

News Release

For Release: 30 April 2021

Update on large/notable items in 1H21 results

ANZ today announced its first half 2021 Cash Profit will be impacted by a number of large/notable items:

- \$135m (after tax) of equity accounted losses from AMMB Holding Berhad ('AmBank') relating to goodwill impairment recognised by AmBank at 31 March 2021 (no impact on ANZ's Common Equity Tier 1 'CET1' capital).
- \$251m (after tax) relating to the write-down of goodwill attributable to the ANZ Share Investing business¹ as a result of that business being reclassified as held-for-sale, reflecting a continuation of the bank's simplification strategy (no impact on ANZ's CET1 capital).
- \$108m (after tax) of additional customer remediation charges.
- \$63m (after tax) comprised of restructuring charges and other smaller divestment impacts.

These large/notable items announced today are in addition to those previously advised during the half, namely:

- \$48m (after tax) in respect of the agreement to settle a class action brought against ANZ in the United States during 2016², and related legal and other costs.
- \$212m (after tax) of equity accounted losses from AmBank relating to the agreed settlement with the Malaysian Ministry of Finance as announced on 1 March³ (no impact on ANZ's CET1 capital).

In aggregate, ANZ's first half 2021 Cash Profit after tax will be impacted by \$817m, equivalent to ~5 basis points of CET1 capital.

Tables included on the next page.

¹ Arising from the acquisition of E-Trade Australia Ltd in 2007

² ANZ news release of 22 March 2021 'ANZ agrees to settle US class action complaint'

³ ANZ news release 1 March 2021 'Update on AMMB Holdings'

The following tables are provided to illustrate the impacts of the above items to continuing Cash Profit after tax (versus prior comparable period and half on half):

Item	1H 2021 (\$m)	1H 2020 (\$m)	Movement (\$m)
Asian associate items	347	-	347
Divestment impacts	238	(27)	265
Customer remediation	108	91	17
Restructuring	76	74	2
Litigation settlements	48	-	48
Asian associate impairments	-	815	(815)
Lease-related items	-	34	(34)
Total	817	987	(170)

Item	1H 2021 (\$m)	2H 2020 (\$m)	Movement (\$m)
Asian associate items	347	66	281
Divestment impacts	238	4	234
Customer remediation	108	188	(80)
Restructuring	76	41	35
Litigation settlements	48	-	48
Accelerated software amortisation	-	138	(138)
Goodwill write-off	-	77	(77)
Total	817	514	303

The recurring impact of the new lease accounting standard (AASB 16) adopted on 1 October 2019 has been removed from previously reported large/notable items as the 2020 comparative periods are now presented on a consistent basis to the March 2021 half.

Approved for distribution by ANZ's Continuous Disclosure Committee

For media enquiries contact:

Stephen Ries, +61 409 655 551

For analyst enquiries contact:

Jill Campbell, +61 3 8654 7749
Cameron Davis, +61 3 8654 7716

Large/Notable items - continuing operations

The Group has recognised some large/notable items within cash profit from continuing operations. These items are shown in the tables below.

March 2021 Half Year

Large/notable items included in continuing cash profit

	Gain/(Loss) on sale from divestments \$M	Customer remediation \$M	Litigation settlements \$M	Restruc- turing \$M	Asian associate items \$M	Total \$M
Cash Profit						
Net interest income	-	(56)	-	-	-	(56)
Other operating income	(238)	(18)	-	-	(347)	(603)
Operating income	(238)	(74)	-	-	(347)	(659)
Operating expenses	-	(92)	(69)	(105)	-	(266)
Profit before credit impairment and income tax	(238)	(166)	(69)	(105)	(347)	(925)
Credit impairment (charge)/ release	-	-	-	-	-	-
Profit before income tax	(238)	(166)	(69)	(105)	(347)	(925)
Income tax benefit/(expense) and non-controlling interests	-	58	21	29	-	108
Cash profit/(loss) from continuing operations	(238)	(108)	(48)	(76)	(347)	(817)

March 2020 Half Year

Large/notable items included in continuing cash profit

	Divested business results \$M	Customer remediation \$M	Restructuring \$M	Lease-related items ¹ \$M	Asian associate impairments \$M	Total \$M
Net interest income	75	(22)	-	-	-	53
Other operating income	1	(36)	-	-	(815)	(850)
Operating income	76	(58)	-	-	(815)	(797)
Operating expenses	(18)	(71)	(105)	(50)	-	(244)
Profit before credit impairment and income tax	58	(129)	(105)	(50)	(815)	(1,041)
Credit impairment (charge)/ release	(20)	-	-	-	-	(20)
Profit before income tax	38	(129)	(105)	(50)	(815)	(1,061)
Income tax benefit/(expense) and non-controlling interests	(11)	38	31	16	-	74
Cash profit/(loss) from continuing operations	27	(91)	(74)	(34)	(815)	(987)

