Australia and New Zealand Banking Group Limited

ABN 11 005 357 522

Full Year

30 September 2017

Consolidated Financial Report

Dividend Announcement

and Appendix 4E

The Consolidated Financial Report and Dividend Announcement contains information required by Appendix 4E of the Australian Securities Exchange (ASX) Listing Rules. It should be read in conjunction with ANZ's 2017 Annual Report, and is lodged with the ASX under listing rule 4.3A.

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

Report for the year ended 30 September 2017

Operating Results[1]				**AUD million**
Operating income	⇩	-1%	to	20,273
Net statutory profit attributable to shareholders	⇧	12%	to	6,406
Cash profit[2]	⇧	18%	to	6,938

Dividends[3]	**Cents per share**	**Franked amount[4] per share**
Proposed final dividend	80	100%
Interim dividend	80	100%
Record date for determining entitlements to the proposed 2017 final dividend		14 November 2017
Payment date for the proposed 2017 final dividend		18 December 2017

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 2017 final dividend. For the 2017 final dividend, ANZ intends to provide shares under the DRP through an on-market purchase (as approved by APRA) 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 17 November 2017, 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 2017 final dividend must be received by ANZ's Share Registrar by 5.00pm (Australian Eastern Daylight Time) on 15 November 2017. Subject to receiving effective contrary instructions from the shareholder, dividends payable to shareholders with a registered address in the United Kingdom (including the Channel Islands and the Isle of Man) or New Zealand will be converted to Pounds Sterling or New Zealand Dollars respectively at an exchange rate calculated on 17 November 2017.

1 Unless otherwise noted, all comparisons are to the year ended 30 September 2016.
2 Cash profit excludes non-core items included in statutory profit and is provided to assist readers in understanding the result of the ongoing business activities of the Group. The non-core items are calculated consistently period on period so as not to discriminate between positive and negative adjustments and fall into one of the three categories: gains or losses included in earnings arising from changes in tax, legal or accounting legislation or other non-core items not associated with the ongoing operations of the Group; treasury shares, revaluation of policy liabilities, economic hedging and similar accounting items that represent timing differences that will reverse through earnings in the future; and accounting reclassifications between individual line items that do not impact reported results, such as policyholders tax gross up. Cash profit is not a measure of cash flow or profit determined on a cash basis. The net after tax adjustment was an addition to statutory profit of $532 million made up of several items. Refer pages 75 to 79 for further details.
3 There is no conduit foreign income attributed to the dividends.
4 It is proposed that the final dividend will be fully franked for Australian tax purposes (30% tax rate) and carry New Zealand imputation credits of NZD 10 cents per ordinary share.

The information on which the Condensed Consolidated Financial Statements is based is in the process of being audited by the Group's external auditors, KPMG. The financial information contained in the Condensed Consolidated Financial Statements section of this report includes financial information extracted from the Annual Report together with financial information that has not been audited. The Group's Annual Report will be available on 6 November 2017, and will include a copy of KPMG's audit report.

Cash profit is not subject to review or audit by the external auditor. The external auditor has informed the Audit Committee that recurring adjustments have been determined on a consistent basis across each period presented, and the additional adjustments for the impact of the reclassification of Shanghai Rural Commercial Bank to held for sale in the March 2017 half, September 2017 half and September 2017 full year are appropriate.

David M Gonski, AC
Chairman

Shayne C Elliott
Director

25 October 2017

This page has been left blank intentionally

CONSOLIDATED FINANCIAL REPORT, DIVIDEND ANNOUNCEMENT AND APPENDIX 4E
Year ended 30 September 2017

CONTENTS ***PAGE***

Disclosure Summary	7
Summary	9
Group Results	19
Divisional Results	49
Profit Reconciliation	75
Condensed Consolidated Financial Statements	81
Supplementary Information	101
Definitions	115
ASX Appendix 4E Cross Reference Index	118
Alphabetical Index	119

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

All amounts are in Australian dollars unless otherwise stated.The Company has a formally constituted Audit Committee of the Board of Directors. The signing of the unaudited Condensed Consolidated Financial Statements was approved by resolution of a Committee of the Board of Directors on 25 October 2017.

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.

This page has been left blank intentionally

SUMMARY OF 2017 FULL YEAR RESULTS AND ASSOCIATED DISCLOSURE MATERIALS

The following disclosure items were lodged separately with the ASX and NZX and can be accessed via the ANZ Shareholder Centre on the Group website http://www.shareholder.anz.com/ within the disclosures for 2017 Full Year Results.

Available 26 October 2017 – 2017 Full Year Results

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

Available on or after 6 November 2017

- **2017 Annual Report**
- **2017 ANZBGL Parent Entity Financial Statements**
- **2017 Annual Review**
- **2017 Corporate Governance Statement**
- **APS 330 Pillar III Disclosure at 30 September 2017**
- **2017 Corporate Sustainability Review**
- **UK DTR Submission**

This page has been left blank intentionally

CONTENTS

Summary

Statutory Profit Results

Cash Profit Results

Key Balance Sheet Metrics

Cash Profit Results – FX Adjusted

Large/Notable Items

Full Time Equivalent Staff

Other Non-Financial Information

Statutory Profit Results

	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Net interest income	**7,456**	7,416	1%	**14,872**	15,095	-1%
Other operating income[1]	**2,821**	2,580	9%	**5,401**	5,451	-1%
Operating income	**10,277**	9,996	3%	**20,273**	20,546	-1%
Operating expenses[1]	**(4,717)**	(4,731)	0%	**(9,448)**	(10,439)	-9%
Profit before credit impairment and income tax	**5,560**	5,265	6%	**10,825**	10,107	7%
Credit impairment charge	**(479)**	(719)	-33%	**(1,198)**	(1,929)	-38%
Profit before income tax	**5,081**	4,546	12%	**9,627**	8,178	18%
Income tax expense	**(1,579)**	(1,627)	-3%	**(3,206)**	(2,458)	30%
Non-controlling interests	**(7)**	(8)	-13%	**(15)**	(11)	36%
Profit attributable to shareholders of the Company	**3,495**	2,911	20%	**6,406**	5,709	12%

Earnings Per Ordinary Share (cents)		Half Year			Full Year		
	Reference Page	Sep 17	Mar 17	Movt	Sep 17	Sep 16	Movt
Basic	92	**119.9**	100.2	20%	**220.1**	197.4	11%
Diluted	92	**114.7**	96.7	19%	**210.8**	189.3	11%

		Half Year		Full Year	
	Reference Page	Sep 17	Mar 17	Sep 17	Sep 16
Ordinary Share Dividends (cents)					
Interim - 100% franked[2]	91	**-**	80	**80**	80
Final - 100% franked[2]	91	**80**	-	**80**	80
Total - 100% franked[2]	91	**80**	80	**160**	160
Ordinary share dividend payout ratio[3]	91	**67.2%**	80.7%	**73.4%**	81.9%
Profitability Ratios					
Return on average ordinary shareholders' equity[4]		**11.9%**	10.1%	**11.0%**	10.0%
Return on average assets[5]		**0.76%**	0.64%	**0.70%**	0.63%
Net interest margin[5,6]	22	**1.98%**	2.00%	**1.99%**	2.07%
Efficiency Ratios					
Operating expenses to operating income[1]		**45.9%**	47.3%	**46.6%**	50.8%
Operating expenses to average assets[1,5]		**1.02%**	1.03%	**1.03%**	1.15%
Credit Impairment Charge/(Release)					
Individual credit impairment charge ($M)		**554**	786	**1,340**	1,912
Collective credit impairment charge/(release) ($M)		**(75)**	(67)	**(142)**	17
Total credit impairment charge ($M)	94	**479**	719	**1,198**	1,929
Individual credit impairment charge as a % of average gross loans and advances[5]		**0.19%**	0.27%	**0.23%**	0.33%
Total credit impairment charge as a % of average gross loans and advances[5]		**0.16%**	0.25%	**0.21%**	0.34%

1. *In the March 2017 half, a change was made to the classification of certain fees payable. These items have been reclassified from other operating income to other operating expenses to more accurately reflect the nature of these items. Comparatives have been restated accordingly (Sep 16 full year: $17 million).*
2. *Fully franked for Australian tax purposes and carry New Zealand imputation credits of NZD 10 cents per ordinary share for the proposed 2017 final dividend (2017 interim dividend: NZD 9 cents; 2016 final dividend NZD 9 cents; 2016 interim dividend: NZD 10 cents).*
3. *Dividend payout ratio is calculated using the proposed 2017 final, 2017 interim, 2016 final, and 2016 interim dividends.*
4. *Average ordinary shareholders' equity excludes non-controlling interests.*
5. *Loans and advances and average assets as at 30 September 2017 and 31 March 2017 include assets held for sale.*
6. *In the March 2017 half, the Group changed its calculation of net interest margin to net home loan deposit offset balances against total interest earning assets. Refer to page 22 for further details.*

Cash Profit Results[1]

	Half Year			Full Year		
	Sep 17 $M	**Mar 17 $M**	**Movt**	**Sep 17 $M**	**Sep 16 $M**	**Movt**
Net interest income	**7,456**	7,416	1%	**14,872**	15,095	-1%
Other operating income[2]	**2,730**	2,887	-5%	**5,617**	5,499	2%
Operating income	**10,186**	10,303	-1%	**20,489**	20,594	-1%
Operating expenses[2]	**(4,717)**	(4,731)	0%	**(9,448)**	(10,439)	-9%
Profit before credit impairment and income tax	**5,469**	5,572	-2%	**11,041**	10,155	9%
Credit impairment charge	**(479)**	(720)	-33%	**(1,199)**	(1,956)	-39%
Profit before income tax	**4,990**	4,852	3%	**9,842**	8,199	20%
Income tax expense	**(1,456)**	(1,433)	2%	**(2,889)**	(2,299)	26%
Non-controlling interests	**(7)**	(8)	-13%	**(15)**	(11)	36%
Cash profit	**3,527**	3,411	3%	**6,938**	5,889	18%

Earnings Per Ordinary Share (cents)		Half Year			Full Year		
	Reference Page	**Sep 17**	**Mar 17**	**Movt**	**Sep 17**	**Sep 16**	**Movt**
Basic	37	**120.4**	116.7	3%	**237.1**	202.6	17%
Diluted	37	**115.2**	111.9	3%	**226.4**	194.1	17%

		Half Year		Full Year	
	Reference Page	**Sep 17**	**Mar 17**	**Sep 17**	**Sep 16**
Ordinary Share Dividends					
Ordinary share dividend payout ratio[3]	38	**66.6%**	68.9%	**67.7%**	79.4%
Profitability Ratios					
Return on average ordinary shareholders' equity[4]		**12.0%**	11.8%	**11.9%**	10.3%
Return on average assets[5]		**0.76%**	0.75%	**0.75%**	0.65%
Net interest margin[5,6]	22	**1.98%**	2.00%	**1.99%**	2.07%
Efficiency Ratios					
Operating expenses to operating income[2]		**46.3%**	45.9%	**46.1%**	50.7%
Operating expenses to average assets[2,5]		**1.02%**	1.03%	**1.03%**	1.15%
Credit Impairment Charge/(Release)					
Individual credit impairment charge ($M)	30	**554**	787	**1,341**	1,939
Collective credit impairment charge/(release) ($M)	30	**(75)**	(67)	**(142)**	17
Total credit impairment charge ($M)	30	**479**	720	**1,199**	1,956
Individual credit impairment charge as a % of average gross loans and advances[5]		**0.19%**	0.27%	**0.23%**	0.34%
Total credit impairment charge as a % of average gross loans and advances[5]		**0.16%**	0.25%	**0.21%**	0.34%

1. *Cash profit excludes non-core items included in statutory profit and is provided to assist readers in understanding the results of the ongoing business activities of the Group. Refer to pages 75 to 79 for the reconciliation between statutory and cash profit. Refer to pages 14 to 16 for information on large notable items included in cash profit.*
2. *In the March 2017 half year, a change was made to the classification of certain fees payable. These items have been reclassified from other operating income to other operating expenses to more accurately reflect the nature of these items. Comparatives have been restated accordingly (Sep 16 full year: $17 million).*
3. *Dividend payout ratio is calculated using the proposed 2017 final, 2017 interim, 2016 final, and 2016 interim dividends.*
4. *Average ordinary shareholders' equity excludes non-controlling interests.*
5. *Loans and advances and average assets as at 30 September 2017 and 31 March 2017 include assets held for sale.*
6. *In the March 2017 half, the Group changed its calculation of net interest margin to net home loan deposit offset balances against total interest earning assets. Refer to page 22 for further details.*

Key Balance Sheet Metrics[1]

	Reference Page	As at Sep 17	Mar 17	Sep 16	Movement Sep 17 v. Mar 17	Sep 17 v. Sep 16
Capital Management						
Common Equity Tier 1						
- APRA Basel 3	42	**10.6%**	10.1%	9.6%		
- Internationally Comparable Basel 3[2]	42	**15.8%**	15.2%	14.5%		
Credit risk weighted assets ($B)[3]	104	**336.8**	341.8	352.0	-1%	-4%
Total risk weighted assets ($B)[3]	42	**391.1**	397.0	408.6	-1%	-4%
Leverage Ratio	46	**5.4%**	5.3%	5.3%		
Balance Sheet: Key Items						
Gross loans and advances ($B)		**584.1**	580.4	580.0	1%	1%
Net loans and advances ($B)		**580.3**	576.3	575.9	1%	1%
Total assets ($B)		**897.3**	896.5	914.9	0%	-2%
Customer deposits ($B)		**467.6**	468.2	449.6	0%	4%
Total equity ($B)		**59.1**	57.9	57.9	2%	2%

Liquidity Risk	Reference Page	Half Year Average Sep 17	Mar 17	Sep 16	Movement Sep 17 v. Mar 17	Sep 17 v. Sep 16
Liquidity Coverage Ratio	40	**135%**	135%	125%	0%	10%

	Reference Page	As at Sep 17	Mar 17	Sep 16	Movement Sep 17 v. Mar 17	Sep 17 v. Sep 16
Impaired Assets						
Gross impaired assets ($M)	32	**2,384**	2,940	3,173	-19%	-25%
Gross impaired assets as a % of gross loans and advances		**0.41%**	0.51%	0.55%		
Net impaired assets ($M)	32	**1,248**	1,671	1,866	-25%	-33%
Net impaired assets as a % of shareholders' equity		**2.1%**	2.9%	3.2%		
Individual provision ($M)	31	**1,136**	1,269	1,307	-10%	-13%
Individual provision as a % of gross impaired assets		**47.7%**	43.2%	41.2%		
Collective provision ($M)	31	**2,662**	2,785	2,876	-4%	-7%
Collective provision as a % of credit risk weighted assets		**0.79%**	0.81%	0.82%		
Net Assets						
Net tangible assets attributable to ordinary shareholders ($B)[4]		**51.9**	50.6	50.1	3%	4%
Net tangible assets per ordinary share ($)		**17.66**	17.24	17.13	2%	3%

1. *Balance Sheet amounts and metrics as at 30 September 2017 and 31 March 2017 include assets and liabilities held for sale.*
2. *See page 42 for further details regarding the differences between APRA Basel 3 and Internationally Comparable Basel 3 standards.*
3. *Includes $25.9 billion increase in credit risk weighted assets associated with increased capital requirements for Australian residential mortgages introduced in July 2016.*
4. *Equals total shareholders' equity less total preference share capital, non-controlling interests, goodwill and other intangible assets.*

Cash Profit Results – FX Adjusted

The following tables present the Group's cash profit results neutralised for the impact of foreign currency translation. Comparative data has been adjusted to remove the translation impact of foreign exchange movements by retranslating prior period comparatives at current period foreign exchange rates. Refer to page 35 for further details on the impact of exchange rate movements.

Cash Profit - September 2017 Full Year vs September 2016 Full Year

	Full Year				Movement		
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX impact	FX adjusted
	Sep 17 $M	Sep 16 $M	Sep 16 $M	Sep 16 $M	Sep 17 v. Sep 16	Sep 17 v. Sep 16	Sep 17 v. Sep 16
Net interest income	**14,872**	15,095	(47)	15,048	-1%	0%	-1%
Other operating income	**5,617**	5,499	(61)	5,438	2%	-1%	3%
Operating income	**20,489**	20,594	(108)	20,486	-1%	-1%	0%
Operating expenses	**(9,448)**	(10,439)	75	(10,364)	-9%	0%	-9%
Profit before credit impairment and income tax	**11,041**	10,155	(33)	10,122	9%	0%	9%
Credit impairment charge	**(1,199)**	(1,956)	17	(1,939)	-39%	-1%	-38%
Profit before income tax	**9,842**	8,199	(16)	8,183	20%	0%	20%
Income tax expense	**(2,889)**	(2,299)	(7)	(2,306)	26%	1%	25%
Non-controlling interests	**(15)**	(11)	-	(11)	36%	0%	36%
Cash profit	**6,938**	5,889	(23)	5,866	18%	0%	18%

Cash Profit - September 2017 Half Year vs March 2017 Half Year

	Half Year				Movement		
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX impact	FX adjusted
	Sep 17 $M	Mar 17 $M	Mar 17 $M	Mar 17 $M	Sep 17 v. Mar 17	Sep 17 v. Mar 17	Sep 17 v. Mar 17
Net interest income	**7,456**	7,416	(34)	7,382	1%	0%	1%
Other operating income	**2,730**	2,887	(23)	2,864	-5%	0%	-5%
Operating income	**10,186**	10,303	(57)	10,246	-1%	0%	-1%
Operating expenses	**(4,717)**	(4,731)	23	(4,708)	0%	0%	0%
Profit before credit impairment and income tax	**5,469**	5,572	(34)	5,538	-2%	-1%	-1%
Credit impairment charge	**(479)**	(720)	2	(718)	-33%	0%	-33%
Profit before income tax	**4,990**	4,852	(32)	4,820	3%	-1%	4%
Income tax expense	**(1,456)**	(1,433)	9	(1,424)	2%	0%	2%
Non-controlling interests	**(7)**	(8)	-	(8)	-13%	0%	-13%
Cash profit	**3,527**	3,411	(23)	3,388	3%	-1%	4%

Large/notable items

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

September 2017 Full Year

	Cash profit $M	Derivative valuation adjustments $M	Sale of Asia Retail and Wealth businesses $M	Equity accounted earnings SRCB $M	Gain on sale 100 Queen St, Melbourne $M
		Large/notable items included in cash profit			
Cash Profit					
Net interest income	**14,872**	-	-	-	-
Other operating income	**5,617**	229	(310)	58	114
Operating income	**20,489**	229	(310)	58	114
Operating expenses	**(9,448)**	-	-	-	-
Profit before credit impairment and income tax	**11,041**	229	(310)	58	114
Credit impairment charge	**(1,199)**	-	-	-	-
Profit before income tax	**9,842**	229	(310)	58	114
Income tax expense	**(2,889)**	(69)	40	-	(2)
Non-controlling interests	**(15)**	-	-	-	-
Cash profit	**6,938**	160	(270)	58	112

September 2016 Full Year

	Cash profit $M	Derivative valuation adjustments $M	Equity accounted earnings SRCB & BOT $M	Software capital-isation changes $M	Asian minority valuation adjustments $M	Restruct-uring $M	Esanda Dealer Finance divestment $M	Derivative CVA methodolo-gy change $M
Cash Profit								
Net interest income	**15,095**	-	-	-	-	-	31	-
Other operating income	**5,499**	(102)	345	-	(231)	-	78	(237)
Operating income	**20,594**	(102)	345	-	(231)	-	109	(237)
Operating expenses	**(10,439)**	-	-	(556)	-	(278)	(17)	-
Profit before credit impairment and income tax	**10,155**	(102)	345	(556)	(231)	(278)	92	(237)
Credit impairment charge	**(1,956)**	-	-	-	-	-	(23)	-
Profit before income tax	**8,199**	(102)	345	(556)	(231)	(278)	69	(237)
Income tax expense	**(2,299)**	31	-	167	-	77	(24)	69
Non-controlling interests	**(11)**	-	-	-	-	-	-	-
Cash profit	**5,889**	(71)	345	(389)	(231)	(201)	45	(168)

September 2017 Half Year

	Cash profit $M	Derivative valuation adjustments $M	Sale of Asia Retail and Wealth businesses $M
		Large/notable items included in cash profit	
Cash Profit			
Net interest income	**7,456**	-	-
Other operating income	**2,730**	67	14
Operating income	**10,186**	67	14
Operating expenses	**(4,717)**	-	-
Profit before credit impairment and income tax	**5,469**	67	14
Credit impairment charge	**(479)**	-	-
Profit before income tax	**4,990**	67	14
Income tax expense	**(1,456)**	(20)	-
Non-controlling interests	**(7)**	-	-
Cash profit	**3,527**	47	14

March 2017 Half Year

	Cash profit $M	Derivative valuation adjustments $M	Equity accounted earnings SRCB $M	Sale of Asia Retail and Wealth businesses $M	Gain on sale 100 Queen St, Melbourne $M
Cash Profit					
Net interest income	**7,416**	-	-	-	-
Other operating income	**2,887**	162	58	(324)	114
Operating income	**10,303**	162	58	(324)	114
Operating expenses	**(4,731)**	-	-	-	-
Profit before credit impairment and income tax	**5,572**	162	58	(324)	114
Credit impairment charge	**(720)**	-	-	-	-
Profit before income tax	**4,852**	162	58	(324)	114
Income tax expense	**(1,433)**	(49)	-	40	(2)
Non-controlling interests	**(8)**	-	-	-	-
Cash profit	**3,411**	113	58	(284)	112

Large/notable items

Large/notable items included in cash profit are described below on a pre-tax basis.

Sales and investment related adjustments

- **Asian minority investments**

  Valuation adjustments

  - During the March 2016 half year, the Group recognised a $260 million impairment to its equity accounted investment in AMMB Holdings Berhad (AmBank) bringing the carrying value in line with its value-in-use calculation.
  - On 30 March 2016, Bank of Tianjin (BoT) completed a capital raising and listing on the Hong Kong Stock Exchange through an Initial Public Offering (IPO). As the Group did not participate in the capital raising, its ownership interest decreased from 14% to 12%. As a consequence, the Group ceased equity accounting for its investment in BoT and recognised a net gain of $29 million in relation to the remeasurement of the investment to fair value and recycling the associated equity accounted reserves.

  The net impact of these valuation adjustments was $231 million in 2016.

  Equity accounted earnings

  - On 30 March 2016, the Group ceased equity accounting for its investment in BoT as outlined above.
  - On 3 January 2017, the Group announced that it had agreed to sell its 20% stake in Shanghai Rural Commercial Bank (SRCB). As a consequence, the Group ceased equity accounting for its investment in SRCB from that date and commenced accounting for it as an asset held for sale.

  A summary of the large/notable valuation and equity accounted earnings associated with Asian minority investments is shown in the table below. Equity accounted earnings for BoT and SRCB include equity accounted earnings from 1 October 2015 that will no longer form part of future cash profit results.

	Valuation adjustments			Equity accounted earnings		
	AmBank $M	BoT $M	Total	BoT $M	SRCB $M	Total
Sep-17 Full Year	-	-	-	-	58	58
Mar-17 Half Year	-	-	-	-	58	58
Sep-16 Full Year	(260)	29	(231)	86	259	345

- **Sale of Asia Retail and Wealth businesses**

  The Group announced that it had agreed to sell Retail and Wealth businesses in Singapore, Hong Kong, China, Taiwan and Indonesia to Singapore's DBS Bank on 31 October 2016. As a result of the sale agreement, the Group recognised a $324 million charge to impair software, goodwill and fixed assets as well as providing for costs associated with the sale in the March 2017 half (refer Note 10). In the September 2017 half, a $14 million gain was recognised in relation to the sale.

  At balance date, Asia Retail and Wealth businesses in China, Singapore and Hong Kong have transitioned to DBS. The remaining businesses in Taiwan and Indonesia will transition in early 2018. The transfer of Vietnam Retail to Shinhan Bank Vietnam will also be completed in early 2018.

- **Esanda Dealer Finance divestment**

  On 1 November 2015, the Group sold the Esanda Dealer Finance portfolio with the majority of the business transferred by 31 December 2015. Large/notable items include the gain on sale of the Esanda Dealer divestment of $66 million and earnings and expenses recognised from 1 October 2015 that will no longer form part of future cash profit results. The total pre-tax impact for the September 2016 full year is $69 million.

Derivative methodology change and valuation adjustments

- **Derivative CVA methodology change**

  In determining the fair value of a derivative position, the Group recognises a CVA (credit valuation adjustment) to reflect the probability that the counterparty may default and the Group may not receive the full market value of outstanding transactions. It represents an estimate of the credit adjustment a market participant would include when deriving a purchase price to acquire the exposure. During the September 2016 half, the Group revised its methodology for determining the derivative credit valuation adjustment to make greater use of market information and enhanced modelling, and to align with leading market practice. The impact was a charge of $237 million in 2016.

- **Derivative valuation adjustments**

  In determining the fair value of derivative positions, adjustments are made to the risk free value to include factors such as the impact of credit and funding. The impact of valuation adjustments has increased significantly following the derivative CVA methodology change implemented in 2016 and changes previously made to align funding valuation adjustments (FVA) with emerging market practice. In the September 2017 half, a $67 million gain (Mar 17 half: $162 million gain) was recognised to reflect the impact of funding and credit valuation adjustments, net of associated hedges. A $229 million gain was recognised in the September 2017 full year. A $102 million loss was recognised in the September 2016 full year excluding the impact of the derivative CVA methodology change described above.

Other large/notable items

- **Gain on sale of 100 Queen Street, Melbourne**

  The Group sold the 100 Queen Street office tower and former head office in Melbourne, Australia in the March 2017 half. The transaction resulted in a gain on sale of $114 million.

- **Software capitalisation changes**

  During the March 2016 half, the Group amended the application of the Group's software capitalisation policy by increasing the threshold for capitalisation of software development costs to $20 million, reflecting the increasingly shorter useful life of smaller items of software, and directly expensing more project related costs. For software assets at 1 October 2015 with an original cost below the revised threshold, the carrying values were expensed through an accelerated amortisation charge of $556 million in the September 2016 full year (recognised in TSO and Group Centre).

- **Restructuring**

  The Group accelerated the process of reshaping its workforce in 2016 to build a simpler, more agile bank. A restructuring expense of $278 million was recognised in the September 2016 full year and this is included as a large/notable item. Restructuring expenses of $62 million in the September 2017 full year (Sept 17 half: $26 million, Mar 17 half $36 million) are not considered to be large/notable.

Full Time Equivalent Staff [1]

As at 30 September 2017, ANZ employed 44,896 people worldwide (Mar 17: 46,046; Sep 16: 46,554) on a full-time equivalent basis ("FTEs").

Division	Half Year			Full Year		
	Sep 17	**Mar 17**	**Movt**	**Sep 17**	**Sep 16**	**Movt**
Australia	**11,387**	11,447	-1%	**11,387**	11,563	-2%
Institutional	**4,754**	4,899	-3%	**4,754**	5,112	-7%
New Zealand	**6,207**	6,250	-1%	**6,207**	6,317	-2%
Wealth Australia	**2,110**	2,114	0%	**2,110**	2,174	-3%
Asia Retail & Pacific	**3,981**	4,719	-16%	**3,981**	4,894	-19%
TSO and Group Centre	**16,457**	16,617	-1%	**16,457**	16,494	0%
Total	**44,896**	46,046	-2%	**44,896**	46,554	-4%
Average FTE	**45,675**	46,462	-2%	**46,068**	48,633	-5%

Geography	Half Year			Full Year		
	Sep 17	**Mar 17**	**Movt**	**Sep 17**	**Sep 16**	**Movt**
Australia	**19,667**	19,722	0%	**19,667**	19,957	-1%
Asia Pacific, Europe & America	**17,474**	18,563	-6%	**17,474**	18,728	-7%
New Zealand	**7,755**	7,761	0%	**7,755**	7,869	-1%
Total	**44,896**	46,046	-2%	**44,896**	46,554	-4%

1. *Full time equivalent staff have been restated to reflect organisational changes. The net impact of these organisational changes was a decrease in TSO and Group Centre of 8,012 FTE as at September 2016, offset by an FTE increase (reallocation) across other divisions. Nil impact to total Group FTE. Refer to page 50 for further details.*

Other Non-Financial Information

	Half Year			Full Year		
Shareholder value - ordinary shares	**Sep 17**	**Mar 17**	**Movt**	**Sep 17**	**Sep 16**	**Movt**
Share price ($)						
- high	**32.95**	32.44	2%	**32.95**	29.17	13%
- low	**27.18**	25.78	5%	**25.78**	21.86	18%
- closing	**29.60**	31.82	-7%	**29.60**	27.63	7%
Closing market capitalisation of ordinary shares ($B)	**86.9**	93.4	-7%	**86.9**	80.9	7%
Total shareholder returns (TSR)	**-1.8%**	22.4%	large	**13.1%**	9.2%	42%

	As at Sep 17		
Credit Ratings	**Short-Term**	**Long-Term**	**Outlook**
Moody's Investor Services	P-1	Aa3	Stable
Standard & Poor's	A-1+	AA-	Negative
Fitch Ratings	F1+	AA-	Stable

This page has been left blank intentionally

CONTENTS

Group Results

Cash Profit
Net Interest Income
Other Operating Income
Operating Expenses
Technology Infrastructure Spend
Software Capitalisation
Credit Risk
Income Tax Expense
Impact of Foreign Currency Translation
Earnings Related Hedges
Earnings per Share
Dividends
Economic Profit
Condensed Balance Sheet
Liquidity Risk
Funding
Capital Management
Leverage Ratio
Other Regulatory Developments

Non-IFRS Information

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

Cash Profit

Cash profit represents ANZ's preferred measure of the result of the ongoing business activities of the Group, enabling readers to assess Group and Divisional performance against prior periods and against peer institutions. To calculate cash profit, the Group excludes non-core items from statutory profit (refer to Definitions for further details). The adjustments made in arriving at cash profit are included in statutory profit which is in the process of being audited within the context of the Group's Annual Report. Cash profit is not subject to review or audit by the external auditor. The external auditor has informed the Audit Committee that recurring adjustments have been determined on a consistent basis across each period presented, and the additional adjustments for the impact of the reclassification of Shanghai Rural Commercial Bank to held for sale in the March 2017 half, September 2017 half and September 2017 full year is appropriate.

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

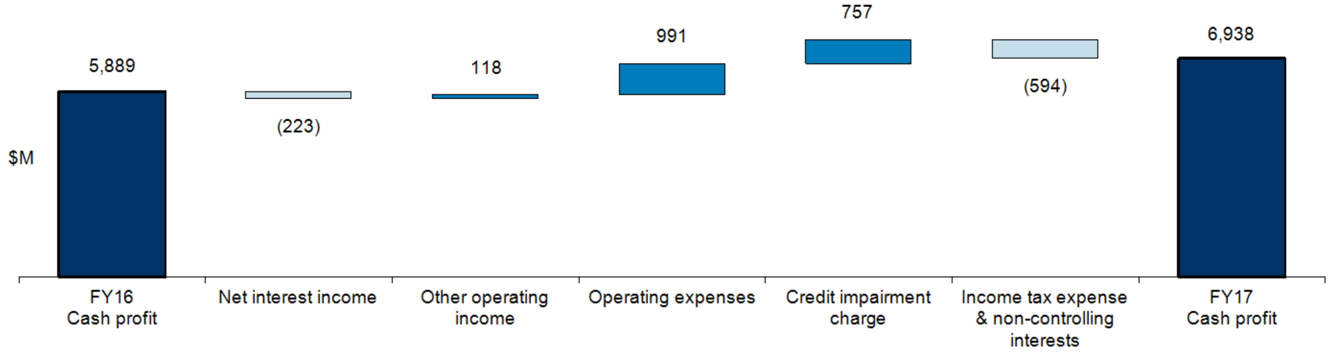
	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Statutory profit attributable to shareholders of the Company	**3,495**	2,911	20%	**6,406**	5,709	12%
Adjustments between statutory profit and cash profit[1]						
Treasury shares adjustment	**(18)**	76	large	**58**	44	32%
Revaluation of policy liabilities	**(2)**	36	large	**34**	(54)	large
Economic hedges	**31**	178	-83%	**209**	102	large
Revenue hedges	**6**	(105)	large	**(99)**	92	large
Structured credit intermediation trades	**(2)**	(1)	100%	**(3)**	(4)	-25%
Reclassification of SRCB to held for sale	**17**	316	-95%	**333**	-	n/a
Total adjustments between statutory profit and cash profit	**32**	500	-94%	**532**	180	large
Cash Profit	**3,527**	3,411	3%	**6,938**	5,889	18%

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

Group Performance - cash profit	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Net interest income	**7,456**	7,416	1%	**14,872**	15,095	-1%
Other operating income	**2,730**	2,887	-5%	**5,617**	5,499	2%
Operating income	**10,186**	10,303	-1%	**20,489**	20,594	-1%
Operating expenses	**(4,717)**	(4,731)	0%	**(9,448)**	(10,439)	-9%
Profit before credit impairment and income tax	**5,469**	5,572	-2%	**11,041**	10,155	9%
Credit impairment charge	**(479)**	(720)	-33%	**(1,199)**	(1,956)	-39%
Profit before income tax	**4,990**	4,852	3%	**9,842**	8,199	20%
Income tax expense	**(1,456)**	(1,433)	2%	**(2,889)**	(2,299)	26%
Non-controlling interests	**(7)**	(8)	-13%	**(15)**	(11)	36%
Cash profit	**3,527**	3,411	3%	**6,938**	5,889	18%

	Half Year			Full Year		
Cash Profit/(Loss) By Division	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Australia	**1,897**	1,798	6%	**3,695**	3,547	4%
Institutional	**815**	1,021	-20%	**1,836**	1,041	76%
New Zealand	**692**	677	2%	**1,369**	1,268	8%
Wealth Australia	**115**	123	-7%	**238**	324	-27%
Asia Retail & Pacific	**69**	(217)	large	**(148)**	159	large
TSO and Group Centre	**(61)**	9	large	**(52)**	(450)	-88%
Cash profit	**3,527**	3,411	3%	**6,938**	5,889	18%

Group Cash Profit – September 2017 Full Year v September 2016 Full Year



- **September 2017 v September 2016**

  Cash profit increased 18% partly reflecting the impact of a number of large/notable items taken in 2016 and rigorous cost management in 2017.

  - Net interest income decreased $223 million (-1%) largely due to a 8 basis points decrease in the net interest margin, partially offset by 2% growth in average interest earning assets. The growth in average interest earning assets reflects ANZ's strategic focus on home loans, in particular owner occupier, partially offset by reductions from Institutional portfolio rebalancing and the partial completion of the Asia Retail and Wealth sale. The lower net interest margin reflects the combined impact of deposit competition, growth in the liquidity portfolio and lower earnings on capital. This was partially offset by differentiated repricing in home loans across investor and owner occupier, principal and interest and interest only loans which on a net basis benefited margins. The major bank levy was introduced in 1 July 2017 which also reduced net interest income by $86 million.
  - Other operating income increased $118 million (+2%) benefiting from a net year on year change in derivative valuation adjustments of $331 million (Sept 17: $229 million gain; Sept 16: $102 million loss), an improvement in Markets income of $102 million, and the $114 million gain on sale of 100 Queen Street, Melbourne. Prior year comparatives include the adverse impact of Asian minority valuation adjustments of $231 million and the $237 million derivative CVA methodology change. Partly offsetting this, a number of sales related transactions had unfavourable impacts including a $310 million net charge related to the Asia Retail and Wealth sale, and $365 million loss of income from SRCB, BoT and Esanda Dealer Finance. There was a $186 million reduction in funds management and insurance income, and a $75 million decrease in net fee and commission income.
  - Operating expenses decreased $991 million (-9%) primarily due to the $556 million charge for software capitalisation policy changes and the $278 million charge for restructuring taken in 2016. Personnel expenses reduced by $363 million reflecting a 5% reduction in average FTE. Partly offsetting this are increases in underlying technology expenses of $55 million and increases in other expenses of $106 million as the result of non-lending losses and higher technology related consulting expenses.
  - Credit impairment charges decreased $757 million (-39%). Individual credit impairment charges decreased by $598 million (-31%) primarily the result of a benign credit environment. Collective impairment charges decreased by $159 million due to an improvement in the Group's overall risk profile and portfolio rebalancing in Institutional, partially offset by economic overlay adjustments.

- **September 2017 v March 2017**

  Cash profit increased 3% compared with the March 2017 half.

