



ANZ Group Holdings Limited

ABN 16 659 510 791

Half Year

31 March 2024

Consolidated Financial Report

Dividend Announcement

and Appendix 4D

The Consolidated Financial Report and Dividend Announcement contains information required by Appendix 4D of the Australian Securities Exchange (ASX) Listing Rules. It should be read in conjunction with the 2023 ANZ Group Holdings Limited Annual Report, and is lodged with the ASX under listing rule 4.2A.

Name of Company: ANZ Group Holdings Limited
ABN 16 659 510 791

Report for the half year ended 31 March 2024

Operating Results¹				AUD million
Statutory operating income	□	0%	to	10,145
Statutory profit attributable to shareholders of the Company	↓	-4%	to	3,407
Cash profit ²	↓	-7%	to	3,552

Dividends³	Cents per share	Franked amount per share
Proposed interim dividend ⁴	83	65%
Record date for determining entitlements to the proposed 2024 interim dividend		14 May 2024
Payment date for the proposed 2024 interim dividend		1 July 2024

Dividend Reinvestment Plan and Bonus Option Plan

ANZ Group Holdings Limited has a Dividend Reinvestment Plan (DRP) and a Bonus Option Plan (BOP) that will operate in respect of the proposed 2024 interim dividend. For the 2024 interim dividend, ANZ intends to provide shares under the DRP through an on-market purchase and BOP through the issue of new shares. The 'Acquisition Price' to be used in determining the number of shares to be provided under the DRP and BOP will be calculated by reference to the arithmetic average of the daily volume weighted average sale price of all fully paid ANZ ordinary shares sold in the ordinary course of trading on the ASX and Cboe Australia during a pricing period commencing on 17 May 2024, and then rounded to the nearest whole cent. The Pricing Period will be 10 trading days or such longer period advised by ANZ before the open of trading on the day the Pricing Period begins. 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 2024 interim dividend must be received by ANZ's Share Registrar by 5.00pm (Australian Eastern Standard Time) on 15 May 2024. 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 17 May 2024.

¹ Unless otherwise noted, all comparisons are to the consolidated financial information for the half year ended 31 March 2023.

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 comprise economic hedging and similar accounting items that represent timing differences that will reverse through earnings in the future. The net after tax loss adjusted from statutory profit to arrive at cash profit was \$145 million. Refer to pages 65 to 67 for further details.

³ The unfranked portion of the dividend will be sourced from ANZ's conduit foreign income account.

⁴ It is proposed that the interim dividend of 83 cents will be partially franked at 65% for Australian tax purposes (30% tax rate) and carry New Zealand imputation credits of NZD 12 cents per ordinary share.

CONSOLIDATED FINANCIAL REPORT, DIVIDEND ANNOUNCEMENT AND APPENDIX 4D

Half year ended 31 March 2024

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This Consolidated Financial Report, Dividend Announcement and Appendix 4D (Results Announcement) has been prepared for ANZ Group Holdings Limited (ANZGHL, Company, parent entity) and its subsidiaries (ANZ Group, ANZ, Group, the consolidated entity, us, we, or our).

All amounts are in Australian dollars unless otherwise stated. The ANZ Group has a formally constituted Audit Committee of the Board of Directors. The Condensed Consolidated Financial Statements were approved by resolution of the Board of Directors on 6 May 2024.

DISCLAIMER & IMPORTANT NOTICE:

The material in the Results Announcement contains general background information about the ANZ Group's activities current as at 6 May 2024. It is information given in summary form and does not purport to be complete. It is not intended to be and should not be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

The Results Announcement may contain forward-looking statements or opinions including statements regarding our intent, belief or current expectations with respect to ANZ Group's business operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and risk management practices. When used in the Results Announcement, the words 'forecast', 'estimate', 'project', 'intend', 'anticipate', 'believe', 'expect', 'may', 'probability', 'risk', 'will', 'seek', 'would', 'could', 'should' and similar expressions, as they relate to ANZ Group and its management, are intended to identify forward-looking statements or opinions. Those statements are usually predictive in character; or may be affected by inaccurate assumptions or unknown risks and uncertainties or may differ materially from results ultimately achieved. As such, these statements should not be relied upon when making investment decisions. These statements only speak as at the date of publication and no representation is made as to their correctness on or after this date. Forward-looking statements constitute 'forward-looking statements' for the purposes of the United States Private Securities Litigation Reform Act of 1995. ANZ Group 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 to reflect the occurrence of unanticipated events.

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SUMMARY OF 2024 HALF 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/reporting/results-announcement/>.

ANZ Group Holdings Limited

- 2024 Half Year Consolidated Financial Report, Dividend Announcement and Appendix 4D
- 2024 Half Year Results Investor Discussion Pack
- News Release
- Key Financial Data (available on ANZ Shareholder website only)

Australia and New Zealand Banking Group Limited

- 2024 Half Year Consolidated Financial Report
- 2024 March Pillar 3 Disclosure
- United Kingdom Disclosure and Transparency Rules Submission

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Guide to Half Year Results**DISCONTINUED/CONTINUING OPERATIONS**

During the 2022 full year, all activities relating to the legacy sale of ANZ's wealth businesses ceased. Accordingly, the Group no longer presents financial results on a discontinued/continuing basis.

NON-IFRS INFORMATION

Statutory profit is prepared in accordance with the 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 Results 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 the Group'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 123 to 125 for further details). The adjustments made in arriving at cash profit are included in statutory profit which is subject to review within the context of the external auditor's review of the Condensed Consolidated Financial Statements. Cash profit is not subject to review 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.

To simplify disclosures, the Group will no longer present cash profit excluding large/notable items. However, to support understanding of the results, a range of items impacting the results will continue to be referred to in commentary.

RESTATEMENT OF PRIOR PERIOD COMPARATIVE INFORMATION*Accounting standards adoption*

The Group adopted AASB 17 *Insurance Contracts* (AASB 17) on 1 October 2023. Although the overall profit recognised in respect of insurance contracts will not change over the life of contracts, the timing of revenue recognition will change. The Group applied AASB 17 effective from 1 October 2022 and restated prior period comparative information. This resulted in a decrease in opening retained earnings of \$37 million on 1 October 2022, an increase in profit after tax (Sep 23 half: nil; Mar 23 half: \$8 million), an increase in total assets (Sep 23: \$22 million; Mar 23: \$36 million), and an increase in total liabilities (Sep 23: \$51 million; Mar 23: \$65 million) in the Australia Retail division.

Divisional results presentation

Divisional prior period comparative information was restated to reflect a number of cost reallocations across and within the divisions during the period, with no impact to Group results.

PENDING ORGANISATIONAL CHANGES IMPACTING FUTURE REPORTING PERIODS*Suncorp Bank Acquisition*

On 18 July 2022, the Group announced an agreement to purchase 100% of the shares in SBGH Limited, the immediate non-operating holding company of Suncorp Bank. On 20 February 2024, the Australian Competition Tribunal announced it had authorised the proposed acquisition following the decision in August 2023 by the Australian Competition and Consumer Commission to not authorise the acquisition. The acquisition remains subject to satisfaction of certain conditions, including Federal Treasurer approval and certain amendments to the *State Financial Institutions and Metway Merger Act 1996* (QLD). Australia and New Zealand Banking Group Limited (ANZBGL) will also have a termination right under the Suncorp Bank Sale Agreement if APRA issues a written communication to ANZBGL under or in connection with APS 222 *Associations with Related Entities* to the effect that ANZBGL must not proceed with completion of the acquisition. Assuming these conditions are satisfied, the acquisition is expected to occur in mid-calendar year 2024.

SUMMARY

Statutory Profit Results

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Net interest income	7,899	8,074	8,500	-2%	-7%
Other operating income	2,246	2,246	1,651	0%	36%
Operating income	10,145	10,320	10,151	-2%	0%
Operating expenses	(5,215)	(5,142)	(4,997)	1%	4%
Profit before credit impairment and income tax	4,930	5,178	5,154	-5%	-4%
Credit impairment (charge)/release	(70)	(112)	(133)	-38%	-47%
Profit before income tax	4,860	5,066	5,021	-4%	-3%
Income tax expense	(1,439)	(1,501)	(1,452)	-4%	-1%
Non-controlling interests	(14)	(14)	(14)	0%	0%
Profit attributable to shareholders of the Company	3,407	3,551	3,555	-4%	-4%

	Half Year			Movement	
	Mar 24	Sep 23	Mar 23	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Basic	113.5	118.4	118.7	-4%	-4%
Diluted	111.5	113.8	113.0	-2%	-1%

	Reference Page	Half Year		
		Mar 24	Sep 23	Mar 23
Ordinary Share Dividends (cents)^{1,2}				
Interim				
- fully franked		-	-	81
- partially franked		83	-	-
Final				
- partially franked (comprising 81 cents and an additional dividend of 13 cents)		-	94	-
Total			84	81
Ordinary share dividend payout ratio ³			84	68.4%
Profitability Ratios				
Return on average ordinary shareholders' equity ⁴		9.7%	10.4%	10.6%
Return on average assets		0.59%	0.64%	0.64%
Net interest margin		1.56%	1.65%	1.75%
Net interest margin (excluding Markets business unit)		2.33%	2.35%	2.43%
Net interest income to average credit RWA		4.55%	4.69%	4.77%
Net interest income to average credit RWA (excluding Markets business unit)		5.10%	5.19%	5.19%
Efficiency Ratios				
Operating expenses to operating income		51.4%	49.8%	49.2%
Operating expenses to average assets		0.90%	0.92%	0.90%
Credit Impairment Charge/(Release)				
Individually assessed credit impairment charge/(release) (\$M)		38	123	(30)
Collectively assessed credit impairment charge/(release) (\$M)		32	(11)	163
Total credit impairment charge/(release) (\$M)		70	112	133
Individually assessed credit impairment charge/(release) as a % of average gross loans and advances ⁵		0.01%	0.04%	(0.01%)
Total credit impairment charge/(release) as a % of average gross loans and advances ⁵		0.02%	0.03%	0.04%

^{1.} Partially franked at 65% for Australian tax purposes (30% tax rate) for the proposed 2024 interim dividend (2023 final dividend: partially franked at 56%; 2023 interim dividend: fully franked).

^{2.} Carry New Zealand imputation credits of NZD 12 cents for the proposed 2024 interim dividend (2023 final dividend: NZD 11 cents; 2023 interim dividend: NZD 9 cents).

^{3.} Dividend payout ratio for the March 2024 half is calculated using the proposed 2024 interim dividend of \$2,496 million, based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the September 2023 half and March 2023 half were calculated using actual dividends of \$2,825 million and \$2,433 million respectively.

^{4.} Average ordinary shareholders' equity excludes non-controlling interests.

^{5.} Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.

SUMMARY

Cash Profit Results¹

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Net interest income	7,899	8,074	8,500	-2%	-7%
Other operating income	2,448	2,291	2,040	7%	20%
Operating income	10,347	10,365	10,540	0%	-2%
Operating expenses	(5,215)	(5,142)	(4,997)	1%	4%
Cash profit before credit impairment and income tax	5,132	5,223	5,543	-2%	-7%
Credit impairment (charge)/release	(70)	(112)	(133)	-38%	-47%
Cash profit before income tax	5,062	5,111	5,410	-1%	-6%
Income tax expense	(1,496)	(1,513)	(1,567)	-1%	-5%
Non-controlling interests	(14)	(14)	(14)	0%	0%
Cash profit	3,552	3,584	3,829	-1%	-7%

Earnings Per Ordinary Share (cents)	Half Year			Movement	
	Mar 24	Sep 23	Mar 23	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Basic	118.3	119.5	127.9	-1%	-8%
Diluted	116.0	114.8	121.4	1%	-4%

	Reference Page	Half Year		
		Mar 24	Sep 23	Mar 23
Ordinary Share Dividends				
Ordinary share dividend payout ratio ²		70.3%	78.8%	63.5%
Profitability Ratios				
Return on average ordinary shareholders' equity ³		10.1%	10.5%	11.4%
Return on average assets		0.61%	0.64%	0.69%
Return on average RWA		1.65%	1.65%	1.70%
Net interest margin		1.56%	1.65%	1.75%
Net interest margin (excluding Markets business unit)		2.33%	2.35%	2.43%
Net interest income to average credit RWA		4.55%	4.69%	4.77%
Net interest income to average credit RWA (excluding Markets business unit)		5.10%	5.19%	5.19%
Efficiency Ratios				
Operating expenses to operating income		50.4%	49.6%	47.4%
Operating expenses to average assets		0.90%	0.92%	0.90%
Credit Impairment Charge/(Release)				
Individually assessed credit impairment charge/(release) (\$M)		38	123	(30)
Collectively assessed credit impairment charge/(release) (\$M)		32	(11)	163
Total credit impairment charge/(release) (\$M)	23	70	112	133
Individually assessed credit impairment charge/(release) as a % of average gross loans and advances ⁴		0.01%	0.04%	(0.01%)
Total credit impairment charge/(release) as a % of average gross loans and advances ⁴		0.02%	0.03%	0.04%

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 65 to 67 for the reconciliation between statutory and cash profit.

² Dividend payout ratio for the March 2024 half is calculated using the proposed 2024 interim dividend of \$2,496 million, based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the September 2023 half and March 2023 half were calculated using actual dividends of \$2,825 million and \$2,433 million respectively.

³ Average ordinary shareholders' equity excludes non-controlling interests.

⁴ Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.

SUMMARY

Key Balance Sheet Metrics

	Reference Page	As at			Movement	
		Mar 24	Sep 23	Mar 23	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Capital Management (Level 2)						
Common Equity Tier 1						
- APRA	38	13.5%	13.3%	13.2%		
- Internationally Comparable ¹	38	19.7%	19.7%	19.4%		
Credit risk weighted assets (\$B)	39	348.4	349.0	345.3	0%	1%
Total risk weighted assets (\$B)	39	432.8	433.3	435.5	0%	-1%
APRA Leverage Ratio	41	5.4%	5.4%	5.3%		
Balance Sheet: Key Items						
Gross loans and advances (\$B)		718.7	710.6	693.7	1%	4%
Net loans and advances (\$B)		715.2	707.0	690.1	1%	4%
Total assets (\$B)		1,089.7	1,105.6	1,111.2	-1%	-2%
Customer deposits (\$B)		641.1	647.1	648.6	-1%	-1%
Total shareholders' equity (\$B)		71.1	70.0	69.6	2%	2%

	Reference Page	Half Year			Movement	
		Mar 24 \$B	Sep 23 \$B	Mar 23 \$B	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Balance Sheet: Average Balances						
Average gross loans and advances		714.0	697.1	693.5	2%	3%
Average customer deposits		663.6	642.0	637.8	3%	4%
Average assets		1,163.0	1,115.3	1,112.3	4%	5%
Average ordinary shareholders' equity ²		70.3	68.2	67.1	3%	5%
Average RWA		430.8	433.4	451.9	-1%	-5%
Average credit RWA		347.3	343.6	357.3	1%	-3%
Average interest earning assets		1,015.6	977.2	973.0	4%	4%
Average deposits and other borrowings		859.8	823.5	826.2	4%	4%

	Reference Page	As at			Movement	
		Mar 24	Sep 23	Mar 23	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Liquidity and Funding						
Liquidity Coverage Ratio ³	35	134%	132%	128%	2%	6%
Net Stable Funding Ratio	36	118%	116%	119%	2%	-1%

	Reference Page	As at			Movement	
		Mar 24	Sep 23	Mar 23	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Impaired Assets						
Gross impaired assets (\$M)	27	1,518	1,521	1,210	0%	25%
Gross impaired assets as a % of gross loans and advances		0.21%	0.21%	0.17%		
Net impaired assets (\$M)	27	1,193	1,145	789	4%	51%
Net impaired assets as a % of shareholders' equity		1.68%	1.64%	1.13%		
Individually assessed provision (\$M)	25	325	376	421	-14%	-23%
Individually assessed provision as a % of gross impaired assets		21.4%	24.7%	34.8%		
Collectively assessed provision (\$M)	25	4,046	4,032	4,040	0%	0%
Collectively assessed provision as a % of credit risk weighted assets		1.16%	1.16%	1.17%		
Net Tangible Assets						
Net tangible assets attributable to ordinary shareholders (\$B) ⁴		66.3	65.4	65.0	1%	2%
Net tangible assets per ordinary share (\$)		22.05	21.77	21.65	1%	2%

¹ Refer to page 40 for further details regarding the differences between APRA and Internationally Comparable standards.

² Average ordinary shareholders' equity excludes non-controlling interests.

³ Liquidity Coverage Ratio is calculated on a half year average basis.

⁴ Equals total shareholders' equity less total non-controlling interests, goodwill and other intangible assets.

SUMMARY

Full Time Equivalent Staff

As at 31 March 2024, the Group employed 40,262 staff (Sep 23: 40,342; Mar 23: 39,802) on a full time equivalent (FTE) basis.

Division	As at			Movement	
	Mar 24	Sep 23	Mar 23	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Australia Retail	11,383	11,313	11,199	1%	2%
Australia Commercial	3,442	3,514	3,607	-2%	-5%
Institutional	6,310	6,366	6,314	-1%	0%
New Zealand	6,754	6,766	6,785	0%	0%
Pacific	972	1,013	1,037	-4%	-6%
Group Centre	11,401	11,370	10,860	0%	5%
Total FTE	40,262	40,342	39,802	0%	1%
Average FTE	40,392	40,125	39,589	1%	2%

Geography	As at			Movement	
	Mar 24	Sep 23	Mar 23	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Australia	19,335	19,626	19,575	-1%	-1%
New Zealand	7,185	7,244	7,252	-1%	-1%
Rest of World	13,742	13,472	12,975	2%	6%
Total FTE	40,262	40,342	39,802	0%	1%

Other Non-Financial Information

Shareholder value - ordinary shares	Half Year			Movement	
	Mar 24	Sep 23	Mar 23	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Share price (\$)					
- high	29.90	25.93	26.08	15%	15%
- low	23.90	22.58	22.39	6%	7%
- closing	29.40	25.66	22.93	15%	28%
Closing market capitalisation of ordinary shares (\$B)	88.4	77.1	68.9	15%	28%
Total shareholder returns	19.0%	15.8%	3.6%	large	large

ANZBGL credit ratings	As at Mar 24		
	Short-Term	Long-Term	Outlook
Moody's Investors Service	P-1	Aa2	Stable
S&P Global Ratings	A-1+	AA-	Stable
Fitch Ratings	F1	A+	Stable

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Non-IFRS Information

Statutory profit is prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards, which comply with IFRS. The Group provides additional measures of performance in the Results Announcement which are prepared on a basis other than in accordance with accounting standards. The guidance provided in *ASIC Regulatory Guide 230* has been followed when presenting this information.

Cash Profit

Cash profit, a non-IFRS measure, represents the Group'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 123 to 125 for further details). The adjustments made in arriving at cash profit are included in statutory profit which is subject to review within the context of the external auditor's review of the Condensed Consolidated Financial Statements. Cash profit is not subject to review 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 unless otherwise stated.

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Statutory profit attributable to shareholders of the Company	3,407	3,551	3,555	-4%	-4%
Adjustments between statutory profit and cash profit¹					
Economic hedges	197	27	190	large	4%
Revenue and expense hedges	(52)	6	84	large	large
Total adjustments between statutory profit and cash profit	145	33	274	large	-47%
Cash profit	3,552	3,584	3,829	-1%	-7%

¹. Refer to pages 65 to 67 for analysis of the adjustments between statutory profit and cash profit.

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Group performance - cash profit					
Net interest income	7,899	8,074	8,500	-2%	-7%
Other operating income	2,448	2,291	2,040	7%	20%
Operating income	10,347	10,365	10,540	0%	-2%
Operating expenses	(5,215)	(5,142)	(4,997)	1%	4%
Cash profit before credit impairment and income tax	5,132	5,223	5,543	-2%	-7%
Credit impairment (charge)/release	(70)	(112)	(133)	-38%	-47%
Cash profit before income tax	5,062	5,111	5,410	-1%	-6%
Income tax expense	(1,496)	(1,513)	(1,567)	-1%	-5%
Non-controlling interests	(14)	(14)	(14)	0%	0%
Cash profit	3,552	3,584	3,829	-1%	-7%

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Cash Profit/(Loss) by division					
Australia Retail	794	874	1,064	-9%	-25%
Australia Commercial	665	701	739	-5%	-10%
Institutional	1,522	1,360	1,589	12%	-4%
New Zealand	791	775	771	2%	3%
Pacific	31	37	34	-16%	-9%
Group Centre	(251)	(163)	(368)	54%	-32%
Cash profit	3,552	3,584	3,829	-1%	-7%

Cash Net Interest Income

Group	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Net interest income ¹	7,899	8,074	8,500	-2%	-7%
Average interest earning assets	1,015,621	977,175	972,972	4%	4%
Average deposits and other borrowings	859,764	823,466	826,160	4%	4%
Net interest margin (%)	1.56	1.65	1.75	-9 bps	-19 bps
Group (excluding Markets business unit)					
Net interest income	7,963	8,054	8,336	-1%	-4%
Average interest earning assets	684,626	683,888	687,563	0%	0%
Average deposits and other borrowings	650,098	627,170	628,973	4%	3%
Net interest margin (%)	2.33	2.35	2.43	-2 bps	-10 bps

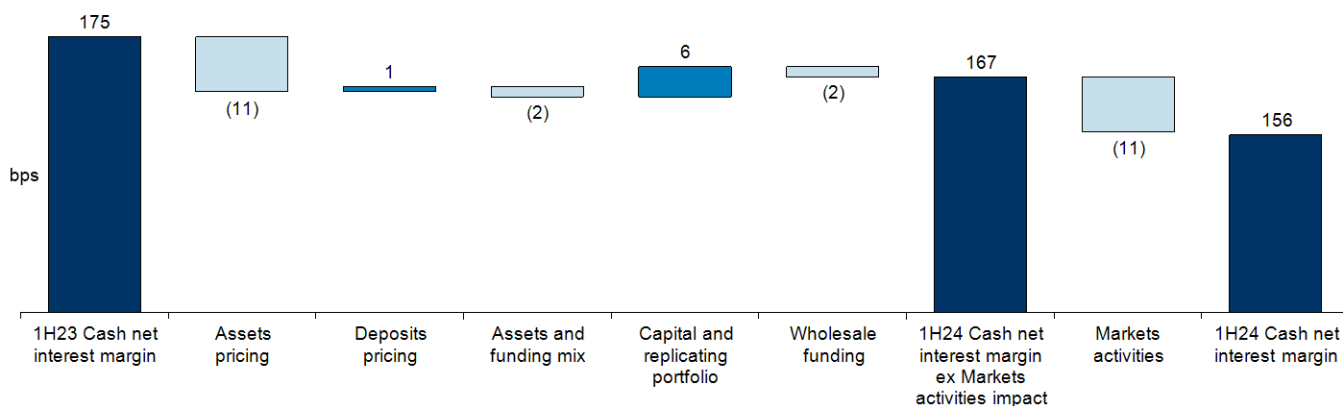
Net interest margin by major division ¹	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Australia Retail					
Net interest margin (%) - cash	1.94	2.06	2.38	-12 bps	-44 bps
Average interest earning assets	269,406	260,946	253,743	3%	6%
Average deposits and other borrowings	168,912	159,786	152,392	6%	11%
Australia Commercial²					
Net interest margin (%) - cash	2.60	2.67	2.72	-7 bps	-12 bps
Average interest earning assets	63,623	61,398	60,860	4%	5%
Average deposits and other borrowings	115,357	112,368	113,276	3%	2%
Institutional (excluding Markets business unit)					
Net interest margin (%) - cash ³	2.39	2.36	2.26	3 bps	13 bps
Average interest earning assets	162,856	164,845	168,925	-1%	-4%
Average deposits and other borrowings	159,851	159,295	158,718	0%	1%
New Zealand					
Net interest margin (%) - cash	2.56	2.60	2.67	-4 bps	-11 bps
Average interest earning assets	122,613	120,377	118,639	2%	3%
Average deposits and other borrowings	106,417	102,479	102,113	4%	4%

¹ Includes the major bank levy of -\$192 million for the March 2024 half (Sep 23 half: -\$178 million; Mar 23 half: -\$175 million).

² Australia Commercial division generates positive net interest income from surplus deposits held. Accordingly, \$58.1 billion of average deposits for the March 2024 half (Sep 23 half: \$57.6 billion; Mar 23 half: \$59.3 billion) have been included within average net interest earning assets for the net interest margin calculation to align with the internal management reporting view.

³ Net interest margin for the Institutional division including Markets business unit was 0.76% for the March 2024 half (Sep 23 half: 0.86%; Mar 23 half: 0.91%).

Group net interest margin - March 2024 Half Year v March 2023 Half Year



• March 2024 v March 2023

Net interest margin (-19 bps)

- Assets pricing (-11 bps): driven by pricing competition in the Australia Retail, Australia Commercial and New Zealand divisions.
- Deposits pricing (+1 bps): driven by favourable deposit margins, partially offset by lower margin on term deposits.

- Assets and funding mix (-2 bps): driven by unfavourable deposit mix with a shift towards lower margin term deposits, and increased term wholesale funding relative to customer deposits. This was partially offset by favourable asset mix in the Australia Retail division, and favourable divisional mix primarily driven by higher contribution by the Australia Commercial division.
- Capital and replicating portfolio (+6 bps): driven by higher interest rates, partially offset by lower volumes.
- Wholesale funding (-2 bps): driven by higher wholesale funding rates including the impact of partial maturity of the Term Funding Facility (TFF).
- Markets activities (-11 bps): lower net interest income was driven by higher funding costs, primarily on commodity assets where the related revenues are recognised as Other operating income, and higher liquid assets held in Markets.

Average interest earning assets

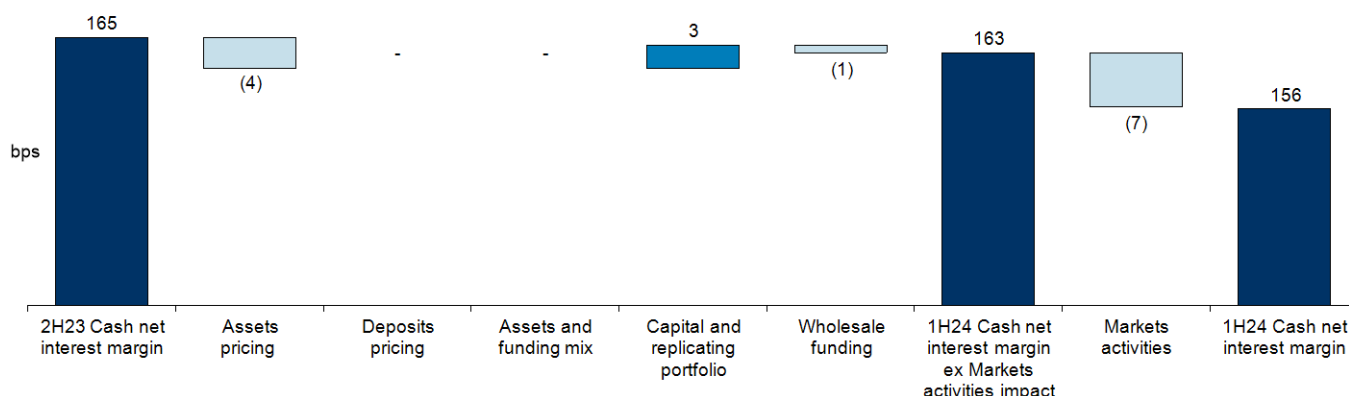
Average interest earning assets increased \$42.6 billion (4%) driven by:

- Average trading assets and investment securities increased \$26.6 billion (21%) driven by higher liquid assets and the impact of foreign currency translation.
- Average net loans and advances increased \$14.7 billion (2%) driven by lending growth across the Australia Retail, Australia Commercial, and New Zealand divisions and the impact of foreign currency translation. This was partially offset by a decrease in the Institutional division.
- Average cash and other liquid assets increased \$1.3 billion (1%) driven by higher reverse repurchase agreements and higher settlement balances owed to ANZ, partially offset by lower central bank balances.

Average deposits and other borrowings

- Average deposits and other borrowings increased \$33.6 billion (4%) driven by higher term deposits, certificates of deposit, commercial paper, and the impact of foreign currency translation. This was partially offset by lower at-call deposits.

Group net interest margin - March 2024 Half Year v September 2023 Half Year



March 2024 v September 2023

Net interest margin (-9 bps)

- Assets pricing (-4 bps): driven by pricing competition in the Australia Retail and Australia Commercial divisions.
- Deposits pricing (0 bps): driven by favourable at-call deposit margins, offset by lower margin on term deposits.
- Assets and funding mix (0 bps): driven by unfavourable deposit mix with a shift towards lower margin term deposits, offset by favourable asset mix in the Australia Retail division, and favourable divisional mix primarily driven by higher contribution by the Australia Commercial division.
- Capital and replicating portfolio (+3 bps): driven by higher interest rates, partially offset by lower volumes.
- Wholesale funding (-1 bps): driven by higher wholesale funding rates including the impact of partial maturity of the TFF.
- Markets activities (-7 bps): lower net interest income was driven by higher funding costs, primarily on commodity assets where the related revenues are recognised as Other operating income, and higher liquid assets held in Markets.

Average interest earning assets

Average interest earning assets increased \$38.4 billion (4%) driven by:

- Average trading assets and investment securities increased \$25.6 billion (20%) driven by higher Markets activities and the impact of foreign currency translation.
- Average net loans and advances increased \$13.8 billion (2%) driven by lending growth across the Australia Retail, Australia Commercial, and New Zealand divisions and the impact of foreign currency translation.
- Average cash and other liquid assets decreased \$0.9 billion driven by lower central bank balances, partially offset by higher reverse repurchase agreements, and higher settlement balances owed to ANZ.

Average deposits and other borrowings

- Average deposits and other borrowings increased \$36.3 billion (4%) driven by growth in term deposits, at-call deposits, commercial paper, and the impact of foreign currency translation.

Cash Other Operating Income

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Net fee and commission income ¹	919	972	890	-5%	3%
Markets other operating income	1,276	938	985	36%	30%
Share of associates' profit/(loss)	84	120	101	-30%	-17%
Other ¹	169	261	64	-35%	large
Total	2,448	2,291	2,040	7%	20%

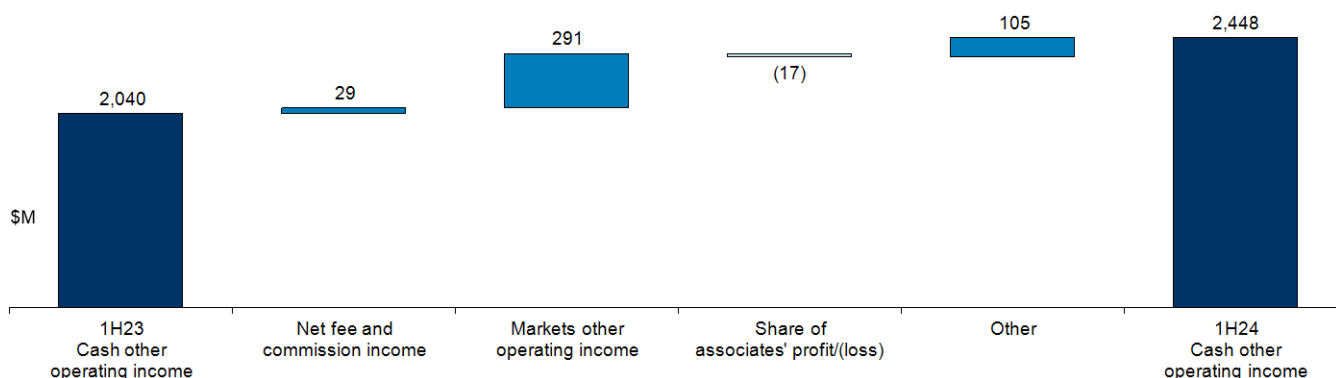
	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Other operating income by division					
Australia Retail	301	374	296	-20%	2%
Australia Commercial	169	190	175	-11%	-3%
Institutional	1,687	1,321	1,373	28%	23%
New Zealand	208	210	199	-1%	5%
Pacific	44	45	40	-2%	10%
Group Centre	39	151	(43)	-74%	large
Total	2,448	2,291	2,040	7%	20%

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Markets income					
Net interest income ²	(64)	20	164	large	large
Other operating income ²	1,276	938	985	36%	30%
Total	1,212	958	1,149	27%	5%

¹ Excluding the Markets business unit.

² Net interest income included funding costs in the Franchise trading book, primarily on commodity assets, where the related revenue is recognised as Other operating income.

Other operating income - March 2024 Half Year v March 2023 Half Year



• **March 2024 v March 2023**

Other operating income increased \$408 million (20%).

Net fee and commission income

Net fee and commission income increased \$29 million (3%) driven by:

- \$16 million increase in the Institutional division (excluding Markets) driven by higher transaction activity in Corporate Finance.
- \$12 million increase in the Australia Retail division driven by higher cards revenue.
- \$10 million increase in the Group Centre division driven by higher Cashrewards revenue.
- \$16 million decrease in the Australia Commercial division driven by a decrease in non-lending fees.

Markets income

Markets income increased \$63 million (5%) with a \$291 million increase in Other operating income, partially offset by a \$228 million decrease in Net interest income. The decrease in Net interest income was driven by higher funding costs in the Franchise trading book, primarily on commodity assets, where the related customer revenues are recognised as Other operating income. The net \$63 million increase was attributable to the following business activities:

- \$112 million increase in Franchise Revenue was driven by Rates, Commodities, and Credit and Capital Markets, partially offset by Foreign Exchange. Rates revenue increased due to higher customer demand for hedging and financing solutions, and trading gains amid lower interest rate volatility. Commodities revenue increased due to more favourable trading conditions and sustained customer demand for hedging solutions, notably precious metals. Credit and Capital Markets revenue increased due to increased customer issuance activity in a more stable environment, and credit spreads generally tightened resulting in trading gains. This was partially offset by a decrease in Foreign Exchange revenue as moderating volatility and less directional trends in key currency pairs than the March 2023 half resulted in reduced customer demand and lower trading gains.
- \$23 million increase in Derivative Valuation Adjustments from gains (net of hedges) from tightening credit and funding spreads, and lower currency and interest rate volatility.
- \$72 million decrease in Balance Sheet arising from lower net interest income from fewer short-term interest rate increases than the March 2023 half.

Share of associates' profit/(loss)

- Share of associates' profit/(loss) decreased \$17 million (17%) driven by a decrease in P.T. Bank Pan Indonesia (PT Panin) (\$25 million), partially offset by increases in Worldline Australia Pty Ltd (Worldline) and AMMB Holdings Berhad (AmBank).

Other

Other income increased \$105 million driven by:

- \$89 million increase in the Group Centre division driven by:
 - \$49 million increase from unfavourable valuation adjustments in the March 2023 half from investments measured at fair value through profit or loss,
 - \$43 million increase from a loss on disposal of data centres in Australia in the March 2023 half,
 - \$20 million increase from a gain on recycling of foreign currency translation reserves (FCTR) from other comprehensive income to profit or loss on dissolution of a number of international entities, and
 - \$21 million decrease from a loss on partial disposal of investment in AmBank (\$21 million).
- \$10 million increase in the Australia Commercial division driven by higher income for services provided to Worldline.

