Australia and New Zealand Banking Group Limited

ABN 11 005 357 522

Half Year

31 March 2022

Consolidated Financial Report

Dividend Announcement

and Appendix 4D

The Consolidated Financial Report and Dividend Announcement contains information required by Appendix 4D of the Australian Securities Exchange (ASX) Listing Rules. It should be read in conjunction with ANZ's 2021 Annual Report, and is lodged with the ASX under listing rule 4.2A.

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

Report for the half year ended 31 March 2022

Operating Results[1]				AUD million
Statutory operating income from continuing operations	⇧	14%	to	9,542
Statutory profit attributable to shareholders	⇧	20%	to	3,530
Cash profit[2]	⇧	4%	to	3,108
Cash profit from continuing operations[2]	⇧	4%	to	3,113

Dividends[3]	Cents per share	Franked amount per share
Proposed interim dividend[4]	72	100%

Record date for determining entitlements to the proposed 2022 interim dividend	10 May 2022
Payment date for the proposed 2022 interim dividend	1 July 2022

Dividend Reinvestment Plan and Bonus Option Plan

Australia and New Zealand Banking Group Limited (ANZ) has a Dividend Reinvestment Plan (DRP) and a Bonus Option Plan (BOP) that will operate in respect of the proposed 2022 interim dividend. For the 2022 interim dividend, ANZ intends to provide shares under the DRP and BOP through the issue of new shares. The 'Acquisition Price' to be used in determining the number of shares to be provided under the DRP and BOP will be calculated by reference to the arithmetic average of the daily volume weighted average sale price of all fully paid ANZ ordinary shares sold in the ordinary course of trading on the ASX and Chi-X during the ten trading days commencing on 13 May 2022, 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 2022 interim dividend must be received by ANZ's Share Registrar by 5.00pm (Australian Eastern Standard Time) on 11 May 2022. Subject to receiving effective contrary instructions from the shareholder, dividends payable to shareholders with a registered address in the United Kingdom (including the Channel Islands and the Isle of Man) or New Zealand will be converted to Pounds Sterling or New Zealand Dollars respectively at an exchange rate calculated on 13 May 2022.

1. Unless otherwise noted, all comparisons are to the half year ended 31 March 2021.
2. Cash profit excludes non-core items included in statutory profit and is provided to assist readers in understanding the result of the core business activities of the Group. The non-core items are calculated consistently period on period so as not to discriminate between positive and negative adjustments, and comprise economic hedging and similar accounting items that represent timing differences that will reverse through earnings in the future. The net after tax adjustment was a reduction to statutory profit of $422 million (all attributable to continuing operations) made up of several items. Refer pages 71 to 73 for further details.
3. There is no conduit foreign income attributed to the dividends.
4. It is proposed that the interim dividend will be fully franked for Australian tax purposes (30% tax rate) and carry New Zealand imputation credits of NZD 9 cents per ordinary share.

CONSOLIDATED FINANCIAL REPORT, DIVIDEND ANNOUNCEMENT AND APPENDIX 4D

Half year ended 31 March 2022

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

All amounts are in Australian dollars unless otherwise stated. The Company has a formally constituted Audit Committee of the Board of Directors. The Condensed Consolidated Financial Statements were approved by resolution of a Committee of the Board of Directors on 3 May 2022.

DISCLAIMER & IMPORTANT NOTICE:

The material in the Results Announcement contains general background information about the Bank's activities current as at 3 May 2022. It is information given in summary form and does not purport to be complete. It is not intended to be and should not be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

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

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SUMMARY OF 2022 HALF YEAR RESULTS AND ASSOCIATED DISCLOSURE MATERIALS

The following disclosure items were lodged separately with the ASX and NZX and can be accessed via the ANZ Shareholder Centre on the Group website https://www.anz.com/shareholder/centre/ within the disclosures for 2022 Half Year Results.

- **Consolidated Financial Report, Dividend Announcement and Appendix 4D**
- **Half Year Results Investor Discussion Pack**
- **News Release**
- **APS 330 Pillar III Disclosure as at 31 March 2022**
- **Key Financial Data Summary (available on website only)**
- **United Kingdom Disclosure and Transparency Rules Submission**

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Guide to Half Year Results

NON-IFRS INFORMATION

Statutory profit is prepared in accordance with the recognition and measurement requirements of *Australian Accounting Standards*, which comply with *International Financial Reporting Standards* (IFRS). The Group provides additional measures of performance in the Consolidated Financial Report & Dividend Announcement which are prepared on a basis other than in accordance with accounting standards. The guidance provided in *Australian Securities and Investments Commission (ASIC) Regulatory Guide 230* has been followed when presenting this information.

Cash Profit

Cash profit, a non-IFRS measure, represents ANZ's preferred measure of the result of the core business activities of the Group, enabling readers to assess Group and Divisional performance against prior periods and against peer institutions. The adjustments made in arriving at cash profit are included in statutory profit which is subject to review within the context of the external auditor's review of the Condensed Consolidated Financial Statements. Cash profit is not subject to review by the external auditor. The external auditor has informed the Audit Committee that cash profit adjustments have been determined on a consistent basis across each period presented.

- **Adjustments between statutory profit and cash profit** - To calculate cash profit, the Group excludes non-core items from statutory profit. Refer to pages 71 to 73 for adjustments between statutory and cash profit.
- **Large/notable items within cash profit** - The Group's cash profit result from continuing operations includes a number of items collectively referred to as large/notable items. While these items form part of cash profit, given their nature and significance, they have been presented separately together with comparative information, where relevant, to provide transparency and aid comparison. Refer to pages 12 to 16 for details of large/notable items.

DISCONTINUED OPERATIONS

The Group completed the sale of its aligned dealer groups business to IOOF Holdings Limited (now known as Insignia Financial Limited) on 1 October 2018, its life insurance business to Zurich Financial Services Australia on 31 May 2019 and its OnePath pensions and investments business to IOOF Holdings Limited on 31 January 2020.

The financial results of these divested businesses are treated as discontinued operations from a financial reporting perspective. The financial results after transaction completion primarily relate to residual operational costs on separation and partial recovery of certain costs based on the respective Transition Service Agreements.

There were no material financial impacts from the discontinued operations in the current or prior comparative periods.

DIVISIONAL PERFORMANCE - CONTINUING OPERATIONS

On 1 March 2022, the Group announced a structural change to the existing Australia Retail and Commercial division, and the digital businesses in the Group Centre division (formerly known as the Technology, Services & Operations (TSO) and Group Centre division). This involves the integration of the Australian retail and digital businesses, and the separation of the Australian commercial business into a new division. The new reporting segments will be reflected in the September 2022 half to align with the implementation of the changes from 1 April 2022. The segment disclosures in this document remain unchanged from those reported at 30 September 2021 and are consistent with internal reporting provided to the chief operating decision maker, being the Chief Executive Officer, during the March 2022 half.

The presentation of divisional results has been impacted by the following structural changes during the period. Prior period comparatives have been restated:

- Australia Retail and Commercial division - re-segmentation of customers from Business Banking to Small Business Banking within the division;
- Institutional division - a number of small operations were transferred from Markets to Central Functions within the division;
- the completion of the transfer of Banking Services operations from the Group Centre division to the Institutional division. As the associated costs were previously recharged, there is no change to the previously reported divisional cash profits, however divisional balance sheets and full-time equivalent employees (FTEs) have been restated to reflect this change.

Statutory Profit Results

	Half Year Mar 22 $M	Half Year Sep 21 $M	Half Year Mar 21 $M	Movement Mar 22 v. Sep 21	Movement Mar 22 v. Mar 21
Net interest income	**7,100**	7,175	6,986	-1%	2%
Other operating income	**2,442**	1,878	1,381	30%	77%
Operating income	**9,542**	9,053	8,367	5%	14%
Operating expenses	**(4,791)**	(4,569)	(4,482)	5%	7%
Profit before credit impairment and income tax	**4,751**	4,484	3,885	6%	22%
Credit impairment (charge)/release	**284**	76	491	large	-42%
Profit before income tax	**5,035**	4,560	4,376	10%	15%
Income tax expense and non-controlling interests	**(1,500)**	(1,332)	(1,425)	13%	5%
Profit attributable to shareholders of the Company from continuing operations	**3,535**	3,228	2,951	10%	20%
Profit/(Loss) from discontinued operations	**(5)**	(9)	(8)	-44%	-38%
Profit attributable to shareholders of the Company	**3,530**	3,219	2,943	10%	20%

Earnings Per Ordinary Share (cents)	Reference Page	Half Year Mar 22	Half Year Sep 21	Half Year Mar 21	Movement Mar 22 v. Sep 21	Movement Mar 22 v. Mar 21
Basic	93	**125.7**	113.4	103.7	11%	21%
Diluted	93	**117.7**	106.7	98.4	10%	20%

	Reference Page	Half Year Mar 22	Half Year Sep 21	Half Year Mar 21
Ordinary Share Dividends (cents)				
Interim[1]	92	**72**	-	70
Final[1]	92	**-**	72	-
Total	92	**72**	72	70
Ordinary share dividend payout ratio[2]	92	**57.0%**	63.1%	67.7%
Profitability Ratios				
Return on average ordinary shareholders' equity[3]		**11.3%**	10.2%	9.5%
Return on average assets		**0.70%**	0.63%	0.56%
Net interest margin		**1.58%**	1.65%	1.63%
Net interest income to average credit RWAs		**4.10%**	4.18%	3.99%
Efficiency Ratios				
Operating expenses to operating income		**50.5%**	50.9%	53.8%
Operating expenses to average assets		**0.96%**	0.90%	0.87%
Credit Impairment Charge/(Release)				
Individually assessed credit impairment charge ($M)		**87**	69	187
Collectively assessed credit impairment charge/(release) ($M)		**(371)**	(145)	(678)
Total credit impairment charge/(release) ($M)	100	**(284)**	(76)	(491)
Individually assessed credit impairment charge as a % of average gross loans and advances[4]		**0.03%**	0.02%	0.06%
Total credit impairment charge/(release) as a % of average gross loans and advances[4]		**(0.09%)**	(0.02%)	(0.16%)

1. *Fully franked for Australian tax purposes (30% tax rate) and carry New Zealand imputation credits of NZD 9 cents for the proposed 2022 interim dividend (2021 final dividend: NZD 8 cents; 2021 interim dividend: NZD 8 cents).*
2. *Dividend payout ratio for the March 2022 half is calculated using the proposed 2022 interim dividend of $2,012 million, based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the September 2021 half and the March 2021 half were calculated using actual dividends of $2,030 million and $1,992 million respectively.*
3. *Average ordinary shareholders' equity excludes non-controlling interests.*
4. *Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Cash Profit Results[1]

	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Net interest income	**7,100**	7,175	6,986	-1%	2%
Other operating income	**1,848**	1,849	1,437	0%	29%
Operating income	**8,948**	9,024	8,423	-1%	6%
Operating expenses	**(4,791)**	(4,569)	(4,482)	5%	7%
Profit before credit impairment and income tax	**4,157**	4,455	3,941	-7%	5%
Credit impairment (charge)/release	**284**	76	491	large	-42%
Profit before income tax	**4,441**	4,531	4,432	-2%	0%
Income tax expense and non-controlling interests	**(1,328)**	(1,323)	(1,442)	0%	-8%
Cash profit from continuing operations	**3,113**	3,208	2,990	-3%	4%
Cash profit/(loss) from discontinued operations	**(5)**	(9)	(8)	-44%	-38%
Cash profit	**3,108**	3,199	2,982	-3%	4%

Earnings Per Ordinary Share (cents)		Half Year			Movement	
	Reference Page	Mar 22	Sep 21	Mar 21	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Basic		**110.7**	112.7	105.0	-2%	5%
Basic - continuing operations	37	**110.8**	113.0	105.3	-2%	5%
Diluted		**104.0**	106.1	99.6	-2%	4%

		Half Year		
	Reference Page	Mar 22	Sep 21	Mar 21
Ordinary Share Dividends				
Ordinary share dividend payout ratio[2]		**64.7%**	63.5%	66.8%
Ordinary share dividend payout ratio - continuing operations[2]	38	**64.6%**	63.3%	66.6%
Profitability Ratios				
Return on average ordinary shareholders' equity[3]		**10.0%**	10.2%	9.7%
Return on average assets		**0.62%**	0.62%	0.57%
Net interest margin		**1.58%**	1.65%	1.63%
Net interest income to average credit RWAs		**4.10%**	4.18%	3.99%
Efficiency Ratios				
Operating expenses to operating income		**53.9%**	51.0%	53.5%
Operating expenses to average assets		**0.96%**	0.90%	0.87%
Credit Impairment Charge/(Release)				
Individually assessed credit impairment charge ($M)	29	**87**	69	187
Collectively assessed credit impairment charge/(release) ($M)	29	**(371)**	(145)	(678)
Total credit impairment charge/(release) ($M)	29	**(284)**	(76)	(491)
Individually assessed credit impairment charge as a % of average gross loans and advances[4]		**0.03%**	0.02%	0.06%
Total credit impairment charge/(release) as a % of average gross loans and advances[4]		**(0.09%)**	(0.02%)	(0.16%)

Cash Profit/(Loss) By Division - continuing operations	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Australia Retail and Commercial	**1,986**	1,835	1,782	8%	11%
Institutional	**730**	939	948	-22%	-23%
New Zealand	**787**	737	771	7%	2%
Pacific	**(6)**	(10)	7	-40%	large
Group Centre	**(384)**	(293)	(518)	31%	-26%
Cash profit from continuing operations	**3,113**	3,208	2,990	-3%	4%

1. *Cash profit excludes non-core items included in statutory profit and is provided to assist readers in understanding the results of the core business activities of the Group. Refer to pages 71 to 73 for the reconciliation between statutory and cash profit. Refer to pages 12 to 16 for information on large/notable items included in cash profit from continuing operations.*
2. *Dividend payout ratio for the March 2022 half is calculated using the proposed 2022 interim dividend of $2,012 million, based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the September 2021 half and the March 2021 half were calculated using actual dividends of $2,030 million and $1,992 million respectively.*
3. *Average ordinary shareholders' equity excludes non-controlling interests.*
4. *Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Key Balance Sheet Metrics

	Reference Page	As at Mar 22	As at Sep 21	As at Mar 21	Movement Mar 22 v. Sep 21	Movement Mar 22 v. Mar 21
Capital Management						
Common Equity Tier 1 (Level 2)						
- APRA Basel 3	42	**11.5%**	12.3%	12.4%		
- Internationally Comparable Basel 3[1]	42	**18.0%**	18.3%	18.1%		
Credit risk weighted assets ($B)	42	**348.8**	342.5	341.9	2%	2%
Total risk weighted assets ($B)	42	**437.9**	416.1	408.2	5%	7%
APRA Leverage Ratio	44	**5.2%**	5.5%	5.5%		
Balance Sheet: Key Items						
Gross loans and advances ($B)		**655.0**	633.8	618.6	3%	6%
Net loans and advances ($B)		**651.4**	629.7	614.4	3%	6%
Total assets ($B)		**1,017.4**	978.9	1,018.3	4%	0%
Customer deposits ($B)		**611.1**	593.6	561.5	3%	9%
Total equity ($B)		**61.8**	63.7	62.6	-3%	-1%

Liquidity Risk	Reference Page	As at Mar 22	As at Sep 21	As at Mar 21	Movement Mar 22 v. Sep 21	Movement Mar 22 v. Mar 21
Liquidity Coverage Ratio[2]	40	**132%**	136%	138%	-4%	-6%
Net Stable Funding Ratio	41	**123%**	124%	121%	-1%	2%

	Reference Page	As at Mar 22	As at Sep 21	As at Mar 21	Movement Mar 22 v. Sep 21	Movement Mar 22 v. Mar 21
Impaired Assets						
Gross impaired assets ($M)	32	**1,709**	1,965	2,473	-13%	-31%
Gross impaired assets as a % of gross loans and advances		**0.26%**	0.31%	0.40%		
Net impaired assets ($M)	32	**1,073**	1,278	1,664	-16%	-36%
Net impaired assets as a % of shareholders' equity		**1.7%**	2.0%	2.7%		
Individually assessed provision ($M)	31	**636**	687	809	-7%	-21%
Individually assessed provision as a % of gross impaired assets		**37.2%**	35.0%	32.7%		
Collectively assessed provision ($M)	31	**3,757**	4,195	4,285	-10%	-12%
Collectively assessed provision as a % of credit risk weighted assets		**1.08%**	1.22%	1.25%		
Net Tangible Assets						
Net tangible assets attributable to ordinary shareholders ($B)[3]		**57.7**	59.5	58.5	-3%	-1%
Net tangible assets per ordinary share ($)		**20.64**	21.09	20.57	-2%	0%

Net Loans and Advances by division	As at Mar 22 $B	As at Sep 21 $B	As at Mar 21 $B	Movement Mar 22 v. Sep 21	Movement Mar 22 v. Mar 21
Australia Retail and Commercial	**342.2**	341.2	344.3	0%	-1%
Institutional[4]	**175.0**	158.2	147.5	11%	19%
New Zealand[5]	**129.6**	128.5	120.5	1%	8%
Pacific	**1.7**	1.8	1.7	-6%	0%
Group Centre	**2.9**	-	0.4	n/a	large
Net loans and advances by division	**651.4**	629.7	614.4	3%	6%

1. *See page 43 for further details regarding the differences between APRA Basel 3 and Internationally Comparable Basel 3 standards.*
2. *Liquidity Coverage Ratio is calculated on a half year average basis.*
3. *Equals total shareholders' equity less total non-controlling interests, goodwill and other intangible assets.*
4. *Excluding the impact of foreign currency translation, the Institutional division Net loans and advances increased 13% compared to September 2021 and 18% compared to March 2021.*
5. *Excluding the impact of foreign currency translation, the New Zealand division Net loans and advances increased 4% compared to September 2021 and 6% compared to March 2021.*

Large/Notable Items - continuing operations

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

Business Divestments/Closures

The following divestments and business closures form part of continuing operations as they did not qualify as discontinued operations under accounting standards. The financial impacts from these divestments/closures are summarised below including the business results for those divestments that have completed during the half.

	Gain/(Loss) from divestments/closures			Completed divested business results		
	Half Year			Half Year		
Cash Profit Impact	**Mar 22 $M**	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 $M**	**Sep 21 $M**	**Mar 21 $M**
ANZ Worldline partnership	**307**	-	-	**60**	46	77
ANZ Share Investing	**-**	-	(251)	**-**	-	-
Financial planning and advice business	**(69)**	-	-	**-**	-	-
Legal entity rationalisation	**(65)**	-	-	**-**	-	-
Other divestments	**(5)**	-	13	**-**	-	-
Profit/(Loss) before income tax	**168**	-	(238)	**60**	46	77
Income tax benefit/(expense) and non-controlling interests	**37**	-	-	**(18)**	(14)	(23)
Cash profit/(loss) from continuing operations	**205**	-	(238)	**42**	32	54

- **ANZ Worldline partnership**

  The Group announced in December 2020 that it had entered into a partnership with the European-based payments company Worldline AS (Worldline). The partnership arrangement involves ANZ and Worldline forming a newly created merchant acquiring group, with ANZ and Worldline holding 49% and 51% interests respectively. The transaction completed in the March 2022 half and the Group recognised a $307 million gain in Other operating income and an income tax benefit of $28 million in the Australia Retail and Commercial division. The divested business results were recognised across the Australia Retail and Commercial and Institutional divisions.

- **ANZ Share Investing**

  During the March 2021 half, the Group recognised a $251 million loss in Other operating income on reclassifying its ANZ Share Investing business as held for sale in the Australia Retail and Commercial division. This transaction completed during the September 2021 half with no further gain or loss recognised.

- **Financial planning and advice business**

  During the March 2022 half, the Group agreed to sell its financial planning and advice business servicing the affluent customer segment to Zurich Financial Services Australia Ltd. As a result of the transaction, the Group recognised a $62 million loss largely comprising a goodwill write-off of $40 million in Other operating income, restructuring expenses of $7 million, and an income tax benefit of $9 million in the Australia Retail and Commercial division.

- **Legal entity rationalisation**

  During the March 2022 half, in order to simplify the Group's legal entity structure, the business previously conducted by Minerva Holdings Limited (Minerva) in the United Kingdom and ANZ Asia Limited (ANZ Asia) in Hong Kong were dissolved. As a result, the associated foreign currency translation reserves were recycled from Other comprehensive income to profit or loss, resulting in a $65 million loss recognised in Other operating income in the Group Centre division.

- **Other divestments**

  During the March 2022 half, the Group announced the planned closure of the ANZ American Territories (ANZ American Samoa and ANZ Guam). A cost of $18 million, comprising restructuring expenses of $12 million and a credit impairment charge of $6 million, was recognised in the Pacific division. In addition, the Group released excess provisions originally raised as part of the UDC Finance and Paymark Limited divestments completed in prior years and recognised a $13 million gain in Other operating income in the Group Centre division.

  During the March 2021 half, the Group disposed of its rights and obligations relating to a legacy portfolio of insurance underwritten by Tower Limited (Tower) to Tower and recognised a $13 million gain in Other operating income in the New Zealand division.

Customer remediation

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

	Half Year		
Cash Profit Impact	**Mar 22 $M**	**Sep 21 $M**	**Mar 21 $M**
Operating income	**(25)**	(68)	(74)
Operating expenses	**(148)**	(93)	(92)
Profit/(Loss) before income tax	**(173)**	(161)	(166)
Income tax benefit/(expense) and non-controlling interests	**50**	48	58
Cash profit/(loss) from continuing operations	**(123)**	(113)	(108)

Litigation settlements

During the March 2022 half, the Group entered into an in-principle agreement to settle a United States class action related to the trading of products based on certain benchmark reference rates and recognised expenses of $10 million after tax in relation to the proposed settlement and related costs. The settlement is without admission of liability and remains subject to negotiation and execution of complete settlement terms as well as court approval.

During the March 2021 half, the Group reached an agreement to settle a separate United States class action related to other benchmark based products and activities and recognised expenses of $48 million after tax. The settlement is without admission of liability and remains subject to court approval.

Restructuring

In addition to the restructuring expenses associated with business divestments/closures, the Group recognised restructuring expenses of $31 million after tax in the March 2022 half year (Sep 21 half: $16 million; Mar 21 half: $76 million) relating to operational changes across all divisions.

Withholding tax

During the March 2022 half, a dividend payment of $714 million (net of withholding tax) was made by ANZ Papua New Guinea (ANZ PNG) to Australia and New Zealand Banking Group Limited (ANZBGL) in order to rebalance capital positions within the Group in response to APRA's changes in the capital requirements for subsidiaries. ANZBGL made a capital injection into ANZ PNG equivalent to the dividend, net of withholding tax. As a result of the dividend payment, a dividend withholding tax expense of $126 million was recognised during the period.

Asian associate items

	Half Year		
	Mar 22 $M	**Sep 21 $M**	**Mar 21 $M**
AmBank 1MDB settlement[1]	**-**	-	(212)
AmBank goodwill impairment[2]	**-**	-	(135)
Profit/(Loss) before income tax	**-**	-	(347)
Income tax benefit/(expense) and non-controlling interests	**-**	-	-
Cash profit/(loss) from continuing operations	**-**	-	(347)

1. *Following AMMB Holdings Berhad's (AmBank) agreement with the Malaysian Ministry of Finance to resolve potential claims relating to its involvement with 1Malaysia Development Berhad (1MDB), the Group recognised a $212 million reduction in equity accounted earnings after tax reflecting its share of the settlement provision during the March 2021 half.*
2. *AmBank partially impaired goodwill and the Group recognised a $135 million reduction in equity accounted earnings after tax reflecting its share of the impairment during the March 2021 half.*

Large/Notable items - continuing operations

Cash Profit Results	March 2022 Half Year v. March 2021 Half Year							March 2022 Half Year v. September 2021 Half Year						
	Mar 22	Large/ notables	Mar 22 ex. Large/ notables	Mar 21	Large/ notables	Mar 21 ex. Large/ notables	Movt ex. Large/ notables	Mar 22	Large/ notables	Mar 22 ex. Large/ notables	Sep 21	Large/ notables	Sep 21 ex. Large/ notables	Movt ex. Large/ notables
	$M	$M	$M	$M	$M	$M	%	$M	$M	$M	$M	$M	$M	%
Net interest income	**7,100**	**(3)**	**7,103**	6,986	(56)	7,042	1%	**7,100**	**(3)**	**7,103**	7,175	(30)	7,205	-1%
Other operating income	**1,848**	**258**	**1,590**	1,437	(500)	1,937	-18%	**1,848**	**258**	**1,590**	1,849	39	1,810	-12%
Operating income	**8,948**	**255**	**8,693**	8,423	(556)	8,979	-3%	**8,948**	**255**	**8,693**	9,024	9	9,015	-4%
Operating expenses	**(4,791)**	**(236)**	**(4,555)**	(4,482)	(295)	(4,187)	9%	**(4,791)**	**(236)**	**(4,555)**	(4,569)	(146)	(4,423)	3%
Profit before credit impairment and income tax	**4,157**	**19**	**4,138**	3,941	(851)	4,792	-14%	**4,157**	**19**	**4,138**	4,455	(137)	4,592	-10%
Credit impairment (charge)/release	**284**	**(4)**	**288**	491	3	488	-41%	**284**	**(4)**	**288**	76	-	76	large
Profit/(Loss) before income tax	**4,441**	**15**	**4,426**	4,432	(848)	5,280	-16%	**4,441**	**15**	**4,426**	4,531	(137)	4,668	-5%
Income tax benefit/(expense) and non-controlling interests	**(1,328)**	**(58)**	**(1,270)**	(1,442)	85	(1,527)	-17%	**(1,328)**	**(58)**	**(1,270)**	(1,323)	40	(1,363)	-7%
Cash profit/(loss) from continuing operations	**3,113**	**(43)**	**3,156**	2,990	(763)	3,753	-16%	**3,113**	**(43)**	**3,156**	3,208	(97)	3,305	-5%

Cash Profit/(Loss) By Division	March 2022 Half Year v. March 2021 Half Year							March 2022 Half Year v. September 2021 Half Year						
	Mar 22	Large/ notables	Mar 22 ex. Large/ notables	Mar 21	Large/ notables	Mar 21 ex. Large/ notables	Movt ex. Large/ notables	Mar 22	Large/ notables	Mar 22 ex. Large/ notables	Sep 21	Large/ notables	Sep 21 ex. Large/ notables	Movt ex. Large/ notables
	$M	$M	$M	$M	$M	$M	%	$M	$M	$M	$M	$M	$M	%
Australia Retail and Commercial	**1,986**	**181**	**1,805**	1,782	(373)	2,155	-16%	**1,986**	**181**	**1,805**	1,835	(76)	1,911	-6%
Institutional	**730**	**(140)**	**870**	948	(21)	969	-10%	**730**	**(140)**	**870**	939	(6)	945	-8%
New Zealand	**787**	**(4)**	**791**	771	6	765	3%	**787**	**(4)**	**791**	737	(11)	748	6%
Pacific	**(6)**	**(18)**	**12**	7	(1)	8	50%	**(6)**	**(18)**	**12**	(10)	(1)	(9)	large
Group Centre	**(384)**	**(62)**	**(322)**	(518)	(374)	(144)	large	**(384)**	**(62)**	**(322)**	(293)	(3)	(290)	11%
Cash profit/(loss) from continuing operations	**3,113**	**(43)**	**3,156**	2,990	(763)	3,753	-16%	**3,113**	**(43)**	**3,156**	3,208	(97)	3,305	-5%

Large/Notable items - continuing operations

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

	March 2022 Half Year							March 2021 Half Year						
	Large/notable items included in continuing cash profit							Large/notable items included in continuing cash profit						
	Gain/(Loss) from divestments /closures $M	Divested business results $M	Customer remediation $M	Litigation settlements $M	Restructuring[1] $M	Withholding tax $M	Total $M	Gain/(Loss) from divestments /closures $M	Divested business results $M	Customer remediation $M	Litigation settlements $M	Restructuring $M	Asian associate items $M	Total $M
Cash Profit														
Net interest income	-	-	(3)	-	-	-	**(3)**	-	-	(56)	-	-	-	**(56)**
Other operating income	193	87	(22)	-	-	-	**258**	(238)	103	(18)	-	-	(347)	**(500)**
Operating income	193	87	(25)	-	-	-	**255**	(238)	103	(74)	-	-	(347)	**(556)**
Operating expenses	(19)	(29)	(148)	(10)	(30)	-	**(236)**	-	(29)	(92)	(69)	(105)	-	**(295)**
Profit before credit impairment and income tax	174	58	(173)	(10)	(30)	-	**19**	(238)	74	(166)	(69)	(105)	(347)	**(851)**
Credit impairment (charge)/ release	(6)	2	-	-	-	-	**(4)**	-	3	-	-	-	-	**3**
Profit before income tax	168	60	(173)	(10)	(30)	-	**15**	(238)	77	(166)	(69)	(105)	(347)	**(848)**
Income tax benefit/(expense) and non-controlling interests	37	(18)	50	-	(1)	(126)	**(58)**	-	(23)	58	21	29	-	**85**
Cash profit/(loss) from continuing operations	205	42	(123)	(10)	(31)	(126)	**(43)**	(238)	54	(108)	(48)	(76)	(347)	**(763)**

	March 2022 Half Year							September 2021 Half Year						
	Large/notable items included in continuing cash profit							Large/notable items included in continuing cash profit						
	Gain/(Loss) from divestments /closures $M	Divested business results $M	Customer remediation $M	Litigation settlements $M	Restructuring[1] $M	Withholding tax $M	Total $M	Gain/(Loss) from divestments /closures $M	Divested business results $M	Customer remediation $M	Litigation settlements $M	Restructuring $M	Asian associate items $M	Total $M
Cash Profit														
Net interest income	-	-	(3)	-	-	-	**(3)**	-	-	(30)	-	-	-	**(30)**
Other operating income	193	87	(22)	-	-	-	**258**	-	77	(38)	-	-	-	**39**
Operating income	193	87	(25)	-	-	-	**255**	-	77	(68)	-	-	-	**9**
Operating expenses	(19)	(29)	(148)	(10)	(30)	-	**(236)**	-	(31)	(93)	-	(22)	-	**(146)**
Profit before credit impairment and income tax	174	58	(173)	(10)	(30)	-	**19**	-	46	(161)	-	(22)	-	**(137)**
Credit impairment (charge)/ release	(6)	2	-	-	-	-	**(4)**	-	-	-	-	-	-	**-**
Profit before income tax	168	60	(173)	(10)	(30)	-	**15**	-	46	(161)	-	(22)	-	**(137)**
Income tax benefit/(expense) and non-controlling interests	37	(18)	50	-	(1)	(126)	**(58)**	-	(14)	48	-	6	-	**40**
Cash profit/(loss) from continuing operations	205	42	(123)	(10)	(31)	(126)	**(43)**	-	32	(113)	-	(16)	-	**(97)**

1. *Restructuring expense before tax of $30 million (Sep 21: $22 million; Mar 21: $105 million) does not include restructuring expenses of $19 million (Sep 21: nil; Mar 21: nil) incurred as part of the business divestments/closures.*

Large/Notable items - continuing operations

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

	March 2022 Half Year							March 2021 Half Year						
	Large/notable items included in continuing cash profit							Large/notable items included in continuing cash profit						
	Gain/(Loss) from divestments /closures $M	Divested business results $M	Customer remediation $M	Litigation settlements $M	Restructuring[1] $M	Withholding tax $M	Total $M	Gain/(Loss) from divestments /closures $M	Divested business results $M	Customer remediation $M	Litigation settlements $M	Restructuring $M	Asian associate items $M	Total $M
Profit before income tax														
Australia Retail and Commercial	238	53	(167)	-	(14)	-	**110**	(251)	59	(191)	-	(40)	-	**(423)**
Institutional	-	7	(6)	(10)	(4)	-	**(13)**	-	18	25	(69)	(16)	-	**(42)**
New Zealand	-	-	-	-	(6)	-	**(6)**	13	-	-	-	(10)	-	**3**
Pacific	(18)	-	-	-	-	-	**(18)**	-	-	-	-	(1)	-	**(1)**
Group Centre	(52)	-	-	-	(6)	-	**(58)**	-	-	-	-	(38)	(347)	**(385)**
Profit before income tax	168	60	(173)	(10)	(30)	-	**15**	(238)	77	(166)	(69)	(105)	(347)	**(848)**
Income tax benefit/(expense) and non-controlling interests	37	(18)	50	-	(1)	(126)	**(58)**	-	(23)	58	21	29	-	**85**
Cash profit/(loss) from continuing operations	205	42	(123)	(10)	(31)	(126)	**(43)**	(238)	54	(108)	(48)	(76)	(347)	**(763)**

	March 2022 Half Year							September 2021 Half Year						
	Large/notable items included in continuing cash profit							Large/notable items included in continuing cash profit						
	Gain/(Loss) from divestments /closures $M	Divested business results $M	Customer remediation $M	Litigation settlements $M	Restructuring[1] $M	Withholding tax $M	Total $M	Gain/(Loss) from divestments /closures $M	Divested business results $M	Customer remediation $M	Litigation settlements $M	Restructuring $M	Asian associate items $M	Total $M
Profit before income tax														
Australia Retail and Commercial	238	53	(167)	-	(14)	-	**110**	-	48	(146)	-	(12)	-	**(110)**
Institutional	-	7	(6)	(10)	(4)	-	**(13)**	-	(2)	3	-	(8)	-	**(7)**
New Zealand	-	-	-	-	(6)	-	**(6)**	-	-	(16)	-	1	-	**(15)**
Pacific	(18)	-	-	-	-	-	**(18)**	-	-	(2)	-	-	-	**(2)**
Group Centre	(52)	-	-	-	(6)	-	**(58)**	-	-	-	-	(3)	-	**(3)**
Profit before income tax	168	60	(173)	(10)	(30)	-	**15**	-	46	(161)	-	(22)	-	**(137)**
Income tax benefit/(expense) and non-controlling interests	37	(18)	50	-	(1)	(126)	**(58)**	-	(14)	48	-	6	-	**40**
Cash profit/(loss) from continuing operations	205	42	(123)	(10)	(31)	(126)	**(43)**	-	32	(113)	-	(16)	-	**(97)**

1. *Restructuring expense before tax of $30 million (Sep 21: $22 million; Mar 21: $105 million) does not include restructuring expenses of $19 million (Sep 21: nil; Mar 21: nil) incurred as part of the business divestments/closures.*

Full Time Equivalent Staff

As at 31 March 2022, ANZ employed 40,012 staff (Sep 21: 40,221; Mar 21: 38,555) on a full-time equivalent (FTE) basis.

Division	As at			Movement	
	Mar 22	Sep 21	Mar 21	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Australia Retail and Commercial	**14,505**	14,480	14,118	0%	3%
Institutional[1]	**6,236**	6,196	6,061	1%	3%
New Zealand	**7,026**	7,060	6,691	0%	5%
Pacific	**1,092**	1,089	1,101	0%	-1%
Group Centre[1,2]	**10,670**	10,859	9,873	-2%	8%
Total FTE from continuing operations	**39,529**	39,684	37,844	0%	4%
Discontinued operations	**483**	537	711	-10%	-32%
Total FTE including discontinued operations	**40,012**	40,221	38,555	-1%	4%
Average FTE from continuing operations	**40,013**	38,489	37,594	4%	6%
Average FTE including discontinued operations	**40,522**	39,093	38,532	4%	5%

Geography	As at			Movement	
	Mar 22	Sep 21	Mar 21	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Australia	**19,650**	19,552	18,664	1%	5%
Asia, Pacific, Europe & America	**12,931**	13,196	12,678	-2%	2%
New Zealand	**7,431**	7,473	7,213	-1%	3%
Total FTE	**40,012**	40,221	38,555	-1%	4%

1. *FTE has been restated to reflect the transfer of Banking Services from the Group Centre division to the Institutional division during the March 2022 half (Sep 21: 864; Mar 21: 846).*
2. *Excludes FTE of the consolidated investments managed by 1835i Group Pty Ltd (1835i).*

Other Non-Financial Information

	Half Year			Movement	
Shareholder value - ordinary shares	Mar 22	Sep 21	Mar 21	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Share price ($)					
- high	**28.98**	29.64	29.55	-2%	-2%
- low	**24.65**	26.65	16.97	-8%	45%
- closing	**27.60**	28.15	28.18	-2%	-2%
Closing market capitalisation of ordinary shares ($B)	**77.1**	79.5	80.2	-3%	-4%
Total shareholder returns (TSR)	**0.5%**	2.4%	66.6%	large	large

	As at Mar 22		
Credit ratings	Short-Term	Long-Term	Outlook
Moody's Investors Service	P-1	Aa3	Stable
Standard & Poor's	A-1+	AA-	Stable
Fitch Ratings	F1	A+	Stable

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Non-IFRS Information

Statutory profit is prepared in accordance with the recognition and measurement requirements of *Australian Accounting Standards*, which comply with *International Financial Reporting Standards* (IFRS). The Group provides additional measures of performance in the Consolidated Financial Report & Dividend Announcement which are prepared on a basis other than in accordance with accounting standards. The guidance provided in *Australian Securities and Investments Commission (ASIC) Regulatory Guide 230* has been followed when presenting this information.

Cash Profit

Cash profit, a non-IFRS measure, represents ANZ's preferred measure of the result of the core business activities of the Group, enabling readers to assess Group and Divisional performance against prior periods and against peer institutions. To calculate cash profit, the Group excludes non-core items from statutory profit (refer to Definitions on pages 131 to 132 for further details). The adjustments made in arriving at cash profit are included in statutory profit which is subject to review within the context of the external auditor's review of the Condensed Consolidated Financial Statements. Cash profit is not subject to review by the external auditor. The external auditor has informed the Audit Committee that cash profit adjustments have been determined on a consistent basis across each period presented.

This Group Results section is reported on a cash profit basis from continuing operations unless otherwise stated.