  - Net interest income increased $40 million (+1%) as the result of a 1% increase in average interest earning assets, partially offset by a 2 basis point decrease in net interest margin. Average interest earning assets growth reflects ANZ's strategic focus on home loans, partially offset by a reduction in Institutional due to portfolio rebalancing, and partial completion of the Asia Retail and Wealth sale. The net margin decrease was driven by growth in the liquidity portfolio, lower earnings on capital, partially offset by improved asset and deposit margins. The major bank levy was introduced in July 2017 which reduced net interest income by $86 million.
  - Other operating income decreased $157 million (-5%) primarily the result of lower derivatives valuation adjustments of $95 million, a reduction in Markets underlying income of $241 million and cessation of equity accounting for SRCB of $58 million. In the March 2017 half, the Group recognised a $114 million gain on sale of 100 Queen Street, Melbourne, offset against by a net $310 million charge related to the Asia Retail and Wealth sale.
  - Operating expenses decreased $14 million (0%) driven by a $118 million reduction in personnel expenses resulting from a 2% reduction in average FTE. Other expenses increased $113 million due to higher technology related consulting expenses.
  - Credit impairment charges decreased $241 million (-33%). Individual credit impairment charges decreased by $233 million (-30%) due to a $243 million decrease in Institutional driven by lower provisions and higher write-backs. Collective impairment charges decreased $8 million driven by an improvement in the Group's overall risk profile, portfolio rebalancing in Institutional, and the net movement in the economic overlay adjustment.

Net interest income

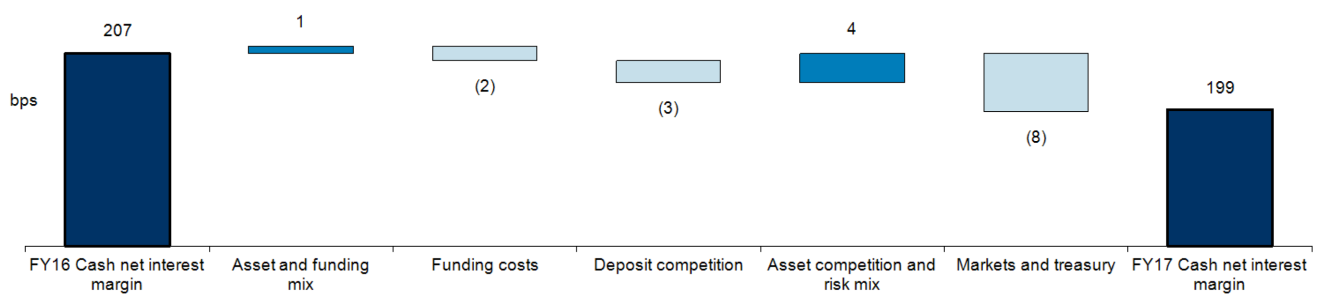
In the March 2017 half, the Group changed its calculation of net interest margin to net home loan deposit offset balances against total interest earning assets. The revised calculation is in line with other major banks. Originally reported net interest margin (Sep 16 full year: 2.00%) and total average interest earning assets (Sep 16 full year: $754,160 million) have been restated accordingly.

	Half Year			Full Year		
Group	**Sep 17 $M**	**Mar 17 $M**	**Movt**	**Sep 17 $M**	**Sep 16 $M**	**Movt**
Cash net interest income[1]	**7,456**	7,416	1%	**14,872**	15,095	-1%
Average interest earning assets[2,3]	**752,073**	743,906	1%	**748,000**	730,835	2%
Average deposits and other borrowings[3]	**603,019**	597,337	1%	**600,186**	586,453	2%
Net interest margin (%) - cash[2]	**1.98**	2.00	-2 bps	**1.99**	2.07	-8 bps
Group (excluding Markets)						
Cash net interest income[1]	**7,014**	6,938	1%	**13,952**	14,063	-1%
Average interest earning assets[2,3]	**536,939**	538,598	0%	**537,766**	533,447	1%
Average deposits and other borrowings[3]	**454,934**	452,671	0%	**453,805**	453,280	0%
Net interest margin (%) - cash[2]	**2.61**	2.58	3 bps	**2.59**	2.64	-5 bps

	Half Year			Full Year		
Cash profit net interest margin by major division	**Sep 17 $M**	**Mar 17 $M**	**Movt**	**Sep 17 $M**	**Sep 16 $M**	**Movt**
Australia[1]						
Net interest margin (%)[2]	**2.68**	2.69	-1 bps	**2.68**	2.75	-7 bps
Average interest earning assets[2]	**316,412**	308,391	3%	**312,412**	298,764	5%
Average deposits and other borrowings	**198,826**	193,671	3%	**196,256**	183,196	7%
Institutional						
Net interest margin (%)	**0.96**	1.05	-9 bps	**1.01**	1.13	-12 bps
Average interest earning assets	**306,863**	302,578	1%	**304,727**	305,446	0%
Average deposits and other borrowings	**247,128**	242,402	2%	**244,772**	232,959	5%
New Zealand[1]						
Net interest margin (%)	**2.31**	2.30	1 bps	**2.31**	2.37	-6 bps
Average interest earning assets[3]	**108,763**	109,664	-1%	**109,212**	103,166	6%
Average deposits and other borrowings[3]	**78,747**	79,190	-1%	**78,968**	75,418	5%

1. *Cash net interest income includes income relating to assets held for sale and income earned on assets prior to divestment.*
2. *In the March 2017 half, the Group changed its calculation of net interest margin to net Australian home loan deposit offset balances against total average interest earning assets (Mar 17 half: $24,979 million; Sep 16 full year: $23,325 million).*
3. *Average Balance Sheet amounts as at 30 September 2017 and 31 March 2017 include assets and liabilities held for sale.*

Group net interest margin – September 2017 Full Year v September 2016 Full Year



- **September 2017 v September 2016**

  Net interest margin (-8 bps)

  - Asset mix and funding mix (+1 bps): favourable mix impact from a lower proportion of wholesale funding and run-off of lower margin lending products in Institutional, partially offset by the adverse mix impact from growth in Australia home loans.
  - Funding costs (-2 bps): impact of higher hybrid and subordinated debt and the introduction of the major bank levy.
  - Deposit competition (-3 bps): lower margin from increased competition in Australia and New Zealand, partially offset by improved margins in Asia.
  - Asset competition and risk mix (+4 bps): increase driven by Australian and New Zealand home loans repricing.
  - Markets and treasury (-8 bps): adverse impact to earnings on capital as the result of lower interest rates, growth in the liquidity portfolio and lower earnings from markets activities.

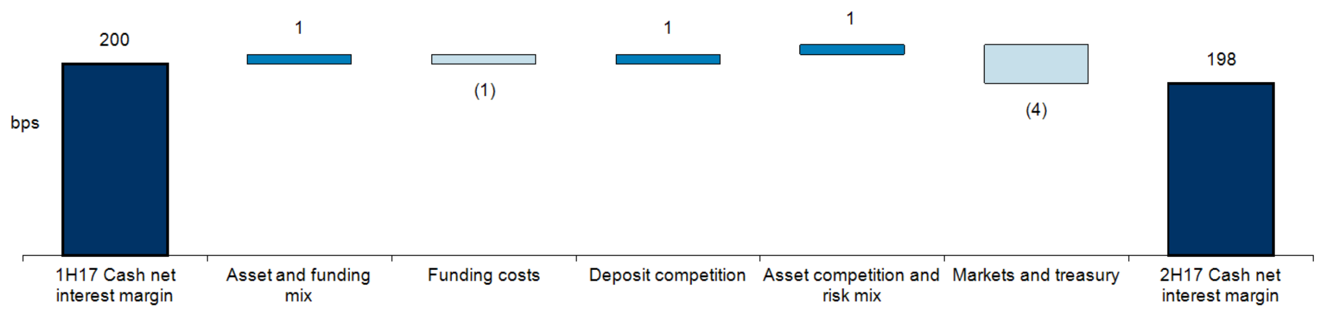
  Average interest earning assets (+$17.2 billion or +2%)

  - Average gross loans and advances (+$6.1 billion or +1%): excluding the impact of foreign currency translation, the increase was +$7.4 billion (+1%) driven by growth in Australia and New Zealand home loans, partially offset by a decline in Institutional due to portfolio rebalancing, and the partial completion of the Asia Retail and Wealth sale.
  - Average trading and available-for-sale assets (+$5.7 billion or +6%): excluding the impact of foreign currency translation, the increase was +$6.5 billion (+7%) driven by growth in the liquidity portfolio.
  - Average cash and other liquids (+$5.2 billion or +7%): excluding the impact of foreign currency translation, the increase was +$6.8 billion (+9%) driven by liquidity management requirements, market volatility and volume of derivative transactions.

  Average deposits and other borrowings (+$13.7 billion or +2%)

  - Average deposits and other borrowings (+$13.7 billion or +2%): excluding the impact of foreign currency translation, the increase was +$18.0 billion (+3%) driven by growth in customer deposits across Australia, New Zealand and Institutional divisions, partially offset by a decline of deposits and other borrowings in Treasury, as well as the partial completion of the Asia Retail and Wealth sale.

Group net interest margin – September 2017 Half Year v March 2017 Half Year



- **September 2017 v March 2017**

  Net interest margin (-2 bps)

  - Asset mix and funding mix (+1 bps): favourable mix impact from a higher proportion of capital, partially offset by the adverse mix impact from growth in Australian home loans.
  - Funding costs (-1 bps): adverse impact due to the introduction of the major bank levy.
  - Deposit competition (+1 bps): improved deposit margins in Australia, partially offset by lower margins in New Zealand.
  - Asset competition and risk mix (+1 bps): driven by Australian and New Zealand home loan repricing, partially offset by lower Institutional and lending margins.
  - Markets and treasury (-4 bps): adverse impact to earnings on capital as the result of lower interest rates, growth in the liquidity portfolio and lower earnings from markets activities.

Average interest earning assets (+$8.2 billion or +1%)

- Average gross loans and advances (+$2.6 billion or +1%): excluding the impact of foreign currency translation, the increase was +$4.9 billion (+1%), driven by growth in Australia and New Zealand home loans, partially offset by a decline in Institutional due to portfolio rebalancing, and the partial completion of the Asia Retail and Wealth sale.
- Average trading and available for sale assets (+$1.7 billion or +2%): excluding the impact of foreign currency translation, the increase was +$2.4 billion (+2%) driven by growth in liquidity portfolio.
- Average cash and other liquids (+$3.9 billion or +5%): excluding the impact of foreign currency translation, the increase was +$4.9 billion (+6%) driven by liquidity management requirements, market volatility and derivative transaction volumes.

Average deposits and other borrowings (+$5.7 billion or +1%)

- Average deposits and other borrowings (+$5.7 billion or +1%): excluding the impact of foreign currency translation, the increase was +$9.6 billion (+2%) driven by growth in customer deposits across Australia and Institutional divisions, partially offset by the partial completion of the Asia Retail and Wealth sale.

Other operating income

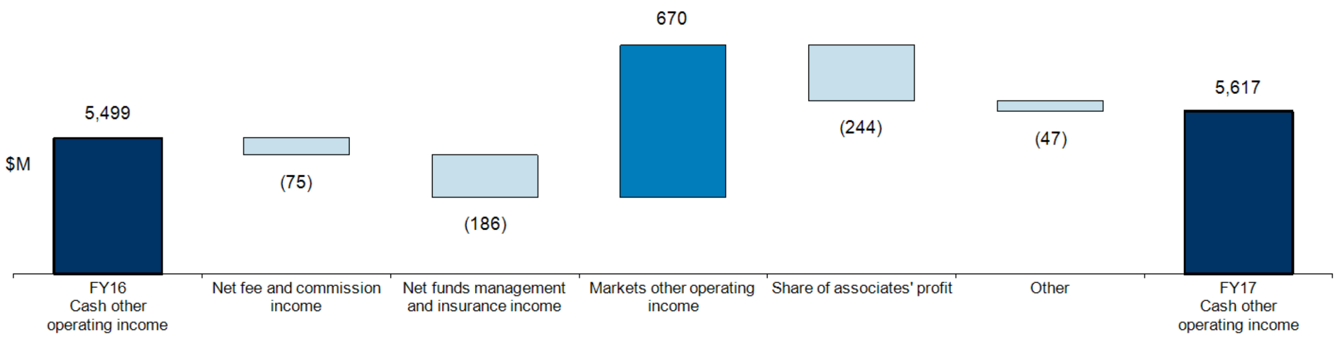
	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Net fee and commission income[1]	1,185	1,177	1%	2,362	2,437	-3%
Net funds management and insurance income[1]	664	668	-1%	1,332	1,518	-12%
Markets other operating income[2]	550	886	-38%	1,436	766	87%
Share of associates' profit[1]	127	173	-27%	300	544	-45%
Other[1, 3]	204	(17)	large	187	234	-20%
Cash other operating income	2,730	2,887	-5%	5,617	5,499	2%

	Half Year			Full Year		
Markets income	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Net interest income	442	478	-8%	920	1,032	-11%
Other operating income[2]	550	886	-38%	1,436	766	87%
Cash Markets income	992	1,364	-27%	2,356	1,798	31%

	Half Year			Full Year		
Other operating income by division	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Australia	616	602	2%	1,218	1,206	1%
Institutional[2]	989	1,357	-27%	2,346	1,733	35%
New Zealand	336	317	6%	653	644	1%
Wealth Australia	538	539	0%	1,077	1,244	-13%
Asia Retail & Pacific	176	(139)	large	37	478	-92%
TSO and Group Centre[3]	75	211	-64%	286	194	47%
Cash other operating income	2,730	2,887	-5%	5,617	5,499	2%

1. *Excluding Markets.*
2. *Markets other operating income for the September 2016 full year includes a charge of $237 million related to the derivative CVA methodology change.*
3. *Other income for the September 2017 full year includes the $324 million charge related to the sale of Asia Retail and Wealth businesses, and the $114 million gain on sale of 100 Queen Street, Melbourne. The September 2016 full year includes the $260 million impairment of the investment in AmBank, the $29 million gain on cessation of equity accounting of BoT, and the $66 million gain on the Esanda Dealer Finance divestment.*

Other operating income – September 2017 Full Year v September 2016 Full Year



September 2017 v September 2016

Other operating income Increased by $118 million (+2%). Key drivers:

Net fee and commission income (-$75 million or -3%)

- $70 million decrease in the Asia Retail and Pacific division as the result of lower performance and partial sale completion.
- $56 million decrease in Institutional primarily due to portfolio rebalancing.
- $40 million increase in Australia division primarily due to growth in Small Business and Deposits.

Net funds management and insurance income (-$186 million or -12%)

- $163 million decrease in Wealth Australia primarily due to adverse retail life claims, reduced fee income as expected from ongoing rationalisation of legacy investment platforms to SmartChoice, lower income on invested capital, partially offset by favourable Lenders Mortgage Insurance experience.
- $37 million decrease in the Asia Retail and Pacific division as the result of lower performance and partial sale completion.

Cash Markets income (+$558 million or +31%)

- Excluding the $237 million charge relating to the derivative CVA methodology change in 2016, Cash Markets income increased $321 million:
  - $244 million increase in Balance Sheet Trading driven by tighter credit spreads which generated mark to market gains in the March 2017 half, as well as increased income from higher average liquidity portfolio holdings throughout 2017.
  - $227 million increase in Franchise Trading primarily attributable to a $229 million gain associated with derivative credit and funding valuation adjustments, net of associated hedges which benefitted from decreasing credit spreads and increasing yield curves. Favourable trading conditions seen in 2016 continued in the March 2017 half post the US election, however became more subdued in the September 2017 half.
  - $150 million decrease in Franchise Sales due to the impact of business transformational initiatives (client and product rationalisation to align to Institutional strategy, reduce risk exposures and improve returns) and market conditions limiting client activity particularly for longer tenor hedging as a result of low FX volatility and the low interest rate environment.

Share of associates' profit (-$244 million or -45%)

- $287 million decrease due to cessation of equity accounting for BoT from March 2016 and SRCB from January 2017.
- $44 million net increase in profits from associates of which $38 million relates to P.T. Bank Pan Indonesia.

Other (-$47 million or -20%)

- $310 million decrease as a result of the reclassification to held for sale and partial completion of the Asia Retail and Wealth sale.
- $66 million decrease due to the Esanda Dealer Finance gain on divestment taken in the March 2016 half.
- $231 million increase due to the Asian minority valuations adjustments in the March 2016 half.
- $114 million increase due to the gain on sale of 100 Queen Street, Melbourne.

- **September 2017 v March 2017**

Other operating income decreased by $157 million (-5%). Key drivers:

Net fee and commission income (+$8 million or +1%)

- $19 million increase in the New Zealand division as the result of renewed card scheme incentives.
- $19 million decrease in Institutional primarily due to portfolio rebalancing.

Net funds management and insurance income (-$4 million or -1%)

Cash Markets income (-$372 million or -27%)

- $261 million decrease in Franchise Trading attributable to a $95 million reduction in derivative credit and funding valuation adjustments, net of associated hedges, following significant gains in the March 2017 half and more challenging trading conditions compared to the previous eighteen months.
- $78 million decrease in Balance Sheet Trading with lower mark to market gains associated with credit spreads movements.
- $33 million decrease in Franchise Sales as the impact of business transformational initiatives moderated in the September 2017 half, however benign market conditions continued as the low interest rate environment persisted.

Share of associates' profit (-$46 million or -27%)

- $58 million loss of income due to cessation of equity accounting for SRCB from January 2017.
- $12 million net increase in profits from associates of which $9 million relates to Metrobank Card Corporation.

Other (+$221 million)

- $324 million increase as the result of the reclassification of Asia Retail and Wealth businesses to held for sale in the March 2017 half, partially offset by a $14 million gain recognised in relation to the sale in the September 2017 half.
- $26 million increase as the result of a dividend received from Bank of Tianjin.
- $114 million decrease as a result of the gain on sale of 100 Queen Street, Melbourne recognised in the March 2017 half.

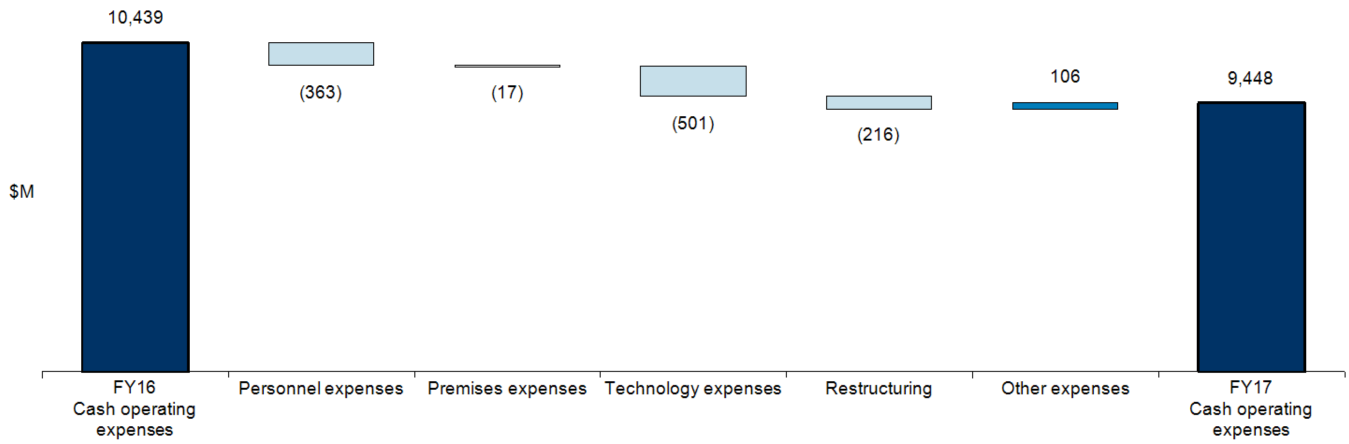
Operating Expenses

	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Personnel expenses	**2,530**	2,648	-4%	**5,178**	5,541	-7%
Premises expenses	**454**	457	-1%	**911**	928	-2%
Technology expenses[1]	**835**	831	0%	**1,666**	2,167	-23%
Restructuring expenses	**26**	36	-28%	**62**	278	-78%
Other expenses	**872**	759	15%	**1,631**	1,525	7%
Total cash operating expenses	**4,717**	4,731	0%	**9,448**	10,439	-9%
Full time equivalent staff (FTE)	**44,896**	46,046	-2%	**44,896**	46,554	-4%
Average full time equivalent staff (FTE)	**45,675**	46,462	-2%	**46,068**	48,633	-5%

1. *Technology expenses include a $556 million charge associated with accelerated amortisation from the software capitalisation policy changes in the September 2016 full year. Refer to page 14 for further details.*

	Half Year			Full Year		
Expenses by division	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Australia	**1,730**	1,693	2%	**3,423**	3,426	0%
Institutional	**1,357**	1,379	-2%	**2,736**	2,958	-8%
New Zealand	**593**	600	-1%	**1,193**	1,225	-3%
Wealth Australia	**373**	370	1%	**743**	801	-7%
Asia Retail & Pacific	**298**	353	-16%	**651**	808	-19%
TSO and Group Centre	**366**	336	9%	**702**	1,221	-43%
Total cash operating expenses	**4,717**	4,731	0%	**9,448**	10,439	-9%

Operating expenses – September 2017 Full Year v September 2016 Full Year



- **September 2017 v September 2016**

  Operating expenses decreased by $991 million (-9%) reflecting a number of large/notable items taken in 2016.
  - Personnel expenses decreased $363 million (-7%) due to a 5% reduction in average FTE partially offset by wage inflation.
  - Technology expenses decreased $501 million (-23%) primarily as the result of the software capitalisation policy charge of $556 million recognised in 2016. Excluding this, Technology expenses increased $55 million (+3%) due to investment in future growth and productivity initiatives.
  - Restructuring expenses decreased $216 million (-78%) with larger investment in 2016 at the reset of the Group's strategy.
  - Other expenses increased $106 million (+7%) due to non-lending losses and higher technology related consulting expenses.

- **September 2017 v March 2017**

  Operating expenses decreased by $14 million.
  - Personnel expenses decreased $118 million (-4%) mainly due to a 2% reduction in average FTE.
  - Other expenses increased $113 million (+15%) due to higher technology related consulting expenses.

Technology infrastructure spend

Technology infrastructure spend includes expenditure that develops and enhances the Group's technology infrastructure to meet business and strategic objectives and to improve capability and efficiency. Investment is categorised based on primary objective but may contibute to multiple investment categories. Digital and data spend has predominantly been classified as Productivity. The analysis below aggregates all projects over $1 million. Spend on projects less than $1 million was $166 million in the September 2017 full year (Sep 17 half $82 million; Mar 17 half $84 million).

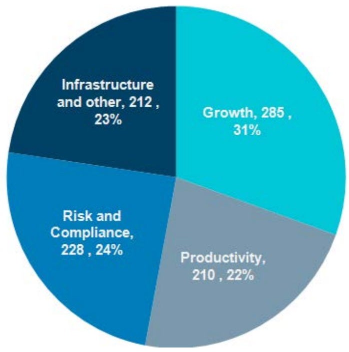
	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Expensed investment spend	323	225	44%	548	526	4%
Capitalised investment spend	227	160	42%	387	400	-3%
Technology infrastructure spend	**550**	385	43%	**935**	926	1%

Comprising	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Growth	163	122	34%	285	333	-14%
Productivity	127	83	53%	210	171	23%
Risk and compliance	127	101	26%	228	229	0%
Infrastructure and other	133	79	68%	212	193	10%
Technology infrastructure spend	**550**	385	43%	**935**	926	1%

Technology infrastructure spend breakdown:

- **September 2017 v September 2016:** Investment spend increased marginally, with a 23% increase in productivity spend offset by a 14% reduction in growth spend. Investments included frontline and digital customer solutions to improve banker and customer experience.
- **September 2017 v March 2017:** Investment spend increased significantly in the September 2017 half due to increased investment in technology maintenance and infrastructure projects, frontline and digital customer solutions to improve banker and customer experience.

Sep-17 $M



Technology infrastructure spend by division	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Australia	197	130	52%	327	274	19%
Institutional	104	60	73%	164	175	-6%
New Zealand	35	31	13%	66	75	-12%
Asia Retail & Pacific	2	1	100%	3	7	-57%
Wealth Australia	22	25	-12%	47	69	-32%
TSO and Group Centre	190	138	38%	328	326	1%
Technology infrastructure spend	**550**	385	43%	**935**	926	1%

Software capitalisation

As at 30 September 2017, the Group's intangible assets included $1,860 million of costs incurred to acquire and develop software. Details are set out in the table below:

	Half Year			Full Year		
	Sep 17 $M	**Mar 17 $M**	**Movt**	**Sep 17 $M**	**Sep 16 $M**	**Movt**
Balance at start of period	**1,922**	2,202	-13%	**2,202**	2,893	-24%
Software capitalised during the period	**232**	172	35%	**404**	431	-6%
Amortisation during the period						
- Current period amortisation	**(272)**	(295)	-8%	**(567)**	(500)	13%
- Accelerated amortisation	**-**	-	n/a	**-**	(556)	-100%
Software impaired/written-off						
- Reclassification of Asia Retail and Wealth to held for sale[1]	**-**	(154)	-100%	**(154)**	(4)	large
- Other	**(16)**	(1)	large	**(17)**	(23)	-26%
Foreign exchange differences	**(6)**	(2)	large	**(8)**	(39)	-79%
Total capitalised software	**1,860**	1,922	-3%	**1,860**	2,202	-16%

Net book value by Division	Half Year			Full Year		
	Sep 17 $M	**Mar 17 $M**	**Movt**	**Sep 17 $M**	**Sep 16 $M**	**Movt**
Australia	**441**	459	-4%	**441**	488	-10%
Institutional	**559**	608	-8%	**559**	782	-29%
New Zealand	**24**	26	-8%	**24**	27	-11%
Wealth Australia	**17**	19	-11%	**17**	20	-15%
Asia Retail & Pacific[1]	**-**	-	n/a	**-**	63	-100%
TSO and Group Centre	**819**	810	1%	**819**	822	0%
Total	**1,860**	1,922	-3%	**1,860**	2,202	-16%

1. *Reclassification of Asia Retail and Wealth to held for sale includes impairment of software supporting both the Institutional and Asia Retail and Wealth businesses. Only components relating to the Asia Retail and Wealth businesses have been impaired which were recorded on the Institutional and Asia Retail and Pacific balance sheet. These impairment charges are recognised as other operating income in the Condensed Consolidated Income Statement.*

Credit risk

	Full Year			Full Year			Movement		
	Sep 17			Sep 16			Sep 17 v. Sep 16		
Division	Individual charge $M	Collective charge $M	Total charge $M	Individual charge $M	Collective charge $M	Total charge $M	Individual charge %	Collective charge %	Total charge %
Australia	883	14	897	898	22	920	-2%	-36%	-3%
Institutional	177	(97)	80	776	(33)	743	-77%	large	-89%
New Zealand	116	(38)	78	104	16	120	12%	large	-35%
Asia Retail & Pacific	165	(21)	144	161	11	172	2%	large	-16%
TSO and Group Centre	-	-	-	-	1	1	n/a	-100%	-100%
Total	**1,341**	**(142)**	**1,199**	**1,939**	**17**	**1,956**	**-31%**	**large**	**-39%**

	Half Year			Half Year			Movement		
	Sep 17			Mar 17			Sep 17 v. Mar 17		
Division	Individual charge $M	Collective charge $M	Total charge $M	Individual charge $M	Collective charge $M	Total charge $M	Individual charge %	Collective charge %	Total charge %
Australia	453	(28)	425	430	42	472	5%	large	-10%
Institutional	(33)	(12)	(45)	210	(85)	125	large	-86%	large
New Zealand	55	(14)	41	61	(24)	37	-10%	-42%	11%
Asia Retail & Pacific	79	(10)	69	86	(11)	75	-8%	-9%	-8%
TSO and Group Centre	-	(11)	(11)	-	11	11	n/a	large	large
Total	**554**	**(75)**	**479**	**787**	**(67)**	**720**	**-30%**	**12%**	**-33%**

Individual credit impairment charge

	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
New and increased individual credit impairments						
Australia	**641**	617	4%	**1,258**	1,223	3%
Institutional	**101**	299	-66%	**400**	846	-53%
New Zealand	**109**	102	7%	**211**	202	4%
Asia Retail & Pacific	**97**	104	-7%	**201**	201	0%
New and increased individual credit impairments	**948**	1,122	-16%	**2,070**	2,472	-16%
Recoveries and write-backs						
Australia	**(188)**	(187)	1%	**(375)**	(325)	15%
Institutional	**(134)**	(89)	51%	**(223)**	(70)	large
New Zealand	**(54)**	(41)	32%	**(95)**	(98)	-3%
Asia Retail & Pacific	**(18)**	(18)	0%	**(36)**	(40)	-10%
Recoveries and write-backs	**(394)**	(335)	18%	**(729)**	(533)	37%
Total individual credit impairment charge	**554**	787	-30%	**1,341**	1,939	-31%

- **September 2017 v September 2016**

  The individual credit impairment charge decreased $598 million (-31%) driven by a $402 million (-16%) decrease in new and existing provisions predominantly in Institutional largely arising from portfolio rebalancing, combined with a $196 million (+37%) increase in recoveries and write-backs in Australia and Institutional divisions from better than expected outcomes in impaired asset workouts.

- **September 2017 v March 2017**

  The individual credit impairment charge decreased $233 million (-30%) driven primarily by a $243 million decrease in Institutional due to lower new individual provisions from portfolio rebalancing and higher write-backs and recoveries. This is partially offset by an increase of $23 million (+5%) in the Australia division driven by Retail and Small Business portfolios.

Collective credit impairment charge

Collective credit impairment charge/(release) by source	Half Year Sep 17 $M	Half Year Mar 17 $M	Half Year Movt	Full Year Sep 17 $M	Full Year Sep 16 $M	Full Year Movt
Lending growth	**(18)**	(30)	-40%	**(48)**	(3)	large
Risk profile	**(91)**	(78)	17%	**(169)**	20	large
Economic cycle adjustment	**34**	41	-17%	**75**	-	n/a
Total collective credit impairment charge/(release)	**(75)**	(67)	12%	**(142)**	17	large

- **September 2017 v September 2016**

  The collective credit impairment charge decreased $159 million driven by a reduction in Institutional due to portfolio rebalancing, and further improvement in the Institutional and New Zealand divisional risk profile. This was partially offset by an economic overlay adjustment of $75 million.

- **September 2017 v March 2017**

  The collective credit impairment release increased $8 million, driven by continued portfolio contraction in Institutional due to portfolio rebalancing, further risk profile improvement across all divisions, and a net movement in the economic overlay adjustment.

Provision for credit impairment

	As at Sep 17			As at Sep 16			Movement Sep 17 v. Sep 16		
Division	**Individual provision $M**	**Collective provision $M[1]**	**Total provision $M**	**Individual provision $M**	**Collective provision $M[1]**	**Total provision $M**	**Individual provision %**	**Collective provision %**	**Total provision %**
Australia	703	1,202	1,905	606	1,188	1,794	16%	1%	6%
Institutional	282	1,004	1,286	569	1,115	1,684	-50%	-10%	-24%
New Zealand	131	323	454	117	374	491	12%	-14%	-8%
Asia Retail & Pacific	20	130	150	15	196	211	33%	-34%	-29%
TSO and Group Centre	-	3	3	-	3	3	n/a	0%	0%
Total	**1,136**	**2,662**	**3,798**	**1,307**	**2,876**	**4,183**	**-13%**	**-7%**	**-9%**

	As at Sep 17			As at Mar 17			Movement Sep 17 v. Mar 17		
Division	**Individual provision $M**	**Collective provision $M[1]**	**Total provision $M**	**Individual provision $M**	**Collective provision $M[1]**	**Total provision $M**	**Individual provision %**	**Collective provision %**	**Total provision %**
Australia	703	1,202	1,905	647	1,230	1,877	9%	-2%	1%
Institutional	282	1,004	1,286	470	1,024	1,494	-40%	-2%	-14%
New Zealand	131	323	454	135	335	470	-3%	-4%	-3%
Asia Retail & Pacific	20	130	150	17	182	199	18%	-29%	-25%
TSO and Group Centre	-	3	3	-	14	14	n/a	-79%	-79%
Total	**1,136**	**2,662**	**3,798**	**1,269**	**2,785**	**4,054**	**-10%**	**-4%**	**-6%**

1. *The collective provision includes amounts for off-balance sheet credit exposures of $544 million as at 30 September 2017 (Mar 17 half : $574 million; Sep 16 full year: $631 million). The impact on the Income Statement for the full year ended 30 September 2017 was a $66 million release (Mar 17 half: $46 million release; Sep 16 full year: $32 million release).*

Group Expected Loss

Management believe that disclosure of modelled expected loss data for individual provisions assists in assessing the longer term expected loss rates of the lending portfolio as it removes the volatility of reported earnings created by the use of accounting losses. The expected loss methodology is used internally for return on equity analysis and economic profit reporting.

Asia Retail and Wealth

- ANZ announced the sale of six Asia Retail and Wealth businesses in 2017, of which three are now completed with the remainder to occur in first half 2018.
- The increase in Asia Retail and Wealth expected loss reflects the partial completion of the sale of those businesses with the countries to be completed having proportionally higher unsecured lending (primarily credit cards).

	As at	
Expected loss as a % of gross lending assets	**Sep 17**	**Sep 16**
Australia	**0.33%**	0.33%
New Zealand	**0.22%**	0.26%
Institutional	**0.30%**	0.35%
Subtotal	**0.31%**	0.33%
Asia Retail	**2.67%**	1.51%
Total	**0.32%**	0.35%

Gross Impaired Assets[1]

	As at			Movement	
	Sep 17 $M	**Mar 17 $M**	**Sep 16 $M**	**Sep 17 v. Mar 17**	**Sep 17 v. Sep 16**
Impaired loans	**2,118**	2,478	2,646	-15%	-20%
Restructured items[2]	**167**	367	403	-54%	-59%
Non-performing commitments and contingencies	**99**	95	124	4%	-20%
Gross impaired assets	**2,384**	2,940	3,173	-19%	-25%
Individual provisions					
Impaired loans	**(1,118)**	(1,253)	(1,278)	-11%	-13%
Non-performing commitments and contingencies	**(18)**	(16)	(29)	13%	-38%
Net impaired assets	**1,248**	1,671	1,866	-25%	-33%
Gross impaired assets by division					
Australia	**1,310**	1,227	1,170	7%	12%
Institutional	**624**	1,061	1,405	-41%	-56%
New Zealand	**307**	409	346	-25%	-11%
Asia Retail & Pacific	**143**	243	252	-41%	-43%
Gross impaired assets	**2,384**	2,940	3,173	-19%	-25%
Gross impaired assets by size of exposure					
Less than $10 million	**1,622**	1,724	1,784	-6%	-9%
$10 million to $100 million	**655**	1,106	899	-41%	-27%
Greater than $100 million	**107**	110	490	-3%	-78%
Gross impaired assets	**2,384**	2,940	3,173	-19%	-25%

1. *Loans and advances as at 30 September 2017 and 31 March 2017 include assets held for sale.*
2. *Restructured items are facilities where the original contractual terms have been modified for reasons related to the financial difficulties of the customer. Restructuring may consist of reduction of interest, principal or other payments legally due, or an extension in maturity materially beyond those typically offered to new facilities with similar risk.*

- **September 2017 v September 2016**

  Gross impaired assets decreased $789 million (-25%) driven by Institutional (-$781 million) and New Zealand (-$39 million) divisions due to higher repayments and upgrades on a small number of large exposures, and Asia Retail and Pacific division (-$109 million) due to the partial completion of the Asia Retail and Wealth sale. This was partially offset by an increase in the Australia division (+$140 million) driven by Corporate Banking, Small Business Banking and home loan portfolios. The Group's individual provision coverage ratio on impaired assets was 47.7% at 30 September 2017 (Sep 16: 41.2%).

- **September 2017 v March 2017**

  Gross impaired assets decreased $556 million (-19%) driven by Institutional (-$437 million) and New Zealand (-$102 million) divisions with higher repayments and upgrades on a small number of large exposures, combined with Asia Retail and Pacific division (-$100 million) due to the partial completion of the Asia Retail and Wealth sale. This was partially offset by an increase in Australia (+$83 million) driven by Corporate Banking, Small Business Banking and home loan portfolios. The Group's individual provision coverage ratio on impaired assets was 47.7% at 30 September 2017 (Mar 17: 43.2%).

New Impaired Assets[1]

	Half Year			Full Year		
	Sep 17 $M	**Mar 17 $M**	**Movt**	**Sep 17 $M**	**Sep 16 $M**	**Movt**
Impaired loans	**1,315**	1,637	-20%	**2,952**	3,267	-10%
Restructured items	**21**	88	-76%	**109**	274	-60%
Non-performing commitments and contingencies	**89**	62	44%	**151**	87	74%
Total new impaired assets	**1,425**	1,787	-20%	**3,212**	3,628	-11%
New impaired assets by division						
Australia	**844**	816	3%	**1,660**	1,704	-3%
Institutional	**269**	547	-51%	**816**	1,151	-29%
New Zealand	**216**	296	-27%	**512**	484	6%
Asia Retail & Pacific	**96**	128	-25%	**224**	289	-22%
Total new impaired assets	**1,425**	1,787	-20%	**3,212**	3,628	-11%

- **September 2017 v September 2016**

  New impaired assets decreased $416 million (-11%) primarily driven by Institutional as the result of an improved risk profile from portfolio rebalancing.

