

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

For media enquiries contact:

Stephen Ries, +61 409 655 551

For investor enquiries contact:

Jill Campbell, +61 412 047 448
Cameron Davis, +61 421 613 819

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 | Mar 18 | Sep 18 | Sep 18 | Mar 18 | Sep 18 |
| 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 | Mar 18 | Sep 18 | Sep 18 | Mar 18 | Sep 18 |
| 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 |