	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Statutory profit attributable to shareholders of the Company from continuing operations	**3,535**	3,228	2,951	10%	20%
Adjustments between statutory profit and cash profit[1]					
Economic hedges	**(373)**	(128)	51	large	large
Revenue and expense hedges	**(49)**	108	(12)	large	large
Total adjustments between statutory profit and cash profit from continuing operations	**(422)**	(20)	39	large	large
Cash profit from continuing operations	**3,113**	3,208	2,990	-3%	4%

1. *Refer to pages 71 to 73 for analysis of the adjustments between statutory profit and cash profit.*

Group performance - cash profit	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Net interest income	**7,100**	7,175	6,986	-1%	2%
Other operating income	**1,848**	1,849	1,437	0%	29%
Operating income	**8,948**	9,024	8,423	-1%	6%
Operating expenses	**(4,791)**	(4,569)	(4,482)	5%	7%
Profit before credit impairment and income tax	**4,157**	4,455	3,941	-7%	5%
Credit impairment (charge)/release	**284**	76	491	large	-42%
Profit before income tax	**4,441**	4,531	4,432	-2%	0%
Income tax expense and non-controlling interests	**(1,328)**	(1,323)	(1,442)	0%	-8%
Cash profit from continuing operations	**3,113**	3,208	2,990	-3%	4%

	Half Year			Movement	
Cash Profit/(Loss) by Division	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Australia Retail and Commercial	**1,986**	1,835	1,782	8%	11%
Institutional	**730**	939	948	-22%	-23%
New Zealand	**787**	737	771	7%	2%
Pacific	**(6)**	(10)	7	-40%	large
Group Centre	**(384)**	(293)	(518)	31%	-26%
Cash profit from continuing operations	**3,113**	3,208	2,990	-3%	4%

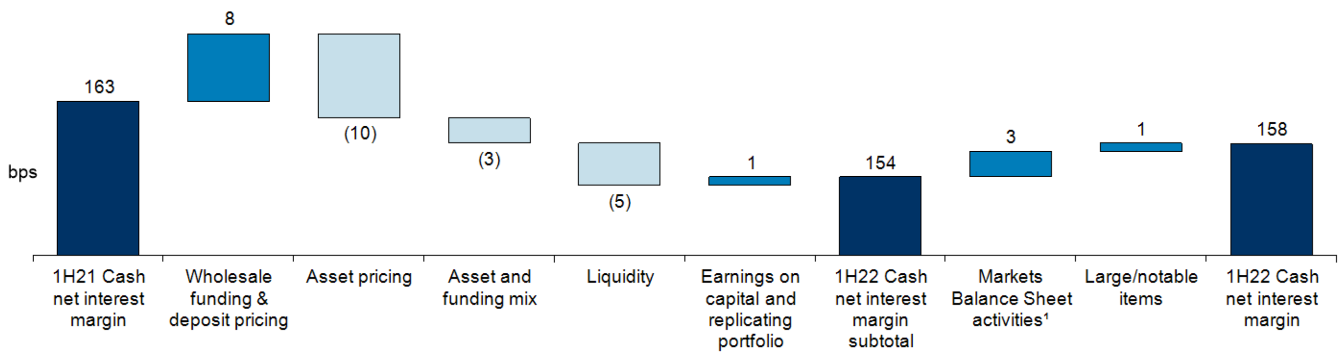
Cash Net Interest Income - continuing operations

	Half Year			Movement	
Group	**Mar 22 $M**	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Net interest income[1]	**7,100**	7,175	6,986	-1%	2%
Average interest earning assets	**899,678**	869,825	857,524	3%	5%
Average deposits and other borrowings	**768,118**	728,925	696,066	5%	10%
Net interest margin (%)	**1.58**	1.65	1.63	-7 bps	-5 bps
Group (excluding Markets business unit)					
Net interest income[1]	**6,684**	6,736	6,584	-1%	2%
Average interest earning assets	**645,467**	618,904	580,971	4%	11%
Average deposits and other borrowings	**593,241**	563,767	532,132	5%	11%
Net interest margin (%)	**2.08**	2.17	2.27	-9 bps	-19 bps

	Half Year			Movement	
Net interest margin by major division[1]	**Mar 22 $M**	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Australia Retail and Commercial					
Net interest margin (%) - cash	**2.55**	2.59	2.56	-4 bps	-1 bps
Average interest earning assets	**303,623**	308,937	311,211	-2%	-2%
Average deposits and other borrowings	**258,812**	245,089	240,094	6%	8%
Institutional					
Net interest margin (%) - cash	**0.83**	0.85	0.77	-2 bps	6 bps
Average interest earning assets	**390,901**	374,019	397,339	5%	-2%
Average deposits and other borrowings	**323,662**	302,551	292,475	7%	11%
New Zealand					
Net interest margin (%) - cash	**2.33**	2.34	2.32	-1 bps	1 bps
Average interest earning assets	**129,773**	125,729	120,580	3%	8%
Average deposits and other borrowings	**105,179**	100,444	95,864	5%	10%

1. *Includes large/notable items of -$3 million for the March 2022 half (Sep 21 half: -$30 million; Mar 21 half: -$56 million). Refer to pages 12 to 16 for further details on large/notable items. Also includes the major bank levy of -$165 million for the March 2022 half (Sep 21 half: -$157 million; Mar 21 half: -$189 million).*

Group net interest margin - March 2022 Half Year v March 2021 Half Year



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

- **March 2022 v March 2021**

  Net interest margin (-5 bps)

  - Wholesale funding & deposit pricing (+8 bps): driven by deposit margin management across all divisions and wholesale funding costs.
  - Asset pricing (-10 bps): driven by pricing competition in home lending in the Australia Retail and Commercial and New Zealand divisions.
  - Asset and funding mix (-3 bps): driven by unfavourable product mix reflecting impacts of customers switching from variable to fixed rate home loans, lower unsecured lending and lower overall growth in the Australia Retail and Commercial division. This was partially offset by favourable deposit mix with growth in at-call deposits, and increased customer deposits relative to wholesale funding.
  - Liquidity (-5 bps): driven by growth in lower yielding liquid assets.
  - Earnings on capital and replicating portfolio (+1 bps): driven by growth in volumes, partially offset by a lower earnings yield.
  - Markets Balance Sheet activities (+3 bps): driven by a reduction in lower margin Markets average interest earning assets.
  - Large/notable items (+1 bps): driven by reduced customer remediation.

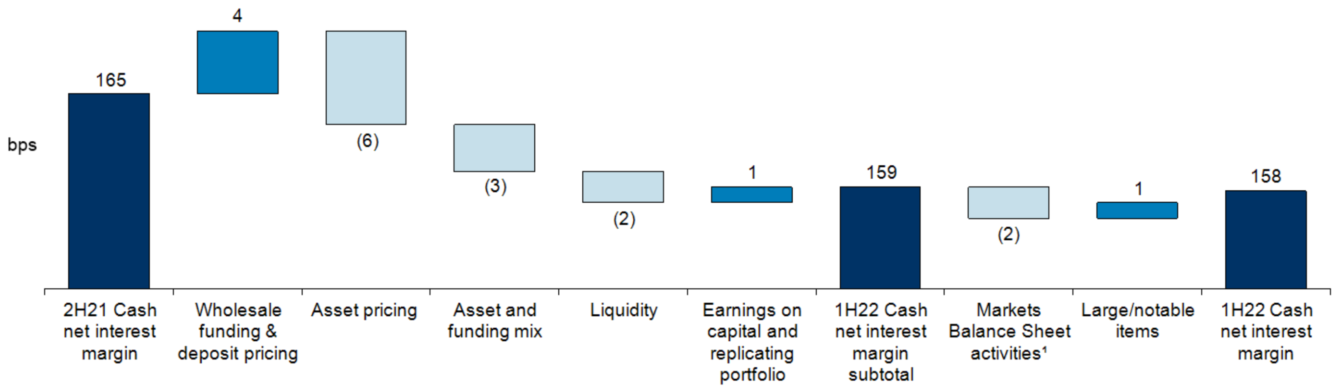
Average interest earning assets (+42.2 billion or +5%)

- Average net loans and advances (+20.6 billion or +4%): driven by lending growth in the Institutional division, home loan growth in the New Zealand division and the impact of foreign currency translation movements, partially offset by a decline in the Australia Retail and Commercial division.
- Average trading and investment securities (-24.1 billion or -17%): driven primarily by portfolio rebalancing activities in Markets, partially offset by the impact of foreign currency translation movements over the period.
- Average cash and other liquid assets (+45.6 billion or +36%): driven by higher central bank balances, partially offset by lower reverse repurchase agreements.

Average deposits and other borrowings (+$72.0 billion or +10%)

- Average deposits and other borrowings (+$72.0 billion or +10%): driven by growth in at-call deposits across all divisions and increases in commercial paper and certificates of deposit, partially offset by lower term deposits.

Group net interest margin - March 2022 Half Year v September 2021 Half Year



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

- **March 2022 v September 2021**

Net interest margin (-7 bps)

- Wholesale funding & deposit pricing (+4 bps): driven by deposit margin management across all divisions and wholesale funding costs.
- Asset pricing (-6 bps): driven by continued competition in home lending in the Australia Retail and Commercial and New Zealand divisions.
- Asset and funding mix (-3 bps): driven by the impacts of customers switching from variable to fixed rate home loans and lower growth in the Australia Retail and Commercial division. This was partially offset by favourable deposit mix with growth in at-call deposits, and increased customer deposits relative to wholesale funding.
- Liquidity (-2 bps): driven by growth in lower yielding liquid assets.
- Earnings on capital and replicating portfolio (+1 bps): driven by growth in volumes and improvement in earnings yield.
- Markets Balance Sheet activities (-2 bps): driven primarily by an increase in lower margin Markets average interest earning assets.
- Large/notable items (+1 bps): driven by lower customer remediation.

Average interest earning assets (+29.9 billion or +3%)

- Average net loans and advances (+19.8 billion or +3%): driven by growth in Institutional lending as well as home lending growth in the New Zealand division and the impact of foreign currency translation movements, partially offset by a decline in the Australia Retail and Commercial division.
- Average trading and investment securities (-10.2 billion or -8%): driven primarily by portfolio rebalancing activities in Markets, partially offset by the impact of foreign currency translation movements over the period.
- Average cash and other liquid assets (+20.3 billion or +13%): driven by higher central bank balances and higher reverse repurchase agreements.

Average deposits and other borrowings (+$39.2 billion or +5%)

- Average deposits and other borrowings (+$39.2 billion or +5%): driven by growth in at-call deposits across all divisions, increases in commercial paper and the impact of foreign currency translation movements, partially offset by lower term deposits and certificates of deposits.

Cash Other Operating Income - continuing operations

	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Net fee and commission income[1]	**953**	1,052	1,011	-9%	-6%
Markets other operating income	**396**	492	638	-20%	-38%
Share of associates' profit/(loss)	**74**	66	(242)	12%	large
Other[1]	**425**	239	30	78%	large
Total	**1,848**	1,849	1,437	0%	29%

	Half Year			Movement	
Other operating income by division	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Australia Retail and Commercial	**746**	587	302	27%	large
Institutional	**782**	864	1,014	-9%	-23%
New Zealand	**245**	231	238	6%	3%
Pacific	**34**	32	33	6%	3%
Group Centre	**41**	135	(150)	-70%	large
Total	**1,848**	1,849	1,437	0%	29%

Markets income	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Net interest income	**416**	439	402	-5%	3%
Other operating income	**396**	492	638	-20%	-38%
Total	**812**	931	1,040	-13%	-22%

Other operating income (excluding large/notable items)

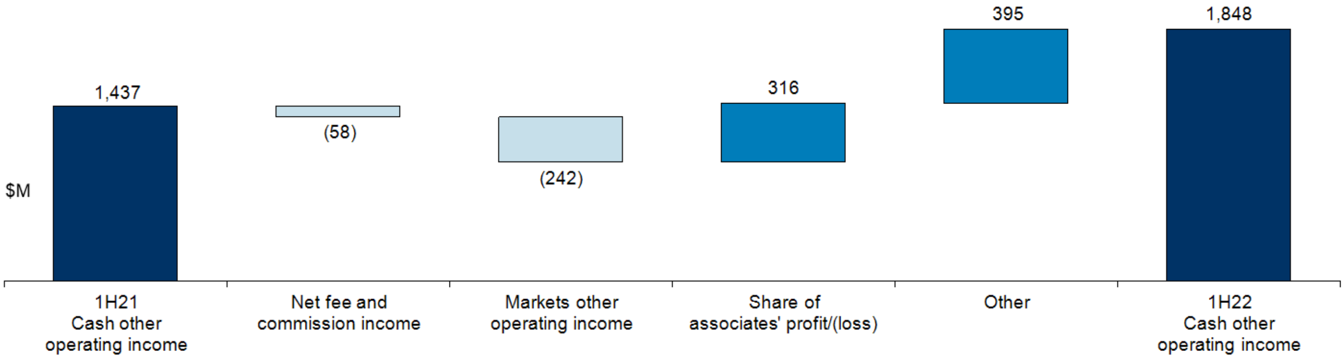
Other operating income included a number of items collectively referred to as large/notable items of $258 million for the March 2022 half (Sep 21 half: $39 million; Mar 21 half: -$500 million). While these items form part of total cash other operating income from continuing operations, they have been excluded from the tables below given their nature and significance. Refer to items on pages 12 to 16 for further details on large/notable items.

Other operating income (excluding large/notable items)	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Net fee and commission income[1]	**883**	1,012	948	-13%	-7%
Markets other operating income	**396**	491	610	-19%	-35%
Share of associates' profit/(loss)	**74**	66	105	12%	-30%
Other[1]	**237**	241	274	-2%	-14%
Total excluding large/notable items	**1,590**	1,810	1,937	-12%	-18%

Other operating income by division (excluding large/notable items)	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Australia Retail and Commercial	**452**	566	522	-20%	-13%
Institutional	**766**	846	960	-9%	-20%
New Zealand	**245**	231	225	6%	9%
Pacific	**34**	32	33	6%	3%
Group Centre	**93**	135	197	-31%	-53%
Total excluding large/notable items	**1,590**	1,810	1,937	-12%	-18%

1. *Excluding the Markets business unit.*

Other operating income - March 2022 Half Year v March 2021 Half Year



- **March 2022 v March 2021**

  Other operating income increased by $411 million (+29%). Excluding large/notable items, Other operating income decreased $347 million (-18%).

  Net fee and commission income (-$58 million or -6%)

  - $59 million decrease in the Australia Retail and Commercial division largely driven by Breakfree package fee changes.
  - $16 million decrease from lower divested business results in the Australia Retail and Commercial and Institutional divisions.
  - $23 million increase driven by lower customer remediation.

  Markets income (-$228 million or -22%)

  Markets income decreased $228 million (-22%) driven by a $242 million decrease in Other operating income, partially offset by a $14 million increase in Net interest income. This was primarily attributable to the following business activities:

  - $179 million decrease in Balance Sheet income from lower realised gains and unfavourable mark-to-market movements attributable to steepening yield curves.
  - $107 million decrease in Credit and Capital Markets income driven by stronger Credit Trading conditions in the March 2021 half.
  - $22 million decrease from Derivative Valuation Adjustments from higher mark-to-market credit valuation adjustments.
  - $53 million increase in Rates income driven by more favourable trading conditions in a rising interest-rate environment.
  - $17 million increase in Foreign Exchange income driven by customer demand for hedging solutions with increased volatility and interest rate differentials across currencies, partially offset by the release of customer remediation provisions in the March 2021 half.
  - $10 million increase in Commodities income driven by increased demand for hedging solutions and more favourable trading conditions.

  Share of associates' profit/(loss) (+$316 million)

  - $347 million increase driven by the Group's share of charges recognised by AmBank in the March 2021 half in respect of the 1MDB settlement ($212 million) and goodwill impairment ($135 million).
  - $31 million decrease in share of associates' profits from PT Panin ($41 million), partially offset by an increase from AmBank ($10 million).

  Other (+$395 million)

  - $431 million increase driven by divestments/closures:
    - $496 million increase in the Australia Retail and Commercial division from the gain on sale on completion of the ANZ Worldline partnership ($307 million) and the loss on reclassification of ANZ Share Investing to held for sale ($251 million) in the March 2021 half, partially offset by loss on sale of the financial planning and advice business ($62 million).
    - $52 million decrease in the Group Centre division driven by the recycling of foreign currency translation reserves from Other comprehensive income to profit or loss on dissolution of Minerva and ANZ Asia ($65 million), partially offset by the release of excess provisions originally raised as part of the UDC Finance and Paymark Limited divestments completed in the prior years ($13 million).
    - $13 million decrease in the New Zealand division from the gain on sale of a legacy insurance portfolio to Tower in the March 2021 half.
  - $29 million increase in the New Zealand division driven by realised gains from the sale of government securities.
  - $18 million increase in the Institutional division driven by higher international payment volumes in Transaction Banking and favourable adjustments to loans measured at fair value in Corporate Finance.
  - $76 million decrease in the Group Centre division primarily driven by lower realised gains on economic hedges against foreign currency denominated revenue streams offsetting net favourable foreign currency translations elsewhere in the Group and lower valuation adjustments from investments measured at fair value in the digital business.
  - $11 million decrease in the Australia Retail and Commercial division driven by a gain on disposal of the offsite ATM network in the March 2021 half.

- **March 2022 v September 2021**

  Other operating income decreased by $1 million (flat). Excluding large/notable items, Other operating income decreased $220 million (-12%).

  Net fee and commission income (-$99 million or -9%)

  - $113 million decrease in the Australia Retail and Commercial division driven by Breakfree package fee changes, the timing of recognition of cards incentives and seasonality of fees.
  - $15 million decrease in the New Zealand division driven by the removal or reduction of funds under management fees.
  - $30 million increase driven by lower customer remediation.

  Markets income (-$119 million or -13%)

  Markets income decreased $119 million (-13%) driven by a $96 million (-20%) decrease in Other operating income and a $23 million (-5%) decrease in Net interest income. This was primarily attributable to the following business activities:

  - $222 million decrease in Balance Sheet income with lower realised gains following portfolio rebalancing in the prior half, and lower interest income.
  - $29 million decrease in Credit and Capital Markets income driven by lower fee revenues from reduced customer issuance volumes and valuation impacts from widening credit spreads.
  - $8 million decrease from Derivative Valuation Adjustments from higher mark-to-market credit valuation adjustments.
  - $62 million increase in Foreign Exchange income driven by customer demand for hedging solutions with increased volatility and interest rate differentials across currencies.
  - $57 million increase in Rates income driven by more favourable trading conditions in a rising interest-rate environment.
  - $21 million increase in Commodities income driven by increased demand for hedging solutions and more favourable trading conditions.

  Share of associates' profit/(loss) (+$8 million or +12%)

  - $8 million increase in the share of associates' profits from AmBank ($34 million), partially offset by a decrease from PT Panin ($26m).

  Other (+$186 million or +78%)

  - $193 million increase driven by divestments/closures:
    - $245 million increase in the Australia Retail and Commercial division from the gain on sale on completion of the ANZ Worldline partnership ($307 million) partially offset by loss on sale of the financial planning and advice business ($62 million).
    - $52 million decrease in the Group Centre division driven by the recycling of foreign currency translation reserves from Other comprehensive income to profit or loss on dissolution of Minerva and ANZ Asia ($65 million) partially offset by the release of excess provisions originally raised as part of the UDC Finance and Paymark Limited divestments completed in the prior years ($13 million).
  - $29 million increase in the New Zealand division driven by realised gains from the sale of government securities.
  - $15 million increase in the Institutional division driven by higher international payment volumes in Transaction Banking and favourable adjustments to loans measured at fair value in Corporate Finance.
  - $50 million decrease in the Group Centre division primarily driven by lower realised gains on economic hedges against foreign currency denominated revenue streams offsetting net favourable foreign currency translations elsewhere in the Group and lower valuation adjustments from investments measured at fair value in the digital business.

Cash Operating Expenses - continuing operations

	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Personnel	**2,654**	2,497	2,449	6%	8%
Premises	**341**	355	350	-4%	-3%
Technology	**815**	803	785	1%	4%
Restructuring	**49**	22	105	large	-53%
Other	**932**	892	793	4%	18%
Total	**4,791**	4,569	4,482	5%	7%

	Half Year			Movement	
Operating expenses by division	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Australia Retail and Commercial	**2,155**	2,024	2,000	6%	8%
Institutional	**1,241**	1,173	1,274	6%	-3%
New Zealand	**678**	702	623	-3%	9%
Pacific	**80**	73	71	10%	13%
Group Centre	**637**	597	514	7%	24%
Total	**4,791**	4,569	4,482	5%	7%

	Half Year			Movement	
FTE by division	Mar 22	Sep 21	Mar 21	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Australia Retail and Commercial	**14,505**	14,480	14,118	0%	3%
Institutional[1]	**6,236**	6,196	6,061	1%	3%
New Zealand	**7,026**	7,060	6,691	0%	5%
Pacific	**1,092**	1,089	1,101	0%	-1%
Group Centre[1,2]	**10,670**	10,859	9,873	-2%	8%
Total FTE	**39,529**	39,684	37,844	0%	4%
Average FTE	**40,013**	38,489	37,594	4%	6%

1. *FTE has been restated to reflect the transfer of Banking Services from the Group Centre division to the Institutional division during the March 2022 half (Sep 21: 864; Mar 21: 846).*
2. *Excludes FTE of the consolidated investments managed by 1835i.*

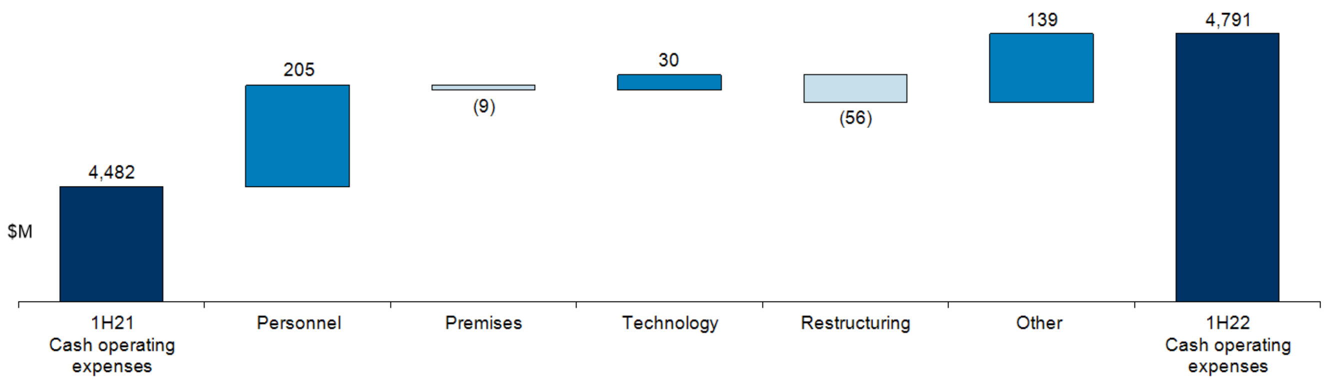
Operating expenses (excluding large/notable items)

Operating expenses included a number of items collectively referred to as large/notable items of $236 million for the March 2022 half (Sep 21 half: $146 million; Mar 21 half: $295 million). While these items form part of total cash operating expenses from continuing operations, they have been excluded from the tables below given their nature and significance. Refer to pages 12 to 16 for further details on large/notable items.

Expenses (excluding large/notable items)	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Personnel	**2,601**	2,432	2,390	7%	9%
Premises	**341**	355	351	-4%	-3%
Technology	**801**	779	763	3%	5%
Restructuring	**-**	-	-	n/a	n/a
Other	**812**	857	683	-5%	19%
Total excluding large/notable items	**4,555**	4,423	4,187	3%	9%

Expenses by division (excluding large/notable items)	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Australia Retail and Commercial	**1,974**	1,918	1,857	3%	6%
Institutional	**1,210**	1,149	1,171	5%	3%
New Zealand	**672**	691	613	-3%	10%
Pacific	**68**	71	70	-4%	-3%
Group Centre	**631**	594	476	6%	33%
Total excluding large/notable items	**4,555**	4,423	4,187	3%	9%

Operating expenses - March 2022 Half Year v March 2021 Half Year



- **March 2022 v March 2021**

  Operating expenses increased by $309 million (+7%). Excluding large/notable items, operating expenses increased $368 million (+9%).

  - Personnel expenses increased $205 million (+8%) driven by higher resourcing during the period to support investments to meet regulatory and compliance obligations and to develop digital capabilities, as well as Home Loan processing. Wage inflation and the impact of unfavourable foreign currency translation movements also contributed to the overall increase. This was partially offset by the benefits of customers continuing to embrace digital channels and productivity improvements arising from technology and back-office optimisation.
  - Premises expenses decreased $9 million (-3%) driven by ongoing optimisation of property footprint and the sale of the offsite ATM network.
  - Technology expenses increased $30 million (+4%) driven by higher software license costs and increased spend on investment initiatives, partially offset by lower amortisation charges.
  - Restructuring expenses decreased $56 million (-53%) with lower charges across all divisions.
  - Other expenses increased $139 million (+18%) driven by increased spend on investment initiatives and higher customer remediation. This was partially offset by expenses relating to a litigation settlement agreed in the March 2021 half.

- **March 2022 v September 2021**

  Operating expenses increased by $222 million (+5%). Excluding large/notable items, operating expenses increased $132 million (+3%).

  - Personnel expenses increased $157 million (+6%) resulting from higher resourcing during the period to support investments to meet regulatory and compliance obligations and to develop digital capabilities, as well as Home Loan processing. Wage inflation and the impact of unfavourable foreign currency translation movements also contributed to the overall increase. This was partially offset by the benefits of customers continuing to embrace digital channels and productivity improvements arising from technology and back-office optimisation.
  - Premises expenses decreased $14 million (-4%) driven by ongoing optimisation of property footprint and the sale of the offsite ATM network.
  - Technology expenses increased $12 million (+1%) driven by higher software licence costs, partially offset by lower amortisation charges.
  - Restructuring expenses increased $27 million driven by the planned closure of ANZ American Territories and retrenchment costs relating to the business changes in the Australia Retail and Commercial division.
  - Other expenses increased $40 million (+4%) driven by higher customer remediation partially offset by seasonally lower marketing spend.

Investment Spend - continuing operations

	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Investment expensed[1]	**913**	841	593	9%	54%
Investment capitalised	**130**	217	159	-40%	-18%
Total investment spend from continuing operations[1]	**1,043**	1,058	752	-1%	39%

Investment spend by division	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Australia Retail and Commercial	**332**	319	236	4%	41%
Institutional[2]	**144**	161	123	-11%	17%
New Zealand	**136**	147	98	-7%	39%
Group Centre[2]	**431**	431	295	0%	46%
Total investment spend from continuing operations	**1,043**	1,058	752	-1%	39%

1. *Includes investment expensed associated with large/notable items of $56 million (Sep 21 half: $79 million; Mar 21 half: $82 million).*
2. *Investment spend from continuing operations has been restated to reflect the transfer of Banking Services from the Group Centre division to the Institutional division in the March 2022 half (Sep 21: $53 million; Mar 21: $40 million).*

Software Capitalisation - continuing operations

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

	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Balance at start of period	**960**	961	1,039	0%	-8%
Software capitalised during the period	**155**	200	156	-23%	-1%
Amortisation during the period	**(189)**	(201)	(233)	-6%	-19%
Software impaired/written-off	**(2)**	-	(1)	n/a	100%
Total capitalised software from continuing operations	**924**	960	961	-4%	-4%

Capitalised software by division	As at			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Australia Retail and Commercial	**123**	130	133	-5%	-8%
Institutional[1]	**399**	393	386	2%	3%
New Zealand	**20**	14	8	43%	large
Group Centre[1]	**382**	423	434	-10%	-12%
Total capitalised software from continuing operations	**924**	960	961	-4%	-4%

1. *Software capitalisation from continuing operations has been restated to reflect the transfer of Banking Services operations from the Group Centre division to the Institutional division in the March 2022 half (Sep 21: $262 million; Mar 21: $251 million).*

Credit Risk - continuing operations

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

Credit impairment charge/(release)

	Half Year			Movement	
	Mar 22 $M	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Collectively assessed					
Australia Retail and Commercial	**(323)**	(106)	(515)	large	-37%
Institutional	**(27)**	(49)	(110)	-45%	-75%
New Zealand	**(17)**	(8)	(53)	large	-68%
Pacific	**(3)**	15	-	large	n/a
Group Centre	**(1)**	3	-	large	n/a
Total collectively assessed	**(371)**	(145)	(678)	large	-45%
Individually assessed					
Australia Retail and Commercial	**88**	61	134	44%	-34%
Institutional	**(8)**	15	55	large	large
New Zealand	**(4)**	(10)	(5)	-60%	-20%
Pacific	**6**	3	3	100%	100%
Group Centre	**5**	-	-	n/a	n/a
Total individually assessed	**87**	69	187	26%	-53%
Total credit impairment charge/(release)					
Australia Retail and Commercial	**(235)**	(45)	(381)	large	-38%
Institutional	**(35)**	(34)	(55)	3%	-36%
New Zealand	**(21)**	(18)	(58)	17%	-64%
Pacific	**3**	18	3	-83%	0%
Group Centre	**4**	3	-	33%	n/a
Total credit impairment charge/(release)	**(284)**	(76)	(491)	large	-42%

Credit impairment charge/(release), cont'd

	Collectively assessed				Individually assessed			
March 2022 Half Year	**Stage 1 $M**	**Stage 2 $M**	**Stage 3 $M**	**Total $M**	**Stage 3 - New and increased $M**	**Stage 3 - Recoveries and write-backs $M**	**Total $M**	**Total $M**
Australia Retail and Commercial	56	(391)	12	**(323)**	239	(151)	**88**	**(235)**
Institutional	53	(71)	(9)	**(27)**	20	(28)	**(8)**	**(35)**
New Zealand	4	(23)	2	**(17)**	33	(37)	**(4)**	**(21)**
Pacific	(5)	-	2	**(3)**	9	(3)	**6**	**3**
Group Centre	(1)	-	-	**(1)**	-	5	**5**	**4**
Total	107	(485)	7	**(371)**	301	(214)	**87**	**(284)**
September 2021 Half Year								
Australia Retail and Commercial	(32)	(62)	(12)	**(106)**	285	(224)	**61**	**(45)**
Institutional	(14)	(41)	6	**(49)**	57	(42)	**15**	**(34)**
New Zealand	8	(10)	(6)	**(8)**	21	(31)	**(10)**	**(18)**
Pacific	(1)	5	11	**15**	6	(3)	**3**	**18**
Group Centre	3	-	-	**3**	-	-	**-**	**3**
Total	(36)	(108)	(1)	**(145)**	369	(300)	**69**	**(76)**
March 2021 Half Year								
Australia Retail and Commercial	(136)	(357)	(22)	**(515)**	326	(192)	**134**	**(381)**
Institutional	(89)	(8)	(13)	**(110)**	88	(33)	**55**	**(55)**
New Zealand	(6)	(30)	(17)	**(53)**	34	(39)	**(5)**	**(58)**
Pacific	(2)	(1)	3	**-**	7	(4)	**3**	**3**
Group Centre	-	-	-	**-**	-	-	**-**	**-**
Total	(233)	(396)	(49)	**(678)**	455	(268)	**187**	**(491)**

Collectively assessed credit impairment charge/(release)

- **March 2022 v March 2021**

  The collectively assessed credit impairment release decreased $307 million (-45%) driven by lower releases across the Australia Retail and Commercial ($192 million), Institutional ($83 million) and New Zealand ($36 million) divisions. Collectively assessed credit impairment provision decreased substantially in the March 2021 half primarily due to improvements in the economic outlook and improvements in portfolio mix. The collectively assessed credit impairment release in the March 2022 half was primarily driven by underlying improvement in risk profile, portfolio mix and the reduction in COVID-19 specific management overlays, partially offset by changes in economic scenario weights and new management overlays for floods.

- **March 2022 v September 2021**

  The collectively assessed credit impairment release increased $226 million driven a higher release in the Australia Retail and Commercial division ($217 million). Collectively assessed credit impairment provisions decreased in the September 2021 half as a result of underlying changes in portfolio risk combined with a relatively stable view of forward-looking economic outlook. The collectively assessed credit impairment release in the March 2022 half was primarily driven by underlying improvement in risk profile, portfolio mix and the reduction in COVID-19 specific management overlays, partially offset by changes in economic scenario weights and new management overlays for floods.

Individually assessed credit impairment charge/(release)

- **March 2022 v March 2021**

  The individually assessed credit impairment charge decreased $100 million (-53%) driven by decreases across the Australia Retail and Commercial division (-$46 million) with underlying delinquency and impairment flows remaining subdued post government and bank COVID-19 support packages, and the Institutional division (-$63 million) due to higher impairments taken in the March 2021 half.

- **March 2022 v September 2021**

  The individually assessed credit impairment charge increased by $18 million (26%) driven by increases across the Australia Retail and Commercial division ($27 million) with lower write-backs in the Home Loans, Business Banking and Small Business Banking portfolios, and the New Zealand division ($6 million) substantially driven by a single name exposure. This was partially offset by a decrease in the Institutional division (-$23 million) with lower transition to impairment over the period.

Allowance for expected credit losses[1]

	As at			Movement	
Collectively assessed	**Mar 22 $M**	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Australia Retail and Commercial	**1,891**	2,225	2,331	-15%	-19%
Institutional	**1,280**	1,346	1,364	-5%	-6%
New Zealand	**495**	526	513	-6%	-4%
Pacific	**89**	95	77	-6%	16%
Group Centre	**2**	3	-	-33%	n/a
Total collectively assessed	**3,757**	4,195	4,285	-10%	-12%
Individually assessed					
Australia Retail and Commercial	**364**	406	520	-10%	-30%
Institutional	**185**	195	191	-5%	-3%
New Zealand	**62**	63	79	-2%	-22%
Pacific	**25**	23	19	9%	32%
Group Centre	**-**	-	-	n/a	n/a
Total individually assessed	**636**	687	809	-7%	-21%
Allowance for ECL					
Australia Retail and Commercial	**2,255**	2,631	2,851	-14%	-21%
Institutional	**1,465**	1,541	1,555	-5%	-6%
New Zealand	**557**	589	592	-5%	-6%
Pacific	**114**	118	96	-3%	19%
Group Centre	**2**	3	-	-33%	n/a
Total allowance for ECL	**4,393**	4,882	5,094	-10%	-14%

	Collectively assessed				Individually assessed	
As at March 2022	**Stage 1 $M**	**Stage 2 $M**	**Stage 3 $M**	**Total $M**	**Stage 3 $M**	**Total $M**
Australia Retail and Commercial	477	1,074	340	**1,891**	364	**2,255**
Institutional	973	292	15	**1,280**	185	**1,465**
New Zealand	154	286	55	**495**	62	**557**
Pacific	12	47	30	**89**	25	**114**
Group Centre	1	1	-	**2**	-	**2**
Total	1,617	1,700	440	**3,757**	636	**4,393**
As at September 2021						
Australia Retail and Commercial	430	1,467	328	**2,225**	406	**2,631**
Institutional	949	373	24	**1,346**	195	**1,541**
New Zealand	154	317	55	**526**	63	**589**
Pacific	18	48	29	**95**	23	**118**
Group Centre	3	-	-	**3**	-	**3**
Total	1,554	2,205	436	**4,195**	687	**4,882**
As at March 2021						
Australia Retail and Commercial	462	1,530	339	**2,331**	520	**2,851**
Institutional	940	407	17	**1,364**	191	**1,555**
New Zealand	141	313	59	**513**	79	**592**
Pacific	18	42	17	**77**	19	**96**
Group Centre	-	-	-	**-**	-	**-**
Total	1,561	2,292	432	**4,285**	809	**5,094**

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

Long-Run Loss Rates

Management believes that disclosure of modelled long-run historical loss rates for individually assessed provisions assists in assessing the longer term expected loss rates of the lending portfolio by removing the volatility of reported earnings created by the use of accounting losses. The long-run loss methodology used for economic profit is an internal measure and is not based on the credit loss recognition principles of AASB 9 *Financial Instruments*.

	As at		
Long-run loss as a % of gross lending assets by division	**Mar 22**	**Sep 21**	**Mar 21**
Australia Retail and Commercial	0.20%	0.22%	0.24%
New Zealand	0.12%	0.13%	0.15%
Institutional	0.21%	0.25%	0.25%
Total Group	**0.20%**	**0.22%**	**0.23%**

Non-Performing Credit Exposures

	As at			Movement	
	Mar 22 $M	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Impaired loans[1]	**1,286**	1,549	1,941	-17%	-34%
Restructured items[2]	**375**	355	300	6%	25%
Non-performing commitments, contingencies and derivatives[1]	**48**	61	232	-21%	-79%
Gross impaired assets	**1,709**	1,965	2,473	-13%	-31%
Non-performing credit exposures not impaired	**3,365**	3,538	3,998	-5%	-16%
Total non-performing credit exposures[3]	**5,074**	5,503	6,471	-8%	-22%
Gross impaired assets by division					
Australia Retail and Commercial	**857**	1,041	1,228	-18%	-30%
Institutional	**641**	704	892	-9%	-28%
New Zealand	**155**	164	310	-5%	-50%
Pacific	**56**	56	43	0%	30%
Gross impaired assets	**1,709**	1,965	2,473	-13%	-31%
Gross impaired assets by size of exposure					
Less than $10 million	**1,054**	1,289	1,474	-18%	-28%
$10 million to $100 million	**221**	222	267	0%	-17%
Greater than $100 million	**434**	454	732	-4%	-41%
Gross impaired assets	**1,709**	1,965	2,473	-13%	-31%
Individually assessed provisions					
Impaired loans	**(619)**	(666)	(778)	-7%	-20%
Non-performing commitments and contingencies and derivatives	**(17)**	(21)	(31)	-19%	-45%
Net impaired assets	**1,073**	1,278	1,664	-16%	-36%

1. *Impaired loans and non-performing commitments, contingencies and derivatives do not include exposures that are collectively assessed for Stage 3 ECL, which comprise unsecured retail exposures of 90+ days past due and defaulted but well secured exposures.*
2. *Restructured items are facilities where the original contractual terms have been modified for reasons related to the financial difficulties of the customer and are collectively assessed for Stage 3 ECL. Restructuring may consist of reduction of interest, principal or other payments legally due, or an extension in maturity materially beyond those typically offered to new facilities with similar risk.*
3. *Non-performing credit exposures are aligned with the definition in APS220 Credit Risk Management.*

- **March 2022 v March 2021**

  Gross impaired assets decreased $764 million (-31%) driven by decreases across the Australia Retail and Commercial division (-$371 million) with underlying delinquency flows remaining subdued due to government and bank COVID-19 support packages, the Institutional division (-$251 million) driven by the upgrade and repayments of several single name exposures, and the New Zealand division (-$155 million) with the upgrade of a large Agribusiness customer and a number of Agribusiness asset sales in the September 2021 half.

- **March 2022 v September 2021**

  Gross impaired assets decreased $256 million (-13%) driven by decreases across the Australia Retail and Commercial division (-$184 million) with underlying delinquency flows remaining subdued post government and bank COVID-19 support packages, and the Institutional division (-$63 million) due to the repayments of several single name exposures.

  The Group's individually assessed provision coverage ratio on impaired assets was 37.2% at 31 March 2022 (Sep 21: 35.0%; Mar 21: 32.7%).

New Impaired Assets

	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Impaired loans[1]	**478**	508	798	-6%	-40%
Restructured items[2]	**138**	70	239	97%	-42%
Non-performing commitments and contingencies[1]	**23**	33	84	-30%	-73%
Total new impaired assets	**639**	611	1,121	5%	-43%
New impaired assets by division					
Australia Retail and Commercial	**393**	461	421	-15%	-7%
Institutional	**137**	62	602	large	-77%
New Zealand	**99**	75	69	32%	43%
Pacific	**10**	13	29	-23%	-66%
Total new impaired assets	**639**	611	1,121	5%	-43%

1. *Impaired loans and non-performing commitments and contingencies do not include exposures that are collectively assessed for Stage 3 ECL, which comprise unsecured retail exposures of 90+ days past due and defaulted but well secured exposures.*
2. *Restructured items are facilities where the original contractual terms have been modified for reasons related to the financial difficulties of the customer and are collectively assessed for Stage 3 ECL. Restructuring may consist of reduction of interest, principal or other payments legally due, or an extension in maturity materially beyond those typically offered to new facilities with similar risk.*

- **March 2022 v March 2021**

  New impaired assets decreased $482 million (-43%) driven by the Institutional division (-$465 million) by a small number of well secured single name exposures taken in March 2021 half, and the Australia Retail and Commercial division (-$28 million) with underlying delinquency flows remaining subdued post government and bank COVID-19 support packages. This was partially offset by an increase in the New Zealand division ($30 million) driven by the impairment of a single name exposure.

- **March 2022 v September 2021**

  New impaired assets increased by $28 million (5%) driven by the Institutional division ($75 million) with the impairment of a small number of well secured single name exposures, and the New Zealand division ($24 million) driven by the impairment of a single name exposure. This was partially offset by a decrease in the Australia Retail and Commercial division (-$68 million) with underlying delinquency flows remaining subdued post government and bank COVID-19 support packages.

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

	As at			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
1-29 days	**4,676**	4,757	5,657	-2%	-17%
30-59 days	**1,368**	1,751	1,732	-22%	-21%
60-89 days	**635**	860	691	-26%	-8%
90+ days	**2,823**	3,065	3,290	-8%	-14%
Total	**9,502**	10,433	11,370	-9%	-16%

1. *Excludes eligible customers impacted by COVID-19 who applied for and were granted 6 month repayment deferral packages for the duration of the deferral. Customers who were 30 days past due or greater were not eligible for the 6 month repayment deferral packages.*

- **March 2022 v March 2021**

  Net loans and advances past due but not impaired decreased $1,868 million (-16%) across all segments. The decrease was driven by home loans in Australia and commercial portfolios in Australia and New Zealand due to the underlying delinquency flows remaining subdued reflecting the impact of government and bank COVID-19 support packages.