- **September 2017 v March 2017**

  New impaired assets decreased by $362 million (-20%) primarily driven by lower new impairments for Institutional as the result of an improved risk profile from portfolio rebalancing, and New Zealand Commercial and Agri.

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

	As at			Movement	
	Sep 17 $M	**Mar 17 $M**	**Sep 16 $M**	**Sep 17 v. Mar 17**	**Sep 17 v. Sep 16**
1-29 days	**8,790**	9,123	7,966	-4%	10%
30-59 days	**2,143**	2,355	1,910	-9%	12%
60-89 days	**1,148**	1,148	1,070	0%	7%
>90 days	**2,953**	2,771	2,703	7%	9%
Total	**15,034**	15,397	13,649	-2%	10%

1. *Loans and advances as at 30 September 2017 and 31 March 2017 include assets held for sale.*

- **September 2017 v September 2016**

  The 90 days past due but not impaired increased $250 million (+9%) primarily in Australia division due to growth in the home loan portfolio and portfolio deterioration mainly in Western Australia.

- **September 2017 v March 2017**

  The 90 days past due but not impaired increased $182 million (+7%) primarily in Australia division due to growth in the home loan portfolio and portfolio deterioration mainly in Western Australia.

Income tax expense

	Half Year			Full Year		
	Sep 17 $M	**Mar 17 $M**	**Movt**	**Sep 17 $M**	**Sep 16 $M**	**Movt**
Income tax expense on cash profit	**1,456**	1,433	2%	**2,889**	2,299	26%
Effective tax rate (cash profit)	**29.2%**	29.5%		**29.4%**	28.0%	

- **September 2017 v September 2016**

  The effective tax rate has increased from 28.0% to 29.4%. The 140 basis point increase is primarily due to a reduction in equity accounted earnings (+106 bps) and the non-recurrence of a tax provision release in the prior year (+87 bps). This is partially offset by the non-tax deductible impairment of AmBank recognised in the March 2016 half (-95 bps).

- **September 2017 v March 2017**

  The effective tax rate has decreased from 29.5% to 29.2%. The 30 basis point decrease is primarily due to increased offshore earnings in the September 2017 half which attract a lower average tax rate. Offshore earnings in the March 2017 half are impacted by the reclassification of Asia Retail and Wealth businesses to held for sale.

Impact of foreign currency translation

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

Cash Profit - September 2017 Full Year vs September 2016 Full Year

	Full Year				Movement		
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX impact	FX adjusted
	Sep 17 $M	Sep 16 $M	Sep 16 $M	Sep 16 $M	Sep 17 v. Sep 16	Sep 17 v. Sep 16	Sep 17 v. Sep 16
Net interest income	**14,872**	15,095	(47)	15,048	-1%	0%	-1%
Other operating income	**5,617**	5,499	(61)	5,438	2%	-1%	3%
Operating income	**20,489**	20,594	(108)	20,486	-1%	-1%	0%
Operating expenses	**(9,448)**	(10,439)	75	(10,364)	-9%	0%	-9%
Profit before credit impairment and income tax	**11,041**	10,155	(33)	10,122	9%	0%	9%
Credit impairment charge	**(1,199)**	(1,956)	17	(1,939)	-39%	-1%	-38%
Profit before income tax	**9,842**	8,199	(16)	8,183	20%	0%	20%
Income tax expense	**(2,889)**	(2,299)	(7)	(2,306)	26%	1%	25%
Non-controlling interests	**(15)**	(11)	-	(11)	36%	0%	36%
Cash profit	**6,938**	5,889	(23)	5,866	18%	0%	18%

Cash Profit by Division - September 2017 Full Year vs September 2016 Full Year

	Full Year				Movement		
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX impact	FX adjusted
	Sep 17 $M	Sep 16 $M	Sep 16 $M	Sep 16 $M	Sep 17 v. Sep 16	Sep 17 v. Sep 16	Sep 17 v. Sep 16
Australia	**3,695**	3,547	-	3,547	4%	0%	4%
Institutional	**1,836**	1,041	(12)	1,029	76%	-2%	78%
New Zealand	**1,369**	1,268	9	1,277	8%	1%	7%
Wealth Australia	**238**	324	(1)	323	-27%	-1%	-26%
Asia Retail & Pacific	**(148)**	159	(3)	156	large	2%	large
TSO and Group Centre	**(52)**	(450)	(16)	(466)	-88%	1%	-89%
Cash profit by division	**6,938**	5,889	(23)	5,866	18%	0%	18%

Net loans and advances by Division - September 2017 vs September 2016

	As at				Movement		
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX impact	FX adjusted
	Sep 17 $B	Sep 16 $B	Sep 16 $B	Sep 16 $B	Sep 17 v. Sep 16	Sep 17 v. Sep 16	Sep 17 v. Sep 16
Australia	**345.4**	327.1	-	327.1	6%	0%	6%
Institutional	**119.6**	125.9	(1.9)	124.0	-5%	-1%	-4%
New Zealand[1]	**107.9**	107.9	(3.8)	104.1	0%	-4%	4%
Wealth Australia	**1.7**	2.0	-	2.0	-15%	0%	-15%
Asia Retail & Pacific[1]	**5.7**	13.4	(0.3)	13.1	-57%	-1%	-56%
TSO and Group Centre	**-**	(0.4)	-	(0.4)	-100%	0%	-100%
Net loans and advances by division[1]	**580.3**	575.9	(6.0)	569.9	1%	-1%	2%

1. *Net loans and advances as at 30 September 2017 and 31 March 2017 include net loans and advances held for sale.*

Cash Profit - September 2017 Half Year vs March 2017 Half Year

	Half Year				Movement		
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX impact	FX adjusted
	Sep 17 $M	Mar 17 $M	Mar 17 $M	Mar 17 $M	Sep 17 v. Mar 17	Sep 17 v. Mar 17	Sep 17 v. Mar 17
Net interest income	**7,456**	7,416	(34)	7,382	1%	0%	1%
Other operating income	**2,730**	2,887	(23)	2,864	-5%	0%	-5%
Operating income	**10,186**	10,303	(57)	10,246	-1%	0%	-1%
Operating expenses	**(4,717)**	(4,731)	23	(4,708)	0%	0%	0%
Profit before credit impairment and income tax	**5,469**	5,572	(34)	5,538	-2%	-1%	-1%
Credit impairment charge	**(479)**	(720)	2	(718)	-33%	0%	-33%
Profit before income tax	**4,990**	4,852	(32)	4,820	3%	-1%	4%
Income tax expense	**(1,456)**	(1,433)	9	(1,424)	2%	0%	2%
Non-controlling interests	**(7)**	(8)	-	(8)	-13%	0%	-13%
Cash profit	**3,527**	3,411	(23)	3,388	3%	-1%	4%

Cash Profit by Division - September 2017 Half Year vs March 2017 Half Year

	Half Year				Movement		
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX impact	FX adjusted
	Sep 17 $M	Mar 17 $M	Mar 17 $M	Mar 17 $M	Sep 17 v. Mar 17	Sep 17 v. Mar 17	Sep 17 v. Mar 17
Australia	**1,897**	1,798	-	1,798	6%	0%	6%
Institutional	**815**	1,021	(7)	1,014	-20%	0%	-20%
New Zealand	**692**	677	(9)	668	2%	-2%	4%
Wealth Australia	**115**	123	-	123	-7%	0%	-7%
Asia Retail & Pacific	**69**	(217)	3	(214)	large	0%	large
TSO and Group Centre	**(61)**	9	(10)	(1)	large	large	large
Cash profit by division	**3,527**	3,411	(23)	3,388	3%	-1%	4%

Net loans and advances by Division - September 2017 vs March 2017

	As at				Movement		
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX impact	FX adjusted
	Sep 17 $B	Mar 17 $B	Mar 17 $B	Mar 17 $B	Sep 17 v. Mar 17	Sep 17 v. Mar 17	Sep 17 v. Mar 17
Australia	**345.4**	336.7	-	336.7	3%	0%	3%
Institutional	**119.6**	120.8	(1.0)	119.8	-1%	-1%	0%
New Zealand[1]	**107.9**	104.9	0.7	105.6	3%	1%	2%
Wealth Australia	**1.7**	1.8	-	1.8	-6%	0%	-6%
Asia Retail & Pacific[1]	**5.7**	12.5	(0.3)	12.2	-54%	-1%	-53%
TSO and Group Centre	**-**	(0.4)	-	(0.4)	-100%	0%	-100%
Net loans and advances by division[1]	**580.3**	576.3	(0.6)	575.7	1%	0%	1%

1. *Net loans and advances as at 30 September 2017 and 31 March 2017 include net loans and advances held for sale.*

Earnings related hedges

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

	Half Year		Full Year	
NZD Economic hedges	**Sep 17 $M**	**Mar 17 $M**	**Sep 17 $M**	**Sep 16 $M**
Net open NZD position (notional principal)[1]	**3,036**	3,347	**3,036**	3,161
Amount taken to income (pre-tax statutory basis)[2]	**(34)**	125	**91**	(174)
Amount taken to income (pre-tax cash basis)[3]	**(27)**	(19)	**(46)**	(8)
USD Economic hedges				
Net open USD position (notional principal)[1]	**-**	-	**-**	-
Amount taken to income (pre-tax statutory basis)[2]	**-**	-	**-**	21
Amount taken to income (pre-tax cash basis)[3]	**-**	-	**-**	(58)

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

As at 30 September 2017, the following hedges were in place to partially hedge future earnings against adverse movements in exchange rates:

- NZD 3.3 billion at a forward rate of approximately NZD 1.08 / AUD.

There were no USD hedges in place or impacting income for the September 2017 full year.

During the September 2017 full year:

- NZD 1.8 billion of economic hedges matured and a realised loss of $46 million (pre-tax) was recorded in cash profit.
- An unrealised gain of $137 million (pre-tax) on the outstanding NZD economic hedges was recorded in the statutory Income Statement during the year. This unrealised gain has been treated as an adjustment to statutory profit in calculating cash profit as these are hedges of future NZD revenues.

Earnings per share

	Half Year			Full Year		
	Sep 17	**Mar 17**	**Movt**	**Sep 17**	**Sep 16**	**Movt**
Cash earnings per share (cents)						
Basic	**120.4**	116.7	3%	**237.1**	202.6	17%
Diluted	**115.2**	111.9	3%	**226.4**	194.1	17%
Cash weighted average number of ordinary shares (million)[1]						
Basic	**2,929.2**	2,923.7	0%	**2,926.4**	2,906.2	1%
Diluted	**3,183.7**	3,180.8	0%	**3,191.7**	3,187.0	0%
Cash profit ($M)	**3,527**	3,411	3%	**6,938**	5,889	18%
Cash profit used in calculating diluted cash earnings per share ($M)	**3,667**	3,559	3%	**7,226**	6,186	17%

1. *Cash weighted average number of ordinary shares includes treasury shares held in Wealth Australia as the associated gains and losses are included in cash profit.*

Dividends

	Half Year			Full Year		
Dividend per ordinary share (cents)	**Sep 17**	**Mar 17**	**Movt**	**Sep 17**	**Sep 16**	**Movt**
Interim (fully franked)	**-**	80	n/a	**80**	80	0%
Final (fully franked)[1]	**80**	-	n/a	**80**	80	0%
Total (fully franked)	**80**	80	0%	**160**	160	0%
Ordinary share dividends used in payout ratio ($M)[2]	**2,350**	2,349	0%	**4,699**	4,676	0%
Cash profit ($M)	**3,527**	3,411	3%	**6,938**	5,889	18%
Ordinary share dividend payout ratio (cash basis)[2]	**66.6%**	68.9%		**67.7%**	79.4%	

1. *Final dividend for 2017 is proposed.*
2. *Dividend payout ratio is calculated using proposed 2017 final dividend of $2,350 million, which is based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the March 2017 half and September 2016 full year were calculated using actual dividend paid of $2,349 million and $4,676 million respectively.*

The Directors propose that a final dividend of 80 cents be paid on each eligible fully paid ANZ ordinary share on 18 December 2017. The proposed 2017 final dividend will be fully franked for Australian tax purposes, and New Zealand imputation credits of NZD 10 cents per ordinary share will also be attached.

Economic profit

	Half Year			Full Year		
	Sep 17 $M	**Mar 17 $M**	**Movt**	**Sep 17 $M**	**Sep 16 $M**	**Movt**
Statutory profit attributable to shareholders of the Company	**3,495**	2,911	20%	**6,406**	5,709	12%
Adjustments between statutory profit and cash profit	**32**	500	-94%	**532**	180	large
Cash Profit	**3,527**	3,411	3%	**6,938**	5,889	18%
Economic credit cost adjustment	**(353)**	(211)	67%	**(564)**	(48)	large
Imputation credits	**705**	721	-2%	**1,426**	1,160	23%
Economic return	**3,879**	3,921	-1%	**7,800**	7,001	11%
Cost of capital	**(2,647)**	(2,610)	1%	**(5,257)**	(5,152)	2%
Economic profit	**1,232**	1,311	-6%	**2,543**	1,849	38%

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.

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 benefit of imputation credits is recognised, measured at 70% of Australian tax. The cost of capital is a major component of economic profit. At the ANZ Group level, this is calculated using average ordinary shareholders' equity (excluding non-controlling interests) multiplied by the cost of capital rate (currently 9% and applied across comparative periods). 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 credit, operational, market and other risks.

Economic profit increased by $694 million (+38%) against the September 2016 full year due to a 18% increase in cash profit and 23% increase in imputation credits, partially offset by higher economic credit costs.

Economic profit decreased by $79 million (-6%) against the March 2017 half due to higher economic credit costs, partially offset by a 3% increase in cash profit.

Condensed balance sheet

	As at			Movement	
Assets	**Sep 17 $B**	**Mar 17 $B**	**Sep 16 $B**	**Sep 17 v. Mar 17**	**Sep 17 v. Sep 16**
Cash / Settlement balances owed to ANZ / Collateral paid	**82.5**	89.3	83.3	-8%	-1%
Trading and available for sale assets	**113.0**	108.8	110.3	4%	2%
Derivative financial instruments	**62.5**	63.9	87.5	-2%	-29%
Net loans and advances[1]	**574.3**	564.0	575.9	2%	0%
Investment backing policy liabilities	**38.0**	37.6	35.7	1%	6%
Assets held for sale	**8.0**	14.1	-	-43%	n/a
Other[1]	**19.1**	18.8	22.2	2%	-14%
Total assets	**897.4**	896.5	914.9	0%	-2%
Liabilities					
Settlement balances owed by ANZ / Collateral received	**15.8**	14.9	17.0	6%	-7%
Deposits and other borrowings[1]	**595.6**	581.4	588.2	2%	1%
Derivative financial instruments	**62.3**	65.1	88.7	-4%	-30%
Debt issuances and subordinated debt	**108.0**	109.1	113.1	-1%	-5%
Policy liabilities and external unit holder liabilities	**41.9**	41.3	39.5	1%	6%
Liabilities held for sale	**4.7**	17.2	-	-73%	n/a
Other[1]	**10.0**	9.6	10.5	4%	-5%
Total liabilities	**838.3**	838.6	857.0	0%	-2%
Total equity	**59.1**	57.9	57.9	2%	2%

1. *Balance as at 30 September 2017 and 31 March 2017 exclude assets and liabilities reclassified to held for sale.*

- **September 2017 v September 2016**

  - Derivative financial assets and liabilities decreased $25.0 billion (-29%) and $26.4 billion (-30%) respectively as interest rate movements resulted in lower derivative fair values.
  - Net loans and advances decreased $1.6 billion. Adjusting for a $6.0 billion decrease due to foreign currency translation and a reclassification of $6.0 billion to assets held for sale, the $10.5 billion increase was primarily driven by home loan growth across Australia (+$18.2 billion) and New Zealand (+$3.8 billion) divisions, partially offset by a $7.4 billion reduction in Asia Retail & Pacific due to the partial completion of the Asia Retail and Wealth sale and a $4.4 billion decrease in Institutional as a result of portfolio rebalancing.
  - Deposits and other borrowings increased $7.4 billion (+1%). Adjusting for a $8.7 billion decrease due to foreign currency translation and a reclassification of $4.6 billion to liabilities held for sale, the $20.7 billion increase was driven by growth in customer deposits across Institutional, Australia and New Zealand divisions (+$38.6 billion), partially offset by reduction in customer deposits in Asia Retail & Pacific due to the partial completion of the Asia Retail and Wealth sale (-$12.9 billion) and reduction in certificate of deposits, deposit from banks and other borrowings (-$4.8 billion).
  - Debt issuances and subordinated debt decreased $5.1 billion (-5%). Adjusting for a $1.2 billion decrease due to foreign currency translation, the $3.9 billion decrease was primarily driven by a $4.1 billion reduction in subordinated debt.

- **September 2017 v March 2017**

  - Cash / Settlement balances owed to ANZ / Collateral paid decreased by $6.8 billion (-8%). Adjusting for a $0.9 billion decrease due to foreign currency translation, the $5.9 billion decrease was primarily driven by decreased cash and settlement balances held by Markets and Treasury.
  - Trading and available-for-sale assets increased $4.2 billion (+4%). Adjusting for a $0.7 billion decrease due to foreign currency translation, the $4.9 billion increase was primarily driven by driven by increased liquidity portfolio holdings due to balance sheet growth in Markets.
  - Net loans and advances increased $10.3 billion (+2%). Adjusting for a $0.6 billion decrease due to foreign currency translation, the $10.9 billion increase was primarily driven by home loan growths across Australia (+$8.6 billion) and New Zealand (+$2.1 billion) divisions.
  - Deposits and other borrowings increased by $14.2 billion (+2%). Adjusting for a $3.0 billion decrease due to foreign currency translation, the $17.2 billion increase was primarily driven by increase in commercial paper issued (+$8.5 billion) and increase in customer deposits across Institutional, Australia and New Zealand divisions (+$14.4 billion), partially offset by decrease in certificate of deposits, deposit from banks and other borrowings (-$5.4 billion).
  - Assets and liabilities held for sale decreased $6.1 billion (-43%) and $12.5 billion (-73%) respectively due to the partial completion of the Asia Retail and Wealth sale.

Assets and liabilities held for sale as at 30 September 2017 and 31 March 2017 reflects the reclassification of Asia Retail and Wealth businesses, UDC Finance, Shanghai Rural Commercial Bank and Metrobank Card Corporation assets and liabilities to held for sale. Refer to Note 10 to the financial statements for further details.

Liquidity risk

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

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

- **Scenario modelling of funding sources**

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

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

  A key component of this framework is the Liquidity Coverage Ratio (LCR), which is a severe short term liquidity stress scenario mandated by banking regulators including APRA. As part of meeting LCR requirements, ANZ has a Committed Liquidity Facility (CLF) with the Reserve Bank of Australia (RBA). The CLF has been established to offset the shortage of available High Quality Liquid Assets (HQLA) in Australia and provides an alternative form of contingent liquidity. The total amount of the CLF available to a qualifying ADI is set annually by APRA. From 1 January 2017, ANZ's CLF is $43.8 billion (2016 calendar year end: $50.3 billion).

- **Liquid assets**

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

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

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

	Half Year Average[1]			Movement	
	Sep 17 $B	Mar 17 $B	Sep 16 $B	Sep 17 v. Mar 17	Sep 17 v. Sep 16
Market Values Post Discount					
HQLA1[2]	**128.7**	127.1	119.7	1%	8%
HQLA2	**4.7**	4.3	4.1	9%	15%
Internal Residential Mortgage Backed Securities (Australia)[2]	**30.3**	33.7	35.3	-10%	-14%
Internal Residential Mortgage Backed Securities (New Zealand)[3]	**1.1**	0.6	1.2	83%	-8%
Other ALA[4]	**14.9**	15.6	17.7	-4%	-16%
Total Liquid Assets	**179.7**	181.3	178.0	-1%	1%
Cash flows modelled under stress scenario					
Cash outflows	**174.5**	172.7	182.9	1%	-5%
Cash inflows	**41.3**	38.2	40.2	8%	3%
Net cash outflows	**133.2**	134.5	142.7	-1%	-7%
Liquidity Coverage Ratio[5]	**135%**	135%	125%	0%	10%

1. *Half year average basis, calculated as prescribed per APRA Prudential Regulatory Standard (APS 210 Liquidity) and consistent with APS 330 requirements.*
2. *RBA open repo arrangement netted down from CLF, with a corresponding increase in HQLA.*
3. *New Zealand LCR surplus is excluded from NZ internal RMBS, consistent with APS 330 treatment.*
4. *Comprised of assets qualifying as collateral for the CLF, excluding internal RMBS, up to approved facility limit; and any liquid assets contained in the RBNZ's Liquidity Policy - Annex: Liquidity Assets - Prudential Supervision Department Document BS13A12.*
5. *All currency Level 2 LCR.*

Funding

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

$22.0 billion of term wholesale debt with a remaining term greater than one year as at 30 September 2017 was issued during the year ended 30 September 2017. The weighted average tenor of new term debt was 5.3 years.

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

	As at			Movement	
	Sep 17 $M	Mar 17 $M	Sep 16 $M	Sep 17 v. Mar 17	Sep 17 v. Sep 16
Customer deposits and other liabilities[1]					
Australia	**201,365**	197,632	187,667	2%	7%
Institutional	**186,782**	179,326	171,155	4%	9%
New Zealand	**75,323**	74,266	72,818	1%	3%
Wealth Australia	**-**	326	343	-100%	-100%
Asia Retail & Pacific	**9,157**	21,867	22,782	-58%	-60%
TSO and Group Centre[1]	**(4,997)**	(5,202)	(5,142)	-4%	-3%
Customer deposits	**467,630**	468,215	449,623	0%	4%
Other funding liabilities[2,3]	**12,838**	11,725	14,049	9%	-9%
Total customer liabilities (funding)	**480,468**	479,940	463,672	0%	4%
Wholesale funding[4]					
Debt issuances	**90,263**	88,778	91,080	2%	-1%
Subordinated debt	**17,710**	20,297	21,964	-13%	-19%
Certificates of deposit	**55,222**	57,428	61,429	-4%	-10%
Commercial paper	**18,023**	9,482	19,349	90%	-7%
Other wholesale borrowings[2,5,6]	**65,441**	70,070	65,924	-7%	-1%
Total wholesale funding	**246,659**	246,055	259,746	0%	-5%
Shareholders' equity	**59,075**	57,908	57,927	2%	2%
Total funding	**786,202**	783,903	781,345	0%	1%

	As at			Movement	
	Sep 17 $M	Mar 17 $M	Sep 16 $M	Sep 17 v. Mar 17	Sep 17 v. Sep 16
Funded assets					
Other short term assets & trade finance assets[7]	**58,576**	60,008	65,800	-2%	-11%
Liquids[6]	**169,317**	168,030	161,302	1%	5%
Short term funded assets	**227,893**	228,038	227,102	0%	0%
Lending & fixed assets[8]	**558,309**	555,865	554,243	0%	1%
Total funded assets	**786,202**	783,903	781,345	0%	1%
Funding liabilities[4,6]					
Other short term liabilities[2]	**46,021**	51,655	49,288	-11%	-7%
Short term funding	**62,119**	53,495	69,028	16%	-10%
Term funding < 12 months	**18,872**	20,968	23,668	-10%	-20%
Other customer and central bank deposits[1,2,9]	**78,652**	81,247	79,115	-3%	-1%
Total short term funding liabilities	**205,664**	207,365	221,099	-1%	-7%
Stable customer deposits[1,10]	**421,172**	416,775	402,146	1%	5%
Term funding > 12 months	**91,840**	93,556	90,708	-2%	1%
Shareholders' equity and hybrid debt	**67,526**	66,207	67,392	2%	0%
Total stable funding	**580,538**	576,538	560,246	1%	4%
Total funding	**786,202**	783,903	781,345	0%	1%

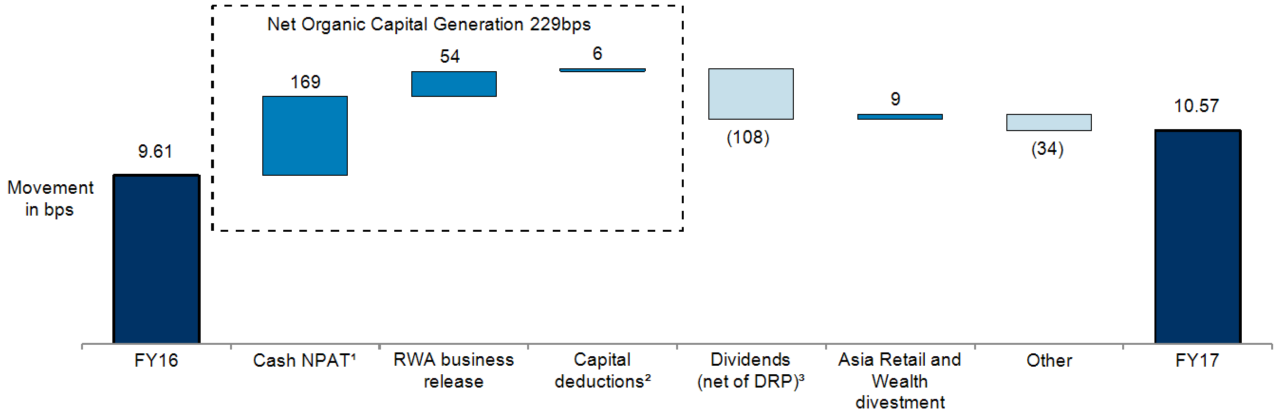
1. *Includes term deposits, other deposits and an adjustment recognised in Group Centre to eliminate Wealth Australia investments in ANZ deposit products.*
2. *Securities sold under repurchase agreements reclassified to align with current period presentation.*
3. *Includes interest accruals, payables and other liabilities, provisions and net tax provisions, excluding other liabilities in Wealth Australia.*
4. *Excludes liability for acceptances as they do not provide net funding.*
5. *Includes borrowings from banks, securities sold under repurchase agreements, net derivative balances, special purpose vehicles and other borrowings.*
6. *Includes RBA open-repo arrangement netted down by the exchange settlement account cash balance.*
7. *Includes short-dated assets such as trading securities, available for sale securities, trade dated assets and trade finance loans.*
8. *Excludes trade finance loans.*
9. *Total customer liabilities (funding) plus Central Bank deposits less stable customer deposits.*
10. *Stable customer deposits represent operational type deposits or those sourced from retail / business / corporate customers and the stable component of other funding liabilities.*

Capital Management

	As at					
	APRA Basel 3			Internationally Comparable Basel 3[1]		
	Sep 17	Mar 17	Sep 16	**Sep 17**	Mar 17	Sep 16
Capital Ratios						
Common Equity Tier 1	**10.6%**	10.1%	9.6%	**15.8%**	15.2%	14.5%
Tier 1	**12.6%**	12.1%	11.8%	**18.4%**	18.2%	17.4%
Total capital	**14.8%**	14.5%	14.3%	**21.2%**	21.3%	20.7%
Risk weighted assets ($B)	**391.1**	397.0	408.6	**306.5**	309.4	316.4

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

APRA Basel 3 Common Equity Tier 1 (CET1) – September 2017 v September 2016



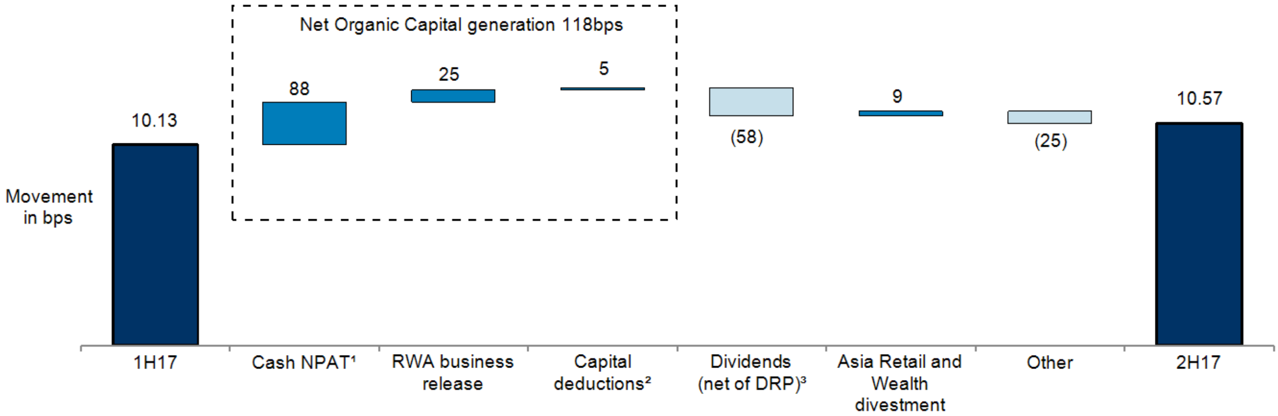
1. *Excludes large/notable items for the purposes of Capital Management attribution. Refer to pages 14 to 16.*
2. *Capital deductions represent the movement in retained earnings in deconsolidated entities, capitalised software (excluding accounting changes relating to the capitalisation of internally generated software assets), EL versus EP shortfall and other intangibles in the period.*
3. *9.9 million ordinary shares were provided/issued under the Dividend Reinvestment Plan and Bonus Option Plan for the final 2016 and 2017 interim dividend with neutralisation of the Dividend Reinvestment Plan.*

- **September 2017 v September 2016**

  ANZ's CET1 ratio increased 96 bps to 10.6% during the year. Key drivers of the movement in the CET1 ratio were:

  - Net organic capital generation was 229 bps or $9.3 billion. This was primarily driven by cash profit and a net reduction in underlying RWA growth (excluding foreign exchange impacts, regulatory changes and other one-offs) which collectively provided 223 bps to the CET1 ratio. Throughout the September 2017 full year, RWA reduction was primarily driven by a $16.4 billion decrease in Institutional Credit RWAs (CRWAs) from a reduction in lending, due to portfolio rebalancing.
  - Payment of the March 2017 Interim and September 2016 Final Dividends (net of shares provided under the DRP, with March 2017 DRP neutralisation) reduced the CET1 ratio by 108 bps.
  - The transition of Asia Retail and Wealth businesses in China, Singapore and Hong Kong to DBS increased CET1 ratio by 9 bps.
  - Other impacts are mainly driven by net impacts from RWA measurement changes (reduced CET1 ratio by 27 bps principally from changes to ANZ's new capital model for Australian Residential Mortgages), and a further 7bps reduction from other impacts associated with movements in non-cash earnings and net foreign currency translation.

APRA Basel 3 Common Equity Tier 1 (CET1) – September 2017 v March 2017



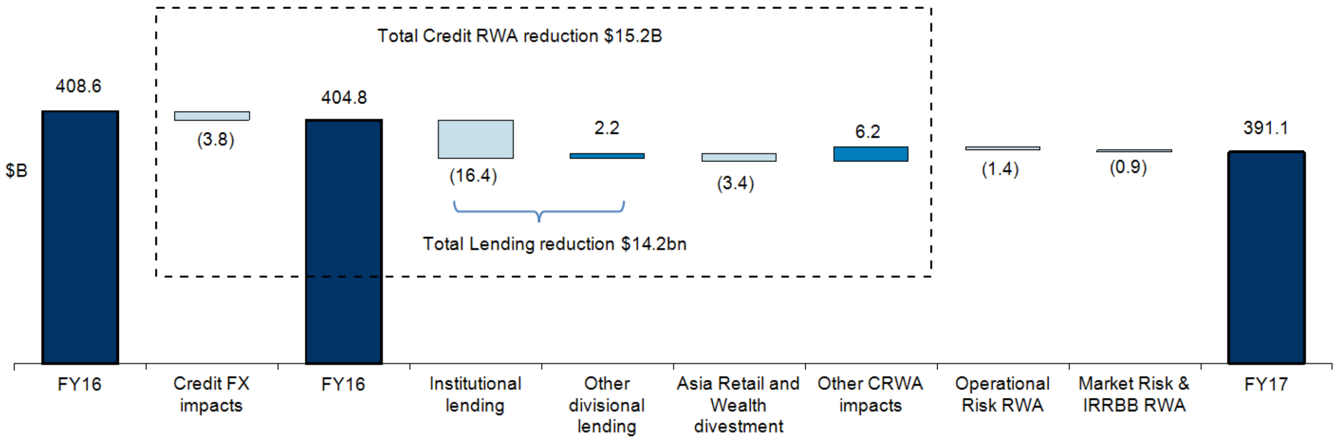
1. Excludes large/notable items for the purposes of Capital Management attribution. Refer to pages 14 to 16.
2. Capital deductions represent the movement in retained earnings in deconsolidated entities, capitalised software (excluding accounting changes relating to the capitalisation of internally generated software assets), EL versus EP shortfall and other intangibles in the period.
3. 1.4 million ordinary shares were issued under the Bonus Option Plan for the 2017 interim dividend with neutralisation of the Dividend Reinvestment Plan.

- **September 2017 v March 2017**

  ANZ's CET1 ratio increased 44 bps to 10.6% during the September 2017 half. Key drivers of the movement in the CET1 ratio were:

  - Net organic capital generation was 118 bps or $4.7 billion. This was primarily driven by cash profit and a net reduction in underlying RWA (excluding foreign exchange impacts, regulatory changes and other one-offs). The RWA reduction was mainly driven by a $7.6 billion decrease in Institutional CRWAs from lower lending due to portfolio rebalancing.
  - Payment of the March 2017 Interim Dividend (with DRP neutralisation) reduced the CET1 ratio by 58 bps.
  - The transition of Asia Retail and Wealth businesses in China, Singapore and Hong Kong to DBS increased CET1 ratio by 9 bps.
  - Other impacts are mainly driven by net impacts from RWA measurement changes (reduced CET1 ratio by 21 bps principally from changes to ANZ's new capital model for Australian Residential Mortgages), and a further 4 bps reduction from other impacts associated with movements in non-cash earnings and net foreign currency translation.

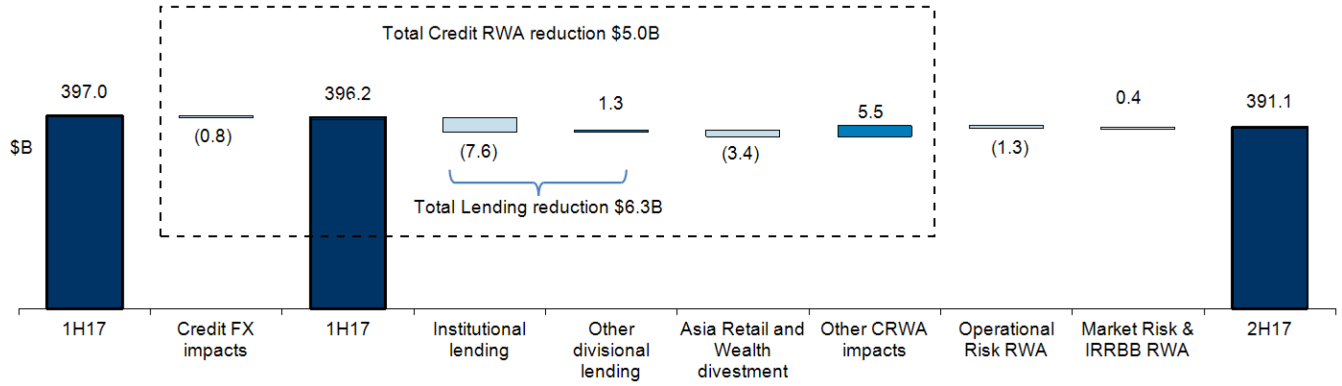
Total Risk Weighted Assets (RWA) – September 2017 v September 2016



- **September 2017 v September 2016**

  ANZ's total RWA decreased by $17.5 billion. Excluding the impact of foreign currency exchange translation and other non-recurring CRWA changes, CRWAs decreased by $14.2 billion, primarily driven by a decline in Institutional lending. Other CRWA changes mainly reflect the impact of RWA modelling changes to the Australian Residential Mortgages portfolio, partially offset by the Asia Retail and Wealth business transition of China, Singapore and Hong Kong to DBS. Non-CRWA decreased by $2.3bn mainly driven by lower Operational Risk, from reduced operation size (following portfolio rebalancing in Institutional and the transition of Asia Retail and Wealth businesses) and simplification of portfolios across the Group.

