Australia and New Zealand Banking Group Limited

ABN 11 005 357 522

Full Year

30 September 2020

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 2020 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 2020

Operating Results[1]				AUD million
Statutory operating income from continuing operations	⇩	-6%	to	17,637
Statutory profit attributable to shareholders	⇩	-40%	to	3,577
Cash profit[2]	⇩	-41%	to	3,660
Cash profit from continuing operations[2]	⇩	-42%	to	3,758

Dividends[3]	Cents per share	Franked amount per share
Proposed final dividend[4]	35	100%
Interim dividend	25	100%
Record date for determining entitlements to the proposed 2020 final dividend		10 November 2020
Payment date for the proposed 2020 final dividend		16 December 2020

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 2020 final dividend. For the 2020 final dividend, ANZ intends to provide shares under the DRP 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 13 November 2020, 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 2020 final dividend must be received by ANZ's Share Registrar by 5.00pm (Australian Eastern Daylight Time) on 11 November 2020. 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 13 November 2020.

1 Unless otherwise noted, all comparisons are to the year ended 30 September 2019.

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 credit risk on impaired derivatives. Cash profit is not a measure of cash flow or profit determined on a cash basis. The net after tax adjustment was an increase on statutory profit of $83 million (all attributable to continuing operations) made up of several items. Refer pages 75 to 79 for further details.

3 There is no conduit foreign income attributed to the dividends.

4 It is proposed that the final dividend will be fully franked for Australian tax purposes (30% tax rate) and carry New Zealand imputation credit of NZD 4 cents per ordinary share.

The information on which the Condensed Consolidated Financial Statements is based is in the process of being audited by the Group's external auditors, KPMG. The financial information contained in the Condensed Consolidated Financial Statements section of this report includes financial information extracted from the Annual Report together with financial information that has not been audited. The Group's Annual Report will be available on 9 November 2020, and will include a copy of KPMG's audit report.

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
Managing Director

28 October 2020

CONSOLIDATED FINANCIAL REPORT, DIVIDEND ANNOUNCEMENT AND APPENDIX 4E
Year ended 30 September 2020

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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 a resolution of the Board of Directors on 28 October 2020.

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 2020 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 2020 Full Year Results.

Available on 29 October 2020 – 2020 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 9 November 2020

- **2020 Annual Report**
- **2020 The Company Financial Report**
- **2020 Corporate Governance Statement**
- **APS 330 Pillar III Disclosure at 30 September 2020**
- **2020 Climate-Related Financial Disclosures**
- **2020 ESG Supplement**
- **United Kingdom Disclosure and Transparency Rules Submission**

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Guide to Full Year Results

CORONAVIRUS (COVID-19)

The ongoing COVID-19 pandemic is causing major disruptions to community health and economic activity with wide-ranging impacts across many business sectors in Australia, New Zealand and globally. Additionally, many of the Group's customers have been impacted by the COVID-19 pandemic. As a result during the year, the Group launched support packages for retail and commercial customers in Australia and New Zealand, including the option of an up to six-month loan repayment deferral. The Group is continuing to work with customers impacted by COVID-19 to return to regular payments and in some circumstances will provide an extension to loan repayment deferrals for a further period. For further details on customer support and deferral packages refer to the Credit Risk note in Group Results.

COVID-19 continues to impact the operations of the Group. Where possible, the Group has moved staff to work-at-home arrangements, split teams and introduced greater distance between those staff performing essential functions on premises. The number of staff working from home continues to vary in line with changing circumstances and associated government restrictions. Measures have been introduced for staff who need to come to work, with protective equipment and social distancing in bank branches, and thermal scanning in major buildings.

Regulators and governments have implemented a broad range of measures to promote financial stability in response to COVID-19. Those measures implemented by governments and regulators in Australia and New Zealand include:

- the Australian Commonwealth Government announced a temporary 'JobKeeper Payment' (where eligible businesses significantly impacted by COVID-19 are able to access a subsidy from the Australian Government to continue paying their eligible employees) and a 'Coronavirus Small and Medium Enterprises (SME) Guarantee Scheme' (where the Australian Commonwealth Government provides a guarantee of 50% to SME lenders to support new short-term unsecured loans to SMEs);
- a term funding facility (TFF) for the banking system in Australia, whereby the Reserve Bank of Australia (RBA) will provide a three-year funding facility to Authorised Deposit-taking Institutions (ADIs) at a fixed interest rate of 0.25%;
- the injection of substantial liquidity into the Australian financial system by the RBA through its daily market operations;
- a temporary change to APRA's expectations with regards to ADIs maintaining bank capital ratios at the "unquestionably strong" benchmark and advised ADIs to maintain caution in planning capital distributions, including dividend payments;
- the New Zealand Government and the Reserve Bank of New Zealand (RBNZ) have implemented financial support packages for homeowners and businesses affected by the economic impacts of COVID-19, in which ANZ New Zealand, along with other New Zealand banks, has agreed to participate. The packages include a Mortgage Repayment Deferral Scheme for residential mortgages, a Business Finance Guarantee Scheme and a Small Business Cashflow scheme for business customers;
- the RBNZ delayed the start date for increased capital requirements for New Zealand incorporated banks by 12 months while retaining a seven year transition period;
- the RBNZ added Condition 1D, which restricts ANZ New Zealand, until further notice, from paying dividends or other distributions, other than discretionary payments payable to holders of AT1 capital instruments; and
- the RBNZ delayed a number of other regulatory initiatives including the delayed implementation of BS11 compliance by 12 months to October 2023.

The ongoing COVID-19 pandemic has also increased the estimation uncertainty in the preparation of these Condensed Consolidated Financial Statements. The Group has made various accounting estimates for future events in the Condensed Consolidated Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions as at 30 September 2020 and that the Group believes are reasonable under the circumstances. There is a considerable degree of judgement involved in preparing these estimates. The underlying assumptions are also subject to uncertainties which are often outside the control of the Group. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in the Condensed Consolidated Financial Statements.

While pervasive across the financial statements, the estimation uncertainty is predominantly related to expected credit losses where the Group recognised a credit impairment charge of $2.7 billion pre-tax in the September 2020 full year, the fair value measurement and recoverable amount assessments of non-financial assets where the Group recognised an impairment charge of $815 million in respect of two of the Group's Asian associates investment and an impairment charge of $77 million in respect of goodwill. For further details of these estimation uncertainties refer to Note 1 of the Condensed Consolidated Financial Statements.

The ramifications of COVID-19 continue to be uncertain and it remains difficult to predict the impact or duration of the pandemic.

ACCOUNTING STANDARDS ADOPTED

During the September 2020 full year, the Group adopted AASB 16 *Leases* (AASB 16) and applied a modified retrospective transition approach in recognising all leases (except for leases of low value assets and short term leases) on the balance sheet based on the present value of remaining lease payments as of 1 October 2019. Consequently on 1 October 2019 the Group recognised an increase in lease liabilities of $1.7 billion, a right-of-use lease asset of $1.6 billion, an increase in deferred tax assets of $37 million and a net reduction to opening retained earnings of $88 million. For further details on key requirements and impacts of the changes refer to Note 1 of the Condensed Consolidated Financial Statements.

The Group early adopted AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform from 1 October 2019. The standard modifies certain hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by interest rate benchmark reform. For further details on interest rate benchmark reform refer Note 1 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 2020 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 75 to 79 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 14 to 18 for details of large/notable items.

DISCONTINUED OPERATIONS

The financial results of the divested Wealth Australia businesses and associated Group reclassification and consolidation impacts are treated as discontinued operations from a financial reporting perspective. 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) -** In 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 and the OnePath P&I business completed on 31 January 2020.
- **Sale to Zurich Financial Services Australia (Zurich) -** In December 2017, the Group announced it had agreed to sell its life insurance business to Zurich and the transaction completed on 31 May 2019.

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

- an $18 million loss on disposal ($13 million loss after tax) was recognised in the September 2020 full year attributable to sale completion costs. The September 2019 full year included a $23 million loss ($81 million loss after tax) 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 on sale completion of gains previously deferred in equity reserves; 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, as follows:

	Half Year		Full Year	
	Sep-20	Mar-20	Sep-20	Sep-19
	$M	$M	$M	$M
Customer remediation (pre-tax)	2	124	126	241
Customer remediation (post-tax)	2	94	96	207

Statutory Profit Results

	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Net interest income	**6,827**	7,222	-5%	**14,049**	14,339	-2%
Other operating income	**1,917**	1,671	15%	**3,588**	4,446	-19%
Operating income	**8,744**	8,893	-2%	**17,637**	18,785	-6%
Operating expenses	**(4,778)**	(4,605)	4%	**(9,383)**	(9,071)	3%
Profit before credit impairment and income tax	**3,966**	4,288	-8%	**8,254**	9,714	-15%
Credit impairment charge	**(1,064)**	(1,674)	-36%	**(2,738)**	(794)	large
Profit before income tax	**2,902**	2,614	11%	**5,516**	8,920	-38%
Income tax expense	**(862)**	(978)	-12%	**(1,840)**	(2,609)	-29%
Non-controlling interests	**-**	(1)	-100%	**(1)**	(15)	-93%
Profit attributable to shareholders of the Company from continuing operations	**2,040**	1,635	25%	**3,675**	6,296	-42%
Profit/(Loss) from discontinued operations	**(8)**	(90)	-91%	**(98)**	(343)	-71%
Profit attributable to shareholders of the Company	**2,032**	1,545	32%	**3,577**	5,953	-40%

Earnings Per Ordinary Share (cents)		Half Year			Full Year		
	Reference Page	Sep 20	Mar 20	Movt	Sep 20	Sep 19	Movt
Basic	101	**71.8**	54.6	32%	**126.4**	210.0	-40%
Diluted	101	**66.3**	51.5	29%	**118.0**	201.9	-42%

		Half Year		Full Year	
	Reference Page	Sep 20	Mar 20	Sep 20	Sep 19
Ordinary Share Dividends (cents)					
Interim [1,2]	100	**-**	25	**25**	80
Final					
- fully franked[1,2]	100	**35**	-	**35**	-
- partially franked[2,3]	100	**-**	-	**-**	80
Total	100	**35**	25	**60**	160
Ordinary share dividend payout ratio[4]	100	**48.9%**	45.9%	**47.6%**	76.2%
Profitability Ratios					
Return on average ordinary shareholders' equity[5]		**6.6%**	5.1%	**5.9%**	10.0%
Return on average assets[6]		**0.38%**	0.30%	**0.34%**	0.61%
Net interest margin		**1.57%**	1.69%	**1.63%**	1.75%
Net interest income to average credit RWAs[6]		**3.66%**	3.96%	**3.81%**	4.13%
Efficiency Ratios					
Operating expenses to operating income		**55.2%**	53.8%	**54.5%**	50.2%
Operating expenses to average assets[6]		**0.91%**	0.92%	**0.91%**	0.97%
Credit Impairment Charge/(Release)					
Individually assessed credit impairment charge ($M)		**395**	626	**1,021**	777
Collectively assessed credit impairment charge/(release) ($M)		**669**	1,048	**1,717**	17
Total credit impairment charge ($M)	105	**1,064**	1,674	**2,738**	794
Individually assessed credit impairment charge as a % of average gross loans and advances[6,7]		**0.12%**	0.20%	**0.16%**	0.13%
Total credit impairment charge as a % of average gross loans and advances[6,7]		**0.33%**	0.53%	**0.43%**	0.13%

1. *Fully franked for Australian tax purposes (30% tax rate) for the proposed 2020 final dividend, the 2020 interim dividend and the 2019 interim dividend.*
2. *Carry New Zealand imputation credits of NZD 4 cents for the proposed 2020 final dividend (2020 interim dividend: NZD 3 cents; 2019 final dividend: NZD 9 cents; 2019 interim dividend: NZD 9 cents).*
3. *Partially franked at 70% for Australian tax purposes (30% tax rate) for the 2019 final dividend.*
4. *The dividend payout ratio for the September 2020 half was calculated using the proposed 2020 final dividend determined when the decision on the 2020 interim dividend has been made. The proposed 2020 final dividend of $994 million is based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the March 2020 half and September 2019 full year were calculated using actual dividend paid of $709 million and $4,535 million respectively.*
5. *Average ordinary shareholders' equity excludes non-controlling interests.*
6. *Average assets 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 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Net interest income	**6,827**	7,222	-5%	**14,049**	14,339	-2%
Other operating income	**2,346**	1,357	73%	**3,703**	4,690	-21%
Operating income	**9,173**	8,579	7%	**17,752**	19,029	-7%
Operating expenses	**(4,778)**	(4,605)	4%	**(9,383)**	(9,071)	3%
Profit before credit impairment and income tax	**4,395**	3,974	11%	**8,369**	9,958	-16%
Credit impairment charge	**(1,064)**	(1,674)	-36%	**(2,738)**	(795)	large
Profit before income tax	**3,331**	2,300	45%	**5,631**	9,163	-39%
Income tax expense	**(986)**	(886)	11%	**(1,872)**	(2,678)	-30%
Non-controlling interests	**-**	(1)	-100%	**(1)**	(15)	-93%
Cash profit from continuing operations	**2,345**	1,413	66%	**3,758**	6,470	-42%
Cash profit/(loss) from discontinued operations	**(8)**	(90)	-91%	**(98)**	(309)	-68%
Cash profit	**2,337**	1,323	77%	**3,660**	6,161	-41%

Earnings Per Ordinary Share (cents)	Half Year			Full Year		
	Sep 20	Mar 20	Movt	Sep 20	Sep 19	Movt
Basic	**82.5**	46.7	77%	**129.3**	216.7	-40%
Diluted	**75.8**	44.7	70%	**120.6**	208.1	-42%

	Reference Page	Half Year		Full Year	
		Sep 20	Mar 20	Sep 20	Sep 19
Ordinary Share Dividends					
Ordinary share dividend payout ratio[2]		**42.5%**	53.6%	**46.5%**	73.6%
Profitability Ratios					
Return on average ordinary shareholders' equity[3]		**7.6%**	4.4%	**6.0%**	10.4%
Return on average assets[4]		**0.43%**	0.26%	**0.35%**	0.63%
Net interest margin		**1.57%**	1.68%	**1.63%**	1.75%
Net interest income to average credit RWAs[5]		**3.66%**	3.96%	**3.81%**	4.13%
Efficiency Ratios					
Operating expenses to operating income		**52.6%**	55.2%	**53.8%**	49.5%
Operating expenses to average assets[5]		**0.90%**	0.92%	**0.91%**	0.97%
Credit Impairment Charge/(Release)					
Individually assessed credit impairment charge ($M)	31	**395**	626	**1,021**	778
Collectively assessed credit impairment charge/(release) ($M)	31	**669**	1,048	**1,717**	17
Total credit impairment charge ($M)	31	**1,064**	1,674	**2,738**	795
Individually assessed credit impairment charge as a % of average gross loans and advances[4,5]		**0.12%**	0.20%	**0.16%**	0.13%
Total credit impairment charge as a % of average gross loans and advances[4,5]		**0.33%**	0.53%	**0.43%**	0.13%

Cash Profit/(Loss) By Division	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Australia Retail and Commercial	**1,123**	1,214	-7%	**2,337**	3,195	-27%
Institutional	**1,244**	610	large	**1,854**	1,828	1%
New Zealand	**450**	567	-21%	**1,017**	1,399	-27%
Pacific	**(82)**	20	large	**(62)**	59	large
TSO and Group Centre	**(390)**	(998)	-61%	**(1,388)**	(11)	large
Discontinued Operations	**(8)**	(90)	-91%	**(98)**	(309)	-68%
Cash profit	**2,337**	1,323	77%	**3,660**	6,161	-41%

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 75 to 79 for the reconciliation between statutory and cash profit. Refer to pages 14 to 18 for information on large/notable items included in continuing cash profit.*
2. *The dividend payout ratio for the September 2020 half was calculated using the proposed 2020 final dividend determined when the decision on the 2020 interim dividend has been made. The proposed 2020 final dividend of $994 million is based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the March 2020 half and September 2019 full year were calculated using actual dividend paid of $709 million and $4,535 million respectively.*
3. *Average ordinary shareholders' equity excludes non-controlling interests.*
4. *Average assets 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 20 $M	Mar 20 $M	Sep 20 v. Mar 20	Sep 20 $M	Mar 20 $M	Sep 20 v. Mar 20	Sep 20 $M	Sep 19 $M	Sep 20 v. Sep 19	Sep 20 $M	Sep 19 $M	Sep 20 v. Sep 19
Net interest income	**6,827**	7,217	-5%	**6,827**	7,222	-5%	**14,044**	14,263	-2%	**14,049**	14,339	-2%
Other operating income	**2,409**	1,349	79%	**2,346**	1,357	73%	**3,758**	4,950	-24%	**3,703**	4,690	-21%
Operating income	**9,236**	8,566	8%	**9,173**	8,579	7%	**17,802**	19,213	-7%	**17,752**	19,029	-7%
Operating expenses	**(4,858)**	(4,725)	3%	**(4,778)**	(4,605)	4%	**(9,583)**	(9,520)	1%	**(9,383)**	(9,071)	3%
Profit before credit impairment and income tax	**4,378**	3,841	14%	**4,395**	3,974	11%	**8,219**	9,693	-15%	**8,369**	9,958	-16%
Credit impairment charge	**(1,064)**	(1,674)	-36%	**(1,064)**	(1,674)	-36%	**(2,738)**	(794)	245%	**(2,738)**	(795)	244%
Profit before income tax	**3,314**	2,167	53%	**3,331**	2,300	45%	**5,481**	8,899	-38%	**5,631**	9,163	-39%
Income tax expense	**(977)**	(843)	16%	**(986)**	(886)	11%	**(1,820)**	(2,723)	-33%	**(1,872)**	(2,678)	-30%
Non-controlling interests	**-**	(1)	-100%	**-**	(1)	-100%	**(1)**	(15)	-93%	**(1)**	(15)	-93%
Cash Profit	**2,337**	1,323	77%	**2,345**	1,413	66%	**3,660**	6,161	-41%	**3,758**	6,470	-42%
Average interest earning assets	**869,110**	856,652	1%	**869,110**	856,652	1%	**862,882**	813,219	6%	**862,882**	813,219	6%
Average deposits and other borrowings	**691,097**	669,342	3%	**690,104**	669,342	3%	**680,219**	638,384	7%	**679,336**	638,384	6%
Funds under management[1]	**36,714**	35,665	3%	**36,714**	35,665	3%	**36,714**	84,171	-56%	**36,714**	35,754	3%
Earnings per share (basic)	**82.5**	46.7	77%	**82.8**	49.9	66%	**129.3**	216.7	-40%	**132.7**	227.6	-42%
Ordinary share dividend payout ratio	**42.5%**	53.6%		**42.4%**	50.2%		**46.5%**	73.6%		**45.3%**	70.1%	
Profitability Ratios												
Return on average ordinary shareholders' equity[2]	**7.6%**	4.4%		**7.6%**	4.7%		**6.0%**	10.4%		**6.2%**	10.9%	
Return on average assets	**0.43%**	0.26%		**0.43%**	0.28%		**0.35%**	0.63%		**0.36%**	0.68%	
Net interest margin	**1.57%**	1.68%		**1.57%**	1.69%		**1.63%**	1.75%		**1.63%**	1.76%	
Net interest income to average credit RWAs	**3.66%**	3.96%		**3.66%**	3.96%		**3.81%**	4.13%		**3.81%**	4.15%	
Efficiency Ratios												
Operating expenses to operating income	**52.6%**	55.2%		**52.1%**	53.7%		**53.8%**	49.5%		**52.9%**	47.7%	
Operating expenses to average assets	**0.90%**	0.92%		**0.88%**	0.90%		**0.91%**	0.97%		**0.89%**	0.95%	
FTE[3]	**38,579**	38,939	-1%	**37,506**	37,834	-1%	**38,579**	39,060	-1%	**37,506**	37,588	0%

1. *Funds under management for continuing operations relates to retained wealth management operations in the New Zealand division and Australia Retail and Commercial division.*
2. *Average ordinary shareholders' equity excludes non-controlling interests.*
3. *The discontinued operations FTE is based on an estimate of the staff working in the divested businesses using an allocation methodology and includes staff retained in the Group working on transitioning the sold businesses to the purchasers.*

Key Balance Sheet Metrics[1]

	Reference Page	As at Sep 20	Mar 20	Sep 19	Movement Sep 20 v. Mar 20	Sep 20 v. Sep 19
Capital Management						
Common Equity Tier 1 (Level 2)						
- APRA Basel 3	45	**11.3%**	10.8%	11.4%		
- Internationally Comparable Basel 3[2]	45	**16.7%**	15.5%	16.4%		
Credit risk weighted assets ($B)	46	**360.0**	386.0	358.1	-7%	1%
Total risk weighted assets ($B)	45	**429.4**	449.0	417.0	-4%	3%
APRA Leverage Ratio	48	**5.4%**	5.0%	5.6%		
Balance Sheet: Key Items						
Gross loans and advances ($B)		**622.1**	661.3	618.8	-6%	1%
Net loans and advances ($B)		**617.1**	656.6	615.3	-6%	0%
Total assets ($B)		**1,042.3**	1,150.0	981.1	-9%	6%
Customer deposits ($B)		**552.4**	566.5	511.8	-2%	8%
Total equity ($B)		**61.3**	61.4	60.8	0%	1%

Liquidity Risk	Reference Page	As at Sep 20	Mar 20	Sep 19	Movement Sep 20 v. Mar 20	Sep 20 v. Sep 19
Liquidity Coverage Ratio (half year average)	43	**139%**	139%	143%	0%	-4%
Net Stable Funding Ratio	44	**124%**	118%	116%	6%	7%

	Reference Page	As at Sep 20	Mar 20	Sep 19	Movement Sep 20 v. Mar 20	Sep 20 v. Sep 19
Impaired Assets						
Gross impaired assets ($M)	35	**2,459**	2,599	2,029	-5%	21%
Gross impaired assets as a % of gross loans and advances		**0.40%**	0.39%	0.33%		
Net impaired assets ($M)	35	**1,568**	1,506	1,215	4%	29%
Net impaired assets as a % of shareholders' equity		**2.6%**	2.5%	2.0%		
Individually assessed provision ($M)	33	**891**	1,093	813	-18%	10%
Individually assessed provision as a % of gross impaired assets		**36.2%**	42.1%	40.1%		
Collectively assessed provision ($M)	33	**5,008**	4,501	3,377	11%	48%
Collectively assessed provision as a % of credit risk weighted assets		**1.39%**	1.17%	0.94%		
Net Tangible Assets						
Net tangible assets attributable to ordinary shareholders ($B)[3]		**56.9**	56.4	55.5	1%	3%
Net tangible assets per ordinary share ($)		**20.04**	19.89	19.59	1%	2%

Net Loans And Advances by division	As at Sep 20 $B	Mar 20 $B	Sep 19 $B	Movement Sep 20 v. Mar 20	Sep 20 v. Sep 19
Australia Retail and Commercial	**339.4**	329.8	331.9	3%	2%
Institutional[4]	**157.6**	199.4	164.5	-21%	-4%
New Zealand[5,6]	**116.6**	125.2	116.7	-7%	0%
Pacific	**1.9**	2.2	2.1	-14%	-10%
TSO and Group Centre	**1.6**	-	0.1	n/a	large
Net loans and advances by division	**617.1**	656.6	615.3	-6%	0%

1. *Balance Sheet amounts and metrics include assets and liabilities held for sale unless otherwise stated.*
2. *See page 47 for further details regarding the differences between APRA Basel 3 and Internationally Comparable Basel 3 standards.*
3. *Equals total shareholders' equity less total non-controlling interests, goodwill and other intangible assets.*
4. *Excluding the impact of foreign currency translation, the Institutional division Net loans and advances decreased -17% compared to March 2020 and -3% compared to September 2019.*
5. *Excluding the impact of foreign currency translation, the New Zealand division Net loans and advances decreased -2% compared to March 2020 and were flat to September 2019.*
6. *Net loans and advances in the New Zealand division was impacted by the sale of UDC in September 2020 (-$3.4 billion).*

Large/Notable Items – continuing operations

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

Divestment impacts

In the September 2020 half year and the September 2019 full year, the Group completed a number of divestments (no divestments were announced or completed in the March 2020 half). As these divestments did 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 20 $M**	**Mar 20 $M**	**Sep 20 $M**	**Sep 19 $M**	**Sep 20 $M**	**Mar 20 $M**	**Sep 20 $M**	**Sep 19 $M**
Paymark	**-**	-	**-**	37	**-**	-	**-**	4
Cambodia JV	**-**	-	**-**	10	**-**	-	**-**	31
OPL NZ	**-**	-	**-**	204	**-**	-	**-**	14
PNG Retail, Commercial and SME	**-**	-	**-**	1	**-**	-	**-**	9
UDC	**(44)**	-	**(44)**	-	**41**	38	**79**	95
Profit/(Loss) before income tax	**(44)**	-	**(44)**	252	**41**	38	**79**	153
Income tax benefit/(expense) and non-controlling interests	**10**	-	**10**	(47)	**(11)**	(11)	**(22)**	(50)
Cash profit/(loss) from continuing operations	**(34)**	-	**(34)**	205	**30**	27	**57**	103

1. *For business results that relate to completed divestments, comparative information has been restated for items included in the September 2020 half.*

- **Paymark Limited (Paymark)**

  In 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 after tax during the September 2019 full year.

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

  In 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. The transaction completed on 19 August 2019 and the Group recognised a $10 million net gain on sale after tax in the September 2019 full year, 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.

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

  In 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 $170 million net gain on sale after tax in the September 2019 full year, comprising a $115 million gain on the reversal of the life-to-date cash profit adjustments on the revaluation of policy liabilities sold, a $63 million gain on sale, a $26 million release from the foreign currency translation reserve and a $34 million tax charge.

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

  In 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 completed on 23 September 2019 and the Group recognised a gain of $1 million after tax net of costs associated with the sale.

- **UDC Finance (UDC)**

  On 2 June 2020, the Group announced that it had entered into a conditional agreement to sell UDC to Shinsei Bank Limited (Shinsei Bank) following a strategic review of the Group investment in UDC Finance. Following regulatory approval, the sale was completed on 1 September 2020. The Group recognised a loss after tax of $34 million in the September 2020 half comprising a loss on disposal of $29 million, a $31 million loss on the reversal of the life-to-date cash profit adjustments on the economic hedges of assets sold, $6 million of transaction costs, partially offset by a $22 million release from the foreign currency translation reserve, and a $10 million tax credit.

Other large/notable items

- **Customer remediation**

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

	Half Year		Full Year	
Cash Profit Impact	**Sep 20 $M**	**Mar 20 $M**	**Sep 20 $M**	**Sep 19 $M**
Operating income	**(116)**	(58)	**(174)**	(212)
Operating expenses	**(138)**	(71)	**(209)**	(373)
Profit/(Loss) before income tax	**(254)**	(129)	**(383)**	(585)
Income tax benefit/(expense) and non-controlling interests	**66**	38	**104**	110
Cash profit/(loss) from continuing operations	**(188)**	(91)	**(279)**	(475)

- **Royal Commission legal costs**

  External legal costs associated with responding to the Banking Royal Commission, which completed in February 2019, were $10 million after tax for the September 2019 full year.

- **Restructuring**

  The Group recognised restructuring expenses of $115 million after tax in the September 2020 full year (Sep 20 half: $41 million; Mar 20 half: $74 million; Sep 19 full year: $54 million) largely relating to business and property changes in Australia Retail and Commercial division.

- **Lease-related items**

  In the September 2020 full year, the Group recognised $72 million after tax of additional charges associated with the adoption of the new lease accounting standard on 1 October 2019 (Sep 20 half: $14 million; Mar 20 half: $58 million). Comparative information has not been restated for the adoption of the new lease accounting standard.

- **Asian associates impairment**

  During the March 2020 half, the Group recognised a $815 million impairment after tax in respect of two of the Group's equity accounted investments to adjust their carrying values in line with their value-in-use calculations (refer Note 1 (iv) of the Condensed Consolidated Financial Statements). AMMB Holdings Berhad (AmBank) was impaired by $595 million and PT Bank Pan Indonesia (PT Panin) was impaired by $220 million. This had no impact to capital since it results in an equivalent reduction in capital deductions.

- **Asian associate AASB 9 adjustment**

  When the Group adopted AASB 9 *Financial Instruments* on 1 October 2018, an estimate of PT Panin's transition adjustment was recognised through opening retained earnings to align accounting policies. PT Panin adopted AASB 9 during the current financial year recognising a transition adjustment in retained earnings. The $66 million after tax represents the Group's equity accounted share of the transition adjustment net of amounts adjusted by the Group in 1 October 2018 to align accounting policies. This had no impact to capital since it results in an equivalent reduction in capital deductions.

- **Accelerated software amortisation**

  During the September 2020 half, the Group amended the application of its software amortisation policy to reflect the shorter useful life of various types of software, including regulatory and compliance focused assets and purchased assets. These changes reflect the Group's rapidly changing technology and business needs and ongoing reinvestments in purchased and internally developed software to ensure asset remains fit for purpose. As a result of these changes, the Group recognised accelerated amortisation of $138 million after tax during the September 2020 half. This had no impact to capital since it results in an equivalent reduction in capital deductions.

- **Goodwill write-off**

  During the September 2020 full year the Group wrote off $77 million after tax of goodwill previously held in the Pacific and New Zealand Divisions:

  - Pacific Division - The impact of COVID-19 on the economies of the Pacific has been significant and conditions are expected to take some time to recover. Goodwill of $50 million after tax for the Division was impaired in the September 2020 half. No further impairments were required for the carrying values of other assets in the Pacific.
  - New Zealand Division - As a result of changes in the economic environment and outlook, the Group has announced its intention to begin winding up the Bonus Bonds business ("Bonus Bonds", a managed investment product) in New Zealand no later than 31 October 2020. As a result, the Group wrote off the associated goodwill of $27 million after tax in the September 2020 half.

  This had no impact to capital since it results in an equivalent reduction in capital deductions.

Large/Notable items - continuing operations

Cash Profit Results	Half Year							Full Year						
	Sep 20 $M	Large/ notables $M	Sep 20 ex. Large/ notables $M	Mar 20 $M	Large/ notables $M	Mar 20 ex. Large/ notables $M	Movt ex. Large/ notables %	Sep 20 $M	Large/ notables $M	Sep 20 ex. Large/ notables $M	Sep 19 $M	Large/ notables $M	Sep 19 ex. Large/ notables $M	Movt ex. Large/ notables %
Net interest income	**6,827**	**(44)**	**6,871**	7,222	32	7,190	-4%	**14,049**	**(12)**	**14,061**	14,339	51	14,288	-2%
Other operating income	**2,346**	**(127)**	**2,473**	1,357	(838)	2,195	13%	**3,703**	**(965)**	**4,668**	4,690	235	4,455	5%
Operating income	**9,173**	**(171)**	**9,344**	8,579	(806)	9,385	0%	**17,752**	**(977)**	**18,729**	19,029	286	18,743	0%
Operating expenses	**(4,778)**	**(501)**	**(4,277)**	(4,605)	(268)	(4,337)	-1%	**(9,383)**	**(769)**	**(8,614)**	(9,071)	(544)	(8,527)	1%
Profit before credit impairment and income tax	**4,395**	**(672)**	**5,067**	3,974	(1,074)	5,048	0%	**8,369**	**(1,746)**	**10,115**	9,958	(258)	10,216	-1%
Credit impairment charge	**(1,064)**	**(3)**	**(1,061)**	(1,674)	(20)	(1,654)	-36%	**(2,738)**	**(23)**	**(2,715)**	(795)	(14)	(781)	large
Profit/(Loss) before income tax	**3,331**	**(675)**	**4,006**	2,300	(1,094)	3,394	18%	**5,631**	**(1,769)**	**7,400**	9,163	(272)	9,435	-22%
Income tax benefit/(expense) and non-controlling interests	**(986)**	**147**	**(1,133)**	(887)	83	(970)	17%	**(1,873)**	**230**	**(2,103)**	(2,693)	41	(2,734)	-23%
Cash profit/(loss) from continuing operations	**2,345**	**(528)**	**2,873**	1,413	(1,011)	2,424	19%	**3,758**	**(1,539)**	**5,297**	6,470	(231)	6,701	-21%

Cash Profit/(Loss) By Division	Half Year							Full Year						
	Sep 20 $M	Large/ notables $M	Sep 20 ex. Large/ notables $M	Mar 20 $M	Large/ notables $M	Mar 20 ex. Large/ notables $M	Movt ex. Large/ notables %	Sep 20 $M	Large/ notables $M	Sep 20 ex. Large/ notables $M	Sep 19 $M	Large/ notables $M	Sep 19 ex. Large/ notables $M	Movt ex. Large/ notables %
Australia Retail and Commercial	**1,123**	**(168)**	**1,291**	1,214	(153)	1,367	-6%	**2,337**	**(321)**	**2,658**	3,195	(386)	3,581	-26%
Institutional	**1,244**	**(64)**	**1,308**	610	(12)	622	large	**1,854**	**(76)**	**1,930**	1,828	(24)	1,852	4%
New Zealand	**450**	**(59)**	**509**	567	(5)	572	-11%	**1,017**	**(64)**	**1,081**	1,399	15	1,384	-22%
Pacific	**(82)**	**(65)**	**(17)**	20	(3)	23	large	**(62)**	**(68)**	**6**	59	(14)	73	-92%
TSO and Group Centre [1]	**(390)**	**(172)**	**(218)**	(998)	(838)	(160)	36%	**(1,388)**	**(1,010)**	**(378)**	(11)	178	(189)	100%
Cash profit/(loss) from continuing operations	**2,345**	**(528)**	**2,873**	1,413	(1,011)	2,424	19%	**3,758**	**(1,539)**	**5,297**	6,470	(231)	6,701	-21%

1. *TSO and Group Centre includes the Gain/(Loss) on sale from divestments in the September 2020 full year and September 2019 full year. It also includes a component of the divested business results of UDC, for all periods presented, and Paymark in the September 2019 full year.*

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 2020 Full Year										**September 2019 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**	**Goodwill write-off $M**	**Restructuring $M**	**Lease-related items $M**	**Accelerated software amortisation $M**	**Asian associates impairment $M**	**Asian associate AASB 9 adjustment $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	-	134	(106)	-	-	(40)	-	-	-	**(12)**	-	192	(141)	-	-	**51**
Other operating income	(38)	2	(68)	-	-	22	-	(815)	(68)	**(965)**	252	54	(71)	-	-	**235**
Operating income	(38)	136	(174)	-	-	(18)	-	(815)	(68)	**(977)**	252	246	(212)	-	-	**286**
Operating expenses	(6)	(34)	(209)	(77)	(161)	(85)	(197)	-	-	**(769)**	-	(79)	(373)	(15)	(77)	**(544)**
Profit before credit impairment and income tax	(44)	102	(383)	(77)	(161)	(103)	(197)	(815)	(68)	**(1,746)**	252	167	(585)	(15)	(77)	**(258)**
Credit impairment charge	-	(23)	-	-	-	-	-	-	-	**(23)**	-	(14)	-	-	-	**(14)**
Profit before income tax	(44)	79	(383)	(77)	(161)	(103)	(197)	(815)	(68)	**(1,769)**	252	153	(585)	(15)	(77)	**(272)**
Income tax benefit/(expense) and non-controlling interests	10	(22)	104	-	46	31	59	-	2	**230**	(47)	(50)	110	5	23	**41**
Cash profit/(loss) from continuing operations	(34)	57	(279)	(77)	(115)	(72)	(138)	(815)	(66)	**(1,539)**	205	103	(475)	(10)	(54)	**(231)**

	September 2020 Half Year										**March 2020 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**	**Goodwill write-off $M**	**Restructuring $M**	**Lease-related items $M**	**Accelerated software amortisation $M**	**Asian associates impairment $M**	**Asian associate AASB 9 adjustment $M**	**Total $M**	**Divested business results[1] $M**	**Customer remediation $M**	**Restructuring $M**	**Lease-related items $M**	**Asian associates impairment $M**	**Total $M**
Cash Profit																
Net interest income	-	59	(84)	-	-	(19)	-	-	-	**(44)**	75	(22)	-	(21)	-	**32**
Other operating income	(38)	1	(32)	-	-	10	-	-	(68)	**(127)**	1	(36)	-	12	(815)	**(838)**
Operating income	(38)	60	(116)	-	-	(9)	-	-	(68)	**(171)**	76	(58)	-	(9)	(815)	**(806)**
Operating expenses	(6)	(16)	(138)	(77)	(56)	(11)	(197)	-	-	**(501)**	(18)	(71)	(105)	(74)	-	**(268)**
Profit before credit impairment and income tax	(44)	44	(254)	(77)	(56)	(20)	(197)	-	(68)	**(672)**	58	(129)	(105)	(83)	(815)	**(1,074)**
Credit impairment charge	-	(3)	-	-	-	-	-	-	-	**(3)**	(20)	-	-	-	-	**(20)**
Profit before income tax	(44)	41	(254)	(77)	(56)	(20)	(197)	-	(68)	**(675)**	38	(129)	(105)	(83)	(815)	**(1,094)**
Income tax benefit/(expense) and non-controlling interests	10	(11)	66	-	15	6	59	-	2	**147**	(11)	38	31	25	-	**83**
Cash profit/(loss) from continuing operations	(34)	30	(188)	(77)	(41)	(14)	(138)	-	(66)	**(528)**	27	(91)	(74)	(58)	(815)	**(1,011)**

1. *For business results that relate to completed divestments, comparative information has been restated for large/notable items included in the September 2020 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 2020 Full Year — Large/notable items included in continuing cash profit

	Gain/(Loss) on sale from divestments $M	Divested business results[1] $M	Customer remediation $M	Goodwill write-offs $M	Restructuring $M	Lease-related items $M	Accelerated software amortisation $M	Asian associates impairment $M	Asian associate AASB 9 adjustment $M	Total $M
Profit before income tax										
Australia Retail and Commercial	-	-	(270)	-	(89)	(68)	(31)	-	-	**(458)**
Institutional	-	-	(20)	-	(17)	(24)	(38)	-	-	**(99)**
New Zealand	-	73	(76)	(27)	(31)	(4)	(11)	-	-	**(76)**
Pacific	-	-	(17)	(50)	-	(3)	-	-	-	**(70)**
TSO and Group Centre[2]	(44)	6	-	-	(24)	(4)	(117)	(815)	(68)	**(1,066)**
Profit before income tax	(44)	79	(383)	(77)	(161)	(103)	(197)	(815)	(68)	**(1,769)**
Income tax benefit/(expense) and non-controlling interests	10	(22)	104	-	46	31	59	-	2	**230**
Cash profit/(loss) from continuing operations	(34)	57	(279)	(77)	(115)	(72)	(138)	(815)	(66)	**(1,539)**

September 2019 Full Year — 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
Profit before income tax						
Australia Retail and Commercial	-	-	(447)	-	(20)	**(467)**
Institutional	-	46	(49)	-	(16)	**(19)**
New Zealand	-	105	(75)	-	(8)	**22**
Pacific	-	-	(14)	-	-	**(14)**
TSO and Group Centre[2]	252	2	-	(15)	(33)	**206**
Profit before income tax	252	153	(585)	(15)	(77)	**(272)**
Income tax benefit/(expense) and non-controlling interests	(47)	(50)	110	5	23	**41**
Cash profit/(loss) from continuing operations	205	103	(475)	(10)	(54)	**(231)**

September 2020 Half Year — Large/notable items included in continuing cash profit

	Gain/(Loss) on sale from divestments $M	Divested business results[1] $M	Customer remediation $M	Goodwill write-off $M	Restructuring $M	Lease-related items $M	Accelerated software amortisation $M	Asian associates impairment $M	Asian associate AASB 9 adjustment $M	Total $M
Profit before income tax										
Australia Retail and Commercial	-	-	(169)	-	(4)	(36)	(31)	-	-	**(240)**
Institutional	-	-	(20)	-	(13)	(13)	(38)	-	-	**(84)**
New Zealand	-	39	(50)	(27)	(20)	(1)	(11)	-	-	**(70)**
Pacific	-	-	(15)	(50)	-	(1)	-	-	-	**(66)**
TSO and Group Centre[2]	(44)	2	-	-	(19)	31	(117)	-	(68)	**(215)**
Profit before income tax	(44)	41	(254)	(77)	(56)	(20)	(197)	-	(68)	**(675)**
Income tax benefit/(expense) and non-controlling interests	10	(11)	66	-	15	6	59	-	2	**147**
Cash profit/(loss) from continuing operations	(34)	30	(188)	(77)	(41)	(14)	(138)	-	(66)	**(528)**

March 2020 Half Year — Large/notable items included in continuing cash profit

	Divested business results[1] $M	Customer remediation $M	Restructuring $M	Lease-related items $M	Asian associates impairment $M	Total $M
Profit before income tax						
Australia Retail and Commercial	-	(101)	(85)	(32)	-	**(218)**
Institutional	-	-	(4)	(11)	-	**(15)**
New Zealand	34	(26)	(11)	(3)	-	**(6)**
Pacific	-	(2)	-	(2)	-	**(4)**
TSO and Group Centre[2]	4	-	(5)	(35)	(815)	**(851)**
Profit before income tax	38	(129)	(105)	(83)	(815)	**(1,094)**
Income tax benefit/(expense) and non-controlling interests	(11)	38	31	25	-	**83**
Cash profit/(loss) from continuing operations	27	(91)	(74)	(58)	(815)	**(1,011)**

1. *For business results that relate to completed divestments, comparative information has been restated for large/notable items included in the September 2020 half.*
2. *TSO and Group Centre includes the Gain/(Loss) on sale from divestments in the September 2020 full year and September 2019 full year. It also includes a component of the divested business results for the completed sale of UDC, for all periods presented, and Paymark in the September 2019 full year.*

Full Time Equivalent Staff

As at 30 September 2020, ANZ employed 38,579 staff (Mar 20: 38,939; Sep 19: 39,060) on a full-time equivalent (FTE) basis.

