Australia and New Zealand Banking Group Limited

ABN 11 005 357 522

Full Year

30 September 2014

Consolidated Financial Report

Dividend Announcement

and Appendix 4E

The Consolidated Financial Report and Dividend Announcement constitutes the preliminary final report and contains information required by Appendix 4E of the Australian Securities Exchange Listing Rules. It should be read in conjunction with ANZ's 2014 Annual Report when released, and is lodged with the Australian Securities Exchange under listing rule 4.3A.

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

Report for the full year ended 30 September 2014

Operating Results[1]				**A$ million**
Operating income	⇧	8%	to	20,054
Net statutory profit attributable to shareholders	⇧	15%	to	7,271
Cash profit[2]	⇧	10%	to	7,117

Dividends[3]	**Cents per share**	**Franked amount[4] per share**
Proposed final dividend	95	100%
Interim dividend	83	100%

Record date for determining entitlements to the proposed final dividend	11 November 2014
Payment date for the proposed final dividend	16 December 2014

Dividend Reinvestment Plan and Bonus Option Plan

Australia and New Zealand Banking Group Limited (ANZ) has a Dividend Reinvestment Plan (DRP) and a Bonus Option Plan (BOP) that will operate in respect of the 2014 final dividend. For the 2014 final dividend, ANZ intends to provide shares under the DRP and BOP through the issue of new shares. The 'Acquisition Price' to be used in determining the number of shares to be provided under the DRP and BOP will be calculated by reference to the arithmetic average of the daily volume weighted average sale price of all fully paid ANZ ordinary shares sold in the ordinary course of trading on the ASX during the ten trading days commencing on 14 November 2014, and then rounded to the nearest whole cent. Shares provided under the DRP and BOP will rank equally in all respects with existing fully paid ANZ ordinary shares. Election notices from shareholders wanting to commence, cease or vary their participation in the DRP or BOP for the 2014 final dividend must be received by ANZ's Share Registrar by 5.00pm (Australian Eastern Daylight Time) on 12 November 2014. 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 14 November 2014.

1 Unless otherwise noted, all comparisons are to the year ended 30 September 2013.
2 Statutory profit has been adjusted to exclude non-core items to arrive at cash profit, and has been provided to assist readers to understand the results for the ongoing activities of the Group. The net after tax adjustment was a reduction to statutory profit of $154 million made up of several items. Refer pages 90 to 99 for further details.
3 There is no foreign conduit income attributed to the dividends.
4 It is proposed that the final dividend will be fully franked for Australian tax purposes (30% tax rate) and carry New Zealand imputation credits of NZD 12 cents per ordinary share.

The directors of Australia and New Zealand Banking Group Limited confirm that the financial information and notes of the consolidated entity set out on pages 100 to 123 are in the process of being audited.

David M Gonski, AC
Chairman

Michael R P Smith, OBE
Director

30 October 2014

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CONSOLIDATED FINANCIAL REPORT, DIVIDEND ANNOUNCEMENT AND APPENDIX 4E
Full year ended 30 September 2014

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

All amounts are in Australian dollars unless otherwise stated. The information on which the Condensed Consolidated Financial Statements are based, is being audited by the Group's auditors, KPMG. The Company has a formally constituted Audit Committee of the Board of Directors. The signing of the Condensed Consolidated Financial Statements was approved by resolution of a Committee of the Board of Directors on 30 October 2014.

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

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For Release: 31 October 2014

Media Release

ANZ 2014 Full Year Result

- good 2014 result across all markets, well positioned for the operating environment –

Performance Highlights[1]

- Statutory profit after tax of $7.3 billion up 15%. Cash profit[2] of $7.1 billion up 10%.
- Final Dividend of 95 cents per share fully franked is up 14% on the Interim Dividend and brings the Total Dividend for FY14 to 178 cents per share up 9%. Earnings per share increased 9% to 260.3 cents.
- Profit before provisions (PBP) up 7%.
- Adjusting for the contribution of foreign exchange[3] (FX) and the disposal of ANZ Trustees and the SSI shareholding[4], revenue increased 4% and expenses 1.8%.The cost to income ratio (CTI) on the same basis improved a further 94 basis points (bps) to 44.3%.
- Customer deposits grew 9.5% with net loans and advances up 8%.
- Provision charge was $989 million down 17%.
- Return on equity (RoE) up 10 bps to 15.4%.
- Common Equity Tier 1 (CET1) ratio on an Australian Prudential Regulation Authority (APRA) Basel 3 basis up 47 bps from the end of March to 8.79% .On an internationally comparable Basel 3 basis[5] CET1 was 12.7%.

ANZ Chief Executive Officer Mike Smith said: “This is another good performance that demonstrates consistent execution of our super regional strategy which is positioning ANZ well in a more constrained operating environment.

“We made progress in all our key markets by creating a better bank for all our customers whether big, small, retail or corporate. There were market share gains in key segments in Australia, the New Zealand business performed strongly following the brand simplification and Global Wealth performed well .

“The result also saw continued momentum from our international business in Asia Pacific Europe and America which now accounts for 24% of Group revenues. This provides ANZ with meaningful and differentiated growth options without the need to take on more risk. With the phase of high investment in Asia largely complete, we are seeing a greater share of Asia-led revenue growth translate to profit.

“Clearly though the macro drivers of growth in the sector are slowing and the environment is looking more challenging. We anticipated these challenges by setting targets for improving business productivity and shareholder returns, while actively reducing risk. This result highlights continued progress against those targets.

“Our enterprise approach to productivity and technology has seen ANZ consolidate its position as one of the most efficient banks in the world. We are progressively standardising processes and systems, streamlining teams, introducing more straight-through processing, as well as more convenient online and mobile banking self-service options.

“We have seen good growth and returns are also improving with more opportunities to continue improving capital efficiency by actively re-shaping our portfolio of businesses,” Mr Smith said.

1 All comparisons are Full Year to 30 September 2014 compared to Full Year 2013 and on a cash basis unless otherwise noted.
2 Statutory profit has been adjusted to exclude non-core items to arrive at Cash Profit which measures the result for the ongoing activities of the Group.
3 ANZ’s overseas operations are subject to the impact of foreign currency translation impacts. To assist with period on period comparability, comparative data is adjusted to remove the impact of foreign exchange movements.
4 The sale of ANZ Trustees was announced in April 2014 and completed in July 2014. The sale of ANZ’s shareholding in Saigon Securities Inc (SSI) was announced in September 2014.
5 Methodology per Australian Bankers’ Association International comparability of capital ratios of Australia’s major banks (August 2014).

PERFORMANCE BY DIVISION[1]

AUSTRALIA

Following a strong 2013 performance, the Australia Division (Retail and Business Banking) maintained momentum with PBP up 6% and cash profit rising 7%. Revenue grew 5% with expenses up 3%; excluding investment initiatives funded by the sale of ANZ Trustees expense growth was 2%. Divisional cost to income improved by a further 60 bps to 37.2%. Margins were well managed, improving by 5 bps in the second half and credit quality remained sound with the provision charge flat year on year (YoY).

The Retail business was particularly strong delivering a 12% increase in profit with lending up 7% and deposits up 5%. Net customer numbers grew by over 79,000[6] and customer satisfaction increased to place ANZ second among the four major banks[7]. ANZ was named Home Lender of the Year for the 13th out of the past 16 years. ANZ is on track to record its 19th consecutive quarter of above system growth in Home Lending.

In Business Banking we added approximately 27,000 net new customers during the year. Lending grew 3% and deposits 8% with momentum building in the second half. Lending to small businesses grew strongly, up 16%. The business is making the most of ANZ's super regional capabilities and delivering a meaningful competitive advantage with 1,377 cross border referrals during the year.

The Banking on Australia program is continuing to transform the way we do business by improving distribution capability, delivering new digital and mobile solutions, building capability and improving productivity by simplifying products and processes.

Branch sales capacity has improved with more than two thirds of our frontline sales staff now accredited to sell Home Loans and more than half accredited to sell basic Wealth and Small Business products.

INTERNATIONAL AND INSTITUTIONAL BANKING (IIB)

IIB has grown and diversified its earnings by geography, product and customer, and is becoming more resilient against changeable market conditions. Despite a challenging second-half environment, particularly in the third quarter, IIB delivered an 11% increase in cash profit with PBP up 6%. Revenue trends improved in the fourth quarter which was up 9% on the third quarter. Costs were well managed up 3% adjusting for FX and additional investment initiatives funded by the ANZ Trustees sale proceeds.

Cash profit from Asia increased 25%[8] and revenue 10%. Revenue has grown strongly over the past 5 years with a compound annual growth rate of 23%.The Division's revenue mix has diversified with more significant contributions from Foreign Exchange, Trade and Cash Management and Debt Capital Markets. Together with our differentiated geographic footprint, this has driven an increase in products per customer as well as growth in Asia cross-border revenue, which increased 9%.

Lending volumes grew 15% with customer deposits up 12%. Despite low levels of market volatility during the third quarter Global Markets delivered a 16% increase in profit for the year with costs held flat in the second half. More than 75% of Global Markets revenue came from customer facing activities and 47% now comes from outside Australia and New Zealand.

ANZ's regional capability helped the business to regain the number one lead bank position in Institutional Banking in Australia and retain the number one lead bank position in New Zealand[9]. ANZ has also had the fastest recorded rise in the Greenwich Associates relationship strength survey covering Asia, narrowing the gap on the number three ranked competitor.

The quality of our Institutional lending book continues to improve with lending to investment grade clients now 78% of the loan book up from 60% in 2008. This improvement is reflected in the declining provision charge for IIB with the charge down 32% this year.

NEW ZEALAND (all figures in NZD)

The New Zealand Division's 10% growth in cash profit reflects the successful execution of the simplification strategy during the past two years. The Division is now better able to capture scale advantages with increased brand recognition, lower costs and better customer service delivery through improved products, processes and distribution footprint. Revenue grew 2% while expenses reduced 3% to deliver 7% PBP growth. At 41.1% the Division's cost to income is now 730 bps lower than in 2010.

6 Excludes Esanda contracts.
7 Roy Morgan Research. Retail Main Financial Institution customer satisfaction – retail customers 14+. Very of Fairly Satisfied. 6-months to Sep-14.
8 All Asia financial data including profit, revenue and compound growth rates are in USD.
9 Peter Lee Associates Large Corporate and Institutional Relationship Banking surveys, Australia and New Zealand 2014.

Lending grew 5% while customer deposits were up 10%. Credit quality remains strong in both the retail and business banking portfolios.

The Retail business profit grew 16%. The business has continued to grow share in the mortgage market and remains the market leader for new home lending in all major cities. Market share in credit cards, deposits, life insurance and Kiwisaver also increased[10].

Business Banking grew lending by 8% while at the same time continuing to improve the credit quality of the portfolio. ANZ has increased the number of specialists available to serve the Commercial, Agri and Small Business Banking sectors and was again awarded the CANSTAR[11] Best Agribusiness Bank.

GLOBAL WEALTH

Cash profit for the Global Wealth Division increased 11%. Excluding the impact of the sale of ANZ Trustees which completed in July and a prior year one off tax credit, profit increased 10%.

More customers are choosing ANZ Wealth solutions, with a 13 per cent increase in the number of wealth solutions being sold through ANZ channels. This has been driven by innovations in physical and digital distribution and in advice, including ANZ Smart Choice Super, the new ANZ Grow Centres and the Grow by ANZ™ app. The Division has continued to improve its efficiency with the cost to income ratio down a further 375 bps.

Private Wealth profit grew 62%, excluding the impact of the sale of ANZ Trustees. The strong performance was driven by a new investment led model with deposits and investment FUM up 20% and 21% respectively. Insurance cash profit grew 16% excluding the impact of the exit of one Group Life Insurance plan with Retail and Direct Life inforce premiums up 10%. Australian Retail Life lapse rates are outperforming the industry average at 12.4%, an improvement of 130 bps. Funds Management income grew 3% with a 12% growth in the average Funds Under Management to $61 billion up $2.4 billion, driven by improved net flows and investment market gains.

GLOBAL TECHNOLOGY AND OPERATIONS

Our Global Technology and Operations Division is helping ANZ build economies of scale, increase our speed to market and strengthen the operating risk control environment. The Group's regional delivery centres provide regional coverage across time zones helping to drive lower unit costs, improve quality and lower risk. We have been selectively building out common platforms to enable our regional delivery and deliver a faster, easier and more consistent customer experience.

For the third year operations volumes increased while operations costs fell. In Australia the average number of customer complaints has almost halved over the past three years, despite an 8% increase in customers.

CAPITAL AND DIVIDEND

ANZ will distribute $4.9 billion of dividends to shareholders for this year with 73% of this being paid to Australian based Retail and Institutional investors. The Final Dividend of 95 cents per share was up 14% on the Interim Dividend, taking the Total Dividend for 2014 to 178 cents per share up 9%.

Strong organic capital generation of $3.0 billion or 84bps in the second half coupled with the Group's ongoing focus on capital efficiency, saw ANZ's capital ratio increase to 8.79% on an APRA Basel 3 CET1 basis. This represents a more than doubling of the Group's CET1 ratio since before the global financial crisis.

CREDIT QUALITY

The total provision charge of $989 million is a reduction of 17% YoY, driven by management actions to strengthen the lending book and benign credit conditions along with a lower level of new and top up provisions.

The total loss rate for the portfolio declined significantly across the year from 26bps to 19bps reflecting ongoing asset quality improvement. Gross impaired assets continued their downward trend reducing by a further 32%, and have now reduced at an average of $918 million each year since 2010. New impaired assets reduced in all major lending Divisions, with total new impaired assets down 13% YoY.

10 In-force market share.
11 CANSTAR NZ Ltd is an independent specialist research service and financial data provider.

OUTLOOK

Mr Smith said: "We expect 2015 to present similar opportunities for ANZ, with a continuation of a stable and benign credit environment. In Australia and New Zealand the consumer sector remains relatively buoyant however we expect a gradual transition to business led growth as business confidence improves. Asia's economies are set to maintain their position as the world's best performing region.

"Another uncertainty is regulation and the outcome of the Financial System Inquiry in Australia. It is perhaps not widely understood that Australia's financial system has been strengthened significantly since the GFC and our major banks are now stronger and safer than ever. While everyone benefits from a well-capitalised , well managed banking system – consumers, shareholders and taxpayers – there is a real cost to the economy of ever more restrictive regulation and policy settings. It is not in Australia's interest for its financial system to be globally uncompetitive.

"While the banking sector faces a number of headwinds, we believe the environment, ANZ's strategy, our business mix and the strength of its customer franchise positions us strongly and we are well placed to deliver against our 2016 cost to income and returns targets", Mr Smith said.

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Video interviews with ANZ's Chief Executive Officer Mike Smith and Chief Financial Officer Shayne Elliott regarding today's Full Year 2014 Financial Results announcement can be found at ANZ BlueNotes www.bluenotes.anz.com.

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Section 2 – Snapshot

Statistical Profit Results

	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Net interest income	**7,032**	6,778	4%	**13,810**	12,758	8%
Other operating income	**3,488**	2,756	27%	**6,244**	5,764	8%
Operating income	**10,520**	9,534	10%	**20,054**	18,522	8%
Operating expenses	**(4,474)**	(4,286)	4%	**(8,760)**	(8,257)	6%
Profit before credit impairment and income tax	**6,046**	5,248	15%	**11,294**	10,265	10%
Credit impairment charge	**(459)**	(527)	-13%	**(986)**	(1,188)	-17%
Profit before income tax	**5,587**	4,721	18%	**10,308**	9,077	14%
Income tax expense	**(1,702)**	(1,323)	29%	**(3,025)**	(2,757)	10%
Non-controlling interests	**(6)**	(6)	0%	**(12)**	(10)	20%
Profit attributable to shareholders of the Company	**3,879**	3,392	14%	**7,271**	6,310	15%

Earnings per ordinary share (cents)	Reference Page	Half Year Sep 14	Half Year Mar 14	Half Year Movt	Full Year Sep 14	Full Year Sep 13	Full Year Movt
Basic	111	142.3	124.8	14%	267.1	232.7	15%
Diluted	111	136.5	120.6	13%	257.0	225.7	14%

	Reference Page	Half Year Sep 14	Half Year Mar 14	Full Year Sep 14	Full Year Sep 13
Ordinary share dividends (cents)					
Interim - 100% franked[1]	110	**n/a**	83	**83**	73
Final - 100% franked[1]	110	**95**	n/a	**95**	91
Total - 100% franked[1]	110	**95**	83	**178**	164
Ordinary share dividend payout ratio[2]	110	**67.6%**	67.2%	**67.4%**	71.4%
Preference share dividend ($M)					
Dividend paid[3]	110	**3**	3	**6**	6
Profitability ratios					
Return on average ordinary shareholders' equity[4]		**16.6%**	15.0%	**15.8%**	15.0%
Return on average assets		**1.01%**	0.93%	**0.97%**	0.93%
Net interest margin		**2.12%**	2.15%	**2.13%**	2.22%
Efficiency ratios					
Operating expenses to operating income		**42.5%**	45.0%	**43.7%**	44.6%
Operating expenses to average assets		**1.17%**	1.17%	**1.17%**	1.22%
Credit impairment charge/(release)					
Individual credit impairment charge ($M)		**540**	601	**1,141**	1,158
Collective credit impairment charge/(release) ($M)		**(81)**	(74)	**(155)**	30
Total credit impairment charge ($M)	113	**459**	527	**986**	1,188
Individual credit impairment charge as a % of average net advances		**0.21%**	0.24%	**0.22%**	0.25%
Total credit impairment charge as a % of average net advances		**0.17%**	0.21%	**0.19%**	0.26%

1. *Fully franked for Australian tax purposes and carry New Zealand imputation credits of NZD 12 cents per ordinary share for the proposed 2014 final dividend (2014 interim dividend: NZD 10 cents; 2013 final dividend: NZD 10 cents; 2013 interim dividend: NZD 9 cents).*
2. *Dividend payout ratio is calculated using the proposed 2014 final, 2014 interim, 2013 final and 2013 interim dividends.*
3. *Represents dividends paid on Euro Trust Securities (preference shares) issued on 13 December 2004.*
4. *Average ordinary shareholders' equity excludes non-controlling interests and preference shares.*

Cash Profit Results[1]

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Net interest income	**7,033**	6,764	4%	**13,797**	12,772	8%
Other operating income	**2,877**	2,904	-1%	**5,781**	5,619	3%
Operating income	**9,910**	9,668	3%	**19,578**	18,391	6%
Operating expenses	**(4,474)**	(4,286)	4%	**(8,760)**	(8,257)	6%
Profit before credit impairment and income tax	**5,436**	5,382	1%	**10,818**	10,134	7%
Credit impairment charge	**(461)**	(528)	-13%	**(989)**	(1,197)	-17%
Profit before income tax	**4,975**	4,854	2%	**9,829**	8,937	10%
Income tax expense	**(1,367)**	(1,333)	3%	**(2,700)**	(2,435)	11%
Non-controlling interests	**(6)**	(6)	0%	**(12)**	(10)	20%
Cash profit[1]	**3,602**	3,515	2%	**7,117**	6,492	10%

Earnings per ordinary share (cents)		Half Year			Full Year		
	Reference Page	Sep 14	Mar 14	Movt	Sep 14	Sep 13	Movt
Basic	36	**131.5**	128.7	2%	**260.3**	238.3	9%
Diluted	36	**126.5**	124.3	2%	**250.6**	231.0	8%

		Half Year		Full Year	
	Reference Page	Sep 14	Mar 14	Sep 14	Sep 13
Ordinary share dividends (cents)					
Ordinary share dividend payout ratio[2]	37	**72.8%**	64.9%	**68.9%**	69.4%
Profitability ratios					
Return on average ordinary shareholders' equity[3]		**15.3%**	15.5%	**15.4%**	15.3%
Return on average assets		**0.94%**	0.96%	**0.95%**	0.96%
Net interest margin	24	**2.12%**	2.15%	**2.13%**	2.22%
Profit per average FTE ($)		**71,906**	70,500	**142,064**	132,347
Efficiency ratios					
Operating expenses to operating income		**45.1%**	44.3%	**44.7%**	44.9%
Operating expenses to average assets		**1.17%**	1.17%	**1.17%**	1.22%
Credit impairment charge/(release)					
Individual credit impairment charge ($M)	31	**542**	602	**1,144**	1,167
Collective credit impairment charge/(release) ($M)	32	**(81)**	(74)	**(155)**	30
Total credit impairment charge ($M)	31	**461**	528	**989**	1,197
Individual credit impairment charge as a % of average net advances		**0.21%**	0.24%	**0.22%**	0.25%
Total credit impairment charge as a % of average net advances		**0.18%**	0.21%	**0.19%**	0.26%

Cash profit by division/geography	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Australia	**1,569**	1,479	6%	**3,048**	2,858	7%
International and Institutional Banking	**1,331**	1,360	-2%	**2,691**	2,432	11%
New Zealand	**525**	545	-4%	**1,070**	877	22%
Global Wealth	**299**	226	32%	**525**	471	11%
GTSO and Group Centre	**(122)**	(95)	28%	**(217)**	(146)	49%
Cash profit by division	**3,602**	3,515	2%	**7,117**	6,492	10%
Australia	**2,337**	2,025	15%	**4,362**	4,300	1%
Asia Pacific, Europe & America	**535**	681	-21%	**1,216**	1,013	20%
New Zealand	**730**	809	-10%	**1,539**	1,179	31%
Cash profit by geography	**3,602**	3,515	2%	**7,117**	6,492	10%

1. *Statutory profit has been adjusted to exclude non-core items to arrive at cash profit, and has been provided to assist readers to understand the result for the ongoing business activities of the Group. Refer to page 90 for the reconciliation between statutory and cash profit.*
2. *Dividend payout ratio is calculated using the proposed 2014 final, 2014 interim, 2013 final and 2013 interim dividends.*
3. *Average ordinary shareholders' equity excludes non-controlling interests and preference shares.*

Key Balance Sheet Metrics

	Reference Page	As at Sep 14	Mar 14	Sep 13	Movement Sep 14 v. Mar 14	Sep 14 v. Sep 13
Capital adequacy						
Common Equity Tier 1						
- APRA Basel 3	41	**8.8%**	8.3%	8.5%		
- Internationally Comparable Basel 3[1]	41	**12.7%**	12.2%	12.7%		
Credit risk weighted assets ($B)	127	**308.9**	305.3	287.7	1%	7%
Total risk weighted assets ($B)	127	**361.5**	360.7	339.3	0%	7%
Balance Sheet: Key Items						
Gross loans & advances ($B)		**524.4**	512.3	486.8	2%	8%
Net loans & advances ($B)		**521.8**	509.3	483.3	2%	8%
Total assets ($B)		**772.1**	737.8	703.0	5%	10%
Customer deposits ($B)		**403.7**	388.0	368.8	4%	9%
Total equity ($B)		**49.3**	47.0	45.6	5%	8%
Impaired assets						
Gross impaired assets ($M)	33	**2,889**	3,620	4,264	-20%	-32%
Net impaired assets ($M)	33	**1,713**	2,150	2,797	-20%	-39%
Net impaired assets as a % of net advances		**0.33%**	0.42%	0.58%		
Net impaired assets as a % of shareholders' equity		**3.5%**	4.6%	6.1%		
Individual provision ($M)	113	**1,176**	1,470	1,467	-20%	-20%
Individual provision as a % of gross impaired assets		**40.7%**	40.6%	34.4%		
Collective provision ($M)	113	**2,757**	2,843	2,887	-3%	-5%
Collective provision as a % of credit risk weighted assets		**0.89%**	0.93%	1.00%		
Net Assets						
Net tangible assets per ordinary share ($)		**14.65**	13.90	13.48	5%	9%
Net tangible assets attributable to ordinary shareholders ($B)		**40.4**	38.1	37.0	6%	9%

1. *See page 42 for further details regarding the differences between APRA Basel 3 and Internationally Comparable Basel 3 standards.*

Net loans and advances by division/geography	As at ($B) Sep 14	Mar 14	Sep 13	Movement Sep 14 v. Mar 14	Sep 14 v. Sep 13
Australia	**287.9**	278.3	271.6	3%	6%
International and Institutional Banking	**141.8**	136.3	123.5	4%	15%
New Zealand	**86.1**	88.2	81.5	-2%	6%
Global Wealth	**6.4**	6.0	6.2	6%	3%
GTSO and Group Centre	**(0.4)**	0.5	0.5	large	large
Net loans and advances by division	**521.8**	509.3	483.3	2%	8%
Australia	**348.6**	336.5	324.3	4%	8%
Asia Pacific, Europe & America	**79.2**	76.6	69.9	3%	13%
New Zealand	**94.0**	96.2	89.1	-2%	6%
Net loans and advances by geography	**521.8**	509.3	483.3	2%	8%

FX Adjusted[1] – Cash Profit Results and Net Loans and Advances

Cash profit - FX adjusted

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Net interest income	**7,033**	6,754	4%	**13,797**	13,089	5%
Other operating income	**2,877**	2,888	0%	**5,781**	5,638	3%
Operating income	**9,910**	9,642	3%	**19,578**	18,727	5%
Operating expenses	**(4,474)**	(4,271)	5%	**(8,760)**	(8,479)	3%
Profit before credit impairment and income tax	**5,436**	5,371	1%	**10,818**	10,248	6%
Credit impairment charge	**(461)**	(527)	-13%	**(989)**	(1,210)	-18%
Profit before income tax	**4,975**	4,844	3%	**9,829**	9,038	9%
Income tax expense	**(1,367)**	(1,332)	3%	**(2,700)**	(2,453)	10%
Non-controlling interests	**(6)**	(6)	0%	**(12)**	(10)	20%
Cash profit	**3,602**	3,506	3%	**7,117**	6,575	8%

Cash profit - FX adjusted by division and geography	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Australia	**1,569**	1,479	6%	**3,048**	2,859	7%
International and Institutional Banking	**1,331**	1,346	-1%	**2,691**	2,496	8%
New Zealand	**525**	548	-4%	**1,070**	971	10%
Global Wealth	**299**	226	32%	**525**	479	10%
GTSO and Group Centre	**(122)**	(93)	31%	**(217)**	(230)	-6%
Cash profit by division	**3,602**	3,506	3%	**7,117**	6,575	8%
Australia	**2,337**	2,033	15%	**4,362**	4,243	3%
Asia Pacific, Europe & America	**535**	660	-19%	**1,216**	1,021	19%
New Zealand	**730**	813	-11%	**1,539**	1,311	17%
Cash profit by geography	**3,602**	3,506	3%	**7,117**	6,575	8%

Net loans and advances by division/geography - FX adjusted	As at ($B)			Movement	
	Sep 14	Mar 14	Sep 13	Sep 14 v. Mar 14	Sep 14 v. Sep 13
Australia	**287.9**	278.3	271.6	3%	6%
International and Institutional Banking	**141.8**	139.8	127.1	1%	12%
New Zealand	**86.1**	83.9	81.7	3%	5%
Global Wealth	**6.4**	6.0	6.3	5%	0%
GTSO and Group Centre	**(0.4)**	0.4	0.5	large	large
Net loans and advances by division	**521.8**	508.4	487.2	3%	7%
Australia	**348.6**	336.5	324.3	4%	8%
Asia Pacific, Europe & America	**79.2**	80.5	73.7	-2%	7%
New Zealand	**94.0**	91.4	89.2	3%	5%
Net loans and advances by geography	**521.8**	508.4	487.2	3%	7%

1. *Comparative data has been adjusted to remove the impact of foreign exchange movements.*

FX and Divestments Adjusted – Cash Profit Results

In the September 2014 half, the Group recognised a $125 million pre-tax gain on the sale of ANZ Trustees and a $21 million pre-tax loss arising from the sale of our investment in Saigon Securities Inc ("SSI"). The gain on sale of ANZ Trustees was reinvested in a number of initiatives across the Group. Although neither the gain/loss on the divestments, nor the reinvestment, meet the Group's definition of a cash profit adjustment, an ex-divestment view of the Group and divisional cash profit is provided to assist comparison of the results to earnings guidance. Comparative data has been adjusted to remove the impact of foreign exchange movements.

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Net interest income	**7,033**	6,754	4%	**13,797**	13,089	5%
Other operating income	**2,773**	2,888	-4%	**5,677**	5,638	1%
Operating income	**9,806**	9,642	2%	**19,474**	18,727	4%
Operating expenses	**(4,349)**	(4,271)	2%	**(8,635)**	(8,479)	2%
Profit before credit impairment and income tax	**5,457**	5,371	2%	**10,839**	10,248	6%
Credit impairment charge	**(461)**	(527)	-13%	**(989)**	(1,210)	-18%
Profit before income tax	**4,996**	4,844	3%	**9,850**	9,038	9%
Income tax expense	**(1,385)**	(1,332)	4%	**(2,718)**	(2,453)	11%
Non-controlling interests	**(6)**	(6)	0%	**(12)**	(10)	20%
Cash profit	**3,605**	3,506	3%	**7,120**	6,575	8%

Cash profit before tax - FX and Divestments adjusted by division and geography

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Australia	**2,277**	2,113	8%	**4,391**	4,074	8%
International and Institutional Banking	**1,826**	1,804	1%	**3,646**	3,359	9%
New Zealand	**728**	761	-4%	**1,486**	1,343	11%
Global Wealth	**323**	313	3%	**636**	575	11%
GTSO and Group Centre	**(158)**	(147)	7%	**(309)**	(313)	-1%
Cash profit before tax	**4,996**	4,844	3%	**9,850**	9,038	9%
Australia	**3,305**	2,928	13%	**6,218**	6,048	3%
Asia Pacific, Europe & America	**692**	800	-14%	**1,521**	1,208	26%
New Zealand	**999**	1,116	-10%	**2,111**	1,782	18%
Cash profit before tax	**4,996**	4,844	3%	**9,850**	9,038	9%

Reconciliation of Divestment related adjustments by division and geography

	Sep 14 - Half Year				Sep 14 - Full Year			
		Adjustments				Adjustments		
	Cash Profit	(Profit)/ loss on sale	Initiatives[1]	Adjusted cash profit	Cash Profit	(Profit)/ loss on sale	Initiatives[1]	Adjusted cash profit
Australia	2,238	-	39	2,277	4,352	-	39	4,391
International and Institutional Banking	1,765	21	40	1,826	3,585	21	40	3,646
New Zealand	728	-	-	728	1,486	-	-	1,486
Global Wealth	407	(125)	41	323	720	(125)	41	636
GTSO and Group Centre	(163)	-	5	(158)	(314)	-	5	(309)
Cash profit before tax	**4,975**	**(104)**	**125**	**4,996**	**9,829**	**(104)**	**125**	**9,850**
Income tax expense and non-controlling interests	(1,373)	20	(38)	(1,391)	(2,712)	20	(38)	(2,730)
Cash profit	**3,602**	**(84)**	**87**	**3,605**	**7,117**	**(84)**	**87**	**7,120**
Australia	3,313	(125)	117	3,305	6,226	(125)	117	6,218
Asia Pacific, Europe & America	663	21	8	692	1,492	21	8	1,521
New Zealand	999	-	-	999	2,111	-	-	2,111
Cash profit before tax	**4,975**	**(104)**	**125**	**4,996**	**9,829**	**(104)**	**125**	**9,850**
Income tax expense and non-controlling interests	(1,373)	20	(38)	(1,391)	(2,712)	20	(38)	(2,730)
Cash profit	**3,602**	**(84)**	**87**	**3,605**	**7,117**	**(84)**	**87**	**7,120**

1. *Following the sale of ANZ Trustees, the Group reinvested the gain on sale in a number of initiatives across the Group. This included spend relating to restructuring, technology developments and uplifting sales capabilities.*

Other Non-financial Information

	As at			Movement	
	Sep 14	**Mar 14**	**Sep 13**	**Sep 14 v. Mar 14**	**Sep 14 v. Sep 13**
Full time equivalent staff (FTE)[1]	**50,328**	49,850	49,866	1%	1%
Assets per FTE ($M)	**15.3**	14.8	14.1	3%	9%
Share price					
- high	**$35.07**	$34.06	$32.09	3%	9%
- low	**$30.47**	$28.84	$26.30	6%	16%
- closing	**$30.92**	$33.06	$30.78	-6%	0%
Market capitalisation of ordinary shares ($B)	**85.2**	90.7	84.5	-6%	1%

1. *In the September 2014 half, the Group migrated onto a single global HR platform. In doing so, the Group revised and standardised the measure of FTE and this resulted in an increase in FTE. Comparative information has been restated. Refer to page 136 for a summary of FTE movements.*

	As at Sep 14		
Credit Ratings	**Short-Term**	**Long-Term**	**Outlook**
Moody's Investor Services	P-1	Aa2	Stable
Standard & Poor's	A-1+	AA-	Stable
Fitch Ratings	F1+	AA-	Stable

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CEO Overview[1]

Strategy and Performance

ANZ is building the best connected, most respected bank across the Asia Pacific region to provide shareholders with above-peer earnings growth.

The strategy has three key elements – strong domestic markets, profitable Asian growth and an enterprise wide approach to operations and technology. ANZ is particularly focused on the significant organic growth opportunities which exist within the Asia Pacific region and our distinctive Asia Pacific footprint sees us uniquely positioned to meet the needs of customers who are dependent on regional capital, trade and wealth flows.

This year, our differentiated strategy delivered a 10% increase in cash profit to $7.1 billion, with a Return on Equity of 15.4%, earnings per share of 260.3 cents and a fully-franked dividend of 178 cents per share. Our Common Equity Tier 1 ratio strengthened to 8.8% at the end of September. Adjusting for foreign exchange and the disposal of ANZ Trustees and ANZ's share of SSI[2], the result was driven by 4% revenue growth, 1.8% expense growth, and an 18% reduction in provisions. Total shareholder returns for the past twelve months were 5.9% and revenue sourced from the APEA region were 24% of total Group revenue.

While ANZ is continuing to pursue it's growth aspirations in the region, we have a clear strategy in place to leverage the scale in our business to also improve returns, and so ANZ advised the market last year of a goal to lift Group RoE to 16% or above by the end of FY16 in part driven by improving returns in Asia Pacific.

Strategic Progress

While global economic conditions remained volatile, conditions across the Asia Pacific region were more robust by comparison. However, relatively low credit growth and variations in the level of market volatility meant conditions for banking remained challenging, particularly for institutional banking where historically low levels of volatility impacted growth in the third quarter.

Two years ago, ANZ took the view that ongoing challenging market conditions required a greater focus by the banking sector on both productivity and capital management, and put in place a number of initiatives to drive improvements in both measures. These initiatives have delivered steady improvement in both our cost and capital position, including a continued improvement in the cost to income and common equity capital ratios.

- We've built stronger positions in our home markets of Australia and New Zealand, with further gains in productivity and market share, and further penetration of Wealth products into our existing customer base in these markets.
- In IIB, profit from Asia increased 25% and revenue 10%[3]. Revenue has consistently grown at double digit rates with the cumulative annual growth rate over the last 5 years standing at 23%. The Division's revenue mix has diversified substantially over the past five years with more significant contributions emerging from more capital efficient products like Foreign Exchange, Trade and Cash Management and Debt Capital Markets.
- Our Operations and Technology functions are helping ANZ build economies of scale, increase our speed to market and strengthen the operating risk control environment for the business. The Group's regional delivery centres provide full service regional coverage across our operating time zones helping to drive lower unit costs, improve quality and lower risk. We have been selectively building out common platforms to enable our regional delivery and deliver a faster, easier more consistent customer experience. Outcomes are positively impacting across the Group; for the third year in a row operations volumes increased while operations costs fell. We processed more than 8 million transactions a day. In Australia the average number of customer complaints has almost halved over the past three years despite an 8% increase in customers.
- Strong organic capital generation of $5.6 billion coupled with the Group's ongoing focus on capital efficiency saw ANZ's capital ratio increase to 8.8% on an Australian Prudential Regulation Authority (APRA) Basel 3 Common Equity Tier 1 (CET1) basis and 12.7% on an internationally comparable Basel 3 CET1 basis[4]. Customer funding remained stable at 63% of total funding.
- The total loss rate for the lending portfolio declined significantly across the year from 26 bps to 19 bps reflecting ongoing asset quality improvement. Gross impaired assets continued their downward trajectory, reducing by a further 32% and have now reduced at an average of $918 million each year since 2010.

Medium to Long Term Strategic Goals

ANZ is committed to delivering strong total shareholder returns and above-peer earnings growth over the business cycle, targeting a Group cost to income ratio below 43% and return on equity above 16% by 2016. The target dividend payout ratio remains at 65-70% of cash profit, which we believe to be a sustainable level in a Basel 3 environment.

To do this we will continue to:

- Strengthen our position in our core markets of Australia and New Zealand by growing our Retail and Commercial operations, driving productivity benefits, leveraging our super regional strategy and using technology to drive better functionality.
    - In Australia, we are transforming the way we serve our customers by investing in physical, mobile and digital channels to support our retail customers, by increasing sales capacity to support our business banking customers, and by investing in customer analytics.
    - In New Zealand, we are now working under one brand and on one technology platform and have far more efficient market coverage.
- Focus our Asian expansion primarily on Institutional Banking, supporting our Australian and New Zealand customers, targeting profitable markets and segments in which we have expertise and which are connected through trade and capital flows.
- Achieve greater efficiency and control through the use of scalable common infrastructure and platforms.
- Maintain strong liquidity and actively manage capital to enhance ROE.
- Build on our Super Regional capabilities – utilising our management bench-strength and continuing to deepen our international talent pool.
- Apply strict criteria when reviewing existing investment and new inorganic opportunities.

[1] The CEO Overview is reported on a cash basis.
[2] ANZ announced the sale of the ANZ Trustees business in April 2014 and completed the sale in July 2014. ANZ announced the sale of its 17.5% interest in Saigon Securities Inc in September 2014.
[3] IIB Asia profit and revenue figures are in USD.
[4] See page 42 for further details regarding differences between APRA Basel 3 and Internationally Comparable Basel 3 Standards.

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CONTENTS

Section 4 – CFO Overview

Non-IFRS information

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 RG230 has been followed when presenting this information.

Cash profit

Statutory profit has been adjusted to exclude non-core items to arrive at cash profit, and has been provided to assist readers to understand the results for the ongoing business activities of the Group. The adjustments made in arriving at cash profit are included in statutory profit which is subject to audit within the context of the Group statutory audit opinion. The 2014 Annual Financial Statements are in the process of being audited. Cash profit is not audited by the external auditor, however, the external auditor has informed the Audit Committee that the adjustments have been determined on a consistent basis across each period presented.

The CFO Overview is reported on a cash basis.

	Half Year			Full Year		
	Sep 14 $M	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Statutory profit attributable to shareholders of the Company	**3,879**	3,392	14%	**7,271**	6,310	15%
Adjustments between statutory profit and cash profit[1]	**(277)**	123	large	**(154)**	182	large
Cash Profit	**3,602**	3,515	2%	**7,117**	6,492	10%

	Half Year			Full Year		
	Sep 14 $M	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Adjustments between statutory profit and cash profit[1]						
Treasury shares adjustments	**(13)**	37	large	**24**	84	-71%
Revaluation of policy liabilities	**(23)**	(3)	large	**(26)**	46	large
Economic hedges	**(150)**	78	large	**(72)**	(57)	26%
Revenue and net investment hedges	**(119)**	18	large	**(101)**	159	large
Structured credit intermediation trades	**28**	(7)	large	**21**	(50)	large
Total adjustments between statutory profit and cash profit[1]	**(277)**	123	large	**(154)**	182	large

1 *Refer to pages 90 to 99 for analysis of the reconciliation of statutory profit to cash profit.*

Cash Profit

	Half Year			Full Year		
	Sep 14 $M	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Net interest income	**7,033**	6,764	4%	**13,797**	12,772	8%
Other operating income	**2,877**	2,904	-1%	**5,781**	5,619	3%
Operating income	**9,910**	9,668	3%	**19,578**	18,391	6%
Operating expenses	**(4,474)**	(4,286)	4%	**(8,760)**	(8,257)	6%
Profit before credit impairment and income tax	**5,436**	5,382	1%	**10,818**	10,134	7%
Credit impairment charge	**(461)**	(528)	-13%	**(989)**	(1,197)	-17%
Profit before income tax	**4,975**	4,854	2%	**9,829**	8,937	10%
Income tax expense	**(1,367)**	(1,333)	3%	**(2,700)**	(2,435)	11%
Non-controlling interests	**(6)**	(6)	0%	**(12)**	(10)	20%
Cash profit	**3,602**	3,515	2%	**7,117**	6,492	10%

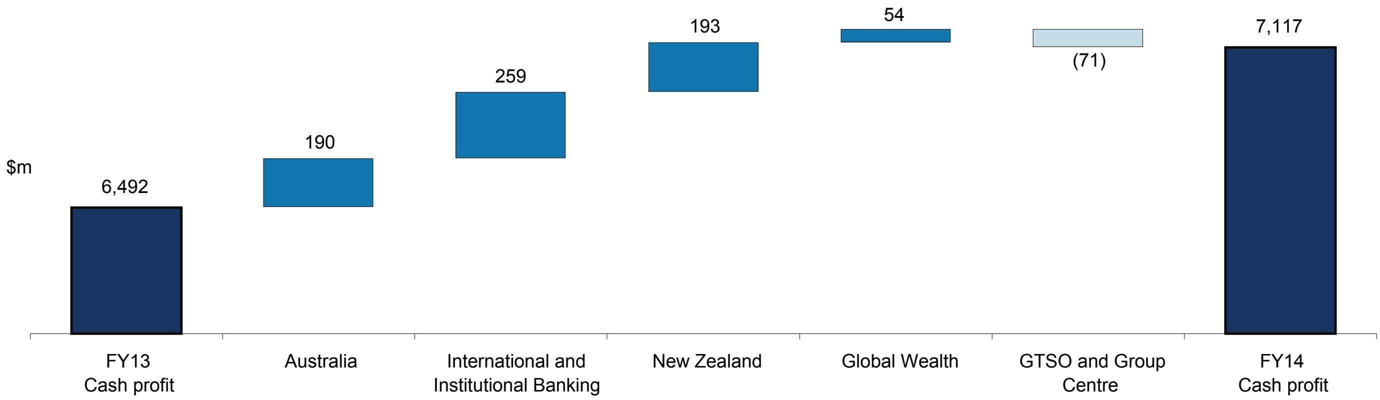
Refer to page 35 for the impact of exchange rates and revenue hedges on cash profit.

Divisional performance

During the September 2014 half, Operations, Technology, Property and certain enablement functions supporting the operating divisions (including Human Resources, Risk, Finance and Legal) were transferred from the operating divisions to GTSO and Group Centre. This change aligns with our strategy of building on common infrastructure with an enterprise focus. Comparative information has been restated.

	Half Year			Full Year		
Cash profit by division	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Australia	**1,569**	1,479	6%	**3,048**	2,858	7%
International and Institutional Banking	**1,331**	1,360	-2%	**2,691**	2,432	11%
New Zealand	**525**	545	-4%	**1,070**	877	22%
Global Wealth	**299**	226	32%	**525**	471	11%
GTSO and Group Centre	**(122)**	(95)	28%	**(217)**	(146)	49%
Cash profit/(loss)	**3,602**	3,515	2%	**7,117**	6,492	10%

Cash profit by division – September 2014 Full Year v September 2013 Full Year



- **September 2014 v March 2014**

  Australia

  - Profit increased 6% due to a 5% increase in net interest income, with strong growth in home loans and small business lending and a 5 bps increase in net interest margin, along with a 1% increase in other operating income, partially offset by a 4% increase in operating expenses and a 3% increase in credit impairment charges.

  International and Institutional Banking

  - Profit decreased 2% due to a 10% decrease in Global Markets operating income from lower volatility and weaker customer demand for foreign exchange, partially offset by a 2% increase in Transaction Banking operating income and a 66% decrease in credit impairment charges.