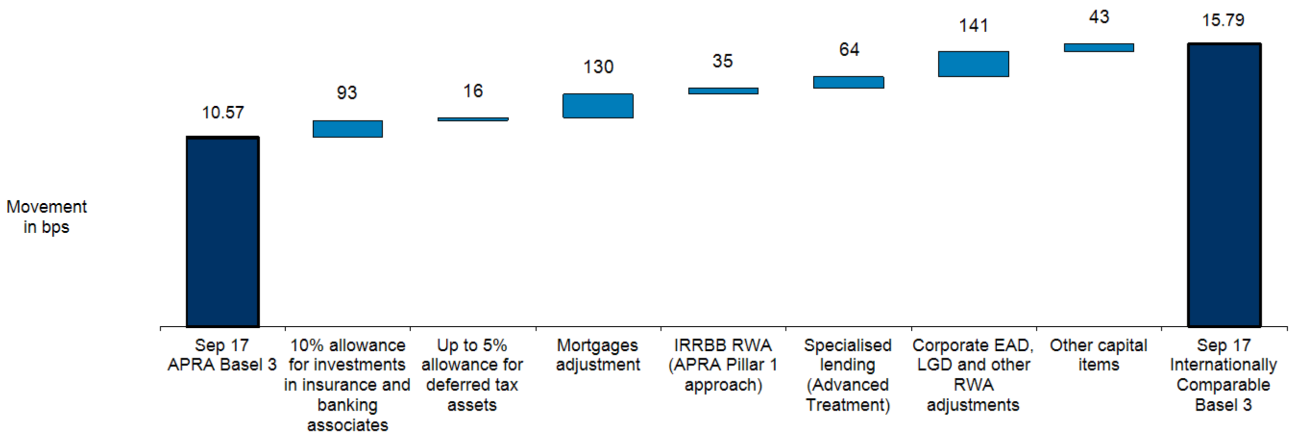
Total Risk Weighted Assets (RWA) – September 2017 v March 2017



- **September 2017 v March 2017**

  ANZ's total RWA decreased by $5.9 billion. Excluding the impact of foreign currency exchange translation and other non-recurring CRWA changes, CRWAs decreased by $6.3 billion primarily driven by a decline in Institutional lending. Other CRWA changes mainly reflect the impact of RWA modelling changes to the Australian Residential Mortgages portfolio, partially offset by the transition of Asia Retail and Wealth business in China, Singapore and Hong Kong to DBS. Non-CRWA decreased by $0.9 billion mainly driven by lower operational risk RWA from reduced operation size (following portfolio rebalancing in Institutional and the transition of Asia Retail and Wealth businesses) and simplification of portfolios across the Group.

APRA to Internationally Comparable[1] Common Equity Tier 1 (CET1) as at 30 September 2017



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

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

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

Deductions

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

Risk Weighted Assets (RWA)

- IRRBB RWA – APRA requires inclusion of Interest Rate Risk in the Banking Book (IRRBB) within the RWA base for the CET1 ratio calculation. This is not required on an Internationally Comparable basis.
- Mortgages RWA – APRA imposes a floor of 20% on the downturn Loss Given Default (LGD) used in credit RWA calculations for residential mortgages. Additionally, from July 2016, APRA also requires a higher correlation factor above the Basel framework 15% .The Internationally Comparable Basel 3 framework only requires a downturn LGD floor of 10% and a correlation factor of 15%.
- Specialised lending - APRA requires the supervisory slotting approach to be used in determining credit RWA for specialised lending exposures. The Internationally Comparable basis allows for the advanced internal ratings based approach to be used when calculating RWA for these exposures.
- Unsecured Corporate Lending LGD – 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.

Leverage Ratio

At 30 September 2017, the Group's APRA Leverage Ratio was 5.4% which is above the 3% minimum currently proposed by the Basel Committee on Banking Supervision (BCBS). APRA has not finalised a minimum leverage ratio requirement for Australian ADIs. The following table summarises the Group's Leverage Ratio calculation:

	As at			Movement	
	Sep 17 $M	Mar 17 $M	Sep 16 $M	Sep 17 v. Mar 17	Sep 17 v. Sep 16
Tier 1 Capital (net of capital deductions)	**49,324**	**48,091**	**48,285**	3%	2%
On-balance sheet exposures (excluding derivatives and securities financing transaction exposures)	**752,347**	747,708	744,359	1%	1%
Derivative exposures	**31,469**	30,968	30,600	2%	3%
Securities financing transaction (SFT) exposures	**28,598**	30,286	31,417	-6%	-9%
Other off-balance sheet exposures	**96,765**	97,492	98,460	-1%	-2%
Total exposure measure	**909,179**	**906,454**	**904,836**	**0%**	**0%**
APRA Leverage Ratio[1]	**5.4%**	**5.3%**	**5.3%**		
Internationally Comparable Leverage Ratio[1]	**6.2%**	**6.0%**	**6.0%**		

1. *Leverage ratio includes Additional Tier 1 securities subject to Basel 3 transitional relief, net of any transitional adjustments.*

- **September 2017 v September 2016**

  ANZ's Leverage Ratio increased 9 bps during the year mainly driven by:
  - Net organic capital generation (cash earnings) net of dividend payments increased the ratio by 30 bps.
  - Lower net Additional Tier 1 capital reduced the ratio by 10 bps mainly from redemption of remaining $1.1 billion of transitional CPS2 on issue in March 2017 half.
  - Net growth in exposures reduced the ratio by 10 bps mainly driven by on balance sheet growth in Australia division (primarily from growth in home loans) partially offset by the transition of Asia Retail and Wealth businesses to DBS. Other impacts lowered the ratio by 1 bp.

- **September 2017 v March 2017**

  ANZ's Leverage Ratio increased 12 bps in the September half mainly driven by:
  - Net organic capital generation (cash earnings) net of dividend payments increased the ratio by 15 bps.
  - The above were offset by net growth in exposures which reduced the ratio by 3 bps primarily driven by on balance sheet growth in Australian division (primarily from growth in home loans) partially offset by the transition of Asia Retail and Wealth businesses to DBS.

Other regulatory developments

- **Financial System Inquiry (FSI)**

  The Australian Government completed a comprehensive inquiry into Australia's financial system and the FSI final report was released on 7 December 2014. The contents of the report are wide-ranging and key recommendations that may have an impact on regulatory capital levels include:
  - Setting capital standards such that Australian Authorised Deposit-taking Institutions' (ADIs) capital ratios are unquestionably strong;
  - Raising the average internal ratings-based (IRB) mortgage risk weight to narrow the difference between average mortgage risk weight for ADIs using IRB models and those using standardised risk weights;
  - Implementing a framework for minimum loss absorbing and recapitalisation capacity in line with emerging international practice;
  - Developing a common reporting template that improves the transparency and comparability of capital ratios of Australian ADIs; and
  - Introducing a leverage ratio that acts as a backstop to ADIs risk-based capital requirements, in line with the Basel framework.

  APRA supported the FSI's recommendations and in response introduced the following:
  - With effect from July 2016, APRA increased the capital requirements for Australian residential mortgage exposures for ADIs accredited to use the IRB approach to credit risk (including ANZ) to at least 25% risk-weighting. APRA also required refinements to residential mortgages risk models which ANZ implemented in June 2017. Collectively these changes have increased average credit risk weighting of ANZ's residential mortgages to approximately 28% as at September 2017.
  - In July 2017, APRA released an information paper outlining its assessment on the additional capital required for the Australian banking sector to be considered 'unquestionably strong'. APRA indicated that "In the case of the four major Australian banks, APRA expects that the increased capital requirements will translate into the need for an increase in CET1 capital ratios, on average, of around 100 basis points above their December 2016 levels. In broad terms, that equates to a benchmark CET1 capital ratio, under the current capital adequacy framework, of at least 10.5 per cent." APRA also stated that "ADIs should, where necessary, initiate strategies to increase their capital strength to be able to meet these capital benchmarks by 1 January 2020 at the latest." In order to accommodate future changes to capital framework mainly from:
    - Basel III changes in respect of credit risk, operational risk and the capital floor and;
    - Additional changes to address mortgage concentration risk and to improve transparency, comparability and flexibility.

- Discussion papers covering the above are expected to be released in late 2017, with consultation on draft prudential standards taking place throughout 2018. Final standards will then be issued in 2019 to take effect from early 2021. Importantly, APRA has indicated these changes to the capital framework will be accommodated within the 10.5% CET1 benchmark that Australian ADIs are expected to have met, a year ahead of the expected effective date of the new prudential standards.

- **Net Stable Funding Ratio (NSFR)**

  APRA released its final standards on NSFR in 2017 confirming that the minimum NSFR of 100% will become a regulatory requirement from 1 January 2018.

  As part of managing future liquidity requirements, ANZ monitors the NSFR in its internal reporting and the Group is well placed to meet this requirement by the implementation date.

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

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

  In August 2016, APRA confirmed the deferral of capital requirements for Conglomerate Groups until 2019 at the earliest, to allow for the final capital requirements arising from FSI recommendations as well as from international initiatives that are in progress.

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

- **RBNZ review of capital requirements**

  On May 1, 2017 the RBNZ published an issues paper announcing that it is undertaking a comprehensive review of the capital adequacy framework applying to New Zealand locally incorporated registered banks over 2017 and 2018. The aim of the review is to identify the most appropriate framework for setting capital requirements for New Zealand banks, taking into account how the current framework has operated and international developments in bank capital requirements. The capital review will focus on the three key components of the current framework:
  - The definition of eligible capital instruments;
  - The measurement of risk; and
  - The minimum capital ratios and buffers.

  The RBNZ requested feedback about the topics covered by the issues paper for which responses were due on June 9, 2017. Detailed consultation documents on policy proposals and options for each of the three components will be released during 2017, with a view to concluding the review by the first quarter of 2018.

  On July 14, 2017, the RBNZ released a consultation paper on what types of financial instruments should qualify as eligible regulatory capital. The consultation paper sets out proposals for reform to the definition of eligible capital instruments for which responses were due September 8, 2017.

  The impact on Group and our subsidiary bank in New Zealand (ANZ Bank New Zealand) arising from the above consultations will not be known until the RBNZ finalises their review in 2018.

- **Current Proposals from the Basel Committee on Banking Supervision (BCBS) on RWA**

  As part of the BCBS agenda to simplify RWA measurement and reduce their variability amongst banks, the BCBS has issued a number of consultation documents associated with:
  - Standardised approach to RWA for credit risk;
  - Revisions to Standardised Measurement Approach to Operational Risk;
  - Fundamental Review of the Trading Book;
  - Interest Rate Risk in the Banking Book;
  - Framework on the imposition of capital floors based on standardised RWA approaches; and
  - Additional constraints on the use of internal models for credit RWA.

  Apart from the review of the Trading Book standard which has been finalised, BCBS is currently deliberating on the other proposals. Once finalised, APRA is expected to incorporate these issues as part of changes to the regulatory capital framework that APRA intends to implement by 2021, as outlined in its July 2017 information paper 'Strengthening banking system resilience – establishing unquestionably strong capital ratios'.

This page has been left blank intentionally

CONTENTS

Divisional Results

Divisional performance
Australia
Institutional
New Zealand
Wealth Australia
Asia Retail & Pacific
Technology, Services & Operations (TSO) and Group Centre

Divisional Performance

During the March 2017 half, the Group made changes to the Group's operating model for technology, operations and shared services to accelerate delivery of its technology and digital roadmap, bring operations closer to its customers and continue operational efficiency gains. As a result of these organisational changes, divisional operations from Technology, Services & Operations ("TSO") and Group Centre have been realigned to divisions. The residual TSO and Group Centre now contains Group Technology, Group Hubs, Enterprise Services and Group Property and the Group Centre. The Group operates on a divisional structure with six divisions: Australia, New Zealand, Institutional, Asia Retail & Pacific, Wealth Australia, and Technology, Services & Operations and Group Centre. For further information on the composition of divisions refer to the Definitions on page 117.

Other than the changes described above, there have been no other significant structural changes during the year. However, certain prior period comparatives have been restated to align with current period presentation. The divisions reported below are consistent with internal reporting provided to the chief operating decision maker, being the Chief Executive Officer.

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

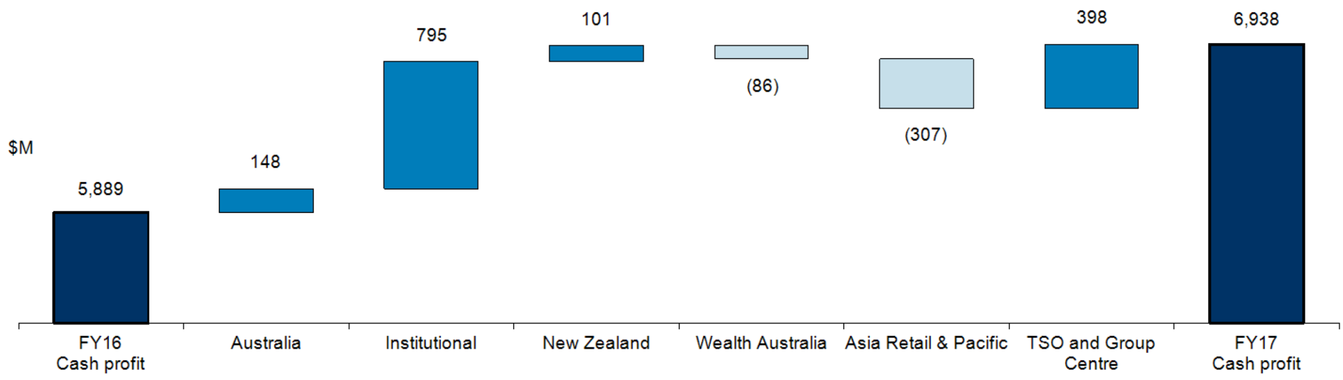
September 2017 Full Year	Australia $M	Institutional $M	New Zealand $M	Wealth Australia $M	Asia Retail & Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	8,384	3,068	2,519	9	606	286	**14,872**
Other operating income	1,218	2,346	653	1,077	37	286	**5,617**
Operating income	9,602	5,414	3,172	1,086	643	572	**20,489**
Operating expenses	(3,423)	(2,736)	(1,193)	(743)	(651)	(702)	**(9,448)**
Profit before credit impairment and income tax	6,179	2,678	1,979	343	(8)	(130)	**11,041**
Credit impairment charge	(897)	(80)	(78)	-	(144)	-	**(1,199)**
Profit before income tax	5,282	2,598	1,901	343	(152)	(130)	**9,842**
Income tax expense and non-controlling interests	(1,587)	(762)	(532)	(105)	4	78	**(2,904)**
Cash profit/(loss)	3,695	1,836	1,369	238	(148)	(52)	**6,938**

September 2016 Full Year	Australia $M	Institutional $M	New Zealand $M	Wealth Australia $M	Asia Retail & Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	8,202	3,447	2,448	11	698	289	15,095
Other operating income	1,206	1,733	644	1,244	478	194	5,499
Operating income	9,408	5,180	3,092	1,255	1,176	483	20,594
Operating expenses	(3,426)	(2,958)	(1,225)	(801)	(808)	(1,221)	(10,439)
Profit before credit impairment and income tax	5,982	2,222	1,867	454	368	(738)	10,155
Credit impairment charge	(920)	(743)	(120)	-	(172)	(1)	(1,956)
Profit before income tax	5,062	1,479	1,747	454	196	(739)	8,199
Income tax expense and non-controlling interests	(1,515)	(438)	(479)	(130)	(37)	289	(2,310)
Cash profit/(loss)	3,547	1,041	1,268	324	159	(450)	5,889

September 2017 Full Year vs September 2016 Full Year

	Australia	Institutional	New Zealand	Wealth Australia	Asia Retail & Pacific	TSO and Group Centre	Group
Net interest income	2%	-11%	3%	-18%	-13%	-1%	-1%
Other operating income	1%	35%	1%	-13%	-92%	47%	2%
Operating income	2%	5%	3%	-13%	-45%	18%	-1%
Operating expenses	0%	-8%	-3%	-7%	-19%	-43%	-9%
Profit before credit impairment and income tax	3%	21%	6%	-24%	large	-82%	9%
Credit impairment charge	-3%	-89%	-35%	n/a	-16%	-100%	-39%
Profit before income tax	4%	76%	9%	-24%	large	-82%	20%
Income tax expense and non-controlling interests	5%	74%	11%	-19%	large	-73%	26%
Cash profit/(loss)	4%	76%	8%	-27%	large	-88%	18%

Cash profit by division – September 2017 Full year v September 2016 Full year



September 2017 Half Year	Australia $M	Institutional $M	New Zealand $M	Wealth Australia $M	Asia Retail & Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	4,251	1,480	1,259	4	275	187	**7,456**
Other operating income	616	989	336	538	176	75	**2,730**
Operating income	4,867	2,469	1,595	542	451	262	**10,186**
Operating expenses	(1,730)	(1,357)	(593)	(373)	(298)	(366)	**(4,717)**
Profit before credit impairment and income tax	3,137	1,112	1,002	169	153	(104)	**5,469**
Credit impairment charge	(425)	45	(41)	-	(69)	11	**(479)**
Profit before income tax	2,712	1,157	961	169	84	(93)	**4,990**
Income tax expense and non-controlling interests	(815)	(342)	(269)	(54)	(15)	32	**(1,463)**
Cash profit/(loss)	1,897	815	692	115	69	(61)	**3,527**

March 2017 Half Year	Australia $M	Institutional $M	New Zealand $M	Wealth Australia $M	Asia Retail & Pacific $M	TSO and Group Centre $M	Group $M
Net interest income	4,133	1,588	1,260	5	331	99	**7,416**
Other operating income	602	1,357	317	539	(139)	211	**2,887**
Operating income	4,735	2,945	1,577	544	192	310	**10,303**
Operating expenses	(1,693)	(1,379)	(600)	(370)	(353)	(336)	**(4,731)**
Profit before credit impairment and income tax	3,042	1,566	977	174	(161)	(26)	**5,572**
Credit impairment charge	(472)	(125)	(37)	-	(75)	(11)	**(720)**
Profit before income tax	2,570	1,441	940	174	(236)	(37)	**4,852**
Income tax expense and non-controlling interests	(772)	(420)	(263)	(51)	19	46	**(1,441)**
Cash profit/(loss)	1,798	1,021	677	123	(217)	9	**3,411**

September 2017 Half Year vs March 2017 Half Year

	Australia	Institutional	New Zealand	Wealth Australia	Asia Retail & Pacific	TSO and Group Centre	Group
Net interest income	3%	-7%	0%	-20%	-17%	89%	1%
Other operating income	2%	-27%	6%	0%	large	-64%	-5%
Operating income	3%	-16%	1%	0%	large	-15%	-1%
Operating expenses	2%	-2%	-1%	1%	-16%	9%	0%
Profit before credit impairment and income tax	3%	-29%	3%	-3%	large	large	-2%
Credit impairment charge	-10%	large	11%	n/a	-8%	large	-33%
Profit before income tax	6%	-20%	2%	-3%	large	large	3%
Income tax expense and non-controlling interests	6%	-19%	2%	6%	large	-30%	2%
Cash profit/(loss)	6%	-20%	2%	-7%	large	large	3%

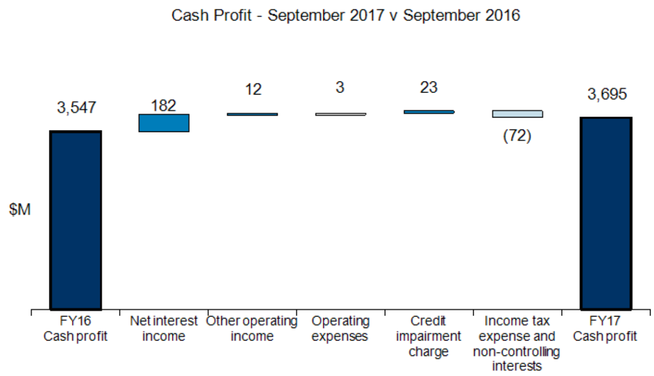
Australia
Fred Ohlsson

	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Net interest income	**4,251**	4,133	3%	**8,384**	8,202	2%
Other operating income	**616**	602	2%	**1,218**	1,206	1%
Operating income	**4,867**	4,735	3%	**9,602**	9,408	2%
Operating expenses	**(1,730)**	(1,693)	2%	**(3,423)**	(3,426)	0%
Profit before credit impairment and income tax	**3,137**	3,042	3%	**6,179**	5,982	3%
Credit impairment charge	**(425)**	(472)	-10%	**(897)**	(920)	-3%
Profit before income tax	**2,712**	2,570	6%	**5,282**	5,062	4%
Income tax expense and non-controlling interests	**(815)**	(772)	6%	**(1,587)**	(1,515)	5%
Cash profit	**1,897**	1,798	6%	**3,695**	3,547	4%
Balance Sheet						
Net loans and advances	**345,344**	336,736	3%	**345,344**	327,109	6%
Other external assets	**3,084**	2,952	4%	**3,084**	2,921	6%
External assets	**348,428**	339,688	3%	**348,428**	330,030	6%
Customer deposits	**201,365**	197,632	2%	**201,365**	187,667	7%
Other external liabilities	**10,847**	11,117	-2%	**10,847**	11,842	-8%
External liabilities	**212,212**	208,749	2%	**212,212**	199,509	6%
Risk weighted assets[1]	**170,632**	159,575	7%	**170,632**	157,410	8%
Average gross loans and advances	**343,174**	333,965	3%	**338,582**	322,614	5%
Average deposits and other borrowings	**198,826**	193,671	3%	**196,256**	183,196	7%
Ratios						
Return on average assets	**1.10%**	1.08%		**1.09%**	1.10%	
Net interest margin[2]	**2.68%**	2.69%		**2.68%**	2.75%	
Operating expenses to operating income	**35.5%**	35.8%		**35.6%**	36.4%	
Operating expenses to average assets	**1.00%**	1.01%		**1.01%**	1.06%	
Individual credit impairment charge/(release)	**453**	430	5%	**883**	898	-2%
Individual credit impairment charge/(release) as a % of average GLA	**0.26%**	0.26%		**0.26%**	0.28%	
Collective credit impairment charge/(release)	**(28)**	42	large	**14**	22	-36%
Collective credit impairment charge/(release) as a % of average GLA	**(0.02%)**	0.03%		**0.00%**	0.01%	
Gross impaired assets	**1,310**	1,227	7%	**1,310**	1,170	12%
Gross impaired assets as a % of GLA	**0.38%**	0.36%		**0.38%**	0.36%	
Total full time equivalent staff (FTE)	**11,387**	11,447	-1%	**11,387**	11,563	-2%

1. *Risk weighted assets from 30 September 2016 includes APRA's revised average mortgage risk weight targets.*
2. *In the March 2017 half, the Group changed its calculation of net interest margin to net Australian home loan deposit offset balances against total interest earning assets (Mar 17 half: $24,979 million; Sep 16 full year: $23,325 million).*

Performance September 2017 v September 2016

- Retail lending volumes grew in home loans, particularly in New South Wales. Corporate & Commercial banking volumes grew 1% with Corporate Banking increasing 7%. Customer deposits grew across all portfolios.
- Net interest margin declined as the result of higher average funding costs, lower earnings on deposits due to the lower interest rate environment and the introduction of the major bank levy.
- Operating expenses were broadly flat due to a reduction in FTE driven by productivity efforts focused on simplifying the business, partially offset by inflation and increased investment in the business, particularly in the second half.
- Credit impairment charges decreased primarily due to lower single name charges in Corporate and Commercial Banking, partially offset by volume growth and higher delinquency rates for home loans in Western Australia.



Australia
Fred Ohlsson

Individual credit impairment charge/(release)	**Half Year**			**Full Year**		
	Sep 17 $M	**Mar 17 $M**	**Movt**	**Sep 17 $M**	**Sep 16 $M**	**Movt**
Retail	**259**	**238**	**9%**	**497**	**435**	**14%**
Home Loans	44	38	16%	82	53	55%
Cards and Personal Loans	202	187	8%	389	361	8%
Deposits and Payments[1]	13	13	0%	26	21	24%
Private Bank	-	-	n/a	-	-	n/a
Corporate & Commercial Banking	**194**	**192**	**1%**	**386**	**463**	**-17%**
Corporate Banking	3	18	-83%	21	33	-36%
Asset Finance	19	21	-10%	40	86	-53%
Regional Business Banking	42	31	35%	73	104	-30%
Business Banking	19	20	-5%	39	45	-13%
Small Business Banking	111	102	9%	213	195	9%
Individual credit impairment charge/(release)	**453**	**430**	**5%**	**883**	**898**	**-2%**

Collective credit impairment charge/(release)	**Half Year**			**Full Year**		
	Sep 17 $M	**Mar 17 $M**	**Movt**	**Sep 17 $M**	**Sep 16 $M**	**Movt**
Retail	**(33)**	**26**	**large**	**(7)**	**29**	**large**
Home Loans	2	8	-75%	10	21	-52%
Cards and Personal Loans	(33)	17	large	(16)	8	large
Deposits and Payments[1]	(2)	1	large	(1)	-	n/a
Private Bank	-	-	n/a	-	-	n/a
Corporate & Commercial Banking	**5**	**16**	**-69%**	**21**	**(7)**	**large**
Corporate Banking	19	7	large	26	3	large
Asset Finance	(6)	4	large	(2)	5	large
Regional Business Banking	-	3	-100%	3	(10)	large
Business Banking	(7)	-	n/a	(7)	(8)	-13%
Small Business Banking	(1)	2	large	1	3	-67%
Collective credit impairment charge/(release)	**(28)**	**42**	**large**	**14**	**22**	**-36%**
Total credit impairment charge/(release)	**425**	**472**	**-10%**	**897**	**920**	**-3%**

1. *Represents credit impairment charge/(release) on overdraft balances.*

Australia

Fred Ohlsson

Net loans and advances	As at			Movement	
	Sep 17 $M	Mar 17 $M	Sep 16 $M	Sep 17 v. Mar 17	Sep 17 v. Sep 16
Retail	**276,775**	**268,695**	**259,330**	**3%**	**7%**
Home Loans	264,612	256,174	246,743	3%	7%
Cards and Personal Loans	10,544	10,918	11,021	-3%	-4%
Deposits and Payments[1]	84	90	95	-7%	-12%
Private Bank	1,535	1,513	1,471	1%	4%
Corporate & Commercial Banking	**68,569**	**68,041**	**67,779**	**1%**	**1%**
Corporate Banking	14,973	14,334	14,004	4%	7%
Asset Finance	8,676	8,592	8,384	1%	3%
Regional Business Banking	14,211	13,905	14,284	2%	-1%
Business Banking	15,125	15,495	15,536	-2%	-3%
Small Business Banking	15,584	15,715	15,571	-1%	0%
Net loans and advances	**345,344**	**336,736**	**327,109**	**3%**	**6%**

Customer deposits	As at			Movement	
	Sep 17 $M	Mar 17 $M	Sep 16 $M	Sep 17 v. Mar 17	Sep 17 v. Sep 16
Retail	**144,235**	**141,899**	**135,162**	**2%**	**7%**
Home Loans[2]	26,771	25,593	24,131	5%	11%
Cards and Personal Loans	299	266	273	12%	10%
Deposits and Payments	106,506	106,811	102,592	0%	4%
Private Bank	10,659	9,229	8,166	15%	31%
Corporate & Commercial Banking	**57,130**	**55,733**	**52,505**	**3%**	**9%**
Corporate Banking[3]	3,573	3,477	2,915	3%	23%
Regional Business Banking	5,689	5,976	5,836	-5%	-3%
Business Banking	11,580	11,129	10,416	4%	11%
Small Business Banking	36,288	35,151	33,338	3%	9%
Customer deposits	**201,365**	**197,632**	**187,667**	**2%**	**7%**

1. *Net loans and advances for the deposits and payments business represent amounts in overdraft.*
2. *Customer deposit amounts for the home loans business represent balances in offset accounts.*
3. *Some Corporate Banking deposits are included in Institutional division deposits.*

Australia
Fred Ohlsson

September 2017 Full Year	Retail $M	C&CB $M	Australia Total $M
Net interest income	5,705	2,679	**8,384**
Other operating income	792	426	**1,218**
Operating income	6,497	3,105	**9,602**
Operating expenses	(2,354)	(1,069)	**(3,423)**
Profit before credit impairment and income tax	4,143	2,036	**6,179**
Credit impairment (charge)/release	(490)	(407)	**(897)**
Profit before income tax	3,653	1,629	**5,282**
Income tax expense and non-controlling interests	(1,098)	(489)	**(1,587)**
Cash profit	2,555	1,140	**3,695**
Individual credit impairment charge/(release)	497	386	**883**
Collective credit impairment charge/(release)	(7)	21	**14**
Net loans and advances	276,775	68,569	**345,344**
Customer deposits	144,235	57,130	**201,365**
Risk weighted assets[1]	107,059	63,573	**170,632**

September 2016 Full Year			
Net interest income	5,475	2,727	8,202
Other operating income	785	421	1,206
Operating income	6,260	3,148	9,408
Operating expenses	(2,364)	(1,062)	(3,426)
Profit before credit impairment and income tax	3,896	2,086	5,982
Credit impairment (charge)/release	(464)	(456)	(920)
Profit before income tax	3,432	1,630	5,062
Income tax expense and non-controlling interests	(1,025)	(490)	(1,515)
Cash profit	2,407	1,140	3,547
Individual credit impairment charge/(release)	435	463	898
Collective credit impairment charge/(release)	29	(7)	22
Net loans and advances	259,330	67,779	327,109
Customer deposits	135,162	52,505	187,667
Risk weighted assets[1]	93,308	64,102	157,410

September 2017 Full Year vs September 2016 Full Year			
Net interest income	4%	-2%	2%
Other operating income	1%	1%	1%
Operating income	4%	-1%	2%
Operating expenses	0%	1%	0%
Profit before credit impairment and income tax	6%	-2%	3%
Credit impairment (charge)/release	6%	-11%	-3%
Profit before income tax	6%	0%	4%
Income tax expense and non-controlling interests	7%	0%	5%
Cash profit	6%	0%	4%
Individual credit impairment charge/(release)	14%	-17%	-2%
Collective credit impairment charge/(release)	large	large	-36%
Net loans and advances	7%	1%	6%
Customer deposits	7%	9%	7%
Risk weighted assets[1]	15%	-1%	8%

1. *Risk weighted assets from 30 September 2016 includes APRA's revised average mortgage risk weight targets.*

Australia
Fred Ohlsson

September 2017 Half Year	Retail $M	C&CB $M	Australia Total $M
Net interest income	2,914	1,337	**4,251**
Other operating income	400	216	**616**
Operating income	3,314	1,553	**4,867**
Operating expenses	(1,187)	(543)	**(1,730)**
Profit before credit impairment and income tax	2,127	1,010	**3,137**
Credit impairment (charge)/release	(226)	(199)	**(425)**
Profit before income tax	1,901	811	**2,712**
Income tax expense and non-controlling interests	(572)	(243)	**(815)**
Cash profit	1,329	568	**1,897**
Individual credit impairment charge/(release)	259	194	**453**
Collective credit impairment charge/(release)	(33)	5	**(28)**
Net loans and advances	276,775	68,569	**345,344**
Customer deposits	144,235	57,130	**201,365**
Risk weighted assets[1]	107,059	63,573	**170,632**

March 2017 Half Year	Retail $M	C&CB $M	Australia Total $M
Net interest income	2,791	1,342	4,133
Other operating income	392	210	602
Operating income	3,183	1,552	4,735
Operating expenses	(1,167)	(526)	(1,693)
Profit before credit impairment and income tax	2,016	1,026	3,042
Credit impairment (charge)/release	(264)	(208)	(472)
Profit before income tax	1,752	818	2,570
Income tax expense and non-controlling interests	(526)	(246)	(772)
Cash profit	1,226	572	1,798
Individual credit impairment charge/(release)	238	192	430
Collective credit impairment charge/(release)	26	16	42
Net loans and advances	268,695	68,041	336,736
Customer deposits	141,899	55,733	197,632
Risk weighted assets[1]	95,538	64,037	159,575

September 2017 Half Year vs March 2017 Half Year	Retail	C&CB	Australia Total
Net interest income	4%	0%	3%
Other operating income	2%	3%	2%
Operating income	4%	0%	3%
Operating expenses	2%	3%	2%
Profit before credit impairment and income tax	6%	-2%	3%
Credit impairment (charge)/release	-14%	-4%	-10%
Profit before income tax	9%	-1%	6%
Income tax expense and non-controlling interests	9%	-1%	6%
Cash profit	8%	-1%	6%
Individual credit impairment charge/(release)	9%	1%	5%
Collective credit impairment charge/(release)	large	-69%	large
Net loans and advances	3%	1%	3%
Customer deposits	2%	3%	2%
Risk weighted assets[1]	12%	-1%	7%

1. *Risk weighted assets from 30 September 2016 includes APRA's revised average mortgage risk weight targets.*

Institutional
Mark Whelan

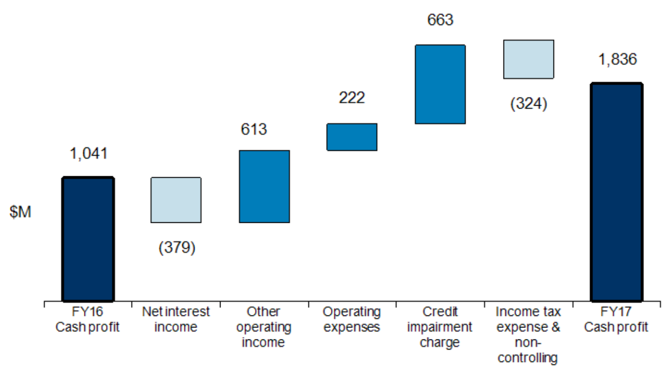
	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Net interest income	**1,480**	1,588	-7%	**3,068**	3,447	-11%
Other operating income[1]	**989**	1,357	-27%	**2,346**	1,733	35%
Operating income	**2,469**	2,945	-16%	**5,414**	5,180	5%
Operating expenses[1]	**(1,357)**	(1,379)	-2%	**(2,736)**	(2,958)	-8%
Profit before credit impairment and income tax	**1,112**	1,566	-29%	**2,678**	2,222	21%
Credit impairment (charge)/release	**45**	(125)	large	**(80)**	(743)	-89%
Profit before income tax	**1,157**	1,441	-20%	**2,598**	1,479	76%
Income tax expense and non-controlling interests	**(342)**	(420)	-19%	**(762)**	(438)	74%
Cash profit	**815**	1,021	-20%	**1,836**	1,041	76%
Balance Sheet						
Net loans and advances	**119,636**	120,791	-1%	**119,636**	125,955	-5%
Other external assets	**254,653**	258,119	-1%	**254,653**	281,705	-10%
External assets	**374,289**	378,910	-1%	**374,289**	407,660	-8%
Customer deposits	**186,782**	179,326	4%	**186,782**	171,155	9%
Other deposits and borrowings	**57,297**	61,207	-6%	**57,297**	56,341	2%
Deposits and other borrowings	**244,079**	240,533	1%	**244,079**	227,496	7%
Other external liabilities	**94,676**	94,971	0%	**94,676**	121,304	-22%
External liabilities	**338,755**	335,504	1%	**338,755**	348,800	-3%
Risk weighted assets	**148,881**	159,230	-6%	**148,881**	168,428	-12%
Average gross loans and advances	**121,897**	125,645	-3%	**123,766**	133,753	-7%
Average deposits and other borrowings	**247,128**	242,402	2%	**244,772**	232,959	5%
Ratios						
Return on average assets	**0.41%**	0.51%		**0.46%**	0.25%	
Net interest margin	**0.96%**	1.05%		**1.01%**	1.13%	
Net interest margin (excluding Markets)	**2.03%**	2.17%		**2.10%**	2.20%	
Operating expenses to operating income	**55.0%**	46.8%		**50.5%**	57.1%	
Operating expenses to average assets	**0.68%**	0.69%		**0.68%**	0.72%	
Individual credit impairment charge/(release)	**(33)**	210	large	**177**	776	-77%
Individual credit impairment charge/(release) as a % of average GLA	**(0.05%)**	0.34%		**0.14%**	0.58%	
Collective credit impairment charge/(release)	**(12)**	(85)	-86%	**(97)**	(33)	large
Collective credit impairment charge/(release) as a % of average GLA	**(0.02%)**	(0.14%)		**(0.08%)**	(0.02%)	
Gross impaired assets	**624**	1,061	-41%	**624**	1,405	-56%
Gross impaired assets as a % of GLA	**0.52%**	0.87%		**0.52%**	1.10%	
Total full time equivalent staff (FTE)	**4,754**	4,899	-3%	**4,754**	5,112	-7%

1. *In the March 2017 half, a change was made to the classification of certain fees payable. These items have been reclassified from other operating income to operating expenses to more accurately reflect the nature of these items. Comparatives have been restated (Sep16 full year: $17 million).*

Performance September 2017 v September 2016

- Lending volumes down due to portfolio rebalancing mainly in Loans & Specialised Finance and Transaction Banking. Customer deposits grew in Markets and Transaction Banking.
- Net interest margin ex-Markets decreased due to asset pricing competition, the introduction of the major bank levy and the mix impact of lower lending volumes and higher deposit volumes, partially offset by margin improvements in Payments and Cash Management.
- Other operating income increased significantly due to positive derivative valuation adjustments and higher Markets Balance Sheet income as a result of tightening credit spreads.
- Operating expenses decreased due to a reduction in FTE as a result of ongoing simplification of the business, partially offset by higher non-lending losses, regulatory and compliance spend.
- Credit impairment charges decreased significantly due to a benign credit environment, higher write-backs and an overall reduction in lending assets driven by portfolio rebalancing.