- **March 2022 v September 2021**

  Net loans and advances past due but not impaired decreased $931 million (-9%) across all segments. The decrease was driven by home loans in Australia and commercial portfolios in Australia and New Zealand due to the underlying delinquency flows remaining subdued reflecting the impact of government and bank COVID-19 support packages.

Cash Income Tax Expense - continuing operations

	Half Year			Movement	
	Mar 22 $M	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Income tax expense from cash profit	**1,328**	1,322	1,442	0%	-8%
Effective tax rate	**29.9%**	29.2%	32.5%		

- **March 2022 v March 2021**

  The effective tax rate decreased from 32.5% to 29.9%. The decrease of 262 bps was driven by the net non-tax assessable gain from divestments/closures in the March 2022 half (-186 bps), the non-tax deductible impacts of the reclassification of ANZ Share Investing to held for sale in the March 2021 half (-169 bps) and lower equity accounted earnings (-212 bps). This was partially offset by higher withholding tax expense mainly due to the dividend payment from ANZ Papua New Guinea (+254 bps).

- **March 2022 v September 2021**

  The effective tax rate increased from 29.2% to 29.9%. The increase of 72 bps was driven by higher withholding tax expense mainly due to the dividend payment from ANZ Papua New Guinea (+289 bps), partially offset by the net non-tax assessable gain from divestments/closures in the March 2022 half (-195 bps).

Impact of Foreign Currency Translation - continuing operations

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

March 2022 Half Year v March 2021 Half Year

	Half Year				Movement	
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX adjusted
	Mar 22 $M	Mar 21 $M	Mar 21 $M	Mar 21 $M	Mar 22 v. Mar 21	Mar 22 v. Mar 21
Net interest income	**7,100**	6,986	29	7,015	2%	1%
Other operating income	**1,848**	1,437	(12)	1,425	29%	30%
Operating income	**8,948**	8,423	17	8,440	6%	6%
Operating expenses	**(4,791)**	(4,482)	(25)	(4,507)	7%	6%
Profit before credit impairment and income tax	**4,157**	3,941	(8)	3,933	5%	6%
Credit impairment (charge)/release	**284**	491	(1)	490	-42%	-42%
Profit before income tax	**4,441**	4,432	(9)	4,423	0%	0%
Income tax expense and non-controlling interests	**(1,328)**	(1,442)	3	(1,439)	-8%	-8%
Cash profit from continuing operations	**3,113**	2,990	(6)	2,984	4%	4%
Cash profit/(loss) from continuing operations by division						
Australia Retail and Commercial	**1,986**	1,782	-	1,782	11%	11%
Institutional	**730**	948	3	951	-23%	-23%
New Zealand	**787**	771	8	779	2%	1%
Pacific	**(6)**	7	-	7	large	large
Group Centre	**(384)**	(518)	(17)	(535)	-26%	-28%
Cash profit from continuing operations	**3,113**	2,990	(6)	2,984	4%	4%
Net loans and advances by division						
Australia Retail and Commercial	**342,173**	344,269	-	344,269	-1%	-1%
Institutional	**174,986**	147,446	558	148,004	19%	18%
New Zealand	**129,594**	120,482	1,498	121,980	8%	6%
Pacific	**1,664**	1,713	15	1,728	-3%	-4%
Group Centre	**3,019**	449	-	449	large	large
Net loans and advances	**651,436**	614,359	2,071	616,430	6%	6%
Customer deposits by division						
Australia Retail and Commercial	**263,420**	241,315	-	241,315	9%	9%
Institutional	**243,836**	223,666	941	224,607	9%	9%
New Zealand	**100,102**	93,201	1,158	94,359	7%	6%
Pacific	**3,763**	3,394	30	3,424	11%	10%
Group Centre	**(67)**	(53)	-	(53)	26%	26%
Customer deposits	**611,054**	561,523	2,129	563,652	9%	8%

March 2022 Half Year v September 2021 Half Year

	Half Year				Movement	
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX adjusted
	Mar 22 $M	Sep 21 $M	Sep 21 $M	Sep 21 $M	Mar 22 v. Sep 21	Mar 22 v. Sep 21
Net interest income	**7,100**	7,175	22	7,197	-1%	-1%
Other operating income	**1,848**	1,849	(19)	1,830	0%	1%
Operating income	**8,948**	9,024	3	9,027	-1%	-1%
Operating expenses	**(4,791)**	(4,569)	(22)	(4,591)	5%	4%
Profit before credit impairment and income tax	**4,157**	4,455	(19)	4,436	-7%	-6%
Credit impairment (charge)/release	**284**	76	2	78	large	large
Profit before income tax	**4,441**	4,531	(17)	4,514	-2%	-2%
Income tax expense and non-controlling interests	**(1,328)**	(1,323)	4	(1,319)	0%	1%
Cash profit from continuing operations	**3,113**	3,208	(13)	3,195	-3%	-3%
Cash profit/(loss) from continuing operations by division						
Australia Retail and Commercial	**1,986**	1,835	-	1,835	8%	8%
Institutional	**730**	939	3	942	-22%	-23%
New Zealand	**787**	737	2	739	7%	6%
Pacific	**(6)**	(10)	-	(10)	-40%	-40%
Group Centre	**(384)**	(293)	(18)	(311)	31%	23%
Cash profit from continuing operations	**3,113**	3,208	(13)	3,195	-3%	-3%
Net loans and advances by division						
Australia Retail and Commercial	**342,173**	341,233	-	341,233	0%	0%
Institutional	**174,986**	158,231	(2,827)	155,404	11%	13%
New Zealand	**129,594**	128,466	(3,432)	125,034	1%	4%
Pacific	**1,664**	1,771	(46)	1,725	-6%	-4%
Group Centre	**3,019**	18	-	18	large	large
Net loans and advances	**651,436**	629,719	(6,305)	623,414	3%	4%
Customer deposits by division						
Australia Retail and Commercial	**263,420**	252,504	-	252,504	4%	4%
Institutional	**243,836**	239,628	(6,304)	233,324	2%	5%
New Zealand	**100,102**	97,719	(2,611)	95,108	2%	5%
Pacific	**3,763**	3,767	(95)	3,672	0%	2%
Group Centre	**(67)**	(35)	-	(35)	91%	91%
Customer deposits	**611,054**	593,583	(9,010)	584,573	3%	5%

Earnings Related Hedges - continuing operations

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

	Half Year		
NZD Economic hedges	**Mar 22 $M**	**Sep 21 $M**	**Mar 21 $M**
Net open NZD position (notional principal)[1]	**2,630**	2,652	2,444
Amount taken to income (pre-tax statutory basis)[2]	**63**	(91)	26
Amount taken to income (pre-tax cash basis)[3]	**7**	2	18
USD Economic hedges			
Net open USD position (notional principal)[1]	**529**	528	463
Amount taken to income (pre-tax statutory basis)[2]	**21**	(26)	26
Amount taken to income (pre-tax cash basis)[3]	**6**	38	16

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 31 March 2022, the following hedges were in place to partially hedge future earnings against adverse movements in exchange rates:

- NZD 2.8 billion at a forward rate of approximately NZD 1.07/AUD.
- USD 0.4 billion at a forward rate of approximately USD 0.75/AUD.

During the March 2022 half:

- NZD 1.1 billion of economic hedges matured and a realised gain of $7 million (pre-tax) was recorded in cash profit.
- USD 0.2 billion of economic hedges matured and a realised gain of $6 million (pre-tax) was recorded in cash profit.
- An unrealised gain of $71 million (pre-tax) on the outstanding NZD and USD economic hedges was recorded in the statutory profit during the half. This unrealised gain has been treated as an adjustment to statutory profit in calculating cash profit as these are hedges of future NZD and USD revenues.

Cash Earnings Per Share - continuing operations

	Half Year			Movement	
	Mar 22	**Sep 21**	**Mar 21**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Cash earnings per share (cents) from continuing operations					
Basic	**110.8**	113.0	105.3	-2%	5%
Diluted	**104.2**	106.4	99.9	-2%	4%
Cash weighted average number of ordinary shares (M)					
Basic	**2,808.7**	2,838.4	2,838.7	-1%	-1%
Diluted	**3,077.2**	3,105.5	3,084.4	-1%	0%
Cash profit from continuing operations ($M)	**3,113**	3,208	2,990	-3%	4%
Cash profit from continuing operations used in calculating diluted cash earnings per share ($M)	**3,205**	3,303	3,082	-3%	4%

Dividends - continuing operations

	Half Year			Movement	
Dividend per ordinary share (cents) - continuing operations[1]	**Mar 22**	**Sep 21**	**Mar 21**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Interim	**72**	-	70		
Final	**-**	72	-		
Total	**72**	72	70	0%	3%
Ordinary share dividends used in payout ratio ($M)[2,3]	**2,012**	2,030	1,992		
Cash profit from continuing operations ($M)	**3,113**	3,208	2,990	-3%	4%
Ordinary share dividend payout ratio (cash continuing basis)[3]	**64.6%**	63.3%	66.6%		

1. *Fully franked for Australian tax purposes (30% tax rate) and carry New Zealand imputation credits of NZD 9 cents for the proposed 2022 interim dividend (2021 final dividend: NZD 8 cents; 2021 interim dividend: NZD 8 cents).*
2. *Dividend paid to ordinary equity holders of the Company. Excludes dividends paid by subsidiaries to the Group's non-controlling equity holders of $2 million (Sep 21 half: nil; Mar 21 half: nil).*
3. *Dividend payout ratio for the March 2022 half is calculated using the proposed 2022 interim dividend, based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the September 2021 half and March 2021 half were calculated using actual dividends.*

The Directors propose an interim dividend of 72 cents be paid on each eligible fully paid ANZ ordinary share on 1 July 2022. The proposed 2022 interim dividend will be fully franked for Australian tax purposes. New Zealand imputation credits of NZD 9 cents per ordinary share will also be attached.

Economic Profit - continuing operations

	Half Year			Movement	
	Mar 22 $M	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Statutory profit attributable to shareholders of the Company from continuing operations	**3,535**	3,228	2,951	10%	20%
Adjustments between statutory profit and cash profit from continuing operations	**(422)**	(20)	39	large	large
Cash profit from continuing operations	**3,113**	3,208	2,990	-3%	4%
Economic credit cost adjustment	**(675)**	(561)	(895)	20%	-25%
Imputation credits	**405**	560	549	-28%	-26%
Economic return from continuing operations	**2,843**	3,207	2,644	-11%	8%
Cost of capital	**(2,406)**	(2,438)	(2,390)	-1%	1%
Economic profit from continuing operations	**437**	769	254	-43%	72%

Economic profit is a risk adjusted profit measure used to evaluate business unit performance. This is used for internal management purposes and is not subject to review by the external auditor.

At a business unit level, capital is allocated based on Regulatory Capital, whereby higher risk businesses attract higher levels of capital. This method is designed to help drive appropriate risk management and ensure business returns align with the level of risk. Key risks covered include credit risk, operational risk, market risk and other risks.

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

- The economic credit cost adjustment replaces the accounting credit loss charge with internal expected loss based on the average long-run loss rate per annum on the portfolio over an economic cycle.
- The benefit of imputation credits is recognised, measured at 70% of Australian tax.
- The cost of capital is a major component of economic profit. At an ANZ Group level, this is calculated using average ordinary shareholders' equity (excluding non-controlling interests), multiplied by the cost of capital rate (currently at 7.75% with comparative periods restated accordingly).

Economic profit increased by $183 million (+72%) against the March 2021 half driven by higher cash profit and favourable economic credit cost adjustment, partially offset by lower imputation credits and higher cost of capital.

Economic profit decreased by $332 million (-43%) against the September 2021 half year driven by lower cash profit, unfavourable economic credit cost adjustment and lower imputation credits, partially offset by lower cost of capital.

Condensed Balance Sheet - including discontinued operations

	As at			Movement	
Assets	**Mar 22 $B**	**Sep 21 $B**	**Mar 21 $B**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Cash / Settlement balances owed to ANZ / Collateral paid	**186.0**	168.0	146.3	11%	27%
Trading and investment securities	**119.2**	127.8	138.3	-7%	-14%
Derivative financial instruments	**45.2**	38.7	104.7	17%	-57%
Net loans and advances	**651.4**	629.7	614.4	3%	6%
Other	**15.6**	14.7	14.6	6%	7%
Total assets	**1,017.4**	978.9	1,018.3	4%	0%
Liabilities					
Settlement balances owed by ANZ / Collateral received	**26.5**	23.1	26.7	15%	-1%
Deposits and other borrowings	**780.3**	743.1	706.6	5%	10%
Derivative financial instruments	**47.8**	36.0	102.9	33%	-54%
Debt issuances	**87.2**	101.1	107.6	-14%	-19%
Other	**13.8**	11.9	11.9	16%	16%
Total liabilities	**955.6**	915.2	955.7	4%	0%
Total equity	**61.8**	63.7	62.6	-3%	-1%

- **March 2022 v March 2021**
  - Cash / Settlement balances owed to ANZ / Collateral paid increased $39.7 billion (+27%) driven by increases in balances with central banks and reverse repurchase agreements, partially offset by the impact of foreign currency translation movements.
  - Trading and investment securities decreased $19.1 billion (-14%) primarily driven by lower liquid assets in Markets due to portfolio rebalancing activities in the September 2021 half.
  - Derivative financial assets and liabilities decreased $59.5 billion (-57%) and $55.1 billion (-54%) respectively driven by a reduction following a change made in the September 2021 half in legal arrangements for the settlement of derivative transactions with a central clearing counterparty (reduction of $55.1 billion in derivative assets and $55.2 billion in derivative liabilities at the date of the change).
  - Net loans and advances increased $37.0 billion (+6%) driven by higher lending volumes in the Institutional division (+$27.0 billion), an increase in the New Zealand division (+$7.6 billion) reflecting home loan growth, an increase in long-dated reverse repurchase agreements (+$2.6 billion) in Group Treasury and the impact of foreign currency translation movements. This was partially offset by a decrease in the Australia Retail and Commercial division (-$2.1 billion) driven by home loan contraction.
  - Deposits and other borrowings increased $73.7 billion (+10%) driven by increases in customer deposits across the Australia Retail and Commercial (+$22.1 billion), Institutional (+$19.2 billion) and New Zealand (+$5.7 billion) divisions, increases in deposits from banks and repurchase agreements (+$11.4 billion), drawdowns of the RBA Term Funding Facility (TFF) and the RBNZ's Funding for Lending Programme (FLP) and Term Lending Facility (TLF) (+9.8 billion) and commercial paper (+$5.7 billion), and the impact of foreign currency translation movements. This was partially offset by decreases in certificates of deposit (-$3.1 billion).
  - Debt issuances decreased $20.4 billion (-19%) driven by the redemption of ANZ CN1 and ANZ CN2. This was partially offset by the issuance of ANZ CN6 and ANZ CN7 and the drawdown of the TFF, classified in Deposits and other borrowings.

- **March 2022 v September 2021**
  - Cash / Settlement balances owed to ANZ / Collateral paid increased $18.0 billion (+11%) driven by increases in balances with central banks and overnight inter-bank deposits, partially offset by the impact of foreign currency translation movements.
  - Trading and investment securities decreased $8.6 billion (-7%) primarily driven by lower liquid assets in Markets and the impact of foreign currency translation movements.
  - Derivative financial assets and liabilities increased $6.5 billion (+17%) and $11.8 billion (+33%) driven by the impact of market rate movements.
  - Net loans and advances increased $21.7 billion (+3%) driven by higher lending volumes in the Institutional division (+$19.6 billion), an increase in the New Zealand division (+$4.6 billion) reflecting home loan growth, an increase in long-dated reverse repurchase agreements (+$3.0 billion) in Group Treasury, and loan growth in the Australia Retail and Commercial division (+0.9 billion), partially offset by the impact of foreign currency translation movements.
  - Deposits and other borrowings increased $37.2 billion (+5%) driven by increases in customer deposits across the Australia Retail and Commercial (+$10.9 billion), Institutional (+$10.5 billion) and New Zealand (+$5.0 billion) divisions, increases in deposits from banks and repurchase agreements (+$15.9 billion) and commercial paper (+$6.3 billion), partially offset by the impact of foreign currency translation movements.
  - Debt issuances decreased $13.9 billion (-14%) driven by the redemption of ANZ CN2 partially replaced by the issuance of ANZ CN7 and the drawdown of the TFF, classified in Deposits and other borrowings.

Liquidity Risk - including discontinued operations

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

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

- **Scenario modelling of funding sources**

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

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

  A key component of this framework is the Liquidity Coverage Ratio (LCR), which is a severe short term liquidity stress scenario mandated by banking regulators globally, including APRA. As part of meeting LCR requirements, ANZ has a Committed Liquidity Facility (CLF) with the Reserve Bank of Australia (RBA). The CLF was established to offset the shortage of available High Quality Liquid Assets (HQLA) in Australia and provides an alternative form of contingent liquidity. The CLF is collateralised by assets, including internal residential mortgage backed securities, that are eligible to be pledged as security with the RBA. The total amount of the CLF available to a qualifying Authorised Deposit-taking Institution (ADI) is set annually by APRA. In September 2021, APRA wrote to ADIs to advise that APRA and the RBA consider there to be sufficient HQLA for ADIs to meet their LCR requirements, and therefore the use of the CLF should no longer be required beyond 2022.

  From 1 January 2022, ANZ's CLF is $8.0 billion (2021 calendar year end: $10.7 billion). Consistent with APRA's requirement, ANZ's CLF will reduce by $2.7 billion on 1 May 2022, 1 September 2022 and 1 January 2023. This reduction will be managed as part of ANZ's funding plans over this period.

- **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 RBNZ.

  In March 2020, in response to the economic impact of COVID-19, the RBA established a Term Funding Facility (TFF). Under the TFF, the RBA has offered three-year funding to ADIs secured by RBA eligible collateral. ADIs can include the undrawn but available TFF as a liquid asset for the LCR, representing a committed central bank facility that can be drawn at the ADI's discretion. As at 1 July 2021, ANZ's available TFF has been fully drawn. Prior to the drawdown, the undrawn but available TFF was represented below by the assets that are eligible to be pledged as security with the RBA.

  In November 2020, in response to the economic impact of COVID-19, the RBNZ implemented a Funding for Lending Programme (FLP). Under the FLP the RBNZ offered three-year funding to eligible counterparties secured by approved eligible collateral. APRA has advised that the undrawn but available FLP can be included as a cash inflow for the LCR, which reduces net cash outflows. As the Level 2 LCR excludes liquid assets held above the NZ dollar LCR of 100%, the impact of the undrawn but available FLP reduces net cash outflows and Level 2 liquid assets by the same amount.

  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			Movement	
	Mar 22 $B	Sep 21 $B	Mar 21 $B	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Market Values Post Discount[1]					
HQLA1	**224.1**	211.5	186.2	6%	20%
HQLA2	**7.6**	8.5	10.4	-11%	-27%
Internal Residential Mortgage Backed Securities[2]	**3.2**	3.3	18.5	-3%	-83%
Other ALA[2]	**6.2**	5.5	7.9	13%	-22%
Total liquid assets	**241.1**	228.8	223.0	5%	8%
Cash flows modelled under stress scenario					
Cash outflows	**230.3**	208.1	203.2	11%	13%
Cash inflows	**47.2**	39.3	41.3	20%	14%
Net cash outflows	**183.1**	168.8	161.9	8%	13%
Liquidity Coverage Ratio[3]	**132%**	136%	138%	-4%	-6%

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

Funding - including discontinued operations

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

$6.0 billion of term wholesale funding (excluding Additional Tier 1 Capital) with a remaining term greater than one year as at 31 March 2022 was issued during the half. In addition, the Group issued $1.3 billion of Additional Tier 1 Capital during the half year.

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

	As at			Movement	
	Mar 22 $B	Sep 21 $B	Mar 21 $B	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Customer deposits and other liabilities					
Australia Retail and Commercial	**263.4**	252.5	241.3	4%	9%
Institutional	**243.8**	239.6	223.6	2%	9%
New Zealand	**100.1**	97.7	93.2	2%	7%
Pacific	**3.8**	3.8	3.4	0%	12%
Customer deposits	**611.1**	593.6	561.5	3%	9%
Other funding liabilities[1,2]	**9.6**	8.1	8.9	19%	8%
Total customer liabilities (funding)	**620.7**	601.7	570.4	3%	9%
Wholesale funding					
Unsubordinated debt and central bank term funding[3]	**86.4**	97.1	96.0	-11%	-10%
Subordinated debt[4,5]	**22.6**	25.3	23.7	-11%	-5%
Certificates of deposit	**36.9**	37.7	40.0	-2%	-8%
Commercial paper	**31.9**	25.7	26.1	24%	22%
Other wholesale borrowings[6,7]	**111.3**	88.5	87.9	26%	27%
Total wholesale funding	**289.1**	274.3	273.7	5%	6%
Shareholders' equity	**61.8**	63.7	62.6	-3%	-1%
Total funding	**971.6**	939.7	906.7	3%	7%

1. *Includes interest accruals, payables and other liabilities, provisions and net tax provisions.*
2. *Excludes liability for acceptances as they do not provide net funding.*
3. *Includes RBA TFF of $20.1 billion (Sep 21: $20.1 billion; Mar 21: $12.0 billion), RBNZ FLP of $1.4 billion (Sep 21: $0.9 billion; Mar 21: nil) and TLF of $0.3 billion (Sep 22: $0.3 billion; Mar 21: nil).*
4. *Includes subordinated debt issued by ANZ New Zealand which constitutes Tier 2 capital under RBNZ requirements but does not meet the APRA Tier 2 requirements.*
5. *Includes USD 300 million perpetual subordinated notes which ceased to be treated as Basel 3 transitional Tier 2 capital under APRA's capital framework from 1 January 2022.*
6. *Includes borrowings from banks, securities sold under repurchase agreements, net derivative balances, special purpose vehicles and other borrowings.*
7. *Includes RBA open repurchase arrangement netted down by the corresponding exchange settlement account cash balance.*

Net Stable Funding Ratio

The following table shows the Level 2 Net Stable Funding Ratio (NSFR) composition:

	As at			Movement	
	Mar 22 $B	Sep 21 $B	Mar 21 $B	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Required Stable Funding[1]					
Retail & small and medium enterprises, corporate loans <35% risk weight[2]	**202.2**	198.7	196.0	2%	3%
Retail & small and medium enterprises, corporate loans >35% risk weight[2]	**190.7**	182.0	179.0	5%	7%
Other lending[3]	**32.6**	31.9	29.7	2%	10%
Liquid assets	**11.5**	11.6	12.1	-1%	-5%
Other assets[4]	**36.5**	38.3	37.2	-5%	-2%
Total Required Stable Funding	**473.5**	462.5	454.0	2%	4%
Available Stable Funding[1]					
Retail & small and medium enterprise customer deposits	**301.5**	287.8	275.7	5%	9%
Corporate, public sector entities & operational deposits	**118.4**	115.5	105.9	3%	12%
Central bank & other financial institution deposits	**4.0**	4.5	4.7	-11%	-15%
Term funding[5]	**69.7**	74.2	70.7	-6%	-1%
Short term funding & other liabilities	**5.0**	2.4	5.6	large	-11%
Capital	**84.2**	88.3	85.0	-5%	-1%
Total Available Stable Funding	**582.8**	572.7	547.6	2%	6%
Net Stable Funding Ratio	**123%**	124%	121%	-1%	2%

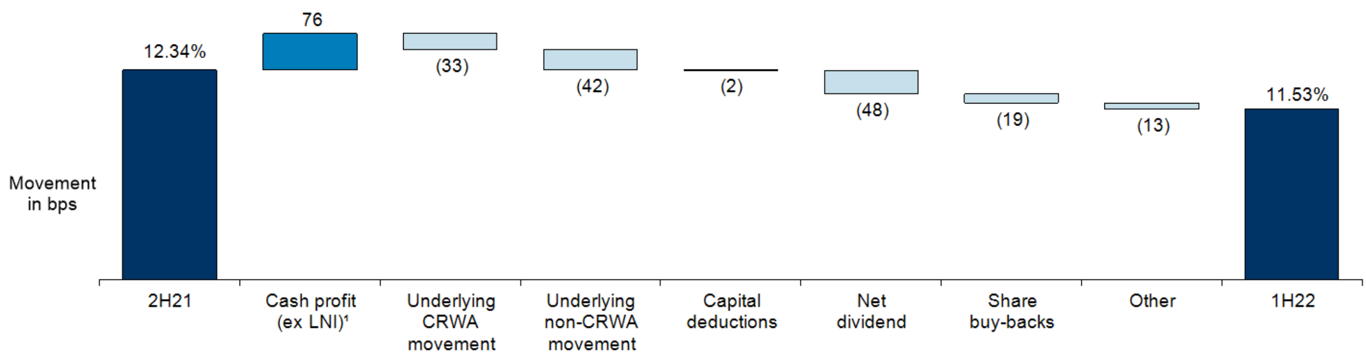
1. *NSFR factored balance as per APRA Prudential Regulatory Standard APS 210 Liquidity.*
2. *Risk weighting as per APRA Prudential Regulatory Standard APS 112 Capital Adequacy: Standardised Approach to Credit Risk.*
3. *Includes financial institution, central bank and non-performing loans.*
4. *Includes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

Capital Management - including discontinued operations

	As at					
	APRA Basel 3			Internationally Comparable Basel 3[1]		
	Mar 22	Sep 21	Mar 21	Mar 22	Sep 21	Mar 21
Capital Ratios (Level 2)						
Common Equity Tier 1	**11.5%**	12.3%	12.4%	**18.0%**	18.3%	18.1%
Tier 1	**13.2%**	14.3%	14.3%	**20.3%**	20.9%	20.5%
Total capital	**16.6%**	18.4%	18.3%	**24.9%**	26.3%	25.7%
Risk weighted assets ($B)	**437.9**	416.1	408.2	**324.6**	319.0	317.5

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) - March 2022 v September 2021



1. *Excludes large/notable items which are included in Other.*

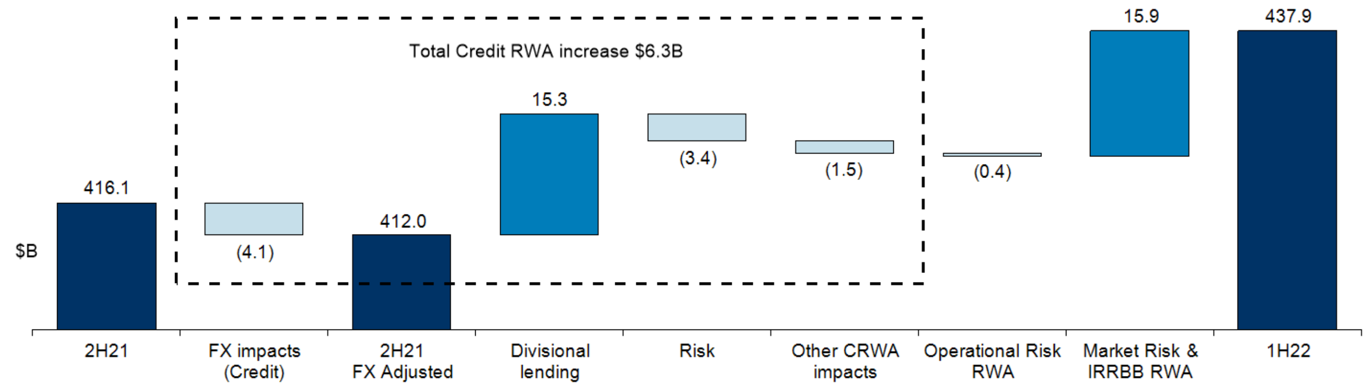
- **March 2022 v September 2021**

  ANZ's CET1 ratio decreased -81 bps to 11.53% during the March 2022 half. Key drivers of the movement in the CET1 ratio were:

  - Cash profit excluding large/notable items increased the CET1 ratio by +76 bps.
  - Higher underlying CRWA usage (excluding foreign currency translation movements, regulatory changes and other one-offs) decreased the CET1 ratio by -33 bps primarily driven by lending growth in the Institutional division.
  - Higher underlying non-CRWA usage (excluding foreign currency translation movements) decreased the CET1 ratio by -42 bps primarily from increases in Interest Rate Risk in the Banking Book (IRRBB) RWA due to increases in embedded losses.
  - Capital deductions of -2 bps mainly from equity accounted increase from share in associates.
  - Payment of the 2021 Final Dividend (net of BOP issuance, DRP neutralised) reduced the CET1 ratio by -48 bps.
  - Completion of $791 million of the announced $1.5 billion share buy-back reduced the CET1 ratio by -19 bps.
  - Other impacts totalling -13 bps primarily reflecting movements in net deferred tax assets (-13 bps), merger and acquisition transactions (+5 bps) and net RWA imposts (-3 bps).

	As at			Movement	
Total Risk Weighted Assets (RWA)	Mar 22 $B	Sep 21 $B	Mar 21 $B	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Credit RWA	**348.8**	342.5	341.9	2%	2%
Market risk and IRRBB RWA	**41.1**	25.2	19.1	63%	large
Operational RWA	**48.0**	48.4	47.2	-1%	2%
Total RWA	**437.9**	416.1	408.2	5%	7%

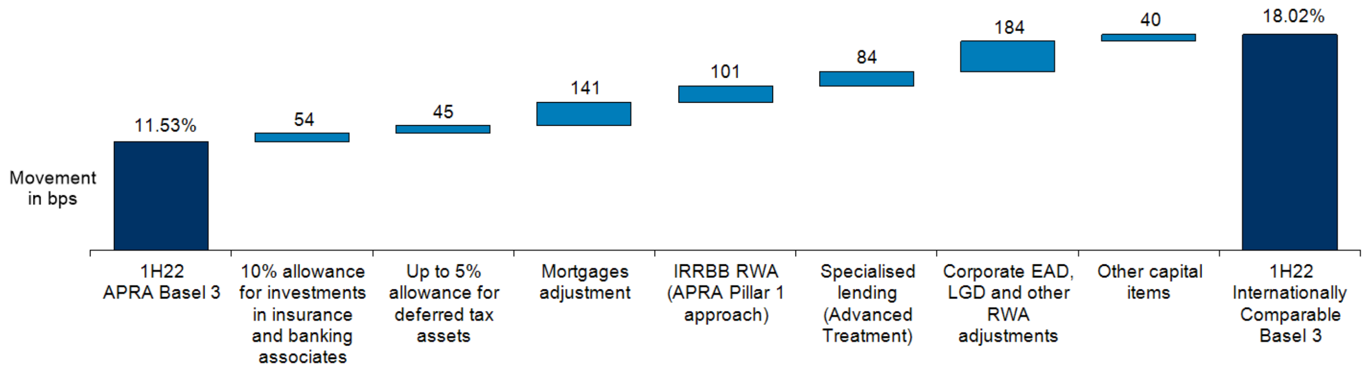
Total Risk Weighted Assets - March 2022 v September 2021



- **March 2022 v September 2021**

  Total RWA increased $21.8 billion. Excluding the impact of foreign currency translation movements and other non-recurring CRWA changes, underlying CRWA (divisional lending net of risk migration) increased $11.9 billion, mainly from underlying lending growth in the Institutional division. The increase in non-CRWA of $15.5 billion was driven by the $15.4 billion increase in IRRBB RWA due to increases in embedded losses.

APRA to Internationally Comparable[1] Common Equity Tier 1 (CET1) as at 31 March 2022



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 a full deduction against CET1. On an Internationally Comparable basis, these investments are subject to a concessional threshold before a deduction is required.
- Deferred tax assets - APRA requires a full deduction from CET1 for DTA relating to temporary differences. On an Internationally Comparable basis, this is first subject to a concessional threshold before the deduction is required.

Risk Weighted Assets (RWA)

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

Leverage Ratio - including discontinued operations

At 31 March 2022, the Group's APRA Leverage Ratio was 5.2% which is above the 3.5% APRA minimum for internal ratings-based approach ADIs (IRB ADIs) which includes ANZ. The following table summarises the Group's Leverage Ratio calculation:

	As at			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Tier 1 Capital (net of capital deductions)	**58,001**	59,473	58,431	-2%	-1%
On-balance sheet exposures (excluding derivatives and securities financing transaction exposures)	**928,686**	901,969	878,187	3%	6%
Derivative exposures	**36,474**	37,769	33,933	-3%	7%
Securities financing transaction exposures	**34,223**	30,484	26,947	12%	27%
Other off-balance sheet exposures	**117,904**	117,848	114,125	0%	3%
Total exposure measure	**1,117,287**	1,088,070	1,053,192	3%	6%
APRA Leverage Ratio	**5.2%**	5.5%	5.5%		
Internationally Comparable Leverage Ratio	**5.9%**	6.1%	6.2%		

- **March 2022 v September 2021**

  APRA leverage ratio decreased -28 bps during the March 2022 half. Key drivers of the movement were:

  - Net organic capital generation (largely from cash profit excluding large/notable items and movements in capital deductions), less dividends paid (+12 bps).
  - Net decrease from CN2 and ANZ New Zealand CN redemptions partially offset by AT1 issuance of CN7 (-7 bps).
  - Growth in exposures (excluding the impacts of foreign exchange) predominantly from on-balance sheet exposures reduced the leverage ratio by -22 bps. The on-balance sheet exposure growth was mainly in liquid assets and lending growth within the Institutional division.
  - Share buy-backs reduced leverage ratio by -7 bps.
  - Net other impacts (including large/notable items) of -4 bps.

Capital Management - Other Developments

- **Capital Requirements - Unquestionably Strong**

  APRA's key initiatives in relation to Unquestionably Strong capital requirements are as follows:

  - In July 2017, APRA released an information paper outlining its assessment on the additional capital required for the Australian banking sector to be considered 'unquestionably strong' as originally outlined in the Financial System Inquiry final report in December 2014. APRA indicated that 'in the case of the four major Australian banks, this equated to a benchmark CET1 capital ratio, under the current capital adequacy framework, of at least 10.5 percent from 1 January 2020'.
  - In November 2021, APRA released their final requirements in relation to capital adequacy and credit risk capital requirements for ADIs with an implementation date of 1 January 2023. The key aspects of APRA's final requirements are:
    - Increased alignment with internationally agreed Basel standards for non-residential mortgages exposures;
    - Implementing more risk-sensitive risk weights for residential mortgage lending;
    - Introduction of the Basel II capital floor that limits the RWA outcome for IRB ADIs to no less than 72.5% of the RWA outcome under the standardised approach;
    - Improving the flexibility of the capital framework through the introduction of a default level of the countercyclical capital buffer and increasing the capital conservation buffer for IRB ADIs;
    - Improving the transparency and comparability of ADIs' capital ratios, including by requiring IRB ADIs to also publish their capital ratios under the standardised approach; and
    - Implementing a Minimum Leverage Ratio for IRB ADIs at 3.5%.

  APRA has indicated in their proposals a decrease in RWA, but this would be offset by the increased capital allocation to regulatory buffers. APRA has also indicated that since ADIs are currently meeting the 'unquestionably strong' benchmarks, it is not APRA's intention to require ADIs to raise additional capital. Accordingly, APRA is expected to calibrate the capital requirements for ADIs, measured in dollar terms, to be consistent at an industry level with the existing 'unquestionably strong' capital benchmarks for ADIs under the current capital framework. The impact of these proposed changes on individual ADIs (including ANZBGL), will vary depending on the final form of requirements implemented by APRA.

  Additionally, APRA is currently still consulting on revisions to a number of prudential standards, being Interest Rate Risk in the Banking Book (IRRBB), Market Risk and Counterparty Credit Risk. Given the number of items that are yet to be finalised by APRA, the aggregate final outcome from all changes to APRA's prudential standards relating to their review of ADIs 'unquestionably strong' capital framework remains uncertain.

- **APRA Total Loss Absorbing Capacity Requirements**

  In July 2019, APRA announced its decision on loss-absorbing capacity requiring Australian domestic systematically important banks (D-SIBs), including ANZBGL, to increase their total capital by 3% of RWA by January 2024. On 2 December 2021, APRA announced that it has finalised its loss-absorbing capacity requirements and stated that it will require Australian D-SIBs to increase their total capital by a further 1.5% of RWA by January 2026. Inclusive of the previously announced interim increase of 3%, this will result in a total increase to the minimum total capital requirement of 4.5% of RWA. APRA expects the requirement to be satisfied predominantly with additional Tier 2 capital with an equivalent decrease in other senior funding. The amount of the additional total capital requirement will be based on the Group's actual RWA as at January 2026, including the final impact of the revisions to APRA's capital framework announced on 29 November 2021. APRA noted 'Given changes to RWA from the ADI capital reforms, the lower end of the range in dollar terms broadly equates to a requirement of 4.5 percentage points of RWA under the new capital framework, in place from 2023'.

- **The Reserve Bank of New Zealand review of capital requirements**

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

  - ANZ New Zealand's Tier 1 capital requirement will increase to 16% of RWA, of which up to 2.5% could be in the form of Additional Tier 1 (AT1) Capital. ANZ New Zealand's Total Capital requirement will increase to 18% of RWA, of which up to 2% can be Tier 2 Capital.
  - AT1 capital must consist of perpetual preference shares, which may be redeemable. It is anticipated that ANZ New Zealand will be able to refinance existing internal AT1 securities to external counterparties. Tier 2 capital must consist of long-term subordinated debt.

  As an IRB approach accredited bank, ANZ New Zealand's RWA outcomes will be increased to approximately 90% of what would be calculated under the Basel Standardised Measurement Approach (standardised approach). This will be achieved by applying an 85% output floor for CRWA and increasing the CRWA scalar from 1.06 to 1.20. The net impact on the Group is an increase in CET1 capital of approximately $1 to $1.5 billion between 31 March 2022 and the end of the transition period in 2028 (based on the Group's 31 March 2022 balance sheet). This amount could vary over time subject to changes to the capital position in ANZ New Zealand (e.g. from RWA growth, management buffer requirements, and potential dividend payments).

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Divisional Performance - continuing operations

On 1 March 2022, the Group announced a structural change to the existing Australia Retail and Commercial division, and the digital businesses in the Group Centre division (formerly known as the Technology, Services & Operations (TSO) and Group Centre division). This involves the integration of the Australian retail and digital businesses, and the separation of the Australian commercial business into a new division. The new reporting segments will be reflected in the September 2022 half to align with the implementation of the changes from 1 April 2022. The segment disclosures below remain unchanged from those reported at 30 September 2021 and are consistent with internal reporting provided to the chief operating decision maker, being the Chief Executive Officer, during the March 2022 half.

During the March 2022 half, the Group operated on a divisional structure with five continuing divisions: Australia Retail and Commercial, Institutional, New Zealand, Pacific, and Group Centre. For further information on the composition of divisions, refer to the Definitions on page 133.