  New Zealand (in NZD)

  - Profit decreased 4%, primarily due to an increase in the credit impairment charge as a result of lower write-backs of individual provisions and lower releases of collective provision overlays. Profit before provisions was up 4% due to a 3% increase in net interest income (driven by growth across both housing and non-housing lending), partially offset by a 4% decrease in other operating income (mainly from timing impact of credit card rebates) and a 1% increase in operating expenses.

  Global Wealth

  - Profit increased 32% driven primarily by the profit on sale of ANZ Trustees. Excluding this, and the subsequent spend on initiatives in 2H14, profit increased 4% with a 14% increase in insurance income driven by strong in-force premium growth and the impact of a Group Life Plan exit in the March half, partially offset by higher claims. The March half results also reflect the benefit of a non-recurring insurance settlement.

  GTSO and Group Centre

  - Net loss increased 28% with higher operating expenses from increased investment in enterprise projects, higher depreciation and amortisation and higher costs from the expansion of Group Hubs, partially offset by higher operating income from greater capital held in Group Centre.

- **September 2014 v September 2013**

  Australia

  - Profit increased 7% due to a 6% increase in net interest income on the back of growth in home loans and small business lending, partially offset by a 3% increase in operating expenses.

International and Institutional Banking

- Profit increased 11% due to higher net interest income attributable to the Group's liquidity positions, asset and liability repricing mismatches and volume growth in Global Transaction Banking, higher fee income from volume driven growth in Global Transaction Banking and Retail Asia Pacific, an 11% increase in Global Markets operating income (driven by demand for commodities, foreign exchange products and origination activity) and a 32% decrease in credit impairment charges, partially offset by an 8% increase in operating expenses.

New Zealand (in NZD)

- Profit increased 10% with a 5% increase in net interest income (driven by above system lending growth), a 3% decrease in operating expenses and improvement in the credit impairment charge, partially offset by a 9% decrease in other operating income primarily related to the one-off impact of the gain from the sale of the EFTPOS business and the EFTPOS related revenue stream earned in 2013. Excluding the impact of the EFTPOS sale in 2013, profit increased 13% with revenue growth of 4% and expenses reducing 2% delivering profit before credit impairment and income tax growth of 9%.

Global Wealth

- Profit increased 11% driven primarily by the profit on sale of ANZ Trustees. Excluding this, and the subsequent spend on initiatives, along with the one off tax consolidation adjustment in September 2013, cash profit increased 10%. This was driven by solid growth in Private Wealth customer deposits, investment funds under management and improved margins, as well as 4% increase in insurance income due to improved claims and lapse experience, partially offset by the impact of a Group Life insurance plan exit. The 2014 results also reflect the benefit of a non-recurring insurance settlement.

GTSO and Group Centre

- Net loss increased 49%, with realised losses from foreign currency hedges (offsetting realised gains elsewhere in the Group) and higher operating expenses from increased investment in enterprise projects, higher depreciation and amortisation and higher costs from the expansion of Group Hubs.

Refer to Section 5 – Segment Review on pages 48 to 81 for further details.

Review of Group results

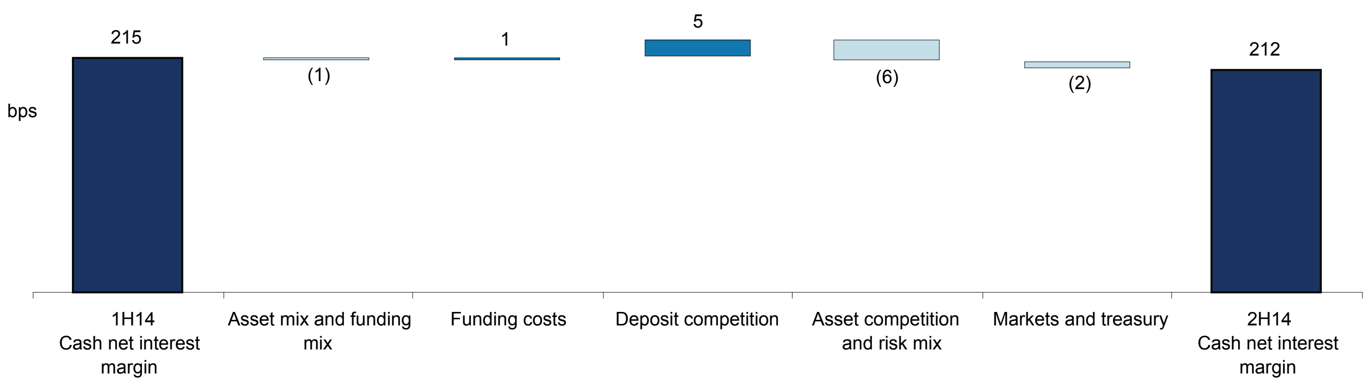
Income and expenses

Net interest income

	Half Year			Full Year		
Group	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Cash net interest income	**7,033**	6,764	4%	**13,797**	12,772	8%
Average interest earning assets	**661,515**	632,400	5%	**646,997**	575,339	12%
Average deposit and other borrowings	**517,178**	498,484	4%	**507,856**	450,065	13%
Net interest margin (%) - cash	**2.12**	2.15	-3 bps	**2.13**	2.22	-9 bps
Group (excluding Global Markets)						
Cash net interest income	**6,492**	6,253	4%	**12,745**	11,977	6%
Average interest earning assets	**509,284**	492,601	3%	**500,966**	453,094	11%
Average deposit and other borrowings	**394,661**	381,118	4%	**387,908**	347,198	12%
Net interest margin (%) - cash	**2.54**	2.55	-1 bps	**2.54**	2.64	-10 bps

	Half Year			Full Year		
Cash net interest margin by major division	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Australia						
Net interest margin (%)	**2.53**	2.48	5 bps	**2.51**	2.52	-1 bps
Average interest earning assets	**284,927**	276,779	3%	**280,864**	264,270	6%
Average deposit and other borrowings	**158,166**	155,314	2%	**156,744**	146,482	7%
International and Institutional Banking						
Net interest margin (%)	**1.45**	1.54	-9 bps	**1.49**	1.61	-12 bps
Average interest earning assets	**275,491**	258,198	7%	**266,868**	227,740	17%
Average deposit and other borrowings	**225,999**	216,062	5%	**221,045**	188,981	17%
New Zealand						
Net interest margin (%)	**2.48**	2.48	0 bps	**2.48**	2.49	-1 bps
Average interest earning assets	**88,549**	85,864	3%	**87,210**	74,650	17%
Average deposit and other borrowings	**57,180**	54,516	5%	**55,852**	46,672	20%

Group net interest margin – September 2014 Half Year v March 2014 Half Year



- **September 2014 v March 2014**

  Net interest margin (-3 bps)

  - Asset mix and funding mix (-1 bp): adverse asset mix impact arising from an increased proportion of Home Loans and slower growth in higher margin Cards.
  - Funding costs (+1 bp): benefit from favourable wholesale funding costs.
  - Deposit competition (+5 bps): benefit from active margin management across deposit products, particularly term deposits.

- Asset competition and risk mix (-6 bps): continued pressure on lending margins, including significant competition and switching from variable to fixed home loans mainly in New Zealand, competition in Global Loans and lower spreads within Corporate and Commercial Banking.
- Markets and treasury (-2 bps): primarily from lower earnings on capital from lower interest rates as well as the impact of financial markets activities.

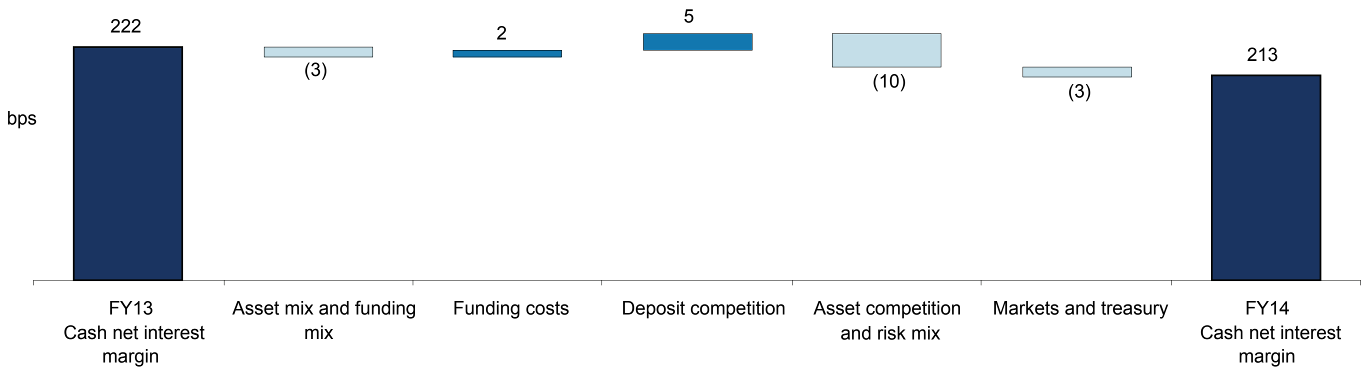
Average interest earning assets (+$29.1 billion or +5%)

- Australia (+$8.1 billion or 3%): driven by growth in variable home loan products where market share continues to increase.
- International and Institutional Banking ($+17.3 billion or 7%): $12.4 billion increase in Global Markets mainly from growth in the liquidity portfolio, as well as growth in settlement balances. Fixed rate lending in Global Loans grew by $3.7 billion.
- New Zealand (+$2.7 billion or 3%): driven by lending market share growth across both the Retail and Commercial businesses.
- Global Wealth and Group Centre (+$1 billion): mainly in Treasury relating to RBA requirements to facilitate overnight settlements.

Average deposits and other borrowings (+$18.7 billion or +4%)

- Australia (+$2.9 billion or 2%): growth in customer deposits within Retail and Commercial, predominantly at call products.
- International and Institutional Banking ($+9.9 billion or 5%): increases in Transaction Banking customer deposits, external repos for funding purposes in Global Markets, and commercial paper funding in APEA.
- New Zealand (+$2.7 billion or 5%): increased customer deposits across Retail and Commercial.
- Global Wealth and Group Centre (+$3.2 billion): higher repo borrowings in Treasury and higher Private Bank customer deposits in Global Wealth.

Group net interest margin – September 2014 Full Year v September 2013 Full Year



- **September 2014 v September 2013**

Net interest margin (-9 bps)

- Asset mix and funding mix (-3 bps): adverse asset mix impact from faster growth in lower margin Trade business and slower growth in higher margin Cards and Payments business.
- Funding costs (+2 bps): benefit from favourable wholesale funding costs.
- Deposit competition (+5 bps): benefit from active margin management across deposit products, particularly term deposits.
- Asset competition and risk mix (-10 bps): continued pressure on lending margins, including significant competition and switching from variable to fixed in the home loan market in Australia and New Zealand, competition in Global Loans and the impact of improving the credit quality of the lending portfolio.
- Markets and treasury (-3 bps): primarily from lower earnings on capital from lower interest rates as well as the impact of financial markets activities.

Average interest earning assets (+$71.7 billion or +12%)

- Australia (+$16.6 billion or 6%): market share growth in variable home loan products and small business lending facilities.
- International and Institutional Banking ($+39.2 billion or 17%): $23 billion increase in Global Markets mainly from growth in the liquidity portfolio, higher settlement balances and loans and advances, as well as the impact of a weaker AUD. Global Loans increased $8.6 billion and Transaction Banking increased $4.8 billion, with strong growth in Asia.
- New Zealand (+$12.6 billion or 17%): market share growth and stronger economic conditions drove increased Retail and Commercial lending, as well as the impact of a stronger NZD.
- Global Wealth and Group Centre (+$3.3 billion): growth in Treasury relating to RBA requirements to facilitate overnight settlements.

Average deposits and other borrowings (+$57.8 billion or +13%)

- Australia (+$10.3 billion or 7%): growth in customer deposits within Retail and Commercial, predominantly at call products.
- International and Institutional Banking ($+32.1 billion or 17%): increased customer deposits in both term deposits and transaction accounts across Australia and APEA, partly driven by increased liquidity, as well as the impact of weaker AUD on offshore balances.
- New Zealand (+$9.2 billion or 20%): increased market share in Commercial customer deposits and issuance of commercial paper funding.
- Global Wealth and Group Centre (+$6.2 billion): increase in Treasury repo borrowings and increase in Private Bank deposits in Global Wealth, mainly at call products.

Income and expenses, cont'd

Other operating income

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Fee Income[1]	**1,183**	1,191	-1%	**2,374**	2,316	3%
Foreign exchange earnings[1]	**52**	43	21%	**95**	209	-55%
Net income from funds management and insurance	**666**	617	8%	**1,283**	1,216	6%
Share of associates profit[1]	**267**	243	10%	**510**	478	7%
Other[1,2]	**143**	90	59%	**233**	90	large
Global Markets other operating income	**566**	720	-21%	**1,286**	1,310	-2%
Cash other operating income	**2,877**	2,904	-1%	**5,781**	5,619	3%

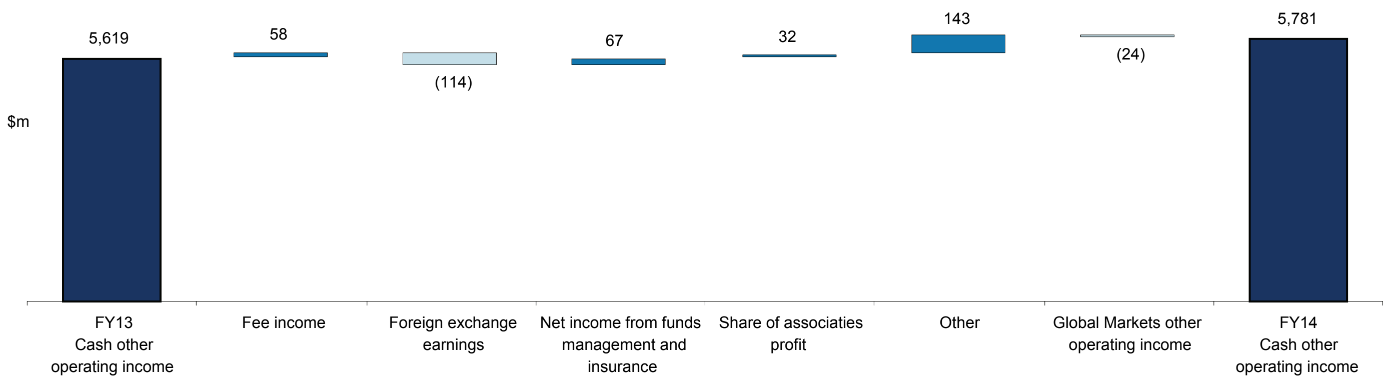
1. *Excluding Global Markets.*
2. *Other income includes $125 million gain on sale of ANZ Trustees in July 2014 and $21 million loss arising on sale of SSI in September 2014.*

	Half Year			Full Year		
Global Markets income	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Net interest income	**541**	511	6%	**1,052**	795	32%
Other operating income	**566**	720	-21%	**1,286**	1,310	-2%
Cash Global Markets income	**1,107**	1,231	-10%	**2,338**	2,105	11%

	Half Year			Full Year		
Other operating income by division	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Australia	**595**	588	1%	**1,183**	1,190	-1%
International and Institutional Banking[1]	**1,432**	1,597	-10%	**3,029**	2,911	4%
New Zealand	**171**	178	-4%	**349**	347	1%
Global Wealth[2]	**850**	727	17%	**1,577**	1,387	14%
GTSO and Group Centre	**(171)**	(186)	-8%	**(357)**	(216)	65%
Cash other operating income	**2,877**	2,904	-1%	**5,781**	5,619	3%

1. *Includes a $21 million loss arising on sale of SSI in September 2014.*
2. *Includes a $125 million gain on sale of ANZ Trustees in July 2014.*

Other operating income – September 2014 Full Year v September 2013 Full Year



- **September 2014 v March 2014**

  Fee income (-$8 million or -1%)

  - Transaction Banking decreased $8 million primarily due to decreased trade finance volumes in China and Singapore.

  Foreign exchange (+$9 million or +21%)

  - Australia Retail increased $9 million due to seasonally higher card activity.

  Net income from funds management and insurance (+$49 million or +8%)

  - Global Wealth increased $35 million due to strong in-force premium growth and the impact of a Group life plan exit in the March half, partially offset by higher claims.
  - Retail Asia Pacific increased $8 million mainly due to stronger sales of investment and insurance products in Singapore and Taiwan.

Share of associates profit (+$24 million or +10%)

- AMMB Holdings Berhad (AMMB) increased $21 million, mainly due to a gain from partial divestment of its insurance businesses.
- Bank of Tianjin (BoT) decreased $17 million due to lower earnings, mainly as a result of higher credit provisions and a reduced share of profits from dilution of the Group's interest.
- Shanghai Rural Commercial Bank (SRCB) increased $6 million, mainly due to an impairment of an investment (held by SRCB) recognised in the March 2014 half.
- P.T. Bank Pan Indonesia increased $6 million due to higher earnings driven by lending growth.
- Metrobank Card Corporation (MCC) increased by $4 million, mainly due to cards lending growth and higher fee income, along with a one-off gain of $2 million from disposal of shares in Visa Inc.

Other income (+$53 million or +59%)

- Global Wealth increased $94 million due to a $125 million gain on sale of ANZ Trustees partially offset by a non-recurring insurance settlement gain relating to a legacy NZ Funds Management matter in the March 2014 half.
- Asia Partnerships decreased $33 million due to the BoT dilution gain of $12 million (from non-participation in a rights issue) recorded in the March 2014 half and the loss arising from the sale of our investment in SSI ($21 million) in September 2014.
- Global Loans decreased $4 million due to the profit on restructuring of structured lease assets recognised in the March 2014 half.

Global Markets income (-$124 million or -10%)

In more difficult market conditions, with lower volatility reducing customer flow and margins, operating income has decreased by 10%.

- Capital Markets operating income increased by 11%, as a result of strong client activity across Asian markets.
- APEA operating income decreased by 19%, as Asian currency movements and flatter yield curves did not support the strong levels of customer demand for foreign exchange products seen in the March half.
- Balance Sheet operating income increased by 3%, primarily due to the effective management of the Group's interest rate position.

Refer to page 63 for further information.

- **September 2014 v September 2013**

Fee income (+$58 million or +3%)

- Transaction Banking increased $23 million off the back of lending growth in APEA ($13 million) and New Zealand ($3 million) and a $6 million increase in non-lending fees.
- Retail Asia Pacific increased $30 million, primarily due to growth in fee income from Retail and Transaction Banking.
- New Zealand increased $15 million, largely due to movements in exchange rates ($28 million), partially offset by a decrease in income following the sale of EFTPOS in 2013.
- Corporate and Commercial Banking increased $12 million, largely driven by growth in Small Business Banking.
- Cards and Payments decreased $10 million, primarily as a result of improved customer payment behaviour on consumer credit cards.

Foreign exchange (-$114 million or -55%)

- Group Centre decreased $146 million driven primarily by realised losses on foreign currency revenue hedges (offsetting translation gains elsewhere in the Group).
- Global Transaction Banking increased $17 million, mainly due to a combination of volume and margin growth in Australia.

Net income from funds management and insurance (+$67 million or +6%)

- Global Wealth increased $36 million, primarily due to stronger growth across the Funds Management and Insurance businesses, partially offset by the impact of a Group life plan exit in March 2014.
- Retail Asia Pacific increased $13 million, due to stronger sales of investment and insurance products primarily in Singapore, and the weakening of the AUD.

Share of associates profit (+$32 million or +7%)

- AMMB increased $22 million, mainly due to a gain from the partial divestment of its insurance businesses.
- MCC increased $6 million, primarily due to lending growth in cards, higher fee income and a one-off gain of $2 million from disposal of shares in Visa Inc.
- BoT increased $2 million, mainly due to higher earnings from lending growth, partially offset by a reduced share of profits following the dilution of the Group's interest.
- P.T. Bank Pan Indonesia increased $2 million, due to earnings growth, partially offset by the weakening of the IDR.

Other income (+$143 million or +large %)

- Global Wealth increased $148 million due to a $125 million gain on sale of ANZ Trustees and a non-recurring insurance settlement gain relating to a legacy NZ Funds Management matter in the March 2014 half.
- Asia Partnerships increased $18 million due to the BoT dilution gain of $12 million (from non-participation in a rights issue) in 2014 and the $26 million impairment on SSI in 2013, partially offset by the $21 million loss arising from the sale of our investment in SSI in 2014.

- Specialised Finance increased $11 million, mainly driven by revaluation of lease assets in Australia.
- New Zealand decreased $19 million, primarily due to the gain on sale of EFTPOS New Zealand Limited recorded in 2013.

Global Markets income (+$233 million or +11%)

Growth across most product classes and regions saw operating income increase by 11%:

- Sales income increased by 5%, driven by demand for Commodities, Foreign Exchange products and origination activity.
- APEA operating income increased 21%, driven by strong growth across Commodities and Fixed Income businesses, as well as very strong customer demand for foreign exchange products in China, Hong and Taiwan during the March half.
- Further tightening of credit spreads has benefited the Fixed Income business in Australia and New Zealand.
- Within Global Markets, other operating income was impacted by a $75 million decrease from derivative positions offset in net interest income.

Refer to page 63 for further information.

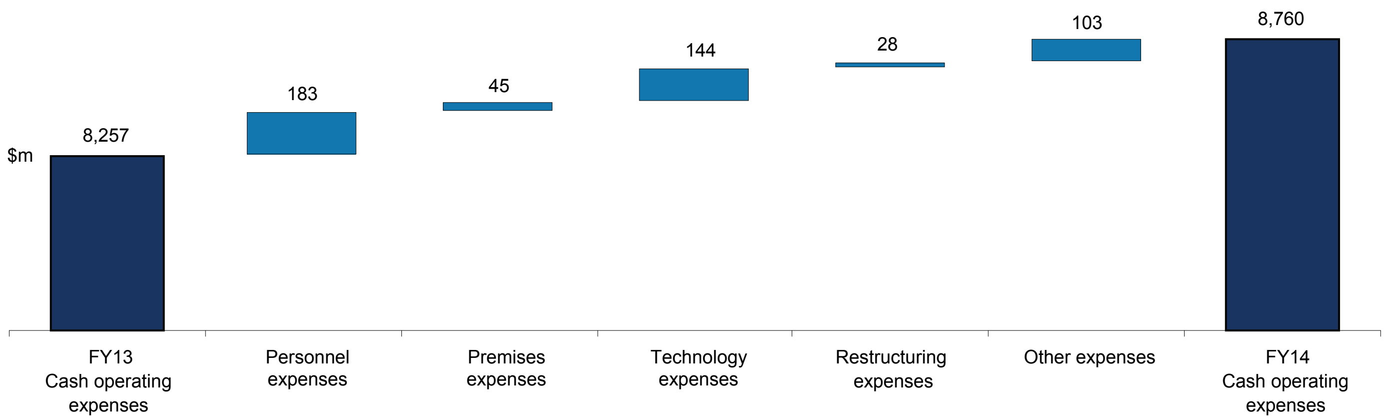
Income and expenses, cont'd

	Half Year			Full Year		
Expenses	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Personnel expenses	**2,558**	2,530	1%	**5,088**	4,905	4%
Premises expenses	**446**	442	1%	**888**	843	5%
Technology expenses	**660**	606	9%	**1,266**	1,122	13%
Restructuring expenses	**78**	35	large	**113**	85	33%
Other expenses	**732**	673	9%	**1,405**	1,302	8%
Total cash operating expenses	**4,474**	4,286	4%	**8,760**	8,257	6%
Total full time equivalent staff (FTE)[1]	**50,328**	49,850	1%	**50,328**	49,866	1%

1. *In the September 2014 half, the Group migrated onto a single global HR platform. In doing so, the Group revised and standardised the measure of FTE and this resulted in an increase in FTE. Comparative information has been restated. Refer to page 136 for a summary of FTE movements.*

	Half Year			Full Year		
Expenses by division	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Australia	**1,557**	1,500	4%	**3,057**	2,967	3%
International and Institutional Banking	**1,619**	1,596	1%	**3,215**	2,985	8%
New Zealand	**519**	514	1%	**1,033**	960	8%
Global Wealth	**531**	495	7%	**1,026**	955	7%
GTSO and Group Centre	**248**	181	37%	**429**	390	10%
Total cash operating expenses	**4,474**	4,286	4%	**8,760**	8,257	6%

Operating expenses – September 2014 Full Year v September 2013 Full Year



- **September 2014 v March 2014**
  - Personnel expenses increased $28 million (1%) due to seasonally higher leave provision costs and increased project resources.
  - Premises expenses increased $4 million (1%) due to higher asset write offs.
  - Technology expenses increased $54 million (9%) with higher depreciation and amortisation, higher software impairment expense and increased data storage costs.
  - Restructuring expenses increased $43 million (large %) due to productivity and business restructuring initiatives within the Australia and IIB divisions.
  - Other expenses increased $59 million (9%) primarily due to higher advertising spend, write down of intangible assets in Global Wealth and increased spend on project consultants.
- **September 2014 v September 2013**
  - Personnel expenses increased $183 million (4%) due to the adverse impact of foreign exchange movements and annual salary increases partially offset by lower temporary staff costs and the benefit of increased utilisation of our hub resources.
  - Premises expenses increased $45 million (5%) due to rent increases and the full year impact of transition to new buildings in Sydney and New Zealand in 2013, along with the adverse impact of foreign exchange movements.
  - Technology expenses increased $144 million (13%) with increased depreciation and amortisation, higher data storage and software licence costs and increased use of outsourced providers.
  - Restructuring expenses increased $28 million (33%) due to the productivity and business restructuring initiatives within the Australia and IIB divisions, partly offset by the completion of "NZ Simplification" in 2013.
  - Other expenses increased $103 million (8%) primarily due to higher advertising spend, write down of intangible assets in Global Wealth, and GST credits in 2013.

Credit risk

Overall asset quality improved during the September 2014 half, with gross impaired assets down $731 million (20%) to $2,889 million at 30 September 2014. The Group continues to maintain a prudent approach to provisioning, with total credit impairment provisions of $3,933 million as at 30 September 2014, a decrease of $380 million (9%) compared to 31 March 2014.

The total credit impairment charge of $461 million decreased by $67 million (13%) compared to the March 2014 half.

	Half Year			Full Year		
Credit impairment charge/(release)	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Individual credit impairment charge	**542**	602	-10%	**1,144**	1,167	-2%
Collective credit impairment charge/(release)	**(81)**	(74)	9%	**(155)**	30	large
Total credit impairment charge	**461**	528	-13%	**989**	1,197	-17%

	Half Year			Full Year		
Credit impairment charge/(release)	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Australia	**416**	403	3%	**819**	820	0%
International and Institutional Banking	**54**	161	-66%	**215**	317	-32%
New Zealand	**26**	(34)	large	**(8)**	37	large
Global Wealth	**(1)**	(1)	0%	**(2)**	4	large
GTSO and Group Centre	**(34)**	(1)	large	**(35)**	19	large
Total credit impairment charge	**461**	528	-13%	**989**	1,197	-17%

Individual Credit Impairment Charge

	Half Year			Full Year		
Individual credit impairment charge by division	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Australia	**413**	374	10%	**787**	771	2%
International and Institutional Banking	**75**	215	-65%	**290**	280	4%
New Zealand	**50**	13	large	**63**	95	-34%
Global Wealth	**1**	-	n/a	**1**	2	-50%
GTSO and Group Centre	**3**	-	n/a	**3**	19	-84%
Total individual credit impairment charge	**542**	602	-10%	**1,144**	1,167	-2%

	Half Year			Full Year		
	Sep 14 $M	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
New and increased individual credit impairments						
Australia	**557**	557	0%	**1,114**	1,132	-2%
International and Institutional Banking	**151**	295	-49%	**446**	450	-1%
New Zealand	**138**	112	23%	**250**	295	-15%
Global Wealth	**1**	3	-67%	**4**	4	0%
GTSO and Group Centre	**1**	-	n/a	**1**	19	-95%
New and increased individual credit impairments	**848**	967	-12%	**1,815**	1,900	-4%
Recoveries and writebacks						
Australia	**(144)**	(183)	-21%	**(327)**	(361)	-9%
International and Institutional Banking	**(76)**	(80)	-5%	**(156)**	(170)	-8%
New Zealand	**(88)**	(99)	-11%	**(187)**	(200)	-7%
Global Wealth	**-**	(3)	-100%	**(3)**	(2)	50%
GTSO and Group Centre	**2**	-	n/a	**2**	-	n/a
Recoveries and writebacks	**(306)**	(365)	-16%	**(671)**	(733)	-8%
Total individual credit impairment charge	**542**	602	-10%	**1,144**	1,167	-2%

- **September 2014 v March 2014**

The individual credit impairment charge decreased $60 million (10%) primarily due to a large single name provision in IIB during the March 2014 half. This was partially offset by lower recoveries in Australia and New Zealand during the September 2014 half.

- **September 2014 v September 2013**

The individual credit impairment charge decreased by $23 million (2%) due to an improvement in credit quality primarily in New Zealand, partially offset by lower recoveries in Australia and IIB.

Collective Credit Impairment Charge

Collective credit impairment charge/(release) by source	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Lending growth	**61**	85	-28%	**146**	136	7%
Risk profile	**(42)**	(190)	-78%	**(232)**	(43)	large
Portfolio mix	**(10)**	(10)	0%	**(20)**	(29)	-31%
Economic cycle and concentration risk adjustment	**(90)**	41	large	**(49)**	(34)	44%
Total collective credit impairment charge/(release)	**(81)**	(74)	9%	**(155)**	30	large

Collective credit impairment charge/(release) by division	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Australia	**3**	29	-90%	**32**	49	-35%
International and Institutional Banking	**(21)**	(54)	-61%	**(75)**	37	large
New Zealand	**(24)**	(47)	-49%	**(71)**	(58)	22%
Global Wealth	**(2)**	(1)	100%	**(3)**	2	large
GTSO and Group Centre	**(37)**	(1)	large	**(38)**	-	n/a
Total collective credit impairment charge/(release)	**(81)**	(74)	9%	**(155)**	30	large

- **September 2014 v March 2014**

The collective credit impairment release increased by $7 million from the March 2014 half, driven mainly by releases from economic cycle overlays as a result of improved credit conditions.

The $3 million charge in Australia was primarily due to lending growth being mostly offset by releases from economic cycle overlays. The $21 million release in IIB was due to improved customer credit ratings on a number of customer exposures. The New Zealand release of $24 million and the GTSO & Group Centre release of $37 million were driven by releases from economic cycle overlays that originally related to legacy New Zealand events and global uncertainty respectively.

- **September 2014 v September 2013**

The collective credit impairment charge decreased $185 million from the September 2013 year, due to releases associated with the crystallisation of individual provisions on a few large IIB exposures, and as a result of upgrades to a number of customer exposures in IIB and New Zealand. In addition, there was a net decrease in the economic cycle overlays.

The $32 million charge in Australia was primarily due to lending growth. The $75 million release in IIB was due to a combination of the crystallisation of individual provisions on a few large exposures and improved customer credit ratings. The New Zealand release of $71 million was driven by improved credit quality and a reduction in the economic cycle overlays held for legacy events, partially offset by lending growth. The GTSO & Group Centre release of $38 million was driven by a release of the economic cycle overlays, that originally related to global uncertainty.

Credit risk, cont'd

Provision for credit impairment balance

	As at ($M)			Movement	
	Sep 14	**Mar 14**	**Sep 13**	**Sep 14 v. Mar 14**	**Sep 14 v. Sep 13**
Collective provision[1]	**2,757**	2,843	2,887	-3%	-5%
Individual provision	**1,176**	1,470	1,467	-20%	-20%
Total provision for credit impairment	**3,933**	4,313	4,354	-9%	-10%

1. *The collective provision includes amounts for off-balance sheet credit exposures $613 million at 30 September 2014 (Mar 14: $597 million; Sep 13: $595 million). The impact on the income statement for the full year ended 30 September 2014 was a $1 million charge (Mar 14 half: $8 million release; Sep 13 full year: $37 million charge).*

Gross Impaired Assets

	As at ($M)			Movement	
	Sep 14	**Mar 14**	**Sep 13**	**Sep 14 v. Mar 14**	**Sep 14 v. Sep 13**
Impaired loans	**2,682**	3,314	3,751	-19%	-28%
Restructured items	**67**	60	341	12%	-80%
Non-performing commitments and contingencies	**140**	246	172	-43%	-19%
Gross impaired assets	**2,889**	3,620	4,264	-20%	-32%
Individual provisions					
Impaired loans	**(1,130)**	(1,396)	(1,440)	-19%	-22%
Non-performing commitments and contingencies	**(46)**	(74)	(27)	-38%	70%
Net impaired assets	**1,713**	2,150	2,797	-20%	-39%
Gross impaired assets by division					
Australia	**1,253**	1,463	1,685	-14%	-26%
International and Institutional Banking	**1,093**	1,471	1,758	-26%	-38%
New Zealand	**532**	668	765	-20%	-30%
Global Wealth	**11**	18	30	-39%	-63%
GTSO and Group Centre	**-**	-	26	n/a	-100%
Gross impaired assets	**2,889**	3,620	4,264	-20%	-32%
Gross impaired assets by size of exposure					
Less than $10 million	**1,896**	2,204	2,235	-14%	-15%
$10 million to $100 million	**683**	897	1,491	-24%	-54%
Greater than $100 million	**310**	519	538	-40%	-42%
Gross impaired assets	**2,889**	3,620	4,264	-20%	-32%

- **September 2014 v March 2014**

Gross impaired assets decreased by 20% primarily due to improved portfolio credit quality resulting in lower levels of new impairment, combined with higher write-offs in IIB and Australia Division during the September 2014 half. The Group has an individual provision coverage ratio on impaired assets of 40.7% at 30 September 2014, up from 40.6% at 31 March 2014.

- **September 2014 v September 2013**

Gross impaired assets decreased by 32% primarily due to improved portfolio credit quality resulting in lower levels of new impairment, combined with higher write-offs in IIB and Australia Division. The Group has an individual provision coverage ratio on impaired assets of 40.7% at 30 September 2014, up from 34.4% at 30 September 2013.

Credit risk, cont'd

New Impaired Assets

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Impaired loans	**1,303**	1,431	-9%	**2,734**	3,238	-16%
Restructured items	**7**	10	-30%	**17**	37	-54%
Non-performing commitments and contingencies	**17**	100	-83%	**117**	12	large
Total new impaired assets	**1,327**	1,541	-14%	**2,868**	3,287	-13%
New impaired assets by division						
Australia	**830**	758	9%	**1,588**	1,722	-8%
International and Institutional Banking	**183**	516	-65%	**699**	899	-22%
New Zealand	**308**	263	17%	**571**	631	-10%
Global Wealth	**6**	4	50%	**10**	9	11%
GTSO and Group Centre	**-**	-	n/a	**-**	26	-100%
Total new impaired assets	**1,327**	1,541	-14%	**2,868**	3,287	-13%

- **September 2014 v March 2014**

New impaired assets decreased 14% primarily due to large single name provisions in IIB during the March 2014 half which did not recur in the September 2014 half. This was partially offset by increases in the Australia Corporate & Commercial Banking and the New Zealand Commercial portfolios.

- **September 2014 v September 2013**

New impaired assets decreased 13% due to portfolio credit quality improving across most divisions, with lower new impaired assets in the Australia Business Banking and New Zealand Retail portfolios, as well as non-recurrence of large single name impairments in IIB.

	As at ($M)			Movement	
Ageing analysis of net loans and advances that are past due but not impaired	Sep 14	Mar 14	Sep 13	Sep 14 v. Mar14	Sep 14 v. Sep 13
1-5 days	**3,082**	3,345	3,096	-8%	0%
6-29 days	**4,559**	4,660	4,416	-2%	3%
30-59 days	**1,624**	2,037	1,506	-20%	8%
60-89 days	**1,005**	980	927	3%	8%
>90 days	**1,982**	2,061	1,818	-4%	9%
Total	**12,252**	13,083	11,763	-6%	4%

- **September 2014 v March 2014**

The 90 days past due but not impaired fell by 4%, primarily within the Australia home loans and New Zealand wholesale portfolio. The 30-59 days delinquencies decreased 20% due to higher pending loan extension approvals experienced in the March 2014 half.

- **September 2014 v September 2013**

The 90 days past due but not impaired increased by 9%, primarily within the Australia home loans portfolio. This was driven by a combination of portfolio growth as well as changes in the treatment of hardship ageing for the September 2014 year.

Income tax expense

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Income tax expense on cash profit	1,367	1,333	3%	2,700	2,435	11%
Effective tax rate (cash profit)	27.5%	27.5%	0%	27.5%	27.2%	1%

- **September 2014 v March 2014**

The effective tax rate was unchanged at 27.5%.The impact of a higher proportion of Australian profits in the September 2014 half was largely offset by the tax associated with the sale of ANZ Trustees and SSI.

- **September 2014 v September 2013**

The effective tax rate increased 0.3%. The impact of the Global Wealth non-recurring tax consolidation adjustment recognised in 2013 is largely offset by a higher proportion of offshore profits in 2014.

Impact of exchange rate movements/revenue hedges

	Half Year Sep 2014 v. Half Year Mar 2014			Full Year Sep 2014 v. Full Year Sep 2013		
	FX unadjusted % growth	FX adjusted % growth	FX Impact $M	FX unadjusted % growth	FX adjusted % growth	FX Impact $M
Net interest income	4%	4%	(10)	8%	5%	317
Other operating income	-1%	0%	(16)	3%	3%	19
Operating income	3%	3%	(26)	6%	5%	336
Operating expenses	4%	5%	15	6%	3%	(222)
Profit before credit impairment and income tax	1%	1%	(11)	7%	6%	114
Credit impairment charge	-13%	-13%	1	-17%	-18%	(13)
Profit before income tax	2%	3%	(10)	10%	9%	101
Income tax expense	3%	3%	1	11%	10%	(18)
Non-controlling interests	0%	0%	-	20%	20%	-
Cash profit	2%	3%	(9)	10%	8%	83

The Group's cash profit adjusted for exchange rate movements is as follows:

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Net interest income	7,033	6,754	4%	13,797	13,089	5%
Other operating income	2,877	2,888	0%	5,781	5,638	3%
Operating income	9,910	9,642	3%	19,578	18,727	5%
Operating expenses	(4,474)	(4,271)	5%	(8,760)	(8,479)	3%
Profit before credit impairment and income tax	5,436	5,371	1%	10,818	10,248	6%
Credit impairment charge	(461)	(527)	-13%	(989)	(1,210)	-18%
Profit before income tax	4,975	4,844	3%	9,829	9,038	9%
Income tax expense	(1,367)	(1,332)	3%	(2,700)	(2,453)	10%
Non-controlling interests	(6)	(6)	0%	(12)	(10)	20%
Cash profit (FX adjusted)	3,602	3,506	3%	7,117	6,575	8%

The Group uses derivative instruments to economically hedge against the adverse impact on future offshore revenue streams from exchange rate movements.

After taking into account the realised losses on hedging arrangements, movements in average exchange rates resulted in an increase of $83 million in the Group's cash profit over the prior year. Realised losses on hedges reduced cash profit by $130 million (pre-tax) compared to the prior year. Hedge gains/losses are recorded against other operating income in GTSO & Group Centre. Excluding the impact of hedges, other operating income (FX unadjusted) would have increased 5% on the prior year.

Earnings related hedges

The Group has taken out economic hedges against New Zealand Dollar and US Dollar (and USD correlated) revenue and expense streams. New Zealand dollar exposure relates to the New Zealand geography and USD exposure relates to APEA. Details of these hedges are set out below.

	Half Year		Full Year	
NZD Economic hedges	**Sep 14 $M**	**Mar 14 $M**	**Sep 14 $M**	**Sep 13 $M**
Net open NZD position (notional principal)[1]	**2,042**	2,275	**2,042**	1,549
Amount taken to income (pre tax statutory basis)[2]	**107**	(104)	**3**	(178)
Amount taken to income (pre tax cash basis)[3]	**(78)**	(71)	**(149)**	(42)
USD Economic hedges				
Net open USD position (notional principal)[1]	**797**	900	**797**	1,294
Amount taken to income (pre tax statutory basis)[2]	**(25)**	(5)	**(30)**	(75)
Amount taken to income (pre tax cash basis)[3]	**(4)**	(15)	**(19)**	4

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

As at 30 September 2014, the following hedges are in place to partially hedge future earnings against adverse movements in exchange rates:

- NZD 2.3 billion at a forward rate of approximately NZD 1.12 / AUD.
- USD 0.7 billion at a forward rate of approximately USD 0.91 / AUD.

During the September 2014 half:

- NZD 0.9 billion of economic hedges matured and a realised loss of $78 million (pre-tax) was recorded in cash profit.
- USD 0.4 billion of economic hedges matured and a realised loss of $4 million (pre-tax) was recorded in cash profit.
- An unrealised gain of $164 million (pre-tax) on the outstanding NZD and USD economic hedges was recorded in the statutory income statement during the half and has been treated as an adjustment to statutory profit as these are hedges of future NZD and USD revenues.

During the September 2014 full year:

- NZD 1.7 billion of economic hedges matured and a realised loss of $149 million (pre-tax) was recorded in cash profit.
- USD 0.8 billion of economic hedges matured and a realised loss of $19 million (pre-tax) was recorded in cash profit.
- An unrealised gain of $141 million (pre-tax) on the outstanding NZD and USD economic hedges was recorded in the statutory income statement during the year and has been treated as an adjustment to statutory profit as these are hedges of future NZD and USD revenues.

Earnings per share[1]

	Half Year			Full Year		
	Sep 14	**Mar 14**	**Movt**	**Sep 14**	**Sep 13**	**Movt**
Cash earnings per share (cents)						
Basic	**131.5**	128.7	2%	**260.3**	238.3	9%
Diluted	**126.5**	124.3	2%	**250.6**	231.0	8%
Cash weighted average number of ordinary shares (M)[2]						
Basic	**2,736.7**	2,728.0	0%	**2,732.2**	2,722.1	0%
Diluted	**2,945.2**	2,918.8	1%	**2,934.4**	2,904.7	1%
Cash profit ($M)	**3,602**	3,515	2%	**7,117**	6,492	10%
Preference share dividends ($M)	**(3)**	(3)	0%	**(6)**	(6)	0%
Cash profit less preference share dividends ($M)	**3,599**	3,512	2%	**7,111**	6,486	10%
Diluted cash profit less preference share dividends ($M)	**3,726**	3,628	3%	**7,354**	6,710	10%

1. *The earnings per share calculation excludes the Euro Trust Securities (preference shares).*
2. *Includes Treasury shares held in Global Wealth.*

Dividends

	Half Year			Full Year		
	Sep 14	Mar 14	Movt	Sep 14	Sep 13	Movt
Dividend per ordinary share (cents)						
Interim (fully franked)	**n/a**	83	n/a	**83**	73	14%
Final (fully franked)[1]	**95**	n/a	n/a	**95**	91	4%
Total (fully franked)	**95**	83	14%	**178**	164	9%
Ordinary share dividends used in payout ratio ($M)[2]	**2,619**	2,278	15%	**4,897**	4,500	9%
Cash profit ($M)	**3,602**	3,515	2%	**7,117**	6,492	10%
Less: Preference share dividends paid	**(3)**	(3)	0%	**(6)**	(6)	0%
Ordinary share dividend payout ratio (cash basis)[2]	**72.8%**	64.9%		**68.9%**	69.4%	

1. *2014 final dividend is proposed.*
2. *Dividend payout ratio is calculated using proposed 2014 final dividend of $2,619 million, which is based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the March 2014 half and September 2013 full year are calculated using actual dividend paid of $2,278 million and $4,500 million respectively. Dividend payout ratio is calculated by adjusting profit attributable to shareholders of the company by the amount of preference share dividends paid.*

The Directors propose that a final dividend of 95 cents be paid on each eligible fully paid ANZ ordinary share on 16 December 2014. The proposed 2014 final dividend will be fully franked for Australian tax purposes and New Zealand imputation credits of NZD 12 cents per ordinary share will also be attached.