- **March 2024 v September 2023**

Other operating income increased \$157 million (7%).

Net fee and commission income

Net fee and commission income decreased \$53 million (5%) driven by:

- \$64 million decrease in the Australia Retail division driven by lower cards revenue due to timing of recognition of cards incentives and seasonality of fees.
- \$14 million decrease in the Australia Commercial division driven by a decrease in non-lending fees.
- \$18 million increase in the Institutional division (excluding Markets) driven by higher transaction activity in Corporate Finance.

Markets income

Markets income increased \$254 million (27%) with a \$338 million increase in Other operating income, partially offset by an \$84 million decrease in Net interest income. The decrease in Net interest income was driven by higher funding costs in the Franchise trading book, primarily on commodity assets, where the related customer revenues are recognised as Other operating income. The net \$254 million increase was attributable to the following business activities:

- \$199 million increase in Franchise Revenue across all business lines. Commodities revenue increased due to more favourable trading conditions and increased customer demand for hedging solutions, notably in precious metals. Credit and Capital Markets revenue increased due to higher customer issuance activity in a more stable environment, and credit spreads tightening over the half resulted in trading gains. Rates revenue increased due to higher customer demand for both hedging and financing solutions, and trading gains amid lower rates volatility. Foreign Exchange revenues increased amid favourable trading conditions, though moderating volatility and less directional trends in key currency pairs resulted in lower customer demand for hedging in certain geographies.
- \$41 million increase in Derivative Valuation Adjustments from gains (net of hedges) from tightening credit and funding spreads, and lower currency and interest rate volatility.
- \$14 million increase in Balance Sheet primarily driven by higher investment securities volumes.

Share of associates' profit/(loss)

- Share of associates' profit/(loss) decreased \$36 million (30%) driven by decreases in PT Panin (\$36 million) and Worldline, partially offset by an increase in AmBank.

Other

Other income decreased \$92 million (35%) driven by:

- \$76 million decrease in the Group Centre division driven by:
 - \$23 million decrease from a favourable adjustment to the gain on sale relating to the completed UDC Finance divestment in the September 2023 half,
 - \$23 million decrease from the lower gain from recycling of FCTR from other comprehensive income to profit or loss on dissolution of a number of international entities, and
 - \$21 million decrease from a loss on partial disposal of investment in AmBank.
- \$7 million decrease in Australia Commercial division driven by a gain on sale of Investment Lending business in the September 2023 half.

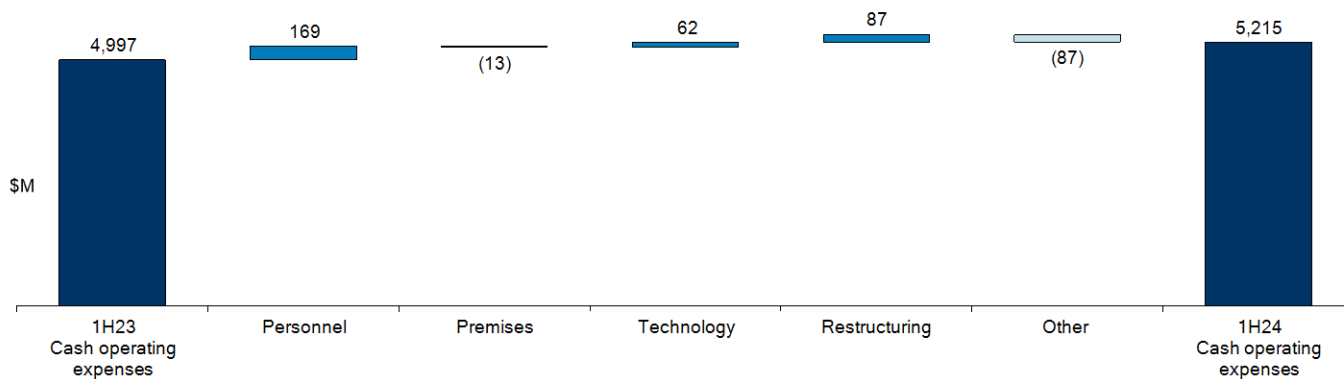
Cash Operating Expenses

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Personnel	3,062	2,869	2,893	7%	6%
Premises	321	324	334	-1%	-4%
Technology	898	864	836	4%	7%
Restructuring	141	115	54	23%	large
Other	793	970	880	-18%	-10%
Total	5,215	5,142	4,997	1%	4%

Operating expenses by division	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Australia Retail	1,735	1,758	1,703	-1%	2%
Australia Commercial	763	738	685	3%	11%
Institutional	1,444	1,388	1,340	4%	8%
New Zealand	677	665	634	2%	7%
Pacific	70	71	74	-1%	-5%
Group Centre	526	522	561	1%	-6%
Total	5,215	5,142	4,997	1%	4%

FTE by division	Half Year			Movement	
	Mar 24	Sep 23	Mar 23	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Australia Retail	11,383	11,313	11,199	1%	2%
Australia Commercial	3,442	3,514	3,607	-2%	-5%
Institutional	6,310	6,366	6,314	-1%	0%
New Zealand	6,754	6,766	6,785	0%	0%
Pacific	972	1,013	1,037	-4%	-6%
Group Centre	11,401	11,370	10,860	0%	5%
Total FTE	40,262	40,342	39,802	0%	1%
Average FTE	40,392	40,125	39,589	1%	2%

Operating expenses - March 2024 Half Year v March 2023 Half Year



• **March 2024 v March 2023**

Operating expenses increased \$218 million (4%).

- Personnel expenses increased \$169 million (6%) driven by inflationary impacts on wages and higher resourcing associated with strategic initiatives. This was partially offset by productivity and a decrease in employee leave provisions.
- Technology expenses increased \$62 million (7%) driven by higher software licence costs, and inflationary impacts on vendor costs, partially offset by benefits from technology simplification.
- Restructuring expenses increased \$87 million driven by operational changes across all divisions.
- Other expenses decreased \$87 million (10%) driven by benefits from productivity initiatives.

• **March 2024 v September 2023**

Operating expenses increased \$73 million (1%).

- Personnel expenses increased \$193 million (7%) driven by inflationary impacts on wages including an increase in employee leave provisions, partially offset by productivity initiatives.
- Technology expenses increased \$34 million (4%) driven by higher software licence costs, and inflationary impacts on vendor costs, partially offset by benefits from technology simplification.
- Restructuring expenses increased \$26 million (23%) driven by operational changes across all divisions.
- Other expenses decreased \$177 million (18%) driven by benefits from productivity initiatives, Compensation Scheme of Last Resort levy incurred in the September 2023 half and seasonal factors.

Software Capitalisation

Capitalised software comprises both costs incurred to develop software and costs to acquire software. These costs are capitalised as intangible assets and amortised over the expected useful lives. Details are presented in the table below:

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Balance at start of period	919	877	896	5%	3%
Software capitalised during the period	146	199	143	-27%	2%
Amortisation during the period	(151)	(157)	(163)	-4%	-7%
Software impaired/written-off	(9)	-	-	n/a	n/a
Foreign currency translation	-	-	1	n/a	large
Total capitalised software	905	919	877	-2%	3%

Capitalised software by division

	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Australia Retail	117	125	132	-6%	-11%
Australia Commercial	113	104	86	9%	31%
Institutional	453	433	415	5%	9%
New Zealand	13	35	14	-63%	-7%
Group Centre	209	222	230	-6%	-9%
Total capitalised software	905	919	877	-2%	3%

Credit Risk

The Group's assessment of expected credit losses (ECL) from its credit portfolio is subject to judgements and estimates made by management based on a variety of internal and external information, as well as the Group's experience of the performance of the portfolio under a variety of conditions. Refer to Note 1 of the Condensed Consolidated Financial Statements for further information.

Credit impairment charge/(release)

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Collectively assessed credit impairment charge/(release)	32	(11)	163	large	-80%
Individually assessed credit impairment charge/(release)	38	123	(30)	-69%	large
Total credit impairment charge/(release)	70	112	133	-38%	-47%

Credit impairment charge/(release) analysis

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
New and increased provisions (net of releases)					
- Collectively assessed	32	(11)	163	large	-80%
- Individually assessed	201	239	237	-16%	-15%
Write-backs	(85)	(50)	(166)	70%	-49%
Recoveries of amounts previously written-off	(78)	(66)	(101)	18%	-23%
Total credit impairment charge/(release)	70	112	133	-38%	-47%

Credit impairment charge/(release) by division

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Collectively assessed					
Australia Retail	(6)	5	50	large	large
Australia Commercial	9	8	57	13%	-84%
Institutional	43	(36)	5	large	large
New Zealand	(10)	20	66	large	large
Pacific	(4)	(7)	(15)	-43%	-73%
Group Centre	-	(1)	-	large	n/a
Total collectively assessed	32	(11)	163	large	-80%
Individually assessed					
Australia Retail	49	48	32	2%	53%
Australia Commercial	26	33	9	-21%	large
Institutional	(49)	30	(79)	large	-38%
New Zealand	14	17	9	-18%	56%
Pacific	(2)	(5)	(1)	-60%	large
Total individually assessed	38	123	(30)	-69%	large
Total credit impairment charge/(release)					
Australia Retail	43	53	82	-19%	-48%
Australia Commercial	35	41	66	-15%	-47%
Institutional	(6)	(6)	(74)	0%	-92%
New Zealand	4	37	75	-89%	-95%
Pacific	(6)	(12)	(16)	-50%	-63%
Group Centre	-	(1)	-	large	n/a
Total credit impairment charge/(release)	70	112	133	-38%	-47%

Credit impairment charge/(release) by division, cont'd

	Collectively assessed				Individually assessed			
	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
March 2024 Half Year								
Australia Retail	13	(42)	23	(6)	91	(42)	49	43
Australia Commercial	10	(9)	8	9	58	(32)	26	35
Institutional	-	9	34	43	21	(70)	(49)	(6)
New Zealand	11	(30)	9	(10)	30	(16)	14	4
Pacific	2	(2)	(4)	(4)	1	(3)	(2)	(6)
Group Centre	-	-	-	-	-	-	-	-
Total	36	(74)	70	32	201	(163)	38	70
September 2023 Half Year								
Australia Retail	12	13	(20)	5	98	(50)	48	53
Australia Commercial	59	(54)	3	8	65	(32)	33	41
Institutional	36	(63)	(9)	(36)	42	(12)	30	(6)
New Zealand	(1)	18	3	20	32	(15)	17	37
Pacific	5	(5)	(7)	(7)	2	(7)	(5)	(12)
Group Centre	(1)	-	-	(1)	-	-	-	(1)
Total	110	(91)	(30)	(11)	239	(116)	123	112
March 2023 Half Year								
Australia Retail	(39)	78	11	50	94	(62)	32	82
Australia Commercial	(2)	75	(16)	57	62	(53)	9	66
Institutional	43	(31)	(7)	5	57	(136)	(79)	(74)
New Zealand	(2)	58	10	66	21	(12)	9	75
Pacific	(1)	(8)	(6)	(15)	3	(4)	(1)	(16)
Group Centre	-	-	-	-	-	-	-	-
Total	(1)	172	(8)	163	237	(267)	(30)	133

Collectively assessed credit impairment charge/(release)

- March 2024 v March 2023**

The collectively assessed impairment charge of \$32 million for the March 2024 half was driven by deterioration in the credit risk profile across all divisions, deterioration in economic outlook and portfolio growth, partially offset by reduction in management temporary adjustments as anticipated risks are now represented in portfolio credit profiles.

The collectively assessed impairment charge of \$163 million for the March 2023 half was driven by deterioration in economic outlook, a net increase in management temporary adjustments, and deterioration in credit risk. This was partially offset by an improvement in portfolio composition, particularly in the Institutional division.

- March 2024 v September 2023**

The collectively assessed impairment charge of \$32 million for the March 2024 half was driven by deterioration in the credit risk profile across all divisions, deterioration in economic outlook and portfolio growth, partially offset by reduction in management temporary adjustments as anticipated risks are now represented in portfolio credit profiles.

The collectively assessed impairment release of \$11 million for the September 2023 half was driven by a net reduction in management temporary adjustments, and an improvement in portfolio composition, particularly in the Institutional division. This was partially offset by deterioration in economic outlook, and deterioration in credit risk.

Individually assessed credit impairment charge/(release)

- March 2024 v March 2023**

The individually assessed credit impairment charge increased \$68 million driven by increases in the Institutional division due to a large number of write-backs in the March 2023 half partially offset by lower impairments (\$30 million), the Australia Retail division due to lower write-backs in the home loan portfolio and lower recoveries in the unsecured portfolios (\$17 million), and the Australia Commercial division due to lower write-backs in the SME Banking portfolio (\$17 million).

- March 2024 v September 2023**

The individually assessed credit impairment charge decreased \$85 million (69%) driven by the Institutional division due to lower impairments and higher write-backs and recoveries (\$79 million), and the Australia Commercial and New Zealand divisions due to lower impairments (\$10 million).

Allowance for expected credit losses¹

	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Collectively assessed allowance for ECL	4,046	4,032	4,040	0%	0%
Individually assessed allowance for ECL	325	376	421	-14%	-23%
Total allowance for ECL	4,371	4,408	4,461	-1%	-2%
Net loans and advances at amortised cost	3,489	3,546	3,658	-2%	-5%
Off-balance sheet commitments - undrawn and contingent	849	827	774	3%	10%
Investment securities - debt securities at amortised cost	33	35	29	-6%	14%
Total allowance for ECL	4,371	4,408	4,461	-1%	-2%

Allowance for expected credit losses by division¹

	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Collectively assessed					
Australia Retail	948	954	949	-1%	0%
Australia Commercial	1,050	1,041	1,033	1%	2%
Institutional	1,458	1,425	1,451	2%	0%
New Zealand	542	560	543	-3%	0%
Pacific	48	52	63	-8%	-24%
Group Centre	-	-	1	n/a	large
Total collectively assessed	4,046	4,032	4,040	0%	0%
Individually assessed					
Australia Retail	61	63	68	-3%	-10%
Australia Commercial	121	127	149	-5%	-19%
Institutional	88	126	129	-30%	-32%
New Zealand	38	40	47	-5%	-19%
Pacific	17	20	28	-15%	-39%
Group Centre	-	-	-	n/a	n/a
Total individually assessed	325	376	421	-14%	-23%
Allowance for ECL					
Australia Retail	1,009	1,017	1,017	-1%	-1%
Australia Commercial	1,171	1,168	1,182	0%	-1%
Institutional	1,546	1,551	1,580	0%	-2%
New Zealand	580	600	590	-3%	-2%
Pacific	65	72	91	-10%	-29%
Group Centre	-	-	1	n/a	large
Total allowance for ECL	4,371	4,408	4,461	-1%	-2%

¹ Includes allowance for ECL for Net loans and advances - at amortised cost, Investment securities - debt securities at amortised cost and Off-balance sheet commitments - undrawn and contingent facilities. For Investment securities - debt securities at FVOCI, the allowance for ECL is recognised in Other comprehensive income with a corresponding charge to profit or loss.

Allowance for expected credit losses by division, cont'd¹

	Collectively assessed				Individually assessed	
	Stage 1 \$M	Stage 2 \$M	Stage 3 \$M	Total \$M	Stage 3 \$M	Total \$M
As at March 2024						
Australia Retail	131	631	186	948	61	1,009
Australia Commercial	420	522	108	1,050	121	1,171
Institutional	1,197	218	43	1,458	88	1,546
New Zealand	148	315	79	542	38	580
Pacific	22	19	7	48	17	65
Group Centre	-	-	-	-	-	-
Total	1,918	1,705	423	4,046	325	4,371
As at September 2023						
Australia Retail	118	674	162	954	63	1,017
Australia Commercial	410	531	100	1,041	127	1,168
Institutional	1,205	210	10	1,425	126	1,551
New Zealand	139	351	70	560	40	600
Pacific	20	20	12	52	20	72
Group Centre	-	-	-	-	-	-
Total	1,892	1,786	354	4,032	376	4,408
As at March 2023						
Australia Retail	107	660	182	949	68	1,017
Australia Commercial	350	586	97	1,033	149	1,182
Institutional	1,159	274	18	1,451	129	1,580
New Zealand	141	333	69	543	47	590
Pacific	16	28	19	63	28	91
Group Centre	1	-	-	1	-	1
Total	1,774	1,881	385	4,040	421	4,461

¹ Includes allowance for ECL for Net loans and advances - at amortised cost, Investment securities - debt securities at amortised cost and Off-balance sheet commitments - undrawn and contingent facilities. For Investment securities - debt securities at FVOCI, the allowance for ECL is recognised in Other comprehensive income with a corresponding charge to profit or loss.

Allowance for expected credit losses

- March 2024 v March 2023**

Total allowance for ECL decreased \$90 million (2%) driven by a \$96 million decrease in the individually assessed allowance for ECL, partially offset by a \$6 million increase in the collectively assessed allowance for ECL. The decrease in individually assessed allowance for ECL was driven by decreases across all divisions as new provisions remained low, and continued write-back and recovery activity. The increase in collectively assessed allowance for ECL was driven by \$199 million from deterioration in credit risk profile across all divisions, \$76 million from deterioration in economic outlook particularly in the September 2023 half, and \$35 million from portfolio growth. This was partially offset by a \$289 million reduction in management temporary adjustments, as anticipated risks are now represented in portfolio credit profiles, and \$15 million reduction from foreign currency translation and other impacts.

- March 2024 v September 2023**

Total allowance for ECL decreased \$37 million (1%) driven by a \$51 million decrease in the individually assessed allowance for ECL, partially offset by a \$14 million increase in the collectively assessed allowance for ECL. The decrease in individually assessed allowance for ECL was predominantly driven by the Institutional division as new provisions remained low, and continued write-back and recovery activity. The increase in collectively assessed allowance for ECL was driven by \$169 million from deterioration in credit risk, \$63 million from portfolio growth, and \$5 million from deterioration in economic outlook. This was partially offset by a \$205 million reduction in management temporary adjustments, as anticipated risks are now represented in portfolio credit profiles, and \$18 million from foreign currency translation and other impacts.

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 by removing 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*.

Long-run loss as a % of gross lending assets by division	As at		
	Mar 24	Sep 23	Mar 23
Australia Retail	0.09%	0.10%	0.11%
Australia Commercial	0.53%	0.52%	0.53%
New Zealand	0.13%	0.12%	0.10%
Institutional	0.21%	0.19%	0.19%
Total Group	0.18%	0.17%	0.17%

Non-Performing Credit Exposures

	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Impaired loans ¹	880	1,037	804	-15%	9%
Restructured items ²	589	437	382	35%	54%
Non-performing commitments, contingencies and derivatives ¹	49	47	24	4%	large
Gross impaired assets	1,518	1,521	1,210	0%	25%
Non-performing credit exposures not impaired ¹	4,495	3,500	3,089	28%	46%
Total non-performing credit exposures³	6,013	5,021	4,299	20%	40%
Gross impaired assets by division					
Australia Retail	669	520	415	29%	61%
Australia Commercial	261	248	288	5%	-9%
Institutional	437	562	302	-22%	45%
New Zealand	119	122	100	-2%	19%
Pacific	32	69	105	-54%	-70%
Gross impaired assets	1,518	1,521	1,210	0%	25%
Gross impaired assets by size of exposure					
Less than \$10 million	1,095	999	956	10%	15%
\$10 million to \$100 million	262	113	123	large	large
Greater than \$100 million	161	409	131	-61%	23%
Gross impaired assets	1,518	1,521	1,210	0%	25%
Individually assessed provisions					
Impaired loans	(320)	(366)	(414)	-13%	-23%
Non-performing commitments, contingencies and derivatives	(5)	(10)	(7)	-50%	-29%
Net impaired assets	1,193	1,145	789	4%	51%

¹ Impaired loans and non-performing commitments, contingencies and derivatives do not include exposures that are collectively assessed for Stage 3 ECL, which comprise unsecured retail exposures of 90+ days past due and defaulted but well secured wholesale and retail exposures. These collectively assessed exposures are included in Non-performing credit exposures not impaired.

² Restructured items are facilities where the original contractual terms have been modified for reasons related to the financial difficulties of the customer and are collectively assessed for Stage 3 ECL. 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.

³ Non-performing credit exposures are aligned with the definition in APS220 Credit Risk Management.

• **March 2024 v March 2023**

Gross impaired assets increased \$308 million (25%) driven by increases in the Australia Retail division due to increase in restructured home loan facilities (\$254 million), and the Institutional division due to the downgrade of several single name collateralised exposures in the September 2023 half (\$135 million). This was partially offset by decreases in the Pacific division due to upgrade of restructured exposures (\$73 million), and the Australia Commercial division due to low impairments in the current period (\$27 million).

Non-performing credit exposures not impaired increased \$1,406 million (46%) driven by defaults on well secured mortgages in the Australia Retail and New Zealand divisions where 90+ days past due delinquency rates have increased, and several large fully secured exposures in the Institutional division downgraded to defaulted.

• **March 2024 v September 2023**

Gross impaired assets decreased \$3 million driven by decreases in the Institutional division due to a customer upgrade and limit reduction on several customers (\$125 million), and the Pacific division due to upgrade of restructured exposures (\$37 million). This was offset by increases in the Australia Retail division due to increase in restructured home loan facilities (\$149 million), and the Australia Commercial division due to downgrades in the SME Banking portfolio (\$13 million).

Non-performing credit exposures not impaired increased \$995 million (28%) driven by defaults on well secured mortgages in the Australia Retail and New Zealand divisions where 90+ days past due delinquency rates have increased, and several large fully secured exposures in the Institutional division downgraded to defaulted.

The Group's individually assessed provision coverage ratio on impaired assets was 21.4% at 31 March 2024 (Sep 23: 24.7%; Mar 23: 34.8%).

New Impaired Assets

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Impaired loans ¹	359	627	405	-43%	-11%
Restructured items ²	269	162	122	66%	large
Non-performing commitments and contingencies ¹	2	40	11	-95%	-82%
Total new impaired assets	630	829	538	-24%	17%
New impaired assets by division					
Australia Retail	323	276	221	17%	46%
Australia Commercial	122	93	93	31%	31%
Institutional	98	369	156	-73%	-37%
New Zealand	84	85	63	-1%	33%
Pacific	3	6	5	-50%	-40%
Total new impaired assets	630	829	538	-24%	17%

¹ Impaired loans and non-performing commitments and contingencies do not include exposures that are collectively assessed for Stage 3 ECL, which comprise unsecured retail exposures of 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 and are collectively assessed for Stage 3 ECL. 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.

• **March 2024 v March 2023**

New impaired assets increased \$92 million (17%) driven by increases in the Australia Retail division due to increase in restructured home loan facilities (\$102 million), the Australia Commercial division due to increase in the SME Banking portfolio and well collateralised Agri exposures (\$29 million), and the New Zealand division due to increases across all portfolios (\$21 million). This was partially offset by the Institutional division with a lower number of downgrades occurring in the current period (\$58 million).

• **March 2024 v September 2023**

New impaired assets decreased \$198 million (24%) driven by decreases in the Institutional division due to the downgrade of several single name collateralised exposures in the September 2023 half (\$271 million). This was partially offset by increases in the Australia Retail division due to increase in restructured home loan facilities (\$47 million), and the Australia Commercial division due to increase in the SME Banking portfolio and well collateralised Agri exposures (\$29 million).

Ageing analysis of net loans and advances that are past due but not impaired

	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
1-29 days	6,927	7,223	6,213	-4%	11%
30-59 days	2,337	1,809	1,965	29%	19%
60-89 days	1,234	1,146	759	8%	63%
90+ days	3,490	2,841	2,502	23%	39%
Total	13,988	13,019	11,439	7%	22%

• **March 2024 v March 2023**

Net loans and advances past due but not impaired increased \$2,549 million (22%) with increases across all ageing categories driven by home loan portfolios in the Australia Retail and New Zealand divisions.

• **March 2024 v September 2023**

Net loans and advances past due but not impaired increased \$969 million (7%) with increases across the 30+ days ageing categories driven by home loan portfolios in the Australia Retail and New Zealand divisions.

Cash Income Tax Expense

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Income tax expense from cash profit	1,496	1,513	1,567	-1%	-5%
Effective tax rate	29.6%	29.6%	29.0%		

- March 2024 v March 2023**

The effective tax rate increased from 29.0% to 29.6%. The increase of 60 bps was driven by higher non-deductible interest on convertible instruments (56 bps), higher prior period adjustments (20 bps), lower equity accounted earnings (8 bps), and higher withholding tax expense on foreign dividends (8 bps). This was partially offset by various other small items (32 bps).

- March 2024 v September 2023**

The effective tax rate remained flat at 29.6%. The increase from higher non-deductible interest on convertible instruments (21 bps), lower equity accounted earnings (19 bps), and higher prior period adjustments (16 bps), was offset by higher offshore earnings that attract a lower rate of tax (41 bps), and various other small items (15 bps).

Impact of Foreign Currency Translation

The following tables present the Group's comparative cash profit results, net loans and advances and customer deposits neutralised for the impact of foreign currency translation. 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.

March 2024 Half Year v March 2023 Half Year

	Half Year				Movement	
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX adjusted
	Mar 24 \$M	Mar 23 \$M	Mar 23 \$M	Mar 23 \$M	Mar 24 v. Mar 23	Mar 24 v. Mar 23
Net interest income	7,899	8,500	37	8,537	-7%	-7%
Other operating income	2,448	2,040	(36)	2,004	20%	22%
Operating income	10,347	10,540	1	10,541	-2%	-2%
Operating expenses	(5,215)	(4,997)	(19)	(5,016)	4%	4%
Cash profit before credit impairment and income tax	5,132	5,543	(18)	5,525	-7%	-7%
Credit impairment (charge)/release	(70)	(133)	(3)	(136)	-47%	-49%
Cash profit before income tax	5,062	5,410	(21)	5,389	-6%	-6%
Income tax expense	(1,496)	(1,567)	7	(1,560)	-5%	-4%
Non-controlling interests	(14)	(14)	-	(14)	0%	0%
Cash profit	3,552	3,829	(14)	3,815	-7%	-7%
Cash profit/(loss) by division						
Australia Retail	794	1,064	-	1,064	-25%	-25%
Australia Commercial	665	739	-	739	-10%	-10%
Institutional	1,522	1,589	8	1,597	-4%	-5%
New Zealand	791	771	9	780	3%	1%
Pacific	31	34	-	34	-9%	-9%
Group Centre	(251)	(368)	(31)	(399)	-32%	-37%
Cash profit	3,552	3,829	(14)	3,815	-7%	-7%
Net loans and advances by division						
Australia Retail	322,364	300,581	-	300,581	7%	7%
Australia Commercial	63,874	59,911	-	59,911	7%	7%
Institutional	206,268	208,265	1,202	209,467	-1%	-2%
New Zealand	121,625	120,262	(2,466)	117,796	1%	3%
Pacific	1,678	1,661	16	1,677	1%	0%
Group Centre	(638)	(593)	-	(593)	8%	8%
Net loans and advances	715,171	690,087	(1,248)	688,839	4%	4%
Customer deposits by division						
Australia Retail	172,312	156,374	-	156,374	10%	10%
Australia Commercial	116,463	113,011	-	113,011	3%	3%
Institutional	249,169	278,089	2,777	280,866	-10%	-11%
New Zealand	99,779	97,958	(2,009)	95,949	2%	4%
Pacific	3,657	3,562	36	3,598	3%	2%
Group Centre	(290)	(367)	-	(367)	-21%	-21%
Customer deposits	641,090	648,627	804	649,431	-1%	-1%

March 2024 Half Year v September 2023 Half Year

	Half Year				Movement	
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX adjusted
	Mar 24 \$M	Sep 23 \$M	Sep 23 \$M	Sep 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Sep 23
Net interest income	7,899	8,074	14	8,088	-2%	-2%
Other operating income	2,448	2,291	(26)	2,265	7%	8%
Operating income	10,347	10,365	(12)	10,353	0%	0%
Operating expenses	(5,215)	(5,142)	(7)	(5,149)	1%	1%
Cash profit before credit impairment and income tax	5,132	5,223	(19)	5,204	-2%	-1%
Credit impairment (charge)/release	(70)	(112)	1	(111)	-38%	-37%
Cash profit before income tax	5,062	5,111	(18)	5,093	-1%	-1%
Income tax expense	(1,496)	(1,513)	5	(1,508)	-1%	-1%
Non-controlling interests	(14)	(14)	-	(14)	0%	0%
Cash profit	3,552	3,584	(13)	3,571	-1%	-1%
Cash profit/(loss) by division						
Australia Retail	794	874	-	874	-9%	-9%
Australia Commercial	665	701	-	701	-5%	-5%
Institutional	1,522	1,360	3	1,363	12%	12%
New Zealand	791	775	4	779	2%	2%
Pacific	31	37	-	37	-16%	-16%
Group Centre	(251)	(163)	(20)	(183)	54%	37%
Cash profit	3,552	3,584	(13)	3,571	-1%	-1%
Net loans and advances by division						
Australia Retail	322,364	312,249	-	312,249	3%	3%
Australia Commercial	63,874	61,557	-	61,557	4%	4%
Institutional	206,268	210,234	(708)	209,526	-2%	-2%
New Zealand	121,625	121,824	(1,795)	120,029	0%	1%
Pacific	1,678	1,684	-	1,684	0%	0%
Group Centre	(638)	(504)	-	(504)	27%	27%
Net loans and advances	715,171	707,044	(2,503)	704,541	1%	2%
Customer deposits by division						
Australia Retail	172,312	164,786	-	164,786	5%	5%
Australia Commercial	116,463	113,408	-	113,408	3%	3%
Institutional	249,169	266,462	(1,377)	265,085	-6%	-6%
New Zealand	99,779	99,076	(1,460)	97,616	1%	2%
Pacific	3,657	3,719	(3)	3,716	-2%	-2%
Group Centre	(290)	(332)	-	(332)	-13%	-13%
Customer deposits	641,090	647,119	(2,840)	644,279	-1%	0%

Earnings Related Hedges

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 Rest of World geography. Details of these hedges are set out below.

	Half Year		
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M
NZD Economic hedges			
Net open NZD position (notional principal) ^{1,2}	3,071	3,050	3,011
Amount taken to income (pre-tax statutory basis) ³	23	(7)	(148)
Amount taken to income (pre-tax cash basis) ⁴	(34)	(13)	16
USD Economic hedges			
Net open USD position (notional principal) ^{1,2}	967	906	750
Amount taken to income (pre-tax statutory basis) ³	6	(29)	28
Amount taken to income (pre-tax cash basis) ⁴	(12)	(11)	(20)

^{1.} Value in AUD at contracted rate.

^{2.} The following hedges were in place to partially hedge future earnings against adverse movements in exchange rates, at a NZD forward rate of NZD 1.09/AUD as at 31 March 2024 (Sep 23: NZD 1.10/AUD; Mar 23: NZD1.10/AUD), and a USD forward rate of USD 0.67/AUD as at 31 March 2024 (Sep 23: USD 0.68/AUD; Mar 23: USD 0.69/AUD).

	Half Year		
	Mar 24	Sep 23	Mar 23
NZD Economic Hedges			
At period end (NZD billion)	3.4	3.4	3.3
Matured during the period (NZD billion)	1.4	1.4	1.3
USD Economic Hedges			
At period end (USD billion)	0.6	0.6	0.5
Matured during the period (USD billion)	0.2	0.2	0.1

^{3.} Unrealised valuation movement plus realised revenue from matured or closed out hedges.

^{4.} Realised revenue from closed out hedges.

An unrealised gain on the outstanding NZD and USD economic hedges of \$75 million for the March 2024 half (Sep 23 half: \$12 million loss; Mar 23 half: \$116 million loss) was recorded in statutory profit. This unrealised gain is treated as an adjustment to statutory profit in determining cash profit (included within revenue and expense hedge adjustments) as these are hedges of future NZD and USD revenues.

Cash Earnings Per Share

	Half Year			Movement	
	Mar 24	Sep 23	Mar 23	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Cash earnings per share (cents)					
Basic	118.3	119.5	127.9	-1%	-8%
Diluted	116.0	114.8	121.4	1%	-4%
Cash weighted average number of ordinary shares (M)					
Basic	3,001.3	3,000.2	2,994.1	0%	0%
Diluted	3,249.4	3,281.6	3,278.3	-1%	-1%
Cash profit (\$M)	3,552	3,584	3,829	-1%	-7%
Cash profit used in calculating diluted cash earnings per share (\$M)	3,769	3,766	3,979	0%	-5%

Dividends

	Half Year			Movement	
	Mar 24	Sep 23	Mar 23	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Dividend per ordinary share (cents)					
Interim					
- fully franked ¹	-	-	81		
- partially franked ²	83	-	-		
Final					
- partially franked (comprising 81 cents and an additional dividend of 13 cents) ³	-	94	-		
Total	83	94	81	-12%	2%
Ordinary share dividends used in payout ratio (\$M) ^{4,5}	2,496	2,825	2,433		
Cash profit (\$M)	3,552	3,584	3,829	-1%	-7%
Ordinary share dividend payout ratio (cash profit basis)⁵	70.3%	78.8%	63.5%		

¹ 2023 interim dividend was fully franked for Australian tax purposes (30% tax rate) and carried New Zealand imputation credits of NZD 9 cents.

² 2024 proposed interim dividend will be partially franked at 65% for Australian tax purposes (30% tax rate) and carry New Zealand imputation credits of NZD 12 cents.

³ 2023 final dividend was partially franked at 56% for Australian tax purposes (30% tax rate) and carried New Zealand imputation credits of NZD 11 cents.

⁴ Dividend paid to ordinary equity holders of the Company. Excludes dividends paid by subsidiaries to the Group's non-controlling equity holders of \$13 million (Sep 23 half: \$14 million; Mar 23 half: \$13 million).

⁵ Dividend payout ratio is calculated using the proposed 2024 interim dividend of \$2,496 million, based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the September 2023 half and March 2023 half were calculated using actual dividends.

The Directors proposed an interim dividend of 83 cents be paid on each eligible fully paid ANZ ordinary share, partially franked at 65% for Australian taxation purposes. The interim dividend will be paid on 1 July 2024 to owners of ordinary shares at the close of business on 14 May 2024 (record date), and carry New Zealand imputation credits of NZD 12 cents per ordinary share.

Economic Profit

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Statutory profit attributable to shareholders of the Company	3,407	3,551	3,555	-4%	-4%
Adjustments between statutory profit and cash profit	145	33	274	large	-47%
Cash profit	3,552	3,584	3,829	-1%	-7%
Economic credit cost adjustment	(377)	(362)	(333)	4%	13%
Imputation credits	588	553	628	6%	-6%
Economic return	3,763	3,775	4,124	0%	-9%
Cost of capital	(3,433)	(3,325)	(3,267)	3%	5%
Economic profit	330	450	857	-27%	-61%

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.