Division	Half Year			Full Year		
	Sep 20	**Mar 20**	**Movt**	**Sep 20**	**Sep 19**	**Movt**
Australia Retail and Commercial	**14,078**	14,061	0%	**14,078**	13,903	1%
Institutional	**5,291**	5,350	-1%	**5,291**	5,468	-3%
New Zealand	**5,761**	6,103	-6%	**5,761**	6,121	-6%
Pacific	**1,113**	1,108	0%	**1,113**	1,086	2%
TSO and Group Centre	**11,263**	11,212	0%	**11,263**	11,010	2%
Total FTE from continuing operations	**37,506**	37,834	-1%	**37,506**	37,588	0%
Discontinued operations[1]	**1,073**	1,105	-3%	**1,073**	1,472	-27%
Total FTE	**38,579**	38,939	-1%	**38,579**	39,060	-1%
Average FTE	**38,798**	39,154	-1%	**38,976**	39,358	-1%

Geography	Half Year			Full Year		
	Sep 20	**Mar 20**	**Movt**	**Sep 20**	**Sep 19**	**Movt**
Australia	**18,689**	18,823	-1%	**18,689**	18,874	-1%
Asia, Pacific, Europe & America	**12,680**	12,584	1%	**12,680**	12,695	0%
New Zealand	**7,210**	7,532	-4%	**7,210**	7,491	-4%
Total FTE	**38,579**	38,939	-1%	**38,579**	39,060	-1%

1. *The discontinued operations FTE is based on an estimate of the staff working in the divested businesses based on an allocation methodology and includes staff retained in the Group working on transitioning the sold businesses to the purchasers.*

Other Non-Financial Information

	Half Year			Full Year		
Shareholder value - ordinary shares	**Sep 20**	**Mar 20**	**Movt**	**Sep 20**	**Sep 19**	**Movt**
Share price ($)						
- high	**21.22**	28.67	-26%	**28.67**	29.30	-2%
- low	**15.07**	14.10	7%	**14.10**	22.98	-39%
- closing	**17.22**	16.96	2%	**17.22**	28.52	-40%
Closing market capitalisation of ordinary shares ($B)	**48.8**	48.1	1%	**48.8**	80.8	-40%
Total shareholder returns (TSR)	**2.9%**	-38.7%	large	**-36.9%**	9.2%	large

	As at Sep 20		
Credit Ratings	**Short-Term**	**Long-Term**	**Outlook**
Moody's Investor Services	P-1	Aa3	Stable
Standard & Poor's	A-1+	AA-	Negative
Fitch Ratings	F1	A+	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 126 to 127 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 2020 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.

This 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 8.

	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Statutory profit attributable to shareholders of the Company from continuing operations	**2,040**	1,635	25%	**3,675**	6,296	-42%
Adjustments between statutory profit and cash profit[1]						
Revaluation of policy liabilities	**-**	-	n/a	**-**	77	-100%
Economic hedges	**461**	(340)	large	**121**	118	3%
Revenue and expense hedges	**(156)**	120	large	**(36)**	(19)	89%
Structured credit intermediation trades	**-**	(2)	-100%	**(2)**	(2)	0%
Total adjustments between statutory profit and cash profit from continuing operations	**305**	(222)	large	**83**	174	-52%
Cash profit from continuing operations	**2,345**	1,413	66%	**3,758**	6,470	-42%

1. *Refer to pages 75 to 79 for analysis of the adjustments between statutory profit and cash profit.*

Group performance - cash profit	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Net interest income	**6,827**	7,222	-5%	**14,049**	14,339	-2%
Other operating income	**2,346**	1,357	73%	**3,703**	4,690	-21%
Operating income	**9,173**	8,579	7%	**17,752**	19,029	-7%
Operating expenses	**(4,778)**	(4,605)	4%	**(9,383)**	(9,071)	3%
Profit before credit impairment and income tax	**4,395**	3,974	11%	**8,369**	9,958	-16%
Credit impairment charge	**(1,064)**	(1,674)	-36%	**(2,738)**	(795)	large
Profit before income tax	**3,331**	2,300	45%	**5,631**	9,163	-39%
Income tax expense	**(986)**	(886)	11%	**(1,872)**	(2,678)	-30%
Non-controlling interests	**-**	(1)	-100%	**(1)**	(15)	-93%
Cash profit from continuing operations	**2,345**	1,413	66%	**3,758**	6,470	-42%

	Half Year			Full Year		
Cash profit/(loss) by division	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Australia Retail and Commercial	**1,123**	1,214	-7%	**2,337**	3,195	-27%
Institutional	**1,244**	610	large	**1,854**	1,828	1%
New Zealand	**450**	567	-21%	**1,017**	1,399	-27%
Pacific	**(82)**	20	large	**(62)**	59	large
TSO and Group Centre	**(390)**	(998)	-61%	**(1,388)**	(11)	large
Cash profit from continuing operations	**2,345**	1,413	66%	**3,758**	6,470	-42%

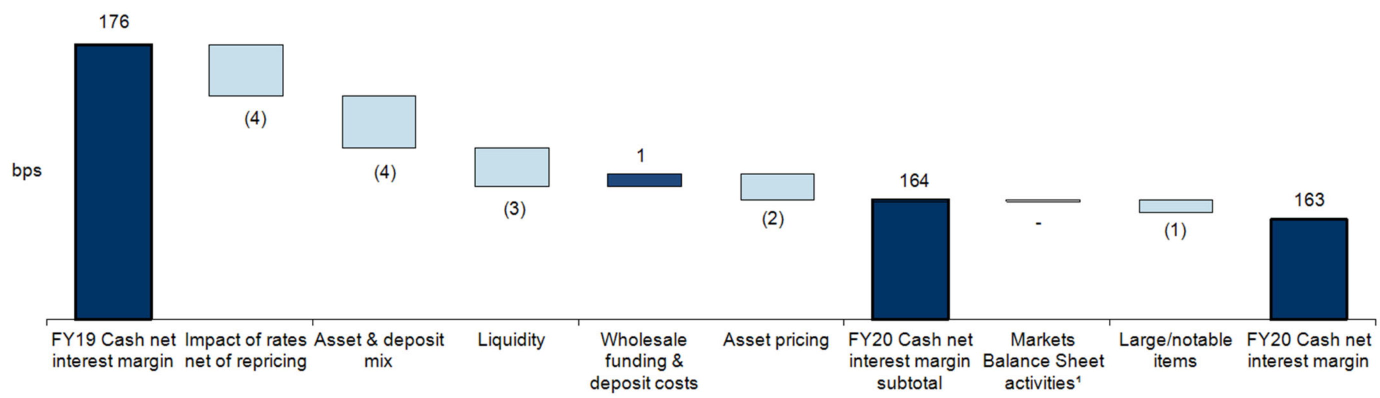
Net Interest Income - continuing operations

	Half Year			Full Year		
Group	**Sep 20 $M**	**Mar 20 $M**	**Movt**	**Sep 20 $M**	**Sep 19 $M**	**Movt**
Cash net interest income[1]	**6,827**	7,222	-5%	**14,049**	14,339	-2%
Average interest earning assets[2]	**869,110**	856,652	1%	**862,882**	813,219	6%
Average deposits and other borrowings[2]	**690,104**	668,514	3%	**679,336**	638,380	6%
Net interest margin (%) - cash	**1.57**	1.69	-12 bps	**1.63**	1.76	-13 bps
Group (excluding Markets business unit)						
Cash net interest income[1]	**6,457**	6,822	-5%	**13,279**	13,848	-4%
Average interest earning assets[2]	**580,532**	576,494	1%	**578,514**	565,282	2%
Average deposits and other borrowings[2]	**504,392**	477,033	6%	**490,740**	460,120	7%
Net interest margin (%) - cash	**2.22**	2.37	-15 bps	**2.30**	2.45	-15 bps

	Half Year			Full Year		
Cash profit net interest margin by major division[1]	**Sep 20 $M**	**Mar 20 $M**	**Movt**	**Sep 20 $M**	**Sep 19 $M**	**Movt**
Australia Retail and Commercial						
Net interest margin (%) - cash	**2.53**	2.65	-12 bps	**2.59**	2.59	0 bps
Average interest earning assets	**305,924**	305,981	0%	**305,953**	311,944	-2%
Average deposits and other borrowings	**222,191**	210,214	6%	**215,816**	203,781	6%
Institutional						
Net interest margin (%) - cash	**0.73**	0.78	-5 bps	**0.76**	0.82	-6 bps
Average interest earning assets[2]	**424,614**	415,490	2%	**420,052**	373,926	12%
Average deposits and other borrowings[2]	**321,745**	305,506	5%	**313,625**	286,372	10%
New Zealand						
Net interest margin (%) - cash	**2.20**	2.31	-11 bps	**2.26**	2.33	-7 bps
Average interest earning assets[2]	**120,104**	121,955	-2%	**121,030**	117,461	3%
Average deposits and other borrowings[2]	**92,756**	90,329	3%	**91,542**	86,608	6%

1. *Includes large/notable items of -$12 million for the September 2020 full year (Mar 20 half: $32 million; September 2019 full year: $51 million). Refer to pages 14 to 18 for further details on large/notable items. Also includes the major bank levy of -$406 million for the September 2020 full year (Mar 20 half: -$196 million; September 2019 full year: -$363 million).*
2. *Average balance sheet amounts include assets and liabilities classified as held for sale from continuing operations in the September 2019 full year.*

Group net interest margin - September 2020 Full Year v September 2019 Full Year



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

- **September 2020 v September 2019**

  Net interest margin (-13 bps)

  - Impact of rates net of repricing (-4 bps): the impact of central bank rate cuts on low rate deposits, earnings on capital and replicated deposits, net of repricing.
  - Asset and deposit mix (-4 bps): unfavourable product mix from the impacts of customer switching from interest only to principal and interest home loans in Australia, as well as customers switching from variable to fixed home loans in Australia and New Zealand, and lower unsecured lending in Australia Retail and Commercial, along with unfavourable divisional lending mix from a higher proportion of Institutional lending. This was partly offset by favourable deposit mix from growth in at-call deposits.
  - Liquidity (-3 bps): predominantly the growth in liquid assets, driven by an increase in system liquidity.

- Wholesale funding and deposits pricing (+1 bps): favourable short term funding costs, partly offset by deposit margin compression.
- Asset pricing (-2 bps): competition in home lending in Australia Retail and Commercial.
- Markets Balance Sheet activities (0 bps): neutral impact year on year.
- Large/notable (-1 bps): the impact of large and notable movements year on year.

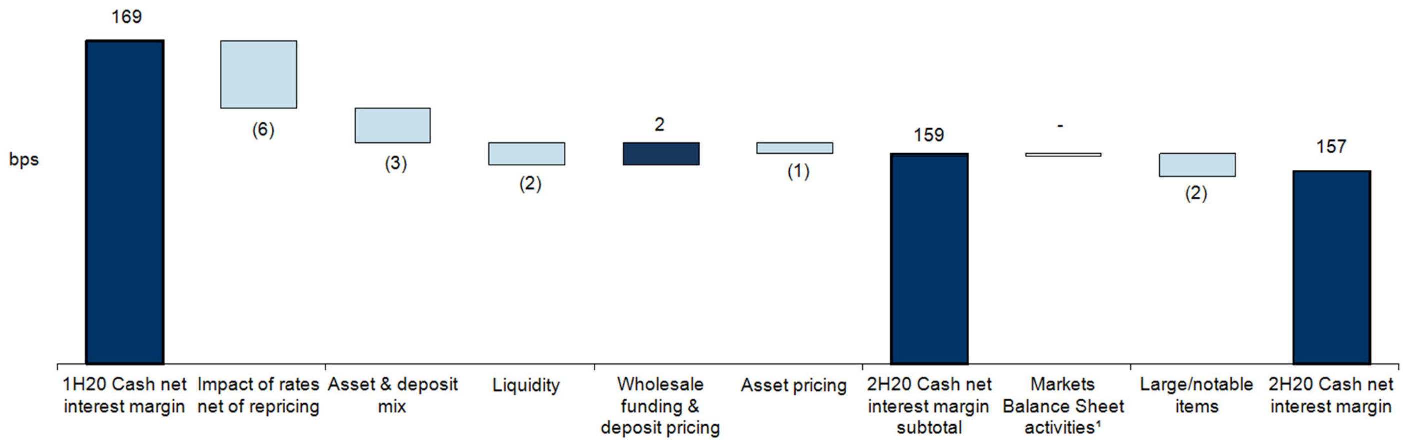
Average interest earning assets (+$49.7 billion or +6%)

- Average net loans and advances (+$18.1 billion or +3%): increase primarily driven by growth in Institutional lending and the impact of foreign currency translation movements.
- Average trading and investment securities (+$13.5 billion or +12%): increase primarily driven by higher liquid assets and trading securities in Markets, and the impact of foreign currency translation movements.
- Average cash and other liquid assets (+$18.1 billion or +17%): increase primarily driven by higher central bank cash balances, higher collateral balances and the impact of foreign currency translation movements.

Average deposits and other borrowings (+$41.0 billion or +6%)

- Average deposits and other borrowings (+$41.0 billion or +6%): increase driven by growth in deposits in all divisions, but particularly in Institutional division, and the impact of foreign currency translation movements.

Group net interest margin - September 2020 Half Year v March 2020 Half Year



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

- **September 2020 v March 2020**

Net interest margin (-12 bps)

- Impact of rates net of repricing (-6 bps): the impact of central bank rate cuts on low rate deposits, earnings on capital and replicated deposits, net of repricing.
- Asset and deposit mix (-3 bps): unfavourable product mix from the impacts of customer switching from interest only to principal and interest home loans in Australia, as well as customer switching from variable to fixed home loans in Australia and New Zealand, and lower unsecured lending in Australia Retail and Commercial along with unfavourable divisional lending mix from a higher proportion of Institutional lending. This was partly offset by favourable deposit mix from growth in at-call deposits.
- Liquidity (-2 bps): predominantly growth in liquid assets, driven by an increase in system liquidity.
- Wholesale funding and deposit pricing (+2 bps): favourable short term and long term funding costs and deposit price optimisation in Australia Retail and Commercial and Institutional.
- Asset pricing (-1 bps): competition in home lending in Australia Retail and Commercial, partly offset by higher Institutional lending margins.
- Markets Balance Sheet activities (0 bps): neutral impact for the half.
- Large/notable items (-2 bps): predominantly the impact of higher customer remediation in the September 2020 half.

Average interest earning assets (+$12.5 billion or 1%)

- Average net loans and advances (+$2.8 billion or +0%): increase primarily driven by growth in Institutional lending, and home lending growth in the Australia Retail and Commercial and New Zealand divisions. This was partly offset by the impact of foreign currency translation movements and a reduction in Cards and Personal Loans in the Australia Retail and Commercial division.
- Average trading and investment securities (+$6.9 billion or +5%): increase primarily driven by an increase in liquid assets in Markets partly offset by the impact of foreign currency translation movements.
- Average cash and other liquid assets (+$2.8 billion or +2%): increase primarily driven by higher central bank cash balances, partly offset by the impact of foreign currency translation movements.

Average deposits and other borrowings (+$21.6 billion or +3%)

- Average deposits and other borrowings (+$21.6 billion or +3%): increase driven by growth in all divisions, partly offset by the impact of foreign currency translation movements.

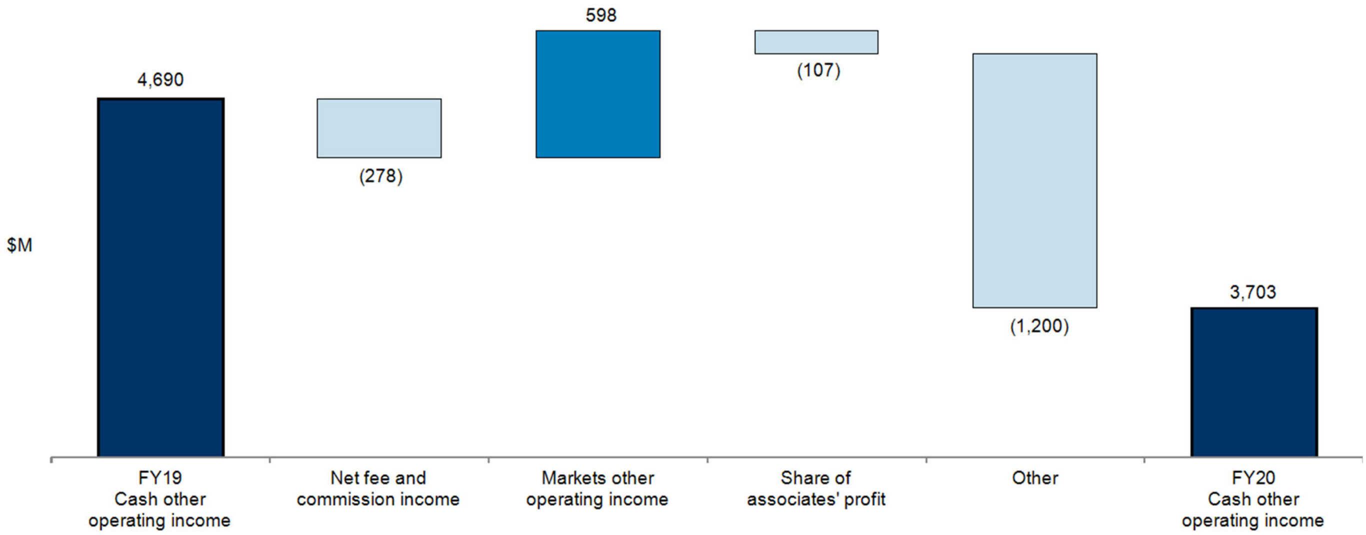
Other Operating Income - continuing operations

	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Net fee and commission income[1]	**1,080**	1,135	-5%	**2,215**	2,493	-11%
Markets other operating income	**1,120**	764	47%	**1,884**	1,286	47%
Share of associates' profit	**20**	135	-85%	**155**	262	-41%
Other[1,2]	**126**	(677)	large	**(551)**	649	large
Total cash other operating income from continuing operations[3]	**2,346**	1,357	73%	**3,703**	4,690	-21%

	Half Year			Full Year		
Other operating income by division	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Australia Retail and Commercial	**566**	595	-5%	**1,161**	1,347	-14%
Institutional	**1,482**	1,167	27%	**2,649**	2,192	21%
New Zealand	**226**	247	-9%	**473**	580	-18%
Pacific	**34**	50	-32%	**84**	104	-19%
TSO and Group Centre	**38**	(702)	large	**(664)**	467	large
Total cash other operating income from continuing operations[3]	**2,346**	1,357	73%	**3,703**	4,690	-21%

1. *Excluding the Markets business unit.*
2. *Includes foreign exchange earnings, net income from insurance business and the impairment of Asian associates recognised in the March 2020 half.*
3. *Includes large/notable items of -$127 million for the September 2020 half (Mar 20 half: -$838 million; Sep 19 full year: $235 million). Refer to items on pages 14 to 18 for further details on large/notable items.*

Other operating income - September 2020 Full Year v September 2019 Full Year



Markets income	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Net interest income	**370**	400	-8%	**770**	491	57%
Other operating income	**1,120**	764	47%	**1,884**	1,286	47%
Total cash Markets income from continuing operations	**1,490**	1,164	28%	**2,654**	1,777	49%

Other operating income (excluding large/notable items)	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Net fee and commission income[1]	**1,086**	1,164	-7%	**2,250**	2,537	-11%
Markets other operating income	**1,138**	764	49%	**1,902**	1,283	48%
Share of associates' profit	**88**	135	-35%	**223**	262	-15%
Other[1,2]	**161**	132	22%	**293**	373	-21%
Total cash other operating income from continuing operations	**2,473**	2,195	13%	**4,668**	4,455	5%

Other operating income by division (excluding large/notable items)	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Australia Retail and Commercial	**582**	625	-7%	**1,207**	1,397	-14%
Institutional	**1,499**	1,163	29%	**2,662**	2,173	23%
New Zealand	**224**	255	-12%	**479**	566	-15%
Pacific	**34**	50	-32%	**84**	104	-19%
TSO and Group Centre	**134**	102	31%	**236**	215	10%
Total cash other operating income from continuing operations	**2,473**	2,195	13%	**4,668**	4,455	5%

1. *Excluding the Markets business unit.*
2. *Includes foreign exchange earnings and net income from insurance business.*

- **September 2020 v September 2019**

  Other operating income decreased by $987 million (-21%).

  Net fee and commission income (-$278 million or -11%)

  - $153 million decrease in the Australia Retail and Commercial division primarily driven by lower credit card and international transaction volumes due to the impact of COVID-19 and fee removals.
  - $93 million decrease in the New Zealand division primarily driven by the reduction or removal of fees and lower volume related fee income and fee waivers due to the impact of COVID-19.
  - $52 million decrease in the Institutional division driven by lower merchant transaction fees and loan syndication fees due to the impact of COVID-19.
  - $20 million increase due to lower customer remediation in the September 2020 full year, partially offset by the loss of income from divested businesses.

  Markets income (+$877 million or +49%)

  - $566 million increase in Franchise Trading across all asset classes primarily attributable to increased customer sales flow and improved trading conditions, particularly in International, along with favourable derivative valuation adjustments.
  - $259 million increase in Balance Sheet trading driven by decreasing funding costs and increasing value of high quality liquid assets.
  - $52 million increase in Franchise Sales due to COVID-19 related customer demand for hedging solutions.

  Share of associates' profit (-$107 million or -41%)

  - $68 million decrease due to the Group's equity accounted share of PT Panin's transition adjustment on its adoption of AASB 9 *Financial Instruments* in 2020.
  - $39 million decrease in profits from associates of which $24 million relates to AmBank and $10 million relates to PT Panin.

  Other (-$1,200 million)

  - $815 million decrease due to the impairment of PT Panin of $220 million and AmBank of $595 million.
  - $318 million decrease due to gains on sale ($252 million) primarily from One Path Life NZ and Paymark in the September 2019 full year, a loss on sale ($38 million) from UDC in the September 2020 full year, and the impact of loss of income from divested businesses ($28 million).
  - $79 million decrease in Institutional division due to widening credit spread impacts on loans measured at fair value.
  - $38 million decrease in Australia Retail and Commercial division due to lower net insurance revenues of $23 million and lower income from foreign cash services of $15 million.
  - $34 million increase in TSO and Group Centre division due to higher realised gains on economic hedges against foreign currency denominated revenue streams. These offset net unfavourable foreign currency translations elsewhere in the Group.
  - $16 million increase due to the gross up of sublease income on adoption of the new leasing standard (comparatives not restated), partially offset by higher customer remediation in the September 2020 full year.

  Excluding large/notable items, other operating income increased $213 million (5%).

- **September 2020 v March 2020**

  Other operating income increased by $989 million or (+73%).

  Net fee and commission income (-$55 million or -5%)

  - $37 million decrease in Institutional division driven primarily by lower merchant transaction fees due to COVID-19.
  - $26 million decrease in the New Zealand division driven by the reduction or removal of fees and lower volume related fees and fee waivers due to the impact of COVID-19.
  - $8 million increase due to lower customer remediation in the September 2020 half, partially offset by a decrease in the Australia Retail and Commercial division primarily driven by lower credit card and international transaction volumes due to the impact of COVID-19.

  Markets income (+$326 million or +28%)

  - $229 million increase in Balance Sheet trading driven by increasing value of high quality liquid assets.
  - $139 million increase in Franchise Trading driven by credit trading on elevated volumes and credit spread tightening, along with favourable derivative valuation adjustments.
  - $42 million decrease in Franchise Sales due to demand from customers trending back to pre COVID-19 levels, partially offset by growth in Capital Markets as corporate clients looked to strengthen their balance sheet by issuing in International markets.

  Share of associates' profit (-$115 million or -85%)

  - $68 million decrease due to the Group's equity accounted share of PT Panin's transition adjustment on its adoption of AASB 9 *Financial Instruments in 2020.*
  - $47 million decrease in profits from associates of which $25 million relates to PT Panin and $20 million relates to AmBank.

  Other (+$803 million)

  - $815 million increase due to the impairment of PT Panin of $220 million and AmBank of $595 million in the March 2020 half.
  - $39 million increase in TSO and Group Centre division due to higher realised gains on economic hedges against foreign denominated revenue streams. These offset unfavourable foreign currency translations elsewhere in the Group.
  - $26 million increase due to dividend income from Bank of Tianjin in the September 2020 half.
  - $38 million decrease due to a loss on sale of UDC in the September 2020 half.
  - $31 million decrease in Australia Retail and Commercial division due to lower net insurance revenues of $17 million and lower income on foreign cash services of $11 million.

  Excluding large/notable items, other operating income increased $278 million (+13%).

Operating Expenses - continuing operations

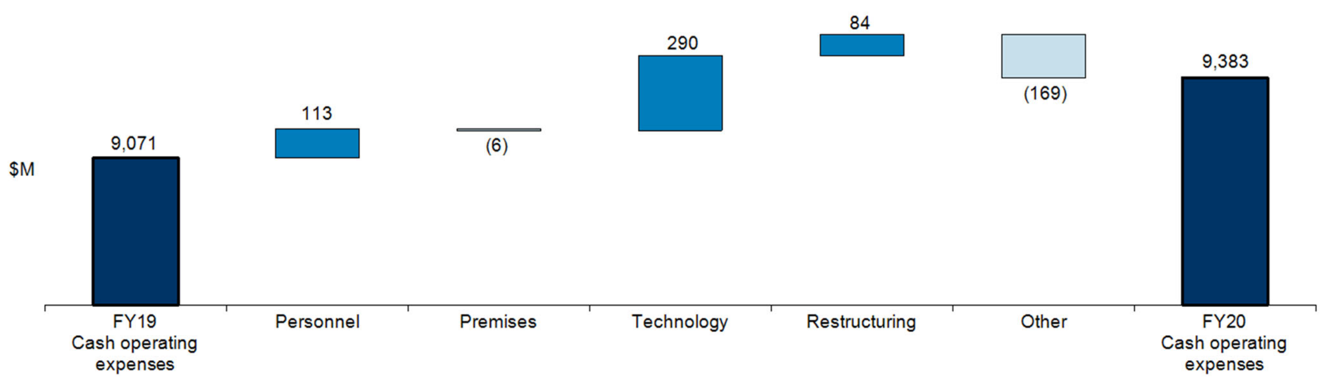
	Half Year			Full Year[1]		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Personnel	**2,413**	2,465	-2%	**4,878**	4,765	2%
Premises	**384**	405	-5%	**789**	795	-1%
Technology (excluding personnel)	**985**	839	17%	**1,824**	1,534	19%
Restructuring	**56**	105	-47%	**161**	77	large
Other	**940**	791	19%	**1,731**	1,900	-9%
Total cash operating expenses from continuing operations[1]	**4,778**	4,605	4%	**9,383**	9,071	3%
Full time equivalent staff (FTE) from continuing operations	**37,506**	37,834	-1%	**37,506**	37,588	0%
Average full time equivalent staff (FTE) from continuing operations	**37,695**	37,759	0%	**37,728**	37,480	1%

	Half Year			Full Year[1]		
Expenses by division	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Australia Retail and Commercial	**2,026**	2,065	-2%	**4,091**	4,074	0%
Institutional	**1,268**	1,290	-2%	**2,558**	2,667	-4%
New Zealand	**745**	690	8%	**1,435**	1,286	12%
Pacific	**129**	76	70%	**205**	150	37%
TSO and Group Centre	**610**	484	26%	**1,094**	894	22%
Total cash operating expenses from continuing operations[1]	**4,778**	4,605	4%	**9,383**	9,071	3%

	Half Year			Full Year		
FTE by division	Sep 20	Mar 20	Movt	Sep 20	Sep 19	Movt
Australia Retail and Commercial	**14,078**	14,061	0%	**14,078**	13,903	1%
Institutional	**5,291**	5,350	-1%	**5,291**	5,468	-3%
New Zealand	**5,761**	6,103	-6%	**5,761**	6,121	-6%
Pacific	**1,113**	1,108	0%	**1,113**	1,086	2%
TSO and Group Centre	**11,263**	11,212	0%	**11,263**	11,010	2%
Total FTE from continuing operations	**37,506**	37,834	-1%	**37,506**	37,588	0%
Average FTE from continuing operations	**37,695**	37,759	0%	**37,728**	37,480	1%

1. *Includes large/notable items of $501 million for the September 2020 half (Mar 20 half: $268 million; September 2019 full year: $544 million). Refer to items on pages 14 to 18 for further details on large/notable items.*

Operating expenses - September 2020 Full Year v September 2019 Full Year



Expenses (excluding large/notable items)	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Personnel	**2,334**	2,401	-3%	**4,735**	4,671	1%
Premises	**372**	379	-2%	**751**	788	-5%
Technology (excluding personnel)	**773**	787	-2%	**1,560**	1,526	2%
Restructuring	**-**	-	n/a	**-**	-	n/a
Other	**798**	770	4%	**1,568**	1,542	2%
Total cash operating expenses from continuing operations	**4,277**	4,337	-1%	**8,614**	8,527	1%

Expenses by division (excluding large/notable items)	Half Year			Full Year[1]		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Australia Retail and Commercial	**1,875**	1,887	-1%	**3,762**	3,743	1%
Institutional	**1,204**	1,275	-6%	**2,479**	2,575	-4%
New Zealand	**624**	654	-5%	**1,278**	1,219	5%
Pacific	**73**	74	-1%	**147**	143	3%
TSO and Group Centre	**501**	447	12%	**948**	847	12%
Total cash operating expenses from continuing operations	**4,277**	4,337	-1%	**8,614**	8,527	1%

- **September 2020 v September 2019**

  Operating expenses increased by $312 million (+3%).

  - Personnel expenses increased $113 million (+2%) largely driven by higher investment spend in the New Zealand and Australia Retail and Commercial divisions, higher customer remediation costs ($80 million), wage inflation and adverse foreign currency translation movements. This was partially offset by lower variable remuneration and lower business as usual expenses, including reduced employee leave balances.
  - Premises expense decreased $6 million (-1%) largely driven lower premises expense in our International network, partially offset by a change in accounting treatment associated with the new leasing standard (comparatives not restated).
  - Technology expenses increased $290 million (+19%) largely as a result of accelerated amortisation of $197 million due to a change in application of the software amortisation policy, a change in accounting treatment associated with the new leasing standard (comparatives not restated), an increase in investment spend and customer remediation ($13 million).
  - Restructuring expenses increased $84 million largely relating to business and distribution channel changes in the Australia Retail and Commercial division.
  - Other expenses decreased $169 million (-9%) largely due to lower customer remediation ($257 million) and lower travel expenses, partially offset by higher investment spend and goodwill write-off of $77 million in Pacific and New Zealand divisions.

  Excluding large/notable items, operating expenses increased $87 million (+1%).

- **September 2020 v March 2020**

  Operating expenses increased by $173 million (+4%).

  - Personnel expenses decreased $52 million (-2%) largely driven by lower business as usual expenses, including reduced employee leave balances. This was partially offset by higher customer remediation costs ($16 million).
  - Premises expenses decreased $21 million (-5%) due to lower lease-related costs and lower premises expense in our International network.
  - Technology expenses increased $146 million (+17%) largely as a result of accelerated amortisation of $197 million due to a change in application of the software amortisation policy, higher investment spend and customer remediation ($13 million). This was partially offset by lower technology lease-related costs and lower business as usual expenses.
  - Restructuring expenses decreased $49 million largely relating to lower business and distribution channel changes in the Australia Retail and Commercial division in the September 2020 half.
  - Other expenses increased $149 million (+19%) largely driven by goodwill write-off of $77 million in Pacific and New Zealand divisions, higher customer remediation ($38 million) and higher investment spend. This was partially offset by lower travel expenses.

  Excluding large/notable items, operating expenses decreased $60 million (-1%).

Software Capitalisation - continuing operations

As at 30 September 2020, the Group's intangible assets included $1,039 million of costs incurred to acquire and develop software. Details are presented in the table below:

	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Balance at start of period	**1,263**	1,323	-5%	**1,323**	1,421	-7%
Software capitalised during the period	**194**	181	7%	**375**	421	-11%
Amortisation during the period						
- Current period amortisation	**(219)**	(241)	-9%	**(460)**	(517)	-11%
- Accelerated amortisation[1]	**(197)**	-	n/a	**(197)**	-	n/a
Software impaired/written-off	**-**	(2)	-100%	**(2)**	(4)	-50%
Foreign currency translation movements	**(2)**	2	large	**-**	2	-100%
Total capitalised software from continuing operations	**1,039**	1,263	-18%	**1,039**	1,323	-21%

Net book value by division	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Australia Retail and Commercial	**147**	209	-30%	**147**	260	-43%
Institutional	**139**	196	-29%	**139**	223	-38%
New Zealand	**7**	8	-13%	**7**	7	0%
TSO and Group Centre	**746**	850	-12%	**746**	833	-10%
Total from continuing operations	**1,039**	1,263	-18%	**1,039**	1,323	-21%

	Full Year				
	Australia Retail and Commercial	Institutional	New Zealand	TSO and Group Centre	Total from continuing operations
	Sep 20 $M	Sep 20 $M	Sep 20 $M	Sep 20 $M	Sep 20 $M
Balance at start of period	**260**	**223**	**7**	**833**	**1,323**
Software capitalised during the period	**41**	**42**	**7**	**285**	**375**
Amortisation during the period					
- Current period amortisation	**(123)**	**(88)**	**(5)**	**(244)**	**(460)**
- Accelerated amortisation[1]	**(31)**	**(38)**	**(2)**	**(126)**	**(197)**
Software impaired/written-off	**-**	**-**	**-**	**(2)**	**(2)**
Foreign currency translation movements	**-**	**-**	**-**	**-**	**-**
Total capitalised software from continuing operations	**147**	**139**	**7**	**746**	**1,039**

1. *In the September 2020 half, the Group amended the application of its software amortisation policy to reflect the shorter useful life of software caused by rapidly changing technology and business requirements. As a result, the Group recognised accelerated amortisation of $197 million during the September 2020 half. Refer to Note 1 for further details.*

Credit Risk – continuing operations

The tables below provide information about the credit provisions of the Group.

The impact and duration of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. The Expected Credit Loss (ECL) charge for the half year and ECL provisions as at 30 September 2020 are therefore partly based on management judgement with respect to the impacts of COVID-19 on the Group's credit exposures. The judgements and assumptions made by management are based on a variety of internal and external information, as well as the Group's experience with respect to the performance of the portfolio under previous stressed conditions. Refer to Note 1 of the Condensed Consolidated Financial Statements for further information.