Economic profit

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Statutory profit attributable to shareholders of the Company	**3,879**	3,392	14%	**7,271**	6,310	15%
Adjustments between statutory profit and cash profit	**(277)**	123	large	**(154)**	182	large
Cash Profit	**3,602**	3,515	2%	**7,117**	6,492	10%
Economic credit cost adjustment	**(298)**	(256)	16%	**(554)**	(376)	47%
Imputation credits	**647**	597	8%	**1,244**	1,248	0%
Economic return	**3,951**	3,856	2%	**7,807**	7,364	6%
Cost of capital	**(2,573)**	(2,484)	4%	**(5,057)**	(4,644)	9%
Economic profit	**1,378**	1,372	0%	**2,750**	2,720	1%

Economic profit is a risk adjusted profit measure used to evaluate business unit performance and is considered in determining the variable component of remuneration packages. This is used for internal management purposes and is not subject to audit by the external auditor.

Economic profit is calculated via a series of adjustments to cash profit. The economic credit cost adjustment replaces the actual credit loss charge with internal expected loss based on the average loss per annum on the portfolio over an economic cycle. The value of imputation credits to our shareholders is recognised, measured at 70% of Australian tax. The cost of capital is a major component of economic profit. At an ANZ Group level, this is calculated using average ordinary shareholders' equity (excluding non-controlling interests), multiplied by the cost of capital rate (currently 11%) plus the dividend on preference shares. At a business unit level, capital is allocated based on economic capital, whereby higher risk businesses attract higher levels of capital. This method is designed to help drive appropriate risk management and ensure business returns align with the relevant risk. Key risks covered include credit risk, operating risk, market risk and other risks.

Economic profit for the September half increased $6 million against the March half due to improved cash profit and higher imputation credits, partially offset by a higher economic credit cost adjustment and higher capital levels.

Economic profit for the 2014 year increased 1% against the 2013 year due to improved cash profit, partially offset by higher economic credit cost adjustment, lower imputation credits and higher capital levels.

Condensed balance sheet

	As at ($B)			Movement	
Assets	**Sep 14**	**Mar 14**	**Sep 13**	**Sep 14 v. Mar 14**	**Sep 14 v. Sep 13**
Cash / Settlement balances owed to ANZ / Collateral paid	**58.3**	56.1	51.0	4%	14%
Trading and available-for-sale assets	**80.6**	73.5	69.6	10%	16%
Derivative financial instruments	**56.4**	43.8	45.9	29%	23%
Net loans and advances	**521.8**	509.3	483.3	2%	8%
Investment backing policy liabilities	**33.6**	33.2	32.1	1%	5%
Other	**21.4**	21.9	21.1	-2%	1%
Total assets	**772.1**	737.8	703.0	5%	10%
Liabilities					
Settlement balances owed by ANZ / Collateral received	**15.7**	12.0	12.6	31%	25%
Deposits and other borrowings	**510.1**	498.3	466.9	2%	9%
Derivative financial instruments	**52.9**	45.9	47.5	15%	11%
Debt issuances	**80.1**	73.6	70.4	9%	14%
Policy liabilities and external unit holder liabilities	**37.7**	36.7	35.9	3%	5%
Other	**26.3**	24.3	24.1	8%	9%
Total liabililities	**722.8**	690.8	657.4	5%	10%
Total equity	**49.3**	47.0	45.6	5%	8%

- **September 2014 v March 2014**
  - Trading and available-for-sale assets increased $7 billion primarily due to larger holdings in the prime liquidity portfolio.
  - Derivative financial assets and liabilities increased by $13 billion and $7 billion respectively. This was due to increased demand for foreign exchange derivatives and commodity derivatives, as well as the impact of changes in yield curves and foreign exchange rates.
  - Net loans and advances increased $13 billion, primarily due to a $10 billion increase in the Australia division from higher market share in variable home loans and small business lending, and a $5 billion increase in IIB due to growth in fixed rate institutional loans and reverse repos. This was partially offset by a $2 billion decrease in New Zealand division, primarily due to exchange rate movements.
  - Deposits and other borrowings increased $12 billion, driven by a $5 billion increase in at call customer deposit products in Australia division and a $12 billion increase in IIB relating to Transaction Banking and Global Markets deposits. This was partially offset by a $6 billion decrease in other borrowings in GTSO & Group Centre.

- **September 2014 v September 2013**
  - Net loans and advances increased $39 billion, driven by a $16 billion increase in the Australia division from market share growth in variable home loans and small business loans, an $18 billion increase in IIB due to strong refinancing levels in Global Loans and strong growth in Trade Finance, as well as a $5 billion increase in the New Zealand division due to market share growth and stronger economic conditions.
  - Deposits and other borrowings increased $43 billion, driven by a $9 billion increase in at call deposit products in the Australia division, a $26 billion increase in IIB relating to Transaction Banking and Global Markets deposits, and a $6 billion increase in the New Zealand division due to market share growth in customer deposits.

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. The Group maintains a portfolio of liquid assets to manage potential stresses in funding sources. The minimum level of liquidity portfolio assets to hold is based on a range of ANZ specific and general market liquidity stress scenarios such that potential cash flow obligations can be met over the short to medium term.

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

- Scenario modelling of funding sources

  The Global Financial Crisis (GFC) highlighted the importance of differentiating between stressed and normal market conditions in a name-specific crisis and the different behaviour that offshore and domestic wholesale funding markets can exhibit during market stress events. ANZ's short term liquidity scenario modelling stresses cash flow projections against multiple 'survival horizons' over which the Group is required to remain cash flow positive. In addition, longer term scenarios are in place that measure the structural liquidity position of the balance sheet. Scenarios modelled are based on either prudential requirements or Board mandated scenarios. Under these scenarios, customer and wholesale balance sheet asset/liability flows are stressed.

- Liquidity portfolio

  The Group holds a diversified portfolio of cash and high credit quality securities that may be sold or pledged to provide same-day liquidity. This portfolio helps protect the Group's liquidity position by providing cash in a severely stressed environment. All assets held in the prime portfolio are securities eligible for repurchase under agreements with the applicable central bank (i.e. 'repo eligible').

  The liquidity portfolio is well diversified by counterparty, currency and tenor. Under the liquidity policy framework, securities purchased for ANZ's liquidity portfolio must be of a similar or better credit quality to ANZ's external long-term or short-term credit ratings and continue to be repo eligible.

  Supplementing the prime liquid asset portfolio, the Group holds additional liquidity in the following:

  - central bank deposits with the US Federal Reserve, Bank of England and Bank of Japan of $21.8 billion;
  - Australian Commonwealth and State Government securities of $8.4 billion and gold & precious metals of $3.0 billion, and
  - cash and other securities to satisfy local country regulatory liquidity requirements which are not included in the liquid assets below.

	As at		
Prime liquidity portfolio (Market values post haircut)[1]	**Sep 14 $B**	**Mar 14 $B**	**Sep 13 $B**
Australia	**31.7**	28.9	27.8
New Zealand	**11.4**	12.5	11.1
United States	**4.3**	3.8	2.1
United Kingdom	**5.8**	5.2	5.1
Singapore	**2.9**	3.2	3.1
Hong Kong	**1.2**	0.8	0.6
Japan	**1.3**	1.3	1.4
Total excluding internal Residential Mortgage Backed Securities (RMBS)	**58.6**	**55.7**	**51.2**
Internal Residential Mortgage Backed Securities (Australia)	**43.5**	29.6	35.7
Internal Residential Mortgage Backed Securities (New Zealand)	**5.1**	5.1	3.7
Total prime portfolio	**107.2**	**90.4**	**90.6**
Other eligible securities including gold and cash on deposit with central banks	**33.2**	26.6	31.0
Total liquidity portfolio	**140.4**	**117.0**	**121.6**

1. *Market value is post the repo discount applied by the applicable central bank.*

Wholesale Funding

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

$23.9 billion of term wholesale debt (with a remaining term greater than one year as at 30 September 2014) was issued during 2014. In addition, $1.6 billion of ANZ Capital Notes were issued. All wholesale funding needs were comfortably met. The weighted average tenor of new term debt was 4.9 years (2013: 4.3 years). The average term debt portfolio costs are slowly reducing, however, remain substantially above pre-crisis levels.

Liquidity risk, cont'd

The following tables show the Group's total funding composition:

	As at ($M)			Movement	
	Sep 14	**Mar 14**	**Sep 13**	**Sep 14 v. Mar 14**	**Sep 14 v. Sep 13**
Customer deposits and other liabilities[1]					
Australia	**161,108**	156,310	152,371	3%	6%
International and Institutional Banking	**182,701**	172,023	163,151	6%	12%
New Zealand	**51,360**	51,749	46,494	-1%	10%
Global Wealth	**13,844**	12,699	11,569	9%	20%
GTSO and Group Centre	**(5,294)**	(4,759)	(4,756)	11%	11%
Customer deposits	**403,719**	388,022	368,829	4%	9%
Other funding liabilities[2]	**14,502**	10,895	13,158	33%	10%
Total customer liabilities (funding)	**418,221**	398,917	381,987	5%	9%
Wholesale funding[3]					
Debt issuances[4]	**79,291**	72,747	69,570	9%	14%
Subordinated debt	**13,607**	13,226	12,804	3%	6%
Certificates of deposit	**52,754**	57,707	58,276	-9%	-9%
Commercial paper issued	**15,152**	16,041	12,255	-6%	24%
Other wholesale borrowings[5]	**42,460**	43,871	38,813	-3%	9%
Total wholesale funding	**203,264**	203,592	191,718	0%	6%
Shareholders' Equity (excl preference shares)	**48,413**	46,167	44,732	5%	8%
Total Funding	**669,898**	648,676	618,437	3%	8%

	As at ($M)			Movement	
	Sep 14	**Mar 14**	**Sep 13**	**Sep 14 v. Mar 14**	**Sep 14 v. Sep 13**
Wholesale funding maturity[3,6]					
Short term wholesale funding (excluding Central Banks)[7]	**73,470**	82,937	73,650	-11%	0%
Central Bank deposits	**18,841**	17,512	15,374	8%	23%
Total short term wholesale funding	**92,311**	100,449	89,024	-8%	4%
Long term wholesale funding					
- Less than 1 year residual maturity	**22,968**	18,695	20,292	23%	13%
- Greater than 1 year residual maturity	**81,110**	77,127	75,240	5%	8%
Hybrid debt including preference shares	**6,875**	7,321	7,162	-6%	-4%
Total wholesale funding and preference share capital excluding shareholders' equity	**203,264**	203,592	191,718	0%	6%
Total funding maturity					
Total short term wholesale funding	**14%**	15%	15%		
Long term wholesale funding					
- Less than 1 year residual maturity	**3%**	3%	3%		
- Greater than 1 year residual maturity	**12%**	12%	12%		
Total customer liabilities (funding)	**63%**	62%	62%		
Shareholders' equity and hybrid debt	**8%**	8%	8%		
Total Funding	**100%**	100%	100%		

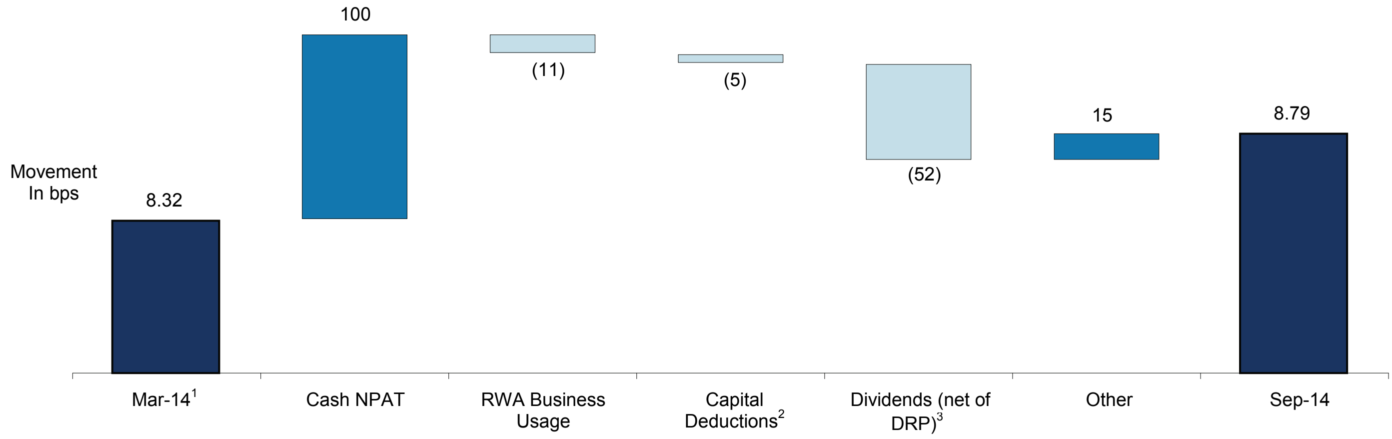
1. *Includes term deposits, other deposits and an adjustment recognised in Group Centre to eliminate Global Wealth investments in ANZ deposit products.*
2. *Includes interest accruals, payables and other liabilities, provisions and net tax provisions, excluding other liabilities in Global Wealth.*
3. *Excludes liability for acceptances as they do not provide net funding.*
4. *Excludes term debt issued externally by Global Wealth.*
5. *Includes borrowings from banks, net derivative balances, special purpose vehicles, other borrowings and Euro Trust Securities (preference shares).*
6. *Long term wholesale funding amounts are stated at original hedged exchange rates. Movements due to currency fluctuations in actual amounts borrowed are classified as short term wholesale funding.*
7. *RBA open-repo arrangement netted down by the exchange settlement account cash balance.*

Capital Management

	As at					
	APRA Basel 3			Internationally Comparable Basel 3[1]		
	Sep 14	Mar 14	Sep 13	Sep 14	Mar 14[2]	Sep 13[2]
Capital Ratios						
Common Equity Tier 1	**8.8%**	8.3%	8.5%	**12.7%**	12.2%	12.7%
Tier 1	**10.7%**	10.3%	10.4%	**15.0%**	14.7%	15.1%
Total capital	**12.7%**	12.1%	12.2%	**17.5%**	16.8%	17.3%
Risk weighted assets ($B)	**361.5**	360.7	339.3	**295.1**	293.2	273.4

1. *Previously disclosed International Harmonised capital ratios have been replaced with Internationally Comparable capital ratios as per the methodology in the "Australian Bankers' Association: International comparability of capital ratios of Australia's major banks" (August 2014) report prepared by PwC Australia.*
2. *Restated for change in methodology to Internationally Comparable capital ratios.*

APRA Basel 3 Common Equity Tier 1 (CET1) – September 2014 v March 2014



1. *The 31 March 2014 CET1 ratio of 8.33% has been restated to 8.32% following clarification with APRA on the treatment of a deduction.*
2. *Capital Deductions represents the movement in retained earnings in deconsolidated entities, capitalised software and other intangibles in the period.*
3. *12.4 million ordinary shares were issued under the Dividend Reinvestment Plan and Bonus Option Plan for the 2014 interim dividend.*

- **September 2014 v March 2014**

  ANZ's CET1 ratio increased 47 bps to 8.8% in the half to September 2014 driven by:

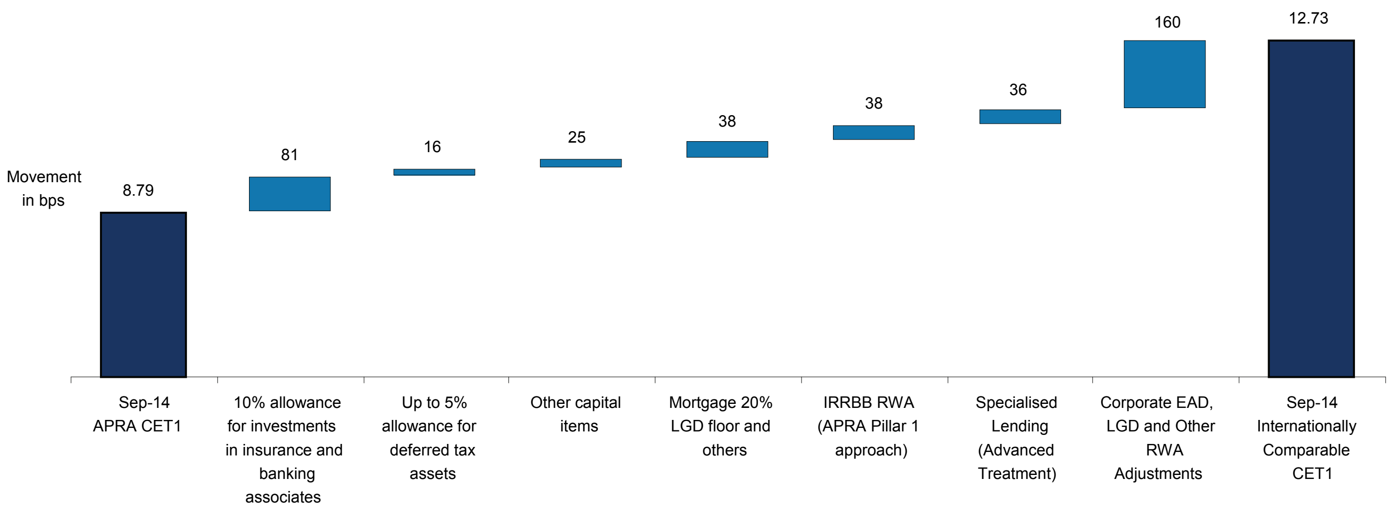
  - Solid capital generation from cash earnings which more than offset RWA growth and other business capital deductions. Net organic capital generation is 84 bps or $3.0 billion.
  - Payment of the March 2014 Interim Dividend (net of shares issued under the DRP) reduced CET1 ratio by 52 bps whilst maintaining strong capital position as at September 2014.
  - Other impacts of 15 bps mainly due to higher non-cash earnings impacts, lower net deferred tax asset balance and benefits from data and methodology changes in RWA calculations.

- **September 2014 v September 2013**

  ANZ's CET1 ratio increased 31 bps to 8.8% in the full year to September 2014 driven by:

  - Net organic capital generation is 144 bps or $4.8 billion on the back of full year cash earnings of $7.1 billion, partially offset by RWA growth and other business capital deductions.
  - The above is offset by payment of the September 2013 Final Dividend and March 2014 Interim Dividend (net of shares issued under the DRP) which reduces CET1 ratio by 128 bps.
  - Other impacts of 15 bps mainly due to lower net deferred tax assets (DTA) balance and net benefits from capital initiatives and data and methodology changes in RWA calculations.

APRA to Internationally Comparable[1] Common Equity Tier 1 (CET1) – September 2014



1. *ANZ's interpretation of the regulations documented in the Basel Committee publications; "Basel 3: A global regulatory framework for more resilient banks and banking systems" (June 2011) and "International Convergence of Capital Measurement and Capital Standards" (June 2006). Also includes differences identified in PwC's report on International Comparability of Capital Ratios of Australia's Major Banks" (August 2014), commissioned by the ABA.*

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

The material differences in APRA's Basel 3 and Internationally Comparable Basel 3 ratios include:

Deductions

- Investment in insurance and banking associates – APRA requires full deduction against CET1. On an Internationally Comparable basis, these investments are subject to a concessional threshold before a deduction is required.
- Deferred tax assets – A full deduction is required from CET1 for deferred tax assets (DTA) relating to temporary differences. On an Internationally Comparable basis, this is first subject to a concessional threshold before the deduction is required.
- Capitalised expenses net of deferred fee income – Adjustments to CET1 for capitalised expenses and deferred fee income are not required under an Internationally Comparable basis.

Risk Weighted Assets (RWA)

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

Other regulatory developments

- **Financial System Inquiry (FSI)**

  The Federal Government announced on 20 November 2013 the appointment of Mr David Murray AO to head of an inquiry into Australia's financial system. On 20 December 2013, the Government announced the terms of reference for the Inquiry saying that "The Inquiry is charged with examining how the financial system could be positioned to best meet Australia's evolving needs and support Australia's economic growth".

  ANZ made an initial submission to the Inquiry on 31 March 2014. The Inquiry then released its Interim Report on 15 July 2014 and invited interested parties to make further submissions relating to the issues raised in the report. ANZ has been actively engaged in contributing to the Inquiry's deliberations and provided a second submission on 26 August 2014. The Inquiry is expected to release its final report to the Government in November 2014.

- **Liquidity Ratios**

  The Basel 3 Liquidity changes include the introduction of two liquidity ratios to measure liquidity risk (the Liquidity Coverage Ratio (LCR) in 2015 and the Net Stable Funding Ratio (NSFR), expected implementation in 2018). A component of the liquidity requirements under the new standards will be met via the Committed Liquidity Facility (CLF) from the Reserve Bank of Australia (RBA). The Group remains well placed to meet these requirements.

  The Basel 3 revised standard on NSFR, released in January 2014, is currently undergoing a global review with the expectation of it being implemented in 2018.

- **Domestic Systemically Important Bank (D-SIB) Framework**

  APRA has released details of its D-SIB framework for implementation in Australia and has classified ANZ and three other major Australian banks as domestic systemically important banks. As a result a Capital Conservation Buffer (CCB) will be applied to the four major Australian banks increasing capital requirements by 100 basis points from 1 January 2016, further strengthening the capital position of Australia's D-SIBs. ANZ's current capital position is already in excess of APRA's requirements including the D-SIB overlay. The Group is well placed for D-SIB implementation in January 2016.

- **Composition of Level 2 ADI Group**

  APRA provided further clarification to the definition of the Level 2 Authorised Deposit-Taking Institution (ADI) group, where subsidiary intermediate holding companies are now considered part of the Level 2 Group.

  The above clarification results in the phasing out, over time, of capital benefits arising from the debt issued by ANZ Wealth Australia Limited (ANZWA). As at 30 September 2014, ANZWA has $805m of debt outstanding which is equivalent to approximately 22bps of CET1. APRA has approved transitional arrangements, in line with the existing maturity profile of the debt in June 2015 ($405m) and March 2016 ($400m). As a result, there is no immediate impact on ANZ's capital position and the Group is well placed to manage the future transitional impact through organic capital generation.

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

  In August 2014, APRA announced its planned framework for the supervision of Conglomerates Group (Level 3) which includes updated Level 3 capital adequacy standards. These standards will regulate a bancassurance group such as ANZ as a single economic entity with minimum capital requirements and additional monitoring on risk exposure levels.

  APRA has deferred a decision on the implementation date as well as the final form of the Level 3 framework until the recommendations of the FSI and the Government's response to them have been announced and considered by APRA. APRA has committed to a minimum transition period of 12 months for affected institutions to comply with the new requirements once an implementation date is established.

  Based upon current draft of the Level 3 standards covering capital adequacy, group governance, risk management and risk exposures, ANZ is not expecting any material impact on its operations.

- **APRA Discussion Paper on Disclosure Reforms**

  In September 2014, APRA released a consultation package for discussion on the proposed implementation of the internationally agreed disclosure framework on the leverage ratio, liquidity coverage ratio and the identification of potential global systemically important banks (G-SIBs). APRA will consider submissions to these proposed requirements (submissions to APRA closed on 31 October 2014) before finalising the standards for implementation from 1 January 2015.

  - Leverage Ratio

    APRA's draft leverage ratio will apply to Australian authorised deposit-taking institutions (ADIs) using internal ratings based (IRB) approach to Credit Risk Weighted Assets. Leverage ratio requirements are included in the Basel Committee on Banking Supervision (BCBS) Basel 3 capital framework as a supplement to the current risk based capital requirements and is intended to restrict the build-up of excessive leverage in the banking system.

    In the draft requirements, APRA has maintained the BCBS calculation of the leverage ratio of Tier 1 Capital expressed as a percentage of Exposure Measure. However, APRA has not committed to implementing a minimum leverage ratio requirement at this stage, pending BCBS intention to further analyse and calibrate the requirements before introducing the leverage ratio as a Pillar 1 requirement in 2018. The current BCBS minimum requirement is 3%.

    Public disclosure of the leverage ratio for Australian IRB ADIs will be included in the first financial report after 1 January 2015, with subsequent disclosures published on a quarterly basis. Explanation of key drivers of material changes in the ADIs leverage ratio between the previous and current reporting periods is also required.

- Liquidity Coverage Ratio (LCR) disclosures

  The proposed LCR external disclosures will formally begin from March 2015, and are largely as expected and in line with the previously released Basel proposals. The LCR will be externally disclosed from 31st March 2015 reporting date, and for each subsequent financial reporting period thereafter. The disclosure will be the average of the previous quarter rather than a spot LCR, and will represent the position of the Level 2 entity.

- Globally Systemically Important Bank (G-SIB) indicators disclosures

  APRA proposes that the four major Australian ADIs report a set of 12 financial indicators used in the G-SIB framework to identify banks that should be designated as systemically important from a global perspective. These indicators reflects the size, interconnectedness, level of cross jurisdictional activities and complexity of the ADIs which are then used to calculate each ADI’s ‘systemicness’ score. ADIs identified as G-SIBs will be imposed with higher loss absorbency (HLA) requirements in the form of additional CET1 capital. As at reporting date, no Australian ADIs (ANZ included) are considered globally systemically important.

  Under current draft requirements, major Australian ADIs must disclose the 12 indicators from 2015 on an annual basis. The indicator values are to be reported as at an ADI’s financial year-end, no later than four months after the date on which the indicator values are based. The disclosures can either be included in an ADI’s annual financial report or in the ‘Regulatory Disclosures’ section of an ADI’s website.

Investment spend

Investment spend includes expenditure that develops and enhances the Group's infrastructure to meet business and strategic objectives and to improve capabilities and efficiencies. In 2014, the Group continued to invest strongly with spend of $1,160 million. The reduction compared to 2013 is partly due to efficiency savings from increased utilisation of our Hubs and outsourcing partners. The "Banking on Australia" program continues to be a key focus, building digital and data analytic capabilities. IIB's investment included the implementation of the core banking system in Hong Kong and continued development of our Transaction Banking and Markets capabilities. Risk and Compliance remains a significant focus with a number of regulatory requirements across the region and investment in technology infrastructure and security.

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Expensed investment spend	**163**	161	1%	**324**	385	-16%
Capitalised investment spend	**470**	366	28%	**836**	884	-5%
Investment spend	**633**	527	20%	**1,160**	1,269	-9%

Comprising	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Growth	**226**	229	-1%	**455**	522	-13%
Transformation and productivity	**159**	104	53%	**263**	255	3%
Risk and compliance	**171**	137	25%	**308**	338	-9%
Maintenance and infrastructure	**77**	57	35%	**134**	154	-13%
Investment spend	**633**	527	20%	**1,160**	1,269	-9%

Software capitalisation

As at 30 September 2014, the Group's intangibles included $2,533 million in relation to costs incurred in acquiring and developing software. Details are set out in the table below:

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Balance at start of period	**2,332**	2,170	7%	**2,170**	1,762	23%
Software capitalised during the period	**415**	362	15%	**777**	780	0%
Amortisation during the period	**(221)**	(205)	8%	**(426)**	(383)	11%
Software impaired/written-off	**(14)**	(1)	large	**(15)**	(8)	88%
Foreign exchange differences	**21**	6	large	**27**	19	42%
Total capitalised software	**2,533**	2,332	9%	**2,533**	2,170	17%

Capitalised cost analysis by Division	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Australia	**115**	104	11%	**219**	202	8%
International and Institutional Banking	**153**	94	63%	**247**	244	1%
New Zealand	**22**	11	100%	**33**	16	large
Global Wealth	**16**	19	-16%	**35**	51	-31%
GTSO and Group Centre	**109**	134	-19%	**243**	267	-9%
Total	**415**	362	15%	**777**	780	0%

Net book value by Division	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Australia	**553**	493	12%	**553**	437	27%
International and Institutional Banking	**998**	904	10%	**998**	880	13%
New Zealand	**53**	40	33%	**53**	32	66%
Global Wealth	**93**	101	-8%	**93**	97	-4%
GTSO and Group Centre	**836**	794	5%	**836**	724	15%
Total	**2,533**	2,332	9%	**2,533**	2,170	17%

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Segment Performance

The Group operates on a divisional structure with Australia, International and Institutional Banking (IIB), New Zealand, and Global Wealth being the major operating divisions. The IIB and Global Wealth divisions are coordinated globally. GTSO and Group Centre provide support to the operating divisions, including technology, operations, shared services, property, risk management, financial management, strategy, marketing, human resources and corporate affairs. The Group Centre also includes Group Treasury and Shareholder Functions.

During the September half:

- Operations, Technology, Property, and certain enablement functions supporting the operating divisions (including Human Resources, Risk, Finance and Legal) were transferred from the operating divisions to GTSO and Group Centre. This change aligns with our strategy of building on common infrastructure with an enterprise focus. Comparative information has been restated; and
- The Group migrated onto a single Global Human Resources platform. In doing so, the Group revised and standardised the measure of FTE and this resulted in an increase in FTE. Comparative information has been restated.

There have been no other major structure changes, however certain prior period comparatives have been restated as a result of changes to customer segmentation.

The Segment Review section is reported on a cash profit basis.

September 2014 Half Year

AUD M	Australia	International & Institutional Banking	New Zealand	Global Wealth	GTSO and Group Centre	Group
Net interest income	3,616	2,006	1,102	87	222	7,033
Other operating income	595	1,432	171	850	(171)	2,877
Operating income	4,211	3,438	1,273	937	51	9,910
Operating expenses	(1,557)	(1,619)	(519)	(531)	(248)	(4,474)
Profit before credit impair't and income tax	2,654	1,819	754	406	(197)	5,436
Credit impairment (charge)/release	(416)	(54)	(26)	1	34	(461)
Profit before income tax	2,238	1,765	728	407	(163)	4,975
Income tax expense and non-controlling interests	(669)	(434)	(203)	(108)	41	(1,373)
Cash profit	1,569	1,331	525	299	(122)	3,602

March 2014 Half Year

AUD M	Australia	International & Institutional Banking	New Zealand	Global Wealth	GTSO and Group Centre	Group
Net interest income	3,429	1,980	1,060	80	215	6,764
Other operating income	588	1,597	178	727	(186)	2,904
Operating income	4,017	3,577	1,238	807	29	9,668
Operating expenses	(1,500)	(1,596)	(514)	(495)	(181)	(4,286)
Profit before credit impair't and income tax	2,517	1,981	724	312	(152)	5,382
Credit impairment (charge)/release	(403)	(161)	34	1	1	(528)
Profit before income tax	2,114	1,820	758	313	(151)	4,854
Income tax expense and non-controlling interests	(635)	(460)	(213)	(87)	56	(1,339)
Cash profit	1,479	1,360	545	226	(95)	3,515

September 2014 Half Year vs March 2014 Half Year

AUD M	Australia	International & Institutional Banking	New Zealand	Global Wealth	GTSO and Group Centre	Group
Net interest income	5%	1%	4%	9%	3%	4%
Other operating income	1%	-10%	-4%	17%	-8%	-1%
Operating income	5%	-4%	3%	16%	76%	3%
Operating expenses	4%	1%	1%	7%	37%	4%
Profit before credit impair't and income tax	5%	-8%	4%	30%	30%	1%
Credit impairment (charge)/release	3%	-66%	large	0%	large	-13%
Profit before income tax	6%	-3%	-4%	30%	8%	2%
Income tax expense and non-controlling interests	5%	-6%	-5%	24%	-27%	3%
Cash profit	6%	-2%	-4%	32%	28%	2%

September 2014 Full Year

AUD M	Australia	International & Institutional Banking	New Zealand	Global Wealth	GTSO and Group Centre	Group
Net interest income	7,045	3,986	2,162	167	437	13,797
Other operating income	1,183	3,029	349	1,577	(357)	5,781
Operating income	8,228	7,015	2,511	1,744	80	19,578
Operating expenses	(3,057)	(3,215)	(1,033)	(1,026)	(429)	(8,760)
Profit before credit impair't and income tax	5,171	3,800	1,478	718	(349)	10,818
Credit impairment (charge)/release	(819)	(215)	8	2	35	(989)
Profit before income tax	4,352	3,585	1,486	720	(314)	9,829
Income tax expense and non-controlling interests	(1,304)	(894)	(416)	(195)	97	(2,712)
Cash profit	3,048	2,691	1,070	525	(217)	7,117

September 2013 Full Year

AUD M	Australia	International & Institutional Banking	New Zealand	Global Wealth	GTSO and Group Centre	Group
Net interest income	6,670	3,669	1,863	139	431	12,772
Other operating income	1,190	2,911	347	1,387	(216)	5,619
Operating income	7,860	6,580	2,210	1,526	215	18,391
Operating expenses	(2,967)	(2,985)	(960)	(955)	(390)	(8,257)
Profit before credit impair't and income tax	4,893	3,595	1,250	571	(175)	10,134
Credit impairment (charge)/release	(820)	(317)	(37)	(4)	(19)	(1,197)
Profit before income tax	4,073	3,278	1,213	567	(194)	8,937
Income tax expense and non-controlling interests	(1,215)	(846)	(336)	(96)	48	(2,445)
Cash profit	2,858	2,432	877	471	(146)	6,492

September 2014 Full Year vs September 2013 Full Year

AUD M	Australia	International & Institutional Banking	New Zealand	Global Wealth	GTSO and Group Centre	Group
Net interest income	6%	9%	16%	20%	1%	8%
Other operating income	-1%	4%	1%	14%	65%	3%
Operating income	5%	7%	14%	14%	-63%	6%
Operating expenses	3%	8%	8%	7%	10%	6%
Profit before credit impair't and income tax	6%	6%	18%	26%	99%	7%
Credit impairment (charge)/release	0%	-32%	large	large	large	-17%
Profit before income tax	7%	9%	23%	27%	62%	10%
Income tax expense and non-controlling interests	7%	6%	24%	large	large	11%
Cash profit	7%	11%	22%	11%	49%	10%

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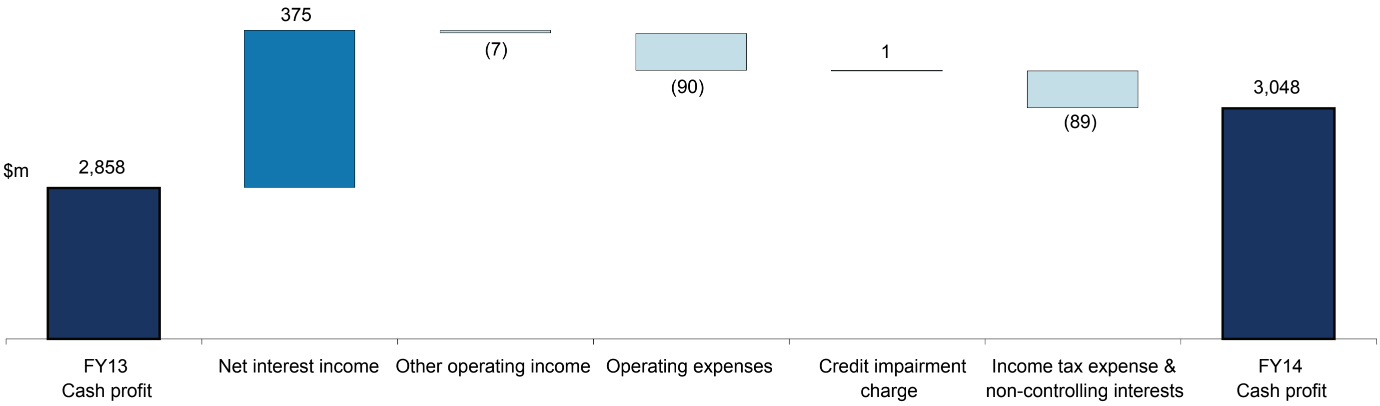
The Australia Division comprises the Retail and Corporate and Commercial Banking (C&CB) business units.

Cash profit – September 2014 Full Year v September 2013 Full Year



Banking on Australia Transformation Strategy

Through "Banking on Australia", we are transforming the business and strengthening our position in our core markets.

We are transforming our distribution networks, leveraging digital innovation, making it easier for our customers to bank with us and allowing our frontline bankers to have high quality interactions focused on customer needs. ANZ goMoney™ has processed over $100 billion in transactions since its launch in September 2010 and 772 Smart ATMs have been rolled out across the network. This increases banker productivity and leverages the 143 branches and business centres which have been transformed to a new format focused around needs-based sales conversations.

We have delivered leading digital and mobile solutions, further enhancing the customer experience, providing connectivity and allowing customers more control over their banking needs. We have implemented integrated, customer friendly online applications for Retail transaction and credit card products, resulting in 21% of sales for these products through digital channels. We launched ANZ Shield in July 2014, a leading soft token multi factor authentication security application, further enhancing ANZ goMoney™.

We have simplified our products and processes to further improve the customer experience and generate productivity, with operations costs declining 6% while absorbing volume increases of 8%. The productivity achieved as a result of the distribution transformation, digital investment and simplification has been reinvested into building the capability of our people and systems, further improving frontline banker effectiveness and sales productivity.

Retail has had two consecutive strong years. Volumes continue to grow above system and margins have been well managed. We have consistently grown Home Loans at above system levels and are on track to record our 19th consecutive quarter[1], and 52% of Home Loans were sold through our proprietary channels. We also grew retail deposits at system.

C&CB continues to perform well in a subdued credit environment. Lending grew 3% with momentum in the second half driving lending and revenue growth. The Small Business Banking segment is performing strongly with lending up 16%, aided by ANZ's $2 billion lending pledge and investments made in the frontline. Other business foundations remain strong with deposits growing 8% and customer numbers[2] increasing by 27,000. We have maintained our cost discipline and underlying asset quality remains sound.

- **September 2014 v March 2014**

Cash profit increased 6%, with 5% income growth, a 4% increase in operating expenses and a 3% increase in credit impairment charges.

Key factors affecting the result were:

- Net interest income increased 5% primarily due to a 3% rise in average net loans and advances from above system home loan growth and strong growth in Small Business Banking. Net interest margin widened 5 bps as a result of disciplined deposit pricing, partially offset by increased lending competition and portfolio mix.
- Operating expenses increased 4%. This was driven primarily by $39 million invested in initiatives to increase sales capacity and capability and accelerate revenue generating projects. Excluding this, costs grew by 1%.
- Credit impairment charges increased by 3%, reflecting lower writebacks in C&CB, and increases in the Retail portfolios reflecting normal seasonal trends. A lower collective provision charge was mostly driven by the release of the economic cycle provision by C&CB.

- **September 2014 v September 2013**

Cash profit increased 7%, with 5% income growth, a 3% increase in expenses and flat credit impairment charges.

Key factors affecting the result were:

- Net interest income increased 6% primarily due to a 6% increase in average net loans and advances from Home Loans and Small Business Banking. Growth in deposits has been offset by subdued C&CB lending conditions in the middle market sector. Net interest margin contracted 1 bp, reflecting increased lending competition and portfolio mix, partially offset by disciplined deposit pricing.
- Operating expenses increased 3%. This was driven partially by $39 million invested in initiatives to increase sales capacity and capability and accelerate revenue generating projects. Excluding this, costs grew by 2% with inflationary impacts partially offset by productivity gains.
- Credit impairment charges were flat year on year, with Retail down 6% from improved Home Loan recoveries and lower delinquencies in Cards. In C&CB, credit impairment charges were up 6% driven by increased individual provisions in Corporate Banking and Esanda, offset by improvements across all other C&CB segments.