At a business unit level, capital is allocated based on regulatory capital such that 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, market risk and other risks.

Economic profit is calculated via a series of adjustments to cash profit:

- The economic credit cost adjustment replaces the accounting expected 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, estimated based on 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 at 9.75% with comparative periods restated accordingly).

Economic profit decreased by \$527 million against the March 2023 half, driven by lower cash profit, higher levels of capital (with the cost of capital rate unchanged), unfavourable economic credit cost adjustment and lower imputation credits.

Economic profit decreased by \$120 million against the September 2023 half, driven by lower cash profit, higher levels of capital (with the cost of capital rate unchanged), and unfavourable economic credit cost adjustment, partially offset by higher imputation credits.

Condensed Balance Sheet

	As at			Movement	
	Mar 24 \$B	Sep 23 \$B	Mar 23 \$B	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Assets					
Cash / Settlement balances owed to ANZ / Collateral paid	149.7	186.1	225.1	-20%	-33%
Trading assets and investment securities	160.5	134.4	133.6	19%	20%
Derivative financial instruments	47.5	60.4	45.6	-21%	4%
Net loans and advances	715.2	707.0	690.1	1%	4%
Other	16.8	17.7	16.8	-5%	0%
Total assets	1,089.7	1,105.6	1,111.2	-1%	-2%
Liabilities					
Settlement balances owed by ANZ / Collateral received	22.4	29.7	31.0	-25%	-28%
Deposits and other borrowings	806.7	814.7	842.6	-1%	-4%
Derivative financial instruments	42.7	57.5	46.2	-26%	-8%
Debt issuances	127.1	116.0	106.2	10%	20%
Other	19.7	17.7	15.6	11%	26%
Total liabilities	1,018.6	1,035.6	1,041.6	-2%	-2%
Total shareholders' equity	71.1	70.0	69.6	2%	2%

- March 2024 v March 2023**

- Cash / Settlement balances owed to ANZ / Collateral paid decreased \$75.4 billion (33%) driven by decreases in balances with central banks (\$60.9 billion), overnight interbank deposits (\$10.6 billion), and settlement balances owed to ANZ (\$3.2 billion).
- Trading assets and investment securities increased \$26.9 billion (20%) driven by increases in short term and semi-government bonds.
- Net loans and advances increased \$25.1 billion (4%) driven by increases in the Australia Retail (\$21.8 billion) and New Zealand (\$3.8 billion) divisions due to home loan growth, and the Australia Commercial division (\$4.0 billion) due to higher lending volumes. This was partially offset by lower lending volumes in the Institutional division (\$3.2 billion) and the impact of foreign currency translation.
- Settlement balances owed by ANZ / Collateral received decreased \$8.6 billion (28%) primarily driven by a decrease in cash clearing accounts (\$7.9 billion).
- Deposits and other borrowings decreased \$35.9 billion (4%) driven by decreases in customer deposits in the Institutional division (\$31.7 billion), deposits from banks and repurchase agreements (\$29.6 billion), and certificates of deposit (\$5.6 billion). This was partially offset by higher customer deposits in the Australia Retail (\$15.9 billion), New Zealand (\$3.8 billion) and Australia Commercial (\$3.5 billion) divisions, an increase in commercial paper and other borrowings (\$6.4 billion) and the impact of foreign currency translation.
- Debt issuances increased \$20.9 billion (20%) driven by the issue of new senior and subordinated debt, including ANZ Capital Notes 9 partially offset by the redemption of ANZ Capital Notes 4.

- March 2024 v September 2023**

- Cash / Settlement balances owed to ANZ / Collateral paid decreased \$36.4 billion (20%) driven by decreases in balances with central banks (\$20.1 billion), settlement balances owed to ANZ (\$5.5 billion), overnight interbank deposits (\$5.2 billion), reverse repurchase agreements (\$4.4 billion) and the impact of foreign currency translation.
- Trading assets and investment securities increased \$26.1 billion (19%) driven by increases in short term and semi-government bonds.
- Derivative financial assets and liabilities decreased \$12.9 billion (21%) and \$14.8 billion (26%) respectively driven by market rate movements, primarily decreases in USD swap rates and the depreciation of certain major currencies against the USD.
- Net loans and advances increased \$8.2 billion (1%) driven by increases in the Australia Retail (\$10.1 billion) and New Zealand (\$1.6 billion) divisions due to home loan growth, and the Australia Commercial division (\$2.3 billion) due to higher lending volumes. This was partially offset by lower lending volumes in the Institutional division (\$3.3 billion) and the impact of foreign currency translation.
- Settlement balances owed by ANZ / Collateral received decreased \$7.3 billion (25%) primarily driven by decreases in cash clearing accounts (\$4.2 billion) and lower collateral received (\$2.9 billion).
- Deposits and other borrowings decreased \$8.0 billion (1%) driven by decreases in customer deposits in the Institutional division (\$15.9 billion), deposits from banks and repurchase agreements (\$10.8 billion), certificates of deposit (\$2.8 billion) and the impact of foreign currency translation. This was partially offset by increases in commercial paper and other borrowings (\$12.1 billion), and customer deposits in the Australia Retail (\$7.5 billion), Australia Commercial (\$3.1 billion) and New Zealand (\$2.2 billion) divisions.
- Debt issuances increased \$11.1 billion (10%) driven by the issue of new senior debt and subordinated debt, including ANZ Capital Notes 9 partially offset by the redemption of ANZ Capital Notes 4.

Liquidity Risk

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 relevant Boards.

The Group operates under a non-operating holding company structure whereby:

- ANZBGL's liquidity risk management framework remains unchanged and continues to operate its own liquidity and funding program, governance frameworks and reporting regime reflecting its Authorised Deposit-taking Institution (ADI) operations;
- ANZGHL (parent entity) has no material liquidity risk given the structure and nature of the balance sheet; and
- ANZ Non-Bank Group is not expected to have separate funding arrangements and will rely on ANZGHL for funding.

Furthermore, a separate liquidity policy has been established for ANZGHL and ANZ Bank Group to reflect the differing nature of liquidity risk inherent in each business model. The Group will ensure that ANZGHL and ANZ Non-Bank Group holds sufficient cash reserves to meet operating and financing requirements.

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

• Scenario modelling of funding sources

ANZBGL Group's liquidity risk appetite is defined by the ability to meet a range of regulatory requirements and internal liquidity metrics mandated by the ANZBGL 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.

Key components of this framework are the Liquidity Coverage Ratio (LCR), which is a severe short term liquidity stress scenario, and the Net Stable Funding Ratio (NSFR), a longer term structural liquidity measure, both of which are mandated by banking regulators including APRA.

• Liquid assets

ANZBGL Group holds a portfolio of high quality unencumbered liquid assets in order to protect ANZBGL 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): Eligible securities listed by the RBNZ.

ANZBGL 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 ANZBGL Board.

	Half Year Average ¹			Movement	
	Mar 24 \$B	Sep 23 \$B	Mar 23 \$B	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Market Values Post Discount					
HQLA1	268.2	258.6	253.5	4%	6%
HQLA2	11.6	9.8	9.7	18%	20%
Alternative liquid assets ²	1.9	2.4	2.7	-21%	-30%
Total liquid assets	281.7	270.8	265.9	4%	6%
Cash flows modelled under stress scenario					
Cash outflows	262.8	256.1	268.8	3%	-2%
Cash inflows	51.9	51.4	60.5	1%	-14%
Net cash outflows	210.9	204.7	208.3	3%	1%
Liquidity Coverage Ratio^{3,4}	134%	132%	128%	2%	6%

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 any liquid assets as defined in the RBNZ's Liquidity Policy - Annex: Liquidity Assets - Prudential Supervision Department Document BS13A12.

³ All currency Level 2 LCR.

⁴ LCR remained above the regulatory minimum thresholds throughout the periods.

GROUP RESULTS

Funding

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

During the March 2024 half, the ANZBGL Group issued \$21.2 billion of term wholesale funding¹, \$1.7 billion of APRA compliant Additional Tier 1 Capital and \$0.3 billion of RBNZ compliant Additional Tier 1 Capital.

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

	As at			Movement	
	Mar 24 \$B	Sep 23 \$B	Mar 23 \$B	Mar 24 v. Sep 23	Mar 24 v. Mar 23
ANZ Bank Group					
Customer deposits and other liabilities					
Australia Retail	172.3	164.8	156.4	5%	10%
Australia Commercial	116.5	113.4	113.0	3%	3%
Institutional	249.2	266.5	278.1	-6%	-10%
New Zealand	99.8	99.1	98.0	1%	2%
Pacific	3.7	3.7	3.6	0%	3%
Group Centre	(0.2)	(0.1)	(0.2)	large	0%
Customer deposits	641.3	647.4	648.9	-1%	-1%
Other funding liabilities ²	10.8	11.7	12.4	-8%	-13%
Total customer liabilities (funding)	652.1	659.1	661.3	-1%	-1%
Wholesale funding					
Unsubordinated debt and central bank term funding ³	102.3	94.0	97.1	9%	5%
Subordinated debt ⁴	36.3	33.7	32.7	8%	11%
Certificates of deposit	39.1	41.9	44.5	-7%	-12%
Commercial paper	45.2	33.3	38.8	36%	16%
Other wholesale borrowings ⁵	96.8	113.9	122.5	-15%	-21%
Total wholesale funding	319.7	316.8	335.6	1%	-5%
Shareholders' equity	70.2	69.1	68.6	2%	2%
Total funding	1,042.0	1,045.0	1,065.5	0%	-2%

¹ Excludes unsubordinated debt with shorter tenors (such as 12 to 18 months).

² Includes interest accruals, payables and other liabilities, provisions and net tax provisions, and excludes liability for acceptances as they do not provide net funding.

³ Includes RBA TFF of \$8.1 billion (Sep 23: \$8.1 billion; Mar 23: \$20.1 billion), RBNZ FLP of \$3.2 billion (Sep 23: \$3.2 billion; Mar 23: \$3.2 billion) and TLF of \$0.3 billion (Sep 23: \$0.3 billion; Mar 23: \$0.3 billion).

⁴ Includes subordinated debt issued by ANZ Bank New Zealand Limited which constitutes Tier 2 capital under RBNZ requirements but does not meet the APRA Tier 2 requirements, and USD 300 million perpetual subordinated notes which ceased to be treated as Basel 3 transitional Tier 2 capital under APRA's capital framework from 1 January 2022. The USD 300 million perpetual subordinated notes were redeemed on 31 October 2023.

⁵ Includes borrowings from banks, securities sold under repurchase agreements, net derivative balances, special purpose vehicles and other borrowings.

Net Stable Funding Ratio

The following table shows the Level 2 NSFR composition:

	As at			Movement	
	Mar 24 \$B	Sep 23 \$B	Mar 23 \$B	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Required Stable Funding (RSF)¹					
Retail & small and medium enterprises, corporate loans with 65% RSF factor ²	218.3	213.6	200.5	2%	9%
Retail & small and medium enterprises, corporate loans with 85% RSF factors ²	206.1	208.5	221.3	-1%	-7%
Other lending ³	56.2	54.9	37.2	2%	51%
Liquid assets	15.1	13.8	13.1	9%	15%
Other assets ⁴	46.8	46.8	45.2	0%	4%
Total Required Stable Funding	542.5	537.6	517.3	1%	5%
Available Stable Funding¹					
Retail & small and medium enterprise customer deposits	308.9	301.3	292.9	3%	5%
Corporate, public sector entities & operational deposits	128.5	130.8	136.9	-2%	-6%
Central bank & other financial institution deposits	6.4	7.2	4.7	-11%	36%
Term funding ⁵	81.5	76.0	71.3	7%	14%
Short term funding & other liabilities	12.4	10.3	8.5	20%	46%
Capital	102.7	99.6	99.4	3%	3%
Total Available Stable Funding	640.4	625.2	613.7	2%	4%
Net Stable Funding Ratio⁶	118%	116%	119%	2%	-1%

¹ NSFR factored balance as per APRA Prudential Regulatory Standard APS 210 Liquidity.

² Risk weighting as per APRA Prudential Regulatory Standard APS 112 Capital Adequacy: Standardised Approach to Credit Risk.

³ Includes loans to financial institutions and central banks, and non-performing loans.

⁴ Includes off-balance sheet items, net derivatives and other assets.

⁵ Includes balances from the drawdown of the RBA and RBNZ Funding Facilities (TFF, FLP and TLF).

⁶ The regulatory minimum NSFR is 100%.

Capital Management

The Group's capital management framework includes managing capital at Level 1, Level 2 and ANZGHL Group.

The Group's framework includes managing to Board approved risk appetite settings and maintaining all regulatory requirements. APRA requirements at Level 1 and Level 2 include ANZ operating at or above APRA's expectation for Domestic Systematically Important Banks (D-SIBs).

APRA's authority for ANZGHL to be a non-operating holding company (NOHC) of an ADI includes five conditions for ANZ's capital management framework. Two of these are quantitative requirements being:

- ANZGHL must always ensure that the quality and quantity of the total capital of the Level 3 group is equivalent to, or greater than, the quality and quantity of the sum of the total capital of the consolidated ANZ Bank Group and the consolidated ANZ Non-Bank Group.
- ANZGHL must calculate and manage capital for the ANZ Non-Bank Group in accordance with an Economic Capital Model (ECM), which requires the amount of capital held, in the form of Common Equity Tier 1 (CET1), to be equal to or greater than the capital requirement as calculated under the ECM.

The Group has implemented an ECM to calculate the capital to support the ANZ Non-Bank Group operations. The material risks included in the Non-Bank Group currently are investment risk and fixed asset risk.

The Group's compliance with these two conditions is presented in the following tables:

	ANZ Bank Group ² \$M	ANZ Non-Bank Group \$M	ANZGHL \$M	ANZ Group \$M
As at March 2024				
Allocated equity ¹	70,202	716	156	71,074
Prudential adjustments to allocated equity	(648)	-	-	(648)
Gross Common Equity Tier 1 capital	69,554	716	156	70,426
Deductions	(11,142)	-	-	(11,142)
Common Equity Tier 1 capital	58,412	716	156	59,284
Tier 1 capital	66,709	716	156	67,581
Tier 2 capital	28,223	-	-	28,223
Total qualifying capital	94,932	716	156	95,804

As at September 2023				
Allocated equity ¹	69,085	749	183	70,017
Prudential adjustments to shareholders' equity	(396)	-	-	(396)
Gross Common Equity Tier 1 capital	68,689	749	183	69,621
Deductions	(10,895)	-	-	(10,895)
Common Equity Tier 1 capital	57,794	749	183	58,726
Tier 1 capital	66,026	749	183	66,958
Tier 2 capital	24,959	-	-	24,959
Total qualifying capital	90,985	749	183	91,917

As at March 2023				
Allocated equity ¹	68,596	739	245	69,580
Prudential adjustments to shareholders' equity	(329)	-	-	(329)
Gross Common Equity Tier 1 capital	68,267	739	245	69,251
Deductions	(10,887)	-	-	(10,887)
Common Equity Tier 1 capital	57,380	739	245	58,364
Tier 1 capital	65,564	739	245	66,548
Tier 2 capital	24,068	-	-	24,068
Total qualifying capital	89,632	739	245	90,616

¹ Allocated in accordance with prudential capital management view.

² ANZ Bank Group allocated equity is adjusted for capital deductions, including deconsolidated entity adjustments, to calculate ANZ Level 2 CET1, Tier 1, Tier 2 and total qualifying capital.

ANZ Non-Bank Group

	As at		
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M
Economic Capital Required	571	563	674
Actual Capital ¹	740	744	772
Actual vs Economic Capital	169	181	98

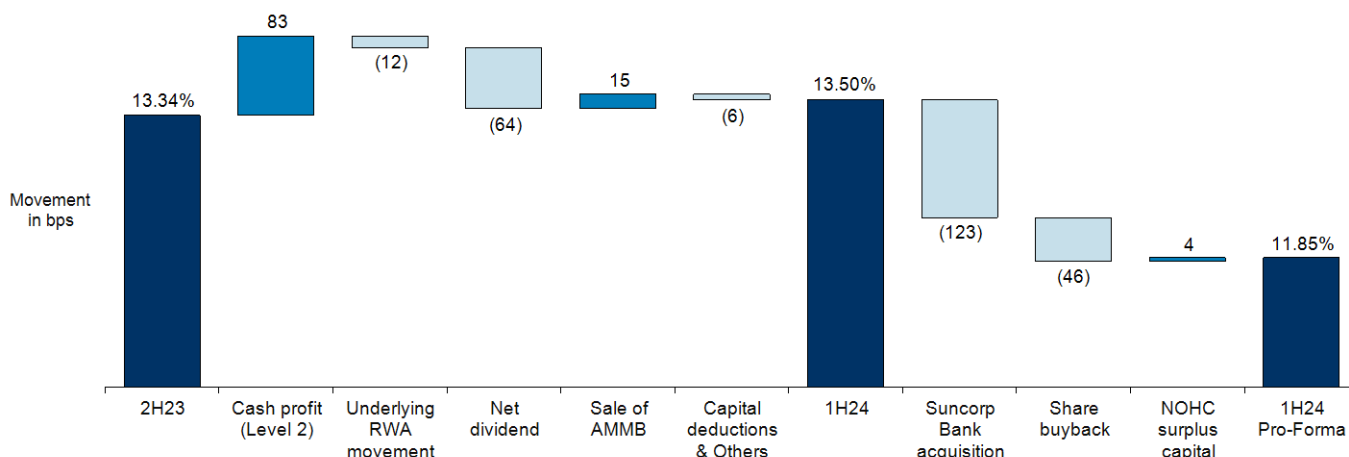
¹ This represents the aggregation of ANZ NBH Pty Ltd and ANZ Group Services Pty Ltd's shareholders' equity.

ANZ Bank Group

	As at					
	APRA Capital Ratios			Internationally Comparable Capital Ratios ¹		
	Mar 24	Sep 23	Mar 23	Mar 24	Sep 23	Mar 23
Capital Ratios (Level 2)						
Common Equity Tier 1	13.5%	13.3%	13.2%	19.7%	19.7%	19.4%
Tier 1	15.4%	15.2%	15.1%	22.2%	22.2%	21.8%
Total capital	21.9%	21.0%	20.6%	30.7%	29.8%	29.1%
Risk weighted assets (\$B)	432.8	433.3	435.5	334.1	331.5	334.4

¹ Internationally Comparable methodology align with the Australia Banking Association Basel 3.1 Capital Comparison Study (March 2023).

APRA Common Equity Tier 1 - March 2024 v September 2023



• March 2024 v September 2023

CET1 ratio increased +16 bps to 13.50% during the March 2024 half. Key drivers of the movement in the CET1 ratio were:

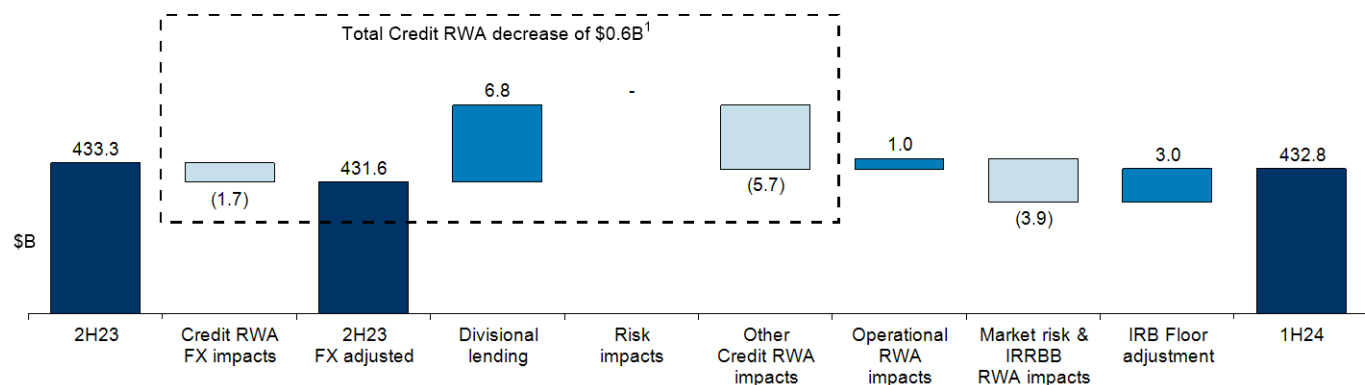
- Cash profit (Level 2) increased the CET1 ratio by +83 bps.
- Higher underlying RWA usage (excluding impact of foreign currency translation, regulatory changes and other one-offs) decreased the CET1 ratio by -12 bps primarily driven by higher credit RWA, market risk RWA and operational RWA, partially offset by lower IRRBB RWA.
- Payment of the 2023 final dividend (net of BOP) reduced the CET1 ratio by -64 bps.
- Proceeds from partial disposal of investment in AmBank increased the CET1 ratio by +15 bps.
- Capital deduction and others impact totalling -6 bps reflecting net movements in IRB floor increase, capital deductions, net imposts, non-cash profit adjustments and net other items, partially offset by benefits from credit RWA methodology refinements.

March 2024 pro-forma CET1 capital ratio of 11.85% includes pro-forma adjustments for:

- Suncorp Bank acquisition of -123 bps,
- The announced \$2 billion on-market share buyback of -46 bps, and
- NOHC surplus capital of +4 bps.

Total Risk Weighted Assets	As at			Movement	
	Mar 24 \$B	Sep 23 \$B	Mar 23 \$B	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Credit RWA	348.4	349.0	345.3	0%	1%
Market risk and IRRBB RWA	38.1	42.0	43.6	-9%	-13%
Operational RWA	43.3	42.3	42.3	2%	2%
Total	429.8	433.3	431.2	-1%	0%
IRB floor adjustment	3.0	-	4.3	n/a	-30%
Total RWA	432.8	433.3	435.5	0%	-1%

Total Risk Weighted Assets - March 2024 v September 2023



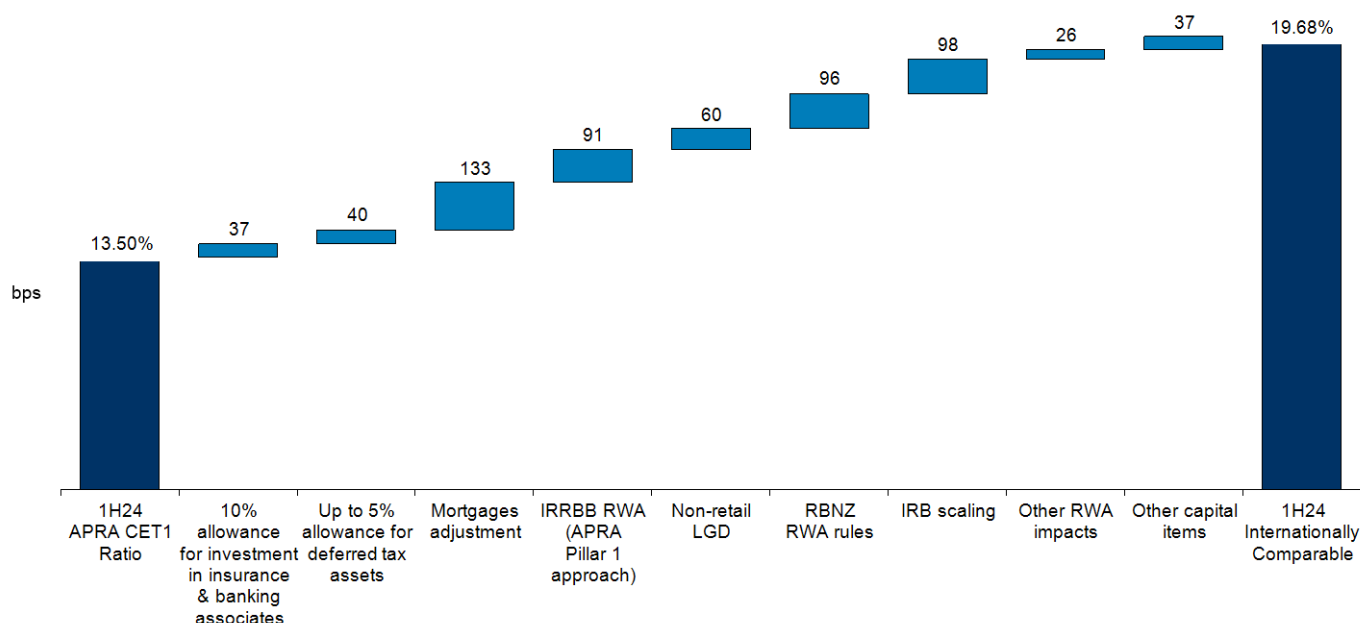
¹ The attribution of credit RWA movements requires assumptions and judgement, with different assumptions leading to different attributions.

March 2024 v September 2023

Total RWA decreased \$0.5 billion driven by:

- \$0.6 billion decrease in total credit RWA primarily driven by benefits from credit RWA methodology refinements and the impact of foreign currency translation, partially offset by volume growth in the Institutional, Australia Retail and Australia Commercial divisions.
- Credit RWA methodology refinements includes benefits from continued refinement in process, data and associated methodology treatments post implementation of revised capital reform rules, implementation of a new model relating to New Zealand rural exposures, and removal of associated RBNZ supervisory adjustment for corporate exposures.
- \$2.9 billion decrease in underlying non-credit RWA (operational RWA, and market risk and IRRBB RWA) mainly from a reduction in IRRBB RWA partially offset by increases in market risk RWA and operational RWA.
- IRB floor adjustment increased from nil to \$3.0 billion.

APRA Capital Reform to Internationally Comparable¹ CET1 as at 31 March 2024



¹ The Group's interpretation of the Basel Calculation of RWA for credit risk regulations (effective 1 Jan 2023) documented in The Basel Framework and The Australian Banking Association, Basel 3.1 Capital Comparison Study, March 2023.

The above graph provides a reconciliation of the CET1 ratio under APRA's prudential capital standards to Internationally Comparable Basel 3.1 standards. One of the objectives, although not the primary objective, of the revisions APRA has made is to 'improve transparency, by increasing the alignment of APRA's standards with the international Basel framework' (APRA Information Paper – An Unquestionably Strong Framework for Bank Capital, November 2021). Despite this, material differences in the way credit risks are measured remain between the approaches allowed by APRA and those proposed by Basel. As a result, Australian banks' APRA reported capital ratios will not be directly comparable with the Basel 3.1 capital ratios or directly comparable with many international jurisdictions which are yet to transition to the revised Basel 3.1 Capital Framework.

The material differences between APRA and Internationally Comparable capital ratios include:

Deductions

- Investments in insurance and banking associates - APRA requires a 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 - APRA requires a full deduction from CET1 for deferred tax assets relating to temporary differences. On an Internationally Comparable basis, this is subject to a concessional threshold before the deduction is required.

Risk Weighted Assets

- Mortgages RWA
 - Standard residential mortgages - APRA imposes risk weight multipliers of 1.4x against owner occupied, principal and interest mortgages and 1.7x against all other mortgage types as well as a 5% risk weight floor across the total mortgage portfolio. Basel regulations impose no risk weight floors or multipliers.
 - Non-standard residential mortgages - APRA excludes all non-standard residential mortgages from using the IRB approach unlike Basel.
 - Borrowers with multiple mortgaged investment properties – APRA treats these as retail exposures, with a 2.5x multiplier applied if the number of investment properties exceeds 5. Basel allows these exposures to be treated as corporate exposures.
- IRRBB RWA - APRA requires inclusion of IRRBB within the RWA base for the CET1 ratio calculation. This is not required on an Internationally Comparable basis.
- Non-retail LGDs - APRA allows lower LGDs for sovereign (Foundation IRB treatment only) and critical infrastructure operator exposures than Basel but requires higher LGDs for general corporate exposures.
- New Zealand subsidiary lending - APRA requires the credit RWA amounts for all credit exposures originated by a New Zealand subsidiary to be calculated using the Reserve Bank of New Zealand (RBNZ) capital rules, except for APRA's overall IRB scalar, which must replace the RBNZ scalar. In comparison with Basel, the RBNZ uses a different supervisory slotting approach for specified asset classes, different LGD floors for farm lending, different LGD floors and correlation factors for residential mortgages, and different LGD and EAD factors for undrawn non-retail exposures.
- Other RWA impacts - 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 IRB approach to be used when calculating RWA for these exposures. APRA has now allowed the advanced IRB approach for income producing real estate exposures, which were previously required to use slotting.
- Scaling factor on all IRB exposures of 1.1x is applied.

Leverage Ratio

At 31 March 2024, the ANZ Bank Group's APRA Leverage Ratio was 5.4% which is above the 3.5% APRA minimum for IRB ADIs which includes ANZ. The following table summarises the ANZ Bank Group's Leverage Ratio calculation:

	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Tier 1 Capital (net of capital deductions)	66,709	66,026	65,564	1%	2%
On-balance sheet exposures (excluding derivatives and securities financing transaction exposures)	984,875	984,663	1,013,515	0%	-3%
Derivative exposures	59,357	51,008	44,612	16%	33%
Securities financing transaction exposures	58,995	50,747	43,756	16%	35%
Other off-balance sheet exposures	124,894	138,301	140,999	-10%	-11%
Total exposure measure	1,228,121	1,224,719	1,242,882	0%	-1%
APRA Leverage Ratio	5.4%	5.4%	5.3%		
Internationally Comparable Leverage Ratio	6.0%	6.0%	5.9%		

- March 2024 v September 2023**

APRA leverage ratio increased +4 bps during the March 2024 half. Key drivers of the movement were:

- Net organic capital generation (largely from cash profit and movements in capital deductions), less dividends paid increased the leverage ratio by +5 bps,
- Additional Tier 1 capital impact (ANZ Capital Notes 9 issuance net of ANZ Capital Notes 4 redemption) increased the leverage ratio by +1 bps,
- On-balance sheet exposures growth decreased the leverage ratio by -2 bps. On-balance sheet exposures growth was driven by lending growth in the Australia Retail, Australia Commercial and New Zealand divisions, and growth in Trading assets and Investment securities, partially offset by reduction in lending volume in the Institutional division and reduction in Cash and cash equivalents.
- Net movements in derivative, securities financing transactions and other off-balance sheet exposures decreased the leverage ratio by -2 bps, and
- Net other impacts increased the leverage ratio by +2 bps.

Capital Management - Other Developments

• Capital Requirements

APRA implemented its updated requirements in relation to capital adequacy and credit risk requirements for ADIs on 1 January 2023. In December 2023, APRA released for consultation proposed minor amendments to the capital framework for ADIs. One update is related to Prudential Standard APS 112 Capital Adequacy: *Standardised Approach to Credit Risk*, which could potentially reduce standardised RWA. ADIs now calculate RWA under both the IRB RWA approach and the standardised RWA approach. When the standardised RWA multiplied by 72.5% is greater than the IRB RWA, the difference is added as an adjustment to the total IRB RWA. Therefore, any reduction in the standardised RWA may reduce (or eliminate) the quantum of the IRB capital floor adjustment. The Group responded to APRA's consultation in March 2024 and APRA is conducting a quantitative impact study with selected ADIs.

In addition, APRA continues to consult and finalise revisions to a number of remaining prudential standards, being IRRBB, market risk and counterparty credit risk. Given the number of items that are yet to be finalised by APRA, the aggregate final outcome from all changes to APRA's prudential standards relating to their review of ADIs 'unquestionably strong' capital framework remains uncertain.

• APRA Total Loss Absorbing Capacity Requirements

On 2 December 2021, APRA finalised its loss-absorbing capacity requirements for Australian D-SIBs, including ANZBGL, requiring an increase to their minimum total capital requirement by 4.5% of RWA by January 2026. APRA expects the requirement to be satisfied predominantly with additional Tier 2 capital with an equivalent decrease in other senior funding. The amount of the additional total capital requirement will be based on the Group's actual RWA as at January 2026.

• APRA Discussion Paper on Additional Tier 1 Capital in Australia

In September 2023, APRA released a discussion paper entitled "Enhancing bank resilience: Additional Tier 1 Capital in Australia" (APRA Discussion Paper) which explores options for, and seeks feedback from stakeholders on, the effectiveness of Additional Tier 1 (AT1) Capital in Australia.

Potential options raised by APRA include:

- Improving the key design features of Additional Tier 1 Capital (including potentially increasing capital trigger event threshold requirements from the current 5.125% to a higher level) so it more effectively absorbs losses;
- Changing the required level or mix of regulatory capital requirements to reduce reliance on Additional Tier 1 Capital; and
- Changes to diversify the investor base for Additional Tier 1 Capital instruments away from domestic retail investors.

The Group has engaged with APRA in a bilateral discussion on the APRA Discussion Paper and provided a submission in response to APRA's Additional Tier 1 Consultation on 15 November 2023. APRA has indicated that it intends to formally consult in 2024 on any proposed amendments to the relevant prudential standards and in implementing any options, there would be a transition time to enable issuers to adjust to new requirements. At this stage, it is not possible to confirm what impact (if any) the options proposed by APRA may have on the Group.

• The Reserve Bank of New Zealand review of capital requirements

The RBNZ's revised capital adequacy requirements for New Zealand banks, which are set out in the Banking Prudential Requirements documents are being implemented in stages during a transition period from October 2021 to July 2028. The key requirements for ANZ Bank New Zealand Limited (ANZ Bank New Zealand) still being implemented are as follows:

- ANZ Bank New Zealand's Tier 1 capital requirement will increase to 16% of RWA, of which up to 2.5% can be in the form of AT1 Capital. ANZ Bank New Zealand's Total Capital requirement will increase to 18% of RWA, of which up to 2% can be Tier 2 Capital. The increased capital ratio requirements are being implemented progressively from 1 July 2022 to 1 July 2028.
- AT1 capital must consist of perpetual preference shares, which may be redeemable. Tier 2 capital must consist of long-term subordinated debt.

The net impact on the Group's Level 1 CET1 capital, by the end of the transition period in 2028, is dependent on the additional capital required by ANZ Bank New Zealand to comply with the increased capital requirements. Whether the additional capital requirement for ANZ Bank New Zealand results in financial implications for ANZ will also depend on whether ANZ's Level 1 CET1 ratio is lower than ANZ's Level 2 CET1 ratio in 2028. Given the level of uncertainty of these outcomes, the future financial impact of the RBNZ's revised capital adequacy requirements is not able to be quantified currently.

• Group regulation - roadmap for review

In October 2022, APRA released a roadmap for review of the prudential framework for groups. The review will focus on rationalising requirements, promoting consistency, and providing clarity across different standards that apply to groups. As part of the review, guidelines for licensing new NOHC authorities will be updated. For existing APRA authorised NOHCs, there will be no immediate changes, although APRA will seek to ensure new or adjusted NOHC license conditions are applied in a consistent manner. The review will be multi-year, finishing in 2025.

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Divisional Performance

During the March 2024 half, the Group operated on a divisional structure with six divisions: Australia Retail, Australia Commercial, Institutional, New Zealand, Pacific, and Group Centre. For further information on the composition of divisions, refer to the Definitions on page 125.

