
Other reserve movements	**67**	32	large
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation reserve[2]	**697**	222	large
Other reserve movements[1]	**909**	137	large
Income tax attributable to the above items	**(288)**	(118)	large
Share of associates' other comprehensive income[3]	**26**	25	4%
Other comprehensive income after tax from continuing operations	**1,456**	298	large
Profit/(Loss) after tax from discontinued operations	**(343)**	(695)	-51%
Other comprehensive income after tax from discontinued operations	**(97)**	18	large
Total comprehensive income for the period	**7,327**	6,732	9%
Comprising total comprehensive income attributable to:			
Shareholders of the Company	**7,307**	6,706	9%
Non-controlling interests	**20**	26	-23%

1. *On adoption of AASB 9 on 1 October 2018, the classification and measurement of financial assets were revised. The available-for-sale classification used in comparative periods ceases to exist under AASB 9 and a new classification of investment securities was introduced. Refer to Note 1 and Note 16 for further details. Comparative information has not been restated.*
2. *Includes foreign currency translation differences attributable to non-controlling interests of $5 million (Sep 18 full year: $10 million gain).*
3. *Share of associates' other comprehensive income includes a FVOCI reserve gain of $20 million (available-for-sale revaluation reserve: Sep 18 full year: $28 million gain), defined benefits gain of $7 million (Sep 18 full year: nil), cash flow hedge reserve loss of $2 million (Sep 18 full year: nil) and a foreign currency translation reserve gain of $1 million (Sep 18 full year: $3 million loss) that may be reclassified subsequently to profit or loss.*

The notes appearing on pages 89 to 113 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

		As At			Movement	
Assets	**Note**	**Sep 19 $M**	**Mar 19 $M**	**Sep 18 $M**	**Sep 19 v. Mar 19**	**Sep 19 v. Sep 18**
Cash and cash equivalents[1]		**81,621**	93,996	84,636	-13%	-4%
Settlement balances owed to ANZ		**3,739**	4,041	2,319	-7%	61%
Collateral paid		**15,006**	11,860	11,043	27%	36%
Trading securities		**43,169**	42,857	37,722	1%	14%
Derivative financial instruments		**120,667**	79,375	68,423	52%	76%
Investment securities[2,3]		**83,709**	78,882	-	6%	n/a
Available-for-sale assets[2]		**-**	-	74,284	n/a	-100%
Net loans and advances[3,4]	7	**615,258**	609,281	604,464	1%	2%
Regulatory deposits		**879**	944	882	-7%	0%
Assets held for sale	10	**1,831**	43,549	45,248	-96%	-96%
Investments in associates		**2,957**	2,737	2,553	8%	16%
Current tax assets		**265**	500	268	-47%	-1%
Deferred tax assets		**1,356**	1,146	900	18%	51%
Goodwill and other intangible assets		**4,861**	5,017	4,930	-3%	-1%
Premises and equipment		**1,924**	1,863	1,833	3%	5%
Other assets[4]		**3,895**	4,222	3,677	-8%	6%
Total assets		**981,137**	980,270	943,182	0%	4%
Liabilities						
Settlement balances owed by ANZ		**10,867**	12,371	11,810	-12%	-8%
Collateral received		**7,929**	5,726	6,542	38%	21%
Deposits and other borrowings	9	**637,677**	634,989	618,150	0%	3%
Derivative financial instruments		**120,951**	80,871	69,676	50%	74%
Current tax liabilities		**260**	159	300	64%	-13%
Deferred tax liabilities[4]		**67**	48	69	40%	-3%
Liabilities held for sale	10	**2,121**	46,555	47,159	-95%	-96%
Payables and other liabilities[4]		**7,968**	7,641	6,894	4%	16%
Provisions[3,4]		**2,812**	2,247	1,998	25%	41%
Debt issuances		**129,691**	129,692	121,179	0%	7%
Total liabilities		**920,343**	920,299	883,777	0%	4%
Net assets		**60,794**	59,971	59,405	1%	2%
Shareholders' equity						
Ordinary share capital	11	**26,490**	26,048	27,205	2%	-3%
Reserves	11	**1,629**	1,709	323	-5%	large
Retained earnings[4]	11	**32,664**	32,064	31,737	2%	3%
Share capital and reserves attributable to shareholders of the Company		**60,783**	59,821	59,265	2%	3%
Non-controlling interests	11	**11**	150	140	-93%	-92%
Total shareholders' equity		**60,794**	59,971	59,405	1%	2%

1. *Includes settlement balances owed to ANZ that meet the definition of cash and cash equivalents.*
2. *On adoption of AASB 9 on 1 October 2018, the classification and measurement of financial assets were revised. Available-for-sale classification used in comparative periods ceases to exist under AASB 9 and a new classification of investment securities was introduced. Refer Note 1 and 16 for further details. Comparative information has not been restated.*
3. *On adoption of AASB 9 on 1 October 2018, the Group increased the collectively assessed provisions by $813 million ($647 million in Net loans and advances, $11 million in Investment securities, and $155 million in Provisions). Comparative information has not been restated. Refer to Note 1 and 16 for further details.*
4. *Comparative information has been restated for the adoption of AASB 15 and other reclassification adjustments to enhance comparability with current period presentation. Refer Note 1 and 16 for further details.*

The notes appearing on pages 89 to 113 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

The Condensed Consolidated Cash Flow Statement includes discontinued operations. Please refer to Note 10 for cash flows associated with discontinued operations and cash and cash equivalents reclassified as held for sale.

	Full Year[1]	
	Sep 19 $M	**Sep 18 $M**
Profit after income tax	**5,968**	6,416
Adjustments to reconcile to net cash flow from operating activities:		
Provision for credit impairment charge	**794**	688
Depreciation and amortisation	**871**	1,199
(Profit)/loss on sale of premises and equipment	**(5)**	(4)
Net derivatives/foreign exchange adjustment	**4,940**	6,721
(Gain)/loss on sale from divestments	**(137)**	(594)
(Gain)/loss on reclassification of businesses to held for sale	**-**	693
Other non-cash movements	**(356)**	(55)
Net (increase)/decrease in operating assets:		
Collateral paid	**(3,493)**	(1,648)
Trading securities	**(7,941)**	8,565
Loans and advances	**(10,268)**	(25,265)
Investments backing policy liabilities	**(3,542)**	(3,914)
Other assets	**(454)**	(973)
Net increase/(decrease) in operating liabilities:		
Deposits and other borrowings	**7,006**	12,207
Settlement balances owed by ANZ	**(1,077)**	1,853
Collateral received	**1,004**	186
Life insurance contract policy liabilities	**-**	4,263
Other liabilities	**2,140**	228
Total adjustments	**(10,518)**	4,150
Net cash (used in)/provided by operating activities[2]	**(4,550)**	10,566
Cash flows from investing activities		
Investment securities/available-for-sale assets:[3]		
Purchases	**(23,847)**	(23,806)
Proceeds from sale or maturity	**21,228**	20,592
Proceeds from divestments, net of cash disposed	**2,121**	2,148
Proceeds from Zurich reinsurance arrangement	**-**	1,000
Proceeds from IOOF secured notes	**800**	-
Other assets	**(508)**	232
Net cash (used in)/provided by investing activities	**(206)**	166
Cash flows from financing activities		
Debt issuances:[4]		
Issue proceeds	**25,900**	25,075
Redemptions	**(22,958)**	(15,898)
Dividends paid[5]	**(4,471)**	(4,563)
On market purchase of treasury shares	**(112)**	(114)
Share buy-back	**(1,120)**	(1,880)
Net cash (used in)/provided by financing activities	**(2,761)**	2,620
Net (decrease)/increase in cash and cash equivalents	**(7,517)**	13,352
Cash and cash equivalents at beginning of period	**84,964**	68,048
Effects of exchange rate changes on cash and cash equivalents	**4,174**	3,564
Cash and cash equivalents at end of period[6]	**81,621**	84,964

1. *As a result of restatements impacting prior period balance sheet items, certain items in the Cash Flow Statement have been restated accordingly. Refer Note 16 for further information.*
2. *Net cash inflows/(outflows) from operating activities includes income taxes paid of $3,129 million (Sep 18 full year: $3,373 million).*
3. *On adoption of AASB 9 on 1 October 2018, the classification and measurement of financial assets were revised. Available-for-sale classification used in comparative periods ceases to exist under AASB 9 and a new classification of investment securities was introduced. Refer Note 1 and 16 for further details.*
4. *Non-cash changes in debt issuances includes fair value hedging loss of $2,437 million (Sep 18 full year: $1,443 million gain) and foreign exchange losses of $3,815 million (Sep 18 full year: $5,712 million loss).*
5. *Cash outflow for shares purchased to satisfy the dividend reinvestment plan are classified in Dividends paid.*
6. *Includes cash and cash equivalents recognised on the face of balance sheet of $81,621 million (Sep 18: $84,636 million) with no amounts recorded as part of assets held for sale. (Sep 18: $328 million).*

The notes appearing on pages 89 to 113 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

	Ordinary share capital $M	Reserves $M	Retained earnings $M	Share capital and reserves attributable to shareholders of the Company $M	Non-controlling interests $M	Total shareholders' equity $M
As at 1 October 2017	29,088	37	29,834	**58,959**	116	**59,075**
Impact on transition to AASB 15	-	-	22	**22**	-	**22**
Profit or loss from continuing operations	-	-	7,095	**7,095**	16	**7,111**
Profit or loss from discontinued operations	-	-	(695)	**(695)**	-	**(695)**
Other comprehensive income for the period from continuing operations	-	264	24	**288**	10	**298**
Other comprehensive income for the period from discontinued operations	-	18	-	**18**	-	**18**
Total comprehensive income for the period	-	282	6,424	**6,706**	26	**6,732**
Transactions with equity holders in their capacity as equity holders:[1]						
Dividends paid	-	-	(4,585)	**(4,585)**	(2)	**(4,587)**
Dividend income on treasury shares held within the Group's life insurance statutory funds	-	-	24	**24**	-	**24**
Group share buy-back[2]	(1,880)	-	-	**(1,880)**	-	**(1,880)**
Other equity movements:[1]						
Treasury shares Wealth Australia discontinued operations adjustment	(2)	-	-	**(2)**	-	**(2)**
Group employee share acquisition scheme	(1)	-	-	**(1)**	-	**(1)**
Other items	-	4	18	**22**	-	**22**
As at 30 September 2018	27,205	323	31,737	**59,265**	140	**59,405**
Impact on transition to AASB 9	-	14	(624)	**(610)**	-	**(610)**
Profit or loss from continuing operations	-	-	6,296	**6,296**	15	**6,311**
Profit or loss from discontinued operations	-	-	(343)	**(343)**	-	**(343)**
Other comprehensive income for the period from continuing operations	-	1,393	58	**1,451**	5	**1,456**
Other comprehensive income for the period from discontinued operations	-	(97)	-	**(97)**	-	**(97)**
Total comprehensive income for the period	-	1,296	6,011	**7,307**	20	**7,327**
Transactions with equity holders in their capacity as equity holders:[1]						
Dividends paid[3]	-	-	(4,481)	**(4,481)**	(2)	**(4,483)**
Dividend income on treasury shares held within the Group's life insurance statutory funds	-	-	12	**12**	-	**12**
Group share buy-back[2]	(1,120)	-	-	**(1,120)**	-	**(1,120)**
Other equity movements:[1]						
Treasury shares Wealth Australia discontinued operations adjustment[4]	405	-	-	**405**	-	**405**
Group employee share acquisition scheme	-	-	-	**-**	-	**-**
Other items	-	(4)	9	**5**	(147)	**(142)**
As at 30 September 2019	26,490	1,629	32,664	**60,783**	11	**60,794**

1. *Current and prior periods include discontinued operations.*
2. *The Company completed a $3.0 billion on-market share buy-back of ANZ ordinary shares purchasing $1,120 million worth of shares in the September 2019 full year (September 18 full year: $1,880 million) resulting in 42.0 million shares being cancelled in the September 2019 full year (September 18 full year: 66.7 million).*
3. *No new shares were issued under the Dividend Reinvestment Plan (DRP) for the 2019 Interim dividend (nil shares for the 2018 final dividend; nil shares for the 2018 Interim dividend) as the shares were purchased on-market and provided directly to the shareholders participating in the DRP. On-market share purchases for the DRP in the September 2019 full year were $432 million (Sep 18 full year: $392 million).*
4. *The successor fund transfer performed in preparation for the sale of the Group's wealth business to Zurich and IOOF completed on 13 April 2019. As a result, the Group no longer eliminates the ANZ shares previously held in Wealth Australia discontinued operations (treasury shares).*

The notes appearing on pages 89 to 113 form an integral part of the Condensed Consolidated Financial Statements.

1. Basis of preparation

These Condensed Consolidated Financial Statements:

- have been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (AASs);
- should be read in conjunction with ANZ's Annual Financial Statements for the year ended 30 September 2019 (when released) and any public announcements made by the Parent Entity and its controlled entities (the Group) for the full year ended 30 September 2019 in accordance with the continuous disclosure obligations under the *Corporations Act 2001* and the *ASX Listing Rules*;
- do not include all notes of the type normally included in ANZ's Annual Financial Report;
- are presented in Australian dollars unless otherwise stated; and
- were approved by the Board of Directors on 30 October 2019.

i) Accounting policies

These Condensed Consolidated Financial Statements have been prepared on the basis of accounting policies and using methods of computation consistent with those applied in the 2018 ANZ Annual Financial Report with the exception of policies associated with new standards adopted during the period as discussed below.

Discontinued operations are separately presented from the results of the continuing operations as a single line item 'profit/(loss) after tax from discontinued operations' in the Condensed Consolidated Income Statement. Notes to the Condensed Consolidated Income Statement have been presented on a continuing basis. Assets and liabilities of discontinued operations have been presented as held for sale in the Condensed Consolidated Balance Sheet as at 30 September 2019.

Accounting standards adopted during the period

AASB 9 *Financial Instruments* (AASB 9)

The Group has applied AASB 9 effective from 1 October 2018 (with the exception of the 'own credit' requirements relating to financial liabilities designated as measured at fair value, which were early adopted by the Group effective from 1 October 2013). In addition the Group chose to early adopt AASB 2017-6 *Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation* (AASB 2017-6) effective from 1 October 2018.

AASB 9 and AASB 2017-6 stipulate new requirements for the impairment of financial assets, classification and measurement of financial assets and financial liabilities and general hedge accounting. Details of the key new requirements are outlined below, and a reconciliation of the transitional impact at 1 October 2018 is set out in Note 16.

Impairment

AASB 9 introduces a new impairment model based on expected credit losses (ECL). This model is applied to:

- Financial assets measured at amortised cost;
- Debt instruments measured at fair value through other comprehensive income (FVOCI);
- Lease receivables; and
- Loan commitments and financial guarantees not measured at fair value through profit or loss (FVTPL).

Expected credit loss impairment model

The measurement of expected credit losses reflects an unbiased, probability weighted prediction which evaluates a range of scenarios and takes into account the time value of money, past events, current conditions and forecasts of future economic conditions.

Expected credit losses are either measured over 12 months or the expected lifetime of the financial asset, depending on credit deterioration since origination, according to the following three-stage approach:

- Stage 1: At the origination of a financial asset, and where there has not been a significant increase in credit risk since origination, an allowance equivalent to 12 months ECL is recognised reflecting the expected credit losses resulting from default events that are possible within the next 12 months from the reporting date. For instruments with a remaining maturity of less than 12 months, expected credit losses are estimated based on default events that are possible over the remaining time to maturity.
- Stage 2: Where there has been a significant increase in credit risk since origination, an allowance equivalent to lifetime ECL is recognised reflecting expected credit losses resulting from all possible default events over the expected life of a financial instrument. If credit risk were to improve in a subsequent period such that the increase in credit risk since origination is no longer considered significant, the exposure returns to a Stage 1 classification and a 12 month ECL applies.
- Stage 3: Where there is objective evidence of impairment, an allowance equivalent to lifetime ECL is recognised.

Expected credit losses are estimated on a collective basis for exposures in Stage 1 and Stage 2, and on either a collective or individual basis when transferred to Stage 3.

Significant increase in credit risk (SICR)

Stage 2 assets are those that have experienced a significant increase in credit risk (SICR) since origination. In determining what constitutes a SICR, the Group considers both qualitative and quantitative information:

i. Internal credit rating grade

   For the majority of portfolios, the primary indicator of a SICR is a significant deterioration in the internal credit rating grade of a facility since origination and is measured by application of thresholds.