March 2021 Half Year

Large/notable items included in continuing cash profit

	Gain/(Loss) on sale from divestments \$M	Customer remediation \$M	Litigation settlements \$M	Restruc- turing \$M	Asian associate items \$M	Total \$M
Cash Profit						
Net interest income	-	(56)	-	-	-	(56)
Other operating income	(238)	(18)	-	-	(347)	(603)
Operating income	(238)	(74)	-	-	(347)	(659)
Operating expenses	-	(92)	(69)	(105)	-	(266)
Profit before credit impairment and income tax	(238)	(166)	(69)	(105)	(347)	(925)
Credit impairment (charge)/ release	-	-	-	-	-	-
Profit before income tax	(238)	(166)	(69)	(105)	(347)	(925)
Income tax benefit/(expense) and non-controlling interests	-	58	21	29	-	108
Cash profit/(loss) from continuing operations	(238)	(108)	(48)	(76)	(347)	(817)

September 2020 Half Year

Large/notable items included in continuing cash profit

	Gain/(Loss) on sale from divestments \$M	Divested business results \$M	Customer remediation \$M	Goodwill write-off \$M	Restruc- turing \$M	Lease- related items ¹ \$M	Accelerated software amortisation \$M	Asian associate items \$M	Total \$M
Net interest income	-	59	(84)	-	-	-	-	-	(25)
Other operating income	(38)	1	(32)	-	-	-	-	(68)	(137)
Operating income	(38)	60	(116)	-	-	-	-	(68)	(162)
Operating expenses	(6)	(16)	(138)	(77)	(56)	-	(197)	-	(490)
Profit before credit impairment and income tax	(44)	44	(254)	(77)	(56)	-	(197)	(68)	(652)
Credit impairment (charge)/ release	-	(3)	-	-	-	-	-	-	(3)
Profit before income tax	(44)	41	(254)	(77)	(56)	-	(197)	(68)	(655)
Income tax benefit/(expense) and non-controlling interests	10	(11)	66	-	15	-	59	2	141
Cash profit/(loss) from continuing operations	(34)	30	(188)	(77)	(41)	-	(138)	(66)	(514)

¹ Comparative numbers have been restated to remove the recurring impact of the new lease accounting standard (AASB 16) adopted on 1 October 2019 as the 2020 comparative periods are now presented on a consistent basis to the March 2021 half.

Large/Notable items - continuing operations

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

	March 2021 Half Year						March 2020 Half Year					
	Large/notable items included in continuing cash profit						Large/notable items included in continuing cash profit					
	Gain/(Loss) on sale from divestments \$M	Customer remediation \$M	Litigation settlements \$M	Restructuring \$M	Asian associate items \$M	Total \$M	Divested business results \$M	Customer remediation \$M	Restructuring \$M	Lease-related items ¹ \$M	Asian associate impairments \$M	Total \$M
Profit before income tax												
Australia Retail and Commercial	(251)	(191)	-	(40)	-	(482)	-	(101)	(85)	(15)	-	(201)
Institutional	-	25	(69)	(16)	-	(60)	-	-	(4)	(7)	-	(11)
New Zealand	13	-	-	(10)	-	3	34	(26)	(11)	-	-	(3)
Pacific	-	-	-	(1)	-	(1)	-	(2)	-	(2)	-	(4)
TSO and Group Centre	-	-	-	(38)	(347)	(385)	4	-	(5)	(26)	(815)	(842)
Profit before income tax	(238)	(166)	(69)	(105)	(347)	(925)	38	(129)	(105)	(50)	(815)	(1,061)
Income tax benefit/(expense) and non-controlling interests	-	58	21	29	-	108	(11)	38	31	16	-	74
Cash profit/(loss) from continuing operations	(238)	(108)	(48)	(76)	(347)	(817)	27	(91)	(74)	(34)	(815)	(987)

	March 2021 Half Year						September 2020 Half Year								
	Large/notable items included in continuing cash profit						Large/notable items included in continuing cash profit								
	Gain/(Loss) on sale from divestments \$M	Customer remediation \$M	Litigation settlements \$M	Restructuring \$M	Asian associate items \$M	Total \$M	Gain/(Loss) on sale from divestments \$M	Divested business results \$M	Customer remediation \$M	Goodwill write-off \$M	Restructuring \$M	Lease-related items ¹ \$M	Accelerated software amortisation \$M	Asian associate items \$M	Total \$M
Profit before income tax															
Australia Retail and Commercial	(251)	(191)	-	(40)	-	(482)	-	-	(169)	-	(4)	(19)	(31)	-	(223)
Institutional	-	25	(69)	(16)	-	(60)	-	-	(20)	-	(13)	(7)	(38)	-	(78)
New Zealand	13	-	-	(10)	-	3	-	39	(50)	(27)	(20)	-	(11)	-	(69)
Pacific	-	-	-	(1)	-	(1)	-	-	(15)	(50)	-	(1)	-	-	(66)
TSO and Group Centre	-	-	-	(38)	(347)	(385)	(44)	2	-	-	(19)	27	(117)	(68)	(219)
Profit before income tax	(238)	(166)	(69)	(105)	(347)	(925)	(44)	41	(254)	(77)	(56)	-	(197)	(68)	(655)
Income tax benefit/(expense) and non-controlling interests	-	58	21	29	-	108	10	(11)	66	-	15	-	59	2	141
Cash profit/(loss) from continuing operations	(238)	(108)	(48)	(76)	(347)	(817)	(34)	30	(188)	(77)	(41)	-	(138)	(66)	(514)

¹ Comparative numbers have been restated to remove the recurring impact of the new lease accounting standard (AASB 16) adopted on 1 October 2019 as the 2020 comparative periods are now presented on a consistent basis to the March 2021 half.