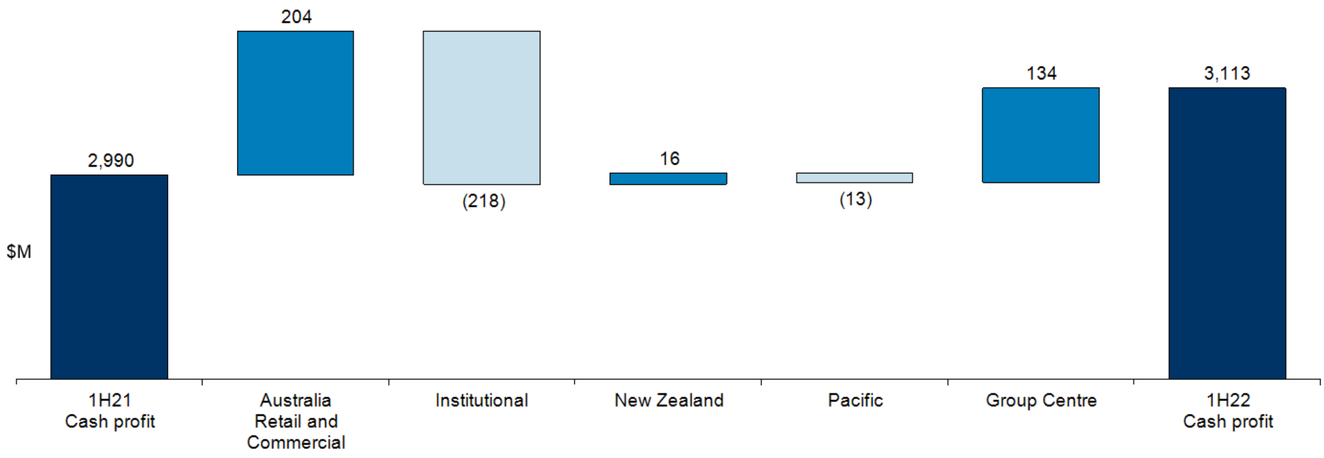
The presentation of divisional results has been impacted by the following structural changes during the period. Prior period comparatives have been restated:

- Australia Retail and Commercial division - re-segmentation of customers from Business Banking to Small Business Banking within the division;
- Institutional division - a number of small operations were transferred from Markets to Central Functions within the division;
- the completion of the transfer of Banking Services operations from the Group Centre division to the Institutional division. As the associated costs were previously recharged, there is no change to the previously reported divisional cash profits, however divisional balance sheets and full-time equivalent employees (FTEs) have been restated to reflect this change.

The Divisional Results section is reported on a cash profit basis for continuing operations. For information on discontinued operations please refer to the Guide to Half Year Results on page 8.

Divisional Performance - continuing operations

Cash profit by division - March 2022 Half Year v March 2021 Half Year



March 2022 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	Group Centre $M	Group $M
Net interest income	3,864	1,621	1,505	46	64	**7,100**
Other operating income	746	782	245	34	41	**1,848**
Operating income	4,610	2,403	1,750	80	105	**8,948**
Operating expenses	(2,155)	(1,241)	(678)	(80)	(637)	**(4,791)**
Profit/(Loss) before credit impairment and income tax	2,455	1,162	1,072	-	(532)	**4,157**
Credit impairment (charge)/release	235	35	21	(3)	(4)	**284**
Profit/(Loss) before income tax	2,690	1,197	1,093	(3)	(536)	**4,441**
Income tax expense and non-controlling interests	(704)	(467)	(306)	(3)	152	**(1,328)**
Cash profit/(loss) from continuing operations	1,986	730	787	(6)	(384)	**3,113**

March 2021 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	Group Centre $M	Group $M
Net interest income	3,974	1,519	1,393	49	51	**6,986**
Other operating income	302	1,014	238	33	(150)	**1,437**
Operating income	4,276	2,533	1,631	82	(99)	**8,423**
Operating expenses	(2,000)	(1,274)	(623)	(71)	(514)	**(4,482)**
Profit/(Loss) before credit impairment and income tax	2,276	1,259	1,008	11	(613)	**3,941**
Credit impairment (charge)/release	381	55	58	(3)	-	**491**
Profit/(Loss) before income tax	2,657	1,314	1,066	8	(613)	**4,432**
Income tax expense and non-controlling interests	(875)	(366)	(295)	(1)	95	**(1,442)**
Cash profit/(loss) from continuing operations	1,782	948	771	7	(518)	**2,990**

March 2022 Half Year v March 2021 Half Year

	Australia Retail and Commercial	Institutional	New Zealand	Pacific	Group Centre	Group
Net interest income	-3%	7%	8%	-6%	25%	**2%**
Other operating income	large	-23%	3%	3%	large	**29%**
Operating income	8%	-5%	7%	-2%	large	**6%**
Operating expenses	8%	-3%	9%	13%	24%	**7%**
Profit/(Loss) before credit impairment and income tax	8%	-8%	6%	-100%	-13%	**5%**
Credit impairment charge/(release)	-38%	-36%	-64%	0%	n/a	**-42%**
Profit/(Loss) before income tax	1%	-9%	3%	large	-13%	**0%**
Income tax expense and non-controlling interests	-20%	28%	4%	large	60%	**-8%**
Cash profit/(loss) from continuing operations	11%	-23%	2%	large	-26%	**4%**

Divisional Performance - continuing operations

Cash profit by division - March 2022 Half Year v September 2021 Half Year

March 2022 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	Group Centre $M	Group $M
Net interest income	3,864	1,621	1,505	46	64	**7,100**
Other operating income	746	782	245	34	41	**1,848**
Operating income	4,610	2,403	1,750	80	105	**8,948**
Operating expenses	(2,155)	(1,241)	(678)	(80)	(637)	**(4,791)**
Profit/(Loss) before credit impairment and income tax	2,455	1,162	1,072	-	(532)	**4,157**
Credit impairment (charge)/release	235	35	21	(3)	(4)	**284**
Profit/(Loss) before income tax	2,690	1,197	1,093	(3)	(536)	**4,441**
Income tax expense and non-controlling interests	(704)	(467)	(306)	(3)	152	**(1,328)**
Cash profit/(loss) from continuing operations	1,986	730	787	(6)	(384)	**3,113**

September 2021 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	Group Centre $M	Group $M
Net interest income	4,015	1,586	1,477	47	50	**7,175**
Other operating income	587	864	231	32	135	**1,849**
Operating income	4,602	2,450	1,708	79	185	**9,024**
Operating expenses	(2,024)	(1,173)	(702)	(73)	(597)	**(4,569)**
Profit/(Loss) before credit impairment and income tax	2,578	1,277	1,006	6	(412)	**4,455**
Credit impairment (charge)/release	45	34	18	(18)	(3)	**76**
Profit/(Loss) before income tax	2,623	1,311	1,024	(12)	(415)	**4,531**
Income tax expense and non-controlling interests	(788)	(372)	(287)	2	122	**(1,323)**
Cash profit/(loss) from continuing operations	1,835	939	737	(10)	(293)	**3,208**

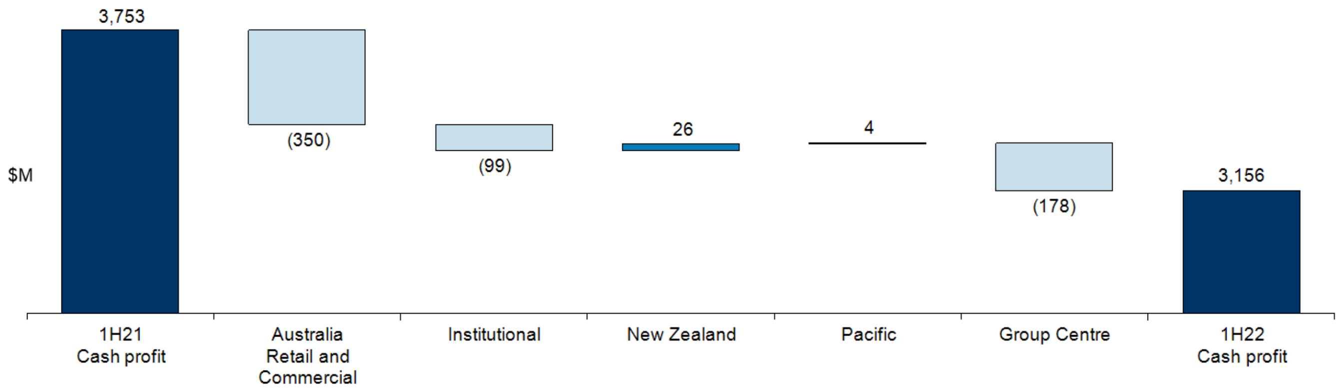
March 2022 Half Year v September 2021 Half Year

	Australia Retail and Commercial	Institutional	New Zealand	Pacific	Group Centre	Group
Net interest income	-4%	2%	2%	-2%	28%	**-1%**
Other operating income	27%	-9%	6%	6%	-70%	**0%**
Operating income	0%	-2%	2%	1%	-43%	**-1%**
Operating expenses	6%	6%	-3%	10%	7%	**5%**
Profit/(Loss) before credit impairment and income tax	-5%	-9%	7%	-100%	29%	**-7%**
Credit impairment (charge)/release	large	3%	17%	-83%	33%	**large**
Profit/(Loss) before income tax	3%	-9%	7%	-75%	29%	**-2%**
Income tax expense and non-controlling interests	-11%	26%	7%	large	25%	**0%**
Cash profit/(loss) from continuing operations	8%	-22%	7%	-40%	31%	**-3%**

Divisional Performance - continuing operations

Cash profit by division (excluding large/notable items) - March 2022 Half Year v March 2021 Half Year

The Group cash profit results include a number of items collectively referred to as large/notable items. While these items form part of cash profit, they have been excluded from the tables below given their nature and significance. Refer to pages 12 to 16 for a description of large/notable items.



March 2022 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	Group Centre $M	Group $M
Net interest income	3,867	1,621	1,505	46	64	**7,103**
Other operating income	452	766	245	34	93	**1,590**
Operating income	4,319	2,387	1,750	80	157	**8,693**
Operating expenses	(1,974)	(1,210)	(672)	(68)	(631)	**(4,555)**
Profit/(Loss) before credit impairment and income tax	2,345	1,177	1,078	12	(474)	**4,138**
Credit impairment (charge)/release	235	33	21	3	(4)	**288**
Profit/(Loss) before income tax	2,580	1,210	1,099	15	(478)	**4,426**
Income tax expense and non-controlling interests	(775)	(340)	(308)	(3)	156	**(1,270)**
Cash profit/(loss) from continuing operations	1,805	870	791	12	(322)	**3,156**

March 2021 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	Group Centre $M	Group $M
Net interest income	4,031	1,518	1,393	49	51	**7,042**
Other operating income	522	960	225	33	197	**1,937**
Operating income	4,553	2,478	1,618	82	248	**8,979**
Operating expenses	(1,857)	(1,171)	(613)	(70)	(476)	**(4,187)**
Profit/(Loss) before credit impairment and income tax	2,696	1,307	1,005	12	(228)	**4,792**
Credit impairment (charge)/release	384	49	58	(3)	-	**488**
Profit/(Loss) before income tax	3,080	1,356	1,063	9	(228)	**5,280**
Income tax expense and non-controlling interests	(925)	(387)	(298)	(1)	84	**(1,527)**
Cash profit/(loss) from continuing operations	2,155	969	765	8	(144)	**3,753**

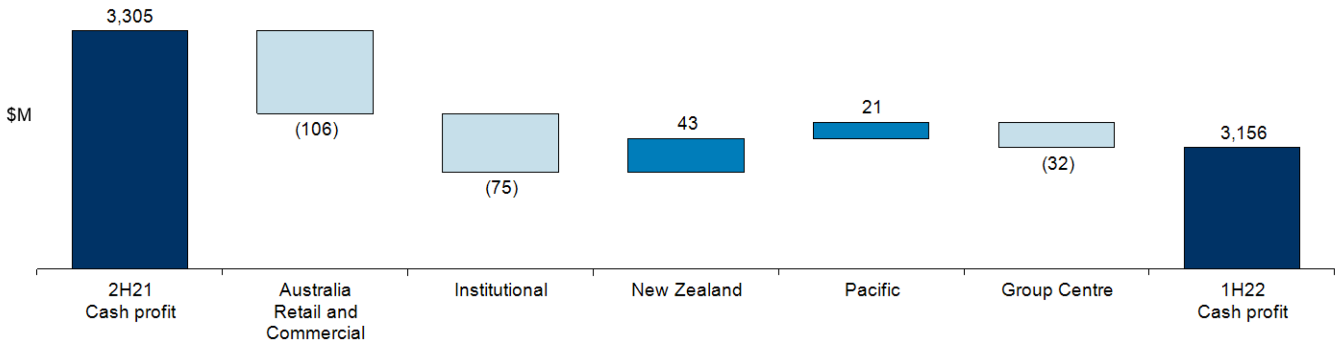
March 2022 Half Year v March 2021 Half Year

	Australia Retail and Commercial	Institutional	New Zealand	Pacific	Group Centre	Group
Net interest income	-4%	7%	8%	-6%	25%	**1%**
Other operating income	-13%	-20%	9%	3%	-53%	**-18%**
Operating income	-5%	-4%	8%	-2%	-37%	**-3%**
Operating expenses	6%	3%	10%	-3%	33%	**9%**
Profit/(Loss) before credit impairment and income tax	-13%	-10%	7%	0%	large	**-14%**
Credit impairment (charge)/release	-39%	-33%	-64%	large	n/a	**-41%**
Profit/(Loss) before income tax	-16%	-11%	3%	67%	large	**-16%**
Income tax expense and non-controlling interests	-16%	-12%	3%	large	86%	**-17%**
Cash profit/(loss) from continuing operations	-16%	-10%	3%	50%	large	**-16%**

Divisional Performance - continuing operations

Cash profit by division (excluding large/notable items) - March 2022 Half Year v September 2021 Half Year

The Group cash profit results include a number of items collectively referred to as large/notable items. While these items form part of cash profit, they have been excluded from the tables below given their nature and significance. Refer to pages 12 to 16 for a description of large/notable items.



March 2022 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	Group Centre $M	Group $M
Net interest income	3,867	1,621	1,505	46	64	**7,103**
Other operating income	452	766	245	34	93	**1,590**
Operating income	4,319	2,387	1,750	80	157	**8,693**
Operating expenses	(1,974)	(1,210)	(672)	(68)	(631)	**(4,555)**
Profit/(Loss) before credit impairment and income tax	2,345	1,177	1,078	12	(474)	**4,138**
Credit impairment (charge)/release	235	33	21	3	(4)	**288**
Profit/(Loss) before income tax	2,580	1,210	1,099	15	(478)	**4,426**
Income tax expense and non-controlling interests	(775)	(340)	(308)	(3)	156	**(1,270)**
Cash profit/(loss) from continuing operations	1,805	870	791	12	(322)	**3,156**

September 2021 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	Group Centre $M	Group $M
Net interest income	4,041	1,586	1,481	47	50	**7,205**
Other operating income	566	846	231	32	135	**1,810**
Operating income	4,607	2,432	1,712	79	185	**9,015**
Operating expenses	(1,918)	(1,149)	(691)	(71)	(594)	**(4,423)**
Profit/(Loss) before credit impairment and income tax	2,689	1,283	1,021	8	(409)	**4,592**
Credit impairment (charge)/release	44	35	18	(18)	(3)	**76**
Profit/(Loss) before income tax	2,733	1,318	1,039	(10)	(412)	**4,668**
Income tax expense and non-controlling interests	(822)	(373)	(291)	1	122	**(1,363)**
Cash profit/(loss) from continuing operations	1,911	945	748	(9)	(290)	**3,305**

March 2022 Half Year v September 2021 Half Year

	Australia Retail and Commercial	Institutional	New Zealand	Pacific	Group Centre	Group
Net interest income	-4%	2%	2%	-2%	28%	**-1%**
Other operating income	-20%	-9%	6%	6%	-31%	**-12%**
Operating income	-6%	-2%	2%	1%	-15%	**-4%**
Operating expenses	3%	5%	-3%	-4%	6%	**3%**
Profit/(Loss) before credit impairment and income tax	-13%	-8%	6%	50%	16%	**-10%**
Credit impairment (charge)/release	large	-6%	17%	large	33%	**large**
Profit/(Loss) before income tax	-6%	-8%	6%	large	16%	**-5%**
Income tax expense and non-controlling interests	-6%	-9%	6%	large	28%	**-7%**
Cash profit/(loss) from continuing operations	-6%	-8%	6%	large	11%	**-5%**

Australia Retail and Commercial - continuing operations

Maile Carnegie and Shayne Elliott

Divisional performance was impacted by a number of large/notable items. Refer to pages 12 to 16 and pages 51 to 52 for details.

	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Net interest income	**3,864**	4,015	3,974	-4%	-3%
Other operating income	**746**	587	302	27%	large
Operating income	**4,610**	4,602	4,276	0%	8%
Operating expenses	**(2,155)**	(2,024)	(2,000)	6%	8%
Profit before credit impairment and income tax	**2,455**	2,578	2,276	-5%	8%
Credit impairment (charge)/release	**235**	45	381	large	-38%
Profit before income tax	**2,690**	2,623	2,657	3%	1%
Income tax expense and non-controlling interests	**(704)**	(788)	(875)	-11%	-20%
Cash profit	**1,986**	1,835	1,782	8%	11%
Balance Sheet					
Net loans and advances	**342,173**	341,233	344,269	0%	-1%
Other external assets	**2,908**	2,778	3,510	5%	-17%
External assets	**345,081**	344,011	347,779	0%	-1%
Customer deposits	**263,420**	252,504	241,315	4%	9%
Other external liabilities	**10,173**	8,978	9,328	13%	9%
External liabilities	**273,593**	261,482	250,643	5%	9%
Risk weighted assets	**170,383**	163,793	163,006	4%	5%
Average gross loans and advances	**343,867**	345,741	346,168	-1%	-1%
Average deposits and other borrowings	**258,812**	245,089	240,094	6%	8%
Ratios					
Return on average assets	**1.16%**	1.06%	1.03%		
Net interest margin	**2.55%**	2.59%	2.56%		
Operating expenses to operating income	**46.7%**	44.0%	46.8%		
Operating expenses to average assets	**1.26%**	1.17%	1.16%		
Individually assessed credit impairment charge/(release)	**88**	61	134	44%	-34%
Individually assessed credit impairment charge/(release) as a % of average GLA[1]	**0.05%**	0.04%	0.08%		
Collectively assessed credit impairment charge/(release)	**(323)**	(106)	(515)	large	-37%
Collectively assessed credit impairment charge/(release) as a % of average GLA[1]	**(0.19%)**	(0.06%)	(0.30%)		
Gross impaired assets	**857**	1,041	1,228	-18%	-30%
Gross impaired assets as a % of GLA	**0.25%**	0.30%	0.35%		
Total full time equivalent staff (FTE)	**14,505**	14,480	14,118	0%	3%

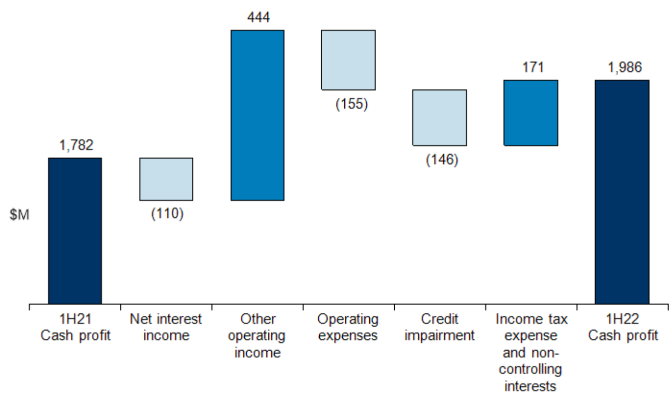
1. *Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Performance March 2022 v March 2021

Lending volumes decreased driven by home loan contraction and lower unsecured lending, partially offset by an increase in commercial lending.

- Net interest margin decreased driven by unfavourable lending mix from stronger growth in lower margin fixed rate home loans, continued competitive pressures and deposit margin compression. This was partially offset by further deposit repricing benefits, stronger deposit volume growth and favourable deposit mix.
- Other operating income increased driven by the gain on sale relating to the ANZ Worldline partnership and the loss on reclassification of ANZ Share Investing to held for sale in the March 2021 half. This was partially offset by Breakfree package fee changes and the loss on sale of the financial planning and advice business.
- Operating expenses increased driven by higher investment spend and higher customer remediation, partially offset by productivity benefits and lower restructuring expenses.
- Credit impairment release decreased driven by a lower collectively assessed credit impairment release, partially offset by lower individually assessed credit impairment charge with underlying delinquency and impairment flows remaining subdued post government and bank COVID-19 support packages.

Cash Profit March 2022 v March 2021



Australia Retail and Commercial - continuing operations

Maile Carnegie and Shayne Elliott

Individually assessed credit impairment charge/(release)

	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Retail	**45**	**47**	**75**	**-4%**	**-40%**
Home Loans	5	(2)	46	large	-89%
Cards and Personal Loans	39	47	26	-17%	50%
Deposits and Payments[1]	1	2	3	-50%	-67%
Commercial and Private Bank	**43**	**14**	**59**	**large**	**-27%**
Business Banking	-	(25)	(9)	-100%	-100%
Small Business Banking	44	40	68	10%	-35%
Private Bank and Advice	(1)	(1)	-	0%	n/a
Individually assessed credit impairment charge/(release)	**88**	**61**	**134**	**44%**	**-34%**

Collectively assessed credit impairment charge/(release)

	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Retail	**(158)**	**(43)**	**(306)**	**large**	**-48%**
Home Loans	(122)	8	(259)	large	-53%
Cards and Personal Loans	(37)	(49)	(43)	-24%	-14%
Deposits and Payments[1]	1	(2)	(4)	large	large
Commercial and Private Bank	**(165)**	**(63)**	**(209)**	**large**	**-21%**
Business Banking	(124)	(41)	(101)	large	23%
Small Business Banking	(41)	(21)	(108)	95%	-62%
Private Bank and Advice	-	(1)	-	-100%	n/a
Collectively assessed credit impairment charge/(release)	**(323)**	**(106)**	**(515)**	**large**	**-37%**

Net loans and advances

	As at			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Retail	**284,548**	**283,988**	**287,475**	**0%**	**-1%**
Home Loans	278,443	277,959	280,747	0%	-1%
Cards and Personal Loans	6,070	5,974	6,682	2%	-9%
Deposits and Payments[1]	35	55	46	-36%	-24%
Commercial and Private Bank	**57,625**	**57,245**	**56,794**	**1%**	**1%**
Business Banking	42,233	41,857	41,148	1%	3%
Small Business Banking	11,858	12,027	12,389	-1%	-4%
Private Bank and Advice	3,534	3,361	3,257	5%	9%
Net loans and advances	**342,173**	**341,233**	**344,269**	**0%**	**-1%**

Customer deposits

	As at			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Retail	**147,000**	**141,404**	**134,655**	**4%**	**9%**
Home Loans[2]	41,346	38,753	35,901	7%	15%
Cards and Personal Loans	196	198	181	-1%	8%
Deposits and Payments	105,458	102,453	98,573	3%	7%
Commercial and Private Bank	**116,420**	**111,100**	**106,660**	**5%**	**9%**
Business Banking	26,246	23,981	23,461	9%	12%
Small Business Banking	60,251	58,128	55,275	4%	9%
Private Bank and Advice	29,923	28,991	27,924	3%	7%
Customer deposits	**263,420**	**252,504**	**241,315**	**4%**	**9%**

1. *Net loans and advances for the deposits and payments business represent amounts in overdraft.*
2. *Customer deposit amounts for the home loans business represent balances in offset accounts.*

Australia Retail and Commercial - continuing operations

Maile Carnegie and Shayne Elliott

March 2022 Half Year	Retail $M	Commercial and Private Bank $M	Total $M
Net interest income	2,706	1,158	**3,864**
Other operating income	269	477	**746**
Operating income	2,975	1,635	**4,610**
Operating expenses	(1,482)	(673)	**(2,155)**
Profit before credit impairment and income tax	1,493	962	**2,455**
Credit impairment (charge)/release	113	122	**235**
Profit before income tax	1,606	1,084	**2,690**
Income tax expense and non-controlling interests	(487)	(217)	**(704)**
Cash profit	1,119	867	**1,986**
Individually assessed credit impairment charge/(release)	45	43	**88**
Collectively assessed credit impairment charge/(release)	(158)	(165)	**(323)**
Net loans and advances	284,548	57,625	**342,173**
Customer deposits	147,000	116,420	**263,420**
Risk weighted assets	118,778	51,605	**170,383**

March 2021 Half Year			
Net interest income	2,874	1,100	3,974
Other operating income	75	227	302
Operating income	2,949	1,327	4,276
Operating expenses	(1,327)	(673)	(2,000)
Profit before credit impairment and income tax	1,622	654	2,276
Credit impairment (charge)/release	231	150	381
Profit before income tax	1,853	804	2,657
Income tax expense and non-controlling interests	(633)	(242)	(875)
Cash profit	1,220	562	1,782
Individually assessed credit impairment charge/(release)	75	59	134
Collectively assessed credit impairment charge/(release)	(306)	(209)	(515)
Net loans and advances	287,475	56,794	344,269
Customer deposits	134,655	106,660	241,315
Risk weighted assets	110,672	52,334	163,006

March 2022 Half Year v March 2021 Half Year			
Net interest income	-6%	5%	-3%
Other operating income	large	large	large
Operating income	1%	23%	8%
Operating expenses	12%	0%	8%
Profit before credit impairment and income tax	-8%	47%	8%
Credit impairment (charge)/release	-51%	-19%	-38%
Profit before income tax	-13%	35%	1%
Income tax expense and non-controlling interests	-23%	-10%	-20%
Cash profit	-8%	54%	11%
Individually assessed credit impairment charge/(release)	-40%	-27%	-34%
Collectively assessed credit impairment charge/(release)	-48%	-21%	-37%
Net loans and advances	-1%	1%	-1%
Customer deposits	9%	9%	9%
Risk weighted assets	7%	-1%	5%

Australia Retail and Commercial - continuing operations

Maile Carnegie and Shayne Elliott

March 2022 Half Year	Retail $M	Commercial and Private Bank $M	Total $M
Net interest income	2,706	1,158	**3,864**
Other operating income	269	477	**746**
Operating income	2,975	1,635	**4,610**
Operating expenses	(1,482)	(673)	**(2,155)**
Profit before credit impairment and income tax	1,493	962	**2,455**
Credit impairment (charge)/release	113	122	**235**
Profit before income tax	1,606	1,084	**2,690**
Income tax expense and non-controlling interests	(487)	(217)	**(704)**
Cash profit	1,119	867	**1,986**
Individually assessed credit impairment charge/(release)	45	43	**88**
Collectively assessed credit impairment charge/(release)	(158)	(165)	**(323)**
Net loans and advances	284,548	57,625	**342,173**
Customer deposits	147,000	116,420	**263,420**
Risk weighted assets	118,778	51,605	**170,383**
September 2021 Half Year			
Net interest income	2,834	1,181	4,015
Other operating income	358	229	587
Operating income	3,192	1,410	4,602
Operating expenses	(1,344)	(680)	(2,024)
Profit before credit impairment and income tax	1,848	730	2,578
Credit impairment (charge)/release	(4)	49	45
Profit before income tax	1,844	779	2,623
Income tax expense and non-controlling interests	(554)	(234)	(788)
Cash profit	1,290	545	1,835
Individually assessed credit impairment charge/(release)	47	14	61
Collectively assessed credit impairment charge/(release)	(43)	(63)	(106)
Net loans and advances	283,988	57,245	341,233
Customer deposits	141,404	111,100	252,504
Risk weighted assets	112,156	51,637	163,793
March 2022 Half Year v September 2021 Half Year			
Net interest income	-5%	-2%	-4%
Other operating income	-25%	large	27%
Operating income	-7%	16%	0%
Operating expenses	10%	-1%	6%
Profit before credit impairment and income tax	-19%	32%	-5%
Credit impairment (charge)/release	large	large	large
Profit before income tax	-13%	39%	3%
Income tax expense and non-controlling interests	-12%	-7%	-11%
Cash profit	-13%	59%	8%
Individually assessed credit impairment charge/(release)	-4%	large	44%
Collectively assessed credit impairment charge/(release)	large	large	large
Net loans and advances	0%	1%	0%
Customer deposits	4%	5%	4%
Risk weighted assets	6%	0%	4%

Institutional - continuing operations

Mark Whelan

Divisional performance was impacted by a number of large/notable items. Refer to pages 12 to 16 and pages 51 to 52 for details.

	Half Year			Movement	
	Mar 22 $M	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Net interest income	**1,621**	1,586	1,519	2%	7%
Other operating income	**782**	864	1,014	-9%	-23%
Operating income	**2,403**	2,450	2,533	-2%	-5%
Operating expenses	**(1,241)**	(1,173)	(1,274)	6%	-3%
Profit before credit impairment and income tax	**1,162**	1,277	1,259	-9%	-8%
Credit impairment (charge)/release	**35**	34	55	3%	-36%
Profit before income tax	**1,197**	1,311	1,314	-9%	-9%
Income tax expense and non-controlling interests	**(467)**	(372)	(366)	26%	28%
Cash profit	**730**	939	948	-22%	-23%
Balance Sheet					
Net loans and advances	**174,986**	158,231	147,446	11%	19%
Other external assets	**281,520**	271,131	345,315	4%	-18%
External assets	**456,506**	429,362	492,761	6%	-7%
Customer deposits	**243,836**	239,628	223,666	2%	9%
Other deposits and borrowings	**84,845**	70,033	65,675	21%	29%
Deposits and other borrowings	**328,681**	309,661	289,341	6%	14%
Other external liabilities	**88,198**	74,445	144,045	18%	-39%
External liabilities	**416,879**	384,106	433,386	9%	-4%
Risk weighted assets	**186,619**	172,065	169,984	8%	10%
Average gross loans and advances	**170,891**	151,298	151,897	13%	13%
Average deposits and other borrowings	**323,662**	302,551	292,475	7%	11%
Ratios					
Return on average assets	**0.32%**	0.38%	0.35%		
Net interest margin	**0.83%**	0.85%	0.77%		
Net interest margin (excluding Markets)	**1.77%**	1.86%	1.85%		
Operating expenses to operating income	**51.6%**	47.9%	50.3%		
Operating expenses to average assets	**0.55%**	0.48%	0.47%		
Individually assessed credit impairment charge/(release)	**(8)**	15	55	large	large
Individually assessed credit impairment charge/(release) as a % of average GLA[1]	**(0.01%)**	0.02%	0.07%		
Collectively assessed credit impairment charge/(release)	**(27)**	(49)	(110)	-45%	-75%
Collectively assessed credit impairment charge/(release) as a % of average GLA[1]	**(0.03%)**	(0.06%)	(0.15%)		
Gross impaired assets	**641**	704	892	-9%	-28%
Gross impaired assets as a % of GLA	**0.36%**	0.44%	0.60%		
Total full time equivalent staff (FTE)	**6,236**	6,196	6,061	1%	3%

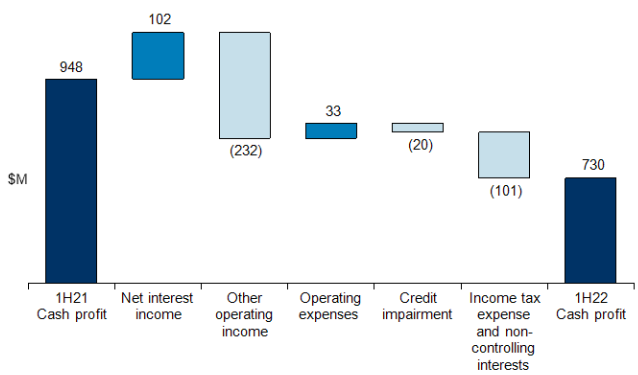
1. *Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Performance March 2022 v March 2021

Lending volumes increased across Corporate Finance, Markets and Transaction Banking following strong core lending and customer flows during the period. Customer deposits increased predominantly in Transaction Banking.

- Net interest margin ex-Markets decreased primarily driven by deposit margin compression.
- Other operating income decreased driven by Markets reflecting volatile interest rate movements and valuation adjustments during the period.
- Operating expenses decreased driven by lower litigation settlements, restructuring expenses and divested business results, partially offset by higher investment spend.
- Credit impairment release decreased driven by a lower collectively assessed credit impairment release, partially offset by lower individually assessed credit impairment charges driven by higher impairments taken in the March 2021 half.
- Income tax expense increased driven by the dividend withholding tax on the dividend payment from ANZ PNG to ANZBGL.

Cash Profit March 2022 v March 2021



Institutional - continuing operations

Mark Whelan

Institutional by Geography

	Half Year			Movement	
Australia	**Mar 22 $M**	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Net interest income	**947**	992	884	-5%	7%
Other operating income	**276**	432	491	-36%	-44%
Operating income	**1,223**	1,424	1,375	-14%	-11%
Operating expenses	**(601)**	(586)	(654)	3%	-8%
Profit before credit impairment and income tax	**622**	838	721	-26%	-14%
Credit impairment (charge)/release	**39**	6	68	large	-43%
Profit before income tax	**661**	844	789	-22%	-16%
Income tax expense and non-controlling interests	**(201)**	(255)	(228)	-21%	-12%
Cash profit	**460**	589	561	-22%	-18%
Individually assessed credit impairment charge/(release)	**(2)**	16	34	large	large
Collectively assessed credit impairment charge/(release)	**(37)**	(22)	(102)	68%	-64%
Net loans and advances	**98,552**	91,084	89,755	8%	10%
Customer deposits	**91,791**	91,352	88,824	0%	3%
Risk weighted assets	**101,970**	91,346	93,476	12%	9%
Asia, Pacific, Europe, and America					
Net interest income	**525**	438	478	20%	10%
Other operating income	**401**	314	419	28%	-4%
Operating income	**926**	752	897	23%	3%
Operating expenses	**(549)**	(501)	(532)	10%	3%
Profit before credit impairment and income tax	**377**	251	365	50%	3%
Credit impairment (charge)/release	**(2)**	4	(20)	large	-90%
Profit before income tax	**375**	255	345	47%	9%
Income tax expense and non-controlling interests	**(221)**	(58)	(87)	large	large
Cash profit	**154**	197	258	-22%	-40%
Individually assessed credit impairment charge/(release)	**(6)**	-	24	n/a	large
Collectively assessed credit impairment charge/(release)	**8**	(4)	(4)	large	large
Net loans and advances	**69,971**	60,907	51,694	15%	35%
Customer deposits	**131,914**	126,512	115,331	4%	14%
Risk weighted assets	**71,296**	68,293	63,922	4%	12%
New Zealand					
Net interest income	**149**	156	157	-4%	-5%
Other operating income	**105**	118	104	-11%	1%
Operating income	**254**	274	261	-7%	-3%
Operating expenses	**(91)**	(86)	(88)	6%	3%
Profit before credit impairment and income tax	**163**	188	173	-13%	-6%
Credit impairment (charge)/release	**(2)**	24	7	large	large
Profit before income tax	**161**	212	180	-24%	-11%
Income tax expense and non-controlling interests	**(45)**	(59)	(51)	-24%	-12%
Cash profit	**116**	153	129	-24%	-10%
Individually assessed credit impairment charge/(release)	**-**	(1)	(3)	-100%	-100%
Collectively assessed credit impairment charge/(release)	**2**	(23)	(4)	large	large
Net loans and advances	**6,463**	6,240	5,997	4%	8%
Customer deposits	**20,131**	21,764	19,511	-8%	3%
Risk weighted assets	**13,353**	12,426	12,586	7%	6%

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Individually assessed credit impairment charge/(release)	**Half Year**			**Movement**	
	Mar 22 $M	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Transaction Banking	**(8)**	(7)	5	14%	large
Corporate Finance	**-**	22	51	-100%	-100%
Markets	**-**	-	(1)	n/a	-100%
Individually assessed credit impairment charge/(release)	**(8)**	**15**	**55**	**large**	**large**

Collectively assessed credit impairment charge/(release)	**Half Year**			**Movement**	
	Mar 22 $M	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Transaction Banking	**(21)**	14	(8)	large	large
Corporate Finance	**(1)**	(70)	(95)	-99%	-99%
Markets	**(5)**	7	(7)	large	-29%
Collectively assessed credit impairment charge/(release)	**(27)**	**(49)**	**(110)**	**-45%**	**-75%**

Net loans and advances	**As at**			**Movement**	
	Mar 22 $M	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Transaction Banking	18,530	17,348	14,295	7%	30%
Corporate Finance	122,787	113,720	105,026	8%	17%
Markets	33,655	27,021	28,097	25%	20%
Central Functions	14	142	28	-90%	-50%
Net loans and advances	**174,986**	**158,231**	**147,446**	**11%**	**19%**

Customer deposits	**As at**			**Movement**	
	Mar 22 $M	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Transaction Banking	138,876	133,202	120,775	4%	15%
Corporate Finance	1,296	981	1,817	32%	-29%
Markets	102,006	103,470	99,272	-1%	3%
Central Functions	1,658	1,975	1,802	-16%	-8%
Customer deposits	**243,836**	**239,628**	**223,666**	**2%**	**9%**

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March 2022 Half Year	**Transaction Banking $M**	**Corporate Finance $M**	**Markets $M**	**Central Functions $M**	**Total $M**
Net interest income	314	885	416	6	**1,621**
Other operating income	335	42	396	9	**782**
Operating income	649	927	812	15	**2,403**
Operating expenses	(342)	(302)	(569)	(28)	**(1,241)**
Profit/(Loss) before credit impairment and income tax	307	625	243	(13)	**1,162**
Credit impairment (charge)/release	29	1	5	-	**35**
Profit/(Loss) before income tax	336	626	248	(13)	**1,197**
Income tax expense and non-controlling interests	(96)	(174)	(65)	(132)	**(467)**
Cash profit/(loss)	240	452	183	(145)	**730**
Individually assessed credit impairment charge/(release)	(8)	-	-	-	**(8)**
Collectively assessed credit impairment charge/(release)	(21)	(1)	(5)	-	**(27)**
Net loans and advances	18,530	122,787	33,655	14	**174,986**
Customer deposits	138,876	1,296	102,006	1,658	**243,836**
Risk weighted assets	25,425	107,609	52,138	1,447	**186,619**

March 2021 Half Year					
Net interest income	326	783	402	8	1,519
Other operating income	320	45	638	11	1,014
Operating income	646	828	1,040	19	2,533
Operating expenses	(368)	(300)	(585)	(21)	(1,274)
Profit/(Loss) before credit impairment and income tax	278	528	455	(2)	1,259
Credit impairment (charge)/release	3	44	8	-	55
Profit/(Loss) before income tax	281	572	463	(2)	1,314
Income tax expense and non-controlling interests	(82)	(163)	(105)	(16)	(366)
Cash profit/(loss)	199	409	358	(18)	948
Individually assessed credit impairment charge/(release)	5	51	(1)	-	55
Collectively assessed credit impairment charge/(release)	(8)	(95)	(7)	-	(110)
Net loans and advances	14,295	105,026	28,097	28	147,446
Customer deposits	120,775	1,817	99,272	1,802	223,666
Risk weighted assets	25,648	92,905	50,135	1,296	169,984

March 2022 Half Year v March 2021 Half Year					
Net interest income	-4%	13%	3%	-25%	7%
Other operating income	5%	-7%	-38%	-18%	-23%
Operating income	0%	12%	-22%	-21%	-5%
Operating expenses	-7%	1%	-3%	33%	-3%
Profit/(Loss) before credit impairment and income tax	10%	18%	-47%	large	-8%
Credit impairment (charge)/release	large	-98%	-38%	n/a	-36%
Profit/(Loss) before income tax	20%	9%	-46%	large	-9%
Income tax expense and non-controlling interests	17%	7%	-38%	large	28%
Cash profit/(loss)	21%	11%	-49%	large	-23%
Individually assessed credit impairment charge/(release)	large	-100%	-100%	n/a	large
Collectively assessed credit impairment charge/(release)	large	-99%	-29%	n/a	-75%
Net loans and advances	30%	17%	20%	-50%	19%
Customer deposits	15%	-29%	3%	-8%	9%
Risk weighted assets	-1%	16%	4%	12%	10%

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March 2022 Half Year	Transaction Banking $M	Corporate Finance $M	Markets $M	Central Functions $M	Total $M
Net interest income	314	885	416	6	**1,621**
Other operating income	335	42	396	9	**782**
Operating income	649	927	812	15	**2,403**
Operating expenses	(342)	(302)	(569)	(28)	**(1,241)**
Profit/(Loss) before credit impairment and income tax	307	625	243	(13)	**1,162**
Credit impairment (charge)/release	29	1	5	-	**35**
Profit/(Loss) before income tax	336	626	248	(13)	**1,197**
Income tax expense and non-controlling interests	(96)	(174)	(65)	(132)	**(467)**
Cash profit/(loss)	240	452	183	(145)	**730**
Individually assessed credit impairment charge/(release)	(8)	-	-	-	**(8)**
Collectively assessed credit impairment charge/(release)	(21)	(1)	(5)	-	**(27)**
Net loans and advances	18,530	122,787	33,655	14	**174,986**
Customer deposits	138,876	1,296	102,006	1,658	**243,836**
Risk weighted assets	25,425	107,609	52,138	1,447	**186,619**
September 2021 Half Year					
Net interest income	335	808	439	4	1,586
Other operating income	314	49	492	9	864
Operating income	649	857	931	13	2,450
Operating expenses	(309)	(300)	(523)	(41)	(1,173)
Profit/(Loss) before credit impairment and income tax	340	557	408	(28)	1,277
Credit impairment (charge)/release	(7)	48	(7)	-	34
Profit/(Loss) before income tax	333	605	401	(28)	1,311
Income tax expense and non-controlling interests	(96)	(171)	(119)	14	(372)
Cash profit/(loss)	237	434	282	(14)	939
Individually assessed credit impairment charge/(release)	(7)	22	-	-	15
Collectively assessed credit impairment charge/(release)	14	(70)	7	-	(49)
Net loans and advances	17,348	113,720	27,021	142	158,231
Customer deposits	133,202	981	103,470	1,975	239,628
Risk weighted assets	26,061	95,994	48,642	1,368	172,065
March 2022 Half Year v September 2021 Half Year					
Net interest income	-6%	10%	-5%	50%	2%
Other operating income	7%	-14%	-20%	0%	-9%
Operating income	0%	8%	-13%	15%	-2%
Operating expenses	11%	1%	9%	-32%	6%
Profit/(Loss) before credit impairment and income tax	-10%	12%	-40%	-54%	-9%
Credit impairment (charge)/release	large	-98%	large	n/a	3%
Profit/(Loss) before income tax	1%	3%	-38%	-54%	-9%
Income tax expense and non-controlling interests	0%	2%	-45%	large	26%
Cash profit/(loss)	1%	4%	-35%	large	-22%
Individually assessed credit impairment charge/(release)	14%	-100%	n/a	n/a	large
Collectively assessed credit impairment charge/(release)	large	-99%	large	n/a	-45%
Net loans and advances	7%	8%	25%	-90%	11%
Customer deposits	4%	32%	-1%	-16%	2%
Risk weighted assets	-2%	12%	7%	6%	8%

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Analysis of Markets operating income[1]

	Half Year			Movement	
Composition of Markets operating income by product	**Mar 22 $M**	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Foreign Exchange	**324**	262	307	24%	6%
Rates	**181**	124	128	46%	41%
Credit and Capital Markets	**32**	61	139	-48%	-77%
Commodities	**53**	32	43	66%	23%
Franchise Revenue	**590**	479	617	23%	-4%
Balance Sheet[2]	**223**	445	402	-50%	-45%
Derivative valuation adjustments[3]	**(1)**	7	21	large	large
Markets operating income	**812**	931	1,040	-13%	-22%

1. *Markets operating income includes Net interest income and Other operating income.*
2. *Balance Sheet represents hedging of interest rate risk on the Group's loan and deposit books and the management of the Group's liquidity portfolio.*
3. *Includes funding and credit valuation adjustments.*

	Half Year			Movement	
Composition of Markets operating income by geography	**Mar 22 $M**	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Australia	**237**	438	402	-46%	-41%
Asia, Pacific, Europe & America	**479**	370	517	29%	-7%
New Zealand	**96**	123	121	-22%	-21%
Markets operating income	**812**	931	1,040	-13%	-22%

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Market risk

Traded market risk

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

99% confidence level (1 day holding period)

	As at	High for period	Low for period	Avg for period	As at	High for year	Low for year	Avg for year
	Mar 22 $M	Mar 22 $M	Mar 22 $M	Mar 22 $M	Sep 21 $M	Sep 21 $M	Sep 21 $M	Sep 21 $M
Value at Risk at 99% confidence								
Foreign exchange	**2.5**	**4.8**	**1.7**	**2.9**	3.8	10.0	1.3	3.9
Interest rate	**6.1**	**22.7**	**5.7**	**11.7**	9.6	19.6	4.3	8.8
Credit	**2.3**	**11.8**	**2.3**	**7.5**	6.3	22.2	5.3	13.7
Commodities	**3.0**	**7.0**	**2.3**	**3.5**	3.1	5.0	1.3	2.8
Equity	**-**	**-**	**-**	**-**	-	-	-	-
Diversification benefit	**(4.4)**	**n/a**	**n/a**	**(8.7)**	(9.4)	n/a	n/a	(9.7)
Total VaR	**9.5**	**26.9**	**8.3**	**16.9**	13.4	30.0	8.7	19.5

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% rate shock.