   For non-retail portfolios, a SICR is determined by comparing the Customer Credit Rating (CCR) applicable to a facility at reporting date to the CCR at origination of that facility. A CCR is assigned to each borrower which reflects the probability of default of the borrower and incorporates both borrower and non-borrower specific information, including forward looking information. CCRs are subject to review at least annually or more frequently when an event occurs which could affect the credit risk of the customer.

For retail portfolios, a SICR is determined by comparing each facility's scenario weighted lifetime probability of default at the reporting date to the scenario weighted lifetime probability of default at origination. The scenario weighted lifetime probability of default may increase significantly if:

- there has been a deterioration in the economic outlook, or an increase in economic uncertainty; or
- there has been a deterioration in the customer's overall credit position, or ability to manage their credit obligations.

ii. Backstop criteria

The Group uses 30 days past due arrears as a backstop criteria for both non-retail and retail portfolios. For retail portfolios only, facilities are required to demonstrate three to six months of good payment behaviour prior to returning to Stage 1.

Measurement of expected credit loss

ECL is calculated as the product of the following credit risk factors at a facility level, discounted to incorporate the time value of money:

- Exposure at default (EAD) - the expected balance sheet exposure at default taking into account repayments of principal and interest, expected additional drawdowns and accrued interest;
- Probability of default (PD) - the estimate of the likelihood that a borrower will default over a given period; and
- Loss given default (LGD) - the expected loss in the event of the borrower defaulting, expressed as a percentage of the facility's EAD, taking into account direct and indirect recovery costs.

These credit risk factors are adjusted for current and forward looking information through the use of macro-economic variables.

Forward looking information

In applying forward looking information for estimating ECL, the Group considers four probability-weighted forecast economic scenarios as follows:

(i) Base case scenario

The base case scenario is ANZ's view of the most likely future macro-economic conditions. It reflects management's assumptions used for strategic planning and budgeting, and also informs the Group Internal Capital Adequacy Assessment Process (ICAAP) which is the process the Group applies in its strategic and capital planning over a 3 year time horizon;

(ii) Upside and (iii) Downside scenarios

The upside and downside scenarios are fixed by reference to average economic cycle conditions (that is, they are not based on the economic conditions prevailing at balance date) and are based on a combination of more optimistic (in the case of the upside) and pessimistic (in the case of the downside) economic events and uncertainty over long term horizons; and

(iv) Severe downside scenario

The severe downside scenario is fixed by reference to average economic cycle conditions and accounts for the potentially severe impact of less likely extremely adverse economic conditions. It reflects macro-economic conditions of a downturn economic event with a probability of occurrence once in every 25 years.

The four scenarios are described in terms of macro-economic variables used in the PD, LGD and EAD models (collectively the ECL models) depending on the portfolio and country of the borrower. Examples of the variables include unemployment rates, GDP growth rates, house price indices, commercial property price indices and consumer price indices.

Probability weighting each scenario is determined by management by considering risks and uncertainties surrounding the base case scenario, as well as specific portfolio considerations where required. The Group's Credit and Market Risk Committee (CMRC) is responsible for reviewing and approving forecast economic scenarios and the associated probability weights applied to each scenario.

Where applicable, adjustments may be made to account for situations where known or expected risks have not been adequately addressed in the modelling process. CMRC is responsible for approving such adjustments.

Expected Life

When estimating ECL for exposures in Stage 2 and 3, the Group considers the expected lifetime over which it is exposed to credit risk.

For non-retail portfolios, the Group uses the maximum contractual period as the expected lifetime for non-revolving credit facilities. For non-retail revolving credit facilities, such as corporate lines of credit, the expected life reflects the Group's contractual right to withdraw a facility as part of a contractually agreed annual review, after taking into account the applicable notice period.

For retail portfolios, the expected lifetime is determined using behavioural term, taking into account expected prepayment behaviour and substantial modifications.

Definition of default, credit impaired and write-offs

The definition of default used in measuring expected credit losses is aligned to the definition used for internal credit risk management purposes across all portfolios. This definition is also in line with the regulatory definition of default. Default occurs when there are indicators that a debtor is unlikely to fully satisfy contractual credit obligations to the Group, or the exposure is 90 days past due.

Financial assets, including those that are well secured, are considered credit impaired for financial reporting purposes when they default.

When there is no realistic probability of recovery, loans are written off against the related impairment allowance on completion of the Group's internal processes and when all reasonably expected recoveries have been collected. In subsequent periods, any recoveries of amounts previously written-off are credited to the credit impairment charge in the income statement.

Modified financial assets

If the terms of a financial asset are modified or an existing financial asset is replaced with a new one for either credit or commercial reasons, an assessment is made to determine if the changes to the terms of the existing financial asset are considered substantial. This assessment considers both changes in cash flows arising from the modified terms as well as changes in the overall instrument risk profile; for example, changes in the principal (credit limit), term, or type of underlying collateral. Where a modification is considered non-substantial, the existing financial asset is not derecognised and its date of origination continues to be used to determine SICR. Where a modification is considered substantial, the existing financial asset is derecognised and a new financial asset is recognised at its fair value on the modification date, which also becomes the date of origination used to determine SICR for this new asset.

Classification and measurement

Financial assets - general

There are three measurement classifications for financial assets under AASB 9: amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI). Financial assets are classified into these measurement classifications on the basis of two criteria:

- the business model within which the financial asset is managed; and
- the contractual cash flow characteristics of the financial asset (specifically whether the contractual cash flows represent solely payments of principal and interest).

The resultant financial asset classifications are as follows:

- Amortised cost: Financial assets with contractual cash flows that comprise solely payments of principal and interest only and which are held in a business model whose objective is to collect their cash flows;
- FVOCI: Financial assets with contractual cash flows that comprise solely payments of principal and interest only and which are held in a business model whose objective is to collect their cash flows or to sell; and
- FVTPL: Any other financial assets not falling into the categories above are measured at FVTPL.

Fair Value Option for Financial Assets

A financial asset may be irrevocably designated at fair value through profit or loss on initial recognition when the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - equity instruments

Non-traded equity investments may be designated at FVOCI on an instrument by instrument basis. If this election is made, gains or losses are not reclassified from other comprehensive income to profit or loss on disposal of the investment. However, gains or losses may be reclassified within equity.

Financial liabilities

The classification and measurement requirements for financial liabilities under AASB 9 are largely consistent with AASB 139 *Financial Instruments: Recognition and Measurement* (AASB 139) with the exception that for financial liabilities designated as measured at fair value, gains or losses relating to changes in the entity's own credit risk are included in other comprehensive income, except where doing so would create or enlarge an accounting mismatch in profit or loss. This part of the standard was early adopted by the Group on 1 October 2013.

Financial liabilities are measured at amortised cost, or fair value through profit or loss when they are held for trading. Additionally, financial liabilities can be designated at FVTPL where:

- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise; or
- A group of financial liabilities are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy; or
- The financial liability contains one or more embedded derivatives unless:

  a) the embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract, or

  b) the embedded derivative is closely related to the host financial liability.

General hedge accounting

AASB 9 introduces new hedge accounting requirements which more closely align accounting with risk management activities undertaken when hedging financial and non-financial risks. The Group has exercised an accounting policy choice to continue to apply the AASB 139 hedge accounting requirements until the International Accounting Standards Board's ongoing Dynamic Risk Management (macro hedging) project is completed.

AASB 15 *Revenue from Contracts with Customers* (AASB 15)

The Group adopted AASB 15 from 1 October 2018 which resulted in changes in accounting policies and adjustments to amounts recognised in the full year condensed consolidated financial statements. The standard requires identification of distinct performance obligations within a contract, and allocation of the transaction price of the contract to those performance obligations. Revenue is then recognised as each performance obligation is satisfied. The standard also provides guidance on whether an entity is acting as a principal or an agent which impacts the presentation of revenue on a gross or net basis. In accordance with the transitional provisions of AASB 15, the Group has adopted the full retrospective transition approach whereby the cumulative effect of initially applying the standard has been recognised as an adjustment to opening retained earnings as at 1 October 2017 and comparative information for the 2018 reporting period has been restated.

The adoption of AASB 15 resulted in the following accounting changes:

i) Recognition of trail commission revenue: trail commission revenue previously recognised over time is now recognised at the time the Group initially distributes the underlying product to the customer where it is highly probable the revenue will not need to be reversed in future periods.

   This policy change resulted in an increase to the opening balances of Other assets of $32 million, Deferred tax liabilities of $10 million and Retained earnings of $22 million as at 1 October 2017 to recognise revenue that qualifies for upfront recognition under AASB 15 but was not previously recognised under AASB 118 *Revenue* (AASB 118). The change did not impact net profit or earnings per share in the comparative period.

ii) Presentation: Certain credit card loyalty costs and other costs will be presented as operating expenses where the Group has assessed that it is acting as principal (rather than an agent). Previously these costs were presented as a reduction in other operating income. In addition, certain incentives received from card scheme providers related to card marketing activities will be presented as Operating income where the Group has assessed that it is acting as principal (rather than an agent). Previously these incentives were presented as a reduction in Operating expenses.

The presentation of these costs under AASB 15 increased other operating income and operating expenses equally by $91 million and $62 million in the comparative periods ending 30 September 2018 and 31 March 2018 respectively. The changes did not impact net profit or earnings per share in the comparative periods.

A minor balance sheet reclassification associated with credit card loyalty programs is set out in Note 16.

ii) Basis of measurement

The financial information has been prepared in accordance with the historical cost basis except that the following assets and liabilities are stated at their fair value:

- derivative financial instruments as well as, in the case of fair value hedges, the fair value adjustment on the underlying hedged exposure;
- financial assets and liabilities held for trading;
- financial assets and liabilities designed at fair value through profit and loss;
- available-for-sale financial assets (applicable prior to 1 October 2018);
- financial assets at fair value through other comprehensive income (applicable from 1 October 2018);
- assets and liabilities held for sale (except those at carrying value as per Note 10).

In accordance with AASB 1038 *Life Insurance Contracts*, life insurance liabilities are measured using the Margin on Services model.

In accordance with AASB 119 *Employee Benefits*, defined benefit obligations are measured using the Projected Unit Credit method.

iii) Use of estimates, assumptions and judgements

The preparation of these Condensed Consolidated Financial Statements requires the use of management judgement, estimates and assumptions that affect reported amounts and the application of accounting policies. Discussion of the critical accounting estimates and judgements, which include complex or subjective decisions or assessments are provided in Note 1 of the 2019 ANZ Annual Financial Report – (when released). Such estimates and judgements are reviewed on an ongoing basis.

Investments in associates

At 30 September 2019, the impairment assessment of non-lending assets identified that two of the Group's associate investments AMMB Holdings Berhad (AmBank) and PT Bank Pan Indonesia (PT Panin) had indicators of impairment. Although their market value (based on share price) was below their carrying value, no impairment was recognised as their carrying values are supported by their value in use (VIU) calculations.

The VIU calculations are sensitive to a number of key assumptions, including discount rates, long term growth rates, future profitability and capital levels. A change in key assumptions could have an adverse impact on the recoverable amount of the investment. The key assumptions used in the VIU calculations are outlined below:

	As at 30 Sep 19	
	AmBank	**PT Panin**
Carrying value supported by VIU calculation ($m)	1,586	1,350
Post-tax discount rate	10.7%	13.3%
Terminal growth rate	4.8%	5.3%
Expected NPAT growth (compound annual growth rate - 5 years)	4.1%	6.5%
Core equity tier 1 ratio	11.9% to 12.7%	11.6%

Investment securities (comparative information shown in available-for-sale assets)

As a result of persistent illiquidity of the quoted share price of Bank of Tianjin (BoT), the Group determines the fair value based on a valuation model using comparable bank pricing multiples. Judgement is required in both the selection of the model and inputs used.

Customer remediation provision

At 30 September 2019, the Group has recognised provisions of $1,139 million (Mar 19: $698 million; Sep 18: $602 million) in respect of customer remediation which includes provisions for expected refunds to customers, remediation project costs and costs associated and related customer and regulatory claims, penalties and litigation outcomes.

Determining the amount of the provisions, which represent management's best estimate of the cost of settling the identified matters, requires the exercise of significant judgement. It will often be necessary to form a view on a number of different assumptions, including the number of impacted customers, the average refund per customer, associated remediation project costs, and the implications of regulatory exposures and customer claims having regard to their specific facts and circumstances.

Consequently, the appropriateness of the underlying assumptions is reviewed on a regular basis against actual experience and other relevant evidence including expert legal advice, and adjustments are made to the provisions where appropriate.

Assets and liabilities held for sale

When classifying assets and liabilities as held for sale, judgement is required when assessing whether it is highly probable that contracted sales will complete within 12 months after balance date, particularly when the sale is subject to third party approvals. Management regularly reviews the status of each sale transaction to ensure the classification remains appropriate.

Management is required to exercise significant judgement when assessing the fair value less costs to sell for assets and liabilities held for sale. The judgemental factors include determining: costs to sell, allocation of goodwill, indemnities provided under the sale contract and consideration received - particularly where elements of consideration are contingent in nature. Any impairment we record is based on the best available evidence of fair value compared to the carrying value before the impairment. The final sale price may be different to the fair value we estimate when recording the impairment.

Management regularly assess the appropriateness of the underlying assumptions against actual outcomes and other relevant evidence and adjustments are made to fair value where appropriate.

Useful lives of software

Management judgement is used to assess the useful life of software assets. A number of factors can influence the useful lives of software assets, including changes to business strategy, significant divestments and the pace of technological change.

The Group reassess the useful lives of software assets on a semi-annual basis. During the September 2018 full year, certain software assets in the Institutional and Australia Retail and Commercial divisions had their useful life reassessed.

iv) Rounding of amounts

The amounts contained in these Condensed Consolidated Financial Statements have been rounded to the nearest million dollars, except where otherwise indicated, as permitted by *Australian Securities and Investments Commission Corporations Instrument 2016/191*.

v) Future accounting developments

AASB 9 - General hedge accounting

AASB 9 introduces new hedge accounting requirements which more closely align accounting with risk management activities undertaken when hedging financial and non-financial risks.

AASB 9 provides the Group with an accounting policy choice to continue to apply AASB 139 *Financial Instruments: Recognition and Measurement* (AASB 139) hedge accounting requirements until the International Accounting Standards Board's ongoing project on macro hedge accounting is completed. The Group currently applies the hedge accounting requirements of AASB 139.

AASB 16 *Leases* (AASB 16)

AASB 16 is effective for the Group from 1 October 2019 and replaces the previous standard AASB 117 *Leases* (AASB 117). AASB 16 primarily impacts the Group's property and technology leases which were previously classified as operating leases. Under AASB 117, operating leases were not recognised on balance sheet and rent payments were expensed over the lease term.

Under AASB 16, lessees must recognise all leases (except for leases of low value assets and short term leases) on balance sheet under a single accounting model. Accordingly, the Group will recognise its right to use an underlying leased asset over the lease term as a right-of-use (ROU) asset, and its obligation to make lease payments as a lease liability. In the income statement, the Group will recognise depreciation expense on the ROU asset and interest expense on the lease liability. As a result, lease expenses will be higher in the early periods of a lease and lower in the later periods of the lease compared to the previous standard where expenses were constant over the lease term. Cumulative expenses over the life of a lease will not change.

The Group will apply the modified retrospective transition approach whereby initial lease liabilities are recognised based on the present value of remaining lease payments as of the transition date. The initial ROU asset recognised for certain large commercial and retail leases will be measured as if AASB 16 had always been applied to the leases. For all other leases, the initial ROU asset will be measured as equal to the initial lease liability. Based on this transition approach, the Group expects to recognise an increase in liabilities of $1.7 billion and an increase in assets of $1.6 billion. This is expected to result in a reduction to opening retained earnings of $82 million and an increase in deferred tax assets of $43 million as of 1 October 2019. Comparative information from prior periods will not be restated.

The implementation of AASB 16 requires management to make certain key judgements including the determination of lease terms, discount rates and identifying arrangements that contain a lease. These estimates may be refined as the Group finalises its implementation of the standard in the first half of the 2020 financial year.

Interest Rate Benchmark Reform

Interbank offered rates (IBORs), such as LIBOR, are a key reference rate for derivatives, loans and securities for global financial markets. In response to concerns about the transparency and liquidity of IBOR rates, regulators in a number of jurisdictions across the globe are well advanced in developing benchmark rates to phase out and replace IBORs, these projects are collectively known as 'IBOR Reform'. The International Accounting Standards Board (IASB) is also considering the financial reporting implications of IBOR reform which is expected to impact elements of financial instrument accounting, including hedge accounting, loan modifications, fair value methodologies and disclosures.

The IASB project is split into two phases: Phase 1 deals with pre-replacement issues (issues affecting financial reporting in the period before the replacement of IBOR's); and Phase 2 deals with replacement issues (issues affecting financial reporting when existing IBOR's are replaced).