Restatement of prior period comparative information

- **Accounting standards adoption** - the Group adopted AASB 17 *Insurance Contracts* (AASB 17) on 1 October 2023. Although the overall profit recognised in respect of insurance contracts will not change over the life of contracts, the timing of revenue recognition will change. The Group applied AASB 17 effective from 1 October 2022 and restated prior period comparative information. This resulted in a decrease in opening retained earnings of \$37 million on 1 October 2022, an increase in profit after tax (Sep 23 half: nil; Mar 23 half: \$8 million), an increase in total assets (Sep 23: \$22 million; Mar 23: \$36 million), and an increase in total liabilities (Sep 23: \$51 million; Mar 23: \$65 million) in the Australia Retail division.
- **Divisional results presentation** – divisional prior period comparative information was restated to reflect a number of cost reallocations across and within the divisions during the period, with no impact to Group results.

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

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

The Divisional Results section is reported on a cash profit basis.

Divisional Performance

Cash profit by division - March 2024 Half Year v March 2023 Half Year



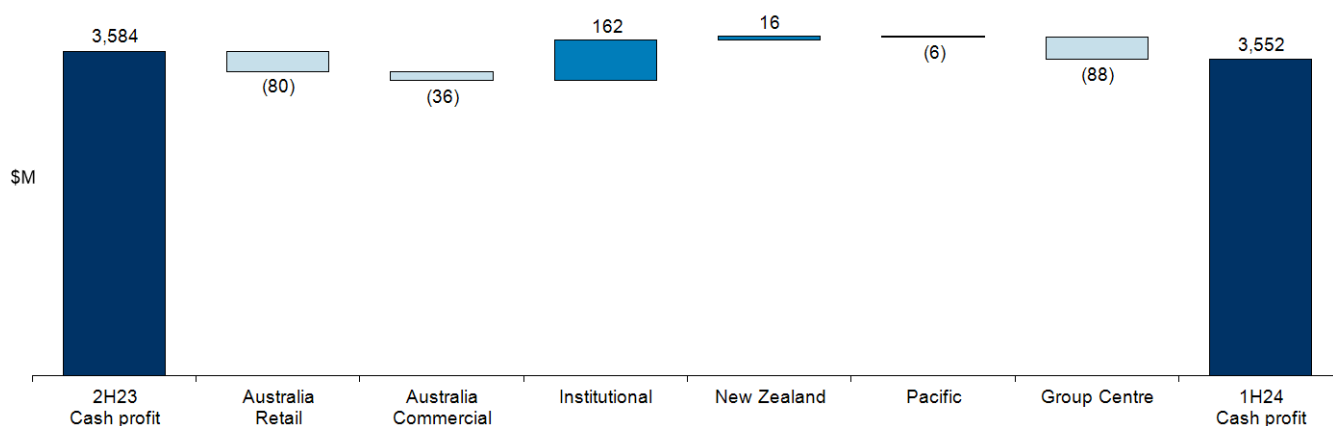
	Australia Retail \$M	Australia Commercial \$M	Institutional \$M	New Zealand \$M	Pacific \$M	Group Centre \$M	Group \$M
March 2024 Half Year							
Net interest income	2,608	1,580	1,882	1,572	63	194	7,899
Other operating income	301	169	1,687	208	44	39	2,448
Operating income	2,909	1,749	3,569	1,780	107	233	10,347
Operating expenses	(1,735)	(763)	(1,444)	(677)	(70)	(526)	(5,215)
Cash profit/(loss) before credit impairment and income tax	1,174	986	2,125	1,103	37	(293)	5,132
Credit impairment (charge)/release	(43)	(35)	6	(4)	6	-	(70)
Cash profit/(loss) before income tax	1,131	951	2,131	1,099	43	(293)	5,062
Income tax expense	(337)	(286)	(609)	(308)	(11)	55	(1,496)
Non-controlling interests	-	-	-	-	(1)	(13)	(14)
Cash profit/(loss)	794	665	1,522	791	31	(251)	3,552

	Australia Retail \$M	Australia Commercial \$M	Institutional \$M	New Zealand \$M	Pacific \$M	Group Centre \$M	Group \$M
March 2023 Half Year							
Net interest income	3,015	1,632	2,071	1,582	62	138	8,500
Other operating income	296	175	1,373	199	40	(43)	2,040
Operating income	3,311	1,807	3,444	1,781	102	95	10,540
Operating expenses	(1,703)	(685)	(1,340)	(634)	(74)	(561)	(4,997)
Cash profit/(loss) before credit impairment and income tax	1,608	1,122	2,104	1,147	28	(466)	5,543
Credit impairment (charge)/release	(82)	(66)	74	(75)	16	-	(133)
Cash profit/(loss) before income tax	1,526	1,056	2,178	1,072	44	(466)	5,410
Income tax expense	(462)	(317)	(589)	(301)	(10)	112	(1,567)
Non-controlling interests	-	-	-	-	-	(14)	(14)
Cash profit/(loss)	1,064	739	1,589	771	34	(368)	3,829

March 2024 Half Year v March 2023 Half Year	Australia Retail	Australia Commercial	Institutional	New Zealand	Pacific	Group Centre	Group
Net interest income	-13%	-3%	-9%	-1%	2%	41%	-7%
Other operating income	2%	-3%	23%	5%	10%	large	20%
Operating income	-12%	-3%	4%	0%	5%	large	-2%
Operating expenses	2%	11%	8%	7%	-5%	-6%	4%
Cash profit/(loss) before credit impairment and income tax	-27%	-12%	1%	-4%	32%	-37%	-7%
Credit impairment (charge)/release	-48%	-47%	-92%	-95%	-63%	n/a	-47%
Cash profit/(loss) before income tax	-26%	-10%	-2%	3%	-2%	-37%	-6%
Income tax expense	-27%	-10%	3%	2%	10%	-51%	-5%
Non-controlling interests	n/a	n/a	n/a	n/a	n/a	-7%	0%
Cash profit/(loss)	-25%	-10%	-4%	3%	-9%	-32%	-7%

Divisional Performance

Cash profit by division - March 2024 Half Year v September 2023 Half Year



	Australia Retail \$M	Australia Commercial \$M	Institutional \$M	New Zealand \$M	Pacific \$M	Group Centre \$M	Group \$M
March 2024 Half Year							
Net interest income	2,608	1,580	1,882	1,572	63	194	7,899
Other operating income	301	169	1,687	208	44	39	2,448
Operating income	2,909	1,749	3,569	1,780	107	233	10,347
Operating expenses	(1,735)	(763)	(1,444)	(677)	(70)	(526)	(5,215)
Cash profit/(loss) before credit impairment and income tax	1,174	986	2,125	1,103	37	(293)	5,132
Credit impairment (charge)/release	(43)	(35)	6	(4)	6	-	(70)
Cash profit/(loss) before income tax	1,131	951	2,131	1,099	43	(293)	5,062
Income tax expense	(337)	(286)	(609)	(308)	(11)	55	(1,496)
Non-controlling interests	-	-	-	-	(1)	(13)	(14)
Cash profit/(loss)	794	665	1,522	791	31	(251)	3,552

	Australia Retail \$M	Australia Commercial \$M	Institutional \$M	New Zealand \$M	Pacific \$M	Group Centre \$M	Group \$M
September 2023 Half Year							
Net interest income	2,694	1,592	1,969	1,567	61	191	8,074
Other operating income	374	190	1,321	210	45	151	2,291
Operating income	3,068	1,782	3,290	1,777	106	342	10,365
Operating expenses	(1,758)	(738)	(1,388)	(665)	(71)	(522)	(5,142)
Cash profit/(loss) before credit impairment and income tax	1,310	1,044	1,902	1,112	35	(180)	5,223
Credit impairment (charge)/release	(53)	(41)	6	(37)	12	1	(112)
Cash profit/(loss) before income tax	1,257	1,003	1,908	1,075	47	(179)	5,111
Income tax expense	(383)	(302)	(548)	(300)	(8)	28	(1,513)
Non-controlling interests	-	-	-	-	(2)	(12)	(14)
Cash profit/(loss)	874	701	1,360	775	37	(163)	3,584

	Australia Retail	Australia Commercial	Institutional	New Zealand	Pacific	Group Centre	Group
March 2024 Half Year v September 2023 Half Year							
Net interest income	-3%	-1%	-4%	0%	3%	2%	-2%
Other operating income	-20%	-11%	28%	-1%	-2%	-74%	7%
Operating income	-5%	-2%	8%	0%	1%	-32%	0%
Operating expenses	-1%	3%	4%	2%	-1%	1%	1%
Cash profit/(loss) before credit impairment and income tax	-10%	-6%	12%	-1%	6%	63%	-2%
Credit impairment (charge)/release	-19%	-15%	0%	-89%	-50%	large	-38%
Cash profit/(loss) before income tax	-10%	-5%	12%	2%	-9%	64%	-1%
Income tax expense	-12%	-5%	11%	3%	38%	96%	-1%
Non-controlling interests	n/a	n/a	n/a	n/a	-50%	8%	0%
Cash profit/(loss)	-9%	-5%	12%	2%	-16%	54%	-1%

DIVISIONAL RESULTS

Divisional Performance

Key Balance Sheet Metrics by division

	As at			Movement	
	Mar 24 \$B	Sep 23 \$B	Mar 23 \$B	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Net Loans and Advances					
Australia Retail	322.4	312.2	300.6	3%	7%
Australia Commercial	63.9	61.6	59.9	4%	7%
Institutional ¹	206.3	210.2	208.3	-2%	-1%
New Zealand ¹	121.6	121.8	120.3	0%	1%
Pacific ¹	1.7	1.7	1.7	0%	0%
Group Centre	(0.7)	(0.5)	(0.7)	40%	0%
Total	715.2	707.0	690.1	1%	4%
Customer Deposits					
Australia Retail	172.3	164.8	156.4	5%	10%
Australia Commercial	116.5	113.4	113.0	3%	3%
Institutional ¹	249.2	266.5	278.1	-6%	-10%
New Zealand ¹	99.8	99.1	98.0	1%	2%
Pacific ¹	3.7	3.7	3.6	0%	3%
Group Centre	(0.4)	(0.3)	(0.5)	33%	-20%
Total	641.1	647.1	648.6	-1%	-1%
Risk Weighted Assets					
Australia Retail	130.2	127.7	117.8	2%	11%
Australia Commercial	46.6	47.5	47.4	-2%	-2%
Institutional	171.4	175.2	183.1	-2%	-6%
New Zealand	66.8	70.9	71.7	-6%	-7%
Pacific	3.6	3.8	4.1	-5%	-12%
Group Centre	14.2	8.2	11.3	73%	26%
Total	432.8	433.3	435.5	0%	-1%

	Half Year		
	Mar 24	Sep 23	Mar 23
Return on Average Risk Weighted Assets			
Australia Retail	1.22%	1.43%	1.73%
Australia Commercial	2.83%	2.93%	2.83%
Institutional	1.77%	1.51%	1.58%
New Zealand	2.31%	2.18%	2.41%
Pacific	1.67%	1.85%	1.76%
Group Centre	(5.01%)	(3.42%)	(10.77%)
Total	1.65%	1.65%	1.70%

¹ Refer to pages 30 and 31 for Net loans and advances and customer deposits movements excluding the impact of foreign currency translation.

DIVISIONAL RESULTS

Australia Retail Maile Carnegie

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Net interest income	2,608	2,694	3,015	-3%	-13%
Other operating income	301	374	296	-20%	2%
Operating income	2,909	3,068	3,311	-5%	-12%
Operating expenses	(1,735)	(1,758)	(1,703)	-1%	2%
Cash profit before credit impairment and income tax	1,174	1,310	1,608	-10%	-27%
Credit impairment (charge)/release	(43)	(53)	(82)	-19%	-48%
Cash profit before income tax	1,131	1,257	1,526	-10%	-26%
Income tax expense	(337)	(383)	(462)	-12%	-27%
Cash profit	794	874	1,064	-9%	-25%
Balance Sheet					
Net loans and advances	322,364	312,249	300,581	3%	7%
Other external assets	3,411	2,958	3,239	15%	5%
External assets	325,775	315,207	303,820	3%	7%
Customer deposits	172,312	164,786	156,374	5%	10%
Other external liabilities	4,172	4,140	3,923	1%	6%
External liabilities	176,484	168,926	160,297	4%	10%
Risk weighted assets	130,184	127,673	117,844	2%	10%
Average gross loans and advances	318,649	307,124	297,255	4%	7%
Average deposits and other borrowings	168,912	159,786	152,392	6%	11%
Ratios					
Return on average assets	0.50%	0.56%	0.71%		
Net interest margin	1.94%	2.06%	2.38%		
Operating expenses to operating income	59.6%	57.3%	51.4%		
Operating expenses to average assets	1.08%	1.13%	1.14%		
Individually assessed credit impairment charge/(release)	49	48	32	2%	53%
Individually assessed credit impairment charge/(release) as a % of average GLA ¹	0.03%	0.03%	0.02%		
Collectively assessed credit impairment charge/(release)	(6)	5	50	large	large
Collectively assessed credit impairment charge/(release) as a % of average GLA ¹	(0.00%)	0.00%	0.03%		
Gross impaired assets	669	520	415	29%	61%
Gross impaired assets as a % of GLA	0.21%	0.17%	0.14%		
Total FTE	11,383	11,313	11,199	1%	2%

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

Performance March 2024 v March 2023

Lending volumes increased driven by home loan growth.

- Net interest margin decreased driven by asset margin contraction from home loan pricing competition, unfavourable deposit mix with a shift towards lower margin term deposits, and higher net funding costs. This was partially offset by higher earnings on capital and replicating portfolio and favourable lending mix with a shift towards higher margin variable home loans.
- Operating expenses increased driven by inflationary impacts and incremental costs associated with strategic initiatives including ANZ Plus, partially offset by productivity initiatives.
- Credit impairment charge decreased driven by lower collectively assessed credit impairment, partially offset by higher individually assessed credit impairment due to lower write-backs in the home loan portfolio and lower recoveries in the unsecured portfolios.

Performance March 2024 v September 2023

Lending volumes increased driven by home loan growth.

- Net interest margin decreased driven by asset margin contraction from home loan pricing competition, unfavourable deposit mix with a shift towards lower margin term deposits and higher net funding costs. This was partially offset by favourable deposit margins, and higher earnings on capital and replicating portfolio.
- Other operating income decreased driven by timing of recognition of cards incentives, and seasonality of fees.
- Operating expenses decreased driven by lower restructuring expense, productivity initiatives and seasonal factors. This was partially offset by inflationary impacts and incremental costs associated with strategic initiatives including ANZ Plus.
- Credit impairment charge decreased driven by lower collectively assessed credit impairment.

DIVISIONAL RESULTS

Australia Retail

Maile Carnegie

Individually assessed credit impairment charge/(release)	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Home Loans	6	10	-	-40%	n/a
Cards and Personal Loans	42	37	31	14%	35%
Deposits and Payments ¹	1	1	1	0%	0%
Individually assessed credit impairment charge/(release)	49	48	32	2%	53%

Collectively assessed credit impairment charge/(release)	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Home Loans	2	12	30	-83%	-93%
Cards and Personal Loans	(11)	(8)	19	38%	large
Deposits and Payments ¹	3	1	1	large	large
Collectively assessed credit impairment charge/(release)	(6)	5	50	large	large

Net loans and advances	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Home Loans	316,517	306,445	294,681	3%	7%
Cards and Personal Loans	5,817	5,772	5,865	1%	-1%
Deposits and Payments ¹	30	32	35	-6%	-14%
Net loans and advances	322,364	312,249	300,581	3%	7%

Customer deposits	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Home Loans ²	47,692	45,006	43,771	6%	9%
Cards and Personal Loans	179	219	206	-18%	-13%
Deposits and Payments	124,441	119,561	112,397	4%	11%
Customer deposits	172,312	164,786	156,374	5%	10%

^{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.

DIVISIONAL RESULTS

Australia Commercial Clare Morgan

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Net interest income	1,580	1,592	1,632	-1%	-3%
Other operating income	169	190	175	-11%	-3%
Operating income	1,749	1,782	1,807	-2%	-3%
Operating expenses	(763)	(738)	(685)	3%	11%
Cash profit before credit impairment and income tax	986	1,044	1,122	-6%	-12%
Credit impairment (charge)/release	(35)	(41)	(66)	-15%	-47%
Cash profit before income tax	951	1,003	1,056	-5%	-10%
Income tax expense	(286)	(302)	(317)	-5%	-10%
Cash profit	665	701	739	-5%	-10%
Balance Sheet					
Net loans and advances	63,874	61,557	59,911	4%	7%
Other external assets	405	359	316	13%	28%
External assets	64,279	61,916	60,227	4%	7%
Customer deposits	116,463	113,408	113,011	3%	3%
Other external liabilities	5,923	5,933	6,031	0%	-2%
External liabilities	122,386	119,341	119,042	3%	3%
Risk weighted assets	46,601	47,497	47,359	-2%	-2%
Average gross loans and advances	63,880	61,535	61,030	4%	5%
Average deposits and other borrowings	115,357	112,368	113,276	3%	2%
Ratios					
Return on average assets	1.09%	1.18%	1.24%		
Net interest margin ¹	2.60%	2.67%	2.72%		
Operating expenses to operating income	43.6%	41.4%	37.9%		
Operating expenses to average assets	1.25%	1.24%	1.15%		
Individually assessed credit impairment charge/(release)	26	33	9	-21%	large
Individually assessed credit impairment charge/(release) as a % of average GLA ²	0.08%	0.11%	0.03%		
Collectively assessed credit impairment charge/(release)	9	8	57	13%	-84%
Collectively assessed credit impairment charge/(release) as a % of average GLA ²	0.03%	0.03%	0.19%		
Gross impaired assets	261	248	288	5%	-9%
Gross impaired assets as a % of GLA	0.40%	0.40%	0.47%		
Total FTE	3,442	3,514	3,607	-2%	-5%

¹ Australia Commercial division generates positive net interest income from surplus deposits held. Accordingly, \$58.1 billion of average deposits for the March 2024 half (Sep 23 half: \$57.6 billion; Mar 23 half: \$59.3 billion) have been included within average net interest earning assets for the net interest margin calculation to align with internal management reporting view.

² Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.

Performance March 2024 v March 2023

Lending volumes increased driven by SME Banking and Specialist Business lending growth, partially offset by lower lending in Central Functions driven by the sale of Investment Lending business.

- Net interest margin decreased driven by unfavourable deposit mix with a shift towards lower margin term deposits, higher net funding costs, and asset margin contraction from competitive pressure. This was partially offset by favourable deposit margins and higher earnings on capital and replicating portfolio.
- Operating expenses increased driven by higher restructuring expense and inflationary impacts, partially offset by productivity initiatives.
- Credit impairment charge decreased driven by lower collectively assessed credit impairment, partially offset by higher individually assessed credit impairment charge due to lower write-backs in the SME Banking portfolio.

Performance March 2024 v September 2023

Lending volumes increased driven by SME Banking and Specialist Business lending growth.

- Net interest margin decreased driven by unfavourable deposit mix with a shift towards lower margin term deposits, higher net funding costs, and asset margin contraction from competitive pressure. This was partially offset by higher earnings on capital and replicating portfolio.
- Other operating income decreased driven by the gain on sale of Investment Lending business in the September 2023 half and seasonality of fees.
- Operating expenses increased driven by higher restructuring expense and inflationary impacts, partially offset by productivity initiatives and seasonal factors.
- Credit impairment charge decreased driven by lower individually assessed credit impairment charge due to lower impairments.

DIVISIONAL RESULTS

Australia Commercial

Clare Morgan

Individually assessed credit impairment charge/(release)	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
SME Banking	28	32	10	-13%	large
Specialist Business	(2)	1	(1)	large	large
Individually assessed credit impairment charge/(release)	26	33	9	-21%	large

Collectively assessed credit impairment charge/(release)	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
SME Banking	4	(18)	50	large	-92%
Specialist Business	5	26	7	-81%	-29%
Collectively assessed credit impairment charge/(release)	9	8	57	13%	-84%

Net loans and advances	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
SME Banking	41,484	40,023	38,602	4%	7%
Specialist Business	22,052	21,059	20,082	5%	10%
Central Functions	338	475	1,227	-29%	-72%
Net loans and advances	63,874	61,557	59,911	4%	7%

Customer deposits	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
SME Banking	79,726	77,549	76,994	3%	4%
Specialist Business	36,737	35,859	36,006	2%	2%
Central Functions	-	-	11	n/a	large
Customer deposits	116,463	113,408	113,011	3%	3%

DIVISIONAL RESULTS

Institutional
Mark Whelan

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Net interest income	1,882	1,969	2,071	-4%	-9%
Other operating income	1,687	1,321	1,373	28%	23%
Operating income	3,569	3,290	3,444	8%	4%
Operating expenses	(1,444)	(1,388)	(1,340)	4%	8%
Cash profit before credit impairment and income tax	2,125	1,902	2,104	12%	1%
Credit impairment (charge)/release	6	6	74	0%	-92%
Cash profit before income tax	2,131	1,908	2,178	12%	-2%
Income tax expense	(609)	(548)	(589)	11%	3%
Cash profit	1,522	1,360	1,589	12%	-4%
Balance Sheet					
Net loans and advances	206,268	210,234	208,265	-2%	-1%
Other external assets	306,758	328,591	317,480	-7%	-3%
External assets	513,026	538,825	525,745	-5%	-2%
Customer deposits	249,169	266,462	278,089	-6%	-10%
Other deposits and borrowings	70,255	85,374	89,429	-18%	-21%
Deposits and other borrowings	319,424	351,836	367,518	-9%	-13%
Other external liabilities	88,020	100,941	83,246	-13%	6%
External liabilities	407,444	452,777	450,764	-10%	-10%
Risk weighted assets	171,437	175,245	183,121	-2%	-6%
Average gross loans and advances	207,308	206,939	214,883	0%	-4%
Average deposits and other borrowings	369,517	355,591	355,905	4%	4%
Ratios					
Return on average assets	0.52%	0.50%	0.59%		
Net interest margin	0.76%	0.86%	0.91%		
Net interest margin (excluding Markets business unit)	2.39%	2.36%	2.26%		
Operating expenses to operating income	40.5%	42.2%	38.9%		
Operating expenses to average assets	0.49%	0.51%	0.49%		
Individually assessed credit impairment charge/(release)	(49)	30	(79)	large	-38%
Individually assessed credit impairment charge/(release) as a % of average GLA ¹	(0.05%)	0.03%	(0.07%)		
Collectively assessed credit impairment charge/(release)	43	(36)	5	large	large
Collectively assessed credit impairment charge/(release) as a % of average GLA ¹	0.04%	(0.03%)	0.00%		
Gross impaired assets	437	562	302	-22%	45%
Gross impaired assets as a % of GLA	0.21%	0.27%	0.14%		
Total FTE	6,310	6,366	6,314	-1%	0%

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

Performance March 2024 v March 2023

Lending volumes decreased driven by lower core lending in Corporate Finance and Transaction Banking, partially offset by higher Markets balances.

- Net interest margin ex-Markets increased driven by favourable deposit margins and higher earnings on capital.
- Other operating income increased driven by higher Markets revenues from more favourable trading conditions and increased customer activities.
- Operating expenses increased driven by inflationary impacts and higher restructuring expense, partially offset by productivity initiatives.
- Credit impairment release decreased driven by higher collectively assessed credit impairment, and lower individually assessed credit impairment release due to a large number of write-backs in the March 2023 half.

Performance March 2024 v September 2023

Lending volumes decreased driven by lower core lending in Corporate Finance and Transaction Banking.

- Net interest margin ex-Markets increased driven by higher earnings on capital.
- Other operating income increased driven by higher Markets revenues from more favourable trading conditions and increased customer activities.
- Operating expenses increased driven by inflationary impacts and higher restructuring expense, partially offset by productivity initiatives.
- Credit impairment release was flat as higher collectively assessed credit impairment was offset by lower individually assessed credit impairment due to lower impairments and higher write-backs.

DIVISIONAL RESULTS

Institutional
Mark Whelan

Institutional by Geography

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Australia					
Net interest income	778	824	844	-6%	-8%
Other operating income	807	695	647	16%	25%
Operating income	1,585	1,519	1,491	4%	6%
Operating expenses	(683)	(682)	(651)	0%	5%
Cash profit before credit impairment and income tax	902	837	840	8%	7%
Credit impairment (charge)/release	(4)	(17)	129	-76%	large
Cash profit before income tax	898	820	969	10%	-7%
Income tax expense	(269)	(246)	(290)	9%	-7%
Cash profit	629	574	679	10%	-7%
Individually assessed credit impairment charge/(release)	(26)	16	(86)	large	-70%
Collectively assessed credit impairment charge/(release)	30	1	(43)	large	large
Net loans and advances	117,157	115,569	113,981	1%	3%
Customer deposits	101,486	100,526	100,559	1%	1%
Risk weighted assets	84,977	85,170	86,455	0%	-2%
International and PNG					
Net interest income	753	814	908	-7%	-17%
Other operating income	730	476	560	53%	30%
Operating income	1,483	1,290	1,468	15%	1%
Operating expenses	(648)	(593)	(585)	9%	11%
Cash profit before credit impairment and income tax	835	697	883	20%	-5%
Credit impairment (charge)/release	37	43	(19)	-14%	large
Cash profit before income tax	872	740	864	18%	1%
Income tax expense	(238)	(205)	(202)	16%	18%
Cash profit	634	535	662	19%	-4%
Individually assessed credit impairment charge/(release)	(13)	(3)	(5)	large	large
Collectively assessed credit impairment charge/(release)	(24)	(40)	24	-40%	large
Net loans and advances	72,089	77,202	76,502	-7%	-6%
Customer deposits	123,306	141,642	153,480	-13%	-20%
Risk weighted assets	65,148	66,568	72,458	-2%	-10%
New Zealand					
Net interest income	351	331	319	6%	10%
Other operating income	150	150	166	0%	-10%
Operating income	501	481	485	4%	3%
Operating expenses	(113)	(113)	(104)	0%	9%
Cash profit before credit impairment and income tax	388	368	381	5%	2%
Credit impairment (charge)/release	(27)	(20)	(36)	35%	-25%
Cash profit before income tax	361	348	345	4%	5%
Income tax expense	(102)	(97)	(97)	5%	5%
Cash profit	259	251	248	3%	4%
Individually assessed credit impairment charge/(release)	(10)	17	12	large	large
Collectively assessed credit impairment charge/(release)	37	3	24	large	54%
Net loans and advances	17,022	17,463	17,782	-3%	-4%
Customer deposits	24,377	24,294	24,050	0%	1%
Risk weighted assets	21,312	23,507	24,208	-9%	-12%

DIVISIONAL RESULTS

Institutional

Mark Whelan

Individually assessed credit impairment charge/(release)	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Transaction Banking	(10)	1	(2)	large	large
Corporate Finance	(39)	29	(77)	large	-49%
Markets	-	-	-	n/a	n/a
Individually assessed credit impairment charge/(release)	(49)	30	(79)	large	-38%

Collectively assessed credit impairment charge/(release)	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Transaction Banking	9	(2)	1	large	large
Corporate Finance	32	(46)	2	large	large
Markets	2	12	2	-83%	0%
Collectively assessed credit impairment charge/(release)	43	(36)	5	large	large

Net loans and advances	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Transaction Banking	17,666	19,597	18,732	-10%	-6%
Corporate Finance	143,440	145,472	148,520	-1%	-3%
Markets	45,150	45,134	40,950	0%	10%
Central Functions	12	31	63	-61%	-81%
Net loans and advances	206,268	210,234	208,265	-2%	-1%

Customer deposits	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Transaction Banking	149,691	152,722	148,314	-2%	1%
Corporate Finance	1,166	1,110	1,065	5%	9%
Markets	98,202	112,566	128,414	-13%	-24%
Central Functions	110	64	296	72%	-63%
Customer deposits	249,169	266,462	278,089	-6%	-10%

DIVISIONAL RESULTS

Institutional Mark Whelan

	Transaction Banking \$M	Corporate Finance \$M	Markets \$M	Central Functions \$M	Total \$M
March 2024 Half Year					
Net interest income	796	1,137	(64)	13	1,882
Other operating income	362	53	1,276	(4)	1,687
Operating income	1,158	1,190	1,212	9	3,569
Operating expenses	(396)	(383)	(597)	(68)	(1,444)
Cash profit/(loss) before credit impairment and income tax	762	807	615	(59)	2,125
Credit impairment (charge)/release	1	7	(2)	-	6
Cash profit/(loss) before income tax	763	814	613	(59)	2,131
Income tax expense	(207)	(224)	(171)	(7)	(609)
Cash profit/(loss)	556	590	442	(66)	1,522
Individually assessed credit impairment charge/(release)	(10)	(39)	-	-	(49)
Collectively assessed credit impairment charge/(release)	9	32	2	-	43
Net loans and advances	17,666	143,440	45,150	12	206,268
Customer deposits	149,691	1,166	98,202	110	249,169
Risk weighted assets	24,848	88,955	56,326	1,308	171,437
March 2023 Half Year					
Net interest income	753	1,153	164	1	2,071
Other operating income	352	43	985	(7)	1,373
Operating income	1,105	1,196	1,149	(6)	3,444
Operating expenses	(385)	(348)	(582)	(25)	(1,340)
Cash profit/(loss) before credit impairment and income tax	720	848	567	(31)	2,104
Credit impairment (charge)/release	1	75	(2)	-	74
Cash profit/(loss) before income tax	721	923	565	(31)	2,178
Income tax expense	(190)	(259)	(154)	14	(589)
Cash profit/(loss)	531	664	411	(17)	1,589
Individually assessed credit impairment charge/(release)	(2)	(77)	-	-	(79)
Collectively assessed credit impairment charge/(release)	1	2	2	-	5
Net loans and advances	18,732	148,520	40,950	63	208,265
Customer deposits	148,314	1,065	128,414	296	278,089
Risk weighted assets	27,719	99,271	54,954	1,177	183,121
March 2024 Half Year v March 2023 Half Year					
Net interest income	6%	-1%	large	large	-9%
Other operating income	3%	23%	30%	-43%	23%
Operating income	5%	-1%	5%	large	4%
Operating expenses	3%	10%	3%	large	8%
Cash profit/(loss) before credit impairment and income tax	6%	-5%	8%	90%	1%
Credit impairment (charge)/release	0%	-91%	0%	n/a	-92%
Cash profit/(loss) before income tax	6%	-12%	8%	90%	-2%
Income tax expense	9%	-14%	11%	large	3%
Cash profit/(loss)	5%	-11%	8%	large	-4%
Individually assessed credit impairment charge/(release)	large	-49%	n/a	n/a	-38%
Collectively assessed credit impairment charge/(release)	large	large	0%	n/a	large
Net loans and advances	-6%	-3%	10%	-81%	-1%
Customer deposits	1%	9%	-24%	-63%	-10%
Risk weighted assets	-10%	-10%	2%	11%	-6%

DIVISIONAL RESULTS

Institutional Mark Whelan

	Transaction Banking \$M	Corporate Finance \$M	Markets \$M	Central Functions \$M	Total \$M
March 2024 Half Year					
Net interest income	796	1,137	(64)	13	1,882
Other operating income	362	53	1,276	(4)	1,687
Operating income	1,158	1,190	1,212	9	3,569
Operating expenses	(396)	(383)	(597)	(68)	(1,444)
Cash profit/(loss) before credit impairment and income tax	762	807	615	(59)	2,125
Credit impairment (charge)/release	1	7	(2)	-	6
Cash profit/(loss) before income tax	763	814	613	(59)	2,131
Income tax expense	(207)	(224)	(171)	(7)	(609)
Cash profit/(loss)	556	590	442	(66)	1,522
Individually assessed credit impairment charge/(release)	(10)	(39)	-	-	(49)
Collectively assessed credit impairment charge/(release)	9	32	2	-	43
Net loans and advances	17,666	143,440	45,150	12	206,268
Customer deposits	149,691	1,166	98,202	110	249,169
Risk weighted assets	24,848	88,955	56,326	1,308	171,437

September 2023 Half Year					
Net interest income	804	1,144	20	1	1,969
Other operating income	356	36	938	(9)	1,321
Operating income	1,160	1,180	958	(8)	3,290
Operating expenses	(373)	(356)	(585)	(74)	(1,388)
Cash profit/(loss) before credit impairment and income tax	787	824	373	(82)	1,902
Credit impairment (charge)/release	1	17	(12)	-	6
Cash profit/(loss) before income tax	788	841	361	(82)	1,908
Income tax expense	(210)	(230)	(109)	1	(548)
Cash profit/(loss)	578	611	252	(81)	1,360
Individually assessed credit impairment charge/(release)	1	29	-	-	30
Collectively assessed credit impairment charge/(release)	(2)	(46)	12	-	(36)
Net loans and advances	19,597	145,472	45,134	31	210,234
Customer deposits	152,722	1,110	112,566	64	266,462
Risk weighted assets	26,247	94,313	53,520	1,165	175,245

March 2024 Half Year v September 2023 Half Year					
Net interest income	-1%	-1%	large	large	-4%
Other operating income	2%	47%	36%	-56%	28%
Operating income	0%	1%	27%	large	8%
Operating expenses	6%	8%	2%	-8%	4%
Cash profit/(loss) before credit impairment and income tax	-3%	-2%	65%	-28%	12%
Credit impairment (charge)/release	0%	-59%	-83%	n/a	0%
Cash profit/(loss) before income tax	-3%	-3%	70%	-28%	12%
Income tax expense	-1%	-3%	57%	large	11%
Cash profit/(loss)	-4%	-3%	75%	-19%	12%
Individually assessed credit impairment charge/(release)	large	large	n/a	n/a	large
Collectively assessed credit impairment charge/(release)	large	large	-83%	n/a	large
Net loans and advances	-10%	-1%	0%	-61%	-2%
Customer deposits	-2%	5%	-13%	72%	-6%
Risk weighted assets	-5%	-6%	5%	12%	-2%

DIVISIONAL RESULTS

Institutional

Mark Whelan

Analysis of Markets operating income¹

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Composition of Markets operating income by product					
Foreign Exchange	394	370	407	6%	-3%
Rates	232	189	158	23%	47%
Credit and Capital Markets	125	76	112	64%	12%
Commodities	118	35	80	large	48%
Franchise Revenue	869	670	757	30%	15%
Balance Sheet ²	284	270	356	5%	-20%
Derivative valuation adjustments ³	59	18	36	large	64%
Markets operating income	1,212	958	1,149	27%	5%

¹ Markets operating income includes Net interest income and Other operating income.

² 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.

³ Includes funding and credit valuation adjustments net of associated hedges.

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Composition of Markets operating income by geography					
Australia	368	319	310	15%	19%
International and PNG ¹	713	523	705	36%	1%
New Zealand	131	116	134	13%	-2%
Markets operating income	1,212	958	1,149	27%	5%

¹ Comprises the countries outside of Australia and New Zealand that form part of the Institutional division. This includes Asia, Papua New Guinea, Europe & America.