Credit impairment charge/(release)

	Collectively assessed					
	Half Year		Movement	Full Year		Movement
Division	Sep 20 $M	Mar 20 $M	Sep 20 v. Mar 20	Sep 20 $M	Sep 19 $M	Sep 20 v. Sep 19
Australia Retail and Commercial	**526**	525	0%	**1,051**	7	large
Institutional	**4**	369	-99%	**373**	10	large
New Zealand	**104**	144	-28%	**248**	12	large
Pacific	**35**	10	large	**45**	(12)	large
TSO and Group Centre	**-**	-	n/a	**-**	-	n/a
Total	**669**	1,048	-36%	**1,717**	17	large

	Individually assessed					
	Half Year		Movement	Full Year		Movement
Division	Sep 20 $M	Mar 20 $M	Sep 20 v. Mar 20	Sep 20 $M	Sep 19 $M	Sep 20 v. Sep 19
Australia Retail and Commercial	**278**	318	-13%	**596**	705	-15%
Institutional	**49**	272	-82%	**321**	(12)	large
New Zealand	**62**	35	77%	**97**	75	29%
Pacific	**6**	1	large	**7**	11	-36%
TSO and Group Centre	**-**	-	n/a	**-**	(1)	-100%
Total	**395**	626	-37%	**1,021**	778	31%

	Total					
	Half Year		Movement	Full Year		Movement
Division	Sep 20 $M	Mar 20 $M	Sep 20 v. Mar 20	Sep 20 $M	Sep 19 $M	Sep 20 v. Sep 19
Australia Retail and Commercial	**804**	843	-5%	**1,647**	712	large
Institutional	**53**	641	-92%	**694**	(2)	large
New Zealand	**166**	179	-7%	**345**	87	large
Pacific	**41**	11	large	**52**	(1)	large
TSO and Group Centre	**-**	-	n/a	**-**	(1)	-100%
Total	**1,064**	1,674	-36%	**2,738**	795	large

September 2020 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	228	805	18	**1,051**	965	(369)	**596**	**1,647**
Institutional	203	178	(8)	**373**	451	(130)	**321**	**694**
New Zealand	20	190	38	**248**	147	(50)	**97**	**345**
Pacific	4	37	4	**45**	12	(5)	**7**	**52**
TSO and Group Centre	-	-	-	**-**	-	-	**-**	**-**
Total	455	1,210	52	**1,717**	1,575	(554)	**1,021**	**2,738**

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 2020 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	123	410	(7)	**526**	454	(176)	**278**	**804**
Institutional	-	1	3	**4**	124	(75)	**49**	**53**
New Zealand	(19)	104	19	**104**	88	(26)	**62**	**166**
Pacific	(3)	34	4	**35**	9	(3)	**6**	**41**
TSO and Group Centre	-	-	-	**-**	-	-	**-**	**-**
Total	101	549	19	**669**	675	(280)	**395**	**1,064**

March 2020 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	105	395	25	**525**	511	(193)	**318**	**843**
Institutional	203	177	(11)	**369**	327	(55)	**272**	**641**
New Zealand	39	86	19	**144**	59	(24)	**35**	**179**
Pacific	7	3	-	**10**	3	(2)	**1**	**11**
TSO and Group Centre	-	-	-	**-**	-	-	**-**	**-**
Total	354	661	33	**1,048**	900	(274)	**626**	**1,674**

Collectively assessed credit impairment charge

- **September 2020 v September 2019**

  The collectively assessed credit impairment charge increased by $1,700 million primarily driven by a $1,044 million increase in the Australia Retail and Commercial division, a $363 million increase in the Institutional division and a $236 million increase in the New Zealand division. The significant increases across all divisions were due to forward-looking assessments of the impacts of the COVID-19 pandemic driven by the deterioration in the economic outlook as well as management adjustments to recognise the risk of credit quality deterioration expected to emerge as COVID-19 stimulus and support programs ease.

- **September 2020 v March 2020**

  The $669 million collectively assessed credit impairment charge in the September 2020 half was due to forward-looking assessments of the impacts of the COVID-19 pandemic recognised by way of management adjustments to recognise the risk of credit quality deterioration expected to emerge as COVID-19 stimulus and support programs ease, including the impact of an extended Victorian lockdown. The charge decreased by $379 million compared to March primarily driven by a $365 million decrease in the Institutional division. The Institutional collectively assessed provisions were flat for the September 2020 half with credit migration experienced during the September 2020 half offset by an improvement in the forward-looking base case relative to March 2020 half.

Individually assessed credit impairment charge

- **September 2020 v September 2019**
  The individually assessed credit impairment charge increased by $243 million primarily due to a single name impairment in the Institutional division. This was partially offset by improved delinquencies in the Australia Retail portfolios combined with ongoing lower portfolio growth in the unsecured portfolio, and lower provisions in the Commercial portfolio.
- **September 2020 v March 2020**
  The individually assessed credit impairment charge decreased by $231 million primarily due to a single name impairment in the March 2020 half in the Institutional division. The decrease in Australia Retail and Commercial division was driven by lower provisions in the Commercial portfolio which was partially offset by increases in New Zealand division due to a small number of new single name impairments.

Allowance for expected credit losses[1]

	Collectively assessed				
	As at			Movement	
Division	Sep 20 $M	Mar 20 $M	Sep 19 $M	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Australia Retail and Commercial	**2,845**	2,320	1,795	23%	58%
Institutional	**1,513**	1,590	1,169	-5%	29%
New Zealand	**570**	541	374	5%	52%
Pacific	**80**	50	38	60%	large
TSO and Group Centre	**-**	-	-	n/a	n/a
Total	**5,008**	4,501	3,376	11%	48%

	Individually assessed				
	As at			Movement	
Division	Sep 20 $M	Mar 20 $M	Sep 19 $M	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Australia Retail and Commercial	**610**	582	558	5%	9%
Institutional	**158**	406	160	-61%	-1%
New Zealand	**102**	79	72	29%	42%
Pacific	**21**	26	24	-19%	-13%
TSO and Group Centre	**-**	-	-	n/a	n/a
Total	**891**	1,093	814	-18%	9%

	Total provision				
	As at			Movement	
Division	Sep 20 $M	Mar 20 $M	Sep 19 $M	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Australia Retail and Commercial	**3,455**	2,902	2,353	19%	47%
Institutional	**1,671**	1,996	1,329	-16%	26%
New Zealand	**672**	620	446	8%	51%
Pacific	**101**	76	62	33%	63%
TSO and Group Centre	**-**	-	-	n/a	n/a
Total	**5,899**	5,594	4,190	5%	41%

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.*

Allowance for expected credit losses, cont'd [1]

As at Sep 20

	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	597	1,886	362	**2,845**	610	**3,455**
Institutional	1,056	426	31	**1,513**	158	**1,671**
New Zealand	147	346	77	**570**	102	**672**
Pacific	20	46	14	**80**	21	**101**
TSO and Group Centre	-	-	-	**-**	-	**-**
Total	1,820	2,704	484	**5,008**	891	**5,899**

As at Mar 20

	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	474	1,477	369	2,320	582	2,902
Institutional	1,115	444	31	1,590	406	1,996
New Zealand	200	279	62	541	79	620
Pacific	26	13	11	50	26	76
TSO and Group Centre	-	-	-	-	-	-
Total	1,815	2,213	473	4,501	1,093	5,594

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
TSO and Group Centre	-	-	-	-	-	-
Total	1,412	1,530	434	3,376	814	4,190

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.*

Long-Run Loss Rates

Management believes that disclosure of modelled long-run historical 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 long-run loss methodology used for economic profit is an internal measure and is not based on the credit loss recognition principles of AASB 9 Financial Instruments. In addition, given it is based on an average historical long-run loss rate it does not reflect the potential forward looking impacts associated with COVID-19.

	As at		
Long-run loss as a % of gross lending assets	**Sep 20**	**Mar 20**	**Sep 19**
Australia Retail and Commercial division	0.27%	0.28%	0.29%
New Zealand division	0.16%	0.19%	0.18%
Institutional division	0.30%	0.25%	0.25%
Total Group	**0.26%**	**0.26%**	**0.26%**

Gross Impaired Assets

	As at			Movement	
	Sep 20 $M	**Mar 20 $M**	**Sep 19 $M**	**Sep 20 v. Mar 20**	**Sep 20 v. Sep 19**
Impaired loans[1]	**2,001**	2,209	1,711	-9%	17%
Restructured items[2]	**254**	226	267	12%	-5%
Non-performing commitments and contingencies[1]	**204**	164	51	24%	large
Gross impaired assets	**2,459**	2,599	2,029	-5%	21%
Individually assessed provisions					
Impaired loans	**(851)**	(1,055)	(791)	-19%	8%
Non-performing commitments and contingencies	**(40)**	(38)	(23)	5%	74%
Net impaired assets	**1,568**	1,506	1,215	4%	29%
Gross impaired assets by division					
Australia Retail and Commercial	**1,634**	1,544	1,468	6%	11%
Institutional	**434**	742	265	-42%	64%
New Zealand	**347**	264	245	31%	42%
Pacific	**44**	49	51	-10%	-14%
TSO and Group Centre	**-**	-	-	n/a	n/a
Gross impaired assets	**2,459**	2,599	2,029	-5%	21%
Gross impaired assets by size of exposure					
Less than $10 million	**1,713**	1,680	1,593	2%	8%
$10 million to $100 million	**339**	349	247	-3%	37%
Greater than $100 million	**407**	570	189	-29%	large
Gross impaired assets	**2,459**	2,599	2,029	-5%	21%

1. *Impaired loans and non-performing commitments and contingencies do not include exposures which are included in collectively assessed Stage 3 ECL, which comprise unsecured retail exposures greater than 90 days past due and defaulted but well secured exposures.*
2. *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 2020 v September 2019**
  Gross impaired assets increased $430 million (21%) driven by the Institutional division ($169 million), Australia Retail and Commercial division ($166 million) and New Zealand division ($102 million). The increase in the Institutional division primarily relates to impairments on a small number of single name exposures primarily in the March 2020 half. The Australia Retail and Commercial division increase was driven by home loans with a combination of the implementation of a more market responsive collateral valuation methodology and impairments as 90 days past due exposures increased in the March 2020 half, combined with impairments on a small number of single name exposures in the commercial portfolio. The increase in New Zealand was driven by impairments on a small number of single name commercial exposures.

- **September 2020 v March 2020**
  Gross impaired assets decreased $140 million (5%) driven by the Institutional division ($308 million), offset by increases in Australia Retail and Commercial division ($90 million) and New Zealand division ($83 million). The decrease in the Institutional division relates to write-offs on a small number of single named exposures. The increase in Australia Retail and Commercial division was driven by home loan impairments as 90 days past due exposures increased primarily in March 2020 half. The increase in New Zealand division was driven by impairment on a single name exposure in the commercial portfolio.

  The Group's individually assessed provision coverage ratio on impaired assets was 36.2% at 30 September 2020 (Mar 20: 42.1%; Sep 19: 40.1%).

New Impaired Assets

	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Impaired loans	**1,081**	1,407	-23%	**2,488**	1,927	29%
Restructured items	**47**	23	large	**70**	42	67%
Non-performing commitments and contingencies	**91**	140	-35%	**231**	38	large
Total new impaired assets	**1,219**	1,570	-22%	**2,789**	2,007	39%
New impaired assets by division						
Australia Retail and Commercial	**775**	870	-11%	**1,645**	1,631	1%
Institutional	**197**	571	-65%	**768**	78	large
New Zealand	**236**	125	89%	**361**	278	30%
Pacific	**11**	4	large	**15**	20	-25%
TSO and Group Centre	**-**	-	n/a	**-**	-	n/a
Total new impaired assets	**1,219**	1,570	-22%	**2,789**	2,007	39%

- **September 2020 v September 2019**
  New impaired assets increased $782 million (39%) with increases in Institutional division ($690 million) related to a small number of impairments of single name exposures. New Zealand division increases ($83 million) related to a small number of impairments of single name exposures in the commercial portfolio.
- **September 2020 v March 2020**
  New impaired assets decreased by $351 million (22%) driven by Institutional division ($374 million) and Australia Retail and Commercial division ($95 million), partially offset with increase in New Zealand division ($111 million). The decreases in Institutional relate to a small number of impairments of single name exposures in the March 2020 half not repeated in the September 2020 half. The decrease in Australia Retail and Commercial division is driven by home loans due to the continued COVID-19 support in place. This was partially offset by New Zealand driven by a small number of impairments of single name exposures in the commercial portfolio.

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

	As at			Movement	
	Sep 20 $M	Mar 20 $M	Sep 19 $M	Sep 20 v. Mar 20	Sep 20 v. Sep 19
1-29 days	**5,161**	9,114	8,383	-43%	-38%
30-59 days	**1,028**	2,772	2,255	-63%	-54%
60-89 days	**569**	1,368	1,369	-58%	-58%
>90 days	**3,844**	3,621	3,744	6%	3%
Total	**10,602**	16,875	15,751	-37%	-33%

1. *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 was not restated for the change in methodology.*
2. *Excludes eligible customers impacted by COVID-19 who applied and were granted or are in the process of being granted a 6 month repayment deferral package as at 31 March 2020. Customers who were 30 days past due or greater were not eligible for the 6 month repayment deferral packages.*

- **September 2020 v September 2019**

  Net loans and advances past due but not impaired decreased $5,149 million primarily driven by Australia Retail and Commercial division home loan portfolio in the 1-29 days and 30-59 days segments due to the customer uptake of COVID-19 deferral packages in the September 2020 half.

- **September 2020 v March 2020**

  Net loans and advances past due but not impaired decreased $6,273 million primarily driven by Australia Retail and Commercial division home loan portfolio in the 1-29 days and 30-59 days segments due to the customer uptake of COVID-19 deferral packages in the September 2020 half.

Loan Deferral and Relief Packages[1]

Since March 2020, the Group has offered various forms of assistance to customers to counteract the impact of COVID-19 on the ability of customers to meet their loan obligations. The assistance provided has included arrangements such as temporary deferral of principal and interest repayments, replacing principal and interest with interest only repayments, and extension of loan maturity dates.

The Group does not consider that when a customer is first provided assistance, all other things being equal, that there has been a Significant Increase in Credit Risk (SICR) and a consequent impact on ECL when assessing provisions. Subsequent to take-up, customers have been contacted to discuss available options once the packages reach their end date. This additional information on the customer's financial position and ability to recommence their loan repayments is used to assist in classification of customers into risk categories. Customers in higher risk categories, and those who have requested a deferral extension, have been classified as having a SICR. The Group continues to work with our customers on arrangements in respect of their loan obligations once the assistance package has ceased.

The categories of assistance packages provided and the amounts outstanding as at 30 September 2020 are noted in the following table:

	Australia Geography	New Zealand Geography	Total
	At 30 September 2020	At 30 September 2020	At 30 September 2020
Assistance package category	$M	$M	$M
Loan deferral package			
Retail	26,117	3,705	29,822
Commercial and other	8,989	193	9,182
Interest Only			
Retail	126	2,287	2,413
Commercial and other	33	494	527
Term extensions			
Retail	3	611	614
Commercial and other	24	66	90
Total	35,292	7,356	42,648
Retail	26,246	6,603	32,849
Commercial and other	9,046	753	9,799
Total	35,292	7,356	42,648

1. *COVID-19 loan deferral packages are available to customers if either their loan repayments are less than 30 days past due, or if their repayments are less than 90 days past due but were up to date at 1 March 2020.*

Income Tax Expense - continuing operations

	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Income tax expense on cash profit	**986**	886	11%	**1,872**	2,678	-30%
Effective tax rate (cash profit)	**29.6%**	38.5%		**33.2%**	29.2%	

- **September 2020 v September 2019**

  The effective tax rate has increased from 29.2% to 33.2%. The increase of 400 bps is primarily due to the non-tax deductible impairment of investments in AmBank and PT Panin (+435 bps) in the September 2020 full year.

- **September 2020 v March 2020**

  The effective tax rate has decreased from 38.5% to 29.6%. The decrease of 890 bps is primarily due to non-tax deductible impairment of investments in AmBank and PT Panin (-1,065 bps) in the March 2020 half partially offset by lower equity accounted earnings (+160 bps) in the September 2020 half.

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 2020 Full Year vs September 2019 Full Year

	Full Year				Movement	
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX adjusted
	Sep 20 $M	Sep 19 $M	Sep 19 $M	Sep 19 $M	Sep 20 v. Sep 19	Sep 20 v. Sep 19
Net interest income	**14,049**	14,339	34	14,373	-2%	-2%
Other operating income	**3,703**	4,690	72	4,762	-21%	-22%
Operating income	**17,752**	19,029	106	19,135	-7%	-7%
Operating expenses	**(9,383)**	(9,071)	(49)	(9,120)	3%	3%
Profit before credit impairment and income tax	**8,369**	9,958	57	10,015	-16%	-16%
Credit impairment charge	**(2,738)**	(795)	1	(794)	large	large
Profit before income tax	**5,631**	9,163	58	9,221	-39%	-39%
Income tax expense	**(1,872)**	(2,678)	(17)	(2,695)	-30%	-31%
Non-controlling interests	**(1)**	(15)	-	(15)	-93%	-93%
Cash profit from continuing operations	**3,758**	6,470	41	6,511	-42%	-42%
Balance Sheet						
Net loans and advances	**617,093**	615,258	(2,750)	612,508	0%	1%

Cash Profit - September 2020 Half Year vs March 2020 Half Year

	Half Year				Movement	
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX adjusted
	Sep 20 $M	Mar 20 $M	Mar 20 $M	Mar 20 $M	Sep 20 v. Mar 20	Sep 20 v. Mar 20
Net interest income	**6,827**	7,222	(50)	7,172	-5%	-5%
Other operating income	**2,346**	1,357	30	1,387	73%	69%
Operating income	**9,173**	8,579	(20)	8,559	7%	7%
Operating expenses	**(4,778)**	(4,605)	41	(4,564)	4%	5%
Profit before credit impairment and income tax	**4,395**	3,974	21	3,995	11%	10%
Credit impairment charge	**(1,064)**	(1,674)	12	(1,662)	-36%	-36%
Profit before income tax	**3,331**	2,300	33	2,333	45%	43%
Income tax expense	**(986)**	(886)	(13)	(899)	11%	10%
Non-controlling interests	**-**	(1)	-	(1)	-100%	-100%
Cash profit from continuing operations	**2,345**	1,413	20	1,433	66%	64%
Balance Sheet						
Net loans and advances	**617,093**	656,609	(16,058)	640,551	-6%	-4%

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 and US Dollar). 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	
NZD Economic hedges	**Sep 20 $M**	**Mar 20 $M**	**Sep 20 $M**	**Sep 19 $M**
Net open NZD position (notional principal)[1]	**2,276**	3,165	**2,276**	3,451
Amount taken to income (pre-tax statutory basis)[2]	**149**	(156)	**(7)**	10
Amount taken to income (pre-tax cash basis)[3]	**19**	(13)	**6**	(43)
USD Economic hedges				
Net open USD position (notional principal)[1]	**453**	662	**453**	769
Amount taken to income (pre-tax statutory basis)[2]	**87**	(39)	**48**	(39)
Amount taken to income (pre-tax cash basis)[3]	**(8)**	(15)	**(23)**	(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 2020, the following hedges were in place to partially hedge future earnings against adverse movements in exchange rates:

- NZD 2.4 billion at a forward rate of approximately NZD 1.05/AUD.
- USD 0.3 billion at a forward rate of approximately USD 0.64/AUD.

During the September 2020 full year:

- NZD 2.2 billion of economic hedges matured and a realised gain of $6 million (pre-tax) was recorded in cash profit.
- USD 0.5 billion of economic hedges matured and a realised loss of $23 million (pre-tax) was recorded in cash profit.
- An unrealised gain of $58 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 20	**Mar 20**	**Movt**	**Sep 20**	**Sep 19**	**Movt**
Cash earnings per share (cents) from continuing operations						
Basic	**82.8**	49.9	66%	**132.7**	227.6	-42%
Diluted	**76.1**	47.5	60%	**123.7**	218.1	-43%
Cash weighted average number of ordinary shares (M)[1]						
Basic	**2,831.2**	2,830.6	0%	**2,830.9**	2,843.1	0%
Diluted	**3,200.7**	3,238.6	-1%	**3,201.1**	3,089.8	4%
Cash profit from continuing operations ($M)	**2,345**	1,413	66%	**3,758**	6,470	-42%
Cash profit from continuing operations used in calculating diluted cash earnings per share ($M)	**2,435**	1,537	58%	**3,959**	6,738	-41%

1. *Cash weighted average number of ordinary shares for the September 2019 full year comparative period 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 20**	**Mar 20**	**Movt**	**Sep 20**	**Sep 19**	**Movt**
Interim[1,2]	**-**	25		**25**	80	
Final [3]						
- fully franked[1,2]	**35**	-		**35**	-	
- partially franked[2,4]	**-**	-		**-**	80	
Total	**35**	25	40%	**60**	160	-63%
Ordinary share dividends used in payout ratio ($M)[5,6]	**994**	709	40%	**1,703**	4,535	-62%
Cash profit from continuing operations ($M)	**2,345**	1,413	66%	**3,758**	6,470	-42%
Ordinary share dividend payout ratio (cash basis)	**42.4%**	50.2%		**45.3%**	70.1%	

1. *Fully franked for Australian tax purposes (30% tax rate) for the proposed 2020 final dividend, the 2020 interim dividend and the 2019 interim dividend.*
2. *Carry New Zealand imputation credits of NZD 4 cents per ordinary share for the proposed 2020 final dividend (2020 interim dividend: NZD 3 cents; 2019 final dividend: NZD 9 cents; 2019 interim dividend: NZD 9 cents).*
3. *Final dividend for 2020 is proposed.*
4. *Partially franked at 70% for Australian tax purposes (30% tax rate) for the 2019 final dividend.*
5. *Dividend paid to ordinary equity holders of the company. Excludes dividends paid by subsidiaries to the Group's non-controlling equity holders (September 2020 half: nil, March 2020 half: nil, September 2019 full year: $1.6 million).*
6. *Dividend payout ratio is calculated using proposed 2020 final dividend of $994 million, which is based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the March 2020 half and September 2019 full year were calculated using actual dividend paid.*

The Directors propose a final dividend of 35 cents be paid on each eligible fully paid ANZ ordinary share on 16 December 2020. The proposed 2020 final dividend will be fully franked for Australian tax purposes. New Zealand imputation credits of NZD 4 cents per ordinary share will also be attached.

Economic Profit - continuing operations

	Half Year			Full Year		
	Sep 20 $M	**Mar 20 $M**	**Movt**	**Sep 20 $M**	**Sep 19 $M**	**Movt**
Statutory profit attributable to shareholders of the Company from continuing operations	**2,040**	1,635	25%	**3,675**	6,296	-42%
Adjustments between statutory profit and cash profit from continuing operations	**305**	(222)	large	**83**	174	-52%
Cash profit from continuing operations	**2,345**	1,413	66%	**3,758**	6,470	-42%
Economic credit cost adjustment	**139**	639	-78%	**778**	(619)	large
Imputation credits	**546**	546	0%	**1,092**	1,151	-5%
Economic return from continuing operations	**3,030**	2,598	17%	**5,628**	7,002	-20%
Cost of capital	**(2,613)**	(2,536)	3%	**(5,149)**	(4,932)	4%
Economic profit from continuing operations	**417**	62	large	**479**	2,070	-77%

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 (currently 8.5% and applied across comparative periods). At a business unit level, capital is allocated based on Regulatory Capital, whereby higher risk businesses attract higher levels of capital. 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 and market risk.

Economic profit increased by $355 million against the March 2020 half driven by higher cash profit, partially offset by lower economic credit cost adjustment and higher cost of capital.

Economic profit decreased by $1,591 million (-77%) against the September 2019 full year driven by lower cash profit, higher cost of capital and lower imputation credits, partially offset by favourable economic credit cost adjustment.

Condensed Balance Sheet - including discontinued operations

	As at			Movement	
Assets	**Sep 20 $B**	**Mar 20 $B**	**Sep 19 $B**	**Sep 20 v. Mar 20**	**Sep 20 v. Sep 19**
Cash / Settlement balances owed to ANZ / Collateral paid	**129.7**	166.8	100.3	-22%	29%
Trading and investment securities	**144.3**	135.0	126.9	7%	14%
Derivative financial instruments	**135.3**	173.7	120.7	-22%	12%
Net loans and advances	**617.1**	656.6	615.3	-6%	0%
Assets held for sale	**-**	-	1.8	n/a	-100%
Other	**15.9**	17.9	16.1	-11%	-1%
Total assets	**1,042.3**	1,150.0	981.1	-9%	6%
Liabilities					
Settlement balances owed by ANZ / Collateral received	**31.5**	39.8	18.8	-21%	68%
Deposits and other borrowings	**682.3**	726.9	637.7	-6%	7%
Derivative financial instruments	**134.7**	167.4	121.0	-20%	11%
Liabilities held for sale	**-**	-	2.1	n/a	-100%
Debt issuances	**119.7**	140.2	129.7	-15%	-8%
Other	**12.8**	14.3	11.0	-10%	16%
Total liabilities	**981.0**	1,088.6	920.3	-10%	7%
Total equity	**61.3**	61.4	60.8	0%	1%

- **September 2020 v September 2019**
  - Cash/Settlement balances owed to ANZ/Collateral paid increased $29.4 billion (+29%) driven by an increase in balances with central banks, increased overnight inter-bank deposits, and an increase in short term reverse repurchase agreements, partially offset by foreign currency translation movements.
  - Trading and investment securities increased $17.4 billion (+14%) driven by an increase in liquid assets, partially offset by the impact of foreign currency translation movements.
  - Derivative financial assets and liabilities increased $14.6 billion (+12%) and $13.7 billion (+11%) respectively as interest rate and foreign exchange movements resulted in higher derivative volumes and fair values, particularly in interest rate and foreign exchange swap products.
  - Net loans and advances increased $1.8 billion (+0%), driven by growth in home loans in the Australia Retail and Commercial division (+$10.1 billion) and New Zealand division (+$4.4 billion), partially offset by lower credit volumes in other products as a result of the ongoing impacts of COVID-19 in the Institutional (-$4.1 billion) and Australia Retail and Commercial (-$1.6 billion) divisions, higher credit provisions (-$1.5 billion) as a result of the ongoing impacts of COVID-19, the sale of the UDC business in New Zealand division in September 2020 (-$3.4 billion) and foreign currency translation movements.
  - Deposits and other borrowings increased $44.6 billion (+7%) driven by increased customer deposits in the Australia Retail and Commercial division (+$26.6 billion), Institutional division (+$11.8 billion), and New Zealand division (+$7.8 billion) and drawdown of the RBA Term Funding Facility (TFF) (+$12 billion). This was partially offset by a reduction in certificates of deposit (-$4.0 billion), commercial paper issued (-$2.7 billion) and the impact of foreign currency translation movements.
  - Debt issuances decreased $10.0 billion (-8%) driven by lower senior debt issuances. Funding was partially replaced by the TFF, which is classified in Deposits and other borrowings.

- **September 2020 v March 2020**
  - Cash/Settlement balances owed to ANZ/Collateral paid decreased $37.1 billion (-22%) driven by a decrease in balances with central banks, a decrease in short term reverse repurchase agreements, and a decrease in collateral paid associated with lower derivative liability position and foreign currency translation movements. This was partially offset by increased overnight inter-bank deposits.
  - Derivative financial assets and liabilities decreased $38.4 billion (-22%) and $32.7 billion (-20%) respectively driven largely by reduced foreign exchange market volatility resulting in lower derivative volumes and fair values.
  - Net loans and advances decreased $39.5 billion (-6%), driven by lower credit volumes as a result of the ongoing impact of COVID-19 in the Institutional (-$32.1 billion) and Australia Retail and Commercial (-$1.2 billion) divisions, the sale of the UDC business in New Zealand division in September 2020 (-$3.4 billion) and the impact of foreign currency translation movements. This was partially offset by growth in the home loans business in Australia Retail and Commercial division (+$11.4 billion) and New Zealand division (+$1.8 billion).
  - Deposits and other borrowings decreased $44.6 billion (-6%) driven by a decrease in customer deposits in Institutional division (-$15.6 billion), commercial paper (-$12.4 billion), deposits from banks and repurchase agreements (-$18.6 billion), certificates of deposits (-$5.1 billion) and the impact of foreign currency translation movements. This was partially offset by an increase in customer deposits in Australia Retail and Commercial division (+$21.6 billion) and New Zealand division (+$4.3 billion) and drawdown of the TFF in the September 2020 half (+$12 billion).
  - Debt issuances decreased $20.5 billion (-15%) driven by lower senior debt issuances and the impact of foreign currency translation movements. Funding was partially replaced by the TFF, which is classified in Deposits and other borrowings.

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 globally 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 CLF is collateralised by assets, including internal residential mortgage backed securities, that are eligible to be pledged as security with the RBA. The total amount of the CLF available to a qualifying Authorised Deposit-taking Institution (ADI) is set annually by APRA. From 1 January 2020, ANZ's CLF is $35.7 billion (2019 calendar year end: $48.0 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).

  In March 2020, in response to the economic impact of COVID-19, the RBA implemented a Term Funding Facility (TFF). Under the TFF the RBA has offered three-year funding to ADI's secured by RBA eligible collateral. During the September 2020 half year, the TFF comprised two components, being an initial allowance and an additional allowance. ADIs can include the undrawn but available TFF as a liquid asset for the LCR, representing a committed central bank facility that can be drawn at the ADI's discretion. ANZ's undrawn but available TFF is represented below by the assets that are eligible to be pledged as security with the RBA.

  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.

COVID-19 has impacted the normal operations of financial markets including funding markets, however the actions of governments globally and central banks including the RBA, RBNZ and the US Federal Reserve have provided significant liquidity support to the system and financial markets generally. ANZ's liquidity measures have remained above management targets throughout this period.

	Half Year Average			Movement	
	Sep 20 $B	Mar 20 $B	Sep 19 $B	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Market Values Post Discount[1]					
HQLA1	**164.6**	159.3	131.5	3%	25%
HQLA2	**9.9**	9.6	9.5	3%	4%
Internal Residential Mortgage Backed Securities[2]	**35.3**	27.7	34.5	27%	2%
Other ALA[2]	**8.6**	12.8	12.2	-33%	-30%
Total liquid assets	**218.4**	209.4	187.7	4%	16%
Cash flows modelled under stress scenario					
Cash outflows	**203.0**	191.9	176.6	6%	15%
Cash inflows	**45.4**	41.2	45.4	10%	0%
Net cash outflows	**157.6**	150.7	131.2	5%	20%
Liquidity Coverage Ratio[3]	**139%**	139%	143%	0%	-4%

1. *Half year average basis, calculated as prescribed per APRA Prudential Regulatory Standard (APS 210 Liquidity) and consistent with APS 330 requirements.*
2. *Comprised of assets qualifying as collateral for the CLF and TFF up to approved facility limit; and any liquid assets contained in the RBNZ's Liquidity Policy - Annex: Liquidity Assets - Prudential Supervision Department Document BS13A12.*
3. *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.

$13.2 billion of term wholesale debt with a remaining term greater than one year as at 30 September 2020 was issued during the year. In addition, the Group drew down $12.0 billion of its initial TFF allowance, taking the total amount of long-term funding for the 12 months to 30 September 2020 to $25.2 billion.

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

	As at			Movement	
	Sep 20 $B	Mar 20 $B	Sep 19 $B	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Customer deposits and other liabilities					
Australia Retail and Commercial	**234.6**	213.0	208.0	10%	13%
Institutional	**223.3**	258.5	217.3	-14%	3%
New Zealand	**91.0**	91.2	83.4	0%	9%
Pacific	**3.5**	3.8	3.5	-8%	0%
TSO and Group Centre[1]	**-**	-	(0.4)	n/a	-100%
Customer deposits	**552.4**	566.5	511.8	-2%	8%
Other funding liabilities[2,3]	**8.9**	11.1	9.6	-20%	-7%
Total customer liabilities (funding)	**561.3**	577.6	521.4	-3%	8%
Wholesale funding					
Debt issuances and Term Funding Facility	**110.6**	119.1	113.1	-7%	-2%
Subordinated debt	**21.1**	21.1	16.6	0%	27%
Certificates of deposit	**32.5**	37.9	36.6	-14%	-11%
Commercial paper	**9.1**	21.8	11.7	-58%	-22%
Other wholesale borrowings[4,5]	**104.2**	130.0	92.3	-20%	13%
Total wholesale funding	**277.5**	329.9	270.3	-16%	3%
Shareholders' equity	**61.3**	61.4	60.8	0%	1%
Total funding	**900.1**	968.9	852.5	-7%	6%

1. *Includes term deposits and other deposits.*
2. *Includes interest accruals, payables and other liabilities, provisions and net tax provisions.*
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 20 $B	Mar 20 $B	Sep 19 $B	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Required Stable Funding[1]					
Retail & small and medium enterprises, corporate loans <35% risk weight[2]	**188.1**	187.4	182.2	0%	3%
Retail & small and medium enterprises, corporate loans >35% risk weight[2]	**174.7**	193.2	180.7	-10%	-3%
Other lending[3]	**28.6**	26.9	27.6	6%	4%
Liquid assets	**15.3**	16.0	12.4	-4%	23%
Other assets[4]	**38.6**	45.3	40.0	-15%	-4%
Total Required Stable Funding	**445.3**	468.8	442.9	**-5%**	**1%**
Available Stable Funding[1]					
Retail & small and medium enterprise customer deposits	**271.7**	257.3	241.3	6%	13%
Corporate, public sector entities & operational deposits	**104.3**	110.0	93.5	-5%	12%
Central bank & other financial institution deposits	**5.1**	5.5	6.2	-7%	-18%
Term funding[5]	**87.9**	95.8	95.6	-8%	-8%
Short term funding & other liabilities	**1.4**	1.4	2.0	0%	-30%
Capital	**80.9**	82.1	76.9	-1%	5%
Total Available Stable Funding	**551.3**	552.1	515.5	**0%**	**7%**
Net Stable Funding Ratio	**124%**	118%	116%	**6%**	**8%**

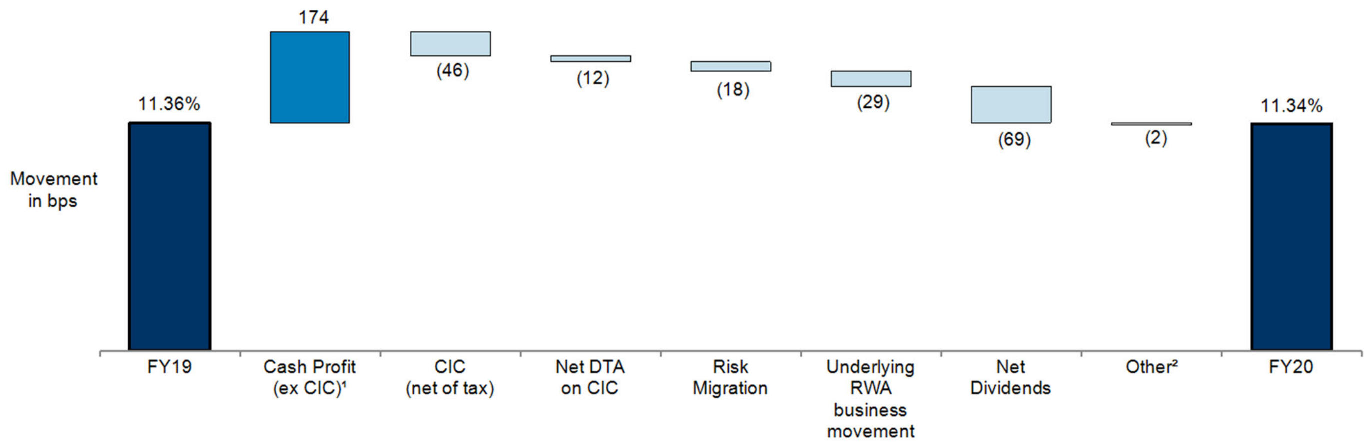
1. *NSFR factored balance as per APRA Prudential Regulatory Standard APS 210 Liquidity.*
2. *Risk weighting as per APRA Prudential Regulatory Standard APS 112 Capital Adequacy: Standardised Approach to Credit Risk.*
3. *Includes financial institution, central bank and non-performing loans.*
4. *Includes off-balance sheet items, net derivatives and other assets.*
5. *Includes balances from the drawdown of the RBA Term Funding Facility (TFF).*

Capital Management - including discontinued operations

	As at					
	APRA Basel 3			Internationally Comparable Basel 3[1]		
	Sep 20	Mar 20	Sep 19	Sep 20	Mar 20	Sep 19
Capital Ratios (Level 2)						
Common Equity Tier 1	**11.3%**	10.8%	11.4%	**16.7%**	15.5%	16.4%
Tier 1	**13.2%**	12.5%	13.2%	**19.1%**	17.8%	18.8%
Total capital	**16.4%**	15.5%	15.3%	**23.3%**	21.5%	21.4%
Risk weighted assets ($B)	**429.4**	449.0	417.0	**331.5**	353.7	330.4

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 2020 v September 2019



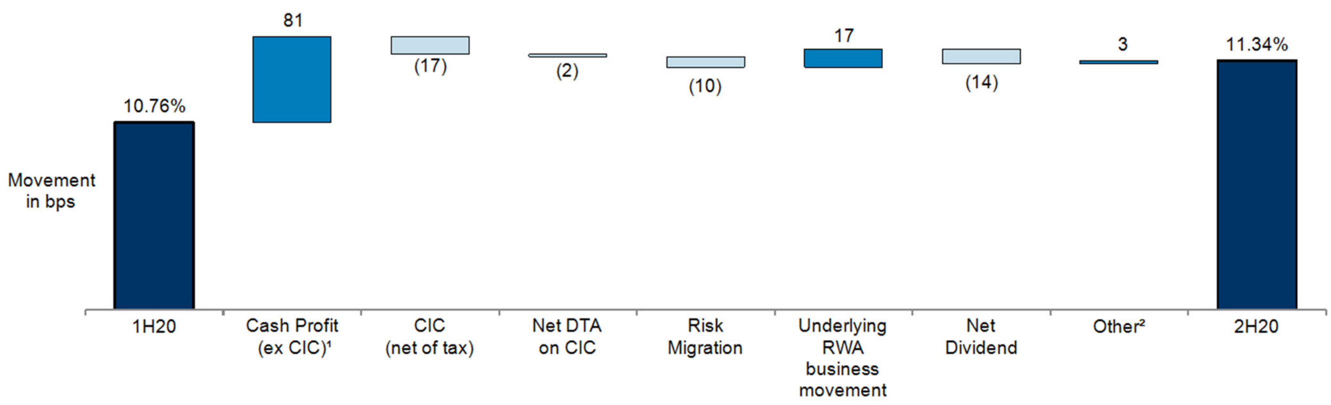
1. *Excludes large/notable and one off items for the purposes of Regulatory Capital Management attribution which are included in 'other' with the exception of Asian associates impairment, Asian associate AASB 9 adjustment, goodwill write-off and accelerated software amortisation which are nil impact to capital since it results in an equivalent reduction in capital deductions. Refer to pages 14 to 18.*
2. *Includes capital deductions which represents the movements in retained earnings in deconsolidated entities, capitalised software and other intangibles in the period.*

- **September 2020 v September 2019**

  ANZ's CET1 ratio decreased -2 bps to 11.3% during the year. Key drivers of the movement in the CET1 ratio were:

  - Net Cash NPAT (excluding large/notable and one off items and credit impairment charge (CIC)) increased the ratio by +174 bps.
  - The above however was offset by:
    - The impact from increases in CIC including the associated deferred tax assets (DTA) increase, along with the impact of RWA risk migration, totalled -76 bps. These impacts were primarily driven by the COVID-19 impact.
    - Higher business RWA usage (excluding foreign currency translation movements, regulatory changes, risk migration and other one-offs) were mainly driven by $10.3 billion (-28 bps) increase in non-CRWA. Underlying CRWA increase during the year was a modest $0.4 billion as the growth in March 2020 half was largely offset by reduction in September 2020 half. Movements in both halves were predominantly in the Institutional division.
    - Payment of the 2019 final dividend (net of BOP issuance, neutralised DRP) and the 2020 interim dividend (net of BOP and DRP issuance) reduced the ratio by -69 bps.
    - Other impacts of -2 bps. This included +30 bps of capital benefits from completion of asset sales (Pension and Investment business to IOOF and UDC Finance to Shinsei Bank Limited), but was offset by the impacts from large/notable adjustments from customer remediation, restructuring cost and lease impacts (-12 bps), capital deductions (-8 bps), net increase in RWA imposts (-4 bps), movement in deferred tax assets not relating to CIC (-4 bps), movement in non-cash earnings and other items (-4 bps).