In September 2019, the IASB issued a final standard, Interest Rate Benchmark Reform—Amendments to IFRS 9, IAS 39 and IFRS 7 which focuses on 'pre-rate replacement issues' and provides exceptions to specific hedge accounting requirements under IAS 39 and IFRS 9 so that entities will be able to apply those hedge accounting requirements under an assumption that the interest rate benchmark is not altered as a result of the interest rate benchmark reform. In October 2019, AASB adopted these amendments in AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform.*

Although the Group anticipates the new standard, once adopted, will provide certain relief in relation to hedge accounting requirements, for 30 September 2019 reporting purposes, it has considered the existing portfolio of hedge accounted relationships in light of:

- the significant uncertainty surrounding the method and timing of transition away from IBORs; and
- ongoing application and reliance in capital markets on IBOR's for financial instrument pricing.

As result of the above factors, the Group has concluded that continuation of hedge accounting relationships for potentially impacted hedge relationship remains appropriate.

The Group is considering the new standard which is effective on 1 October 2020 but may be adopted earlier.

2. Income

	Half Year			Full Year[1]		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Interest income	**15,107**	15,970	-5%	**31,077**	30,327	2%
Interest expense	**(7,882)**	(8,493)	-7%	**(16,375)**	(15,458)	6%
Major bank levy	**(185)**	(178)	4%	**(363)**	(355)	2%
Net interest income	**7,040**	7,299	-4%	**14,339**	14,514	-1%
Other operating income						
i) Fee and commission income						
Lending fees[2]	**299**	303	-1%	**602**	652	-8%
Non-lending fees	**1,552**	1,507	3%	**3,059**	3,054	0%
Commissions	**76**	48	58%	**124**	92	35%
Funds management income	**126**	128	-2%	**254**	248	2%
Fee and commission income	**2,053**	1,986	3%	**4,039**	4,046	0%
Fee and commission expense	**(741)**	(721)	3%	**(1,462)**	(1,336)	9%
Net fee and commission income	**1,312**	1,265	4%	**2,577**	2,710	-5%
ii) Other income						
Net foreign exchange earnings and other financial instruments income[3]	**898**	380	large	**1,278**	1,666	-23%
Sale of Asia Retail and Wealth businesses	**-**	-	n/a	**-**	99	-100%
Sale of SRCB	**-**	-	n/a	**-**	233	-100%
Sale of MCC	**-**	-	n/a	**-**	240	-100%
Sale of Cambodia JV	**10**	-	n/a	**10**	(42)	large
Sale of PNG Retail, Commercial & SME	**1**	-	n/a	**1**	(19)	large
Sale of OPL NZ	**7**	82	-91%	**89**	(3)	large
Sale of Paymark	**-**	37	-100%	**37**	-	n/a
Dividend income on equity securities	**28**	-	n/a	**28**	39	-28%
Other	**16**	22	-27%	**38**	91	-58%
Other income	**960**	521	84%	**1,481**	2,304	-36%
Other operating income	**2,272**	1,786	27%	**4,058**	5,014	-19%
iii) Net income from insurance business	**49**	77	-36%	**126**	273	-54%
iv) Share of associates' profit	**131**	131	0%	**262**	183	43%
Operating income[4]	**9,492**	9,293	2%	**18,785**	19,984	-6%

1. *On adoption of AASB 15, the Group reclassified certain items previously netted which are now presented gross in operating income and operating expenses. Comparative information has been restated accordingly which increased total operating income by $153 million for the September 2018 full year.*
2. *Lending fees exclude fees treated as part of the effective yield calculation in interest income.*
3. *Includes fair value movements (excluding realised and accrued interest) on derivatives not designated as accounting hedges entered into to manage interest rate and foreign exchange risk on funding instruments, ineffective portions of cash flow hedges, and fair value movements in financial assets and liabilities designated at fair value through profit and loss.*
4. *Includes charges associated with customer remediation of $148 million for the September 2019 half (Mar 19 half: $64 million; Sep 18 full year: $228 million).*

3. Operating expenses

	Half Year			Full Year[1]		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
i) Personnel						
Salaries and related costs[2]	**2,122**	2,127	0%	**4,249**	4,225	1%
Superannuation costs	**147**	146	1%	**293**	290	1%
Other[2]	**126**	97	30%	**223**	243	-8%
Personnel	**2,395**	2,370	1%	**4,765**	4,758	0%
ii) Premises						
Rent	**218**	232	-6%	**450**	468	-4%
Other	**171**	174	-2%	**345**	343	1%
Premises	**389**	406	-4%	**795**	811	-2%
iii) Technology						
Depreciation and amortisation[3]	**357**	337	6%	**694**	990	-30%
Licences and outsourced services	**339**	333	2%	**672**	675	0%
Other	**74**	94	-21%	**168**	234	-28%
Technology (excluding personnel)	**770**	764	1%	**1,534**	1,899	-19%
iv) Restructuring	**26**	51	-49%	**77**	227	-66%
v) Other						
Advertising and public relations	**129**	97	33%	**226**	248	-9%
Professional fees[2]	**308**	229	34%	**537**	530	1%
Freight, stationery, postage and communication	**109**	107	2%	**216**	223	-3%
Royal Commission legal costs	**2**	13	-85%	**15**	55	-73%
Other[2]	**578**	328	76%	**906**	650	39%
Other	**1,126**	774	45%	**1,900**	1,706	11%
Operating expenses[2]	**4,706**	4,365	8%	**9,071**	9,401	-4%

1. *On adoption of AASB 15, the Group reclassified certain items previously netted which are now presented gross in operating income and operating expenses. Comparative information has been restated accordingly which increased total operating expense by $153 million for the September 2018 full year.*
2. *Includes customer remediation expenses of $337 million for the September 2019 half (Mar 19 half: $36 million; Sep 18 full year: $191 million).*
3. *The September 2018 full year includes an accelerated amortisation expense of $251 million.*

4. Income tax expense

Reconciliation of the prima facie income tax expense on pre-tax profit with the income tax expense recognised in the profit and loss.

	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Profit before income tax from continuing operations	**4,384**	4,536	-3%	**8,920**	9,895	-10%
Prima facie income tax expense at 30%	**1,315**	1,361	-3%	**2,676**	2,969	-10%
Tax effect of permanent differences:						
Gains or losses on sale from divestments	**(5)**	(20)	-75%	**(25)**	(141)	-82%
Share of associates' profit	**(39)**	(39)	0%	**(78)**	(55)	42%
Interest on convertible instruments	**30**	33	-9%	**63**	67	-6%
Overseas tax rate differential	**(48)**	(64)	-25%	**(112)**	(58)	93%
Provision for foreign tax on dividend repatriation	**30**	9	large	**39**	32	22%
Tax provisions no longer required	**(8)**	(6)	33%	**(14)**	(41)	-66%
Other	**71**	6	large	**77**	8	large
Subtotal	**1,346**	1,280	5%	**2,626**	2,781	-6%
Income tax (over)/under provided in previous years	**(21)**	4	large	**(17)**	3	large
Income tax expense	**1,325**	1,284	3%	**2,609**	2,784	-6%
Australia	**867**	815	6%	**1,682**	1,799	-7%
Overseas	**458**	469	-2%	**927**	985	-6%
Income tax expense	**1,325**	1,284	3%	**2,609**	2,784	-6%
Effective tax rate	**30.2%**	28.3%		**29.2%**	28.1%	

5. Dividends

Dividend per ordinary share (cents)	Half Year			Full Year		
	Sep 19	Mar 19	Movt	Sep 19	Sep 18	Movt
Interim (fully franked)[1,2]	**-**	80	n/a	**80**	80	0%
Final						
- fully franked[1,2]	**-**	-	n/a	**-**	80	n/a
- partially franked [2,3,4]	**80**	-	n/a	**80**	-	n/a
Total	**80**	80	0%	**160**	160	0%
Ordinary share dividend ($M)[5]						
Interim dividend	**2,267**	-	n/a	**2,267**	2,317	-2%
Final dividend	**-**	2,295	n/a	**2,295**	2,350	-2%
Bonus option plan adjustment	**(40)**	(41)	-2%	**(81)**	(82)	-1%
Total	**2,227**	2,254	-1%	**4,481**	4,585	-2%
Ordinary share dividend payout ratio (%)[6]	**81.6%**	71.4%		**76.2%**	72.1%	

1. *Fully franked for Australian tax purposes (30% tax rate).*
2. *Carry New Zealand imputation credits of NZD 9 cents per ordinary share for the proposed 2019 final dividend (2019 interim dividend: NZD 9 cents; 2018 final dividend: NZD 10 cents; 2018 interim dividend: NZD 9 cents).*
3. *Partially franked at 70% for Australian tax purposes (30% tax rate).*
4. *Final dividend for 2019 is proposed.*
5. *Dividends paid to ordinary equity holders of the Company. Excludes dividends paid by subsidiaries of the Group to non-controlling equity holders (Sep 19 half: $1.6 million Mar 19 half: nil, Sep 18 full year: $1.6 million).*
6. *Dividend payout ratio is calculated using the proposed 2019 final dividend of $2,268 million (not shown in the above table). The proposed 2019 final dividend of $2,268 million is based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the March 2019 half and the September 2018 full year were calculated using actual dividend paid of $2,267 million and $4,612 million respectively.*

Ordinary Shares

The Directors propose that a final dividend of 80 cents be paid on each eligible fully paid ANZ ordinary share on 18 December 2019. The proposed 2019 final dividend will be partially franked at 70% for Australian tax purposes. New Zealand imputation credits of NZD 9 cents per ordinary share will also be attached.

ANZ has a Dividend Reinvestment Plan (DRP) and a Bonus Option Plan (BOP) that will operate in respect of the proposed 2019 final dividend.

6. Earnings per share

	Half Year			Full Year		
	Sep 19	Mar 19	Movt	Sep 19	Sep 18	Movt
Earnings Per Share (EPS) - Basic						
Earnings Per Share (cents)	**98.3**	111.7	-12%	**210.0**	221.6	-5%
Earnings Per Share (cents) from continuing operations[1]	**107.9**	114.1	-5%	**222.1**	245.6	-10%
Earnings Per Share (cents) from discontinued operations	**(9.6)**	(2.4)	large	**(12.1)**	(24.0)	-50%
Earnings Per Share (EPS) - Diluted						
Earnings Per Share (cents)	**94.7**	106.4	-11%	**201.9**	212.1	-5%
Earnings Per Share (cents) from continuing operations[1]	**103.6**	108.7	-5%	**213.0**	234.2	-9%
Earnings Per Share (cents) from discontinued operations	**(8.9)**	(2.3)	large	**(11.1)**	(22.1)	-50%

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period (after eliminating ANZ shares held within the Group known as treasury shares). Diluted EPS is calculated by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares used in the basic EPS calculation for the effect of dilutive potential ordinary shares.

	Sep 19	Mar 19	Movt	Sep 19	Sep 18	Movt
Reconciliation of earnings used in earnings per share calculations						
Basic:						
Profit for the period ($M)	**2,786**	3,182	-12%	**5,968**	6,416	-7%
Less: Profit attributable to non-controlling interests ($M)	**6**	9	-33%	**15**	16	-6%
Earnings used in calculating basic earnings per share ($M)	**2,780**	3,173	-12%	**5,953**	6,400	-7%
Less: Profit/(Loss) after tax from discontinued operations ($M)	**(273)**	(70)	large	**(343)**	(695)	-51%
Earnings used in calculating basic earnings per share from continuing operations ($M)	**3,053**	3,243	-6%	**6,296**	7,095	-11%
Diluted:						
Earnings used in calculating basic earnings per share ($M)	**2,780**	3,173	-12%	**5,953**	6,400	-7%
Add: Interest on convertible subordinated debt ($M)	**131**	137	-4%	**268**	279	-4%
Earnings used in calculating diluted earnings per share ($M)	**2,911**	3,310	-12%	**6,221**	6,679	-7%
Less: Profit/(Loss) after tax from discontinued operations ($M)	**(273)**	(70)	large	**(343)**	(695)	-51%
Earnings used in calculating diluted earnings per share from continuing operations ($M)	**3,184**	3,380	-6%	**6,564**	7,374	-11%
Reconciliation of weighted average number of ordinary shares (WANOS) used in earnings per share calculations[1,2]						
WANOS used in calculating basic earnings per share (M)	**2,828.4**	2,841.3	0%	**2,834.9**	2,888.3	-2%
Add: Weighted average dilutive potential ordinary shares (M)						
Convertible subordinated debt (M)	**237.9**	260.5	-9%	**237.9**	249.0	-4%
Share based payments (options, rights and deferred shares) (M)	**8.3**	8.4	-1%	**8.8**	11.4	-23%
WANOS used in calculating diluted earnings per share (M)	**3,074.6**	3,110.2	-1%	**3,081.6**	3,148.7	-2%

1. *The successor fund transfer performed in preparation for the sales of the Group's wealth businesses to Zurich and IOOF was completed on 13 April 2019. Post this date, treasury shares held in Wealth Australia discontinued operations ceased to be eliminated in the Group's consolidated financial statements and are included in the denominator used in calculating earnings per share. If the weighted average number of treasury shares held in Wealth Australia discontinued operations was included in the denominator used in calculating earnings per share from continuing operations, basic earnings per share from continuing operations for the September 2019 half would have been 107.9 cents (Mar 19 half: 113.5 cents; Sep 19 full year: 221.4 cents; Sep 18 full year: 244.4 cents) and diluted earnings per share from continuing operations for the September 2019 half would have been 103.5 cents (Mar 19 half: 108.1 cents; Sep 19 full year: 212.4 cents; Sep 18 full year: 233.1 cents).*
2. *Weighted average number of ordinary shares excludes the weighted average number of treasury shares held in ANZEST and Wealth Australia discontinued operations as summarised in the table below:*

	Sep 19 half (Million)	*Mar 19 half (Million)*	*Sep 19 full year (Million)*	*Sep 18 full year (Million)*
ANZEST Pty Ltd	*4.6*	*4.9*	*4.7*	*5.9*
Wealth Australia discontinued operations	*0.9*	*15.6*	*8.2*	*15.0*
Total treasury shares	***5.5***	***20.5***	***12.9***	***20.9***

7. Net loans and advances

	As at			Movement	
	Sep 19 $M	**Mar 19 $M**	**Sep 18 $M**	**Sep 19 v. Mar 19**	**Sep 19 v. Sep 18**
Australia					
Overdrafts	**5,867**	5,832	5,741	1%	2%
Credit cards outstanding	**7,781**	8,168	8,372	-5%	-7%
Commercial bills outstanding	**6,159**	6,441	6,861	-4%	-10%
Term loans - housing	**264,786**	268,766	271,554	-1%	-2%
Term loans - non-housing	**145,538**	132,733	134,503	10%	8%
Lease receivables	**929**	966	1,059	-4%	-12%
Hire purchase contracts	**535**	561	548	-5%	-2%
Total Australia	**431,595**	423,467	428,638	2%	1%
Asia, Pacific, Europe & America					
Overdrafts	**541**	611	491	-11%	10%
Credit cards outstanding	**7**	12	12	-42%	-42%
Term loans - housing	**504**	770	767	-35%	-34%
Term loans - non-housing	**61,491**	61,405	59,446	0%	3%
Lease receivables	**274**	305	180	-10%	52%
Other	**19**	13	14	46%	36%
Total Asia, Pacific, Europe & America	**62,836**	63,116	60,910	0%	3%
New Zealand					
Overdrafts	**859**	1,040	829	-17%	4%
Credit cards outstanding	**1,453**	1,552	1,506	-6%	-4%
Term loans - housing	**78,518**	79,410	73,833	-1%	6%
Term loans - non-housing	**41,308**	42,930	40,456	-4%	2%
Lease receivables	**146**	162	168	-10%	-13%
Hire purchase contracts	**1,580**	1,592	1,473	-1%	7%
Total New Zealand	**123,864**	126,686	118,265	-2%	5%
Sub-total	**618,295**	613,269	607,813	1%	2%
Unearned income	**(398)**	(446)	(430)	-11%	-7%
Capitalised brokerage/mortgage origination fees[1]	**870**	947	997	-8%	-13%
Gross loans and advances (including assets reclassified as held for sale)	**618,767**	613,770	608,380	1%	2%
Allowance for expected credit losses (refer to Note 8)[2,3]	**(3,509)**	(3,601)	(2,917)	-3%	20%
Net loans and advances (including assets reclassified as held for sale)	**615,258**	610,169	605,463	1%	2%
Net loans and advances held for sale (refer to Note 10)	**-**	(888)	(999)	-100%	-100%
Net loans and advances	**615,258**	609,281	604,464	1%	2%

1. *Capitalised brokerage/mortgage origination fees are amortised over the expected life of the loan.*
2. *On adoption of AASB 9 on 1 October 2018, the Group increased the collectively assessed provision by $647 million. Comparative information has not been restated. Refer to Note 16 for further details.*
3. *$500 million of collectively assessed provisions and $26 million of individually assessed provision for credit impairment attributable to off-balance sheet credit related commitments at 30 September 2018 were reclassified from Net loans and advances at amortised cost to Other provisions to enhance comparability with current period presentation.*

8. Allowance for expected credit losses

As described in Note 1, the Group adopted AASB 9 effective from 1 October 2018 which resulted in the application of an expected credit loss (ECL) model for measuring impairment of financial assets and amendments to the presentation of credit impairment information for the March and September 2019 halves. 2018 full year information has not been restated.