DIVISIONAL RESULTS

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Market risk

Market risk stems from the Group's trading and balance sheet management activities and the impact of changes and correlations between interest rates, foreign exchange rates, credit spreads, commodities, equities and the volatility within these asset classes.

The Group manages and controls market risk using Value at Risk (VaR), sensitivity analysis and stress testing. VaR measures the Group's possible daily loss based on historical market movements.

The Group's VaR approach for both traded and non-traded risk is historical simulation using changes in market rates, prices and volatilities over the previous 500 business days to calculate standard VaR and a 1-year stressed period to calculate stressed VaR.

VaR is measured at 99% confidence interval which means there is a 99% chance that a loss will not exceed the VaR for relevant holding period.

Traded market risk

Below are aggregate VaR exposures at a 99% confidence level covering both physical and derivative trading positions for the Group's principal trading centres.

99% confidence level (1 day holding period)

	As at	High for	Low for	Avg for	As at	High for	Low for	Avg for
	Mar 24	Mar 24	Mar 24	Mar 24	Sep 23	Sep 23	Sep 23	Sep 23
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Value at Risk at 99% confidence								
Foreign exchange	4.2	8.2	2.2	4.4	2.8	6.2	1.6	3.0
Interest rate	14.4	19.2	5.1	9.6	6.7	18.3	5.1	8.5
Credit	7.7	8.1	4.2	6.7	5.9	7.7	2.5	4.5
Commodities	3.0	5.0	2.3	3.2	4.0	6.6	1.8	3.0
Equity	-	-	-	-	-	-	-	-
Diversification benefit ¹	(7.2)	n/a	n/a	(10.5)	(9.7)	n/a	n/a	(8.1)
Total VaR	22.1	22.5	8.8	13.4	9.7	18.2	7.2	10.9

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 and current valuation of the banking book. Interest rate risk is reported using various techniques including VaR and scenario analysis based on a 1% rate shock.

99% confidence level (1 day holding period)

	As at	High for	Low for	Avg for	As at	High for	Low for	Avg for
	Mar 24	Mar 24	Mar 24	Mar 24	Sep 23	Sep 23	Sep 23	Sep 23
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Value at Risk at 99% confidence								
Australia	78.9	79.5	72.5	76.1	81.2	93.2	72.0	82.2
New Zealand	24.7	26.4	24.7	25.8	35.3	35.3	26.1	31.1
Rest of World	35.3	38.1	29.0	34.7	32.2	32.8	23.2	27.9
Diversification benefit ¹	(39.4)	n/a	n/a	(41.8)	(52.6)	n/a	n/a	(45.6)
Total VaR	99.5	99.5	88.1	94.8	96.1	101.5	86.4	95.6

Impact of 1% rate shock on the next 12 months' net interest income²

	As at	
	Mar 24	Sep 23
As at period end	1.20%	0.96%
Maximum exposure	1.20%	1.17%
Minimum exposure	0.49%	0.38%
Average exposure (in absolute terms)	0.80%	0.80%

¹ The diversification benefit reflects risks that offset across categories. The high and low VaR figures reported for each factor did not necessarily occur on the same day as the high and low VaR reported for the Group as a whole. Consequently, a diversification benefit for high and low would not be meaningful and is therefore omitted from the table.

² Modelled 1% overnight parallel positive shift in the yield curve to determine the potential impact on Net interest income over the next 12 months. This is a standard risk measure which assumes the parallel shift is reflected in all wholesale and customer rates.

DIVISIONAL RESULTS

New Zealand

Antonia Watson

Table reflects NZD for New Zealand (AUD results shown on page 63)

	Half Year			Movement	
	Mar 24 NZD M	Sep 23 NZD M	Mar 23 NZD M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Net interest income	1,692	1,694	1,721	0%	-2%
Other operating income	224	227	216	-1%	4%
Operating income	1,916	1,921	1,937	0%	-1%
Operating expenses	(729)	(719)	(689)	1%	6%
Cash profit before credit impairment and income tax	1,187	1,202	1,248	-1%	-5%
Credit impairment (charge)/release	(4)	(40)	(82)	-90%	-95%
Cash profit before income tax	1,183	1,162	1,166	2%	1%
Income tax expense	(331)	(325)	(327)	2%	1%
Cash profit	852	837	839	2%	2%
Balance Sheet					
Net loans and advances	132,608	130,868	128,433	1%	3%
Other external assets	3,664	3,603	3,527	2%	4%
External assets	136,272	134,471	131,960	1%	3%
Customer deposits	108,789	106,431	104,614	2%	4%
Other deposits and borrowings	7,208	6,054	6,571	19%	10%
Deposits and other borrowings	115,997	112,485	111,185	3%	4%
Other external liabilities	17,358	19,565	18,655	-11%	-7%
External liabilities	133,355	132,050	129,840	1%	3%
Risk weighted assets	72,778	76,196	76,609	-4%	-5%
Average gross loans and advances	132,438	130,221	129,088	2%	3%
Average deposits and other borrowings	114,514	110,816	111,064	3%	3%
Net funds management income	99	98	96	1%	3%
Funds under management	40,514	37,108	36,928	9%	10%
Average funds under management	38,745	37,530	35,867	3%	8%
Ratios					
Return on average assets	1.26%	1.25%	1.27%		
Net interest margin	2.56%	2.60%	2.67%		
Operating expenses to operating income	38.0%	37.4%	35.6%		
Operating expenses to average assets	1.08%	1.08%	1.05%		
Individually assessed credit impairment charge/(release)	14	19	10	-26%	40%
Individually assessed credit impairment charge/(release) as a % of average GLA ¹	0.02%	0.03%	0.02%		
Collectively assessed credit impairment charge/(release)	(10)	21	72	large	large
Collectively assessed credit impairment charge/(release) as a % of average GLA ¹	(0.02%)	0.03%	0.11%		
Gross impaired assets	130	131	107	-1%	21%
Gross impaired assets as a % of GLA	0.10%	0.10%	0.08%		
Total FTE	6,754	6,766	6,785	0%	0%

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

Performance March 2024 v March 2023

Lending volumes increased driven by home loan growth, partially offset by contraction in business lending.

- Net interest margin decreased driven by asset margin contraction from home loan pricing competition, and unfavourable deposit mix with a shift towards lower margin term deposits. This was partially offset by higher earnings on capital and favourable deposit margins.
- Operating expenses increased driven by inflationary pressure.
- Credit impairment charge decreased driven by lower collectively assessed credit impairment.

Performance March 2024 v September 2023

Lending volumes increased driven by home loan growth, partially offset by contraction in business lending.

- Net interest margin decreased driven by unfavourable deposit margins and deposit mix with a shift towards lower margin term deposits. This was partially offset by favourable home loan lending margins.
- Credit impairment charge decreased driven by lower collectively assessed credit impairment.

DIVISIONAL RESULTS

New Zealand

Antonia Watson

Individually assessed credit impairment charge/(release)	Half Year			Movement	
	Mar 24 NZD M	Sep 23 NZD M	Mar 23 NZD M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Personal	9	11	7	-18%	29%
Home Loans	-	3	2	large	large
Other	9	8	5	13%	80%
Business & Agri	5	8	3	-38%	67%
Individually assessed credit impairment charge/(release)	14	19	10	-26%	40%

Collectively assessed credit impairment charge/(release)	Half Year			Movement	
	Mar 24 NZD M	Sep 23 NZD M	Mar 23 NZD M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Personal	13	(12)	43	large	-70%
Home Loans	18	(17)	52	large	-65%
Other	(5)	5	(9)	large	-44%
Business & Agri	(23)	33	29	large	large
Collectively assessed credit impairment charge/(release)	(10)	21	72	large	large

Net loans and advances	As at			Movement	
	Mar 24 NZD M	Sep 23 NZD M	Mar 23 NZD M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Personal	108,721	106,444	103,509	2%	5%
Home Loans	107,111	104,867	101,946	2%	5%
Other	1,610	1,577	1,563	2%	3%
Business & Agri	23,887	24,424	24,924	-2%	-4%
Net loans and advances	132,608	130,868	128,433	1%	3%

Customer deposits	As at			Movement	
	Mar 24 NZD M	Sep 23 NZD M	Mar 23 NZD M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Personal	90,493	88,086	85,747	3%	6%
Business & Agri	18,296	18,345	18,867	0%	-3%
Customer deposits	108,789	106,431	104,614	2%	4%

DIVISIONAL RESULTS

New Zealand

Antonia Watson

	Personal NZD M	Business & Agri NZD M	Central Functions NZD M	Total NZD M
March 2024 Half Year				
Net interest income	1,170	515	7	1,692
Other operating income	200	25	(1)	224
Operating income	1,370	540	6	1,916
Operating expenses	(590)	(134)	(5)	(729)
Cash profit before credit impairment and income tax	780	406	1	1,187
Credit impairment (charge)/release	(22)	18	-	(4)
Cash profit before income tax	758	424	1	1,183
Income tax expense	(213)	(119)	1	(331)
Cash profit	545	305	2	852
Individually assessed credit impairment charge/(release)	9	5	-	14
Collectively assessed credit impairment charge/(release)	13	(23)	-	(10)
Net loans and advances	108,721	23,887	-	132,608
Customer deposits	90,493	18,296	-	108,789
Risk weighted assets	49,093	21,421	2,264	72,778

March 2023 Half Year				
Net interest income	1,215	499	7	1,721
Other operating income	192	26	(2)	216
Operating income	1,407	525	5	1,937
Operating expenses	(568)	(119)	(2)	(689)
Cash profit before credit impairment and income tax	839	406	3	1,248
Credit impairment (charge)/release	(50)	(32)	-	(82)
Cash profit before income tax	789	374	3	1,166
Income tax expense	(221)	(105)	(1)	(327)
Cash profit	568	269	2	839
Individually assessed credit impairment charge/(release)	7	3	-	10
Collectively assessed credit impairment charge/(release)	43	29	-	72
Net loans and advances	103,509	24,924	-	128,433
Customer deposits	85,747	18,867	-	104,614
Risk weighted assets	48,199	26,251	2,159	76,609

March 2024 Half Year v March 2023 Half Year				
Net interest income	-4%	3%	0%	-2%
Other operating income	4%	-4%	-50%	4%
Operating income	-3%	3%	20%	-1%
Operating expenses	4%	13%	large	6%
Cash profit before credit impairment and income tax	-7%	0%	-67%	-5%
Credit impairment (charge)/release	-56%	large	n/a	-95%
Cash profit before income tax	-4%	13%	-67%	1%
Income tax expense	-4%	13%	large	1%
Cash profit	-4%	13%	0%	2%
Individually assessed credit impairment charge/(release)	29%	67%	n/a	40%
Collectively assessed credit impairment charge/(release)	-70%	large	n/a	large
Net loans and advances	5%	-4%	n/a	3%
Customer deposits	6%	-3%	n/a	4%
Risk weighted assets	2%	-18%	5%	-5%

DIVISIONAL RESULTS

New Zealand

Antonia Watson

	Personal NZD M	Business & Agri NZD M	Central Functions NZD M	Total NZD M
March 2024 Half Year				
Net interest income	1,170	515	7	1,692
Other operating income	200	25	(1)	224
Operating income	1,370	540	6	1,916
Operating expenses	(590)	(134)	(5)	(729)
Cash profit before credit impairment and income tax	780	406	1	1,187
Credit impairment (charge)/release	(22)	18	-	(4)
Cash profit before income tax	758	424	1	1,183
Income tax expense	(213)	(119)	1	(331)
Cash profit	545	305	2	852
Individually assessed credit impairment charge/(release)	9	5	-	14
Collectively assessed credit impairment charge/(release)	13	(23)	-	(10)
Net loans and advances	108,721	23,887	-	132,608
Customer deposits	90,493	18,296	-	108,789
Risk weighted assets	49,093	21,421	2,264	72,778

September 2023 Half Year

Net interest income	1,170	515	9	1,694
Other operating income	189	29	9	227
Operating income	1,359	544	18	1,921
Operating expenses	(580)	(123)	(16)	(719)
Cash profit before credit impairment and income tax	779	421	2	1,202
Credit impairment (charge)/release	1	(41)	-	(40)
Cash profit before income tax	780	380	2	1,162
Income tax expense	(219)	(105)	(1)	(325)
Cash profit	561	275	1	837
Individually assessed credit impairment charge/(release)	11	8	-	19
Collectively assessed credit impairment charge/(release)	(12)	33	-	21
Net loans and advances	106,444	24,424	-	130,868
Customer deposits	88,086	18,345	-	106,431
Risk weighted assets	48,540	25,518	2,138	76,196

March 2024 Half Year v September 2023 Half Year

Net interest income	0%	0%	-22%	0%
Other operating income	6%	-14%	large	-1%
Operating income	1%	-1%	-67%	0%
Operating expenses	2%	9%	-69%	1%
Cash profit before credit impairment and income tax	0%	-4%	-50%	-1%
Credit impairment (charge)/release	large	large	n/a	-90%
Cash profit before income tax	-3%	12%	-50%	2%
Income tax expense	-3%	13%	large	2%
Cash profit	-3%	11%	large	2%
Individually assessed credit impairment charge/(release)	-18%	-38%	n/a	-26%
Collectively assessed credit impairment charge/(release)	large	large	n/a	large
Net loans and advances	2%	-2%	n/a	1%
Customer deposits	3%	0%	n/a	2%
Risk weighted assets	1%	-16%	6%	-4%

DIVISIONAL RESULTS

New Zealand

Antonia Watson

Table reflects AUD for New Zealand
NZD results shown on page 59

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Net interest income	1,572	1,567	1,582	0%	-1%
Other operating income	208	210	199	-1%	5%
Operating income	1,780	1,777	1,781	0%	0%
Operating expenses	(677)	(665)	(634)	2%	7%
Cash profit before credit impairment and income tax	1,103	1,112	1,147	-1%	-4%
Credit impairment (charge)/release	(4)	(37)	(75)	-89%	-95%
Cash profit before income tax	1,099	1,075	1,072	2%	3%
Income tax expense	(308)	(300)	(301)	3%	2%
Cash profit	791	775	771	2%	3%
Consisting of:					
Personal	507	519	522	-2%	-3%
Business & Agri	283	254	247	11%	15%
Central Functions	1	2	2	-50%	-50%
Cash profit	791	775	771	2%	3%
Balance Sheet					
Net loans and advances	121,625	121,824	120,262	0%	1%
Other external assets	3,361	3,354	3,303	0%	2%
External assets	124,986	125,178	123,565	0%	1%
Customer deposits	99,779	99,076	97,958	1%	2%
Other deposits and borrowings	6,611	5,635	6,153	17%	7%
Deposits and other borrowings	106,390	104,711	104,111	2%	2%
Other external liabilities	15,920	18,213	17,469	-13%	-9%
External liabilities	122,310	122,924	121,580	0%	1%
Risk weighted assets	66,750	70,930	71,735	-6%	-7%
Average gross loans and advances	123,073	120,420	118,683	2%	4%
Average deposits and other borrowings	106,417	102,479	102,113	4%	4%
Net funds management income	92	91	88	1%	5%
Funds under management	37,159	34,545	34,580	8%	7%
Average funds under management	36,005	34,705	32,975	4%	9%
Ratios					
Return on average assets	1.26%	1.25%	1.27%		
Net interest margin	2.56%	2.60%	2.67%		
Operating expenses to operating income	38.0%	37.4%	35.6%		
Operating expenses to average assets	1.08%	1.08%	1.05%		
Individually assessed credit impairment charge/(release)	14	17	9	-18%	56%
Individually assessed credit impairment charge/(release) as a % of average GLA ¹	0.02%	0.03%	0.02%		
Collectively assessed credit impairment charge/(release)	(10)	20	66	large	large
Collectively assessed credit impairment charge/(release) as a % of average GLA ¹	(0.02%)	0.03%	0.11%		
Gross impaired assets	119	122	100	-2%	19%
Gross impaired assets as a % of GLA	0.10%	0.10%	0.08%		
Total FTE	6,754	6,766	6,785	0%	0%

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

DIVISIONAL RESULTS

Pacific

Antonia Watson

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Net interest income	63	61	62	3%	2%
Other operating income	44	45	40	-2%	10%
Operating income	107	106	102	1%	5%
Operating expenses	(70)	(71)	(74)	-1%	-5%
Cash profit/(loss) before credit impairment and income tax	37	35	28	6%	32%
Credit impairment (charge)/release	6	12	16	-50%	-63%
Cash profit/(loss) before income tax	43	47	44	-9%	-2%
Income tax expense	(11)	(8)	(10)	38%	10%
Non-controlling interests	(1)	(2)	-	-50%	n/a
Cash profit/(loss)	31	37	34	-16%	-9%
Balance Sheet					
Net loans and advances	1,678	1,684	1,661	0%	1%
Customer deposits	3,657	3,719	3,562	-2%	3%
Risk weighted assets	3,620	3,772	4,131	-4%	-12%
Total FTE	972	1,013	1,037	-4%	-6%

Group Centre

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Share of associates' profit/(loss)	84	120	101	-30%	-17%
Operating income (other)	149	222	(6)	-33%	large
Operating income ¹	233	342	95	-32%	large
Operating expenses	(526)	(522)	(561)	1%	-6%
Cash profit/(loss) before credit impairment and income tax	(293)	(180)	(466)	63%	-37%
Credit impairment (charge)/release	-	1	-	large	n/a
Cash profit/(loss) before income tax	(293)	(179)	(466)	64%	-37%
Income tax benefit	55	28	112	96%	-51%
Non-controlling interests	(13)	(12)	(14)	8%	-7%
Cash profit/(loss)	(251)	(163)	(368)	54%	-32%
Risk weighted assets	14,187	8,210	11,324	73%	25%
Total FTE	11,401	11,370	10,860	0%	5%

¹. The March 2024 half includes the loss on partial disposal of investment in AmBank of \$21 million.

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Non-IFRS information

Statutory profit is prepared in accordance with the 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 Results Announcement which are prepared on a basis other than in accordance with accounting standards. The guidance provided in *ASIC Regulatory Guide 230* has been followed when presenting this information.

Adjustments between statutory profit and cash profit

Cash profit represents the Group’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 123 to 125 for further details). The adjustments made in arriving at cash profit are included in statutory profit which is subject to review within the context of the external auditor’s review of the Condensed Consolidated Financial Statements. Cash profit is not subject to review 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			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Statutory profit attributable to shareholders of the Company	3,407	3,551	3,555	-4%	-4%
Adjustments between statutory profit and cash profit					
Economic hedges	197	27	190	large	4%
Revenue and expense hedges	(52)	6	84	large	large
Total adjustments between statutory profit and cash profit	145	33	274	large	-47%
Cash profit	3,552	3,584	3,829	-1%	-7%

Explanation of adjustments between statutory profit and cash profit

• Economic 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 in the Income Statement. 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, as well as ineffectiveness from designated accounting hedges.

Economic hedges comprise:

- Derivatives (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 that do not qualify for hedge accounting. The main drivers of these fair value movements 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 arising from differences in certain factors between the hedged items and the hedging instruments.

The Group removes the fair value adjustments from cash profit since the profit or loss will reverse over time to match with the profit or loss from the underlying hedged item.

In the March 2024 half, losses on economic hedges relate to funding-related swaps, principally from narrowing USD/EUR currency basis spreads. Further losses were driven by the yield curve movement impact on net pay fixed economic hedge positions.

• Revenue and expense hedges

The Group enters into economic hedges to manage exposures from larger foreign exchange denominated revenue and expense streams, primarily NZD and USD (and USD correlated). The gain on revenue and expense hedges in the March 2024 half was mainly due to the appreciation of AUD against the NZD.

PROFIT RECONCILIATION

Reconciliation of statutory profit to cash profit

	Adjustments to statutory profit				Cash profit \$M
	Statutory profit \$M	Economic hedges \$M	Revenue and expense hedges \$M	Total adjustments to statutory profit \$M	
March 2024 Half Year					
Net interest income	7,899	-	-	-	7,899
Other operating income	2,246	277	(75)	202	2,448
Operating income	10,145	277	(75)	202	10,347
Operating expenses	(5,215)	-	-	-	(5,215)
Profit before credit impairment and tax	4,930	277	(75)	202	5,132
Credit impairment (charge)/release	(70)	-	-	-	(70)
Profit before income tax	4,860	277	(75)	202	5,062
Income tax expense	(1,439)	(80)	23	(57)	(1,496)
Non-controlling interests	(14)	-	-	-	(14)
Profit	3,407	197	(52)	145	3,552
September 2023 Half Year					
Net interest income	8,074	-	-	-	8,074
Other operating income	2,246	36	9	45	2,291
Operating income	10,320	36	9	45	10,365
Operating expenses	(5,142)	-	-	-	(5,142)
Profit before credit impairment and tax	5,178	36	9	45	5,223
Credit impairment (charge)/release	(112)	-	-	-	(112)
Profit before income tax	5,066	36	9	45	5,111
Income tax expense	(1,501)	(9)	(3)	(12)	(1,513)
Non-controlling interests	(14)	-	-	-	(14)
Profit	3,551	27	6	33	3,584
March 2023 Half Year					
Net interest income	8,500	-	-	-	8,500
Other operating income	1,651	269	120	389	2,040
Operating income	10,151	269	120	389	10,540
Operating expenses	(4,997)	-	-	-	(4,997)
Profit before credit impairment and tax	5,154	269	120	389	5,543
Credit impairment (charge)/release	(133)	-	-	-	(133)
Profit before income tax	5,021	269	120	389	5,410
Income tax expense	(1,452)	(79)	(36)	(115)	(1,567)
Non-controlling interests	(14)	-	-	-	(14)
Profit	3,555	190	84	274	3,829

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The Directors present their report for ANZ Group Holdings Limited (the Company) for the half year ended 31 March 2024, together with the Condensed Consolidated Financial Statements of the Group.

Directors

The names of the Directors of the Company who held office during and since the end of the half year are:

Mr PD O'Sullivan	Chairman
Mr SC Elliott	Director and Chief Executive Officer
Ms IR Atlas, AO	Director, ceased 21 December 2023
Mr RBM Gibb	Director, appointed 15 February 2024
Ms SJ Halton, AO PSM	Director
Rt Hon Sir JP Key, GNZM AC	Director, ceased 14 March 2024
Ms HS Kramer	Director
Mr JT Macfarlane	Director, ceased 21 December 2023
Ms CE O'Reilly	Director
Mr JP Smith	Director
Mr SA St John	Director, appointed 25 March 2024

Result

The consolidated profit attributable to shareholders of the Company was \$3,407 million. Further details are contained in Group Results on pages 13 to 42 which forms part of this report, and in the Condensed Consolidated Financial Statements.

Review of operations

A review of the operations of the Group during the half year and the results of those operations are contained in the Group Results on pages 13 to 42 which forms part of this report.

Lead auditor's independence declaration

The lead auditor's independence declaration given under section 307C of the *Corporations Act 2001* (as amended) is set out on page 112 which forms part of this report.

Rounding of amounts

The amounts contained in this Directors' Report and the accompanying Condensed Consolidated Financial Statements have been rounded to the nearest million dollars, except where otherwise indicated, as permitted by *ASIC Corporations Instrument 2016/191*.

Significant events since balance date

There have been no significant events from 31 March 2024 to the date of signing this report.

Signed in accordance with a resolution of the Directors.



Paul D O'Sullivan
Chairman



Shayne C Elliott
Managing Director

6 May 2024

ANZ Group Holdings Limited

	Note	Half Year			Movement	
		Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Interest income		29,811	27,072	22,832	10%	31%
Interest expense		(21,912)	(18,998)	(14,332)	15%	53%
Net interest income	2	7,899	8,074	8,500	-2%	-7%
Other operating income	2	2,114	2,073	1,495	2%	41%
Net income from insurance business	2	48	53	55	-9%	-13%
Share of associates' profit/(loss)	2, 16	84	120	101	-30%	-17%
Operating income		10,145	10,320	10,151	-2%	0%
Operating expenses	3	(5,215)	(5,142)	(4,997)	1%	4%
Profit before credit impairment and income tax		4,930	5,178	5,154	-5%	-4%
Credit impairment (charge)/release	9	(70)	(112)	(133)	-38%	-47%
Profit before income tax		4,860	5,066	5,021	-4%	-3%
Income tax expense	4	(1,439)	(1,501)	(1,452)	-4%	-1%
Profit for the period		3,421	3,565	3,569	-4%	-4%
Comprising:						
Profit attributable to shareholders of the Company		3,407	3,551	3,555	-4%	-4%
Profit attributable to non-controlling interests	14	14	14	14	0%	0%
Earnings per ordinary share (cents)						
Basic	6	113.5	118.4	118.7	-4%	-4%
Diluted	6	111.5	113.8	113.0	-2%	-1%
Dividend per ordinary share (cents)	5	83	94	81	-12%	2%

The notes appearing on pages 76 to 109 form an integral part of the Condensed Consolidated Financial Statements.

ANZ Group Holdings Limited

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Profit for the period	3,421	3,565	3,569	-4%	-4%
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Investment securities - equity securities at FVOCI	(3)	(89)	62	-97%	large
Other reserve movements ¹	(59)	(46)	(34)	28%	74%
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation reserve	(378)	(74)	792	large	large
Cash flow hedge reserve	1,075	(832)	1,067	large	1%
Other reserve movements	(128)	(42)	6	large	large
Income tax attributable to the above items	(268)	283	(306)	large	-12%
Share of associates' other comprehensive income²	(17)	23	8	large	large
Total comprehensive income for the period	3,643	2,788	5,164	31%	-29%
Comprising total comprehensive income attributable to:					
Shareholders of the Company	3,640	2,777	5,120	31%	-29%
Non-controlling interests ¹	3	11	44	-73%	-93%

¹ Includes foreign currency translation differences attributable to non-controlling interest of -\$11 million (Sep 23 half: -\$3 million; Mar 23 half: \$30 million).

² Share of associates' other comprehensive income includes:

	Mar 24 half \$M	Sep 23 half \$M	Mar 23 half \$M
FVOCI reserve gain/(loss)	(4)	23	2
Defined benefits gain/(loss)	(13)	-	6
Total	(17)	23	8

The notes appearing on pages 76 to 109 form an integral part of the Condensed Consolidated Financial Statements.

ANZ Group Holdings Limited

	Note	As at			Movement	
		Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Assets						
Cash and cash equivalents ¹		137,699	168,154	208,800	-18%	-34%
Settlement balances owed to ANZ		3,809	9,349	7,020	-59%	-46%
Collateral paid		8,241	8,558	9,245	-4%	-11%
Trading assets		42,442	37,004	39,611	15%	7%
Derivative financial instruments		47,481	60,406	45,614	-21%	4%
Investment securities		118,055	97,429	93,972	21%	26%
Net loans and advances	8	715,171	707,044	690,087	1%	4%
Regulatory deposits		696	646	646	8%	8%
Investments in associates		1,419	2,349	2,253	-40%	-37%
Current tax assets		294	114	49	large	large
Deferred tax assets		3,149	3,348	2,974	-6%	6%
Goodwill and other intangible assets		3,998	4,058	4,037	-1%	-1%
Premises and equipment		2,005	2,053	2,289	-2%	-12%
Other assets		5,240	5,131	4,640	2%	13%
Total assets		1,089,699	1,105,643	1,111,237	-1%	-2%
Liabilities						
Settlement balances owed by ANZ		15,026	19,267	23,010	-22%	-35%
Collateral received		7,409	10,382	8,002	-29%	-7%
Deposits and other borrowings	10	806,737	814,711	842,564	-1%	-4%
Derivative financial instruments		42,728	57,482	46,154	-26%	-7%
Current tax liabilities		201	305	347	-34%	-42%
Deferred tax liabilities		78	82	79	-5%	-1%
Payables and other liabilities		17,094	15,097	13,057	13%	31%
Employee entitlements		580	569	593	2%	-2%
Other provisions		1,663	1,717	1,694	-3%	-2%
Debt issuances	11	127,109	116,014	106,157	10%	20%
Total liabilities		1,018,625	1,035,626	1,041,657	-2%	-2%
Net assets		71,074	70,017	69,580	2%	2%
Shareholders' equity						
Ordinary share capital	14	29,033	29,082	29,054	0%	0%
Reserves	14	(1,466)	(1,735)	(1,019)	-16%	44%
Retained earnings	14	42,739	42,148	41,020	1%	4%
Share capital and reserves attributable to shareholders of the Company		70,306	69,495	69,055	1%	2%
Non-controlling interests	14	768	522	525	47%	46%
Total shareholders' equity		71,074	70,017	69,580	2%	2%

¹ Includes Settlement balances owed to ANZ that meet the definition of Cash and cash equivalents.

The notes appearing on pages 76 to 109 form an integral part of the Condensed Consolidated Financial Statements.

ANZ Group Holdings Limited

	Half Year		
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M
Profit after income tax	3,421	3,565	3,569
Adjustments to reconcile to net cash flow from operating activities:			
Allowance for expected credit losses	70	112	133
Depreciation and amortisation	445	452	471
Loss on reclassification of data centres to held for sale	-	-	43
Net derivatives/foreign exchange adjustment	858	(1,912)	5,417
(Gain)/loss on sale from divestments	21	(29)	-
Other non-cash movements ¹	(10)	(71)	(3)
<i>Net (increase)/decrease in operating assets:</i>			
Collateral paid	262	958	3,185
Trading assets ²	(20)	384	(6,272)
Net loans and advances ¹	(10,665)	(16,300)	(11,339)
Other assets ¹	(587)	(480)	(1,226)
<i>Net increase/(decrease) in operating liabilities:</i>			
Deposits and other borrowings	(4,492)	(19,790)	41,391
Settlement balances owed by ANZ	(4,178)	(3,775)	9,053
Collateral received	(2,897)	2,044	(7,892)
Other liabilities ²	2,175	1,873	2,927
Total adjustments	(19,018)	(36,534)	35,888
Net cash (used in)/provided by operating activities³	(15,597)	(32,969)	39,457
Cash flows from investing activities			
Investment securities assets:			
Purchases	(43,900)	(38,477)	(13,553)
Proceeds from sale or maturity	22,996	35,969	5,432
Proceeds from divestments, net of cash disposed	668	558	-
Net movement in shares in controlled entities	-	-	(10)
Net investments in other assets	(451)	(255)	(350)
Net cash (used in)/provided by investing activities	(20,687)	(2,205)	(8,481)
Cash flows from financing activities			
Deposits and other borrowings (repaid) / drawn down	(27)	(12,042)	937
Debt issuances: ⁴			
Issue proceeds	26,240	19,141	25,041
Redemptions	(16,639)	(9,296)	(14,689)
Dividends paid ⁵	(2,784)	(2,401)	(1,979)
On market purchase of treasury shares	(126)	(2)	(19)
Repayment of lease liabilities	(142)	(150)	(156)
ANZ Bank New Zealand Perpetual Preference Shares	252	-	-
Net cash (used in)/provided by financing activities	6,774	(4,750)	9,135
Net increase/(decrease) in cash and cash equivalents	(29,510)	(39,924)	40,111
Cash and cash equivalents at beginning of period	168,154	208,800	168,132
Effects of exchange rate changes on cash and cash equivalents	(945)	(722)	557
Cash and cash equivalents at end of period	137,699	168,154	208,800

¹ Certain items were reclassified from Other non-cash movements to Net loans and advances and Other assets in the September 2023 half to better reflect the net movement in operating assets. Comparatives have been restated (Mar 23 half: reduction to Other non-cash movements of \$751 million, an increase in Net loans and advances of \$112 million, and an increase in Other assets of \$639 million).

² Certain items were reclassified from Other liabilities to Trading assets in the March 2024 half to better reflect the movement in operating assets and operating liabilities. Comparatives have been restated (Sep 23 half: reduction to Trading assets and an increase in Other liabilities of \$1,866 million; Mar 23 half: reduction to Trading assets and an increase to Other liabilities of \$3,999 million).

³ Net cash (used in)/provided by operating activities includes interest received of \$29,336 million (Sep 23 half: \$26,266 million; Mar 23 half: \$22,079 million), interest paid of \$21,272 million (Sep 23 half: \$17,990 million; Mar 23 half: \$12,717 million) and income taxes paid of \$1,779 million (Sep 23 half: \$1,674 million; Mar 23 half: \$1,827 million).

⁴ Non-cash changes in debt issuances include a loss of \$1,494 million (Sep 23 half: \$12 million loss; Mar 23 half: \$2,072 million loss) from unrealised movements primarily due to fair value hedge adjustments and foreign exchange differences.

⁵ Cash outflow for shares purchased to satisfy the dividend reinvestment plan (DRP) are classified in dividends paid.

The notes appearing on pages 76 to 109 form an integral part of the Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ANZ Group Holdings 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 2022	28,797	(2,606)	39,716	65,907	494	66,401
Impact on transition to AASB 17	-	-	(37)	(37)	-	(37)
Profit/(Loss) for the period	-	-	3,555	3,555	14	3,569
Other comprehensive income for the period	-	1,607	(42)	1,565	30	1,595
Total comprehensive income for the period	-	1,607	3,513	5,120	44	5,164
Transactions with equity holders in their capacity as equity holders:						
Dividends paid	-	-	(2,172)	(2,172)	(13)	(2,185)
Dividend reinvestment plan ¹	206	-	-	206	-	206
Other equity movements:						
Employee share and option plans	53	-	-	53	-	53
Other items	(2)	(20)	-	(22)	-	(22)
As at 31 March 2023	29,054	(1,019)	41,020	69,055	525	69,580
Profit/(Loss) for the period	-	-	3,551	3,551	14	3,565
Other comprehensive income for the period	-	(742)	(32)	(774)	(3)	(777)
Total comprehensive income for the period	-	(742)	3,519	2,777	11	2,788
Transactions with equity holders in their capacity as equity holders:						
Dividends paid	-	-	(2,387)	(2,387)	(14)	(2,401)
Dividend reinvestment plan ¹	-	-	-	-	-	-
Other equity movements:						
Employee share and option plans	26	-	-	26	-	26
Other items	2	26	(4)	24	-	24
As at 30 September 2023	29,082	(1,735)	42,148	69,495	522	70,017
Profit/(Loss) for the period	-	-	3,407	3,407	14	3,421
Other comprehensive income for the period	-	281	(48)	233	(11)	222
Total comprehensive income for the period	-	281	3,359	3,640	3	3,643
Transactions with equity holders in their capacity as equity holders:						
Dividends paid	-	-	(2,771)	(2,771)	(13)	(2,784)
Dividend reinvestment plan ¹	-	-	-	-	-	-
Other equity movements:						
Employee share and option plans	(49)	-	-	(49)	-	(49)
ANZ Bank New Zealand Perpetual Preference Shares ²	-	-	(4)	(4)	256	252
Other items	-	(12)	7	(5)	-	(5)
As at 31 March 2024	29,033	(1,466)	42,739	70,306	768	71,074

¹ No shares were issued under the dividend reinvestment plan for the 2023 final and interim dividend (2022 final dividend: 8.4 million). On-market share purchases for the DRP were \$211 million in the March 2024 half (Sep 23 half: \$326 million; Mar 23 half: nil).