Cash Profit - September 2017 v September 2016



Institutional
Mark Whelan

Institutional by Geography

	Half Year			Full Year		
Australia	**Sep 17 $M**	**Mar 17 $M**	**Movt**	**Sep 17 $M**	**Sep 16 $M**	**Movt**
Net interest income	**833**	865	-4%	**1,698**	1,870	-9%
Other operating income[1]	**478**	668	-28%	**1,146**	606	89%
Operating income	**1,311**	1,533	-14%	**2,844**	2,476	15%
Operating expenses[1]	**(652)**	(621)	5%	**(1,273)**	(1,339)	-5%
Profit before credit impairment and income tax	**659**	912	-28%	**1,571**	1,137	38%
Credit impairment (charge)/release	**10**	(119)	large	**(109)**	(293)	-63%
Profit before income tax	**669**	793	-16%	**1,462**	844	73%
Income tax expense and non-controlling interests	**(222)**	(242)	-8%	**(464)**	(254)	83%
Cash profit	**447**	551	-19%	**998**	590	69%
Individual credit impairment charge/(release)	**(30)**	164	large	**134**	330	-59%
Collective credit impairment charge/(release)	**20**	(45)	large	**(25)**	(37)	-32%
Net loans and advances	**64,224**	65,175	-1%	**64,224**	65,938	-3%
Customer deposits	**77,094**	68,910	12%	**77,094**	65,361	18%
Risk weighted assets	**74,043**	78,512	-6%	**74,043**	80,618	-8%
Asia Pacific, Europe, and America						
Net interest income	**487**	545	-11%	**1,032**	1,231	-16%
Other operating income	**395**	521	-24%	**916**	1,030	-11%
Operating income	**882**	1,066	-17%	**1,948**	2,261	-14%
Operating expenses	**(617)**	(674)	-8%	**(1,291)**	(1,452)	-11%
Profit before credit impairment and income tax	**265**	392	-32%	**657**	809	-19%
Credit impairment (charge)/release	**11**	(4)	large	**7**	(432)	large
Profit before income tax	**276**	388	-29%	**664**	377	76%
Income tax expense and non-controlling interests	**(60)**	(105)	-43%	**(165)**	(111)	49%
Cash profit	**216**	283	-24%	**499**	266	88%
Individual credit impairment charge/(release)	**19**	41	-54%	**60**	422	-86%
Collective credit impairment charge/(release)	**(30)**	(37)	-19%	**(67)**	10	large
Net loans and advances	**48,428**	48,148	1%	**48,428**	53,006	-9%
Customer deposits	**95,910**	96,684	-1%	**95,910**	91,481	5%
Risk weighted assets	**64,622**	69,719	-7%	**64,622**	75,014	-14%
New Zealand						
Net interest income	**160**	178	-10%	**338**	346	-2%
Other operating income	**116**	168	-31%	**284**	97	large
Operating income	**276**	346	-20%	**622**	443	40%
Operating expenses	**(88)**	(84)	5%	**(172)**	(167)	3%
Profit before credit impairment and income tax	**188**	262	-28%	**450**	276	63%
Credit impairment (charge)/release	**24**	(2)	large	**22**	(18)	large
Profit before income tax	**212**	260	-18%	**472**	258	83%
Income tax expense and non-controlling interests	**(60)**	(73)	-18%	**(133)**	(73)	82%
Cash profit	**152**	187	-19%	**339**	185	83%
Individual credit impairment charge/(release)	**(22)**	5	large	**(17)**	24	large
Collective credit impairment charge/(release)	**(2)**	(3)	-33%	**(5)**	(6)	-17%
Net loans and advances	**6,984**	7,468	-6%	**6,984**	7,011	0%
Customer deposits	**13,778**	13,732	0%	**13,778**	14,313	-4%
Risk weighted assets	**10,216**	10,999	-7%	**10,216**	12,796	-20%

1. *In the March 2017 half, a change was made to the classification of certain fees payable. These items have been reclassified from other operating income to operating expenses to more accurately reflect the nature of these items. Comparatives have been restated (Sep16 full year: $17 million).*

Institutional
Mark Whelan

Individual credit impairment charge/(release)	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Transaction Banking	(1)	41	large	40	178	-78%
Loans & Specialised Finance	(30)	165	large	135	565	-76%
Markets	-	-	n/a	-	26	-100%
Central Functions	(2)	4	large	2	7	-71%
Individual credit impairment charge/(release)	**(33)**	**210**	**large**	**177**	**776**	**-77%**

Collective credit impairment charge/(release)	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Transaction Banking	(1)	(5)	-80%	(6)	(3)	100%
Loans & Specialised Finance	(8)	(80)	-90%	(88)	(28)	large
Markets	(4)	4	large	-	(2)	-100%
Central Functions	1	(4)	large	(3)	-	n/a
Collective credit impairment charge/(release)	**(12)**	**(85)**	**-86%**	**(97)**	**(33)**	**large**
Total credit impairment charge/(release)	**(45)**	**125**	**large**	**80**	**743**	**-89%**

Net loans and advances	As at			Movement	
	Sep 17 $M	Mar 17 $M	Sep 16 $M	Sep 17 v. Mar 17	Sep 17 v. Sep 16
Transaction Banking	13,020	12,083	13,810	8%	-6%
Loans & Specialised Finance	77,094	79,895	83,537	-4%	-8%
Markets	29,303	28,591	28,380	2%	3%
Central Functions	219	222	228	-1%	-4%
Net loans and advances	**119,636**	**120,791**	**125,955**	**-1%**	**-5%**

Customer deposits	As at			Movement	
	Sep 17 $M	Mar 17 $M	Sep 16 $M	Sep 17 v. Mar 17	Sep 17 v. Sep 16
Transaction Banking	96,000	89,028	91,019	8%	5%
Loans & Specialised Finance	993	943	884	5%	12%
Markets	89,431	88,947	78,871	1%	13%
Central Functions	358	408	381	-12%	-6%
Customer deposits	**186,782**	**179,326**	**171,155**	**4%**	**9%**

Institutional
Mark Whelan

September 2017 Full Year	Transaction Banking $M	Loans & Specialised Finance $M	Markets $M	Central Functions $M	Institutional Total $M
Net interest income	855	1,271	920	22	**3,068**
Other operating income	731	142	1,436	37	**2,346**
Operating income	1,586	1,413	2,356	59	**5,414**
Operating expenses	(884)	(523)	(1,326)	(3)	**(2,736)**
Profit before credit impairment and income tax	702	890	1,030	56	**2,678**
Credit impairment (charge)/release	(34)	(47)	-	1	**(80)**
Profit before income tax	668	843	1,030	57	**2,598**
Income tax expense and non-controlling interests	(203)	(233)	(281)	(45)	**(762)**
Cash profit	465	610	749	12	**1,836**
Individual credit impairment charge/(release)	40	135	-	2	**177**
Collective credit impairment charge/(release)	(6)	(88)	-	(3)	**(97)**
Net loans and advances	13,020	77,094	29,303	219	**119,636**
Customer deposits	96,000	993	89,431	358	**186,782**
Risk weighted assets	23,365	76,373	48,594	549	**148,881**

September 2016 Full Year	Transaction Banking $M	Loans & Specialised Finance $M	Markets $M	Central Functions $M	Institutional Total $M
Net interest income	880	1,498	1,032	37	**3,447**
Other operating income[1]	775	157	766	35	**1,733**
Operating income	1,655	1,655	1,798	72	**5,180**
Operating expenses[1]	(921)	(585)	(1,285)	(167)	**(2,958)**
Profit before credit impairment and income tax	734	1,070	513	(95)	**2,222**
Credit impairment (charge)/release	(175)	(537)	(24)	(7)	**(743)**
Profit before income tax	559	533	489	(102)	**1,479**
Income tax expense and non-controlling interests	(177)	(151)	(110)	-	**(438)**
Cash profit	382	382	379	(102)	**1,041**
Individual credit impairment charge/(release)	178	565	26	7	**776**
Collective credit impairment charge/(release)	(3)	(28)	(2)	-	**(33)**
Net loans and advances	13,810	83,537	28,380	228	**125,955**
Customer deposits	91,019	884	78,871	381	**171,155**
Risk weighted assets	24,918	89,619	52,285	1,606	**168,428**

September 2017 Full Year vs September 2016 Full Year	Transaction Banking	Loans & Specialised Finance	Markets	Central Functions	Institutional Total
Net interest income	-3%	-15%	-11%	-41%	-11%
Other operating income	-6%	-10%	87%	6%	35%
Operating income	-4%	-15%	31%	-18%	5%
Operating expenses	-4%	-11%	3%	-98%	-8%
Profit before credit impairment and income tax	-4%	-17%	large	large	21%
Credit impairment (charge)/release	-81%	-91%	-100%	large	-89%
Profit before income tax	19%	58%	large	large	76%
Income tax expense and non-controlling interests	15%	54%	large	n/a	74%
Cash profit	22%	60%	98%	large	76%
Individual credit impairment charge/(release)	-78%	-76%	-100%	-71%	-77%
Collective credit impairment charge/(release)	100%	large	-100%	n/a	large
Net loans and advances	-6%	-8%	3%	-4%	-5%
Customer deposits	5%	12%	13%	-6%	9%
Risk weighted assets	-6%	-15%	-7%	-66%	-12%

1. *In the March 2017 half, a change was made to the classification of certain fees payable. These items have been reclassified from other operating income to operating expenses to more accurately reflect the nature of these items. Comparatives have been restated (Sep16 full year: $17 million).*

Institutional
Mark Whelan

September 2017 Half Year	Transaction Banking $M	Loans & Specialised Finance $M	Markets $M	Central Functions $M	Institutional Total $M
Net interest income	423	601	442	14	**1,480**
Other operating income	366	58	550	15	**989**
Operating income	789	659	992	29	**2,469**
Operating expenses	(437)	(261)	(680)	21	**(1,357)**
Profit before credit impairment and income tax	352	398	312	50	**1,112**
Credit impairment (charge)/release	2	38	4	1	**45**
Profit before income tax	354	436	316	51	**1,157**
Income tax expense and non-controlling interests	(105)	(123)	(85)	(29)	**(342)**
Cash profit	249	313	231	22	**815**
Individual credit impairment charge/(release)	(1)	(30)	-	(2)	**(33)**
Collective credit impairment charge/(release)	(1)	(8)	(4)	1	**(12)**
Net loans and advances	13,020	77,094	29,303	219	**119,636**
Customer deposits	96,000	993	89,431	358	**186,782**
Risk weighted assets	23,365	76,373	48,594	549	**148,881**

March 2017 Half Year					
Net interest income	432	670	478	8	1,588
Other operating income[1]	365	84	886	22	1,357
Operating income	797	754	1,364	30	2,945
Operating expenses[1]	(447)	(262)	(646)	(24)	(1,379)
Profit before credit impairment and income tax	350	492	718	6	1,566
Credit impairment (charge)/release	(36)	(85)	(4)	-	(125)
Profit before income tax	314	407	714	6	1,441
Income tax expense and non-controlling interests	(98)	(110)	(196)	(16)	(420)
Cash profit	216	297	518	(10)	1,021
Individual credit impairment charge/(release)	41	165	-	4	210
Collective credit impairment charge/(release)	(5)	(80)	4	(4)	(85)
Net loans and advances	12,083	79,895	28,591	222	120,791
Customer deposits	89,028	943	88,947	408	179,326
Risk weighted assets	23,883	82,896	51,648	803	159,230

September 2017 Half Year vs March 2017 Half Year					
Net interest income	-2%	-10%	-8%	75%	-7%
Other operating income	0%	-31%	-38%	-32%	-27%
Operating income	-1%	-13%	-27%	-3%	-16%
Operating expenses	-2%	0%	5%	large	-2%
Profit before credit impairment and income tax	1%	-19%	-57%	large	-29%
Credit impairment (charge)/release	large	large	large	n/a	large
Profit before income tax	13%	7%	-56%	large	-20%
Income tax expense and non-controlling interests	7%	12%	-57%	81%	-19%
Cash profit	15%	5%	-55%	large	-20%
Individual credit impairment charge/(release)	large	large	n/a	large	large
Collective credit impairment charge/(release)	-80%	-90%	large	large	-86%
Net loans and advances	8%	-4%	2%	-1%	-1%
Customer deposits	8%	5%	1%	-12%	4%
Risk weighted assets	-2%	-8%	-6%	-32%	-6%

Institutional
Mark Whelan

Analysis of Markets operating income

Composition of Markets operating income by business activity[1]	Half Year Sep 17 $M	Half Year Mar 17 $M	Half Year Movt	Full Year Sep 17 $M	Full Year Sep 16 $M	Full Year Movt
Franchise Sales[2]	**451**	483	-7%	**934**	1,084	-14%
Franchise Trading[3]	**263**	525	-50%	**788**	561	40%
Balance Sheet[4]	**278**	356	-22%	**634**	390	63%
Markets operating income pre-derivative CVA methodology change	**992**	1,364	-27%	**2,356**	2,035	16%
Derivative CVA methodology change [5]	**-**	-	n/a	**-**	(237)	-100%
Markets operating income	**992**	1,364	-27%	**2,356**	1,798	31%

1. *In determining the fair value of derivative positions adjustments are made to the risk free value to include factors such as the impact of credit and funding and bid-offer spreads. In the March 2017 half, the impact of these adjustments and where relevant the hedging of the associated exposure were included as part of Franchise Trading Income to better align with how these are overseen and risk managed and comparatives were restated. These adjustments were previously allocated between Franchise Sales, Franchise Trading and Balance Sheet.*
2. *Franchise Sales represents direct client flow business on core products such as fixed income, foreign exchange, commodities and capital markets.*
3. *Franchise Trading primarily represents management of the Group's strategic positions and those taken as part of direct client sales flow. Franchise Trading also includes the impact of the derivative valuation adjustments which includes credit and funding adjustments, bid-offer adjustments and associated hedges. For the September 2017 full year, the impact of credit and funding, net of associated hedges, contributed a gain of $229 million (Mar 17 half: $162 million gain: Sep 16 full year: loss of $102 million excluding the impact of the Derivative CVA methodology changes).*
4. *Balance Sheet represents hedging of interest rate risk on the Group's loan and deposit books and the management of the Group's liquidity portfolio.*
5. *Refer to pages 14 to 16 for further details.*

Composition of Markets operating income by geography	Half Year Sep 17 $M	Half Year Mar 17 $M	Half Year Movt	Full Year Sep 17 $M	Full Year Sep 16 $M	Full Year Movt
Australia	**437**	634	-31%	**1,071**	814	32%
Asia Pacific, Europe & America	**415**	535	-22%	**950**	1,024	-7%
New Zealand	**140**	195	-28%	**335**	197	70%
Markets operating income pre-derivative CVA methodology change	**992**	1,364	-27%	**2,356**	2,035	16%
Derivative CVA methodology change	**-**	-	n/a	**-**	(237)	-100%
Markets operating income	**992**	**1,364**	-27%	**2,356**	1,798	31%

Institutional
Mark Whelan

Market risk

Traded market risk

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

99% confidence level (1 day holding period)

	As at	High for year	Low for year	Avg for year	As at	High for year	Low for year	Avg for year
	Sep 17 $M	Sep 17 $M	Sep 17 $M	Sep 17 $M	Sep 16 $M	Sep 16 $M	Sep 16 $M	Sep 16 $M
Value at Risk at 99% confidence								
Foreign exchange	4.2	10.5	2.5	5.1	4.0	11.4	2.2	5.2
Interest rate	6.3	21.3	5.1	7.9	4.7	20.1	4.1	9.1
Credit	4.4	5.4	2.0	3.4	3.3	4.6	2.2	3.2
Commodities	2.2	3.8	1.4	2.1	2.5	2.8	1.1	1.7
Equity	-	0.5	-	0.2	0.5	2.0	0.1	0.2
Diversification benefit	(7.6)	n/a	n/a	(7.7)	(6.8)	n/a	n/a	(6.2)
Total VaR	9.5	24.9	6.9	11.0	8.2	25.4	6.1	13.2

Non-traded interest rate risk

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

99% confidence level (1 day holding period)

	As at	High for year	Low for year	Avg for year	As at	High for year	Low for year	Avg for year
	Sep 17 $M	Sep 17 $M	Sep 17 $M	Sep 17 $M	Sep 16 $M	Sep 16 $M	Sep 16 $M	Sep 16 $M
Value at Risk at 99% confidence								
Australia	31.6	37.5	25.9	31.3	38.4	40.6	28.0	33.7
New Zealand	11.8	15.1	11.1	12.4	11.4	11.4	8.8	10.0
Asia Pacific, Europe & America	14.6	19.0	14.3	15.9	14.7	17.3	14.4	15.8
Diversification benefit	(20.6)	n/a	n/a	(19.7)	(24.0)	n/a	n/a	(22.9)
Total VaR	37.4	44.0	33.5	39.9	40.5	44.7	31.3	36.6

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

	As at	
	Sep 17	Sep 16
As at period end	0.52%	0.37%
Maximum exposure	0.65%	0.48%
Minimum exposure	0.01%	0.00%
Average exposure (in absolute terms)	0.28%	0.21%

New Zealand

David Hisco

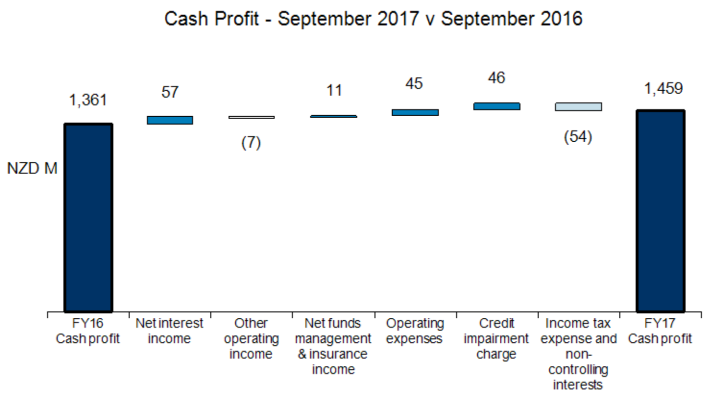
Table reflects NZD for New Zealand (AUD results shown on page 68)

	Half Year			Full Year		
	Sep 17 NZD M	**Mar 17 NZD M**	**Movt**	**Sep 17 NZD M**	**Sep 16 NZD M**	**Movt**
Net interest income	**1,352**	1,334	1%	**2,686**	2,629	2%
Other operating income	**177**	153	16%	**330**	337	-2%
Net funds management and insurance income	**182**	183	-1%	**365**	354	3%
Operating income	**1,711**	1,670	2%	**3,381**	3,320	2%
Operating expenses	**(635)**	(636)	0%	**(1,271)**	(1,316)	-3%
Profit before credit impairment and income tax	**1,076**	1,034	4%	**2,110**	2,004	5%
Credit impairment (charge)/release	**(44)**	(39)	13%	**(83)**	(129)	-36%
Profit before income tax	**1,032**	995	4%	**2,027**	1,875	8%
Income tax expense and non-controlling interests	**(290)**	(278)	4%	**(568)**	(514)	11%
Cash profit	**742**	717	3%	**1,459**	1,361	7%
Balance Sheet[1]						
Net loans and advances	**117,242**	114,731	2%	**117,242**	113,145	4%
Other external assets	**3,869**	7,032	-45%	**3,869**	4,723	-18%
External assets	**121,111**	121,763	-1%	**121,111**	117,868	3%
Customer deposits	**81,855**	81,238	1%	**81,855**	76,362	7%
Other deposits and borrowings	**3,721**	2,949	26%	**3,721**	5,358	-31%
Deposits and other borrowings	**85,576**	84,187	2%	**85,576**	81,720	5%
Other external liabilities	**22,294**	22,228	0%	**22,294**	21,494	4%
External liabilities	**107,870**	106,415	1%	**107,870**	103,214	5%
Risk weighted assets	**60,971**	62,421	-2%	**60,971**	62,523	-2%
Average gross loans and advances	**116,671**	114,087	2%	**115,383**	110,559	4%
Average deposits and other borrowings	**84,490**	83,884	1%	**84,188**	80,975	4%
Ratios[1]						
Return on average assets	**1.23%**	1.20%		**1.22%**	1.19%	
Net interest margin	**2.31%**	2.30%		**2.31%**	2.37%	
Operating expenses to operating income	**37.1%**	38.1%		**37.6%**	39.6%	
Operating expenses to average assets	**1.06%**	1.07%		**1.06%**	1.15%	
Individual credit impairment charge/(release)	**59**	64	-8%	**123**	112	10%
Individual credit impairment charge/(release) as a % of average GLA	**0.10%**	0.11%		**0.11%**	0.10%	
Collective credit impairment charge/(release)	**(15)**	(25)	-40%	**(40)**	17	large
Collective credit impairment charge/(release) as a % of average GLA	**(0.03%)**	(0.04%)		**(0.03%)**	0.02%	
Gross impaired assets	**334**	448	-25%	**334**	363	-8%
Gross impaired assets as a % of GLA	**0.28%**	0.39%		**0.28%**	0.32%	
Total full time equivalent staff (FTE)	**6,207**	6,250	-1%	**6,207**	6,317	-2%

1. *Balance Sheet amounts as at 30 September 2017 and 31 March 2017 include assets and liabilities held for sale.*

Performance September 2017 v September 2016

- Volumes grew in home loans in addition to higher balances in funds under management. Customer deposits grew across all portfolios.
- Net interest margin declined as the result of a higher proportion of lower margin fixed rate lending and term deposits, pricing competition and higher average funding costs.
- Other operating income decreased, more than offset by an increase in Net funds management and insurance income as the result of higher funds under management balances.
- Operating expenses decreased as the result of a reduction in FTE driven by automation and transaction migration to lower cost channels, partially offset by inflation.
- Credit impairment charges decreased due to an increase in write-backs and credit quality improvements across the Retail and Commercial and Agri portfolios, partially offset by increases to new and existing provisions.



New Zealand
David Hisco

Individual credit impairment charge/(release)	Half Year			Full Year		
	Sep 17 NZD M	Mar 17 NZD M	Movt	Sep 17 NZD M	Sep 16 NZD M	Movt
Retail	**25**	**21**	**19%**	**46**	**52**	**-12%**
Home Loans	(1)	(6)	-83%	(7)	(4)	75%
Other	26	27	-4%	53	56	-5%
Commercial	**34**	**43**	**-21%**	**77**	**60**	**28%**
Individual credit impairment charge/(release)	**59**	**64**	**-8%**	**123**	**112**	**10%**

Collective credit impairment charge/(release)	Half Year			Full Year		
	Sep 17 NZD M	Mar 17 NZD M	Movt	Sep 17 NZD M	Sep 16 NZD M	Movt
Retail	**(6)**	**(7)**	**-14%**	**(13)**	**3**	**large**
Home Loans	(2)	(3)	-33%	(5)	(1)	large
Other	(4)	(4)	0%	(8)	4	large
Commercial	**(9)**	**(18)**	**-50%**	**(27)**	**14**	**large**
Collective credit impairment charge/(release)	**(15)**	**(25)**	**-40%**	**(40)**	**17**	**large**
Total credit impairment charge/(release)	**44**	**39**	**13%**	**83**	**129**	**-36%**

Net loans and advances[1]	As at			Movement	
	Sep 17 NZD M	Mar 17 NZD M	Sep 16 NZD M	Sep 17 v. Mar 17	Sep 17 v. Sep 16
Retail	**76,279**	**74,379**	**72,730**	**3%**	**5%**
Home Loans	72,353	70,439	68,706	3%	5%
Other	3,926	3,940	4,024	0%	-2%
Commercial	**40,963**	**40,352**	**40,415**	**2%**	**1%**
Net loans and advances	**117,242**	**114,731**	**113,145**	**2%**	**4%**

Customer deposits[1]	As at			Movement	
	Sep 17 NZD M	Mar 17 NZD M	Sep 16 NZD M	Sep 17 v. Mar 17	Sep 17 v. Sep 16
Retail	**67,797**	**66,292**	**63,111**	**2%**	**7%**
Commercial	**14,058**	**14,946**	**13,251**	**-6%**	**6%**
Customer deposits	**81,855**	**81,238**	**76,362**	**1%**	**7%**

1. *Balance Sheet amounts as at 30 September 2017 and 31 March 2017 include assets and liabilities held for sale.*

Net funds management and insurance income

	Half Year			Full Year		
	Sep 17 NZD M	Mar 17 NZD M	Movt	Sep 17 NZD M	Sep 16 NZD M	Movt
Insurance	**81**	**85**	**-5%**	**166**	**167**	**-1%**
Insurance income	86	91	-5%	177	180	-2%
Insurance volume related expenses	(5)	(6)	-17%	(11)	(13)	-15%
Funds Management	**101**	**98**	**3%**	**199**	**187**	**6%**
Funds management income	116	109	6%	225	210	7%
Funds management volume related expenses	(15)	(11)	36%	(26)	(23)	13%
Total net funds management and insurance income	**182**	**183**	**-1%**	**365**	**354**	**3%**
In-force premiums[1]	**194**	192	1%	**194**	190	2%
Funds under management	**28,490**	27,146	5%	**28,490**	26,485	8%
Average funds under management	**27,810**	26,383	5%	**27,096**	24,775	9%
Life insurance expenses to Life in-force premiums	**29.9%**	30.1%		**29.9%**	33.4%	
Retail Insurance lapse rates	**14.6%**	13.8%		**14.2%**	15.4%	
Funds Management expenses to average FUM[2]	**0.29%**	0.32%		**0.30%**	0.36%	

1. *In-force premiums reflect the disposal of the New Zealand medical business in the September 2016 full year.*
2. *Funds Management expense and FUM excludes Bonus Bonds and Private Bank.*

New Zealand
David Hisco

September 2017 Full Year	Retail NZD M	Commercial NZD M	Central Functions NZD M	New Zealand Total NZD M
Net interest income	1,773	900	13	**2,686**
Other operating income	314	18	(2)	**330**
Net funds management and insurance income	367	1	(3)	**365**
Operating income	2,454	919	8	**3,381**
Operating expenses	(1,007)	(259)	(5)	**(1,271)**
Profit before credit impairment and income tax	1,447	660	3	**2,110**
Credit impairment (charge)/release	(33)	(50)	-	**(83)**
Profit before income tax	1,414	610	3	**2,027**
Income tax expense and non-controlling interests	(395)	(171)	(2)	**(568)**
Cash profit	1,019	439	1	**1,459**
Individual credit impairment charge/(release)	46	77	-	**123**
Collective credit impairment charge/(release)	(13)	(27)	-	**(40)**
Net loans and advances[1]	76,279	40,963	-	**117,242**
Customer deposits[1]	67,797	14,058	-	**81,855**
Risk weighted assets[1]	28,757	31,004	1,210	**60,971**
September 2016 Full Year				
Net interest income	1,730	889	10	2,629
Other operating income	309	20	8	337
Net funds management and insurance income	355	2	(3)	354
Operating income	2,394	911	15	3,320
Operating expenses	(1,048)	(257)	(11)	(1,316)
Profit before credit impairment and income tax	1,346	654	4	2,004
Credit impairment (charge)/release	(55)	(74)	-	(129)
Profit before income tax	1,291	580	4	1,875
Income tax expense and non-controlling interests	(350)	(163)	(1)	(514)
Cash profit	941	417	3	1,361
Individual credit impairment charge/(release)	52	60	-	112
Collective credit impairment charge/(release)	3	14	-	17
Net loans and advances	72,730	40,415	-	113,145
Customer deposits	63,111	13,251	-	76,362
Risk weighted assets	29,580	31,950	993	62,523
September 2017 Full Year vs September 2016 Full Year				
Net interest income	2%	1%	30%	2%
Other operating income	2%	-10%	large	-2%
Net funds management and insurance income	3%	-50%	0%	3%
Operating income	3%	1%	-47%	2%
Operating expenses	-4%	1%	-55%	-3%
Profit before credit impairment and income tax	8%	1%	-25%	5%
Credit impairment (charge)/release	-40%	-32%	n/a	-36%
Profit before income tax	10%	5%	-25%	8%
Income tax expense and non-controlling interests	13%	5%	100%	11%
Cash profit	8%	5%	-67%	7%
Individual credit impairment charge/(release)	-12%	28%	n/a	10%
Collective credit impairment charge/(release)	large	large	n/a	large
Net loans and advances	5%	1%	n/a	4%
Customer deposits	7%	6%	n/a	7%
Risk weighted assets	-3%	-3%	22%	-2%

1. *Balance Sheet amounts as at 30 September 2017 and 31 March 2017 include assets and liabilities held for sale.*

New Zealand
David Hisco

September 2017 Half Year	Retail NZD M	Commercial NZD M	Central Functions NZD M	New Zealand Total NZD M
Net interest income	896	454	2	**1,352**
Other operating income	169	9	(1)	**177**
Net funds management and insurance income	183	1	(2)	**182**
Operating income	1,248	464	(1)	**1,711**
Operating expenses	(509)	(132)	6	**(635)**
Profit before credit impairment and income tax	739	332	5	**1,076**
Credit impairment (charge)/release	(19)	(25)	-	**(44)**
Profit before income tax	720	307	5	**1,032**
Income tax expense and non-controlling interests	(200)	(87)	(3)	**(290)**
Cash profit	520	220	2	**742**
Individual credit impairment charge/(release)	25	34	-	**59**
Collective credit impairment charge/(release)	(6)	(9)	-	**(15)**
Net loans and advances[1]	76,279	40,963	-	**117,242**
Customer deposits[1]	67,797	14,058	-	**81,855**
Risk weighted assets[1]	28,757	31,004	1,210	**60,971**
March 2017 Half Year				
Net interest income	877	446	11	**1,334**
Other operating income	145	9	(1)	**153**
Net funds management and insurance income	184	-	(1)	**183**
Operating income	1,206	455	9	**1,670**
Operating expenses	(498)	(127)	(11)	**(636)**
Profit before credit impairment and income tax	708	328	(2)	**1,034**
Credit impairment (charge)/release	(14)	(25)	-	**(39)**
Profit before income tax	694	303	(2)	**995**
Income tax expense and non-controlling interests	(195)	(84)	1	**(278)**
Cash profit	499	219	(1)	**717**
Individual credit impairment charge/(release)	21	43	-	**64**
Collective credit impairment charge/(release)	(7)	(18)	-	**(25)**
Net loans and advances[1]	74,379	40,352	-	**114,731**
Customer deposits[1]	66,292	14,946	-	**81,238**
Risk weighted assets[1]	29,358	32,086	977	**62,421**
September 2017 Half Year vs March 2017 Half Year				
Net interest income	2%	2%	-82%	**1%**
Other operating income	17%	0%	0%	**16%**
Net funds management and insurance income	-1%	n/a	100%	**-1%**
Operating income	3%	2%	large	**2%**
Operating expenses	2%	4%	large	**0%**
Profit before credit impairment and income tax	4%	1%	large	**4%**
Credit impairment (charge)/release	36%	0%	n/a	**13%**
Profit before income tax	4%	1%	large	**4%**
Income tax expense and non-controlling interests	3%	4%	large	**4%**
Cash profit	4%	0%	large	**3%**
Individual credit impairment charge/(release)	19%	-21%	n/a	**-8%**
Collective credit impairment charge/(release)	-14%	-50%	n/a	**-40%**
Net loans and advances	3%	2%	n/a	**2%**
Customer deposits	2%	-6%	n/a	**1%**
Risk weighted assets	-2%	-3%	24%	**-2%**

1. *Balance Sheet amounts as at 30 September 2017 and 31 March 2017 include assets and liabilities held for sale.*

New Zealand
David Hisco

Table reflects AUD for New Zealand
NZD results shown on page 64

	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Net interest income	**1,259**	1,260	0%	**2,519**	2,448	3%
Other operating income	**166**	144	15%	**310**	314	-1%
Net funds management and insurance income	**170**	173	-2%	**343**	330	4%
Operating income	**1,595**	1,577	1%	**3,172**	3,092	3%
Operating expenses	**(593)**	(600)	-1%	**(1,193)**	(1,225)	-3%
Profit before credit impairment and income tax	**1,002**	977	3%	**1,979**	1,867	6%
Credit impairment (charge)/release	**(41)**	(37)	11%	**(78)**	(120)	-35%
Profit before income tax	**961**	940	2%	**1,901**	1,747	9%
Income tax expense and non-controlling interests	**(269)**	(263)	2%	**(532)**	(479)	11%
Cash profit	**692**	677	2%	**1,369**	1,268	8%
Consisting of:						
Retail	**484**	472	3%	**956**	877	9%
Commercial	**206**	206	0%	**412**	389	6%
Central Functions	**2**	(1)	large	**1**	2	-50%
Cash profit	**692**	677	2%	**1,369**	1,268	8%
Balance Sheet[1]						
Net loans and advances	**107,886**	104,884	3%	**107,886**	107,893	0%
Other external assets	**3,560**	6,429	-45%	**3,560**	4,505	-21%
External assets	**111,446**	111,313	0%	**111,446**	112,398	-1%
Customer deposits	**75,323**	74,266	1%	**75,323**	72,818	3%
Other deposits and borrowings	**3,424**	2,696	27%	**3,424**	5,109	-33%
Deposits and other borrowings	**78,747**	76,962	2%	**78,747**	77,927	1%
Other external liabilities	**20,515**	20,320	1%	**20,515**	20,496	0%
External liabilities	**99,262**	97,282	2%	**99,262**	98,423	1%
Risk weighted assets	**56,106**	57,064	-2%	**56,106**	59,621	-6%
Average gross loans and advances	**108,751**	107,704	1%	**108,229**	102,972	5%
Average deposits and other borrowings	**78,747**	79,190	-1%	**78,968**	75,418	5%
In-force premiums[2]	**179**	175	2%	**179**	181	-1%
Funds under management	**26,215**	24,816	6%	**26,215**	25,256	4%
Average funds under management	**25,922**	24,912	4%	**24,934**	23,075	8%
Ratios[1]						
Return on average assets	**1.23%**	1.20%		**1.22%**	1.19%	
Net interest margin	**2.31%**	2.30%		**2.31%**	2.37%	
Operating expenses to operating income	**37.1%**	38.1%		**37.6%**	39.6%	
Operating expenses to average assets	**1.06%**	1.07%		**1.06%**	1.15%	
Individual credit impairment charge/(release)	**55**	61	-10%	**116**	104	12%
Individual credit impairment charge/(release) as a % of average GLA	**0.10%**	0.11%		**0.11%**	0.10%	
Collective credit impairment charge/(release)	**(14)**	(24)	-42%	**(38)**	16	large
Collective credit impairment charge/(release) as a % of average GLA	**(0.03%)**	(0.04%)		**(0.03%)**	0.02%	
Gross impaired assets	**307**	409	-25%	**307**	346	-11%
Gross impaired assets as a % of GLA	**0.28%**	0.39%		**0.28%**	0.32%	
Life insurance expenses to Life in-force premiums	**29.9%**	30.1%		**29.9%**	33.4%	
Retail Insurance lapse rates	**14.6%**	13.8%		**14.2%**	15.4%	
Funds Management expenses to average FUM[3]	**0.29%**	0.32%		**0.30%**	0.36%	
Total full time equivalent staff (FTE)	**6,207**	6,250	-1%	**6,207**	6,317	-2%

1. *Balance Sheet amounts as at 30 September 2017 and 31 March 2017 include assets and liabilities held for sale.*
2. *In-force premiums reflect the disposal of the New Zealand medical business in the September 2016 full year.*
3. *Funds Management expense and FUM excludes Bonus Bonds and Private Bank.*

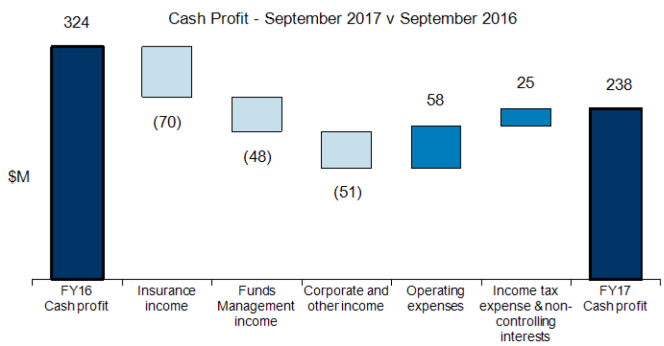
Wealth Australia
Alexis George

	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Net interest income	**4**	5	-20%	**9**	11	-18%
Other operating income	**38**	46	-17%	**84**	88	-5%
Net funds management and insurance income	**500**	493	1%	**993**	1,156	-14%
Operating income	**542**	544	0%	**1,086**	1,255	-13%
Operating expenses	**(373)**	(370)	1%	**(743)**	(801)	-7%
Profit before income tax	**169**	174	-3%	**343**	454	-24%
Income tax expense and non-controlling interests	**(54)**	(51)	6%	**(105)**	(130)	-19%
Cash profit	**115**	123	-7%	**238**	324	-27%
Consisting of:						
Insurance	**104**	102	2%	**206**	253	-19%
Funds Management	**42**	41	2%	**83**	87	-5%
Corporate and Other	**(31)**	(20)	55%	**(51)**	(16)	large
Total Wealth Australia	**115**	123	-7%	**238**	324	-27%
Income from invested capital[1]	**37**	41	-10%	**78**	110	-29%
Key metrics						
In-force premiums						
Life Insurance	**1,614**	1,600	1%	**1,614**	1,603	1%
General Insurance	**231**	226	2%	**231**	226	2%
Average in-force premiums						
Life Insurance	**1,607**	1,602	0%	**1,609**	1,560	3%
General Insurance	**228**	225	1%	**228**	367	-38%
Funds under management	**49,060**	49,251	0%	**49,060**	48,251	2%
Average funds under management	**49,248**	48,375	2%	**48,808**	47,621	2%
Ratios						
Operating expenses to operating income	**68.8%**	68.0%		**68.4%**	63.8%	
Insurance expenses to In-force premiums	**11.6%**	11.9%		**11.7%**	12.1%	
Retail Insurance lapse rates	**14.4%**	13.8%		**14.1%**	14.0%	
Funds Management expenses to average FUM[2]	**0.46%**	0.50%		**0.48%**	0.54%	
Total full time equivalent staff (FTE)	**2,110**	2,114	0%	**2,110**	2,174	-3%
Aligned adviser numbers[3]	**1,432**	1,511	-5%	**1,432**	1,545	-7%

1. *Income from invested capital represents after tax revenue generated from investing all Insurance and Funds Management business's capital balances held for regulatory purposes. The invested capital as at 30 September 2017 was $3.3 billion (Mar 17: $3.4 billion; Sep 16: $3.4 billion), which comprises fixed interest securities of 49% and cash deposits of 51% (Mar 17: 48% fixed interest securities and 52% cash deposits, Sep 16: 48% fixed interest securities and 52% cash deposits).*
2. *Funds Management expense and funds under management relates to the Pensions & Investments business and excludes ANZ Share Investing.*
3. *Includes corporate authorised representatives of dealer groups wholly or partially owned by ANZ Wealth Australia and ANZ employed financial planners.*

Performance September 2017 v September 2016

- Insurance income decreased as the result of adverse retail life claims experience, a one-off experience loss due to the exit of a Group Life insurance plan, partially offset by reinsurance profit share and favourable claims experience in Lenders Mortgage Insurance.
- Funds Management income decreased in line with the planned strategy to rationalise the legacy portfolio to SmartChoice, a simpler and lower risk model, which is now complete.
- Corporate & Other income decreased due to realised gains in 2016 which was not repeated and investment market volatility on the guaranteed business.
- Operating expenses decreased due to productivity initiatives that resulted in a reduction in FTE, partially offset by inflation and higher regulatory compliance and remediation spend.