[1] *Source: APRA Monthly Banking Statistics 11 months to August 2014. The September 2014 APRA Monthly Banking Statistics are due for release on 31 October 2014.*

[2] *Customer numbers (excludes Esanda) for the 12 months to August 2014.*

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Australia Total

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Net interest income	**3,616**	3,429	5%	**7,045**	6,670	6%
Other operating income	**595**	588	1%	**1,183**	1,190	-1%
Operating income	**4,211**	4,017	5%	**8,228**	7,860	5%
Operating expenses	**(1,557)**	(1,500)	4%	**(3,057)**	(2,967)	3%
Profit before credit impairment and income tax	**2,654**	2,517	5%	**5,171**	4,893	6%
Credit impairment charge	**(416)**	(403)	3%	**(819)**	(820)	0%
Profit before tax	**2,238**	2,114	6%	**4,352**	4,073	7%
Income tax expense and non-controlling interests	**(669)**	(635)	5%	**(1,304)**	(1,215)	7%
Cash profit	**1,569**	1,479	6%	**3,048**	2,858	7%
Consisting of:						
Retail	**994**	933	7%	**1,927**	1,725	12%
Corporate and Commercial Banking	**575**	546	5%	**1,121**	1,133	-1%
Cash profit	**1,569**	1,479	6%	**3,048**	2,858	7%
Balance Sheet						
Net loans & advances	**287,912**	278,279	3%	**287,912**	271,589	6%
Other external assets	**2,814**	2,912	-3%	**2,814**	2,736	3%
External assets	**290,726**	281,191	3%	**290,726**	274,325	6%
Customer deposits	**161,108**	156,310	3%	**161,108**	152,371	6%
Other external liabilities	**11,997**	12,330	-3%	**11,997**	13,397	-10%
External liabilities	**173,105**	168,640	3%	**173,105**	165,768	4%
Risk weighted assets	**111,567**	109,839	2%	**111,567**	109,596	2%
Average net loans and advances	**283,065**	274,910	3%	**278,999**	262,447	6%
Average deposits and other borrowings	**158,166**	155,314	2%	**156,744**	146,482	7%
Ratios						
Return on assets	**1.09%**	1.07%		**1.08%**	1.08%	
Net interest margin	**2.53%**	2.48%		**2.51%**	2.52%	
Operating expenses to operating income	**37.0%**	37.3%		**37.2%**	37.7%	
Operating expenses to average assets	**1.09%**	1.08%		**1.08%**	1.12%	
Individual credit impairment charge/(release)	**413**	374	10%	**787**	771	2%
Individual credit impairment charge/(release) as a % of average net advances	**0.29%**	0.27%		**0.28%**	0.29%	
Collective credit impairment charge/(release)	**3**	29	-90%	**32**	49	-35%
Collective credit impairment charge/(release) as a % of average net advances	**0.00%**	0.02%		**0.01%**	0.02%	
Net impaired assets	**623**	717	-13%	**623**	939	-34%
Net impaired assets as a % of net advances	**0.22%**	0.26%		**0.22%**	0.35%	
Total full time equivalent staff (FTE)	**10,263**	9,920	3%	**10,263**	10,025	2%

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Individual credit impairment charge/(release)	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Retail	**189**	**170**	**11%**	**359**	**384**	**-7%**
Home Loans	11	13	-15%	24	45	-47%
Cards & Payments	165	149	11%	314	320	-2%
Deposits[1]	13	8	63%	21	19	11%
Corporate and Commercial Banking	**224**	**204**	**10%**	**428**	**387**	**11%**
Corporate Banking	39	70	-44%	109	(3)	large
Esanda	84	70	20%	154	126	22%
Regional Business Banking	38	21	81%	59	96	-39%
Business Banking	24	4	large	28	76	-63%
Small Business Banking	39	39	0%	78	92	-15%
Individual credit impairment charge/(release)	**413**	**374**	**10%**	**787**	**771**	**2%**

Collective credit impairment charge/(release)	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Retail	**8**	**10**	**-20%**	**18**	**19**	**-5%**
Home Loans	5	9	-44%	14	12	17%
Cards & Payments	5	(1)	large	4	8	-50%
Deposits[2]	(2)	2	large	-	(1)	-100%
Corporate and Commercial Banking	**(5)**	**19**	**large**	**14**	**30**	**-53%**
Corporate Banking	(18)	10	large	(8)	12	large
Esanda	1	(2)	large	(1)	4	large
Regional Business Banking	2	(4)	large	(2)	(2)	0%
Business Banking	(1)	2	large	1	4	-75%
Small Business Banking	11	13	-15%	24	12	100%
Collective credit impairment charge/(release)	**3**	**29**	**-90%**	**32**	**49**	**-35%**
Total credit impairment charge/(release)	**416**	**403**	**3%**	**819**	**820**	**0%**

1. *Represents individual credit impairment charge/(release) on Overdraft balances.*
2. *Represents collective credit impairment charge/(release) on Overdraft balances.*

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Net loans and advances	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Retail	**220,830**	**213,112**	**4%**	**220,830**	**206,269**	**7%**
Home Loans	209,391	201,646	4%	209,391	194,991	7%
Cards & Payments	11,346	11,370	0%	11,346	11,184	1%
Deposits[1]	93	96	-3%	93	94	-1%
Corporate and Commercial Banking	**67,082**	**65,167**	**3%**	**67,082**	**65,320**	**3%**
Corporate Banking	9,389	9,074	3%	9,389	9,363	0%
Esanda	16,149	16,297	-1%	16,149	16,503	-2%
Regional Business Banking	12,568	11,955	5%	12,568	12,226	3%
Business Banking	16,720	16,525	1%	16,720	16,628	1%
Small Business Banking	12,256	11,316	8%	12,256	10,600	16%
Net loans and advances	**287,912**	**278,279**	**3%**	**287,912**	**271,589**	**6%**

Customer deposits	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Retail	**112,101**	**109,376**	**2%**	**112,101**	**106,998**	**5%**
Home Loans[1]	17,684	16,308	8%	17,684	15,114	17%
Cards & Payments	384	326	18%	384	343	12%
Deposits	94,033	92,742	1%	94,033	91,541	3%
Corporate and Commercial Banking[2]	**49,007**	**46,934**	**4%**	**49,007**	**45,373**	**8%**
Esanda	1	1	0%	1	19	-95%
Regional Business Banking	4,964	4,955	0%	4,964	4,926	1%
Business Banking	14,346	13,185	9%	14,346	12,618	14%
Small Business Banking	29,696	28,793	3%	29,696	27,810	7%
Customer deposits	**161,108**	**156,310**	**3%**	**161,108**	**152,371**	**6%**

1. *Net loans and advances for the Deposits business represents amounts in overdraft. Customer deposit amounts for the Home Loans business represents balances in offset accounts.*
2. *Corporate Banking deposits are included in the International and Institutional Banking division deposits.*

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Retail

	Half Year			Full Year		
	Sep 14 $M	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Net interest income	**2,211**	2,066	7%	**4,277**	3,929	9%
Other operating income	**450**	449	0%	**899**	912	-1%
Operating income	**2,661**	2,515	6%	**5,176**	4,841	7%
Operating expenses	**(1,049)**	(1,002)	5%	**(2,051)**	(1,978)	4%
Profit before credit impairment and income tax	**1,612**	1,513	7%	**3,125**	2,863	9%
Credit impairment charge	**(197)**	(180)	9%	**(377)**	(403)	-6%
Profit before tax	**1,415**	1,333	6%	**2,748**	2,460	12%
Income tax expense and non-controlling interests	**(421)**	(400)	5%	**(821)**	(735)	12%
Cash profit	**994**	933	7%	**1,927**	1,725	12%
Risk weighted assets	**56,305**	54,959	2%	**56,305**	53,153	6%

	Half Year			Full Year		
Individual credit impairment charge/(release)	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Home Loans	**11**	13	-15%	**24**	45	-47%
Cards & Payments	**165**	149	11%	**314**	320	-2%
Deposits[1]	**13**	8	63%	**21**	19	11%
Individual credit impairment charge/(release)	**189**	170	11%	**359**	384	-7%
Collective credit impairment charge/(release)						
Home Loans	**5**	9	-44%	**14**	12	17%
Cards & Payments	**5**	(1)	large	**4**	8	-50%
Deposits[2]	**(2)**	2	large	**-**	(1)	-100%
Collective credit impairment charge/(release)	**8**	10	-20%	**18**	19	-5%
Total credit impairment charge/(release)	**197**	180	9%	**377**	403	-6%

	Half Year			Full Year		
Net loans and advances	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Home Loans	**209,391**	201,646	4%	**209,391**	194,991	7%
Cards & Payments	**11,346**	11,370	0%	**11,346**	11,184	1%
Deposits	**93**	96	-3%	**93**	94	-1%
Net loans and advances	**220,830**	213,112	4%	**220,830**	206,269	7%
Customer deposits						
Home Loans	**17,684**	16,308	8%	**17,684**	15,114	17%
Cards & Payments	**384**	326	18%	**384**	343	12%
Deposits	**94,033**	92,742	1%	**94,033**	91,541	3%
Customer deposits	**112,101**	109,376	2%	**112,101**	106,998	5%

1. *Represents individual credit impairment charge/(release) on Overdraft balances.*
2. *Represents collective credit impairment charge/(release) on Overdraft balances.*

Australia
Philip Chronican

Corporate and Commercial Banking

	Half Year			Full Year		
	Sep 14 $M	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Net interest income	**1,405**	1,363	3%	**2,768**	2,741	1%
Other operating income	**145**	139	4%	**284**	278	2%
Operating income	**1,550**	1,502	3%	**3,052**	3,019	1%
Operating expenses	**(508)**	(498)	2%	**(1,006)**	(989)	2%
Profit before credit impairment and income tax	**1,042**	1,004	4%	**2,046**	2,030	1%
Credit impairment charge	**(219)**	(223)	-2%	**(442)**	(417)	6%
Profit before tax	**823**	781	5%	**1,604**	1,613	-1%
Income tax expense and non-controlling interests	**(248)**	(235)	6%	**(483)**	(480)	1%
Cash profit	**575**	546	5%	**1,121**	1,133	-1%
Risk weighted assets	**54,163**	53,716	1%	**54,163**	55,289	-2%

	Half Year			Full Year		
Individual credit impairment charge/(release)	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Corporate Banking	**39**	70	-44%	**109**	(3)	large
Esanda	**84**	70	20%	**154**	126	22%
Regional Business Banking	**38**	21	81%	**59**	96	-39%
Business Banking	**24**	4	large	**28**	76	-63%
Small Business Banking	**39**	39	0%	**78**	92	-15%
Individual credit impairment charge/(release)	**224**	204	10%	**428**	387	11%
Collective credit impairment charge/(release)						
Corporate Banking	**(18)**	10	large	**(8)**	12	large
Esanda	**1**	(2)	large	**(1)**	4	large
Regional Business Banking	**2**	(4)	large	**(2)**	(2)	0%
Business Banking	**(1)**	2	large	**1**	4	-75%
Small Business Banking	**11**	13	-15%	**24**	12	100%
Collective credit impairment charge/(release)	**(5)**	19	large	**14**	30	-53%
Total credit impairment charge/(release)	**219**	223	-2%	**442**	417	6%

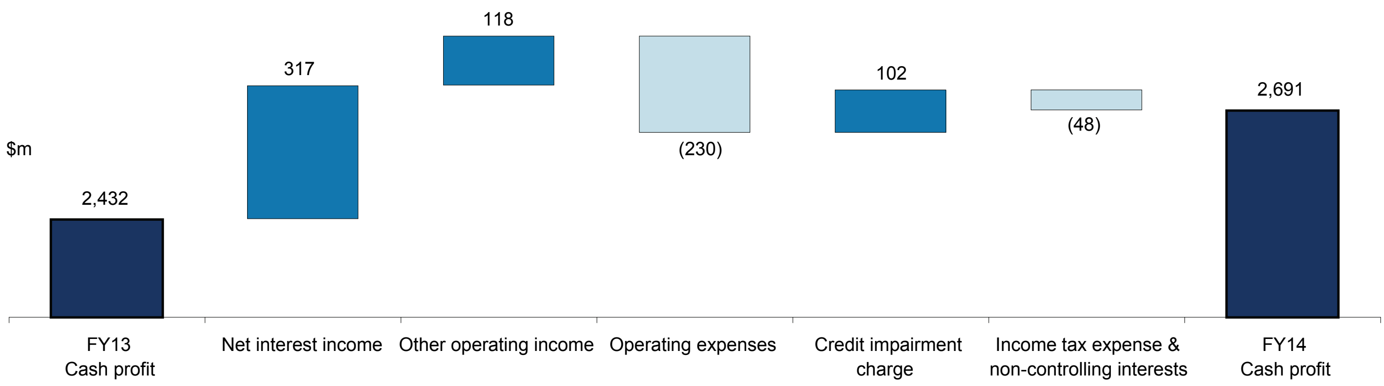
	Half Year			Full Year		
Net loans and advances	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Corporate Banking	**9,389**	9,074	3%	**9,389**	9,363	0%
Esanda	**16,149**	16,297	-1%	**16,149**	16,503	-2%
Regional Business Banking	**12,568**	11,955	5%	**12,568**	12,226	3%
Business Banking	**16,720**	16,525	1%	**16,720**	16,628	1%
Small Business Banking	**12,256**	11,316	8%	**12,256**	10,600	16%
Net loans and advances	**67,082**	65,167	3%	**67,082**	65,320	3%
Customer deposits[1]						
Esanda	**1**	1	0%	**1**	19	-95%
Regional Business Banking	**4,964**	4,955	0%	**4,964**	4,926	1%
Business Banking	**14,346**	13,185	9%	**14,346**	12,618	14%
Small Business Banking	**29,696**	28,793	3%	**29,696**	27,810	7%
Customer deposits	**49,007**	46,934	4%	**49,007**	45,373	8%

1. *Corporate Banking deposits are included in the International and Institutional Banking division deposits.*

International and Institutional Banking
Andrew Géczy

International and Institutional Banking (IIB) division comprises Global Products servicing Global Banking and International Banking customers across three major product sets (Global Transaction Banking, Global Loans and Global Markets), Retail Asia Pacific focusing on affluent and emerging affluent customers across 21 countries and Asia Partnerships.

Cash profit – September 2014 Full Year v September 2013 Full Year



IIB's four key strategic priorities are: Connecting with more customers by providing seamless value, Delivering leading products through Insights, Intensifying balance sheet discipline and Scaling and optimising infrastructure.

The customer franchise is going from strength to strength. ANZ's unique regional capability helped the business to regain the number one lead bank position in Institutional Banking in Australia and retain the number one lead bank position in New Zealand in the Peter Lee survey. ANZ has also had the fastest ever rise in the Greenwich relationship strength survey covering the Asia region, narrowing the gap on the number 3 player.

Revenue from Global Banking customers grew in line with the overall IIB average for the year, where we continued to see strong momentum within Financial Institutions. Revenue from International Banking customers was modest as declining margins had a larger impact. Retail Asia Pacific was our highest growth customer segment, benefiting from strong volume momentum across Asia in both lending and deposits. We continued to balance growth against risk which is reflected in net interest income and improved credit outcomes.

- **September 2014 v March 2014**

Cash profit decreased by 2%, driven largely by a decrease in foreign exchange income, partially offset by a reduction in credit impairment.

Key factors affecting the result were:

- Net interest income increased 1%. Average deposits increased 5% and average net loans and advances increased 10%, with growth across all regions. Income from increased volumes was offset by a decline in net interest margin of 9 bps, driven mainly by Global Loans price competition and growth focused on higher credit quality customers.
- Other operating income decreased by 10%, driven largely by a reduction in foreign exchange income as lower market volatility impacted customer activity.
- Operating expenses increased by 1%. Excluding FX impacts and $40 million spend associated with the new IIB organisational structure, business as usual expenses were flat.
- Credit impairment charges decreased 66%, primarily due to lower individual credit impairment charges in Global Transaction Banking, Global Loans and Global Markets.

- **September 2014 v September 2013**

Cash profit increased 11%, driven primarily by an increase in operating income in our fixed income business and Global Transaction Banking and a decrease in credit impairment charge partially offset by an increase in operating expenses.

Key factors affecting the result were:

- Net interest income increased 9%, primarily due to higher returns from the Bank's liquidity positions, asset and liability repricing mismatches and volume driven growth in Global Transaction Banking. Average deposits increased 17% and average net loans and advances increased 20%, with growth across all regions. Net interest margin declined by 12 bps driven by Global Loans price competition and growth focused on higher credit quality customers.
- Other operating income increased 4% with good performances across most lines of business. Global Transaction Banking and Retail Asia Pacific increased mainly due to volume growth, while Global Loans increased primarily due to higher fee income in Specialised Finance. The increase in Asia Partnerships was due to growth in underlying revenue, and a gain arising from the dilution of our Bank of Tianjin stake, partially offset by a loss arising from the sale of our investment in SSI.
- Operating expenses increased 8%. Business as usual expenses, excluding FX impacts and $40 million spend associated with the IIB organisational structure increased 3%, reflecting well managed cost control and investment in targeted growth areas and supporting infrastructure.
- Credit impairment charges decreased 32%, primarily due to collective provision releases relating to the crystallisation of individual provisions and improved customer credit ratings.

International and Institutional Banking
Andrew Géczy

International and Institutional Banking Total

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Net interest income	**2,006**	1,980	1%	**3,986**	3,669	9%
Other operating income	**1,432**	1,597	-10%	**3,029**	2,911	4%
Operating income	**3,438**	3,577	-4%	**7,015**	6,580	7%
Operating expenses	**(1,619)**	(1,596)	1%	**(3,215)**	(2,985)	8%
Profit before credit impairment and income tax	**1,819**	1,981	-8%	**3,800**	3,595	6%
Credit impairment charge	**(54)**	(161)	-66%	**(215)**	(317)	-32%
Profit before tax	**1,765**	1,820	-3%	**3,585**	3,278	9%
Income tax expense and non-controlling interests	**(434)**	(460)	-6%	**(894)**	(846)	6%
Cash profit	**1,331**	1,360	-2%	**2,691**	2,432	11%
Consisting of:						
Global Products	**1,165**	1,143	2%	**2,308**	2,074	11%
Asia Partnerships	**239**	239	0%	**478**	414	15%
Retail Asia Pacific	**(1)**	45	large	**44**	49	-10%
Central Functions	**(72)**	(67)	7%	**(139)**	(105)	32%
Cash profit	**1,331**	1,360	-2%	**2,691**	2,432	11%
Balance Sheet						
Net loans & advances	**141,826**	136,335	4%	**141,826**	123,467	15%
Other external assets	**201,054**	178,222	13%	**201,054**	172,655	16%
External assets	**342,880**	314,557	9%	**342,880**	296,122	16%
Customer deposits	**182,701**	172,023	6%	**182,701**	163,151	12%
Other deposits and borrowings	**39,604**	38,172	4%	**39,604**	33,642	18%
Deposits and other borrowings	**222,305**	210,195	6%	**222,305**	196,793	13%
Other external liabilities	**78,315**	61,658	27%	**78,315**	57,761	36%
External liabilities	**300,620**	271,853	11%	**300,620**	254,554	18%
Risk weighted assets	**190,543**	189,562	1%	**190,543**	174,397	9%
Average net loans and advances	**145,924**	132,114	10%	**139,038**	115,628	20%
Average deposits and other borrowings	**225,999**	216,062	5%	**221,045**	188,981	17%
Ratios						
Return on assets	**0.79%**	0.86%		**0.83%**	0.85%	
Net interest margin	**1.45%**	1.54%		**1.49%**	1.61%	
Net interest margin (excluding Global Markets)	**2.37%**	2.49%		**2.43%**	2.72%	
Operating expenses to operating income	**47.1%**	44.6%		**45.8%**	45.4%	
Operating expenses to average assets	**0.97%**	1.01%		**0.99%**	1.04%	
Individual credit impairment charge/(release)	**75**	215	-65%	**290**	280	4%
Individual credit impairment charge/(release) as a % of average net advances	**0.10%**	0.33%		**0.21%**	0.24%	
Collective credit impairment charge/(release)	**(21)**	(54)	-61%	**(75)**	37	large
Collective credit impairment charge/(release) as a % of average net advances	**(0.03%)**	(0.08%)		**(0.05%)**	0.03%	
Net impaired assets	**741**	975	-24%	**741**	1,327	-44%
Net impaired assets as a % of net advances	**0.52%**	0.72%		**0.52%**	1.07%	
Total full time equivalent staff (FTE)	**7,862**	8,226	-4%	**7,862**	8,258	-5%

International and Institutional Banking
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International and Institutional Banking by Geography

	Half Year			Full Year		
Australia	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Net interest income	**1,016**	988	3%	**2,004**	1,892	6%
Other operating income	**398**	442	-10%	**840**	1,035	-19%
Operating income	**1,414**	1,430	-1%	**2,844**	2,927	-3%
Operating expenses	**(562)**	(550)	2%	**(1,112)**	(1,101)	1%
Profit before credit impairment and income tax	**852**	880	-3%	**1,732**	1,826	-5%
Credit impairment charge	**3**	(77)	large	**(74)**	(113)	-35%
Profit before tax	**855**	803	6%	**1,658**	1,713	-3%
Income tax expense and non-controlling interests	**(250)**	(243)	3%	**(493)**	(508)	-3%
Cash profit	**605**	560	8%	**1,165**	1,205	-3%
Individual credit impairment charge/(release)	**20**	81	-75%	**101**	89	13%
Collective credit impairment charge/(release)	**(23)**	(4)	large	**(27)**	24	large
Net loans & advances	**57,808**	55,106	5%	**57,808**	49,528	17%
Customer deposits	**66,647**	60,891	9%	**66,647**	56,881	17%

Asia Pacific, Europe, and America						
Net interest income	**851**	831	2%	**1,682**	1,482	13%
Other operating income	**890**	1,026	-13%	**1,916**	1,669	15%
Operating income	**1,741**	1,857	-6%	**3,598**	3,151	14%
Operating expenses	**(975)**	(961)	1%	**(1,936)**	(1,723)	12%
Profit before credit impairment and income tax	**766**	896	-15%	**1,662**	1,428	16%
Credit impairment charge	**(55)**	(85)	-35%	**(140)**	(188)	-26%
Profit before tax	**711**	811	-12%	**1,522**	1,240	23%
Income tax expense and non-controlling interests	**(128)**	(161)	-20%	**(289)**	(249)	16%
Cash profit	**583**	650	-10%	**1,233**	991	24%
Individual credit impairment charge/(release)	**48**	127	-62%	**175**	179	-2%
Collective credit impairment charge/(release)	**7**	(42)	large	**(35)**	9	large
Net loans & advances	**77,533**	74,790	4%	**77,533**	67,685	15%
Customer deposits	**103,992**	98,402	6%	**103,992**	94,199	10%

New Zealand						
Net interest income	**139**	161	-14%	**300**	295	2%
Other operating income	**144**	129	12%	**273**	207	32%
Operating income	**283**	290	-2%	**573**	502	14%
Operating expenses	**(82)**	(85)	-4%	**(167)**	(161)	4%
Profit before credit impairment and income tax	**201**	205	-2%	**406**	341	19%
Credit impairment charge	**(2)**	1	large	**(1)**	(16)	-94%
Profit before tax	**199**	206	-3%	**405**	325	25%
Income tax expense and non-controlling interests	**(56)**	(56)	0%	**(112)**	(89)	26%
Cash profit	**143**	150	-5%	**293**	236	24%
Individual credit impairment charge/(release)	**7**	7	0%	**14**	12	17%
Collective credit impairment charge/(release)	**(5)**	(8)	-38%	**(13)**	4	large
Net loans & advances	**6,485**	6,439	1%	**6,485**	6,254	4%
Customer deposits	**12,061**	12,730	-5%	**12,061**	12,071	0%

International and Institutional Banking
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Individual credit impairment charge/(release)	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Retail Asia Pacific	**48**	**38**	**26%**	**86**	**61**	**41%**
Global Products	**27**	**176**	**-85%**	**203**	**219**	**-7%**
Global Transaction Banking	12	101	-88%	113	26	large
Global Loans	13	54	-76%	67	187	-64%
Global Markets	2	21	-90%	23	6	large
Central Functions	**-**	**1**	**-100%**	**1**	**-**	**100%**
Individual credit impairment charge/(release)	**75**	**215**	**-65%**	**290**	**280**	**4%**

Collective credit impairment charge/(release)	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Retail Asia Pacific	**10**	**(31)**	**large**	**(21)**	**(26)**	**-19%**
Global Products	**(30)**	**(24)**	**25%**	**(54)**	**62**	**large**
Global Transaction Banking	(16)	18	large	2	19	-89%
Global Loans	(14)	(43)	-67%	(57)	41	large
Global Markets	-	1	-100%	1	2	-50%
Central Functions	**(1)**	**1**	**large**	**-**	**1**	**-100%**
Collective credit impairment charge/(release)	**(21)**	**(54)**	**-61%**	**(75)**	**37**	**large**
Total credit impairment charge/(release)	**54**	**161**	**-66%**	**215**	**317**	**-32%**

Net loans and advances	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Retail Asia Pacific	**8,766**	**7,851**	**12%**	**8,766**	**7,220**	**21%**
Global Products	**132,806**	**128,193**	**4%**	**132,806**	**115,960**	**15%**
Global Transaction Banking	30,070	30,772	-2%	30,070	28,775	5%
Global Loans	84,207	82,149	3%	84,207	74,054	14%
Global Markets	18,529	15,272	21%	18,529	13,131	41%
Central Functions	**254**	**291**	**-13%**	**254**	**287**	**-11%**
Net loans and advances	**141,826**	**136,335**	**4%**	**141,826**	**123,467**	**15%**

Customer deposits	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Retail Asia Pacific	**14,371**	**13,336**	**8%**	**14,371**	**12,916**	**11%**
Global Products	**168,179**	**158,544**	**6%**	**168,179**	**150,093**	**12%**
Global Transaction Banking	86,075	81,142	6%	86,075	76,014	13%
Global Loans	730	896	-19%	730	734	-1%
Global Markets	81,374	76,506	6%	81,374	73,345	11%
Central Functions	**151**	**143**	**6%**	**151**	**142**	**6%**
Customer deposits	**182,701**	**172,023**	**6%**	**182,701**	**163,151**	**12%**

International and Institutional Banking
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Global Products

	Half Year			Full Year		
	Sep 14 $M	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Net interest income	**1,739**	1,718	1%	**3,457**	3,185	9%
Other operating income	**999**	1,160	-14%	**2,159**	2,131	1%
Operating income	**2,738**	2,878	-5%	**5,616**	5,316	6%
Operating expenses	**(1,141)**	(1,151)	-1%	**(2,292)**	(2,181)	5%
Profit before credit impairment and income tax	**1,597**	1,727	-8%	**3,324**	3,135	6%
Credit impairment charge	**3**	(152)	large	**(149)**	(281)	-47%
Profit before tax	**1,600**	1,575	2%	**3,175**	2,854	11%
Income tax expense and non-controlling interests	**(435)**	(432)	1%	**(867)**	(780)	11%
Cash profit	**1,165**	1,143	2%	**2,308**	2,074	11%
Consisting of:						
Global Transaction Banking	**337**	228	48%	**565**	563	0%
Global Loans	**426**	434	-2%	**860**	753	14%
Global Markets	**402**	481	-16%	**883**	758	16%
Cash profit	**1,165**	1,143	2%	**2,308**	2,074	11%
Balance Sheet						
Net loans & advances	**132,806**	128,193	4%	**132,806**	115,960	15%
Other external assets	**194,339**	171,926	13%	**194,339**	166,650	17%
External assets	**327,145**	300,119	9%	**327,145**	282,610	16%
Customer deposits	**168,179**	158,544	6%	**168,179**	150,093	12%
Other deposits and other borrowings	**39,596**	38,168	4%	**39,596**	33,635	18%
Deposits and other borrowings	**207,775**	196,712	6%	**207,775**	183,728	13%
Other external liabilities	**78,360**	60,954	29%	**78,360**	57,012	37%
External liabilities	**286,135**	257,666	11%	**286,135**	240,740	19%
Risk weighted assets	**182,608**	181,412	1%	**182,608**	166,749	10%
Average net loans and advances	**137,442**	124,024	11%	**130,752**	109,350	20%
Average deposits and other borrowings	**212,420**	202,663	5%	**207,555**	177,437	17%
Ratios						
Return on assets	**0.73%**	0.76%		**0.74%**	0.76%	
Net interest margin	**1.30%**	1.38%		**1.34%**	1.43%	
Net interest margin (excluding Global Markets)	**2.09%**	2.20%		**2.14%**	2.42%	
Operating expenses to operating income	**41.7%**	40.0%		**40.8%**	41.0%	
Operating expenses to average assets	**0.71%**	0.76%		**0.74%**	0.79%	
Individual credit impairment charge/(release)	**27**	176	-85%	**203**	219	-7%
Individual credit impairment charge/(release) as a % of average net advances	**0.04%**	0.28%		**0.16%**	0.20%	
Collective credit impairment charge/(release)	**(30)**	(24)	25%	**(54)**	62	large
Collective credit impairment charge/(release) as a % of average net advances	**(0.04%)**	(0.04%)		**(0.04%)**	0.06%	
Net impaired assets	**648**	873	-26%	**648**	1,230	-47%
Net impaired assets as a % of net advances	**0.49%**	0.68%		**0.49%**	1.06%	

International and Institutional Banking
Andrew Géczy

Global Products by Business

Global Transaction Banking	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Net interest income	**459**	441	4%	**900**	810	11%
Other operating income	**370**	373	-1%	**743**	710	5%
Operating income	**829**	814	2%	**1,643**	1,520	8%
Operating expenses	**(374)**	(378)	-1%	**(752)**	(704)	7%
Profit before credit impairment and income tax	**455**	436	4%	**891**	816	9%
Credit impairment charge	**4**	(119)	large	**(115)**	(45)	large
Profit before tax	**459**	317	45%	**776**	771	1%
Income tax expense and non-controlling interests	**(122)**	(89)	37%	**(211)**	(208)	1%
Cash profit	**337**	228	48%	**565**	563	0%
Risk weighted assets	**37,799**	37,918	0%	**37,799**	35,590	6%
Individual credit impairment charge/(release)	**12**	101	-88%	**113**	26	large
Collective credit impairment charge/(release)	**(16)**	18	large	**2**	19	-89%
Net loans & advances	**30,070**	30,772	-2%	**30,070**	28,775	5%
Customer deposits	**86,075**	81,142	6%	**86,075**	76,014	13%

Global Loans	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Net interest income	**739**	766	-4%	**1,505**	1,580	-5%
Other operating income	**63**	67	-6%	**130**	111	17%
Operating income	**802**	833	-4%	**1,635**	1,691	-3%
Operating expenses	**(217)**	(222)	-2%	**(439)**	(418)	5%
Profit before credit impairment and income tax	**585**	611	-4%	**1,196**	1,273	-6%
Credit impairment charge	**1**	(11)	large	**(10)**	(228)	-96%
Profit before tax	**586**	600	-2%	**1,186**	1,045	13%
Income tax expense and non-controlling interests	**(160)**	(166)	-4%	**(326)**	(292)	12%
Cash profit	**426**	434	-2%	**860**	753	14%
Risk weighted assets	**90,456**	88,755	2%	**90,456**	82,042	10%
Individual credit impairment charge/(release)	**13**	54	-76%	**67**	187	-64%
Collective credit impairment charge/(release)	**(14)**	(43)	-67%	**(57)**	41	large
Net loans & advances	**84,207**	82,149	3%	**84,207**	74,054	14%
Customer deposits	**730**	896	-19%	**730**	734	-1%

Global Markets	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Net interest income	**541**	511	6%	**1,052**	795	32%
Other operating income	**566**	720	-21%	**1,286**	1,310	-2%
Operating income	**1,107**	1,231	-10%	**2,338**	2,105	11%
Operating expenses	**(550)**	(551)	0%	**(1,101)**	(1,059)	4%
Profit before credit impairment and income tax	**557**	680	-18%	**1,237**	1,046	18%
Credit impairment charge	**(2)**	(22)	-91%	**(24)**	(8)	large
Profit before tax	**555**	658	-16%	**1,213**	1,038	17%
Income tax expense and non-controlling interests	**(153)**	(177)	-14%	**(330)**	(280)	18%
Cash profit	**402**	481	-16%	**883**	758	16%
Risk weighted assets	**54,353**	54,739	-1%	**54,353**	49,117	11%
Individual credit impairment charge/(release)	**2**	21	-90%	**23**	6	large
Collective credit impairment charge/(release)	**-**	1	-100%	**1**	2	-50%
Net loans & advances	**18,529**	15,272	21%	**18,529**	13,131	41%
Customer deposits	**81,374**	76,506	6%	**81,374**	73,345	11%

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Analysis of Global Markets operating income

	Half Year			Full Year		
Composition of Global Markets operating income by product class	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Fixed income	**489**	540	-9%	**1,029**	845	22%
Foreign exchange	**363**	537	-32%	**900**	883	2%
Capital markets	**131**	118	11%	**249**	252	-1%
Other	**124**	36	large	**160**	125	28%
Global Markets operating income	**1,107**	1,231	-10%	**2,338**	2,105	11%

	Half Year			Full Year		
Composition of Global Markets operating income by geography	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Australia	**477**	480	-1%	**957**	965	-1%
Asia Pacific, Europe & America	**490**	602	-19%	**1,092**	902	21%
New Zealand	**140**	149	-6%	**289**	238	21%
Global Markets operating income	**1,107**	1,231	-10%	**2,338**	2,105	11%

	Half Year			Full Year		
Composition of Global Markets operating income by activity	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Sales[1]	**573**	635	-10%	**1,208**	1,152	5%
Trading[2]	**252**	322	-22%	**574**	558	3%
Balance sheet[3]	**282**	274	3%	**556**	395	41%
Global Markets operating income	**1,107**	1,231	-10%	**2,338**	2,105	11%

	Half Year			Full Year		
Composition of Global Markets Sales income by geography[1]	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Australia	**248**	248	0%	**496**	489	1%
Asia Pacific, Europe & America	**261**	318	-18%	**579**	546	6%
New Zealand	**64**	69	-7%	**133**	117	14%
Global Markets Sales income	**573**	635	-10%	**1,208**	1,152	5%

	Half Year			Full Year		
Composition of Global Markets Trading and Balance Sheet income by geography[2,3]	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Australia	**229**	232	-1%	**461**	476	-3%
Asia Pacific, Europe & America	**229**	284	-19%	**513**	356	44%
New Zealand	**76**	80	-5%	**156**	121	29%
Global Markets Trading and Balance Sheet income	**534**	596	-10%	**1,130**	953	19%

1. *Sales represents direct client flow business on core products such as fixed income, FX, commodities and capital markets.*
2. *Trading primarily represents management of the Group's strategic positions and those taken as part of direct client sales flow.*
3. *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.*

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Analysis of Global Markets operating income

Global Markets has delivered a strong result, with full year operating income increasing by 11% in a challenging market. Growth has been driven by the continued push into the APEA region which now accounts for 47% of operating income, while the performance of the Commodities business reflects the benefits of the super-regional strategy and strong demand for Australian commodity products, especially gold, by Asian clients.

While the March 2014 half saw certain pockets of Asian currency movements contribute to good customer flow, overall market volatility remained at historically low levels. Generally, global rates remained static and the AUD/USD traded in a tight range above 90 cents for most of the year which diminished customer demand for hedging.

New Zealand, with favourable economic conditions, has seen operating income increase 21% from September 2013.

Tightening credit spreads benefited the Fixed Income business, in particular holdings in the prime liquidity portfolio.

- **September 2014 v March 2014**

In more difficult market conditions, with lower volatility reducing customer flow and margins, operating income has decreased by 10%:

- Capital Markets operating income increased by 11%, as a result of strong client activity across Asian markets.
- APEA operating income decreased by 19%, as Asian currency movements and flatter yield curves did not support the strong levels of customer demand for foreign exchange products seen in the March half.
- Balance Sheet operating income increased by 3%, primarily due to the effective management of the Group's interest rate position.

- **September 2014 v September 2013**

Growth across most product classes and regions saw operating income increase by 11%:

- Sales income increased by 5%, driven by demand for Commodities, Foreign Exchange products and origination activity.
- APEA operating income increased 21%, driven by strong growth across Commodities and Fixed Income businesses, as well as very strong customer demand for foreign exchange products in China, Hong and Taiwan during the March half.
- Further tightening of credit spreads has benefited the Fixed Income business in Australia and New Zealand.

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Market risk

Traded market risk

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

99% confidence level (1 day holding period)

	As at Sep 14 $M	High for year Sep 14 $M	Low for year Sep 14 $M	Avg for year Sep 14 $M	As at Sep 13 $M	High for year Sep 13 $M	Low for year Sep 13 $M	Avg for year Sep 13 $M
Value at Risk at 99% confidence								
Foreign exchange	**11.9**	**18.5**	**1.7**	**8.9**	3.0	12.6	2.3	5.2
Interest rate	**10.4**	**16.6**	**3.8**	**8.1**	3.9	11.6	2.8	5.8
Credit	**5.8**	**5.8**	**2.7**	**3.8**	4.2	8.6	2.8	4.2
Commodities	**2.0**	**2.8**	**0.9**	**1.4**	1.6	4.2	1.2	2.3
Equity	**1.3**	**2.5**	**0.4**	**1.0**	1.4	3.4	0.6	1.6
Diversification benefit	**(18.6)**	**n/a**	**n/a**	**(10.5)**	(8.5)	n/a	n/a	(10.4)
Total VaR	**12.8**	**22.9**	**5.5**	**12.7**	5.6	13.6	4.9	8.7

Non-traded interest rate risk

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

99% confidence level (1 day holding period)

	As at Sep 14 $M	High for year Sep 14 $M	Low for year Sep 14 $M	Avg for year Sep 14 $M	As at Sep 13 $M	High for year Sep 13 $M	Low for year Sep 13 $M	Avg for year Sep 13 $M
Value at Risk at 99% confidence								
Australia	**41.8**	**64.5**	**39.1**	**50.1**	66.3	71.8	25.5	49.3
New Zealand	**8.9**	**11.4**	**8.9**	**10.4**	12.6	17.9	10.0	13.2
Asia Pacific, Europe & America	**9.1**	**10.6**	**8.9**	**9.8**	9.7	11.1	4.2	6.3
Diversification benefit	**(13.4)**	**n/a**	**n/a**	**(13.7)**	(11.4)	n/a	n/a	(16.1)
Total VaR	**46.4**	**76.3**	**43.3**	**56.6**	77.2	79.6	27.3	52.7

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

	As at Sep 14	As at Sep 13
As at period end	**0.97%**	1.00%
Maximum exposure	**1.48%**	1.72%
Minimum exposure	**0.74%**	1.00%
Average exposure (in absolute terms)	**1.12%**	1.29%

1. *The impact is expressed as a percentage of net interest income. A positive result indicates that a rate increase is positive for net interest income. Conversely, a negative indicates a rate increase is negative for net interest income.*

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Global Products by Geography

	Half Year			Full Year		
Australia	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Net interest income	**1,016**	988	3%	**2,004**	1,889	6%
Other operating income	**398**	442	-10%	**840**	1,038	-19%
Operating income	**1,414**	1,430	-1%	**2,844**	2,927	-3%
Operating expenses	**(546)**	(537)	2%	**(1,083)**	(1,101)	-2%
Profit before credit impairment and income tax	**868**	893	-3%	**1,761**	1,826	-4%
Credit impairment charge	**3**	(77)	large	**(74)**	(113)	-35%
Profit before tax	**871**	816	7%	**1,687**	1,713	-2%
Income tax expense and non-controlling interests	**(254)**	(247)	3%	**(501)**	(504)	-1%
Cash profit	**617**	569	8%	**1,186**	1,209	-2%
Risk weighted assets	**83,500**	83,814	0%	**83,500**	79,118	6%
Individual credit impairment charge/(release)	**20**	81	-75%	**101**	89	13%
Collective credit impairment charge/(release)	**(23)**	(4)	large	**(27)**	24	large
Net loans & advances	**57,808**	55,106	5%	**57,808**	49,527	17%
Customer deposits	**66,647**	60,890	9%	**66,647**	56,881	17%

Asia Pacific, Europe & America						
Net interest income	**585**	569	3%	**1,154**	1,002	15%
Other operating income	**457**	589	-22%	**1,046**	886	18%
Operating income	**1,042**	1,158	-10%	**2,200**	1,888	17%
Operating expenses	**(513)**	(525)	-2%	**(1,038)**	(918)	13%
Profit before credit impairment and income tax	**529**	633	-16%	**1,162**	970	20%
Credit impairment charge	**2**	(76)	large	**(74)**	(152)	-51%
Profit before tax	**531**	557	-5%	**1,088**	818	33%
Income tax expense and non-controlling interests	**(127)**	(129)	-2%	**(256)**	(187)	37%
Cash profit	**404**	428	-6%	**832**	631	32%
Risk weighted assets	**87,524**	84,462	4%	**87,524**	75,907	15%
Individual credit impairment charge/(release)	**-**	88	-100%	**88**	118	-25%
Collective credit impairment charge/(release)	**(2)**	(12)	-83%	**(14)**	34	large
Net loans & advances	**68,514**	66,650	3%	**68,514**	60,179	14%
Customer deposits	**89,471**	84,924	5%	**89,471**	81,142	10%

New Zealand						
Net interest income	**138**	161	-14%	**299**	294	2%
Other operating income	**144**	129	12%	**273**	207	32%
Operating income	**282**	290	-3%	**572**	501	14%
Operating expenses	**(82)**	(89)	-8%	**(171)**	(162)	6%
Profit before credit impairment and income tax	**200**	201	0%	**401**	339	18%
Credit impairment charge	**(2)**	1	large	**(1)**	(16)	-94%
Profit before tax	**198**	202	-2%	**400**	323	24%
Income tax expense and non-controlling interests	**(54)**	(56)	-4%	**(110)**	(89)	24%
Cash profit	**144**	146	-1%	**290**	234	24%
Risk weighted assets	**11,584**	13,136	-12%	**11,584**	11,724	-1%
Individual credit impairment charge/(release)	**7**	7	0%	**14**	12	17%
Collective credit impairment charge/(release)	**(5)**	(8)	-38%	**(13)**	4	large
Net loans & advances	**6,484**	6,437	1%	**6,484**	6,254	4%
Customer deposits	**12,061**	12,730	-5%	**12,061**	12,070	0%

International and Institutional Banking
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Retail Asia Pacific

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Net interest income	230	225	2%	455	424	7%
Other operating income	182	177	3%	359	322	11%
Operating income	412	402	2%	814	746	9%
Operating expenses	(355)	(343)	3%	(698)	(650)	7%
Profit before credit impairment and income tax	57	59	-3%	116	96	21%
Credit impairment charge	(58)	(7)	large	(65)	(35)	86%
Profit before tax	(1)	52	large	51	61	-16%
Income tax expense and non-controlling interests	-	(7)	-100%	(7)	(12)	-42%
Cash profit	(1)	45	large	44	49	-10%
Risk weighted assets	7,305	6,747	8%	7,305	6,359	15%
Individual credit impairment charge/(release)	48	38	26%	86	61	41%
Collective credit impairment charge/(release)	10	(31)	large	(21)	(26)	-19%
Net loans & advances	8,766	7,851	12%	8,766	7,220	21%
Customer deposits	14,371	13,336	8%	14,371	12,916	11%

Asia Partnerships

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Net interest income	(8)	(8)	0%	(16)	(14)	14%
Other operating income	240	252	-5%	492	441	12%
Operating income	232	244	-5%	476	427	11%
Operating expenses	(5)	(4)	25%	(9)	(8)	13%
Profit before credit impairment and income tax	227	240	-5%	467	419	11%
Profit before tax	227	240	-5%	467	419	11%
Income tax expense and non-controlling interests	12	(1)	large	11	(5)	large
Cash profit	239	239	0%	478	414	15%

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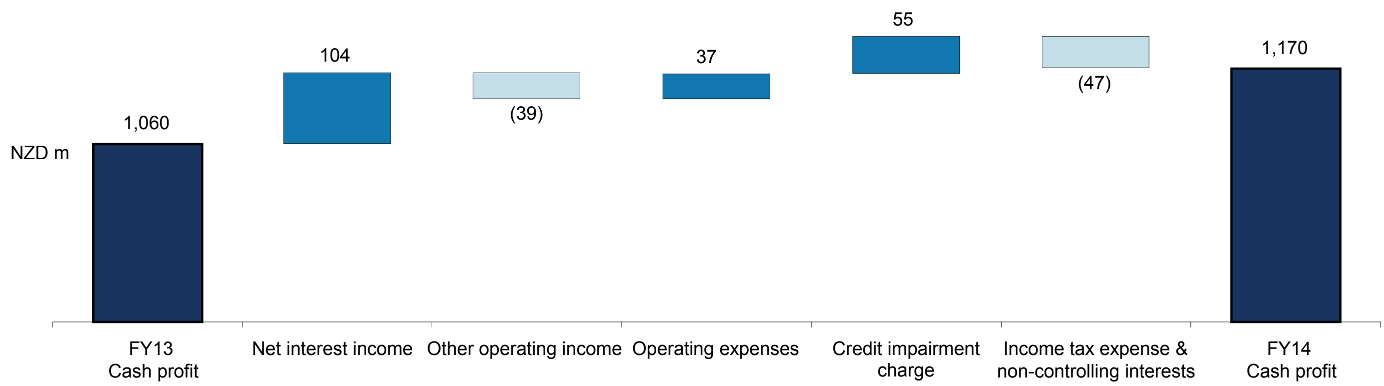
New Zealand
David Hisco

The New Zealand division comprises Retail and Commercial business units.

New Zealand's results and commentary are reported in NZD. AUD results are shown on page 74.

Cash profit – September 2014 Full Year v September 2013 Full Year



The continued execution of our simplification strategy has underpinned a strong financial performance across the businesses during 2014. We have continued to realise gains from effectively leveraging our market-leading resources and connections. We have simplified and improved processes and products in order to deliver a higher level of service to our customers. The brand is strong, with consideration at record highs. The financial outcomes of our strategy are reflected in improved returns and a strong downward trend in the cost to income ratio.

We are growing both lending and deposits in excess of system[1] and at the same time we are improving the quality of our portfolio. We have created a stronger bank, and established a platform for consistent, sustainable earnings growth.

Retail

During 2014, we achieved good progress in optimising our market leading branch network and enhanced our digital channels. We are improving the customer experience, and are strongly positioned to attract and retain more customers. We are meeting more needs per customer, and earning more revenue per FTE and per branch.

Commercial

We have increased our network of banking specialists serving the commercial, agri and small business banking sectors. We aim to maintain leadership not only in our extensive coverage but in the connections and insights that we provide our customers. Our simplification strategy has been a key factor in our small business banking and commercial businesses delivering above-system[1] lending growth for the 2014 year. At the same time, resources invested in improving credit quality, particularly in the agri book, have resulted in a significantly improved provisioning result. The agri business, after a period of re-balancing, is now positioned for renewed growth.

- **September 2014 v March 2014**

Cash profit was 4% lower as a result of higher credit impairment. Profit before credit impairment and income tax expense increased 4%, reflecting good net interest income growth and relatively flat expenses.

Key factors affecting the result were:

- Net interest income increased 3%, primarily due to lending growth. Average net loans and advances grew 3%, with good growth across both the housing and non-housing portfolios. Despite the intense lending competition, net interest margin was held stable. Lending mix remains a negative factor with customers continuing to favour lower margin fixed rate products over higher margin variable rate products. The overall margin impact was mitigated by a reduction in the average cost of wholesale funding, and by improved deposit margins.
- Other operating income decreased 4%. Although strong growth in card volumes was maintained into the second half, headline cards revenue was lower half on half due to the timing of rebates (mostly received in the first half).
- Operating expenses were 1% higher, reflecting increased project activity in the second half. Despite this impact, the cost to income ratio improved 70 basis points to 40.8% to continue the consistent trend of productivity improvement.
- The credit impairment charge increased NZ$65 million. The individual charge was NZ$39 million higher with provision write-backs down from the high levels of the first half, particularly in the CommAgri portfolio. The release from collective provision was NZ$26 million lower, reflecting the impact of lending growth. Credit quality has continued to improve, although at a slower rate compared with the first half.

