

ASX Release

For release: 24 April 2019

Template Release - Adoption of Accounting Standards AASB 9 and AASB 15

ANZ will announce its Half Year 2019 Financial Results on Wednesday 1 May. In advance of that announcement, the Group is releasing a template to assist market participants preparing to analyse the Group's financial performance.

ACCOUNTING STANDARDS ADOPTED

During the half, ANZ adopted two new Accounting Standards - AASB 9 Financial Instruments (AASB 9) and AASB 15 Revenue from Contracts with Customers (AASB 15):

- AASB 9 – As discussed in the FY18 results, the Group implemented an expected credit loss methodology for impairment of financial assets, and revised the classification and measurement of certain financial assets from 1 October 2018. Consequently, the Group increased its provision for credit impairment by \$813 million through opening retained earnings. Comparative information has not been restated.
- AASB 15 - the primary impact of adoption is that certain items previously netted are now presented gross in operating income and operating expenses. Comparative information for the prior Financial Year has been restated to assist with comparisons. The impact was an increase to total operating income for the 2H18 of \$91 million (1H18: \$62 million) and a commensurate increase in total operating expenses.

Presentation of Divisional Results

The presentation of divisional results is impacted by several minor methodology and structural changes during the period. Prior period comparatives have been restated and these will be provided on 1 May 2019.

The materials lodged today with the ASX, including template are all available on shareholder.anz.com

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AASB 15 Revenue from Contracts with Customers (AASB 15)

The main impact of adopting AASB 15 is that certain items previously netted are now presented gross in operating income and operating expenses. Comparative information has been restated which increased total operating income for the September 2018 half by \$91 million (March 2018 half: \$62 million) and increased total operating expenses by the same amount.

Statutory Profit Results

	As reported			Restated for IFRS 15		
	Half Year		Full Year	Half Year		Full Year
	Sep 18 \$M	Mar 18 \$M	Sep 18 \$M	Sep 18 \$M	Mar 18 \$M	Sep 18 \$M
Net interest income	7,164	7,350	14,514	7,164	7,350	14,514
Other operating income	2,492	2,825	5,317	2,583	2,887	5,470
Operating income	9,656	10,175	19,831	9,747	10,237	19,984
Operating expenses	(4,837)	(4,411)	(9,248)	(4,928)	(4,473)	(9,401)
Profit before credit impairment and income tax	4,819	5,764	10,583	4,819	5,764	10,583
Credit impairment charge	(280)	(408)	(688)	(280)	(408)	(688)
Profit before income tax	4,539	5,356	9,895	4,539	5,356	9,895
Income tax expense	(1,358)	(1,426)	(2,784)	(1,358)	(1,426)	(2,784)
Non-controlling interests	(9)	(7)	(16)	(9)	(7)	(16)
Profit attributable to shareholders of the Company from continuing operations	3,172	3,923	7,095	3,172	3,923	7,095
Profit/(Loss) from discontinued operations	(95)	(600)	(695)	(95)	(600)	(695)
Profit attributable to shareholders of the Company	3,077	3,323	6,400	3,077	3,323	6,400

Cash Profit Results

	As reported			Restated for IFRS 15		
	Half Year		Full Year	Half Year		Full Year
	Sep 18 \$M	Mar 18 \$M	Sep 18 \$M	Sep 18 \$M	Mar 18 \$M	Sep 18 \$M
Net interest income	7,164	7,350	14,514	7,164	7,350	14,514
Other operating income	2,242	2,458	4,700	2,333	2,520	4,853
Operating income	9,406	9,808	19,214	9,497	9,870	19,367
Operating expenses	(4,837)	(4,411)	(9,248)	(4,928)	(4,473)	(9,401)
Profit before credit impairment and income tax	4,569	5,397	9,966	4,569	5,397	9,966
Credit impairment charge	(280)	(408)	(688)	(280)	(408)	(688)
Profit before income tax	4,289	4,989	9,278	4,289	4,989	9,278
Income tax expense	(1,286)	(1,489)	(2,775)	(1,286)	(1,489)	(2,775)
Non-controlling interests	(9)	(7)	(16)	(9)	(7)	(16)
Cash profit from continuing operations	2,994	3,493	6,487	2,994	3,493	6,487
Cash profit/(loss) from discontinued operations	(65)	(617)	(682)	(65)	(617)	(682)
Cash profit	2,929	2,876	5,805	2,929	2,876	5,805