99% confidence level (1 day holding period)

	As at	High for period	Low for period	Avg for period	As at	High for year	Low for year	Avg for year
	Mar 22 $M	Mar 22 $M	Mar 22 $M	Mar 22 $M	Sep 21 $M	Sep 21 $M	Sep 21 $M	Sep 21 $M
Value at Risk at 99% confidence								
Australia	**63.2**	**75.1**	**63.0**	**69.7**	67.0	81.8	61.9	69.8
New Zealand	**23.8**	**24.3**	**20.2**	**22.7**	21.6	32.8	21.6	26.7
Asia, Pacific, Europe & America	**16.8**	**38.0**	**16.8**	**32.0**	31.5	34.9	29.0	32.0
Diversification benefit	**(37.0)**	**n/a**	**n/a**	**(33.5)**	(32.9)	n/a	n/a	(53.7)
Total VaR	**66.8**	**102.8**	**66.8**	**90.9**	87.2	87.2	59.3	74.8

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

	As at	
	Mar 22	Sep 21
As at period end	**1.47%**	2.43%
Maximum exposure	**2.18%**	2.43%
Minimum exposure	**1.47%**	0.98%
Average exposure (in absolute terms)	**1.87%**	1.55%

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Divisional performance was impacted by a number of large/notable items. Refer to pages 12 to 16 and pages 51 to 52 for details (in AUD).

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

	Half Year			Movement	
	Mar 22 NZD M	**Sep 21 NZD M**	**Mar 21 NZD M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Net interest income	**1,594**	1,570	1,490	2%	7%
Other operating income	**260**	244	255	7%	2%
Operating income	**1,854**	1,814	1,745	2%	6%
Operating expenses	**(718)**	(745)	(668)	-4%	7%
Profit before credit impairment and income tax	**1,136**	1,069	1,077	6%	5%
Credit impairment (charge)/release	**22**	18	63	22%	-65%
Profit before income tax	**1,158**	1,087	1,140	7%	2%
Income tax expense and non-controlling interests	**(324)**	(305)	(315)	6%	3%
Cash profit	**834**	782	825	7%	1%
Balance Sheet					
Net loans and advances	**139,443**	134,537	131,250	4%	6%
Other external assets	**3,582**	3,944	4,153	-9%	-14%
External assets	**143,025**	138,481	135,403	3%	6%
Customer deposits	**107,710**	102,336	101,530	5%	6%
Other deposits and borrowings	**6,692**	5,734	3,543	17%	89%
Deposits and other borrowings	**114,402**	108,070	105,073	6%	9%
Other external liabilities	**17,978**	19,694	19,526	-9%	-8%
External liabilities	**132,380**	127,764	124,599	4%	6%
Risk weighted assets	**77,322**	74,524	71,220	4%	9%
Average gross loans and advances	**137,455**	133,666	129,047	3%	7%
Average deposits and other borrowings	**111,389**	106,744	102,546	4%	9%
Net funds management income	**101**	116	109	-13%	-7%
Funds under management	**37,358**	39,043	36,489	-4%	2%
Average funds under management	**38,415**	37,878	35,468	1%	8%
Ratios					
Return on average assets	**1.19%**	1.14%	1.25%		
Net interest margin	**2.33%**	2.34%	2.32%		
Operating expenses to operating income	**38.7%**	41.1%	38.3%		
Operating expenses to average assets	**1.02%**	1.08%	1.01%		
Individually assessed credit impairment charge/(release)	**(4)**	(11)	(6)	-64%	-33%
Individually assessed credit impairment charge/(release) as a % of average GLA[1]	**(0.01%)**	(0.02%)	(0.01%)		
Collectively assessed credit impairment charge/(release)	**(18)**	(7)	(57)	large	-68%
Collectively assessed credit impairment charge/(release) as a % of average GLA[1]	**(0.03%)**	(0.01%)	(0.09%)		
Gross impaired assets	**167**	173	338	-3%	-51%
Gross impaired assets as a % of GLA	**0.12%**	0.13%	0.26%		
Total full time equivalent staff (FTE)	**7,026**	7,060	6,691	0%	5%

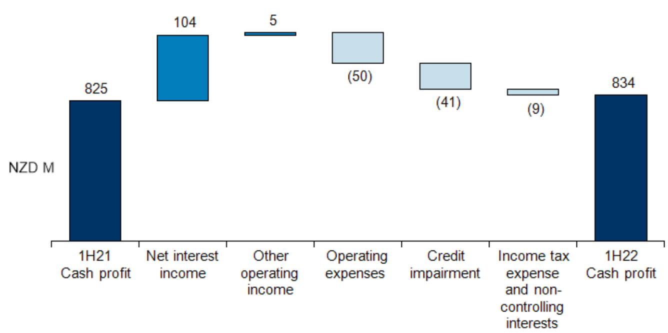
1. *Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Performance March 2022 v March 2021

Lending volumes increased driven by home loan growth.

- Net interest margin increased driven by favourable deposit mix, lower funding costs and deposit repricing, partially offset by lower home loan margins due to competition, and a higher mix of fixed rate home loans.
- Other operating income increased driven by gains on sale of government securities, partially offset by lower fees from the removal or reduction of funds under management fees, and a gain on sale of New Zealand legacy insurance portfolio in the March 2021 half.
- Operating expenses increased driven by higher investment spend, and FTE increases, partially offset by lower discretionary spend and productivity gains.
- Credit impairment releases decreased driven by a lower collectively assessed credit impairment release.

Cash Profit March 2022 v March 2021



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Individually assessed credit impairment charge/(release)	Half Year			Movement	
	Mar 22 NZD M	Sep 21 NZD M	Mar 21 NZD M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Personal[1]	**7**	**4**	**9**	**75%**	**-22%**
Home Loans	1	1	-	0%	n/a
Other	6	3	9	100%	-33%
Business[1]	**(11)**	**(15)**	**(15)**	**-27%**	**-27%**
Individually assessed credit impairment charge/(release)	**(4)**	**(11)**	**(6)**	**-64%**	**-33%**

Collectively assessed credit impairment charge/(release)	Half Year			Movement	
	Mar 22 NZD M	Sep 21 NZD M	Mar 21 NZD M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Personal[1]	**19**	**9**	**(41)**	**large**	**large**
Home Loans	21	20	(36)	5%	large
Other	(2)	(11)	(5)	-82%	-60%
Business[1]	**(37)**	**(16)**	**(16)**	**large**	**large**
Collectively assessed credit impairment charge/(release)	**(18)**	**(7)**	**(57)**	**large**	**-68%**

Net loans and advances	As at			Movement	
	Mar 22 NZD M	Sep 21 NZD M	Mar 21 NZD M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Personal[1]	**101,646**	**95,379**	**92,418**	**7%**	**10%**
Home Loans	100,159	93,785	90,060	7%	11%
Other	1,487	1,594	2,358	-7%	-37%
Business[1]	**37,797**	**39,158**	**38,832**	**-3%**	**-3%**
Net loans and advances	**139,443**	**134,537**	**131,250**	**4%**	**6%**

Customer deposits	As at			Movement	
	Mar 22 NZD M	Sep 21 NZD M	Mar 21 NZD M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Personal[1]	84,039	78,592	81,358	7%	3%
Business[1]	23,671	23,744	20,172	0%	17%
Customer deposits	**107,710**	**102,336**	**101,530**	**5%**	**6%**

1. *During the September 2021 half and continued into the March 2022 half, the New Zealand division reorganised its business units from Retail and Commercial to Personal and Business which resulted in some customer re-segmentation to better meet the needs of our customers. These changes were applied on a prospective basis as implemented.*

New Zealand - continuing operations
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March 2022 Half Year	Personal[1] NZD M	Business[1] NZD M	Central Functions NZD M	Total NZD M
Net interest income	1,024	575	(5)	**1,594**
Other operating income	202	25	33	**260**
Operating income	1,226	600	28	**1,854**
Operating expenses	(585)	(131)	(2)	**(718)**
Profit before credit impairment and income tax	641	469	26	**1,136**
Credit impairment (charge)/release	(26)	48	-	**22**
Profit before income tax	615	517	26	**1,158**
Income tax expense and non-controlling interests	(173)	(145)	(6)	**(324)**
Cash profit	442	372	20	**834**
Individually assessed credit impairment charge/(release)	7	(11)	-	**(4)**
Collectively assessed credit impairment charge/(release)	19	(37)	-	**(18)**
Net loans and advances	101,646	37,797	-	**139,443**
Customer deposits	84,039	23,671	-	**107,710**
Risk weighted assets	41,571	33,930	1,821	**77,322**

March 2021 Half Year				
Net interest income	986	503	1	1,490
Other operating income	248	5	2	255
Operating income	1,234	508	3	1,745
Operating expenses	(547)	(118)	(3)	(668)
Profit before credit impairment and income tax	687	390	-	1,077
Credit impairment (charge)/release	32	31	-	63
Profit before income tax	719	421	-	1,140
Income tax expense and non-controlling interests	(198)	(118)	1	(315)
Cash profit	521	303	1	825
Individually assessed credit impairment charge/(release)	9	(15)	-	(6)
Collectively assessed credit impairment charge/(release)	(41)	(16)	-	(57)
Net loans and advances	92,418	38,832	-	131,250
Customer deposits	81,358	20,172	-	101,530
Risk weighted assets	39,190	29,924	2,106	71,220

March 2022 Half Year v March 2021 Half Year				
Net interest income	4%	14%	large	7%
Other operating income	-19%	large	large	2%
Operating income	-1%	18%	large	6%
Operating expenses	7%	11%	-33%	7%
Profit before credit impairment and income tax	-7%	20%	n/a	5%
Credit impairment (charge)/release	large	55%	n/a	-65%
Profit before income tax	-14%	23%	n/a	2%
Income tax expense and non-controlling interests	-13%	23%	large	3%
Cash profit	-15%	23%	large	1%
Individually assessed credit impairment charge/(release)	-22%	-27%	n/a	-33%
Collectively assessed credit impairment charge/(release)	large	large	n/a	-68%
Net loans and advances	10%	-3%	n/a	6%
Customer deposits	3%	17%	n/a	6%
Risk weighted assets	6%	13%	-14%	9%

1. *During the September 2021 half and continued into the March 2022 half, the New Zealand division reorganised its business units from Retail and Commercial to Personal and Business which resulted in some customer re-segmentation to better meet the needs of our customers. These changes were applied on a prospective basis as implemented.*

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March 2022 Half Year	Personal[1] NZD M	Business[1] NZD M	Central Functions NZD M	Total NZD M
Net interest income	1,024	575	(5)	**1,594**
Other operating income	202	25	33	**260**
Operating income	1,226	600	28	**1,854**
Operating expenses	(585)	(131)	(2)	**(718)**
Profit before credit impairment and income tax	641	469	26	**1,136**
Credit impairment (charge)/release	(26)	48	-	**22**
Profit before income tax	615	517	26	**1,158**
Income tax expense and non-controlling interests	(173)	(145)	(6)	**(324)**
Cash profit	442	372	20	**834**
Individually assessed credit impairment charge/(release)	7	(11)	-	**(4)**
Collectively assessed credit impairment charge/(release)	19	(37)	-	**(18)**
Net loans and advances	101,646	37,797	-	**139,443**
Customer deposits	84,039	23,671	-	**107,710**
Risk weighted assets	41,571	33,930	1,821	**77,322**
September 2021 Half Year				
Net interest income	1,009	561	-	1,570
Other operating income	238	8	(2)	244
Operating income	1,247	569	(2)	1,814
Operating expenses	(600)	(144)	(1)	(745)
Profit before credit impairment and income tax	647	425	(3)	1,069
Credit impairment (charge)/release	(13)	31	-	18
Profit before income tax	634	456	(3)	1,087
Income tax expense and non-controlling interests	(177)	(128)	-	(305)
Cash profit	457	328	(3)	782
Individually assessed credit impairment charge/(release)	4	(15)	-	(11)
Collectively assessed credit impairment charge/(release)	9	(16)	-	(7)
Net loans and advances	95,379	39,158	-	134,537
Customer deposits	78,592	23,744	-	102,336
Risk weighted assets	39,787	32,596	2,141	74,524
March 2022 Half Year v September 2021 Half Year				
Net interest income	1%	2%	n/a	2%
Other operating income	-15%	large	large	7%
Operating income	-2%	5%	large	2%
Operating expenses	-3%	-9%	100%	-4%
Profit before credit impairment and income tax	-1%	10%	large	6%
Credit impairment (charge)/release	100%	55%	n/a	22%
Profit before income tax	-3%	13%	large	7%
Income tax expense and non-controlling interests	-2%	13%	n/a	6%
Cash profit	-3%	13%	large	7%
Individually assessed credit impairment charge/(release)	75%	-27%	n/a	-64%
Collectively assessed credit impairment charge/(release)	large	large	n/a	large
Net loans and advances	7%	-3%	n/a	4%
Customer deposits	7%	0%	n/a	5%
Risk weighted assets	4%	4%	-15%	4%

1. *During the September 2021 half and continued into the March 2022 half, the New Zealand division reorganised its business units from Retail and Commercial to Personal and Business which resulted in some customer re-segmentation to better meet the needs of our customers. These changes were applied on a prospective basis as implemented.*

New Zealand - continuing operations

Antonia Watson

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

	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Net interest income	**1,505**	1,477	1,393	2%	8%
Other operating income	**245**	231	238	6%	3%
Operating income	**1,750**	1,708	1,631	2%	7%
Operating expenses	**(678)**	(702)	(623)	-3%	9%
Profit before credit impairment and income tax	**1,072**	1,006	1,008	7%	6%
Credit impairment (charge)/release	**21**	18	58	17%	-64%
Profit before income tax	**1,093**	1,024	1,066	7%	3%
Income tax expense and non-controlling interests	**(306)**	(287)	(295)	7%	4%
Cash profit	**787**	737	771	7%	2%
Consisting of:					
Personal[1]	**418**	431	486	-3%	-14%
Business[1]	**352**	307	284	15%	24%
Central Functions	**17**	(1)	1	large	large
Cash profit	**787**	737	771	7%	2%
Balance Sheet					
Net loans and advances	**129,594**	128,466	120,482	1%	8%
Other external assets	**3,329**	3,766	3,812	-12%	-13%
External assets	**132,923**	132,232	124,294	1%	7%
Customer deposits	**100,102**	97,719	93,201	2%	7%
Other deposits and borrowings	**6,219**	5,474	3,252	14%	91%
Deposits and other borrowings	**106,321**	103,193	96,453	3%	10%
Other external liabilities	**16,709**	18,806	17,923	-11%	-7%
External liabilities	**123,030**	121,999	114,376	1%	8%
Risk weighted assets	**71,861**	71,161	65,376	1%	10%
Average gross loans and advances	**129,793**	125,780	120,639	3%	8%
Average deposits and other borrowings	**105,179**	100,444	95,864	5%	10%
Net funds management income	**96**	109	102	-12%	-6%
Funds under management	**34,719**	37,280	33,495	-7%	4%
Average funds under management	**36,275**	35,643	33,157	2%	9%
Ratios					
Return on average assets	**1.19%**	1.14%	1.25%		
Net interest margin	**2.33%**	2.34%	2.32%		
Operating expenses to operating income	**38.7%**	41.1%	38.3%		
Operating expenses to average assets	**1.02%**	1.08%	1.01%		
Individually assessed credit impairment charge/(release)	**(4)**	(10)	(5)	-60%	-20%
Individually assessed credit impairment charge/(release) as a % of average GLA[2]	**(0.01%)**	(0.02%)	(0.01%)		
Collectively assessed credit impairment charge/(release)	**(17)**	(8)	(53)	large	-68%
Collectively assessed credit impairment charge/(release) as a % of average GLA[2]	**(0.03%)**	(0.01%)	(0.09%)		
Gross impaired assets	**155**	164	310	-5%	-50%
Gross impaired assets as a % of GLA	**0.12%**	0.13%	0.26%		
Total full time equivalent staff (FTE)	**7,026**	7,060	6,691	0%	5%

1. *During the September 2021 half and continued into the March 2022 half, the New Zealand division reorganised its business units from Retail and Commercial to Personal and Business which resulted in some customer re-segmentation to better meet the needs of our customers. These changes were applied on a prospective basis as implemented.*
2. *Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Pacific - continuing operations

Antonia Watson

Divisional performance was impacted by a number of large/notable items. Refer to pages 12 to 16 and pages 51 to 52 for details of these items.

	Half Year			Movement	
	Mar 22 $M	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Net interest income	**46**	47	49	-2%	-6%
Other operating income	**34**	32	33	6%	3%
Operating income	**80**	79	82	1%	-2%
Operating expenses	**(80)**	(73)	(71)	10%	13%
Profit/(Loss) before credit impairment and income tax	**-**	6	11	-100%	-100%
Credit impairment (charge)/release	**(3)**	(18)	(3)	-83%	0%
Profit/(Loss) before income tax	**(3)**	(12)	8	-75%	large
Income tax (expense)/benefit and non-controlling interests	**(3)**	2	(1)	large	large
Cash profit/(loss)	**(6)**	(10)	7	-40%	large
Balance Sheet					
Net loans and advances	**1,664**	1,771	1,713	-6%	-3%
Customer deposits	**3,763**	3,767	3,394	0%	11%
Risk weighted assets	**3,604**	3,682	3,176	-2%	13%
Total full time equivalent staff (FTE)	**1,092**	1,089	1,101	0%	-1%

Group Centre - continuing operations

Divisional performance was impacted by a number of large/notable items. Refer to pages 12 to 16 and pages 51 to 52 for details of these items.

	Half Year			Movement	
	Mar 22 $M	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Share of associates' profit/(loss)	**74**	66	(242)	12%	large
Operating income (other)	**31**	119	143	-74%	-78%
Operating income[1]	**105**	185	(99)	-43%	large
Operating expenses[2]	**(637)**	(597)	(514)	7%	24%
Profit/(Loss) before credit impairment and income tax	**(532)**	(412)	(613)	29%	-13%
Credit impairment (charge)/release	**(4)**	(3)	-	33%	n/a
Profit/(Loss) before income tax	**(536)**	(415)	(613)	29%	-13%
Income tax benefit and non-controlling interests	**152**	122	95	25%	60%
Cash profit/(loss)	**(384)**	(293)	(518)	31%	-26%
Risk weighted assets	**5,443**	5,222	6,295	4%	-14%
Total full time equivalent staff (FTE)[3]	**10,670**	10,859	9,873	-2%	8%

1. *The March 2022 half Includes -$52 million comprising loss from recycling of foreign currency translation reserves from Other comprehensive income to profit or loss on dissolution of Minerva and ANZ Asia (-$65 million), and release of excess provision originally raised as part of the gain on sale estimate for the UDC Finance and Paymark Limited divestments completed in prior years ($13 million). The March 2021 half includes the Group's share of the AmBank 1MDB settlement and goodwill write-off (-$347 million). Refer to pages 12 to 16 for further details on large/notable items.*
2. *Includes restructuring expense of $6 million in the March 2022 half (Sep 21 half: $3 million; Mar 21 half: $38 million). Refer to pages 12 to 16 for further details on large/notable items.*
3. *Excludes FTE of the consolidated investments managed by 1835i.*

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Non-IFRS information

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

Adjustments between statutory profit and cash profit

Cash profit represents ANZ's preferred measure of the result of the core business activities of the Group, enabling readers to assess Group and Divisional performance against prior periods and against peer institutions. To calculate cash profit, the Group excludes non-core items from statutory profit (refer to Definitions on pages 131 to 132 for further details). The adjustments made in arriving at cash profit are included in statutory profit which is subject to review within the context of the external auditor's review of the Condensed Consolidated Financial Statements. Cash profit is not subject to review by the external auditor. The external auditor has informed the Audit Committee that cash profit adjustments have been determined on a consistent basis across each period presented.

	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Statutory profit attributable to shareholders of the Company from continuing operations	**3,535**	3,228	2,951	10%	20%
Adjustments between statutory profit and cash profit from continuing operations					
Economic hedges	**(373)**	(128)	51	large	large
Revenue and expense hedges	**(49)**	108	(12)	large	large
Total adjustments between statutory profit and cash profit from continuing operations	**(422)**	(20)	39	large	large
Cash profit from continuing operations	**3,113**	3,208	2,990	-3%	4%
Statutory profit/(loss) attributable to shareholders of the Company from discontinued operations	**(5)**	(9)	(8)	-44%	-38%
Cash profit	**3,108**	3,199	2,982	-3%	4%

Explanation of adjustments between statutory profit and cash profit - continuing operations

- **Economic hedges**

  The Group enters into economic hedges to manage its interest rate and foreign exchange risk which, in accordance with accounting standards, result in fair value gains and losses being recognised in the Income Statement. This includes gains and losses arising from approved classes of derivatives not designated in accounting hedge relationships but which are considered to be economic hedges, as well as ineffectiveness from designated accounting hedges.

  Economic hedges comprise:

  - Derivatives (primarily cross currency interest rate swaps) used to convert the proceeds of foreign currency debt issuances into floating rate Australian dollar and New Zealand dollar debt that do not qualify for hedge accounting. The main drivers of these fair value movements are currency basis spreads and Australian dollar and New Zealand dollar fluctuations against other major funding currencies.
  - Economic hedges of select structured finance and specialised leasing transactions that do not qualify for hedge accounting. The main drivers of these fair value adjustments are movements in the Australian and New Zealand term structure of interest rates.
  - Ineffectiveness arising from differences in certain factors between the hedged items and the hedging instruments.

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

  In the March 2022 half, the majority of the gain on economic hedges relates to funding related swaps, principally from widening AUD/USD and NZD/USD currency basis spreads and interest rate movements, and the impact of rising yield curves on the economic hedges of select structured finance and specialised leasing transactions.

- **Revenue and expense hedges**

  The Group enters into economic hedges to manage hedges of larger foreign exchange denominated revenue and expense streams, primarily NZD and USD (and USD correlated). The gain on revenue and expense hedges in the March 2022 half was mainly due to the appreciation of AUD against the NZD.

Reconciliation of statutory profit to cash profit

	Statutory profit	Adjustments to statutory profit			Cash profit
		Economic hedges	Revenue and expense hedges	Total adjustments to statutory profit	
	$M	$M	$M	$M	$M
March 2022 Half Year					
Net interest income	7,100	-	-	-	7,100
Other operating income	2,442	(524)	(70)	(594)	1,848
Operating income	9,542	(524)	(70)	(594)	8,948
Operating expenses	(4,791)	-	-	-	(4,791)
Profit before credit impairment and tax	4,751	(524)	(70)	(594)	4,157
Credit impairment (charge)/release	284	-	-	-	284
Profit before income tax	**5,035**	**(524)**	**(70)**	**(594)**	**4,441**
Income tax expense and non-controlling interests	(1,500)	151	21	172	(1,328)
Profit after tax from continuing operations	**3,535**	**(373)**	**(49)**	**(422)**	**3,113**
Profit/(Loss) after tax from discontinued operations	(5)	-	-	-	(5)
Profit after tax	**3,530**	**(373)**	**(49)**	**(422)**	**3,108**
September 2021 Half Year					
Net interest income	7,175	-	-	-	7,175
Other operating income	1,878	(183)	154	(29)	1,849
Operating income	9,053	(183)	154	(29)	9,024
Operating expenses	(4,569)	-	-	-	(4,569)
Profit before credit impairment and tax	4,484	(183)	154	(29)	4,455
Credit impairment (charge)/release	76	-	-	-	76
Profit before income tax	**4,560**	**(183)**	**154**	**(29)**	**4,531**
Income tax expense and non-controlling interests	(1,332)	55	(46)	9	(1,323)
Profit after tax from continuing operations	**3,228**	**(128)**	**108**	**(20)**	**3,208**
Profit/(Loss) after tax from discontinued operations	(9)	-	-	-	(9)
Profit after tax	**3,219**	**(128)**	**108**	**(20)**	**3,199**
March 2021 Half Year					
Net interest income	6,986	-	-	-	6,986
Other operating income	1,381	73	(17)	56	1,437
Operating income	8,367	73	(17)	56	8,423
Operating expenses	(4,482)	-	-	-	(4,482)
Profit before credit impairment and tax	3,885	73	(17)	56	3,941
Credit impairment (charge)/release	491	-	-	-	491
Profit before income tax	**4,376**	**73**	**(17)**	**56**	**4,432**
Income tax expense and non-controlling interests	(1,425)	(22)	5	(17)	(1,442)
Profit after tax from continuing operations	**2,951**	**51**	**(12)**	**39**	**2,990**
Profit/(Loss) after tax from discontinued operations	(8)	-	-	-	(8)
Profit after tax	**2,943**	**51**	**(12)**	**39**	**2,982**

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The Directors present their report on the Condensed Consolidated Financial Statements for the half year ended 31 March 2022.

Directors

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

Mr PD O'Sullivan	Chairman
Mr SC Elliott	Director and Chief Executive Officer
Ms IR Atlas, AO	Director
Ms PJ Dwyer	Director, retired on 16 December 2021
Ms SJ Halton, AO PSM	Director
Mr GR Liebelt	Director
Rt Hon Sir JP Key, GNZM AC	Director
Mr JT Macfarlane	Director
Ms CE O'Reilly	Director, appointed 1 November 2021

Result

The consolidated profit attributable to shareholders of the Company was $3,530 million, and consolidated profit attributable to shareholders of the Company from continuing operations was $3,535 million. Further details are contained in Group Results on pages 19 to 45 which forms part of this report, and in the Condensed Consolidated Financial Statements.

Review of operations

A review of the operations of the Group during the half year and the results of those operations are contained in the Group Results on pages 19 to 45 which forms part of this report.

Lead auditor's independence declaration

The lead auditor's independence declaration given under section 307C of the *Corporations Act 2001* (as amended) is set out on page 119 which forms part of this report.

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 *ASIC Corporations Instrument 2016/191*.

Significant events since balance date

The Group intends to lodge a formal application with APRA, the Federal Treasurer and other applicable regulators to establish a non-operating holding company and create distinct banking and non-banking groups within the organisation. Following preliminary discussions, APRA has advised they have no in-principle objection to the proposed restructure. The Group has also consulted other key Australian and New Zealand regulators and to date has not received any objections. Consultation and engagement remains ongoing. Further information about the proposal can be found at http://shareholder.anz.com.

There have been no other significant events from 31 March 2022 to the date of signing this report that have not been adjusted or disclosed.

Signed in accordance with a resolution of the Directors.

Paul D O'Sullivan
Chairman

Shayne C Elliott
Managing Director

3 May 2022

Australia and New Zealand Banking Group Limited

	Note	Half Year Mar 22 $M	Half Year Sep 21 $M	Half Year Mar 21 $M	Movement Mar 22 v. Sep 21	Movement Mar 22 v. Mar 21
Interest income		**9,707**	9,650	9,879	1%	-2%
Interest expense		**(2,607)**	(2,475)	(2,893)	5%	-10%
Net interest income	2	**7,100**	7,175	6,986	-1%	2%
Other operating income	2	**2,313**	1,754	1,571	32%	47%
Net income from insurance business	2	**55**	58	52	-5%	6%
Share of associates' profit/(loss)	2, 18	**74**	66	(242)	12%	large
Operating income		**9,542**	9,053	8,367	5%	14%
Operating expenses	3	**(4,791)**	(4,569)	(4,482)	5%	7%
Profit before credit impairment and income tax		**4,751**	4,484	3,885	6%	22%
Credit impairment (charge)/release	10	**284**	76	491	large	-42%
Profit before income tax		**5,035**	4,560	4,376	10%	15%
Income tax expense	4	**(1,500)**	(1,331)	(1,425)	13%	5%
Profit after tax from continuing operations		**3,535**	3,229	2,951	9%	20%
Profit/(Loss) after tax from discontinued operations		**(5)**	(9)	(8)	-44%	-38%
Profit for the period		**3,530**	3,220	2,943	10%	20%
Comprising:						
Profit attributable to shareholders of the Company		**3,530**	3,219	2,943	10%	20%
Profit attributable to non-controlling interests		**-**	1	-	-100%	n/a
Earnings per ordinary share (cents) including discontinued operations						
Basic	6	**125.7**	113.4	103.7	11%	21%
Diluted	6	**117.7**	106.7	98.4	10%	20%
Earnings per ordinary share (cents) from continuing operations						
Basic	6	**125.9**	113.7	104.0	11%	21%
Diluted	6	**117.9**	107.0	98.7	10%	19%
Dividend per ordinary share (cents)	5	**72**	72	70	n/a	n/a

The notes appearing on pages 82 to 116 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Profit for the period from continuing operations	**3,535**	3,229	2,951	9%	20%
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Investment securities - equity securities at FVOCI	**11**	(44)	124	large	-91%
Other reserve movements	**99**	(21)	(20)	large	large
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation reserve	**(775)**	1,114	(658)	large	18%
Other reserve movements	**(2,631)**	(733)	(319)	large	large
Income tax attributable to the above items	**743**	219	82	large	large
Share of associates' other comprehensive income[1]	**10**	(89)	41	large	-76%
Other comprehensive income after tax from continuing operations	**(2,543)**	446	(750)	large	large
Profit/(Loss) after tax from discontinued operations	**(5)**	(9)	(8)	-44%	-38%
Other comprehensive income after tax from discontinued operations	**-**	-	-	n/a	n/a
Total comprehensive income for the period	**987**	3,666	2,193	-73%	-55%
Comprising total comprehensive income attributable to:					
Shareholders of the Company	**987**	3,665	2,193	-73%	-55%
Non-controlling interests	**-**	1	-	-100%	n/a

[1] *Share of associates' other comprehensive income includes:*

	Mar 22 half $M	***Sep 21 half $M***	***Mar 21 half $M***
FVOCI reserve gain/(loss)	*(5)*	*(89)*	*47*
Defined benefits gain/(loss)	*15*	*-*	*(5)*
Cash flow hedge reserve gain/(loss)	*-*	*-*	*1*
Foreign currency translation reserve gain/(loss)	*-*	*-*	*(2)*
Total	***10***	***(89)***	***41***

The notes appearing on pages 82 to 116 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

		As At			Movement	
Assets	**Note**	**Mar 22 $M**	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Cash and cash equivalents[1]		**168,054**	151,260	124,460	11%	35%
Settlement balances owed to ANZ		**7,141**	7,530	9,778	-5%	-27%
Collateral paid		**10,764**	9,166	12,059	17%	-11%
Trading securities		**39,433**	44,688	46,331	-12%	-15%
Derivative financial instruments	8	**45,238**	38,736	104,666	17%	-57%
Investment securities		**79,757**	83,126	91,990	-4%	-13%
Net loans and advances	9	**651,436**	629,719	614,359	3%	6%
Regulatory deposits		**661**	671	859	-1%	-23%
Investments in associates		**2,018**	1,972	1,854	2%	9%
Current tax assets		**227**	57	170	large	34%
Deferred tax assets		**2,903**	2,339	2,105	24%	38%
Goodwill and other intangible assets		**4,068**	4,124	4,024	-1%	1%
Premises and equipment		**2,702**	2,734	2,792	-1%	-3%
Other assets		**2,959**	2,735	2,892	8%	2%
Total assets		**1,017,361**	978,857	1,018,339	4%	0%
Liabilities						
Settlement balances owed by ANZ		**19,752**	17,427	19,188	13%	3%
Collateral received		**6,716**	5,657	7,552	19%	-11%
Deposits and other borrowings	11	**780,288**	743,056	706,623	5%	10%
Derivative financial instruments	8	**47,795**	36,035	102,926	33%	-54%
Current tax liabilities		**320**	419	203	-24%	58%
Deferred tax liabilities		**82**	70	73	17%	12%
Payables and other liabilities		**10,579**	8,647	8,558	22%	24%
Employee entitlements		**585**	602	600	-3%	-3%
Other provisions	12	**2,262**	2,214	2,417	2%	-6%
Debt issuances	13	**87,226**	101,054	107,623	-14%	-19%
Total liabilities		**955,605**	915,181	955,763	4%	0%
Net assets		**61,756**	63,676	62,576	-3%	-1%
Shareholders' equity						
Ordinary share capital	16	**25,091**	25,984	26,615	-3%	-6%
Reserves	16	**(1,422)**	1,228	741	large	large
Retained earnings	16	**38,078**	36,453	35,210	4%	8%
Share capital and reserves attributable to shareholders of the Company		**61,747**	63,665	62,566	-3%	-1%
Non-controlling interests	16	**9**	11	10	-18%	-10%
Total shareholders' equity		**61,756**	63,676	62,576	-3%	-1%

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

The notes appearing on pages 82 to 116 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

	Half Year		
	Mar 22 $M	Sep 21 $M	Mar 21 $M
Profit after income tax	**3,530**	3,220	2,943
Adjustments to reconcile to net cash flow from operating activities:			
Credit impairment charge/(release)	**(284)**	(76)	(491)
Depreciation and amortisation	**509**	524	563
(Profit)/loss on sale of premises and equipment	**-**	-	(11)
Net derivatives/foreign exchange adjustment[1]	**(379)**	625	(6,975)
(Gain)/loss on sale from divestments	**(259)**	-	238
Other non-cash movements	**(175)**	(311)	74
Net (increase)/decrease in operating assets:			
Collateral paid	**(1,934)**	3,265	1,730
Trading securities	**3,463**	3,670	(3,660)
Loans and advances	**(28,305)**	(6,887)	(1,372)
Other assets	**111**	96	47
Net increase/(decrease) in operating liabilities:			
Deposits and other borrowings	**48,911**	14,532	34,364
Settlement balances owed by ANZ	**2,525**	(1,999)	(2,929)
Collateral received	**1,263**	(2,153)	(1,313)
Other liabilities[1]	**3,665**	725	5,383
Total adjustments	**29,111**	12,011	25,648
Net cash (used in)/provided by operating activities[2]	**32,641**	15,231	28,591
Cash flows from investing activities			
Investment securities:			
Purchases	**(17,209)**	(39,776)	(12,863)
Proceeds from sale or maturity	**18,492**	51,122	12,323
Controlled entities and associates			
Purchased, net of cash acquired	**(65)**	-	-
Proceeds from divestments, net of cash disposed	**394**	-	13
Net investments in other assets	**(519)**	(195)	(366)
Net cash (used in)/provided by investing activities	**1,093**	11,151	(893)
Cash flows from financing activities			
Deposits and other borrowings drawn down	**432**	8,080	1,230
Debt issuances:[3]			
Issue proceeds	**7,467**	7,976	4,648
Redemptions	**(16,876)**	(16,343)	(11,366)
Dividends paid[4]	**(1,994)**	(1,955)	(879)
On market purchase of treasury shares	**(117)**	-	(79)
Repayment of lease liabilities	**(158)**	(172)	(158)
Share buy-back	**(846)**	(654)	-
Net cash (used in)/provided by financing activities	**(12,092)**	(3,068)	(6,604)
Net increase/(decrease) in cash and cash equivalents	**21,642**	23,314	21,094
Cash and cash equivalents at beginning of period	**151,260**	124,460	107,923
Effects of exchange rate changes on cash and cash equivalents	**(4,848)**	3,486	(4,557)
Cash and cash equivalents at end of period	**168,054**	151,260	124,460

1. *Certain non-cash adjustments were reclassified from Other liabilities to Net derivatives/foreign exchange adjustments within Net cash (used in)/provided by operating activities to better reflect the nature of the item. Comparatives have been restated (Sep 21 half: $88 million; Mar 21 half: $419 million).*
2. *Net cash (used in)/provided by operating activities includes interest received of $9,619 million (Sep 21 half: $9,742 million; Mar 21 half: $9,907 million), interest paid of $2,634 million (Sep 21 half: $2,567 million; Mar 21 half: $3,226 million) and income taxes paid of $1,422 million (Sep 21 half: $1,003 million; Mar 21 half: $1,424 million).*
3. *Non-cash changes in debt issuances includes fair value hedging gain of $2,140 million (Sep 21 half: $2,799 million gain; Mar 21 half: $1,311 million loss) and foreign exchange gains of $1,754 million (Sep 21 half: $2,552 million loss; Mar 21 half: $4,077 million gain).*
4. *Cash outflow for shares purchased to satisfy the Dividend Reinvestment Plan are classified in dividends paid.*

The notes appearing on pages 82 to 116 form an integral part of the Condensed Consolidated Financial Statements.