- **September 2014 v September 2013**

Cash profit increased 10%, due to lending growth, cost productivity and credit quality improvement.

Key factors affecting the result were:

- Net interest income increased 5%, due to above-system lending growth. Margins were well managed in a competitive environment that was further constrained by a shift to fixed rate lending. Net interest margin contraction for the year was held to 1 basis point.
- Other operating income decreased 9%. The 2013 result included a NZ$17 million gain from the sale of the EFTPOS business, as well as revenue earned by that business prior to its divestment. Excluding the EFTPOS impact, other operating income in 2014 matched that of the 2013 year.
- Operating expenses decreased 3%. The 2013 result included NZ$22 million of restructuring costs related to the systems integration project and NZ$12 million of operating costs in the EFTPOS business prior to its sale. Excluding these items, underlying costs were held flat with cost productivity offsetting inflationary impacts and investment spend.
- The credit impairment charge decreased by NZ$55 million. The individual credit impairment charge decreased 40%, with the level of new provisions having slowed and write-backs remaining high. The release from the collective provision increased despite a lower release of economic overlay provision, reflecting improvements in credit quality which have more than offset the impact of lending growth.

1 *Source: RBNZ schedules S7 and S8 : 11 months to Aug 2014.*

New Zealand
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New Zealand Total

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

New Zealand Total

	Half Year			Full Year		
	Sep 14 NZD M	**Mar 14 NZD M**	**Movt**	**Sep 14 NZD M**	**Sep 13 NZD M**	**Movt**
Net interest income	**1,201**	1,161	3%	**2,362**	2,258	5%
Other operating income	**187**	195	-4%	**382**	421	-9%
Operating income	**1,388**	1,356	2%	**2,744**	2,679	2%
Operating expenses	**(566)**	(563)	1%	**(1,129)**	(1,166)	-3%
Profit before credit impairment and income tax	**822**	793	4%	**1,615**	1,513	7%
Credit impairment charge	**(28)**	37	large	**9**	(46)	large
Profit before tax	**794**	830	-4%	**1,624**	1,467	11%
Income tax expense and non-controlling interests	**(221)**	(233)	-5%	**(454)**	(407)	12%
Cash profit	**573**	597	-4%	**1,170**	1,060	10%
Consisting of:						
Retail	**216**	222	-3%	**438**	379	16%
Commercial	**354**	377	-6%	**731**	698	5%
Other	**3**	(2)	large	**1**	(17)	large
Cash profit	**573**	597	-4%	**1,170**	1,060	10%
Balance Sheet						
Net loans & advances	**96,555**	94,140	3%	**96,555**	91,628	5%
Other external assets	**3,791**	4,015	-6%	**3,791**	3,837	-1%
External assets	**100,346**	98,155	2%	**100,346**	95,465	5%
Customer deposits	**57,621**	55,205	4%	**57,621**	52,244	10%
Other deposits and borrowings	**6,057**	5,401	12%	**6,057**	4,765	27%
Deposits and other borrowings	**63,678**	60,606	5%	**63,678**	57,009	12%
Other external liabilities	**18,309**	15,969	15%	**18,309**	15,446	19%
External liabilities	**81,987**	76,575	7%	**81,987**	72,455	13%
Risk weighted assets	**54,617**	53,753	2%	**54,617**	50,000	9%
Average net loans and advances	**95,404**	92,882	3%	**94,146**	89,498	5%
Average deposits and other borrowings	**62,350**	59,743	4%	**61,050**	56,624	8%
Ratios						
Return on assets	**1.15%**	1.24%		**1.19%**	1.14%	
Net interest margin	**2.48%**	2.48%		**2.48%**	2.49%	
Operating expenses to operating income	**40.8%**	41.5%		**41.1%**	43.5%	
Operating expenses to average assets	**1.14%**	1.17%		**1.15%**	1.25%	
Individual credit impairment charge/(release)	**54**	15	large	**69**	115	-40%
Individual credit impairment charge/(release) as a % of average net advances	**0.11%**	0.03%		**0.07%**	0.13%	
Collective credit impairment charge/(release)	**(26)**	(52)	-50%	**(78)**	(69)	13%
Collective credit impairment charge/(release) as a % of average net advances	**(0.05%)**	(0.11%)		**(0.08%)**	(0.08%)	
Net impaired assets	**384**	477	-19%	**384**	573	-33%
Net impaired assets as a % of net advances	**0.40%**	0.51%		**0.40%**	0.63%	
Total full time equivalent staff (FTE)	**5,080**	5,236	-3%	**5,080**	5,323	-5%

New Zealand
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Individual credit impairment charge/(release)	Half Year			Full Year		
	Sep 14 NZD M	Mar 14 NZD M	Movt	Sep 14 NZD M	Sep 13 NZD M	Movt
Retail	**31**	**28**	**11%**	**59**	**76**	**-22%**
Commercial	**23**	**(13)**	**large**	**10**	**39**	**-74%**
CommAgri	7	(25)	large	(18)	32	large
Small Business Banking	16	12	33%	28	7	large
Individual credit impairment charge/(release)	**54**	**15**	**large**	**69**	**115**	**-40%**

Collective credit impairment charge/(release)	Half Year			Full Year		
	Sep 14 NZD M	Mar 14 NZD M	Movt	Sep 14 NZD M	Sep 13 NZD M	Movt
Retail	**(12)**	**(16)**	**-25%**	**(28)**	**(19)**	**47%**
Commercial	**(14)**	**(36)**	**-61%**	**(50)**	**(50)**	**0%**
CommAgri	(21)	(33)	-36%	(54)	(49)	10%
Small Business Banking	7	(3)	large	4	(1)	large
Collective credit impairment charge/(release)	**(26)**	**(52)**	**-50%**	**(78)**	**(69)**	**13%**
Total credit impairment charge/(release)	**28**	**(37)**	**large**	**(9)**	**46**	**large**

Net loans and advances	Half Year			Full Year		
	Sep 14 NZD M	Mar 14 NZD M	Movt	Sep 14 NZD M	Sep 13 NZD M	Movt
Retail	**37,123**	**36,875**	**1%**	**37,123**	**36,422**	**2%**
Commercial	**59,432**	**57,265**	**4%**	**59,432**	**55,206**	**8%**
CommAgri	36,556	35,429	3%	36,556	34,759	5%
Small Business Banking	22,876	21,836	5%	22,876	20,447	12%
Net loans and advances	**96,555**	**94,140**	**3%**	**96,555**	**91,628**	**5%**

Customer deposits	Half Year			Full Year		
	Sep 14 NZD M	Mar 14 NZD M	Movt	Sep 14 NZD M	Sep 13 NZD M	Movt
Retail	**34,695**	**32,656**	**6%**	**34,695**	**32,077**	**8%**
Commercial	**22,926**	**22,549**	**2%**	**22,926**	**20,167**	**14%**
CommAgri	10,829	10,832	0%	10,829	9,414	15%
Small Business Banking	12,097	11,717	3%	12,097	10,753	12%
Customer deposits	**57,621**	**55,205**	**4%**	**57,621**	**52,244**	**10%**

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Retail

	Half Year			Full Year		
	Sep 14 NZD M	Mar 14 NZD M	Movt	Sep 14 NZD M	Sep 13 NZD M	Movt
Net interest income	**493**	482	2%	**975**	926	5%
Other operating income	**143**	154	-7%	**297**	297	0%
Operating income	**636**	636	0%	**1,272**	1,223	4%
Operating expenses	**(316)**	(316)	0%	**(632)**	(639)	-1%
Profit before credit impairment and income tax	**320**	320	0%	**640**	584	10%
Credit impairment charge	**(19)**	(12)	58%	**(31)**	(57)	-46%
Profit before tax	**301**	308	-2%	**609**	527	16%
Income tax expense and non-controlling interests	**(85)**	(86)	-1%	**(171)**	(148)	16%
Cash profit	**216**	222	-3%	**438**	379	16%
Risk weighted assets	**19,083**	19,271	-1%	**19,083**	19,367	-1%

Individual credit impairment charge/(release)	**31**	28	11%	**59**	76	-22%
Collective credit impairment charge/(release)	**(12)**	(16)	-25%	**(28)**	(19)	47%
Net loans & advances	**37,123**	36,875	1%	**37,123**	36,422	2%
Customer deposits	**34,695**	32,656	6%	**34,695**	32,077	8%

New Zealand
David Hisco

Commercial

	Half Year			Full Year		
	Sep 14 NZD M	**Mar 14 NZD M**	**Movt**	**Sep 14 NZD M**	**Sep 13 NZD M**	**Movt**
Net interest income	**700**	672	4%	**1,372**	1,316	4%
Other operating income	**44**	47	-6%	**91**	126	-28%
Operating income	**744**	719	3%	**1,463**	1,442	1%
Operating expenses	**(245)**	(244)	0%	**(489)**	(490)	0%
Profit before credit impairment and income tax	**499**	475	5%	**974**	952	2%
Credit impairment charge	**(9)**	49	large	**40**	11	large
Profit before tax	**490**	524	-6%	**1,014**	963	5%
Income tax expense and non-controlling interests	**(136)**	(147)	-7%	**(283)**	(265)	7%
Cash profit	**354**	377	-6%	**731**	698	5%
Risk weighted assets	**34,857**	34,196	2%	**34,857**	30,407	15%

	Half Year			Full Year		
Individual credit impairment charge/(release)	**Sep 14 NZD M**	**Mar 14 NZD M**	**Movt**	**Sep 14 NZD M**	**Sep 13 NZD M**	**Movt**
CommAgri	**7**	(25)	large	**(18)**	32	large
Small Business Banking	**16**	12	33%	**28**	7	large
Individual credit impairment charge/(release)	**23**	(13)	large	**10**	39	-74%
Collective credit impairment charge/(release)						
CommAgri	**(21)**	(33)	-36%	**(54)**	(49)	10%
Small Business Banking	**7**	(3)	large	**4**	(1)	large
Collective credit impairment charge/(release)	**(14)**	(36)	-61%	**(50)**	(50)	0%
Total credit impairment charge/(release)	**9**	(49)	large	**(40)**	(11)	large

	Half Year			Full Year		
Net loans & advances	**Sep 14 NZD M**	**Mar 14 NZD M**	**Movt**	**Sep 14 NZD M**	**Sep 13 NZD M**	**Movt**
CommAgri	**36,556**	35,429	3%	**36,556**	34,759	5%
Small Business Banking	**22,876**	21,836	5%	**22,876**	20,447	12%
Net loans & advances	**59,432**	57,265	4%	**59,432**	55,206	8%
Customer deposits						
CommAgri	**10,829**	10,832	0%	**10,829**	9,414	15%
Small Business Banking	**12,097**	11,717	3%	**12,097**	10,753	12%
Customer deposits	**22,926**	22,549	2%	**22,926**	20,167	14%

New Zealand
David Hisco

New Zealand Total

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

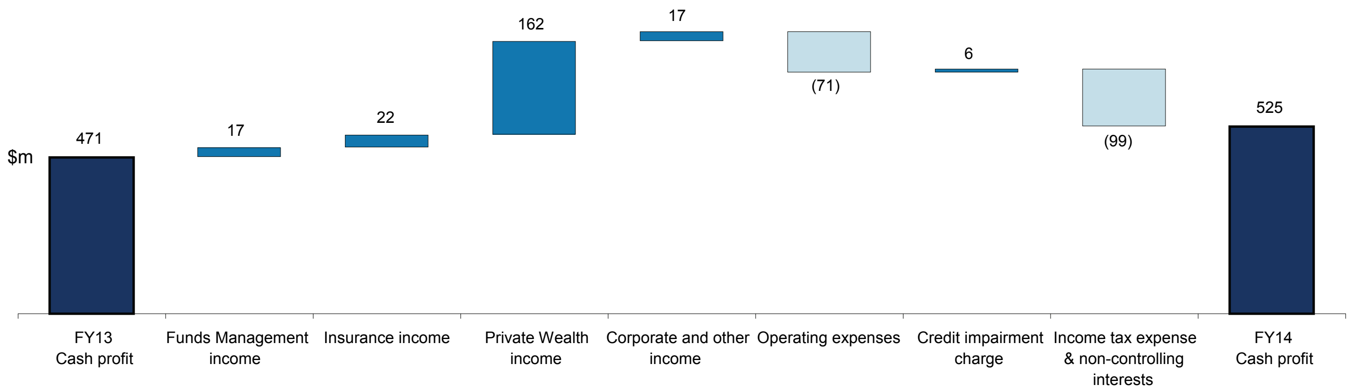
New Zealand Total

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Net interest income	1,102	1,060	4%	2,162	1,863	16%
Other operating income	171	178	-4%	349	347	1%
Operating income	1,273	1,238	3%	2,511	2,210	14%
Operating expenses	(519)	(514)	1%	(1,033)	(960)	8%
Profit before credit impairment and income tax	754	724	4%	1,478	1,250	18%
Credit impairment charge	(26)	34	large	8	(37)	large
Profit before tax	728	758	-4%	1,486	1,213	23%
Income tax expense and non-controlling interests	(203)	(213)	-5%	(416)	(336)	24%
Cash profit	525	545	-4%	1,070	877	22%
Consisting of:						
Retail	198	203	-2%	401	312	29%
Commercial	324	344	-6%	668	579	15%
Other	3	(2)	large	1	(14)	large
Cash profit	525	545	-4%	1,070	877	22%
Balance Sheet						
Net loans & advances	86,063	88,247	-2%	86,063	81,542	6%
Other external assets	3,380	3,763	-10%	3,380	3,415	-1%
External assets	89,443	92,010	-3%	89,443	84,957	5%
Customer deposits	51,360	51,749	-1%	51,360	46,494	10%
Other deposits and borrowings	5,399	5,063	7%	5,399	4,240	27%
Deposits and other borrowings	56,759	56,812	0%	56,759	50,734	12%
Other external liabilities	16,319	14,970	9%	16,319	13,745	19%
External liabilities	73,078	71,782	2%	73,078	64,479	13%
Risk weighted assets	48,682	50,388	-3%	48,682	44,496	9%
Average net loans and advances	87,496	84,756	3%	86,130	73,769	17%
Average deposits and other borrowings	57,180	54,516	5%	55,852	46,672	20%
Ratios						
Return on assets	1.15%	1.24%		1.19%	1.14%	
Net interest margin	2.48%	2.48%		2.48%	2.49%	
Operating expenses to operating income	40.8%	41.5%		41.1%	43.5%	
Operating expenses to average assets	1.14%	1.17%		1.15%	1.25%	
Individual credit impairment charge/(release)	50	13	large	63	95	-34%
Individual credit impairment charge/(release) as a % of average net advances	0.11%	0.03%		0.07%	0.13%	
Collective credit impairment charge/(release)	(24)	(47)	-49%	(71)	(58)	22%
Collective credit impairment charge/(release) as a % of average net advances	(0.05%)	(0.11%)		(0.08%)	(0.08%)	
Net impaired assets	342	446	-23%	342	510	-33%
Net impaired assets as a % of net advances	0.40%	0.51%		0.40%	0.63%	
Total full time equivalent staff (FTE)	5,080	5,236	-3%	5,080	5,323	-5%

Global Wealth
Joyce Phillips

The Global Wealth division comprises Funds Management, Insurance and Private Wealth business units that provide investment, superannuation, pension, insurance and private banking solutions to customers across Australia, New Zealand and Asia.

Cash profit – September 2014 Full Year v September 2013 Full Year



Global Wealth provides a range of innovative solutions to customers across the Asia Pacific region to make it easier for them to connect, protect and grow their wealth. Global Wealth serves over 2.3 million customers and manages $61 billion in investment and retirement savings. Customers can access ANZ's wealth solutions through teams of highly qualified financial planners and advisers, innovative digital platforms, ANZ Private Bankers, ANZ branches and direct channels.

ANZ's customers are increasingly looking for simple, affordable and more convenient ways to manage their wealth. In response to this, Global Wealth developed Grow - a series of innovations across the physical, digital and advice space to help our customers better connect, protect and grow their wealth. These innovations include ANZ Smart Choice Super, a simple direct retirement savings solution, the ANZ Grow Centre, a destination that blends digital tools with the physical wealth specialists, where customers can get help with everything from their digital device to financial advice, and Grow by ANZ, our award winning digital app that brings banking, share investments, super (pension) and insurance, together in the one place.

Funds Management

The Funds Management business helps customers grow their wealth through investment, superannuation and pension solutions. Global Wealth has embraced the changing regulatory environment to reshape the business, simplifying operational processes and delivering innovative solutions like ANZ Smart Choice Super and Grow by ANZ.

Insurance

The Insurance business provides protection for all life stages through a comprehensive range of life and general insurance products distributed through intermediated and direct channels. Global Wealth's focus on retail risk resulted in 10% growth in individual in-force premiums, while continued investment in claims management and retention initiatives in Australia improved claims ratios as well as reduced retail lapse rates by 130 bps.

Private Wealth

Operating in six geographies across the region we continue to strengthen our Private Wealth offerings by building core investment advice capabilities and developing a suite of global investment solutions. This includes leveraging the expertise of strategic partners such as Swiss Private Bank Vontobel.

▪ **September 2014 v March 2014**

Cash profit increased by 32% primarily reflecting the impact of the ANZ Trustees sale and subsequent investment in productivity initiatives.

Key factors affecting the result were:

- Funds Management operating income decreased by 2% primarily due to change in portfolio mix.
- Insurance operating income increased by 14% reflecting strong in-force premium growth and improved Group Insurance lapse experience partially offset by higher claims.
- Excluding the $125m gain on sale of ANZ Trustees, Private Wealth operating income decreased by 3% with growth in customer deposits, investment FUM and improved margins being offset by the absence of ANZ Trustees income in the last quarter.
- The divisional operating income in March 2014 includes the benefit of a non-recurring insurance settlement of $26m.
- Operating expense increased 7% as a result of $41m spend on revenue generating initiatives and write-down of intangible assets. Excluding this, expenses decreased by 1% despite additional regulatory and compliance costs of $7m.

▪ **September 2014 v September 2013**

Cash profit increased by 11%, with 14% increase in operating income and 7% increase in expenses. Excluding the one-off tax consolidation adjustment in September 2013 and the impact of the ANZ Trustees sale, cash profit increased by 10%.

Key factors affecting the result were:

- Funds Management operating income increased by 3%. This was driven by 12% growth in average FUM as a result of strong performance in investment markets and improvement in net flows by $2.4 billion due to solid growth in ANZ Smart Choice Super and KiwiSaver product.
- Insurance operating income increased by 4% despite the exit of a Group Life Insurance plan resulting in a $47m experience loss. Excluding this, income grew 12% due to strong underlying business performance and improved claims and lapse experience. This performance delivered 16% uplift in the Embedded Value (gross of transfers).
- Excluding the $125m gain on sale of ANZ Trustees, Private Wealth operating income increased by 18% driven by improved margins and solid growth in customer deposits and investment FUM both up by 20% and 21% respectively.
- The divisional operating income also benefitted from a non-recurring insurance settlement of $26m.
- Operating expense increased 7% including $41m spend on revenue generating initiatives and the write-down of intangible assets. Excluding this, expenses increased by 3%, including additional regulatory and compliance costs of $13m.

Global Wealth
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Global Wealth Total

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Net interest income	**87**	80	9%	**167**	139	20%
Other operating income[1]	**208**	120	73%	**328**	174	89%
Net funds management and insurance income	**642**	607	6%	**1,249**	1,213	3%
Operating income	**937**	807	16%	**1,744**	1,526	14%
Operating expenses	**(531)**	(495)	7%	**(1,026)**	(955)	7%
Profit before credit impairment and income tax	**406**	312	30%	**718**	571	26%
Credit impairment charge	**1**	1	0%	**2**	(4)	large
Profit before income tax	**407**	313	30%	**720**	567	27%
Income tax expense and non-controlling interests	**(108)**	(87)	24%	**(195)**	(96)	large
Cash profit	**299**	226	32%	**525**	471	11%
Consisting of:						
Business Segments						
Funds Management[2]	**53**	62	-15%	**115**	128	-10%
Insurance	**126**	98	29%	**224**	222	1%
Private Wealth	**132**	40	large	**172**	50	large
Corporate and Other[3]	**(12)**	26	large	**14**	71	-80%
Total Global Wealth	**299**	226	32%	**525**	471	11%
Australia	**243**	156	56%	**399**	411	-3%
New Zealand[4]	**56**	71	-21%	**127**	66	92%
Asia Pacific, Europe & America	**-**	(1)	-100%	**(1)**	(6)	-83%
Total Global Wealth	**299**	226	32%	**525**	471	11%
Income from invested capital[5]	**27**	28	-4%	**55**	57	-4%
Balance Sheet						
Funds under management	**61,411**	61,652	0%	**61,411**	58,578	5%
Average funds under management	**62,106**	60,552	3%	**61,329**	54,990	12%
In-force premiums	**2,038**	1,955	4%	**2,038**	1,986	3%
Net loans and advances	**5,675**	6,009	-6%	**5,675**	6,187	-8%
Customer deposits	**13,844**	12,699	9%	**13,844**	11,569	20%
Average net loans and advances	**5,708**	6,121	-7%	**5,914**	5,801	2%
Average customer deposits	**13,104**	12,278	7%	**12,692**	10,536	20%
Ratios						
Operating expenses to operating income	**56.7%**	61.3%		**58.8%**	62.6%	
Funds management expenses to average FUM[6]						
Australia	**0.61%**	0.60%		**0.61%**	0.61%	
New Zealand	**0.35%**	0.41%		**0.38%**	0.46%	
Insurance expenses to in-force premiums						
Australia	**11.2%**	11.7%		**11.2%**	10.9%	
New Zealand	**35.8%**	34.6%		**35.4%**	37.4%	
Retail insurance lapse rates						
Australia	**12.5%**	12.1%		**12.4%**	13.7%	
New Zealand	**16.7%**	14.9%		**16.1%**	15.9%	
Total full time equivalent staff (FTE)	**2,296**	2,291	0%	**2,296**	2,482	-7%
Aligned adviser numbers[7]	**2,022**	2,061	-2%	**2,022**	2,133	-5%

1. *Other operating income includes $125 million gain on the sale of ANZ Trustees.*
2. *Funds Management includes Pensions & Investments business and E*TRADE.*
3. *Corporate and Other includes income from invested capital and cash profits from the advice and distribution business.*
4. *Includes $26 million cross border settlement of an insurance claim in March 2014 involving both Australia and New Zealand on a net basis. For statutory purposes, the individual components of this settlement have been recognised in their respective geographies.*
5. *Income from invested capital represents after tax revenue generated from investing insurance and investment business' capital balances (required for regulatory purposes) net of group funding charges and borrowing costs which is included as part of Corporate and Other results. The invested capital as at 30 September 2014 was $2.4 billion (Sep 13: $2.1 billion), which comprises fixed interest securities of 48% and cash and term deposits of 52% (Sep 13: 33% fixed interest securities and 67% cash and term deposits).*
6. *Funds management expense and FUM only relates to Pensions & Investments business.*
7. *Includes corporate authorised representatives of dealer groups wholly or partially owned by ANZ Wealth and ANZ Group financial planners.*

Global Wealth
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Major business segments

Funds Management[1]	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Net interest income	**16**	17	-6%	**33**	35	-6%
Other operating income	**34**	33	3%	**67**	69	-3%
Funds management income	**419**	416	1%	**835**	790	6%
Funds management volume related expenses	**(202)**	(194)	4%	**(396)**	(372)	6%
Operating income	**267**	272	-2%	**539**	522	3%
Operating expenses	**(195)**	(184)	6%	**(379)**	(360)	5%
Profit before income tax	**72**	88	-18%	**160**	162	-1%
Income tax expense and non-controlling interests	**(19)**	(26)	-27%	**(45)**	(34)	32%
Cash profit	**53**	62	-15%	**115**	128	-10%

Insurance	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Net interest income	**15**	14	7%	**29**	27	7%
Other operating income	**24**	33	-27%	**57**	57	0%
Insurance income	**405**	358	13%	**763**	750	2%
Insurance volume related expenses	**(137)**	(135)	1%	**(272)**	(279)	-3%
Operating income	**307**	270	14%	**577**	555	4%
Operating expenses	**(134)**	(136)	-1%	**(270)**	(255)	6%
Profit before income tax	**173**	134	29%	**307**	300	2%
Income tax expense and non-controlling interests	**(47)**	(36)	31%	**(83)**	(78)	6%
Cash profit	**126**	98	29%	**224**	222	1%

Private Wealth	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Net interest income	**74**	67	10%	**141**	109	29%
Other operating income[2]	**147**	30	large	**177**	48	large
Net funds management income	**22**	25	-12%	**47**	46	2%
Operating income	**243**	122	99%	**365**	203	80%
Operating expenses	**(62)**	(67)	-7%	**(129)**	(127)	2%
Profit before credit impairment and income tax	**181**	55	large	**236**	76	large
Credit impairment charge	**1**	1	0%	**2**	(4)	large
Profit before income tax	**182**	56	large	**238**	72	large
Income tax expense and non-controlling interests	**(50)**	(16)	large	**(66)**	(22)	large
Cash profit	**132**	40	large	**172**	50	large

1. *Funds Management includes Pensions & Investments business and E*TRADE.*
2. *Other operating income includes a $125 million gain on sale of ANZ Trustees.*

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Insurance operating margin	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Life Insurance Planned profit margin						
Group & Individual	**64**	52	23%	**116**	131	-11%
Experience profit/(loss)[1]	**(11)**	(25)	-56%	**(36)**	(30)	20%
Assumption changes[2]	**-**	-	n/a	**-**	-	n/a
General Insurance operating profit margin[3]	**47**	45	4%	**92**	83	11%
Australia	**100**	72	39%	**172**	184	-7%
Life Insurance Planned profit margin						
Individual	**21**	21	0%	**42**	36	17%
Experience profit/(loss)[1]	**5**	5	0%	**10**	2	large
Assumption changes[2]	**-**	-	n/a	**-**	-	n/a
New Zealand	**26**	26	0%	**52**	38	37%
Total	**126**	98	29%	**224**	222	1%

Operating expenses by business segment	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Funds Management[4]	**195**	184	6%	**379**	360	5%
Insurance	**134**	136	-1%	**270**	255	6%
Private Wealth	**62**	67	-7%	**129**	127	2%
Corporate and Other	**140**	108	30%	**248**	213	16%
Total	**531**	495	7%	**1,026**	955	7%

Operating expenses by geography segment	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Movt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Movt
Australia	**439**	403	9%	**842**	781	8%
New Zealand	**64**	61	5%	**125**	115	9%
Asia Pacific, Europe & America	**28**	31	-10%	**59**	59	0%
Total	**531**	495	7%	**1,026**	955	7%

Funds under management	As at ($M) Sep 14	As at ($M) Mar 14	As at ($M) Sep 13	Movement Sep 14 v. Mar 14	Movement Sep 14 v. Sep 13
Funds under management - average	**62,106**	60,552	56,507	3%	10%
Funds under management - end of period	**61,411**	61,652	58,578	0%	5%
Composed of:					
Australian equities	**16,744**	19,947	19,164	-16%	-13%
Global equities	**16,164**	13,468	11,583	20%	40%
Cash and fixed interest	**24,937**	24,350	24,153	2%	3%
Property and infrastructure	**3,566**	3,887	3,678	-8%	-3%
Total	**61,411**	61,652	58,578	0%	5%

Funds under management by region	As at ($M) Sep 14	As at ($M) Mar 14	As at ($M) Sep 13	Movement Sep 14 v. Mar 14	Movement Sep 14 v. Sep 13
Australia	**47,502**	48,746	47,362	-3%	0%
New Zealand	**13,909**	12,906	11,216	8%	24%
Total	**61,411**	61,652	58,578	0%	5%

1. *Experience profit/(loss) variations are gains or losses arising from actual experience differing from plan on Group and Individual business (Australia) and Individual business (New Zealand).*
2. *Assumption changes are gains or losses arising from a change in valuation methods and best estimate assumptions.*
3. *General Insurance operating profit margin includes ANZ Lenders Mortgage Insurance.*
4. *Funds Management includes Pensions & Investments business and E*TRADE.*

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Funds Management cashflows by product	Sep 14 $M	In-flows	Out-flows	Other[1]	Sep 13 $M
OneAnswer	**19,501**	2,774	(2,487)	913	18,301
Other Personal Investment	**5,768**	827	(916)	306	5,551
Employer Super	**14,566**	2,094	(2,390)	834	14,028
Oasis	**6,366**	1,097	(932)	316	5,885
ANZ Trustees	**-**	357	(318)	(2,756)	2,717
Private Wealth - Australia	**1,301**	527	(136)	30	880
KiwiSaver	**5,162**	1,357	(363)	355	3,813
Private Wealth - New Zealand	**4,465**	883	(554)	257	3,879
Other New Zealand	**4,282**	1,275	(883)	366	3,524
Total	**61,411**	11,191	(8,979)	621	58,578

	As at ($M)			Movement	
Insurance annual in-force premiums	**Sep 14**	**Mar 14**	**Sep 13**	**Sep 14 v. Mar 14**	**Sep 14 v. Sep 13**
Group	**360**	336	447	7%	-19%
Individual	**1,178**	1,132	1,067	4%	10%
General Insurance	**500**	487	472	3%	6%
Total	**2,038**	1,955	1,986	4%	3%
Insurance annual in-force premiums by region					
Australia	**1,865**	1,780	1,839	5%	1%
New Zealand	**173**	175	147	-1%	18%
Total	**2,038**	1,955	1,986	4%	3%

Insurance in-force book movement	Sep 14 $M	New business $M[2]	Lapses $M	Sep 13 $M
Group	**360**	45	(132)	447
Individual	**1,178**	241	(130)	1,067
General Insurance	**500**	144	(116)	472
Total	**2,038**	430	(378)	1,986
Insurance in-force book movement by region				
Australia	**1,865**	388	(362)	1,839
New Zealand	**173**	42	(16)	147
Total	**2,038**	430	(378)	1,986

Embedded value[3] and value of new business (insurance and investments only)	Australia $M	New Zealand $M	Total $M
Embedded value as at September 2013	3,244	422	**3,666**
Value of new business[4]	159	17	**176**
Expected return[5]	308	34	**342**
Experience deviations and assumption changes[6]	3	16	**19**
Embedded value before economic assumption changes and net transfer	3,714	489	**4,203**
Economic assumptions change	18	48	**66**
Net transfer[7]	(353)	(33)	**(386)**
Embedded value as at September 2014	3,379	504	**3,883**

1. *Other includes investment income (net of taxes), fees, charges, distributions, the impact of the sale of ANZ Trustees and the translation differences on foreign currency balances.*
2. *New business includes the impact of foreign currency gains on translation.*
3. *Embedded value represents the present value of future profits and releases of capital arising from the business in force at the valuation date, and adjusted net assets. It is determined using best estimate assumptions with franking credits included at 70% of face value. Projected cash flows have been discounted using capital asset pricing model risk discount rates of 8.50%-10.0%. ANZ Lenders Mortgage Insurance business is not included in the valuation.*
4. *Value of new business represents the present value of future profits less the cost of capital arising from the new business written over the period.*
5. *Expected return represents expected increase in value over the period.*
6. *Experience deviations and assumption changes arise from deviations from and changes to best estimate assumptions underlying the prior period embedded value. The favourable movement for the Australian business is primarily due to improved claim assumptions partially offset by tightening lapse assumptions from the Insurance business. Favourable movement for NZ is primarily due to better lapse experience from the Life insurance business.*
7. *Net transfer represents net capital movements over the period including restructuring of the business, capital injections, transfer of cash dividends and value of franking credits. There were $266 million of cash dividends and $87 million franking credits transferred to the ANZ Group.*

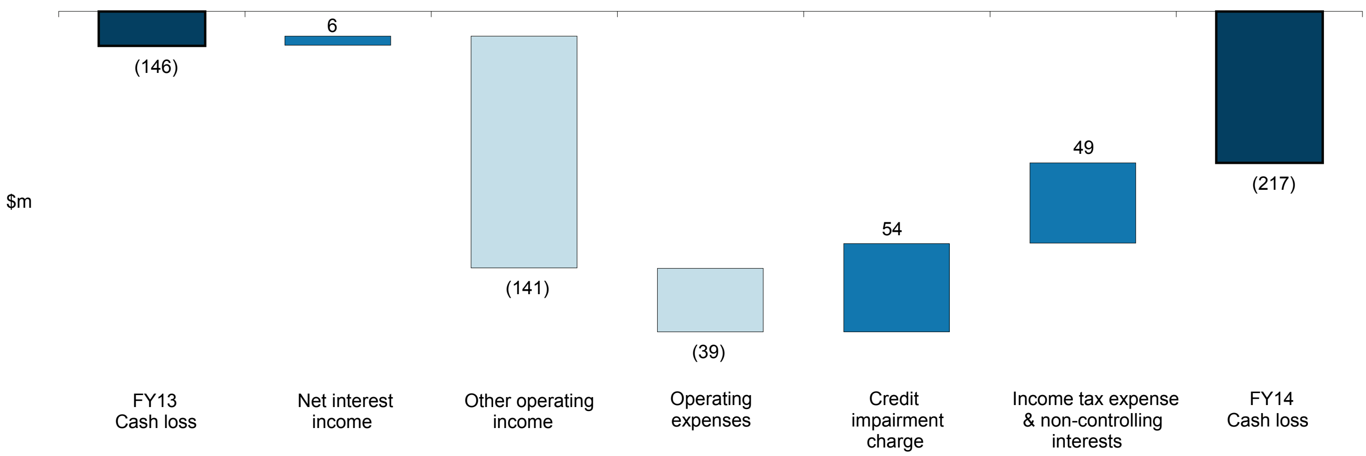
Global Technology, Services and Operations and Group Centre

GTSO and Group Centre provide support to the operating divisions, including technology, operations, shared services, property, risk management, financial management, strategy, marketing, human resources and corporate affairs. The Group Centre also includes Group Treasury and Shareholder Functions.

	Half Year			Full Year		
	Sep 14 $M	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Net interest income[1]	**222**	215	3%	**437**	431	1%
Other operating income[1]	**(171)**	(186)	-8%	**(357)**	(216)	65%
Operating income	**51**	29	76%	**80**	215	-63%
Operating expenses	**(248)**	(181)	37%	**(429)**	(390)	10%
Profit before credit impairment and income tax	**(197)**	(152)	30%	**(349)**	(175)	99%
Credit impairment charge	**34**	1	large	**35**	(19)	large
Profit before tax	**(163)**	(151)	8%	**(314)**	(194)	62%
Income tax expense and non-controlling interests	**41**	56	-27%	**97**	48	large
Cash profit/(loss)	**(122)**	(95)	28%	**(217)**	(146)	49%
Total full time equivalent staff (FTE)	**24,827**	24,177	3%	**24,827**	23,778	4%

1. *Includes offsetting variances between net interest and other income as a result of elimination entries associated with the consolidation of Global Wealth.*

Cash Profit – September 2014 Full Year v September 2013 Full Year



- **September 2014 v March 2014**

Key factors affecting the result were:

- Operating income increased $22 million with higher income generated from greater capital held in Group Centre.
- Operating expenses increased $67 million largely due to increased investment in enterprise projects, higher depreciation and amortisation and increased retrenchment costs.
- Credit impairment charges decreased $33 million following the release of an economic cycle provision held in Group Centre.
- The increase in FTEs is due to growth in the Group Hubs and increased resources for enterprise projects.

- **September 2014 v September 2013**

Key factors affecting the result were:

- Operating income decreased $135 million with higher realised losses from foreign currency hedges (offsetting translation gains elsewhere in the Group).
- Operating expenses increased $39 million due to higher depreciation and amortisation, increased investment in enterprise projects and creation of a new Global Compliance function.
- Credit impairment charges decreased $54 million due to release of the economic cycle provision and provisions relating to discontinued businesses in 2013.
- The increase in FTEs is largely due to growth in the Group Hubs, increased resources for enterprise projects and the creation of a new Global Compliance function.

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Section 6 – Geographic Review

Geographic Performance

The Group's divisions operate across multiple geographies with components of the following divisional results reflected in each geography:

- Australia - made up of the Australian component of Australia, International and Institutional Banking (IIB); Global Wealth and GTSO and Group Centre divisions;
- Asia, Pacific, Europe & America - made up of the APEA components of IIB, Global Wealth and GTSO and Group Centre divisions; and
- New Zealand - made up of the New Zealand components of New Zealand, IIB, Global Wealth and GTSO and Group Centre divisions.

	Half Year			Full Year		
Statutory Profit	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Australia	**2,561**	1,931	33%	**4,492**	4,142	8%
Asia Pacific, Europe & America	**531**	683	-22%	**1,214**	1,042	17%
New Zealand	**787**	778	1%	**1,565**	1,126	39%
	3,879	3,392	14%	**7,271**	6,310	15%

	Half Year			Full Year		
Cash Profit	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Australia	**2,337**	2,025	15%	**4,362**	4,300	1%
Asia Pacific, Europe & America	**535**	681	-21%	**1,216**	1,013	20%
New Zealand	**730**	809	-10%	**1,539**	1,179	31%
	3,602	3,515	2%	**7,117**	6,492	10%

	As at ($M)			Movement	
Net loans & advances	**Sep 14**	**Mar 14**	**Sep 13**	**Sep 14 v. Mar 14**	**Sep 14 v. Sep 13**
Australia	**348,537**	336,466	324,278	4%	7%
Asia Pacific, Europe & America	**79,192**	76,634	69,893	3%	13%
New Zealand	**94,023**	96,150	89,093	-2%	6%
	521,752	509,250	483,264	2%	8%

	As at ($M)			Movement	
Customer deposits	**Sep 14**	**Mar 14**	**Sep 13**	**Sep 14 v. Mar 14**	**Sep 14 v. Sep 13**
Australia	**227,823**	216,127	207,902	5%	10%
Asia Pacific, Europe & America	**107,838**	102,463	98,127	5%	10%
New Zealand	**68,058**	69,432	62,800	-2%	8%
	403,719	388,022	368,829	4%	9%

Australia geography

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Net interest income	**4,889**	4,659	5%	**9,548**	9,145	4%
Other operating income	**1,553**	1,381	12%	**2,934**	3,210	-9%
Operating income	**6,442**	6,040	7%	**12,482**	12,355	1%
Operating expenses	**(2,750)**	(2,648)	4%	**(5,398)**	(5,282)	2%
Profit before credit impairment and income tax	**3,692**	3,392	9%	**7,084**	7,073	0%
Credit impairment charge	**(379)**	(479)	-21%	**(858)**	(954)	-10%
Profit before tax	**3,313**	2,913	14%	**6,226**	6,119	2%
Income tax expense and non-controlling interests	**(976)**	(888)	10%	**(1,864)**	(1,819)	2%
Cash profit	**2,337**	2,025	15%	**4,362**	4,300	1%
Adjustments between statutory profit and cash profit	**224**	(94)	large	**130**	(158)	large
Statutory profit	**2,561**	1,931	33%	**4,492**	4,142	8%
Balance Sheet						
Net loans & advances	**348,537**	336,466	4%	**348,537**	324,278	7%
Other external assets	**153,020**	136,579	12%	**153,020**	128,905	19%
External assets	**501,557**	473,045	6%	**501,557**	453,183	11%
Customer deposits	**227,823**	216,127	5%	**227,823**	207,902	10%
Other deposits and borrowings	**71,342**	73,908	-3%	**71,342**	66,277	8%
Deposits and other borrowings	**299,165**	290,035	3%	**299,165**	274,179	9%
Other external liabilities	**161,809**	147,174	10%	**161,809**	149,505	8%
External liabilities	**460,974**	437,209	5%	**460,974**	423,684	9%
Risk weighted assets	**203,235**	201,720	1%	**203,235**	196,416	3%
Average net loans and advances	**349,502**	330,036	6%	**339,795**	314,060	8%
Average deposits and other borrowings	**302,884**	290,912	4%	**296,915**	269,095	10%
Ratios						
Net interest margin - cash	**2.39%**	2.38%		**2.39%**	2.48%	
Operating expenses to operating income - cash	**42.7%**	43.8%		**43.2%**	42.8%	
Operating expenses to average assets - cash	**1.13%**	1.14%		**1.13%**	1.19%	
Individual credit impairment charge/(release) - cash	**437**	455	-4%	**892**	880	1%
Individual credit impairment charge/(release) as a % of average net advances - cash	**0.25%**	0.28%		**0.26%**	0.28%	
Collective credit impairment charge/(release) - cash	**(58)**	24	large	**(34)**	74	large
Collective credit impairment charge/(release) as a % of average net advances - cash	**(0.03%)**	0.01%		**(0.01%)**	0.02%	
Net impaired assets	**989**	1,267	-22%	**989**	1,819	-46%
Net impaired assets as a % of net advances	**0.28%**	0.38%		**0.28%**	0.56%	
Total full time equivalent staff (FTE)	**21,591**	21,821	-1%	**21,591**	22,229	-3%

Asia Pacific, Europe & America geography

Table reflects AUD for the APEA region

	Half Year			Full Year		
	Sep 14 $M	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Net interest income	**864**	855	1%	**1,719**	1,450	19%
Other operating income	**899**	1,036	-13%	**1,935**	1,694	14%
Operating income	**1,763**	1,891	-7%	**3,654**	3,144	16%
Operating expenses	**(1,046)**	(977)	7%	**(2,023)**	(1,740)	16%
Profit before credit impairment and income tax	**717**	914	-22%	**1,631**	1,404	16%
Credit impairment charge	**(54)**	(85)	-36%	**(139)**	(190)	-27%
Profit before tax	**663**	829	-20%	**1,492**	1,214	23%
Income tax expense and non-controlling interests	**(128)**	(148)	-14%	**(276)**	(201)	37%
Cash profit	**535**	681	-21%	**1,216**	1,013	20%
Adjustments between statutory profit and cash profit	**(4)**	2	large	**(2)**	29	large
Statutory profit	**531**	683	-22%	**1,214**	1,042	17%
Balance Sheet						
Net loans & advances	**79,192**	76,634	3%	**79,192**	69,893	13%
Other external assets	**72,353**	66,475	9%	**72,353**	66,728	8%
External assets	**151,545**	143,109	6%	**151,545**	136,621	11%
Customer deposits	**107,838**	102,463	5%	**107,838**	98,127	10%
Other deposits and borrowings	**28,353**	29,791	-5%	**28,353**	25,306	12%
Deposits and other borrowings	**136,191**	132,254	3%	**136,191**	123,433	10%
Other external liabilities	**25,834**	21,296	21%	**25,834**	17,944	44%
External liabilities	**162,025**	153,550	6%	**162,025**	141,377	15%
Risk weighted assets	**96,874**	94,353	3%	**96,874**	85,586	13%
Average net loans and advances	**78,181**	75,621	3%	**76,905**	62,380	23%
Average deposits and other borrowings	**137,018**	133,781	2%	**135,404**	117,444	15%
Ratios						
Net interest margin - cash	**1.13%**	1.20%		**1.17%**	1.18%	
Operating expenses to operating income - cash	**59.3%**	51.7%		**55.4%**	55.3%	
Operating expenses to average assets - cash	**1.23%**	1.22%		**1.23%**	1.27%	
Individual credit impairment charge/(release) - cash	**49**	127	-61%	**176**	181	-3%
Individual credit impairment charge/(release) as a % of average net advances - cash	**0.13%**	0.34%		**0.23%**	0.29%	
Collective credit impairment charge/(release) - cash	**5**	(42)	large	**(37)**	9	large
Collective credit impairment charge/(release) as a % of average net advances - cash	**0.01%**	(0.11%)		**(0.05%)**	(0.01%)	
Net impaired assets	**291**	326	-11%	**291**	389	-25%
Net impaired assets as a % of net advances	**0.37%**	0.43%		**0.37%**	0.56%	
Total full time equivalent staff (FTE)	**20,512**	19,653	4%	**20,512**	19,233	7%

Asia Pacific, Europe & America geography

Table reflects USD for the APEA region

	Half Year			Full Year		
	Sep 14 USD M	Mar 14 USD M	Movt	Sep 14 USD M	Sep 13 USD M	Movt
Net interest income	**803**	778	3%	**1,581**	1,440	10%
Other operating income	**835**	945	-12%	**1,780**	1,684	6%
Operating income	**1,638**	1,723	-5%	**3,361**	3,124	8%
Operating expenses	**(970)**	(891)	9%	**(1,861)**	(1,729)	8%
Profit before credit impairment and income tax	**668**	832	-20%	**1,500**	1,395	8%
Credit impairment charge	**(51)**	(77)	-34%	**(128)**	(189)	-32%
Profit before tax	**617**	755	-18%	**1,372**	1,206	14%
Income tax expense and non-controlling interests	**(119)**	(134)	-11%	**(253)**	(200)	27%
Cash profit	**498**	621	-20%	**1,119**	1,006	11%
Adjustments between statutory profit and cash profit	**(3)**	1	large	**(2)**	29	large
Statutory profit	**495**	622	-20%	**1,117**	1,035	8%
Balance Sheet						
Net loans & advances	**69,309**	70,756	-2%	**69,309**	65,084	6%
Other external assets	**63,323**	61,377	3%	**63,323**	62,138	2%
External assets	**132,632**	132,133	0%	**132,632**	127,222	4%
Customer deposits	**94,379**	94,603	0%	**94,379**	91,376	3%
Other deposits and borrowings	**24,815**	27,507	-10%	**24,815**	23,565	5%
Deposits and other borrowings	**119,194**	122,110	-2%	**119,194**	114,941	4%
Other external liabilities	**22,610**	19,663	15%	**22,610**	16,710	35%
External liabilities	**141,804**	141,773	0%	**141,804**	131,651	8%
Risk weighted assets	**84,784**	87,116	-3%	**84,784**	79,698	6%
Average net loans and advances	**72,599**	68,911	5%	**70,760**	61,938	14%
Average deposits and other borrowings	**127,245**	121,910	4%	**124,585**	116,612	7%
Ratios						
Net interest margin - cash	**1.13%**	1.20%		**1.17%**	1.18%	
Operating expenses to operating income - cash	**59.2%**	51.7%		**55.4%**	55.3%	
Operating expenses to average assets - cash	**1.23%**	1.22%		**1.22%**	1.27%	
Individual credit impairment charge/(release) - cash	**47**	115	-59%	**162**	180	-10%
Individual credit impairment charge/(release) as a % of average net advances - cash	**0.13%**	0.33%		**0.23%**	0.29%	
Collective credit impairment charge/(release) - cash	**4**	(38)	large	**(34)**	9	large
Collective credit impairment charge/(release) as a % of average net advances - cash	**0.01%**	(0.11%)		**(0.05%)**	0.01%	
Net impaired assets	**255**	302	-16%	**255**	362	-30%
Net impaired assets as a % of net advances	**0.37%**	0.43%		**0.37%**	0.56%	
Total full time equivalent staff (FTE)	**20,512**	19,653	4%	**20,512**	19,233	7%

Asia Pacific, Europe & America geography

Table reflects AUD results for the APEA regions

	Half Year			Full Year		
Statutory Profit	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Asia	**347**	498	-30%	**845**	657	29%
Europe & America	**100**	60	67%	**160**	192	-17%
Pacific	**84**	125	-33%	**209**	193	8%
	531	683	-22%	**1,214**	1,042	17%

	Half Year			Full Year		
Cash Profit	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Asia	**347**	497	-30%	**844**	656	29%
Europe & America	**104**	59	76%	**163**	164	-1%
Pacific	**84**	125	-33%	**209**	193	8%
	535	681	-21%	**1,216**	1,013	20%

	As at ($M)			Movement	
Net loans & advances	**Sep 14**	**Mar 14**	**Sep 13**	**Sep 14 v. Mar 14**	**Sep 14 v. Sep 13**
Asia	**68,733**	67,802	61,306	1%	12%
Europe & America	**6,923**	5,450	5,459	27%	27%
Pacific	**3,536**	3,382	3,128	5%	13%
	79,192	76,634	69,893	3%	13%

	As at ($M)			Movement	
Customer deposits	**Sep 14**	**Mar 14**	**Sep 13**	**Sep 14 v. Mar 14**	**Sep 14 v. Sep 13**
Asia	**62,776**	61,894	59,644	1%	5%
Europe & America	**40,307**	36,013	34,115	12%	18%
Pacific	**4,755**	4,556	4,368	4%	9%
	107,838	102,463	98,127	5%	10%

	As at ($M)			Movement	
Risk weighted assets	**Sep 14**	**Mar 14**	**Sep 13**	**Sep 14 v. Mar 14**	**Sep 14 v. Sep 13**
Asia	**70,078**	70,222	61,533	0%	14%
Europe & America	**19,422**	17,362	17,834	12%	9%
Pacific	**7,374**	6,769	6,219	9%	19%
	96,874	94,353	85,586	3%	13%

New Zealand geography

Table reflects AUD results for the New Zealand geography

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Net interest income	**1,280**	1,250	2%	**2,530**	2,177	16%
Other operating income	**425**	487	-13%	**912**	715	28%
Operating income	**1,705**	1,737	-2%	**3,442**	2,892	19%
Operating expenses	**(678)**	(661)	3%	**(1,339)**	(1,235)	8%
Profit before credit impairment and income tax	**1,027**	1,076	-5%	**2,103**	1,657	27%
Credit impairment charge	**(28)**	36	large	**8**	(53)	large
Profit before tax	**999**	1,112	-10%	**2,111**	1,604	32%
Income tax expense and non-controlling interests	**(269)**	(303)	-11%	**(572)**	(425)	35%
Cash profit	**730**	809	-10%	**1,539**	1,179	31%
Adjustments between statutory profit and cash profit	**57**	(31)	large	**26**	(53)	large
Statutory profit	**787**	778	1%	**1,565**	1,126	39%
Balance Sheet						
Net loans & advances	**94,023**	96,150	-2%	**94,023**	89,093	6%
Other external assets	**24,962**	25,511	-2%	**24,962**	24,098	4%
External assets	**118,985**	121,661	-2%	**118,985**	113,191	5%
Customer deposits	**68,058**	69,432	-2%	**68,058**	62,800	8%
Other deposits and borrowings	**6,665**	6,597	1%	**6,665**	6,503	2%
Deposits and other borrowings	**74,723**	76,029	-2%	**74,723**	69,303	8%
Other external liabilities	**25,086**	23,989	5%	**25,086**	23,028	9%
External liabilities	**99,809**	100,018	0%	**99,809**	92,331	8%
Risk weighted assets	**61,420**	64,667	-5%	**61,420**	57,263	7%
Average net loans and advances	**95,512**	92,606	3%	**94,063**	80,817	16%
Average deposits and other borrowings	**77,276**	73,791	5%	**75,538**	63,526	19%
Ratios						
Net interest margin - cash	**2.29%**	2.32%		**2.30%**	2.29%	
Operating expenses to operating income - cash	**39.8%**	38.1%		**38.9%**	42.7%	
Operating expenses to average assets - cash	**1.10%**	1.10%		**1.10%**	1.15%	
Individual credit impairment charge/(release) - cash	**56**	20	large	**76**	106	-28%
Individual credit impairment charge/(release) as a % of average net advances - cash	**0.12%**	0.04%		**0.08%**	0.13%	
Collective credit impairment charge/(release) - cash	**(28)**	(56)	-50%	**(84)**	(53)	58%
Collective credit impairment charge/(release) as a % of average net advances - cash	**(0.06%)**	(0.12%)		**(0.09%)**	(0.07%)	
Net impaired assets	**431**	557	-23%	**431**	589	-27%
Net impaired assets as a % of net advances	**0.46%**	0.58%		**0.46%**	0.66%	
Total full time equivalent staff (FTE)	**8,225**	8,376	-2%	**8,225**	8,404	-2%

New Zealand geography

Table reflects NZD results for the New Zealand geography

	Half Year			Full Year		
	Sep 14 NZD M	**Mar 14 NZD M**	**Movt**	**Sep 14 NZD M**	**Sep 13 NZD M**	**Movt**
Net interest income	**1,395**	1,370	2%	**2,765**	2,641	5%
Other operating income	**463**	534	-13%	**997**	868	15%
Operating income	**1,858**	1,904	-2%	**3,762**	3,509	7%
Operating expenses	**(739)**	(725)	2%	**(1,464)**	(1,497)	-2%
Profit before credit impairment and income tax	**1,119**	1,179	-5%	**2,298**	2,012	14%
Credit impairment charge	**(30)**	39	large	**9**	(65)	large
Profit before tax	**1,089**	1,218	-11%	**2,307**	1,947	18%
Income tax expense and non-controlling interests	**(294)**	(331)	-11%	**(625)**	(515)	21%
Cash profit	**795**	887	-10%	**1,682**	1,432	17%
Adjustments between statutory profit and cash profit	**63**	(34)	large	**29**	(64)	large
Statutory profit	**858**	853	1%	**1,711**	1,368	25%
Balance Sheet						
Net loans & advances	**105,485**	102,571	3%	**105,485**	100,113	5%
Other external assets	**28,005**	27,215	3%	**28,005**	27,079	3%
External assets	**133,490**	129,786	3%	**133,490**	127,192	5%
Customer deposits	**76,355**	74,069	3%	**76,355**	70,566	8%
Other deposits and borrowings	**7,478**	7,038	6%	**7,478**	7,309	2%
Deposits and other borrowings	**83,833**	81,107	3%	**83,833**	77,875	8%
Other external liabilities	**28,143**	25,590	10%	**28,143**	25,876	9%
External liabilities	**111,976**	106,697	5%	**111,976**	103,751	8%
Risk weighted assets	**68,908**	68,985	0%	**68,908**	64,346	7%
Average net loans and advances	**104,143**	101,484	3%	**102,817**	98,050	5%
Average deposits and other borrowings	**84,263**	80,865	4%	**82,568**	77,072	7%
Ratios						
Net interest margin - cash	**2.29%**	2.32%		**2.30%**	2.29%	
Operating expenses to operating income - cash	**39.8%**	38.1%		**38.9%**	42.7%	
Operating expenses to average assets - cash	**1.10%**	1.10%		**1.10%**	1.15%	
Individual credit impairment charge/(release) - cash	**61**	22	large	**83**	128	-35%
Individual credit impairment charge/(release) as a % of average net advances - cash	**0.12%**	0.04%		**0.08%**	0.13%	
Collective credit impairment charge/(release) - cash	**(31)**	(61)	-49%	**(92)**	(63)	46%
Collective credit impairment charge/(release) as a % of average net advances - cash	**(0.06%)**	(0.12%)		**(0.09%)**	(0.07%)	
Net impaired assets	**483**	594	-19%	**483**	662	-27%
Net impaired assets as a % of net advances	**0.46%**	0.58%		**0.46%**	0.66%	
Total full time equivalent staff (FTE)	**8,225**	8,376	-2%	**8,225**	8,404	-2%

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Section 7 – Profit Reconciliation

Non-IFRS information

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's RG230 has been followed when presenting this information.

Adjustments between statutory profit and cash profit

Statutory profit has been adjusted to exclude non-core items to arrive at cash profit, and has been provided to assist readers to understand the results for the ongoing business activities of the Group. The adjustments made in arriving at cash profit are included in statutory profit which is subject to audit within the context of the Group statutory audit opinion. The 2014 Annual Financial Statements are in the process of being audited. Cash profit is not audited by the external auditor, however, the external auditor has informed the Audit Committee that the adjustments have been determined on a consistent basis across each period presented.

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Statutory profit attributable to shareholders of the Company	**3,879**	3,392	14%	**7,271**	6,310	15%
Adjustments between statutory profit and cash profit	**(277)**	123	large	**(154)**	182	large
Cash Profit	**3,602**	3,515	2%	**7,117**	6,492	10%

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Adjustments between statutory profit and cash profit						
Treasury shares adjustments	**(13)**	37	large	**24**	84	-71%
Revaluation of policy liabilities	**(23)**	(3)	large	**(26)**	46	large
Economic hedging	**(150)**	78	large	**(72)**	(57)	26%
Revenue and net investment hedges	**(119)**	18	large	**(101)**	159	large
Structured credit intermediation trades	**28**	(7)	large	**21**	(50)	large
Total adjustments between statutory profit and cash profit	**(277)**	123	large	**(154)**	182	large

Explanation of adjustments between statutory profit and cash profit

- Treasury shares adjustment

  ANZ shares held by the Group in the consolidated managed funds and life insurance business are deemed to be Treasury shares for accounting purposes. Dividends and realised and unrealised gains and losses from these shares are reversed as these are not permitted to be recognised in income for statutory reporting purposes. In deriving cash profit, these earnings are included to ensure there is no asymmetrical impact on the Group's profits because the Treasury shares support policy liabilities which are revalued in deriving income. Accordingly, the half year gain of $13 million after tax ($16 million pre tax) eliminated for statutory accounting purposes has been added back to cash profit.

- Revaluation of policy liabilities

  When calculating policy liabilities, the projected future cash flows on insurance contracts are discounted to reflect the present value of the obligation, with the impact of changes in the market discount rate each period being reflected in the income statement. ANZ includes the impact on the remeasurement of the insurance contract attributable to changes in market discount rates as an adjustment to cash profit to remove the volatility attributable to changes in market interest rates which reverts to zero over the life of the insurance contract.

- Economic hedging and Revenue and net investment hedges

  The Group enters into economic hedges to manage its interest rate and foreign exchange risk. The application of AASB 139: Financial Instruments – Recognition and Measurement results in fair value gains and losses being recognised within the income statement. ANZ removes the mark-to-market adjustments from cash profit as the profit or loss resulting from the transactions will reverse over time to match with the profit or loss from the economically hedged item as part of cash profit. This includes gains and losses arising from:

  - approved classes of derivatives not designated in accounting hedge relationships but which are considered to be economic hedges, including hedges of NZD and USD revenue; and
  - ineffectiveness from designated accounting hedges.

  In the table below, funding and lending related swaps are primarily cross currency interest rate swaps which are being used to convert the proceeds of foreign currency debt issuances into floating rate Australian dollar and New Zealand dollar debt. As these swaps do not qualify for hedge accounting, movements in the fair values are recorded in the income statement. The main drivers of these fair values are currency basis spreads and the Australian dollar and New Zealand dollar fluctuation against other major funding currencies. This category also includes 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 Australian and New Zealand yield curve movements.

  For funding and lending related swaps, widening basis spreads from movements in currency pairs (primarily AUD/USD and USD/EUR), resulted in significant gains during the September half. This was in contrast to the March half where losses were driven from a narrowing of basis spreads from the same currency pairs.

Gains within revenue and net investment hedges were primarily the result of significant strengthening in the AUD against NZD exchange rate during the September half.

During the period the Group early adopted the part of AASB 9 Financial Instruments relating to gains and losses attributable to changes in own credit risk of financial liabilities designated at 'Fair value through profit or loss'. As these gains/losses are now presented in other comprehensive income rather than statutory profit they no longer form part of the cash profit adjustments. This was applied retrospectively and comparative information in the tables below have been restated.

	Half Year		Full Year	
Adjustments to the income statement	**Sep 14 $M**	**Mar 14 $M**	**Sep 14 $M**	**Sep 13 $M**
Timing differences where IFRS results in asymmetry between the hedge and hedged items				
Funding and lending related swaps	**(203)**	100	**(103)**	(78)
Revenue and net investment hedges	**(169)**	26	**(143)**	224
Ineffective portion of designated accounting hedges	**(10)**	10	**-**	(8)
Increase/(decrease) to cash profit before tax	**(382)**	136	**(246)**	138
Increase/(decrease) to cash profit after tax	**(269)**	96	**(173)**	102

Cumulative increase/(decrease) to cash profit pre-tax relating to economic hedging	As at ($M)		
	Sep 14 $M	**Mar 14 $M**	**Sep 13 $M**
Timing differences where IFRS results in asymmetry between the hedge and hedged items (before tax)			
Funding and lending related swaps	**575**	778	678
Revenue and net investment hedges	**36**	205	179
Ineffective portion of designated accounting hedges	**(25)**	(15)	(25)
	586	968	832

- Structured credit intermediation trades

  ANZ entered into a series of structured credit intermediation trades with US financial guarantors from 2004 to 2007. The underlying structures involved credit default swaps (CDS) over synthetic collateralised debt obligations (CDOs), portfolios of external collateralised loan obligations (CLOs) or specific bonds/floating rate notes (FRNs). ANZ sold protection using credit default swaps over these structures and then to mitigate risk, purchased protection via credit default swaps over the same structures from eight US financial guarantors.

  Being derivatives, both the sold protection and purchased protection are measured at fair value and marked-to-model. Prior to the commencement of the global financial crisis, movements in valuations of these positions were not significant and largely offset each other in income. Following the onset of the financial crisis, the purchased protection has provided only a partial offset against movements in valuation of the sold protection because:

  - one of the counterparties to the purchased protection defaulted and many of the remaining were downgraded; and
  - a credit valuation adjustment is applied to the remaining counterparties to the purchased protection reflective of changes to their credit worthiness.

  ANZ is actively monitoring this portfolio with a view to reducing the exposures via termination and restructuring of both the bought and sold protection if and when ANZ deems it cost effective relative to the perceived risk associated with a specific trade or counterparty. During the September half, ANZ terminated all bought protection positions with three financial guarantors along with corresponding sold protection positions for a net loss of $37 million (including termination costs and release of CVA). The termination of these trades results in the remaining exposure being reduced to two financial guarantors.

  The bought and sold protection trades are by nature largely offsetting, with the notional amount on the outstanding bought CDSs and outstanding sold CDSs at 30 September 2014 each amounting to USD 1.0 billion (Mar 14: USD 4.4 billion; Sep 13: USD 4.5 billion). The decrease in notional balances of USD 3.4 billion from March 2014 is primarily due to the termination of trades mentioned above.

  The profit and loss impact of credit risk on structured credit derivatives remains volatile reflecting the impact of market movements in credit spreads and AUD/USD rates.

  The (gain)/loss on structured credit intermediation trades is included as an adjustment to cash profit as it relates to a legacy non-core business where, unless terminated early, the fair value movements are expected to reverse to zero in future periods.

	Half Year			Full Year		
Increase/(decrease) to cash profit	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Profit before income tax	**31**	(9)	large	**22**	(63)	large
Income tax expense	**(3)**	2	large	**(1)**	13	large
Profit after income tax	**28**	(7)	large	**21**	(50)	large

	As at ($M)			Movement	
Financial impacts of credit intermediation trades	**Sep 14**	**Mar 14**	**Sep 13**	**Sep 14 v. Mar 14**	**Sep 14 v. Sep 13**
Mark-to-market exposure to financial guarantors	**82**	136	179	-40%	-54%
Cumulative costs relating to financial guarantors[1]					
CVA for outstanding transactions	**24**	33	42	-27%	-43%
Realised close out and hedge costs	**373**	333	333	12%	12%
Cumulative life to date charges	**397**	366	375	8%	6%

1. *The cumulative costs in managing the positions include realised losses relating to restructuring of trades in order to reduce risks and realised losses on termination of sold protection trades. It also includes foreign exchange hedging losses.*

Other reclassifications between statutory profit and cash profit

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

  The charge to income for credit valuation adjustments on defaulted and impaired derivative exposures of $2 million has been reclassified to credit impairment charges in the September 2014 half (Mar 14 half: $1 million charge; Sep 13 full year: $9 million charge). The reclassification has been made to reflect the manner in which the defaulted and impaired derivatives are managed.

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

  For statutory reporting purposes policyholder income tax and other related taxes paid on behalf of policyholders are included in both net income from wealth management and the Group's income tax expense. The gross up of $213 million for the September 2014 half (Mar 14 half: $29 million; Sep 13 full year: $371 million) has been excluded from the cash results as it does not reflect the underlying performance of the business which is assessed on a net of policyholder tax basis.

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Reconciliation of statutory profit to cash profit

September 2014 Half Year

	Statutory profit	Adjustments to statutory profit		
		Treasury shares adjustment	Policyholders tax gross up	Revaluation of policy liabilities
	$M	$M	$M	$M
Net interest income	7,032	-	-	-
Fee income	1,260	-	-	-
Foreign exchange earnings	480	-	-	-
Profit on trading instruments	124	-	-	-
Net income from funds management and insurance	927	(16)	(213)	(32)
Other	697	-	-	-
Other operating income	3,488	(16)	(213)	(32)
Operating income	**10,520**	**(16)**	**(213)**	**(32)**
Personnel expenses	(2,558)	-	-	-
Premises expenses	(446)	-	-	-
Technology expenses	(660)	-	-	-
Restructuring expenses	(78)	-	-	-
Other expenses	(732)	-	-	-
Operating expenses	**(4,474)**	**-**	**-**	**-**
Profit before credit impairment and tax	6,046	(16)	(213)	(32)
Credit impairment charge	(459)	-	-	-
Profit before income tax	**5,587**	**(16)**	**(213)**	**(32)**
Income tax expense	(1,702)	3	213	9
Non-controlling interests	(6)	-	-	-
Profit	**3,879**	**(13)**	**-**	**(23)**

March 2014 Half Year

	Statutory profit	Adjustments to statutory profit		
		Treasury shares adjustment	Policyholders tax gross up	Revaluation of policy liabilities
	$M	$M	$M	$M
Net interest income	6,778	-	-	-
Fee income	1,255	-	-	-
Foreign exchange earnings	593	-	-	-
Profit on trading instruments	15	-	-	-
Net income from funds management and insurance	611	40	(29)	(5)
Other	282	-	-	-
Other operating income	2,756	40	(29)	(5)
Operating income	**9,534**	**40**	**(29)**	**(5)**
Personnel expenses	(2,530)	-	-	-
Premises expenses	(442)	-	-	-
Technology expenses	(606)	-	-	-
Restructuring expenses	(35)	-	-	-
Other expenses	(673)	-	-	-
Operating expenses	**(4,286)**	**-**	**-**	**-**
Profit before credit impairment and tax	5,248	40	(29)	(5)
Credit impairment charge	(527)	-	-	-
Profit before income tax	**4,721**	**40**	**(29)**	**(5)**
Income tax expense	(1,323)	(3)	29	2
Non-controlling interests	(6)	-	-	-
Profit	**3,392**	**37**	**-**	**(3)**

September 2014 Half Year

Adjustments to statutory profit					Cash profit
Economic hedging	Revenue and net investment hedges	Structured credit intermediation trades	Credit risk on impaired derivatives	Total adjustments to statutory profit	
$M	$M	$M	$M	$M	$M
1	-	-	-	1	7,033
-	-	-	-	-	1,260
3	(169)	-	-	(166)	314
4	-	31	2	37	161
-	-	-	-	(261)	666
(221)	-	-	-	(221)	476
(214)	(169)	31	2	(611)	2,877
(213)	**(169)**	**31**	**2**	**(610)**	**9,910**
-	-	-	-	-	(2,558)
-	-	-	-	-	(446)
-	-	-	-	-	(660)
-	-	-	-	-	(78)
-	-	-	-	-	(732)
-	**-**	**-**	**-**	**-**	**(4,474)**
(213)	(169)	31	2	(610)	5,436
-	-	-	(2)	(2)	(461)
(213)	**(169)**	**31**	**-**	**(612)**	**4,975**
63	50	(3)	-	335	(1,367)
-	-	-	-	-	(6)
(150)	**(119)**	**28**	**-**	**(277)**	**3,602**

March 2014 Half Year

Adjustments to statutory profit					Cash profit
Economic hedging	Revenue and net investment hedges	Structured credit intermediation trades	Credit risk on impaired derivatives	Total adjustments to statutory profit	
$M	$M	$M	$M	$M	$M
(14)	-	-	-	(14)	6,764
-	-	-	-	-	1,255
-	26	-	-	26	619
-	-	(9)	1	(8)	7
-	-	-	-	6	617
124	-	-	-	124	406
124	26	(9)	1	148	2,904
110	**26**	**(9)**	**1**	**134**	**9,668**
-	-	-	-	-	(2,530)
-	-	-	-	-	(442)
-	-	-	-	-	(606)
-	-	-	-	-	(35)
-	-	-	-	-	(673)
-	**-**	**-**	**-**	**-**	**(4,286)**
110	26	(9)	1	134	5,382
-	-	-	(1)	(1)	(528)
110	**26**	**(9)**	**-**	**133**	**4,854**
(32)	(8)	2	-	(10)	(1,333)
-	-	-	-	-	(6)
78	**18**	**(7)**	**-**	**123**	**3,515**

September 2014 Full Year

	Statutory profit	Adjustments to statutory profit		
		Treasury shares adjustment	Policy-holders tax gross up	Revaluation of policy liabilities
	$M	$M	$M	$M
Net interest income	13,810	-	-	-
Fee income	2,515	-	-	-
Foreign exchange earnings	1,073	-	-	-
Profit on trading instruments	139	-	-	-
Net income from funds management and insurance	1,538	24	(242)	(37)
Other	979	-	-	-
Other operating income	6,244	24	(242)	(37)
Operating income	**20,054**	**24**	**(242)**	**(37)**
Personnel expenses	(5,088)	-	-	-
Premises expenses	(888)	-	-	-
Technology expenses	(1,266)	-	-	-
Restructuring expenses	(113)	-	-	-
Other expenses	(1,405)	-	-	-
Operating expenses	**(8,760)**	**-**	**-**	**-**
Profit before credit impair't and tax	11,294	24	(242)	(37)
Credit impairment charge	(986)	-	-	-
Profit before income tax	**10,308**	**24**	**(242)**	**(37)**
Income tax expense	(3,025)	-	242	11
Non-controlling interests	(12)	-	-	-
Profit	**7,271**	**24**	**-**	**(26)**

September 2013 Full Year

	Statutory profit	Adjustments to statutory profit		
		Treasury shares adjustment	Policy-holders tax gross up	Revaluation of policy liabilities
	$M	$M	$M	$M
Net interest income	12,758	-	-	-
Fee income	2,459	-	-	-
Foreign exchange earnings	844	-	-	-
Profit on trading instruments	363	-	-	-
Net income from funds management and insurance	1,431	90	(371)	66
Other	667	-	-	-
Other operating income	5,764	90	(371)	66
Operating income	**18,522**	**90**	**(371)**	**66**
Personnel expenses	(4,905)	-	-	-
Premises expenses	(843)	-	-	-
Technology expenses	(1,122)	-	-	-
Restructuring expenses	(85)	-	-	-
Other expenses	(1,302)	-	-	-
Operating expenses	**(8,257)**	**-**	**-**	**-**
Profit before credit impair't and tax	10,265	90	(371)	66
Credit impairment charge	(1,188)	-	-	-
Profit before income tax	**9,077**	**90**	**(371)**	**66**
Income tax expense	(2,757)	(6)	371	(20)
Non-controlling interests	(10)	-	-	-
Profit	**6,310**	**84**	**-**	**46**

September 2014 Full Year

Adjustment to statutory profit					Cash profit
Economic hedging	**Revenue and net investment hedges**	**Structured credit intermediation trades**	**Credit risk on impaired derivatives**	**Total adjustments to statutory profit**	
$M	**$M**	**$M**	**$M**	**$M**	**$M**
(13)	-	-	-	(13)	13,797
-	-	-	-	-	2,515
3	(143)	-	-	(140)	933
4	-	22	3	29	168
-	-	-	-	(255)	1,283
(97)	-	-	-	(97)	882
(90)	(143)	22	3	(463)	5,781
(103)	**(143)**	**22**	**3**	**(476)**	**19,578**
-	-	-	-	-	(5,088)
-	-	-	-	-	(888)
-	-	-	-	-	(1,266)
-	-	-	-	-	(113)
-	-	-	-	-	(1,405)
-	**-**	**-**	**-**	**-**	**(8,760)**
(103)	(143)	22	3	(476)	10,818
-	-	-	(3)	(3)	(989)
(103)	**(143)**	**22**	**-**	**(479)**	**9,829**
31	42	(1)	-	325	(2,700)
-	-	-	-	-	(12)
(72)	**(101)**	**21**	**-**	**(154)**	**7,117**

September 2013 Full Year

Adjustment to statutory profit					Cash profit
Economic hedging	**Revenue and net investment hedges**	**Structured credit intermediation trades**	**Credit risk on impaired derivatives**	**Total adjustments to statutory profit**	
$M	**$M**	**$M**	**$M**	**$M**	**$M**
14	-	-	-	14	12,772
-	-	-	-	-	2,459
(5)	224	-	-	219	1,063
(36)	-	(63)	9	(90)	273
-	-	-	-	(215)	1,216
(59)	-	-	-	(59)	608
(100)	224	(63)	9	(145)	5,619
(86)	**224**	**(63)**	**9**	**(131)**	**18,391**
-	-	-	-	-	(4,905)
-	-	-	-	-	(843)
-	-	-	-	-	(1,122)
-	-	-	-	-	(85)
-	-	-	-	-	(1,302)
-	**-**	**-**	**-**	**-**	**(8,257)**
(86)	224	(63)	9	(131)	10,134
-	-	-	(9)	(9)	(1,197)
(86)	**224**	**(63)**	**-**	**(140)**	**8,937**
29	(65)	13	-	322	(2,435)
-	-	-	-	-	(10)
(57)	**159**	**(50)**	**-**	**182**	**6,492**

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Australia and New Zealand Banking Group Limited

		Half Year			Full Year		
	Note	Sep 14 $M	Mar 14[1] $M	Movt	Sep 14 $M	Sep 13[1] $M	Movt
Interest income		**15,094**	14,430	5%	**29,524**	28,627	3%
Interest expense		**(8,062)**	(7,652)	5%	**(15,714)**	(15,869)	-1%
Net interest income	2	**7,032**	6,778	4%	**13,810**	12,758	8%
Other operating income	2	**2,291**	1,898	21%	**4,189**	3,851	9%
Net funds management and insurance income	2	**927**	611	52%	**1,538**	1,431	7%
Share of associates' profit	2,15	**270**	247	9%	**517**	482	7%
Operating income		**10,520**	9,534	10%	**20,054**	18,522	8%
Operating expenses	3	**(4,474)**	(4,286)	4%	**(8,760)**	(8,257)	6%
Profit before credit impairment and income tax		**6,046**	5,248	15%	**11,294**	10,265	10%
Credit impairment charge	8	**(459)**	(527)	-13%	**(986)**	(1,188)	-17%
Profit before income tax		**5,587**	4,721	18%	**10,308**	9,077	14%
Income tax expense	4	**(1,702)**	(1,323)	29%	**(3,025)**	(2,757)	10%
Profit for the period		**3,885**	3,398	14%	**7,283**	6,320	15%
Comprising:							
Profit attributable to non-controlling interests		**6**	6	0%	**12**	10	20%
Profit attributable to shareholders of the Company		**3,879**	3,392	14%	**7,271**	6,310	15%
Earnings per ordinary share (cents)							
Basic	6	**142.3**	124.8	14%	**267.1**	232.7	15%
Diluted	6	**136.5**	120.6	13%	**257.0**	225.7	14%
Dividend per ordinary share (cents)	5	**95**	83	14%	**178**	164	9%

1. *Comparative amounts have changed. Refer to Note 17 for details.*

The notes appearing on pages 106 to 123 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

	Full Year		
	Sep 14 $M	Sep 13 $M[1]	Movt
Profit for the period	**7,283**	6,320	15%
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement gain/(loss) on defined benefit plans	**43**	43	0%
Fair value gain/(loss) attributable to changes in own credit risk of financial liabilities designated at fair value	**(35)**	(63)	-44%
Income tax on items that will not be reclassified subsequently to profit or loss			
Remeasurement gain/(loss) on defined benefit plans	**(11)**	(18)	-39%
Fair value gain/(loss) attributable to changes in own credit risk of financial liabilities designated at fair value	**10**	19	-47%
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation reserve			
Exchange differences taken to equity	**487**	1,712	-72%
Exchange differences transferred to income statement	**37**	-	n/a
Available-for-sale revaluation reserve			
Valuation gain/(loss) taken to equity	**134**	13	large
Transferred to income statement	**(47)**	3	large
Cash flow hedge reserve			
Valuation gain/(loss) taken to equity	**165**	(186)	large
Transferred to income statement	**(31)**	-	n/a
Share of associates' other comprehensive income[2]	**(24)**	18	large
Income tax on items that may be reclassified subsequently to profit or loss			
Available-for-sale assets revaluation reserve	**(23)**	(7)	large
Cash flow hedge reserve	**(41)**	52	large
Other comprehensive income net of tax	**664**	1,586	-58%
Total comprehensive income for the period	**7,947**	7,906	1%
Comprising total comprehensive income attributable to:			
Non-controlling interests	**16**	15	7%
Shareholders of the Company	**7,931**	7,891	1%

1. *Comparative amounts have changed. Refer to Note 17 for details.*
2. *Share of associates other comprehensive income is comprised of Available-for-sale assets reserve loss of $25 million (Sep 13: gain of $18 million); Foreign currency translation reserve of nil (Sep 13: loss of $1 million) and Cash flow hedge reserve gain of $1 million (Sep 13: gain of $1 million).*

The notes appearing on pages 106 to 123 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

		As at ($M)			Movement	
Assets	**Note**	**Sep 14**	**Mar 14**	**Sep 13[1]**	**Sep 14 v. Mar 14**	**Sep 14 v. Sep 13**
Cash		**32,559**	33,651	25,270	-3%	29%
Settlement balances owed to ANZ		**20,241**	16,209	19,225	25%	5%
Collateral paid		**5,459**	6,219	6,530	-12%	-16%
Trading securities		**49,692**	46,170	41,288	8%	20%
Derivative financial instruments		**56,369**	43,829	45,878	29%	23%
Available-for-sale assets		**30,917**	27,330	28,277	13%	9%
Net loans and advances	7	**521,752**	509,250	483,264	2%	8%
Regulatory deposits		**1,565**	2,205	2,106	-29%	-26%
Investment in associates		**4,582**	4,323	4,123	6%	11%
Current tax assets		**38**	64	20	-41%	90%
Deferred tax assets		**417**	446	725	-7%	-42%
Goodwill and other intangible assets		**7,950**	7,969	7,690	0%	3%
Investments backing policy liabilities		**33,579**	33,197	32,083	1%	5%
Premises and equipment		**2,181**	2,150	2,164	1%	1%
Other assets		**4,791**	4,803	4,352	0%	10%
Total assets		**772,092**	737,815	702,995	5%	10%
Liabilities						
Settlement balances owed by ANZ		**10,114**	8,133	8,695	24%	16%
Collateral received		**5,599**	3,880	3,921	44%	43%
Deposits and other borrowings	9	**510,079**	498,318	466,915	2%	9%
Derivative financial instruments		**52,925**	45,876	47,509	15%	11%
Current tax liabilities		**449**	285	972	58%	-54%
Deferred tax liabilities		**120**	41	14	large	large
Policy liabilities		**34,554**	33,402	32,388	3%	7%
External unit holder liabilities (life insurance funds)		**3,181**	3,334	3,511	-5%	-9%
Payables and other liabilities		**10,984**	9,615	9,059	14%	21%
Provisions		**1,100**	1,115	1,228	-1%	-10%
Debt issuances		**80,096**	73,552	70,376	9%	14%
Subordinated debt	10	**13,607**	13,226	12,804	3%	6%
Total liabilities		**722,808**	690,777	657,392	5%	10%
Net assets		**49,284**	47,038	45,603	5%	8%
Shareholders' equity						
Ordinary share capital		**24,031**	23,529	23,641	2%	2%
Preference share capital		**871**	871	871	0%	0%
Reserves		**(239)**	(334)	(907)	-28%	-74%
Retained earnings		**24,544**	22,905	21,936	7%	12%
Share capital and reserves attributable to shareholders of the Company	12	**49,207**	46,971	45,541	5%	8%
Non-controlling interests	12	**77**	67	62	15%	24%
Total shareholders' equity	12	**49,284**	47,038	45,603	5%	8%

1. *Comparative amounts have changed. Refer to Note 17 for details.*

The notes appearing on pages 106 to 123 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

	Note	Full Year Sep 14 Inflows (Outflows) $M	Sep 13[1] Inflows (Outflows) $M
Cash flows from operating activities			
Interest received		**29,327**	28,752
Interest paid		**(14,886)**	(16,333)
Dividends received		**127**	114
Other operating income received		**2,704**	9,616
Other operating expenses paid		**(8,123)**	(7,351)
Income taxes (paid)/refunds received		**(3,207)**	(2,494)
Net cash flows from funds management and insurance business			
Premiums, other income and life investment deposits received		**7,549**	6,093
Investment income and policy deposits received/(paid)		**620**	198
Claims and policy liability payments		**(5,578)**	(4,983)
Commission expense paid		**(471)**	(446)
Cash flows from operating activities before changes in operating assets and liabilities		**8,062**	13,166
Changes in operating assets and liabilities arising from cash flow movements			
(Increase)/decrease in operating assets			
Collateral paid		**1,271**	348
Trading securities		**(8,600)**	768
Loans and advances		**(35,154)**	(30,137)
Net cash flows from investments backing policy liabilities			
Purchase of insurance assets		**(4,856)**	(3,505)
Proceeds from sale/maturity of insurance assets		**4,625**	4,341
Increase/(decrease) in operating liabilities			
Deposits and other borrowings		**36,592**	27,541
Settlement balances owed by ANZ		**1,358**	3,279
Collateral received		**1,435**	1,391
Payables and other liabilities		**910**	(1,025)
Change in operating assets and liabilities arising from cash flow movements		**(2,419)**	3,001
Net cash provided by/(used in) operating activities		**5,643**	16,167
Cash flows from investing activities			
Available-for-sale assets			
Purchases		**(12,652)**	(16,320)
Proceeds from sale or maturity		**11,136**	10,224
Controlled entities and associates			
Purchased (net of cash acquired)		**-**	(2)
Proceeds from sale (net of cash disposed)		**251**	81
Premises and equipment			
Purchases		**(370)**	(356)
Other assets		**(292)**	(1,234)
Net cash provided by/(used in) investing activities		**(1,927)**	(7,607)
Cash flows from financing activities			
Debt issuances			
Issue proceeds		**17,156**	18,895
Redemptions		**(10,710)**	(19,773)
Subordinated debt			
Issue proceeds		**3,258**	1,868
Redemptions		**(2,586)**	(1,465)
Dividends paid		**(3,827)**	(3,226)
Share capital issues		**4**	30
Share buyback		**(500)**	(425)
Net cash provided by/(used in) financing activities		**2,795**	(4,096)
Net increase/(decrease) in cash and cash equivalents		**6,511**	4,464
Cash and cash equivalents at beginning of period		**41,111**	35,507
Effects of exchange rate changes on cash and cash equivalents		**607**	1,140
Cash and cash equivalents at end of period	**13**	**48,229**	41,111

1. *Comparative amounts have changed. Refer to Note 17 for details.*

The notes appearing on pages 106 to 123 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

	Ordinary share capital	Preference shares	Reserves[1]	Retained earnings	Shareholders' equity attributable to Equity holders of the Bank	Non-controlling interests	Total Shareholders' equity
	$M	$M	$M	$M	$M	$M	$M
As at 1 October 2012	23,070	871	(2,498)	19,728	**41,171**	49	**41,220**
Restatement (refer Note 17)	-	-	-	(17)	**(17)**	-	**(17)**
As at 1 October 2012 (restated)	23,070	871	(2,498)	19,711	**41,154**	49	**41,203**
Profit or loss	-	-	-	6,310	**6,310**	10	**6,320**
Other comprehensive income for the period	-	-	1,600	(19)	**1,581**	5	**1,586**
Total comprehensive income for the period	-	-	1,600	6,291	**7,891**	15	**7,906**
Transactions with equity holders in their capacity as equity holders:							
Dividends paid	-	-	-	(4,088)	**(4,088)**	(1)	**(4,089)**
Dividend income on treasury shares held within the Group's life insurance statutory funds	-	-	-	20	**20**	-	**20**
Dividend reinvestment plan	843	-	-	-	**843**	-	**843**
Transactions with non-controlling interests	-	-	(10)	-	**(10)**	(1)	**(11)**
Other equity movements:							
Share based payments/(exercises)	-	-	3	-	**3**	-	**3**
Group share option scheme	30	-	-	-	**30**	-	**30**
Treasury shares Global Wealth adjustment	7	-	-	-	**7**	-	**7**
Group employee share acquisition Scheme	116	-	-	-	**116**	-	**116**
Group share buyback	(425)	-	-	-	**(425)**	-	**(425)**
Transfer of options/rights lapsed	-	-	(2)	2	**-**	-	**-**
As at 30 September 2013	23,641	871	(907)	21,936	**45,541**	62	**45,603**
Profit or loss	-	-	-	7,271	**7,271**	12	**7,283**
Other comprehensive income for the period	-	-	653	7	**660**	4	**664**
Total comprehensive income for the period	-	-	653	7,278	**7,931**	16	**7,947**
Transactions with equity holders in their capacity as equity holders:							
Dividends paid	-	-	-	(4,700)	**(4,700)**	(1)	**(4,701)**
Dividend income on treasury shares held within the Group's life insurance statutory funds	-	-	-	22	**22**	-	**22**
Dividend reinvestment plan	851	-	-	-	**851**		**851**
Transactions with non-controlling interests	-	-	10	-	**10**	-	**10**
Other equity movements:							
Share based payments/(exercises)	-	-	13	-	**13**	-	**13**
Group share option scheme	4	-	-	-	**4**	-	**4**
Treasury shares Global Wealth adjustment	24	-	-	-	**24**	-	**24**
Group employee share acquisition scheme	11	-	-	-	**11**	-	**11**
Group share buyback	(500)	-	-	-	**(500)**	-	**(500)**
Transfer of options/rights lapsed	-	-	(8)	8	**-**	-	**-**
As at 30 September 2014	24,031	871	(239)	24,544	**49,207**	77	**49,284**

1. *Further information on reserves is disclosed in Note 12.*

The notes appearing on pages 106 to 123 form an integral part of the Condensed Consolidated Financial Statements.

1. Basis of preparation

These Condensed Consolidated Financial Statements:

- have been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards ("AASs");
- should be read in conjunction with ANZ's Annual Financial Statements for the year ended 30 September 2014 when released and any public announcements made by the Parent Entity and its controlled entities (the Group) for the year ended 30 September 2014 in accordance with the continuous disclosure obligations under the Corporations Act 2001 and the ASX Listing Rules;
- do not include all notes of the type normally included in ANZ's Annual Financial Statements;
- are presented in Australian dollars unless otherwise stated; and
- were approved by the Board of Directors on 30 October 2014.

i) Accounting policies

These Condensed Consolidated Financial Statements have been prepared on the basis of accounting policies and using methods of computation consistent with those applied in the 2013 Annual Financial Statements, except for changes in policies described below. Comparative information has been restated where appropriate (refer to note 17 for further details).

- AASB 119 Employee Benefits – Revised 2011 ('AASB 119')

The Group applied the amendment to AASB 119 from 1 October 2013. This resulted mainly in changes to the measurement of interest cost pertaining to defined benefit obligations. In accordance with transitional provisions the changes have been applied retrospectively, with the net impact of initial application recognised in retained earnings as at 1 October 2012.

- AASB 10 Consolidated Financial Statements ('AASB 10')

AASB 10 replaced AASB 127 Consolidated and Separate Financial Statements and Interpretation 112 Consolidation – Special Purpose Entities to establish revised guidance for consolidation of financial statements. The Standard provides a revised definition of 'control' based on whether the investor is exposed to, or has rights to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. 'Control' is established as the single basis for consolidation for all entities, regardless of the nature of the investee.

The Group applied AASB 10 from 1 October 2013 and the initial application did not materially impact the Group.

- AASB 9 Financial Instruments ('AASB 9')

A revised version of AASB 9 was issued by the Australian Accounting Standards Board in December 2013 which, unless early adopted, is effective for the Group's 30 September 2019 financial year-end.

The Group has early adopted, from 1 October 2013, the part of AASB 9 relating to gains and losses attributable to changes in own credit risk of financial liabilities designated as 'fair value through profit or loss'. Accordingly, such gains and losses that were previously recognised in the income statement will now be presented in other comprehensive income. There will be no recycling of these gains or losses on disposal. This change has been applied retrospectively.

- Cash and cash equivalents

During the year, the Group redefined cash and cash equivalents, for the purposes of the presentation of the cash flow statement to include coins, notes, money at call, balances held with central banks, liquid settlement balances and securities purchased under agreements to resell ("reverse repos") in less than three months.

ii) Basis of measurement

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

- derivative financial instruments as well as, in the case of fair value hedging, the fair value adjustment on the underlying hedged exposure;
- available-for-sale financial assets;
- financial instruments held for trading; and
- assets and liabilities designated at fair value through profit and loss.

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

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

iii) Use of estimates, assumptions and judgments

The preparation of these Condensed Consolidated Financial Statements requires the use of management judgement, estimates and assumptions that affect reported amounts and the application of accounting policies. Discussion of the critical accounting estimates and judgements, which include complex or subjective decisions or assessments, will be covered in Note 2 of the 2014 Annual Financial Statements when released. Such estimates and judgements are reviewed on an ongoing basis.

iv) Rounding of amounts

The amounts contained in these Condensed Consolidated Financial Statements have been rounded to the nearest million dollars, except where otherwise indicated, as permitted by Australian Securities and Investments Commission Class Order 98/100.

v) Comparatives

Certain amounts in the comparative information have been reclassified to conform with current period financial statement presentations (refer to note 17 for further details).

2. Income

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Sep 14 v. Mar 14	Sep 14 $M	Sep 13 $M	Sep 14 v. Sep 13
Interest income	**15,094**	14,430	5%	**29,524**	28,627	3%
Interest expense	**(8,062)**	(7,652)	5%	**(15,714)**	(15,869)	-1%
Net interest income	**7,032**	6,778	4%	**13,810**	12,758	8%
i) Fee and commission income						
Lending fees[1]	**383**	396	-3%	**779**	744	5%
Non-lending fees and commissions	**1,091**	1,069	2%	**2,160**	2,085	4%
Total fee and commission income	**1,474**	1,465	1%	**2,939**	2,829	4%
Fee and commission expense	**(214)**	(210)	2%	**(424)**	(370)	15%
Net fee and commission income[2]	**1,260**	1,255	0%	**2,515**	2,459	2%
ii) Net funds management and insurance income						
Funds management income	**459**	458	0%	**917**	862	6%
Investment income	**1,424**	1,232	16%	**2,656**	4,135	-36%
Insurance premium income	**780**	534	46%	**1,314**	1,348	-3%
Commission income/(expense)	**(241)**	(230)	5%	**(471)**	(446)	6%
Claims	**(362)**	(345)	5%	**(707)**	(709)	0%
Changes in policy liabilities[3]	**(1,149)**	(998)	15%	**(2,147)**	(3,669)	-41%
Elimination of treasury share (gain)/loss	**16**	(40)	large	**(24)**	(90)	-73%
Total net funds management and insurance income	**927**	611	52%	**1,538**	1,431	7%
iii) Share of associates' profit	**270**	247	9%	**517**	482	7%
iv) Other income						
Net foreign exchange earnings	**480**	593	-19%	**1,073**	844	27%
Net gains from trading securities and derivatives	**123**	15	large	**138**	300	-54%
Credit risk on credit intermediation trades	**(31)**	9	large	**(22)**	63	large
Movement on financial instruments measured at fair value through profit & loss[4]	**221**	(124)	large	**97**	58	67%
Brokerage income	**22**	28	-21%	**50**	53	-6%
Loss on divestment / writedown of investment in SSI	**(21)**	-	n/a	**(21)**	(26)	-19%
Dilution gain on investment in Bank of Tianjin	**-**	12	-100%	**12**	-	n/a
Insurance settlement	**-**	26	-100%	**26**	-	n/a
Gain on sale of ANZ Trustees	**125**	-	n/a	**125**	-	n/a
Other	**112**	84	33%	**196**	100	96%
Total other income	**1,031**	643	60%	**1,674**	1,392	20%
Total other operating income[5]	**3,488**	2,756	27%	**6,244**	5,764	8%
Total income	**18,582**	17,186	8%	**35,768**	34,391	4%

1. *Lending fees exclude fees treated as part of the effective yield calculation in interest income.*
2. *Includes interchange fees paid.*
3. *Includes policyholder tax gross up, which represents contribution tax (recovered at 15% on the super contributions made by members) debited to the policyholder account once a year in July when the statement is issued to the members at the end of the 30 June financial year.*
4. *Includes fair value movements (excluding realised and accrued interest) on derivatives not designated as accounting hedges entered into to manage interest rate and foreign exchange risk on funding instruments, ineffective portions of cashflow hedges, and fair value movements in financial assets and liabilities designated at fair value through profit and loss.*
5. *Total other operating income includes external dividend income of $1.1 million (Mar 14 half: $0.2 million; Sep 13 full year: $4.3 million).*

3. Operating expenses

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Sep 14 v. Mar 14	Sep 14 $M	Sep 13 $M	Sep 14 v. Sep 13
Personnel						
Employee entitlements and taxes	**147**	131	12%	**278**	264	5%
Salaries and wages	**1,750**	1,745	0%	**3,495**	3,391	3%
Superannuation costs - defined benefit plans	**6**	4	50%	**10**	15	-33%
Superannuation costs - defined contribution plans	**152**	148	3%	**300**	283	6%
Equity-settled share-based payments	**105**	110	-5%	**215**	200	8%
Other	**398**	392	2%	**790**	752	5%
Total personnel expenses	**2,558**	2,530	1%	**5,088**	4,905	4%
Premises						
Depreciation and amortisation	**99**	99	0%	**198**	183	8%
Rent	**224**	226	-1%	**450**	435	3%
Utilities and other outgoings	**89**	89	0%	**178**	170	5%
Other	**34**	28	21%	**62**	55	13%
Total premises expenses	**446**	442	1%	**888**	843	5%
Technology						
Data communications	**43**	61	-30%	**104**	115	-10%
Depreciation and amortisation	**285**	265	8%	**550**	496	11%
Licences and outsourced services	**204**	196	4%	**400**	335	19%
Rentals and repairs	**84**	69	22%	**153**	142	8%
Software impairment	**14**	1	large	**15**	8	88%
Other	**30**	14	large	**44**	26	69%
Total technology expenses	**660**	606	9%	**1,266**	1,122	13%
Other						
Advertising and public relations	**153**	125	22%	**278**	241	15%
Audit and other fees	**8**	11	-27%	**19**	18	6%
Non-lending losses, frauds and forgeries	**25**	27	-7%	**52**	54	-4%
Professional fees	**137**	102	34%	**239**	249	-4%
Travel and entertainment expenses	**100**	93	8%	**193**	187	3%
Amortisation and impairment of other intangible assets	**73**	45	62%	**118**	100	18%
Freight, stationery, postage and telephone	**138**	135	2%	**273**	263	4%
Other	**98**	135	-27%	**233**	190	23%
Total other expenses	**732**	673	9%	**1,405**	1,302	8%
Restructuring[1]	**78**	35	large	**113**	85	33%
Total operating expenses	**4,474**	4,286	4%	**8,760**	8,257	6%

1. *Restructuring expenses for the September 2014 full year includes $40 million relating to the restructuring within the International and Institutional Banking segment.*

4. Income tax expense

Reconciliation of the prima facie income tax expense on pre-tax profit with the income tax expense charged in the Income Statement	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Sep 14 v. Mar 14	Sep 14 $M	Sep 13 $M	Sep 14 v. Sep 13
Profit before income tax	**5,587**	4,721	18%	**10,308**	9,077	14%
Prima facie income tax expense at 30%	**1,676**	1,416	18%	**3,092**	2,723	14%
Tax effect of permanent differences:						
Overseas tax rate differential	**(37)**	(59)	-37%	**(96)**	(41)	large
Rebateable and non-assessable dividends	**(1)**	(1)	0%	**(2)**	(4)	-50%
Profit from associates	**(81)**	(74)	9%	**(155)**	(144)	8%
Writedown of investment in SSI	**-**	-	n/a	**-**	8	-100%
Sale of ANZ Trustees and SSI	**(11)**	-	n/a	**(11)**	-	n/a
Offshore Banking Unit	**6**	(1)	large	**5**	(6)	large
Global Wealth - Policyholder income and contributions tax	**149**	21	large	**170**	261	-35%
Global Wealth - Tax consolidation adjustment	**-**	-	n/a	**-**	(50)	-100%
Tax provisions no longer required	**(25)**	(25)	0%	**(50)**	(4)	large
Interest on Convertible Instruments	**39**	32	22%	**71**	58	22%
Other	**(14)**	14	large	**-**	(46)	-100%
	1,701	1,323	29%	**3,024**	2,755	10%
Income tax under/(over) provided in previous years	**1**	-	n/a	**1**	2	-50%
Total income tax expense charged in the income statement	**1,702**	1,323	29%	**3,025**	2,757	10%
Australia	**1,251**	885	41%	**2,136**	2,078	3%
Overseas	**451**	438	3%	**889**	679	31%
	1,702	1,323	29%	**3,025**	2,757	10%
Effective Tax Rate - Group	**30.5%**	28.0%		**29.3%**	30.4%	

5. Dividends

	Half Year			Full Year		
Dividend per ordinary share (cents)	**Sep 14**	**Mar 14**	**Movt**	**Sep 14**	**Sep 13**	**Movt**
Interim (fully franked)	**n/a**	83	n/a	**83**	73	14%
Final (fully franked)	**95**	n/a	n/a	**95**	91	4%
Total	**95**	83	14%	**178**	164	9%
Ordinary share dividend ($M)[1]						
Interim dividend	**2,278**	-	n/a	**2,278**	2,003	14%
Final dividend	**-**	2,497	n/a	**2,497**	2,150	16%
Bonus option plan adjustment	**(39)**	(42)	-7%	**(81)**	(71)	14%
Total[2]	**2,239**	2,455	-9%	**4,694**	4,082	15%
Ordinary share dividend payout ratio (%)[3]	**67.6%**	67.2%		**67.4%**	71.4%	

1. *Dividends paid to ordinary equity holders of the Company. Excludes dividends payable by subsidiaries of the Group to non-controlling equity holders (Sep 14 half: nil, Mar 14 half: $1 million; Sep 13 full year: $1 million).*
2. *Dividends payable are not accrued and are recorded when paid.*
3. *Dividend payout ratio is calculated using proposed 2014 final dividend of $2,619 million (not shown in the above table). The proposed 2014 final dividend of $2,619 million is based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the March 2014 half and September 2013 full year are calculated using actual dividend paid of $2,278 million and $4,500 million respectively. Dividend payout ratio is calculated by adjusting profit attributable to shareholders of the company by the amount of preference share dividends paid.*

Ordinary Shares

The Directors propose that a final dividend of 95 cents be paid on each eligible fully paid ANZ ordinary share on 16 December 2014. The proposed 2014 final dividend will be fully franked for Australian tax purposes and New Zealand imputation credits of NZD 12 cents per ordinary share will also be attached.

ANZ has a Dividend Reinvestment Plan (DRP) and a Bonus Option Plan (BOP) that will operate in respect of the proposed 2014 final dividend. For the 2014 final dividend, ANZ intends to provide shares under the DRP and BOP through the issue of new shares. The “Acquisition Price” to be used in determining the number of shares to be provided under the DRP and BOP will be calculated by reference to the arithmetic average of the daily volume weighted average sale price of all fully paid ANZ ordinary shares sold in the ordinary course of trading on the ASX during the ten trading days commencing on 14 November 2014, and then rounded to the nearest whole cent. Shares provided under the DRP and BOP will rank equally in all respects with existing fully paid ANZ ordinary shares. Election notices from shareholders wanting to commence, cease or vary their participation in the DRP or BOP for the 2014 final dividend must be received by ANZ's Share Registrar by 5.00pm (Australian Eastern Daylight Time) on 12 November 2014.

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 14 November 2014.

Preference Shares

	Half Year			Full Year		
	Sep 14	**Mar 14**	**Movt**	**Sep 14**	**Sep 13**	**Movt**
Preference share dividend ($M)						
Euro Trust Securities	**3**	3	0%	**6**	6	0%
Dividend per preference share						
Euro Trust Securities	**€ 4.72**	€ 4.60	3%	**€ 9.32**	€ 8.82	6%

6. Earnings per share

	Half Year			Full Year		
	Sep 14	**Mar 14**	**Movt**	**Sep 14**	**Sep 13**	**Movt**
Number of fully paid ordinary shares on issue (M)[1]	**2,756.6**	2,744.1	0%	**2,756.6**	2,743.7	0%
Basic						
Profit attributable to shareholders of the Company ($M)	**3,879**	3,392	14%	**7,271**	6,310	15%
Less Preference share dividends ($M)	**(3)**	(3)	0%	**(6)**	(6)	0%
Profit less preference share dividends ($M)	**3,876**	3,389	14%	**7,265**	6,304	15%
Weighted average number of ordinary shares (M)[2]	**2,724.2**	2,715.2	0%	**2,719.7**	2,709.4	0%
Basic earnings per share (cents)	**142.3**	124.8	14%	**267.1**	232.7	15%
Diluted						
Profit less preference share dividends ($M)	**3,876**	3,389	14%	**7,265**	6,304	15%
Interest on US Trust Securities ($M)[3]	**-**	7	-100%	**7**	31	-77%
Interest on ANZ Convertible Preference Shares ($M)[4]	**70**	85	-18%	**155**	186	-17%
Interest on ANZ Capital Notes ($M)[5]	**57**	24	large	**81**	7	large
Profit attributable to shareholders of the Company excluding interest on US Trust Securities, ANZ Convertible Preference Shares and ANZ Capital Notes ($M)	**4,003**	3,505	14%	**7,508**	6,528	15%
Weighted average number of shares on issue (M)[2]	**2,724.2**	2,715.2	0%	**2,719.7**	2,709.4	0%
Weighted average number of convertible options (M)	**5.5**	5.0	10%	**5.5**	5.0	10%
Weighted average number of convertible US Trust Securities (M)[3]	**-**	16.8	-100%	**6.1**	27.5	-78%
Weighted average number of ANZ Convertible Preference Shares (M)[4]	**113.8**	134.5	-15%	**127.5**	144.6	-12%
Weighted average number of convertible ANZ Capital Notes (M)[5]	**89.2**	34.5	large	**63.1**	5.5	large
Adjusted weighted average number of shares - diluted (M)[6]	**2,932.7**	2,906.0	1%	**2,921.9**	2,892.0	1%
Diluted earnings per share (cents)	**136.5**	120.6	13%	**257.0**	225.7	14%

1. *Number of fully paid ordinary shares on issue includes Treasury shares of 25.6 million at 30 September 2014 (Mar 14: 26.9 million; Sep 13: 28.4 million), comprised of 13.8 million in ANZEST Pty Ltd (Mar 14: 14.3 million; Sep 13: 15.8 million) and 11.8 million Treasury shares held in Global Wealth (Mar 2014: 12.6 million; Sep 2013: 12.6 million).*
2. *Weighted average number of ordinary shares excludes 14.5 million weighted average number of ordinary Treasury shares held in ANZEST Pty Ltd (Mar 14: 15.0 million; Sep 13: 16.4 million) for the group employee share acquisition scheme and 12.5 million weighted average number of ordinary Treasury shares held in Global Wealth (Mar 14: 12.8 million; Sep 13: 12.7 million).*
3. *The US Trust Securities (issued on 27 November 2003) were due to convert to ANZ ordinary shares in 2053 at the market price of ANZ ordinary shares less 5% unless redeemed or bought back prior to that date. The US Trust Securities were redeemed by ANZ for cash at face value on 16 December 2013.*
4. *There are three "tranches" of convertible preference shares. The first are convertible preference shares (CPS1) issued on 30 September 2008 which were convertible to ANZ ordinary shares on 16 June 2014 (unless redeemed prior to that date) at the market price of ANZ ordinary shares less 2.5%. On 31 March 2014, 6.3 million CPS1 were cancelled and re-invested in ANZ Capital Notes 2 (CN2) issued on that date and on 16 June 2014, 4.5 million CPS1 were redeemed by ANZ for cash at face value. The second are convertible preference shares (CPS2) issued on 17 December 2009 that convert to ordinary shares on 15 December 2016 at the market price of ANZ ordinary shares less 1.0% (subject to certain conversion conditions). The third are convertible preference shares (CPS3) issued on 28 September 2011 that convert to ordinary shares on 1 September 2019 at the market price of ANZ ordinary shares less 1.0% (subject to certain conversion conditions).*
5. *There are two "tranches" of ANZ Capital Notes. The first are ANZ Capital Notes 1 (CN1) issued on 7 August 2013 which convert to ANZ ordinary shares on 1 September 2023 at the market price of ANZ ordinary shares less 1.0% (subject to certain market conditions). The second are ANZ Capital Notes 2 (CN2) issued on 31 March 2014 which convert to ANZ ordinary shares on 24 March 2024 at the market price of ANZ ordinary shares less 1.0% (subject to certain market conditions).*
6. *The earnings per share calculation excludes the Euro Trust Securities (Preference Shares).*

7. Net loans and advances

	As at ($M)			Movement	
	Sep 14	Mar 14	Sep 13	Sep 14 v. Mar 14	Sep 14 v. Sep 13
Australia					
Overdrafts	**6,199**	5,756	6,400	8%	-3%
Credit card outstandings	**8,791**	8,852	8,847	-1%	-1%
Commercial bills outstanding	**11,684**	12,224	13,855	-4%	-16%
Term loans - housing	**209,122**	201,396	194,755	4%	7%
Term loans - non-housing	**111,902**	106,967	99,162	5%	13%
Lease receivables	**1,481**	1,563	1,597	-5%	-7%
Hire purchase	**1,492**	1,764	2,118	-15%	-30%
Other	**56**	490	80	-89%	-30%
	350,727	339,012	326,814	3%	7%
Asia Pacific, Europe & America					
Overdrafts	**1,312**	1,456	1,239	-10%	6%
Credit card outstandings	**1,241**	1,135	1,103	9%	13%
Commercial bills outstanding	**3,343**	2,431	2,681	38%	25%
Term loans - housing	**6,639**	6,063	5,737	10%	16%
Term loans - non-housing	**66,106**	65,115	58,927	2%	12%
Lease receivables	**177**	140	147	26%	20%
Other	**264**	121	303	large	-13%
	79,082	76,461	70,137	3%	13%
New Zealand					
Overdrafts	**1,118**	1,221	1,194	-8%	-6%
Credit card outstandings	**1,408**	1,430	1,297	-2%	9%
Term loans - housing	**55,627**	57,254	52,785	-3%	5%
Term loans - non-housing	**35,316**	35,790	33,526	-1%	5%
Lease receivables	**247**	295	312	-16%	-21%
Hire purchase	**746**	720	642	4%	16%
Other	**112**	117	111	-4%	1%
	94,574	96,827	89,867	-2%	5%
Total gross loans and advances	**524,383**	512,300	486,818	2%	8%
Less: Provision for credit impairment (refer Note 8)	**(3,933)**	(4,313)	(4,354)	-9%	-10%
Less: Unearned income	**(892)**	(922)	(954)	-3%	-6%
Add: Capitalised brokerage/mortgage origination fees[1]	**1,043**	1,000	942	4%	11%
Add: Customers' liabilities for acceptances	**1,151**	1,185	812	-3%	42%
	(2,631)	(3,050)	(3,554)	-14%	-26%
Total net loans and advances	**521,752**	509,250	483,264	2%	8%

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

8. Provision for credit impairment

	Half Year			Full Year		
Collective provision	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Balance at start of period	**2,843**	2,887	-2%	**2,887**	2,765	4%
Charge/(credit) to income statement	**(81)**	(74)	9%	**(155)**	30	large
Adjustment for exchange rate fluctuations	**(5)**	30	large	**25**	92	-73%
Total collective provision[1]	**2,757**	2,843	-3%	**2,757**	2,887	-5%
Individual provision						
Balance at start of period	**1,470**	1,467	0%	**1,467**	1,773	-17%
New and increased provisions	**846**	966	-12%	**1,812**	1,889	-4%
Write-backs	**(190)**	(257)	-26%	**(447)**	(487)	-8%
Adjustment for exchange rate fluctuations	**(4)**	12	large	**8**	51	-84%
Discount unwind	**(35)**	(30)	17%	**(65)**	(102)	-36%
Bad debts written-off	**(911)**	(688)	32%	**(1,599)**	(1,657)	-4%
Total individual provision	**1,176**	1,470	-20%	**1,176**	1,467	-20%
Total provision for credit impairment	**3,933**	4,313	-9%	**3,933**	4,354	-10%

1. *The collective provision includes amounts for off-balance sheet credit exposures of $613 million at 30 September 2014 (Mar 14: $597 million; Sep 13: $595 million). The impact on the income statement for the full year ended 30 September 2014 was a $1 million charge (Mar 14 half: $8 million release; Sep 13 full year: $37 million charge).*

	Half Year			Full Year		
Provision movement analysis	**Sep 14 $M**	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
New and increased provisions						
Australia	**604**	688	-12%	**1,292**	1,304	-1%
Asia Pacific, Europe & America	**94**	152	-38%	**246**	275	-11%
New Zealand	**148**	126	17%	**274**	310	-12%
	846	966	-12%	**1,812**	1,889	-4%
Write-backs	**(190)**	(257)	-26%	**(447)**	(487)	-8%
	656	709	-7%	**1,365**	1,402	-3%
Recoveries of amounts previously written-off	**(116)**	(108)	7%	**(224)**	(247)	-9%
Individual credit impairment charge for loans and advances	**540**	601	-10%	**1,141**	1,155	-1%
Impairment on available-for-sale assets	**-**	-	n/a	**-**	3	-100%
Collective credit impairment charge/(credit) to income statement	**(81)**	(74)	9%	**(155)**	30	large
Credit impairment charge	**459**	527	-13%	**986**	1,188	-17%

	As at ($M)			Movement	
Individual provision balance	**Sep 14**	**Mar 14**	**Sep 13**	**Sep 14 v. Mar 14**	**Sep 14 v. Sep 13**
Australia	**740**	941	944	-21%	-22%
Asia Pacific, Europe & America	**236**	296	262	-20%	-10%
New Zealand	**200**	233	261	-14%	-23%
Total individual provision	**1,176**	1,470	1,467	-20%	-20%
Collective provision balance					
Australia	**1,829**	1,887	1,862	-3%	-2%
Asia Pacific, Europe & America	**515**	492	530	5%	-3%
New Zealand	**413**	464	495	-11%	-17%
Total collective provision	**2,757**	2,843	2,887	-3%	-5%

9. Deposits and other borrowings

	As at ($M)			Movement	
	Sep 14	**Mar 14**	**Sep 13**	**Sep 14 v. Mar 14**	**Sep 14 v. Sep 13**
Australia					
Certificates of deposit	**49,446**	51,217	51,448	-3%	-4%
Term deposits	**78,779**	77,900	80,297	1%	-2%
Other deposits bearing interest and other borrowings	**142,244**	132,331	121,932	7%	17%
Deposits not bearing interest	**6,845**	6,157	5,701	11%	20%
Deposits from banks	**15,613**	13,617	6,767	15%	large
Commercial paper	**6,237**	8,812	8,015	-29%	-22%
Borrowing corporations' debt	**1**	1	19	0%	-95%
	299,165	290,035	274,179	3%	9%
Asia Pacific, Europe & America					
Certificates of deposit	**2,083**	4,986	4,725	-58%	-56%
Term deposits	**82,956**	79,586	76,259	4%	9%
Other deposits bearing interest and other borrowings	**20,885**	19,077	18,308	9%	14%
Deposits not bearing interest	**4,211**	3,990	3,827	6%	10%
Deposits from banks	**22,540**	22,449	20,314	0%	11%
Commercial paper	**3,516**	2,166	-	62%	n/a
	136,191	132,254	123,433	3%	10%
New Zealand					
Certificates of deposit	**1,226**	1,504	2,103	-18%	-42%
Term deposits	**30,981**	32,686	30,135	-5%	3%
Other deposits bearing interest and other borrowings	**30,330**	29,841	26,419	2%	15%
Deposits not bearing interest	**5,348**	5,468	4,918	-2%	9%
Deposits from banks	**40**	30	160	33%	-75%
Commercial paper	**5,399**	5,063	4,240	7%	27%
Borrowing corporations' debt	**1,399**	1,437	1,328	-3%	5%
	74,723	76,029	69,303	-2%	8%
Total Deposits and other borrowings	**510,079**	498,318	466,915	2%	9%

10. Subordinated debt

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Additional Tier 1 Capital[1]						
US Trust Securities[2]	**-**	-	n/a	**-**	812	-100%
Convertible Preference Shares (ANZ CPS)						
ANZ CPS1[3]	**-**	454	-100%	**-**	1,081	-100%
ANZ CPS2[4]	**1,967**	1,965	0%	**1,967**	1,963	0%
ANZ CPS3[5]	**1,333**	1,331	0%	**1,333**	1,329	0%
ANZ Capital Notes (ANZ CN)						
ANZ CN1[6]	**1,109**	1,107	0%	**1,109**	1,106	0%
ANZ CN2[7]	**1,595**	1,593	0%	**1,595**	-	n/a
Tier 2 Capital[8]						
Perpetual subordinated notes	**1,087**	1,108	-2%	**1,087**	1,065	2%
Subordinated notes	**6,516**	5,668	15%	**6,516**	5,448	20%
Total subordinated debt	**13,607**	13,226	3%	**13,607**	12,804	6%

1. *ANZ Capital Notes are Basel III compliant. APRA has granted transitional capital treatment for ANZ CPS2 and CPS3 until their first conversion date.*
2. *On 27 November 2003, ANZ issued USD 750 million Trust securities which were redeemed on 16 December 2013.*
3. *On 30 September 2008, ANZ issued convertible preference shares (CPS1). $627 million CPS1 were reinvested in ANZ Capital Notes 2 (CN2) on 31 March 2014 and the remaining $454 million CPS1 were bought back on 16 June 2014.*
4. *On 17 December 2009, ANZ issued convertible preference shares (CPS2) which will convert into ANZ ordinary shares on 15 December 2016 at a 1% discount (subject to certain conditions being satisfied).*
5. *On 28 September 2011, ANZ issued convertible preference shares (CPS3) which will convert into ANZ ordinary shares on 1 September 2019 at a 1% discount (subject to certain conditions being satisfied). If ANZ's Common Equity Tier 1 capital ratio is equal to or less than 5.125% then the convertible preference shares will immediately convert into ANZ ordinary shares at a 1% discount subject to a maximum conversion number. Subject to certain conditions, on and from 1 September 2017 the convertible preference shares are redeemable or convertible into ANZ ordinary shares (on similar terms to the mandatory conversion) by ANZ.*
6. *On 7 August 2013, ANZ issued convertible notes (ANZ Capital Notes 1 or CN1) which will convert into ANZ ordinary shares on 1 September 2023 at a 1% discount (subject to certain conditions being satisfied). If ANZ's Common Equity Tier 1 capital ratio is equal to or less than 5.125%, or ANZ receives a notice of non-viability from APRA, then the notes will immediately convert into ANZ ordinary shares at a 1% discount subject to a maximum conversion number. Subject to certain conditions, on and from 1 September 2021 the notes are redeemable or convertible into ANZ ordinary shares (on similar terms to the mandatory conversion) by ANZ.*
7. *On 31 March 2014, ANZ issued convertible notes (ANZ Capital Notes 2 or CN2) which will convert into ANZ ordinary shares on 24 March 2024 at a 1% discount (subject to certain conditions being satisfied). If ANZ's Common Equity Tier 1 capital ratio is equal to or less than 5.125%, or ANZ receives a notice of non-viability from APRA, then the notes will immediately convert into ANZ ordinary shares at a 1% discount subject to a maximum conversion number. Subject to certain conditions, on and from 24 March 2022 the notes are redeemable or convertible into ANZ ordinary shares (on similar terms to the mandatory conversion) by ANZ.*
8. *The convertible subordinated notes are Basel III compliant. APRA has granted transitional capital treatment for all other outstanding subordinated notes until their first call date or, in the case of the perpetual subordinated notes the earlier of the end of the transitional period (January 2021) and the first call date when a step-up event occurs. If ANZ receives a notice of non-viability from APRA, then the notes will immediately convert into ANZ ordinary shares at a 1% discount subject to a maximum conversion number.*

11. Share capital

Issued and quoted securities

	Number quoted	Issue price per share	Amount paid up per share
Ordinary shares			
As at 30 September 2014	2,756,627,771		
Issued during the full year[1,2]	28,861,617		
Bought back during full year[2]	15,889,156		
Preference shares			
As at 30 September 2014			
Euro Trust Securities[3,4]	500,000	€1,000	€1,000

1. *12.4 million ordinary shares were issued under the Dividend Reinvestment Plan and Bonus Option Plan for the 2014 interim dividend.*
2. *The Company issued 16.2 million ordinary shares under the Dividend Reinvestment Plan and Bonus Option Plan for the 2013 final dividend. Following the announcement of the 2013 final dividend, the Company repurchased $500 million of ordinary shares via an on-market share buy-back resulting in 15.9 million ordinary shares being cancelled.*
3. *On 13 December 2004, ANZ issued €500 million Trust Securities each comprising subordinated floating rate notes due 2053 stapled to a preference share. Subject to certain conditions the issuer can buy back securities on or after 15 December 2014. The securities constituted Additional Tier 1 capital as defined by APRA for capital adequacy purposes.*
4. *APRA has granted ANZ transitional Basel 3 Capital treatment for the Euro Trust Securities preference shares until their first call date on 15 December 2014.*

12. Shareholders' equity

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Share capital						
Balance at start of period	**24,400**	24,512	0%	**24,512**	23,941	2%
Ordinary share capital movements						
Dividend reinvestment plan	**375**	476	-21%	**851**	843	1%
Group employee share acquisition scheme[1]	**99**	(88)	large	**11**	116	-91%
Treasury shares in Global Wealth[2]	**26**	(2)	large	**24**	7	large
Group share option scheme	**2**	2	0%	**4**	30	-87%
Group share buyback[3]	**-**	(500)	-100%	**(500)**	(425)	18%
Total share capital	**24,902**	24,400	2%	**24,902**	24,512	2%
Foreign currency translation reserve						
Balance at start of period	**(566)**	(1,125)	-50%	**(1,125)**	(2,831)	-60%
Transfer to the income statement	**48**	(11)	large	**37**	-	n/a
Currency translation adjustments net of hedges	**(87)**	570	large	**483**	1,706	-72%
Total foreign currency translation reserve	**(605)**	(566)	7%	**(605)**	(1,125)	-46%
Share option reserve[4]						
Balance at start of period	**52**	55	-5%	**55**	54	2%
Share based payments/(exercises)	**8**	5	60%	**13**	3	large
Transfer of options/rights lapsed to retained earnings	**-**	(8)	-100%	**(8)**	(2)	large
Total share option reserve	**60**	52	15%	**60**	55	9%

1. *As at 30 September 2014, there were 13.8 million ANZEST Treasury shares outstanding (Mar 14: 14.3 million, Sep 13: 15.8 million). Shares in the Company which are purchased on-market by ANZEST Pty Ltd (trustee of ANZ employee share and option plans) or issued by the Company to ANZEST Pty Ltd are classified as Treasury shares (to the extent that they relate to unvested employee share-based awards).*
2. *As at 30 September 2014, there were 11.8 million Global Wealth Treasury shares outstanding (Mar 14: 12.6 million, Sep 13: 12.6 million). Global Wealth purchases and holds shares in the Company to back policy liabilities. These shares are classified as Treasury shares.*
3. *The Company issued 16.2 million ordinary shares under the Dividend Reinvestment Plan and Bonus Option Plan for the 2013 final dividend. Following the announcement of the 2013 final dividend, the Company repurchased $500 million of ordinary shares via an on-market share buy-back resulting in 15.9 million ordinary shares being cancelled.*
4. *The share option reserve arises on the grant of share options/deferred share rights/performance rights ("options and rights") to selected employees under the ANZ Share Option Plan. Amounts are transferred from the share option reserve to other equity accounts when the options and rights are exercised and to retained earnings when lapsed or forfeited after vesting. Forfeited options and rights due to termination prior to vesting are credited to the income statement.*

12. Shareholders' equity, cont'd

	Half Year			Full Year		
	Sep 14 $M	**Mar 14 $M**	**Movt**	**Sep 14 $M**	**Sep 13 $M**	**Movt**
Available-for-sale revaluation reserve[5]						
Balance at start of period	**151**	121	25%	**121**	94	29%
Gain/(loss) recognised	**7**	62	-89%	**69**	(6)	large
Transferred to income statement	**2**	(32)	large	**(30)**	33	large
Total available-for-sale revaluation reserve	**160**	151	6%	**160**	121	32%
Cash flow hedge reserve[6]						
Balance at start of period	**62**	75	-17%	**75**	208	-64%
Gain/(loss) recognised	**117**	-	n/a	**117**	(133)	large
Transferred to income statement	**(10)**	(13)	-23%	**(23)**	-	n/a
Total hedging reserve	**169**	62	large	**169**	75	large
Transactions with non-controlling interests reserve						
Balance at start of period	**(33)**	(33)	0%	**(33)**	(23)	43%
Transfer to the income statement	**10**	-	n/a	**10**	(10)	large
Total transactions with non-controlling interests reserve	**(23)**	(33)	-30%	**(23)**	(33)	-30%
Total reserves	**(239)**	(334)	-28%	**(239)**	(907)	-74%
Retained earnings						
Balance at start of period	**22,905**	21,936	4%	**21,936**	19,728	11%
Restatement (refer Note 1)	**-**	-	n/a	**-**	(17)	-100%
Restated balance at beginning of period	**22,905**	21,936	4%	**21,936**	19,711	11%
Profit attributable to shareholders of the Company	**3,879**	3,392	14%	**7,271**	6,310	15%
Transfer of options/rights lapsed from share option reserve	**-**	8	-100%	**8**	2	large
Total available for appropriation	**26,784**	25,336	6%	**29,215**	26,023	12%
Remeasurement gain/(loss) on defined benefit plans	**6**	26	-77%	**32**	25	28%
Fair value gain/(loss) attributable to changes in own credit risk of financial liabilites designated at fair value	**(14)**	(11)	27%	**(25)**	(44)	-43%
Ordinary share dividend paid	**(2,239)**	(2,455)	-9%	**(4,694)**	(4,082)	15%
Dividend income on Treasury shares held within the Group's life insurance statutory funds	**10**	12	-17%	**22**	20	10%
Preference share dividend paid	**(3)**	(3)	0%	**(6)**	(6)	0%
Retained earnings at end of period	**24,544**	22,905	7%	**24,544**	21,936	12%
Share capital and reserves attributable to shareholders of the Company	**49,207**	46,971	5%	**49,207**	45,541	8%
Non-controlling interests	**77**	67	15%	**77**	62	24%
Total shareholders' equity	**49,284**	47,038	5%	**49,284**	45,603	8%

5. *The available-for-sale revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold or impaired, that portion of the reserve which relates to that financial asset is recognised in the income statement.*

6. *The cash flow hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in the income statement when the hedged transaction impacts profit or loss.*

13. Note to the Cash Flow Statement

	Full Year	
	Sep 14 $M	Sep 13 $M
Reconciliation of cash and cash equivalents		
Cash and cash equivalents at the end of the period as shown in the cash flow statement are reflected in the related items in the balance sheet as follows:		
Cash	**32,559**	25,270
Settlement balances owed to ANZ	**15,670**	15,841
	48,229	41,111

14. Changes in composition of the Group

On 4 July 2014, the Group disposed of its ownership interest in ANZ Trustees Limited. The contribution to Group profit after tax for the period (1 October 2013 to 4 July 2014) from ordinary activities was $3.7 million (for the year ended 30 September 2013 was $4.7 million). There were no other material entities acquired or disposed of during the years ended 30 September 2014 and 2013.

15. Investments in Associates

	Half Year			Full Year		
	Sep 14 $M	Mar 14 $M	Movt	Sep 14 $M	Sep 13 $M	Movt
Share of associates' profit	**270**	247	9%	**517**	482	7%

Contributions to profit[1]

Associates	Contribution to Group profit after tax				Ownership interest held by Group		
	Half Year		Full Year		As at		
	Sep 14 $M	Mar 14 $M	Sep 14 $M	Sep 13 $M	Sep 14 %	Mar 14 %	Sep 13 %
P.T. Bank Pan Indonesia	**46**	40	**86**	84	**39**	39	39
Bank of Tianjin[2,3]	**39**	56	**95**	93	**14**	14	18
AMMB Holdings Berhad	**88**	67	**155**	133	**24**	24	24
Shanghai Rural Commercial Bank	**74**	68	**142**	143	**20**	20	20
Other associates	**23**	16	**39**	29	**n/a**	n/a	n/a
Share of associates' profit	**270**	247	**517**	482			

1. *Contributions to profit reflect the IFRS equivalent results adjusted to align with the Group's financial year end which may differ from the published results of these entities. Excludes gains or losses on disposal or valuation adjustments.*
2. *Significant influence was established via representation on the Board of Directors.*
3. *The Group did not participate in a rights issue during the March 2014 half, and as a result the Group's interest was reduced to 14%.*

16. 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.

Note 43 of the 2014 ANZ Annual Financial Statements (when released) will contain a description of contingent liabilities and contingent assets as at 30 September 2014. A summary of some of those contingent liabilities is set out below.

- **Bank fees litigation**

  Litigation funder Bentham IMF Limited commenced a class action against ANZ in 2010, followed by a second similar class action in March 2013. Together the class actions are claimed to be on behalf of more than 40,000 ANZ customers.

  On 5 February 2014, the Federal Court delivered reasons for judgment in the second class action. The first class action is in abeyance. The customers currently involved in these class actions are only part of ANZ's customer base for credit cards and transaction accounts.

  The applicants contended that the relevant exception fees were unenforceable penalties (at law and in equity) and that various of the fees were also unenforceable under statutory provisions governing unconscionable conduct, unfair contract terms and unjust transactions. On the penalties claims, the Court found in ANZ's favour in relation to all but one of the fee types that were in issue in the case, namely honour fees (retail and business), dishonour fees (business), overlimit and non-payment fees. The Court found against ANZ in respect of late payment fees on the basis that they were unenforceable penalties. In respect of the claims of unconscionable conduct, unfair contract terms and unjust transactions, the Court found in ANZ's favour. Both ANZ and the applicants appealed the Court's decision. The appeal hearing was held in August 2014. The appeal court is yet to give a decision. Given the complexity of the issues involved, the potential for the parties to seek further appeals and the possible need for certain issues to be remitted for further consideration by the court below, the ultimate implications of the appeal court's decision (when made) may not be known for some time.

  In August 2014, litigation funder Bentham IMF Limited commenced a separate class action against ANZ for late payment fees charged to ANZ customers in respect of commercial credit cards and other ANZ products (at this stage not specified). The action is expressed to apply to all relevant customers, rather than being limited to those who have signed up with Bentham IMF Limited. The action is at an early stage and has been put on hold while the appeal court decision in the earlier class action is outstanding.

  In June 2013, litigation funder Litigation Lending Services (NZ) commenced a representative action against ANZ for certain fees charged to New Zealand customers since 2007. There is a risk that further claims could emerge in Australia, New Zealand or elsewhere.

- **Security recovery actions**

  Various claims have been made or are anticipated, arising from security recovery actions taken to resolve impaired assets over recent years. ANZ will defend these claims and any future claims.

17. Changes to comparatives

Certain amounts reported as comparative information have changed as a result of the adoption of new accounting standards or being reclassified to conform with current period financial statement presentations.

The following changes have been made:

- **Balance Sheet reclassification**

  During the period, the classification of the Balance Sheet and Cash Flow Statement has changed to more consistently reflect the nature of the financial assets and liabilities. Prior to this reclassification, the Balance Sheet was classified according to both nature and counterparty. The key changes include:

  Assets

  - Securities purchased under agreements to resell in less than three months previously reported in Liquid assets are now classified as Cash.
  - Money at call, bills receivable and remittances in transit previously reported in Liquid assets are now classified as either Cash, Settlement balances owed to ANZ or Net loans and advances depending on the nature of the asset.
  - Loans to other banks previously reported in Due from other financial institutions are now classified as Net loans and advances.
  - Collateral paid previously reported in Due from other financial institutions is now classified separately.
  - Issued security settlements previously reported in Other assets are now classified as Settlement balances owed to ANZ.

  Liabilities

  - Loans from other banks previously reported in Due to other financial institutions are now classified as Deposits and other borrowings.
  - Collateral received previously reported in Due to other financial institutions is now classified separately.
  - Issued security settlements previously reported in Other liabilities are now classified as Settlement balances owed by ANZ.

- **Cash Flow Statement**

  The Group restated line items in the Cash Flow Statement to align with the revised balance sheet classifications discussed above. In addition, loans and advances with financial institution counterparties with original maturities of less than 90 days were removed from the definition of 'cash equivalents' (as presented in the Cash Flow Statement). These balances now form part of Net loans and advances in the Balance Sheet and the associated cash inflows/outflows form part of cash flows from operating activities. The Group considers that this change better reflects the characteristics of those financial instruments.

- **Employee benefits**

  The adoption of the revised AASB119 has resulted in changes to the measurement of the Group's defined benefit obligations.

- **Own credit risk of financial liabilities designated at fair value**

  The early application of the own credit requirements in AASB 9 has resulted in the fair value loss attributable to own credit risk of financial liabilities designated at fair value being reclassified from other operating income to other comprehensive income. This has resulted in a restatement of the Income Statement and the Statement of Comprehensive Income with no impact on the Balance Sheet.

- **Business taxes reported in Asia**

  During the period business taxes which were previously reported as a contra to revenue were classified as expenses to better reflect the nature of the transaction.

The impact of these changes to the primary financial statements are set out below:

	Half Year ($M) March 2014		
	Previously reported	**Own credit risk**	**Currently reported**
Net interest income	6,778	-	6,778
Other operating income	2,740	16	2,756
Operating income	9,518	16	9,534
Operating expenses	(4,286)	-	(4,286)
Profit before credit impairment and income tax	5,232	16	5,248
Provision for credit impairment	(527)	-	(527)
Profit before income tax	4,705	16	4,721
Income tax expense and non-controlling interests	(1,324)	(5)	(1,329)
Profit attributable to shareholders of the Company	**3,381**	**11**	**3,392**
Other comprehensive income net of tax attributable to shareholders of the Company	602	(11)	591
Total comprehensive income attributable to shareholders of the Company	**3,983**	**-**	**3,983**

Assets	As at ($M) September 2013 Previously reported	Balance sheet reclassification	Employee benefits	Currently reported
Liquid assets	39,737	(39,737)	-	-
Due from other financial institutions	22,177	(22,177)	-	-
Cash	-	25,270	-	25,270
Settlement balances owed to ANZ	-	19,225	-	19,225
Collateral paid	-	6,530	-	6,530
Available-for-sale assets	28,135	142	-	28,277
Net loans and advances	469,295	13,969	-	483,264
Deferred tax assets	721	-	4	725
Other assets	7,574	(3,222)	-	4,352
All other assets	135,352	-	-	135,352
Total assets	**702,991**	**-**	**4**	**702,995**
Liabilities				
Due to other financial institutions	36,306	(36,306)	-	-
Settlement balances owed by ANZ	-	8,695	-	8,695
Collateral received	-	3,921	-	3,921
Deposits and other borrowings	439,674	27,241	-	466,915
Payables and other liabilities	12,594	(3,551)	16	9,059
All other liabilities	168,802	-	-	168,802
Total liabilities	**657,376**	**-**	**16**	**657,392**
Net assets	45,615	-	(12)	45,603
Retained earnings	21,948	-	(12)	21,936
All other equity	23,667	-	-	23,667
Total shareholders' equity	**45,615**	**-**	**(12)**	**45,603**

	Full Year ($M) September 2013 Previously reported	Business tax restatement	Employee benefits	Own credit risk	Currently reported
Net interest income	12,758	-	-	-	12,758
Other operating income	5,688	13	-	63	5,764
Operating income	18,446	13	-	63	18,522
Operating expenses	(8,236)	(13)	(8)	-	(8,257)
Profit before credit impairment and income tax	10,210	-	(8)	63	10,265
Provision for credit impairment	(1,188)	-	-	-	(1,188)
Profit before income tax	9,022	-	(8)	63	9,077
Income tax expense and non-controlling interests	(2,750)	-	2	(19)	(2,767)
Profit attributable to shareholders of the Company	**6,272**	**-**	**(6)**	**44**	**6,310**
Other comprehensive income net of tax attributable to shareholders of the Company	1,614	-	11	(44)	1,581
Total comprehensive income attributable to shareholders of the Company	**7,886**	**-**	**5**	**-**	**7,891**

	Full Year ($M) September 2013 Previously reported Inflows (Outflows)	Reclassification	Currently reported Inflows (Outflows)
Net cash provided by/(used in) operating activities	17,606	(1,439)	16,167
Net cash provided by/(used in) investing activities	(7,607)	-	(7,607)
Net cash provided by/(used in) financing activities	(4,096)	-	(4,096)
Net increase/(decrease) in cash and cash equivalents	5,903	(1,439)	4,464
Cash and cash equivalents at beginning of period	41,450	(5,943)	35,507
Effects of exchange rate changes on cash and cash equivalents	1,670	(530)	1,140
Cash and cash equivalents at end of period	**49,023**	**(7,912)**	**41,111**

	As at ($M) 1 October 2012			
Assets	**Previously reported**	**Balance sheet reclassification**	**Employee benefits**	**Currently reported**
Liquid assets	36,578	(36,578)	-	-
Due from other financial institutions	17,103	(17,103)	-	-
Cash	-	25,143	-	25,143
Settlement balances owed to ANZ	-	14,016	-	14,016
Collateral paid	-	6,878	-	6,878
Available-for-sale assets	20,562	79	-	20,641
Net loans and advances	427,823	8,804	-	436,627
Deferred tax assets	785	-	7	792
Other assets	5,623	(1,239)	-	4,384
All other assets	133,653	-	-	133,653
Total assets	**642,127**	**-**	**7**	**642,134**
Liabilities				
Due to other financial institutions	30,538	(30,538)	-	-
Settlement balances owed by ANZ	-	5,416	-	5,416
Collateral received	-	2,531	-	2,531
Deposits and other borrowings	397,123	23,690	-	420,813
Payables and other liabilities	10,109	(1,099)	24	9,034
All other liabilities	163,137	-	-	163,137
Total liabilities	**600,907**	**-**	**24**	**600,931**
Net assets	41,220	-	(17)	41,203
Retained earnings	19,728	-	(17)	19,711
All other equity	21,492	-	-	21,492
Total shareholders' equity	**41,220**	**-**	**(17)**	**41,203**

18. Significant events since balance date

There have been no significant events from 30 September 2014 to the date of signing of this report.

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CONTENTS

Section 9 – Supplementary information

Capital management

		Half Year			Movement	
Qualifying Capital		**Sep 14 $M**	**Mar 14 $M**	**Sep 13 $M**	**Sep 14 v. Mar 14**	**Sep 14 v. Sep 13**
Tier 1						
Shareholders' equity and non-controlling interests		**49,284**	47,038	45,603	5%	8%
Prudential adjustments to shareholders' equity	Table 1	**(1,211)**	(1,071)	(932)	13%	30%
Gross Common Equity Tier 1 capital		**48,073**	45,967	44,671	5%	8%
Deductions	Table 2	**(16,297)**	(15,947)	(15,892)	2%	3%
Common Equity Tier 1 capital		**31,776**	30,020	28,779	6%	10%
Additional Tier 1 capital	Table 3	**6,825**	7,279	6,401	-6%	7%
Tier 1 capital		**38,601**	37,299	35,180	3%	10%
Tier 2 capital	Table 4	**7,138**	6,335	6,190	13%	15%
Total qualifying capital		**45,739**	43,634	41,370	5%	11%
Capital adequacy ratios						
Common Equity Tier 1		**8.8%**	8.3%	8.5%		
Tier 1		**10.7%**	10.3%	10.4%		
Tier 2		**2.0%**	1.8%	1.8%		
Total		**12.7%**	12.1%	12.2%		
Risk weighted assets	Table 5	**361,529**	360,740	339,265	0%	7%

Capital management, cont'd

	As at			Movement	
	Sep 14 $M	Mar 14 $M	Sep 13 $M	Sep 14 v. Mar 14	Sep 14 v. Sep 13
Table 1: Prudential adjustments to shareholders' equity					
Treasury shares attributable to ANZ Wealth policy holders	**249**	275	273	-9%	-9%
Reclassification of preference share capital	**(871)**	(871)	(871)	0%	0%
Accumulated retained profits and reserves of insurance and funds management entities	**(794)**	(727)	(583)	9%	36%
Deferred fee revenue including fees deferred as part of loan yields	**392**	391	381	0%	3%
Available-for-sale reserve attributable to deconsolidated subsidiaries	**(105)**	(81)	(90)	30%	17%
Other	**(82)**	(58)	(42)	41%	95%
Total	**(1,211)**	(1,071)	(932)	13%	30%
Table 2: Deductions from Common Equity Tier 1 capital					
Unamortised goodwill & other intangibles (excluding ANZ Wealth Australia and New Zealand)	**(3,995)**	(4,126)	(3,970)	-3%	1%
Intangible component of investments in ANZ Wealth Australia and New Zealand	**(2,096)**	(2,107)	(2,096)	-1%	0%
Capitalised software	**(2,401)**	(2,252)	(2,102)	7%	14%
Capitalised expenses including loan and lease origination fees	**(1,099)**	(1,058)	(979)	4%	12%
Applicable deferred net tax assets	**(809)**	(934)	(1,102)	-13%	-27%
Expected losses in excess of eligible provisions	**(240)**	(145)	(376)	66%	-36%
Investment in other insurance and funds management subsidiaries	**(402)**	(428)	(453)	-6%	-11%
Investment in ANZ Wealth Australia and New Zealand	**(979)**	(984)	(1,059)	-1%	-8%
Investment in banking associates	**(3,811)**	(3,565)	(3,361)	7%	13%
Other deductions	**(465)**	(348)	(394)	34%	18%
Total	**(16,297)**	(15,947)	(15,892)	2%	3%
Table 3: Additional Tier 1 capital					
Convertible Preference Shares					
ANZ CPS1	**-**	454	1,081	-100%	-100%
ANZ CPS2	**1,967**	1,965	1,963	0%	0%
ANZ CPS3	**1,333**	1,331	1,329	0%	0%
ANZ Capital Notes 1	**1,109**	1,107	1,106	0%	0%
ANZ Capital Notes 2	**1,595**	1,593	-	0%	n/a
Preference Shares	**871**	871	871	0%	0%
Hybrid Securities	**-**	-	812	n/a	-100%
Regulatory adjustments and deductions	**(50)**	(42)	(78)	19%	-36%
Transitional adjustments	**-**	-	(683)	n/a	-100%
Total	**6,825**	7,279	6,401	-6%	7%
Table 4: Tier 2 capital					
General reserve for impairment of financial assets	**228**	212	245	8%	-7%
Perpetual subordinated notes	**1,087**	1,108	1,065	-2%	2%
Subordinated debt	**6,516**	5,668	5,448	15%	20%
Regulatory adjustments and deductions	**(399)**	(354)	(340)	13%	17%
Transitional adjustments	**(294)**	(299)	(228)	-2%	29%
Total	**7,138**	6,335	6,190	13%	15%

Table 5: Risk weighted assets	As at Sep 14 $M	As at Mar 14 $M	As at Sep 13 $M	Movement Sep 14 v. Mar 14	Movement Sep 14 v. Sep 13
On balance sheet	**221,147**	217,606	208,326	2%	6%
Commitments	**53,140**	53,777	47,809	-1%	11%
Contingents	**14,658**	12,903	11,184	14%	31%
Derivatives	**19,940**	21,042	20,332	-5%	-2%
Total credit risk	**308,885**	305,328	287,651	1%	7%
Market risk - Traded	**7,048**	7,104	4,303	-1%	64%
Market risk - IRRBB	**13,627**	16,359	18,287	-17%	-25%
Operational risk	**31,969**	31,949	29,024	0%	10%
Total risk weighted assets	**361,529**	360,740	339,265	0%	7%

Table 6: Credit risk weighted assets by Basel asset class	As at Sep 14 $M	As at Mar 14 $M	As at Sep 13 $M	Movement Sep 14 v. Mar 14	Movement Sep 14 v. Sep 13
Subject to Advanced IRB approach					
Corporate	**129,087**	123,743	121,586	4%	6%
Sovereign	**4,923**	4,545	4,360	8%	13%
Bank	**20,329**	20,269	16,270	0%	25%
Residential mortgage	**50,068**	50,426	47,559	-1%	5%
Qualifying revolving retail (credit cards)	**7,546**	7,260	7,219	4%	5%
Other retail	**26,858**	26,416	24,328	2%	10%
Credit risk weighted assets subject to Advanced IRB approach	**238,811**	232,659	221,322	3%	8%
Credit risk specialised lending exposures subject to slotting criteria	**29,505**	28,522	27,640	3%	7%
Subject to Standardised approach					
Corporate	**23,121**	26,255	19,285	-12%	20%
Residential mortgage	**2,344**	1,966	1,922	19%	22%
Qualifying revolving retail (credit cards)	**1,908**	1,796	1,728	6%	10%
Other retail	**1,081**	1,073	985	1%	10%
Credit risk weighted assets subject to Standardised approach	**28,454**	31,090	23,920	-8%	19%
Credit Valuation Adjustment and Qualifying Central Counterparties	**7,394**	8,065	8,501	-8%	-13%
Credit risk weighted assets relating to securitisation exposures	**1,030**	1,253	2,724	-18%	-62%
Other assets	**3,691**	3,739	3,544	-1%	4%
Total credit risk weighted assets	**308,885**	305,328	287,651	1%	7%

Capital management, cont'd

Table 7: Collective provision and regulatory expected loss by division	Collective Provision Sep 14 $M	Collective Provision Mar 14 $M	Collective Provision Sep 13 $M	Regulatory Expected Loss Sep 14 $M	Regulatory Expected Loss Mar 14 $M	Regulatory Expected Loss Sep 13 $M
Australia	**1,156**	1,152	1,123	**2,446**	2,481	2,393
International and Institutional Banking	**1,257**	1,265	1,310	**1,329**	1,570	1,046
New Zealand	**330**	372	399	**718**	784	763
Global Wealth	**10**	11	12	**13**	14	21
Other	**4**	43	43	**-**	-	19
Collective provision and regulatory expected loss	**2,757**	2,843	2,887	**4,506**	4,849	4,242

Table 8: Expected loss in excess of eligible provisions	As at ($M) Sep 14 $M	As at ($M) Mar 14 $M	As at ($M) Sep 13 $M	Movement Sep 14 v. Mar 14	Movement Sep 14 v. Sep 13
Basel expected loss: non-defaulted	**2,486**	2,476	2,388	0%	4%
Less: Qualifying collective provision				n/a	n/a
Collective provision	**(2,757)**	(2,843)	(2,887)	-3%	-5%
Non-qualifying collective provision	**283**	300	346	-6%	-18%
Standardised collective provision	**228**	212	245	8%	-7%
Non-defaulted excess included in deduction	**240**	145	92	66%	large
Basel expected loss: defaulted	**2,020**	2,373	1,854	-15%	9%
Less: Qualifying individual provision					
Individual provision	**(1,176)**	(1,470)	(1,467)	-20%	-20%
Additional individual provision for partial write offs[1]	**(777)**	(797)	-	-3%	n/a
Standardised individual provision	**150**	153	219	-2%	-32%
Collective provision on advanced defaulted	**(256)**	(275)	(322)	-7%	-20%
	(39)	(16)	284	large	large
Shortfall in expected loss not included in deduction	**39**	16	-	large	n/a
Defaulted excess included in deduction	**-**	-	284	n/a	-100%
Gross deduction	**240**	145	376	66%	-36%

1. *Included in eligible provisions post September 2013 due to a change in RWA calculation methodology.*

Capital management, cont'd

Table 9: APRA Basel 3 Common Equity Tier 1

	Half Year
	Sep 14 vs Mar 14
APRA Basel 3 Common Equity Tier 1	
Cash profit after preference share dividends	+100bps($3.6B)
Risk weighted assets	
Portfolio growth and mix	-13bps
Non-credit risk	+2bps
Capital retention in insurance businesses and associates	-6bps
Capitalised software and intangibles	-5bps
Other items	+6bps
Organic capital generation	**+84bps**
Ordinary share dividends (net of dividend reinvestment plan)	-52bps
Other	+15bps
Total Common Equity Tier 1 movement	**+47bps**
September 2014 APRA Basel 3 Common Equity Tier 1 ratio	**8.8%**

Average balance sheet and related interest

Averages used in the following tables are predominantly daily averages. Interest income figures are presented on a tax-equivalent basis. Impaired loans are included under the interest earning asset category, 'loans and advances'. Intra-group interest earning assets and interest bearing liabilities are treated as external assets and liabilities for the geographic segments. In the March 2014 half, the classification of the balance sheet was amended to more consistently reflect the nature of the financial assets and liabilities. As a result, average balance and related interest comparative information has changed accordingly. Refer to Note 17 of the 2014 Concise Condensed Financial Statements for further information.

	Half Year Sep 14			Half Year Mar 14		
	Ave bal $M	Int $M	Rate %	Ave bal $M	Int $M	Rate %
Interest earning assets						
Settlement balances owed to ANZ						
Australia	**1,124**	**13**	**2.3%**	990	14	2.8%
Asia Pacific, Europe & America	**13,131**	**11**	**0.2%**	12,186	7	0.1%
New Zealand	**13**	**1**	**Lge**	53	1	3.8%
Collateral paid						
Australia	**1,108**	**15**	**2.7%**	1,296	19	2.9%
Asia Pacific, Europe & America	**5,684**	**1**	**0.0%**	1,291	1	0.2%
New Zealand	**764**	**2**	**0.5%**	723	1	0.2%
Regulatory deposits						
Asia Pacific, Europe & America	**1,178**	**5**	**0.8%**	1,225	5	0.8%
Trading and available-for-sale assets						
Australia	**45,185**	**712**	**3.1%**	42,539	650	3.1%
Asia Pacific, Europe & America	**21,375**	**188**	**1.8%**	20,443	156	1.5%
New Zealand	**12,455**	**244**	**3.9%**	11,633	223	3.8%
Loans and advances [1]						
Australia	**352,275**	**9,631**	**5.5%**	332,847	9,249	5.6%
Asia Pacific, Europe & America	**78,950**	**1,119**	**2.8%**	76,408	1,126	3.0%
New Zealand	**96,189**	**2,951**	**6.1%**	93,349	2,674	5.7%
Cash						
Australia	**8,152**	**90**	**2.2%**	14,392	165	2.3%
Asia Pacific, Europe & America	**21,617**	**41**	**0.4%**	20,512	41	0.4%
New Zealand	**2,291**	**37**	**3.2%**	2,438	31	2.6%
Other assets						
Australia	**13**	**4**	**n/a**	67	9	n/a
Asia Pacific, Europe & America	**11**	**12**	**n/a**	8	20	n/a
New Zealand	**-**	**17**	**n/a**	-	38	n/a
Intragroup assets						
Australia	**(805)**	**193**	**n/a**	960	200	n/a
Asia Pacific, Europe & America	**10,477**	**4**	**n/a**	10,627	1	n/a
	671,187	**15,291**		643,987	14,631	
Intragroup elimination	**(9,672)**	**(197)**		(11,587)	(201)	
	661,515	**15,094**	**4.6%**	632,400	14,430	4.6%
Non-interest earning assets						
Derivatives						
Australia	**30,782**			29,916		
Asia Pacific, Europe & America	**6,140**			6,972		
New Zealand	**5,105**			6,063		
Premises and equipment	**2,122**			2,143		
Insurance assets	**33,638**			32,765		
Other assets	**28,965**			28,626		
Provisions for credit impairment						
Australia	**(2,773)**			(2,812)		
Asia Pacific, Europe & America	**(769)**			(787)		
New Zealand	**(677)**			(743)		
	102,533			102,143		
Total average assets	**764,048**			734,543		

1. *Gross loans and advances including unearned income, capitalised brokerage/mortgage origination fees and customers' liabilities for acceptances.*

	Half Year Sep 14			Half Year Mar 14		
	Ave bal	Int	Rate	Ave bal	Int	Rate
	$M	$M	%	$M	$M	%
Interest bearing liabilities						
Time deposits						
Australia	**133,566**	**2,160**	**3.2%**	136,155	2,255	3.3%
Asia Pacific, Europe & America	**82,567**	**332**	**0.8%**	82,570	348	0.8%
New Zealand	**33,735**	**684**	**4.0%**	32,929	623	3.8%
Savings deposits						
Australia	**28,270**	**446**	**3.1%**	26,782	423	3.2%
Asia Pacific, Europe & America	**3,498**	**8**	**0.5%**	4,996	11	0.4%
New Zealand	**10,295**	**193**	**3.7%**	9,184	143	3.1%
Other demand deposits						
Australia	**104,148**	**1,296**	**2.5%**	97,221	1,198	2.5%
Asia Pacific, Europe & America	**15,811**	**24**	**0.3%**	13,152	21	0.3%
New Zealand	**19,922**	**262**	**2.6%**	19,023	220	2.3%
Deposits from banks						
Australia	**20,358**	**249**	**2.4%**	15,578	199	2.6%
Asia Pacific, Europe & America	**27,959**	**55**	**0.4%**	28,228	62	0.4%
New Zealand	**817**	**13**	**3.2%**	516	6	2.3%
Settlement balances owed by ANZ						
Australia	**1,726**	**10**	**1.2%**	1,660	10	1.2%
Asia Pacific, Europe & America	**601**	**-**	**0.0%**	355	-	0.0%
New Zealand	**313**	**4**	**2.6%**	306	2	1.3%
Collateral received						
Australia	**432**	**5**	**2.3%**	616	6	2.0%
Asia Pacific, Europe & America	**4,501**	**3**	**0.1%**	1,357	3	0.4%
New Zealand	**492**	**1**	**0.4%**	532	1	0.4%
Commercial paper						
Australia	**9,749**	**121**	**2.5%**	8,914	115	2.6%
Asia Pacific, Europe & America	**3,252**	**3**	**0.2%**	805	2	0.5%
New Zealand	**5,790**	**115**	**4.0%**	5,553	80	2.9%
Borrowing corporations' debt						
Australia	**1**	**-**	**0.0%**	6	-	0.0%
New Zealand	**1,404**	**32**	**4.5%**	1,399	30	4.3%
Debt issuances & subordinated debt						
Australia	**66,579**	**1,383**	**4.1%**	65,426	1,350	4.1%
Asia Pacific, Europe & America	**6,708**	**60**	**1.8%**	4,742	29	1.2%
New Zealand	**15,985**	**398**	**5.0%**	14,298	323	4.5%
Other liabilities						
Australia	**3,503**	**99**	**n/a**	2,737	81	n/a
Asia Pacific, Europe & America	**2,193**	**31**	**n/a**	2,195	25	n/a
New Zealand	**536**	**75**	**n/a**	398	86	n/a
Intragroup liabilities						
New Zealand	**9,672**	**197**	**n/a**	11,587	202	n/a
	614,383	**8,259**		589,220	7,854	
Intragroup elimination	**(9,672)**	**(197)**		(11,587)	(202)	
	604,711	**8,062**	**2.7%**	577,633	7,652	2.7%
Non-interest bearing liabilities						
Deposits						
Australia	**6,419**			6,134		
Asia Pacific, Europe & America	**3,815**			3,893		
New Zealand	**5,314**			5,186		
Derivatives						
Australia	**31,765**			31,811		
Asia Pacific, Europe & America	**6,320**			6,676		
New Zealand	**4,582**			6,235		
Insurance liabilities	**33,866**			32,894		
External unit holder liabilities	**3,334**			3,510		
Other liabilities	**16,387**			14,392		
	111,802			110,731		
Total average liabilities	**716,513**			688,364		

	Full Year Sep 14			Full Year Sep 13		
	Ave bal $M	Int $M	Rate %	Ave bal $M	Int $M	Rate %
Interest earning assets						
Settlement balances owed to ANZ						
Australia	**1,057**	**27**	**2.5%**	790	23	2.9%
Asia Pacific, Europe & America	**12,660**	**18**	**0.1%**	10,893	10	0.1%
New Zealand	**33**	**2**	**5.0%**	71	2	2.8%
Collateral paid						
Australia	**1,202**	**34**	**2.8%**	1,133	39	3.4%
Asia Pacific, Europe & America	**3,493**	**2**	**0.1%**	3,279	4	0.1%
New Zealand	**744**	**2**	**0.3%**	827	2	0.2%
Regulatory deposits						
Asia Pacific, Europe & America	**1,202**	**10**	**0.8%**	1,014	8	0.8%
Trading and available-for-sale assets						
Australia	**43,866**	**1,361**	**3.1%**	37,728	1,234	3.3%
Asia Pacific, Europe & America	**20,910**	**344**	**1.6%**	16,970	256	1.5%
New Zealand	**12,045**	**467**	**3.9%**	10,049	360	3.6%
Loans and advances[1]						
Australia	**342,587**	**18,882**	**5.5%**	316,864	19,345	6.1%
Asia Pacific, Europe & America	**77,682**	**2,245**	**2.9%**	63,182	2,022	3.2%
New Zealand	**94,773**	**5,625**	**5.9%**	81,633	4,832	5.9%
Cash						
Australia	**11,263**	**255**	**2.3%**	8,944	247	2.8%
Asia Pacific, Europe & America	**21,066**	**81**	**0.4%**	19,541	58	0.3%
New Zealand	**2,364**	**68**	**2.9%**	2,411	60	2.5%
Other assets						
Australia	**41**	**12**	**n/a**	6	18	n/a
Asia Pacific, Europe & America	**9**	**32**	**n/a**	4	59	n/a
New Zealand	**-**	**57**	**n/a**	-	48	n/a
Intragroup assets						
Australia	**175**	**394**	**n/a**	2,529	433	n/a
Asia Pacific, Europe & America	**10,452**	**4**	**n/a**	8,147	(9)	n/a
	657,624	**29,922**		586,015	29,051	
Intragroup elimination	**(10,627)**	**(398)**		(10,676)	(424)	
	646,997	**29,524**	**4.6%**	575,339	28,627	5.0%
Non-interest earning assets						
Derivatives						
Australia	**30,349**			33,349		
Asia Pacific, Europe & America	**6,555**			4,839		
New Zealand	**5,583**			6,784		
Premises and equipment	**2,133**			2,092		
Insurance assets	**33,203**			30,840		
Other assets	**28,794**			26,482		
Provisions for credit impairment						
Australia	**(2,792)**			(2,804)		
Asia Pacific, Europe & America	**(778)**			(801)		
New Zealand	**(710)**			(816)		
	102,337			99,965		
Total average assets	**749,334**			675,304		

1. *Gross loans and advances including unearned income, capitalised brokerage/mortgage origination fees and customers' liabilities for acceptances.*

	Full Year Sep 14			Full Year Sep 13		
	Ave bal	Int	Rate	Ave bal	Int	Rate
	$M	$M	%	$M	$M	%
Interest bearing liabilities						
Time deposits						
Australia	**134,857**	**4,413**	**3.3%**	135,748	5,312	3.9%
Asia Pacific, Europe & America	**82,568**	**681**	**0.8%**	75,060	666	0.9%
New Zealand	**33,333**	**1,308**	**3.9%**	29,633	1,158	3.9%
Savings deposits						
Australia	**27,528**	**868**	**3.2%**	24,166	837	3.5%
Asia Pacific, Europe & America	**4,245**	**19**	**0.4%**	5,276	25	0.5%
New Zealand	**9,741**	**336**	**3.4%**	7,035	234	3.3%
Other demand deposits						
Australia	**100,694**	**2,492**	**2.5%**	85,292	2,397	2.8%
Asia Pacific, Europe & America	**14,485**	**45**	**0.3%**	10,916	33	0.3%
New Zealand	**19,474**	**482**	**2.5%**	16,400	398	2.4%
Deposits from banks						
Australia	**17,975**	**448**	**2.5%**	7,820	234	3.0%
Asia Pacific, Europe & America	**28,093**	**117**	**0.4%**	22,837	154	0.7%
New Zealand	**667**	**19**	**2.8%**	601	14	2.3%
Settlement balances owed by ANZ						
Australia	**1,693**	**21**	**1.2%**	1,550	22	1.4%
Asia Pacific, Europe & America	**479**	**-**	**0.0%**	980	-	0.0%
New Zealand	**309**	**6**	**1.9%**	358	6	1.7%
Collateral received						
Australia	**524**	**12**	**2.3%**	806	23	2.9%
Asia Pacific, Europe & America	**2,933**	**6**	**0.2%**	1,422	6	0.4%
New Zealand	**512**	**2**	**0.4%**	421	1	0.2%
Commercial paper						
Australia	**9,333**	**236**	**2.5%**	10,306	311	3.0%
Asia Pacific, Europe & America	**2,032**	**5**	**0.2%**	-	-	0.0%
New Zealand	**5,672**	**195**	**3.4%**	4,212	128	3.0%
Borrowing corporations' debt						
Australia	**3**	**-**	**0.0%**	63	5	7.9%
New Zealand	**1,402**	**62**	**4.4%**	1,215	55	4.5%
Debt issuances & subordinated debt						
Australia	**66,004**	**2,733**	**4.1%**	64,749	2,873	4.4%
Asia Pacific, Europe & America	**5,728**	**90**	**1.6%**	2,240	31	1.4%
New Zealand	**15,144**	**721**	**4.8%**	13,839	653	4.7%
Other liabilities						
Australia	**3,121**	**180**	**n/a**	2,772	195	n/a
Asia Pacific, Europe & America	**2,194**	**56**	**n/a**	1,966	42	n/a
New Zealand	**467**	**161**	**n/a**	477	56	n/a
Intragroup liabilities						
New Zealand	**10,627**	**398**	**n/a**	10,676	424	n/a
	601,837	**16,112**		538,836	16,293	
Intragroup elimination	**(10,627)**	**(398)**		(10,676)	(424)	
	591,210	**15,714**	**2.7%**	528,160	15,869	3.0%
Non-interest bearing liabilities						
Deposits						
Australia	**6,277**			5,511		
Asia Pacific, Europe & America	**3,854**			3,202		
New Zealand	**5,250**			4,380		
Derivatives						
Australia	**31,788**			30,447		
Asia Pacific, Europe & America	**6,498**			5,226		
New Zealand	**5,406**			6,845		
Insurance Liabilities	**33,381**			30,625		
External unit holder liabilities	**3,422**			3,839		
Other liabilities	**15,392**			13,980		
	111,268			104,055		
Total average liabilities	**702,478**			632,215		

	Half Year		Full Year	
	Sep 14 $M	Mar 14 $M	Sep 14 $M	Sep 13 $M
Total average assets				
Australia	**483,449**	467,449	**475,470**	444,033
Asia Pacific, Europe & America	**168,772**	159,962	**164,379**	136,477
New Zealand	**121,499**	118,719	**120,112**	105,470
less intragroup elimination	**(9,672)**	(11,587)	**(10,627)**	(10,676)
	764,048	734,543	**749,334**	675,304
% of total average assets attributable to overseas activities	**36.7%**	36.4%	**36.5%**	34.2%
Average interest earning assets				
Australia	**407,052**	393,091	**400,191**	367,994
Asia Pacific, Europe & America	**152,423**	142,700	**147,474**	123,030
New Zealand	**111,712**	108,196	**109,959**	94,991
less intragroup elimination	**(9,672)**	(11,587)	**(10,627)**	(10,676)
	661,515	632,400	**646,997**	575,339
Total average liabilities				
Australia	**454,341**	439,399	**446,892**	414,046
Asia Pacific, Europe & America	**160,829**	151,984	**156,418**	131,253
New Zealand	**111,015**	108,568	**109,795**	97,592
less intragroup elimination	**(9,672)**	(11,587)	**(10,627)**	(10,676)
	716,513	688,364	**702,478**	632,215
% of total average liabilities attributable to overseas activities	**36.6%**	36.2%	**36.4%**	34.5%
Average interest bearing liabilities				
Australia	**368,332**	355,095	**361,732**	333,272
Asia Pacific, Europe & America	**147,090**	138,400	**142,757**	120,697
New Zealand	**98,961**	95,725	**97,348**	84,867
less intragroup elimination	**(9,672)**	(11,587)	**(10,627)**	(10,676)
	604,711	577,633	**591,210**	528,160
Total average shareholders' equity				
Ordinary share capital, reserves and retained earnings[1]	**46,664**	45,308	**45,985**	42,218
Preference share capital	**871**	871	**871**	871
	47,535	46,179	**46,856**	43,089
Total average liabilities and shareholders' equity	**764,048**	734,543	**749,334**	675,304

1. *Average shareholders' equity at 30 September 2014 includes $245 million of Global Wealth shares that are eliminated from the shareholders' equity balance (Mar 14: $275 million; Sep 13: $273 million).*

	Half Year		Full Year	
	Sep 14 %	**Mar 14 %**	**Sep 14 %**	**Sep 13 %**
Gross earnings rate[1]				
Australia	**5.22**	5.26	**5.24**	5.80
Asia Pacific, Europe & America	**1.81**	1.91	**1.86**	1.96
New Zealand	**5.81**	5.50	**5.66**	5.58
Group	**4.55**	4.58	**4.56**	4.98

Interest spread and net interest average margin may be analysed as follows:	Half Year		Full Year	
Australia	**Sep 14 %**	**Mar 14 %**	**Sep 14 %**	**Sep 13 %**
Net interest spread	**2.10**	2.08	**2.09**	2.14
Interest attributable to net non-interest bearing items	**0.29**	0.30	**0.30**	0.34
Net interest margin - Australia[2]	**2.39**	2.38	**2.39**	2.48
Asia Pacific, Europe & America				
Net interest spread	**1.11**	1.18	**1.15**	1.17
Interest attributable to net non-interest bearing items	**0.02**	0.02	**0.02**	0.01
Net interest margin - Asia Pacific, Europe & America[2]	**1.13**	1.20	**1.17**	1.18
New Zealand				
Net interest spread	**1.84**	1.90	**1.87**	1.90
Interest attributable to net non-interest bearing items	**0.45**	0.42	**0.43**	0.39
Net interest margin - New Zealand[2]	**2.29**	2.32	**2.30**	2.29
Group				
Net interest spread	**1.89**	1.92	**1.90**	1.97
Interest attributable to net non-interest bearing items	**0.23**	0.23	**0.23**	0.25
Net interest margin [2]	**2.12**	2.15	**2.13**	2.22
Net interest margin (excluding Global Markets) [2]	**2.54**	2.55	**2.55**	2.64

1. *Average interest rate received on average interest earning assets.*
2. *Statutory basis.*

Full Time Equivalent Staff

At 30 September 2014, ANZ employed 50,328 people worldwide (31 March 2014: 49,850) on a full-time equivalent basis ("FTEs").

During the September 2014 half:

- The Group migrated onto a single global Human Resources solution, bringing all regions and business units onto a single platform. As part of this migration the definition of FTE's was modified and standardised which resulted in an increase in FTE. Comparative information has been restated; and
- Operations, Technology, Property and certain enablement functions supporting the operating divisions (including Human Resources, Risk, Finance and Legal) were transferred from the operating divisions to GTSO and Group Centre. This change aligns with our strategy of building on common infrastructure with an enterprise focus. Comparative information has been restated.

Division	As at			Movement	
	Sep 14	Mar 14	Sep 13	Sep 14 v. Mar 14	Sep 14 v. Sep 13
Australia	**10,263**	9,920	10,025	3%	2%
International and Institutional Banking	**7,862**	8,226	8,258	-4%	-5%
New Zealand	**5,080**	5,236	5,323	-3%	-5%
Global Wealth	**2,296**	2,291	2,482	0%	-7%
GTSO and Group Centre	**24,827**	24,177	23,778	3%	4%
Totals	**50,328**	49,850	49,866	1%	1%

Geography	As at			Movement	
	Sep 14	Mar 14	Sep 13	Sep 14 v. Mar 14	Sep 14 v. Sep 13
Australia	**21,591**	21,821	22,229	-1%	-3%
Asia Pacific, Europe & America	**20,512**	19,653	19,233	4%	7%
New Zealand	**8,225**	8,376	8,404	-2%	-2%
Totals	**50,328**	49,850	49,866	1%	1%

Exchange rates

Major exchange rates used in translation of results of offshore controlled entities and branches and investments in associates were as follows:

	Balance sheet			Profit & Loss Average			
	As at			Half Year		Full Year	
	Sep 14	Mar 14	Sep 13	Sep 14	Mar 14	Sep 14	Sep 13
Chinese Yuan	**5.3787**	5.7480	5.6976	**5.7544**	5.5544	**5.6547**	6.1395
Euro	**0.6895**	0.6716	0.6896	**0.6885**	0.6672	**0.6779**	0.7565
Great British Pound	**0.5383**	0.5552	0.5760	**0.5539**	0.5565	**0.5552**	0.6360
Indian Rupee	**53.941**	55.296	58.531	**55.933**	56.400	**56.166**	56.148
Indonesian Rupiah	**10,659.9**	10,488.7	10,860.1	**10,855.2**	10,719.3	**10,787.5**	9,861.4
Malaysian Ringgit	**2.8632**	3.0169	3.0334	**2.9853**	2.9644	**2.9749**	3.0925
New Zealand Dollar	**1.1219**	1.0668	1.1237	**1.0903**	1.0959	**1.0931**	1.2132
Papua New Guinea Kina	**2.1717**	2.2356	2.2385	**2.2651**	2.2054	**2.2353**	2.1472
United States Dollar	**0.8752**	0.9233	0.9312	**0.9289**	0.9113	**0.9201**	0.9929

Funds Management and Insurance Income Reconciliation

	Reference Page	Half Year Sep 14 $M	Half Year Mar 14 $M	Half Year Mvmt	Full Year Sep 14 $M	Full Year Sep 13 $M	Full Year Mvmt
Net funds management and insurance income - statutory basis	**95**	**927**	611	52%	**1,538**	1,431	7%
Adjustments between cash and statutory profit							
Treasury shares adjustment	95	**(16)**	40	large	**24**	90	-73%
Policyholders tax gross up	95	**(213)**	(29)	large	**(242)**	(371)	-35%
Revaluation of policy liabilities	95	**(32)**	(5)	large	**(37)**	66	large
Net income from funds management and insurance - cash basis	**96**	**666**	**617**	**8%**	**1,283**	**1,216**	**6%**
Global Wealth - Net funds management and insurance income	76	**642**	607	6%	**1,249**	1,213	3%
Australia - Funds management and insurance income		**18**	19	-5%	**37**	41	-10%
International and Institutional Banking - Funds management and insurance income		**49**	41	20%	**90**	77	17%
New Zealand - Funds management and insurance income		**38**	36	6%	**74**	70	6%
Inter-segment eliminations		**(81)**	(86)	-6%	**(167)**	(185)	-10%
Net income from funds management and insurance - cash basis	**96**	**666**	**617**	**8%**	**1,283**	**1,216**	**6%**

AAS - Australian Accounting Standards.

AASB - Australian Accounting Standards Board.

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

Cash profit is a measure of profit which is prepared on a basis other than in accordance with accounting standards. Cash profit represents a measure of the result of the ongoing business activities of the Group, enabling shareholders to assess Group and Divisional performance against prior periods and against peer institutions. To calculate cash profit, the Group excludes items from statutory net 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. non-core gains or losses included in earnings arising from changes in tax, legal, accounting legislation or other non-core items not associated with the ongoing operations of the Group;
2. treasury shares, revaluation of policy liabilities, economic hedging impacts and similar accounting items that represent timing differences that will reverse through earnings in the future; and
3. accounting reclassifications between individual line items that do not impact reported results, such as policyholder tax gross up.

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

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

Economic credit costs replace the actual credit loss charge with the internal expected loss. This is determined based on the expected average annual loss of principal over the economic cycle for the current risk profile of the lending portfolio.

Economic profit is a risk adjusted profit measure. Economic Profit is determined by adjusting cash profit for economic credit costs, the benefit of imputation credits and the cost of capital. This measure is used to evaluate business unit performance and is included in determining the variable component of remuneration packages.

IFRS – International Financial Reporting Standards.

Impaired commitments and contingencies comprise undrawn facilities and contingent facilities where the customer's status is defined as impaired.

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

Individual provision is the amount of expected credit losses on financial instruments assessed for impairment on an individual basis (as opposed to on a collective basis). It takes into account expected cash flows over the lives of those financial instruments.

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

Net loans and advances include gross loans and advances, acceptances and capitalised brokerage/mortgage origination fees, less unearned income and provisions for credit impairment.

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

Operating expenses include personnel expenses, premises expense and other operating expenses (excluding credit impairment charges).

Operating income include net interest income, net funds management and insurance income, share of associates' profit and other operating income.

Repo discount is a discount applicable on the repurchase by a central bank of an eligible security pursuant to a repurchase agreement.

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

Segment review description

The Group operates on a divisional structure with Australia, International and Institutional Banking (IIB), New Zealand, and Global Wealth being the major operating divisions. The IIB and Global Wealth divisions are coordinated globally. Global Technology, Services & Operations and Group Centre provide support to the operating divisions, including technology, operations, shared services, property, risk management, financial management, strategy, marketing, human resources and corporate affairs. The Group Centre also includes Group Treasury and Shareholder Functions.

During the September half, Operations, Technology, Property, and certain enablement functions (including Human Resources, Risk, Finance and Legal) supporting the operating divisions were transferred from the operating divisions to GTSO and Group Centre. Comparative information has been restated accordingly.

Australia

The Australia division comprises the Retail and Corporate and Commercial Banking business units.

- **Retail**

  Retail is responsible for delivering a full range of banking services to consumer customers, using capabilities in product management, analytics, customer research, segmentation, strategy and marketing.

  - **Home Loans** provides housing finance to consumers in Australia for both owner occupied and investment purposes, as well as providing housing finance for overseas investors.
  - **Cards and Payments** provides consumer and commercial credit cards, personal loans and merchant services.
  - **Deposits** provides transaction banking, savings and investment products, such as term deposits and cash management accounts.

  Retail delivers banking solutions to customers across multiple distribution channels including the Australian branch network, ANZ Direct, specialist sales channels and digital channels (including goMoney, Internet Banking, anz.com). The retail distribution network provides retail and wealth solutions to consumers, as well as providing small business solutions and meeting the various cash and cheque handling needs of corporate, commercial and institutional customers.

- **Corporate and Commercial Banking (C&CB)**

  - **Corporate Banking** provides a full range of banking services including traditional relationship banking and sophisticated financial solutions, primarily to large private companies, smaller listed companies and multi-national corporation subsidiaries.
  - **Regional Business Banking** provides a full range of banking services to non-metropolitan commercial and Agri (including corporate) customers.
  - **Business Banking** provides a full range of banking services, to metropolitan based small to medium sized business clients with a turnover of A$5 million up to A$125 million.
  - **Small Business Banking** provides a full range of banking services to metropolitan and regional based small businesses in Australia with a turnover of up to A$5m and lending up to A$1 million.
  - **Esanda** provides motor vehicle and equipment finance.

International and Institutional Banking

International and Institutional Banking division comprises Global Products servicing Global Banking and International Banking customers across three major product sets (Global Transaction Banking, Global Loans and Global Markets), Retail Asia Pacific focusing on affluent and emerging affluent customers across 21 countries and Asia Partnerships.

- **Global Products**

  Global Products service Global Banking and International Banking customers across three product sets:

  - **Global Transaction Banking** which provides working capital and liquidity solutions including documentary trade, supply chain financing, structured trade finance as well as cash management solutions, deposits, payments and clearing.
  - **Global Markets** provides risk management services to clients globally on foreign exchange, interest rates, credit, commodities, debt capital markets and wealth solutions. Markets provide origination, underwriting, structuring and risk management services, advice and sale of credit and derivative products. The business unit also manages the Bank's interest rate exposure as well as its liquidity position.
  - **Global Loans** which provides specialised loan structuring and execution, loan syndication, project and export finance, debt structuring and acquisition finance, structured asset finance and corporate advisory.

Segment review description, cont'd

- **Retail Asia Pacific** provides end-to-end financial solutions to individuals and small businesses including deposits, credit cards, loans, investments and insurance. Leveraging our distinctive footprint we enable client's access to opportunities across the region and connect them to specialists for their banking needs in each location.
- **Asia Partnerships** comprises of strategic partnerships and investments across Asia which provide the Bank with local business and relationship access as well as country and regulatory insights.

New Zealand

The New Zealand division comprises Retail and Commercial business units.

- **Retail**

  Retail provides products and services to personal customers via the branch network, mortgage specialists, the contact centre and a variety of self service channels (internet banking, phone banking, ATMs, website and mobile phone banking). Core products include current and savings accounts, unsecured lending (credit cards, personal loans and overdrafts) and home loans secured by mortgages over property. Retail distributes insurance and investment products on behalf of the Global Wealth segment.

- **Commercial**

  Commercial provides services to Small Business Banking, Commercial & Agri (CommAgri), and UDC customers. Small Business Banking services are offered to small enterprises (typically with annual revenues of less than NZD 5 million). CommAgri customers consist of primarily privately owned medium to large enterprises. Commercial's relationship with these businesses ranges from simple banking requirements with revenue from deposit and transactional facilities, and cash flow lending, to more complex funding arrangements with revenue sourced from a wider range of products. UDC is principally involved in the financing and leasing of plant, vehicles and equipment, mainly for small and medium sized businesses, as well as investment products.

Global Wealth

The Global Wealth division comprises Funds Management, Insurance and Private Wealth business units which provide investment, superannuation, insurance products and services as well as Private Banking for customers across Australia, New Zealand and Asia.

- **Private Wealth** includes global private banking business which specialises in assisting individuals and families to manage, grow and preserve their wealth.
- **Funds Management** includes the Pensions and Investment business and E*TRADE.
- **Insurance** includes Life Insurance, General Insurance and ANZ Lenders Mortgage Insurance.
- **Corporate and other** includes income from invested capital and cash profits from the advice and distribution business.

Global Technology, Services & Operations and Group Centre

GTSO and Group Centre provide support to the operating divisions, including technology, operations, shared services, property, risk management, financial management, strategy, marketing, human resources and corporate affairs. The Group Centre includes Group Treasury and Shareholder Functions.

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