² Perpetual preference shares issued by ANZ Bank New Zealand Limited, a member of the Group, are considered non-controlling interest to the Group. Refer to Note 14 Shareholders' equity for further details.

The notes appearing on pages 76 to 109 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*;
- should be read in conjunction with ANZGHL's Annual Financial Report for the year ended 30 September 2023 and any public announcements made by ANZGHL and its controlled entities (the Group) for the half year ended 31 March 2024 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 the 2023 ANZGHL Annual Report;
- are presented in Australian dollars unless otherwise stated; and
- were approved by the Board of Directors on 6 May 2024.

i) Statement of Compliance

These Condensed Consolidated Financial Statements have been prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* which ensured compliance with IAS 34 *Interim Financial Reporting*.

ii) 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*.

iii) Basis of measurement and presentation

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

- derivative financial instruments and in the case of fair value hedging, a fair value adjustment made to the underlying hedged item;
- financial instruments held for trading;
- financial instruments designated at fair value through profit and loss (FVTPL);
- financial assets at fair value through other comprehensive income (FVOCI).

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

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 2023 ANZGHL Annual Report, except as outlined below.

Accounting standards adopted during the period

AASB 17 *Insurance Contracts*

On 1 October 2023, the Group adopted AASB 17 *Insurance Contracts* (AASB 17) which established principles for the recognition, measurement, presentation, and disclosure of insurance contracts, and replaced AASB 4 *Insurance Contracts* and AASB 1023 *General Insurance Contracts*. Although the overall profit recognised in respect of insurance contracts will not change over the life of contracts, the timing of revenue recognition will change.

The Group applied AASB 17 effective from 1 October 2022 and restated prior period comparative information. This resulted in a decrease in opening retained earnings of \$37 million on 1 October 2022, an increase in profit after tax (Sep 23 half: nil; Mar 23 half: \$8 million), an increase in total assets (Sep 23: \$22 million; Mar 23: \$36 million), and an increase in total liabilities (Sep 23: \$51 million; Mar 23: \$65 million) in the Australia Retail division. The impact on earnings per share was not material. These adjustments were primarily driven by the impact of changes in the pattern of recognition of revenue on insurance contracts issued, changes in the pattern of recognition of the net cost of reinsurance and the valuation of profit commissions on reinsurance contracts held.

1. Basis of preparation, cont'd

v) Use of estimates, assumptions and judgements

The preparation of these Condensed Consolidated Financial Statements requires the use of management judgement, estimates and assumptions impacting the application of accounting policies and financial outcomes. Discussion of the critical accounting estimates and judgements, which include complex or subjective decisions or assessments are provided in the 2023 ANZGHL Annual Report. Such estimates and judgements are reviewed on an ongoing basis.

The global economy continues to face challenges associated with inflation and interest rate uncertainties, labour market constraints, continuing geopolitical tensions, and impacts from climate change, which contributes to an elevated level of estimation uncertainty involved in the preparation of these financial statements.

The Group made various accounting estimates in these Condensed Consolidated Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions at 31 March 2024 about future events considered reasonable in the circumstances. Thus there is a considerable degree of judgement involved in preparing these estimates. Actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of these 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 and recoverable amounts of non-financial assets.

The impact of these uncertainties on each of these accounting estimates is discussed further below, along with assumptions and judgements made in relation to other key estimates. Readers should consider these disclosures in light of the inherent uncertainties 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 allowance for ECL is included in the table below (refer to Note 9 for further information).

	As at		
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M
Collectively assessed	4,046	4,032	4,040
Individually assessed	325	376	421
Total¹	4,371	4,408	4,461

¹ Includes allowance for ECL 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 ECL

During the March 2024 half, the individually assessed allowance for ECL decreased \$51 million.

In estimating individually assessed ECL, the Group makes judgements and assumptions in relation to expected repayments, the realisable value of collateral, business prospects for the customer, competing claims and the likely cost and duration of the work-out process.

Collectively assessed allowance for ECL

During the March 2024 half, the collectively assessed allowance for ECL increased \$14 million, attributable to \$169 million from deterioration in credit risk profile across all divisions, \$63 million from portfolio growth, and \$5 million from deterioration in economic outlook. This was partially offset by a \$205 million reduction in management temporary adjustments, as anticipated risks are now represented in portfolio credit profiles, and \$18 million from foreign currency translation and other impacts.

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

- the selection of an estimation technique or modelling methodology; and
- the selection of inputs for those models, and the interdependencies between those inputs.

The judgements and associated assumptions have been made within the context of the uncertainty of how various factors might impact the global economy, and reflect historical experience and other factors that are considered relevant, including expectations of future events that are believed to be reasonable under the circumstances. The Group's ECL estimates are inherently uncertain and, as a result, actual results may differ from these estimates.

1. Basis of preparation, cont'd

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.

Judgement/Assumption	Description	Considerations for the half year ended 31 March 2024
Determining when a significant increase in credit risk (SICR) has occurred or reversed	In the measurement of ECL, judgement is involved in determining whether there has been a SICR since initial recognition of a loan, which would result in it 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 PD in the next 12 months, to an allowance for lifetime ECL. 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 SICR 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.	The determination of SICR was consistent with prior periods.
Measuring both 12-month and lifetime ECL	The PD, LGD and EAD factors 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 is relevant for particular lending portfolios and for determining each portfolio's point-in-time sensitivity. In addition, judgement is required where behavioural characteristics are applied in estimating the lifetime of a facility which is used in measuring ECL.	The PD, LGD and EAD models are subject to the Group's model risk policy that stipulates periodic model monitoring and re-validation, and defines approval procedures and authorities according to model materiality. There were no material changes to the policy. A new PD model was implemented for the New Zealand agri portfolio during the period replacing the prior model, with impacts largely offset by the release of a model overlay held in anticipation of model implementation.
Base case economic forecast	The Group derives a forward-looking 'base case' economic scenario which reflects ANZ Economics view of future macroeconomic conditions.	There have been no changes to the types of forward-looking variables (key economic drivers) used as model inputs. As at 31 March 2024, the base case assumptions have been updated to reflect a moderation in inflation and slowing employment growth in both Australia and New Zealand. Both economies are forecast to continue to grow below trend. Despite increased household disposable incomes, limited flow-through to household consumption is forecast. The expected outcomes of key economic drivers for the base case scenario at 31 March 2024 are described below under the heading "Base case economic forecast assumptions".
Probability weighting of each economic scenario (base case, upside, downside and severe downside scenarios)¹	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 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.	Probability weightings in the current period remain unchanged in each geography from the prior period, reflecting our assessment of the continuing downside risks from the impact of high interest rates and inflation in the economies in which the Group operates. Weightings for current and prior periods are as detailed in the section below under the heading on 'Probability weightings'.
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.	Management have continued to apply adjustments to accommodate uncertainty associated with higher inflation and interest rates. Management overlays have been made for risks particular to home loans, credit cards and commercial lending in Australia, and for mortgages and commercial lending in New Zealand. The total amount of adjustments has reduced from the prior period. Management has considered and concluded no temporary adjustment is required at 31 March 2024 to the ECL in relation to climate- or weather-related events during the period.

¹ The upside and downside scenarios are fixed by reference to average economic cycle conditions instead of 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.

1. Basis of preparation, cont'd

Base case economic forecast assumptions

The economic drivers of the base case economic forecasts, reflective of ANZ Economics' view of future macro-economic conditions, used at 31 March 2024 are set out below. For years beyond the near-term forecasts below, the ECL models apply simplified assumptions for the economic conditions to calculate lifetime loss. There is a high level of estimation uncertainties when forming these forecasts.

	Actual calendar year	Forecast calendar year	
	2023	2024	2025
Australia			
GDP (annual % change)	2.0	1.3	2.0
Unemployment rate (annual average)	3.7	4.1	4.3
Residential property prices (annual % change)	9.1	5.7	5.0
Consumer price index (annual % change)	5.6	3.2	2.8
New Zealand			
GDP (annual % change)	0.8	0.9	1.3
Unemployment rate (annual average)	3.7	4.5	5.3
Residential property prices (annual % change)	(0.7)	3.0	5.0
Consumer price index (annual % change)	5.7	3.1	2.2
Rest of World			
GDP (annual % change)	2.5	1.4	1.8
Consumer price index (annual % change)	4.1	2.7	2.2

The base case economic forecasts for Australia, New Zealand and Rest of World are for continuing slowdowns in economic activity. Continued high inflation in Australia and New Zealand is expected to keep interest rates high for longer and dampen growth over the forecast period.

Probability weightings

Probability weightings for each scenario are determined by management considering the risks and uncertainties surrounding the base case economic scenario including the uncertainties described above.

Scenario weightings remain the same as those applied in September 2023 as noted in the table below.

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 estimates of the possible loss outcomes and taking into account short and long term inter-relationships within the Group's credit portfolios. The average weightings applied across the Group are set out below:

	Mar 24	Sep 23	Mar 23
Group			
Base	46%	46%	45%
Upside	0%	0%	0%
Downside	41%	41%	40%
Severe downside	13%	13%	15%

ECL - Sensitivity analysis

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

The table below illustrates the sensitivity of the Group's allowance for collectively assessed ECL to key factors used in determining it at 31 March 2024:

	Balance Sheet \$M	(Profit) and Loss Impact \$M
If 1% of stage 1 facilities were included in stage 2	4,128	82
If 1% of stage 2 facilities were included in stage 1	4,040	(6)
100% upside scenario	1,354	(2,692)
100% base scenario	1,929	(2,117)
100% downside scenario	3,280	(766)
100% severe downside scenario	10,003	5,957

1. Basis of preparation, cont'd

Investments in associates

The Group assesses the carrying value of its investments in associates for impairment indicators semi-annually. Investments may be subjected to impairment depending on whether indicators of impairment exist, and then where a value-in-use (VIU) or fair value less cost of disposal recoverable value assessment indicate that impairment is warranted.

As at 31 March 2024, the impairment assessment indicated that one of the Group's associate investments, PT Panin, had indicators of impairment. Although its market value (based on share price) was below its carrying value, no impairment was recognised as the carrying value was supported by its VIU.

Significant management judgement is required in determining the key assumptions underpinning the VIU calculations. Factors may change in subsequent periods and lead to potential future impairments or reversals of prior period impairments. These include forecast earnings levels in the near term and/or changes in the long-term growth forecasts, required levels of regulatory capital and post-tax discount rate.

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

Post-tax discount rate	12.4%
Terminal growth rate	5.0%
Expected earnings growth (compound annual growth rate – 5 years)	7.5%
Risk weighted asset growth (compound annual growth rate – 5 years)	4.75%
Common Equity Tier 1	23.5%

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 post-tax discount rate by +/- 50 bps would impact the VIU outcome by (\$88 million)/\$100 million.
- A change in the terminal growth rate by +/- 50 bps would impact the VIU outcome by \$74 million/(\$64 million).
- A change in the earnings growth by +/- 75 bps would impact the VIU outcome by \$69 million/(\$64 million).

Considering the interrelationship of the key inputs to the VIU model as outlined above, the Group estimates that the reasonably possible range of VIU is \$1,561 million to \$1,238 million compared to the carrying value of \$1,405 million. The possible range of VIU is based on impacts set out in the sensitivities above arising from the changes in the earnings growth forecasts over the forecast period, the long-term growth rate and the discount rate.

Provisions

The Group holds provisions for various obligations including restructuring costs, customer remediation, 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 for provisions 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.

2. Income

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Interest income	29,811	27,072	22,832	10%	31%
Interest expense	(21,720)	(18,820)	(14,157)	15%	53%
Major bank levy	(192)	(178)	(175)	8%	10%
Net interest income	7,899	8,074	8,500	-2%	-7%
Other operating income					
i) Fee and commission income					
Lending fees ¹	207	198	199	5%	4%
Non-lending fees	1,169	1,183	1,129	-1%	4%
Commissions	37	45	40	-18%	-8%
Funds management income	125	124	122	1%	2%
Fee and commission income	1,538	1,550	1,490	-1%	3%
Fee and commission expense	(566)	(535)	(552)	6%	3%
Net fee and commission income	972	1,015	938	-4%	4%
ii) Other income					
Net foreign exchange earnings and other financial instruments income ²	1,112	946	590	18%	88%
Release of foreign currency translation reserve	20	43	-	-53%	n/a
Loss on reclassification of data centres to held for sale	-	-	(43)	n/a	large
Loss on partial disposal of investment in AmBank	(21)	-	-	n/a	n/a
Other	31	69	10	-55%	large
Other income	1,142	1,058	557	8%	large
Other operating income	2,114	2,073	1,495	2%	41%
Net income from insurance business	48	53	55	-9%	-13%
Share of associates' profit/(loss)	84	120	101	-30%	-17%
Operating income	10,145	10,320	10,151	-2%	0%

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, ineffective portions of cash flow hedges, and fair value movements in financial assets and liabilities measured and/or designated at fair value through profit or loss.

3. Operating expenses

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
i) Personnel					
Salaries and related costs	2,744	2,572	2,608	7%	5%
Superannuation costs	219	201	195	9%	12%
Other	99	96	90	3%	10%
Personnel	3,062	2,869	2,893	7%	6%
ii) Premises					
Rent	37	37	34	0%	9%
Depreciation	200	200	210	0%	-5%
Other	84	87	90	-3%	-7%
Premises	321	324	334	-1%	-4%
iii) Technology					
Depreciation and amortisation	241	248	257	-3%	-6%
Subscription licences and outsourced services	549	523	484	5%	13%
Other	108	93	95	16%	14%
Technology	898	864	836	4%	7%
iv) Restructuring	141	115	54	23%	large
v) Other					
Advertising and public relations	93	98	93	-5%	0%
Professional fees	337	454	407	-26%	-17%
Freight, stationery, postage and communication	78	89	86	-12%	-9%
Other	285	329	294	-13%	-3%
Other	793	970	880	-18%	-10%
Operating expenses	5,215	5,142	4,997	1%	4%

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			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Profit before income tax	4,860	5,066	5,021	-4%	-3%
Prima facie income tax expense at 30%	1,458	1,520	1,507	-4%	-3%
Tax effect of permanent differences:					
Share of associates' (profit)/loss	(25)	(35)	(31)	-29%	-19%
Interest on convertible instruments	64	54	38	19%	68%
Overseas tax rate differential	(86)	(69)	(94)	25%	-9%
Provision for foreign tax on dividend repatriation	21	23	18	-9%	17%
Other	(2)	7	15	large	large
Subtotal	1,430	1,500	1,453	-5%	-2%
Income tax (over)/under provided in previous years	9	1	(1)	large	large
Income tax expense	1,439	1,501	1,452	-4%	-1%
Australia	757	793	853	-5%	-11%
Overseas	682	708	599	-4%	14%
Income tax expense	1,439	1,501	1,452	-4%	-1%
Effective tax rate	29.6%	29.6%	28.9%		

5. Dividends

Dividend per ordinary share (cents)	Half Year			Movement	
	Mar 24	Sep 23	Mar 23	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Interim					
- fully franked ¹	-	-	81		
- partially franked ²	83	-	-		
Final					
- partially franked (comprising 81 cents and an additional dividend of 13 cents) ³	-	94	-		
Total	83	94	81	-12%	2%
Ordinary share dividend (\$M)⁴					
Interim dividend	-	2,433	-		
Final dividend	2,825	-	2,213		
Bonus option plan adjustment	(54)	(46)	(41)	17%	32%
Total	2,771	2,387	2,172	16%	28%
Ordinary share dividend payout ratio (%)⁵	73.3%	79.6%	68.4%		

¹ 2023 interim dividend was fully franked for Australian tax purposes (30% tax rate) and carried New Zealand imputation credits of NZD 9 cents.

² 2024 proposed interim dividend will be partially franked at 65% for Australian tax purposes (30% tax rate) and carry New Zealand imputation credits of NZD 12 cents.

³ 2023 final dividend was partially franked at 56% for Australian tax purposes (30% tax rate) and carried New Zealand imputation credits of NZD 11 cents.

⁴ Dividend paid to ordinary equity holders of the Company. Excludes dividends paid by subsidiaries to the Group's non-controlling equity holders of \$13 million (Sep 23 half: \$14 million; Mar 23 half: \$13 million).

⁵ Dividend payout ratio is calculated using the proposed 2024 interim dividend of \$2,496 million, based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the September 2023 half and March 2023 half were calculated using actual dividends.

Ordinary Shares

The Directors proposed an interim dividend of 83 cents be paid on each eligible fully paid ANZ ordinary share, partially franked at 65% for Australian taxation purposes. The interim dividend will be paid on 1 July 2024 to owners of ordinary shares at the close of business on 14 May 2024 (record date), and carry New Zealand imputation credits of NZD 12 cents per ordinary share.

ANZ has a dividend reinvestment plan and a bonus option plan that will operate in respect of the proposed 2024 interim dividend.

6. Earnings per share

	Half Year			Movement	
	Mar 24	Sep 23	Mar 23	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Earnings per share					
Basic earnings per share (cents)	113.5	118.4	118.7	-4%	-4%
Diluted earnings per share (cents)	111.5	113.8	113.0	-2%	-1%
Reconciliation of earnings used in earnings per share calculations					
Basic:					
Profit for the period (\$M)	3,421	3,565	3,569	-4%	-4%
Less: Profit attributable to non-controlling interests (\$M)	14	14	14	0%	0%
Earnings used in calculating basic earnings per share (\$M)	3,407	3,551	3,555	-4%	-4%
Diluted:					
Earnings used in calculating basic earnings per share (\$M)	3,407	3,551	3,555	-4%	-4%
Add: Interest on convertible subordinated debt (\$M)	217	182	150	19%	45%
Earnings used in calculating diluted earnings per share (\$M)	3,624	3,733	3,705	-3%	-2%
Reconciliation of weighted average number of ordinary shares (WANOS) used in earnings per share calculations¹					
WANOS used in calculating basic earnings per share (M)	3,001.3	3,000.2	2,994.1	0%	0%
Add: Weighted average dilutive potential ordinary shares (M)					
Convertible subordinated debt (M)	239.6	273.9	277.3	-13%	-14%
Share based payments (options, rights and deferred shares) (M)	8.5	7.5	6.9	13%	23%
WANOS used in calculating diluted earnings per share (M)	3,249.4	3,281.6	3,278.3	-1%	-1%

¹ WANOS excludes the weighted average number of treasury shares held in ANZEST Pty Ltd of 5.3 million in the March 2024 half (Sep 23 half: 4.1 million; Mar 23 half: 4.2 million).

7. Segment reporting

i) Description of segments

The Group operates on a divisional structure with six divisions: Australia Retail, Australia Commercial, Institutional, New Zealand, Pacific, and Group Centre. For further information on the composition of divisions refer to the Definitions on page 125.

The presentation of divisional results has been impacted by a number of cost reallocations across and within the divisions during the period. Prior period comparatives have been restated.

Operating segments presented below are consistent with internal divisional reporting provided to the chief operating decision maker, being the Chief Executive Officer.

ii) Operating segments

The Group measures the performance of operating segments on a cash profit basis. To calculate cash profit, the Group excludes items from profit after tax attributable to shareholders. For the current and prior periods, the adjustments relate to impacts of economic hedges, and revenue and expense hedges, which represent timing differences that will reverse through earnings in the future.

Transactions between divisions across segments within the Group are conducted on an arm's length basis and where relevant disclosed as part of the income and expenses of these segments.

	Australia Retail \$M	Australia Commercial \$M	Institutional \$M	New Zealand \$M	Pacific \$M	Group Centre \$M	Group Total \$M
March 2024 Half Year							
Net interest income	2,608	1,580	1,882	1,572	63	194	7,899
Net fee and commission income	247	146	368	207	8	(4)	972
Net income from insurance business	48	-	-	-	-	-	48
Other income ^{1,2}	6	23	1,319	1	36	(41)	1,344
Share of associates' profit/(loss)	-	-	-	-	-	84	84
Operating income ^{1,2}	2,909	1,749	3,569	1,780	107	233	10,347
Operating expenses	(1,735)	(763)	(1,444)	(677)	(70)	(526)	(5,215)
Cash profit before credit impairment and income tax	1,174	986	2,125	1,103	37	(293)	5,132
Credit impairment (charge)/release	(43)	(35)	6	(4)	6	-	(70)
Cash profit before income tax	1,131	951	2,131	1,099	43	(293)	5,062
Income tax expense ^{1,2}	(337)	(286)	(609)	(308)	(11)	55	(1,496)
Non-controlling interests	-	-	-	-	(1)	(13)	(14)
Cash profit/(loss)	794	665	1,522	791	31	(251)	3,552
Economic hedges ¹							(197)
Revenue and expense hedges ²							52
Profit after tax attributable to shareholders							3,407
Financial Position							
Total external assets	325,775	64,279	513,026	124,986	3,195	58,438	1,089,699
Total external liabilities	176,484	122,386	407,444	122,310	3,791	186,210	1,018,625

¹ The economic hedges cash profit adjustment relates to the Institutional, New Zealand and Group Centre divisions. In the condensed consolidated income statement, these amounts are recognised in Other operating income (Mar 24 half: \$277 million loss; Sep 23 half: \$36 million loss; Mar 23 half: \$269 million loss) and Income tax expense (Mar 24 half: \$80 million benefit; Sep 23 half: \$9 million benefit; Mar 23 half: \$79 million benefit).

² The revenue and expense hedges cash profit adjustment relates to the Group Centre division. In the condensed consolidated income statement, these amounts are recognised in Other operating income (Mar 24 half: \$75 million gain; Sep 23 half: \$9 million loss; Mar 23 half: \$120 million loss) and Income tax expense (Mar 24 half: \$23 million loss; Sep 23 half: \$3 million benefit; Mar 23 half: \$36 million benefit).

7. Segment reporting, cont'd

	Australia Retail \$M	Australia Commercial \$M	Institutional \$M	New Zealand \$M	Pacific \$M	Group Centre \$M	Group Total \$M
September 2023 Half Year							
Net interest income	2,694	1,592	1,969	1,567	61	191	8,074
Net fee and commission income	311	160	339	199	9	(3)	1,015
Net income from insurance business	53	-	-	-	-	-	53
Other income ^{1,2}	10	30	982	11	36	34	1,103
Share of associates' profit/(loss)	-	-	-	-	-	120	120
Operating income ^{1,2}	3,068	1,782	3,290	1,777	106	342	10,365
Operating expenses	(1,758)	(738)	(1,388)	(665)	(71)	(522)	(5,142)
Cash profit before credit impairment and income tax	1,310	1,044	1,902	1,112	35	(180)	5,223
Credit impairment (charge)/release	(53)	(41)	6	(37)	12	1	(112)
Cash profit before income tax	1,257	1,003	1,908	1,075	47	(179)	5,111
Income tax expense ^{1,2}	(383)	(302)	(548)	(300)	(8)	28	(1,513)
Non-controlling interests	-	-	-	-	(2)	(12)	(14)
Cash profit/(loss)	874	701	1,360	775	37	(163)	3,584
Economic hedges ¹							(27)
Revenue and expense hedges ²							(6)
Profit after tax attributable to shareholders							3,551
Financial Position							
Total external assets	315,207	61,916	538,825	125,178	3,391	61,126	1,105,643
Total external liabilities	168,926	119,341	452,777	122,924	3,862	167,796	1,035,626
March 2023 Half Year							
Net interest income	3,015	1,632	2,071	1,582	62	138	8,500
Net fee and commission income	235	162	346	199	10	(14)	938
Net income from insurance business	55	-	-	-	-	-	55
Other income ^{1,2}	6	13	1,027	-	30	(130)	946
Share of associates' profit/(loss)	-	-	-	-	-	101	101
Operating income ^{1,2}	3,311	1,807	3,444	1,781	102	95	10,540
Operating expenses	(1,703)	(685)	(1,340)	(634)	(74)	(561)	(4,997)
Cash profit before credit impairment and income tax	1,608	1,122	2,104	1,147	28	(466)	5,543
Credit impairment (charge)/release	(82)	(66)	74	(75)	16	-	(133)
Cash profit before income tax	1,526	1,056	2,178	1,072	44	(466)	5,410
Income tax expense ^{1,2}	(462)	(317)	(589)	(301)	(10)	112	(1,567)
Non-controlling interests	-	-	-	-	-	(14)	(14)
Cash profit/(loss)	1,064	739	1,589	771	34	(368)	3,829
Economic hedges ¹							(190)
Revenue and expense hedges ²							(84)
Profit after tax attributable to shareholders							3,555
Financial Position							
Total external assets	303,820	60,227	525,745	123,565	3,489	94,391	1,111,237
Total external liabilities	160,297	119,042	450,764	121,580	3,834	186,140	1,041,657

¹ The economic hedges cash profit adjustment relates to the Institutional, New Zealand and Group Centre divisions. In the condensed consolidated income statement, these amounts are recognised in Other operating income (Mar 24 half: \$277 million loss; Sep 23 half: \$36 million loss; Mar 23 half: \$269 million loss) and Income tax expense (Mar 24 half: \$80 million benefit; Sep 23 half: \$9 million benefit; Mar 23 half: \$79 million benefit).

² The revenue and expense hedges cash profit adjustment relates to the Group Centre division. In the condensed consolidated income statement, these amounts are recognised in Other operating income (Mar 24 half: \$75 million gain; Sep 23 half: \$9 million loss; Mar 23 half: \$120 million loss) and Income tax expense (Mar 24 half: \$23 million loss; Sep 23 half: \$3 million benefit; Mar 23 half: \$36 million benefit).

8. Net loans and advances

	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Australia					
Overdrafts	4,031	4,190	3,834	-4%	5%
Credit cards outstanding	5,607	5,625	5,670	0%	-1%
Commercial bills outstanding	4,557	4,682	4,898	-3%	-7%
Term loans - housing	314,103	304,133	292,597	3%	7%
Term loans - non-housing	173,114	169,046	166,051	2%	4%
Other	927	961	916	-4%	1%
Total Australia	502,339	488,637	473,966	3%	6%
New Zealand					
Overdrafts	850	906	879	-6%	-3%
Credit cards outstanding	1,163	1,174	1,184	-1%	-2%
Term loans - housing	100,407	99,928	97,939	0%	3%
Term loans - non-housing	36,487	37,557	38,381	-3%	-5%
Total New Zealand	138,907	139,565	138,383	0%	0%
Rest of World					
Overdrafts	530	456	568	16%	-7%
Credit cards outstanding	6	6	6	0%	0%
Term loans - housing	431	430	475	0%	-9%
Term loans - non-housing	73,184	78,205	77,095	-6%	-5%
Other	115	331	613	-65%	-81%
Total Rest of World	74,266	79,428	78,757	-6%	-6%
Subtotal	715,512	707,630	691,106	1%	4%
Unearned income ¹	(494)	(515)	(526)	-4%	-6%
Capitalised brokerage and other origination costs ¹	3,642	3,475	3,165	5%	15%
Gross loans and advances	718,660	710,590	693,745	1%	4%
Allowance for ECL (refer to Note 9)	(3,489)	(3,546)	(3,658)	-2%	-5%
Net loans and advances	715,171	707,044	690,087	1%	4%

¹. Amortised over the expected life of the loan.

9. Allowance for expected credit losses

	As at								
	Mar 24			Sep 23			Mar 23		
	Collectively assessed \$M	Individually assessed \$M	Total \$M	Collectively assessed \$M	Individually assessed \$M	Total \$M	Collectively assessed \$M	Individually assessed \$M	Total \$M
Net loans and advances at amortised cost	3,169	320	3,489	3,180	366	3,546	3,244	414	3,658
Off-balance sheet commitments - undrawn and contingent facilities	844	5	849	817	10	827	767	7	774
Investment securities - debt securities at amortised cost	33	-	33	35	-	35	29	-	29
Total	4,046	325	4,371	4,032	376	4,408	4,040	421	4,461
Other Comprehensive Income									
Investment securities - debt securities at FVOCI ¹	17	-	17	15	-	15	13	-	13

¹. 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 with a corresponding charge to profit or loss.

The following tables present the movement in the allowance for ECL.

Net loans and advances at amortised cost

Allowance for ECL is included in Net loans and advances.

	Stage 3				
	Stage 1 \$M	Stage 2 \$M	Collectively assessed \$M	Individually assessed \$M	Total \$M
As at 1 October 2022	1,141	1,548	360	533	3,582
Transfer between stages	114	(100)	(63)	49	-
New and increased provisions (net of releases)	(103)	264	56	188	405
Write-backs	-	-	-	(164)	(164)
Bad debts written-off (excluding recoveries)	-	-	-	(185)	(185)
Foreign currency translation and other movements ¹	7	17	3	(7)	20
As at 31 March 2023	1,159	1,729	356	414	3,658
Transfer between stages	148	(159)	(65)	76	-
New and increased provisions (net of releases)	(84)	59	39	159	173
Write-backs	-	-	-	(48)	(48)
Bad debts written-off (excluding recoveries)	-	-	-	(224)	(224)
Foreign currency translation and other movements ¹	4	(5)	(1)	(11)	(13)
As at 30 September 2023	1,227	1,624	329	366	3,546
Transfer between stages	129	(144)	(49)	64	-
New and increased provisions (net of releases)	(119)	64	120	137	202
Write-backs	-	-	-	(80)	(80)
Bad debts written-off (excluding recoveries)	-	-	-	(146)	(146)
Foreign currency translation and other movements ¹	(5)	(6)	(1)	(21)	(33)
As at 31 March 2024	1,232	1,538	399	320	3,489

¹. Other movements include the impact of discounting on expected cash flows for individually assessed allowances for ECL and the impact of divestments completed during the period.

9. Allowance for expected credit losses, cont'd

Off-balance sheet commitments - undrawn and contingent facilities

Allowance for ECL is included in Other provisions.

	Stage 1 \$M	Stage 2 \$M	Stage 3		Total \$M
			Collectively assessed \$M	Individually assessed \$M	
As at 1 October 2022	593	144	29	9	775
Transfer between stages	24	(22)	(2)	-	-
New and increased provisions (net of releases)	(30)	30	1	-	1
Write-backs	-	-	-	(2)	(2)
Foreign currency translation	(1)	-	1	-	-
As at 31 March 2023	586	152	29	7	774
Transfer between stages	14	(13)	(3)	2	-
New and increased provisions (net of releases)	23	22	(1)	2	46
Write-backs	-	-	-	(2)	(2)
Foreign currency translation and other movements ¹	7	1	-	1	9
As at 30 September 2023	630	162	25	10	827
Transfer between stages	18	(16)	(2)	-	-
New and increased provisions (net of releases)	7	22	1	-	30
Write-backs	-	-	-	(5)	(5)
Foreign currency translation	(2)	(1)	-	-	(3)
As at 31 March 2024	653	167	24	5	849

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

Investment securities - debt securities at amortised cost

Allowance for ECL is included in Investment securities.

	Stage 1 \$M	Stage 2 \$M	Stage 3		Total \$M
			Collectively assessed \$M	Individually assessed \$M	
As at 31 March 2023	29	-	-	-	29
As at 30 September 2023	35	-	-	-	35
As at 31 March 2024	33	-	-	-	33

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 with a corresponding charge to profit or loss.

	Stage 1 \$M	Stage 2 \$M	Stage 3		Total \$M
			Collectively assessed \$M	Individually assessed \$M	
As at 31 March 2023	13	-	-	-	13
As at 30 September 2023	15	-	-	-	15
As at 31 March 2024	17	-	-	-	17

9. Allowance for expected credit losses, cont'd

Credit impairment charge/(release) analysis

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
New and increased provisions (net of releases) ^{1,2}					
- Collectively assessed	32	(11)	163	large	-80%
- Individually assessed	201	239	237	-16%	-15%
Write-backs ³	(85)	(50)	(166)	70%	-49%
Recoveries of amounts previously written-off	(78)	(66)	(101)	18%	-23%
Total credit impairment charge/(release)	70	112	133	-38%	-47%

^{1.} Includes the impact of transfers between collectively assessed and individually assessed.

^{2.} New and increased provisions (net of releases) includes:

	Mar 24 half		Sep 23 half		Mar 23 half	
	Collectively assessed \$M	Individually assessed \$M	Collectively assessed \$M	Individually assessed \$M	Collectively assessed \$M	Individually assessed \$M
Net loans and advances at amortised cost	1	201	(62)	235	168	237
Off-balance sheet commitments – undrawn and contingent facilities	30	-	42	4	1	-
Investment securities - debt securities at amortised cost	(1)	-	7	-	(8)	-
Investment securities - debt securities at FVOCI	2	-	2	-	2	-
Total	32	201	(11)	239	163	237

^{3.} Consists of write-backs in Net loans and advances at amortised cost of \$80 million for the March 2024 half (Sep 23 half: \$48 million; Mar 23 half: \$164 million), and Off-balance sheet commitment of \$5 million for the March 2024 half (Sep 23 half: \$2 million; Mar 23 half: \$2 million).

10. Deposits and other borrowings

	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Australia					
Certificates of deposit	30,572	33,613	37,920	-9%	-19%
Term deposits	86,857	79,518	76,341	9%	14%
On demand and short term deposits	283,155	278,014	270,418	2%	5%
Deposits not bearing interest	19,955	20,856	22,815	-4%	-13%
Deposits from banks and securities sold under repurchase agreements	38,425	42,493	53,990	-10%	-29%
Commercial paper and other borrowings	42,060	31,013	36,248	36%	16%
Total Australia	501,024	485,507	497,732	3%	1%
New Zealand					
Certificates of deposit	1,800	2,167	1,392	-17%	29%
Term deposits	52,762	50,451	47,598	5%	11%
On demand and short term deposits	55,569	56,479	56,307	-2%	-1%
Deposits not bearing interest	15,825	16,438	18,103	-4%	-13%
Deposits from banks and securities sold under repurchase agreements	3,912	4,123	4,398	-5%	-11%
Commercial paper and other borrowings	3,152	2,098	2,596	50%	21%
Total New Zealand	133,020	131,756	130,394	1%	2%
Rest of World					
Certificates of deposit	6,723	6,139	5,233	10%	28%
Term deposits	100,919	117,924	127,467	-14%	-21%
On demand and short term deposits	20,569	21,827	24,125	-6%	-15%
Deposits not bearing interest	5,479	5,612	5,453	-2%	0%
Deposits from banks and securities sold under repurchase agreements	39,003	45,946	52,160	-15%	-25%
Total Rest of World	172,693	197,448	214,438	-13%	-19%
Deposits and other borrowings¹	806,737	814,711	842,564	-1%	-4%

¹ Customer deposits balance of \$641,090 million (Sep 23: \$647,119 million; Mar 23: \$648,627 million) includes Term deposits, On demand and short term deposits and Deposits not bearing interest.