APRA Basel 3 Common Equity Tier 1 (CET1 ratio) - September 2020 v March 2020



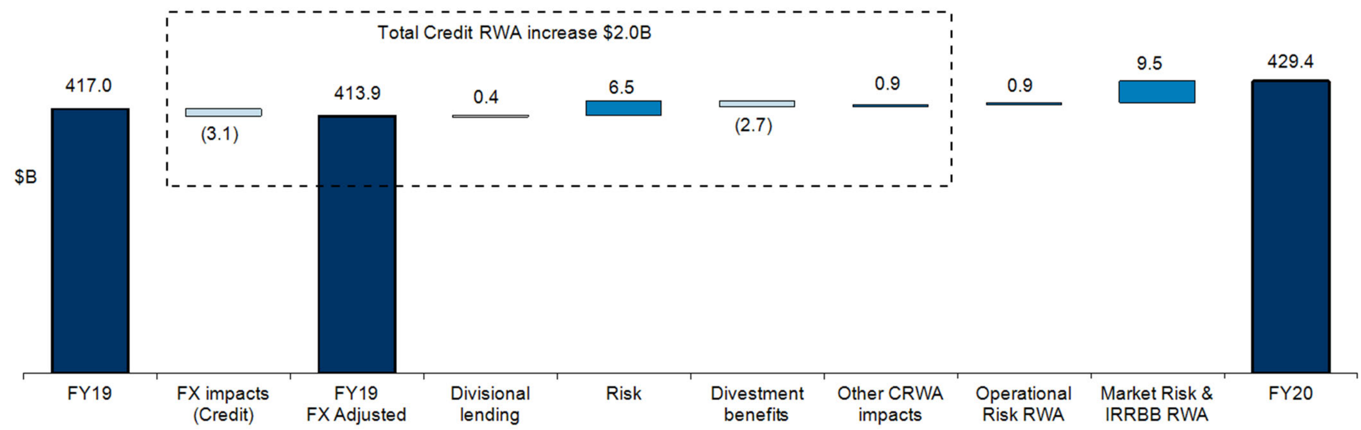
1. Excludes large/notable and one off items for the purposes of Regulatory Capital Management attribution which are included in 'other' with the exception of the Asian associate AASB 9 adjustment, goodwill write-off and accelerated software amortisation which is nil impact to capital since it results in an equivalent reduction in capital deductions. Refer to pages 14 to 18.
2. Includes capital deductions which represents the movements in retained earnings in deconsolidated entities, capitalised software and other intangibles in the period.

- **September 2020 v March 2020**

  ANZ's CET1 ratio increased 58 bps to 11.3% during the September 2020 half. Key drivers of the movement in the CET1 ratio were:
  - Cash NPAT (excluding large/notable items and credit impairment charge (CIC)) increased the CET1 ratio by +81 bps.
  - Lower business RWA usage (excluding foreign currency translation movements, regulatory changes, risk migration and other one-offs) increased CET1 ratio by +17 bps. This was mainly driven by reduction in underlying CRWA in the Institutional business, partially offset by non-CRWA increase.
  - The above however was offset by:
    - The impact from increases in CIC including the associated deferred tax assets (DTA) increase, along with the impact of RWA risk migration, which totalled -29 bps. These increases were primarily driven by the COVID-19 impact.
    - Payment of the 2020 interim dividend (net of BOP and DRP issuance) reduced the CET1 ratio by -14 bps.
  - Other impacts of +3 bps. This included the capital benefits from sale of the UDC Finance to Shinsei Bank (+10 bps), offset by impacts from large/notable adjustments from customer remediation and restructuring costs (-5 bps), capital deductions and other minor impacts of -2 bps.

Total Risk Weighted Assets	As at			Movement	
	Sep 20 $B	Mar 20 $B	Sep 19 $B	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Credit RWA	**360.0**	386.0	358.1	-7%	1%
Market risk and IRRBB RWA	**21.8**	15.1	12.3	44%	77%
Operational RWA	**47.6**	47.9	46.6	-1%	2%
Total RWA	**429.4**	449.0	417.0	-4%	3%

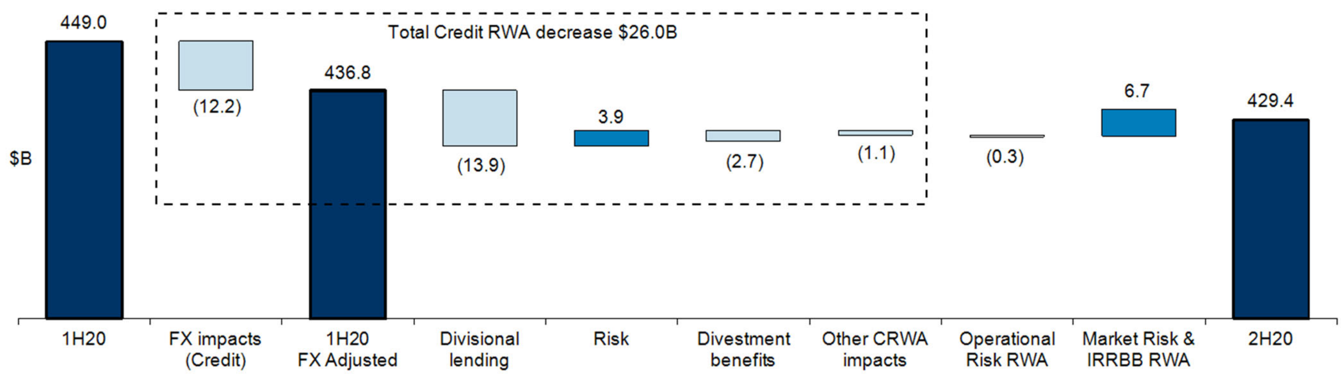
Total Risk Weighted Assets (RWA) – September 2020 v September 2019



- **September 2020 v September 2019**

  Total RWA increased $12.4 billion. Excluding the impact of foreign currency translation and other non-recurring CRWA changes, underlying CRWA (divisional lending and risk migration) increased by $6.9 billion, mainly driven by risk migration in the Institutional division. Other CRWA changes of $1.8 billion decrease comprises CRWA reduction from asset divestments, offset by the net impacts from RWA Imposts. The increase in non-CRWA of $10.4 billion mainly reflects $9.5 billion increase in Market Risk RWA (higher volatility) and IRRBB RWA (higher market volatility and lower embedded gains).

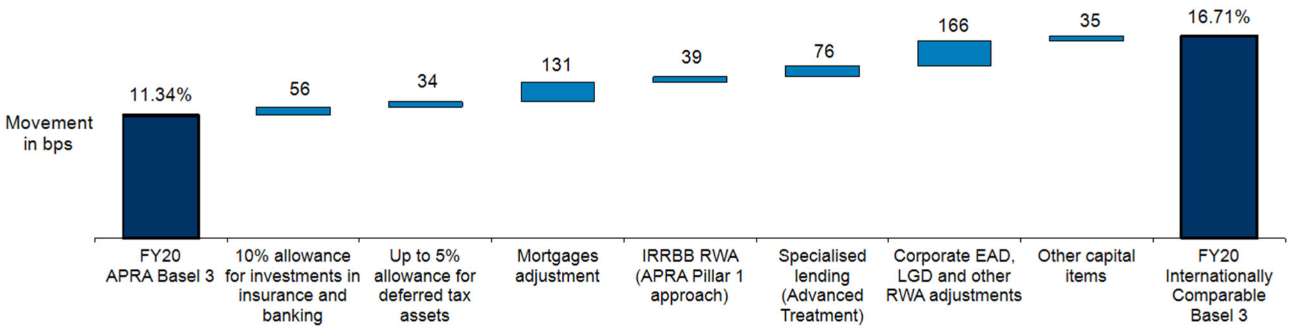
Total Risk Weighted Assets (RWA) - September 2020 v March 2020



- **September 2020 v March 2020**

  Total RWA decreased by $19.6 billion. Excluding the impact of foreign currency translation movements and other non-recurring CRWA changes, underlying CRWAs (divisional lending and risk migration) decreased by $10.0 billion, mainly driven by lending decrease in the Institutional division. Other CRWA impacts are mainly net changes from RWA imposts and CRWA reduction from asset divestments. The increase in non-CRWA of $6.4 billion mainly reflects $6.7 billion increase in Market Risk RWA (higher volatility) and IRRBB RWA (higher market volatility and lower embedded gains).

APRA to Internationally Comparable[1] Common Equity Tier 1 (CET1 ratio) as at 30 September 2020



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 2020, the Group's APRA Leverage Ratio was 5.4% 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 20 $M	Mar 20 $M	Sep 19 $M	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Tier 1 Capital (net of capital deductions)	**56,481**	56,295	55,221	0%	2%
On-balance sheet exposures (excluding derivatives and securities financing transaction exposures)	**841,830**	899,411	810,644	-6%	4%
Derivative exposures	**32,296**	42,868	34,258	-25%	-6%
Securities financing transaction exposures	**58,416**	67,443	36,923	-13%	58%
Other off-balance sheet exposures	**114,128**	114,677	107,400	0%	6%
Total exposure measure	**1,046,670**	1,124,399	989,225	-7%	6%
APRA Leverage Ratio	**5.4%**	5.0%	5.6%		
Internationally Comparable Leverage Ratio	**6.0%**	5.6%	6.2%		

- **September 2020 v September 2019**

  APRA leverage ratio decreased 18 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 (+22bps).
  - On balance sheet exposures growth primarily from higher liquid assets mainly during the March 2020 half (-21 bps).
  - Growth in off balance sheet exposures and securities financing transactions reduced the leverage ratio by -14 bps.
  - Net other impacts of -5 bps. This included the benefits from sale of Pension and Investment business to IOOF and UDC Finance to Shinsei Bank (+10 bps) but is more than offset by impacts from increased deferred tax assets (-7 bps), large and notable adjustments (-5 bps) and other items (-3 bps).

- **September 2020 v March 2020**

  APRA leverage ratio increased 39 bps during the 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 2020 half (+20bps)
  - On balance sheet exposures reduction primarily from loan reduction in the Institutional business (+13 bps).
  - Reduction in securities financing transactions and derivative exposures further increased the leverage ratio by +9 bps.
  - Net other impacts of -3 bps. This included the benefits from sale of UDC Finance to Shinsei Bank (+1 bps) but is more than offset by impacts from increased deferred tax assets (-2 bps), large and notable adjustments (-2 bps).

Capital Management – Other Developments

- **Capital Requirements – Unquestionably Strong**

  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 recommendations 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 from 1 January 2020".
  - APRA is consulting on a number of proposals in relation to risk-weighting framework revisions to credit risk, operational risk, market risk and interest rate risk in the banking book requirements. While the final forms of these proposals is not yet determined, 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 ADIs 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 ADIs' 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 ongoing. In response to the challenging economic environment resulting from the COVID-19 disruptions, APRA has:

  - Announced a temporary change to its expectations with regards to ADIs maintaining bank capital ratios at the Unquestionably Strong benchmark of 10.5% for CET1. During the period of disruption, APRA would not be concerned if ADIs are not meeting this benchmark as the current large buffers may be needed to facilitate ongoing lending to the Australian economy.
  - Deferred its scheduled implementation of changes to ADIs' risk-weighting framework by one year. The majority of the capital reforms were initially due for implementation on 1 January 2022, but these have now been revised to 1 January 2023. The deferral also includes APRA proposals on improving transparency, international comparability and flexibility of the ADIs' capital framework.

  Given the number of items that are yet to be finalised by 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 Guidance on Capital Management**

  In July 2020, APRA provided an update to their guidance on capital management. In the updated guidance, APRA acknowledged that the uncertainty in the economic outlook has reduced somewhat since April 2020 and APRA had the opportunity to review ADIs' financial projections and stress testing results. Taking these and other developments since April 2020 into account, APRA advised ADIs to maintain caution in planning capital distributions, including dividend payments and that for the remainder of the calendar year, the ADIs' Board should:

  - seek to retain at least half of their earnings when making decisions on capital distributions (and utilise dividend reinvestment plans and other initiatives to offset the diminution in capital from capital distributions where possible);
  - conduct regular stress testing to inform decision-making and demonstrate ongoing lending capacity; and
  - make use of capital buffers to absorb the impacts of stress, and continue to lend to support households and businesses.

  The Group's 2020 interim dividend of 25 cents per share (paid to shareholders on 30 September 2020) and final dividend of 35 cents per share took into account the updated regulatory guidance above.

- **Regulatory approach to the COVID-19 support package**

  In March 2020, APRA confirmed that loans that has been granted repayment deferrals, as part of COVID-19 support measures, would not be treated as restructured for regulatory capital treatment purposes, to the extent that the borrower has otherwise been meeting their repayment obligations. The above treatment was announced for an initial period of up to 6 months, but in July 2020, APRA has advised the extension of this approach to cover a maximum period of 10 months from the start of a repayment deferral, or until 31 March 2021, whichever comes first.

- **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 2020, this represents an incremental increase in the Total Capital requirement of approximately $7.5 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. 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 ADIs' 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. The implementation date for changes to the related entities framework has been deferred by APRA to 1 January 2022 (12 month deferral from initial implementation date of 1 January 2021).

- **Revisions to APS111 Capital Adequacy**

  In October 2019, APRA released a discussion paper on draft revisions to the prudential standard 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 $2.5 billion (~70 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. The proposed implementation date is expected to be delayed until January 2022 (from January 2021).

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

  In December 2019, the RBNZ released its final capital requirements for New Zealand Banks. The key requirements are:

  - Tier 1 capital requirement of 16% of RWA for ANZ New Zealand of which up to 2.5% of this could be in the form of Additional Tier 1 (AT1) Capital. Tier 2 capital requirement remained at 2% of RWA;
  - Redeemable preference shares are allowable as AT1 capital. It is anticipated that ANZ New Zealand will be able to refinance existing internal AT1 securities to external counterparties;
  - Increase RWA outcomes for IRB banks to approximately 90% of what would be calculated under the standardised approach:
    - Apply an 85% output floor for credit risk RWA of IRB banks; and
    - Increase the scalar applied to credit risk RWA of IRB banks from 1.06 to 1.2;
  - Seven years transition period, initially commencing from July 2020. The RBNZ has delayed the commencement date of the increased capital requirements by 12 months to 1 July 2021 (from 1 July 2020) in response to the uncertainties from the COVID-19 pandemic.

  The net impact on the Group is an increase in CET1 capital of approximately A$2.1 billion over the seven year transition period (based on the Group's 30 September 2020 balance sheet). This amount takes into account capital already retained by ANZ NZ to meet the final RBNZ requirements. The net impact will be reduced by approximately A$0.5 billion upon conversion of the NZ$500 million of mandatory convertible perpetual subordinated securities ("Capital Notes") into new Group ordinary shares scheduled in May 2022.

- **RBNZ announcement on actions to support the banking system**

  With effect from 2 April 2020, the Reserve Bank of New Zealand ("RBNZ") amended the conditions of registration for ANZ Bank New Zealand Limited ("ANZ New Zealand"), a New Zealand subsidiary of ANZBGL, to (among other things) prohibit ANZ New Zealand from making distributions other than discretionary payments payable to holders of Additional Tier 1 capital instruments. These amendments were also applied to other New Zealand-incorporated registered banks to further support the stability of the New Zealand banking financial system during this period of economic uncertainty. These amendments prevent ANZ New Zealand from paying dividends to ANZBGL.

  The RBNZ has also informed New Zealand-incorporated registered banks (including ANZ New Zealand) that they should not redeem capital instruments at this time. Accordingly, ANZ New Zealand was not permitted to redeem its NZ$500 million Capital Notes in May 2020, although it can continue making coupon payments on those Capital Notes. As ANZ New Zealand did not exercise its option to convert in May 2020, the terms of the Capital Notes provide for their conversion into a variable number of ANZBGL shares in May 2022 subject to certain conditions. Conversion would result in an increase in the Group's CET1 capital (approximately 10 basis points) at Level 2.

CONTENTS **Page**

Divisional Performance - continuing operations

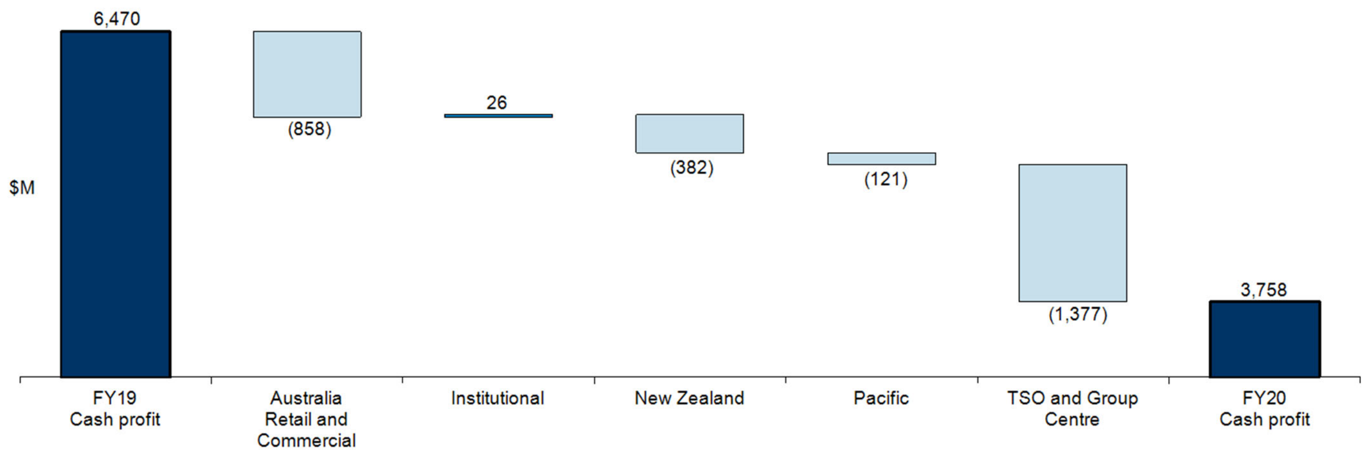
The Group operates on a divisional structure with five continuing divisions: Australia Retail and Commercial, Institutional, New Zealand, Pacific, and Technology, Services & Operations (TSO) and Group Centre. For further information on the composition of divisions, refer to the Definitions on page 128.

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 8.

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

During the financial year, the Institutional product set, Loans and Specialised Finance was renamed to Corporate Finance. This change did not affect the Group structurally.

Cash profit by division - September 2020 Full Year v September 2019 Full Year



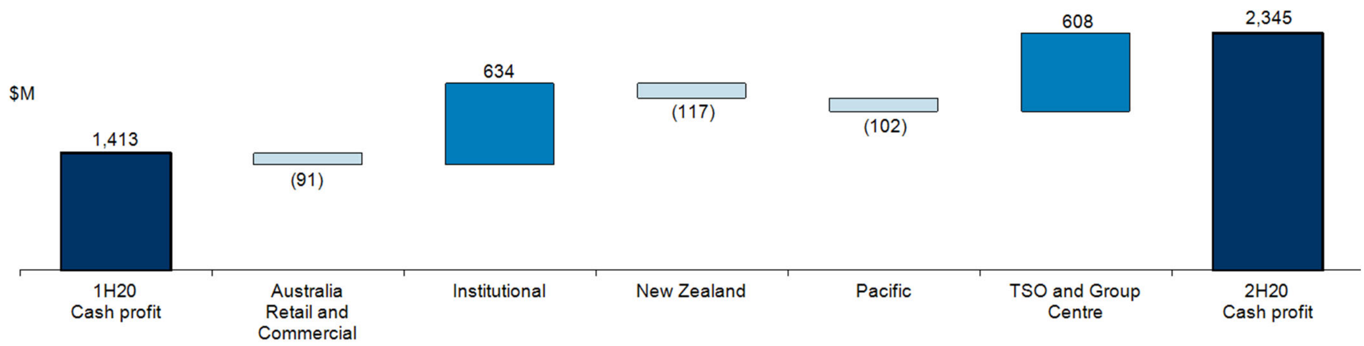
September 2020 Full Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	7,916	3,182	2,731	109	111	**14,049**
Other operating income	1,161	2,649	473	84	(664)	**3,703**
Operating income	9,077	5,831	3,204	193	(553)	**17,752**
Operating expenses	(4,091)	(2,558)	(1,435)	(205)	(1,094)	**(9,383)**
Profit before credit impairment and income tax	4,986	3,273	1,769	(12)	(1,647)	**8,369**
Credit impairment (charge)/release	(1,647)	(694)	(345)	(52)	-	**(2,738)**
Profit/(Loss) before income tax	3,339	2,579	1,424	(64)	(1,647)	**5,631**
Income tax expense and non-controlling interests	(1,002)	(725)	(407)	2	259	**(1,873)**
Cash profit/(loss) from continuing operations	2,337	1,854	1,017	(62)	(1,388)	**3,758**

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 2020 Full Year vs September 2019 Full Year

	Australia Retail and Commercial	Institutional	New Zealand	Pacific	TSO and Group Centre	Group
Net interest income	-2%	3%	0%	-15%	-63%	**-2%**
Other operating income	-14%	21%	-18%	-19%	large	**-21%**
Operating income	-4%	11%	-3%	-17%	large	**-7%**
Operating expenses	0%	-4%	12%	37%	22%	**3%**
Profit before credit impairment and income tax	-7%	26%	-13%	large	large	**-16%**
Credit impairment charge/(release)	large	large	large	large	-100%	**large**
Profit/(Loss) before income tax	-28%	-1%	-27%	large	large	**-39%**
Income tax expense and non-controlling interests	-31%	-7%	-25%	large	large	**-30%**
Cash profit/(loss) from continuing operations	-27%	1%	-27%	large	large	**-42%**

Cash profit by division - September 2020 Half Year v March 2020 Half Year



September 2020 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	3,868	1,558	1,321	44	36	**6,827**
Other operating income	566	1,482	226	34	38	**2,346**
Operating income	4,434	3,040	1,547	78	74	**9,173**
Operating expenses	(2,026)	(1,268)	(745)	(129)	(610)	**(4,778)**
Profit before credit impairment and income tax	2,408	1,772	802	(51)	(536)	**4,395**
Credit impairment (charge)/release	(804)	(53)	(166)	(41)	-	**(1,064)**
Profit/(Loss) before income tax	1,604	1,719	636	(92)	(536)	**3,331**
Income tax expense and non-controlling interests	(481)	(475)	(186)	10	146	**(986)**
Cash profit/(loss) from continuing operations	1,123	1,244	450	(82)	(390)	**2,345**

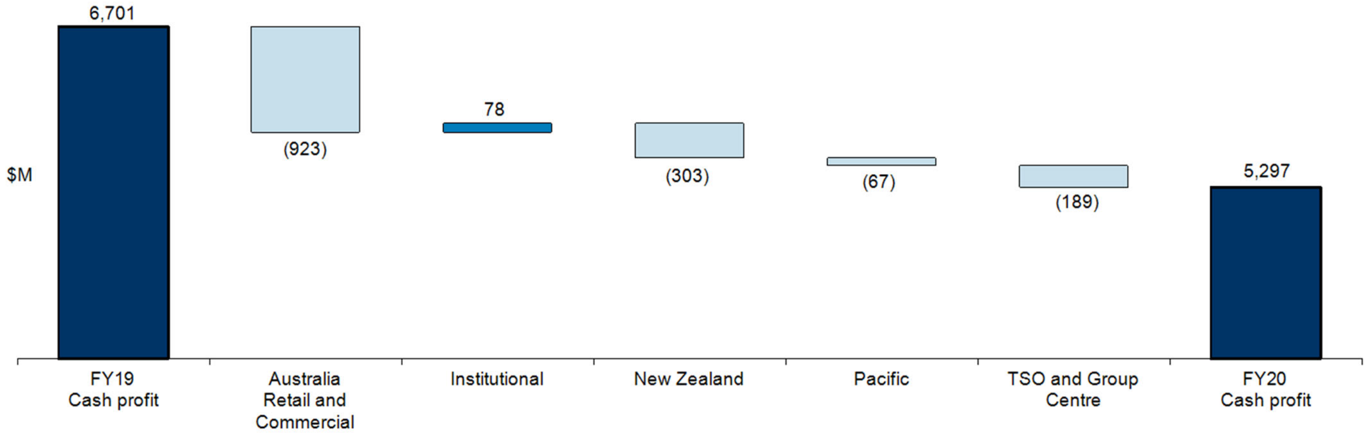
March 2020 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	4,048	1,624	1,410	65	75	**7,222**
Other operating income	595	1,167	247	50	(702)	**1,357**
Operating income	4,643	2,791	1,657	115	(627)	**8,579**
Operating expenses	(2,065)	(1,290)	(690)	(76)	(484)	**(4,605)**
Profit before credit impairment and income tax	2,578	1,501	967	39	(1,111)	**3,974**
Credit impairment (charge)/release	(843)	(641)	(179)	(11)	-	**(1,674)**
Profit/(Loss) before income tax	1,735	860	788	28	(1,111)	**2,300**
Income tax expense and non-controlling interests	(521)	(250)	(221)	(8)	113	**(887)**
Cash profit/(loss) from continuing operations	1,214	610	567	20	(998)	**1,413**

September 2020 Half Year vs March 2020 Half Year

	Australia Retail and Commercial	Institutional	New Zealand	Pacific	TSO and Group Centre	Group
Net interest income	-4%	-4%	-6%	-32%	-52%	**-5%**
Other operating income	-5%	27%	-9%	-32%	large	**73%**
Operating income	-5%	9%	-7%	-32%	large	**7%**
Operating expenses	-2%	-2%	8%	70%	26%	**4%**
Profit before credit impairment and income tax	-7%	18%	-17%	large	-52%	**11%**
Credit impairment charge/(release)	-5%	-92%	-7%	large	n/a	**-36%**
Profit/(Loss) before income tax	-8%	100%	-19%	large	-52%	**45%**
Income tax expense and non-controlling interests	-8%	90%	-16%	large	29%	**11%**
Cash profit/(loss) from continuing operations	-7%	large	-21%	large	-61%	**66%**

Cash profit by division (excluding large/notable items[1]) - September 2020 Full Year v September 2019 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 14 to 18 for a description of large/notable items.*

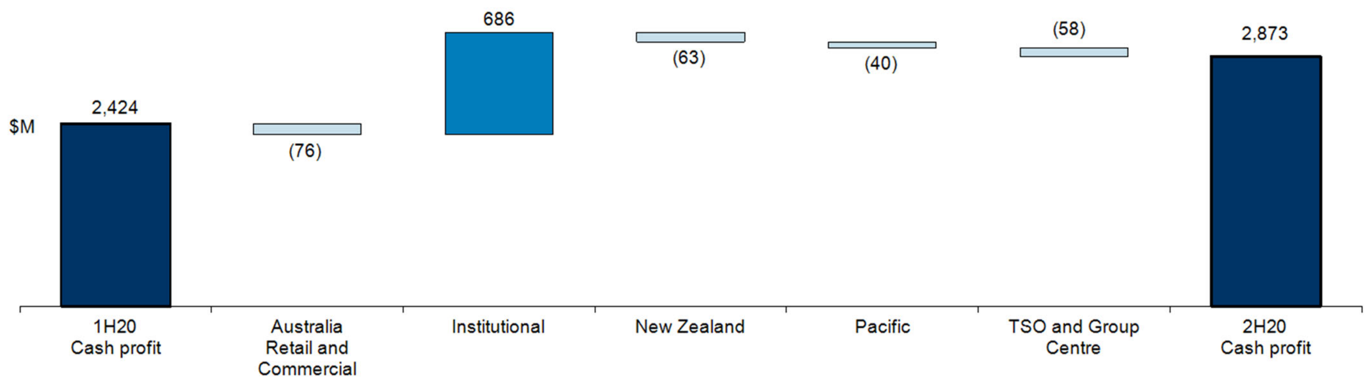
September 2020 Full Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	7,999	3,189	2,621	121	131	**14,061**
Other operating income	1,207	2,662	479	84	236	**4,668**
Operating income	9,206	5,851	3,100	205	367	**18,729**
Operating expenses	(3,762)	(2,479)	(1,278)	(147)	(948)	**(8,614)**
Profit before credit impairment and income tax	5,444	3,372	1,822	58	(581)	**10,115**
Credit impairment (charge)/release	(1,647)	(694)	(322)	(52)	-	**(2,715)**
Profit/(Loss) before income tax	3,797	2,678	1,500	6	(581)	**7,400**
Income tax expense and non-controlling interests	(1,139)	(748)	(419)	-	203	**(2,103)**
Cash profit/(loss) from continuing operations	2,658	1,930	1,081	6	(378)	**5,297**

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	2,648	135	302	**14,288**
Other operating income	1,397	2,173	566	104	215	**4,455**
Operating income	9,575	5,198	3,214	239	517	**18,743**
Operating expenses	(3,743)	(2,575)	(1,219)	(143)	(847)	**(8,527)**
Profit before credit impairment and income tax	5,832	2,623	1,995	96	(330)	**10,216**
Credit impairment (charge)/release	(712)	3	(74)	1	1	**(781)**
Profit/(Loss) before income tax	5,120	2,626	1,921	97	(329)	**9,435**
Income tax expense and non-controlling interests	(1,539)	(774)	(537)	(24)	140	**(2,734)**
Cash profit/(loss) from continuing operations	3,581	1,852	1,384	73	(189)	**6,701**

September 2020 Full Year vs September 2019 Full Year

	Australia Retail and Commercial	Institutional	New Zealand	Pacific	TSO and Group Centre	Group
Net interest income	-2%	5%	-1%	-10%	-57%	**-2%**
Other operating income	-14%	23%	-15%	-19%	10%	**5%**
Operating income	-4%	13%	-4%	-14%	-29%	**0%**
Operating expenses	1%	-4%	5%	3%	12%	**1%**
Profit before credit impairment and income tax	-7%	29%	-9%	-40%	76%	**-1%**
Credit impairment charge/(release)	large	large	large	large	-100%	**large**
Profit/(Loss) before income tax	-26%	2%	-22%	-94%	77%	**-22%**
Income tax expense and non-controlling interests	-26%	-3%	-22%	-100%	45%	**-23%**
Cash profit/(loss) from continuing operations	-26%	4%	-22%	-92%	100%	**-21%**

Cash profit by division (excluding large/notable items[1]) - September 2020 Half Year v March 2020 Half Year



1. *Refer to pages 14 to 18 for a description of large/notable items.*

September 2020 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	3,941	1,561	1,269	54	46	**6,871**
Other operating income	582	1,499	224	34	134	**2,473**
Operating income	4,523	3,060	1,493	88	180	**9,344**
Operating expenses	(1,875)	(1,204)	(624)	(73)	(501)	**(4,277)**
Profit before credit impairment and income tax	2,648	1,856	869	15	(321)	**5,067**
Credit impairment (charge)/release	(804)	(53)	(163)	(41)	-	**(1,061)**
Profit/(Loss) before income tax	1,844	1,803	706	(26)	(321)	**4,006**
Income tax expense and non-controlling interests	(553)	(495)	(197)	9	103	**(1,133)**
Cash profit/(loss) from continuing operations	1,291	1,308	509	(17)	(218)	**2,873**

March 2020 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	4,058	1,628	1,352	67	85	**7,190**
Other operating income	625	1,163	255	50	102	**2,195**
Operating income	4,683	2,791	1,607	117	187	**9,385**
Operating expenses	(1,887)	(1,275)	(654)	(74)	(447)	**(4,337)**
Profit before credit impairment and income tax	2,796	1,516	953	43	(260)	**5,048**
Credit impairment (charge)/release	(843)	(641)	(159)	(11)	-	**(1,654)**
Profit/(Loss) before income tax	1,953	875	794	32	(260)	**3,394**
Income tax expense and non-controlling interests	(586)	(253)	(222)	(9)	100	**(970)**
Cash profit/(loss) from continuing operations	1,367	622	572	23	(160)	**2,424**

September 2020 Half Year vs March 2020 Half Year

	Australia Retail and Commercial	Institutional	New Zealand	Pacific	TSO and Group Centre	Group
Net interest income	-3%	-4%	-6%	-19%	-46%	**-4%**
Other operating income	-7%	29%	-12%	-32%	31%	**13%**
Operating income	-3%	10%	-7%	-25%	-4%	**0%**
Operating expenses	-1%	-6%	-5%	-1%	12%	**-1%**
Profit before credit impairment and income tax	-5%	22%	-9%	-65%	23%	**0%**
Credit impairment (charge)/release	-5%	-92%	3%	large	n/a	**-36%**
Profit/(Loss) before income tax	-6%	large	-11%	large	23%	**18%**
Income tax expense and non-controlling interests	-6%	96%	-11%	large	3%	**17%**
Cash profit/(loss) from continuing operations	-6%	large	-11%	large	36%	**19%**

Australia Retail and Commercial – continuing operations

Mark Hand

Divisional performance was impacted by a number of large/notable items. Refer to pages 14 to 18 and pages 55 to 56 for details.

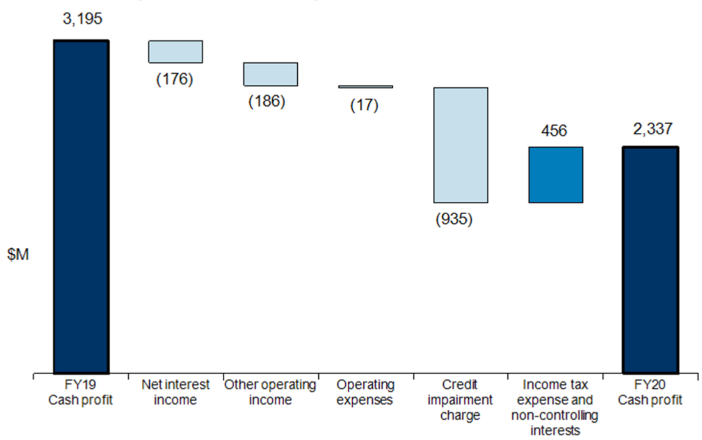
	Half Year			Full Year		
	Sep 20 $M	**Mar 20 $M**	**Movt**	**Sep 20 $M**	**Sep 19 $M**	**Movt**
Net interest income	**3,868**	4,048	-4%	**7,916**	8,092	-2%
Other operating income	**566**	595	-5%	**1,161**	1,347	-14%
Operating income	**4,434**	4,643	-5%	**9,077**	9,439	-4%
Operating expenses	**(2,026)**	(2,065)	-2%	**(4,091)**	(4,074)	0%
Profit before credit impairment and income tax	**2,408**	2,578	-7%	**4,986**	5,365	-7%
Credit impairment charge	**(804)**	(843)	-5%	**(1,647)**	(712)	large
Profit before income tax	**1,604**	1,735	-8%	**3,339**	4,653	-28%
Income tax expense and non-controlling interests	**(481)**	(521)	-8%	**(1,002)**	(1,458)	-31%
Cash profit	**1,123**	1,214	-7%	**2,337**	3,195	-27%
Balance Sheet						
Net loans and advances	**339,381**	329,812	3%	**339,381**	331,871	2%
Other external assets	**3,663**	3,836	-5%	**3,663**	4,350	-16%
External assets	**343,044**	333,648	3%	**343,044**	336,221	2%
Customer deposits	**234,594**	212,990	10%	**234,594**	208,005	13%
Other external liabilities	**9,220**	9,478	-3%	**9,220**	9,610	-4%
External liabilities	**243,814**	222,468	10%	**243,814**	217,615	12%
Risk weighted assets	**166,662**	161,758	3%	**166,662**	162,060	3%
Average gross loans and advances	**336,314**	333,617	1%	**334,965**	338,785	-1%
Average deposits and other borrowings	**223,184**	210,214	6%	**216,699**	203,781	6%
Ratios						
Return on average assets	**0.67%**	0.72%		**0.69%**	0.94%	
Net interest margin	**2.53%**	2.65%		**2.59%**	2.59%	
Operating expenses to operating income	**45.7%**	44.5%		**45.1%**	43.2%	
Operating expenses to average assets	**1.20%**	1.23%		**1.22%**	1.20%	
Individually assessed credit impairment charge/(release)	**278**	318	-13%	**596**	705	-15%
Individually assessed credit impairment charge/(release) as a % of average GLA[1]	**0.17%**	0.19%		**0.18%**	0.21%	
Collectively assessed credit impairment charge/(release)	**526**	525	0%	**1,051**	7	large
Collectively assessed credit impairment charge/(release) as a % of average GLA[1]	**0.31%**	0.31%		**0.31%**	0.00%	
Gross impaired assets	**1,634**	1,544	6%	**1,634**	1,468	11%
Gross impaired assets as a % of GLA	**0.48%**	0.46%		**0.48%**	0.44%	
Total full time equivalent staff (FTE)	**14,078**	14,061	0%	**14,078**	13,903	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 2020 v September 2019

- Lending volumes increased in the September 2020 half driven by home loan growth, partially offset by lower consumer demand for unsecured borrowing and increased customer repayments following fiscal and regulatory stimulus and a lower interest rate environment.
- Net interest margin was flat as the headwinds from official cash rate decreases on low customer rate deposits and earnings on capital, unfavourable lending mix from proportionately more growth in lower margin home loans compared to higher margin unsecured lending were offset by home loan repricing benefits, lower funding costs and a favourable deposit mix impact.
- Other operating income decreased driven by lower credit card and international transaction volumes driven by COVID-19 impacts and fee removals.
- Operating expenses were flat with higher investment spend, higher restructuring expenses, additional charges for lease-related items, accelerated amortisation due to changes in application of the software policy and inflationary increases being offset by productivity benefits and lower remediation expenses.
- Credit impairment charges increased driven by collectively assessed credit impairment charges for the expected impact of COVID-19.