The following tables present the movement in the allowance for ECL (including allowance for ECL on financial assets held for sale) for the March and September 2019 halves.

Net loans and advances - at amortised cost

Allowance for ECL is included in Net loans and advances.

			Stage 3		
	Stage 1 $M	Stage 2 $M	Collectively assessed $M	Individually assessed $M	Total $M
As at 1 October 2018	920	1,391	359	894	**3,564**
Transfer between stages	133	(228)	(53)	148	**-**
New and increased provisions (net of releases)	(124)	244	74	475	**669**
Write-backs	-	-	-	(152)	**(152)**
Bad debts written off (excluding recoveries)	-	-	-	(498)	**(498)**
Foreign currency translation and other movements	11	8	1	(2)	**18**
As at 31 March 2019	**940**	**1,415**	**381**	**865**	**3,601**
Transfer between stages	160	(253)	(87)	180	**-**
New and increased provisions (net of releases)	(172)	221	122	569	**740**
Write-backs	-	-	-	(230)	**(230)**
Bad debts written off (excluding recoveries)	-	-	-	(578)	**(578)**
Foreign currency translation and other movements	(1)	(5)	(3)	(15)	**(24)**
As at 30 September 2019	**927**	**1,378**	**413**	**791**	**3,509**

Investment securities - debt securities at amortised cost

Allowance for ECL is included in Investment securities.

			Stage 3		
	Stage 1 $M	Stage 2 $M	Collectively assessed $M	Individually assessed $M	Total $M
As at 1 October 2018	9	2	-	-	11
Transfer between stages	-	-	-	-	-
New and increased provisions (net of releases)	2	(1)	-	-	1
Write-backs	-	-	-	-	-
Bad debts written off (excluding recoveries)	-	-	-	-	-
Foreign currency translation and other movements	-	-	-	-	-
As at 31 March 2019	**11**	**1**	**-**	**-**	**12**
Transfer between stages	-	-	-	-	-
New and increased provisions (net of releases)	-	-	-	-	-
Write-backs	-	-	-	-	-
Bad debts written off (excluding recoveries)	-	-	-	-	-
Foreign currency translation and other movements	1	-	-	-	1
As at 30 September 2019	**12**	**1**	**-**	**-**	**13**

Investment securities - debt securities at FVOCI

For FVOCI assets, the allowance for ECL does not alter the carrying amount which remains at fair value. Instead, the allowance for ECL is recognised in Other Comprehensive Income (OCI) with a corresponding charge to profit or loss.

			Stage 3		
	Stage 1 $M	Stage 2 $M	Collectively assessed $M	Individually assessed $M	Total $M
As at 1 October 2018	14	-	-	-	14
Transfer between stages	-	-	-	-	-
New and increased provisions (net of releases)	(3)	-	-	-	(3)
Write-backs	-	-	-	-	-
Bad debts written off (excluding recoveries)	-	-	-	-	-
Foreign currency translation and other movements	-	-	-	-	-
As at 31 March 2019	**11**	**-**	**-**	**-**	**11**
Transfer between stages	-	-	-	-	-
New and increased provisions (net of releases)	1	-	-	-	1
Write-backs	-	-	-	-	-
Bad debts written off (excluding recoveries)	-	-	-	-	-
Foreign currency translation and other movements	(4)	-	-	-	(4)
As at 30 September 2019	**8**	**-**	**-**	**-**	**8**

Off-balance sheet commitments - undrawn and contingent facilities

Allowance for ECL is included in Provisions.

			Stage 3		
	Stage 1 $M	Stage 2 $M	Collectively assessed $M	Individually assessed $M	Total $M
As at 1 October 2018	474	166	15	26	**681**
Transfer between stages	19	(19)	-	-	**-**
New and increased provisions (net of releases)	(34)	3	(1)	1	**(31)**
Write-backs	-	-	-	-	**-**
Bad debts written off (excluding recoveries)	-	-	-	-	**-**
Foreign currency translation and other movements	5	2	-	(1)	6
As at 31 March 2019	**464**	**152**	**14**	**26**	**656**
Transfer between stages	18	(20)	1	1	**-**
New and increased provisions (net of releases)	(12)	19	6	-	**13**
Write-backs	-	-	-	(3)	**(3)**
Bad debts written off (excluding recoveries)	-	-	-	-	**-**
Foreign currency translation and other movements	3	-	-	(1)	**2**
As at 30 September 2019	**473**	**151**	**21**	**23**	**668**

8. Allowance for expected credit losses, cont'd

2018 Provision for credit impairment disclosures under AASB 139

The below disclosure does not reflect the adoption of AASB 9 and are prepared under the requirements of the previous AASB 139.

	Full Year
	Sep 18 $M
Individually assessed provision	
Balance at start of period	1,136
New and increased provisions	1,444
Write-backs	(425)
Adjustment for foreign currency translation movements and transfers	6
Discount unwind	(17)
Bad debts written-off	(1,224)
Total individually assessed provision	920
Unfunded portion reclassified to provisions[1]	(26)
Total individually assessed provision	894
Collectively assessed provision	
Balance at start of period	2,662
Charge/(release) to Income Statement	(85)
Adjustment for foreign currency translation movements and transfers	25
Asia Retail and Wealth businesses divestment	(79)
Total collectively assessed provision	2,523
Unfunded portion reclassified to provisions[1]	(500)
Total collectively assessed provision	2,023
Total provision for credit impairment	2,917

1. *$500 million of collectively assessed and $26 million of individually assessed provision for credit impairment attributable to off-balance sheet credit related commitments at 30 September 2018 were reclassified from Net loans and advances at amortised cost to Other provisions to enhance comparability with current period presentation.*

Credit impairment charge/(release) analysis under AASB 9	Half Year			Full Year
	Sep 19 $M	Mar 19 $M	Sep 19 v. Mar 19	Sep 19 $M
New and increased provisions (net of releases)[1]				
- Collectively assessed	4	12	-67%	16
- Individually assessed	750	624	20%	1,374
Write-backs	(233)	(152)	53%	(385)
Recoveries of amounts previously written off	(119)	(93)	28%	(212)
Total credit impairment charge	402	391	3%	793
Less: credit impairment charge/(release) from discontinued operations	-	(1)	-100%	(1)
Total credit impairment charge from continuing operations	**402**	**392**	3%	**794**

1. *Includes the impact of transfers between collectively assessed and individually assessed.*

2018 Credit impairment charge/(release) analysis under AASB 139

The below disclosures do not reflect the adoption of AASB 9 and are prepared under the requirements of the previous AASB 139.

	Full Year
	Sep 18 $M
New and increased individual provisions	1,444
Write-backs	(425)
Recoveries of amounts previously written off	(246)
Individually assessed credit impairment charge	773
Collectively assessed credit impairment charge/(release)	(85)
Credit impairment charge	688

9. Deposits and other borrowings

	As at			Movement	
	Sep 19 $M	Mar 19 $M	Sep 18 $M	Sep 19 v. Mar 19	Sep 19 v. Sep 18
Australia					
Certificates of deposit	**32,953**	39,481	39,671	-17%	-17%
Term deposits	**74,560**	77,714	75,551	-4%	-1%
On demand and short term deposits	**196,261**	180,863	189,287	9%	4%
Deposits not bearing interest	**12,765**	12,202	11,931	5%	7%
Deposits from banks and securities sold under repurchase agreements	**43,447**	49,964	41,480	-13%	5%
Commercial paper	**9,413**	12,530	14,742	-25%	-36%
Total Australia	**369,399**	372,754	372,662	-1%	-1%
Asia, Pacific, Europe & America					
Certificates of deposit	**2,318**	3,215	2,242	-28%	3%
Term deposits	**101,586**	94,396	92,145	8%	10%
On demand and short term deposits	**20,787**	19,930	18,056	4%	15%
Deposits not bearing interest	**4,648**	5,234	4,993	-11%	-7%
Deposits from banks and securities sold under repurchase agreements	**33,891**	34,705	30,738	-2%	10%
Total Asia, Pacific, Europe & America	**163,230**	157,480	148,174	4%	10%
New Zealand					
Certificates of deposit	**1,375**	874	833	57%	65%
Term deposits	**50,941**	50,890	46,986	0%	8%
On demand and short term deposits	**39,216**	41,011	38,106	-4%	3%
Deposits not bearing interest	**10,929**	10,383	9,365	5%	17%
Deposits from banks and securities sold under repurchase agreements	**188**	245	473	-23%	-60%
Commercial paper and other borrowings	**2,399**	2,896	3,130	-17%	-23%
Total New Zealand	**105,048**	106,299	98,893	-1%	6%
Total deposits and other borrowings (including liabilities reclassified as held for sale)	**637,677**	636,533	619,729	0%	3%
Deposits and other borrowings held for sale (refer to Note 10)	**-**	(1,544)	(1,579)	-100%	-100%
Total deposits and other borrowings	**637,677**	634,989	618,150	0%	3%

10. Discontinued operations and assets and liabilities held for sale

i) Discontinued operations

On 17 October 2017, the Group announced it had agreed to sell its OnePath P&I business and ADGs businesses to IOOF. The sale of the ADGs business completed on 1 October 2018. On 17 October 2019, the Group announced it had agreed a revised sale price for its OnePath P&I business and ADGs to IOOF of $850 million, being a $125 million reduction from the original sale price of $975 million announced in October 2017. The new price of $850 million includes approximately $25 million that ANZ has already received for the sale of ADGs in October 2018. The revised terms reflect changing market conditions and include lower overall warranty caps as well as some changes to the strategic alliance arrangements. Subject to APRA approval, the Group expects the transaction to complete in the first quarter of calendar year 2020. The impact of the reduction in price has been reflected in the 2019 financial results.

On 12 December 2017, ANZ announced that it had agreed to the sale of its life insurance business to Zurich Financial Services Australia (Zurich) and regulatory approval was obtained on 10 October 2018. The transaction was completed on 31 May 2019.

As a result of the sale transactions outlined above, the financial results of the businesses being divested and associated Group reclassification and consolidation impacts are treated as discontinued operations from a reporting perspective.

Details of the financial performance and cash flows of discontinued operations are shown below.

Income Statement

	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Net interest income	**(19)**	(57)	-67%	**(76)**	-	n/a
Other operating income[1]	**46**	199	-77%	**245**	81	large
Operating income	**27**	142	-81%	**169**	81	large
Operating expenses[1]	**(228)**	(221)	3%	**(449)**	(544)	-17%
Profit/(Loss) before credit impairment and income tax	**(201)**	(79)	large	**(280)**	(463)	-40%
Credit impairment (charge)/release	**-**	1	-100%	**1**	-	n/a
Profit/(Loss) before income tax	**(201)**	(78)	large	**(279)**	(463)	-40%
Income tax expense [1]	**(72)**	8	large	**(64)**	(232)	-72%
Profit/(Loss) for the period attributable to shareholders of the Company[1,2]	**(273)**	(70)	large	**(343)**	(695)	-51%

1. *Includes customer remediation of $154 million post-tax recognised in the September 2019 half (Mar 19 half: $53 million; Sep 18 full year: $127 million) comprising $106 million of customer remediation recognised in other operating income (Mar 19 half: $55 million; Sep 18 full year: $106 million), $60 million of customer remediation recognised in operating expenses (Mar 19 half: $20 million; Sep 18 full year: $75 million), and a $12 million income tax benefit (Mar 19 half: $22 million; Sep 18 full year: $54 million).*
2. *Includes the results of the life insurance business up to the sale completion in May 2019.*

Cash Flow Statement

	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Net cash provided by/(used in) operating activities	**37**	(589)	large	**(552)**	2,989	large
Net cash provided by/(used in) investing activities	**34**	803	-96%	**837**	(2,444)	large
Net cash provided by/(used in) financing activities	**(71)**	(219)	-68%	**(290)**	(575)	-50%
Net increase/(decrease) in cash and cash equivalents	**-**	(5)	-100%	**(5)**	(30)	-83%

ii) Assets and liabilities held for sale

At 30 September 2019, assets and liabilities held for sale were re-measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement and continue to be recognised at their carrying value upon reclassification to held for sale.

In addition to the assets and liabilities associated with the Group's discontinued operations, assets and liabilities held for sale in the prior periods contain the assets and liabilities of other assets or disposal groups, subject to sale, which do not meet the criteria to classify as a discontinued operation under the accounting standards.

Assets and liabilities held for sale[1]

	As at 30 September 2019		As at 31 March 2019				As at 30 September 2018				
	Discontinued operations $M	Total $M	Discontinued operations $M	Cambodia JV $M	PNG Retail, Commercial & SME $M	Total $M	Discontinued operations $M	Cambodia JV $M	OPL NZ $M	PNG Retail, Commercial & SME $M	Total $M
Cash and cash equivalents	-	**-**	-	267	-	**267**	5	323	-	-	**328**
Trading securities[2]	919	**919**	-	-	-	**-**	-	-	-	-	**-**
Derivative financial instruments	-	**-**	-	1	-	**1**	-	3	-	-	**3**
Available-for-sale assets	-	**-**	-	-	-	**-**	1,079	-	-	-	**1,079**
Investment securities	-	**-**	1,167	-	-	**1,167**	-	-	-	-	**-**
Net loans and advances	-	**-**	43	700	145	**888**	46	806	-	147	**999**
Regulatory deposits	-	**-**	-	145	-	**145**	-	146	-	-	**146**
Investments in associates	-	**-**	-	-	-	**-**	1	1	-	-	**2**
Deferred tax assets	16	**16**	97	2	-	**99**	102	2	-	-	**104**
Goodwill and other intangible assets	394	**394**	1,138	-	-	**1,138**	1,155	-	93	-	**1,248**
Investments backing policy liabilities[2]	-	**-**	39,191	-	-	**39,191**	40,054	-	-	-	**40,054**
Premises and equipment	1	**1**	2	5	6	**13**	4	6	-	6	**16**
Other assets	501	**501**	590	50	-	**640**	450	92	727	-	**1,269**
Total assets held for sale	1,831	**1,831**	**42,228**	**1,170**	**151**	**43,549**	**42,896**	**1,379**	**820**	**153**	**45,248**
Deposits and other borrowings	-	**-**	-	1,064	480	**1,544**	-	1,067	-	512	**1,579**
Derivative financial instruments	-	**-**	-	-	-	**-**	-	1	-	-	**1**
Current tax liabilities	3	**3**	(192)	4	-	**(188)**	(33)	8	15	-	**(10)**
Deferred tax liabilities	105	**105**	338	1	-	**339**	160	1	160	-	**321**
Policy liabilities	-	**-**	38,787	-	-	**38,787**	39,607	-	-	-	**39,607**
External unit holder liabilities	-	**-**	4,590	-	-	**4,590**	4,712	-	-	-	**4,712**
Payables and other liabilities	1,914	**1,914**	1,349	53	-	**1,402**	644	98	130	-	**872**
Provisions	99	**99**	35	42	4	**81**	28	43	-	6	**77**
Total liabilities held for sale	2,121	**2,121**	**44,907**	**1,164**	**484**	**46,555**	**45,118**	**1,218**	**305**	**518**	**47,159**

1. *Amounts in the table above are shown net of intercompany balances.*
2. *The successor fund transfer performed in preparation for the sale of the Group's wealth business to Zurich and IOOF completed on 13 April 2019. As a result, OnePath P&I assets previously held as Investments backing policy liabilities are now shown as Trading securities.*

10. Discontinued operations and assets and liabilities held for sale, cont'd

Other strategic divestments not classified as discontinued operations but have been presented as held for sale include:

- **ANZ Royal Bank (Cambodia) Ltd (Cambodia JV) – Institutional division**

  On 17 May 2018, the Group announced it had reached an agreement to sell its 55% stake in Cambodia JV ANZ Royal Bank to J Trust, a Japanese diversified financial holding company listed on the Tokyo Stock Exchange. The transaction was completed on 19 August 2019.