Wealth Australia
Alexis George

Major business units

Insurance	Half Year Sep 17 $M	Half Year Mar 17 $M	Movt	Full Year Sep 17 $M	Full Year Sep 16 $M	Movt
Net interest income	**11**	11	0%	**22**	23	-4%
Insurance income	**364**	354	3%	**718**	828	-13%
Insurance volume related expenses	**(119)**	(110)	8%	**(229)**	(270)	-15%
Operating income	**256**	255	0%	**511**	581	-12%
Operating expenses	**(107)**	(109)	-2%	**(216)**	(222)	-3%
Profit before income tax	**149**	146	2%	**295**	359	-18%
Income tax expense and non-controlling interests	**(45)**	(44)	2%	**(89)**	(106)	-16%
Cash profit	**104**	102	2%	**206**	253	-19%

Funds Management	Half Year Sep 17 $M	Half Year Mar 17 $M	Movt	Full Year Sep 17 $M	Full Year Sep 16 $M	Movt
Net interest income	**13**	14	-7%	**27**	30	-10%
Other operating income	**33**	40	-18%	**73**	72	1%
Funds management income	**330**	314	5%	**644**	692	-7%
Funds management volume related expenses	**(175)**	(161)	9%	**(336)**	(338)	-1%
Operating income	**201**	207	-3%	**408**	456	-11%
Operating expenses	**(141)**	(151)	-7%	**(292)**	(331)	-12%
Profit before income tax	**60**	56	7%	**116**	125	-7%
Income tax expense and non-controlling interests	**(18)**	(15)	20%	**(33)**	(38)	-13%
Cash profit	**42**	41	2%	**83**	87	-5%

Insurance metrics

Insurance operating margin	Half Year Sep 17 $M	Half Year Mar 17 $M	Movt	Full Year Sep 17 $M	Full Year Sep 16 $M	Movt
Life Insurance Planned profit margin						
Group & Individual	**72**	64	13%	**136**	151	-10%
Experience profit/(loss)[1]	**(22)**	(26)	-15%	**(48)**	(8)	large
General Insurance operating profit margin	**54**	64	-16%	**118**	110	7%
Total	**104**	102	2%	**206**	253	-19%

1. *Experience profit/(loss) variations are gains or losses arising from actual experience differing from plan, predominantly driven by lapses, claims and expenses.*

Insurance annual in-force premiums	As at Sep 17 $M	As at Mar 17 $M	As at Sep 16 $M	Movement Sep 17 v Mar 17	Movement Sep 17 v Sep 16
Group	**431**	427	445	1%	-3%
Individual	**1,183**	1,173	1,158	1%	2%
General Insurance	**231**	226	226	2%	2%
Total	**1,845**	1,826	1,829	1%	1%

Insurance in-force book movement	Sep 16 $M	New business $M	Lapses $M	Sep 17 $M
Group	445	38	(52)	**431**
Individual	1,158	137	(112)	**1,183**
General Insurance	226	165	(160)	**231**
Total	1,829	340	(324)	**1,845**

Wealth Australia

Alexis George

Funds Management metrics

Funds under management	As at Sep 17 $M	As at Mar 17 $M	As at Sep 16 $M	Movement Sep 17 v Mar 17	Movement Sep 17 v Sep 16
Australian equities	**14,091**	15,393	15,248	-8%	-8%
International equities	**13,001**	12,442	11,044	4%	18%
Cash and fixed interest	**18,127**	17,763	18,582	2%	-2%
Property and infrastructure	**3,841**	3,653	3,377	5%	14%
Total	**49,060**	49,251	48,251	0%	2%

Funds Management cash flows by product	Sep 16 $M	Inflows $M	Outflows $M	Other[1] $M	Sep 17 $M
Open solutions					
OneAnswer Frontier	9,958	1,575	(1,346)	745	**10,932**
ANZ Smart Choice	11,190	2,363	(1,410)	3,729	**15,872**
Wrap (Voyage and Grow)	2,160	645	(378)	654	**3,081**
Closed solutions					
Retail	19,028	739	(2,994)	(170)	**16,603**
Employer	5,915	143	(587)	(2,899)	**2,572**
Total	48,251	5,465	(6,715)	2,059	**49,060**

1. Other includes investment income net of taxes, fees and charges and distributions. It also includes the transition of funds under management from Employer Super to ANZ Smart Choice of approximately $2.9 billion as a result of regulatory changes in the industry.

Embedded value and value of new business (insurance and investments only)[1]	**$M**
Embedded value as at September 2016[2]	4,536
Value of new business[3]	138
Expected return[4]	304
Experience deviations and assumption changes[5]	(85)
Embedded value before economic assumption changes and net transfer	4,893
Economic assumptions change[6]	(110)
Net transfer[7]	(291)
Embedded value as at September 2017	4,492

1. The product lines used are on the same basis as prior periods. This is different to the product lines that are subject to a strategic review.

2. 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 7.75%-9.50%. ANZ Lenders Mortgage Insurance, ANZ Financial Planning and ANZ Share Investing businesses are not included in the valuation.

3. Value of new business represents the present value of future profits less the cost of capital arising from new business written over the period.

4. Expected return represents the expected increase in value over the period.

5. Experience deviations and assumption changes arise from deviations and changes to best estimate assumptions underlying the prior period embedded value. Negative experience was primarily driven by adverse claims experience during the year, strengthening of claims assumptions in Retail Insurance partially offset by implementation of various product initiatives.

6. Interest rate movements have led to a negative value impact.

7. Net transfer represents the net capital movements over the period including capital injections, transfer of cash dividends paid and value of franking credits. There was $225 million of cash dividends paid, $12 million of dividends in AT1 preference shares paid and the value of $54 million of franking credits which is expected to be transferred to the parent entity.

Asia Retail & Pacific

David Hisco

	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Net interest income	**275**	331	-17%	**606**	698	-13%
Other operating income[1]	**176**	(139)	large	**37**	478	-92%
Operating income	**451**	192	large	**643**	1,176	-45%
Operating expenses[1]	**(298)**	(353)	-16%	**(651)**	(808)	-19%
Profit before credit impairment and income tax	**153**	(161)	large	**(8)**	368	large
Credit impairment (charge)/release	**(69)**	(75)	-8%	**(144)**	(172)	-16%
Profit before income tax	**84**	(236)	large	**(152)**	196	large
Income tax expense and non-controlling interests[1]	**(15)**	19	large	**4**	(37)	large
Cash profit/(loss)[1]	**69**	(217)	large	**(148)**	159	large
Balance Sheet[2]						
Net loans and advances	**5,666**	12,525	-55%	**5,666**	13,370	-58%
Customer deposits	**9,157**	21,867	-58%	**9,157**	22,782	-60%
Risk weighted assets	**6,972**	12,601	-45%	**6,972**	13,372	-48%
Ratios[2]						
Return on average assets	**0.73%**	-1.89%		**-0.71%**	0.65%	
Net interest margin	**3.08%**	3.00%		**3.03%**	2.96%	
Operating expenses to operating income	**66.1%**	183.9%		**101.2%**	68.7%	
Operating expenses to average assets	**3.15%**	3.08%		**3.11%**	3.30%	
Individual credit impairment charge/(release)	**79**	86	-8%	**165**	161	2%
Individual credit impairment charge/(release) as a % of average GLA	**1.51%**	1.31%		**1.40%**	1.13%	
Collective credit impairment charge/(release)	**(10)**	(11)	-9%	**(21)**	11	large
Collective credit impairment charge/(release) as a % of average GLA	**-0.19%**	-0.17%		**-0.18%**	0.08%	
Gross impaired assets	**143**	243	-41%	**143**	252	-43%
Gross impaired assets as a % of GLA	**2.46%**	1.91%		**2.46%**	1.86%	
Total full time equivalent staff (FTE)	**3,981**	4,719	-16%	**3,981**	4,894	-19%

1. *Includes large/notable items related to restructuring, and the impact of the partial completion of the Asia Retail and Wealth sale. For large/notable items breakdown please refer to pages 14 to 16.*
2. *Balance Sheet amounts as at 30 September 2017 and 31 March 2017 include assets and liabilities held for sale.*

Asia Retail and Wealth

	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Net interest income	**208**	264	-21%	**472**	561	-16%
Other operating income[1]	**126**	(193)	large	**(67)**	371	large
Operating income	**334**	71	large	**405**	932	-57%
Operating expenses[1]	**(234)**	(291)	-20%	**(525)**	(685)	-23%
Profit before credit impairment and income tax	**100**	(220)	large	**(120)**	247	large
Credit impairment (charge)/release	**(54)**	(71)	-24%	**(125)**	(162)	-23%
Profit before income tax	**46**	(291)	large	**(245)**	85	large
Income tax expense and non-controlling interests[1]	**(3)**	32	large	**29**	(11)	large
Cash profit/(loss)[1]	**43**	(259)	large	**(216)**	74	large
Balance Sheet[2]						
Net loans and advances	**3,472**	10,248	-66%	**3,472**	11,041	-69%
Customer deposits	**5,805**	18,727	-69%	**5,805**	19,580	-70%
Risk weighted assets	**3,102**	8,922	-65%	**3,102**	9,420	-67%
Total full time equivalent staff (FTE)	**2,764**	3,556	-22%	**2,764**	3,704	-25%

1. *Includes large/notable items related to restructuring, and the impact of the partial completion of the Asia Retail and Wealth sale. For large/notable items breakdown please refer to pages 14 to 15.*
2. *Balance Sheet amounts as at 30 September 2017 and 31 March 2017 include assets and liabilities held for sale.*

Technology, Services & Operations and Group Centre

	Half Year			Full Year		
	Sep 17 $M	**Mar 17 $M**	**Movt**	**Sep 17 $M**	**Sep 16 $M**	**Movt**
Operating income (minority investments in Asia)[1]	**150**	170	-12%	**320**	335	-4%
Operating income (other)[2]	**112**	140	-20%	**252**	148	70%
Operating income	**262**	310	-15%	**572**	483	18%
Operating expenses[3]	**(366)**	(336)	9%	**(702)**	(1,221)	-43%
Profit before credit impairment and income tax	**(104)**	(26)	large	**(130)**	(738)	-82%
Credit impairment (charge)/release	**11**	(11)	large	**-**	(1)	-100%
Profit before income tax	**(93)**	(37)	large	**(130)**	(739)	-82%
Income tax expense and non-controlling interests	**32**	46	-30%	**78**	289	-73%
Cash profit/(loss)	**(61)**	9	large	**(52)**	(450)	-88%
Risk weighted assets	**7,291**	7,588	-4%	**7,291**	8,460	-14%
Total full time equivalent staff (FTE)	**16,457**	16,617	-1%	**16,457**	16,494	0%

1. *Includes large/notable items related to Asian minority investment adjustments. For large/notable items breakdown please refer to pages 14 to 16.*
2. *Includes large/notable item relating to the sale of 100 Queen Street, Melbourne. Refer pages 14 to 16.*
3. *Includes large/notable items related to software capitalisation and restructuring. For large/notable items breakdown please refer to pages 14 to 16.*

This page has been left blank intentionally

CONTENTS

Profit Reconciliation

Adjustments between statutory profit and cash profit
Explanation of adjustments between statutory profit and cash profit
Other reclassifications between statutory profit and cash profit
Reconciliation of statutory profit to cash profit

Non-IFRS information

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

Adjustments between statutory profit and cash profit

Cash profit represents ANZ's preferred measure of the result of the ongoing business activities of the Group, enabling readers to assess Group and Divisional performance against prior periods and against peer institutions. To calculate cash profit, the Group excludes non-core items from statutory profit (refer to Definitions for further details). The adjustments made in arriving at cash profit are included in statutory profit which is in the process of being audited within the context of the external auditor's audit of the Group's Annual Report. Cash profit is not subject to review or audit by the external auditor. The external auditor has informed the Audit Committee that recurring adjustments have been determined on a consistent basis across each period presented, and the additional adjustments for the impact of the reclassification of Shanghai Rural Commercial Bank to held for sale in 2017 reporting is appropriate.

	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Statutory profit attributable to shareholders of the Company	**3,495**	2,911	20%	**6,406**	5,709	12%
Adjustments between statutory profit and cash profit						
Treasury shares adjustment	**(18)**	76	large	**58**	44	32%
Revaluation of policy liabilities	**(2)**	36	large	**34**	(54)	large
Economic hedges	**31**	178	-83%	**209**	102	large
Revenue hedges	**6**	(105)	large	**(99)**	92	large
Structured credit intermediation trades	**(2)**	(1)	100%	**(3)**	(4)	-25%
Reclassification of SRCB to held for sale	**17**	316	-95%	**333**	-	n/a
Total adjustments between statutory profit and cash profit	**32**	500	-94%	**532**	180	large
Cash Profit	**3,527**	3,411	3%	**6,938**	5,889	18%

Explanation of adjustments between statutory profit and cash profit

- Treasury shares adjustment

  ANZ shares held by the Group in Wealth Australia (Sep 17: 15.4 million shares; Mar 17: 15.3 million shares; Sep 16: 17.7 million shares) 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 as income for statutory reporting purposes. In deriving cash profit, these earnings are included to ensure there is no asymmetrical impact on the Group's profits because the Treasury shares are held to support policy liabilities which are revalued through the Income Statement. Accordingly, the full year gain of $58 million after tax ($61 million pre-tax) reversed 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 re-measurement of the insurance contract attributable to changes in market discount rates as an adjustment to statutory profit to remove the volatility attributable to changes in market interest rates which reverts to zero over the life of the insurance contract.

- Economic and revenue hedges

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

  Economic hedges comprises:

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

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

  – Ineffectiveness from designated accounting hedge relationships.

  In the September 2017 full year, the majority of the loss in economic hedges adjusted from cash profit relates to funding related swaps, principally from tightening basis spreads on currency pairs most notably USD/EUR and USD/JPY.

  Gains on revenue hedges adjusted from cash profit in the September 2017 full year are the result of the strengthening of the AUD against the NZD.

	Half Year		Full Year	
	Sep 17 $M	Mar 17 $M	Sep 17 $M	Sep 16 $M
Economic hedges	**42**	254	**296**	180
Revenue hedges	**8**	(148)	**(140)**	93
Increase/(decrease) to cash profit before tax	**50**	106	**156**	273
Increase/(decrease) to cash profit after tax	**37**	73	**110**	194

- Structured credit intermediation trades

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

  The notional value of outstanding bought and sold CDSs at 30 September 2017 amounted to $0.7 billion (Mar 17: $0.7 billion: Sep 16: $0.7 billion). Both the bought and sold CDSs are measured at fair value through profit and loss. However, the associated fair value movements do not fully offset due to the impact of credit risk on the bought CDSs which is driven by market movements in credit spreads and AUD/USD and NZD/USD rates. The fair value of the CDSs (excluding CVA) is $59 million (Mar 17: $65 million; Sep 16: $67 million) with CVA on the bought protection of $7 million (Mar 17: $9 million; Sep 16: $11 million).

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

- Reclassification of SRCB to held for sale

  On 3 January 2017, the Group announced that it had agreed to sell its 20% stake in Shanghai Rural Commercial Bank (SRCB). On 18 September 2017, the Group announced a revision to the 3 January arrangement in which Baoshan Iron & Steel Co. Ltd. (Bao) replaced Shanghai Sino-Poland Enterprise Management Development Corporation Limited to join China COSCO Shipping Corporation Limited (COSCO) to acquire ANZ's 20% stake in SRCB. Under the updated arrangement, COSCO and Bao will each acquire a 10% stake in SRCB. The key financial terms of the revised sale agreement are unchanged from the transaction announced previously. The sale is subject to customary closing conditions and regulatory approvals and is expected to be completed by late 2017.

  In the September 2017 full year, the Group recognised a $219 million impairment to the investment (Mar 17 half: $219 million), $12 million of foreign exchange losses (Mar 17 half: $11 million) and $102 million of tax expenses (Mar 17 half: $86 million), following the reclassification of the investment to held for sale. This loss will be largely offset by the release of foreign currency translation and available for sale reserves of $289 million on sale completion. In light of the timing difference (and that these amounts largely offset), the impact is excluded from the cash profit result.

Other reclassifications between statutory profit and cash profit

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

  The charge to income for derivative credit valuation adjustments of $1 million on defaulted and impaired derivative exposures has been reclassified to cash credit impairment charges in the September 2017 full year (Mar 17 half: $1 million; Sep 16 full year: $27 million). 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, policyholders income tax and other related taxes paid on behalf of policyholders are included in both net funds management and insurance income and the Group's income tax expense. The gross up of $277 million for the September 2017 full year (Mar 17 half: $161 million; Sep 16 full year: $217 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 policyholders tax basis.

	Statutory profit	Adjustments to statutory profit									Cash profit
		Treasury shares adjustment	Policyholders tax gross up	Revaluation of policy liabilities	Economic hedges	Revenue hedges	Structured credit intermediation trades	Credit risk on impaired derivatives	Reclassi-fication of SRCB to held for sale	Total adjustments to statutory profit	
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
September 2017 Full Year											
Net interest income	14,872	-	-	-	-	-	-	-	-	-	14,872
Net fee and commission income	2,453	-	-	-	-	-	-	-	-	-	2,453
Net funds management and insurance income	1,500	61	(277)	48	-	-	-	-	-	(168)	1,332
Other	1,448	**-**	**-**	**-**	**296**	**(140)**	**(4)**	**1**	**231**	**384**	1,832
Other operating income	5,401	61	(277)	48	296	(140)	(4)	1	231	216	5,617
Operating income	**20,273**	**61**	**(277)**	**48**	**296**	**(140)**	**(4)**	**1**	**231**	**216**	**20,489**
Operating expenses	(9,448)	-	-	-	-	-	-	-	-	-	(9,448)
Profit before credit impairment and tax	**10,825**	**61**	**(277)**	**48**	**296**	**(140)**	**(4)**	**1**	**231**	**216**	**11,041**
Credit impairment charge	(1,198)	-	-	-	-	-	-	(1)	-	(1)	(1,199)
Profit before income tax	**9,627**	**61**	**(277)**	**48**	**296**	**(140)**	**(4)**	**-**	**231**	**215**	**9,842**
Income tax expense	(3,206)	(3)	277	(14)	(87)	41	1	-	102	317	(2,889)
Non-controlling interests	(15)	-	-	-	-	-	-	-	-	-	(15)
Profit	**6,406**	**58**	**-**	**34**	**209**	**(99)**	**(3)**	**-**	**333**	**532**	**6,938**
September 2016 Full Year											
Net interest income	15,095	-	-	-	-	-	-	-	-	-	15,095
Net fee and commission income	2,545	-	-	-	-	-	-	-	-	-	2,545
Net funds management and insurance income	1,764	46	(217)	(75)	-	-	-	-	-	(246)	1,518
Other	1,142	-	-	-	180	93	(6)	27	-	294	1,436
Other operating income	**5,451**	46	(217)	(75)	180	93	(6)	27	-	48	**5,499**
Operating income	20,546	**46**	**(217)**	**(75)**	**180**	**93**	**(6)**	**27**	**-**	**48**	20,594
Operating expenses	(10,439)	-	-	-	-	-	-	-	-	-	(10,439)
Profit before credit impairment and tax	**10,107**	**46**	**(217)**	**(75)**	**180**	**93**	**(6)**	**27**	**-**	**48**	**10,155**
Credit impairment charge	(1,929)	-	-	-	-	-	-	(27)	-	(27)	(1,956)
Profit before income tax	**8,178**	**46**	**(217)**	**(75)**	**180**	**93**	**(6)**	**-**	**-**	**21**	**8,199**
Income tax expense	(2,458)	(2)	217	21	(78)	(1)	2	-	-	159	(2,299)
Non-controlling interests	(11)	-	-	-	-	-	-	-	-	-	(11)
Profit	**5,709**	**44**	**-**	**(54)**	**102**	**92**	**(4)**	**-**	**-**	**180**	**5,889**

	Statutory profit	Adjustments to statutory profit									Cash profit
		Treasury shares adjustment	Policyholders tax gross up	Revaluation of policy liabilities	Economic hedging	Revenue hedges	Structured credit intermediation trades	Credit risk on impaired derivatives	Reclassi-fication of SRCB to held for sale	Total adjustments to statutory profit	
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
September 2017 Half Year											
Net interest income	7,456	-	-	-	-	-	-	-	-	-	7,456
Net fee and commission income	1,227	-	-	-	-	-	-	-	-	-	1,227
Net funds management and insurance income	804	(21)	(116)	(3)	-	-	-	-	-	(140)	664
Other	790	-	-	-	42	8	(2)	-	1	49	839
Other operating income	2,821	(21)	(116)	(3)	42	8	(2)	-	1	(91)	2,730
Operating income	**10,277**	**(21)**	**(116)**	**(3)**	**42**	**8**	**(2)**	**-**	**1**	**(91)**	**10,186**
Operating expenses	(4,717)	-	-	-	-	-	-	-	-	-	(4,717)
Profit before credit impairment and tax	**5,560**	**(21)**	**(116)**	**(3)**	**42**	**8**	**(2)**	**-**	**1**	**(91)**	**5,469**
Credit impairment charge	(479)	-	-	-	-	-	-	-	-	-	(479)
Profit before income tax	**5,081**	**(21)**	**(116)**	**(3)**	**42**	**8**	**(2)**	**-**	**1**	**(91)**	**4,990**
Income tax expense	(1,579)	3	116	1	(11)	(2)	-	-	16	123	(1,456)
Non-controlling interests	(7)	-	-	-	-	-	-	-	-	-	(7)
Profit	**3,495**	**(18)**	**-**	**(2)**	**31**	**6**	**(2)**	**-**	**17**	**32**	**3,527**
March 2017 Half Year											
Net interest income	7,416	-	-	-	-	-	-	-	-	-	7,416
Net fee and commission income	1,226	-	-	-	-	-	-	-	-	-	1,226
Net funds management and insurance income	696	82	(161)	51	-	-	-	-	-	(28)	668
Other	658	-	-	-	254	(148)	(2)	1	230	335	993
Other operating income	2,580	82	(161)	51	254	(148)	(2)	1	230	307	2,887
Operating income	**9,996**	**82**	**(161)**	**51**	**254**	**(148)**	**(2)**	**1**	**230**	**307**	**10,303**
Operating expenses	(4,731)	-	-	-	-	-	-	-	-	-	(4,731)
Profit before credit impairment and tax	**5,265**	**82**	**(161)**	**51**	**254**	**(148)**	**(2)**	**1**	**230**	**307**	**5,572**
Credit impairment charge	(719)	-	-	-	-	-	-	(1)	-	(1)	(720)
Profit before income tax	**4,546**	**82**	**(161)**	**51**	**254**	**(148)**	**(2)**	**-**	**230**	**306**	**4,852**
Income tax expense	(1,627)	(6)	161	(15)	(76)	43	1	-	86	194	(1,433)
Non-controlling interests	(8)	-	-	-	-	-	-	-	-	-	(8)
Profit	**2,911**	**76**	**-**	**36**	**178**	**(105)**	**(1)**	**-**	**316**	**500**	**3,411**

This page has been left blank intentionally

CONTENTS	PAGE
Condensed Consolidated Income Statement	82
Condensed Consolidated Statement of Comprehensive Income	83
Condensed Consolidated Balance Sheet	84
Condensed Consolidated Cash Flow Statement	85
Condensed Consolidated Statement of Changes in Equity	86
Notes to Condensed Consolidated Financial Statements	87

Australia and New Zealand Banking Group Limited

		Half Year			Full Year		
	Note	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Interest income		**14,694**	14,426	2%	**29,120**	29,951	-3%
Interest expense		**(7,238)**	(7,010)	3%	**(14,248)**	(14,856)	-4%
Net interest income	2	**7,456**	7,416	1%	**14,872**	15,095	-1%
Other operating income[1]	2	**1,890**	1,711	10%	**3,601**	3,146	14%
Net funds management and insurance income	2	**804**	696	16%	**1,500**	1,764	-15%
Share of associates' profit	2,13	**127**	173	-27%	**300**	541	-45%
Operating income		**10,277**	9,996	3%	**20,273**	20,546	-1%
Operating expenses[1]	3	**(4,717)**	(4,731)	0%	**(9,448)**	(10,439)	-9%
Profit before credit impairment and income tax		**5,560**	5,265	6%	**10,825**	10,107	7%
Credit impairment charge	8	**(479)**	(719)	-33%	**(1,198)**	(1,929)	-38%
Profit before income tax		**5,081**	4,546	12%	**9,627**	8,178	18%
Income tax expense	4	**(1,579)**	(1,627)	-3%	**(3,206)**	(2,458)	30%
Profit for the period		**3,502**	2,919	20%	**6,421**	5,720	12%
Comprising:							
Profit attributable to non-controlling interests		**7**	8	-13%	**15**	11	36%
Profit attributable to shareholders of the Company		**3,495**	2,911	20%	**6,406**	5,709	12%
Earnings per ordinary share (cents)							
Basic	6	**119.9**	100.2	20%	**220.1**	197.4	11%
Diluted	6	**114.7**	96.7	19%	**210.8**	189.3	11%
Dividend per ordinary share (cents)	5	**80**	80	0%	**160**	160	0%

1. *In the March 2017 half, a change was made to the classification of certain fees payable. These items have been reclassified from other operating income to operating expenses to more accurately reflect the nature of these items. Comparatives have been restated (Sep16 full year: $17 million).*

The notes appearing on pages 87 to 100 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

	Full Year		
	Sep 17 $M	Sep 16 $M	Movt
Profit for the period	**6,421**	5,720	12%
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss	**26**	(82)	large
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation reserve:			
Exchange differences taken to equity[1]	**(748)**	(456)	64%
Exchange differences transferred to Income Statement	**-**	(126)	-100%
Other reserve movements	**(339)**	75	large
Income tax attributable to the above items	**20**	-	n/a
Share of associates' other comprehensive income[2]	**1**	4	-75%
Other comprehensive income net of tax	**(1,040)**	(585)	78%
Total comprehensive income for the period	**5,381**	5,135	5%
Comprising total comprehensive income attributable to:			
Non-controlling interests	**9**	4	large
Shareholders of the Company	**5,372**	5,131	5%

1. *Includes foreign currency translation differences attributable to non-controlling interests of $6 million loss (Sep 16 full year: $7 million loss).*
2. *Share of associates' other comprehensive income includes an available for sale revaluation reserve loss of $1 million (Sep 16 full year: $10 million gain) and a foreign currency translation reserve gain of $2 million (Sep 16 full year: $nil) that may be reclassified subsequently to profit or loss, and the remeasurement of defined benefit plans of $nil (Sep 16 full year: $6 million loss) that will not be reclassified subsequently to profit or loss.*

The notes appearing on pages 87 to 100 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

		As at			Movement	
Assets	**Note**	**Sep 17 $M**	**Mar 17 $M**	**Sep 16 $M**	**Sep 17 v. Mar 17**	**Sep 17 v. Sep 16**
Cash and cash equivalents[1]		**68,048**	75,185	66,220	-9%	3%
Settlement balances owed to ANZ		**5,504**	2,930	4,406	88%	25%
Collateral paid		**8,987**	11,179	12,723	-20%	-29%
Trading securities		**43,605**	44,085	47,188	-1%	-8%
Derivative financial instruments		**62,518**	63,882	87,496	-2%	-29%
Available for sale assets		**69,384**	64,685	63,113	7%	10%
Net loans and advances	7	**574,331**	564,035	575,852	2%	0%
Regulatory deposits		**2,015**	2,154	2,296	-6%	-12%
Assets held for sale	10	**7,970**	14,145	-	-44%	n/a
Investment in associates		**2,248**	2,286	4,272	-2%	-47%
Current tax assets		**30**	242	126	-88%	-76%
Deferred tax assets		**675**	572	623	18%	8%
Goodwill and other intangible assets		**6,970**	7,053	7,672	-1%	-9%
Investments backing policy liabilities		**37,964**	37,602	35,656	1%	6%
Premises and equipment		**1,965**	1,979	2,205	-1%	-11%
Other assets		**5,112**	4,497	5,021	14%	2%
Total assets		**897,326**	896,511	914,869	0%	-2%
Liabilities						
Settlement balances owed by ANZ		**9,914**	9,736	10,625	2%	-7%
Collateral received		**5,919**	5,189	6,386	14%	-7%
Deposits and other borrowings	9	**595,611**	581,407	588,195	2%	1%
Derivative financial instruments		**62,252**	65,050	88,725	-4%	-30%
Current tax liabilities		**241**	185	188	30%	28%
Deferred tax liabilities		**257**	224	227	15%	13%
Liabilities held for sale	10	**4,693**	17,166	-	-73%	n/a
Policy liabilities		**37,448**	37,111	36,145	1%	4%
External unit holder liabilities (life insurance funds)		**4,435**	4,227	3,333	5%	33%
Payables and other liabilities		**8,350**	8,054	8,865	4%	-6%
Provisions		**1,158**	1,179	1,209	-2%	-4%
Debt issuances		**90,263**	88,778	91,080	2%	-1%
Subordinated debt		**17,710**	20,297	21,964	-13%	-19%
Total liabilities		**838,251**	838,603	856,942	0%	-2%
Net assets		**59,075**	57,908	57,927	2%	2%
Shareholders' equity						
Ordinary share capital		**29,088**	29,036	28,765	0%	1%
Reserves		**37**	115	1,078	-68%	-97%
Retained earnings		**29,834**	28,640	27,975	4%	7%
Share capital and reserves attributable to shareholders of the Company	11	**58,959**	57,791	57,818	2%	2%
Non-controlling interests	11	**116**	117	109	-1%	6%
Total shareholders' equity	11	**59,075**	57,908	57,927	2%	2%

1. *Includes settlement balances owed to ANZ that meet the definition of cash and cash equivalents.*

The notes appearing on pages 87 to 100 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

	Full Year	
	Inflows (Outflows) Sep 17 $M	Inflows (Outflows) Sep 16 $M
Profit after income tax	**6,406**	5,709
Adjustments to reconcile to net cash provided by/(used in) operating activities:		
Provision for credit impairment	**1,198**	1,929
Depreciation and amortisation	**972**	1,475
(Profit)/loss on sale of premises and equipment	**(114)**	(4)
Net derivatives/foreign exchange adjustment	**(3,409)**	(1,434)
Profit on Esanda Dealer Finance divestment	**-**	(66)
Impairment of investment in AmBank	**-**	260
Reclassification of SRCB to held for sale	**231**	-
Sale of Asia Retail and Wealth businesses	**338**	-
Other non-cash movements	**(242)**	(338)
Net (increase)/decrease in operating assets:		
Collateral paid	**3,533**	(3,183)
Trading securities	**2,081**	332
Net loans and advances	**(17,838)**	(14,797)
Investments backing policy liabilities	**(2,122)**	(2,062)
Other assets	**509**	(441)
Net increase/(decrease) in operating liabilities:		
Deposits and other borrowings	**30,904**	23,128
Settlement balances owed by ANZ	**(627)**	(589)
Collateral received	**(310)**	(1,027)
Life insurance contract policy liabilities	**2,260**	1,921
Other liabilities	**202**	28
Total adjustments	**17,566**	5,132
Net cash provided by/(used in) operating activities[1]	**23,972**	10,841
Cash flows from investing activities		
Available for sale assets:		
Purchases	**(27,220)**	(44,182)
Proceeds from sale or maturity	**19,751**	23,745
Esanda Dealer Finance divestment	**-**	6,682
Sale of Asia Retail and Wealth businesses	**(5,213)**	-
Other assets	**(148)**	(655)
Net cash (used in) investing activities	**(12,830)**	(14,410)
Cash flows from financing activities		
Debt issuances:		
Issue proceeds	**23,973**	29,204
Redemptions	**(22,578)**	(27,959)
Subordinated debt:		
Issue proceeds	**1,155**	6,177
Redemptions	**(4,831)**	(900)
Dividends paid	**(4,210)**	(4,564)
Share buyback	**(176)**	-
Net cash (used in)/provided by financing activities	**(6,667)**	1,958
Net increase in cash and cash equivalents	**4,475**	(1,611)
Cash and cash equivalents at beginning of period	**66,220**	69,278
Effects of exchange rate changes on cash and cash equivalents	**(2,647)**	(1,447)
Cash and cash equivalents at end of period	**68,048**	66,220

1. *Net cash provided by/(used in) operating activities includes income taxes paid of $2,864 million (Mar 17 half year: $1,497 million; Sep 16 full year: $2,840 million).*

The notes appearing on pages 87 to 100 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

	Ordinary share capital $M	Reserves $M	Retained earnings $M	Shareholders' equity attributable to Equity holders of the Bank $M	Non-controlling interests $M	Total Shareholders' equity $M
As at 1 October 2015	28,367	1,571	27,309	**57,247**	106	**57,353**
Profit or loss	-	-	5,709	**5,709**	11	**5,720**
Other comprehensive income for the period	-	(504)	(74)	**(578)**	(7)	**(585)**
Total comprehensive income for the period	-	(504)	5,635	**5,131**	4	**5,135**
Transactions with equity holders in their capacity as equity holders:						
Dividends paid	-	-	(5,001)	**(5,001)**	(1)	**(5,002)**
Dividend income on treasury shares held within the Group's life insurance statutory funds	-	-	24	**24**	-	**24**
Dividend reinvestment plan	413	-	-	**413**	-	**413**
Other equity movements:						
Treasury shares Wealth Australia adjustment	(153)	-	-	**(153)**	-	**(153)**
Group employee share acquisition scheme	138	-	-	**138**	-	**138**
Other items	-	11	8	**19**	-	**19**
As at 30 September 2016	28,765	1,078	27,975	**57,818**	109	**57,927**
Profit or loss	-	-	6,406	**6,406**	15	**6,421**
Other comprehensive income for the period	-	(1,049)	15	**(1,034)**	(6)	**(1,040)**
Total comprehensive income for the period	-	(1,049)	6,421	**5,372**	9	**5,381**
Transactions with equity holders in their capacity as equity holders:						
Dividends paid	-	-	(4,609)	**(4,609)**	(1)	**(4,610)**
Dividend income on treasury shares held within the Group's life insurance statutory funds	-	-	26	**26**	-	**26**
Dividend reinvestment plan	374	-	-	**374**	-	**374**
Group share buy-back[1]	(176)	-	-	**(176)**	-	**(176)**
Other equity movements:						
Treasury shares Wealth Australia adjustment	69	-	-	**69**	-	**69**
Group employee share acquisition scheme	56	-	-	**56**	-	**56**
Other items	-	8	21	**29**	(1)	**28**
As at 30 September 2017	29,088	37	29,834	**58,959**	116	**59,075**

1. Following the issue of $176 million shares under the Dividend Reinvestment Plan for the 2017 interim dividend, the Company repurchased $176 million of shares via an on-market share buy-back.