Cash Profit September 2020 v September 2019



Australia Retail and Commercial – continuing operations

Mark Hand

Individually assessed credit impairment charge/(release)	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Retail	**155**	**156**	**-1%**	**311**	**381**	**-18%**
Home Loans	38	28	36%	66	81	-19%
Cards and Personal Loans	111	122	-9%	233	291	-20%
Deposits and Payments[1]	6	6	0%	12	9	33%
Commercial	**123**	**162**	**-24%**	**285**	**324**	**-12%**
Business Banking	47	72	-35%	119	130	-8%
Small Business Banking	76	90	-16%	166	194	-14%
Individually assessed credit impairment charge/(release)	**278**	**318**	**-13%**	**596**	**705**	**-15%**

Collectively assessed credit impairment charge/(release)	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Retail	**235**	**275**	**-15%**	**510**	**11**	**large**
Home Loans	244	239	2%	483	84	large
Cards and Personal Loans	(6)	34	large	28	(73)	large
Deposits and Payments[1]	(3)	2	large	(1)	-	n/a
Commercial	**291**	**250**	**16%**	**541**	**(4)**	**large**
Business Banking	191	137	39%	328	(11)	large
Small Business Banking	100	113	-12%	213	2	large
Private Bank	-	-	n/a	-	5	-100%
Collectively assessed credit impairment charge/(release)	**526**	**525**	**0%**	**1,051**	**7**	**large**

Net loans and advances	As at			Movement	
	Sep 20 $M	Mar 20 $M	Sep 19 $M	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Retail	**282,292**	**272,696**	**274,797**	**4%**	**3%**
Home Loans	274,825	263,580	264,981	4%	4%
Cards and Personal Loans	6,710	8,370	8,958	-20%	-25%
Deposits and Payments[1]	35	61	69	-43%	-49%
Advice	722	685	789	5%	-8%
Commercial	**57,089**	**57,116**	**57,074**	**0%**	**0%**
Business Banking	42,264	41,759	41,275	1%	2%
Small Business Banking	12,312	13,030	13,803	-6%	-11%
Private Bank	2,513	2,327	1,996	8%	26%
Net loans and advances	**339,381**	**329,812**	**331,871**	**3%**	**2%**

Customer deposits	As at			Movement	
	Sep 20 $M	Mar 20 $M	Sep 19 $M	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Retail	**133,536**	**123,435**	**120,880**	**8%**	**10%**
Home Loans[2]	33,161	28,133	27,078	18%	22%
Cards and Personal Loans	237	254	265	-7%	-11%
Deposits and Payments	100,138	95,048	93,537	5%	7%
Commercial	**101,058**	**89,555**	**87,125**	**13%**	**16%**
Business Banking	23,944	20,630	19,731	16%	21%
Small Business Banking	49,878	43,773	41,799	14%	19%
Private Bank	27,236	25,152	25,595	8%	6%
Customer deposits	**234,594**	**212,990**	**208,005**	**10%**	**13%**

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 2020 Full Year	Retail $M	Commercial $M	Total $M
Net interest income	5,489	2,427	**7,916**
Other operating income	742	419	**1,161**
Operating income	6,231	2,846	**9,077**
Operating expenses	(2,801)	(1,290)	**(4,091)**
Profit before credit impairment and income tax	3,430	1,556	**4,986**
Credit impairment (charge)/release	(821)	(826)	**(1,647)**
Profit before income tax	2,609	730	**3,339**
Income tax expense and non-controlling interests	(782)	(220)	**(1,002)**
Cash profit	1,827	510	**2,337**
Individually assessed credit impairment charge/(release)	311	285	**596**
Collectively assessed credit impairment charge/(release)	510	541	**1,051**
Net loans and advances	282,292	57,089	**339,381**
Customer deposits	133,536	101,058	**234,594**
Risk weighted assets	112,915	53,747	**166,662**
September 2019 Full Year			
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 2020 Full Year vs September 2019 Full Year			
Net interest income	0%	-6%	-2%
Other operating income	-16%	-9%	-14%
Operating income	-3%	-6%	-4%
Operating expenses	-3%	8%	0%
Profit before credit impairment and income tax	-3%	-15%	-7%
Credit impairment (charge)/release	large	large	large
Profit before income tax	-17%	-52%	-28%
Income tax expense and non-controlling interests	-22%	-52%	-31%
Cash profit	-14%	-52%	-27%
Individually assessed credit impairment charge/(release)	-18%	-12%	-15%
Collectively assessed credit impairment charge/(release)	large	large	large
Net loans and advances	3%	0%	2%
Customer deposits	10%	16%	13%
Risk weighted assets	3%	2%	3%

Australia Retail and Commercial – continuing operations

Mark Hand

September 2020 Half Year	Retail $M	Commercial $M	Total $M
Net interest income	2,735	1,133	**3,868**
Other operating income	357	209	**566**
Operating income	3,092	1,342	**4,434**
Operating expenses	(1,398)	(628)	**(2,026)**
Profit before credit impairment and income tax	1,694	714	**2,408**
Credit impairment (charge)/release	(390)	(414)	**(804)**
Profit before income tax	1,304	300	**1,604**
Income tax expense and non-controlling interests	(390)	(91)	**(481)**
Cash profit	914	209	**1,123**
Individually assessed credit impairment charge/(release)	155	123	**278**
Collectively assessed credit impairment charge/(release)	235	291	**526**
Net loans and advances	282,292	57,089	**339,381**
Customer deposits	133,536	101,058	**234,594**
Risk weighted assets	112,915	53,747	**166,662**

March 2020 Half Year			
Net interest income	2,754	1,294	4,048
Other operating income	385	210	595
Operating income	3,139	1,504	4,643
Operating expenses	(1,403)	(662)	(2,065)
Profit before credit impairment and income tax	1,736	842	2,578
Credit impairment (charge)/release	(431)	(412)	(843)
Profit before income tax	1,305	430	1,735
Income tax expense and non-controlling interests	(392)	(129)	(521)
Cash profit	913	301	1,214
Individually assessed credit impairment charge/(release)	156	162	318
Collectively assessed credit impairment charge/(release)	275	250	525
Net loans and advances	272,696	57,116	329,812
Customer deposits	123,435	89,555	212,990
Risk weighted assets	108,238	53,520	161,758

September 2020 Half Year vs March 2020 Half Year			
Net interest income	-1%	-12%	-4%
Other operating income	-7%	0%	-5%
Operating income	-1%	-11%	-5%
Operating expenses	0%	-5%	-2%
Profit before credit impairment and income tax	-2%	-15%	-7%
Credit impairment (charge)/release	-10%	0%	-5%
Profit before income tax	0%	-30%	-8%
Income tax expense and non-controlling interests	-1%	-29%	-8%
Cash profit	0%	-31%	-7%
Individually assessed credit impairment charge/(release)	-1%	-24%	-13%
Collectively assessed credit impairment charge/(release)	-15%	16%	0%
Net loans and advances	4%	0%	3%
Customer deposits	8%	13%	10%
Risk weighted assets	4%	0%	3%

Institutional - continuing operations

Mark Whelan

Divisional performance was impacted by a number of large/notable items. Refer to pages 14 to 18 and pages 55 to 56 for details.

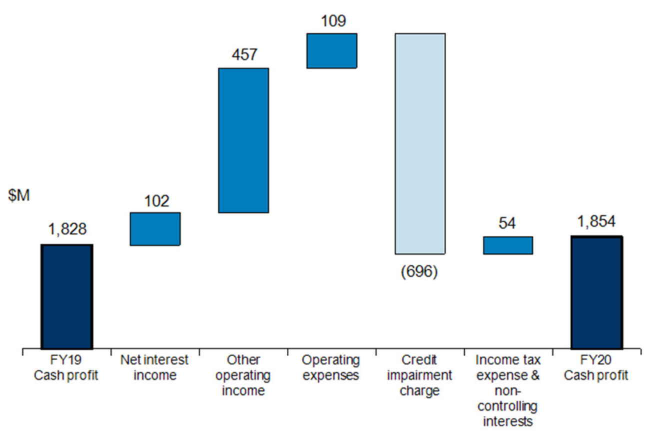
	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Net interest income	**1,558**	1,624	-4%	**3,182**	3,080	3%
Other operating income	**1,482**	1,167	27%	**2,649**	2,192	21%
Operating income	**3,040**	2,791	9%	**5,831**	5,272	11%
Operating expenses	**(1,268)**	(1,290)	-2%	**(2,558)**	(2,667)	-4%
Profit before credit impairment and income tax	**1,772**	1,501	18%	**3,273**	2,605	26%
Credit impairment (charge)/release	**(53)**	(641)	-92%	**(694)**	2	large
Profit before income tax	**1,719**	860	100%	**2,579**	2,607	-1%
Income tax expense and non-controlling interests	**(475)**	(250)	90%	**(725)**	(779)	-7%
Cash profit	**1,244**	610	large	**1,854**	1,828	1%
Balance Sheet[1]						
Net loans and advances	**157,634**	199,410	-21%	**157,634**	164,526	-4%
Other external assets	**391,862**	461,548	-15%	**391,862**	346,094	13%
External assets	**549,496**	660,958	-17%	**549,496**	510,620	8%
Customer deposits	**223,288**	258,517	-14%	**223,288**	217,259	3%
Other deposits and borrowings	**73,427**	96,639	-24%	**73,427**	73,412	0%
Deposits and other borrowings	**296,715**	355,156	-16%	**296,715**	290,671	2%
Other external liabilities	**183,318**	229,611	-20%	**183,318**	157,505	16%
External liabilities	**480,033**	584,767	-18%	**480,033**	448,176	7%
Risk weighted assets	**186,502**	207,028	-10%	**186,502**	181,088	3%
Average gross loans and advances	**179,138**	175,366	2%	**177,252**	156,676	13%
Average deposits and other borrowings	**321,745**	305,506	5%	**313,625**	286,372	10%
Ratios[1]						
Return on average assets	**0.42%**	0.23%		**0.32%**	0.38%	
Net interest margin	**0.73%**	0.78%		**0.76%**	0.82%	
Net interest margin (excluding Markets)	**1.66%**	1.81%		**1.78%**	2.05%	
Operating expenses to operating income	**41.7%**	46.2%		**43.9%**	50.6%	
Operating expenses to average assets	**0.42%**	0.48%		**0.45%**	0.56%	
Individually assessed credit impairment charge/(release)	**49**	272	-82%	**321**	(12)	large
Individually assessed credit impairment charge/(release) as a % of average GLA[2]	**0.05%**	0.31%		**0.18%**	(0.01%)	
Collectively assessed credit impairment charge/(release)	**4**	369	-99%	**373**	10	large
Collectively assessed credit impairment charge/(release) as a % of average GLA[2]	**0.00%**	0.42%		**0.21%**	0.01%	
Gross impaired assets	**429**	742	-42%	**434**	265	64%
Gross impaired assets as a % of GLA	**0.27%**	0.37%		**0.27%**	0.16%	
Total full time equivalent staff (FTE)	**5,291**	5,350	-1%	**5,291**	5,468	-3%

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 2020 v September 2019

- Average lending volumes increased against the prior period. Customer deposits increased in Transaction Banking, partially offset by decreases in the other businesses.
- Net interest margin ex-Markets decreased mainly due to the impact of low interest rates on deposit margins.
- Other operating income increased due to higher Markets income (refer page 66), partly offset by lower volume related fee income in the transaction banking business with a subdued international trade environment.
- Operating expenses decreased as a result of lower personnel costs, lower discretionary spend, lower property charges and lower remediation expenses, partly offset by accelerated amortisation due to changes in application of the software policy and additional charges for lease related items.
- Credit impairment charges increased due to higher collectively assessed credit impairment charge for the expected impact of COVID-19 and an increase in individually assessed credit impairment charges in Transaction Banking.

Cash Profit September 2020 v September 2019



Institutional - continuing operations

Mark Whelan

Institutional by Geography[1]

	Half Year			Full Year		
Australia	**Sep 20 $M**	**Mar 20 $M**	**Movt**	**Sep 20 $M**	**Sep 19 $M**	**Movt**
Net interest income	**859**	920	-7%	**1,779**	1,706	4%
Other operating income	**660**	392	68%	**1,052**	1,002	5%
Operating income	**1,519**	1,312	16%	**2,831**	2,708	5%
Operating expenses	**(613)**	(584)	5%	**(1,197)**	(1,207)	-1%
Profit before credit impairment and income tax	**906**	728	24%	**1,634**	1,501	9%
Credit impairment (charge)/release	**(5)**	(274)	-98%	**(279)**	(10)	large
Profit before income tax	**901**	454	98%	**1,355**	1,491	-9%
Income tax expense and non-controlling interests	**(275)**	(138)	99%	**(413)**	(448)	-8%
Cash profit	**626**	316	98%	**942**	1,043	-10%
Individually assessed credit impairment charge/(release)	**22**	50	-56%	**72**	(12)	large
Collectively assessed credit impairment charge/(release)	**(17)**	224	large	**207**	22	large
Net loans and advances	**98,992**	115,637	-14%	**98,992**	97,583	1%
Customer deposits	**89,369**	90,648	-1%	**89,369**	75,973	18%
Risk weighted assets	**99,632**	103,240	-3%	**99,632**	93,090	7%
Asia, Pacific, Europe, and America						
Net interest income	**541**	536	1%	**1,077**	1,049	3%
Other operating income	**542**	698	-22%	**1,240**	954	30%
Operating income	**1,083**	1,234	-12%	**2,317**	2,003	16%
Operating expenses	**(559)**	(615)	-9%	**(1,174)**	(1,257)	-7%
Profit before credit impairment and income tax	**524**	619	-15%	**1,143**	746	53%
Credit impairment (charge)/release	**(56)**	(325)	-83%	**(381)**	19	large
Profit before income tax	**468**	294	59%	**762**	765	0%
Income tax expense and non-controlling interests	**(102)**	(81)	26%	**(183)**	(232)	-21%
Cash profit	**366**	213	72%	**579**	533	9%
Individually assessed credit impairment charge/(release)	**27**	215	-87%	**242**	9	large
Collectively assessed credit impairment charge/(release)	**29**	110	-74%	**139**	(28)	large
Net loans and advances	**52,168**	76,849	-32%	**52,168**	60,208	-13%
Customer deposits	**113,036**	148,602	-24%	**113,036**	123,468	-8%
Risk weighted assets	**71,884**	89,491	-20%	**71,884**	74,997	-4%
New Zealand						
Net interest income	**158**	168	-6%	**326**	325	0%
Other operating income	**280**	77	large	**357**	236	51%
Operating income	**438**	245	79%	**683**	561	22%
Operating expenses	**(96)**	(91)	5%	**(187)**	(203)	-8%
Profit before credit impairment and income tax	**342**	154	large	**496**	358	39%
Credit impairment (charge)/release	**8**	(42)	large	**(34)**	(7)	large
Profit before income tax	**350**	112	large	**462**	351	32%
Income tax expense and non-controlling interests	**(98)**	(31)	large	**(129)**	(99)	30%
Cash profit	**252**	81	large	**333**	252	32%
Individually assessed credit impairment charge/(release)	**-**	7	-100%	**7**	(9)	large
Collectively assessed credit impairment charge/(release)	**(8)**	35	large	**27**	16	69%
Net loans and advances	**6,474**	6,924	-6%	**6,474**	6,735	-4%
Customer deposits	**20,883**	19,267	8%	**20,883**	17,818	17%
Risk weighted assets	**14,986**	14,297	5%	**14,986**	13,001	15%

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 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Transaction Banking	18	227	-92%	245	(9)	large
Corporate Finance	31	46	-33%	77	(6)	large
Markets	-	(1)	-100%	(1)	-	n/a
Central Functions	-	-	n/a	-	3	-100%
Individually assessed credit impairment charge/(release)	**49**	**272**	**-82%**	**321**	**(12)**	**large**

Collectively assessed credit impairment charge/(release)	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Transaction Banking	(37)	52	large	15	16	-6%
Corporate Finance	46	312	-85%	358	(10)	large
Markets	(5)	5	large	-	5	-100%
Central Functions	-	-	n/a	-	(1)	-100%
Collectively assessed credit impairment charge/(release)	**4**	**369**	**-99%**	**373**	**10**	**large**

Net loans and advances	As at			Movement	
	Sep 20 $M	Mar 20 $M	Sep 19 $M	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Transaction Banking	14,192	22,023	19,495	-36%	-27%
Corporate Finance	111,253	128,585	110,554	-13%	1%
Markets	32,160	48,714	34,473	-34%	-7%
Central Functions	29	88	4	-67%	large
Net loans and advances	**157,634**	**199,410**	**164,526**	**-21%**	**-4%**

Customer deposits	As at			Movement	
	Sep 20 $M	Mar 20 $M	Sep 19 $M	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Transaction Banking	123,963	124,159	101,766	0%	22%
Corporate Finance	966	971	1,013	-1%	-5%
Markets	96,464	131,277	112,471	-27%	-14%
Central Functions	1,895	2,110	2,009	-10%	-6%
Customer deposits	**223,288**	**258,517**	**217,259**	**-14%**	**3%**

Institutional - continuing operations

Mark Whelan

September 2020 Full Year	Transaction Banking $M	Corporate Finance $M	Markets $M	Central Functions $M	Total $M
Net interest income	833	1,556	770	23	**3,182**
Other operating income	686	59	1,884	20	**2,649**
Operating income	1,519	1,615	2,654	43	**5,831**
Operating expenses	(812)	(607)	(1,094)	(45)	**(2,558)**
Profit/(Loss) before credit impairment and income tax	707	1,008	1,560	(2)	**3,273**
Credit impairment (charge)/release	(260)	(435)	1	-	**(694)**
Profit/(Loss) before income tax	447	573	1,561	(2)	**2,579**
Income tax expense and non-controlling interests	(162)	(154)	(392)	(17)	**(725)**
Cash profit/(loss)	285	419	1,169	(19)	**1,854**
Individually assessed credit impairment charge/(release)	245	77	(1)	-	**321**
Collectively assessed credit impairment charge/(release)	15	358	-	-	**373**
Net loans and advances	14,192	111,253	32,160	29	**157,634**
Customer deposits	123,963	966	96,464	1,895	**223,288**
Risk weighted assets	23,741	102,921	59,345	495	**186,502**
September 2019 Full Year[1]					
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	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 2020 Full Year vs September 2019 Full Year					
Net interest income	-21%	5%	57%	-56%	3%
Other operating income	-5%	-60%	47%	-39%	21%
Operating income	-15%	-1%	49%	-49%	11%
Operating expenses	0%	-5%	0%	-63%	-4%
Profit/(Loss) before credit impairment and income tax	-27%	1%	large	-95%	26%
Credit impairment (charge)/release	large	large	large	-100%	large
Profit/(Loss) before income tax	-53%	-43%	large	-95%	-1%
Income tax expense and non-controlling interests	-39%	-44%	88%	-48%	-7%
Cash profit/(loss)	-59%	-43%	large	-74%	1%
Individually assessed credit impairment charge/(release)	large	large	n/a	-100%	large
Collectively assessed credit impairment charge/(release)	-6%	large	-100%	-100%	large
Net loans and advances	-27%	1%	-7%	large	-4%
Customer deposits	22%	-5%	-14%	-6%	3%
Risk weighted assets	-9%	6%	3%	large	3%

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

Institutional - continuing operations
Mark Whelan

September 2020 Half Year	Transaction Banking $M	Corporate Finance $M	Markets $M	Central Functions $M	Total $M
Net interest income	377	802	370	9	**1,558**
Other operating income	330	28	1,120	4	**1,482**
Operating income	707	830	1,490	13	**3,040**
Operating expenses	(408)	(306)	(533)	(21)	**(1,268)**
Profit/(Loss) before credit impairment and income tax	299	524	957	(8)	**1,772**
Credit impairment (charge)/release	19	(77)	5	-	**(53)**
Profit/(Loss) before income tax	318	447	962	(8)	**1,719**
Income tax expense and non-controlling interests	(94)	(120)	(258)	(3)	**(475)**
Cash profit/(loss)	224	327	704	(11)	**1,244**
Individually assessed credit impairment charge/(release)	18	31	-	-	**49**
Collectively assessed credit impairment charge/(release)	(37)	46	(5)	-	**4**
Net loans and advances	14,192	111,253	32,160	29	**157,634**
Customer deposits	123,963	966	96,464	1,895	**223,288**
Risk weighted assets	23,741	102,921	59,345	495	**186,502**

March 2020 Half Year					
Net interest income	456	754	400	14	1,624
Other operating income	356	31	764	16	1,167
Operating income	812	785	1,164	30	2,791
Operating expenses	(404)	(301)	(561)	(24)	(1,290)
Profit/(Loss) before credit impairment and income tax	408	484	603	6	1,501
Credit impairment (charge)/release	(279)	(358)	(4)	-	(641)
Profit/(Loss) before income tax	129	126	599	6	860
Income tax expense and non-controlling interests	(68)	(34)	(134)	(14)	(250)
Cash profit/(loss)	61	92	465	(8)	610
Individually assessed credit impairment charge/(release)	227	46	(1)	-	272
Collectively assessed credit impairment charge/(release)	52	312	5	-	369
Net loans and advances	22,023	128,585	48,714	88	199,410
Customer deposits	124,159	971	131,277	2,110	258,517
Risk weighted assets	29,036	109,823	67,691	478	207,028

September 2020 Half Year vs March 2020 Half Year					
Net interest income	-17%	6%	-8%	-36%	-4%
Other operating income	-7%	-10%	47%	-75%	27%
Operating income	-13%	6%	28%	-57%	9%
Operating expenses	1%	2%	-5%	-13%	-2%
Profit/(Loss) before credit impairment and income tax	-27%	8%	59%	large	18%
Credit impairment (charge)/release	large	-78%	large	n/a	-92%
Profit/(Loss) before income tax	large	large	61%	large	100%
Income tax expense and non-controlling interests	38%	large	93%	-79%	90%
Cash profit/(loss)	large	large	51%	38%	large
Individually assessed credit impairment charge/(release)	-92%	-33%	-100%	n/a	-82%
Collectively assessed credit impairment charge/(release)	large	-85%	large	n/a	-99%
Net loans and advances	-36%	-13%	-34%	-67%	-21%
Customer deposits	0%	-1%	-27%	-10%	-14%
Risk weighted assets	-18%	-6%	-12%	4%	-10%

Institutional - continuing operations

Mark Whelan

Analysis of Markets operating income[1]

Composition of Markets operating income by business activity	Half Year Sep 20 $M	Half Year Mar 20 $M	Half Year Movt	Full Year Sep 20 $M	Full Year Sep 19 $M	Full Year Movt
Franchise Sales[2]	**471**	513	-8%	**984**	932	6%
Franchise Trading[3]	**552**	413	34%	**965**	399	large
Balance Sheet[4]	**467**	238	96%	**705**	446	58%
Markets operating income	**1,490**	1,164	28%	**2,654**	1,777	49%
Includes:						
Derivative valuation adjustments	**131**	24	large	**155**	38	large

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 direct client sales flows and the Group's strategic positions. 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 20 $M	Half Year Mar 20 $M	Half Year Movt	Full Year Sep 20 $M	Full Year Sep 19 $M	Full Year Movt
Australia	**517**	325	59%	**842**	604	39%
Asia, Pacific, Europe & America	**673**	740	-9%	**1,413**	897	58%
New Zealand	**300**	99	large	**399**	276	45%
Markets operating income	**1,490**	1,164	28%	**2,654**	1,777	49%

Institutional - continuing operations
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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 Sep 20 $M	High for year Sep 20 $M	Low for year Sep 20 $M	Avg for year Sep 20 $M	As at Sep 19 $M	High for year Sep 19 $M	Low for year Sep 19 $M	Avg for year Sep 19 $M
Value at Risk at 99% confidence								
Foreign exchange	**2.0**	**6.1**	**1.2**	**3.1**	1.4	9.5	1.2	4.1
Interest rate	**9.6**	**13.8**	**3.3**	**7.2**	3.6	10.4	3.6	5.8
Credit	**13.9**	**17.1**	**1.8**	**8.6**	5.1	5.4	1.2	3.1
Commodities	**3.0**	**4.7**	**1.3**	**2.6**	1.6	3.9	1.4	2.2
Equity	**-**	**-**	**-**	**-**	-	-	-	-
Diversification benefit	**(10.9)**	**n/a**	**n/a**	**(8.0)**	(5.5)	n/a	n/a	(7.2)
Total VaR	**17.6**	**31.9**	**5.7**	**13.5**	6.2	13.4	5.1	8.0

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 Sep 20 $M	High for year Sep 20 $M	Low for year Sep 20 $M	Avg for year Sep 20 $M	As at Sep 19 $M	High for year Sep 19 $M	Low for year Sep 19 $M	Avg for year Sep 19 $M
Value at Risk at 99% confidence								
Australia	**60.8**	**60.8**	**18.8**	**33.4**	22.7	22.7	16.4	18.9
New Zealand	**26.3**	**26.3**	**9.4**	**15.2**	9.6	9.6	7.1	8.0
Asia, Pacific, Europe & America	**29.4**	**30.2**	**17.4**	**24.2**	17.6	17.7	12.9	16.1
Diversification benefit	**(61.4)**	**n/a**	**n/a**	**(29.5)**	(17.8)	n/a	n/a	(14.8)
Total VaR	**55.1**	**58.3**	**31.5**	**43.3**	32.1	32.1	25.2	28.2

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

	As at Sep 20	As at Sep 19
As at period end	**1.25%**	1.19%
Maximum exposure	**1.61%**	1.19%
Minimum exposure	**0.52%**	0.33%
Average exposure (in absolute terms)	**1.01%**	0.69%

New Zealand - continuing operations

Antonia Watson

Divisional performance was impacted by a number of large/notable items. Refer to pages 14 to 18 and pages 55 to 56 for details (in AUD).

Table reflects NZD for New Zealand (AUD results shown on page 72)

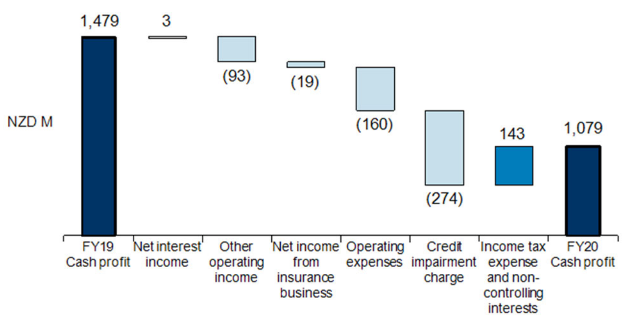
	Half Year			Full Year		
	Sep 20 NZD M	**Mar 20 NZD M**	**Movt**	**Sep 20 NZD M**	**Sep 19 NZD M**	**Movt**
Net interest income	**1,416**	1,479	-4%	**2,895**	2,892	0%
Other operating income	**242**	259	-7%	**501**	594	-16%
Net income from insurance business[1]	**-**	-	n/a	**-**	19	-100%
Operating income	**1,658**	1,738	-5%	**3,396**	3,505	-3%
Operating expenses	**(796)**	(724)	10%	**(1,520)**	(1,360)	12%
Profit before credit impairment and income tax	**862**	1,014	-15%	**1,876**	2,145	-13%
Credit impairment (charge)/release	**(178)**	(188)	-5%	**(366)**	(92)	large
Profit before income tax	**684**	826	-17%	**1,510**	2,053	-26%
Income tax expense and non-controlling interests	**(199)**	(232)	-14%	**(431)**	(574)	-25%
Cash profit	**485**	594	-18%	**1,079**	1,479	-27%
Balance Sheet						
Net loans and advances	**125,981**	128,560	-2%	**125,981**	125,991	0%
Other external assets	**4,400**	4,690	-6%	**4,400**	3,983	10%
External assets	**130,381**	133,250	-2%	**130,381**	129,974	0%
Customer deposits	**98,304**	93,626	5%	**98,304**	90,004	9%
Other deposits and borrowings	**1,748**	4,456	-61%	**1,748**	2,461	-29%
Deposits and other borrowings	**100,052**	98,082	2%	**100,052**	92,465	8%
Other external liabilities	**23,380**	28,088	-17%	**23,380**	25,380	-8%
External liabilities	**123,432**	126,170	-2%	**123,432**	117,845	5%
Risk weighted assets	**71,225**	72,412	-2%	**71,225**	70,727	1%
Average gross loans and advances	**128,748**	127,968	1%	**128,358**	124,264	3%
Average deposits and other borrowings	**99,324**	94,740	5%	**97,032**	91,565	6%
Net funds management income	**106**	113	-6%	**219**	222	-1%
Funds under management	**35,223**	32,504	8%	**35,223**	34,145	3%
Average funds under management	**34,816**	34,472	1%	**34,809**	31,610	10%
Ratios						
Return on average assets	**0.73%**	0.90%		**0.82%**	1.16%	
Net interest margin	**2.20%**	2.31%		**2.26%**	2.33%	
Operating expenses to operating income	**48.0%**	41.7%		**44.8%**	38.8%	
Operating expenses to average assets	**1.20%**	1.10%		**1.15%**	1.07%	
Individually assessed credit impairment charge/(release)	**66**	37	78%	**103**	79	30%
Individually assessed credit impairment charge/(release) as a % of average GLA[2]	**0.10%**	0.06%		**0.08%**	0.06%	
Collectively assessed credit impairment charge/(release)	**112**	151	-26%	**263**	13	large
Collectively assessed credit impairment charge/(release) as a % of average GLA[2]	**0.17%**	0.24%		**0.20%**	0.01%	
Gross impaired assets	**374**	271	38%	**374**	265	41%
Gross impaired assets as a % of GLA	**0.30%**	0.21%		**0.30%**	0.21%	
Total full time equivalent staff (FTE)	**5,761**	6,103	-6%	**5,761**	6,121	-6%

1. *Relates to OnePath Life (NZ) Limited, a controlled entity, which was sold on 30 November 2018.*
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 2020 v September 2019

- Lending ended flat against the prior period impacted by the sale of UDC at the end of the year. Customer deposit volumes grew across all portfolios while funds under management increased during the period.
- Net interest margin decreased mainly due to lower interest rates compressing deposit margins.
- Other operating income decreased primarily driven by fee changes and lower volume related fee income and fee waivers due to the impact of COVID-19.
- Operating expenses increased due to higher investment spend on compliance projects, goodwill write-off related to the Bonus Bonds business, accelerated amortisation due to changes in application of the software policy, and increased restructuring charges.
- Credit impairment charges increased driven by collectively assessed credit impairment charges for the expected impact of COVID-19.

Cash Profit September 2020 v September 2019



New Zealand - continuing operations

Antonia Watson

Individually assessed credit impairment charge/(release)	Half Year			Full Year		
	Sep 20 NZD M	Mar 20 NZD M	Movt	Sep 20 NZD M	Sep 19 NZD M	Movt
Retail	**21**	**20**	**5%**	**41**	**47**	**-13%**
Home Loans	3	2	50%	5	1	large
Other	18	18	0%	36	46	-22%
Commercial	**45**	**17**	**large**	**62**	**32**	**94%**
Individually assessed credit impairment charge/(release)	**66**	**37**	**78%**	**103**	**79**	**30%**

Collectively assessed credit impairment charge/(release)	Half Year			Full Year		
	Sep 20 NZD M	Mar 20 NZD M	Movt	Sep 20 NZD M	Sep 19 NZD M	Movt
Retail	**40**	**62**	**-35%**	**102**	**(2)**	**large**
Home Loans	28	50	-44%	78	6	large
Other	12	12	0%	24	(8)	large
Commercial	**72**	**89**	**-19%**	**161**	**15**	**large**
Collectively assessed credit impairment charge/(release)	**112**	**151**	**-26%**	**263**	**13**	**large**

Net loans and advances	As at			Movement	
	Sep 20 NZD M	Mar 20 NZD M	Sep 19 NZD M	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Retail	**86,648**	**85,001**	**82,527**	**2%**	**5%**
Home Loans	84,270	82,253	79,475	2%	6%
Other	2,378	2,748	3,052	-13%	-22%
Commercial	**39,333**	**43,559**	**43,464**	**-10%**	**-10%**
Net loans and advances	**125,981**	**128,560**	**125,991**	**-2%**	**0%**

Customer deposits	As at			Movement	
	Sep 20 NZD M	Mar 20 NZD M	Sep 19 NZD M	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Retail	79,867	76,408	73,866	5%	8%
Commercial	18,437	17,218	16,138	7%	14%
Customer deposits	**98,304**	**93,626**	**90,004**	**5%**	**9%**

New Zealand - continuing operations

Antonia Watson

September 2020 Full Year	Retail NZD M	Commercial NZD M	Central Functions NZD M	Total NZD M
Net interest income	1,814	1,073	8	**2,895**
Other operating income	489	11	1	**501**
Net income from insurance business[1]	-	-	-	**-**
Operating income	2,303	1,084	9	**3,396**
Operating expenses	(1,214)	(303)	(3)	**(1,520)**
Profit before credit impairment and income tax	1,089	781	6	**1,876**
Credit impairment (charge)/release	(143)	(223)	-	**(366)**
Profit before income tax	946	558	6	**1,510**
Income tax expense and non-controlling interests	(273)	(156)	(2)	**(431)**
Cash profit	673	402	4	**1,079**
Individually assessed credit impairment charge/(release)	41	62	-	**103**
Collectively assessed credit impairment charge/(release)	102	161	-	**263**
Net loans and advances	86,648	39,333	-	**125,981**
Customer deposits	79,867	18,437	-	**98,304**
Risk weighted assets	38,303	30,839	2,083	**71,225**

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	578	17	(1)	594
Net income from insurance business[1]	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 2020 Full Year vs September 2019 Full Year	Retail	Commercial	Central Functions	Total
Net interest income	0%	2%	-43%	0%
Other operating income	-15%	-35%	large	-16%
Net income from insurance business[1]	-100%	n/a	n/a	-100%
Operating income	-5%	1%	-31%	-3%
Operating expenses	13%	11%	-63%	12%
Profit before credit impairment and income tax	-19%	-2%	20%	-13%
Credit impairment (charge)/release	large	large	n/a	large
Profit before income tax	-27%	-26%	20%	-26%
Income tax expense and non-controlling interests	-24%	-26%	0%	-25%
Cash profit	-28%	-26%	33%	-27%
Individually assessed credit impairment charge/(release)	-13%	94%	n/a	30%
Collectively assessed credit impairment charge/(release)	large	large	n/a	large
Net loans and advances	5%	-10%	n/a	0%
Customer deposits	8%	14%	n/a	9%
Risk weighted assets	5%	-7%	large	1%

1. *Relates to OnePath Life (NZ) Limited, a controlled entity, which was sold on 30 November 2018.*

New Zealand - continuing operations

Antonia Watson

September 2020 Half Year	Retail NZD M	Commercial NZD M	Central Functions NZD M	Total NZD M
Net interest income	892	524	-	**1,416**
Other operating income	235	6	1	**242**
Operating income	1,127	530	1	**1,658**
Operating expenses	(640)	(157)	1	**(796)**
Profit/(Loss) before credit impairment and income tax	487	373	2	**862**
Credit impairment (charge)/release	(61)	(117)	-	**(178)**
Profit/(Loss) before income tax	426	256	2	**684**
Income tax expense and non-controlling interests	(127)	(71)	(1)	**(199)**
Cash profit/(Loss)	299	185	1	**485**
Individually assessed credit impairment charge/(release)	21	45	-	**66**
Collectively assessed credit impairment charge/(release)	40	72	-	**112**
Net loans and advances	86,648	39,333	-	**125,981**
Customer deposits	79,867	18,437	-	**98,304**
Risk weighted assets	38,303	30,839	2,083	**71,225**

March 2020 Half Year	Retail NZD M	Commercial NZD M	Central Functions NZD M	Total NZD M
Net interest income	922	549	8	1,479
Other operating income	254	5	-	259
Operating income	1,176	554	8	1,738
Operating expenses	(574)	(146)	(4)	(724)
Profit/(Loss) before credit impairment and income tax	602	408	4	1,014
Credit impairment (charge)/release	(82)	(106)	-	(188)
Profit/(Loss) before income tax	520	302	4	826
Income tax expense and non-controlling interests	(146)	(85)	(1)	(232)
Cash profit/(Loss)	374	217	3	594
Individually assessed credit impairment charge/(release)	20	17	-	37
Collectively assessed credit impairment charge/(release)	62	89	-	151
Net loans and advances	85,001	43,559	-	128,560
Customer deposits	76,408	17,218	-	93,626
Risk weighted assets	37,200	33,914	1,298	72,412

September 2020 Half Year vs March 2020 Half Year	Retail	Commercial	Central Functions	Total
Net interest income	-3%	-5%	-100%	-4%
Other operating income	-7%	20%	n/a	-7%
Operating income	-4%	-4%	-88%	-5%
Operating expenses	11%	8%	large	10%
Profit/(Loss) before credit impairment and income tax	-19%	-9%	-50%	-15%
Credit impairment (charge)/release	-26%	10%	n/a	-5%
Profit/(Loss) before income tax	-18%	-15%	-50%	-17%
Income tax expense and non-controlling interests	-13%	-16%	0%	-14%
Cash profit/(Loss)	-20%	-15%	-67%	-18%
Individually assessed credit impairment charge/(release)	5%	large	n/a	78%
Collectively assessed credit impairment charge/(release)	-35%	-19%	n/a	-26%
Net loans and advances	2%	-10%	n/a	-2%
Customer deposits	5%	7%	n/a	5%
Risk weighted assets	3%	-9%	60%	-2%

New Zealand - continuing operations

Antonia Watson

Table reflects AUD for New Zealand
NZD results shown on page 68

	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Net interest income	**1,321**	1,410	-6%	**2,731**	2,736	0%
Other operating income	**226**	247	-9%	**473**	562	-16%
Net income from insurance business[1]	**-**	-	n/a	**-**	18	-100%
Operating income	**1,547**	1,657	-7%	**3,204**	3,316	-3%
Operating expenses	**(745)**	(690)	8%	**(1,435)**	(1,286)	12%
Profit before credit impairment and income tax	**802**	967	-17%	**1,769**	2,030	-13%
Credit impairment (charge)/release	**(166)**	(179)	-7%	**(345)**	(87)	large
Profit before income tax	**636**	788	-19%	**1,424**	1,943	-27%
Income tax expense and non-controlling interests	**(186)**	(221)	-16%	**(407)**	(544)	-25%
Cash profit	**450**	567	-21%	**1,017**	1,399	-27%
Consisting of:						
Retail	**278**	357	-22%	**635**	883	-28%
Commercial	**171**	207	-17%	**378**	513	-26%
Central Functions	**1**	3	-67%	**4**	3	33%
Cash profit	**450**	567	-21%	**1,017**	1,399	-27%
Balance Sheet						
Net loans and advances	**116,625**	125,195	-7%	**116,625**	116,729	0%
Other external assets	**4,073**	4,567	-11%	**4,073**	3,690	10%
External assets	**120,698**	129,762	-7%	**120,698**	120,419	0%
Customer deposits	**91,004**	91,175	0%	**91,004**	83,387	9%
Other deposits and borrowings	**1,618**	4,339	-63%	**1,618**	2,280	-29%
Deposits and other borrowings	**92,622**	95,514	-3%	**92,622**	85,667	8%
Other external liabilities	**21,643**	27,353	-21%	**21,643**	23,514	-8%
External liabilities	**114,265**	122,867	-7%	**114,265**	109,181	5%
Risk weighted assets	**65,936**	70,516	-6%	**65,936**	65,527	1%
Average gross loans and advances	**120,182**	122,011	-1%	**121,096**	117,537	3%
Average deposits and other borrowings	**92,756**	90,329	3%	**91,542**	86,608	6%
Net funds management income	**100**	107	-7%	**207**	210	-1%
Funds under management	**32,608**	31,653	3%	**32,608**	31,633	3%
Average funds under management	**32,499**	32,868	-1%	**32,839**	29,900	10%
Ratios						
Return on average assets	**0.73%**	0.90%		**0.82%**	1.16%	
Net interest margin	**2.20%**	2.31%		**2.26%**	2.33%	
Operating expenses to operating income	**48.0%**	41.7%		**44.8%**	38.8%	
Operating expenses to average assets	**1.20%**	1.10%		**1.15%**	1.07%	
Individually assessed credit impairment charge/(release)	**62**	35	77%	**97**	75	29%
Individually assessed credit impairment charge/(release) as a % of average GLA[2]	**0.10%**	0.06%		**0.08%**	0.06%	
Collectively assessed credit impairment charge/(release)	**104**	144	-28%	**248**	12	large
Collectively assessed credit impairment charge/(release) as a % of average GLA[2]	**0.17%**	0.24%		**0.20%**	0.01%	
Gross impaired assets	**347**	264	31%	**347**	245	42%
Gross impaired assets as a % of GLA	**0.30%**	0.21%		**0.30%**	0.21%	
Total full time equivalent staff (FTE)	**5,761**	6,103	-6%	**5,761**	6,121	-6%

1. *Relates to OnePath Life (NZ) Limited, a controlled entity, which was sold on 30 November 2018.*
2. *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

Divisional performance was impacted by a number of large/notable items. Refer to pages 14 to 18 and pages 55 to 56 for details of these items.