- **OnePath Life (NZ) Ltd (OPL NZ) – New Zealand division**

  On 30 May 2018, the Group announced that it had agreed to sell OPL NZ to Cigna Corporation and the final regulatory approval was obtained on 29 October 2018. The transaction was completed on 30 November 2018.

- **Papua New Guinea Retail, Commercial and Small-Medium Sized Enterprise businesses (PNG Retail, Commercial & SME) – Institutional division**

  On 25 June 2018, the Group announced it had entered into an agreement to sell its Retail, Commercial and Small-Medium Sized Enterprise (SME) banking businesses in Papua New Guinea to Kina Bank. The transaction was completed on 23 September 2019.

Income Statement impact relating to assets and liabilities held for sale

During the September 2019 half, the Group recognised the following impacts in relation to assets and liabilities held for sale:

- $65 million loss after tax on discontinued operations, comprising a net loss of $1 million from sale related adjustments and write-downs, partially offset by the recycling of gains previously deferred in equity reserves on sale completion, and a $64 million income tax expense. This loss was recognised in discontinued operations.
- $10 million gain after tax relating to the sale of Cambodia JV, comprising a $30 million release from the foreign currency translation reserve, a $17 million dividend withholding tax associated with the sale completion and $3 million of asset write-offs. This gain was recognised in continuing operations.
- $7 million provision release relating to the sale completion of OPL NZ. This gain was recognised in continuing operations.
- $1 million gain after tax relating to the sale of PNG Retail, Commercial and SME, net of costs associated with the sale. This gain was recognised in continuing operations.

During the March 2019 half, the Group recognised the following impacts in relation to assets and liabilities held for sale:

- $69 million gain after tax relating to the sale of the OPL NZ business, comprising a $56 million gain on sale, a $26 million release from the foreign currency translation reserve and a $13 million income tax expense. The gain was recognised in continuing operations.
- $37 million gain after tax relating to the sale of the Paymark. The gain was recognised in continuing operations.

During the September 2018 full year, the Group recognised the following impacts in relation to assets and liabilities held for sale:

- $632 million loss after tax recognised on the reclassification of the Wealth Australia discontinued operations businesses to held for sale. This loss was recognised in discontinued operations.
- $85 million gain after tax comprising $99 million relating to the sale of the remaining Asia Retail and Wealth businesses, net of costs associated with the sale and a $14 million tax expense. This gain was recognised in continuing operations.
- $247 million gain after tax relating to SRCB comprising a $289 million gain on release of reserves, $56 million of foreign exchange losses and other costs, and a $14 million tax benefit. This gain was recognised in continuing operations.
- $18 million gain after tax relating to UDC comprising a cost recovery in respect of the terminated transaction process. This gain was recognised in continuing operations.
- $247 million gain after tax relating to MCC comprising a $259 million gain on sale of its 40% stake, $13 million of foreign exchange losses, $6 million loss on release of reserves, and a $7 million tax benefit. This gain was recognised in continuing operations.
- $42 million loss after tax relating to the reclassification of the Cambodia JV to held for sale, comprising a $27 million impairment and $15 million of costs associated with the sale. The loss was recognised in continuing operations.
- $3 million loss after tax relating to OPL NZ transaction costs. The loss was recognised in continuing operations.
- $21 million loss after tax relating to the reclassification of the PNG Retail, Commercial and SME businesses to held for sale, comprising a $12 million impairment of goodwill, $7 million costs associated with the sale and a $2 million tax expense. The loss was recognised in continuing operations.

The impacts on continuing operations are shown in the relevant Income Statement categories and items relating to discontinued operations are included in Profit/(Loss) after tax from discontinued operations.

11. Shareholders' equity

Issued and quoted securities	Half Year		Full Year	
Ordinary shares	**Sep 19 No.**	**Mar 19 No.**	**Sep 19 No.**	**Sep 18 No.**
Closing balance	**2,834,584,923**	2,833,175,579	**2,834,584,923**	2,873,618,118
Issued/(Repurchased) during the period[1]	**1,409,344**	(40,442,539)	**(39,033,195)**	(25,140,860)

1. *The Company issued 1.4 million shares under the Bonus Option Plan (BOP) for the 2019 interim dividend (1.6 million shares for the 2018 final dividend; 1.4 million shares for the 2018 interim dividend). No new shares were issued under the Dividend Reinvestment Plan (DRP) for the 2019 interim dividend (nil shares for the 2018 final dividend; nil shares for the 2018 interim dividend) as the shares were purchased on-market and provided directly to the shareholders participating in the DRP. On-market purchases for the DRP in the September 2019 full year were $432 million (Sep 18 full year: $392 million). The Company completed a $3.0 billion on-market share buy-back of ANZ ordinary shares purchasing $1,120 million in the September 2019 full year (Sep 18 full year: $1,880 million) resulting in 42.0 million ANZ ordinary shares being cancelled in the September 2019 full year (Sep 18 full year: 66.7 million).*

	As At			Movement	
Shareholders' equity	**Sep 19 $M**	**Mar 19 $M**	**Sep 18 $M**	**Sep 19 v. Mar 19**	**Sep 19 v. Sep 18**
Ordinary share capital	**26,490**	26,048	27,205	2%	-3%
Reserves					
Foreign currency translation reserve	**705**	846	12	-17%	large
Share option reserve	**89**	71	92	25%	-3%
Available-for-sale revaluation reserve[1]	**-**	-	113	n/a	-100%
FVOCI reserve[1]	**126**	370	-	-66%	n/a
Cash flow hedge reserve	**731**	444	127	65%	large
Transactions with non-controlling interests reserve	**(22)**	(22)	(21)	0%	5%
Total reserves	**1,629**	1,709	323	-5%	large
Retained earnings	**32,664**	32,064	31,737	2%	3%
Share capital and reserves attributable to shareholders of the Company	**60,783**	59,821	59,265	2%	3%
Non-controlling interests	**11**	150	140	-93%	-92%
Total shareholders' equity	**60,794**	59,971	59,405	1%	2%

1. *On adoption of AASB 9 on 1 October 2018, the classification and measurement of financial assets were revised. Available-for-sale classification used in comparative periods ceases to exist under AASB 9 and a new classification of investment securities was introduced. Refer to Note 1 for further details. Comparative information has not been restated.*

12. Changes in composition of the Group

The following changes to material entities of the Group have occurred during the year ended 30 September 2019:

- In September 2018, the business of Share Investing Limited was sold to CMC Markets Stockbroking Limited. Share Investing Limited and its immediate parent company, ACN 003 042 082 Limited, are no longer considered to be material entities.
- In November 2018, OnePath Life (NZ) Limited was sold to Cigna Corporation and the business of ANZ Europe Limited (formerly ANZ Bank (Europe) Limited) was wound up. ANZ Europe Limited is no longer considered to be a material entity.
- In March 2019, the business of ANZ (Lao) Sole Company Limited (formerly ANZ Bank (Lao) Limited) was transferred to a newly established Laos branch of the Company. ANZ (Lao) Sole Company Limited is no longer considered to be a material entity.
- In April 2019, ANZ Bank (Taiwan) Limited merged with the Taiwan branch of the Company.
- In May 2019, OnePath General Insurance Pty Limited, OnePath Life Australia Holdings Pty Limited and OnePath Life Limited were sold to Zurich.
- In August 2019, the Group completed the sale of its 55% stake in ANZ Royal Bank (Cambodia) Limited to J-Trust.
- As ANZ Finance Guam, Inc and ANZ Commodity Trading Pty Ltd no longer have material business and Votraint No. 1103 Pty Limited's only business is to hold the Group's investment in PT Bank Pan Indonesia, these companies are no longer considered to be material entities.

13. Investments in Associates

	Half Year			Full Year		
	Sep 19 $M	Mar 19 $M	Movt	Sep 19 $M	Sep 18 $M	Movt
Share of associates' profit	131	131	0%	262	183	43%

Contributions to profit[1]	Contribution to Group post-tax profit				Ownership interest held by Group		
Associates	Half Year		Full Year		As at		
	Sep 19 $M	Mar 19 $M	Sep 19 $M	Sep 18 $M	Sep 19 %	Mar 19 %	Sep 18 %
P.T. Bank Pan Indonesia	63	70	133	89	39	39	39
AMMB Holdings Berhad	70	56	126	90	24	24	24
Other associates	(2)	5	3	4	n/a	n/a	n/a
Share of associates' profit	131	131	262	183			

1. *Contributions to profit reflect the IFRS equivalent results adjusted to align with the Group's financial year end which may differ from the published results of these entities. Excludes gains or losses on disposal or valuation adjustments.*

14. Contingent liabilities and contingent assets

There are outstanding court proceedings, claims and possible claims for and against the Group. Where relevant, expert legal advice has been obtained and, in the light of such advice, provisions and/or disclosures as deemed appropriate have been made (Note 21 of the 2019 Annual Financial Report (when released) will contain a description of provisions held). In some instances we have not disclosed the estimated financial impact of the individual items either because it is not practicable to do so or because such disclosure may prejudice the interests of the Group.

Note 33 of the 2019 ANZ Annual Financial Report (when released) will contain a description of contingent liabilities and contingent assets as at 30 September 2019. A summary of some of those contingent liabilities is set out below.

- **Regulatory and customer exposures**

  In recent years there has been an increase in the number of matters on which the Group engages with its regulators. There have also been significant increases in the nature and scale of regulatory investigations and reviews, civil and criminal enforcement actions (whether by court action or otherwise), formal and informal inquiries, regulatory supervisory activities and the quantum of fines issued by regulators, particularly against financial institutions both in Australia and globally. The Group has received various notices and requests for information from its regulators as part of both industry-wide and Group-specific reviews and has also made disclosures to its regulators at its own instigation. The nature of these interactions can be wide ranging and, for example, currently include a range of matters including responsible lending practices, product suitability and distribution, interest and fees and the entitlement to charge them, customer remediation, wealth advice, insurance distribution, pricing, competition, conduct in financial markets and financial transactions, capital market transactions, anti-money laundering and counter-terrorism financing obligations, reporting and disclosure obligations and product disclosure documentation. There may be exposures to customers which are additional to any regulatory exposures. These could include class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with such reviews and possible exposures remain uncertain.

- **Bank fees litigation and periodical payment remediation and ASIC action**

  A litigation funder commenced a class action against the Company in 2010, followed by a second similar class action in March 2013. The applicants contended that certain exception fees (honour, dishonour and non-payment fees on transaction accounts and late payment and over-limit fees on credit cards) were unenforceable penalties and that various of the fees were also unenforceable under statutory provisions governing unconscionable conduct, unfair contract terms and unjust transactions. The claims in the March 2013 class action failed and have been dismissed.

  The original claims in the 2010 class action have been dismissed. In 2017, a new claim was added to the 2010 class action, in relation to the Company's entitlement to charge certain periodical payment non-payment fees. Part of the class of customers had already received remediation payments from the Company. An agreement to settle the claim was reached in December 2018. The settlement is subject to court approval.

  In July 2019, ASIC commenced civil penalty proceedings against the Company in relation to the charging of fees for periodical payments in certain circumstances between August 2003 and February 2016. ASIC seeks civil penalties in respect of alleged false or misleading representations and unconscionable conduct. ASIC also alleges that the Company engaged in misleading or deceptive conduct and breached certain statutory obligations as a financial services licensee. The matter is at an early stage. The outcomes and total costs remain uncertain. The Company is defending the allegations.

- **Benchmark/rate actions**

  In July and August 2016, class action complaints were brought in the United States District Court against local and international banks, including the Company – one action relating to the bank bill swap rate (BBSW), and one action relating to the Singapore Interbank Offered Rate (SIBOR) and the Singapore Swap Offer Rate (SOR). The class actions are expressed to apply to persons and entities that engaged in US-based transactions in financial instruments that were priced, benchmarked, and/or settled based on BBSW or SIBOR. The claimants seek damages or compensation in amounts not specified, and allege that the defendant banks, including the Company, violated US anti-trust laws and (in the BBSW case only) anti-racketeering laws, the Commodity Exchange Act, and unjust enrichment principles. The Company is defending the proceedings. The matters are at an early stage.

  In February 2017, the South African Competition Commission commenced proceedings against local and international banks including the Company alleging breaches of the cartel provisions of the South African Competition Act in respect of trading in the South African rand. The potential civil penalty or other financial impact is uncertain. The matter is at an early stage.

- **Capital raising actions**

  In June 2018, the Commonwealth Director of Public Prosecutions commenced criminal proceedings against the Company and a senior employee alleging that they were knowingly concerned in cartel conduct by the joint lead managers of the Company's August 2015 underwritten institutional equity placement of approximately 80.8 million ordinary shares. The matter is at an early stage. The Company and its senior employee are defending the allegations.

  In September 2018, the Australian Securities and Investments Commission (ASIC) commenced civil penalty proceedings against the Company alleging failure to comply with continuous disclosure obligations in connection with the Company's August 2015 underwritten institutional equity placement. ASIC alleges the Company should have advised the market that the joint lead managers took up approximately 25.5 million ordinary shares of the placement. The matter is at an early stage. The Company is defending the allegations.

- **Franchisee litigation**

  In February 2018, two related class actions were brought against the Company alleging breaches of contract and unconscionable conduct in relation to lending to 7-Eleven franchisees. An agreement to settle the claims against the Company was reached in March 2019. The settlement is subject to court approval.

- **Royal Commission**

  The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry released its final report on 4 February 2019. The findings and recommendations of the Commission are resulting in additional costs and may lead to further exposures, including exposures associated with further regulator activity or potential customer exposures such as class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with these possible exposures remain uncertain.

- **Security recovery actions**

  Various claims have been made or are anticipated, arising from security recovery actions taken to resolve impaired assets. These claims will be defended.

- **Warranties and Indemnities**

  The Group has provided warranties, indemnities and other commitments in favour of the purchaser and other persons in connection with various disposals of businesses and assets and other transactions, covering a range of matters and risks. It is exposed to potential claims under those warranties, indemnities and commitments.

15. Significant Events Since the End of the Financial Year

On 17 October, the Group announced it had agreed a revised sale price for its OnePath P&I business and ADGs to IOOF of $850 million, being a $125 million reduction from the original sale price of $975 million announced in October 2017. The new price of $850 million includes approximately $25 million that ANZ has already received for the sale of ADGs in October 2018. The revised terms reflect changing market conditions and include lower overall warranty caps as well as some changes to the strategic alliance arrangements. Subject to APRA approval, the Group expects the transaction to complete in the first quarter of calendar year 2020. The impact of the reduction in price has been reflected in the 2019 financial results.

Other than the matter above, there have been no significant events from 30 September 2019 to the date of signing this report.

16. Adoption of new accounting standards and other changes to comparatives

i) Changes to comparatives including the impact of AASB 15 *Revenue from Contracts with Customers* (AASB 15)

The following table summarises the changes to the balance sheet in the comparative period resulting from the application of AASB 15, and other reclassification adjustments to enhance comparability with current period presentation.

	Reported as at 30 Sep 18	Impact of application of AASB 15	Other reclassification adjustment	Restated as at 30 Sep 18
	$M	$M	$M	$M
Net loans and advances [1]	603,938	-	526	604,464
Other assets[2]	3,645	32	-	3,677
Other non-impacted balance sheet line items	335,041	-	-	335,041
Total assets	**942,624**	**32**	**526**	**943,182**
Deferred tax liabilities[2]	59	10	-	69
Payables and other liabilities[3]	6,788	106	-	6,894
Provisions[1,3]	1,578	(106)	526	1,998
Other non-impacted balance sheet line items	874,816	-	-	874,816
Total liabilities	**883,241**	**10**	**526**	**883,777**
Retained earnings[2]	31,715	22	-	31,737
Other non-impacted balance sheet line items	27,528	-	-	27,528
Share capital and reserves attributable to shareholders of the Company[2]	**59,243**	**22**	**-**	**59,265**
Non-controlling interests	140	-	-	140
Total shareholders' equity[2]	**59,383**	**22**	**-**	**59,405**

1. *$500 million of collectively assessed and $26 million of individually assessed provisions for credit impairment attributable to off-balance sheet credit related commitments at 30 September 2018 were reclassified from Net loans and advances at amortised cost to Other provisions to enhance comparability with current period presentation.*
2. *The Group adopted AASB 15 in this reporting period with comparatives restated. The impact of this policy change on the reported 30 September 2018 balance sheet was an increase in Other assets of $32 million, an increase in Deferred tax liabilities of $10 million and an increase in Retained earnings of $22 million, reflecting revenue that qualifies for upfront recognition under AASB 15 but was not previously recognised under AASB 118.*
3. *Upon adoption of AASB 15, certain liabilities associated with credit card loyalty programs have been reclassified from Provisions to Payables and other liabilities.*

In addition to the balance sheet impact above, upon adoption of AASB 15 certain items previously netted are now presented gross in operating income and operating expenses. This increased total operating income and total operating expenses by $128 million for the 2019 financial year. Comparative information has been restated which increased total operating income and total operating expenses by $153 million for the 2018 financial year.

ii) Impact of the transition to AASB 9 *Financial Instruments* (AASB 9)

Allowance for expected credit losses

The table below reconciles the closing provisions for credit impairment of financial assets determined in accordance with AASB 139, and provisions for credit impairment of loan commitments and financial guarantee contracts determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* as at 30 September 2018, and the allowance for expected credit losses determined in accordance with AASB 9 as at 1 October 2018.