Australia and New Zealand Banking Group Limited

	Ordinary share capital $M	Reserves $M	Retained earnings $M	Share capital and reserves attributable to shareholders of the Company $M	Non-controlling interests $M	Total shareholders' equity $M
As at 1 October 2020	26,531	1,501	33,255	**61,287**	10	**61,297**
Profit or loss from continuing operations	-	-	2,951	**2,951**	-	**2,951**
Profit or loss from discontinued operations	-	-	(8)	**(8)**	-	**(8)**
Other comprehensive income for the period from continuing operations	-	(731)	(19)	**(750)**	-	**(750)**
Other comprehensive income for the period from discontinued operations	-	-	-	**-**	-	**-**
Total comprehensive income for the period	-	(731)	2,924	**2,193**	-	**2,193**
Transactions with equity holders in their capacity as equity holders:						
Dividends paid	-	-	(973)	**(973)**	-	**(973)**
Dividend Reinvestment Plan[1]	94	-	-	**94**	-	**94**
Other equity movements:						
Group employee share acquisition scheme	(10)	-	-	**(10)**	-	**(10)**
Other items	-	(29)	4	**(25)**	-	**(25)**
As at 31 March 2021	26,615	741	35,210	**62,566**	10	**62,576**
Profit or loss from continuing operations	-	-	3,228	**3,228**	1	**3,229**
Profit or loss from discontinued operations	-	-	(9)	**(9)**	-	**(9)**
Other comprehensive income for the period from continuing operations	-	467	(21)	**446**	-	**446**
Other comprehensive income for the period from discontinued operations	-	-	-	**-**	-	**-**
Total comprehensive income for the period	-	467	3,198	**3,665**	1	**3,666**
Transactions with equity holders in their capacity as equity holders:						
Dividends paid	-	-	(1,955)	**(1,955)**	-	**(1,955)**
Group share buy-back[2]	(654)	-	-	**(654)**	-	**(654)**
Other equity movements:						
Group employee share acquisition scheme	23	-	-	**23**	-	**23**
Other items	-	20	-	**20**	-	**20**
As at 30 September 2021	25,984	1,228	36,453	**63,665**	11	**63,676**
Profit or loss from continuing operations	-	-	3,535	**3,535**	-	**3,535**
Profit or loss from discontinued operations	-	-	(5)	**(5)**	-	**(5)**
Other comprehensive income for the period from continuing operations	-	(2,628)	85	**(2,543)**	-	**(2,543)**
Other comprehensive income for the period from discontinued operations	-	-	-	**-**	-	**-**
Total comprehensive income for the period	-	(2,628)	3,615	**987**	-	**987**
Transactions with equity holders in their capacity as equity holders:						
Dividends paid	-	-	(1,992)	**(1,992)**	(2)	**(1,994)**
Group share buy-back[2]	(846)	-	-	**(846)**	-	**(846)**
Other equity movements:						
Group employee share acquisition scheme	(47)	-	-	**(47)**	-	**(47)**
Other items	-	(22)	2	**(20)**	-	**(20)**
As at 31 March 2022	25,091	(1,422)	38,078	**61,747**	9	**61,756**

1. *4.2 million shares were issued under the Dividend Reinvestment Plan (DRP) for the 2020 final dividend.*
2. *The Company completed its $1.5 billion on-market share buy-back of ANZ ordinary shares purchasing $846 million worth of shares in the March 2022 half (Sep 21 half: $654 million; Mar 21 half: nil) resulting in 31 million shares being cancelled in the March 2022 half (Sep 21 half: 23 million; Mar 21 half: nil).*

The notes appearing on pages 82 to 116 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 Report for the year ended 30 September 2021 and any public announcements made by the Parent Entity and its controlled entities (the Group) for the half year ended 31 March 2022 in accordance with the continuous disclosure obligations under the *Corporations Act 2001* and the *ASX Listing Rules*;
- do not include all notes of the type normally included in ANZ's Annual Financial Report;
- are presented in Australian dollars unless otherwise stated; and
- were approved by the Board of Directors on 3 May 2022.

i) Statement of Compliance

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

ii) Rounding of amounts

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

iii) Basis of measurement

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

- derivative financial instruments as well as, in the case of fair value hedges, the fair value adjustment on the underlying hedged exposure;
- financial assets and liabilities held for trading;
- financial assets and liabilities designated at fair value through profit and loss;
- financial assets at fair value through other comprehensive income; and
- assets and liabilities held for sale (except those at carrying value).

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

iv) Accounting policies

These Condensed Consolidated Financial Statements have been prepared on the basis of accounting policies and using methods of computation consistent with those applied in the 2021 ANZ Annual Report.

Discontinued operations are separately presented from the results of the continuing operations as a single line item 'Profit/(Loss) after tax from discontinued operations' in the Condensed Consolidated Income Statement. Notes to the Condensed Consolidated Income Statement have been presented on a continuing basis.

v) Use of estimates, assumptions and judgements

The preparation of these Condensed Consolidated Financial Statements requires the use of management judgement, estimates and assumptions that affect reported amounts and the application of accounting policies. Discussion of the critical accounting estimates and judgements, which include complex or subjective decisions or assessments are provided in the 2021 ANZ Annual Financial Report. Such estimates and judgements are reviewed on an ongoing basis.

Whilst the course of the COVID-19 pandemic is moderating and its impact on economic activity and our customers is better understood, the responses of consumers, business and governments remain uncertain. New external risks are also emerging, including mounting geopolitical tensions, global supply chain disruptions, the conflict in Ukraine, and commodity price pressures. Thus there remains an elevated level of estimation uncertainty involved in the preparation of these financial statements.

The Group has made various accounting estimates in these Condensed Consolidated Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions at 31 March 2022 about future events considered reasonable in the circumstances. There is a considerable degree of judgement involved in preparing these estimates. Actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of these differences may significantly impact accounting estimates included in these financial statements. The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses and recoverable amounts of non-financial assets.

The impact of these uncertainties on each of these accounting estimates is discussed further below and/or in the relevant notes in the 2021 ANZ Annual Report. Readers should consider these disclosures in light of the inherent uncertainties described above.

1. Basis of preparation, cont'd

Allowance for expected credit losses

The Group measures the allowance for expected credit losses (ECL) using an expected credit loss impairment model as required by AASB 9 *Financial Instruments*.

COVID-19 risks are moderating however the economy continues to transition to a setting with less government stimulus and some uncertainty as to how customers will respond to expected interest rate rises and inflationary pressure, heightened geopolitical tensions across the globe, the conflict in Ukraine and global supply chain issues, commodity price pressures, and how governments, businesses and consumers respond also remains uncertain. This uncertainty is reflected in the Group's assessment of expected credit losses, which are subject to a number of management judgements and estimates.

The Group's allowance for expected credit losses is included in the table below (refer to Note 10 for further information).

	As at		
	Mar 22 $M	**Sep 21 $M**	**Mar 21 $M**
Collectively assessed	**3,757**	4,195	4,285
Individually assessed	**636**	687	809
Total[1]	**4,393**	4,882	5,094

1. *Includes allowance for expected credit losses for Net loans and advances - at amortised cost, Investment securities - debt securities at amortised cost and Off-balance sheet commitments - undrawn and contingent facilities.*

Individually assessed allowance for expected credit losses

During the March 2022 half, the individually assessed allowance for expected credit losses decreased by $51 million.

In estimating individually assessed ECL, the Group makes judgements and assumptions in relation to expected repayments, the realisable value of collateral, business prospects for the customer, competing claims and the likely cost and duration of the work-out process. Judgements and assumptions in respect of these matters have been updated to reflect amongst other things, the continuing uncertainties described above.

Collectively assessed allowance for expected credit losses

During the March 2022 half, the collectively assessed allowance for expected credit losses decreased by $438 million attributable to: reductions of $172 million from improvements in credit risk, $98 million from changes in portfolio composition, $138 million in lower management adjustments, and $67 million from foreign currency translation and other impacts; offset by an increase of $37 million for downside risks associated with the economic outlook.

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

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

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

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

Judgement/Assumption	Description	Considerations for the half year ended 31 March 2022
Determining when a significant increase in credit risk (SICR) has occurred	In the measurement of ECL, judgement is involved in setting the rules and trigger points to determine whether there has been a SICR since initial recognition of a loan, which would result in the financial asset moving from Stage 1 to Stage 2. This is a key area of judgement since transition from Stage 1 to Stage 2 increases the ECL from an allowance based on the probability of default in the next 12 months, to an allowance for lifetime expected credit losses. Subsequent decreases in credit risk resulting in transition from Stage 2 to Stage 1 may similarly result in significant changes in the ECL allowance. The setting of precise trigger points requires judgement which may have a material impact upon the size of the ECL allowance. The Group monitors the effectiveness of SICR criteria on an ongoing basis.	The Group released a portion of ECL originally provided for expected delinquencies that may have not flowed through due to COVID-19 support measures. Although these measures have ceased, uncertainty remains on their ongoing impact on portfolio delinquency.

1. Basis of preparation, cont'd

Judgement/Assumption	Description	Considerations for the half year ended 31 March 2022
Measuring both 12-month and lifetime credit losses	The probability of default (PD), loss given default (LGD) and exposure at default (EAD) credit risk parameters used in determining ECL are point-in-time measures reflecting the relevant forward-looking information determined by management. Judgement is involved in determining which forward-looking information variables are relevant for particular lending portfolios and for determining each portfolio's point-in-time sensitivity.	The PD, LGD and EAD models are subject to the Group's model risk policy that stipulates periodic model monitoring and re-validation, and defines approval procedures and authorities according to model materiality. The modelled outcome includes an amount to recognise increased model uncertainties as a result of COVID-19.
	In addition, judgement is required where behavioural characteristics are applied in estimating the lifetime of a facility to be used in measuring ECL.	There were no material changes to the policies during the half year ended 31 March 2022.
Base case economic forecast	The Group derives a forward-looking 'base case' economic scenario which reflects ANZ Research - Economics' (ANZ Economics) view of future macro-economic conditions.	There have been no changes to the types of forward-looking variables (key economic drivers) used as model inputs in the current period. As at 31 March 2022, the base case assumptions have been updated to reflect the economic impacts of the Omicron variant, supply chain pressures, and increasing inflation and expected interest rate rises globally. In determining the expected path of the economy, assessments of the impact of central bank policies, government actions, and the response of businesses and consumers were considered. The expected outcomes of key economic drivers for the base case scenario at 31 March 2022 are described below under the heading 'Base case economic forecast assumptions'.
Probability weighting of each economic scenario (base case, upside, downside and severe downside scenarios)[1,2]	Probability weighting of each economic scenario is determined by management considering the risks and uncertainties surrounding the base case economic scenario at each measurement date.	The key considerations for probability weightings in the current period include the ongoing but increasingly known impacts of COVID-19, uncertainty as to how customers will respond to expected interest rate rises and inflationary pressures, the conflict in Ukraine, commodity price pressures and global supply chain issues. Weightings for current and prior periods are as detailed in the section on 'Probability weightings' below. The assigned probability weightings in Australia, New Zealand and Rest of world are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected.

1. *The upside and downside scenarios are fixed by reference to average economic cycle conditions (that is, they are not based on the economic conditions prevailing at balance date) and are based on a combination of more optimistic (in the case of the upside) and pessimistic (in the case of the downside) economic conditions.*
2. *The severe downside scenario is fixed by reference to average economic cycle conditions and accounts for the potentially severe downside impact of less likely extremely adverse economic conditions.*

1. Basis of preparation, cont'd

Judgement/Assumption	Description	Considerations for the half year ended 31 March 2022
Management temporary adjustments	Management temporary adjustments to the ECL allowance are used in circumstances where it is judged that our existing inputs, assumptions and model techniques do not capture all the risk factors relevant to our lending portfolios. Emerging local or global macroeconomic, microeconomic or political events, and natural disasters that are not incorporated into our current parameters, risk ratings, or forward-looking information are examples of such circumstances. The use of management temporary adjustments may impact the amount of ECL recognised. The uncertainty associated with the ongoing but moderating COVID-19 pandemic, and the recent floods in NSW and Queensland, and the extent to which the actions of governments, businesses and consumers influence credit outcomes are not fully incorporated into existing ECL models which are based on historical underlying data. Accordingly, management overlays have been applied to ensure credit provisions are appropriate.	Management have continued to apply a number of adjustments to the modelled ECL primarily due to the uncertainty associated with continuing but moderating COVID-19 impacts. Additional adjustments have been made in the March 2022 half year to accommodate the potential impact of recent floods in NSW and Queensland. Management overlays (including COVID-19 overlays) which add to the modelled ECL provision have been made for risks particular to retail, including home loans, small business and commercial banking in Australia, for personal and business banking in New Zealand, and for tourism in the Pacific.

Base case economic forecast assumptions

Continuing uncertainties described above increase the risk of the economic forecast resulting in an understatement or overstatement of the ECL balance.

The economic drivers of the base case economic forecasts, reflective of ANZ Economics' view of future macro-economic conditions, used at 31 March 2022 are set out below. For years beyond the near-term forecasts below, the ECL models project future year economic conditions which include an assumption of eventual reversion to mid-cycle economic conditions.

	Actual calendar year	Forecast calendar year	
	2021	**2022**	**2023**
Australia			
GDP (annual % change)	4.5%	4.6%	2.7%
Unemployment rate	5.1%	3.6%	3.3%
Residential property prices (annual % change)	21.0%	8.0%	-5.8%
Consumer price index (annual % change)	2.9%	4.0%	3.1%
New Zealand			
GDP (annual % change)	5.5%	2.4%	2.8%
Unemployment rate	3.8%	3.0%	3.0%
Residential property prices (annual % change)	26.5%	-6.0%	3.3%
Consumer price index (annual % change)	3.9%	5.3%	3.2%
Rest of world			
GDP (annual % change)	5.7%	4.5%	2.5%
Consumer price index (annual % change)	4.7%	5.9%	2.8%

The base case economic forecasts above indicate an improvement in current economic conditions in Australia and rest of world as the COVID-19 pandemic passes its peak. Economic conditions are forecast to moderate slightly over the forecast period. The base case economic forecast for New Zealand on the other hand reflects a weakening in current economic conditions adding to inflation pressure for a time and weighing on economic activity.

Probability weightings

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

The base case scenario represents an improvement in the forecasts since September 2021 for Australia and Rest of World, but a deterioration is forecast for New Zealand. Given the uncertainties associated with a potential ongoing recovery in the economy and external factors, the average base case weighting across geographies has been reduced to 40.0% (Sep 21: 41.3%) and the severe downside scenario increased to 10.0% (Sep 21: 5.8%).

1. Basis of preparation, cont'd

The assigned probability weightings in Australia, New Zealand and rest of the world are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these weightings in each geography to provide estimates of the possible loss outcomes and taking into account short and long term inter-relationships within the Group's credit portfolios. The average weightings applied across the Group are set out below:

	Mar 22	Sep 21	Mar 21
Group			
Base	**40.0%**	41.3%	41.4%
Upside	**5.0%**	5.2%	5.5%
Downside	**45.0%**	47.7%	46.7%
Severe downside	**10.0%**	5.8%	6.4%

ECL - Sensitivity analysis

Given current economic uncertainties and the judgement applied to factors used in determining the expected default of borrowers in future periods, expected credit losses reported by the Group should be considered as a best estimate within a range of possible estimates. The table below illustrates the sensitivity of the Group's allowance for collectively assessed ECL to key factors used in determining it at 31 March 2022:

	Balance $M	Profit and Loss Impact $M
If 1% of stage 1 facilities were included in stage 2	3,819	62
If 1% of stage 2 facilities were included in stage 1	3,752	(5)
100% upside scenario	1,643	(2,114)
100% base scenario	2,046	(1,711)
100% downside scenario	3,896	139
100% severe downside scenario	4,859	1,102

Fair value measurement of financial instruments

The majority of valuation models the Group uses to value financial instruments employ only observable market data as inputs.

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

At 31 March 2022, the Group had $1,580 million of assets and $23 million of liabilities where the valuation was primarily derived using unobservable inputs (Sep 21: $1,497 million assets and $30 million liabilities; Mar 21: $1,224 million assets and $25 million liabilities). The financial instruments which are valued using unobservable inputs are predominantly equity securities where quoted prices in active markets are not available.

The Group has an investment in the Bank of Tianjin (BoT), which at 31 March 2022 has a carrying value of $956 million (Sep 21: $991 million; Mar 21: $1,019 million). The listed shares are illiquid, consequently the Group determines the fair value based on a valuation model using comparable bank pricing multiples as determined by management. Judgement is required in both the selection of the model and inputs used. Although the comparator group entities operate in the same industry, the nature of their business and local economic conditions may be different from the Group's investment. Thus where local conditions change, which impact the price-to-book ratio of the comparator group, the fair value of the asset will change proportionately. That is, if the price-to-book ratio changed by 10%, the fair value would change by 10%. Since the asset is classified as fair value through other comprehensive income, changes in the fair value are recorded directly in equity.

Investments in associates

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

At 31 March 2022, the impairment assessment of non-lending assets identified that one of the Group's associate investments, PT Bank Pan Indonesia (PT Panin) had indicators of impairment. No impairment was recognised as its carrying value was supported by a value-in-use (VIU) calculation.

Significant management judgement is required in determining the key assumptions underpinning the VIU calculation for PT Panin. Factors may change in subsequent periods and lead to potential future impairment or a reversal of prior period impairment. These include forecast earnings levels in the near term and/or changes in the long term growth forecasts, required levels of regulatory capital and the post-tax discount rate. The key assumptions used in the VIU calculation are outlined below:

		PT Panin	
	Mar 22	Sep 21	Mar 21
Carrying Value ($m)	**1,203**	1,210	1,140
Post-tax discount rate	**14.8%**	14.4%	14.1%
Terminal growth rate	**5.2%**	5.1%	5.1%
Expected earnings growth (compound annual growth rate - 5 years)	**19.8%**	6.4%	6.9%
Common Equity Tier 1 ratio (5 year average)	**12.8%**	12.8%	12.8%

1. Basis of preparation, cont'd

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

- A change in the March 2022 post-tax discount rate by +/- 50 bps would impact the VIU outcome for PT Panin by ($51 million)/$57 million;
- A change in the March 2022 terminal growth rate by +/- 25 bps would impact the VIU outcome for PT Panin by $15 million/($14 million).

The investment in PT Panin would not be impaired if the terminal growth rate reduced by the reasonably possible changes above. Holding all other inputs constant, the post-tax discount rate will need to increase by more than 20 bps before an impairment would be recognised.

Goodwill

The Group's goodwill balance as at 31 March 2022 is $3,062 million. During the March 2022 half, the following changes to goodwill attributable to the Australian Retail and Commercial division occurred:

- A reduction of $40 million goodwill in relation to the exit of the financial planning and advice business servicing the affluent customer segment;
- An increase of $91 million goodwill in relation to the acquisition of the Cashrewards business. This goodwill is provisionally recognised under AASB 3 *Business Combinations* until a final purchase price allocation is completed.

The Group conducted an assessment as to whether the carrying value of goodwill was impaired. For the purpose of impairment testing, goodwill acquired in a business combination is allocated at the date of acquisition to the cash generating units (CGUs) that are expected to benefit from the synergies of the related business combination. These CGUs are the Group's reportable segments. CGUs with goodwill as at 31 March 2022 were the Australia Retail and Commercial division ($191 million), the New Zealand division ($1,800 million) and the Institutional division ($1,072 million).

Goodwill is considered impaired if the carrying amount of the relevant CGU exceeds its recoverable amount. We estimate the recoverable amount of each CGU to which goodwill is allocated using a fair value less costs of disposal (FVLCOD) approach, with a VIU assessment performed where the FVLCOD approach indicates an impairment.

Management's approach used to determine the FVLCOD of each CGU was consistent with the prior periods. The assessment of the recoverable amount of each CGU has been made considering the impacts of COVID-19 and subsequent economic recovery and reflects expectations of future events that are believed to be reasonable under the circumstances. The key inputs used to determine FVLCOD of each CGU containing goodwill are noted below:

- Future maintainable earnings for each CGU has been estimated based on the Group's financial year 2022 forecast for each CGU plus an allocation of the central costs recorded outside of the CGUs to which goodwill is allocated;
- Price/Earnings (P/E) multiples applied (including 30% control premium) for each CGU are derived from the valuations of comparator entities:

	Price/Earnings Multiples	
Division	**Mar 22 Half Year**	**Sep 21 Full Year**
Australia Retail and Commercial	**20.5**	18.9
New Zealand	**17.8**	16.4
Institutional	**16.6**	15.5

Based on the FVLCOD assessment, no impairment was identified.

Customer remediation provisions

At 31 March 2022, the Group has recognised customer remediation provisions of $853 million (Sep 21: $886 million; Mar 21: $1,003 million) which includes provisions for expected refunds to customers, remediation project costs and related customer and regulatory claims, penalties and litigation costs and outcomes.

Determining the amount of the provisions, which represent management's best estimate of the cost of settling the identified matters, requires the exercise of significant judgement. It will often be necessary to form a view on a number of different assumptions, including the number of impacted customers, the average refund per customer, associated remediation project costs, and the implications of regulatory exposures and customer claims having regard to their specific facts and circumstances.

Consequently, the appropriateness of the underlying assumptions is reviewed on a regular basis against actual experience and other relevant evidence, including expert legal advice, and adjustments are made to the provisions where appropriate.

Other provisions

The Group holds provisions for various obligations including restructuring costs, non-lending losses, fraud and forgeries and litigation related claims. These provisions involve judgements regarding the timing and outcome of future events, including estimates of expenditure required to satisfy such obligations. The appropriateness of the underlying assumptions is reviewed on a regular basis against actual experience and other relevant evidence, including expert legal advice, and adjustments are made to the provisions where appropriate.

1. Basis of preparation, cont'd

vi) Interest rate benchmark reform

Interbank offered rates (IBORs), such as the London Interbank Offered Rate (LIBOR), have played a critical role in global financial markets, serving as reference rates for derivatives, loans and securities, and in the valuation of financial instruments. The IBOR reforms have a wide-ranging impact for the Group and our customers given the fundamental differences between IBORs and risk-free rates (RFRs). RFRs are available both as backward-looking in arrears rates and, for some currencies, as forward-looking term rates. The key difference between IBORs and RFRs is that IBOR rates include a term and bank credit risk premium, whereas RFRs do not. As a result of these differences, adjustments are required to an RFR to ensure contracts referencing an IBOR rate transition on an economically comparable basis.

Update on the Group's approach to interest rate benchmark reform

In line with the regulatory announcements made in 2021, the majority of IBOR rates, including Pound Sterling (GBP), Euro (EUR), Swiss Franc (CHF) and Japanese Yen (JPY), and the US Dollar (USD) 1-week and 2-month LIBOR rate settings ceased on 31 December 2021 and have been replaced by alternative RFRs.

With the exception of a limited number of contracts currently being published under an amended methodology, commonly known as 'synthetic' GBP and JPY LIBOR rates, the Group transitioned all its loan and derivative contracts with customers referencing IBOR rates subject to 31 December 2021 cessation to contracts referencing RFRs on or before the cessation date. This transition had an immaterial impact to the Group's profit and loss. Through its loan and derivative transactions with customers, issuance of debt and its asset and liability management activities the Group continues to have exposure to the remaining USD LIBOR settings and other IBOR-related benchmarks that are due to cease by 30 June 2023 and limited exposure to synthetic GBP and JPY LIBOR benchmarks that are due to cease by 31 December 2022.

The Group continues to manage the transition from the remaining USD LIBOR tenors and other remaining IBOR settings to RFR's through its enterprise-wide Benchmark Transition Program (the Program). The program is responsible for managing the risks associated with the transition including operational, market, legal, conduct and financial reporting risks that may arise.

Exposures subject to benchmark reform as at 31 March 2022

The table below shows the Group's exposure to interest rate benchmarks subject to IBOR reform. These are financial instruments that contractually reference an IBOR benchmark planned to transition to an RFR, and have a contractual maturity date beyond the planned IBOR cessation date.

As at 31 March 2022	USD Libor $M	Others[1] $M
Loan and advances[2]	13,125	330
Non-derivative financial assets[2]	1,004	-
Non-derivative financial liabilities[3]	587	47
Derivative asset (notional value)[1]	497,933	13,948
Derivative liability (notional value)[4]	508,361	13,435
Loan commitments[2,5]	20,270	971

1. *Comprises financial instruments referencing other significant benchmark rates yet to transition to alternative benchmarks, including instruments subject to 31 December 2021 cessation currently referencing synthetic GBP and JPY LIBOR rates.*
2. *Excludes Expected Credit Losses (ECL).*
3. *Comprises floating rate debt issuances by the Group.*
4. *For cross-currency swaps, where both the receive and pay legs are in currencies subject to reform, the Group discloses the Australian dollar-equivalent notional amounts for both. Where one leg of a swap is subject to reform, the Group discloses the notional amount of the receive leg.*
5. *For multi-currency IBOR referenced facilities, the undrawn balance has been allocated to the pricing currency of the facility. In the event there are multiple pricing currencies that are impacted by cessation, the allocation is based on most likely currency of drawdown.*

Hedge accounting exposures subject to IBOR reform

The Group has hedge-accounted relationships referencing USD LIBOR, primarily due to fixed rate investment securities and the Group's fixed rate debt issuances denominated in USD that are designated in fair value hedge accounting relationships. The table below details the carrying values of the Group's USD exposures designated in hedge accounting relationships referencing LIBOR that will be impacted by reform. The nominal value of the associated hedging instruments is also included:

Hedged items	As at 31 March 2022 $M
Investment securities at FVOCI	8,916
Net loans and advances	236
Deposits and other borrowings	208
Debt issuances	19,428

Hedging instruments	Notional designated up to 30 June 2023 $M	Notional designated beyond 30 June 2023 $M	Total notional amount $M
Fair value hedges	9,452	18,910	28,362
Cash flow hedges	107	248	355

2. Income

	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Interest income	**9,707**	9,650	9,879	1%	-2%
Interest expense	**(2,442)**	(2,318)	(2,704)	5%	-10%
Major bank levy	**(165)**	(157)	(189)	5%	-13%
Net interest income	**7,100**	7,175	6,986	-1%	2%
Other operating income					
i) Fee and commission income					
Lending fees[1]	**188**	230	244	-18%	-23%
Non-lending fees	**1,274**	1,286	1,266	-1%	1%
Commissions	**50**	51	46	-2%	9%
Funds management income	**137**	147	140	-7%	-2%
Fee and commission income	**1,649**	1,714	1,696	-4%	-3%
Fee and commission expense	**(666)**	(621)	(646)	7%	3%
Net fee and commission income	**983**	1,093	1,050	-10%	-6%
ii) Other income					
Net foreign exchange earnings and other financial instruments income[2]	**1,123**	642	729	75%	54%
Gain on completion of ANZ Worldline partnership	**307**	-	-	n/a	n/a
Sale of New Zealand legacy insurance portfolio	**-**	-	13	n/a	-100%
Reclassification of ANZ Share Investing to held for sale[3]	**-**	-	(251)	n/a	-100%
Dissolution of Minerva and ANZ Asia	**(65)**	-	-	n/a	n/a
Sale of financial planning and advice business	**(62)**	-	-	n/a	n/a
Dividend income on equity securities	**-**	1	-	-100%	n/a
Other[4]	**27**	18	30	50%	-10%
Other income	**1,330**	661	521	large	large
Other operating income	**2,313**	1,754	1,571	32%	47%
Net income from insurance business	**55**	58	52	-5%	6%
Share of associates' profit/(loss)	**74**	66	(242)	12%	large
Operating income[5]	**9,542**	9,053	8,367	5%	14%

1. *Lending fees exclude fees treated as part of the effective yield calculation in interest income.*
2. *Includes fair value movements (excluding realised and accrued interest) on derivatives not designated as accounting hedges entered into to manage interest rate and foreign exchange risk, ineffective portions of cash flow hedges, and fair value movements in financial assets and liabilities designated at fair value through profit or loss.*
3. *The loss on reclassification of ANZ Share Investing to held for sale is included within Other operating income to align with the classification of loss on sale that would have applied if the disposal had completed in the March 2021 half.*
4. *The March 2022 half includes the release of $13 million excess provision originally raised as part of the gain on sale estimate for the UDC Finance and Paymark Limited divestments completed in prior years.*
5. *Includes charges associated with customer remediation of -$25 million for the March 2022 half (Sep 21 half: -$68 million; Mar 21 half: -$74 million).*

3. Operating expenses

	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
i) Personnel					
Salaries and related costs	**2,378**	2,229	2,196	7%	8%
Superannuation costs	**188**	173	164	9%	15%
Other	**88**	95	89	-7%	-1%
Personnel[1]	**2,654**	2,497	2,449	6%	8%
ii) Premises					
Rent	**40**	43	42	-7%	-5%
Depreciation	**212**	221	225	-4%	-6%
Other	**89**	91	83	-2%	7%
Premises	**341**	355	350	-4%	-3%
iii) Technology					
Depreciation and amortisation	**293**	304	334	-4%	-12%
Subscription licences and outsourced services	**444**	414	372	7%	19%
Other	**78**	85	79	-8%	-1%
Technology[1]	**815**	803	785	1%	4%
iv) Restructuring	**49**	22	105	large	-53%
v) Other					
Advertising and public relations	**77**	107	71	-28%	8%
Professional fees	**464**	440	329	5%	41%
Freight, stationery, postage and communication	**87**	90	95	-3%	-8%
Other[2]	**304**	255	298	19%	2%
Other[1,2]	**932**	892	793	4%	18%
Operating expenses[1,2]	**4,791**	4,569	4,482	5%	7%

1. *Includes customer remediation expenses of $148 million for the March 2022 half (Sep 21 half: $93 million; Mar 21 half: $92 million) allocated across Personnel, Technology and Other expenses.*
2. *Includes litigation settlement expenses of $10 million for the March 2022 half (Sep 21 half: nil; Mar 21 half: $69 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			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Profit before income tax from continuing operations	**5,035**	4,560	4,376	10%	15%
Prima facie income tax expense at 30%	**1,511**	1,368	1,313	10%	15%
Tax effect of permanent differences:					
Net gain from divestments/closures	**(87)**	-	(4)	n/a	large
Share of associates' (profit)/loss	**(22)**	(19)	72	16%	large
Reclassification of ANZ Share Investing to held for sale	**-**	-	75	n/a	-100%
Interest on convertible instruments	**21**	22	22	-5%	-5%
Overseas tax rate differential	**(61)**	(38)	(50)	61%	22%
Provision for foreign tax on dividend repatriation[1]	**139**	11	26	large	large
Other	**11**	(6)	(20)	large	large
Subtotal	**1,512**	1,338	1,434	13%	5%
Income tax (over)/under provided in previous years	**(12)**	(7)	(9)	71%	33%
Income tax expense	**1,500**	1,331	1,425	13%	5%
Australia	**960**	884	1,013	9%	-5%
Overseas	**540**	447	412	21%	31%
Income tax expense	**1,500**	1,331	1,425	13%	5%
Effective tax rate	**29.8%**	29.2%	32.6%		

1. *Includes the $126 million withholding tax paid in the March 2022 half on the dividend payment made by ANZ Papua New Guinea to ANZBGL.*

5. Dividends

Dividend per ordinary share (cents)[1]	Half Year			Movement	
	Mar 22	Sep 21	Mar 21	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Interim	**72**	-	70		
Final	**-**	72	-		
Total	**72**	72	70	0%	3%
Ordinary share dividend ($M)[2]					
Interim dividend	**-**	1,992	-		
Final dividend	**2,030**	-	994		
Bonus option plan adjustment	**(38)**	(37)	(21)	3%	81%
Total	**1,992**	1,955	973	2%	large
Ordinary share dividend payout ratio (%)[3]	**57.0%**	63.1%	67.7%		

1. *Fully franked for Australian tax purposes (30% tax rate) and carry New Zealand imputation credits of NZD 9 cents for the proposed 2022 interim dividend (2021 final dividend: NZD 8 cents; 2021 interim dividend: NZD 8 cents).*
2. *Dividends paid to ordinary equity holders of the Company. Excludes dividends paid by subsidiaries of the Group to non-controlling equity holders of $2 million (Sep 21 half: nil; Mar 21 half: nil).*
3. *The dividend payout ratio for the March 2022 half is calculated using the proposed 2022 interim dividend of $2,012 million, based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the September 2021 half and March 2021 half were calculated using actual dividends of $2,030 million and $1,992 million respectively.*

Ordinary Shares

The Directors propose an interim dividend of 72 cents be paid on each eligible fully paid ANZ ordinary share on 1 July 2022. The proposed 2022 interim dividend will be fully franked for Australian tax purposes. New Zealand imputation credits of NZD 9 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 2022 interim dividend.

6. Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period (after eliminating ANZ shares held within the Group referred to as treasury shares). Diluted EPS is calculated by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares used in the basic EPS calculation for the effect of dilutive potential ordinary shares.

	Half Year			Movement	
	Mar 22	Sep 21	Mar 21	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Earnings Per Share (EPS) - Basic					
Earnings Per Share (cents)	**125.7**	113.4	103.7	11%	21%
Earnings Per Share (cents) from continuing operations	**125.9**	113.7	104.0	11%	21%
Earnings Per Share (cents) from discontinued operations	**(0.2)**	(0.3)	(0.3)	-33%	-33%
Earnings Per Share (EPS) - Diluted					
Earnings Per Share (cents)	**117.7**	106.7	98.4	10%	20%
Earnings Per Share (cents) from continuing operations	**117.9**	107.0	98.7	10%	19%
Earnings Per Share (cents) from discontinued operations	**(0.2)**	(0.3)	(0.3)	-33%	-33%

	Half Year			Movement	
	Mar 22	Sep 21	Mar 21	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Reconciliation of earnings used in earnings per share calculations					
Basic:					
Profit for the period ($M)	**3,530**	3,220	2,943	10%	20%
Less: Profit attributable to non-controlling interests ($M)	**-**	1	-	-100%	n/a
Earnings used in calculating basic earnings per share ($M)	**3,530**	3,219	2,943	10%	20%
Less: Profit/(Loss) after tax from discontinued operations ($M)	**(5)**	(9)	(8)	-44%	-38%
Earnings used in calculating basic earnings per share from continuing operations ($M)	**3,535**	3,228	2,951	10%	20%
Diluted:					
Earnings used in calculating basic earnings per share ($M)	**3,530**	3,219	2,943	10%	20%
Add: Interest on convertible subordinated debt ($M)	**92**	95	92	-3%	0%
Earnings used in calculating diluted earnings per share ($M)	**3,622**	3,314	3,035	9%	19%
Less: Profit/(Loss) after tax from discontinued operations ($M)	**(5)**	(9)	(8)	-44%	-38%
Earnings used in calculating diluted earnings per share from continuing operations ($M)	**3,627**	3,323	3,043	9%	19%
Reconciliation of weighted average number of ordinary shares (WANOS) used in earnings per share calculations[1]					
WANOS used in calculating basic earnings per share (M)	**2,808.7**	2,838.4	2,838.7	-1%	-1%
Add: Weighted average dilutive potential ordinary shares (M)					
Convertible subordinated debt (M)	**261.7**	255.8	238.7	2%	10%
Share based payments (options, rights and deferred shares) (M)	**6.8**	11.3	7.0	-40%	-3%
WANOS used in calculating diluted earnings per share (M)	**3,077.2**	3,105.5	3,084.4	-1%	0%

1. *Weighted average number of ordinary shares for the March 2022 half excludes 4.5 million weighted average number of treasury shares held in ANZEST Pty Ltd (Sep 21 half: 4.4 million; Mar 21 half: 4.7 million).*

7. Segment analysis

i) Description of segments

On 1 March 2022, the Group announced a structural change to the existing Australia Retail and Commercial division, and the digital businesses in the Group Centre division (formerly known as the Technology, Services & Operations (TSO) and Group Centre division). This involves the integration of the Australian retail and digital businesses, and the separation of the Australian commercial business into a new division. The new reporting segments will be reflected in the September 2022 half to align with the implementation of the changes from 1 April 2022. The segment disclosures below remain unchanged from those reported at 30 September 2021 and are consistent with internal reporting provided to the chief operating decision maker, being the Chief Executive Officer, during the March 2022 half.

During the March 2022 half, the Group operated on a divisional structure with five continuing divisions: Australia Retail and Commercial, Institutional, New Zealand, Pacific, and Group Centre. For further information on the composition of divisions refer to the Definitions on page 133.

ii) Operating segments

ANZ measures the performance of continuing segments on a cash profit basis. To calculate cash profit, certain non-core items are removed from statutory profit. Details of these items are included in the 'Other items' section of this note.

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

March 2022 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	Group Centre $M	Other items[1] $M	Group Total $M
Net interest income	3,864	1,621	1,505	46	64	-	**7,100**
Net fee and commission income							
- Lending fees	50	131	4	3	-	-	**188**
- Non-lending fees	652	311	301	11	(1)	-	**1,274**
- Commissions	35	1	14	-	-	-	**50**
- Funds management income	13	1	123	-	-	-	**137**
- Fee and commission expense	(303)	(132)	(229)	(2)	-	-	**(666)**
Net income from insurance business	55	-	-	-	-	-	**55**
Other income	244	470	32	22	(32)	594	**1,330**
Share of associates' profit/(loss)	-	-	-	-	74	-	**74**
Operating income	4,610	2,403	1,750	80	105	594	**9,542**
Profit/(Loss) after tax from continuing operations	1,986	730	787	(6)	(384)	422	**3,535**
Profit/(Loss) after tax from discontinued operations							**(5)**
Profit after tax attributable to shareholders							**3,530**

1. *In evaluating the performance of the operating segments, certain items are removed from statutory profit where they are not considered integral to the ongoing performance of the segment. These items are presented in section (iii) below.*

7. Segment analysis, cont'd

September 2021 Half Year	Australia Retail and Commercial $M	Institutional $M	New Zealand $M	Pacific $M	Group Centre $M	Other items[1] $M	Group Total $M
Net interest income	4,015	1,586	1,477	47	50	-	**7,175**
Net fee and commission income							
- Lending fees	105	118	4	3	-	-	**230**
- Non-lending fees	650	335	292	10	(1)	-	**1,286**
- Commissions	35	-	16	-	-	-	**51**
- Funds management income	15	-	132	-	-	-	**147**
- Fee and commission expense	(274)	(130)	(215)	(1)	(1)	-	**(621)**
Net income from insurance business	58	-	-	-	-	-	**58**
Other income	(2)	542	2	20	70	29	**661**
Share of associates' profit/(loss)	-	(1)	-	-	67	-	**66**
Operating income	4,602	2,450	1,708	79	185	29	**9,053**
Profit/(Loss) after tax from continuing operations	1,835	939	737	(10)	(293)	20	**3,228**
Profit/(Loss) after tax from discontinued operations							**(9)**
Profit after tax attributable to shareholders							**3,219**
March 2021 Half Year							
Net interest income	3,974	1,519	1,393	49	51	-	**6,986**
Net fee and commission income							
- Lending fees	111	123	6	4	-	-	**244**
- Non-lending fees	618	348	293	10	(3)	-	**1,266**
- Commissions	29	1	16	-	-	-	**46**
- Funds management income	17	1	122	-	-	-	**140**
- Fee and commission expense	(286)	(144)	(215)	(1)	-	-	**(646)**
Net income from insurance business	52	-	-	-	-	-	**52**
Other income	(240)	685	16	20	96	(56)	**521**
Share of associates' profit/(loss)	1	-	-	-	(243)	-	**(242)**
Operating income	4,276	2,533	1,631	82	(99)	(56)	**8,367**
Profit/(Loss) after tax from continuing operations	1,782	948	771	7	(518)	(39)	**2,951**
Profit/(Loss) after tax from discontinued operations							**(8)**
Profit after tax attributable to shareholders							**2,943**

1. *In evaluating the performance of the operating segments, certain items are removed from statutory profit where they are not considered integral to the ongoing performance of the segment. These items are presented in section (iii) below.*

iii) Other items

The table below sets out the profit after tax impact of other items which are removed from statutory profit to reflect the cash profit of each segment.