11. Debt issuances

	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Total unsubordinated debt	90,763	82,336	73,443	10%	24%
Additional Tier 1 Capital (perpetual subordinated securities)¹					
ANZ Capital Notes (ANZ CN) ²					
ANZ CN4 ³	-	1,621	1,620	large	large
ANZ CN5	930	929	929	0%	0%
ANZ CN6	1,490	1,489	1,488	0%	0%
ANZ CN7	1,299	1,298	1,297	0%	0%
ANZ CN8	1,484	1,483	1,482	0%	0%
ANZ CN9 ³	1,678	-	-	n/a	n/a
ANZ Capital Securities ⁴	1,434	1,412	1,380	2%	4%
Tier 2 Capital - Term Subordinated Notes⁵	26,754	23,707	22,797	13%	17%
Other subordinated debt securities⁶	1,277	1,739	1,721	-27%	-26%
Total subordinated debt	36,346	33,678	32,714	8%	11%
Total debt issuances	127,109	116,014	106,157	10%	20%

¹ ANZ Capital Notes and ANZ Capital Securities are Basel 3 compliant instruments.

² Each of the ANZ Capital Notes will convert into a variable number of ordinary shares of ANZGHL on a specified mandatory conversion date at a 1% discount (subject to certain conditions being satisfied). If ANZBGL's Common Equity Tier 1 capital ratio is equal to or less than 5.125%, or ANZBGL receives a notice of non-viability from APRA, then the notes will immediately convert into a variable number of ordinary shares of ANZGHL at a 1% discount subject to a maximum conversion number. Subject to certain conditions, the notes are redeemable or convertible into ordinary shares of ANZGHL (on similar terms to mandatory conversion) by ANZBGL at its discretion on an early redemption or conversion date.

	Issuer	Issue date	Issue amount \$M	Early redemption or conversion date	Mandatory conversion date
CN4	ANZBGL	27 Sep 2016	1,622	20 Mar 2024	20 Mar 2026
CN5	ANZBGL	28 Sep 2017	931	20 Mar 2025	20 Mar 2027
CN6	ANZBGL	8 Jul 2021	1,500	20 Mar 2028	20 Sep 2030
CN7	ANZBGL	24 Mar 2022	1,310	20 Mar 2029	20 Sep 2031
CN8	ANZBGL	24 Mar 2023	1,500	20 Mar 2030	20 Sep 2032
CN9	ANZBGL	20 Mar 2024	1,700	20 Mar 2031	20 Sep 2033

³ ANZBGL fully redeemed ANZ CN4 on 20 March 2024. Approximately \$905 million of the proceeds from ANZ CN4 were reinvested into ANZ CN9, which was issued by ANZBGL on the same date.

⁴ On 15 June 2016, ANZBGL, acting through its London branch, issued USD 1 billion fully-paid perpetual subordinated contingent convertible securities (ANZ Capital Securities). If ANZBGL's Common Equity Tier 1 capital ratio is equal to or less than 5.125%, or ANZBGL receives a notice of non-viability from APRA, then the securities will immediately convert into a variable number of ANZGHL ordinary shares at a 1% discount subject to a maximum conversion number. Subject to certain conditions, on the First Reset Date (15 June 2026) and on each 5-year anniversary, ANZ has the right to redeem all of the securities at its discretion.

⁵ All the term subordinated notes are convertible and are Basel 3 compliant instruments. If ANZBGL receives a notice of non-viability from APRA, then the convertible subordinated notes will immediately convert into a variable number of ordinary shares of ANZGHL at a 1% discount subject to a maximum conversion number.

⁶ ANZ Bank New Zealand Limited, a wholly owned subsidiary of ANZGHL, issued NZD 600 million and USD 500 million of unsecured subordinated notes in September 2021 and August 2022 respectively. Whilst these notes constitute Tier 2 capital under RBNZ requirements, the notes do not contain a Non-Viability Trigger Event and therefore do not meet APRA's requirements for Tier 2 capital instruments to qualify as regulatory capital for the Group. The USD 300 million perpetual subordinated notes issued by ANZBGL, which were contained in other subordinated debt, were redeemed on 31 October 2023.

12. Credit risk

Maximum exposure to credit risk

For financial assets recognised on the balance sheet, the maximum exposure to credit risk is the carrying amount. In certain circumstances there may be differences between the carrying amounts reported on the balance sheet and the amounts reported in the tables below. Principally, these differences arise in respect of financial assets that are subject to risks other than credit risk, such as equity instruments which are primarily subject to market risk, or bank notes and coins.

For undrawn facilities, this maximum exposure to credit risk is the full amount of the committed facilities. For contingent exposures, the maximum exposure to credit risk is the maximum amount the Group would have to pay if the instrument is called upon.

The table below shows the maximum exposure to credit risk of on-balance sheet, and off-balance sheet positions before taking account of any collateral held or other credit enhancements:

	Reported As at			Excluded ¹ As at			Maximum Exposure to Credit Risk As at		
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M
On-balance sheet positions									
Net loans and advances	715,171	707,044	690,087	-	-	-	715,171	707,044	690,087
Investment securities									
- debt securities at amortised cost	7,900	7,752	7,912	-	-	-	7,900	7,752	7,912
- debt securities at FVOCI	108,530	88,271	84,589	-	-	-	108,530	88,271	84,589
- equity securities at FVOCI	1,611	1,393	1,453	1,611	1,393	1,453	-	-	-
- debt securities at FVTPL	14	13	18	-	-	-	14	13	18
Other financial assets	244,684	288,456	314,694	8,643	15,300	8,521	236,041	273,156	306,173
Total on-balance sheet positions	1,077,910	1,092,929	1,098,753	10,254	16,693	9,974	1,067,656	1,076,236	1,088,779
Off-balance sheet commitments									
Undrawn and contingent facilities ²	289,371	290,055	292,550	-	-	-	289,371	290,055	292,550
Total	1,367,281	1,382,984	1,391,303	10,254	16,693	9,974	1,357,027	1,366,291	1,381,329

¹ Excluded comprises bank notes and coins and cash at bank within Other financial assets, and investment securities - equity securities at FVOCI as they do not have credit exposure.

² Undrawn and contingent facilities include guarantees, letters of credit and performance related contingencies, net of collectively assessed allowance for expected credit losses.

Credit Quality

The Group's internal Customer Credit Rating (CCR) is used to manage the credit quality of financial assets. To enable wider comparisons, the Group's CCRs are mapped to external rating agency scales as follows:

Credit Quality Description	Internal CCR	ANZ Customer Requirement	Moody's Rating	Standard & Poor's Rating
Strong	CCR 0+ to 4-	Demonstrated superior stability in their operating and financial performance over the long-term, and whose earnings capacity is not significantly vulnerable to foreseeable events.	Aaa - Baa3	AAA - BBB-
Satisfactory	CCR 5+ to 6-	Demonstrated sound operational and financial stability over the medium to long term even though some may be susceptible to cyclical trends or variability in earnings.	Ba1 - B1	BB+ - B+
Weak	CCR 7+ to 8=	Demonstrated some operational and financial instability, with variability and uncertainty in profitability and liquidity projected to continue over the short and possibly medium term.	B2 - Caa	B - CCC
Defaulted	CCR 8- to 10	When doubt arises as to the collectability of a credit facility, the financial instrument (or 'the facility') is classified as defaulted.	N/A	N/A

12. Credit risk, cont'd

Net loans and advances

As at	Stage 3				Total \$M
	Stage 1 \$M	Stage 2 \$M	Collectively assessed \$M	Individually assessed \$M	
As at March 2024					
Strong	404,954	16,931	-	-	421,885
Satisfactory	199,316	39,766	-	-	239,082
Weak	12,541	12,086	-	-	24,627
Defaulted	-	-	5,011	880	5,891
Gross loans and advances at amortised cost	616,811	68,783	5,011	880	691,485
Allowance for ECL	(1,232)	(1,538)	(399)	(320)	(3,489)
Net loans and advances at amortised cost	615,579	67,245	4,612	560	687,996
Coverage ratio	0.20%	2.24%	7.96%	36.36%	0.50%
Loans and advances at fair value through profit or loss					24,027
Unearned income					(494)
Capitalised brokerage and other origination costs					3,642
Net carrying amount					715,171
As at September 2023					
Strong	410,933	17,063	-	-	427,996
Satisfactory	193,170	37,977	-	-	231,147
Weak	11,306	10,398	-	-	21,704
Defaulted	-	-	3,858	1,037	4,895
Gross loans and advances at amortised cost	615,409	65,438	3,858	1,037	685,742
Allowance for ECL	(1,227)	(1,624)	(329)	(366)	(3,546)
Net loans and advances at amortised cost	614,182	63,814	3,529	671	682,196
Coverage ratio	0.20%	2.48%	8.53%	35.29%	0.52%
Loans and advances at fair value through profit or loss					21,888
Unearned income					(515)
Capitalised brokerage and other origination costs					3,475
Net carrying amount					707,044
As at March 2023					
Strong	416,053	14,678	-	-	430,731
Satisfactory	176,054	40,305	-	-	216,359
Weak	10,072	10,293	-	-	20,365
Defaulted	-	-	3,378	804	4,182
Gross loans and advances at amortised cost	602,179	65,276	3,378	804	671,637
Allowance for ECL	(1,159)	(1,729)	(356)	(414)	(3,658)
Net loans and advances at amortised cost	601,020	63,547	3,022	390	667,979
Coverage ratio	0.19%	2.65%	10.54%	51.49%	0.54%
Loans and advances at fair value through profit or loss					19,469
Unearned income					(526)
Capitalised brokerage and other origination costs					3,165
Net carrying amount					690,087

12. Credit risk, cont'd

Off-balance sheet commitments - undrawn and contingent facilities

As at March 2024	Stage 1 \$M	Stage 2 \$M	Stage 3		Total \$M
			Collectively assessed \$M	Individually assessed \$M	
Strong	193,490	1,204	-	-	194,694
Satisfactory	23,826	3,648	-	-	27,474
Weak	984	719	-	-	1,703
Defaulted	-	-	73	49	122
Gross undrawn and contingent facilities subject to ECL	218,300	5,571	73	49	223,993
Allowance for ECL included in Other provisions	(653)	(167)	(24)	(5)	(849)
Net undrawn and contingent facilities subject to ECL	217,647	5,404	49	44	223,144
Coverage ratio	0.30%	3.00%	32.88%	10.20%	0.38%
Undrawn and contingent facilities not subject to ECL ¹					66,227
Net undrawn and contingent facilities					289,371
As at September 2023					
Strong	189,980	1,234	-	-	191,214
Satisfactory	30,007	4,276	-	-	34,283
Weak	975	746	-	-	1,721
Defaulted	-	-	79	47	126
Gross undrawn and contingent facilities subject to ECL	220,962	6,256	79	47	227,344
Allowance for ECL included in Other provisions	(630)	(162)	(25)	(10)	(827)
Net undrawn and contingent facilities subject to ECL	220,332	6,094	54	37	226,517
Coverage ratio	0.29%	2.59%	31.65%	21.28%	0.36%
Undrawn and contingent facilities not subject to ECL ¹					63,538
Net undrawn and contingent facilities					290,055
As at March 2023					
Strong	200,066	1,439	-	-	201,505
Satisfactory	18,769	2,742	-	-	21,511
Weak	904	782	-	-	1,686
Defaulted	-	-	89	24	113
Gross undrawn and contingent facilities subject to ECL	219,739	4,963	89	24	224,815
Allowance for ECL included in Other provisions	(586)	(152)	(29)	(7)	(774)
Net undrawn and contingent facilities subject to ECL	219,153	4,811	60	17	224,041
Coverage ratio	0.27%	3.06%	32.58%	29.17%	0.34%
Undrawn and contingent facilities not subject to ECL ¹					68,509
Net undrawn and contingent facilities					292,550

¹ Commitments that can be unconditionally cancelled at any time without notice.

12. Credit risk, cont'd

Investment securities - debt securities at amortised cost

As at March 2024	Stage 1 \$M	Stage 2 \$M	Stage 3		Total \$M
			Collectively assessed \$M	Individually assessed \$M	
Strong	6,018	-	-	-	6,018
Satisfactory	137	-	-	-	137
Weak	1,778	-	-	-	1,778
Gross investment securities - debt securities at amortised cost	7,933	-	-	-	7,933
Allowance for ECL	(33)	-	-	-	(33)
Net investment securities - debt securities at amortised cost	7,900	-	-	-	7,900
Coverage ratio	0.42%	-	-	-	0.42%

As at September 2023

Strong	6,117	-	-	-	6,117
Satisfactory	112	-	-	-	112
Weak	1,558	-	-	-	1,558
Gross investment securities - debt securities at amortised cost	7,787	-	-	-	7,787
Allowance for ECL	(35)	-	-	-	(35)
Net investment securities - debt securities at amortised cost	7,752	-	-	-	7,752
Coverage ratio	0.45%	-	-	-	0.45%

As at March 2023

Strong	6,191	-	-	-	6,191
Satisfactory	82	-	-	-	82
Weak	1,668	-	-	-	1,668
Gross investment securities - debt securities at amortised cost	7,941	-	-	-	7,941
Allowance for ECL	(29)	-	-	-	(29)
Net investment securities - debt securities at amortised cost	7,912	-	-	-	7,912
Coverage ratio	0.37%	-	-	-	0.37%

Investment securities - debt securities at FVOCI

As at March 2024	Stage 1 \$M	Stage 2 \$M	Stage 3		Total \$M
			Collectively assessed \$M	Individually assessed \$M	
Strong	108,530	-	-	-	108,530
Investment securities - debt securities at FVOCI	108,530	-	-	-	108,530
Allowance for ECL recognised in Other comprehensive income	(17)	-	-	-	(17)
Coverage ratio	0.02%	-	-	-	0.02%

As at September 2023

Strong	88,271	-	-	-	88,271
Investment securities - debt securities at FVOCI	88,271	-	-	-	88,271
Allowance for ECL recognised in Other comprehensive income	(15)	-	-	-	(15)
Coverage ratio	0.02%	-	-	-	0.02%

As at March 2023

Strong	84,589	-	-	-	84,589
Investment securities - debt securities at FVOCI	84,589	-	-	-	84,589
Allowance for ECL recognised in Other comprehensive income	(13)	-	-	-	(13)
Coverage ratio	0.02%	-	-	-	0.02%

12. Credit risk, cont'd

Other financial assets

	As at		
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M
Strong	230,668	269,934	302,785
Satisfactory ¹	4,547	2,631	2,333
Weak	840	604	1,069
Defaulted	-	-	4
Other financial assets¹	236,055	273,169	306,191

¹ Includes Investment securities - debt securities at FVTPL of \$14 million (Sep 23: \$13 million; Mar 23: \$18 million).

13. Fair value of financial assets and financial liabilities

Classification of Financial Assets and Financial Liabilities

The Group recognises and measures financial instruments at either fair value or amortised cost, with a significant number of financial instruments on the balance sheet at fair value.

Fair value is the best estimate of the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The following tables set out the classification of financial assets and liabilities according to their measurement bases with their carrying amounts as recognised on the balance sheet.

As at March 2024	At amortised cost \$M	At fair value \$M	Total \$M
Financial assets			
Cash and cash equivalents	114,635	23,064	137,699
Settlement balances owed to ANZ	3,809	-	3,809
Collateral paid	8,241	-	8,241
Trading assets	-	42,442	42,442
Derivative financial instruments	-	47,481	47,481
Investment securities	7,900	110,155	118,055
Net loans and advances	691,144	24,027	715,171
Regulatory deposits	696	-	696
Other financial assets	4,316	-	4,316
Total	830,741	247,169	1,077,910
Financial liabilities			
Settlement balances owed by ANZ	15,026	-	15,026
Collateral received	7,409	-	7,409
Deposits and other borrowings	776,650	30,087	806,737
Derivative financial instruments	-	42,728	42,728
Payables and other liabilities	10,151	6,943	17,094
Debt issuances	125,362	1,747	127,109
Total	934,598	81,505	1,016,103

As at September 2023

Financial assets			
Cash and cash equivalents	140,588	27,566	168,154
Settlement balances owed to ANZ	9,349	-	9,349
Collateral paid	8,558	-	8,558
Trading assets	-	37,004	37,004
Derivative financial instruments	-	60,406	60,406
Investment securities	7,752	89,677	97,429
Net loans and advances	685,156	21,888	707,044
Regulatory deposits	646	-	646
Other financial assets	4,339	-	4,339
Total	856,388	236,541	1,092,929
Financial liabilities			
Settlement balances owed by ANZ	19,267	-	19,267
Collateral received	10,382	-	10,382
Deposits and other borrowings	780,822	33,889	814,711
Derivative financial instruments	-	57,482	57,482
Payables and other liabilities	9,830	5,267	15,097
Debt issuances	114,678	1,336	116,014
Total	934,979	97,974	1,032,953

13. Fair value of financial assets and financial liabilities, cont'd

As at March 2023	At amortised cost \$M	At fair value \$M	Total \$M
Financial assets			
Cash and cash equivalents	184,092	24,708	208,800
Settlement balances owed to ANZ	7,020	-	7,020
Collateral paid	9,245	-	9,245
Trading assets	-	39,611	39,611
Derivative financial instruments	-	45,614	45,614
Investment securities	7,912	86,060	93,972
Net loans and advances	670,618	19,469	690,087
Regulatory deposits	646	-	646
Other financial assets	3,758	-	3,758
Total	883,291	215,462	1,098,753
Financial liabilities			
Settlement balances owed by ANZ	23,010	-	23,010
Collateral received	8,002	-	8,002
Deposits and other borrowings	811,236	31,328	842,564
Derivative financial instruments	-	46,154	46,154
Payables and other liabilities	8,324	4,733	13,057
Debt issuances	104,626	1,531	106,157
Total	955,198	83,746	1,038,944

13. Fair value of financial assets and financial liabilities, cont'd

Financial Assets and Financial Liabilities Measured at Fair Value

The fair values of financial assets and financial liabilities are generally determined at the individual instrument level. If the Group holds offsetting risk positions, then the portfolio exception in AASB 13 *Fair Value Measurement* (AASB 13) is used to measure the fair value of such groups of financial assets and financial liabilities. The Group measures the portfolio based on the price that would be received to sell a net long position (an asset) for a particular risk exposure, or to transfer a net short position (a liability) for a particular risk exposure.

a) Fair value designation

The Group designates certain loans and advances, deposits and other borrowings and debt issuances as fair value through profit or loss:

- where they contain separable embedded derivatives and are managed on a fair value basis, the total fair value movements are recognised in profit or loss in the same period as the movement on any associated hedging instruments; or
- in order to eliminate an accounting mismatch which would arise if the assets or liabilities were otherwise carried at amortised cost. This mismatch arises due to measuring the derivative financial instruments (used to mitigate interest rate risk of these assets or liabilities) at fair value through profit or loss.

The Group's approach ensures that it recognises the fair value movements on the assets or liabilities in profit or loss in the same period as the movement on the associated derivatives.

The Group may also designate certain loans and advances, deposits and other borrowings and debt issuances as fair value through profit or loss where they are managed on a fair value basis to align the measurement with how the financial instruments are managed.

b) Fair value approach and valuation techniques

The Group uses valuation techniques to estimate the fair value of assets and liabilities for recognition, measurement and disclosure purposes where no quoted price in an active market for that asset or liability exists. This includes the following:

Asset or Liability	Fair Value Approach
Financial instruments classified as: <ul style="list-style-type: none"> • Derivative financial assets and financial liabilities (including trading and non-trading) • Repurchase agreements < 90 days • Net loans and advances • Deposits and other borrowings • Debt issuances 	Discounted cash flow techniques are used whereby contractual future cash flows of the instrument are discounted using wholesale market interest rates, or market borrowing rates for debt or loans with similar maturities or yield curves appropriate for the remaining term to maturity.
Other financial instruments held for trading: <ul style="list-style-type: none"> • Securities sold short • Debt and equity securities 	Valuation techniques are used that incorporate observable market inputs for financial instruments with similar credit risk, maturity and yield characteristics. Equity securities where an active market does not exist are measured using comparable company valuation multiples (such as price-to-book ratios).
Financial instruments classified as: <ul style="list-style-type: none"> • Investment securities – debt or equity 	Valuation techniques use comparable multiples (such as price-to-book ratios) or discounted cashflow (DCF) techniques incorporating, to the extent possible, observable inputs from instruments with similar characteristics.

There were no significant changes to valuation approaches during the current or prior periods.

c) Fair value hierarchy

The Group categorises assets and liabilities carried at fair value into a fair value hierarchy in accordance with AASB 13 based on the observability of inputs used to measure the fair value:

- Level 1 - valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuations using inputs other than quoted prices included within Level 1 that are observable for a similar asset or liability, either directly or indirectly; and
- Level 3 - valuations where significant unobservable inputs are used to measure the fair value of the asset or liability.

There were no significant changes to levelling approaches during the current or prior periods.

13. Fair value of financial assets and financial liabilities, cont'd

The following table presents financial assets and financial liabilities carried at fair value in accordance with the fair value hierarchy:

	Fair value measurements			
	Level 1 \$M	Level 2 \$M	Level 3 \$M	Total \$M
As at March 2024				
Assets				
Cash and cash equivalents (measured at fair value)	-	23,064	-	23,064
Trading assets ¹	29,315	13,126	1	42,442
Derivative financial instruments	228	47,226	27	47,481
Investment securities ¹	87,121	21,651	1,383	110,155
Net loans and advances (measured at fair value)	-	23,428	599	24,027
Total	116,664	128,495	2,010	247,169
Liabilities				
Deposits and other borrowings (designated at fair value)	-	30,087	-	30,087
Derivative financial instruments	192	42,521	15	42,728
Payables and other liabilities	6,659	284	-	6,943
Debt issuances (designated at fair value)	-	1,747	-	1,747
Total	6,851	74,639	15	81,505
As at September 2023				
Assets				
Cash and cash equivalents (measured at fair value)	-	27,566	-	27,566
Trading assets ¹	26,388	10,614	2	37,004
Derivative financial instruments	935	59,448	23	60,406
Investment securities ¹	71,356	16,924	1,397	89,677
Net loans and advances (measured at fair value)	-	21,159	729	21,888
Total	98,679	135,711	2,151	236,541
Liabilities				
Deposits and other borrowings (designated at fair value)	-	33,889	-	33,889
Derivative financial instruments	218	57,241	23	57,482
Payables and other liabilities	4,841	426	-	5,267
Debt issuances (designated at fair value)	-	1,336	-	1,336
Total	5,059	92,892	23	97,974
As at March 2023				
Assets				
Cash and cash equivalents (measured at fair value)	-	24,708	-	24,708
Trading assets ¹	26,593	13,017	1	39,611
Derivative financial instruments	315	45,275	24	45,614
Investment securities ¹	68,176	16,421	1,463	86,060
Net loans and advances (measured at fair value)	-	19,089	380	19,469
Total	95,084	118,510	1,868	215,462
Liabilities				
Deposits and other borrowings (designated at fair value)	-	31,328	-	31,328
Derivative financial instruments	765	45,363	26	46,154
Payables and other liabilities	3,572	1,161	-	4,733
Debt issuances (designated at fair value)	-	1,531	-	1,531
Total	4,337	79,383	26	83,746

¹ During the March 2024 half, \$2,435 million of assets were transferred from Level 1 to Level 2, (Sep 23: \$3,624 million; Mar 23: \$7,246 million), and \$4,082 million of assets were transferred from Level 2 to Level 1 (Sep 23: \$1,452 million; Mar 23: \$1,181 million) due to a change of the observability of bond valuation inputs. There were no other material transfers during the period. Transfers into and out of levels are measured at the beginning of the reporting period in which the transfer occurred.

13. Fair value of financial assets and financial liabilities, cont'd

Fair Value Measurements Incorporating Unobservable Market Data

a) Level 3 fair value measurements

Level 3 financial instruments are a net asset of \$1,995 million (Sep 23: \$2,128 million; Mar 23: \$1,842 million). The assets and liabilities which incorporate significant unobservable inputs are:

- equity and debt securities for which there is no active market or traded prices cannot be observed;
- loans and advances measured at fair value for which there is no observable market data; and
- derivatives referencing market rates that cannot be observed primarily due to lack of market activity.

Level 3 Transfers

There were no transfers into or out of Level 3 during the period.

The material Level 3 financial instruments as at 31 March 2024 are summarised below:

i) Investment Securities - equity holdings classified as FVOCI

Bank of Tianjin (BoT)

The Group holds an investment in the Bank of Tianjin. The investment is valued based on comparative price-to-book (P/B) multiples (a P/B multiple is the ratio of the market value of equity to the book value of equity). The extent of judgement applied in determining the appropriate multiple and comparator group from which the multiple is derived resulted in the Level 3 classification. As at March 2024, the BoT equity holding balance was \$848 million (Sep 23: \$849 million, Mar 23: \$900 million).

Other equity investments

The Group holds \$521 million (Sep 23: \$535 million; Mar 23: \$545 million) of unlisted equities classified as FVOCI, for which there are no active markets or traded prices available, resulting in a Level 3 classification. The decrease in unlisted equity holdings balance was mainly due to downward revaluation of the equity instruments during the March 2024 half.

ii) Net loans and advances - classified as FVTPL

Syndicated loans

The Group holds \$599 million (Sep 23: \$729 million; Mar 23: \$380 million) of syndicated loans for sale which are measured at FVTPL for which there is no observable market data available. The decrease in the Level 3 loan balances for the March 2024 half was mainly due to foreign currency translation impacts as well as scheduled repayments.

b) Sensitivity to Level 3 data inputs

When we make assumptions due to significant inputs to a valuation not being directly observable (Level 3 inputs), then changing these assumptions changes the Group's estimate of the instrument's fair value. Favourable and unfavourable changes are determined by changing the primary unobservable parameters used to derive the fair valuation.

Investment securities - equity holdings

The valuations of the equity investments are sensitive to variations in selected unobservable inputs, with valuation techniques used including P/B multiples and discounted cashflow techniques. If for example, a 10% increase or decrease to the primary input into the valuations were to occur (such as the P/B multiple), it would result in a \$137 million increase or decrease in the fair value of the portfolio, which would be recognised in shareholders' equity in the Group, with no impact to net profit or loss.

Net loans and advances

Syndicated loan valuations are sensitive to credit spreads in determining their fair valuation. For the syndicated loans which are primarily investment-grade loans, an increase or decrease in credit spreads would have an immaterial impact on net profit or net assets of the Group. For the remaining syndicated loans, the Group may, where deemed necessary, utilise Credit Risk Insurance to mitigate the credit risks associated with those loans. The effect of this would also result in an immaterial impact to the net profit or net assets of the Group.

Other

The remaining Level 3 balance is immaterial and changes in inputs have a minimal impact on net profit and net assets of the Group.

c) Deferred fair value gains and losses

Where fair value is determined using unobservable inputs significant to the fair value of a financial instrument, the Group does not immediately recognise the difference between the transaction price and the amount determined based on the valuation technique (day one gain or loss) in profit or loss. After initial recognition, the Group recognises the deferred amount in profit or loss on a straight-line basis over the life of the transaction or until all inputs become observable. Day one gains and losses which have been deferred are not material.

13. Fair value of financial assets and financial liabilities, cont'd

Financial Assets and Liabilities Not Measured at Fair Value

The financial assets and financial liabilities listed below are measured at amortised cost on the Group's balance sheet. While this is the value at which we expect the assets will be realised and the liabilities settled, the Group provides an estimate of the fair value of the financial assets and financial liabilities at balance date in the table below.

Fair values of financial assets and liabilities carried at amortised cost not included in the table below approximate their carrying values. These financial assets and liabilities are either short term in nature or are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

	Carrying amount in the balance sheet			Fair value
	At amortised cost \$M	At fair value \$M	Total \$M	\$M
As at March 2024				
Financial assets				
Investment securities ¹	7,900	110,155	118,055	118,053
Net loans and advances	691,144	24,027	715,171	714,284
Total	699,044	134,182	833,226	832,337
Financial liabilities				
Deposits and other borrowings	776,650	30,087	806,737	806,542
Debt issuances	125,362	1,747	127,109	127,921
Total	902,012	31,834	933,846	934,463
As at September 2023				
Financial assets				
Investment securities ¹	7,752	89,677	97,429	97,389
Net loans and advances	685,156	21,888	707,044	704,977
Total	692,908	111,565	804,473	802,366
Financial liabilities				
Deposits and other borrowings	780,822	33,889	814,711	814,503
Debt issuances	114,678	1,336	116,014	115,989
Total	895,500	35,225	930,725	930,492
As at March 2023				
Financial assets				
Investment securities ¹	7,912	86,060	93,972	93,958
Net loans and advances	670,618	19,469	690,087	687,457
Total	678,530	105,529	784,059	781,415
Financial liabilities				
Deposits and other borrowings	811,236	31,328	842,564	842,215
Debt issuances	104,626	1,531	106,157	105,800
Total	915,862	32,859	948,721	948,015

¹ Investment securities at amortised cost includes \$5,262 million of assets that are part of the Group's liquidity portfolio (Sep 23: \$4,558 million; Mar 23: \$4,260 million). These are all short tenor (<1 year) instruments primarily in the Group's Rest of World geography and represent <2% of the Group's total liquid asset securities at 31 March 2024.

14. Shareholders' equity

Shareholders' Equity

	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Shareholders' equity	29,033	29,082	29,054	0%	0%
Ordinary share capital					
Reserves					
Foreign currency translation reserve ¹	192	570	644	-66%	-70%
Share option reserve	74	83	58	-11%	28%
FVOCI reserve	(590)	(494)	(412)	19%	43%
Cash flow hedge reserve	(1,120)	(1,872)	(1,287)	-40%	-13%
Transactions with non-controlling interests reserve	(22)	(22)	(22)	0%	0%
Total reserves	(1,466)	(1,735)	(1,019)	-16%	44%
Retained earnings	42,739	42,148	41,020	1%	4%
Share capital and reserves attributable to shareholders of the Company	70,306	69,495	69,055	1%	2%
Non-controlling interests	768	522	525	47%	46%
Total shareholders' equity	71,074	70,017	69,580	2%	2%

¹ As a result of the closure of a number of international entities, the associated foreign currency translation reserve was recycled from Other comprehensive income to profit or loss, resulting in a \$20 million gain recognised in Other operating income in the March 2024 half (Sep 23 half: \$43 million gain; Mar 23 half: nil).

Ordinary Share Capital

	As at		
	Mar 24 No.	Sep 23 No.	Mar 23 No.
Ordinary shares			
Opening balance	3,005,286,886	3,003,366,782	2,989,923,751
Bonus option plan	2,223,792	1,920,104	1,657,422
Dividend reinvestment plan issuances	-	-	8,406,978
Employee share and option plans	-	-	3,378,631
Closing balance	3,007,510,678	3,005,286,886	3,003,366,782
Less: Treasury shares	(5,572,694)	(4,044,925)	(4,099,015)
Closing balance	3,001,937,984	3,001,241,961	2,999,267,767

Non-Controlling Interests

	Profit attributable to non-controlling interests			Equity attributable to non-controlling interests			Dividend paid to non-controlling interests		
	Half Year			As at			Half Year		
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M
ANZ Bank New Zealand PPS ¹	13	13	13	757	512	515	13	13	13
Other non-controlling interests	1	1	1	11	10	10	-	1	-
Total	14	14	14	768	522	525	13	14	13

¹ On 19 March 2024, ANZ Bank New Zealand Limited issued \$256 million (NZD 275 million) of PPS.

ANZ Bank New Zealand Perpetual Preference Shares

Perpetual Preference Shares (PPS) issued by ANZ Bank New Zealand Limited (ANZ Bank New Zealand), a member of the Group, are considered non-controlling interests of the Group.

The key terms of the PPS are as follows:

PPS dividends

Holders of PPS are entitled to receive dividends that are discretionary, non-cumulative and subject to conditions. If a PPS dividend is not paid, there are certain restrictions on the ability of the Bank to pay a dividend on its ordinary shares. Holders of the PPS have no other rights to participate in the profits or property of ANZ Bank New Zealand.

Redemption features

Holders of PPS have no right to require that the PPS be redeemed. ANZ Bank New Zealand may, at its option, redeem PPS on an optional redemption date (being each scheduled quarterly dividend payment date from the first optional redemption date), or at any time following the occurrence of a tax event or regulatory event, subject to prior written approval of RBNZ and certain other conditions being met.

15. Changes in composition of the Group

There were no acquisitions or disposals of material controlled entities for the half year ended 31 March 2024.

16. Investments in associates

	Half Year			Movement		
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23	
Share of associates' profit/(loss)	84	120	101	-30%	-17%	
Contributions to profit	Contribution to Group profit after tax			Ownership interest held by Group		
Associates	Half Year			As at		
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 %	Sep 23 %	Mar 23 %
P.T. Bank Pan Indonesia (PT Panin)	31	67	56	39	39	39
AMMB Holdings Berhad (AmBank) ¹	65	58	63	5	22	22
Worldline Australia Pty Ltd	(12)	(4)	(17)	49	49	49
Other associates	-	(1)	(1)	n/a	n/a	n/a
Share of associates' profit/(loss)	84	120	101			

¹ On 6 March 2024, the Group partially disposed of its interest in AmBank, reducing its investment by \$668 million and its ordinary share interest from 22% to 5%. Following the decrease in ownership, the Group ceased equity accounting for AmBank and reclassified the investment of \$221 million as Investment securities at fair value through other comprehensive income.

17. Related party disclosure

There have been no transactions with related parties that are significant to understanding the changes in financial position and performance of the Group since 30 September 2023.

18. Commitments, contingent liabilities and contingent assets

Credit Related Commitments and Contingencies

	Half Year			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Contract amount of:					
Undrawn facilities	239,898	240,711	243,975	0%	-2%
Guarantees and letters of credit	23,390	23,556	23,090	-1%	1%
Performance related contingencies	26,932	26,615	26,259	1%	3%
Total	290,220	290,882	293,324	0%	-1%

Other 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. 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.

Refer to Note 34 of the 2023 ANZGHL Annual Financial Report for a description of commitments, contingent liabilities and contingent assets as at 30 September 2023. A description of the contingent liabilities and contingent assets as at 31 March 2024 is set out below.

Other Contingent Liabilities

• **Regulatory and customer exposures**

The Group regularly engages with its regulators in relation to regulatory investigations, surveillance and reviews, reportable situations, civil enforcement actions (whether by court action or otherwise), formal and informal inquiries and regulatory supervisory activities 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, include or have included in recent years 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, privacy obligations and information security, business continuity management, 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.

• **South African rate action**

In February 2017, the South African Competition Commission commenced proceedings against local and international banks including ANZBGL 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 action**

In September 2018, the Australian Securities and Investments Commission (ASIC) commenced civil penalty proceedings against ANZBGL alleging failure to comply with continuous disclosure obligations in connection with ANZBGL's August 2015 underwritten institutional share placement. In October 2023, the Federal Court of Australia found that ANZBGL should have notified the ASX of the joint lead managers' take-up of placement shares. A civil penalty of \$0.9 million was imposed on ANZBGL. In December 2023, ANZBGL lodged a Notice of Appeal from the decision of the Federal Court of Australia.