	As at 30 Sep 18		As at 1 Oct 18
	Provision for credit impairment under AASB 139 or AASB 137 $M	Incremental allowance for ECL under AASB 9 $M	Allowance for ECL under AASB 9 $M
Loans and advances - at amortised cost	2,917	647	3,564
Investment securities - debt securities at amortised cost	-	11	11
Off-balance sheet commitments - undrawn and contingent facilities[1]	526	155	681
Total provisions for credit impairment	**3,443**	**813**	**4,256**
Loss allowances recognised in other comprehensive income:			
Investment securities - debt securities at FVOCI[2]	-	14	14
Total loss allowance recognised in other comprehensive income	**-**	**14**	**14**

1. *The individually and collectively assessed allowance for ECL is included in Provisions.*
2. *Allowance for ECL does not change the carrying amount which remains at fair value. Instead, the allowance for ECL is recognised in OCI, with a corresponding charge to profit or loss.*

The following table summarises the adjustments arising on adoption of AASB 9.

Consolidated balance sheet reconciliation

	Reference	AASB 139 measurement category	AASB 9 measurement category	Restated as at 30 Sep 18 $M	AASB 9 reclassification impact $M	AASB 9 Remeasurement impact (excl. impairment) $M	AASB 9 credit impairment impact $M	Revised carrying amount as at 1 Oct 18 $M
Trading securities	1,2	FVTPL	FVTPL	37,722	(993)	-	-	36,729
Investment securities:								
- debt securities at amortised cost	2,6,7	N/A	Amortised cost	-	6,158	2	(11)	6,149
- debt securities at FVOCI	1, 2	N/A	FVOCI	-	70,938	-	-	70,938
- equity securities at FVOCI	2	N/A	FVOCI	-	1,087	-	-	1,087
Available-for-sale assets (AFS)	2	AFS	N/A	74,284	(74,284)	-	-	-
Net loans and advances								
- at amortised cost	3,6,7,8	Loans and receivables	Amortised cost	604,331	(4,470)	15	(647)	599,229
- at FVTPL	3,8	FVTPL	FVTPL	133	1,564	(23)	-	1,674
Investments in associates	5	N/A	N/A	2,553	-	-	(65)	2,488
Deferred tax assets	1,2,4,6	N/A	N/A	900	-	15	234	1,149
Other non-impacted balance sheet line items		N/A	N/A	223,259	-	-	-	223,259
Total assets				**943,182**	**-**	**9**	**(489)**	**942,702**
Current tax liabilities	1,3,4	N/A	N/A	300	-	30	-	330
Provisions	6	N/A	N/A	1,998	-	-	155	2,153
Debt issuances:								-
- at amortised cost	4	Amortised cost	Amortised cost	119,737	(879)	-	-	118,858
- at FVTPL	4	FVTPL	FVTPL	1,442	879	(55)	-	2,266
Other non-impacted balance sheet line items		N/A	N/A	760,300	-	-	-	760,300
Total liabilities				**883,777**	**-**	**(25)**	**155**	**883,907**
Ordinary share capital				27,205	-	-	-	27,205
Reserves	1,2,6			323	1	3	10	337
Retained earnings	1,2,3,4,5,6			31,737	(1)	31	(654)	31,113
Share capital and reserves attributable to shareholders of the Company				**59,265**	**-**	**34**	**(644)**	**58,655**
Non-controlling interests				140	-	-	-	140
Total shareholders' equity				**59,405**	**-**	**34**	**(644)**	**58,795**

Reference

1. On initial application of AASB 9, a portfolio of bonds with a fair value of $1,000 million was transferred from Trading securities to Investment securities - debt securities at FVOCI as the applicable business model was held to collect and sell. Cumulative fair value gains/(losses) on this portfolio of $2 million (after tax) were transferred from Retained earnings to the FVOCI reserve. Additionally, the reclassification resulted in a reduction in deferred tax assets and current tax liabilities of $1 million.
2. The Available-for-sale classification is no longer applicable under AASB 9. Accordingly, on transition:
   - $69,938 million of Available-for-sale debt instruments were reclassified to Investment securities – debt securities at FVOCI due to the business model being held to collect and sell. There was no re-measurement impact associated with this reclassification;
   - $3,252 million of Available-for-sale debt instruments were reclassified to Investment securities – debt securities at amortised cost due to the business model being held to collect at 1 October 2018. This reclassification resulted in re-measurement of a $2 million increase to the carrying amount arising from reversal of the previous available-for-sale revaluation reserve. Additionally, a deferred tax asset of $1 million associated with the previous available-for-sale revaluation was reversed;
   - the Group made irrevocable elections to designate $1,087 million of non-traded Available-for-sale equity securities as Investment securities - equity securities at FVOCI; and
   - $7 million of Available-for-sale equity securities were reclassified to Trading securities and the related reserve balance of $1 million was reclassified to Retained earnings.
3. Certain loans with contractual cash flow characteristics that are not solely payments of principal and interest were reclassified from Net loans and advances at amortised cost to Net Loans and advances at FVTPL. The loans had an amortised cost carrying amount of $224 million and a fair value of $201 million at 30 September 2018. The associated re-measurement of $23 million was recognised in Retained earnings offset by a decrease in current tax liabilities of $7 million. In addition, one of the loans was previously in a fair value hedge relationship which was discontinued effective 1 October 2018. Accordingly, changes in the fair value due to changes in the hedged risk which were previously recognised as a reduction to the carrying value of the loan amounting to $15 million were written back to Retained earnings offset by an increase in current tax liabilities of $4 million.
4. The Group elected to designate certain financial liabilities (bonds included within Debt issuances) as measured at FVTPL effective from 1 October 2018 to reduce an accounting mismatch. The bonds had an amortised cost carrying amount of $879 million and a fair value of $824 million at 30 September 2018. The difference of $55 million (comprising a $109 million decrease in fair value before own credit, offset by a $54 million increase in fair value attributable to own credit) offset by a net tax impact of $17 million (increase in deferred tax asset of $17 million and an increase in current tax liability of $34 million) was recognised in Retained earnings.
5. The Group recognised a decrease of $65 million to the carrying value of Investments in associates with a corresponding decrease to Retained earnings reflecting the Group's share of the estimated initial application impact of IFRS 9 (the international equivalent of AASB 9).
6. The initial application of the expected credit loss requirements of AASB 9, resulted in increases in allowances for credit impairment attributable to the following:
   - On-balance sheet loans and advances of $647 million reflected in Net loans and advances at amortised cost;
   - Debt securities measured at amortised cost of $11 million reflected in Investment securities – debt securities at amortised cost; and
   - Off-balance sheet credit related commitments of $155 million reflected in Provisions.

   The total impact of $813 million was recognised as a reduction to Retained earnings, offset by an increase of $234 million related to deferred tax. Additionally, loss allowances of $10 million (after-tax) attributable to Investment securities – debt securities at FVOCI have been recognised in Reserves with a corresponding adjustment to Retained earnings. The debt securities remain at fair value on the face of the Balance Sheet.
7. On initial application of AASB 9, a portfolio of Negotiable Certificates of Deposit with a carrying amount of $2,906 million was reclassified from Net loans and advances at amortised cost to Investment Securities – debt securities at amortised cost. There was no re-measurement impact associated with this reclassification.
8. On initial application of AASB 9, loans with a carrying amount and fair value of $1,340 million that were in the process of being syndicated were reclassified from Net loans and advances at amortised cost to Net Loans and advances at FVTPL on the basis that the applicable business model is held-to-sell. There was no re-measurement impact associated with this reclassification.

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Capital management - including discontinued operations

		As at			Movement	
Qualifying Capital		**Sep 19 $M**	**Mar 19 $M**	**Sep 18 $M**	**Sep 19 v. Mar 19**	**Sep 19 v. Sep 18**
Tier 1						
Shareholders' equity and non-controlling interests[1]		**60,794**	59,971	59,383	1%	2%
Prudential adjustments to shareholders' equity	Table 1	**120**	(43)	(322)	large	large
Gross Common Equity Tier 1 capital		**60,914**	59,928	59,061	2%	3%
Deductions	Table 2	**(13,559)**	(14,400)	(14,370)	-6%	-6%
Common Equity Tier 1 capital		**47,355**	45,528	44,691	4%	6%
Additional Tier 1 capital	Table 3	**7,866**	7,547	7,527	4%	5%
Tier 1 capital		**55,221**	53,075	52,218	4%	6%
Tier 2 capital	Table 4	**8,549**	7,569	7,291	13%	17%
Total qualifying capital		**63,770**	60,644	59,509	5%	7%
Capital adequacy ratios (Level 2)						
Common Equity Tier 1		**11.4%**	11.5%	11.4%		
Tier 1		**13.2%**	13.4%	13.4%		
Tier 2		**2.1%**	1.9%	1.9%		
Total capital ratio		**15.3%**	15.3%	15.2%		
Risk weighted assets	Table 5	**416,961**	396,291	390,820	5%	7%

1. *Prior period numbers have not been restated for the impact of AASB 15 to align with previously reported regulatory returns.*

Capital management - including discontinued operations, cont'd

		As at			Movement	
		Sep 19 $M	Mar 19 $M	Sep 18 $M	Sep 19 v. Mar 19	Sep 19 v. Sep 18
Table 1: Prudential adjustments to shareholders' equity						
Treasury shares attributable to ANZ Wealth Australia discontinued operations policyholders		**-**	328	328	-100%	-100%
Shareholder Equity attributable to deconsolidate entities		**107**	(352)	(608)	large	large
Deferred fee revenue including fees deferred as part of loan yields		**108**	143	132	-24%	-18%
Other		**(95)**	(162)	(174)	-41%	-45%
Total		**120**	(43)	(322)	large	large
Table 2: Deductions from Common Equity Tier 1 capital						
Unamortised goodwill & other intangibles (excluding ANZ Wealth Australia discontinued operations and New Zealand)		**(3,772)**	(3,865)	(3,776)	-2%	0%
Intangible component of investments in ANZ Wealth Australia discontinued operations and New Zealand		**(556)**	(1,494)	(1,629)	-63%	-66%
Capitalised software		**(1,322)**	(1,360)	(1,421)	-3%	-7%
Capitalised expenses including loan and lease origination fees		**(1,178)**	(1,019)	(1,077)	16%	9%
Applicable deferred net tax assets		**(1,376)**	(1,162)	(1,118)	18%	23%
Expected losses in excess of eligible provisions	Table 8	**(1)**	(42)	(609)	-98%	-100%
Investment in other insurance and funds management subsidiaries		**(336)**	(270)	(270)	24%	24%
Investment in ANZ Wealth Australia discontinued operations and New Zealand		**(103)**	(735)	(750)	-86%	-86%
Investment in banking associates and minority interests		**(2,707)**	(2,501)	(2,333)	8%	16%
Other deductions		**(2,208)**	(1,952)	(1,387)	13%	59%
Total		**(13,559)**	(14,400)	(14,370)	-6%	-6%
Table 3: Additional Tier 1 capital						
ANZ Capital Notes 1		**1,118**	1,118	1,117	0%	0%
ANZ Capital Notes 2		**1,607**	1,606	1,605	0%	0%
ANZ Capital Notes 3		**966**	965	965	0%	0%
ANZ Capital Notes 4		**1,612**	1,611	1,610	0%	0%
ANZ Capital Notes 5		**925**	925	924	0%	0%
ANZ Bank NZ Capital Notes		**462**	478	456	-3%	1%
ANZ Capital Securities		**1,481**	1,336	1,240	11%	19%
Regulatory adjustments and deductions		**(305)**	(492)	(390)	-38%	-22%
Total		**7,866**	7,547	7,527	4%	5%
Table 4: Tier 2 capital						
General reserve for impairment of financial assets		**296**	307	119	-4%	large
Perpetual subordinated notes		**444**	423	416	5%	7%
Term subordinated debt notes		**7,971**	7,806	7,575	2%	5%
Regulatory adjustments and deductions		**(162)**	(967)	(819)	-83%	-80%
Total		**8,549**	7,569	7,291	13%	17%

1. *On adoption of AASB 9 on 1 October 2018, the classification and measurement of financial assets were revised. Available-for-sale classification used in comparative periods ceases to exist under AASB 9 and a new classification of investment securities was introduced. Comparative information has not been restated.*

Capital management - including discontinued operations, cont'd

		As at			Movement	
		Sep 19 $M	Mar 19 $M	Sep 18 $M	Sep 19 v. Mar 19	Sep 19 v. Sep 18
Table 5: Risk weighted assets						
On balance sheet		**264,533**	264,405	255,196	0%	4%
Commitments		**55,051**	53,079	52,408	4%	5%
Contingents		**12,626**	12,149	11,938	4%	6%
Derivatives		**25,896**	15,890	18,038	63%	44%
Total credit risk weighted assets	Table 6	**358,106**	345,523	337,580	4%	6%
Market risk - Traded		**5,307**	5,790	6,808	-8%	-22%
Market risk - IRRBB		**6,922**	7,245	8,814	-4%	-21%
Operational risk		**46,626**	37,733	37,618	24%	24%
Total risk weighted assets		**416,961**	396,291	390,820	5%	7%

	As at			Movement	
	Sep 19 $M	Mar 19 $M	Sep 18 $M	Sep 19 v. Mar 19	Sep 19 v. Sep 18
Table 6: Credit risk weighted assets by Basel asset class					
Subject to Advanced IRB approach					
Corporate	**136,885**	127,989	121,891	7%	12%
Sovereign	**6,199**	7,016	6,955	-12%	-11%
Bank	**15,968**	15,511	15,908	3%	0%
Residential mortgage	**105,491**	101,469	97,764	4%	8%
Qualifying revolving retail (credit cards)	**5,255**	5,795	6,314	-9%	-17%
Other retail	**26,258**	28,029	29,373	-6%	-11%
Credit risk weighted assets subject to Advanced IRB approach	**296,056**	285,809	278,205	4%	6%
Credit risk specialised lending exposures subject to slotting criteria	**36,318**	35,696	33,110	2%	10%
Subject to Standardised approach					
Corporate	**11,645**	12,252	13,760	-5%	-15%
Residential mortgage	**216**	331	327	-35%	-34%
Other retail (includes credit cards)	**50**	81	88	-38%	-43%
Credit risk weighted assets subject to Standardised approach	**11,911**	12,664	14,175	-6%	-16%
Credit Valuation Adjustment and Qualifying Central Counterparties	**8,682**	6,217	7,344	40%	18%
Credit risk weighted assets relating to securitisation exposures	**1,859**	1,558	1,600	19%	16%
Other assets	**3,280**	3,579	3,146	-8%	4%
Total credit risk weighted assets	**358,106**	345,523	337,580	4%	6%

Capital management - including discontinued operations, cont'd

	Collectively and Individually Assessed Provision			Basel Expected Loss[1]		
Table 7: Total provision for credit impairment and Basel expected loss by division	**Sep 19 $M**	**Mar 19 $M**	**Sep 18 $M**	**Sep 19 $M**	**Mar 19 $M**	**Sep 18 $M**
Australia Retail and Commercial	**2,353**	2,420	1,694	**2,415**	2,460	2,428
Institutional	**1,329**	1,340	1,324	**1,022**	1,041	1,052
New Zealand	**446**	442	360	**672**	696	664
Pacific	**62**	67	61	**7**	8	9
TSO and Group Centre	**-**	-	4	**-**	1	-
Total provision for credit impairment and expected loss	**4,190**	4,269	3,443	**4,116**	4,206	4,153