	Half Year			Full Year		
	Sep 20 $M	**Mar 20 $M**	**Movt**	**Sep 20 $M**	**Sep 19 $M**	**Movt**
Net interest income	**44**	65	-32%	**109**	128	-15%
Other operating income	**34**	50	-32%	**84**	104	-19%
Operating income	**78**	115	-32%	**193**	232	-17%
Operating expenses[1]	**(129)**	(76)	70%	**(205)**	(150)	37%
Profit/(Loss) before credit impairment and income tax	**(51)**	39	large	**(12)**	82	large
Credit impairment (charge)/release	**(41)**	(11)	large	**(52)**	1	large
Profit/(Loss) before income tax	**(92)**	28	large	**(64)**	83	large
Income tax expense and non-controlling interests	**10**	(8)	large	**2**	(24)	large
Cash profit/(loss)	**(82)**	20	large	**(62)**	59	large
Balance Sheet						
Net loans and advances	**1,866**	2,176	-14%	**1,866**	2,120	-12%
Customer deposits	**3,534**	3,845	-8%	**3,534**	3,546	0%
Risk weighted assets	**3,357**	3,547	-5%	**3,357**	3,400	-1%
Total full time equivalent staff (FTE)	**1,113**	1,108	0%	**1,113**	1,086	2%

1. *Includes $50 million of goodwill write-off in the September 2020 half.*

TSO and Group Centre - continuing operations

Divisional performance was impacted by a number of large/notable items. Refer to pages 14 to 18 and pages 55 to 56 for details of these items.

	Half Year			Full Year		
	Sep 20 $M	**Mar 20 $M**	**Movt**	**Sep 20 $M**	**Sep 19 $M**	**Movt**
Share of associates profit	**21**	135	-84%	**156**	259	-40%
Operating income (other)	**53**	(762)	large	**(709)**	511	large
Operating income[1]	**74**	(627)	large	**(553)**	770	large
Operating expenses[2]	**(610)**	(484)	26%	**(1,094)**	(894)	22%
Profit/(Loss) before credit impairment and income tax	**(536)**	(1,111)	-52%	**(1,647)**	(124)	large
Credit impairment (charge)/release	**-**	-	n/a	**-**	1	-100%
Profit/(Loss) before income tax	**(536)**	(1,111)	-52%	**(1,647)**	(123)	large
Income tax benefit and non-controlling interests	**146**	113	29%	**259**	112	large
Cash profit/(loss)	**(390)**	(998)	-61%	**(1,388)**	(11)	large
Risk weighted assets	**6,546**	5,752	14%	**6,542**	4,501	45%
Total full time equivalent staff (FTE)	**11,263**	11,212	0%	**11,263**	11,010	2%

1. *Includes large/notable items of -$96 million in the September 2020 half (Mar 20 half: -$804 million; Sep 19 full year: $252 million). Refer to pages 14 to 18 for further details on large/notable items.*
2. *Includes large/notable items of $110 million in the September 2020 half (Mar 20 half: $36 million; Sep 19 full year: $49 million). Refer to pages 14 to 18 for further details on large/notable items.*

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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 on pages 126 to 127 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 2020 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 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Statutory profit attributable to shareholders of the Company from continuing operations	**2,040**	1,635	25%	**3,675**	6,296	-42%
Adjustments between statutory profit and cash profit from continuing operations						
Revaluation of policy liabilities	**-**	-	n/a	**-**	77	-100%
Economic hedges	**461**	(340)	large	**121**	118	3%
Revenue and expense hedges	**(156)**	120	large	**(36)**	(19)	89%
Structured credit intermediation trades	**-**	(2)	-100%	**(2)**	(2)	0%
Total adjustments between statutory profit and cash profit from continuing operations	**305**	(222)	large	**83**	174	-52%
Cash profit from continuing operations	**2,345**	1,413	66%	**3,758**	6,470	-42%
Statutory loss attributable to shareholders of the Company from discontinued operations	**(8)**	(90)	-91%	**(98)**	(343)	-71%
Adjustments between statutory profit and cash profit from discontinued operations						
Treasury shares adjustment	**-**	-	n/a	**-**	(11)	-100%
Revaluation of policy liabilities	**-**	-	n/a	**-**	45	-100%
Total adjustments between statutory profit and cash profit from discontinued operations	**-**	-	n/a	**-**	34	-100%
Cash loss from discontinued operations	**(8)**	(90)	-91%	**(98)**	(309)	-68%
Cash profit	**2,337**	1,323	77%	**3,660**	6,161	-41%

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 OnePath Life (NZ) Ltd in the September 2019 full year, this adjustment is no longer required.

- **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 2020 full year, the majority of the loss on economic hedges adjusted from cash profit relates to funding related swaps, principally from the narrowing of basis spreads on AUD/USD and NZD/USD currency pairs and the strengthening of AUD against USD.

The gain on revenue and expense hedges adjusted from cash profit in the September 2020 full year was mainly due to the strengthening of AUD against the USD.

	Half Year		Full Year	
	Sep 20 $M	**Mar 20 $M**	**Sep 20 $M**	**Sep 19 $M**
Economic hedges	**649**	(480)	**169**	164
Revenue and expense hedges	**(220)**	169	**(51)**	(26)
Increase/(decrease) to cash profit before tax	**429**	(311)	**118**	138
Increase/(decrease) to cash profit after tax	**305**	(220)	**85**	99

- **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 2020 amounted to $0.3 billion (Mar 20: $0.4 billion; Sep 19: $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 $18 million (Mar 20: $17 million; Sep 19: $19 million) with CVA on the bought protection of $0.4 million (Mar 20: $0.7 million Sep 19: $3 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.

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

  Derivative credit valuation adjustments on defaulted and impaired derivatives 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 in the September 2019 full year, there are no further ANZ shares held by the Group in Wealth Australia discontinued operations.

- **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 in the September 2019 full year, this adjustment is no longer required.

- **Policyholders tax gross up (nil profit after tax impact)**

  For statutory reporting purposes, policyholders income tax and other related taxes paid on behalf of policyholders are included in both other operating income and the Group's income tax expense. The gross up of $101 million income tax recoveries for the March 2020 half (Sep 19 full year: $19 million income tax paid) has been excluded from discontinued cash results as it does not reflect the underlying performance of the business which is assessed on a net of policyholders tax basis.

	Statutory profit	Adjustments to statutory profit							Cash profit
		Treasury shares adjustment	Revaluation of policy liabilities	Economic hedges	Revenue and expense hedges	Structured credit intermediation trades	Credit risk on impaired derivatives	Total adjustments to statutory profit	
	$M	$M	$M	$M	$M	$M	$M	$M	$M
September 2020 Full Year									
Net interest income	14,049	-	-	-	-	-	-	-	14,049
Net income from insurance business	78	-	-	-	-	-	-	-	78
Other	3,510	-	-	169	(51)	(3)	-	115	3,625
Other operating income	3,588	-	-	169	(51)	(3)	-	115	3,703
Operating income	17,637	-	-	169	(51)	(3)	-	115	17,752
Operating expenses	(9,383)	-	-	-	-	-	-	-	(9,383)
Profit before credit impairment and tax	8,254	-	-	169	(51)	(3)	-	115	8,369
Credit impairment charge	(2,738)	-	-	-	-	-	-	-	(2,738)
Profit before income tax	**5,516**	**-**	**-**	**169**	**(51)**	**(3)**	**-**	**115**	**5,631**
Income tax expense	(1,840)	-	-	(48)	15	1	-	(32)	(1,872)
Non-controlling interests	(1)	-	-	-	-	-	-	-	(1)
Profit after tax from continuing operations	**3,675**	**-**	**-**	**121**	**(36)**	**(2)**	**-**	**83**	**3,758**
Profit/(Loss) after tax from discontinued operations	(98)	-	-	-	-	-	-	-	(98)
Profit after tax	**3,577**	**-**	**-**	**121**	**(36)**	**(2)**	**-**	**83**	**3,660**
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**

	Statutory profit	Adjustments to statutory profit							Cash profit
		Treasury shares adjustment	Revaluation of policy liabilities	Economic hedges	Revenue and expense hedges	Structured credit intermediation trades	Credit risk on impaired derivatives	Total adjustments to statutory profit	
	$M	$M	$M	$M	$M	$M	$M	$M	$M
September 2020 Half Year									
Net interest income	6,827	-	-	-	-	-	-	-	6,827
Net income from insurance business	31	-	-	-	-	-	-	-	31
Other	1,886	-	-	649	(220)	-	-	429	2,315
Other operating income	1,917	-	-	649	(220)	-	-	429	2,346
Operating income	8,744	-	-	649	(220)	-	-	429	9,173
Operating expenses	(4,778)	-	-	-	-	-	-	-	(4,778)
Profit before credit impairment and tax	3,966	-	-	649	(220)	-	-	429	4,395
Credit impairment charge	(1,064)	-	-	-	-	-	-	-	(1,064)
Profit before income tax	**2,902**	**-**	**-**	**649**	**(220)**	**-**	**-**	**429**	**3,331**
Income tax expense	(862)	-	-	(188)	64	-	-	(124)	(986)
Non-controlling interests	-	-	-	-	-	-	-	-	-
Profit after tax from continuing operations	**2,040**	**-**	**-**	**461**	**(156)**	**-**	**-**	**305**	**2,345**
Profit/(Loss) after tax from discontinued operations	(8)	-	-	-	-	-	-	-	(8)
Profit after tax	**2,032**	**-**	**-**	**461**	**(156)**	**-**	**-**	**305**	**2,337**
March 2020 Half Year									
Net interest income	7,222	-	-	-	-	-	-	-	7,222
Net income from insurance business	47	-	-	-	-	-	-	-	47
Other	1,624	-	-	(480)	169	(3)	-	(314)	1,310
Other operating income	1,671	-	-	(480)	169	(3)	-	(314)	1,357
Operating income	8,893	-	-	(480)	169	(3)	-	(314)	8,579
Operating expenses	(4,605)	-	-	-	-	-	-	-	(4,605)
Profit before credit impairment and tax	4,288	-	-	(480)	169	(3)	-	(314)	3,974
Credit impairment charge	(1,674)	-	-	-	-	-	-	-	(1,674)
Profit before income tax	**2,614**	**-**	**-**	**(480)**	**169**	**(3)**	**-**	**(314)**	**2,300**
Income tax expense	(978)	-	-	140	(49)	1	-	92	(886)
Non-controlling interests	(1)	-	-	-	-	-	-	-	(1)
Profit after tax from continuing operations	**1,635**	**-**	**-**	**(340)**	**120**	**(2)**	**-**	**(222)**	**1,413**
Profit/(Loss) after tax from discontinued operations	(90)	-	-	-	-	-	-	-	(90)
Profit after tax	**1,545**	**-**	**-**	**(340)**	**120**	**(2)**	**-**	**(222)**	**1,323**

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Australia and New Zealand Banking Group Limited

		Half Year			Full Year		
	Note	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Interest income		**10,626**	13,800	-23%	**24,426**	31,077	-21%
Interest expense		**(3,799)**	(6,578)	-42%	**(10,377)**	(16,738)	-38%
Net interest income	2	**6,827**	7,222	-5%	**14,049**	14,339	-2%
Other operating income	2	**1,866**	1,489	25%	**3,355**	4,058	-17%
Net income from insurance business	2	**31**	47	-34%	**78**	126	-38%
Share of associates' profit	2, 13	**20**	135	-85%	**155**	262	-41%
Operating income		**8,744**	8,893	-2%	**17,637**	18,785	-6%
Operating expenses	3	**(4,778)**	(4,605)	4%	**(9,383)**	(9,071)	3%
Profit before credit impairment and income tax		**3,966**	4,288	-8%	**8,254**	9,714	-15%
Credit impairment charge	8	**(1,064)**	(1,674)	-36%	**(2,738)**	(794)	large
Profit before income tax		**2,902**	2,614	11%	**5,516**	8,920	-38%
Income tax expense	4	**(862)**	(978)	-12%	**(1,840)**	(2,609)	-29%
Profit after tax from continuing operations		**2,040**	1,636	25%	**3,676**	6,311	-42%
Profit/(Loss) after tax from discontinued operations	10	**(8)**	(90)	-91%	**(98)**	(343)	-71%
Profit for the period		**2,032**	1,546	31%	**3,578**	5,968	-40%
Comprising:							
Profit attributable to shareholders of the Company		**2,032**	1,545	32%	**3,577**	5,953	-40%
Profit attributable to non-controlling interests		**-**	1	-100%	**1**	15	-93%
Earnings per ordinary share (cents) including discontinued operations							
Basic	6	**71.8**	54.6	32%	**126.4**	210.0	-40%
Diluted	6	**66.3**	51.5	29%	**118.0**	201.9	-42%
Earnings per ordinary share (cents) from continuing operations							
Basic	6	**72.1**	57.8	25%	**129.8**	222.1	-42%
Diluted	6	**66.5**	54.3	22%	**121.1**	213.0	-43%
Dividend per ordinary share (cents)	5	**35**	25	40%	**60**	160	-63%

The notes appearing on pages 87 to 111 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

	Full Year		
	Sep 20 $M	Sep 19 $M	Movt
Profit for the period from continuing operations	**3,676**	6,311	-42%
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Investment securities - equity securities at FVOCI	**(157)**	45	large
Other reserve movements	**13**	67	-81%
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation reserve[1]	**(550)**	697	large
Other reserve movements	**712**	909	-22%
Income tax attributable to the above items	**(180)**	(288)	-38%
Share of associates' other comprehensive income[2]	**51**	26	96%
Other comprehensive income after tax from continuing operations	**(111)**	1,456	large
Profit/(Loss) after tax from discontinued operations	**(98)**	(343)	-71%
Other comprehensive income after tax from discontinued operations	**-**	(97)	-100%
Total comprehensive income for the period	**3,467**	7,327	-53%
Comprising total comprehensive income attributable to:			
Shareholders of the Company	**3,467**	7,307	-53%
Non-controlling interests	**-**	20	-100%

1. *Includes foreign currency translation differences attributable to non-controlling interests of $1 million loss (September 2019 full year: $5 million gain).*
2. *Share of associates' other comprehensive income includes a FVOCI reserve gain of $48 million (September 2019 full year: $20 million gain), defined benefits gain of $3 million (September 2019 full year: $7 million gain), cash flow hedge reserve loss of $1 million (September 2019 full year: $2 million loss) and a foreign currency translation reserve gain of $1 million (September 2019 full year: $1 million gain) that may be reclassified subsequently to profit or loss.*

The notes appearing on pages 87 to 111 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

		As At			Movement	
Assets	**Note**	**Sep 20 $M**	**Mar 20 $M**	**Sep 19 $M**	**Sep 20 v. Mar 20**	**Sep 20 v. Sep 19**
Cash and cash equivalents[1]		**107,923**	143,093	81,621	-25%	32%
Settlement balances owed to ANZ		**7,541**	6,961	3,739	8%	large
Collateral paid		**14,308**	16,762	15,006	-15%	-5%
Trading securities		**50,913**	49,068	44,088	4%	15%
Derivative financial instruments		**135,331**	173,677	120,667	-22%	12%
Investment securities		**93,391**	85,923	83,709	9%	12%
Net loans and advances	7	**617,093**	656,609	615,258	-6%	0%
Regulatory deposits		**801**	804	879	0%	-9%
Assets held for sale	10	**-**	-	1,831	n/a	-100%
Investments in associates		**2,164**	2,313	2,957	-6%	-27%
Current tax assets		**161**	452	265	-64%	-39%
Deferred tax assets[2]		**2,124**	1,816	1,356	17%	57%
Goodwill and other intangible assets		**4,379**	4,957	4,861	-12%	-10%
Premises and equipment[2]		**3,013**	3,211	1,924	-6%	57%
Other assets		**3,144**	4,309	2,976	-27%	6%
Total assets		**1,042,286**	1,149,955	981,137	-9%	6%
Liabilities						
Settlement balances owed by ANZ		**22,241**	22,314	10,867	0%	large
Collateral received		**9,304**	17,463	7,929	-47%	17%
Deposits and other borrowings	9	**682,333**	726,909	637,677	-6%	7%
Derivative financial instruments		**134,711**	167,364	120,951	-20%	11%
Current tax liabilities		**349**	244	260	43%	34%
Deferred tax liabilities		**80**	94	67	-15%	19%
Liabilities held for sale	10	**-**	-	2,121	n/a	-100%
Payables and other liabilities[2]		**9,128**	10,536	7,968	-13%	15%
Employee entitlements		**596**	635	589	-6%	1%
Other provisions		**2,579**	2,773	2,223	-7%	16%
Debt issuances		**119,668**	140,248	129,691	-15%	-8%
Total liabilities		**980,989**	1,088,580	920,343	-10%	7%
Net assets		**61,297**	61,375	60,794	0%	1%
Shareholders' equity						
Ordinary share capital	11	**26,531**	26,440	26,490	0%	0%
Reserves	11	**1,501**	2,851	1,629	-47%	-8%
Retained earnings[2]	11	**33,255**	32,073	32,664	4%	2%
Share capital and reserves attributable to shareholders of the Company		**61,287**	61,364	60,783	0%	1%
Non-controlling interests	11	**10**	11	11	-9%	-9%
Total shareholders' equity		**61,297**	61,375	60,794	0%	1%

1. *Includes settlement balances owed to ANZ that meet the definition of cash and cash equivalents.*
2. *On adoption of AASB 16 on 1 October 2019, the Group recognised right-of-use assets of $1.6 billion presented within Premises and equipment and lease liabilities of $1.7 billion presented within Payables and other liabilities. This resulted in a reduction to opening retained earnings of $88 million and an increase in deferred tax assets of $37 million. Comparative information has not been restated. Refer to Note 1 for further details.*

The notes appearing on pages 87 to 111 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	
	Sep 20 $M	Sep 19 $M
Profit after income tax	**3,578**	5,968
Adjustments to reconcile to net cash flow from operating activities:		
Credit impairment charge	**2,738**	794
Impairment of investment in associates	**815**	
Depreciation and amortisation[1,2]	**1,391**	871
Goodwill write-off	**77**	-
(Profit)/loss on sale of premises and equipment	**(8)**	(5)
Net derivatives/foreign exchange adjustment	**(3,046)**	4,940
(Gain)/loss on sale from divestments	**25**	(137)
Other non-cash movements	**(80)**	(356)
Net (increase)/decrease in operating assets:		
Collateral paid	**283**	(3,493)
Trading securities	**(1,803)**	(7,941)
Loans and advances	**(7,119)**	(10,268)
Investments backing policy liabilities	**-**	(3,542)
Other assets	**(76)**	(454)
Net increase/(decrease) in operating liabilities:		
Deposits and other borrowings	**51,875**	7,006
Settlement balances owed by ANZ	**11,476**	(1,077)
Collateral received	**1,739**	1,004
Other liabilities	**(9,581)**	2,140
Total adjustments	**48,706**	(10,518)
Net cash (used in)/provided by operating activities[3]	**52,284**	(4,550)
Cash flows from investing activities		
Investment securities:		
Purchases	**(40,029)**	(23,847)
Proceeds from sale or maturity	**28,642**	21,228
Proceeds from divestments, net of cash disposed	**1,309**	2,121
Proceeds from/(Repayment of) IOOF secured notes	**(800)**	800
Other assets	**(587)**	(508)
Net cash (used in)/provided by investing activities	**(11,465)**	(206)
Cash flows from financing activities		
Debt issuances:[4]		
Issue proceeds	**12,260**	25,900
Redemptions	**(21,430)**	(22,958)
Dividends paid[5]	**(2,861)**	(4,471)
On market purchase of treasury shares	**(122)**	(112)
Repayment of lease liabilities[6]	**(281)**	-
Share buy-back	**-**	(1,120)
Net cash (used in)/provided by financing activities	**(12,434)**	(2,761)
Net increase/(decrease) in cash and cash equivalents	**28,385**	(7,517)
Cash and cash equivalents at beginning of period	**81,621**	84,964
Effects of exchange rate changes on cash and cash equivalents	**(2,083)**	4,174
Cash and cash equivalents at end of period[7]	**107,923**	81,621

1. *Includes depreciation of right-of-use assets recognised on 1 October 2019 following the adoption of AASB 16. Comparatives have not been restated.*
2. *Includes accelerated amortisation of $197 million following the Group's change in the application of its software amortisation policy to reflect the shorter useful life of software caused by rapidly changing technology and business requirements. Refer to Note 1 for further details.*
3. *Net cash inflows/(outflows) from operating activities includes income taxes paid of $2,348 million (Sep 19 full year: $3,129 million).*
4. *Non-cash changes in debt issuances includes fair value hedging loss of $1,127 million (Sep 19 full year: $2,437 million) and foreign exchange gains of $1,623 million (Sep 19 full year: $3,815 million loss).*
5. *Cash outflow for shares purchased to satisfy the dividend reinvestment plan are classified in Dividends paid.*
6. *Relates to repayments of lease liabilities which the Group commenced recognising on 1 October 2019 following the adoption of AASB 16. Comparative information has not been restated.*
7. *Includes cash and cash equivalents recognised on the face of balance sheet of $107,923 million (Sep 19: $81,621 million) with no amounts recorded as part of assets held for sale. (Sep 19: nil).*

The notes appearing on pages 87 to 111 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 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[2]	-	-	(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[3]	(1,120)	-	-	**(1,120)**	-	**(1,120)**
Other equity movements:[1]						
Treasury shares Wealth Australia adjustment[4]	405	-	-	**405**	-	**405**
Other items	-	(4)	9	**5**	(147)	**(142)**
As at 30 September 2019	26,490	1,629	32,664	**60,783**	11	**60,794**
Impact on transition to AASB 16	-	-	(88)	**(88)**	-	**(88)**
Profit or loss from continuing operations	-	-	3,676	**3,676**	1	**3,677**
Profit or loss from discontinued operations	-	-	(98)	**(98)**	-	**(98)**
Other comprehensive income for the period from continuing operations	-	(124)	13	**(111)**	(1)	**(112)**
Other comprehensive income for the period from discontinued operations	-	-	-	**-**	-	**-**
Total comprehensive income for the period	-	(124)	3,591	**3,467**	-	**3,467**
Transactions with equity holders in their capacity as equity holders:[1]						
Dividends paid	-	-	(2,922)	**(2,922)**	-	**(2,922)**
Dividend Reinvestment Plan [2]	61	-	-	**61**	-	**61**
Other equity movements:[1]						
Group employee share acquisition scheme	(20)	-	-	**(20)**	-	**(20)**
Other items	-	(4)	10	**6**	(1)	**5**
As at 30 September 2020	26,531	1,501	33,255	**61,287**	10	**61,297**

1. *Includes discontinued operations.*
2. *3.4 million shares were issued under the Dividend Reinvestment Plan (DRP) for the 2020 interim dividend (nil shares for the 2019 final Dividend; nil shares for the 2019 interim dividend as the shares were purchased on-market and provided directly to shareholders participating in the DRP). On-market share purchases for the DRP in 2020 were $185 million (2019: $432 million).*
3. *The Company completed a $3.0 billion on-market share buy-back of ANZ ordinary shares purchasing $1,120 million worth of shares in 2019 resulting in 42.0 million shares being cancelled.*
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 87 to 111 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 2020 (when released) and any public announcements made by the Parent Entity and its controlled entities (the Group) for the full year ended 30 September 2020 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 28 October 2020.

i) 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*.

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 designated at fair value through profit and loss;
- financial assets at fair value through other comprehensive income;
- 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 the 2020 ANZ Annual Financial Report (when released). Such estimates and judgements are reviewed on an ongoing basis.

A brief explanation of the key estimates, assumptions and judgements for the year ended 30 September 2020 follows.

Coronavirus (COVID-19) pandemic

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of these Condensed Consolidated Financial Statements. The estimation uncertainty is that associated with determining:

- the extent and duration of the disruption to business arising from the actions of governments, businesses and consumers to contain the spread of the virus;
- the extent and duration of the expected economic downturn (and forecasts for key economic factors including GDP, employment and house prices). This includes the disruption to capital markets, deteriorating credit quality, liquidity concerns, increasing unemployment, declines in consumer discretionary spending, reductions in production because of decreased demand, and other restructuring activities; and
- the effectiveness of government and central bank measures that have been and will be put in place to support businesses and consumers through this disruption and economic downturn.

The Group has made various accounting estimates in these Condensed Consolidated Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions as at 30 September 2020 about future events that the Directors believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing these estimates. The underlying assumptions are also subject to uncertainties which are often outside the control of the Group. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement, and recoverable amount assessments of non-financial assets.

The impact of the COVID-19 pandemic on each of these accounting estimates is discussed further below and/or in the relevant note in the 2020 ANZ Annual Financial Report (when released). Readers should carefully consider these disclosures in light of the inherent uncertainty described above.

Allowance for expected credit losses

The Group measures the allowance for expected credit losses (ECL) using an expected credit loss impairment model as required by AASB 9 *Financial Instruments*. The Group's accounting policy for the recognition and measurement of the allowance for expected credit losses is described at Note 13 to ANZ's Annual Financial Statements for the year ended 30 September 2020 (when released), which is consistent with that disclosed in the prior year.

The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Group's assessment of expected credit losses from its credit portfolio which are subject to a number of management judgements and estimates.

The table below shows the Group's allowance for expected credit losses (refer to Note 8 and Note 14 for further information).

	As at		
	Sep 20 $M	**Mar 20 $M**	**Sep 19 $M**
Collectively assessed	**5,008**	4,501	3,376
Individually assessed	**891**	1,093	814
Total[1]	**5,899**	5,594	4,190

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.

Individually assessed allowance for expected credit losses

During the September 2020 year, there was a net increase in the individually assessed allowance for expected credit losses of $77 million.

In estimating individually assessed ECL for Stage 3 exposures, the Group makes judgements and assumptions in relation to expected repayments, the realisable value of collateral, the business prospects for the customer, competing claims and the likely cost and duration of the work-out process. Judgements and assumptions in respect of these matters have been updated to reflect the potential impact of COVID-19.

Collectively assessed allowance for expected credit losses

During the September 2020 year the collectively assessed allowance for expected credit losses increased by $1,632 million. This was attributable to changes in economic outlook including impact of scenario weights of $1,018 million, COVID-19 related management adjustments of $592 million, changes in risk of $61 million and a change in portfolio composition of $46 million, partially offset by reductions from foreign exchange and divestments of $85 million.

In estimating collectively assessed ECL, the Group makes judgements and assumptions in relation to:

- the selection of an estimation technique or modelling methodology, noting that the modelling of the Group's ECL estimates are complex; and
- the selection of inputs for those models, and the interdependencies between those inputs.

The following table summarises the key judgements and assumptions in relation to the model inputs and the interdependencies between those inputs, and highlights significant changes during the current period.

The judgements and associated assumptions have been made within the context of the impact of COVID-19, and reflect historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. Accordingly, the Group's ECL estimates are inherently uncertain and, as a result, actual results may differ from these estimates.

Judgement/Assumption	Description	Considerations for the year ended 30 September 2020
Determining when a significant increase in credit risk (SICR) has occurred	In the measurement of ECL, judgement is involved in setting the rules and trigger points to determine whether there has been a SICR since initial recognition of a loan, which would result in the financial asset moving from 'stage 1' to 'stage 2'. This is a key area of judgement since transition from stage 1 to stage 2 increases the ECL from an allowance based on the probability of default in the next 12 months, to an allowance for lifetime expected credit losses. Subsequent decreases in credit risk resulting in transition from stage 2 to stage 1 may similarly result in significant changes in the ECL allowance. The setting of precise trigger points requires judgement which may have a material impact upon the size of the ECL allowance. The Group monitors the effectiveness of SICR criteria on an ongoing basis.	In response to the impacts of COVID-19, various packages, such as repayment deferrals, have been offered to eligible retail and commercial customers in Australia and New Zealand. The Group does not consider that when a customer is first provided assistance, all other things being equal, that there has been a significant Increase in Credit Risk (SICR) and a consequent impact on ECL when assessing provisions. Subsequent to take-up, customers have been contacted to discuss available options once the packages reach their end date. This additional information on the customer's financial position and ability to recommence their loan repayments is used to assist in classification of customers into risk categories. Customers in higher risk categories, and those who have requested a deferral extension, have been classified as having a SICR.

Judgement/Assumption	Description	Considerations for the year ended 30 September 2020
Measuring both 12-month and lifetime credit losses	The probability of default (PD), loss given default (LGD) and exposure at default (EAD) credit risk parameters used in determining ECL are point-in-time measures reflecting the relevant forward looking information determined by management. Judgement is involved in determining which forward-looking information variables are relevant for particular lending portfolios and for determining each portfolio's point-in-time sensitivity.	The PD, EAD and LGD models are subject to the Group's model risk policy that stipulates periodic model monitoring, periodic re-validation and defines approval procedures and authorities according to model materiality. There were no material changes to the policies during the year ended 30 September 2020.
	In addition, judgement is required where behavioral characteristics are applied in estimating the lifetime of a facility to be used in measuring ECL.	There were no changes to behavioural lifetime estimates during the year ended 30 September 2020.
Base case economic forecast	The Group derives a forward looking "base case" economic scenario which reflects ANZ's view of the most likely future macro-economic conditions.	There have been no changes to the types of forward looking variables (key economic drivers) used as model inputs in the current year. As at 30 September 2020, the base case assumptions have been updated to reflect the rapidly evolving situation with respect to COVID-19. This includes an assessment of the impact of central bank policies, governments' actions, the response of business, and institution specific responses (such as repayment deferrals). These are considered in determining the length and severity of the forecast economic downturn. The expected outcomes of key economic drivers for the base case scenario as at 30 September 2020 are described below under the heading "Base case economic forecast assumptions".
Probability weighting of each economic scenario (base case, upside[1], downside[1] and severe downside[2] scenarios)	Probability weighting of each economic scenario is determined by management considering the risks and uncertainties surrounding the base case economic scenario at each measurement date.	The key consideration for probability weightings in the current period is the continuing impact of COVID-19. The Group considers these weightings in each geography to provide the best estimate of the possible loss outcomes and has analysed inter-relationships and correlations (over both the short and long term) within the Group's credit portfolios in determining them. In addition to the base case forecast which reflects the negative economic consequences of COVID-19, greater weighting has been applied to the downside scenario given the Group's assessment of downside risks. The assigned probability weightings in Australia, New Zealand and Rest of world are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected.
Management temporary adjustments	Management temporary adjustments to the ECL allowance are used in circumstances where it is judged that our existing inputs, assumptions and model techniques do not capture all the risk factors relevant to our lending portfolios. Emerging local or global macroeconomic, microeconomic or political events, and natural disasters that are not incorporated into our current parameters, risk ratings, or forward-looking information are examples of such circumstances. The use of management temporary adjustments may impact the amount of ECL recognised. The uncertainty associated with the COVID-19 pandemic, and the extent to which the actions of governments, businesses and consumers mitigate against potentially adverse credit outcomes are not fully incorporated into existing ECL models. Accordingly, management overlays have been applied to ensure credit provisions are appropriate.	Management have applied a number of adjustments to the modelled ECL primarily due to the uncertainty associated with COVID-19. COVID-19 overlays which add to the modelled ECL provision have been made for risks particular to small business and commercial banking in Australia, for retail, commercial and agri banking in New Zealand, and for tourism in the Pacific.

1. 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 conditions.
2. The severe downside scenario is fixed by reference to average economic cycle conditions and accounts for the potentially severe downside impact of less likely extremely adverse economic conditions.

Base case economic forecast assumptions

The uncertain evolution of the COVID-19 pandemic increases the risk to the economic forecast resulting in an understatement or overstatement of the ECL balance due to uncertainties around:

- The extent and duration of measures to stop or reduce the speed of the spread of COVID-19;
- The extent and duration of the economic down turn, along with the time required for economies to recover; and
- The effectiveness of government stimulus measures, in particular their impact on the magnitude of economic downturn and the extent and duration of the recovery.

The economic drivers of the base case economic forecasts at 30 September 2020 are set out below. These reflect ANZ's view of the most likely future macro-economic conditions at 30 September 2020. For years beyond the near term forecasts below, the ECL models project future year economic conditions including an assumption to eventual reversion to mid-cycle economic conditions.

	Forecast calendar year		
	2020	2021	2022
Australia			
GDP	-4.3%	1.6%	4.0%
Unemployment	7.3%	8.8%	7.7%
Residential property prices	-2.2%	-4.8%	2.0%
Consumer price index	0.8	1.2	1.3
New Zealand			
GDP	-5.6%	2.0%	5.6%
Unemployment	5.7%	9.1%	6.5%
Residential property prices	-0.3%	0.9%	4.1%
Consumer price index	1.6	1.0	1.2
Rest of world			
GDP	-4.5%	2.5%	2.5%
Consumer price index	1.0	1.8	2.0

The base case economic forecasts as at 30 September 2020 reflect a significant deterioration in current and expected economic conditions from the forecasts as at 30 September 2019 reflecting the emergence and ongoing impact of the COVID-19 pandemic.

Probability weightings

Probability weighting of each scenario is determined by management considering the risks and uncertainties surrounding the base case economic scenario. The key consideration for probability weightings in the current period is the continuing impact of COVID-19.

In addition to the base case forecast which reflects the negative economic consequences of COVID-19, greater weighting has been applied to the downside economic scenario given the Group's assessment of downside risks.

The assigned probability weightings in Australia, New Zealand and Rest of world are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these weightings in each geography to provide the best estimate of the possible loss outcomes and has analysed inter-relationships and correlations (over both the short and long term) within the Group's credit portfolios in determining them. The average weightings applied across the Group are set out below:

	30 September 2020	**31 March 2020**	**30 September 2019**
Group			
Base	50.0%	50.0%	50.0%
Upside	10.4%	12.7%	15.7%
Downside	33.3%	27.3%	29.3%
Severe Downside	6.3%	10.0%	5.0%

ECL - Sensitivity analysis

The uncertainty of the impact of COVID-19 introduces significant estimation uncertainty in relation to the measurement of the Group's allowance for expected credit losses. The rapidly evolving consequences of COVID-19 and government, business and consumer responses could result in significant adjustments to the allowance in future financial years.

Given current economic uncertainties and the judgment applied to factors used in determining the expected default of borrowers in future periods, expected credit losses reported by the Group should be considered as a best estimate within a range of possible estimates.

The table below illustrates the sensitivity of collectively assessed ECL to key factors used in determining it as at 30 September 2020:

	Total $M	Impact $M
If 1% of stage 1 facilities were included in stage 2	5,069	61
If 1% of stage 2 facilities were included in stage 1	4,998	(10)
100% upside scenario	1,898	(3,110)
100% base scenario	4,011	(997)
100% downside scenario	5,144	136
100% severe downside scenario	6,315	1,307

Fair Value Measurement of Financial Instruments

The majority of valuation models the Group uses to value financial instruments employ only observable market data as inputs. This has not changed as a result of COVID-19, however the Group has considered the impact of related economic and market disruptions on fair value measurement assumptions and the appropriateness of valuation inputs, notably valuation adjustments, and the impact of COVID-19 on the classification of exposures in the fair value hierarchy.

For certain financial instruments, we may use data that is not readily observable in current markets where we need to exercise more management judgement to determine fair value depending on the significance of the unobservable input to the overall valuation. Generally, we derive unobservable inputs from other relevant market data and compare them to observed transaction prices where available.

At 30 September 2020 the Group had $1,183 million of assets and $55 million of liabilities where the valuation was primarily derived using an unobservable input (Mar 20: $1,296m assets and $67m liabilities; Sep 19: $1,272m assets and $52m liabilities). The financial instruments which are valued using unobservable inputs are predominantly equity investment securities where quoted prices in active markets are not available.

The Group has an investment in the Bank of Tianjin (BoT), which at 30 September 2020 has a carrying value of $934m (Mar 20: $1,053m; Sep 19: $1,106m). As a result of persistent illiquidity of the quoted share price, the Group determines the fair value based on a valuation model using comparable bank pricing multiples as determined by management. Judgement is required in both the selection of the model and inputs used. Although the comparator group entities operate in the same industry, the nature of their business and local economic conditions may be different from the Group's investment. Thus where local conditions change, which impact the price-to-book ratio of the comparator group, the fair value of the asset will change proportionately. That is, if the price-to-book ratio changed by 10%, the fair value would change by 10%. As the asset is classified as fair value through other comprehensive income, changes in the fair value are reflected directly in equity.

Investments in associates

The Group assesses the carrying value of its associate investments for impairment indicators semi-annually.

As at 31 March 2020, neither the market values of the investments in AMMB Holdings Berhad (AmBank) and PT Bank Pan Indonesia (PT Panin) (based on share price) nor the value-in-use (VIU) calculation supported the carrying value of either investment. Accordingly, the Group recorded an impairment charge of $815 million ($595 million for AmBank and $220 million for PT Panin).

VIU assessments were also conducted as at 30 September 2020 given the market values were below their carrying values. The assumptions used in the VIU were updated to reflect the ongoing impact of COVID-19 and the uncertainty of the future performance of these investments. The VIU assessments supported the carrying value of both Ambank and PT Panin as at 30 September 2020, however did not indicate the recoverable amount of either investments had increased sufficiently to reverse any of the impairment recorded in the 31 March 2020 half year.

The ongoing impact of COVID-19 on the valuation of AmBank and PT Panin is uncertain. Significant management judgment is required to determine the key assumptions underpinning the VIU calculations. Factors that may change in subsequent periods and lead to potential future impairments include lower than forecast earnings levels in the near term and/or a decrease in the long term growth forecasts, increases to required levels of regulatory capital and an increase in the post-tax discount rate arising from an increase in the risk premium or risk-free rates.

The key assumptions used in the VIU calculations are outlined below:

	AmBank			PT Panin		
	Sep 20	Mar 20	Sep 19	Sep 20	Mar 20	Sep 19
Carrying Value ($m)	1,056	1,161	1,586	1,084	1,130	1,350
Post-tax discount rate	11.3%	12.4%	10.7%	15.2%	13.9%	13.3%
Terminal growth rate	4.8%	4.9%	4.8%	5.3%	5.3%	5.3%
Expected earnings growth (compound annual growth rate - 5 years)	2.8%	1.0%	4.1%	4.2%	2.6%	6.5%
Common Equity Tier 1 ratio (5 year average)	12.9%	11.5%	12.6%	12.8%	12.3%	11.6%

The VIU calculations are sensitive to changes in the underlying assumptions with reasonably possible changes in key assumptions having a positive or negative impact on the VIU outcome, and as such the recoverable amount of the investment.

- A change in the September 2020 post-tax discount rate by +/- 50bps would impact the VIU outcome for PT Panin by $(46 million) / $50 million, and $(87 million) / $99 million for AmBank.
- A change in the September 2020 terminal growth rate by +/- 25bps would impact the VIU outcome for PT Panin by $8 million / ($8 million) and $47 million / ($44 million) for Ambank.

Neither investment would be impaired if the discount rate were increased or the terminal growth rate reduced by the reasonably possible changes above.