• **Esanda dealer car loan litigation**

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

• **OnePath superannuation litigation**

In December 2020, a class action was brought against OnePath Custodians, OnePath Life and ANZBGL alleging that OnePath Custodians breached its obligations under superannuation legislation, and its duties as trustee, in respect of superannuation investments and fees. The claim also alleges that ANZBGL was involved in some of OnePath Custodians' investment breaches. ANZBGL is defending the allegations.

• **New Zealand loan information litigation**

In September 2021, a representative proceeding was brought against ANZ Bank New Zealand Limited, alleging breaches of disclosure requirements under consumer credit legislation in respect of variation letters sent to certain loan customers. ANZ Bank New Zealand Limited is defending the allegations.

• **Credit cards litigation**

In November 2021, a class action was brought against ANZBGL alleging that certain interest terms in credit card contracts were unfair contract terms and that it was unconscionable for ANZBGL to rely on them. An agreement to settle the claim was reached in March 2024. ANZBGL will pay \$57.5 million in the settlement, which is covered by an existing provision. The settlement is without admission of liability and remains subject to court approval.

18. Commitments, contingent liabilities and contingent assets, cont'd

• **Royal Commission**

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry released its final report on 4 February 2019. Following the Royal Commission there have been, and continue to be, additional costs and 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, indemnities and performance management fees**

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, some of which are currently active. The outcomes and total costs associated with these exposures remain uncertain.

The Group has entered an arrangement to pay performance management fees to external fund managers in the event predetermined performance criteria are satisfied in relation to certain Group investments. The satisfaction of the performance criteria and associated performance management fee remains uncertain.

• **Clearing and settlement obligations**

Certain group companies have a commitment to comply with rules governing various clearing and settlement arrangements which could result in a credit risk exposure and loss if another member institution fails to settle its payment clearing activities. The Group's potential exposure arising from these arrangements is unquantifiable in advance.

Certain group companies hold memberships of central clearing houses, including ASX Clear (Futures), London Clearing House (LCH) SwapClear and RepoClear, Korea Exchange (KRX), Hong Kong Exchange (HKEX), Clearing Corporation of India and the Shanghai Clearing House. These memberships allow the relevant group company to centrally clear derivative instruments in line with cross-border regulatory requirements. Common to all of these memberships is the requirement for the relevant group company to make default fund contributions. In the event of a default by another member, the relevant group company could potentially be required to commit additional default fund contributions which are unquantifiable in advance.

• **Parent entity guarantees**

Certain group companies have issued letters of comfort and guarantees in respect of certain subsidiaries in the normal course of business. Under these letters and guarantees, the issuing entity undertakes to ensure that those subsidiaries continue to meet their financial obligations, subject to certain conditions including that the subsidiary remains a controlled entity.

• **Sale of Grindlays business**

On 31 July 2000, ANZBGL completed the sale to Standard Chartered Bank of ANZ Grindlays Bank Limited (Grindlays) and certain other businesses. ANZBGL provided warranties and indemnities relating to those businesses.

The indemnified matters include civil penalty proceedings brought by Indian authorities against Grindlays and certain of its officers, in relation to certain transactions conducted in 1991 that are alleged to have breached the *Foreign Exchange Regulation Act, 1973*. Civil penalties were imposed in 2007 which are the subject of appeals.

Contingent Assets

• **National Housing Bank**

ANZBGL is pursuing recovery of the proceeds of certain disputed cheques which were credited to the account of a former Grindlays customer in the early 1990s.

The disputed cheques were drawn on the National Housing Bank (NHB) in India. Proceedings between Grindlays and NHB concerning the proceeds of the cheques were resolved in early 2002.

Recovery is now being pursued from the estate of the Grindlays customer who received the cheque proceeds. Any amounts recovered are to be shared between ANZBGL and NHB.

19. Pending organisational changes impacting future reporting periods

Suncorp Bank Acquisition

On 18 July 2022, the Group announced an agreement to purchase 100% of the shares in SBGH Limited, the immediate non-operating holding company of Suncorp Bank. On 20 February 2024, the Australian Competition Tribunal announced it had authorised the proposed acquisition following the decision in August 2023 by the Australian Competition and Consumer Commission to not authorise the acquisition. The acquisition remains subject to satisfaction of certain conditions, including Federal Treasurer approval and certain amendments to the *State Financial Institutions and Metway Merger Act 1996* (QLD). ANZBGL will also have a termination right under the Suncorp Bank Sale Agreement if APRA issues a written communication to ANZBGL under or in connection with APS 222 *Associations with Related Entities* to the effect that ANZBGL must not proceed with completion of the acquisition. Assuming these conditions are satisfied, the acquisition is expected to occur in mid-calendar year 2024.

20. Significant events since balance date

There have been no significant events from 31 March 2024 to the date of signing this report.

Directors' Declaration

The Directors of ANZ Group Holdings Limited declare that:

1. in the Directors' opinion the Condensed Consolidated Financial Statements and Notes to the Condensed Consolidated Financial Statements are in accordance with the *Corporations Act 2001*, including:
 - section 304, that they comply with the Australian Accounting Standards and any further requirements in the *Corporations Regulations 2001*; and
 - section 305, that they give a true and fair view of the financial position of the Group as at 31 March 2024 and of its performance for the half year ended on that date; and
2. in the Directors' opinion as at the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Paul D O'Sullivan
Chairman



Shayne C Elliott
Managing Director

6 May 2024



Independent Auditor's Review Report to the shareholders of ANZ Group Holdings Limited

Conclusion

We have reviewed the accompanying Condensed Consolidated Financial Statements of ANZ Group Holdings Limited (the Group).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Consolidated Financial Statements of ANZ Group Holdings Limited do not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 March 2024 and of its performance for the half year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The Condensed Consolidated Financial Statements comprise:

- The condensed consolidated balance sheet as at 31 March 2024;
- The condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated cash flow statement for the half year ended on that date;
- Notes 1 to 20 including selected explanatory notes; and
- The Directors' Declaration.

The Group comprises ANZ Group Holdings Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* and ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Condensed Consolidated Financial Statements

The Directors of the Company are responsible for:

- the preparation of the Condensed Consolidated Financial Statements that give a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Condensed Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Condensed Consolidated Financial Statements

Our responsibility is to express a conclusion on the Condensed Consolidated Financial Statements based on our review. ASRE 2410 and ISRE 2410 require us to conclude whether we have become aware of any matter that makes us believe that the Condensed Consolidated Financial Statements do not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 March 2024 and its performance for the half year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of Condensed Consolidated Financial Statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and *International Standards on Auditing* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Maria Trinci
Partner

Melbourne
6 May 2024



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of ANZ Group Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review of ANZ Group Holdings Limited for the half year ended 31 March 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature of the KPMG firm, written in blue ink.

KPMG

A handwritten signature in blue ink that reads 'Maria Trinci'.

Maria Trinci
Partner

Melbourne
6 May 2024

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Capital management

ANZ provides information as required under APRA's prudential standard APS 330: *Public Disclosure*. This information is located in the Regulatory Disclosures section of ANZ's website: <https://www.anz.com/shareholder/centre/reporting/regulatory-disclosure/>.

The disclosures below represent the position for ANZ BH Pty Ltd as the head of ANZ's Level 2 banking group. The capital position for ANZGHL, the head of the Level 3 conglomerate group, is outlined on page 37.

		As at			Movement	
		Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Qualifying Capital						
Tier 1						
Shareholders' equity and non-controlling interests		70,202	69,085	68,596	2%	2%
Prudential adjustments to shareholders' equity	Table 1	(648)	(396)	(329)	64%	97%
Gross Common Equity Tier 1 capital		69,554	68,689	68,267	1%	2%
Deductions	Table 2	(11,142)	(10,895)	(10,887)	2%	2%
Common Equity Tier 1 capital		58,412	57,794	57,380	1%	2%
Additional Tier 1 capital	Table 3	8,297	8,232	8,184	1%	1%
Tier 1 capital		66,709	66,026	65,564	1%	2%
Tier 2 capital	Table 4	28,223	24,959	24,068	13%	17%
Total qualifying capital		94,932	90,985	89,632	4%	6%
Capital adequacy ratios (Level 2)						
Common Equity Tier 1		13.5%	13.3%	13.2%		
Tier 1		15.4%	15.2%	15.1%		
Tier 2		6.5%	5.8%	5.5%		
Total capital ratio		21.9%	21.0%	20.6%		
Risk weighted assets	Table 5	432,779	433,327	435,514	0%	-1%

Capital management, cont'd

	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Table 1: Prudential adjustments to shareholders' equity					
Shareholders' equity attributable to deconsolidated entities	(225)	(253)	(233)	-11%	-3%
Deferred fee revenue including fees deferred as part of loan yields	409	430	453	-5%	-10%
Non-controlling interests and other deductions	(832)	(573)	(549)	45%	52%
Total	(648)	(396)	(329)	64%	97%
Table 2: Deductions from Common Equity Tier 1 capital					
Unamortised goodwill & other intangibles (excluding ANZ New Zealand Investments Holdings Ltd)	(2,936)	(2,977)	(2,994)	-1%	-2%
Intangible component of investments in ANZ New Zealand Investments Holdings Ltd	(69)	(71)	(71)	-3%	-3%
Capitalised software	(902)	(913)	(868)	-1%	4%
Capitalised expenses (including loan and lease origination fees)	(2,240)	(2,099)	(1,874)	7%	20%
Applicable deferred net tax assets	(2,716)	(2,579)	(2,461)	5%	10%
Expected losses in excess of eligible provisions	(282)	(272)	(39)	4%	large
Investment in other insurance subsidiaries	(225)	(225)	(284)	0%	-21%
Investment in ANZ New Zealand Investments Holdings Ltd	(45)	(46)	(45)	-1%	0%
Investment in associates	(1,405)	(2,321)	(2,214)	-39%	-37%
Other equity investments	(1,168)	(925)	(973)	26%	20%
Cash flow hedge reserve and other deductions	846	1,533	936	-45%	-10%
Total	(11,142)	(10,895)	(10,887)	2%	2%
Table 3: Additional Tier 1 capital					
ANZ Capital Notes 4	-	1,621	1,620	large	large
ANZ Capital Notes 5	930	929	929	0%	0%
ANZ Capital Notes 6	1,490	1,489	1,488	0%	0%
ANZ Capital Notes 7	1,299	1,298	1,297	0%	0%
ANZ Capital Notes 8	1,484	1,483	1,482	0%	0%
ANZ Capital Notes 9	1,678	-	-	n/a	n/a
ANZ Capital Securities	1,434	1,412	1,380	2%	4%
Regulatory adjustments and deductions	(18)	-	(12)	n/a	50%
Total	8,297	8,232	8,184	1%	1%
Table 4: Tier 2 capital					
General reserve for impairment of financial assets	1,609	1,776	1,781	-9%	-10%
Term subordinated debt notes	26,754	23,707	22,797	13%	17%
Regulatory adjustments and deductions	(140)	(524)	(510)	-73%	-73%
Total	28,223	24,959	24,068	13%	17%

Capital management, cont'd

		As at			Movement	
		Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Table 5: Risk weighted assets						
On balance sheet		277,535	272,493	269,191	2%	3%
Commitments		41,424	47,701	45,944	-13%	-10%
Contingents		11,800	12,260	14,227	-4%	-17%
Derivatives		17,688	16,587	15,932	7%	11%
Total credit risk weighted assets	Table 6	348,447	349,041	345,294	0%	1%
Market risk - Traded		11,863	10,264	11,737	16%	1%
Market risk - IRRBB		26,200	31,703	31,887	-17%	-18%
Operational risk		43,274	42,319	42,319	2%	2%
Total risk weighted assets		429,784	433,327	431,237	-1%	0%
RWA adjustment for the IRB capital floor		2,995	-	4,277	n/a	-30%
Total risk weighted assets including floor adjustment		432,779	433,327	435,514	0%	-1%

		As at			Movement	
		Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Table 6: Credit risk weighted assets by Basel asset class						
Subject to Advanced IRB approach						
Corporate		60,362	62,668	62,680	-4%	-4%
Residential mortgage		101,338	96,290	86,726	5%	17%
Retail SME		9,538	9,684	10,065	-2%	-5%
Qualifying revolving retail		3,344	3,243	3,325	3%	1%
Other retail		1,664	1,644	1,709	1%	-3%
Credit risk weighted assets subject to Advanced IRB approach		176,246	173,529	164,505	2%	7%
Credit risk weighted assets subject to supervisory slotting approach						
		3,579	3,369	3,577	6%	0%
Subject to Foundation IRB approach						
Corporate		35,665	34,819	38,808	2%	-8%
Sovereign		10,856	10,252	11,199	6%	-3%
Financial institution		30,122	30,875	32,832	-2%	-8%
Credit risk weighted assets subject to Foundational IRB approach		76,643	75,946	82,839	1%	-7%
Subject to Standardised approach						
Corporate		5,102	5,611	4,911	-9%	4%
Sovereign		171	165	88	4%	94%
Residential mortgage		1,853	2,065	1,809	-10%	2%
Other retail		92	44	32	large	large
Other assets		3,790	3,255	4,138	16%	-8%
Credit risk weighted assets subject to Standardised approach		11,008	11,140	10,978	-1%	0%
Credit Valuation Adjustment and Qualifying Central Counterparties						
		5,304	4,000	3,449	33%	54%
Exposures of New Zealand banking subsidiaries						
		73,186	78,662	77,717	-7%	-6%
Credit risk weighted assets relating to securitisation exposures		2,481	2,395	2,229	4%	11%
Total credit risk weighted assets		348,447	349,041	345,294	0%	1%

Capital management, cont'd

Table 7: Total provision for credit impairment and Basel expected loss by division	Collectively and Individually Assessed Provision			Basel Expected Loss ¹		
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M
Australia Retail	1,009	1,017	1,017	939	855	824
Australia Commercial	1,171	1,168	1,182	651	631	657
Institutional	1,546	1,551	1,580	960	957	814
New Zealand	580	600	590	622	579	515
Pacific	65	72	91	15	16	17
Group Centre	-	-	1	1	1	2
Total provision for credit impairment and expected loss	4,371	4,408	4,461	3,188	3,039	2,829

¹. Only applicable to IRB portfolios.

Table 8: APRA Expected loss in excess of eligible provisions	As at			Movement	
	Mar 24 \$M	Sep 23 \$M	Mar 23 \$M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
APRA Basel 3 expected loss: non-defaulted	2,014	1,902	1,875	6%	7%
Less: Qualifying collectively assessed provision					
Collectively assessed provision	(4,046)	(4,032)	(4,040)	0%	0%
Non-qualifying collectively assessed provision	423	354	384	19%	10%
Standardised collectively assessed provision	137	131	141	5%	-3%
Non-defaulted excess included in deduction	-	-	-	n/a	n/a
APRA Basel 3 expected loss: defaulted	1,174	1,137	954	3%	23%
Less: Qualifying individually assessed provision					
Individually assessed provision	(325)	(376)	(421)	-14%	-23%
Additional individually assessed provision for partial write offs	(186)	(181)	(181)	3%	3%
Standardised individually assessed provision	31	31	44	0%	-30%
Collectively assessed provision on IRB defaulted	(412)	(339)	(357)	22%	15%
	282	272	39	4%	large
Shortfall in expected loss not included in deduction	-	-	-	n/a	n/a
Defaulted excess included in deduction	282	272	39	4%	large
Gross deduction	282	272	39	4%	large

Average balance sheet and related interest¹

	Mar 24 Half Year			Sep 23 Half Year			Mar 23 Half Year		
	Avg bal \$M	Int \$M	Rate %	Avg bal \$M	Int \$M	Rate %	Avg bal \$M	Int \$M	Rate %
Loans and advances									
Home loans ²	364,372	12,117	6.7%	353,166	10,599	6.0%	344,016	8,730	5.1%
Consumer finance ³	12,718	539	8.5%	12,309	516	8.4%	12,320	493	8.0%
Business lending ^{4,5}	287,245	9,354	6.5%	285,084	9,360	6.5%	293,374	8,500	5.8%
Individual provisions for credit impairment	(353)	-	n/a	(390)	-	n/a	(457)	-	n/a
Total⁵	663,982	22,010	6.6%	650,169	20,475	6.3%	649,253	17,723	5.5%
Non-lending interest earning assets									
Cash and other liquid assets	198,112	4,072	4.1%	199,013	3,720	3.7%	196,798	2,712	2.8%
Trading and investment securities ⁵	152,962	3,724	4.9%	127,409	2,875	4.5%	126,358	2,393	3.8%
Other assets	565	5	n/a	584	2	n/a	563	4	n/a
Total⁵	351,639	7,801	4.4%	327,006	6,597	4.0%	323,719	5,109	3.2%
Total interest earning assets⁶	1,015,621	29,811	5.9%	977,175	27,072	5.5%	972,972	22,832	4.7%
Non-interest earning assets²	147,375			138,155			139,344		
Total average assets	1,162,996			1,115,330			1,112,316		
Interest bearing deposits and other borrowings									
Certificates of deposit	45,046	1,064	4.7%	44,616	935	4.2%	41,710	674	3.2%
Term deposits	263,285	6,595	5.0%	245,976	5,712	4.6%	226,515	3,998	3.5%
On demand and short term deposits ⁷	311,662	6,536	4.2%	307,908	5,700	3.7%	317,740	4,268	2.7%
Deposits from banks and securities sold under agreement to repurchase	103,459	2,323	4.5%	102,873	2,107	4.1%	103,137	1,677	3.3%
Commercial paper and other borrowings	47,677	1,310	5.5%	33,938	958	5.6%	43,553	883	4.1%
Total	771,129	17,828	4.6%	735,311	15,412	4.2%	732,655	11,500	3.1%
Non-deposit interest bearing liabilities									
Collateral received and settlement balances owed by ANZ	22,486	324	2.9%	18,093	317	3.5%	22,349	271	2.4%
Debt issuances & subordinated debt	115,969	3,202	5.5%	107,461	2,750	5.1%	96,609	2,082	4.3%
Other liabilities	13,220	558	n/a	10,509	519	n/a	9,293	479	n/a
Total	151,675	4,084	5.4%	136,063	3,586	5.3%	128,251	2,832	4.4%
Total interest bearing liabilities⁶	922,804	21,912	4.7%	871,374	18,998	4.3%	860,906	14,332	3.3%
Non-interest bearing liabilities⁷	169,309			175,260			183,799		
Total average liabilities	1,092,113			1,046,634			1,044,705		
Total average shareholders' equity	70,883			68,696			67,611		

¹ Averages used are predominantly daily averages.

² Home loans are reported net of average mortgage offset balances of \$46,560 million (Sep 23: \$43,923 million; Mar 23: \$43,799 million), which are included in non-interest earning assets. While these balances are required to be grossed up under accounting standards, they are netted down for the calculation of customer interest payments and the calculation of the Group's net interest margin.

³ Consumer finance includes retail products such as credit cards and personal loans, mainly held in the Australia Retail division.

⁴ Business lending includes commercial loans to small and mid-sized enterprises, in the Australia Commercial and New Zealand divisions, as well as larger corporate customers in the Institutional division.

⁵ During the current period, a component of interest previously included in Business lending was reallocated to Trading and investment securities to better align with the average balance allocation. Comparative information has been restated to conform to presentation in the current period reducing interest in Business lending by \$451 million in the September 2023 half and \$353 million in the March 2023 half with a corresponding increase in interest in Trading and investment securities.

⁶ Intra-group interest earning assets and interest income and Intra-group interest earning liabilities and interest expense have been eliminated.

⁷ On demand and short-term deposits exclude average mortgage offset balances of \$46,560 million (Sep 23: \$43,923 million; Mar 23: \$43,799 million), which are included in non-interest bearing liabilities.

Average balance sheet and related interest¹, cont'd

	Mar 24 Half Year			Sep 23 Half Year			Mar 23 Half Year		
	Avg bal \$M	Int \$M	Rate %	Avg bal \$M	Int \$M	Rate %	Avg bal \$M	Int \$M	Rate %
Loans and advances²									
Australia	449,835	14,793	6.6%	434,528	13,469	6.2%	432,682	11,721	5.4%
New Zealand ³	139,952	4,664	6.7%	138,008	4,336	6.3%	136,061	3,651	5.4%
Rest of World ⁴	74,195	2,553	6.9%	77,633	2,670	6.9%	80,510	2,351	5.9%
Total	663,982	22,010	6.6%	650,169	20,475	6.3%	649,253	17,723	5.5%
Trading assets and investment securities									
Australia	78,777	1,858	4.7%	61,789	1,352	4.4%	62,933	1,151	3.7%
New Zealand ³	16,727	444	5.3%	17,041	427	5.0%	16,606	344	4.2%
Rest of World ⁴	57,458	1,422	4.9%	48,579	1,096	4.5%	46,819	898	3.8%
Total	152,962	3,724	4.9%	127,409	2,875	4.5%	126,358	2,393	3.8%
Total interest earning assets⁵									
Australia	628,133	19,021	6.1%	596,787	16,962	5.7%	595,274	14,358	4.8%
New Zealand	170,005	5,494	6.5%	167,445	5,129	6.1%	166,510	4,290	5.2%
Rest of World	217,483	5,296	4.9%	212,943	4,981	4.7%	211,188	4,184	4.0%
Total	1,015,621	29,811	5.9%	977,175	27,072	5.5%	972,972	22,832	4.7%
Total average assets									
Australia	716,218			674,203			664,826		
New Zealand	182,716			180,746			181,272		
Rest of World	264,062			260,381			266,218		
Total average assets	1,162,996			1,115,330			1,112,316		
Interest bearing deposits and other borrowings⁶									
Australia	450,686	10,220	4.5%	421,540	8,538	4.0%	415,469	6,202	3.0%
New Zealand	117,591	2,794	4.8%	113,210	2,440	4.3%	111,000	1,708	3.1%
Rest of World	202,852	4,815	4.7%	200,561	4,434	4.4%	206,186	3,590	3.5%
Total	771,129	17,829	4.6%	735,311	15,412	4.2%	732,655	11,500	3.1%
Total interest bearing liabilities⁵									
Australia	562,945	13,275	4.7%	519,192	11,115	4.3%	504,444	8,137	3.2%
New Zealand	137,306	3,403	5.0%	134,551	3,075	4.6%	132,847	2,268	3.4%
Rest of World	222,553	5,234	4.7%	217,631	4,808	4.4%	223,615	3,927	3.5%
Total	922,804	21,912	4.7%	871,374	18,998	4.3%	860,906	14,332	3.3%
Total average liabilities									
Australia	656,885			617,283			599,344		
New Zealand	163,322			161,797			163,248		
Rest of World	271,906			267,554			282,113		
Total average liabilities	1,092,113			1,046,634			1,044,705		
Total average shareholders' equity									
Ordinary share capital, reserves, retained earnings and non-controlling interests	70,883			68,696			67,611		
Total average shareholders' equity	70,883			68,696			67,611		
Total average liabilities and shareholders' equity	1,162,996			1,115,330			1,112,316		

¹ Averages used are predominantly daily averages.

² Home loans are reported net of average mortgage offset balances of \$46,560 million (Sep 23: \$43,923 million; Mar 23: \$43,799 million), which are included in non-interest earning assets. While these balances are required to be grossed up under accounting standards, they are netted down for the calculation of customer interest payments and the calculation of the Group's net interest margin.

³ During the current period, a component of interest in New Zealand previously included in Loans and advances was reallocated to Trading and investment securities to better align with the average balance allocation. Comparative information has been restated to conform to presentation in the current period reducing interest in Loans and advances by \$148 million in the September 2023 half and \$116 million in the March 2023 half with a corresponding increase in interest in Trading and investment securities.

⁴ During the current period, a component of interest in Rest of World previously included in Loans and advances was reallocated to Trading and investment securities to better align with the average balance allocation. Comparative information has been restated to conform to presentation in the current period reducing interest in Loans and advances by \$303 million in the September 2023 half and \$237 million in the March 2023 half with a corresponding increase in interest in Trading and investment securities.

⁵ Intra-group interest earning assets and interest income and Intra-group interest earning liabilities and interest expense have been eliminated.

⁶ On demand and short-term deposits exclude average mortgage offset balances of \$46,560 million (Sep 23: \$43,923 million; Mar 23: \$43,799 million), which are included in non-interest bearing liabilities.

Average balance sheet and related interest, cont'd

	Half Year		
	Mar 24 %	Sep 23 %	Mar 23 %
Gross earnings rate¹			
Australia	6.20	5.79	5.03
New Zealand	6.46	6.11	5.17
Rest of World	5.23	5.03	4.20
Group	5.87	5.53	4.71

Net interest spread and net interest margin analysis as follows:

	Half Year		
	Mar 24 %	Sep 23 %	Mar 23 %
Australia¹			
Net interest spread	1.21	1.26	1.51
Interest attributable to net non-interest bearing items	0.42	0.51	0.42
Net interest margin - Australia	1.63	1.77	1.93
New Zealand¹			
Net interest spread	1.48	1.52	1.71
Interest attributable to net non-interest bearing items	0.86	0.81	0.65
Net interest margin - New Zealand	2.34	2.33	2.36
Rest of World¹			
Net interest spread	0.52	0.62	0.68
Interest attributable to net non-interest bearing items	0.26	0.21	0.19
Net interest margin - Rest of World	0.78	0.83	0.87
Group			
Net interest spread	1.12	1.18	1.37
Interest attributable to net non-interest bearing items	0.44	0.47	0.38
Net interest margin	1.56	1.65	1.75
Net interest margin (excluding Markets)	2.33	2.35	2.43

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

The following divisions operate across the geographic locations illustrated below:

- Australia Retail division - Australia
- Australia Commercial division - Australia
- Institutional division - Australia, New Zealand and Rest of World
- Pacific division – Rest of World
- New Zealand division - New Zealand
- Group Centre division - Australia, New Zealand and Rest of World

The Rest of World geography includes all geographies in which the Group operates outside of Australia and New Zealand. This includes Asia, Pacific, Europe & America.

	Australia \$M	New Zealand \$M	Rest of World \$M	Total \$M
March 2024 Half Year				
Statutory profit/(loss) attributable to shareholders of the Company	1,819	964	624	3,407
Cash profit/(loss)	1,871	1,073	608	3,552
Net loans and advances	502,745	138,647	73,779	715,171
Customer deposits	389,967	124,156	126,967	641,090
Risk weighted assets	275,841	88,058	68,880	432,779
September 2023 Half Year				
Statutory profit/(loss) attributable to shareholders of the Company	1,989	1,047	515	3,551
Cash profit/(loss)	2,013	1,068	503	3,584
Net loans and advances	488,859	139,286	78,899	707,044
Customer deposits	378,388	123,368	145,363	647,119
Risk weighted assets	268,405	94,446	70,476	433,327
March 2023 Half Year				
Statutory profit/(loss) attributable to shareholders of the Company	1,862	922	771	3,555
Cash profit/(loss)	2,059	1,018	752	3,829
Net loans and advances	473,874	138,044	78,169	690,087
Customer deposits	369,574	122,008	157,045	648,627
Risk weighted assets	262,828	95,936	76,750	435,514

New Zealand geography (in NZD)

	Half Year			Movement	
	Mar 24 NZD M	Sep 23 NZD M	Mar 23 NZD M	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Net interest income	2,142	2,112	2,127	1%	1%
Other operating income	382	411	363	-7%	5%
Operating income	2,524	2,523	2,490	0%	1%
Operating expenses	(859)	(850)	(809)	1%	6%
Cash profit before credit impairment and income tax	1,665	1,673	1,681	0%	-1%
Credit impairment (charge)/release	(33)	(62)	(121)	-47%	-73%
Cash profit before income tax	1,632	1,611	1,560	1%	5%
Income tax expense and non-controlling interests	(477)	(456)	(453)	5%	5%
Cash profit	1,155	1,155	1,107	0%	4%
Adjustments between statutory profit and cash profit	(117)	(22)	(105)	large	11%
Statutory profit	1,038	1,133	1,002	-8%	4%
Individually assessed credit impairment charge/(release)	3	37	23	-92%	-87%
Collectively assessed credit impairment charge/(release)	30	25	98	20%	-69%
Net loans and advances	151,167	149,627	147,423	1%	3%
Customer deposits	135,367	132,528	130,297	2%	4%
Risk weighted assets	96,005	101,458	102,449	-5%	-6%
Total FTE	7,185	7,244	7,252	-1%	-1%

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		
	Mar 24	Sep 23	Mar 23	Mar 24	Sep 23	Mar 23
Chinese Renminbi	4.7035	4.7265	4.6079	4.7167	4.7137	4.6763
Euro	0.6040	0.6112	0.6158	0.6054	0.6076	0.6409
Pound Sterling	0.5157	0.5286	0.5419	0.5216	0.5255	0.5618
Indian Rupee	54.256	53.723	55.188	54.403	54.530	55.069
Indonesian Rupiah	10,331	10,017	10,051	10,235	9,952	10,315
Japanese Yen	98.515	96.409	89.280	96.880	93.079	91.664
Malaysian Ringgit	3.0773	3.0319	2.9598	3.0822	3.0262	3.0018
New Taiwan Dollar	20.829	20.876	20.425	20.702	20.632	20.696
New Zealand Dollar	1.0903	1.0742	1.0679	1.0761	1.0814	1.0877
Papua New Guinean Kina	2.4549	2.3692	2.3634	2.4413	2.3598	2.3589
United States Dollar	0.6508	0.6468	0.6712	0.6543	0.6615	0.6699

DEFINITIONS

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

ADI means Authorised Deposit-taking Institution as defined by APRA.

ANZ Bank Group means ANZ BH Pty Ltd and each of its subsidiaries, including ANZBGL and ANZ Bank New Zealand.

ANZBGL means Australia and New Zealand Banking Group Limited.

ANZBGL Group means ANZBGL and each of its subsidiaries.

ANZ Bank New Zealand means ANZ Bank New Zealand Limited.

ANZ Economics means ANZ Research Economics, a business unit within ANZ which conducts analysis of key economic inputs and developments and assessment of the potential impacts on the local, regional and global economies.

ANZGHL means ANZ Group Holdings Limited.

ANZGHL Group means ANZGHL and each of its subsidiaries, including ANZ BH Pty Ltd, ANZBGL, ANZ Group Services Pty Ltd and ANZ NBH Pty Ltd.

ANZ Non-Bank Group means ANZ NBH Pty Ltd and each of its subsidiaries, including ANZ's beneficial interests in the 1835i trusts and non-controlling interests in the Worldline merchant acquiring joint venture, and ANZ Group Services Pty Ltd.

APRA means Australian Prudential Regulation Authority.

APS means ADI Prudential Standard.

ASX means Australian Securities Exchange.

AT1 means Additional Tier 1 capital.

Board means ANZGHL Board of Directors.

BOP means Bonus Option Plan.

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 repurchase agreements) 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. 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 credit risk on impaired derivatives.

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, which incorporates forward-looking information and does not require an actual loss event to have occurred for a credit loss provision to be recognised.

Company means ANZGHL.

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 (credit RWA) 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.

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

DRP means dividend reinvestment plan.

Embedded losses - In relation to interest rate risk in the banking book, APRA requires ADIs to give consideration to embedded gains or losses in banking book items that are not accounted for on a marked-to-market basis when determining regulatory capital. The embedded loss or gain measures the difference between the book value and the economic value of banking book activities at a point in time.

Expected credit losses (ECL) – The determination of the ECL is dependent on credit deterioration since origination, according to the following three-stage approach:

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

Exposure at default (EAD) means the expected balance sheet exposure at default taking into account repayments of principal and interest, expected additional drawdowns and accrued interest.

Funding for Lending Programme (FLP) refers to three-year funding announced by the RBNZ in November 2020 and offered to New Zealand banks, which aimed to lower the cost of borrowing for New Zealand businesses and households.

GDP means gross domestic product.

Group means ANZGHL and each of its subsidiaries, including ANZ BH Pty Ltd, ANZBGL, ANZ Group Services Pty Ltd and ANZ NBH Pty Ltd.

Gross loans and advances (GLA) is made up of loans and advances, capitalised brokerage and other origination costs 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.

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 Basel Calculation of RWA for credit risk regulations (effective 1 Jan 2023) documented in the Basel Framework and the 'Australian Banking Association Basel 3.1 Capital Comparison Study' (Mar 2023). This definition is for measures from March 2023 onwards.

IRB means internal ratings-based.

Probability of default (PD) means the estimate of the likelihood that a borrower will default over a given period.

Level 1 in the context of APRA supervision, means ANZBGL consolidated with certain approved subsidiaries.

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

Level 3 in the context of APRA supervision, means ANZ Group, the conglomerate group at the widest level.

Loss given default (LGD) means the expected loss in the event of the borrower defaulting, expressed as a percentage of the facility's EAD, taking into account direct and indirect recovery costs.

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 expected 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 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).

NZX means New Zealand's Exchange.

RBA means Reserve Bank of Australia, Australia's central bank.

RBNZ means Reserve Bank of New Zealand, New Zealand's central bank.

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

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 RBA on 19 March 2020 and offered to ADIs in order to support lending to Australian businesses at low cost.

Term Lending Facility (TLF) refers to three to five-year funding offered by the RBNZ between May 2020 and July 2021 to promote lending to New Zealand businesses.

Description of divisions

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

Australia Retail

The Australia Retail division provides a full range of banking services to Australian consumers. This includes Home Loans, Deposits, Credit Cards and Personal Loans. Products and services are provided via the branch network, home loan specialists, contact centres, a variety of self-service channels (digital and internet banking, website, ATMs and phone banking) and third-party brokers. It also includes the costs related to the development and operation of the ANZ Plus proposition for retail customers.

Australia Commercial

The Australia Commercial division provides a full range of banking products and financial services, including asset financing, across the following customer segments: SME Banking (small business owners and medium commercial customers), and Specialist Business (large commercial customers, and high net worth individuals and family groups). It also includes run-off and divested businesses (Central Functions).

Institutional

The Institutional division services institutional and corporate customers, and governments across Australia, New Zealand and International (including PNG) via the following business units:

- Transaction Banking provides customers with 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 customers with loan products, loan syndication, specialised loan structuring and execution, project and export finance, debt structuring and acquisition finance.
- Markets provides customers with risk management services in foreign exchange, interest rates, credit, commodities and debt capital markets in addition to managing the Group's interest rate exposure and liquidity position.
- Central Functions consists of enablement functions that help deliver payments services, operational support and digital capability across both the Institutional division and the wider enterprise.

New Zealand

The New Zealand division comprises the following business units:

- Personal provides a full range of banking and wealth management services to consumer and private 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.
- Business & Agri provides a full range of banking services through our digital, branch and contact centre channels, and traditional relationship banking and sophisticated financial solutions through dedicated managers. These cover privately owned small, medium and large enterprises, the agricultural business segment, government and government-related entities.
- Central Functions includes Treasury and back-office support functions.

Pacific

The Pacific division provides products and services to retail and commercial customers (including multi-nationals) and to governments located in the Pacific region excluding PNG which forms part of the Institutional division.

Group Centre

Group Centre division provides support to the operating divisions, including technology, property, risk management, financial management, treasury, strategy, marketing, human resources, corporate affairs, and shareholder functions. It also includes minority investments in Asia and interests in the ANZ Non-Bank Group.

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