1. *Only applicable to Advanced Internal Ratings based portfolios.*

	As at			Movement	
Table 8: APRA Expected loss in excess of eligible provisions	**Sep 19 $M**	**Mar 19 $M**	**Sep 18 $M**	**Sep 19 v. Mar 19**	**Sep 19 v. Sep 18**
APRA Basel 3 expected loss: non-defaulted	**2,646**	2,675	2,664	-1%	-1%
Less: Qualifying collectively assessed provision					
Collectively assessed provision	**(3,376)**	(3,378)	(2,523)	0%	34%
Non-qualifying collectively assessed provision	**435**	395	307	10%	42%
Standardised collectively assessed provision	**135**	151	119	-11%	13%
Non-defaulted excess included in deduction	**-**	**-**	**567**	n/a	-100%
APRA Basel 3 expected loss: defaulted	**1,470**	1,531	1,489	-4%	-1%
Less: Qualifying individually assessed provision					
Individually assessed provision	**(814)**	(891)	(920)	-9%	-12%
Additional individually assessed provision for partial write offs	**(313)**	(310)	(325)	1%	-4%
Standardised individually assessed provision	**66**	85	79	-22%	-16%
Collectively assessed provision on advanced defaulted	**(408)**	(373)	(281)	9%	45%
	1	42	42	-98%	-98%
Shortfall in expected loss not included in deduction		-	-	n/a	n/a
Defaulted excess included in deduction	**1**	42	4	-98%	-75%
Gross deduction	**1**	42	609	-98%	-100%

Average balance sheet and related interest[1, 2] – including discontinued operations

	Full Year Sep 19			Full Year Sep 18[3]		
	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %
Loans and advances						
Home loans	**321,613**	**14,402**	**4.5%**	316,694	14,635	4.6%
Consumer finance	**17,258**	**1,718**	**10.0%**	17,768	1,879	10.6%
Business lending	**249,941**	**10,955**	**4.4%**	233,559	9,972	4.3%
Individual provisions for credit impairment	**(888)**	**-**	**n/a**	(1,008)	-	n/a
Total (continuing operations)	**587,924**	**27,075**	**4.6%**	567,013	26,486	4.7%
Non-lending interest earning assets						
Cash and other liquid assets	**108,051**	**1,334**	**1.2%**	96,216	1,031	1.1%
Trading and investment securities/available-for-sale assets[4]	**116,199**	**2,536**	**2.2%**	110,413	2,664	2.4%
Other assets	**1,045**	**132**	**n/a**	1,242	146	n/a
Total (continuing operations)	**225,295**	**4,002**	**1.8%**	207,871	3,841	1.8%
Total interest earning assets (continuing operations)[5]	**813,219**	**31,077**	**3.8%**	774,884	30,327	3.9%
Non-interest earning assets (continuing operations)	**141,818**			126,927		
Total average assets (continuing operations)	**955,037**			901,811		
Total average assets (discontinued operations)	**25,942**			42,302		
Total average assets	**980,979**			944,113		
Deposits and other borrowings						
Certificates of deposit	**42,574**	**817**	**1.9%**	49,796	1,071	2.2%
Term deposits	**223,328**	**5,669**	**2.5%**	204,040	4,689	2.3%
On demand and short term deposits	**221,697**	**3,677**	**1.7%**	220,308	3,725	1.7%
Deposits from banks and securities sold under agreement to repurchase	**80,543**	**1,732**	**2.2%**	68,713	1,231	1.8%
Commercial paper and other borrowings	**16,364**	**426**	**2.6%**	22,008	437	2.0%
Total (continuing operations)	**584,506**	**12,321**	**2.1%**	564,865	11,153	2.0%
Non-deposit interest bearing liabilities						
Collateral received and settlement balances owed by ANZ	**12,006**	**114**	**0.9%**	12,356	102	0.8%
Debt issuances & subordinated debt	**122,825**	**3,907**	**3.2%**	112,837	3,927	3.5%
Other liabilities	**4,246**	**396**	**n/a**	3,012	631	n/a
Total (continuing operations)	**139,077**	**4,417**	**3.2%**	128,205	4,660	3.6%
Total interest bearing liabilities (continuing operations)[5]	**723,583**	**16,738**	**2.3%**	693,070	15,813	2.3%
Non-interest bearing liabilities (continuing operations)	**167,507**			147,890		
Total average liabilities (continuing operations)	**891,090**			840,960		
Total average liabilities (discontinued operations)	**30,393**			44,154		
Total average liabilities	**921,483**			885,114		
Total average shareholders' equity	**59,496**			58,999		

1. *Averages used are predominantly daily averages.*
2. *Assets and liabilities held for sale are included in continuing operations balance sheet categories and discontinued operations.*
3. *Comparative information has been restated for the adoption of AASB 15 and other reclassification adjustments to enhance comparability with current period presentation.* Refer Note 1 and 16 for further details.
4. *On adoption of AASB 9 on 1 October 2018, the classification and measurement of financial assets were revised. Available-for-sale classification used in comparative periods cease to exist under AASB 9 and a new classification of investment securities was introduced. Comparative information has not been restated.*
5. *Intra-group interest earning assets and interest income and Intra-group interest earning liabilities and interest expense have been eliminated.*

Average balance sheet and related interest[1, 2] – including discontinued operations (cont'd)

	Full Year Sep 19			Full Year Sep 18[3]		
	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %
Loans and advances						
Australia	**400,938**	**18,434**	**4.6%**	392,705	18,677	4.8%
Asia, Pacific, Europe & America	**62,374**	**2,924**	**4.7%**	57,426	2,263	3.9%
New Zealand	**124,612**	**5,717**	**4.6%**	116,882	5,546	4.7%
Total (continuing operations)	**587,924**	**27,075**	**4.6%**	567,013	26,486	4.7%
Trading and investment securities/available-for-sale assets[4]						
Australia	**58,545**	**1,226**	**2.1%**	60,555	1,574	2.6%
Asia, Pacific, Europe & America	**43,401**	**970**	**2.2%**	35,768	723	2.0%
New Zealand	**14,253**	**340**	**2.4%**	14,090	367	2.6%
Total (continuing operations)	**116,199**	**2,536**	**2.2%**	110,413	2,664	2.4%
Total interest earning assets[5]						
Australia	**504,562**	**20,514**	**4.1%**	490,030	20,952	4.3%
Asia, Pacific, Europe & America	**165,280**	**4,419**	**2.7%**	149,754	3,360	2.2%
New Zealand	**143,377**	**6,144**	**4.3%**	135,100	6,015	4.5%
Total (continuing operations)	**813,219**	**31,077**	**3.8%**	774,884	30,327	3.9%
Total average assets						
Australia	**606,892**			577,407		
Asia, Pacific, Europe & America	**190,487**			175,206		
New Zealand	**157,658**			149,198		
Total average assets (continuing operations)	**955,037**			901,811		
Total average assets (discontinued operations)	**25,942**			42,302		
Total average assets	**980,979**			944,113		
Interest bearing deposits and other borrowings						
Australia	**334,124**	**6,919**	**2.1%**	335,334	6,952	2.1%
Asia, Pacific, Europe & America	**154,752**	**3,211**	**2.1%**	140,160	2,092	1.5%
New Zealand	**95,630**	**2,191**	**2.3%**	89,371	2,109	2.4%
Total (continuing operations)	**584,506**	**12,321**	**2.1%**	564,865	11,153	2.0%
Total interest bearing liabilities[5]						
Australia	**424,227**	**9,975**	**2.4%**	413,262	10,186	2.5%
Asia, Pacific, Europe & America	**179,716**	**3,828**	**2.1%**	167,077	2,717	1.6%
New Zealand	**119,640**	**2,935**	**2.5%**	112,731	2,910	2.6%
Total (continuing operations)	**723,583**	**16,738**	**2.3%**	693,070	15,813	2.3%
Total average liabilities						
Australia	**542,642**			515,797		
Asia, Pacific, Europe & America	**206,238**			192,433		
New Zealand	**142,210**			132,730		
Total average liabilities (continuing operations)	**891,090**			840,960		
Total average liabilities (discontinued operations)	30,393			44,154		
Total average liabilities	**921,483**			885,114		
Total average shareholders' equity						
Ordinary share capital, reserves, retained earnings and non-controlling interests	**59,496**			58,999		
Total average shareholders' equity	**59,496**			58,999		
Total average liabilities and shareholder's equity	**980,979**			944,113		

1. *Averages used are predominantly daily averages.*
2. *Assets and liabilities held for sale are included in continuing operations balance sheet categories and discontinued operations.*
3. *Comparative information has been restated for the adoption of AASB 15 and other reclassification adjustments to enhance comparability with current period presentation.* Refer Note 1 and 16 for further details.
4. *On adoption of AASB 9 on 1 October 2018, the classification and measurement of financial assets were revised. Available-for-sale classification used in comparative periods cease to exist under AASB 9 and a new classification of investment securities was introduced. Comparative information has not been restated.*
5. *Intra-group interest earning assets and interest income and Intra-group interest earning liabilities and interest expense have been eliminated.*

Average balance sheet and related interest[1, 2] – including discontinued operations (cont'd)

	Half Year Sep 19			Half Year Mar 19		
	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %
Loans and advances						
Home loans	**320,818**	**7,006**	**4.4%**	322,407	7,396	4.6%
Consumer finance	**16,651**	**835**	**10.0%**	17,876	887	10.0%
Business lending	**253,334**	**5,382**	**4.2%**	246,530	5,570	4.5%
Individual provisions for credit impairment	**(874)**	**-**	**n/a**	(902)	-	n/a
Total (continuing operations)	**589,929**	**13,223**	**4.5%**	585,911	13,853	4.7%
Non-lending interest earning assets						
Cash and other liquid assets	**105,781**	**624**	**1.2%**	110,337	710	1.3%
Trading and investment securities/available-for-sale assets[3]	**118,141**	**1,219**	**2.1%**	114,169	1,317	2.3%
Other assets	**980**	**41**	**n/a**	1,111	91	n/a
Total (continuing operations)	**224,902**	**1,884**	**1.7%**	225,617	2,118	1.9%
Total interest earning assets (continuing operations)[4]	**814,831**	**15,107**	**3.7%**	811,528	15,971	3.9%
Non-interest earning assets (continuing operations)	**163,987**			120,099		
Total average assets (continuing operations)	**978,818**			931,627		
Total average assets (discontinued operations)	**8,911**			42,564		
Total average assets	**987,729**			974,191		
Deposits and other borrowings						
Certificates of deposit	**41,561**	**311**	**1.5%**	43,592	505	2.3%
Term deposits	**228,739**	**2,886**	**2.5%**	217,887	2,783	2.6%
On demand and short term deposits	**227,405**	**1,786**	**1.6%**	215,957	1,892	1.8%
Deposits from banks and securities sold under agreement to repurchase	**79,345**	**819**	**2.1%**	81,748	913	2.2%
Commercial paper and other borrowings	**10,633**	**116**	**2.2%**	22,127	309	2.8%
Total	**587,683**	**5,918**	**2.0%**	581,311	6,402	2.2%
Non-deposit interest bearing liabilities						
Collateral received and settlement balances owed by ANZ	**12,407**	**63**	**1.0%**	11,603	51	0.9%
Debt issuances & subordinated debt	**125,183**	**1,846**	**2.9%**	120,454	2,060	3.4%
Other liabilities	**5,222**	**240**	**n/a**	2,465	159	n/a
Total (continuing operations)	**142,812**	**2,149**	**3.0%**	134,522	2,270	3.4%
Total interest bearing liabilities (continuing operations)[4]	**730,495**	**8,067**	**2.2%**	715,833	8,672	2.4%
Non-interest bearing liabilities (continuing operations)	**182,093**			153,751		
Total average liabilities (continuing operations)	**912,588**			869,584		
Total average liabilities (discontinued operations)	**15,351**			45,412		
Total average liabilities	**927,939**			914,996		
Total average shareholders' equity	**59,790**			59,195		

1. *Averages used are predominantly daily averages.*
2. *Assets and liabilities held for sale are included in continuing operations balance sheet categories and discontinued operations.*
3. *On adoption of AASB 9 on 1 October 2018, the classification and measurement of financial assets were revised. Available-for-sale classification used in comparative periods cease to exist under AASB 9 and a new classification of investment securities was introduced. Comparative information has not been restated.*
4. *Intra-group interest earning assets and interest income and Intra-group interest earning liabilities and interest expense have been eliminated.*

Average balance sheet and related interest[1, 2] – including discontinued operations (cont'd)

	Half Year Sep 19			Half Year Mar 19		
	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %
Loans and advances						
Australia	**400,584**	**8,926**	**4.4%**	401,296	9,507	4.8%
Asia Pacific, Europe & America	**63,493**	**1,469**	**4.6%**	61,248	1,456	4.8%
New Zealand	**125,852**	**2,828**	**4.5%**	123,367	2,890	4.7%
Total (continuing operations)	**589,929**	**13,223**	**4.5%**	585,911	13,853	4.7%
Trading and investment securities/available-for-sale assets[3]						
Australia	**58,306**	**542**	**1.9%**	58,709	684	2.3%
Asia Pacific, Europe & America	**45,618**	**515**	**2.3%**	41,171	455	2.2%
New Zealand	**14,217**	**162**	**2.3%**	14,289	178	2.5%
Total (continuing operations)	**118,141**	**1,219**	**2.1%**	114,169	1,317	2.3%
Total interest earning assets[4]						
Australia	**503,406**	**9,883**	**3.9%**	505,654	10,633	4.2%
Asia Pacific, Europe & America	**166,743**	**2,212**	**2.6%**	163,810	2,206	2.7%
New Zealand	**144,682**	**3,012**	**4.2%**	142,064	3,132	4.4%
Total (continuing operations)	**814,831**	**15,107**	**3.7%**	811,528	15,971	3.9%
Total average assets						
Australia	**625,713**			588,469		
Asia Pacific, Europe & America	**192,802**			188,160		
New Zealand	**160,303**			154,998		
Total average assets (continuing operations)	**978,818**			931,627		
Total average assets (discontinued operations)	**8,911**			42,564		
Total average assets	**987,729**			974,191		
Interest bearing deposits and other borrowings						
Australia	**333,298**	**3,202**	**1.9%**	334,952	3,716	2.2%
Asia Pacific, Europe & America	**158,496**	**1,658**	**2.1%**	150,989	1,554	2.1%
New Zealand	**95,889**	**1,059**	**2.2%**	95,370	1,132	2.4%
Total (continuing operations)	**587,683**	**5,919**	**2.0%**	581,311	6,402	2.2%
Total interest bearing liabilities[4]						
Australia	**426,405**	**4,680**	**2.2%**	421,237	5,296	2.5%
Asia Pacific, Europe & America	**183,293**	**1,963**	**2.1%**	176,119	1,864	2.1%
New Zealand	**120,797**	**1,424**	**2.4%**	118,477	1,512	2.6%
Total (continuing operations)	**730,495**	**8,067**	**2.2%**	715,833	8,672	2.4%
Total average liabilities						
Australia	**556,542**			528,775		
Asia Pacific, Europe & America	**211,136**			201,315		
New Zealand	**144,910**			139,494		
Total average liabilities (continuing operations)	**912,588**			869,584		
Total average liabilities (discontinued operations)	**15,351**			45,412		
Total average liabilities	**927,939**			914,996		
Total average shareholders' equity						
Ordinary share capital, reserves, retained earnings and non-controlling interests	**59,790**			59,195		
Preference share capital	**-**			-		
Total average shareholders' equity	**59,790**			59,195		
Total average liabilities and shareholder's equity	**987,729**			974,191		

1. *Averages used are predominantly daily averages.*
2. *Assets and liabilities held for sale are included in continuing operations balance sheet categories and discontinued operations.*
3. *On adoption of AASB 9 on 1 October 2018, the classification and measurement of financial assets were revised. Available-for-sale classification used in comparative periods cease to exist under AASB 9 and a new classification of investment securities was introduced. Comparative information has not been restated.*
4. *Intra-group interest earning assets and interest income and Intra-group interest earning liabilities and interest expense have been eliminated.*

Average balance sheet and related interest – continuing operations[1] (cont'd)

Gross earnings rate[1]	Half Year Sep 19 %	Half Year Mar 19 %	Full Year Sep 19 %	Full Year Sep 18 %
Australia	**4.12**	4.38	**4.25**	4.47
Asia, Pacific, Europe & America	**2.64**	2.71	**2.67**	2.26
New Zealand	**4.15**	4.42	**4.28**	4.45
Group	**3.70**	3.95	**3.82**	3.91

Net interest spread and net interest margin analysis as follows:

	Half Year Sep 19 %	Half Year Mar 19 %	Full Year[2] Sep 19 %	Full Year[2] Sep 18 %
Australia[1]				
Net interest spread	**1.79**	1.75	**1.77**	1.90
Interest attributable to net non-interest bearing items	**0.25**	0.35	**0.30**	0.30
Net interest margin - Australia	**2.04**	2.10	**2.07**	2.20
Asia, Pacific, Europe & America[1]				
Net interest spread	**0.50**	0.58	**0.54**	0.64
Interest attributable to net non-interest bearing items	**0.13**	0.13	**0.13**	0.09
Net interest margin - Asia, Pacific, Europe & America	**0.63**	**0.71**	**0.67**	**0.73**
New Zealand[1]				
Net interest spread	**1.76**	1.82	**1.79**	1.83
Interest attributable to net non-interest bearing items	**0.33**	0.35	**0.34**	0.33
Net interest margin - New Zealand	**2.09**	**2.17**	**2.13**	**2.16**
Group				
Net interest spread	**1.50**	1.52	**1.51**	1.63
Interest attributable to net non-interest bearing items	**0.22**	0.28	**0.25**	0.24
Net interest margin	**1.72**	**1.80**	**1.76**	**1.87**
Net interest margin (excluding Markets)	**2.40**	**2.50**	**2.45**	**2.55**

1. *Geographic gross earnings rate, net interest spread and net interest margin are calculated gross of intra-group items (Intra-group interest earning assets and associated interest income and intra-group interest bearing liabilities and associated interest expense).*
2. *In the March 2019 half, the methodology for allocating earnings on capital at a business unit level changed from Economic Capital to Regulatory Capital. While neutral at a Group level, this change impacted net interest income at the business unit level and comparative information was restated accordingly.*

Select geographical disclosures – including discontinued operations

The following divisions operate across the geographic locations illustrated below:

- Institutional division - International, New Zealand and Australia
- Pacific division - International
- New Zealand division - New Zealand

The International geography includes Asia, Pacific, Europe & America

	Australia $M	New Zealand $M	International $M	Total $M
September 2019 Full Year				
Statutory profit attributable to shareholders of the company	**3,259**	**1,723**	**971**	**5,953**
Cash profit	**3,331**	**1,865**	**965**	**6,161**
Net loans and advances[1]	**429,454**	**123,467**	**62,337**	**615,258**
Customer deposits[1]	**283,586**	**101,205**	**127,021**	**511,812**
Risk weighted assets[1]	**259,820**	**78,613**	**78,528**	**416,961**
September 2018 Full Year				
Statutory profit attributable to shareholders of the company	3,874	1,819	707	6,400
Cash profit	3,387	1,745	673	5,805
Net loans and advances[1]	427,115	117,935	60,413	605,463
Customer deposits[1]	276,769	95,310	115,194	487,273
Risk weighted assets[1]	248,504	67,627	74,689	390,820
September 2019 Half Year				
Statutory profit attributable to shareholders of the company	1,509	846	425	2,780
Cash profit	1,429	813	405	2,647
Net loans and advances[1]	429,454	123,467	62,337	615,258
Customer deposits[1]	283,586	101,205	127,021	511,812
Risk weighted assets[1]	259,820	78,613	78,528	416,961
March 2019 Half Year				
Statutory profit attributable to shareholders of the company	1,750	877	546	3,173
Cash profit	1,902	1,052	560	3,514
Net loans and advances[1]	421,279	126,287	62,603	610,169
Customer deposits[1]	270,779	103,034	119,560	493,373
Risk weighted assets[1]	249,777	71,322	75,192	396,291

1. *Balance Sheet amounts include assets and liabilities held for sale.*

New Zealand geography (in NZD)

	Half Year			Full Year		
	Sep 19 NZD M	Mar 19 NZD M	Movt	Sep 19 NZD M	Sep 18 NZD M	Movt
Net interest income	**1,606**	1,626	-1%	**3,232**	3,177	2%
Other operating income	**440**	654	-33%	**1,094**	1,015	8%
Operating income	**2,046**	2,280	-10%	**4,326**	4,192	3%
Operating expenses	**(850)**	(735)	16%	**(1,585)**	(1,503)	5%
Profit before credit impairment and income tax	**1,196**	1,545	-23%	**2,741**	2,689	2%
Credit impairment (charge)/release	**(67)**	(32)	large	**(99)**	(53)	87%
Profit before income tax	**1,129**	1,513	-25%	**2,642**	2,636	0%
Income tax expense and non-controlling interests	**(310)**	(399)	-22%	**(709)**	(732)	-3%
Cash profit[2]	**819**	1,114	-26%	**1,933**	1,904	2%
Adjustments between statutory profit and cash profit	**77**	(185)	large	**(108)**	82	large
Statutory profit[2]	**896**	929	-4%	**1,825**	1,986	-8%
Individually assessed credit impairment charge/(release) - cash	**37**	32	16%	**69**	101	-32%
Collectively assessed credit impairment charge/(release) - cash	**30**	-	n/a	**30**	(48)	large
Net loans and advances[1]	**133,264**	131,795	1%	**133,264**	128,758	3%
Customer deposits[1]	**109,236**	107,528	2%	**109,236**	104,055	5%
Risk weighted assets[1]	**84,850**	74,433	14%	**84,850**	73,833	15%
Total full time equivalent staff (FTE)	**7,491**	7,311	2%	**7,491**	7,511	0%

1. *Balance Sheet amounts include assets and liabilities held for sale from continuing operations.*
2. *Statutory profit for March 2019 half included a NZ$59 million gain on sale of OPL NZ, and a NZ$39 million gain on sale of Paymark. Cash profit also includes an after tax gain of NZ$86 million on the reversal of the life-to-date cash profit adjustments on the revaluation of OPL NZ policy liabilities sold.*

Exchange rates

Major exchange rates used in the translation of foreign subsidiaries, branches, investments in associates and issued debt are as follows:

	Balance sheet			Profit & Loss Average			
	As at			Half Year		Full Year	
	Sep 19	**Mar 19**	**Sep 18**	**Sep 19**	**Mar 19**	**Sep 19**	**Sep 18**
Chinese Renminbi	**4.8126**	4.7700	4.9679	**4.7917**	4.8805	**4.8360**	4.9691
Euro	**0.6175**	0.6313	0.6205	**0.6197**	0.6274	**0.6235**	0.6387
Pound Sterling	**0.5491**	0.5425	0.5520	**0.5503**	0.5520	**0.5512**	0.5651
Indian Rupee	**47.737**	48.991	52.363	**48.403**	50.906	**49.651**	50.552
Indonesian Rupiah	**9,578**	10,099	10,743	**9,814**	10,329	**10,071**	10,577
Japanese Yen	**72.816**	78.550	81.863	**75.069**	79.629	**77.343**	83.949
Malaysian Ringgit	**2.8277**	2.8963	2.9858	**2.8782**	2.9526	**2.9153**	3.0631
New Taiwan Dollar	**20.960**	21.863	22.013	**21.580**	22.028	**21.803**	22.773
New Zealand Dollar	**1.0794**	1.0436	1.0918	**1.0567**	1.0578	**1.0572**	1.0882
Papua New Guinean Kina	**2.2971**	2.3924	2.4052	**2.3467**	2.4051	**2.3758**	2.4744
United States Dollar	**0.6754**	0.7094	0.7216	**0.6923**	0.7145	**0.7034**	0.7599

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AASB - Australian Accounting Standards Board. The term "AASB" is commonly used when identifying Australian Accounting Standards issued by the AASB.

APRA - Australian Prudential Regulation Authority.

APS - ADI Prudential Standard.

Cash and cash equivalents comprise coins, notes, money at call, balances held with central banks, liquid settlement balances (readily convertible to known amounts of cash which are subject to insignificant risk of changes in value) and securities purchased under agreements to resell (reverse repos) in less than three months.

Cash profit is an additional measure of profit which is prepared on a basis other than in accordance with accounting standards. Cash profit represents ANZ's preferred measure of the result of the core business activities of the Group, enabling readers to assess Group and Divisional performance against prior periods and against peer institutions. To calculate cash profit, the Group excludes non-core items from statutory profit as noted below. These items are calculated consistently period on period so as not to discriminate between positive and negative adjustments.

Gains and losses are adjusted where they are significant, or have the potential to be significant in any one period, and fall into one of three categories:

1. gains or losses included in earnings arising from changes in tax, legal or accounting legislation or other non-core items not associated with the core operations of the Group;
2. treasury shares, revaluation of policy liabilities, economic hedging impacts and similar accounting items that represent timing differences that will reverse through earnings in the future; and
3. accounting reclassifications between individual line items that do not impact reported results, such as policyholders tax gross up.

Cash profit is not a measure of cash flow or profit determined on a cash accounting basis.

Collectively assessed provision under AASB 139 is the provision for credit losses that are inherent in the portfolio but not able to be individually identified. A collectively assessed provision may only be recognised when a loss event has already occurred. Losses expected as a result of future events, no matter how likely, are not recognised.

Collectively assessed allowance for expected credit loss under AASB 9 represents the Expected Credit Loss (ECL). This incorporates forward looking information and does not require an actual loss event to have occurred for an impairment provision to be recognised.

Covered bonds are bonds issued by an ADI to external investors secured against a pool of the ADI's assets (the cover pool) assigned to a bankruptcy remote special purpose entity. The primary assets forming the cover pool are mortgage loans. The mortgages remain on the issuer's balance sheet. The covered bond holders have dual recourse to the issuer and the cover pool assets. The mortgages included in the cover pool cannot be otherwise pledged or disposed of but may be repurchased and substituted in order to maintain the credit quality of the pool. The Group issues covered bonds as part of its funding activities.

Credit risk is the risk of financial loss resulting from the failure of ANZ's customers and counterparties to honour or perform fully the terms of a loan or contract.

Credit risk weighted assets (CRWA) represent assets which are weighted for credit risk according to a set formula as prescribed in APS 112/113.

Customer deposits represent term deposits, other deposits bearing interest, deposits not bearing interest and borrowing corporations' debt excluding securitisation deposits.

Customer remediation includes provisions for expected refunds to customers, remediation project costs and related customer and regulatory claims, penalties and litigation outcomes.

Derivative credit valuation adjustment (CVA) - Over the life of a derivative instrument, ANZ uses a model to adjust fair value to take into account the impact of counterparty credit quality. The methodology calculates the present value of expected losses over the life of the financial instrument as a function of probability of default, loss given default, expected credit risk exposure and an asset correlation factor. Impaired derivatives are also subject to a CVA.

Dividend payout ratio is the total ordinary dividend payment divided by profit attributable to shareholders of the Company.

Gross loans and advances (GLA) is made up of loans and advances, capitalised brokerage/mortgage origination fees less unearned income.

Impaired assets are those financial assets where doubt exists as to whether the full contractual amount will be received in a timely manner, or where concessional terms have been provided because of the financial difficulties of the customer. Financial assets are impaired if there is objective evidence of impairment as a result of a loss event that occurred prior to the reporting date, and that loss event has had an impact, which can be reliably estimated, on the expected future cash flows of the individual asset or portfolio of assets.

Impaired loans comprise drawn facilities where the customer's status is defined as impaired.

Individually assessed allowance for expected credit losses is assessed on a case-by-case basis for all individually managed impaired assets taking into consideration factors such as the realisable value of security (or other credit mitigants), the likely return available upon liquidation or bankruptcy, legal uncertainties, estimated costs involved in recovery, the market price of the exposure in secondary markets and the amount and timing of expected receipts and recoveries.

Interest rate risk in the banking book (IRRBB) relates to the potential adverse impact of changes in market interest rates on ANZ's future net interest income. The risk generally arises from:

1. Repricing and yield curve risk - the risk to earnings or market value as a result of changes in the overall level of interest rates and/or the relativity of these rates across the yield curve;
2. Basis risk - the risk to earnings or market value arising from volatility in the interest margin applicable to banking book items; and
3. Optionality risk - the risk to earnings or market value arising from the existence of stand-alone or embedded options in banking book items.

Internationally comparable ratios are ANZ's interpretation of the regulations documented in the Basel Committee publications: "Basel 3: A global regulatory framework for more resilient banks and banking systems" (June 2011) and "International Convergence of Capital Measurement and Capital Standards" (June 2006). They also include differences identified in APRA's information paper entitled International Capital Comparison Study (13 July 2015).

Level 1 in the context of APRA supervision, Australia and New Zealand Banking Group Limited consolidated with certain approved subsidiaries.

Level 2 in the context of APRA supervision, the consolidated ANZ Group excluding associates, insurance and funds management entities, commercial non-financial entities and certain securitisation vehicles.

Net interest margin is net interest income as a percentage of average interest earning assets.

Net loans and advances represent gross loans and advances less allowance for credit losses.

Net Stable Funding Ratio (NSFR) is the ratio of the amount of available stable funding (ASF) to the amount of required stable funding (RSF) defined by APRA. The amount of ASF is the portion of an Authorised Deposit-taking Institutions (ADI) capital and liabilities expected to be a reliable source of funds over a one year time horizon. The amount of RSF is a function of the liquidity characteristics and residual maturities of an ADI's assets and off-balance sheet activities. ADIs must maintain an NSFR of at least 100%.

Net tangible assets equal share capital and reserves attributable to shareholders of the Company less unamortised intangible assets (including goodwill and software).

Regulatory deposits are mandatory reserve deposits lodged with local central banks in accordance with statutory requirements.

Restructured items comprise facilities in which the original contractual terms have been modified for reasons related to the financial difficulties of the customer. Restructuring may consist of reduction of interest, principal or other payments legally due, or an extension in maturity materially beyond those typically offered to new facilities with similar risk.

Return on average assets is the profit attributable to shareholders of the Company, divided by average total assets.

Return on average ordinary shareholders' equity is the profit attributable to shareholders of the Company, divided by average ordinary shareholders' equity.

Risk weighted assets (RWA) are risk weighted according to each asset's inherent potential for default and what the likely losses would be in the case of default. In the case of non asset backed risks (i.e. market and operational risk), RWA is determined by multiplying the capital requirements for those risks by 12.5.

Settlement balances owed to/by ANZ represent financial assets and/or liabilities which are in the course of being settled. These may include trade dated assets and liabilities, vostro accounts and securities settlement accounts.

Description of divisions

The Group operates on a divisional structure with five continuing divisions: Australia Retail and Commercial, Institutional, New Zealand, Pacific, and TSO and Group Centre.

The following structural changes have taken place during the September 2019 financial year:

- The residual Asia Retail and Wealth businesses have been transferred from the former Asia Retail and Pacific division to TSO and Group Centre division. The remaining segment has been renamed Pacific division; and
- ANZ's lenders mortgage insurance, share investing, general insurance distribution and financial planning businesses which were previously part of the continuing operations of Wealth Australia now form part of the Australia Retail and Commercial division (previously named Australia division) and Wealth Australia ceases to exist as a continuing division.

Australia Retail and Commercial

Australia Retail and Commercial division comprises of the following business units.

- Retail provides products and services to consumer customers in Australia via the branch network, mortgage specialists, contact centres and a variety of self-service channels (internet banking, phone banking, ATMs, website, ANZ share investing and digital banking) and third party brokers in addition to financial planning services provided by salaried financial planners.
- Commercial provides a full range of banking products and financial services, including asset financing, across the following customer segments: medium to large commercial customers and agribusiness customers across regional Australia, small business owners and high net worth individuals and family groups.

Institutional

The Institutional division services global institutional and corporate customers across three product sets: Transaction Banking, Loans & Specialised Finance and Markets.

- Transaction Banking provides working capital and liquidity solutions including documentary trade, supply chain financing, commodity financing as well as cash management solutions, deposits, payments and clearing.
- Loans & Specialised Finance provides loan products, loan syndication, specialised loan structuring and execution, project and export finance, debt structuring and acquisition finance and corporate advisory.
- Markets provide risk management services on foreign exchange, interest rates, credit, commodities and debt capital markets in addition to managing the Group's interest rate exposure and liquidity position.

New Zealand

The New Zealand division comprises the Retail and Commercial business units.

- Retail provides a full range of banking and wealth management services to consumer, private banking and small business banking customers. We deliver our services via our internet and app-based digital solutions and network of branches, mortgage specialists, relationship managers and contact centres.
- Commercial provides a full range of banking services including traditional relationship banking and sophisticated financial solutions through dedicated managers focusing on privately owned medium to large enterprises and the agricultural business segment.

Pacific

The Pacific division provides products and services to retail customers, small to medium-sized enterprises, institutional customers and Governments located in the Pacific Islands. Products and services include retail products provided to consumers, traditional relationship banking and sophisticated financial solutions provided to business customers through dedicated managers.

TSO and Group Centre

TSO and Group Centre division provide support to the operating divisions, including technology, group operations, shared services, property, risk management, financial management, strategy, marketing, human resources and corporate affairs. The Group Centre includes residual Asia Retail and Wealth, Group Treasury, Shareholder Functions and minority investments in Asia.

Refer to Note 10 for details on discontinued operations.

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