Goodwill

During the September 2020 year, $124 million of goodwill was written off in relation to completed divestments. In addition, as a result of changes in economic outlook, the Group announced its intention to begin winding up the Bonus Bonds business, a managed investment product in New Zealand and the Group wrote off the associated goodwill of $27 million. The balance of goodwill was subject to impairment assessment as set out below.

An assessment as to whether the current carrying value of goodwill is impaired is undertaken annually or where there are indicators of potential impairment. For the purpose of impairment testing, goodwill acquired in a business combination is allocated at the date of acquisition to the cash generating units (CGUs) that are expected to benefit from the synergies of the related business combination. These CGUs are ANZ's reportable segments. Goodwill is considered to be impaired if the carrying amount of the relevant CGU exceeds its recoverable amount.

In determining the carrying amount of the CGUs to which goodwill is allocated, we include all direct assets and liabilities and an allocation, on a reasonable and consistent basis, of corporate assets and liabilities that are recorded outside those CGUs to which goodwill is allocated.

We estimate the recoverable amount of each CGU to which goodwill is allocated using a fair value less costs of disposal (FVLCOD) approach, with a value in use (VIU) assessment performed where the FVLCOD approach indicates an impairment.

The assessment of the recoverable amount of each CGU has been made within the context of the ongoing impact of COVID-19 on both earnings and asset prices, and reflects expectations of future events that are believed to be reasonable under the circumstances. The rapidly evolving consequences of COVID-19 and government, business and consumer responses create heightened uncertainty in these estimates and any variations could have a positive or adverse impact on the recoverable amount outcomes.

As the Group's market capitalisation was below the Group's net asset value, and considering uncertainties surrounding COVID-19, the Group assessed the carrying value of goodwill as at 30 September 2020. Based on this assessment:

- No impairment was identified in the Australia Retail and Commercial, New Zealand and Institutional CGUs under the FVLCOD approach;
- The Pacific CGU's recoverable amount measured on a VIU basis (being higher than its FVLCOD) indicated a shortfall in recoverable amount relative to carrying amount. Accordingly an impairment loss of $50 million has been recognised at 30 September 2020, reducing the carrying amount of goodwill to nil.

- **Fair Value Less Cost Of Disposal**

  The recoverable amount of each CGU to which goodwill is allocated is estimated on a FVLCOD basis, calculated using a market multiple approach. Under this approach, we determine the estimated fair value of each of our CGUs by applying observable price earnings multiples of appropriate comparator companies to the estimated future maintainable earnings of each CGU. A deduction is then made for estimated costs of disposal. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

Management's approach and the key assumptions used to determine FVLCOD, for those CGUs where recoverable amount was determined on the basis of FVLCOD were as follows:

<table>
<tr><th>Key assumption</th><th>Approach to determining the value (or values) for each key assumption</th></tr>
<tr><td>Future maintainable earnings</td><td>Future maintainable earnings for each CGU have been estimated as the sum of:
• The financial year 2021 financial plan results for each CGU, which incorporates management estimates of the impacts of COVID-19; plus
• An allocation of the central costs recorded outside of the CGU's to which goodwill is allocated.
Adjustments have been made to the financial year 2021 plan results to:
• reflect longer term expected credit losses; and
• normalise certain other operating expenditure where specific factors result in financial year 2021 planned expenditure exceeding longer term maintainable levels, with the higher operating expenditure treated as a one-off adjustment in the valuations.</td></tr>
<tr><td>Price/Earnings (P/E) multiple applied (including control premium)</td><td>Trading multiples:
The P/E multiples used have been derived from valuations of comparable publicly traded companies as at 30 September 2020 and are the median P/E multiple (2021 earnings multiple) of the comparator group:
• For the Australia Retail and Commercial and New Zealand CGUs, the comparator group is the four major banking groups headquartered in Australia;
• For the Institutional CGU, the comparator group includes the four major banking groups headquartered in Australia plus certain major financial institutions who compete with the Group in international markets.
In the case of the New Zealand and Institutional CGUs, management has made downwards adjustments to comparator group multiples to address specific factors relevant to those CGUs.

For each of ANZ's CGUs where the recoverable amount was determined on the basis of FVLCOD, the P/E multiples applied (including a 30% control premium discussed below) were as follows:
<table><tr><th>Division</th><th>2020</th><th>2019</th></tr><tr><td>Australia Retail and Commercial</td><td>16.0</td><td>17.9</td></tr><tr><td>New Zealand</td><td>12.7</td><td>17.8</td></tr><tr><td>Institutional</td><td>13.4</td><td>14.7</td></tr></table>
Control premium:
A control premium has been applied which recognises the increased consideration a potential acquirer would be willing to pay in order to gain sufficient ownership to achieve control over the relevant activities of the CGU. For each CGU, the control premium has been estimated as 30% of the comparator group P/E multiple, based on historical transactions.</td></tr>
<tr><td>Costs of disposal</td><td>Costs of disposal have been estimated as 2% of the fair value of the CGU based on input from historical and recent transactions.</td></tr>
</table>

- **FVLCOD Assessment Outcomes**

For those CGUs where recoverable amount was determined on the basis of FVLCOD, the surplus of the recoverable amount over the carrying amount was as follows:

Cash Generating Unit:	Surplus 30 September 2020 $M
Australia Retail and Commercial	4,539
New Zealand	1,201
Institutional	516

- **Sensitivity Analysis**

The surpluses disclosed above are sensitive to judgements and estimates in respect of:

- For recoverable amount - The future maintainable earnings and the P/E multiple applied (including the control premium applied in determining the P/E multiple); and
- For carrying amount - The allocation of corporate assets and liabilities recorded outside those CGUs to which goodwill is allocated

The FVLCOD estimates for the respective CGUs would continue to show a surplus in recoverable amount over carrying amount if:

- Either the P/E multiple applied or the future maintainable earnings estimates were reduced (in isolation) by 13.6% in Australia Retail and Commercial; 8.6% in New Zealand or 2.6% in Institutional; or
- The 30% control premium applied was reduced by 59.5% in Australia Retail and Commercial (resulting in a control premium applied of 12.1%), by 38.1% in New Zealand (resulting in a control premium applied of 18.6%) or by 11.4% in Institutional (resulting a control premium applied of 26.6%); or
- The share of corporate assets and liabilities was increased (in isolation) by 17.3% to Australia Retail and Commercial; 10.1% to New Zealand or 3.2% to Institutional.

As the recoverable amounts estimated on the basis of FVLCOD show a surplus of recoverable amount over carrying amount for the Australia Retail and Commercial, New Zealand and Institutional CGUs, such adverse movements would not necessarily trigger an impairment, rather they would trigger the need for a VIU assessment to be performed with any impairment determined on the basis of the higher of FVLCOD and VIU.

- **Value In Use**

The Pacific CGU's recoverable amount was measured on the basis of its VIU (as this was higher than the FVLCOD). Recoverable amount under the VIU assessment was estimated at $466 million using a post-tax discount rate of 13%, which resulted in a shortfall relative to carrying amount. Accordingly an impairment loss of $50 million has been recognised at 30 September 2020, reducing the carrying amount of goodwill to nil. In addition, an associated assessment of the carrying values of the other assets in the Pacific was completed and no impairment (apart from goodwill) was recorded.

Customer remediation provision

At 30 September 2020, the Group has recognised provisions of $1,109 million (March 20: $1,094 million; Sep 19: $1,139 million) in respect of customer remediation which includes provisions for expected refunds to customers, remediation project costs 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.

Other provisions

The Group holds provisions for various obligations including restructuring costs, non-lending losses, fraud and forgeries and litigation related claims. These provisions involve judgements regarding the timing and outcome of future events, including estimates of expenditure required to satisfy such obligations. 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.

Useful life of software

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

The Group reassess the useful life of software assets on a semi-annual basis. During the September 2020 half, the Group amended the application of its software amortisation policy to reflect the shorter useful life of certain types of software, including regulatory and compliance focused assets and purchased assets. These changes better reflect the Group's rapidly changing technology and business needs and ongoing reinvestments in purchased and internally developed software to ensure assets remains fit for purpose. As a result of the changes, the Group recognised accelerated amortisation of $197 million during the September 2020 half.

iv) 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 2019 ANZ Annual Financial Report with the exception of policies associated with new standards adopted during the period as discussed below and with those applied in the 2020 Annual Financial Report (when released).

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.

Accounting standards adopted during the period

AASB 16 *Leases* (AASB 16)

AASB 16 became effective for the Group from 1 October 2019 and replaced 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, the Group recognises all leases (except for leases of low value assets and short term leases) on balance sheet under a single accounting model. Accordingly, the Group recognises 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 recognises 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.

As permitted by the standard, the Group does not recognise ROU assets and lease liabilities for leases of low value items and short term leases (less than 12 months). Instead, the lease payments associated with these leases are recognised as operating expense in the income statement on a straight-line basis over the lease term.

The Group has applied 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 was measured as if AASB 16 had always been applied to the leases. For all other leases, the initial ROU asset was measured as equal to the initial lease liability.

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.

Based on the modified retrospective transition approach, the Group recognised lease liabilities of $1.7 billion presented within Payables and other liabilities and right-of-use assets of $1.6 billion presented within Premises and equipment. This resulted in a reduction to opening retained earnings of $88 million and an increase in deferred tax assets of $37 million as of 1 October 2019. Comparatives have not been restated.

In addition, the Group elected to apply the following practical expedients as permitted under the modified retrospective transition approach:

a) Impairment of ROU assets at the transition date were assessed by relying on onerous lease provisions previously recognised as of 30 September 2019 under AASB 117;
b) Initial direct costs associated with entering leases prior to the transition date were excluded from the carrying value of ROU assets recognised at transition;
c) No ROU assets or lease liabilities were recognised for certain leases with less than 12 months remaining as of the transition date; these leases were treated as short-term leases with all lease payments recognised in rent expense as incurred; and
d) Hindsight was used to determine the lease term of contracts that contained options to extend the lease.

The following table reconciles the operating lease commitments disclosed under AASB 117 as at 30 September 2019 to the opening lease liabilities recognised under AASB 16 as at 1 October 2019.

	$M
Operating Lease Commitments as of 30 September 2019	1,656
Increase in lease term for extension options	210
Exclusion of low value leases and leases of less than 12 months	(19)
Exclusion of service components	(10)
Other	(17)
Total Undiscounted Lease Payments	**1,820**
Effect of discounting at a weighted average incremental borrowing rate of 2.44%	(141)
Total lease liabilities under AASB 16	**1,679**

During the September 2020 full year, the Group recognised the following amounts in the income statement

	$M
Depreciation expense on ROU assets	394
Interest expense on lease liabilities	37
Interest expense on makegood provisions	2
Rent expense in relation to low value leases and leases of less than 12 months	35
Other Income in relation to subleases	21

The Group's accounting policies with respect to lease arrangements where it acts as lessor have not changed under AASB 16 except where the Group subleases certain leased properties. Where the Group acts as intermediate lessor, it classifies the sublease as either a finance lease or operating lease by reference to the ROU asset of the head lease. Income from operating subleases is recognised in Other Operating Income in the Income Statement.

Interest Rate Benchmark Reform

Background

Interbank offered rates (IBORs), such as the London Interbank Offered Rate (LIBOR), play a critical role in global financial markets, serving as reference rates for derivatives, loans and securities, and as parameters in the valuation of financial instruments.

Uncertainty surrounding the integrity of IBOR rates has in recent years, led regulators, central banks and market participants to work towards a transition to alternative risk-free benchmark reference rates (RFR's) and market-led working groups in respective jurisdictions have recommended alternative risk-free reference rates, which are gradually being adopted. Progress in the transition to these new benchmarks has resulted in significant uncertainty in the future of IBOR benchmarks beyond 1 January 2022.

Accounting amendments

In response to the uncertainty about the long-term viability of these benchmark rates, and LIBOR in particular, the International Accounting Standards Board (IASB) has established a project to consider the financial reporting implications of the reform. The transition from IBOR's is expected to have an impact on various elements of financial instrument accounting, including hedge accounting, as well as fair value methodologies and disclosures.

In October 2019, the AASB issued AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*, which amends certain existing hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the interest rate benchmark reform. The Group elected to early adopt the amendments from 1 October 2019 which have not had a significant impact on the Group. These amendments address the accounting effects of uncertainty in the period leading up to the reform arising from the Group's ability to satisfy the existing prospective hedge effectiveness requirements of AASB 139. This uncertainty arises as it is not known when the hedged items (such as debt issuances) and associated hedging instruments (such as interest rate swaps) will be changed to reference the RFR's, or if both the hedging item and the associated hedging instrument will move to the new rates at the same time. The Group has applied this amendment to all hedge accounted relationships (cash flow or fair value hedges) where the reform gives rise to uncertainties about the timing or amount of IBOR based cash flows of the hedged item or hedging instrument.

In September 2020, the AASB issued AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*. This standard addresses issues that may affect the Group at the point of transition from an existing IBOR rate to a RFR, including the effects of changes to contractual cash flows or hedging relationships. The standard includes amendments in respect of:

- **Modification of a financial asset or a financial liability measured at amortised cost**

  IBOR reform is expected to result in a change to the basis for determining contractual cash flows of impacted assets and liabilities of the Group. The amendments provide a practical expedient to account for a change in the basis for determining the contractual cash flows as a result of IBOR reform by updating the effective interest rate. As a result, no immediate gain or loss is recognised. This applies only when the change is necessary as a direct consequence of the reform, and the new basis for determining the contractual cash flows is economically equivalent to the previous basis.

- **Additional relief for hedging relationships**

  The Standard also amends a number of existing hedge accounting requirements that will assist the Group to maintain its existing hedge accounted relationships post IBOR transition. The Group will continue to record any ongoing hedge ineffectiveness, including that generated by changes as a result of interest rate reform, within the Income statement.

The Group is in the process of assessing the impact of the new standard on its financial statements.

Impact of IBOR reform

The Group has exposure to IBOR through its issuance of debt, the structural interest rate risk position, holdings of investment securities; products denominated in foreign currencies and associated hedging activities in our treasury and markets businesses within the TSO and Group Centre and Institutional divisions respectively.

The Group has established an enterprise-wide Benchmark Transition Program to manage the transition. The program includes the assessment and actions necessary to accommodate the transition to RFR's as they apply to internal processes and systems including pricing, risk management, documentation and hedge arrangements. The program includes management of the impact on customers.

Impact of IBOR reform on the Group's hedging relationships

Certain IBOR rates are subject to replacement by RFR's. The Group has hedge accounted relationships referencing IBOR's, with the most significant interest rate benchmarks to which the Group's hedging relationships are exposed to are USD LIBOR, Euro Interbank Offered Rate (EURIBOR), Bank Bill Swap Rate (BBSW) and Bank Bill Market (BKBM).

Of these benchmarks the Group expects BBSW, BKBM and EURIBOR to exist as benchmark rates for the foreseeable future and therefore does not believe its BBSW, BKBM or EURIBOR benchmark fair value or cash flow hedges will be directly impacted by IBOR reform.

The table below details the carrying values of the Group's exposures designated in hedge accounting relationships that will be impacted by IBOR reform, principally USD LIBOR. The nominal value of the associated hedging instruments is also included:

			As at 30 September 2020
Hedged items			**USD LIBOR exposures $M**
Investment securities at FVOCI			15,002
Net loans and advances			111
Debt issuances			32,235
Hedging instruments	**Notional designated up to 31 December 2021 $M**	**Notional designated beyond 31 December 2021 $M**	**Total Notional Amount $M**
Fair value hedges	12,778	32,250	45,028
Cash flow hedges	-	1,055	1,055

As at 30 September 2020 the Group also has GBP LIBOR, CHF LIBOR and JPY LIBOR exposures designated in hedge accounting relationships of $927 million, $975 million and $2,131 million respectively.

In addition to hedge accounted relationships that will be impacted by IBOR reform, the Group has exposures to other financial instruments referencing an IBOR rate that are also subject to reform. The Group is continuing to monitor market developments in relation to the transition to RFR's from IBOR rates and their impact on the Group's financial assets and liabilities to ensure that there are no unexpected consequences or disruption from the transition.

AASB INTERPRETATION 23 UNCERTAINTY OVER INCOME TAX TREATMENTS **(AASB Interpretation 23)**

AASB Interpretation 23 became effective for the Group from 1 October 2019. The interpretation clarifies application of recognition and measurement requirements in AASB 112 Income Taxes where there is uncertainty over income tax treatments. As the Group's existing policy aligned with the requirements of AASB Interpretation 23, the interpretation had no material impact on the Group.

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.

2. Income

	Half Year			Full Year		
	Sep 20 $M	**Mar 20 $M**	**Movt**	**Sep 20 $M**	**Sep 19 $M**	**Movt**
Interest income	**10,626**	13,800	-23%	**24,426**	31,077	-21%
Interest expense	**(3,589)**	(6,382)	-44%	**(9,971)**	(16,375)	-39%
Major bank levy	**(210)**	(196)	7%	**(406)**	(363)	12%
Net interest income	**6,827**	7,222	-5%	**14,049**	14,339	-2%
Other operating income						
i) Fee and commission income						
Lending fees[1]	**276**	303	-9%	**579**	602	-4%
Non-lending fees	**1,246**	1,441	-14%	**2,687**	3,059	-12%
Commissions	**75**	46	63%	**121**	124	-2%
Funds management income	**136**	139	-2%	**275**	254	8%
Fee and commission income	**1,733**	1,929	-10%	**3,662**	4,039	-9%
Fee and commission expense	**(585)**	(752)	-22%	**(1,337)**	(1,462)	-9%
Net fee and commission income	**1,148**	1,177	-2%	**2,325**	2,577	-10%
ii) Other income						
Net foreign exchange earnings and other financial instruments income[2]	**710**	1,099	-35%	**1,809**	1,278	42%
Impairment of AmBank	**-**	(595)	-100%	**(595)**	-	n/a
Impairment of PT Panin	**-**	(220)	-100%	**(220)**	-	n/a
Sale of UDC	**(7)**	-	n/a	**(7)**	-	n/a
Sale of OPL NZ	**-**	-	n/a	**-**	89	-100%
Sale of Paymark	**-**	-	n/a	**-**	37	-100%
Sale of Cambodia JV	**-**	-	n/a	**-**	10	-100%
Sale of PNG Retail, Commercial & SME	**-**	-	n/a	**-**	1	-100%
Dividend income on equity securities	**26**	-	n/a	**26**	28	-7%
Other	**(11)**	28	large	**17**	38	-55%
Other income	**718**	312	large	**1,030**	1,481	-30%
Other operating income	**1,866**	1,489	25%	**3,355**	4,058	-17%
iii) Net income from insurance business	**31**	47	-34%	**78**	126	-38%
iv) Share of associates' profit	**20**	135	-85%	**155**	262	-41%
Operating income[3]	**8,744**	8,893	-2%	**17,637**	18,785	-6%

1. *Lending fees exclude fees treated as part of the effective yield calculation in interest income.*
2. *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 or loss.*
3. *Includes charges associated with customer remediation of $116 million for the September 2020 half (Mar 20 half: $58 million; Sep 19 full year: $212 million).*

3. Operating expenses

	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
i) Personnel						
Salaries and related costs	**2,133**	2,177	-2%	**4,310**	4,249	1%
Superannuation costs	**160**	169	-5%	**329**	293	12%
Other	**120**	119	1%	**239**	223	7%
Personnel[1]	**2,413**	2,465	-2%	**4,878**	4,765	2%
ii) Premises						
Rent	**41**	43	-5%	**84**	450	-81%
Depreciation	**254**	263	-3%	**517**	167	large
Other	**89**	99	-10%	**188**	178	6%
Premises[2]	**384**	405	-5%	**789**	795	-1%
iii) Technology						
Depreciation and amortisation[2,3]	**517**	341	52%	**858**	694	24%
Subscription licences and outsourced services	**375**	405	-7%	**780**	672	16%
Other	**93**	93	0%	**186**	168	11%
Technology (excluding personnel)[1]	**985**	839	17%	**1,824**	1,534	19%
iv) Restructuring	**56**	105	-47%	**161**	77	large
v) Other						
Advertising and public relations	**88**	89	-1%	**177**	226	-22%
Professional fees	**374**	293	28%	**667**	537	24%
Freight, stationery, postage and communication	**101**	104	-3%	**205**	216	-5%
Royal Commission legal costs	**-**	-	n/a	**-**	15	-100%
Other[4]	**377**	305	24%	**682**	906	-25%
Other[1]	**940**	791	19%	**1,731**	1,900	-9%
Operating expenses[1]	**4,778**	4,605	4%	**9,383**	9,071	3%

1. *Includes customer remediation expenses of $138 million for the September 2020 half (Mar 20 half: $71 million; Sep 19 full year: $373 million).*
2. *Following the adoption of AASB 16 on 1 October 2019, with the exception of low value leases and leases of less than 12 months, expenses associated with operating leases are shown as depreciation of the right-of-use asset and interest expense associated with the lease liability (comparatives not restated).*
3. *In the September 2020 half, the Group amended the application of its software amortisation policy to reflect the shorter useful life of software caused by rapidly changing technology and business requirements. As a result of these changes, the Group recognised accelerated amortisation of $197 million during the half. Refer to Note 1 for further details.*
4. *Includes goodwill write-off of $77 million for the September 2020 full year.*

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 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Profit before income tax from continuing operations	**2,902**	2,614	11%	**5,516**	8,920	-38%
Prima facie income tax expense at 30%	**871**	784	11%	**1,655**	2,676	-38%
Tax effect of permanent differences:						
Gains or losses on sale from divestments	**2**	-	n/a	**2**	(25)	large
Impairment of investment in AmBank and PT Panin	**-**	245	-100%	**245**	-	n/a
Share of associates' profit	**(6)**	(41)	-85%	**(47)**	(78)	-40%
Interest on convertible instruments	**23**	29	-21%	**52**	63	-17%
Overseas tax rate differential	**(51)**	(35)	46%	**(86)**	(112)	-23%
Provision for foreign tax on dividend repatriation	**6**	14	-57%	**20**	39	-49%
Other	**20**	5	large	**25**	63	-60%
Subtotal	**865**	1,001	-14%	**1,866**	2,626	-29%
Income tax (over)/under provided in previous years	**(3)**	(23)	-87%	**(26)**	(17)	53%
Income tax expense	**862**	978	-12%	**1,840**	2,609	-29%
Australia	**535**	580	-8%	**1,115**	1,682	-34%
Overseas	**327**	398	-18%	**725**	927	-22%
Income tax expense	**862**	978	-12%	**1,840**	2,609	-29%
Effective tax rate	**29.7%**	37.4%		**33.4%**	29.2%	

5. Dividends

Dividend per ordinary share (cents)	Half Year			Full Year		
	Sep 20	**Mar 20**	**Movt**	**Sep 20**	**Sep 19**	**Movt**
Interim[1,2]	**-**	25		**25**	80	
Final						
- fully franked[1,2]	**35**	-		**35**	-	
- partially franked[2,3]	**-**	-		**-**	80	
Total	**35**	25	40%	**60**	160	-63%
Ordinary share dividend ($M)[4]						
Interim dividend	**709**	-	n/a	**709**	2,267	-69%
Final dividend	**-**	2,268	n/a	**2,268**	2,295	-1%
Bonus option plan adjustment	**(15)**	(40)	-63%	**(55)**	(81)	-32%
Total	**694**	2,228	-69%	**2,922**	4,481	-35%
Ordinary share dividend payout ratio (%)[5]	**48.9%**	45.9%		**47.6%**	76.2%	

1. *Fully franked for Australian tax purposes (30% tax rate) for the proposed 2020 final dividend, the 2020 interim dividend and the 2019 interim dividend.*
2. *Carries New Zealand imputation credits of NZD 4 cents for the proposed 2020 final dividend (2020 interim dividend: NZD 3 cents; 2019 final dividend: NZD 9 cents; 2019 interim dividend: NZD 9 cents).*
3. *Partially franked at 70% for Australian tax purposes (30% tax rate) for the 2019 final dividend.*
4. *Dividends paid to ordinary equity holders of the Company. Excludes dividends paid by subsidiaries of the Group to non-controlling equity holders (Sep 20 half: nil; Mar 20 half: nil; Sep 19 full year: $1.6 million).*
5. *The dividend payout ratio for the September 2020 half was calculated using the proposed 2020 final dividend determined when the decision on the 2020 interim dividend has been made. The proposed 2020 final dividend of $994 million is based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the March 2020 half and September 2019 full year were calculated using actual dividend paid of $709 million and $4,535 million respectively.*

Ordinary Shares

The Directors propose a final dividend of 35 cents be paid on each eligible fully paid ANZ ordinary share on 16 December 2020. The proposed 2020 final dividend will be fully franked for Australian tax purposes. New Zealand imputation credits of NZD 4 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 2020 final dividend.

6. Earnings per share

	Half Year			Full Year		
	Sep 20	Mar 20	Movt	Sep 20	Sep 19	Movt
Earnings Per Share (EPS) - Basic						
Earnings Per Share (cents)	**71.8**	54.6	32%	**126.4**	210.0	-40%
Earnings Per Share (cents) from continuing operations[1]	**72.1**	57.8	25%	**129.8**	222.1	-42%
Earnings Per Share (cents) from discontinued operations	**(0.3)**	(3.2)	-91%	**(3.4)**	(12.1)	-72%
Earnings Per Share (EPS) - Diluted						
Earnings Per Share (cents)	**66.3**	51.5	29%	**118.0**	201.9	-42%
Earnings Per Share (cents) from continuing operations[1]	**66.5**	54.3	22%	**121.1**	213.0	-43%
Earnings Per Share (cents) from discontinued operations	**(0.2)**	(2.8)	-93%	**(3.1)**	(11.1)	-72%

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 20	Mar 20	Movt	Sep 20	Sep 19	Movt
Reconciliation of earnings used in earnings per share calculations						
Basic:						
Profit for the period ($M)	**2,032**	1,546	31%	**3,578**	5,968	-40%
Less: Profit attributable to non-controlling interests ($M)	**-**	1	-100%	**1**	15	-93%
Earnings used in calculating basic earnings per share ($M)	**2,032**	1,545	32%	**3,577**	5,953	-40%
Less: Profit/(Loss) after tax from discontinued operations ($M)	**(8)**	(90)	-91%	**(98)**	(343)	-71%
Earnings used in calculating basic earnings per share from continuing operations ($M)	**2,040**	1,635	25%	**3,675**	6,296	-42%
Diluted:						
Earnings used in calculating basic earnings per share ($M)	**2,032**	1,545	32%	**3,577**	5,953	-40%
Add: Interest on convertible subordinated debt ($M)	**90**	124	-27%	**201**	268	-25%
Earnings used in calculating diluted earnings per share ($M)	**2,122**	1,669	27%	**3,778**	6,221	-39%
Less: Profit/(Loss) after tax from discontinued operations ($M)	**(8)**	(90)	-91%	**(98)**	(343)	-71%
Earnings used in calculating diluted earnings per share from continuing operations ($M)	**2,130**	1,759	21%	**3,876**	6,564	-41%
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)	**2,831.2**	2,830.6	0%	**2,830.9**	2,834.9	0%
Add: Weighted average dilutive potential ordinary shares (M)						
Convertible subordinated debt (M)	**362.2**	401.4	-10%	**362.2**	237.9	52%
Share based payments (options, rights and deferred shares) (M)	**7.3**	6.6	11%	**8.0**	8.8	-9%
WANOS used in calculating diluted earnings per share (M)	**3,200.7**	3,238.6	-1%	**3,201.1**	3,081.6	4%

1. *The successor fund transfer performed in preparation for the sale 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 in the comparative periods, basic earnings per share from continuing operations for the September 2019 full year would have been 221.4 cents and diluted earnings per share from continuing operations for the September 2019 full year would have been 212.4 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 20 half (Million)	*Mar 20 half (Million)*	*Sep 20 full year (Million)*	*Sep 19 full year (Million)*
ANZEST Pty Ltd	*5.0*	*4.9*	*5.0*	*4.7*
Wealth Australia discontinued operations	*-*	*-*	*-*	*8.2*
Total treasury shares	***5.0***	***4.9***	***5.0***	***12.9***

7. Net loans and advances

	As at			Movement	
	Sep 20 $M	Mar 20 $M	Sep 19 $M	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Australia					
Overdrafts	**4,189**	4,997	5,867	-16%	-29%
Credit cards outstanding	**5,984**	7,383	7,781	-19%	-23%
Commercial bills outstanding	**6,383**	6,414	6,159	0%	4%
Term loans - housing	**274,967**	263,596	264,786	4%	4%
Term loans - non-housing	**150,272**	164,346	145,538	-9%	3%
Lease receivables	**991**	1,066	929	-7%	7%
Hire purchase contracts	**364**	452	535	-19%	-32%
Total Australia	**443,150**	448,254	431,595	-1%	3%
Asia, Pacific, Europe & America					
Overdrafts	**415**	476	541	-13%	-23%
Credit cards outstanding	**6**	7	7	-14%	-14%
Term loans - housing	**489**	531	504	-8%	-3%
Term loans - non-housing	**52,682**	78,803	61,491	-33%	-14%
Lease receivables	**1,031**	29	274	large	large
Other	**20**	28	19	-29%	5%
Total Asia, Pacific, Europe & America	**54,643**	79,874	62,836	-32%	-13%
New Zealand					
Overdrafts	**610**	795	859	-23%	-29%
Credit cards outstanding	**1,204**	1,389	1,453	-13%	-17%
Term loans - housing	**82,894**	85,301	78,518	-3%	6%
Term loans - non-housing	**38,771**	43,373	41,308	-11%	-6%
Lease receivables	**-**	138	146	-100%	-100%
Hire purchase contracts	**-**	1,657	1,580	-100%	-100%
Total New Zealand	**123,479**	132,653	123,864	-7%	0%
Sub-total	**621,272**	660,781	618,295	-6%	0%
Unearned income	**(66)**	(368)	(398)	-82%	-83%
Capitalised brokerage/mortgage origination fees[1]	**868**	865	870	0%	0%
Gross loans and advances	**622,074**	661,278	618,767	-6%	1%
Allowance for expected credit losses (refer to Note 8)	**(4,981)**	(4,669)	(3,509)	7%	42%
Net loans and advances	**617,093**	656,609	615,258	-6%	0%

1. *Capitalised brokerage/mortgage origination fees are amortised over the expected life of the loan.*

8. Allowance for expected credit losses

The following tables present the movement in the allowance for ECL (including allowance for ECL on financial assets held for sale) for the half years September 2020, March 2020, September 2019 and March 2019.

Net loans and advances - at amortised cost

Allowance for ECL is included in Net loans and advances.

	Stage 1	Stage 2	Stage 3		Total
			Collectively assessed	Individually assessed	
	$M	$M	$M	$M	$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[1]	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]	(1)	(5)	(3)	(15)	**(24)**
As at 30 September 2019	**927**	**1,378**	**413**	**791**	**3,509**
Transfer between stages	204	(270)	(95)	161	**-**
New and increased provisions (net of releases)	30	840	132	718	**1,720**
Write-backs	-	-	-	(164)	**(164)**
Bad debts written off (excluding recoveries)	-	-	-	(469)	**(469)**
Foreign currency translation and other movements[1]	30	20	5	18	**73**
As at 31 March 2020	**1,191**	**1,968**	**455**	**1,055**	**4,669**
Transfer between stages	187	(291)	(106)	210	**-**
New and increased provisions (net of releases)	(112)	841	119	455	**1,303**
Write-backs	-	-	-	(157)	**(157)**
Bad debts written off (excluding recoveries)	-	-	-	(640)	**(640)**
Foreign currency translation and other movements[1]	(62)	(53)	(7)	(72)	**(194)**
As at 30 September 2020	**1,204**	**2,465**	**461**	**851**	**4,981**

[1] *Other movements include the impact of divestments completed during the period and the impact of discount unwind on individually assessed allowances for ECL.*

Investment securities - debt securities at amortised cost

Allowance for ECL is included in Investment securities.

	Stage 1	Stage 2	Stage 3		Total
			Collectively assessed	Individually assessed	
	$M	$M	$M	$M	$M
As at 1 October 2018	9	2	-	-	11
New and increased provisions (net of releases)	2	(1)	-	-	1
Foreign currency translation	-	-	-	-	-
As at 31 March 2019	**11**	**1**	**-**	**-**	**12**
New and increased provisions (net of releases)	-	-	-	-	-
Foreign currency translation	1	-	-	-	1
As at 30 September 2019	**12**	**1**	**-**	**-**	**13**
New and increased provisions (net of releases)	1	-	-	-	1
Foreign currency translation	1	-	-	-	1
As at 31 March 2020	**14**	**1**	**-**	**-**	**15**
New and increased provisions (net of releases)	9	(1)	-	-	8
Foreign currency translation	(3)	-	-	-	(3)
As at 30 September 2020	**20**	**-**	**-**	**-**	**20**

8. Allowance for expected credit losses, cont'd

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 1	Stage 2	Stage 3		Total
			Collectively assessed	Individually assessed	
	$M	$M	$M	$M	$M
As at 1 October 2018	14	-	-	-	14
New and increased provisions (net of releases)	(3)	-	-	-	(3)
Foreign currency translation	-	-	-	-	-
As at 31 March 2019	**11**	**-**	**-**	**-**	**11**
New and increased provisions (net of releases)	1	-	-	-	1
Foreign currency translation and other movements[1]	(4)	-	-	-	(4)
As at 30 September 2019	**8**	**-**	**-**	**-**	**8**
New and increased provisions (net of releases)	1	-	-	-	1
Foreign currency translation	-	-	-	-	-
As at 31 March 2020	**9**	**-**	**-**	**-**	**9**
New and increased provisions (net of releases)	2	-	-	-	2
Foreign currency translation	(1)	-	-	-	(1)
As at 30 September 2020	**10**	**-**	**-**	**-**	**10**

1. *Other movements include the impact of divestments completed during the period.*

Off-balance sheet commitments - undrawn and contingent facilities
Allowance for ECL is included in Other Provisions.

	Stage 1	Stage 2	Stage 3		Total
			Collectively assessed	Individually assessed	
	$M	$M	$M	$M	$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	-	-	-	-	**-**
Foreign currency translation	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)**
Foreign currency translation and other movements[1]	3	-	-	(1)	**2**
As at 30 September 2019	**473**	**151**	**21**	**23**	**668**
Transfer between stages	20	(24)	(2)	6	**-**
New and increased provisions (net of releases)	98	115	(2)	15	**226**
Write-backs	-	-	-	(6)	**(6)**
Foreign currency translation	19	2	1	-	22
As at 31 March 2020	**610**	**244**	**18**	**38**	**910**
Transfer between stages	14	(20)	-	6	**-**
New and increased provisions (net of releases)	1	20	6	4	**31**
Write-backs	-	-	-	(8)	**(8)**
Foreign currency translation and other movements[1]	(29)	(5)	(1)	-	**(35)**
As at 30 September 2020	**596**	**239**	**23**	**40**	**898**

1. *Other movements include the impact of divestments completed during the period.*

8. Allowance for expected credit losses, cont'd

Credit impairment charge/(release) analysis

	Half Year		Movement	Full Year		Movement
	Sep 20 $M	Mar 20 $M	Sep 20 v. Mar 20	Sep 20 $M	Sep 19 $M	Sep 20 v. Sep 19
New and increased provisions (net of releases)[1]						
- Collectively assessed	669	1,048	-36%	1,717	16	large
- Individually assessed	675	900	-25%	1,575	1,374	15%
Write-backs	(165)	(170)	-3%	(335)	(385)	-13%
Recoveries of amounts previously written off	(115)	(104)	11%	(219)	(212)	3%
Total credit impairment charge	1,064	1,674	-36%	2,738	793	large
Less: credit impairment charge/(release) from discontinued operations	-	-	n/a	-	(1)	-100%
Total credit impairment charge from continuing operations	**1,064**	**1,674**	-36%	**2,738**	**794**	large

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

COVID-19 repayment deferral packages offered to customers[1]

Since March 2020, the Group has offered various forms of assistance to customers to counteract the impact of COVID-19 on the ability of customers to meet their loan obligations. The assistance provided has included arrangements such as temporary deferral of principal and interest repayments, replacing principal and interest with interest only repayments, and extension of loan maturity dates.

The Group does not consider that when a customer is first provided assistance, all other things being equal, that there has been a Significant Increase in Credit Risk (SICR) and a consequent impact on ECL when assessing provisions. Subsequent to take-up, customers have been contacted to discuss available options once the packages reach their end date. This additional information on the customer's financial position and ability to recommence their loan repayments is used to assist in classification of customers into risk categories. Customers in higher risk categories, and those who have requested a deferral extension, have been classified as having a SICR. The Group continues to work with our customers on arrangements in respect of their loan obligations once the assistance package has ceased.

The loan repayment deferral package is considered to be a loan modification under AASB 9. This either results in the loan being derecognised and replaced with a new loan (substantial modification) or the existing loan continuing to be recognised (non-substantial modification). The table below shows the outstanding balance as at 30 September 2020 of all loans that have been modified (both substantial and non-substantial modifications):

Assistance package category	Total loan outstanding At 30 September 2020 $M
Loan deferral package	
Retail	**29,822**
Commercial and other	**9,182**
Interest Only	
Retail	**2,413**
Commercial and other	**527**
Term extensions	
Retail	**614**
Commercial and other	**90**
Total[2]	**42,648**
Retail	**32,849**
Commercial and other	**9,799**
Total[2]	**42,648**

1. *COVID-19 loan deferral packages are available to customers if either their loan repayments are less than 30 days past due, or if their repayments are less than 90 days past due but were up to date at 1 March 2020.*
2. *The gross carrying amount of loans at the date of modification that were considered non-substantial modifications, and had loss allowances based on lifetime expected losses was $9,917 million. No gain or loss was recognised as a result of the modification and none of the loans have subsequently changed to a 12 month expected loss allowance.*

9. Deposits and other borrowings

	As at			Movement	
	Sep 20 $M	**Mar 20 $M**	**Sep 19 $M**	**Sep 20 v. Mar 20**	**Sep 20 v. Sep 19**
Australia					
Certificates of deposit	**28,258**	34,733	32,953	-19%	-14%
Term deposits	**64,187**	69,056	74,560	-7%	-14%
On demand and short term deposits	**240,945**	220,135	196,261	9%	23%
Deposits not bearing interest	**18,771**	14,410	12,765	30%	47%
Deposits from banks and securities sold under repurchase agreements[1]	**58,762**	52,942	43,447	11%	35%
Commercial paper	**7,524**	17,435	9,413	-57%	-20%
Total Australia	**418,447**	408,711	369,399	2%	13%
Asia, Pacific, Europe & America					
Certificates of deposit	**2,583**	1,494	2,318	73%	11%
Term deposits	**86,735**	121,141	101,586	-28%	-15%
On demand and short term deposits	**24,366**	24,211	20,787	1%	17%
Deposits not bearing interest	**5,473**	7,101	4,648	-23%	18%
Deposits from banks and securities sold under repurchase agreements	**29,127**	46,397	33,891	-37%	-14%
Total Asia, Pacific, Europe & America	**148,284**	200,344	163,230	-26%	-9%
New Zealand					
Certificates of deposit	**1,650**	1,651	1,375	0%	20%
Term deposits	**46,351**	50,414	50,941	-8%	-9%
On demand and short term deposits	**49,905**	45,978	39,216	9%	27%
Deposits not bearing interest	**15,630**	14,050	10,929	11%	43%
Deposits from banks and securities sold under repurchase agreements	**448**	1,422	188	-68%	large
Commercial paper and other borrowings	**1,618**	4,339	2,399	-63%	-33%
Total New Zealand	**115,602**	117,854	105,048	-2%	10%
Total deposits and other borrowings	**682,333**	726,909	637,677	-6%	7%

1. *In March 2020, the Reserve Bank of Australia announced a Term Funding Facility (TFF) for the banking system. TFF is a three-year funding facility to ADIs at a fixed rate of 0.25%. ADIs will be able to obtain initial funding of up to 3% of their existing outstanding credit. ADIs will have access to additional funding if they increase lending to small and medium-sized businesses. As at 30 September 2020, ANZ had drawn $12 billion from its initial TFF allowance of $12 billion and it had drawn $0 billion from its additional TFF allowance of $6 billion.*

10. Discontinued operations and assets and liabilities held for sale

i) Discontinued operations

In 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 and the sale of OnePath P&I business was completed on 31 January 2020.