		Half Year			Movement	
Item gains/(losses)	**Related segment**	**Mar 22 $M**	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Economic hedges	Institutional, New Zealand, Group Centre	**373**	128	(51)	large	large
Revenue and expense hedges	Group Centre	**49**	(108)	12	large	large
Total from continuing operations		**422**	20	(39)	large	large

8. Derivative financial instruments

Derivative financial instruments are contracts whose value is derived from one or more underlying variables or indices defined in the contract, require little or no initial net investment and are settled at a future date. Derivatives include contracts traded on registered exchanges and contracts agreed between counterparties. The use of derivatives and their sale to customers as risk management products is an integral part of the Group's trading and sales activities. Derivatives are also used to manage the Group's own exposure to fluctuations in foreign exchange and interest rates as part of its asset and liability management activities (balance sheet risk management).

The following table includes all trading and balance sheet risk management contracts. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market rates relative to the terms of the derivative.

Fair Values	Assets Mar 22 $M	Liabilities Mar 22 $M	Assets[1] Sep 21 $M	Liabilities[1] Sep 21 $M	Assets Mar 21 $M	Liabilities Mar 21 $M
Interest rate contracts						
Forward rate agreements	**-**	**(1)**	2	(23)	10	(12)
Futures contracts	**760**	**(142)**	296	(26)	45	(74)
Swap agreements	**8,741**	**(10,511)**	10,664	(8,206)	73,125	(71,523)
Options purchased	**1,355**	**-**	971	-	1,192	-
Options sold	**-**	**(1,558)**	-	(1,207)	-	(1,162)
Total	**10,856**	**(12,212)**	11,933	(9,462)	74,372	(72,771)
Foreign exchange contracts						
Spot and forward contracts	**17,443**	**(16,805)**	13,915	(11,521)	15,858	(14,389)
Swap agreements	**14,417**	**(16,123)**	11,131	(12,425)	12,683	(13,833)
Options purchased	**340**	**-**	277	-	311	-
Options sold	**-**	**(586)**	-	(577)	-	(587)
Total	**32,200**	**(33,514)**	25,323	(24,523)	28,852	(28,809)
Commodity contracts	**2,181**	**(2,068)**	1,445	(2,017)	1,439	(1,345)
Credit default swaps						
Credit derivatives purchased	**1**	**(1)**	-	(33)	1	(1)
Credit derivatives sold	**-**	**-**	35	-	2	-
Total	**1**	**(1)**	35	(33)	3	(1)
Derivative financial instruments	**45,238**	**(47,795)**	38,736	(36,035)	104,666	(102,926)

1. *During the September 2021 half, a change was made to the legal arrangements for the settlement of derivative transactions with a central clearing counterparty which resulted in the reduction of derivative financial instrument assets by $55.1 billion, derivative financial instrument liabilities by $55.2 billion and net collateral paid by $0.1 billion at the date of the change.*

9. Net loans and advances

	As at			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Australia					
Overdrafts	**3,491**	4,190	4,070	-17%	-14%
Credit cards outstanding	**5,707**	5,488	6,119	4%	-7%
Commercial bills outstanding	**5,632**	6,000	6,152	-6%	-8%
Term loans - housing	**277,894**	277,720	280,545	0%	-1%
Term loans - non-housing	**151,718**	139,885	138,771	8%	9%
Other	**1,113**	1,319	1,297	-16%	-14%
Total Australia	**445,555**	434,602	436,954	3%	2%
Asia, Pacific, Europe & America					
Overdrafts	**668**	407	516	64%	29%
Credit cards outstanding	**6**	5	5	20%	20%
Term loans - housing	**464**	482	472	-4%	-2%
Term loans - non-housing	**69,731**	60,693	51,867	15%	34%
Other	**1,332**	1,666	1,123	-20%	19%
Total Asia, Pacific, Europe & America	**72,201**	63,253	53,983	14%	34%
New Zealand					
Overdrafts	**824**	763	599	8%	38%
Credit cards outstanding	**1,087**	1,077	1,181	1%	-8%
Term loans - housing	**95,794**	94,370	87,561	2%	9%
Term loans - non-housing	**38,512**	38,699	37,390	0%	3%
Total New Zealand	**136,217**	134,909	126,731	1%	7%
Subtotal	**653,973**	632,764	617,668	3%	6%
Unearned income[1]	**(460)**	(434)	(437)	6%	5%
Capitalised brokerage and other origination costs[1]	**1,482**	1,434	1,378	3%	8%
Gross loans and advances	**654,995**	633,764	618,609	3%	6%
Allowance for expected credit losses (refer to Note 10)	**(3,559)**	(4,045)	(4,250)	-12%	-16%
Net loans and advances	**651,436**	629,719	614,359	3%	6%

1. *Amortised over the expected life of the loan.*

10. Allowance for expected credit losses

	As at								
	Mar 22			Sep 21			Mar 21		
	Collectively assessed $M	Individually assessed $M	Total $M	Collectively assessed $M	Individually assessed $M	Total $M	Collectively assessed $M	Individually assessed $M	Total $M
Net loans and advances at amortised cost	**2,940**	**619**	**3,559**	3,379	666	4,045	3,472	778	4,250
Off-balance sheet commitments	**788**	**17**	**805**	785	21	806	795	31	826
Investment securities - debt securities at amortised cost	**29**	**-**	**29**	31	-	31	18	-	18
Total	**3,757**	**636**	**4,393**	4,195	687	4,882	4,285	809	5,094
Other Comprehensive Income									
Investment securities - debt securities at FVOCI[1]	**10**	**-**	**10**	11	-	11	11	-	11

1. *For FVOCI assets, the allowance for ECL does not alter the carrying amount which remains at fair value. Instead, the allowance for ECL is recognised in Other comprehensive income with a corresponding charge to profit or loss.*

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

Net loans and advances at amortised cost

Allowance for ECL is included in Net loans and advances.

			Stage 3		
	Stage 1 $M	Stage 2 $M	Collectively assessed $M	Individually assessed $M	Total $M
As at 1 October 2020	**1,204**	**2,465**	**461**	**851**	**4,981**
Transfer between stages	345	(369)	(98)	122	-
New and increased provisions (net of releases)	(563)	3	52	333	(175)
Write-backs	-	-	-	(171)	(171)
Bad debts written off (excluding recoveries)	-	-	-	(340)	(340)
Foreign currency translation and other movements[1]	(11)	(14)	(3)	(17)	(45)
As at 31 March 2021	**975**	**2,085**	**412**	**778**	**4,250**
Transfer between stages	200	(233)	(50)	83	-
New and increased provisions (net of releases)	(222)	124	50	284	236
Write-backs	-	-	-	(194)	(194)
Bad debts written off (excluding recoveries)	-	-	-	(286)	(286)
Foreign currency translation and other movements[1]	15	18	5	1	39
As at 30 September 2021	**968**	**1,994**	**417**	**666**	**4,045**
Transfer between stages	130	(152)	(58)	80	-
New and increased provisions (net of releases)	(73)	(301)	46	221	(107)
Write-backs	-	-	-	(111)	(111)
Bad debts written off (excluding recoveries)	-	-	-	(222)	(222)
Foreign currency translation and other movements[1]	(14)	(14)	(3)	(15)	(46)
As at 31 March 2022	**1,011**	**1,527**	**402**	**619**	**3,559**

1. *Other movements include the impact of discount unwind on individually assessed allowances for ECL during the period.*

10. Allowance for expected credit losses, cont'd

Off-balance sheet commitments - undrawn and contingent facilities

Allowance for ECL is included in Other provisions.

	Stage 1 $M	Stage 2 $M	Stage 3 Collectively assessed $M	Stage 3 Individually assessed $M	Total $M
As at 1 October 2020	**596**	**239**	**23**	**40**	**898**
Transfer between stages	36	(34)	(3)	1	-
New and increased provisions (net of releases)	(52)	4	-	(1)	(49)
Write-backs	-	-	-	(9)	(9)
Foreign currency translation	(12)	(2)	-	-	(14)
As at 31 March 2021	**568**	**207**	**20**	**31**	**826**
Transfer between stages	32	(30)	(2)	-	-
New and increased provisions (net of releases)	(57)	31	1	2	(23)
Write-backs	-	-	-	(12)	(12)
Foreign currency translation and other movements[1]	12	3	-	-	15
As at 30 September 2021	**555**	**211**	**19**	**21**	**806**
Transfer between stages	28	(27)	(2)	1	-
New and increased provisions (net of releases)	24	(5)	21	(1)	39
Write-backs	-	-	-	(4)	(4)
Foreign currency translation and other movements[1]	(30)	(6)	-	-	(36)
As at 31 March 2022	**577**	**173**	**38**	**17**	**805**

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

Investment securities - debt securities at amortised cost

Allowance for ECL is included in Investment securities.

	Stage 1 $M	Stage 2 $M	Stage 3 Collectively assessed $M	Stage 3 Individually assessed $M	Total $M
As at 31 March 2021	18	-	-	-	18
As at 30 September 2021	31	-	-	-	31
As at 31 March 2022	**29**	**-**	**-**	**-**	**29**

Investment securities - debt securities at FVOCI

For FVOCI assets, the allowance for ECL does not alter the carrying amount which remains at fair value. Instead, the allowance for ECL is recognised in Other comprehensive income with a corresponding charge to profit or loss.

	Stage 1 $M	Stage 2 $M	Stage 3 Collectively assessed $M	Stage 3 Individually assessed $M	Total $M
As at 31 March 2021	11	-	-	-	11
As at 30 September 2021	11	-	-	-	11
As at 31 March 2022	**10**	**-**	**-**	**-**	**10**

10. Allowance for expected credit losses, cont'd

Credit impairment charge/(release) analysis

	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
New and increased provisions (net of releases)[1,2]					
- Collectively assessed	**(371)**	(145)	(678)	large	-45%
- Individually assessed	**301**	369	455	-18%	-34%
Write-backs[3]	**(115)**	(206)	(180)	-44%	-36%
Recoveries of amounts previously written off	**(99)**	(94)	(88)	5%	13%
Total credit impairment charge/(release)	**(284)**	(76)	(491)	large	-42%

1. *Includes the impact of transfers between collectively assessed and individually assessed.*
2. *New and increased provisions (net of releases) includes:*

	Mar 22 half		Sep 21 half		Mar 21 half	
	Collectively assessed $M	Individually assessed $M	Collectively assessed $M	Individually assessed $M	Collectively assessed $M	Individually assessed $M
Net loans and advances at amortised cost	(408)	301	(131)	367	(630)	455
Off-balance sheet commitments	39	-	(25)	2	(49)	-
Investment securities - debt securities at amortised cost	(1)	-	11	-	-	-
Investment securities - debt securities at FVOCI	(1)	-	-	-	1	-
Total	**(371)**	**301**	**(145)**	**369**	**(678)**	**455**

3. *Consists of write-backs in Net loans and advances at amortised cost of $111 million (Sep 21 half: $194 million; Mar 21 half: $171 million), and Off-balance sheet commitment of $4 million (Sep 21 half: $12 million; Mar 21 half: $9 million).*

11. Deposits and other borrowings

	As at			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Australia					
Certificates of deposit	**29,914**	31,915	34,176	-6%	-12%
Term deposits	**44,165**	49,767	61,503	-11%	-28%
On demand and short term deposits	**286,191**	270,839	247,730	6%	16%
Deposits not bearing interest	**24,785**	23,209	20,850	7%	19%
Deposits from banks and securities sold under repurchase agreements[1]	**50,398**	49,340	42,651	2%	18%
Commercial paper	**27,309**	21,451	22,829	27%	20%
Total Australia	**462,762**	446,521	429,739	4%	8%
Asia, Pacific, Europe & America					
Certificates of deposit	**5,013**	4,003	4,532	25%	11%
Term deposits	**97,525**	88,481	84,950	10%	15%
On demand and short term deposits	**30,841**	36,094	27,332	-15%	13%
Deposits not bearing interest	**7,314**	5,709	6,448	28%	13%
Deposits from banks and securities sold under repurchase agreements	**47,967**	35,225	35,456	36%	35%
Total Asia, Pacific, Europe & America	**188,660**	169,512	158,718	11%	19%
New Zealand					
Certificates of deposit	**2,018**	1,790	1,292	13%	56%
Term deposits	**38,931**	38,833	39,715	0%	-2%
On demand and short term deposits	**59,590**	59,822	54,379	0%	10%
Deposits not bearing interest	**21,712**	20,828	18,618	4%	17%
Deposits from banks and securities sold under repurchase agreements[2]	**2,069**	1,517	910	36%	large
Commercial paper and other borrowings	**4,546**	4,233	3,252	7%	40%
Total New Zealand	**128,866**	127,023	118,166	1%	9%
Total deposits and other borrowings	**780,288**	743,056	706,623	5%	10%

1. *Includes $20.1 billion (Sep 21: $20.1 billion; Mar 21: $12.0 billion) of funds drawn under the RBA TFF.*
2. *Includes $1.7 billion (Sep 21: $1.2 billion; Mar 21: nil) of funds drawn under the RBNZ FLP and TLF.*

12. Other provisions

	As at			Movement	
	Mar 22 $M	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Allowance for ECL on undrawn and contingent facilities (refer to Note 10)	**805**	806	826	0%	-3%
Customer remediation	**853**	886	1,003	-4%	-15%
Restructuring costs	**88**	99	122	-11%	-28%
Non-lending losses, frauds and forgeries[1]	**118**	133	144	-11%	-18%
Other[1]	**398**	290	322	37%	24%
Total other provisions	**2,262**	2,214	2,417	2%	-6%

1. *Certain provisions have been reclassified from Other to Non-lending losses, frauds and forgeries during the March 2022 half to better reflect their nature. Comparatives have been restated accordingly (Sep 21: $72 million; Mar 21: $67 million).*

Customer remediation

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

Restructuring costs

Provisions for restructuring costs arise from activities related to material changes in the scope of business undertaken by the Group or the manner in which that business is undertaken and include employee termination benefits. Costs relating to on-going activities are not provided for and are expensed as incurred.

Non-lending losses, frauds and forgeries

Non-lending losses include losses arising from certain legal actions not directly related to amounts of principal outstanding for loans and advances and losses arising from forgeries, frauds and the correction of operational issues. The amounts recognised are the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties that surround the events and circumstances that affect the provision.

Other

Other comprise various other provisions including workers compensation, make-good provisions associated with leased premises, warranties and indemnities provided in connection with various disposals of businesses and assets, and contingent liabilities recognised as part of a business combination.

13. Debt issuances

	As at			Movement	
	Mar 22 $M	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Total unsubordinated debt	**64,645**	75,775	83,963	-15%	-23%
Additional Tier 1 Capital (perpetual subordinated securities)[1]					
ANZ Capital Notes (ANZ CN)[2]					
ANZ CN1	**-**	-	1,120	n/a	-100%
ANZ CN2	**-**	1,609	1,609	-100%	-100%
ANZ CN3	**969**	968	968	0%	0%
ANZ CN4	**1,618**	1,617	1,615	0%	0%
ANZ CN5	**928**	927	927	0%	0%
ANZ CN6	**1,487**	1,486	-	0%	n/a
ANZ CN7	**1,298**	-	-	n/a	n/a
ANZ Capital Securities[3]	**1,282**	1,422	1,347	-10%	-5%
ANZ New Zealand Capital Notes[4]	**-**	477	459	-100%	-100%
Tier 2 Capital					
Perpetual subordinated notes[5]	**-**	417	395	-100%	-100%
Term subordinated notes[6]	**14,047**	15,790	15,220	-11%	-8%
Other subordinated debt securities[7]	**952**	566	-	68%	n/a
Total subordinated debt	**22,581**	25,279	23,660	-11%	-5%
Total debt issuances	**87,226**	101,054	107,623	-14%	-19%

1. *ANZ Capital Notes, ANZ Capital Securities and the ANZ New Zealand Capital Notes are Basel 3 compliant instruments.*
2. *Each of the ANZ Capital Notes will convert into a variable number of ANZ ordinary shares on a specified mandatory conversion date at a 1% discount (subject to certain conditions being satisfied). If ANZ's Common Equity Tier 1 capital ratio is equal to or less than 5.125%, or ANZ receives a notice of non-viability from APRA, then the notes will immediately convert into a variable number of ANZ ordinary shares at a 1% discount subject to a maximum conversion number. Subject to certain conditions, the notes are redeemable or convertible into ANZ ordinary shares (on similar terms to mandatory conversion) by ANZ at its discretion on an early redemption or conversion date.*

	Issuer	*Issue date*	*Issue amount $M*	*Early redemption or conversion date*	*Mandatory conversion date*
CN1	*ANZ*	*7 Aug 2013*	*1,120*	*n/a*	*n/a*
CN2	*ANZ*	*31 Mar 2014*	*1,610*	*n/a*	*n/a*
CN3	*ANZ, acting through its New Zealand branch*	*5 Mar 2015*	*970*	*24 Mar 2023*	*24 Mar 2025*
CN4	*ANZ*	*27 Sep 2016*	*1,622*	*20 Mar 2024*	*20 Mar 2026*
CN5	*ANZ*	*28 Sep 2017*	*931*	*20 Mar 2025*	*20 Mar 2027*
CN6	*ANZ*	*8 Jul 2021*	*1,500*	*20 Mar 2028*	*20 Sep 2030*
CN7	*ANZ*	*24 Mar 2022*	*1,310*	*20 Mar 2029*	*20 Sep 2031*

Approximately $750 million of ANZ Capital Notes 1 were reinvested into ANZ Capital Notes 6 on 8 July 2021 with the remaining $370 million being redeemed on 1 September 2021. All the ANZ Capital Notes 2 were redeemed on 24 March 2022 with approximately $860 million of the proceeds from redemption reinvested into ANZ Capital Notes 7 on the same date.

3. *On 15 June 2016, ANZ acting through its London branch issued US$1 billion fully-paid perpetual subordinated contingent convertible securities (ANZ Capital Securities). If ANZ's Common Equity Tier 1 capital ratio is equal to or less than 5.125%, or ANZ receives a notice of non-viability from APRA, then the securities will immediately convert into a variable number of ANZ ordinary shares at a 1% discount subject to a maximum conversion number. Subject to certain conditions, on the First Reset Date (15 June 2026) and on each 5 year anniversary, ANZ has the right to redeem all of the securities at its discretion.*
4. *On 31 March 2015, ANZ Bank New Zealand Limited (ANZ New Zealand) issued NZ$500 million convertible notes (ANZ New Zealand Capital Notes). The ANZ New Zealand Capital Notes were redeemed on 31 December 2021.*
5. *The USD 300 million perpetual subordinated notes ceased to be treated as Basel 3 transitional Tier 2 capital under APRA's capital framework from 1 January 2022.*
6. *All the term subordinated notes are convertible and are Basel 3 compliant instruments. If ANZ receives a notice of non-viability from APRA, then the convertible subordinated notes will immediately convert into a variable number of ANZ ordinary shares at a 1% discount subject to a maximum conversion number.*
7. *A subsidiary of the Group, ANZ Bank New Zealand Limited, issued NZ$600 million of unsecured subordinated notes in September 2021. Whilst these notes constitute Tier 2 capital under RBNZ requirements, the notes do not contain a Non-Viability Trigger Event and therefore do not meet APRA's requirements for Tier 2 capital instruments in order to qualify as regulatory capital for the Group. Other subordinated debt securities also includes ANZ's USD 300 million perpetual subordinated notes from 1 January 2022 (refer to footnote 5).*

14. Credit risk

Maximum exposure to credit risk

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

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

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

	Reported As at			Excluded[1] As at			Maximum Exposure to Credit Risk As at		
On-balance sheet positions	**Mar 22 $M**	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 $M**	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 $M**	**Sep 21 $M**	**Mar 21 $M**
Net loans and advances	**651,436**	629,719	614,359	**-**	-	-	**651,436**	629,719	614,359
Investment securities									
- debt securities at amortised cost	**8,505**	7,031	7,028	**-**	-	-	**8,505**	7,031	7,028
- debt securities at FVOCI	**69,824**	74,743	83,715	**-**	-	-	**69,824**	74,743	83,715
- equity securities at FVOCI	**1,390**	1,310	1,184	**1,390**	1,310	1,184	**-**	-	-
- debt securities at FVTPL	**38**	42	63	**-**	-	-	**38**	42	63
Other financial assets	**273,507**	254,105	300,339	**13,117**	13,653	15,829	**260,390**	240,452	284,510
Total on-balance sheet positions	**1,004,700**	966,950	1,006,688	**14,507**	14,963	17,013	**990,193**	951,987	989,675
Off-balance sheet commitments									
Undrawn and contingent facilities[2]	**264,137**	259,789	252,392	**-**	-	-	**264,137**	259,789	252,392
Total	**1,268,837**	1,226,739	1,259,080	**14,507**	14,963	17,013	**1,254,330**	1,211,776	1,242,067

1. *Excluded comprises bank notes and coins and cash at bank within liquid assets, and investment securities - equity securities at FVOCI as they do not have credit exposure.*
2. *Undrawn and contingent facilities include guarantees, letters of credit and performance related contingencies, net of collectively assessed allowance for expected credit losses.*

Credit Quality

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

Credit Quality Description	Internal CCR	ANZ Customer Requirement	Moody's Rating	Standard & Poor's Rating
Strong	CCR 0+ to 4-	Demonstrated superior stability in their operating and financial performance over the long-term, and whose earnings capacity is not significantly vulnerable to foreseeable events.	Aaa - Baa3	AAA - BBB-
Satisfactory	CCR 5+ to 6-	Demonstrated sound operational and financial stability over the medium to long term even though some may be susceptible to cyclical trends or variability in earnings.	Ba1 - B1	BB+ - B+
Weak	CCR 7+ to 8=	Demonstrated some operational and financial instability, with variability and uncertainty in profitability and liquidity projected to continue over the short and possibly medium term.	B2 - Caa	B - CCC
Defaulted	CCR8- to 10	When doubt arises as to the collectability of a credit facility, the financial instrument (or 'the facility') is classified as defaulted.	N/A	N/A

14. Credit risk, cont'd

Net loans and advances

As at March 2022	Stage 1 $M	Stage 2 $M	Stage 3 Collectively assessed $M	Stage 3 Individually assessed $M	Total $M
Strong	431,582	13,744	-	-	445,326
Satisfactory	145,404	30,144	-	-	175,548
Weak	11,709	10,721	-	-	22,430
Defaulted	-	-	3,628	1,286	4,914
Gross loans and advances at amortised cost	**588,695**	**54,609**	**3,628**	**1,286**	**648,218**
Allowance for ECL	(1,011)	(1,527)	(402)	(619)	(3,559)
Net loans and advances at amortised cost	**587,684**	**53,082**	**3,226**	**667**	**644,659**
Coverage ratio	**0.17%**	**2.80%**	**11.08%**	**48.13%**	**0.55%**
Loans and advances at fair value through profit or loss					5,755
Unearned income					(460)
Capitalised brokerage and other origination costs					1,482
Net carrying amount					**651,436**

As at September 2021	Stage 1 $M	Stage 2 $M	Stage 3 Collectively assessed $M	Stage 3 Individually assessed $M	Total $M
Strong	412,821	12,596	-	-	425,417
Satisfactory	146,368	31,228	-	-	177,596
Weak	7,921	12,907	-	-	20,828
Defaulted	-	-	3,754	1,549	5,303
Gross loans and advances at amortised cost	**567,110**	**56,731**	**3,754**	**1,549**	**629,144**
Allowance for ECL	(968)	(1,994)	(417)	(666)	(4,045)
Net loans and advances at amortised cost	**566,142**	**54,737**	**3,337**	**883**	**625,099**
Coverage ratio	**0.17%**	**3.51%**	**11.11%**	**43.00%**	**0.64%**
Loans and advances at fair value through profit or loss					3,620
Unearned income					(434)
Capitalised brokerage and other origination costs					1,434
Net carrying amount					**629,719**

As at March 2021	Stage 1 $M	Stage 2 $M	Stage 3 Collectively assessed $M	Stage 3 Individually assessed $M	Total $M
Strong	390,928	12,204	-	-	403,132
Satisfactory	149,462	33,317	-	-	182,779
Weak	8,493	14,150	-	-	22,643
Defaulted	-	-	4,160	1,941	6,101
Gross loans and advances at amortised cost	**548,883**	**59,671**	**4,160**	**1,941**	**614,655**
Allowance for ECL	(975)	(2,085)	(412)	(778)	(4,250)
Net loans and advances at amortised cost	**547,908**	**57,586**	**3,748**	**1,163**	**610,405**
Coverage ratio	**0.18%**	**3.49%**	**9.90%**	**40.08%**	**0.69%**
Loans and advances at fair value through profit or loss					3,013
Unearned income					(437)
Capitalised brokerage and other origination costs					1,378
Net carrying amount					**614,359**

14. Credit risk, cont'd

Off-balance sheet commitments - undrawn and contingent facilities

			Stage 3		
As at March 2022	**Stage 1 $M**	**Stage 2 $M**	**Collectively assessed $M**	**Individually assessed $M**	**Total $M**
Strong	175,462	1,244	-	-	176,706
Satisfactory	23,219	3,637	-	-	26,856
Weak	1,728	782	-	-	2,510
Defaulted	-	-	112	37	149
Gross undrawn and contingent facilities subject to ECL	**200,409**	**5,663**	**112**	**37**	**206,221**
Allowance for ECL included in Other provisions	(577)	(173)	(38)	(17)	(805)
Net undrawn and contingent facilities subject to ECL	**199,832**	**5,490**	**74**	**20**	**205,416**
Coverage ratio	**0.29%**	**3.05%**	**33.93%**	**45.95%**	**0.39%**
Undrawn and contingent facilities not subject to ECL[1]					58,721
Net undrawn and contingent facilities					**264,137**
As at September 2021					
Strong	174,808	1,754	-	-	176,562
Satisfactory	23,799	3,564	-	-	27,363
Weak	1,030	1,185	-	-	2,215
Defaulted	-	-	138	50	188
Gross undrawn and contingent facilities subject to ECL	**199,637**	**6,503**	**138**	**50**	**206,328**
Allowance for ECL included in Other provisions	(555)	(211)	(19)	(21)	(806)
Net undrawn and contingent facilities subject to ECL	**199,082**	**6,292**	**119**	**29**	**205,522**
Coverage ratio	**0.28%**	**3.24%**	**13.77%**	**42.00%**	**0.39%**
Undrawn and contingent facilities not subject to ECL[1]					54,267
Net undrawn and contingent facilities					**259,789**
As at March 2021					
Strong	168,628	1,829	-	-	170,457
Satisfactory	23,398	4,148	-	-	27,546
Weak	950	938	-	-	1,888
Defaulted	-	-	135	232	367
Gross undrawn and contingent facilities subject to ECL	**192,976**	**6,915**	**135**	**232**	**200,258**
Allowance for ECL included in Other provisions	(568)	(207)	(20)	(31)	(826)
Net undrawn and contingent facilities subject to ECL	**192,408**	**6,708**	**115**	**201**	**199,432**
Coverage ratio	**0.29%**	**2.99%**	**14.81%**	**13.36%**	**0.41%**
Undrawn and contingent facilities not subject to ECL[1]					52,960
Net undrawn and contingent facilities					**252,392**

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

14. Credit risk, cont'd

Investment securities - debt securities at amortised cost

			Stage 3		
	Stage 1	Stage 2	Collectively assessed	Individually assessed	Total
As at March 2022	**$M**	**$M**	**$M**	**$M**	**$M**
Strong	6,978	-	-	-	6,978
Satisfactory	120	-	-	-	120
Weak	1,436	-	-	-	1,436
Gross investment securities - debt securities at amortised cost	**8,534**	**-**	**-**	**-**	**8,534**
Allowance for ECL	(29)	-	-	-	(29)
Net investment securities - debt securities at amortised cost	**8,505**	**-**	**-**	**-**	**8,505**
Coverage ratio	**0.34%**	**-**	**-**	**-**	**0.34%**
As at September 2021					
Strong	5,574	-	-	-	5,574
Satisfactory	121	-	-	-	121
Weak	1,367	-	-	-	1,367
Gross investment securities - debt securities at amortised cost	**7,062**	**-**	**-**	**-**	**7,062**
Allowance for ECL	(31)	-	-	-	(31)
Net investment securities - debt securities at amortised cost	**7,031**	-	-	-	**7,031**
Coverage ratio	**0.44%**	-	-	-	**0.44%**
As at March 2021					
Strong	5,657	-	-	-	5,657
Satisfactory	1,389	-	-	-	1,389
Gross investment securities - debt securities at amortised cost	**7,046**	**-**	-	-	**7,046**
Allowance for ECL	(18)	-	-	-	(18)
Net investment securities - debt securities at amortised cost	**7,028**	-	-	-	**7,028**
Coverage ratio	**0.26%**	-	-	-	**0.26%**

Investment securities - debt securities at FVOCI

			Stage 3		
	Stage 1	Stage 2	Collectively assessed	Individually assessed	Total
As at March 2022	**$M**	**$M**	**$M**	**$M**	**$M**
Strong	69,656	-	-	-	69,656
Satisfactory	168	-	-	-	168
Investment securities - debt securities at FVOCI	**69,824**	**-**	**-**	**-**	**69,824**
Allowance for ECL recognised in Other comprehensive income	(10)	-	-	-	(10)
Coverage ratio	**0.01%**	**-**	**-**	**-**	**0.01%**
As at September 2021					
Strong	74,541	-	-	-	74,541
Satisfactory	202	-	-	-	202
Investment securities - debt securities at FVOCI	**74,743**	**-**	**-**	**-**	**74,743**
Allowance for ECL recognised in Other comprehensive income	(11)	-	-	-	(11)
Coverage ratio	**0.01%**	**-**	**-**	**-**	**0.01%**
As at March 2021					
Strong	83,494	-	-	-	83,494
Satisfactory	221	-	-	-	221
Investment securities - debt securities at FVOCI	**83,715**	-	-	-	**83,715**
Allowance for ECL recognised in Other comprehensive income	(11)	-	-	-	(11)
Coverage ratio	**0.01%**	**-**	**-**	**-**	**0.01%**

14. Credit risk, cont'd

Other financial assets

	As at		
	Mar 22 $M	**Sep 21 $M**	**Mar 21 $M**
Strong	**257,543**	235,847	280,105
Satisfactory[1]	**2,483**	3,513	3,909
Weak	**391**	1,122	556
Defaulted	**11**	12	3
Other financial assets[1]	**260,428**	240,494	284,573

1. *Includes Investment securities - debt securities at FVTPL of $38 million (Sep 21: $42 million; Mar 21: $63 million).*

15. Fair value measurement

The Group carries a significant number of financial instruments on the balance sheet at fair value. Fair value is the best estimate of the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

i) Assets and liabilities measured at fair value on the balance sheet

a) Valuation

The Group has an established control framework, including appropriate segregation of duties, to ensure that fair values are accurately determined, reported and controlled. The framework includes the following features:

- products are approved for transacting with external customers and counterparties only where fair values can be appropriately determined;
- when using quoted prices to value an instrument, these are independently verified from external pricing providers;
- fair value methodologies and inputs are evaluated and approved by a function independent of the party that undertakes the transaction;
- movements in fair values are independently monitored and explained by reference to underlying factors relevant to the fair value; and
- valuation adjustments (such as funding valuation adjustments, credit valuation adjustments and bid-offer adjustments) are independently validated and monitored.

If the Group holds offsetting risk positions, then the Group uses the portfolio exception in AASB 13 *Fair Value Measurement* (AASB 13) to measure the fair value of such groups of financial assets and financial liabilities. We measure the portfolio based on the price that would be received to sell a net long position (an asset) for a particular risk exposure, or to transfer a net short position (a liability) for a particular risk exposure.

b) Fair value approach and valuation techniques

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

Asset or Liability	Fair Value Approach
Financial instruments classified as: - trading securities - securities sold short - derivative financial assets and liabilities - investment securities - other assets	Valuation techniques are used that incorporate observable market inputs for securities with similar credit risk, maturity and yield characteristics. Equity instruments that are not traded in active markets may be measured using comparable company valuation multiples.
Financial instruments classified as: - net loans and advances - deposits and other borrowings - debt issuances	Discounted cash flow techniques are used whereby contractual future cash flows of the instrument are discounted using discount rates incorporating wholesale market interest rates, or market borrowing rates for debt with similar maturities or with a yield curve appropriate for the remaining term to maturity.

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

c) Fair value hierarchy

The Group categorises financial assets and liabilities carried at fair value into a fair value hierarchy as required by AASB 13 based on the observability of inputs used to measure the fair value:

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

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

15. Fair value measurement, cont'd

d) Fair value hierarchy disclosure

The following table presents assets and liabilities carried at fair value:

	Fair value measurements			
As at March 2022	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
Assets				
Trading securities[1]	**31,901**	**7,532**	**-**	**39,433**
Derivative financial instruments	**1,302**	**43,889**	**47**	**45,238**
Investment securities[1]	**59,312**	**10,520**	**1,420**	**71,252**
Net loans and advances (measured at fair value)	**-**	**5,642**	**113**	**5,755**
Total	**92,515**	**67,583**	**1,580**	**161,678**
Liabilities				
Deposits and other borrowings (designated at fair value)	**-**	**4,589**	**-**	**4,589**
Derivative financial instruments	**655**	**47,117**	**23**	**47,795**
Payables and other liabilities[2]	**4,226**	**408**	**-**	**4,634**
Debt issuances (designated at fair value)	**-**	**1,864**	**-**	**1,864**
Total	**4,881**	**53,978**	**23**	**58,882**
As at September 2021				
Assets				
Trading securities	36,025	8,663	-	44,688
Derivative financial instruments	494	38,187	55	38,736
Investment securities	68,007	6,756	1,332	76,095
Net loans and advances (measured at fair value)	-	3,510	110	3,620
Total	104,526	57,116	1,497	163,139
Liabilities				
Deposits and other borrowings (designated at fair value)	-	4,284	-	4,284
Derivative financial instruments	1,131	34,874	30	36,035
Payables and other liabilities[2]	3,690	223	-	3,913
Debt issuances (designated at fair value)	-	1,962	-	1,962
Total	4,821	41,343	30	46,194
As at March 2021				
Assets				
Trading securities	41,424	4,907	-	46,331
Derivative financial instruments	648	103,984	34	104,666
Available-for-sale assets	83,573	209	1,180	84,962
Net loans and advances (measured at fair value)	-	3,003	10	3,013
Total	125,645	112,103	1,224	238,972
Liabilities				
Deposits and other borrowings (designated at fair value)	-	3,598	-	3,598
Derivative financial instruments	947	101,954	25	102,926
Payables and other liabilities[2]	3,925	12	-	3,937
Debt issuances (designated at fair value)	-	1,926	-	1,926
Total	4,872	107,490	25	112,387

1. *During the half year, $3,949 million of assets were transferred from Level 1 to Level 2, and $1,181 million of assets were transferred from Level 2 to Level 1 due to a change of the observability of bond valuation inputs. There were no other material transfers during the period. Transfers into and out of levels are measured at the beginning of the reporting period in which the transfer occurred.*
2. *Payables and other liabilities relates to securities sold short which are classified as held for trading and measured at fair value through profit or loss.*

15. Fair value measurement, cont'd

ii) Details of fair value measurements that incorporate unobservable market data

a) Level 3 fair value measurements

The net balance of Level 3 financial instruments is an asset of $1,557 million (Sep 21: $1,467 million; Mar 21: $1,199 million). The assets and liabilities which incorporate significant unobservable inputs primarily include:

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

The material Level 3 financial instruments as at March 2022 are summarised below:

Bank of Tianjin (BoT)

The investment is valued based on comparative price-to-book (P/B) multiples (a P/B multiple is the ratio of the market value of equity to the book value of equity). The extent of judgement applied in determining the appropriate multiple and comparator group from which the multiple is derived are non-observable inputs which have resulted in the Level 3 classification. As at March 2022, the BoT equity holding balance was $956 million. Movements in the BoT balance of -$35 million in the March 2022 half was mainly due to the decrease of the P/B multiple for valuation.

1835i Ventures Trust - Equity Holding

The Group holds a number of unlisted equities in its 1835i Ventures Trust business units managed by 1835i, for which there are no active markets or traded prices available resulting in Level 3 classification. As at March 2022, the total FVOCI unlisted equities holding in 1835i business unit was $280 million. Movements in the 1835i equity holding balances of $39 million in the March 2022 half was mainly due to new purchase.

Institutional division - Equity Holding

The Group also holds a number of unlisted equities in the Institutional division, for which there are no active markets or traded prices available resulting in Level 3 classification. As at March 2022, the total FVOCI unlisted equities holding in this business unit was $126 million. Movements in the Institutional division equity holding balances of $83 million in the March 2022 half was mainly due to new purchase.

Syndication Loan Held for Sale

The Group holds a number of syndication loans for sale which are measured at FVTPL. These loans are classified as Level 3 when there is no observable market data available for valuation. As at March 2022, the syndication loan Level 3 balance was $112 million. During the March 2022 half, the Group transferred $28 million of syndication loans measured at fair value from Level 2 to Level 3, when valuation parameters for these financial instruments became unobservable.

b) Sensitivity to Level 3 data inputs

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

Bank of Tianjin (BoT)

The valuation of the BoT investment is sensitive to the selected unobservable input, being the P/B multiple. If the P/B multiple was increased or decreased by 10% it would result in a $96 million increase or decrease to the fair value of the investment (Sep 21: $99 million; Mar 21: $102 million), which would be recognised in Other comprehensive income.

Other

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

c) Deferred fair value gains and losses

When fair values are determined using unobservable inputs significant to the fair value of a financial instrument, the Group does not immediately recognise the difference between the transaction price and the amount we determine based on the valuation technique (referred to as the day one gain or loss) in profit or loss. After initial recognition, we recognise the deferred amount in profit or loss over the life of the transaction on a straight line basis or when all inputs become observable.

The day one gains and losses deferred are immaterial.

15. Fair value measurement, cont'd

iii) Financial assets and liabilities not measured at fair value

The classes of financial assets and liabilities listed in the table below are predominately carried at amortised cost on the Group's balance sheet. Whilst this is the value at which we expect the assets will be realised and the liabilities settled, the Group provides an estimate of the fair value of these financial assets and liabilities at balance date in the table below for the entire class of financial assets and financial liabilities.