The notes appearing on pages 87 to 100 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 2017 and any public announcements made by the Parent Entity and its controlled entities (the Group) for the year ended 30 September 2017 (when released) 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 25 October 2017.

i) Accounting policies

Except as outlined below, 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 2016 ANZ Annual Financial Statements.

Assets and liabilities held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

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;
- other financial assets and liabilities designated at fair value through profit and loss; and
- assets and liabilities held for sale (except those at carrying value as per note (i)).

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

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

iii) Use of estimates, assumptions and judgements

The preparation of these Condensed Consolidated Financial Statements requires the use of management judgement, estimates and assumptions that affect reported amounts and the application of accounting policies. Discussion of the critical accounting estimates and judgements, which include complex or subjective decisions or assessments are provided in Note 1 of the 2017 ANZ Annual Financial Statements (when released). Such estimates and judgements are reviewed on an ongoing basis.

At 30 September 2017, the impairment assessment of non-lending assets identified that two of the Group's associate investments (AMMB Holdings Berhad (AmBank) and PT Bank Pan Indonesia (PT Panin) had indicators of impairment. Although their market value (based on share price) was below their carrying value, no impairment was recognised as the carrying value was supported by their value in use (VIU).

The VIU calculation is sensitive to a number of key assumptions, including discount rate, long term growth rates, future profitability and capital levels. The key assumptions used in the value in use calculations are outlined below:

	As at 30 Sep 17	
	AmBank	PT Panin
Post-tax discount rate	9.6%	13.3%
Terminal growth rate	4.8%	5.4%
Expected NPAT growth (compound annual growth rate – 5 years)	4.5%	9.9%
Core equity tier 1 ratio	10.5% to 13.3%	11.3%

iv) Rounding of amounts

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

2. Income

	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Interest income	**14,694**	14,426	2%	**29,120**	29,951	-3%
Interest expense	**(7,152)**	(7,010)	2%	**(14,162)**	(14,856)	-5%
Major bank levy	**(86)**	-	n/a	**(86)**	-	n/a
Net interest income	**7,456**	7,416	1%	**14,872**	15,095	-1%
i) Fee and commission income						
Lending fees[1]	**363**	369	-2%	**732**	779	-6%
Non-lending fees and commissions[2]	**1,475**	1,518	-3%	**2,993**	2,928	2%
Fee and commission income	**1,838**	1,887	-3%	**3,725**	3,707	0%
Fee and commission expense	**(611)**	(661)	-8%	**(1,272)**	(1,162)	9%
Net fee and commission income	**1,227**	1,226	0%	**2,453**	2,545	-4%
ii) Other income						
Net foreign exchange earnings and other financial instruments income[3]	**511**	705	-28%	**1,216**	969	25%
Impairment of AmBank	**-**	-	n/a	**-**	(260)	-100%
Gain on cessation of equity accounting of investment in Bank of Tianjin (BoT)	**-**	-	n/a	**-**	29	-100%
Gain on the Esanda Dealer Finance divestment	**-**	-	n/a	**-**	66	-100%
Derivative CVA methodology change	**-**	-	n/a	**-**	(237)	-100%
Derivative valuation adjustments	**67**	162	-59%	**229**	(102)	large
Gain on sale of 100 Queen Street, Melbourne	**-**	114	-100%	**114**	-	n/a
Sale of Asia Retail and Wealth businesses	**14**	(324)	large	**(310)**	-	n/a
Reclassification of SRCB to held for sale	**(1)**	(230)	-100%	**(231)**	-	n/a
Other	**72**	58	24%	**130**	136	-4%
Other income	**663**	485	37%	**1,148**	601	91%
Other operating income[4]	**1,890**	1,711	10%	**3,601**	3,146	14%
iii) Net funds management and insurance income						
Funds management income	**492**	472	4%	**964**	932	3%
Investment income	**863**	1,608	-46%	**2,471**	2,350	5%
Insurance premium income	**891**	812	10%	**1,703**	1,562	9%
Commission expense	**(294)**	(260)	13%	**(554)**	(457)	21%
Claims	**(383)**	(380)	1%	**(763)**	(734)	4%
Changes in policy liabilities[5]	**(786)**	(1,474)	-47%	**(2,260)**	(1,843)	23%
Elimination of treasury share (gain)/loss	**21**	(82)	large	**(61)**	(46)	33%
Net funds management and insurance income	**804**	696	16%	**1,500**	1,764	-15%
iv) Share of associates' profit	**127**	173	-27%	**300**	541	-45%
Operating income	**10,277**	9,996	3%	**20,273**	20,546	-1%

1. *Lending fees exclude fees treated as part of the effective yield calculation in interest income.*
2. *In the March 2017 half, a change was made to the classification of certain fees payable. These items have been reclassified from other operating income to operating expenses to more accurately reflect the nature of these items. Comparatives have been restated accordingly (Sep 16 full year: $17 million).*
3. *Includes fair value movements (excluding realised and accrued interest) on derivatives not designated as accounting hedges entered into to manage interest rate and foreign exchange risk on funding instruments, ineffective portions of cash flow hedges, and fair value movements in financial assets and liabilities designated at fair value through profit and loss.*
4. *Total other operating income includes external dividend income of $27.3 million (Mar 17 half year nil; Sep 16 full year: $27.3 million).*
5. *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.*

3. Operating expenses

	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Personnel						
Salaries and related costs	**2,227**	2,329	-4%	**4,556**	4,879	-7%
Superannuation costs	**159**	163	-2%	**322**	337	-4%
Other	**144**	156	-8%	**300**	325	-8%
Total personnel expenses	**2,530**	2,648	-4%	**5,178**	5,541	-7%
Premises						
Rent	**252**	248	2%	**500**	485	3%
Other	**202**	209	-3%	**411**	443	-7%
Total premises expenses	**454**	457	-1%	**911**	928	-2%
Technology						
Depreciation and amortisation[1]	**351**	376	-7%	**727**	1,198	-39%
Licences and outsourced services[2]	**334**	303	10%	**637**	614	4%
Other	**150**	152	-1%	**302**	355	-15%
Total technology expenses	**835**	831	0%	**1,666**	2,167	-23%
Restructuring	**26**	36	-28%	**62**	278	-78%
Other						
Advertising and public relations	**131**	123	7%	**254**	261	-3%
Professional fees	**264**	189	40%	**453**	413	10%
Freight, stationery, postage and telephone	**134**	132	2%	**266**	277	-4%
Other	**343**	315	9%	**658**	574	15%
Total other expenses	**872**	759	15%	**1,631**	1,525	7%
Total operating expenses	**4,717**	4,731	0%	**9,448**	10,439	-9%

1. *The September 2016 full year includes a $556 million charge for accelerated amortisation associated with software capitalisation policy changes.*
2. *In the March 2017 half, a change was made to the classification of certain fees payable. These items have been reclassified from operating income to other operating expenses to more accurately reflect the nature of these items. Comparatives have been restated accordingly (Sep 16 full year: $17 million).*

4. Income tax expense

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

	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Profit before income tax	**5,081**	4,546	12%	**9,627**	8,178	18%
Prima facie income tax expense at 30%	**1,524**	1,364	12%	**2,888**	2,453	18%
Tax effect of permanent differences:						
Wealth Australia - policyholders income and contributions tax	**81**	113	-28%	**194**	152	28%
Share of associates' profit	**(38)**	(52)	-27%	**(90)**	(162)	-44%
Write down of investment in AmBank	**-**	-	n/a	**-**	78	-100%
Reclassification of SRCB to held for sale	**16**	156	-90%	**172**	-	n/a
Tax provisions no longer required	**-**	-	n/a	**-**	(71)	-100%
Interest on Convertible Instruments	**34**	35	-3%	**69**	70	-1%
Overseas tax rate differential	**(32)**	(5)	large	**(37)**	(45)	-18%
Gain on cessation of equity accounting for BoT	**-**	-	n/a	**-**	(9)	-100%
Other	**12**	17	-29%	**29**	15	93%
	1,597	1,628	-2%	**3,225**	2,481	30%
Income tax over provided in previous years	**(18)**	(1)	large	**(19)**	(23)	-17%
Total income tax expense	**1,579**	1,627	-3%	**3,206**	2,458	30%
Australia	**1,159**	1,190	-3%	**2,349**	1,752	34%
Overseas	**420**	437	-4%	**857**	706	21%
	1,579	1,627	-3%	**3,206**	2,458	30%
Effective Tax Rate - Group	**31.1%**	35.8%		**33.3%**	30.1%	

5. Dividends

	Half Year			Full Year		
Dividend per ordinary share (cents)	**Sep 17**	**Mar 17**	**Movt**	**Sep 17**	**Sep 16**	**Movt**
Interim (fully franked)	**-**	80	n/a	**80**	80	0%
Final (fully franked)	**80**	-	n/a	**80**	80	0%
Total	**80**	80	0%	**160**	160	0%
Ordinary share dividend ($M)[1]						
Interim dividend	**2,349**	-	n/a	**2,349**	2,334	1%
Final dividend	**-**	2,342	n/a	**2,342**	2,758	-15%
Bonus option plan adjustment	**(40)**	(42)	-5%	**(82)**	(91)	-10%
Total	**2,309**	2,300	0%	**4,609**	5,001	-8%
Ordinary share dividend payout ratio (%)[2]	**67.2%**	**80.7%**		**73.4%**	**81.9%**	

1. *Dividends paid to ordinary equity holders of the Company. Excludes dividends paid by subsidiaries of the Group to non-controlling equity holders for the September 2017 full year of $1.3 million (Mar 17 half: $1.3 million; Sep 16 full year: $1.4 million).*
2. *Dividend payout ratio is calculated using the proposed 2017 final dividend of $2,350 million (not shown in the above table). The proposed 2017 final dividend of $2,350 million is based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the March 2017 half year and September 2016 full year are calculated using actual dividends paid of $2,349 million and $4,676 million respectively.*

Ordinary Shares

The Directors propose that a final dividend of 80 cents be paid on each eligible fully paid ANZ ordinary share on 18 December 2017. The proposed 2017 final dividend will be fully franked for Australian tax purposes, and New Zealand imputation credits of NZ 10 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 2017 final dividend. For the 2017 final dividend, ANZ intends to provide shares under the DRP through an on-market purchase (as approved by APRA) 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 17 November 2017, 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 2017 final dividend must be received by ANZ's Share Registrar by 5.00pm (Australian Eastern Daylight Time) on 15 November 2017.

Subject to receiving effective contrary instructions from the shareholder, dividends payable to shareholders with a registered address in the United Kingdom (including the Channel Islands and the Isle of Man) or New Zealand will be converted to Pounds Sterling or New Zealand Dollars respectively at an exchange rate calculated on 17 November 2017.

6. Earnings per share

	Half Year			Full Year		
	Sep 17	**Mar 17**	**Movt**	**Sep 17**	**Sep 16**	**Movt**
Earnings reconciliation						
Profit for the period ($M)	**3,502**	2,919	20%	**6,421**	5,720	12%
Less: profit attributable to non-controlling interests ($M)	**(7)**	(8)	-13%	**(15)**	(11)	36%
Earnings used in calculating basic earnings per share ($M)	**3,495**	2,911	20%	**6,406**	5,709	12%
Weighted average number of ordinary shares (M)[1]	**2,914.0**	2,906.6	0%	**2,910.3**	2,891.7	1%
Basic earnings per share (cents)	**119.9**	100.2	20%	**220.1**	197.4	11%
Earnings reconciliation						
Earnings used in calculating basic earnings per share ($M)	**3,495**	2,911	20%	**6,406**	5,709	12%
Add: interest on convertible subordinated debt ($M)	**140**	148	-5%	**288**	297	-3%
Earnings used in calculating diluted earnings per share ($M)	**3,635**	3,059	19%	**6,694**	6,006	11%
Weighted average number of shares on issue[1]						
Shares used in calculating basic earnings per share (M)	**2,914.0**	2,906.6	0%	**2,910.3**	2,891.7	1%
Add: Weighted average dilutive potential ordinary shares (M)						
Convertible subordinated debt (M)	**243.0**	247.1	-2%	**253.3**	273.9	-8%
Share based payments (options, rights and deferred shares) (M)	**11.5**	10.0	15%	**11.9**	6.8	75%
Adjusted weighted average number of shares - diluted (M)	**3,168.5**	3,163.7	0%	**3,175.5**	3,172.4	0%
Diluted earnings per share (cents)	**114.7**	96.7	19%	**210.8**	189.3	11%

1. *Weighted average number of shares excludes the weighted average number of treasury shares held in ANZEST and Wealth Australia as summarised in the table below:*

	Sep 17 half (Million)	*Mar 17 half (Million)*	*Sep 17 full year (Million)*	*Sep 16 full year (Million)*
ANZEST Pty Ltd	*7.5*	*8.8*	*8.1*	*11.1*
Wealth Australia	*15.2*	*17.1*	*16.2*	*14.5*
Total treasury shares	*22.7*	*25.9*	*24.3*	*25.6*

7. Net loans and advances

	As at			Movement	
	Sep 17 $M	Mar 17 $M	Sep 16 $M	Sep 17 v. Mar 17	Sep 17 v. Sep 16
Australia					
Overdrafts	**5,939**	5,786	6,248	3%	-5%
Credit cards outstanding	**8,632**	8,846	8,864	-2%	-3%
Commercial bills outstanding	**8,471**	9,232	9,868	-8%	-14%
Term loans - housing	**264,105**	255,721	246,351	3%	7%
Term loans - non-housing	**124,307**	123,464	123,006	1%	1%
Lease receivables	**1,153**	1,084	1,158	6%	0%
Hire purchase contracts	**634**	641	829	-1%	-24%
Other	**15**	415	81	-96%	-81%
Total Australia	**413,256**	405,189	396,405	2%	4%
Asia Pacific, Europe & America					
Overdrafts	**449**	743	825	-40%	-46%
Credit cards outstanding	**869**	1,351	1,396	-36%	-38%
Commercial bills outstanding	**2,597**	2,065	2,724	26%	-5%
Term loans - housing	**2,469**	6,501	6,866	-62%	-64%
Term loans - non-housing	**48,304**	50,066	54,567	-4%	-11%
Lease receivables	**117**	163	232	-28%	-50%
Other	**34**	320	448	-89%	-92%
Total Asia Pacific, Europe & America	**54,839**	61,209	67,058	-10%	-18%
New Zealand					
Overdrafts	**957**	1,158	1,080	-17%	-11%
Credit cards outstanding	**1,508**	1,503	1,586	0%	-5%
Term loans - housing	**70,735**	68,592	69,927	3%	1%
Term loans - non-housing	**40,697**	40,247	41,625	1%	-2%
Lease receivables	**189**	198	215	-5%	-12%
Hire purchase contracts	**1,263**	1,115	1,048	13%	21%
Total New Zealand	**115,349**	112,813	115,481	2%	0%
Sub-total	**583,444**	579,211	578,944	1%	1%
Unearned income	**(411)**	(458)	(544)	-10%	-24%
Capitalised brokerage/mortgage origination fees[1]	**1,058**	1,040	1,064	2%	-1%
Customer liability for acceptances[2]	**-**	565	571	-100%	-100%
Gross loans and advances (including assets classified as held for sale)	**584,091**	580,358	580,035	1%	1%
Provision for credit impairment (refer to Note 8)	**(3,798)**	(4,054)	(4,183)	-6%	-9%
Net loans and advances (including assets classified as held for sale)	**580,293**	576,304	575,852	1%	1%
Net loans and advances held for sale (refer to Note 10)	**(5,962)**	(12,269)	-	-51%	n/a
Net loans and advances	**574,331**	564,035	575,852	2%	0%

1. *Capitalised brokerage/mortgage origination fees are amortised over the expected life of the loan.*
2. *Customer liability for acceptances has been recognised as Other assets from 30 September 2017.*

8. Provision for credit impairment

	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Individual provision						
Balance at start of period	**1,269**	1,307	-3%	**1,307**	1,061	23%
New and increased provisions	**948**	1,121	-15%	**2,069**	2,445	-15%
Write-backs	**(280)**	(221)	27%	**(501)**	(311)	61%
Adjustment for exchange rate fluctuations and transfers	**(2)**	(12)	-83%	**(14)**	(9)	56%
Discount unwind	**(8)**	(24)	-67%	**(32)**	(65)	-51%
Bad debts written-off	**(791)**	(902)	-12%	**(1,693)**	(1,722)	-2%
Esanda Dealer Finance divestment	**-**	-	n/a	**-**	(92)	-100%
Total individual provision	**1,136**	1,269	-10%	**1,136**	1,307	-13%
Collective provision						
Balance at start of period	**2,785**	2,876	-3%	**2,876**	2,956	-3%
Charge/(release) to Income Statement	**(75)**	(67)	12%	**(142)**	17	large
Adjustment for exchange rate fluctuations and transfers	**(9)**	(24)	-63%	**(33)**	(19)	74%
Esanda Dealer Finance divestment	**-**	-	n/a	**-**	(78)	-100%
Asia Retail and Wealth divestment	**(39)**	-	n/a	**(39)**	-	n/a
Total collective provision[1]	**2,662**	2,785	-4%	**2,662**	2,876	-7%
Total provision for credit impairment	**3,798**	4,054	-6%	**3,798**	4,183	-9%

1. *The collective provision includes amounts for off-balance sheet credit exposures of $544 million as at 30 September 2017 (Mar 17: $574 million; Sep 16: $631 million). The impact on the Income Statement for full year ended 30 September 2017 was a $66 million release (Mar 17 half: $46 million release; Sep 16 full year: $32 million release) .*

	Half Year			Full Year		
Provision movement analysis	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
New and increased individual provisions	**948**	1,121	-15%	**2,069**	2,445	-15%
Write-backs	**(280)**	(221)	27%	**(501)**	(311)	61%
	668	900	-26%	**1,568**	2,134	-27%
Recoveries of amounts previously written-off	**(114)**	(114)	0%	**(228)**	(222)	3%
Individual credit impairment charge	**554**	786	-30%	**1,340**	1,912	-30%
Collective credit impairment charge/(release)	**(75)**	(67)	12%	**(142)**	17	large
Credit impairment charge	**479**	719	-33%	**1,198**	1,929	-38%

9. Deposits and other borrowings

	As at			Movement	
	Sep 17 $M	**Mar 17 $M**	**Sep 16 $M**	**Sep 17 v. Mar 17**	**Sep 17 v. Sep 16**
Australia					
Certificates of deposit	**50,565**	51,875	52,295	-3%	-3%
Term deposits	**72,679**	72,471	69,740	0%	4%
On demand and short term deposits	**190,480**	179,928	169,773	6%	12%
Deposits not bearing interest	**10,221**	9,268	8,729	10%	17%
Deposits from banks and securities sold under repurchase agreements	**35,896**	37,824	34,519	-5%	4%
Commercial paper	**14,599**	6,786	13,842	large	5%
Total Australia	**374,440**	358,152	348,898	5%	7%
Asia Pacific, Europe & America					
Certificates of deposit	**2,894**	4,629	7,001	-37%	-59%
Term deposits	**78,863**	90,449	84,583	-13%	-7%
On demand and short term deposits	**21,769**	23,468	24,968	-7%	-13%
Deposits not bearing interest	**4,519**	4,650	4,745	-3%	-5%
Deposits from banks and securities sold under repurchase agreements	**23,251**	24,765	23,167	-6%	0%
Commercial paper	**-**	-	393	n/a	-100%
Total Asia Pacific, Europe & America	**131,296**	147,961	144,857	-11%	-9%
New Zealand					
Certificates of deposit	**1,763**	924	2,133	91%	-17%
Term deposits	**41,829**	40,236	37,824	4%	11%
On demand and short term deposits	**38,143**	38,762	40,360	-2%	-5%
Deposits not bearing interest	**8,173**	7,832	7,418	4%	10%
Deposits from banks and securities sold under repurchase agreements	**145**	662	73	-78%	99%
Commercial paper & other borrowings	**4,380**	3,888	6,632	13%	-34%
Total New Zealand	**94,433**	92,304	94,440	2%	0%
Total deposits and other borrowings (including liabilities classified as held for sale)	**600,169**	598,417	588,195	0%	2%
Deposits and other borrowings held for sale (refer to Note 10)	**(4,558)**	(17,010)	-	-73%	n/a
Total deposits and other borrowings	**595,611**	581,407	588,195	2%	1%

10. Assets and liabilities held for sale

The Group announced the following strategic divestments in line with the Group's strategy to simplify the businesses and improve capital efficiency. Accordingly, they are presented as assets and liabilities held for sale.

- **Asia Retail and Wealth Businesses**

  The Group announced that it had agreed to sell Retail and Wealth businesses in Singapore, Hong Kong, China, Taiwan and Indonesia to Singapore's DBS Bank on 31 October 2016, and its Retail business in Vietnam to Shinhan Bank Vietnam on 21 April 2017. During the September 2017 half, the Group successfully completed the sales in China, Singapore and Hong Kong. Subject to regulatory approval, the sales in Vietnam, Taiwan, and Indonesia are expected to complete in late 2017 and early 2018 and these remaining countries form the assets and liabilities held for sale. These businesses are part of the Asia Retail & Pacific division.

- **UDC Finance**

  On 11 January 2017, the Group announced it had agreed to sell UDC Finance to HNA Group. The sale is subject to certain conditions (including regulatory approvals) and we are working with HNA Group towards completion of the sale. This business is part of the New Zealand division.

- **Shanghai Rural Commercial Bank**

  On 3 January 2017, the Group announced that it had agreed to sell its 20% stake in Shanghai Rural Commercial Bank (SRCB). On 18 September 2017 the Group announced a revision to the 3 January arrangement in which Baoshan Iron & Steel Co. Ltd. (Bao) replaced Shanghai Sino-Poland Enterprise Management Development Corporation Limited to join China COSCO Shipping Corporation Limited (COSCO) to acquire ANZ's 20% stake in SRCB. Under the updated arrangement, COSCO and Bao will each acquire a 10% stake in SRCB. The key financial terms of the revised sale agreement are unchanged from the transaction announced previously. The sale is subject to customary closing conditions and regulatory approvals and is expected to complete late 2017. This asset is part of the TSO and Group Centre Division.

- **Metrobank Card Corporation**

  On 18 October 2017, the Group announced it had entered into an agreement with its joint venture partner Metropolitan Bank & Trust Company (Metrobank) in relation to its 40% stake in the Philippines based Metrobank Card Corporation (MCC). The Group has agreed to sell 20% of its stake, and entered into a put option to sell the remaining 20% stake, exercisable in the fourth quarter of 2018 on the same terms for the same consideration. The asset has been classified as held for sale at 30 September 2017 as sale negotiations were well progressed at that time, and it was highly probable the sale transaction would complete within12 months. The sale is subject to customary closing conditions and regulatory approvals. This asset is part of the TSO and Group Centre Division.

Income Statement impact relating to assets and liabilities held for sale

During the September 2017 full year, the Group recognised the following impacts in relation to assets and liabilities held for sale:

- $310 million loss relating to the reclassification and partial completion of the Asia Retail and Wealth sale comprising of $222 million of software, goodwill and other assets impairment charges and $88 million of various other charges net of recoveries and sale premium.
- $333 million loss relating to the Group's investment in SRCB comprising of a $219 million impairment to the investment, $12 million of foreign exchange losses, and $102 million of tax expenses.

During the March 2017 half year, the Group recognised the following impacts in-relation to the assets and liabilities:

- $324 million loss relating to the reclassification of the Group's Asia Retail and Wealth businesses to held for sale comprising of $225 million of software, goodwill and other assets impairment charges and $99 million of costs associated with the sale.
- $316 million loss relating to the Group's investment in SRCB comprising of a $219 million impairment to the investment, $11 million of foreign exchange losses, and $86 million of tax expenses.

The net result of these impacts is included in 'Other income' and 'Income tax expense' (refer Note 2 and 4).

Assets and liabilities held for sale

At 30 September 2017, assets and liabilities held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

	Asia Retail and Wealth businesses $M	UDC Finance $M	Shanghai Rural Commercial Bank $M	Metrobank Card Corporation $M	Total $M
As at 30 September 2017					
Net loans and advances	3,283	2,679	-	-	**5,962**
Investment in associates	-	-	1,748	120	**1,868**
Goodwill and other intangible assets	-	122	-	-	**122**
Other assets	-	18	-	-	**18**
Total assets held for sale	**3,283**	**2,819**	**1,748**	**120**	**7,970**
Deposits and other borrowings	3,602	956	-	-	**4,558**
Current tax liabilities	-	22	-	-	**22**
Deferred tax liabilities	-	(8)	-	-	**(8)**
Payables and other liabilities	47	30	-	-	**77**
Provisions	43	1	-	-	**44**
Total liabilities held for sale	**3,692**	**1,001**	**-**	**-**	**4,693**

	Asia Retail and Wealth businesses $M	UDC Finance $M	Shanghai Rural Commercial Bank $M	Metrobank Card Corporation $M	Total $M
As at 31 March 2017					
Net loans and advances	9,776	2,493	-	-	**12,269**
Investment in associates	-	-	1,735	-	**1,735**
Goodwill and other intangible assets	-	118	-	-	**118**
Other assets	-	23	-	-	**23**
Total assets held for sale	**9,776**	**2,634**	**1,735**	**-**	**14,145**
Deposits and other borrowings	15,818	1,192	-	-	**17,010**
Current tax liabilities	-	31	-	-	**31**
Payables and other liabilities	44	30	-	-	**74**
Provisions	50	1	-	-	**51**
Total liabilities held for sale	**15,912**	**1,254**	**-**	**-**	**17,166**

11. Shareholders' equity

Issued and quoted securities	Half Year		Full Year	
Ordinary share capital	**Sep 17 No.**	**Mar 17 No.**	**Sep 17 No.**	**Sep 16 No.**
Closing balance	**2,937,415,327**	2,936,037,009	**2,937,415,327**	2,927,476,660
Issued during the period[1]	**1,378,318**	8,560,349	**9,938,667**	24,762,299

1. *The Company issued 7.5 million shares under the Dividend Reinvestment Plan and Bonus Option Plan for the 2017 interim dividend (8.6 million shares for the 2016 final dividend; 9.7 million shares for the 2016 interim dividend) and nil shares to satisfy obligations under the Group's Employee share acquisition plans during the September 2017 half (Mar 17 half: nil; Sep 16 full year: 5.3 million shares). Following the provision of 7.5 million shares under the Dividend Reinvestment Plan and Bonus Option Plan for the 2017 interim dividend, the Company repurchased 6.1 million of shares via an on-market share buy-back resulting in 6.1 million shares being cancelled.*

	As at		
Shareholders' equity	**Sep 17 $M**	**Mar 17 $M**	**Sep 16 $M**
Ordinary share capital	**29,088**	29,036	28,765
Reserves			
Foreign currency translation reserve	**(196)**	(140)	544
Share option reserve	**87**	67	79
Available for sale revaluation reserve	**38**	31	149
Cash flow hedge reserve	**131**	180	329
Transactions with non-controlling interests reserve	**(23)**	(23)	(23)
Total reserves	**37**	115	1,078
Retained earnings	**29,834**	28,640	27,975
Share capital and reserves attributable to shareholders of the Company	**58,959**	57,791	57,818
Non-controlling interests	**116**	117	109
Total shareholders' equity	**59,075**	**57,908**	**57,927**

12. Changes in composition of the Group

There were no acquisitions or disposals of material controlled entities for the year ended 30 September 2017.

13. Investments in Associates

	Half Year			Full Year		
	Sep 17 $M	Mar 17 $M	Sep 17 v. Mar 17	Sep 17 $M	Sep 16 $M	Sep 17 v. Sep 16
Share of associates' profit	**127**	173	-27%	**300**	541	-45%

Contributions to profit[1]	Contribution to Group post-tax profit				Ownership interest held by Group		
Associates	Half Year		Full Year		As at		
	Sep 17 $M	Mar 17 $M	Sep 17 $M	Sep 16 $M	Sep 17 %	Mar 17 %	Sep 16 %
P.T. Bank Pan Indonesia	**51**	50	**101**	64	**39**	39	39
AMMB Holdings Berhad	**48**	48	**96**	94	**24**	24	24
Shanghai Rural Commercial Bank[2]	**-**	58	**58**	259	**20**	20	20
Bank of Tianjin (up to 30 March 2016)[3]	**-**	-	**-**	86	**12**	12	12
Other associates[4]	**28**	17	**45**	38	**n/a**	n/a	n/a
Share of associates' profit	**127**	173	**300**	541			

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. *On 3 January 2017, the Group announced that it had agreed to sell its 20% stake in Shanghai Rural Commercial Bank (SRCB). On 18th September the Group announced a revision to the 3 January arrangement in which Baoshan Iron & Steel Co. Ltd. (Bao) replaced Shanghai SinoPoland Enterprise Management Development Corporation Limited to join China COSCO Shipping Corporation Limited (COSCO) to acquire ANZ's 20% stake in SRCB. Under the updated arrangement, COSCO and Bao will each acquire a 10% stake in SRCB. The key financial terms of the revised sale agreement are unchanged from the transaction announced previously. The sale is subject to customary closing conditions and regulatory approvals and is expected to be completed by late 2017. As a consequence, the Group ceased equity accounting for the investment in SRCB and commenced accounting for it as an asset held for sale.*
3. *On 30 March 2016, the Bank of Tianjin (BoT) completed a capital raising and initial public offering (IPO) on the Hong Kong Stock Exchange. As a result, the Group's equity interest reduced from 14% to 12% and the Group ceased equity accounting the investment due to losing the ability to appoint directors to the Board of BoT at this date. From 31 March 2016, the investment was classified as an available for sale asset.*
4. *Includes Metrobank Card Corporation (MCC).On 18 October 2017, the Group announced it had entered into an agreement with its joint venture partner Metropolitan Bank & Trust Company (Metrobank) in relation to its 40% stake in the Philippines based Metrobank Card Corporation (MCC). The Group has agreed to sell 20% of its stake, and entered into a put option to sell the remaining 20% stake, exercisable in the fourth quarter of 2018 on the same terms for the same consideration. As the sale was announced after balance date, equity accounted earnings are included for the September 2017 full year.*

14. Contingent liabilities and contingent assets

There are outstanding court proceedings, claims and possible claims for and against the Group. Where relevant, expert legal advice has been obtained and, in the light of such advice, provisions and/or disclosures as deemed appropriate have been made. In some instances we have not disclosed the estimated financial impact of the individual items either because it is not practicable to do so or because such disclosure may prejudice the interests of the Group.

Note 33 of the 2017 ANZ Annual Financial Statements (when released) will contain a description of contingent liabilities and contingent assets as at 30 September 2017. A summary of some of those contingent liabilities is set out below.

- **Bank fees litigation**

  A litigation funder commenced a class action against the Company in 2010, followed by a second similar class action in March 2013. The applicants contended that certain exception fees (honour, dishonour and non-payment fees on transaction accounts and late payment and over-limit fees on credit cards) were unenforceable penalties and that various of the fees were also unenforceable under statutory provisions governing unconscionable conduct, unfair contract terms and unjust transactions. A further action, limited to late payment fees only, commenced in August 2014.

  The penalty and statutory claims in the March 2013 class action failed and the claims have been dismissed. The August 2014 action was discontinued in October 2016.

  The original claims in the 2010 class action have been dismissed. A new claim has been added to the 2010 class action, in relation to the Company's entitlement to charge certain periodical payment non-payment fees.

- **Benchmark/rate actions**

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

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

- **Regulatory reviews and customer exposures**

  In recent years there have been significant increases in the nature and scale of regulatory investigations and reviews, enforcement actions (whether by court action or otherwise) and the quantum of fines issued by regulators, particularly against financial institutions both in Australia and globally. The nature of these investigations and reviews can be wide ranging and, for example, currently include a range of matters including responsible lending practices, product suitability, wealth advice, pricing and competition, conduct in financial markets and capital market transactions. During the year, ANZ has received various notices and requests for information from its regulators as part of both industry-wide and ANZ-specific reviews. There may be exposures to customers which are additional to any regulatory exposures. These could include class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with such reviews and possible exposures remain uncertain.

- **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.

15. Subsequent events since balance date

On 17 October 2017, the Group announced it had agreed to sell OnePath pensions and investments (OnePath P&I) and aligned dealer groups (ADG) business to IOOF Holdings Limited (IOOF) for $975 million. Completion is expected in March 2019 half subject to certain conditions including regulatory approvals and the completion of the extraction of the OnePath P&I business from OnePath Life Insurance. The expected accounting loss on sale of ~$120 million is anticipated as a result of the sale, however the final gain/loss on sale will be determined at completion and will be impacted by transaction and separation costs, final determination of goodwill to be disposed, other balances and final taxation impacts.

On 18 October 2017, the Group announced it had entered into an agreement with its joint venture partner Metropolitan Bank & Trust Company (Metrobank) regarding the sale of its 40% stake in the Philippines based Metrobank Card Corporation (MCC). The Group has agreed to sell one half its 40% stake in MCC to Metrobank, for US$144 million (A$184 million) expected to settle in late 2017. The Group also entered into a put option to sell its remaining 20% stake to Metrobank, exercisable in the September 2018 half on the same terms and for the same consideration. If exercised, this would deliver a total sale price of US$288 million (A$368 million). The sale is subject to customary regulatory approvals.

On 23 October 2017, the Group announced it had reached a confidential in-principle agreement with the Australian Securities and Investments Commission (ASIC) to settle court action in respect of interbank trading and the bank bill swap rate (BBSW). A final resolution had not been agreed at the date of this report. Based on the in-principle agreement, the financial impact to ANZ has been reflected in the financial statements.

Other than the matters above, there have been no significant events from 30 September 2017 to the date of signing this report.