In December 2017, the Group announced that it had agreed to the sale of its life insurance business to Zurich Financial Services Australia (Zurich) and the transaction was completed on 31 May 2019.

As a result of the sale transactions outlined above, the financial results of the businesses and associated Group reclassification and consolidation impacts were 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 20 $M	**Mar 20 $M**	**Movt**	**Sep 20 $M**	**Sep 19 $M**	**Movt**
Net interest income	**-**	(5)	-100%	**(5)**	(76)	-93%
Other operating income	**63**	(109)	large	**(46)**	245	large
Operating income	**63**	(114)	large	**(51)**	169	large
Operating expenses	**(80)**	(120)	-33%	**(200)**	(449)	-55%
Profit/(Loss) before credit impairment and income tax	**(17)**	(234)	-93%	**(251)**	(280)	-10%
Credit impairment (charge)/release	**-**	-	n/a	**-**	1	-100%
Profit/(Loss) before income tax	**(17)**	(234)	-93%	**(251)**	(279)	-10%
Income tax (expense)/benefit	**9**	144	-94%	**153**	(64)	large
Profit/(Loss) for the period attributable to shareholders of the Company[1]	**(8)**	(90)	-91%	**(98)**	(343)	-71%

1. *Includes the results of the OnePathP&I business up to sale completion in January 2020 and the life insurance business up to the sale completion in May 2019.*

Income Statement impact relating to discontinued operations

During the September 2020 half, the Group recognised the following impacts in relation to discontinued operations:

- $2 million loss on disposal ($2 million loss after tax) recorded in operating income attributable to sale completion costs.
- $2 million of customer remediation charges ($2 million loss after tax) recorded in operating expenses.

During the March 2020 half, the Group recognised the following impacts in relation to discontinued operations:

- $16 million loss on disposal ($11 million loss after tax) recorded in operating income attributable to sale completion costs.
- $124 million of customer remediation charges ($128 million recorded in operating income and a release of $4 million recorded in operating expenses) and an associated $30 million tax benefit.
- $101 million charge was recorded in operating income offset by a $101 million tax benefit within income tax expense relating to the finalisation of the policyholder tax position associated with the sale of the life insurance business to Zurich.

During the September 2019 full year, the Group recognised the following impacts in relation to discontinued operations:

- $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.

Cash Flow Statement

	Half Year			Full Year		
	Sep 20 $M	**Mar 20 $M**	**Movt**	**Sep 20 $M**	**Sep 19 $M**	**Movt**
Net cash provided by/(used in) operating activities	**-**	(25)	-100%	**(25)**	(552)	-95%
Net cash provided by/(used in) investing activities	**-**	-	n/a	**-**	837	-100%
Net cash provided by/(used in) financing activities	**-**	25	-100%	**25**	(290)	large
Net increase/(decrease) in cash and cash equivalents	**-**	-	n/a	**-**	(5)	-100%

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

ii) Assets and liabilities held for sale

At 30 September 2020 and 31 March 2020, there were no material assets and liabilities held for sale.

At 30 September 2019, all assets and liabilities held for sale reflected the Group's discontinued operations. The 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.

Assets and liabilities held for sale[1]

	As at 30 September 2019
	Discontinued operations $M
Trading securities	919
Deferred tax assets	16
Goodwill and other intangible assets	394
Premises and equipment	1
Other assets	501
Total assets held for sale	**1,831**
Current tax liabilities	3
Deferred tax liabilities	105
Payables and other liabilities	1,914
Provisions[2]	99
Total liabilities held for sale	**2,121**

1. *Amounts are shown net of intercompany balances.*
2. *Includes employee entitlements of $8 million and other provisions of $91 million.*

iii) Income Statement impact relating to assets and liabilities previously classified as held for sale in continuing operations

During the September 2019 full year, the Group recognised the following impacts in relation to assets and liabilities classified as held for sale on the balance sheet in prior periods:

- $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.
- $1 million gain after tax relating to the sale of PNG Retail, Commercial and SME, net of costs associated with the sale.
- $76 million gain after tax relating to the sale of the OPL NZ business, comprising a $56 million gain on sale, a $7 million provision release relating to the sale completion of OPL NZ and a $26 million release from the foreign currency translation reserve and a $13 million income tax expense.
- $37 million gain after tax relating to the sale of Paymark.

The impacts on continuing operations are shown in the relevant Income Statement categories.

11. Shareholders' equity

Issued and quoted securities	Half Year		Full Year	
Ordinary shares	**Sep 20 No.**	**Mar 20 No.**	**Sep 20 No.**	**Sep 19 No.**
Opening balance	**2,836,177,422**	2,834,584,923	**2,834,584,923**	2,873,618,118
Group Share Buy-back	**-**	-	**-**	(42,032,991)
Bonus Option Plan	**819,781**	1,592,499	**2,412,280**	2,999,796
Dividend reinvestment plan issues:[1,2]	**3,373,022**	-	**3,373,022**	-
Closing balance	**2,840,370,225**	2,836,177,422	**2,840,370,225**	2,834,584,923
Less treasury shares:				
Treasury Shares	**(4,927,878)**	(5,011,537)	**(4,927,878)**	(4,474,997)
Treasury Shares in Wealth Australia discontinued operations	**-**	-	**-**	-
Closing Balance	**2,835,442,347**	2,831,165,885	**2,835,442,347**	2,830,109,926
Issued/(Repurchased) during the period	**4,192,803**	1,592,499	**5,785,302**	(39,033,195)

1. *The DRP in respect to the 2020 interim dividend was satisfied through the issue of 3,373,022 shares at $18.06 to participating shareholders.*
2. *The DRP in respect to the 2019 final dividend was satisfied in full through the on-market purchase and transfer of 7,401,161 shares at $25.03 to participating shareholders. (2019 Interim dividend; 8,403,922 shares at $27.79).*

	As At			Movement	
Shareholders' equity	**Sep 20 $M**	**Mar 20 $M**	**Sep 19 $M**	**Sep 20 v. Mar 20**	**Sep 20 v. Sep 19**
Ordinary share capital	**26,531**	26,440	26,490	0%	0%
Reserves					
Foreign currency translation reserve	**155**	1,988	705	-92%	-78%
Share option reserve	**85**	62	89	37%	-4%
FVOCI reserve	**245**	(51)	126	large	94%
Cash flow hedge reserve	**1,038**	874	731	19%	42%
Transactions with non-controlling interests reserve	**(22)**	(22)	(22)	0%	0%
Total reserves	**1,501**	2,851	1,629	-47%	-8%
Retained earnings	**33,255**	32,073	32,664	4%	2%
Share capital and reserves attributable to shareholders of the Company	**61,287**	61,364	60,783	0%	1%
Non-controlling interests	**10**	11	11	-9%	-9%
Total shareholders' equity	**61,297**	61,375	60,794	0%	1%

12. Changes in composition of the Group

On 31 January 2020, the Group completed the sale of the OnePath P&I business which included the material entities OnePath Funds Management Limited and OnePath Custodians Pty Limited. The holding company of these subsidiaries, ANZ Wealth Australia Limited, is no longer considered to be a material subsidiary.

On 1 September 2020, the Group completed the sale of UDC Finance Limited.

13. Investments in Associates[1]

	Half Year			Full Year		
	Sep 20 $M	Mar 20 $M	Movt	Sep 20 $M	Sep 19 $M	Movt
Share of associates' profit	20	135	-85%	155	262	-41%

Contributions to profit[2]	Contribution to Group post-tax profit				Ownership interest held by Group		
Associates	Half Year		Full Year		As at		
	Sep 20 $M	Mar 20 $M	Sep 20 $M	Sep 19 $M	Sep 20 %	Mar 20 %	Sep 19 %
P.T. Bank Pan Indonesia	(19)	74	55	133	39	39	39
AMMB Holdings Berhad	41	61	102	126	24	24	24
Other associates	(2)	-	(2)	3	n/a	n/a	n/a
Share of associates' profit	20	135	155	262			

1. *At 31 March 2020, the Group recorded an impairment charge of $815 million in other operating income with AmBank impaired by $595 million and PT Panin impaired by $220 million. Refer to Note 1 of the Condensed Consolidated Financial Statements for more information on the key assumptions used in the value in use (VIU) calculations performed for the full year September 2020 and September 2019.*
2. *Contributions to profit reflect the IFRS equivalent results adjusted to align with the Group's financial year end and accounting policies which may differ from the published results of these entities. In the September 2020 half, the Group recognised an adjustment of $68 million to the equity accounted earnings of PT Panin. When the Group adopted AASB 9 Financial Instruments on 1 October 2018, an estimate of PT Panin's transition adjustment was recognised through opening retained earnings to align accounting policies. PT Panin adopted AASB 9 during the current financial year recognising a transition adjustment in retained earnings. The adjustment of $68 million represents the Group's equity accounted share of the transition adjustment net of amounts previously recognised by the Group on 1 October 2018.*

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 2020 ANZ 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 2020 ANZ Annual Financial Report (when released) will contain a description of contingent liabilities and contingent assets as at 30 September 2020. 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, surveillance 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, regulated lending requirements, 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.

- **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.

  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.

- **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 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 Company is defending the allegations.

- **Consumer credit insurance litigation**

  In February 2020, a class action was brought against the Company alleging breaches of financial advice obligations, misleading or deceptive conduct and unconscionable conduct in relation to the distribution of consumer credit insurance products. The issuers of the insurance products, QBE and OnePath Life, are also defendants to the claim. The Company is defending the allegations.

- **Esanda dealer car loan litigation**

  In August 2020, a class action was brought against the Company alleging unfair conduct, misleading or deceptive conduct and equitable mistake in relation to the use of flex commissions in dealer arranged Esanda car loans. The Company is defending the allegations.

- **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 claims under those warranties, indemnities and commitments.

15. Significant Events Since Balance Date

There have been no significant events from 30 September 2020 to the date of signing this report that have not been adjusted or disclosed.

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Capital management - including discontinued operations

		As at			Movement	
Qualifying Capital		**Sep 20 $M**	**Mar 20 $M**	**Sep 19 $M**	**Sep 20 v. Mar 20**	**Sep 20 v. Sep 19**
Tier 1						
Shareholders' equity and non-controlling interests		**61,297**	61,375	60,794	0%	1%
Prudential adjustments to shareholders' equity	Table 1	**(205)**	(66)	120	large	large
Gross Common Equity Tier 1 capital		**61,092**	61,309	60,914	0%	0%
Deductions	Table 2	**(12,390)**	(12,978)	(13,559)	-5%	-9%
Common Equity Tier 1 capital		**48,702**	48,331	47,355	1%	3%
Additional Tier 1 capital	Table 3	**7,779**	7,964	7,866	-2%	-1%
Tier 1 capital		**56,481**	56,295	55,221	0%	2%
Tier 2 capital	Table 4	**13,957**	13,112	8,549	6%	63%
Total qualifying capital		**70,438**	69,407	63,770	1%	10%
Capital adequacy ratios (Level 2)						
Common Equity Tier 1		**11.3%**	10.8%	11.4%		
Tier 1		**13.2%**	12.5%	13.2%		
Tier 2		**3.3%**	2.9%	2.1%		
Total capital ratio		**16.4%**	15.5%	15.3%		
Risk weighted assets	Table 5	**429,384**	449,012	416,961	-4%	3%

Capital management - including discontinued operations, cont'd

		As at			Movement	
		Sep 20 $M	Mar 20 $M	Sep 19 $M	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Table 1: Prudential adjustments to shareholders' equity						
Shareholder Equity attributable to deconsolidated entities		**(99)**	(94)	107	5%	large
Deferred fee revenue including fees deferred as part of loan yields		**(15)**	94	108	large	large
Other		**(91)**	(66)	(95)	38%	-4%
Total		**(205)**	(66)	120	large	large
Table 2: Deductions from Common Equity Tier 1 capital						
Unamortised goodwill & other intangibles (excluding ANZ Wealth Australia discontinued operations and New Zealand)		**(3,269)**	(3,620)	(3,772)	-10%	-13%
Intangible component of investments in ANZ Wealth Australia discontinued operations and New Zealand		**(71)**	(80)	(556)	-11%	-87%
Capitalised software		**(1,039)**	(1,263)	(1,322)	-18%	-21%
Capitalised expenses including loan and lease origination fees		**(922)**	(932)	(1,178)	-1%	-22%
Applicable deferred net tax assets		**(2,128)**	(1,815)	(1,376)	17%	55%
Expected losses in excess of eligible provisions	Table 8	**(43)**	-	(1)	n/a	large
Investment in other insurance and funds management subsidiaries		**(336)**	(336)	(336)	0%	0%
Investment in ANZ Wealth Australia discontinued operations and New Zealand		**(82)**	(85)	(103)	-4%	-20%
Investment in banking associates and minority interests		**(2,141)**	(2,291)	(2,707)	-7%	-21%
Other deductions		**(2,359)**	(2,556)	(2,208)	-8%	7%
Total		**(12,390)**	(12,978)	(13,559)	-5%	-9%
Table 3: Additional Tier 1 capital						
ANZ Capital Notes 1		**1,119**	1,119	1,118	0%	0%
ANZ Capital Notes 2		**1,608**	1,607	1,607	0%	0%
ANZ Capital Notes 3		**967**	966	966	0%	0%
ANZ Capital Notes 4		**1,614**	1,613	1,612	0%	0%
ANZ Capital Notes 5		**926**	926	925	0%	0%
ANZ Bank NZ Capital Notes		**463**	487	462	-5%	0%
ANZ Capital Securities		**1,499**	1,712	1,481	-12%	1%
Regulatory adjustments and deductions		**(417)**	(466)	(305)	-11%	37%
Total		**7,779**	7,964	7,866	-2%	-1%
Table 4: Tier 2 capital						
General reserve for impairment of financial assets		**1,813**	1,253	296	45%	large
Perpetual subordinated notes		**422**	485	444	-13%	-5%
Term subordinated debt notes		**12,443**	12,197	7,971	2%	56%
Regulatory adjustments and deductions		**(721)**	(823)	(162)	-12%	large
Total		**13,957**	13,112	8,549	6%	63%

Capital management - including discontinued operations, cont'd

		As at			Movement	
		Sep 20 $M	Mar 20 $M	Sep 19 $M	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Table 5: Risk weighted assets						
On balance sheet		**265,112**	285,340	264,533	-7%	0%
Commitments		**58,991**	57,866	55,051	2%	7%
Contingents		**11,101**	13,335	12,626	-17%	-12%
Derivatives		**24,833**	29,456	25,896	-16%	-4%
Total credit risk weighted assets	Table 6	**360,037**	385,997	358,106	-7%	1%
Market risk - Traded		**8,237**	7,102	5,307	16%	55%
Market risk - IRRBB		**13,547**	8,011	6,922	69%	96%
Operational risk		**47,563**	47,902	46,626	-1%	2%
Total risk weighted assets		**429,384**	449,012	416,961	-4%	3%

	As at			Movement	
	Sep 20 $M	Mar 20 $M	Sep 19 $M	Sep 20 v. Mar 20	Sep 20 v. Sep 19
Table 6: Credit risk weighted assets by Basel asset class					
Subject to Advanced IRB approach					
Corporate	**139,415**	150,290	136,885	-7%	2%
Sovereign	**7,545**	6,915	6,199	9%	22%
Bank	**12,734**	18,615	15,968	-32%	-20%
Residential mortgage	**110,353**	107,351	105,491	3%	5%
Qualifying revolving retail (credit cards)	**4,337**	4,956	5,255	-12%	-17%
Other retail	**21,794**	25,080	26,258	-13%	-17%
Credit risk weighted assets subject to Advanced IRB approach	**296,178**	313,207	296,056	-5%	0%
Credit risk specialised lending exposures subject to slotting criteria	**39,001**	41,072	36,318	-5%	7%
Subject to Standardised approach					
Corporate	**10,185**	14,626	11,645	-30%	-13%
Sovereign	**220**	-	-	n/a	n/a
Residential mortgage	**210**	228	216	-8%	-3%
Other retail (includes credit cards)	**33**	46	50	-28%	-34%
Credit risk weighted assets subject to Standardised approach	**10,648**	14,900	11,911	-29%	-11%
Credit Valuation Adjustment and Qualifying Central Counterparties	**7,710**	9,679	8,682	-20%	-11%
Credit risk weighted assets relating to securitisation exposures	**2,125**	2,142	1,859	-1%	14%
Other assets	**4,375**	4,997	3,280	-12%	33%
Total credit risk weighted assets	**360,037**	385,997	358,106	-7%	1%

Capital management - including discontinued operations, cont'd

Table 7: Total provision for credit impairment and Basel expected loss by division	Collectively and Individually Assessed Provision Sep 20 $M	Mar 20 $M	Sep 19 $M	Basel Expected Loss[1] Sep 20 $M	Mar 20 $M	Sep 19 $M
Australia Retail and Commercial	**3,455**	2,902	2,353	**2,540**	2,415	2,415
Institutional	**1,671**	1,966	1,329	**1,117**	1,367	1,022
New Zealand	**672**	620	446	**662**	737	672
Pacific	**101**	76	62	**8**	-	7
TSO and Group Centre	**-**	-	-	**-**	-	-
Total provision for credit impairment and expected loss	**5,899**	5,564	4,190	**4,327**	4,519	4,116

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

Table 8: APRA Expected loss in excess of eligible provisions	As at Sep 20 $M	Mar 20 $M	Sep 19 $M	Movement Sep 20 v. Mar 20	Sep 20 v. Sep 19
APRA Basel 3 expected loss: non-defaulted	**2,710**	2,775	2,646	-2%	2%
Less: Qualifying collectively assessed provision					
Collectively assessed provision	**(5,008)**	(4,501)	(3,376)	11%	48%
Non-qualifying collectively assessed provision	**484**	473	435	2%	11%
Standardised collectively assessed provision	**206**	190	135	8%	53%
Non-defaulted excess included in deduction	**-**	-	-	n/a	n/a
APRA Basel 3 expected loss: defaulted	**1,641**	1,744	1,470	-6%	12%
Less: Qualifying individually assessed provision					
Individually assessed provision	**(891)**	(1,093)	(814)	-18%	9%
Additional individually assessed provision for partial write offs	**(302)**	(289)	(313)	4%	-4%
Standardised individually assessed provision	**50**	71	66	-30%	-24%
Collectively assessed provision on advanced defaulted	**(455)**	(440)	(408)	3%	12%
	43	(7)	1	large	large
Shortfall in expected loss not included in deduction	**-**	7	-	-100%	n/a
Defaulted excess included in deduction	**43**	-	1	n/a	large
Gross deduction	**43**	-	1	n/a	large

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

	Full Year Sep 20			Full Year Sep 19		
	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %
Loans and advances						
Home loans	**321,116**	**11,909**	**3.7%**	321,613	14,402	4.5%
Consumer finance	**15,071**	**1,376**	**9.1%**	17,258	1,718	10.0%
Business lending	**270,708**	**8,756**	**3.2%**	249,941	10,955	4.4%
Individual provisions for credit impairment	**(878)**	**-**	**n/a**	(888)	-	n/a
Total (continuing operations)	**606,017**	**22,041**	**3.6%**	587,924	27,075	4.6%
Non-lending interest earning assets						
Cash and other liquid assets	**126,572**	**635**	**0.5%**	108,051	1,334	1.2%
Trading and investment securities	**129,664**	**1,714**	**1.3%**	116,199	2,536	2.2%
Other assets	**629**	**36**	**n/a**	1,045	132	n/a
Total (continuing operations)	**256,865**	**2,385**	**0.9%**	225,295	4,002	1.8%
Total interest earning assets (continuing operations)[3]	**862,882**	**24,426**	**2.8%**	813,219	31,077	3.8%
Non-interest earning assets (continuing operations)	**189,081**			141,818		
Total average assets (continuing operations)	**1,051,963**			955,037		
Total average assets (discontinued operations)	**610**			25,942		
Total average assets	**1,052,573**			980,979		
Deposits and other borrowings						
Certificates of deposit	**35,726**	**335**	**0.9%**	42,574	817	1.9%
Term deposits	**222,489**	**3,545**	**1.6%**	223,328	5,669	2.5%
On demand and short term deposits	**257,790**	**2,421**	**0.9%**	221,697	3,677	1.7%
Deposits from banks and securities sold under agreement to repurchase	**84,647**	**712**	**0.8%**	80,543	1,732	2.2%
Commercial paper and other borrowings	**16,529**	**197**	**1.2%**	16,364	426	2.6%
Total (continuing operations)	**617,181**	**7,210**	**1.2%**	584,506	12,321	2.1%
Non-deposit interest bearing liabilities						
Collateral received and settlement balances owed by ANZ	**14,159**	**53**	**0.4%**	12,006	114	0.9%
Debt issuances & subordinated debt	**124,727**	**2,483**	**2.0%**	122,825	3,907	3.2%
Other liabilities	**8,498**	**631**	**n/a**	4,246	396	n/a
Total (continuing operations)	**147,384**	**3,167**	**2.1%**	139,077	4,417	3.2%
Total interest bearing liabilities (continuing operations)[3]	**764,565**	**10,377**	**1.4%**	723,583	16,738	2.3%
Non-interest bearing liabilities (continuing operations)	**226,613**			167,507		
Total average liabilities (continuing operations)	**991,178**			891,090		
Total average liabilities (discontinued operations)	**707**			30,393		
Total average liabilities	**991,885**			921,483		
Total average shareholders' equity	**60,688**			59,496		

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. *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 20			Full Year Sep 19		
	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %
Loans and advances						
Australia	**412,025**	**15,022**	**3.6%**	400,938	18,434	4.6%
Asia, Pacific, Europe & America	**66,243**	**2,165**	**3.3%**	62,374	2,924	4.7%
New Zealand	**127,749**	**4,854**	**3.8%**	124,612	5,717	4.6%
Total (continuing operations)	**606,017**	**22,041**	**3.6%**	587,924	27,075	4.6%
Trading and investment securities						
Australia	**65,813**	**590**	**0.9%**	58,545	1,226	2.1%
Asia, Pacific, Europe & America	**46,448**	**849**	**1.8%**	43,401	970	2.2%
New Zealand	**17,403**	**275**	**1.6%**	14,253	340	2.4%
Total (continuing operations)	**129,664**	**1,714**	**1.3%**	116,199	2,536	2.2%
Total interest earning assets[3]						
Australia	**525,965**	**15,910**	**3.0%**	504,562	20,514	4.1%
Asia, Pacific, Europe & America	**184,076**	**3,259**	**1.8%**	165,280	4,419	2.7%
New Zealand	**152,841**	**5,257**	**3.4%**	143,377	6,144	4.3%
Total (continuing operations)	**862,882**	**24,426**	**2.8%**	813,219	31,077	3.8%
Total average assets						
Australia	**665,169**			606,892		
Asia, Pacific, Europe & America	**218,328**			190,487		
New Zealand	**168,466**			157,658		
Total average assets (continuing operations)	**1,051,963**			955,037		
Total average assets (discontinued operations)	**610**			25,942		
Total average assets	**1,052,573**			980,979		
Interest bearing deposits and other borrowings						
Australia	**349,353**	**3,820**	**1.1%**	334,124	6,919	2.1%
Asia, Pacific, Europe & America	**168,103**	**1,850**	**1.1%**	154,752	3,211	2.1%
New Zealand	**99,725**	**1,540**	**1.5%**	95,630	2,191	2.3%
Total (continuing operations)	**617,181**	**7,210**	**1.2%**	584,506	12,321	2.1%
Total interest bearing liabilities[3]						
Australia	**443,973**	**5,855**	**1.3%**	424,227	9,975	2.4%
Asia, Pacific, Europe & America	**194,157**	**2,418**	**1.2%**	179,716	3,828	2.1%
New Zealand	**126,435**	**2,104**	**1.7%**	119,640	2,935	2.5%
Total (continuing operations)	**764,565**	**10,377**	**1.4%**	723,583	16,738	2.3%
Total average liabilities						
Australia	**607,574**			542,642		
Asia, Pacific, Europe & America	**230,809**			206,238		
New Zealand	**152,795**			142,210		
Total average liabilities (continuing operations)	**991,178**			891,090		
Total average liabilities (discontinued operations)	**707**			30,393		
Total average liabilities	**991,885**			921,483		
Total average shareholders' equity						
Ordinary share capital, reserves, retained earnings and non-controlling interests	**60,688**			59,496		
Total average shareholders' equity	**60,688**			59,496		
Total average liabilities and shareholder's equity	**1,052,573**			980,979		

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. *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 20			Half Year Mar 20		
	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %
Loans and advances						
Home loans	**321,705**	**5,569**	**3.5%**	320,523	6,340	4.0%
Consumer finance	**14,116**	**607**	**8.6%**	16,030	766	9.6%
Business lending	**272,530**	**3,662**	**2.7%**	268,884	5,095	3.8%
Individual provisions for credit impairment	**(957)**	**-**	**n/a**	(798)	-	n/a
Total (continuing operations)	**607,394**	**9,838**	**3.2%**	604,639	12,201	4.0%
Non-lending interest earning assets						
Cash and other liquid assets	**128,066**	**73**	**0.1%**	125,077	562	0.9%
Trading and investment securities	**133,090**	**700**	**1.1%**	126,238	1,015	1.6%
Other assets	**560**	**15**	**n/a**	698	22	n/a
Total (continuing operations)	**261,716**	**788**	**0.6%**	252,013	1,599	1.3%
Total interest earning assets (continuing operations)[3]	**869,110**	**10,626**	**2.4%**	856,652	13,800	3.2%
Non-interest earning assets (continuing operations)	**212,844**			165,321		
Total average assets (continuing operations)	**1,081,954**			1,021,973		
Total average assets (discontinued operations)	**-**			1,221		
Total average assets	**1,081,954**			1,023,194		
Deposits and other borrowings						
Certificates of deposit	**34,053**	**99**	**0.6%**	37,398	236	1.3%
Term deposits	**213,816**	**1,261**	**1.2%**	231,163	2,286	2.0%
On demand and short term deposits	**275,739**	**992**	**0.7%**	239,786	1,427	1.2%
Deposits from banks and securities sold under agreement to repurchase	**88,162**	**45**	**0.1%**	81,132	666	1.6%
Commercial paper and other borrowings	**11,661**	**86**	**1.5%**	21,397	110	1.0%
Total	**623,431**	**2,483**	**0.8%**	610,876	4,725	1.5%
Non-deposit interest bearing liabilities						
Collateral received and settlement balances owed by ANZ	**14,824**	**13**	**0.2%**	13,495	40	0.6%
Debt issuances & subordinated debt	**124,092**	**978**	**1.6%**	125,362	1,507	2.4%
Other liabilities	**9,325**	**325**	**n/a**	7,669	307	n/a
Total (continuing operations)	**148,241**	**1,316**	**1.8%**	146,526	1,854	2.5%
Total interest bearing liabilities (continuing operations)[3]	**771,672**	**3,799**	**1.0%**	757,402	6,579	1.7%
Non-interest bearing liabilities (continuing operations)	**249,135**			204,148		
Total average liabilities (continuing operations)	**1,020,807**			961,550		
Total average liabilities (discontinued operations)	**-**			1,414		
Total average liabilities	**1,020,807**			962,964		
Total average shareholders' equity	**61,147**			60,230		

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3. *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 20			Half Year Mar 20		
	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %
Loans and advances						
Australia	**415,126**	**6,802**	**3.3%**	408,922	8,219	4.0%
Asia Pacific, Europe & America	**65,594**	**825**	**2.5%**	66,892	1,339	4.0%
New Zealand	**126,674**	**2,211**	**3.5%**	128,825	2,643	4.1%
Total (continuing operations)	**607,394**	**9,838**	**3.2%**	604,639	12,201	4.0%
Trading and investment securities						
Australia	**69,657**	**232**	**0.7%**	61,968	360	1.2%
Asia Pacific, Europe & America	**44,690**	**348**	**1.6%**	48,207	500	2.1%
New Zealand	**18,743**	**120**	**1.3%**	16,063	155	1.9%
Total (continuing operations)	**133,090**	**700**	**1.1%**	126,238	1,015	1.6%
Total interest earning assets[3]						
Australia	**530,800**	**7,021**	**2.6%**	521,127	8,889	3.4%
Asia Pacific, Europe & America	**182,434**	**1,208**	**1.3%**	185,718	2,051	2.2%
New Zealand	**155,876**	**2,397**	**3.1%**	149,806	2,860	3.8%
Total (continuing operations)	**869,110**	**10,626**	**2.4%**	856,651	13,800	3.2%
Total average assets						
Australia	**689,438**			640,901		
Asia Pacific, Europe & America	**220,321**			216,335		
New Zealand	**172,195**			164,737		
Total average assets (continuing operations)	**1,081,954**			1,021,973		
Total average assets (discontinued operations)	**-**			1,221		
Total average assets	**1,081,954**			1,023,194		
Interest bearing deposits and other borrowings						
Australia	**358,125**	**1,380**	**0.8%**	340,526	2,439	1.4%
Asia Pacific, Europe & America	**164,450**	**469**	**0.6%**	171,757	1,381	1.6%
New Zealand	**100,856**	**634**	**1.3%**	98,594	905	1.8%
Total (continuing operations)	**623,431**	**2,483**	**0.8%**	610,877	4,725	1.5%
Total interest bearing liabilities[3]						
Australia	**452,717**	**2,189**	**1.0%**	435,175	3,666	1.7%
Asia Pacific, Europe & America	**191,167**	**737**	**0.8%**	197,147	1,681	1.7%
New Zealand	**127,788**	**873**	**1.4%**	125,082	1,232	2.0%
Total (continuing operations)	**771,672**	**3,799**	**1.0%**	757,404	6,579	1.7%
Total average liabilities						
Australia	**631,943**			583,204		
Asia Pacific, Europe & America	**232,401**			229,218		
New Zealand	**156,463**			149,128		
Total average liabilities (continuing operations)	**1,020,807**			961,550		
Total average liabilities (discontinued operations)	**-**			1,414		
Total average liabilities	**1,020,807**			962,964		
Total average shareholders' equity						
Ordinary share capital, reserves, retained earnings and non-controlling interests	**61,147**			60,230		
Total average shareholders' equity	**61,147**			60,230		
Total average liabilities and shareholder's equity	**1,081,954**			1,023,194		

1. *Averages used are predominantly daily averages.*
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Average balance sheet and related interest – continuing operations

	Half Year		Full Year	
Gross earnings rate	**Sep 20 %**	**Mar 20 %**	**Sep 20 %**	**Sep 19 %**
Australia	**2.74**	3.55	**3.14**	4.25
Asia, Pacific, Europe & America	**1.35**	2.24	**1.80**	2.67
New Zealand	**3.08**	3.82	**3.44**	4.28
Group	**2.45**	3.22	**2.83**	3.82

Net interest spread and net interest margin analysis as follows:

	Half Year		Full Year	
Australia[1]	**Sep 20 %**	**Mar 20 %**	**Sep 20 %**	**Sep 19 %**
Net interest spread	**1.72**	1.76	**1.74**	1.77
Interest attributable to net non-interest bearing items	**0.12**	0.23	**0.17**	0.30
Net interest margin - Australia	**1.84**	1.99	**1.91**	2.07
Asia, Pacific, Europe & America[1]				
Net interest spread	**0.58**	0.53	**0.55**	0.54
Interest attributable to net non-interest bearing items	**0.05**	0.10	**0.08**	0.13
Net interest margin - Asia, Pacific, Europe & America	**0.63**	**0.63**	**0.63**	**0.67**
New Zealand[1]				
Net interest spread	**1.66**	1.81	**1.73**	1.79
Interest attributable to net non-interest bearing items	**0.23**	0.29	**0.26**	0.34
Net interest margin - New Zealand	**1.89**	**2.10**	**1.99**	**2.13**
Group				
Net interest spread	**1.46**	1.48	**1.48**	1.51
Interest attributable to net non-interest bearing items	**0.11**	0.21	**0.15**	0.25
Net interest margin	**1.57**	**1.69**	**1.63**	**1.76**
Net interest margin (excluding Markets)	**2.22**	**2.37**	**2.30**	**2.45**

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).*

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
- TSO and Group Centre operate across all geographies
- Discontinued operations - Australia

The International geography includes Asia, Pacific, Europe & America

	Australia $M	New Zealand $M	International $M	Total $M
September 2020 Full Year				
Statutory profit attributable to shareholders of the company	**2,392**	**1,261**	**(76)**	**3,577**
Cash profit	**2,424**	**1,293**	**(57)**	**3,660**
Net loans and advances	**439,943**	**123,108**	**54,042**	**617,093**
Customer deposits	**323,903**	**111,886**	**116,574**	**552,363**
Risk weighted assets	**272,948**	**81,035**	**75,401**	**429,384**
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	429,454	123,467	62,337	615,258
Customer deposits	283,586	101,205	127,021	511,812
Risk weighted assets	259,820	78,613	78,528	416,961
September 2020 Half Year				
Statutory profit attributable to shareholders of the company	1,203	509	320	2,032
Cash profit	1,359	648	330	2,337
Net loans and advances	439,943	123,108	54,042	617,093
Customer deposits	323,903	111,886	116,574	552,363
Risk weighted assets	272,948	81,035	75,401	429,384
March 2020 Half Year				
Statutory profit attributable to shareholders of the company	1,189	752	(396)	1,545
Cash profit	1,065	645	(387)	1,323
Net loans and advances	445,449	132,127	79,033	656,609
Customer deposits	303,600	110,442	152,453	566,495
Risk weighted assets	270,876	84,900	93,235	449,011

New Zealand geography (in NZD)

	Half Year			Full Year		
	Sep 20 NZD M	Mar 20 NZD M	Movt	Sep 20 NZD M	Sep 19 NZD M	Movt
Net interest income	**1,581**	1,648	-4%	**3,229**	3,232	0%
Other operating income	**476**	344	38%	**820**	1,094	-25%
Operating income	**2,057**	1,992	3%	**4,049**	4,326	-6%
Operating expenses	**(908)**	(828)	10%	**(1,736)**	(1,585)	10%
Profit before credit impairment and income tax	**1,149**	1,164	-1%	**2,313**	2,741	-16%
Credit impairment (charge)/release	**(169)**	(232)	-27%	**(401)**	(99)	large
Profit before income tax	**980**	932	5%	**1,912**	2,642	-28%
Income tax expense and non-controlling interests	**(286)**	(255)	12%	**(541)**	(709)	-24%
Cash profit[1]	**694**	677	3%	**1,371**	1,933	-29%
Adjustments between statutory profit and cash profit	**(147)**	112	large	**(35)**	(108)	-68%
Statutory profit[1]	**547**	789	-31%	**1,336**	1,825	-27%
Individually assessed credit impairment charge/(release) - cash	**67**	44	52%	**111**	69	61%
Collectively assessed credit impairment charge/(release) - cash	**102**	188	-46%	**290**	30	large
Net loans and advances	**132,984**	135,679	-2%	**132,984**	133,264	0%
Customer deposits	**120,863**	113,411	7%	**120,863**	109,236	11%
Risk weighted assets	**87,536**	87,182	0%	**87,536**	84,850	3%
Total full time equivalent staff (FTE)	**7,210**	7,532	-4%	**7,210**	7,491	-4%

1. *Statutory profit for the year ended 30 September 2020 includes a $32 million loss on sale of UDC Finance Ltd (UDC). Cash profit for the year ended 30 September 2020 also includes an after tax loss of $23 million on the unwind of economic hedges of UDC loans and advances. Statutory profit for the year ended 30 September 2019 includes a $66 million gain on sale of OnePath Life (NZ) Ltd (OPL NZ) and a $39 million gain on sale of Paymark Ltd. Cash profit for the year ended 30 September 2019 also includes an after tax gain of $86 million on the reversal of the life-to-date cash profit adjustments on the revaluation of OPL NZ insurance policies 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 20	**Mar 20**	**Sep 19**	**Sep 20**	**Mar 20**	**Sep 20**	**Sep 19**
Chinese Renminbi	**4.8453**	4.3895	4.8126	**4.7920**	4.7002	**4.7462**	4.8360
Euro	**0.6061**	0.5619	0.6175	**0.6038**	0.6066	**0.6052**	0.6235
Pound Sterling	**0.5539**	0.5017	0.5491	**0.5403**	0.5225	**0.5314**	0.5512
Indian Rupee	**52.473**	46.745	47.737	**51.296**	48.153	**49.729**	49.651
Indonesian Rupiah	**10,595**	10,126	9,578	**10,117**	9,487	**9,803**	10,071
Japanese Yen	**75.059**	67.015	72.816	**73.099**	72.937	**73.018**	77.343
Malaysian Ringgit	**2.9593**	2.6611	2.8277	**2.9153**	2.7969	**2.8563**	2.9153
New Taiwan Dollar	**20.591**	18.707	20.960	**20.265**	20.315	**20.290**	21.803
New Zealand Dollar	**1.0802**	1.0269	1.0794	**1.0710**	1.0488	**1.0600**	1.0572
Papua New Guinean Kina	**2.4858**	2.1193	2.2971	**2.3669**	2.2845	**2.3258**	2.3758
United States Dollar	**0.7110**	0.6189	0.6754	**0.6840**	0.6705	**0.6773**	0.7034

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

ADI – Authorised Deposit-taking Institution.

ANZEST – ANZ Employee Share Trust.

APRA - Australian Prudential Regulation Authority.

APS - ADI Prudential Standard.

AT1 – Additional Tier 1 capital.

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 allowance for expected credit loss 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.

Coronavirus (COVID-19) is a respiratory illness caused by a new virus and declared a Public Health Emergency of International Concern. COVID-19 was characterised as a pandemic by the World Health Organisation on 11 March 2020.

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.

Term Funding Facility (TFF) refers to three-year funding announced by the Reserve Bank of Australia (RBA) on 19 March 2020 and offered to ADIs in order to support lending to Australian businesses at low cost.

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.

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 governments, global institutional and corporate customers across three product sets: Transaction Banking, Corporate 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.
- Corporate 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, the agricultural business segment, government and government-related entities.

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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