	Carrying amount in the balance sheet			Fair value
	At amortised cost $M	At fair value $M	Total $M	$M
As at March 2022				
Financial assets				
Net loans and advances	**645,681**	**5,755**	**651,436**	**649,142**
Investment securities	**8,505**	**71,252**	**79,757**	**79,678**
Total	**654,186**	**77,007**	**731,193**	**728,820**
Financial liabilities				
Deposits and other borrowings	**775,699**	**4,589**	**780,288**	**780,104**
Debt issuances	**85,362**	**1,864**	**87,226**	**87,727**
Total	**861,061**	**6,453**	**867,514**	**867,831**
As at September 2021				
Financial assets				
Net loans and advances	626,099	3,620	629,719	630,067
Investment securities	7,031	76,095	83,126	83,138
Total	633,130	79,715	712,845	713,205
Financial liabilities				
Deposits and other borrowings	738,772	4,284	743,056	743,124
Debt issuances	99,092	1,962	101,054	103,079
Total	837,864	6,246	844,110	846,203
As at March 2021				
Financial assets				
Net loans and advances	611,346	3,013	614,359	615,139
Investment securities	7,028	84,962	91,990	91,945
Total	618,374	87,975	706,349	707,084
Financial liabilities				
Deposits and other borrowings	703,025	3,598	706,623	706,813
Debt issuances	105,697	1,926	107,623	109,580
Total	808,722	5,524	814,246	816,393

16. Shareholders' equity

Issued and quoted securities	As at		
Ordinary shares	**Mar 22 No.**	**Sep 21 No.**	**Mar 21 No.**
Opening balance	**2,823,563,652**	2,845,541,800	2,840,370,225
Share buy-back[1]	**(30,831,227)**	(23,308,448)	-
Bonus Option Plan[2]	**1,371,749**	1,330,300	929,207
Dividend Reinvestment Plan issues[3]	**-**	-	4,242,368
Closing balance	**2,794,104,174**	2,823,563,652	2,845,541,800
Less: Treasury Shares	**(4,391,572)**	(4,401,593)	(4,484,712)
Closing balance	**2,789,712,602**	2,819,162,059	2,841,057,088
Issued/(Repurchased) during the period	**(29,459,478)**	(21,978,148)	5,171,575

1. *The Company completed its $1.5 billion on-market share buy-back of ANZ ordinary shares purchasing $846 million worth of shares in the March 2022 half (Sep 21 half: $654 million; Mar 21 half: nil) resulting in 31 million shares being cancelled in the March 2022 half (Sep 21 half: 23 million; Mar 21 half: nil).*
2. *The Company issued 1.4 million shares under the Bonus Option Plan (BOP) for the 2021 final dividend (1.3 million shares for the 2021 interim dividend).*
3. *The DRP in respect to the 2021 final dividend was satisfied in full through the on-market purchase and transfer of 7,364,132 shares at $27.68 to participating shareholders. The DRP in respect to the 2021 interim dividend was satisfied in full through the on-market purchase and transfer of 7,103,024 shares at $27.91 to participating shareholders.*

	As at			Movement	
Shareholders' equity	**Mar 22 $M**	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Ordinary share capital	**25,091**	25,984	26,615	-3%	-6%
Reserves					
Foreign currency translation reserve	**(164)**	611	(503)	large	-67%
Share option reserve	**54**	76	56	-29%	-4%
FVOCI reserve	**(43)**	170	567	large	large
Cash flow hedge reserve	**(1,247)**	393	643	large	large
Transactions with non-controlling interests reserve	**(22)**	(22)	(22)	0%	0%
Total reserves	**(1,422)**	1,228	741	large	large
Retained earnings	**38,078**	36,453	35,210	4%	8%
Share capital and reserves attributable to shareholders of the Company	**61,747**	63,665	62,566	-3%	-1%
Non-controlling interests	**9**	11	10	-18%	-10%
Total shareholders' equity	**61,756**	63,676	62,576	-3%	-1%

17. Changes in composition of the Group

The Group held 19% of Cashrewards Limited (Cashrewards) prior to obtaining control on 24 December 2021, and completing the acquisition of 100% of its ordinary shares on 23 February 2022. The Group's initial 19% holding had a fair value of $17 million when control was obtained, with consideration of $80 million paid or payable in acquiring the remaining 81% of the company. On completion, the Group provisionally accounted for $6 million of net tangible asset and $91 million of goodwill while the Group completes its purchase price allocation.

On 15 December 2020, the Group announced the sale of its merchant acquiring business and entered into an alliance with the acquirer Worldline. On completion on 31 March 2022, the Group recognised a gain on sale after tax of $335 million and recognised its 49% interest in the new Worldline partnership at a fair value of $57 million.

The contribution of these entities to the Group's profit from ordinary activities during the half year ended 31 March 2022 was not material to the Group.

18. Investments in Associates

	Half Year			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Share of associates' profit/(loss)	**74**	66	(242)	12%	large

Contributions to profit	Contribution to Group profit after tax			Ownership interest held by Group		
Associates	Half Year			As at		
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 %	Sep 21 %	Mar 21 %
P.T. Bank Pan Indonesia (PT Panin)	**24**	49	65	**39**	39	39
AMMB Holdings Berhad (AmBank)[1,2]	**51**	18	(307)	**22**	22	24
Worldline SA[3]	**-**	-	-	**49**	-	-
Other associates	**(1)**	(1)	-	**n/a**	n/a	n/a
Share of associates' profit/(loss)	**74**	66	(242)			

1. *Following AmBank's agreement with the Malaysian Ministry of Finance to resolve potential claims relating to its involvement with 1Malaysia Development Berhad, the Group recognised a $212 million reduction in equity accounted earnings reflecting its share of the settlement provision during the March 2021 half, with a corresponding decrease in the carrying value of the investment.*
2. *During the March 2021 half, AmBank partially impaired goodwill carried on its balance sheet and the Group recognised a $135 million reduction in equity accounted earnings reflecting its share of the impairment recognised by AmBank, with a corresponding decrease in the carrying value of the investment.*
3. *The Group entered into a partnership with the European-based payments company Worldline in March 2022. The partnership arrangement involves ANZ and Worldline forming a newly created merchant acquiring group, with ANZ and Worldline holding a 49% and 51% interest respectively.*

19. Related party disclosure

There have been no transactions with related parties that are significant to understanding the changes in financial position and performance of the Group since 30 September 2021.

20. 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 (refer to Note 12) and/or disclosures as deemed appropriate have been made. In some instances, we have not disclosed the estimated financial impact of the individual items either because it is not practicable to do so or because such disclosure may prejudice the interests of the Group.

Refer to Note 33 of the 2021 ANZ Annual Financial Report for a description of contingent liabilities and contingent assets as at 30 September 2021. A summary of those contingent liabilities, and new contingent liabilities that have arisen in the current reporting period, is set out below.

- **Regulatory and customer exposures**

  In recent years there has been an increase in the number of matters on which the Group engages with its regulators. There have also been significant increases in the nature and scale of regulatory investigations, surveillance and reviews, civil and criminal enforcement actions (whether by court action or otherwise), formal and informal inquiries, regulatory supervisory activities and the quantum of fines issued by regulators, particularly against financial institutions both in Australia and globally. The Group has received various notices and requests for information from its regulators as part of both industry-wide and Group-specific reviews and has also made disclosures to its regulators at its own instigation. The nature of these interactions can be wide ranging and, for example, include or have included a range of matters including responsible lending practices, regulated lending requirements, product suitability and distribution, interest and fees and the entitlement to charge them, customer remediation, wealth advice, insurance distribution, pricing, competition, conduct in financial markets and financial transactions, capital market transactions, anti-money laundering and counter-terrorism financing obligations, reporting and disclosure obligations and product disclosure documentation. There may be exposures to customers which are additional to any regulatory exposures. These could include class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with such reviews and possible exposures remain uncertain.

- **Benchmark/rate actions**

  In July and August 2016, class action complaints were brought in the United States District Court against local and international banks, including the Company. 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 certain benchmark rates. The claimants sought damages or compensation in amounts not specified, and alleged that the defendant banks, including the Company, violated US anti-trust laws, antiracketeering laws, and (in one case only), the Commodity Exchange Act and unjust enrichment principles. As at 31 March 2022, ANZ has reached an agreement to settle one of these matters, and an in-principle agreement to settle the other. The financial impact is not material. The settlements are without admission of liability and remain subject to finalisation and court approval.

  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.

20. Contingent liabilities and contingent assets, cont'd

- **Capital raising action**

  In September 2018, the Australian Securities and Investments Commission (ASIC) commenced civil penalty proceedings against the Company alleging failure to comply with continuous disclosure obligations in connection with the Company's August 2015 underwritten institutional equity placement. ASIC alleges the Company should have advised the market that the joint lead managers took up approximately 25.5 million ordinary shares of the placement. The Company is defending the allegations.

- **Consumer credit insurance litigation**

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

- **Esanda dealer car loan litigation**

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

- **OnePath superannuation litigation**

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

- **New Zealand loan information litigation**

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

- **Credit cards litigation**

  In November 2021, a class action was brought against the Company alleging that certain interest terms in credit card contracts were unfair contract terms and that it was unconscionable for the Company to rely on them. The Company is defending the allegations.

- **Unlicensed third parties action**

  In November 2021, ASIC commenced civil penalty proceedings against the Company alleging that three unlicensed third parties provided home loan application documents to the Company's lenders, including in connection with the Company's home loan introducer program. ASIC alleges that the Company contravened its obligations under credit legislation. The Company is defending the allegations.

- **Breakfree/offset action**

  In December 2021, ASIC commenced civil penalty proceedings against the Company in relation to benefits including fee waivers and discounts not being applied under the ANZ Breakfree package, as well as system errors impacting offset account calculations. ASIC seeks civil penalties in respect of alleged false or misleading representations and unconscionable conduct. ASIC also alleges that the Company engaged in misleading or deceptive conduct and breached certain statutory obligations as a financial services licensee. The Company is not contesting the claim and will join ASIC to submit a proposed penalty of $25 million to the Court.

- **Royal Commission**

  The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry released its final report on 4 February 2019. Following the Royal Commission there have been, and continue to be, additional costs and further exposures, including exposures associated with further regulator activity or potential customer exposures such as class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with these possible exposures remain uncertain.

- **Security recovery actions**

  Various claims have been made or are anticipated, arising from security recovery actions taken to resolve impaired assets. These claims will be defended.

- **Warranties, indemnities and performance management fees**

  The Group has provided warranties, indemnities and other commitments in favour of the purchaser and other persons in connection with various disposals of businesses and assets and other transactions, covering a range of matters and risks. It is exposed to claims under those warranties, indemnities and commitments, some of which are currently active. The outcomes and total costs associated with these exposures remain uncertain.

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

20. Contingent liabilities and contingent assets, cont'd

- **Clearing and settlement obligations**

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

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

- **Parent entity guarantees**

  The Company has issued letters of comfort and guarantees in respect of certain subsidiaries in the normal course of business. Under these letters and guarantees, the Company undertakes to ensure that those subsidiaries continue to meet their financial obligations, subject to certain conditions including that the entity remains a controlled entity of the Company.

- **Sale of Grindlays business**

  On 31 July 2000, the Company completed the sale to Standard Chartered Bank (SCB) of ANZ Grindlays Bank Limited (Grindlays) and certain other businesses. The Company provided warranties and indemnities relating to those businesses. The indemnified matters include civil penalty proceedings and criminal prosecutions brought by Indian authorities against Grindlays and certain of its officers, in relation to certain transactions conducted in 1991 that are alleged to have breached the Foreign Exchange Regulation Act, 1973. Civil penalties were imposed in 2007 which are the subject of appeals. The criminal prosecutions are being defended.

21. Significant events since balance date

The Group intends to lodge a formal application with APRA, the Federal Treasurer and other applicable regulators to establish a non-operating holding company and create distinct banking and non-banking groups within the organisation. Following preliminary discussions, APRA has advised they have no in-principle objection to the proposed restructure. The Group has also consulted other key Australian and New Zealand regulators and to date has not received any objections. Consultation and engagement remains ongoing. Further information about the proposal can be found at http://shareholder.anz.com.

There have been no other significant events from 31 March 2022 to the date of signing this report.

Directors' Declaration

The Directors of Australia and New Zealand Banking Group Limited declare that:

1. in the Directors' opinion the Condensed Consolidated Financial Statements and Notes to the Condensed Consolidated Financial Statements are in accordance with the *Corporations Act 2001*, including:
   - section 304, that they comply with the Australian Accounting Standards and any further requirements in the *Corporations Regulations 2001*; and
   - section 305, that they give a true and fair view of the financial position of the Group as at 31 March 2022 and of its performance for the half year ended on that date; and
2. in the Directors' opinion as at the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Paul D O'Sullivan
Chairman

Shayne C Elliott
Managing Director

3 May 2022

Independent Auditor's Review Report to the shareholders of Australia and New Zealand Banking Group Limited

Report on the Condensed Consolidated Financial Statements

Conclusion

We have reviewed the accompanying Condensed Consolidated Financial Statements of Australia and New Zealand Banking Group Limited (the Group).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Consolidated Financial Statements of Australia and New Zealand Banking Group Limited are not in accordance with the *Corporations Act 2001*, including:

i) giving a true and fair view of the Group's financial position as at 31 March 2022 and of its performance for the half year ended on that date; and

ii) complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The Condensed Consolidated Financial Statements comprise:

- The condensed consolidated balance sheet as at 31 March 2022;
- The condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated cash flow statement for the half year ended on that date;
- Notes 1 to 21 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

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

Basis for Conclusion

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

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

Responsibilities of the Directors for the Condensed Consolidated Financial Statements

The Directors of the Company are responsible for:

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

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

Our responsibility is to express a conclusion on the Condensed Consolidated Financial Statements based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Consolidated Financial Statements do not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 March 2022 and its performance for the half year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

KPMG

KPMG

Martin McGrath
Partner

Sydney
3 May 2022

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

To the Directors of Australia and New Zealand Banking Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Australia and New Zealand Banking Group Limited for the half year ended 31 March 2022, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Martin McGrath
Partner

Sydney
3 May 2022

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Capital management - including discontinued operations

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

		As at			Movement	
Qualifying Capital		**Mar 22 $M**	**Sep 21 $M**	**Mar 21 $M**	**Mar 22 v. Sep 21**	**Mar 22 v. Mar 21**
Tier 1						
Shareholders' equity and non-controlling interests		**61,756**	63,676	62,576	-3%	-1%
Prudential adjustments to shareholders' equity	Table 1	**180**	3	110	large	64%
Gross Common Equity Tier 1 capital		**61,936**	63,679	62,686	-3%	-1%
Deductions	Table 2	**(11,425)**	(12,320)	(11,900)	-7%	-4%
Common Equity Tier 1 capital		**50,511**	51,359	50,786	-2%	-1%
Additional Tier 1 capital	Table 3	**7,490**	8,114	7,645	-8%	-2%
Tier 1 capital		**58,001**	59,473	58,431	-2%	-1%
Tier 2 capital	Table 4	**14,780**	17,125	16,464	-14%	-10%
Total qualifying capital		**72,781**	76,598	74,895	-5%	-3%
Capital adequacy ratios (Level 2)						
Common Equity Tier 1		**11.5%**	12.3%	12.4%		
Tier 1		**13.2%**	14.3%	14.3%		
Tier 2		**3.4%**	4.1%	4.0%		
Total capital ratio		**16.6%**	18.4%	18.3%		
Risk weighted assets	Table 5	**437,910**	416,086	408,166	5%	7%

Capital management - including discontinued operations, cont'd

		As at			Movement	
		Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Table 1: Prudential adjustments to shareholders' equity						
Shareholders' equity attributable to deconsolidated entities		**(150)**	(216)	(181)	-31%	-17%
Deferred fee revenue including fees deferred as part of loan yields		**386**	356	351	8%	10%
Other		**(56)**	(137)	(60)	-59%	-7%
Total		**180**	3	110	large	64%
Table 2: Deductions from Common Equity Tier 1 capital						
Unamortised goodwill & other intangibles (excluding ANZ New Zealand Investments)[1]		**(3,073)**	(3,091)	(2,992)	-1%	3%
Intangible component of investments in ANZ New Zealand Investments[1]		**(71)**	(73)	(70)	-3%	1%
Capitalised software		**(924)**	(960)	(961)	-4%	-4%
Capitalised expenses (including loan and lease origination fees)		**(1,548)**	(1,495)	(1,431)	4%	8%
Applicable deferred net tax assets		**(2,908)**	(2,357)	(2,109)	23%	38%
Expected losses in excess of eligible provisions	Table 8	**(32)**	(36)	(42)	-11%	-24%
Investment in other insurance and funds management subsidiaries		**(347)**	(356)	(336)	-3%	3%
Investment in ANZ New Zealand Investments[1]		**(45)**	(47)	(45)	-4%	0%
Investment in associates		**(2,018)**	(1,972)	(1,854)	2%	9%
Other equity investments		**(1,432)**	(1,360)	(1,254)	5%	14%
Other deductions		**973**	(573)	(806)	large	large
Total		**(11,425)**	(12,320)	(11,900)	-7%	-4%
Table 3: Additional Tier 1 capital						
ANZ Capital Notes 1		**-**	-	1,120	n/a	-100%
ANZ Capital Notes 2		**-**	1,609	1,609	-100%	-100%
ANZ Capital Notes 3		**969**	968	968	0%	0%
ANZ Capital Notes 4		**1,618**	1,617	1,615	0%	0%
ANZ Capital Notes 5		**928**	927	927	0%	0%
ANZ Capital Notes 6		**1,487**	1,486	-	0%	n/a
ANZ Capital Notes 7		**1,298**	-	-	n/a	n/a
ANZ New Zealand Capital Notes		**-**	477	459	-100%	-100%
ANZ Capital Securities		**1,282**	1,422	1,347	-10%	-5%
Regulatory adjustments and deductions		**(92)**	(392)	(400)	-77%	-77%
Total		**7,490**	8,114	7,645	-8%	-2%
Table 4: Tier 2 capital						
General reserve for impairment of financial assets		**1,082**	1,412	1,417	-23%	-24%
Perpetual subordinated notes[2]		**-**	417	395	-100%	-100%
Term subordinated debt notes		**14,047**	15,790	15,220	-11%	-8%
Regulatory adjustments and deductions		**(349)**	(494)	(568)	-29%	-39%
Total		**14,780**	17,125	16,464	-14%	-10%

1. *ANZ Wealth New Zealand has been renamed to ANZ New Zealand Investments Ltd during the March 2022 half.*
2. *The USD 300 million perpetual subordinated notes ceased to be treated as Basel 3 transitional Tier 2 capital under APRA's capital framework from 1 January 2022.*

Capital management - including discontinued operations, cont'd

		As at			Movement	
		Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Table 5: Risk weighted assets						
On balance sheet		**262,774**	258,531	254,448	2%	3%
Commitments		**58,578**	56,256	55,796	4%	5%
Contingents		**11,646**	11,974	13,074	-3%	-11%
Derivatives		**15,819**	15,737	18,544	1%	-15%
Total credit risk weighted assets	Table 6	**348,817**	342,498	341,862	2%	2%
Market risk - Traded		**7,705**	7,127	8,955	8%	-14%
Market risk - IRRBB		**33,402**	18,036	10,150	85%	large
Operational risk		**47,986**	48,425	47,199	-1%	2%
Total risk weighted assets		**437,910**	416,086	408,166	5%	7%

	As at			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Table 6: Credit risk weighted assets by Basel asset class					
Subject to Advanced IRB approach					
Corporate	**141,243**	136,298	135,713	4%	4%
Sovereign	**9,781**	9,893	7,750	-1%	26%
Bank	**10,742**	9,118	10,092	18%	6%
Residential mortgage	**111,355**	110,622	110,206	1%	1%
Qualifying revolving retail (credit cards)	**3,418**	3,723	3,678	-8%	-7%
Other retail	**18,200**	19,660	20,693	-7%	-12%
Credit risk weighted assets subject to Advanced IRB approach	**294,739**	289,314	288,132	2%	2%
Credit risk specialised lending exposures subject to slotting criteria	**38,432**	36,977	36,476	4%	5%
Subject to Standardised approach					
Corporate	**6,149**	6,632	6,388	-7%	-4%
Sovereign	**36**	27	76	33%	-53%
Residential mortgage	**194**	203	203	-4%	-4%
Other retail (includes credit cards)	**12**	17	23	-29%	-48%
Credit risk weighted assets subject to Standardised approach	**6,391**	6,879	6,690	-7%	-4%
Credit Valuation Adjustment and Qualifying Central Counterparties	**3,154**	3,270	4,281	-4%	-26%
Credit risk weighted assets relating to securitisation exposures	**2,090**	2,056	2,220	2%	-6%
Other assets	**4,011**	4,002	4,063	0%	-1%
Total credit risk weighted assets	**348,817**	342,498	341,862	2%	2%

Capital management - including discontinued operations, cont'd

Table 7: Total provision for credit impairment and Basel expected loss by division	Collectively and Individually Assessed Provision			Basel Expected Loss[1]		
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 $M	Sep 21 $M	Mar 21 $M
Australia Retail and Commercial	**2,255**	2,631	2,851	**1,918**	2,045	2,278
Institutional	**1,465**	1,541	1,555	**959**	978	969
New Zealand	**557**	589	592	**572**	580	606
Pacific	**114**	118	96	**14**	12	8
Group Centre	**2**	3	-	**3**	3	-
Total provision for credit impairment and expected loss	**4,393**	4,882	5,094	**3,466**	3,618	3,861

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

Table 8: APRA Expected loss in excess of eligible provisions	As at			Movement	
	Mar 22 $M	Sep 21 $M	Mar 21 $M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
APRA Basel 3 expected loss: non-defaulted	**2,235**	2,346	2,436	-5%	-8%
Less: Qualifying collectively assessed provision					
Collectively assessed provision	**(3,757)**	(4,195)	(4,285)	-10%	-12%
Non-qualifying collectively assessed provision	**440**	436	432	1%	2%
Standardised collectively assessed provision	**142**	172	173	-17%	-18%
Non-defaulted excess included in deduction	**-**	-	-	n/a	n/a
APRA Basel 3 expected loss: defaulted	**1,231**	1,272	1,425	-3%	-14%
Less: Qualifying individually assessed provision					
Individually assessed provision	**(636)**	(687)	(809)	-7%	-21%
Additional individually assessed provision for partial write offs	**(206)**	(204)	(213)	1%	-3%
Standardised individually assessed provision	**43**	51	44	-16%	-2%
Collectively assessed provision on advanced defaulted	**(400)**	(396)	(405)	1%	-1%
	32	36	42	-11%	-24%
Shortfall in expected loss not included in deduction	**-**	-	-	n/a	n/a
Defaulted excess included in deduction	**32**	36	42	-11%	-24%
Gross deduction	**32**	36	42	-11%	-24%

Average balance sheet and related interest[1]

	Mar 22 Half Year			Sep 21 Half Year			Mar 21 Half Year		
	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %
Loans and advances									
Home loans	**334,774**	**4,941**	**3.0%**	335,999	5,082	3.0%	332,291	5,343	3.2%
Consumer finance	**12,286**	**490**	**8.0%**	12,821	499	7.8%	13,413	553	8.3%
Business lending	**260,680**	**3,502**	**2.7%**	239,224	3,289	2.7%	241,552	3,241	2.7%
Individual provisions for credit impairment	**(653)**	**-**	**n/a**	(727)	-	n/a	(802)	-	n/a
Total	**607,087**	**8,933**	**3.0%**	587,317	8,870	3.0%	586,454	9,137	3.1%
Non-lending interest earning assets									
Cash and other liquid assets	**170,619**	**89**	**0.1%**	150,347	57	0.1%	125,062	38	0.1%
Trading and investment securities	**121,366**	**678**	**1.1%**	131,581	695	1.1%	145,458	655	0.9%
Other assets	**606**	**7**	**n/a**	580	28	n/a	550	49	n/a
Total	**292,591**	**774**	**0.5%**	282,508	780	0.6%	271,070	742	0.5%
Total interest earning assets[2]	**899,678**	**9,707**	**2.2%**	869,825	9,650	2.2%	857,524	9,879	2.3%
Non-interest earning assets	**110,098**			156,958			188,044		
Total average assets	**1,009,776**			1,026,783			1,045,568		
Interest bearing deposits and other borrowings									
Certificates of deposit	**38,148**	**40**	**0.2%**	40,278	25	0.1%	37,294	30	0.2%
Term deposits	**176,866**	**440**	**0.5%**	182,917	423	0.5%	194,655	659	0.7%
On demand and short term deposits	**339,419**	**858**	**0.5%**	312,464	812	0.5%	289,633	859	0.6%
Deposits from banks and securities sold under agreement to repurchase	**91,070**	**103**	**0.2%**	84,139	89	0.2%	79,787	128	0.3%
Commercial paper and other borrowings	**29,431**	**55**	**0.4%**	25,010	31	0.2%	16,203	26	0.3%
Total	**674,934**	**1,496**	**0.4%**	644,808	1,380	0.4%	617,572	1,702	0.6%
Non-deposit interest bearing liabilities									
Collateral received and settlement balances owed by ANZ	**14,507**	**13**	**0.2%**	12,538	10	0.2%	13,571	13	0.2%
Debt issuances & subordinated debt	**94,683**	**799**	**1.7%**	102,612	825	1.6%	112,071	887	1.6%
Other liabilities	**8,776**	**299**	**n/a**	7,975	260	n/a	8,263	291	n/a
Total	**117,966**	**1,111**	**1.9%**	123,125	1,095	1.8%	133,905	1,191	1.8%
Total interest bearing liabilities[2]	**792,900**	**2,607**	**0.7%**	767,933	2,475	0.6%	751,477	2,893	0.8%
Non-interest bearing liabilities	**154,332**			196,039			232,192		
Total average liabilities	**947,232**			963,972			983,669		
Total average shareholders' equity	**62,544**			62,811			61,899		

1. *Averages used are predominantly daily averages.*
2. *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] - cont'd

	Mar 22 Half Year			Sep 21 Half Year			Mar 21 Half Year		
	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %
Loans and advances									
Australia	**402,017**	**6,097**	**3.0%**	397,361	6,340	3.2%	406,222	6,555	3.2%
Asia, Pacific, Europe & America	**69,003**	**689**	**2.0%**	58,103	557	1.9%	53,422	581	2.2%
New Zealand	**136,067**	**2,147**	**3.2%**	131,853	1,973	3.0%	126,810	2,001	3.2%
Total	**607,087**	**8,933**	**3.0%**	587,317	8,870	3.0%	586,454	9,137	3.1%
Trading and investment securities									
Australia	**61,595**	**272**	**0.9%**	68,193	287	0.8%	80,224	243	0.6%
Asia, Pacific, Europe & America	**40,857**	**276**	**1.4%**	43,246	292	1.3%	44,203	298	1.4%
New Zealand	**18,914**	**130**	**1.4%**	20,142	116	1.1%	21,031	114	1.1%
Total	**121,366**	**678**	**1.1%**	131,581	695	1.1%	145,458	655	0.9%
Total interest earning assets[2]									
Australia	**548,966**	**6,368**	**2.3%**	539,068	6,630	2.5%	536,043	6,785	2.5%
Asia, Pacific, Europe & America	**184,992**	**1,018**	**1.1%**	170,119	883	1.0%	165,582	909	1.1%
New Zealand	**165,720**	**2,321**	**2.8%**	160,638	2,137	2.7%	155,899	2,185	2.8%
Total	**899,678**	**9,707**	**2.2%**	869,825	9,650	2.2%	857,524	9,879	2.3%
Total average assets									
Australia	**617,384**			652,539			674,095		
Asia, Pacific, Europe & America	**212,617**			198,164			199,650		
New Zealand	**179,775**			176,080			171,823		
Total average assets	**1,009,776**			1,026,783			1,045,568		
Interest bearing deposits and other borrowings									
Australia	**391,882**	**869**	**0.4%**	379,804	920	0.5%	364,253	1,083	0.6%
Asia, Pacific, Europe & America	**174,536**	**235**	**0.3%**	159,964	194	0.2%	152,396	231	0.3%
New Zealand	**108,516**	**392**	**0.7%**	105,040	266	0.5%	100,923	388	0.8%
Total	**674,934**	**1,496**	**0.4%**	644,808	1,380	0.4%	617,572	1,702	0.6%
Total interest bearing liabilities[2]									
Australia	**472,317**	**1,556**	**0.7%**	463,606	1,614	0.7%	453,975	1,855	0.8%
Asia, Pacific, Europe & America	**190,269**	**434**	**0.5%**	177,135	405	0.5%	172,836	448	0.5%
New Zealand	**130,314**	**617**	**0.9%**	127,192	456	0.7%	124,666	590	0.9%
Total	**792,900**	**2,607**	**0.7%**	767,933	2,475	0.6%	751,477	2,893	0.8%
Total average liabilities									
Australia	**564,609**			597,847			618,979		
Asia, Pacific, Europe & America	**220,531**			207,404			209,442		
New Zealand	**162,092**			158,721			155,248		
Total average liabilities	**947,232**			963,972			983,669		
Total average shareholders' equity									
Ordinary share capital, reserves, retained earnings and non-controlling interests	**62,544**			62,811			61,899		
Total average shareholders' equity	**62,544**			62,811			61,899		
Total average liabilities and shareholders' equity	**1,009,776**			1,026,783			1,045,568		

1. *Averages used are predominantly daily averages.*
2. *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 - cont'd

	Half Year		
Gross earnings rate[1]	**Mar 22 %**	**Sep 21 %**	**Mar 21 %**
Australia	**2.39**	2.53	2.62
Asia, Pacific, Europe & America	**1.06**	1.00	1.11
New Zealand	**2.81**	2.65	2.81
Group	**2.16**	2.21	2.31

Net interest spread and net interest margin analysis as follows:

	Half Year		
Australia[1]	**Mar 22 %**	**Sep 21 %**	**Mar 21 %**
Net interest spread	**1.73**	1.82	1.77
Interest attributable to net non-interest bearing items	**0.08**	0.08	0.11
Net interest margin - Australia	**1.81**	1.90	1.88
Asia, Pacific, Europe & America[1]			
Net interest spread	**0.60**	0.55	0.58
Interest attributable to net non-interest bearing items	**0.03**	0.03	0.04
Net interest margin - Asia, Pacific, Europe & America	**0.63**	0.58	0.62
New Zealand[1]			
Net interest spread	**1.82**	1.90	1.82
Interest attributable to net non-interest bearing items	**0.19**	0.14	0.18
Net interest margin - New Zealand	**2.01**	2.04	2.00
Group			
Net interest spread	**1.50**	1.57	1.54
Interest attributable to net non-interest bearing items	**0.08**	0.08	0.09
Net interest margin	**1.58**	1.65	1.63
Net interest margin (excluding Markets)	**2.08**	2.17	2.27

1. *Geographic gross earnings rate, net interest spread and net interest margin are calculated gross of intra-group items (Intra-group interest earning assets and associated interest income and intra-group interest bearing liabilities and associated interest expense).*

Select geographical disclosures - including discontinued operations

The following divisions operate across the geographic locations illustrated below:

- Australia Retail and Commercial division - Australia
- Institutional division - Australia, New Zealand and International
- Pacific division - International
- New Zealand division - New Zealand
- Group Centre division - Australia, New Zealand and International
- Discontinued operations - Australia

The International geography includes Asia, Pacific, Europe & America

	Australia $M	New Zealand $M	International $M	Total $M
March 2022 Half Year				
Statutory profit/(loss) attributable to shareholders of the Company	**2,229**	**1,035**	**266**	**3,530**
Cash profit/(loss)	**1,928**	**914**	**266**	**3,108**
Net loans and advances	**443,739**	**136,057**	**71,640**	**651,436**
Customer deposits	**355,141**	**120,233**	**135,680**	**611,054**
Risk weighted assets	**277,646**	**85,220**	**75,044**	**437,910**
September 2021 Half Year				
Statutory profit/(loss) attributable to shareholders of the Company	2,082	931	206	3,219
Cash profit/(loss)	2,099	889	211	3,199
Net loans and advances	432,328	134,707	62,684	629,719
Customer deposits	343,818	119,483	130,282	593,583
Risk weighted assets	260,397	83,578	72,111	416,086
March 2021 Half Year				
Statutory profit/(loss) attributable to shareholders of the Company	2,071	869	3	2,943
Cash profit/(loss)	2,085	899	(2)	2,982
Net loans and advances	434,465	126,482	53,412	614,359
Customer deposits	330,082	112,712	118,729	561,523
Risk weighted assets	262,988	77,960	67,218	408,166

New Zealand geography (in NZD)

	Half Year			Movement	
	Mar 22 NZD M	Sep 21 NZD M	Mar 21 NZD M	Mar 22 v. Sep 21	Mar 22 v. Mar 21
Net interest income	**1,761**	1,743	1,661	1%	6%
Other operating income	**383**	364	364	5%	5%
Operating income	**2,144**	2,107	2,025	2%	6%
Operating expenses	**(824)**	(843)	(764)	-2%	8%
Profit before credit impairment and income tax	**1,320**	1,264	1,261	4%	5%
Credit impairment (charge)/release	**20**	45	70	-56%	-71%
Profit before income tax	**1,340**	1,309	1,331	2%	1%
Income tax expense and non-controlling interests	**(372)**	(364)	(369)	2%	1%
Cash profit	**968**	945	962	2%	1%
Adjustments between statutory profit and cash profit	**128**	44	(32)	large	large
Statutory profit	**1,096**	989	930	11%	18%
Individually assessed credit impairment charge/(release)	**(4)**	(12)	(10)	-67%	-60%
Collectively assessed credit impairment charge/(release)	**(16)**	(33)	(60)	-52%	-73%
Net loans and advances	**146,397**	141,074	137,786	4%	6%
Customer deposits	**129,371**	125,129	122,786	3%	5%
Risk weighted assets	**91,697**	87,528	84,928	5%	8%
Total full time equivalent staff (FTE)	**7,431**	7,473	7,213	-1%	3%

Exchange rates

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

	Balance Sheet			Profit & Loss Average		
	As at			Half Year		
	Mar 22	**Sep 21**	**Mar 21**	**Mar 22**	**Sep 21**	**Mar 21**
Chinese Renminbi	**4.7505**	4.6568	4.9879	**4.6261**	4.8602	4.9209
Euro	**0.6703**	0.6209	0.6490	**0.6406**	0.6310	0.6263
Pound Sterling	**0.5704**	0.5357	0.5538	**0.5398**	0.5418	0.5568
Indian Rupee	**56.663**	53.481	55.883	**54.500**	55.577	55.046
Indonesian Rupiah	**10,743**	10,314	11,073	**10,387**	10,821	10,711
Japanese Yen	**91.432**	80.616	84.229	**83.399**	82.539	78.911
Malaysian Ringgit	**3.1460**	3.0162	3.1585	**3.0413**	3.1297	3.0684
New Taiwan Dollar	**21.412**	20.060	21.662	**20.264**	20.988	21.245
New Zealand Dollar	**1.0760**	1.0473	1.0894	**1.0590**	1.0626	1.0697
Papua New Guinean Kina	**2.6347**	2.5270	2.6665	**2.5492**	2.6378	2.6315
United States Dollar	**0.7483**	0.7202	0.7600	**0.7260**	0.7518	0.7507

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 as defined by APRA.

ANZEST - ANZ Employee Share Trust.

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

APRA - Australian Prudential Regulation Authority.

APS - ADI Prudential Standard.

AT1 - Additional Tier 1 capital.

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

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

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

1. gains or losses included in earnings arising from changes in tax, legal or accounting legislation or other non-core items not associated with the core operations of the Group;
2. economic hedging impacts and similar accounting items that represent timing differences that will reverse through earnings in the future; and
3. accounting reclassifications between individual line items that do not impact reported results, such as credit risk on impaired derivatives.

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

Collectively assessed allowance for expected credit loss represents the Expected Credit Loss (ECL), which incorporates forward-looking information and does not require an actual loss event to have occurred for a credit loss provision to be recognised.

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

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

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

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

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

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

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

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

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

Fair value is an amount at which an asset or liability could be exchanged between knowledgeable and willing parties in an arm's length transaction.

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

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

Impaired assets are those financial assets where doubt exists as to whether the full contractual amount will be received in a timely manner, or where concessional terms have been provided because of the financial difficulties of the customer.

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

Individually assessed allowance for expected credit losses is assessed on a case-by-case basis for all individually managed impaired assets taking into consideration factors such as the realisable value of security (or other credit mitigants), the likely return available upon liquidation or bankruptcy, legal uncertainties, estimated costs involved in recovery, the market price of the exposure in secondary markets and the amount and timing of expected receipts and recoveries.

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

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

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

Level 1 in the context of APRA supervision, Australia and New Zealand Banking Group Limited consolidated with certain approved subsidiaries.

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

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

Net loans and advances represent gross loans and advances less allowance for expected credit losses.

Net Stable Funding Ratio (NSFR) is the ratio of the amount of available stable funding (ASF) to the amount of required stable funding (RSF) defined by APRA. The amount of ASF is the portion of an ADI capital and liabilities expected to be a reliable source of funds over a one year time horizon. The amount of RSF is a function of the liquidity characteristics and residual maturities of an ADI's assets and off-balance sheet activities. ADIs must maintain an NSFR of at least 100%.

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

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

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

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

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

Return on average assets is the profit attributable to shareholders of the Company, divided by average total assets.

Return on average ordinary shareholders' equity is the profit attributable to shareholders of the Company, divided by average ordinary shareholders' equity.

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

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

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

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

Description of divisions

On 1 March 2022, the Group announced a structural change to the existing Australia Retail and Commercial division, and the digital businesses in the Group Centre division (formerly known as the Technology, Services & Operations (TSO) and Group Centre division). This involves the integration of the Australian retail and digital businesses, and the separation of the Australian commercial business into a new division. The new reporting segments will be reflected in the September 2022 half to align with the implementation of the changes from 1 April 2022. The segment disclosures below remain unchanged from those reported at 30 September 2021 and are consistent with internal reporting provided to the chief operating decision maker, being the Chief Executive Officer, during the March 2022 half.

During the March 2022 half, the Group operated on a divisional structure with five continuing divisions: Australia Retail and Commercial, Institutional, New Zealand, Pacific, and Group Centre.

Australia Retail and Commercial

The Australia Retail and Commercial division comprises the following business units:

- Retail provides products and services to consumer customers in Australia via the branch network, mortgage specialists, contact centres, a variety of self-service channels (digital and internet banking, website, ATMs and phone banking) and third party brokers.
- Commercial and Private Bank provides a full range of banking products and financial services, including asset financing, across the following customer segments: medium to large commercial customers, small business owners and high net worth individuals and family groups, in addition to financial planning services provided by salaried financial planners and investment lending secured by approved securities.

Institutional

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

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

New Zealand

The New Zealand division comprises the following business units:

- Personal provides a full range of banking and wealth management services to consumer and private banking customers. We deliver our services via our internet and app-based digital solutions and network of branches, mortgage specialists, relationship managers and contact centres.
- Business provides a full range of banking services including small business banking, through our digital, branch and contact centre channels, and traditional relationship banking and sophisticated financial solutions through dedicated managers. These cover privately owned small, medium and large enterprises, the agricultural business segment, government and government-related entities.

Pacific

The Pacific division provides products and services to retail customers, small to medium-sized enterprises, institutional customers and governments located in the Pacific Islands. Products and services include retail products provided to consumers, traditional relationship banking and sophisticated financial solutions provided to business customers through dedicated managers.

Group Centre

Group Centre division provides support to the operating divisions, including technology, property, risk management, financial management, strategy, marketing, human resources and corporate affairs. It also includes residual components of Group divestments, Group Treasury, Shareholder Functions, minority investments in Asia, and digital businesses.