CONTENTS

Supplementary Information

Capital management
Average balance sheet and related interest
Funds management and insurance income analysis (Group)
Select geographical disclosures
Exchange rates

Capital management

		As at			Movement	
Qualifying Capital		**Sep 17 $M**	**Mar 17 $M**	**Sep 16 $M**	**Sep 17 v. Mar 17**	**Sep 17 v. Sep 16**
Tier 1						
Shareholders' equity and non-controlling interests		**59,075**	57,908	57,927	2%	2%
Prudential adjustments to shareholders' equity	Table 1	**(481)**	(509)	(481)	-6%	0%
Gross Common Equity Tier 1 capital		**58,594**	57,399	57,446	2%	2%
Deductions	Table 2	**(17,258)**	(17,182)	(18,179)	0%	-5%
Common Equity Tier 1 capital		**41,336**	40,217	39,267	3%	5%
Additional Tier 1 capital	Table 3	**7,988**	7,874	9,018	1%	-11%
Tier 1 capital		**49,324**	48,091	48,285	3%	2%
Tier 2 capital	Table 4	**8,669**	9,648	10,328	-10%	-16%
Total qualifying capital		**57,993**	57,739	58,613	0%	-1%
Capital adequacy ratios						
Common Equity Tier 1		**10.6%**	10.1%	9.6%		
Tier 1		**12.6%**	12.1%	11.8%		
Tier 2		**2.2%**	2.4%	2.5%		
Total		**14.8%**	14.5%	14.3%		
Risk weighted assets	Table 5	**391,113**	397,040	408,582	-1%	-4%

Capital management, cont'd

		As at			Movement	
		Sep 17 $M	**Mar 17 $M**	**Sep 16 $M**	**Sep 17 v. Mar 17**	**Sep 17 v. Sep 16**
Table 1: Prudential adjustments to shareholders' equity						
Treasury shares attributable to ANZ Wealth Australia policyholders		**326**	324	395	1%	-17%
Accumulated retained profits and reserves of insurance and funds management entities		**(711)**	(811)	(875)	-12%	-19%
Deferred fee revenue including fees deferred as part of loan yields		**131**	175	238	-25%	-45%
Available for sale reserve attributable to deconsolidated subsidiaries		**(83)**	(82)	(110)	1%	-25%
Other		**(144)**	(115)	(129)	25%	12%
Total		**(481)**	(509)	(481)	-6%	0%
Table 2: Deductions from Common Equity Tier 1 capital						
Unamortised goodwill & other intangibles (excluding ANZ Wealth Australia and New Zealand)		**(3,553)**	(3,532)	(3,913)	1%	-9%
Intangible component of investments in ANZ Wealth Australia and New Zealand		**(2,100)**	(2,099)	(2,103)	0%	0%
Capitalised software		**(1,826)**	(1,887)	(2,139)	-3%	-15%
Capitalised expenses including loan and lease origination fees		**(1,149)**	(1,129)	(1,148)	2%	0%
Applicable deferred net tax assets		**(946)**	(902)	(899)	5%	5%
Expected losses in excess of eligible provisions	Table 8	**(719)**	(696)	(700)	3%	3%
Investment in other insurance and funds management subsidiaries		**(274)**	(274)	(297)	0%	-8%
Investment in ANZ Wealth Australia and New Zealand		**(1,750)**	(1,749)	(1,752)	0%	0%
Investment in banking associates and minority interests		**(3,919)**	(3,826)	(4,674)	2%	-16%
Other deductions		**(1,022)**	(1,088)	(554)	-6%	84%
Total		**(17,258)**	(17,182)	(18,179)	0%	-5%
Table 3: Additional Tier 1 capital						
Convertible Preference Shares						
ANZ CPS2		**-**	-	1,068	n/a	-100%
ANZ CPS3		**573**	1,340	1,340	-57%	-57%
ANZ Capital Notes 1		**1,116**	1,116	1,115	0%	0%
ANZ Capital Notes 2		**1,604**	1,603	1,602	0%	0%
ANZ Capital Notes 3		**963**	962	962	0%	0%
ANZ Capital Notes 4		**1,608**	1,607	1,604	0%	0%
ANZ Capital Notes 5		**925**	-	-	n/a	n/a
ANZ Bank NZ Capital Notes		**457**	454	473	1%	-3%
ANZ Capital Securities		**1,206**	1,218	1,329	-1%	-9%
Regulatory adjustments and deductions		**(464)**	(426)	(475)	9%	-2%
Total		**7,988**	7,874	9,018	1%	-11%
Table 4: Tier 2 capital						
General reserve for impairment of financial assets		**200**	257	267	-22%	-25%
Perpetual subordinated notes		**1,150**	1,156	1,190	-1%	-3%
Term subordinated debt notes		**8,108**	10,841	11,281	-25%	-28%
Regulatory adjustments and deductions		**(789)**	(518)	(936)	52%	-16%
Transitional adjustments		**-**	(2,088)	(1,474)	-100%	-100%
Total		**8,669**	9,648	10,328	-10%	-16%

Capital management, cont'd

Table 5: Risk weighted assets		As at Sep 17 $M	As at Mar 17 $M	As at Sep 16 $M	Movement Sep 17 v. Mar 17	Movement Sep 17 v. Sep 16
On balance sheet		**254,534**	253,532	259,356	0%	-2%
Commitments		**53,546**	56,279	58,167	-5%	-8%
Contingents		**11,704**	12,648	13,295	-7%	-12%
Derivatives		**17,050**	19,350	21,215	-12%	-20%
Total credit risk	Table 6	**336,834**	341,809	352,033	-1%	-4%
Market risk - Traded		**5,363**	6,323	6,188	-15%	-13%
Market risk - IRRBB		**11,611**	10,332	11,700	12%	-1%
Operational risk		**37,305**	38,576	38,661	-3%	-4%
Total risk weighted assets		**391,113**	397,040	408,582	-1%	-4%

Table 6: Credit risk weighted assets by Basel asset class	As at Sep 17 $M	As at Mar 17 $M	As at Sep 16 $M	Movement Sep 17 v. Mar 17	Movement Sep 17 v. Sep 16
Subject to Advanced IRB approach					
Corporate	**121,915**	127,544	130,799	-4%	-7%
Sovereign	**7,555**	6,718	6,634	12%	14%
Bank	**13,080**	14,267	14,884	-8%	-12%
Residential mortgage	**96,267**	86,218	84,275	12%	14%
Qualifying revolving retail (credit cards)	**7,059**	7,513	7,334	-6%	-4%
Other retail	**31,077**	31,004	31,360	0%	-1%
Credit risk weighted assets subject to Advanced IRB approach	**276,953**	273,264	275,286	1%	1%
Credit risk specialised lending exposures subject to slotting criteria	**31,845**	33,896	36,100	-6%	-12%
Subject to Standardised approach					
Corporate	**13,365**	16,264	20,459	-18%	-35%
Residential mortgage	**950**	2,354	2,493	-60%	-62%
Other retail (includes credit cards)	**2,000**	3,131	3,277	-36%	-39%
Credit risk weighted assets subject to Standardised approach	**16,315**	21,749	26,229	-25%	-38%
Credit Valuation Adjustment and Qualifying Central Counterparties	**7,269**	8,168	9,371	-11%	-22%
Credit risk weighted assets relating to securitisation exposures	**1,083**	1,171	1,203	-8%	-10%
Other assets	**3,369**	3,561	3,844	-5%	-12%
Total credit risk weighted assets	**336,834**	341,809	352,033	-1%	-4%

Capital management, cont'd

Table 7: Total provision for credit impairment and expected loss by division	Collective Provision and Individual Provision Sep 17 $M	Mar 17 $M	Sep 16 $M	Basel Expected Loss[1] Sep 17 $M	Mar 17 $M	Sep 16 $M
Australia	**1,905**	1,877	1,794	**2,835**	2,735	2,654
Institutional	**1,286**	1,494	1,683	**866**	1,337	1,404
New Zealand	**454**	470	491	**754**	766	802
Asia Retail & Pacific	**150**	199	211	**8**	5	7
TSO and Group Centre	**3**	14	4	**-**	-	1
Total provision for credit impairment and expected loss	**3,798**	4,054	4,183	**4,463**	4,843	4,868

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

Table 8: APRA Expected loss in excess of eligible provisions	As at Sep 17 $M	Mar 17 $M	Sep 16 $M	Movement Sep 17 v. Mar 17	Sep 17 v. Sep 16
APRA Basel 3 expected loss: non-defaulted	**2,829**	2,866	2,959	-1%	-4%
Less: Qualifying collective provision					
Collective provision	**(2,662)**	(2,785)	(2,876)	-4%	-7%
Non-qualifying collective provision	**352**	349	350	1%	1%
Standardised collective provision	**200**	257	267	-22%	-25%
Non-defaulted excess included in deduction	**719**	687	700	5%	3%
APRA Basel 3 expected loss: defaulted	**1,634**	1,977	1,909	-17%	-14%
Less: Qualifying individual provision					
Individual provision	**(1,136)**	(1,269)	(1,307)	-10%	-13%
Additional individual provision for partial write offs	**(300)**	(540)	(509)	-44%	-41%
Standardised individual provision	**117**	149	195	-21%	-40%
Collective provision on advanced defaulted	**(320)**	(308)	(304)	4%	5%
	(5)	9	(16)	large	-69%
Shortfall in expected loss not included in deduction	**5**	-	16	n/a	-69%
Defaulted excess included in deduction	**-**	9	-	-100%	n/a
Gross deduction	**719**	696	700	3%	3%

Average balance sheet and related interest[1, 2, 3]

	Full Year Sep 17			Full Year Sep 16		
	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %
Loans and advances						
Home loans	**307,312**	**14,193**	**4.6%**	291,551	14,379	4.9%
Consumer finance	**23,319**	**2,357**	**10.1%**	24,659	2,457	10.0%
Business lending	**227,732**	**9,388**	**4.1%**	235,911	10,006	4.2%
Individual provisions for credit impairment	**(1,291)**	**-**	**n/a**	(1,113)	-	n/a
Total	**557,072**	**25,938**	**4.7%**	551,008	26,842	4.9%
Non-lending interest earning assets						
Cash and other liquid assets	**84,161**	**654**	**0.8%**	78,916	623	0.8%
Trading and available for sale assets	**105,398**	**2,322**	**2.2%**	99,676	2,316	2.3%
Other assets	**1,369**	**206**	**n/a**	1,235	170	n/a
Total	**190,928**	**3,182**	**1.7%**	179,827	3,109	1.7%
Total interest earning assets[4]	**748,000**	**29,120**	**3.9%**	730,835	29,951	4.1%
Non-interest earning assets	**171,084**			177,074		
Total average assets	**919,084**			907,909		
Deposits and other borrowings						
Certificates of deposit	**58,553**	**1,267**	**2.2%**	62,717	1,505	2.4%
Term deposits	**199,651**	**4,041**	**2.0%**	198,440	3,837	1.9%
On demand and short term deposits	**219,979**	**3,607**	**1.6%**	205,673	4,163	2.0%
Deposits from banks and securities sold under agreement to repurchase	**63,464**	**821**	**1.3%**	52,034	647	1.2%
Commercial paper and other borrowings	**10,875**	**265**	**2.4%**	24,492	635	2.6%
Total	**552,522**	**10,001**	**1.8%**	543,356	10,787	2.0%
Non-deposit interest bearing liabilities						
Collateral received and settlement balances owed by ANZ	**10,910**	**67**	**0.6%**	11,337	71	0.6%
Debt issuances & subordinated debt	**113,297**	**3,885**	**3.4%**	103,596	3,773	3.6%
Other liabilities	**2,779**	**295**	**n/a**	5,195	225	n/a
Total	**126,986**	**4,247**	**3.3%**	120,128	4,069	3.4%
Total interest bearing liabilities[4]	**679,508**	**14,248**	**2.1%**	663,484	14,856	2.2%
Non-interest bearing liabilities	**181,312**			187,284		
Total average liabilities	**860,820**			850,768		
Total average shareholders' equity	**58,264**			57,141		

1. *Averages used are predominantly daily averages.*
2. *In the March 2017 half, the Group changed its calculation of net interest margin to net Australian home loan deposit offset balances against total average interest earning assets (Sep 16 half: $23,653 million; Mar 16 half: $22,996 million). Refer to page 22 for further details.*
3. *Balance sheet amounts and metrics as at 30 September 2017 include assets and liabilities held for sale.*
4. *Intra-group interest earning assets and interest income and Intra-group interest earning liabilities and interest expense have been eliminated.*

Average balance sheet and related interest[1, 2, 3] (cont'd)

	Full Year Sep 17			Full Year Sep 16		
	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %
Loans and advances						
Australia	**379,137**	**18,324**	**4.8%**	366,603	18,786	5.1%
Asia Pacific, Europe & America	**62,278**	**2,141**	**3.4%**	74,244	2,437	3.3%
New Zealand	**115,657**	**5,474**	**4.7%**	110,161	5,619	5.1%
Total	**557,072**	**25,939**	**4.7%**	551,008	26,842	4.9%
Trading and available for sale assets						
Australia	**59,650**	**1,332**	**2.2%**	57,448	1,371	2.4%
Asia Pacific, Europe & America	**31,330**	**560**	**1.8%**	28,041	462	1.6%
New Zealand	**14,418**	**429**	**3.0%**	14,187	483	3.4%
Total	**105,398**	**2,321**	**2.2%**	99,676	2,316	2.3%
Total interest earning assets[4]						
Australia	**470,056**	**20,074**	**4.3%**	449,446	20,569	4.6%
Asia Pacific, Europe & America	**144,049**	**3,013**	**2.1%**	152,508	3,085	2.0%
New Zealand	**133,895**	**6,033**	**4.5%**	128,881	6,297	4.9%
Total	**748,000**	**29,120**	**3.9%**	730,835	29,951	4.1%
Total average assets						
Australia	**596,514**			576,893		
Asia Pacific, Europe & America	**169,630**			179,431		
New Zealand	**152,940**			151,585		
Total average assets	**919,084**			907,909		
Interest bearing deposits and other borrowings						
Australia	**322,837**	**6,595**	**2.0%**	309,714	7,350	2.4%
Asia Pacific, Europe & America	**141,543**	**1,330**	**0.9%**	148,751	1,077	0.7%
New Zealand	**88,142**	**2,076**	**2.4%**	84,891	2,360	2.8%
Total	**552,522**	**10,001**	**1.8%**	543,356	10,787	2.0%
Total interest bearing liabilities[4]						
Australia	**403,650**	**9,425**	**2.3%**	387,780	10,224	2.6%
Asia Pacific, Europe & America	**165,464**	**1,901**	**1.1%**	170,146	1,439	0.8%
New Zealand	**110,394**	**2,922**	**2.6%**	105,558	3,193	3.0%
Total	**679,508**	**14,248**	**2.1%**	663,484	14,856	2.2%
Total average liabilities						
Australia	**537,791**			525,213		
Asia Pacific, Europe & America	**188,154**			193,029		
New Zealand	**134,875**			132,526		
Total average liabilities	**860,820**			850,768		
Total average shareholders' equity						
Ordinary share capital, reserves, retained earnings and non-controlling interests	**58,264**			57,141		
Total average shareholders' equity	**58,264**			57,141		
Total average liabilities and shareholder's equity	**919,084**			907,909		

1. *Averages used are predominantly daily averages.*
2. *In the March 2017 half, the Group changed its calculation of net interest margin to net Australian home loan deposit offset balances against total average interest earning assets (Sep 16 half: $23,653 million; Mar 16 half: $22,996 million). Refer to page 22 for further details.*
3. *Balance sheet amounts and metrics as at 30 September 2017 include assets and liabilities held for sale.*
4. *Intra-group interest earning assets and interest income and Intra-group interest earning liabilities and interest expense have been eliminated.*

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

	Half Year Sep 17			Half Year Mar 17		
	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %
Loans and advances						
Home Loans	311,138	7,232	4.6%	303,459	6,961	4.6%
Consumer Finance	22,556	1,143	10.1%	24,089	1,214	10.1%
Business Lending	225,924	4,724	4.2%	229,553	4,664	4.1%
Individual provision for credit impairment	(1,262)	-	n/a	(1,320)	-	n/a
Total	558,356	13,099	4.7%	555,781	12,839	4.6%
Non-lending interest earning assets						
Cash and other liquid assets	86,130	325	0.8%	82,182	329	0.8%
Trading and available-for-sale assets	106,245	1,172	2.2%	104,548	1,150	2.2%
Other assets	1,342	98	n/a	1,395	108	n/a
Total	193,717	1,595	1.6%	188,125	1,587	1.7%
Total interest earning assets[3]	752,073	14,694	3.9%	743,906	14,426	3.9%
Non-interest earning assets	168,196			173,988		
Total average assets	920,269			917,894		
Deposits and other borrowings						
Certificates of deposit	57,610	603	2.1%	59,500	664	2.2%
Term deposits	194,258	2,090	2.1%	205,073	1,951	1.9%
On demand and short term deposits	230,143	1,830	1.6%	209,759	1,777	1.7%
Deposits from banks and securities sold under agreements to repurchase	62,668	442	1.4%	64,267	379	1.2%
Commercial paper and other borrowings	9,721	116	2.4%	12,035	149	2.5%
Total	554,400	5,081	1.8%	550,634	4,920	1.8%
Non-deposit interest bearing liabilities						
Collateral received and settlement balances owed by ANZ	10,839	36	0.7%	10,982	31	0.6%
Debt issuances & subordinated debt	114,902	1,945	3.4%	111,683	1,940	3.5%
Other liabilities	2,657	176	n/a	2,902	119	n/a
Total	128,398	2,157	3.3%	125,567	2,090	3.3%
Total interest bearing liabilities[3]	682,798	7,238	2.1%	676,201	7,010	2.1%
Non-interest bearing liabilities	178,745			183,894		
Total average liabilities	861,543			860,095		
Total average shareholders' equity	58,726			57,799		

1. *Averages used are predominantly daily averages.*
2. *Balance sheet amounts and metrics as at 30 September 2017 and 31 March 2017 include assets and liabilities held for sale.*
3. *Intra-group interest earning assets and interest income and Intra-group interest earning liabilities and interest expense have been eliminated.*

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

	Half Year Sep 17			Half Year Mar 17		
	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %
Loans and advances						
Australia	382,613	9,299	4.8%	375,642	9,024	4.8%
Asia Pacific, Europe & America	59,871	1,048	3.5%	64,699	1,093	3.4%
New Zealand	115,872	2,752	4.7%	115,440	2,722	4.7%
Total	558,356	13,099	4.7%	555,781	12,839	4.6%
Trading and available-for-sale assets						
Australia	58,974	671	2.3%	60,330	662	2.2%
Asia Pacific, Europe & America	33,162	296	1.8%	29,489	264	1.8%
New Zealand	14,109	205	2.9%	14,729	224	3.0%
Total	106,245	1,172	2.2%	104,548	1,150	2.2%
Total interest earning assets[3]						
Australia	473,945	10,162	4.3%	466,147	9,912	4.3%
Asia Pacific, Europe & America	144,345	1,522	2.1%	143,750	1,491	2.1%
New Zealand	133,783	3,010	4.5%	134,009	3,023	4.5%
Total	752,073	14,694	3.9%	743,906	14,426	3.9%
Total average assets						
Australia	599,342			593,672		
Asia Pacific, Europe & America	168,967			170,297		
New Zealand	151,960			153,925		
Total average assets	920,269			917,894		
Interest bearing deposits and other borrowings						
Australia	327,013	3,296	2.0%	318,638	3,299	2.1%
Asia Pacific, Europe & America	139,591	740	1.1%	143,505	590	0.8%
New Zealand	87,796	1,045	2.4%	88,491	1,031	2.3%
Total	554,400	5,081	1.8%	550,634	4,920	1.8%
Total interest bearing liabilities[3]						
Australia	408,615	4,744	2.3%	398,657	4,681	2.4%
Asia Pacific, Europe & America	163,644	1,030	1.3%	167,295	871	1.0%
New Zealand	110,539	1,464	2.6%	110,249	1,458	2.7%
Total	682,798	7,238	2.1%	676,201	7,010	2.1%
Total average liabilities						
Australia	541,175			534,389		
Asia Pacific, Europe & America	186,034			190,287		
New Zealand	134,334			135,419		
Total average liabilities	861,543			860,095		
Total average shareholders' equity						
Ordinary share capital, reserves, retained earnings and non-controlling interests	58,726			57,799		
Total average shareholders' equity	58,726			57,799		
Total average liabilities and shareholder's equity	920,269			917,894		

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

	Half Year		Full Year	
	Sep 17 %	**Mar 17 %**	**Sep 17 %**	**Sep 16 %**
Gross earnings rate[2]				
Australia	**4.46**	4.49	**4.48**	4.76
Asia Pacific, Europe & America	**2.08**	1.99	**2.03**	1.89
New Zealand	**4.49**	4.52	**4.51**	4.89
Group	**3.90**	3.89	**3.89**	4.10

Net interest spread and net interest margin may be analysed as follows:

	Half Year		Full Year	
	Sep 17 %	**Mar 17 %**	**Sep 17 %**	**Sep 16 %**
Australia[2]				
Net interest spread	**2.08**	2.07	**2.07**	2.12
Interest attributable to net non-interest bearing items	**0.23**	0.24	**0.24**	0.28
Net interest margin - Australia	**2.31**	2.31	**2.31**	2.40
Asia Pacific, Europe & America[2]				
Net interest spread	**0.82**	0.95	**0.89**	1.04
Interest attributable to net non-interest bearing items	**0.05**	0.04	**0.05**	0.03
Net interest margin - Asia Pacific, Europe & America	**0.87**	0.99	**0.94**	1.07
New Zealand[2]				
Net interest spread	**1.81**	1.84	**1.82**	1.83
Interest attributable to net non-interest bearing items	**0.34**	0.33	**0.33**	0.36
Net interest margin - New Zealand	**2.15**	2.17	**2.15**	2.19
Group				
Net interest spread	**1.79**	1.81	**1.80**	1.86
Interest attributable to net non-interest bearing items	**0.19**	0.19	**0.19**	0.21
Net interest margin	**1.98**	2.00	**1.99**	2.07
Net interest margin (excluding Markets)	**2.61**	2.58	**2.59**	2.64

1. *In the March 2017 half, the Group changed its calculation of net interest margin to net Australian home loan deposit offset balances against total average interest earning assets (Sep 16 half: $23,653 million; Mar 16 half: $22,996 million). Refer to page 22 for further details.*
2. *Geographic gross earnings rate, net interest spread and net interest margin are calculated gross of intra group items (Intra-group interest earning assets and associated interest income and intra-group interest bearing liabilities and associated interest expense).*

Funds management and insurance income analysis (Group)

The tables below supplement the Wealth Australia disclosures provided on pages 69 to 71 to present the Group's overall funds management and insurance businesses by incorporating the relevant Australia division, New Zealand division and Asia Retail & Pacific division funds management and insurance businesses.

		Half Year			Full Year		
	Reference Page	Sep 17 $M	Mar 17 $M	Sep 17 v. Mar 17	Sep 17 $M	Sep 16 $M	Sep 17 v. Sep 16
Net funds management and insurance income - statutory basis	82	**804**	696	16%	**1,500**	1,764	-15%
Adjustments between cash and statutory profit (pre-tax)							
Treasury shares adjustment	78	**(21)**	82	large	**61**	46	33%
Policyholders tax gross up	78	**(116)**	(161)	-28%	**(277)**	(217)	28%
Revaluation of policy liabilities	78	**(3)**	51	large	**48**	(75)	large
Net funds management and insurance income - cash basis	**78**	**664**	668	-1%	**1,332**	1,518	-12%
Wealth Australia - Funds management and insurance income		**500**	493	1%	**993**	1,156	-14%
Australia - Funds management and insurance income		**10**	13	-23%	**23**	47	-51%
New Zealand - Funds management and insurance income		**170**	173	-2%	**343**	330	4%
Asia Retail & Pacific - Funds management and insurance income		**35**	47	-26%	**82**	119	-31%
Inter-divisional eliminations		**(51)**	(58)	-12%	**(109)**	(134)	-19%
Net funds management and insurance income - cash basis	**25**	**664**	668	-1%	**1,332**	1,518	-12%

	Half Year			Full Year		
Insurance operating margin	Sep 17 $M	Mar 17 $M	Movt	Sep 17 $M	Sep 16 $M	Movt
Life Insurance Planned profit margin						
Group & Individual	**72**	64	13%	**136**	151	-10%
Experience profit/(loss)[1]	**(22)**	(26)	-15%	**(48)**	(8)	large
General Insurance operating profit margin	**54**	64	-16%	**118**	110	7%
Wealth Australia	**104**	102	2%	**206**	253	-19%
Life Insurance Planned profit margin						
Individual	**23**	36	-36%	**59**	40	48%
Experience profit/(loss)[1]	**(1)**	3	large	**2**	13	-85%
New Zealand	**22**	39	-44%	**61**	53	15%
Total	**126**	141	-11%	**267**	306	-13%

1. *Experience profit/(loss) variations are gains or losses arising from actual experience differing from plan, predominantly driven by lapses, claims and expenses.*

	As at			Movement	
Insurance annual in-force premiums	Sep 17 $M	Mar 17 $M	Sep 16 $M	Sep 17 v. Mar 17	Sep 17 v. Sep 16
Group	**431**	427	445	1%	-3%
Individual	**1,362**	1,348	1,339	1%	2%
General Insurance	**231**	226	226	2%	2%
Total	**2,024**	2,001	2,010	1%	1%

Insurance in-force book movement	Sep 16 $M	New business $M[1]	Lapses $M	Sep 17 $M
Group	445	38	(52)	**431**
Individual	1,339	156	(133)	**1,362**
General Insurance	226	165	(160)	**231**
Total	2,010	359	(345)	**2,024**

1. *New business includes the impact of foreign currency gains/(losses) on translation.*

Funds management and insurance income analysis (Group) (cont'd)

	As at			Movement	
Funds under management	**Sep 17 $M**	**Mar 17 $M**	**Sep 16 $M**	**Sep 17 v. Mar 17**	**Sep 17 v. Sep 16**
Funds under management - average	**77,746**	75,714	74,347	3%	5%
Funds under management - end of period	**77,985**	76,509	75,918	2%	3%
Composed of:					
Australian equities	**15,755**	17,104	16,963	-8%	-7%
International equities	**21,812**	20,207	18,422	8%	18%
Cash and fixed interest	**34,961**	34,203	35,800	2%	-2%
Property and infrastructure	**5,457**	4,995	4,733	9%	15%
Total	**77,985**	76,509	75,918	2%	3%

Funds Management cash flows by product	**Sep 16 $M**	**Inflows $M**	**Outflows $M**	**Other[1] $M**	**Sep 17 $M**
Wealth Australia Division					
Open Solutions					
OneAnswer Frontier	9,958	1,575	(1,346)	745	**10,932**
ANZ Smart Choice	11,190	2,363	(1,410)	3,729	**15,872**
Wrap (Voyage and Grow)	2,160	645	(378)	654	**3,081**
Closed Solutions					
Retail	19,028	739	(2,994)	(170)	**16,603**
Employer	5,915	143	(587)	(2,899)	**2,572**
Australia Division					
Private Bank	2,411	530	(378)	147	**2,710**
New Zealand Division					
KiwiSaver	8,864	792	(383)	892	**10,165**
Retail	2,741	3,262	(2,925)	18	**3,096**
Private Bank	6,682	1,040	(1,038)	(65)	**6,619**
Bonus Bonds	3,397	935	(1,071)	(128)	**3,133**
Other New Zealand	3,572	334	(632)	(72)	**3,202**
Total	75,918	12,358	(13,142)	2,851	**77,985**

1. *Other includes investment income net of taxes, fees and charges, distributions and the impact of foreign currency translations. In Wealth Australia it also includes the transition of funds under management from Employer Super to ANZ Smart Choice of approximately $2.9 billion, as a result of regulatory changes in the industry.*

Embedded value and value of new business (insurance and investments only)	**Wealth Australia $M[1]**	**New Zealand $M**	**Total $M**
Embedded value as at September 2016 [2]	4,536	616	**5,152**
Value of new business[3]	138	14	**152**
Expected return[4]	304	50	**354**
Experience deviations and assumption changes[5]	(85)	47	**(38)**
Embedded value before economic assumption changes and net transfer	4,893	727	**5,620**
Economic assumptions change[6]	(110)	(56)	**(166)**
Net transfer[7]	(291)	(48)	**(339)**
Embedded value as at September 2017	4,492	623	**5,115**

1. *The product lines used are on the same basis as prior periods. This is different to the product lines that are subject to the strategic review in Wealth Australia.*
2. *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 7.75%-9.50%. ANZ Lenders Mortgage Insurance, ANZ Financial Planning and ANZ Share Investing businesses are not included in the valuation. Value of new business represents the present value of future profits less the cost of capital arising from new business written over the period.*
3. *Value of new business represents the present value of future profits less the cost of capital arising from new business written over the period.*
4. *Expected return represents the expected increase in value over the period.*
5. *Experience deviations and assumption changes arise from deviations and changes to best estimate assumptions underlying the prior period embedded value. Negative experience in Wealth Australia was primarily driven by adverse claims experience during the year, strengthening of claims assumptions in Retail Insurance partially offset by implementation of various product initiatives.*
6. *Interest rate movements have led to a negative value impact.*
7. *Net transfer represents the net capital movements over the period including capital injections, transfer of cash dividends paid and value of franking credits. For Wealth Australia there was $225 million of cash dividends paid, $12 million of dividends in AT1 preference shares paid and the value of $54 million of franking credits which is expected to be transferred to the parent entity. For New Zealand there were NZD $50m of cash dividends paid.*

Select geographical disclosures

The following divisions operate across the geographic locations illustrated below:

- Institutional division – Asia, Europe & America, Pacific and New Zealand
- Asia Retail & Pacific division – Asia and Pacific
- New Zealand division – New Zealand

Asia Pacific, Europe & America geography

	Asia $M	Europe & America $M	Pacific $M	APEA Total $M
September 2017 Full Year				
Statutory profit	245	210	168	**623**
Cash profit	244	169	168	**581**
Net loans and advances	42,047	8,825	3,208	**54,080**
Customer deposits	49,616	50,054	5,477	**105,147**
Risk weighted assets	45,353	18,796	7,578	**71,727**
September 2016 Full Year				
Statutory profit	290	183	161	**634**
Cash profit	291	206	161	**658**
Net loans and advances	54,303	8,441	3,636	**66,380**
Customer deposits	60,635	48,138	5,491	**114,264**
Risk weighted assets	59,132	21,698	7,725	**88,555**
September 2017 Half Year				
Statutory profit	253	59	73	**385**
Cash profit	254	62	73	**389**
Net loans and advances	42,047	8,825	3,208	**54,080**
Customer deposits	49,616	50,054	5,477	**105,147**
Risk weighted assets	45,353	18,796	7,578	**71,727**
March 2017 Half Year				
Statutory profit	(8)	151	95	**238**
Cash profit	(10)	107	95	**192**
Net loans and advances	49,568	7,695	3,412	**60,675**
Customer deposits	60,656	52,521	5,374	**118,551**
Risk weighted assets	55,062	19,852	7,555	**82,469**

New Zealand geography (in NZD)

	Half Year			Full Year		
	Sep 17 NZD M	Mar 17 NZD M	Movt	Sep 17 NZD M	Sep 16 NZD M	Movt
Net interest income	**1,544**	1,534	1%	**3,078**	3,029	2%
Other operating income	**485**	514	-6%	**999**	795	26%
Operating income	**2,029**	2,048	-1%	**4,077**	3,824	7%
Operating expenses	**(728)**	(718)	1%	**(1,446)**	(1,580)	-8%
Profit before credit impairment and income tax	**1,301**	1,330	-2%	**2,631**	2,244	17%
Credit impairment (charge)/release	**(19)**	(40)	-53%	**(59)**	(149)	-60%
Profit before income tax	**1,282**	1,290	-1%	**2,572**	2,095	23%
Income tax expense and non-controlling interests	**(355)**	(362)	-2%	**(717)**	(566)	27%
Cash profit	**927**	928	0%	**1,855**	1,529	21%
Adjustments between statutory profit and cash profit	**(16)**	(59)	-73%	**(75)**	13	large
Statutory profit	**911**	869	5%	**1,780**	1,542	15%
Individual credit impairment charge/(release) - cash	**36**	69	-48%	**105**	138	-24%
Collective credit impairment charge/(release) - cash	**(17)**	(29)	-41%	**(46)**	11	large
Net loans and advances	**124,880**	122,954	2%	**124,880**	120,651	4%
Customer deposits	**96,829**	96,259	1%	**96,829**	91,360	6%
Risk weighted assets	**72,162**	74,511	-3%	**72,162**	76,005	-5%
Total full time equivalent staff (FTE)	**7,755**	7,761	0%	**7,755**	7,869	-1%

Exchange rates

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

	Balance sheet			Profit & Loss Average			
	As at			Half Year		Full Year	
	Sep 17	Mar 17	Sep 16	Sep 17	Mar 17	Sep 17	Sep 16
Chinese Renminbi	5.2297	5.2716	5.0809	5.1781	5.1672	5.1868	4.8064
Euro	0.6655	0.7160	0.6789	0.6729	0.7025	0.6896	0.6626
Pound Sterling	0.5848	0.6122	0.5874	0.5916	0.6071	0.6010	0.5159
Indian Rupee	51.289	49.557	50.764	49.236	50.639	50.074	49.179
Indonesian Rupiah	10,565	10,184	9,900	10,191	10,018	10,132	9,887
Japanese Yen	88.404	85.565	76.844	84.942	83.904	84.655	82.039
Malaysian Ringgit	3.3155	3.3834	3.1576	3.2884	3.3021	3.3043	3.0430
New Taiwan Dollar	23.795	23.216	23.895	23.148	23.681	23.479	23.904
New Zealand Dollar	1.0867	1.0939	1.0487	1.0671	1.0593	1.0661	1.0737
Papua New Guinean Kina	2.5102	2.4304	2.4143	2.4348	2.3906	2.4193	2.2606
United States Dollar	0.7845	0.7644	0.7617	0.7650	0.7533	0.7612	0.7361

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

ADI – Authorised Deposit-taking Institution.

APRA – Australian Prudential Regulation Authority.

APS – ADI Prudential Standard.

BCBS – Basel Committee on Banking Supervision.

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

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

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

1. gains or losses included in earnings arising from changes in tax, legal or accounting legislation or other non-core items not associated with the 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 policyholders tax gross up.

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

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.

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

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

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

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

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

Dividend payout ratio is the total ordinary dividend payment divided by profit attributable to shareholders of the Company, adjusted for the amount of preference share dividends paid.

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

IFRS – International Financial Reporting Standards.

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

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

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.

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

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

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

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

Net loans and advances represent gross loans and advances less provisions for credit impairment.

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

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

Operating income includes net interest income, net fee and commission income, net funds management and insurance income, share of associates' profit and other income.

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

Return on average assets is the profit attributable to shareholders of the Company, adjusted for the amount of preference share dividends paid, divided by average total assets.

Return on average ordinary shareholders' equity is the profit attributable to shareholders of the Company, adjusted for the amount of preference share dividends paid, divided by average ordinary shareholders' equity.

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

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

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

Description of divisions

During the March 2017 half, the Group made changes to the Group's operating model for technology, operations and shared services to accelerate delivery of its technology and digital roadmap, bring operations closer to its customers and continue operational efficiency gains. As a result of these organisational changes, divisional operations from Technology, Services & Operations ("TSO") and Group Centre have been realigned to divisions. The residual TSO and Group Centre now contains Group Technology, Group Hubs, Enterprise Services and Group Property and the Group Centre. The Group operates on a divisional structure with six divisions: Australia, New Zealand, Institutional, Asia Retail & Pacific, Wealth Australia and Technology, Services & Operations and Group Centre.

Other than those described above, there have been no other significant structural changes in 2017. However, certain prior period comparatives have been restated to align with current period presentation. The divisions reported below are consistent with internal reporting provided to the chief operating decision maker, being the Chief Executive Officer.

Australia

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

- Retail provides products and services to consumer and private banking customers in Australia via the branch network, mortgage specialists, the contact centre and a variety of self-service channels (internet banking, phone banking, ATMs, website and digital banking) and third party brokers.
- C&CB provides a full range of banking services including traditional relationship banking and sophisticated financial solutions, including asset financing through dedicated managers focusing on privately owned small, medium and large enterprises as well as the agricultural business segment.

Institutional

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

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

New Zealand

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

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

Wealth Australia

The Wealth Australia division comprises the Insurance and Funds Management business units, which provide insurance, investment and superannuation solutions intended to make it easier for customers to connect with, protect and grow their wealth.

- Insurance includes life insurance, general insurance and ANZ Lenders Mortgage Insurance.
- Funds Management includes the Pensions and Investments business and ANZ Share Investing.

Asia Retail & Pacific

The Asia Retail & Pacific division comprises the Asia Retail and Pacific business units, connecting customers to specialists for their banking needs.

- Asia Retail provides general banking and wealth management services to affluent and emerging affluent retail customers via relationship managers, branches, contact centres and a variety of self-service digital channels (internet and mobile banking, phone and ATMs). Core products offered include deposits, credit cards, loans, investments and insurance. Refer to Note 10 for details on the sale of Asia Retail and Wealth businesses.
- Pacific provides products and services to retail customers, small to medium-sized enterprises, institutional customers and Governments located in the Pacific Islands. Products and services include retail products provided to consumers, traditional relationship banking and sophisticated financial solutions provided to business customers through dedicated managers.

Technology, Services & Operations and Group Centre

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

	Page
Details of the reporting period and the previous corresponding period (4E Item 1)	2
Results for Announcement to the Market (4E Item 2)	2
Statement of Comprehensive Income (4E Item 3)	82, 83
Statement of Financial Position (4E Item 4)	84
Statement of Cash Flows (4E Item 5)	85
Statement of Changes in Equity (4E Item 6)	86
Dividends and dividend dates (4E Item 7)	2
Dividend Reinvestment Plan (4E Item 8)	2
Net Tangible Assets per security (4E Item 9)	12
Details of entities over which control has been gained or lost (4E Item 10)	99
Details of associates and joint venture entities (4E Item 11)	99
Other significant information (4E Item 12)	100
Accounting standards used by foreign entities (4E Item 13)	Not applicable
Commentary on results (4E Item 14)	19
Statement that accounts are being audited (4E Item 15)	3

	PAGE
Appendix 4E Cross Reference Index	118
Appendix 4E Statement	2
Average Balance Sheet and Related Interest	106
Basis of Preparation	87
Capital Management	102
Changes in Composition of the Group	99
Condensed Consolidated Balance Sheet	84
Condensed Consolidated Cash Flow Statement	85
Condensed Consolidated Income Statement	82
Condensed Consolidated Statement of Changes in Equity	86
Condensed Consolidated Statement of Comprehensive Income	83
Contingent Liabilities and Contingent Assets	100
Definitions	115
Deposits and Other Borrowings	95
Dividends	91
Divisional Results	49
Earnings Per Share	92
Exchange Rates	114
Full Time Equivalent Staff	17
Funds Management and Insurance Income Analysis (Group)	111
Group Results	19
Income Tax Expense	90
Income	88
Investments In Associates	99
Net Loans and Advances	93
Operating Expenses	89
Profit Reconciliation	75
Provision for Credit Impairment	94
Select Geographical Disclosures	113
Shareholders' Equity	98
Subsequent Events since Balance Date	100
Summary	9

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY