ANZ Group Holdings Limited

ABN 16 659 510 791

Half Year

31 March 2023

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 2022 Annual Report, and is lodged with the ASX under listing rule 4.2A.

Name of Company: ANZ Group Holdings Limited
ABN 16 659 510 791

Report for the half year ended 31 March 2023

Operating Results[1]				**AUD million**
Statutory operating income	⇧	6%	to	10,139
Statutory profit attributable to shareholders of the Company	▫	0%	to	3,547
Cash profit[2]	⇧	23%	to	3,821

Dividends[3]	**Cents per share**	**Franked amount per share**
Proposed interim dividend[4]	81	100%

Record date for determining entitlements to the proposed 2023 interim dividend	16 May 2023
Payment date for the proposed 2023 interim dividend	3 July 2023

Dividend Reinvestment Plan and Bonus Option Plan

ANZ Group Holdings Limited has a Dividend Reinvestment Plan (DRP) and a Bonus Option Plan (BOP) that will operate in respect of the proposed 2023 interim dividend. For the 2023 interim dividend, ANZ intends to provide shares under the DRP through an on-market purchase 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 Cboe Australia during the ten trading days commencing on 19 May 2023, 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 2023 interim dividend must be received by ANZ's Share Registrar by 5.00pm (Australian Eastern Standard Time) on 17 May 2023. 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 19 May 2023.

1. Unless otherwise noted, all comparisons are to the consolidated financial information for the half year ended 31 March 2022 for Australia New Zealand Banking Group Limited, which was replaced by ANZ Group Holdings Limited as the listed entity on 3 January 2023.
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 loss adjusted from statutory profit to arrive at cash profit was $274 million. 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 2023

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This Consolidated Financial Report, Dividend Announcement and Appendix 4D (Results Announcement) has been prepared for ANZ Group Holdings Limited (ANZGHL, Company, parent entity) and its subsidiaries (ANZ Group, ANZ, Group, the consolidated entity, us, we, or our). ANZGHL replaced Australia and New Zealand Banking Group Limited (ANZBGL) as the listed entity on 3 January 2023 under a scheme of arrangement approved by shareholders at the Annual General Meeting on 23 December 2022.

All amounts are in Australian dollars unless otherwise stated. The ANZ Group has a formally constituted Audit Committee of the Board of Directors. The Condensed Consolidated Financial Statements were approved by resolution of the Board of Directors on 4 May 2023.

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SUMMARY OF 2023 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/reporting/results-announcement/.

ANZ Group Holdings Limited

- 2023 Consolidated Financial Report, Dividend Announcement and Appendix 4D
- 2023 Half Year Results Investor Discussion Pack
- News Release
- Key Financial Data (available on ANZ Shareholder website only)

Australia and New Zealand Banking Group Limited

- 2023 Australia and New Zealand Banking Group Limited Consolidated Half Year Report
- 2023 March Pillar 3 Disclosure
- United Kingdom Disclosure and Transparency Rules Submission

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Guide to Half Year Results

ESTABLISHMENT OF A NEW GROUP ORGANISATIONAL STRUCTURE

On 3 January 2023, Australia and New Zealand Banking Group Limited (ANZBGL) established by a scheme of arrangement, a non-operating holding company, ANZ Group Holdings Limited (ANZGHL), as the new listed parent holding company of the ANZ Group and implemented a restructure to separate ANZ's banking and certain non-banking businesses into the ANZ Bank Group and ANZ Non-Bank Group (Restructure). The ANZ Bank Group comprises the majority of the businesses and subsidiaries that were held in ANZBGL prior to the Restructure. The ANZ Non-Bank Group comprises banking-adjacent businesses developed or acquired by the ANZ Group to focus on bringing new technology and banking-adjacent services to the ANZ Group's customers, and a separate service company.

This Results Announcement has been prepared for the ANZ Group Holdings Limited consolidated group and reflects a continuation of the ANZ Group prior to the Restructure. Refer to Establishment of a New Group Organisational Structure section in Supplementary Information for further details.

A copy of the Australia and New Zealand Banking Group Limited Consolidated Half Year Report is 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/reporting/results-announcement/.

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 and 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 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

There are no discontinued operations in the current period.

Profit/(Loss) from discontinued operations in the comparative periods relates to immaterial residual operational costs from divested wealth businesses and partial recovery of certain costs based on Transition Service Agreements, which ceased in April 2022.

DIVISIONAL PERFORMANCE

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

- Business Restructure - the non-banking businesses held in the Australia Commercial and Institutional divisions were transferred to the Group Centre division. As a result of this transfer, Group Centre division holds all interests in the ANZ Non-Bank Group.
- Corporate customer re-segmentation - certain business and property finance customers were transferred from the New Zealand division to the Institutional division to better align customer needs with the right support and expertise delivery.
- Cost reallocations - certain costs were reallocated across the Australia Retail, Australia Commercial, Institutional and Group Centre divisions.

Other than those described above, there have been no other significant changes. The divisions reported are consistent with internal reporting provided to the chief operating decision maker, being the Chief Executive Officer.

Statutory Profit Results

	Half Year			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Net interest income	**8,503**	7,774	7,100	9%	20%
Other operating income	**1,636**	2,110	2,442	-22%	-33%
Operating income	**10,139**	9,884	9,542	3%	6%
Operating expenses	**(4,997)**	(4,788)	(4,791)	4%	4%
Profit before credit impairment and income tax	**5,142**	5,096	4,751	1%	8%
Credit impairment (charge)/release	**(133)**	(52)	284	large	large
Profit before income tax	**5,009**	5,044	5,035	-1%	-1%
Income tax expense and non-controlling interests	**(1,462)**	(1,441)	(1,500)	1%	-3%
Profit attributable to shareholders of the Company from continuing operations	**3,547**	3,603	3,535	-2%	0%
Profit/(Loss) from discontinued operations	**-**	(14)	(5)	large	large
Profit attributable to shareholders of the Company	**3,547**	3,589	3,530	-1%	0%

Earnings Per Ordinary Share (cents)		Half Year			Movement	
	Reference Page	Mar 23	Sep 22	Mar 22	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Basic	92	**118.5**	125.4	124.6	-6%	-5%
Diluted	92	**112.8**	117.5	116.7	-4%	-3%

		Half Year		
	Reference Page	Mar 23	Sep 22	Mar 22
Ordinary Share Dividends (cents)				
Interim[1]		**81**	-	72
Final[1]		**-**	74	-
Total	91	**81**	74	72
Ordinary share dividend payout ratio[2]	91	**68.6%**	61.7%	57.0%
Profitability Ratios				
Return on average ordinary shareholders' equity[3]		**10.6%**	11.4%	11.3%
Return on average assets		**0.64%**	0.67%	0.70%
Net interest margin		**1.75%**	1.68%	1.58%
Net interest income to average credit RWAs		**4.77%**	4.39%	4.10%
Efficiency Ratios				
Operating expenses to operating income		**49.3%**	48.8%	50.5%
Operating expenses to average assets		**0.90%**	0.91%	0.96%
Credit Impairment Charge/(Release)				
Individually assessed credit impairment charge/(release) ($M)		**(30)**	(8)	87
Collectively assessed credit impairment charge/(release) ($M)		**163**	60	(371)
Total credit impairment charge/(release) ($M)	98	**133**	52	(284)
Individually assessed credit impairment charge as a % of average gross loans and advances[4]		**(0.01%)**	0.00%	0.03%
Total credit impairment charge/(release) as a % of average gross loans and advances[4]		**0.04%**	0.02%	(0.09%)

1. *Fully franked for Australian tax purposes (30% tax rate) and carry New Zealand imputation credits of NZD 9 cents for the proposed 2023 interim dividend (2022 final dividend: NZD 9 cents; 2022 interim dividend: NZD 9 cents).*
2. *Dividend payout ratio for the March 2023 half is calculated using the proposed 2023 interim dividend of $2,433 million, based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the September 2022 half and the March 2022 half were calculated using actual dividends of $2,213 million and $2,012 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 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Net interest income	**8,503**	7,774	7,100	9%	20%
Other operating income	**2,025**	1,825	1,848	11%	10%
Operating income	**10,528**	9,599	8,948	10%	18%
Operating expenses	**(4,997)**	(4,788)	(4,791)	4%	4%
Cash profit before credit impairment and income tax	**5,531**	4,811	4,157	15%	33%
Credit impairment (charge)/release	**(133)**	(52)	284	large	large
Cash profit before income tax	**5,398**	4,759	4,441	13%	22%
Income tax expense and non-controlling interests	**(1,577)**	(1,357)	(1,328)	16%	19%
Cash profit from continuing operations	**3,821**	3,402	3,113	12%	23%
Cash profit/(loss) from discontinued operations	**-**	(14)	(5)	large	large
Cash profit	**3,821**	3,388	3,108	13%	23%

Earnings Per Ordinary Share (cents)	Half Year			Movement	
	Mar 23	Sep 22	Mar 22	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Basic	**127.6**	118.4	109.7	8%	16%
Basic - continuing operations	**127.6**	118.8	109.9	7%	16%
Diluted	**121.1**	111.1	103.1	9%	17%
Weighted Average Number of Ordinary Shares (M)					
Basic	**2,994.1**	2,862.5	2,832.9	5%	6%
Diluted	**3,278.3**	3,145.5	3,103.8	4%	6%
Cash Profit Used in Calculating Earnings Per Ordinary Share ($M)					
Basic	**3,821**	3,388	3,108	13%	23%
Diluted	**3,971**	3,495	3,200	14%	24%

	Reference Page	Half Year		
		Mar 23	Sep 22	Mar 22
Ordinary Share Dividends				
Ordinary share dividend payout ratio[2]		**63.7%**	65.3%	64.7%
Profitability Ratios				
Return on average ordinary shareholders' equity[3]		**11.4%**	10.7%	10.0%
Return on average assets		**0.69%**	0.64%	0.62%
Return on average RWA		**1.7%**	1.5%	1.5%
Net interest margin		**1.75%**	1.68%	1.58%
Net interest income to average credit RWAs		**4.77%**	4.39%	4.10%
Efficiency Ratios				
Operating expenses to operating income[4]		**47.5%**	50.3%	53.9%
Operating expenses to average assets[5]		**0.90%**	0.91%	0.96%
Credit Impairment Charge/(Release)				
Individually assessed credit impairment charge/(release) ($M)		**(30)**	(8)	87
Collectively assessed credit impairment charge/(release) ($M)		**163**	60	(371)
Total credit impairment charge/(release) ($M)	29	**133**	52	(284)
Individually assessed credit impairment charge as a % of average gross loans and advances[6]		**(0.01%)**	0.00%	0.03%
Total credit impairment charge/(release) as a % of average gross loans and advances[6]		**0.04%**	0.02%	(0.09%)

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.*
2. *Dividend payout ratio for the March 2023 half is calculated using the proposed 2023 interim dividend of $2,433 million, based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the September 2022 half and the March 2022 half were calculated using actual dividends of $2,213 million and $2,012 million respectively.*
3. *Average ordinary shareholders' equity excludes non-controlling interests. Return on average shareholders' equity - continuing operations for the March 2023 half was 11.4% (Sep 22 half: 10.8%; Mar 22 half: 10.0%).*
4. *Operating expenses to operating income - continuing operations for the March 2023 half was 47.5% (Sep 22 half: 49.9%; Mar 22 half: 53.5%).*
5. *Operating expenses to average assets - continuing operations for the March 2023 half was 0.90% (Sep 22 half: 0.90%; Mar 22 half: 0.95%).*
6. *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 23	Sep 22	Mar 22	Movement Mar 23 v. Sep 22	Mar 23 v. Mar 22
Capital Management (Level 2)[1]						
Common Equity Tier 1						
- APRA	44	**13.2%**	12.3%	11.5%		
- Internationally Comparable[2]	44	**18.9%**	19.2%	18.0%		
Credit risk weighted assets ($B)	45	**345.3**	359.4	348.8	-4%	-1%
Total risk weighted assets ($B)	45	**435.5**	454.7	437.9	-4%	-1%
APRA Leverage Ratio	47	**5.3%**	5.4%	5.2%		
Balance Sheet: Key Items						
Gross loans and advances ($B)		**693.7**	676.0	655.0	3%	6%
Net loans and advances ($B)		**690.1**	672.4	651.4	3%	6%
Total assets ($B)		**1,111.2**	1,085.6	1,017.4	2%	9%
Customer deposits ($B)		**648.6**	620.4	611.1	5%	6%
Total equity ($B)		**69.6**	66.4	61.8	5%	13%

Balance Sheet: Average Balances	Half Year Mar 23 $B	Sep 22 $B	Mar 22 $B	Movement Mar 23 v. Sep 22	Mar 23 v. Mar 22
Average gross loans and advances	**693.5**	661.0	647.0	5%	7%
Average customer deposits	**637.8**	620.2	609.5	3%	5%
Average assets	**1,112.3**	1,062.0	1,009.8	5%	10%
Average ordinary shareholders' equity[3]	**67.1**	62.9	62.5	7%	7%
Average RWA	**451.9**	445.5	427.3	1%	6%
Average credit RWA	**357.3**	353.5	347.3	1%	3%
Average interest earning assets	**973.0**	920.3	899.7	6%	8%
Average deposits and other borrowings	**826.2**	792.6	768.1	4%	8%

Liquidity Risk	Reference Page	As at Mar 23	Sep 22	Mar 22	Movement Mar 23 v. Sep 22	Mar 23 v. Mar 22
Liquidity Coverage Ratio[4]	41	**128%**	129%	132%	-1%	-4%
Net Stable Funding Ratio	42	**119%**	119%	123%	0%	-4%

Impaired Assets	Reference Page	As at Mar 23	Sep 22	Mar 22	Movement Mar 23 v. Sep 22	Mar 23 v. Mar 22
Gross impaired assets ($M)	33	**1,210**	1,445	1,709	-16%	-29%
Gross impaired assets as a % of gross loans and advances		**0.17%**	0.21%	0.26%		
Net impaired assets ($M)	33	**789**	903	1,073	-13%	-26%
Net impaired assets as a % of shareholders' equity		**1.1%**	1.4%	1.7%		
Individually assessed provision ($M)	31	**421**	542	636	-22%	-34%
Individually assessed provision as a % of gross impaired assets		**34.8%**	37.5%	37.2%		
Collectively assessed provision ($M)	31	**4,040**	3,853	3,757	5%	8%
Collectively assessed provision as a % of credit risk weighted assets		**1.17%**	1.07%	1.08%		
Net Tangible Assets						
Net tangible assets attributable to ordinary shareholders ($B)[5]		**65.0**	62.0	57.7	5%	13%
Net tangible assets per ordinary share ($)		**21.66**	20.75	20.64	4%	5%

1. *March 2023 includes impacts on risk weighted assets from APRA Capital Reform. Refer to APRA Capital Reform section on page 44 for further details.*
2. *Refer to page 46 for further details regarding the differences between APRA and Internationally Comparable standards.*
3. *Average ordinary shareholders' equity excludes non-controlling interests.*
4. *Liquidity Coverage Ratio is calculated on a half year average basis.*
5. *Equals total shareholders' equity less total non-controlling interests, goodwill and other intangible assets.*

Large/Notable Items

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

Business divestments/closures

There were no material divestment/closures during the March 2023 half. The financial impacts from divestments/closures in prior periods and the business results for these divestments are summarised below.

	Gain/(Loss) from divestments/closures			Completed divested business results			Total		
	Half Year			Half Year			Half Year		
Cash Profit Impact	**Mar 23 $M**	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 $M**	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 $M**	**Sep 22 $M**	**Mar 22 $M**
ANZ Worldline partnership	**-**	-	307	**-**	-	60	**-**	-	367
Financial planning and advice business	**-**	-	(69)	**-**	2	3	**-**	2	(66)
Legal entity rationalisation	**-**	-	(65)	**-**	-	-	**-**	-	(65)
Other business divestments/closures	**-**	(8)	(5)	**-**	-	-	**-**	(8)	(5)
Cash profit/(loss) before income tax	**-**	(8)	168	**-**	2	63	**-**	(6)	231
Income tax benefit/(expense) and non-controlling interests	**-**	-	37	**-**	-	(19)	**-**	-	18
Cash profit/(loss)	**-**	(8)	205	**-**	2	44	**-**	(6)	249

- **ANZ Worldline partnership**

  The Group announced in December 2020 that it had entered into a partnership with Worldline SA (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. During the March 2022 half, the transaction completed and the Group recognised a $307 million gain in Other operating income and a $28 million income tax benefit in the Australia Commercial division. The divested business results were recognised across the Australia Commercial and Institutional divisions.

- **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 Commercial division. The transaction completed in the September 2022 half and the divested business results were recognised in the Australia Commercial division.

- **Legal entity rationalisation**

  During the March 2022 half, in order to simplify the Group's legal entity structure, the businesses 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 business divestments/closures**

  During the March 2022 half, the Group announced the planned closure of the ANZ American Territories (ANZ American Samoa and ANZ Guam). A loss of $18 million, comprising restructuring expenses of $12 million and a credit impairment charge of $6 million, was recognised in the Pacific division during the period. During the September 2022 half, a further $8 million loss was recognised, comprising a $7 million loss in Other operating income and restructuring expenses of $1 million.

  During the March 2022 half, the Group also 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.

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 23 $M**	**Sep 22 $M**	**Mar 22 $M**
Operating income	**(17)**	(9)	(25)
Operating expenses	**(43)**	(42)	(148)
Cash profit/(loss) before income tax	**(60)**	(51)	(173)
Income tax benefit/(expense) and non-controlling interests	**18**	8	50
Cash profit/(loss)	**(42)**	(43)	(123)

Restructuring

In addition to the restructuring expenses associated with business divestments/closures in prior periods, the Group recognised restructuring expenses of $38 million after tax in the March 2023 half year relating to operational changes predominantly in the Australia Retail and Group Centre divisions (Sep 22 half: $37 million; Mar 22 half: $31 million).

Transaction related costs

During the March 2023 half, the Group incurred transaction related costs of $44 million (Sep 22 half: $10 million; Mar 22 half: nil) after tax associated with establishing the new group organisational structure and the pending Suncorp Bank acquisition.

Property rationalisation

During the March 2023 half, the Group entered into sale and leaseback contracts for the data centres in Australia to align with its long term strategy of simplifying its technology environment and migrating on-premise applications to cloud-based solutions. As a result of this, the Group recognised $37 million loss after tax on reclassification of these data centres to held for sale.

During the September 2022 half, the Group early terminated the head lease on the 55 Collins Street Melbourne building resulting in a net loss after tax of $17 million. The loss comprised a $31 million gain in Other operating income on lease modification arising from remeasurement of the lease liability and right-of-use asset net of a $8 million lease termination payment, a $47 million loss in Operating expenses associated with lease exit costs including accelerated depreciation and asset write-offs, and an income tax benefit of $7 million.

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 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.

Large/Notable items

Cash Profit Results	March 2023 Half Year v. March 2022 Half Year							March 2023 Half Year v. September 2022 Half Year						
	Mar 23 $M	Large/ notables $M	Mar 23 ex. Large/ notables $M	Mar 22 $M	Large/ notables $M	Mar 22 ex. Large/ notables $M	Movt ex. Large/ notables %	Mar 23 $M	Large/ notables $M	Mar 23 ex. Large/ notables $M	Sep 22 $M	Large/ notables $M	Sep 22 ex. Large/ notables $M	Movt ex. Large/ notables %
Net interest income	**8,503**	**(10)**	**8,513**	7,100	(3)	7,103	20%	**8,503**	**(10)**	**8,513**	7,774	3	7,771	10%
Other operating income	**2,025**	**(50)**	**2,075**	1,848	272	1,576	32%	**2,025**	**(50)**	**2,075**	1,825	15	1,810	15%
Operating income	**10,528**	**(60)**	**10,588**	8,948	269	8,679	22%	**10,528**	**(60)**	**10,588**	9,599	18	9,581	11%
Operating expenses	**(4,997)**	**(153)**	**(4,844)**	(4,791)	(247)	(4,544)	7%	**(4,997)**	**(153)**	**(4,844)**	(4,788)	(162)	(4,626)	5%
Cash profit before credit impairment and income tax	**5,531**	**(213)**	**5,744**	4,157	22	4,135	39%	**5,531**	**(213)**	**5,744**	4,811	(144)	4,955	16%
Credit impairment (charge)/release	**(133)**	**-**	**(133)**	284	(4)	288	large	**(133)**	**-**	**(133)**	(52)	-	(52)	large
Cash profit/(loss) before income tax	**5,398**	**(213)**	**5,611**	4,441	18	4,423	27%	**5,398**	**(213)**	**5,611**	4,759	(144)	4,903	14%
Income tax benefit/(expense) and non-controlling interests	**(1,577)**	**52**	**(1,629)**	(1,328)	(59)	(1,269)	28%	**(1,577)**	**52**	**(1,629)**	(1,357)	31	(1,388)	17%
Cash profit/(loss)	**3,821**	**(161)**	**3,982**	3,113	(41)	3,154	26%	**3,821**	**(161)**	**3,982**	3,402	(113)	3,515	13%

Cash Profit/(Loss) By Division	March 2023 Half Year v. March 2022 Half Year							March 2023 Half Year v. September 2022 Half Year						
	Mar 23 $M	Large/ notables $M	Mar 23 ex. Large/ notables $M	Mar 22 $M	Large/ notables $M	Mar 22 ex. Large/ notables $M	Movt ex. Large/ notables %	Mar 23 $M	Large/ notables $M	Mar 23 ex. Large/ notables $M	Sep 22 $M	Large/ notables $M	Sep 22 ex. Large/ notables $M	Movt ex. Large/ notables %
Australia Retail	**1,026**	**(55)**	**1,081**	937	(131)	1,068	1%	**1,026**	**(55)**	**1,081**	1,072	(52)	1,124	-4%
Australia Commercial	**739**	**(4)**	**743**	883	314	569	31%	**739**	**(4)**	**743**	668	8	660	13%
Institutional	**1,597**	**(5)**	**1,602**	809	(140)	949	69%	**1,597**	**(5)**	**1,602**	1,128	(2)	1,130	42%
New Zealand	**774**	**(5)**	**779**	704	(4)	708	10%	**774**	**(5)**	**779**	745	14	731	7%
Pacific	**34**	**(2)**	**36**	(6)	(18)	12	large	**34**	**(2)**	**36**	15	(9)	24	50%
Group Centre	**(349)**	**(90)**	**(259)**	(214)	(62)	(152)	70%	**(349)**	**(90)**	**(259)**	(226)	(72)	(154)	68%
Cash profit/(loss)	**3,821**	**(161)**	**3,982**	3,113	(41)	3,154	26%	**3,821**	**(161)**	**3,982**	3,402	(113)	3,515	13%

Large/Notable items

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

	March 2023 Half Year					March 2022 Half Year					
	Large/notable items included in continuing cash profit					Large/notable items included in continuing cash profit					
	Customer remediation $M	**Restructuring $M**	**Transaction related costs $M**	**Property rationalisation $M**	**Total $M**	**Business divestments/ closures $M**	**Customer remediation $M**	**Restructuring[1] $M**	**Litigation settlements $M**	**Withholding tax $M**	**Total $M**
Cash Profit											
Net interest income	(10)	-	-	-	**(10)**	-	(3)	-	-	-	**(3)**
Other operating income	(7)	-	-	(43)	**(50)**	294	(22)	-	-	-	**272**
Operating income	(17)	-	-	(43)	**(60)**	294	(25)	-	-	-	**269**
Operating expenses	(43)	(54)	(56)	-	**(153)**	(59)	(148)	(30)	(10)	-	**(247)**
Cash profit before credit impairment and income tax	(60)	(54)	(56)	(43)	**(213)**	235	(173)	(30)	(10)	-	**22**
Credit impairment (charge)/release	-	-	-	-	**-**	(4)	-	-	-	-	**(4)**
Cash profit before income tax	(60)	(54)	(56)	(43)	**(213)**	231	(173)	(30)	(10)	-	**18**
Income tax benefit/(expense) and non-controlling interests	18	16	12	6	**52**	18	50	(1)	-	(126)	**(59)**
Cash profit/(loss)	(42)	(38)	(44)	(37)	**(161)**	249	(123)	(31)	(10)	(126)	**(41)**

	March 2023 Half Year					September 2022 Half Year					
	Large/notable items included in continuing cash profit					Large/notable items included in continuing cash profit					
	Customer remediation $M	**Restructuring $M**	**Transaction related costs $M**	**Property rationalisation $M**	**Total $M**	**Business divestments/ closures $M**	**Customer remediation $M**	**Restructuring[1] $M**	**Transaction related costs $M**	**Property rationalisation $M**	**Total $M**
Cash Profit											
Net interest income	(10)	-	-	-	**(10)**	-	3	-	-	-	**3**
Other operating income	(7)	-	-	(43)	**(50)**	4	(12)	-	-	23	**15**
Operating income	(17)	-	-	(43)	**(60)**	4	(9)	-	-	23	**18**
Operating expenses	(43)	(54)	(56)	-	**(153)**	(10)	(42)	(51)	(12)	(47)	**(162)**
Cash profit before credit impairment and income tax	(60)	(54)	(56)	(43)	**(213)**	(6)	(51)	(51)	(12)	(24)	**(144)**
Credit impairment (charge)/release	-	-	-	-	**-**	-	-	-	-	-	**-**
Cash profit before income tax	(60)	(54)	(56)	(43)	**(213)**	(6)	(51)	(51)	(12)	(24)	**(144)**
Income tax benefit/(expense) and non-controlling interests	18	16	12	6	**52**	-	8	14	2	7	**31**
Cash profit/(loss)	(42)	(38)	(44)	(37)	**(161)**	(6)	(43)	(37)	(10)	(17)	**(113)**

1. *Restructuring expense before tax of $51 million for the September 2022 half and $30 million for the March 2022 half do not include restructuring expenses incurred as part of the business divestments/closures of $1 million for the September 2022 half and $19 million for the March 2022 half.*

Large/Notable items

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

	March 2023 Half Year					March 2022 Half Year					
	Large/notable items included in continuing cash profit					Large/notable items included in continuing cash profit					
	Customer remediation $M	Restructuring $M	Transaction related costs $M	Property rationalisation $M	Total $M	Business divestments/ closures $M	Customer remediation $M	Restructuring[1] $M	Litigation settlements $M	Withholding tax $M	Total $M
Cash profit before income tax											
Australia Retail	(52)	(27)	-	-	**(79)**	(3)	(166)	(13)	-	-	**(182)**
Australia Commercial	(4)	(2)	-	-	**(6)**	297	(1)	(1)	-	-	**295**
Institutional	-	(7)	-	-	**(7)**	7	(6)	(4)	(10)	-	**(13)**
New Zealand	(1)	(6)	-	-	**(7)**	-	-	(6)	-	-	**(6)**
Pacific	(3)	-	-	-	**(3)**	(18)	-	-	-	-	**(18)**
Group Centre	-	(12)	(56)	(43)	**(111)**	(52)	-	(6)	-	-	**(58)**
Cash profit before income tax	(60)	(54)	(56)	(43)	**(213)**	231	(173)	(30)	(10)	-	**18**
Income tax benefit/(expense) and non-controlling interests	18	16	12	6	**52**	18	50	(1)	-	(126)	**(59)**
Cash profit/(loss)	(42)	(38)	(44)	(37)	**(161)**	249	(123)	(31)	(10)	(126)	**(41)**

	March 2023 Half Year					September 2022 Half Year					
	Large/notable items included in continuing cash profit					Large/notable items included in continuing cash profit					
	Customer remediation $M	Restructuring $M	Transaction related costs $M	Property rationalisation $M	Total $M	Business divestments/ closures $M	Customer remediation $M	Restructuring[1] $M	Transaction related costs $M	Property rationalisation $M	Total $M
Cash profit before income tax											
Australia Retail	(52)	(27)	-	-	**(79)**	-	(53)	(19)	-	-	**(72)**
Australia Commercial	(4)	(2)	-	-	**(6)**	1	6	3	-	-	**10**
Institutional	-	(7)	-	-	**(7)**	1	8	(17)	-	-	**(8)**
New Zealand	(1)	(6)	-	-	**(7)**	-	25	(6)	-	-	**19**
Pacific	(3)	-	-	-	**(3)**	(8)	(1)	-	-	-	**(9)**
Group Centre	-	(12)	(56)	(43)	**(111)**	-	(36)	(12)	(12)	(24)	**(84)**
Cash profit before income tax	(60)	(54)	(56)	(43)	**(213)**	(6)	(51)	(51)	(12)	(24)	**(144)**
Income tax benefit/(expense) and non-controlling interests	18	16	12	6	**52**	-	8	14	2	7	**31**
Cash profit/(loss)	(42)	(38)	(44)	(37)	**(161)**	(6)	(43)	(37)	(10)	(17)	**(113)**

1. *Restructuring expense before tax of $51 million for the September 2022 half and $30 million for the March 2022 half do not include restructuring expenses incurred as part of the business divestments/closures of $1 million for the September 2022 half and $19 million for the March 2022 half.*

Full Time Equivalent Staff[1]

As at 31 March 2023, ANZ employed 39,802 staff (Sep 22: 39,381; Mar 22: 40,169) on a full time equivalent (FTE) basis.

Division	As at			Movement	
	Mar 23	Sep 22	Mar 22	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Australia Retail	**11,199**	11,107	11,475	1%	-2%
Australia Commercial	**3,607**	3,551	3,528	2%	2%
Institutional	**6,353**	6,316	6,323	1%	0%
New Zealand	**6,785**	6,793	6,939	0%	-2%
Pacific	**1,037**	1,086	1,092	-5%	-5%
Group Centre	**10,821**	10,319	10,329	5%	5%
Total FTE from continuing operations	**39,802**	39,172	39,686	2%	0%
Discontinued operations	**-**	209	483	large	large
Total FTE including discontinued operations	**39,802**	39,381	40,169	1%	-1%
Average FTE from continuing operations	**39,589**	39,254	40,092	1%	-1%
Average FTE including discontinued operations	**39,589**	39,627	40,601	0%	-2%

Geography	As at			Movement	
	Mar 23	Sep 22	Mar 22	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Australia	**19,575**	19,396	19,807	1%	-1%
Rest of World	**12,975**	12,705	12,931	2%	0%
New Zealand	**7,252**	7,280	7,431	0%	-2%
Total FTE	**39,802**	39,381	40,169	1%	-1%

1. *Comparative information has been restated to include FTE of the consolidated investments managed by 1835i Group Pty Ltd in the Group Centre division (FTE: Sep 22: 185; Mar 22: 157; Average FTE: Sep 22 half: 172; Mar 22 half: 79).*

Other Non-Financial Information

	Half Year			Movement	
Shareholder value - ordinary shares	Mar 23	Sep 22	Mar 22	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Share price ($)					
- high	**26.08**	28.25	28.98	-8%	-10%
- low	**22.39**	20.95	24.65	7%	-9%
- closing	**22.93**	22.80	27.60	1%	-17%
Closing market capitalisation of ordinary shares ($B)	**68.9**	68.2	77.1	1%	-11%
Total shareholder returns (TSR)	**3.6%**	-14.4%	0.5%	large	large

	As at Mar 23		
ANZBGL Credit ratings	Short-Term	Long-Term	Outlook
Moody's Investors Service	P-1	Aa3	Stable
S&P Global Ratings	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 IFRS. The Group provides additional measures of performance in the Consolidated Financial Report and 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 134 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 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Statutory profit attributable to shareholders of the Company from continuing operations	**3,547**	3,603	3,535	-2%	0%
Adjustments between statutory profit and cash profit[1]					
Economic hedges	**190**	(196)	(373)	large	large
Revenue and expense hedges	**84**	(5)	(49)	large	large
Total adjustments between statutory profit and cash profit	**274**	(201)	(422)	large	large
Cash profit from continuing operations	**3,821**	3,402	3,113	12%	23%

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 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Net interest income	**8,503**	7,774	7,100	9%	20%
Other operating income	**2,025**	1,825	1,848	11%	10%
Operating income	**10,528**	9,599	8,948	10%	18%
Operating expenses	**(4,997)**	(4,788)	(4,791)	4%	4%
Cash profit before credit impairment and income tax	**5,531**	4,811	4,157	15%	33%
Credit impairment (charge)/release	**(133)**	(52)	284	large	large
Cash profit before income tax	**5,398**	4,759	4,441	13%	22%
Income tax expense and non-controlling interests	**(1,577)**	(1,357)	(1,328)	16%	19%
Cash profit from continuing operations	**3,821**	3,402	3,113	12%	23%

	Half Year			Movement	
Cash Profit/(Loss) by Division	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Australia Retail	**1,026**	1,072	937	-4%	9%
Australia Commercial	**739**	668	883	11%	-16%
Institutional	**1,597**	1,128	809	42%	97%
New Zealand	**774**	745	704	4%	10%
Pacific	**34**	15	(6)	large	large
Group Centre	**(349)**	(226)	(214)	54%	63%
Cash profit from continuing operations	**3,821**	3,402	3,113	12%	23%

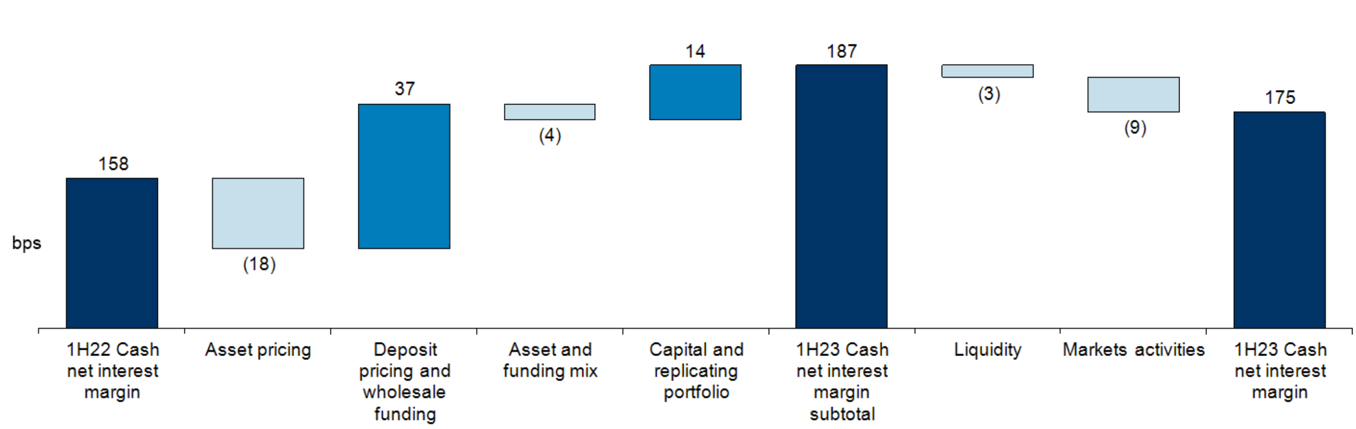
Cash Net Interest Income

	Half Year			Movement	
Group	**Mar 23 $M**	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Net interest income[1]	**8,503**	7,774	7,100	9%	20%
Average interest earning assets	**972,972**	920,340	899,678	6%	8%
Average deposits and other borrowings	**826,160**	792,561	768,118	4%	8%
Net interest margin (%)	**1.75**	1.68	1.58	7 bps	17 bps
Group (excluding Markets business unit)					
Net interest income[1]	**8,339**	7,483	6,684	11%	25%
Average interest earning assets	**687,563**	659,400	645,467	4%	7%
Average deposits and other borrowings	**628,973**	608,962	593,241	3%	6%
Net interest margin (%)	**2.43**	2.26	2.08	17 bps	35 bps

	Half Year			Movement	
Net interest margin by major division[1]	**Mar 23 $M**	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Australia Retail					
Net interest margin (%) - cash	**2.39**	2.29	2.21	10 bps	18 bps
Average interest earning assets	**253,743**	245,434	245,462	3%	3%
Average deposits and other borrowings	**152,392**	147,689	143,888	3%	6%
Australia Commercial[2]					
Net interest margin (%) - cash	**2.72**	2.30	1.90	42 bps	82 bps
Average interest earning assets	**60,860**	59,568	58,162	2%	5%
Average deposits and other borrowings	**113,276**	115,269	114,924	-2%	-1%
Institutional					
Net interest margin (%) - cash	**0.91**	0.91	0.88	0 bps	3 bps
Average interest earning assets	**454,334**	421,500	403,894	8%	12%
Average deposits and other borrowings	**355,905**	341,058	327,112	4%	9%
New Zealand					
Net interest margin (%) - cash	**2.67**	2.61	2.33	6 bps	34 bps
Average interest earning assets	**118,639**	115,874	116,779	2%	2%
Average deposits and other borrowings	**102,113**	100,984	101,729	1%	0%

1. *Includes the major bank levy of -$175 million for the March 2023 half (Sep 22 half: -$175 million; Mar 22 half: -$165 million).*
2. *Australia Commercial division generates positive net interest income from surplus deposits held. Accordingly, $59.3 billion of average deposits for the March 2023 half (Sep 22 half: $62.8 billion; Mar 22 half: $64.1 billion) have been included within average net interest earning assets for the net interest margin calculation to align with internal management reporting view.*

Group net interest margin - March 2023 Half Year v March 2022 Half Year



- **March 2023 v March 2022**

  Net interest margin (+17 bps)

  - Asset pricing (-18 bps): primarily driven by home loan pricing competition in the Australia Retail and New Zealand divisions.
  - Deposit pricing and wholesale funding (+37 bps): driven by favourable deposit margins from a rising interest rate environment.
  - Asset and funding mix (-4 bps): driven by unfavourable deposit mix with a shift towards lower margin term deposits, increased term wholesale funding relative to customer deposits, and unfavourable asset mix with higher growth in the Institutional division. This was partially offset by favourable lending mix with a shift towards higher margin variable rate home loans.

- Capital and replicating portfolio (+14 bps): primarily driven by a rising interest rate environment.
- Liquidity (-3 bps): driven by growth in lower yielding liquid assets to replace the Committed Liquidity Facility (CLF), and other increases in liquid assets to meet regulatory compliance requirements.
- Markets activities (-9 bps): lower net interest income was driven by higher funding costs, primarily on commodity and fixed income assets where the related revenues are recognised as Other operating income.

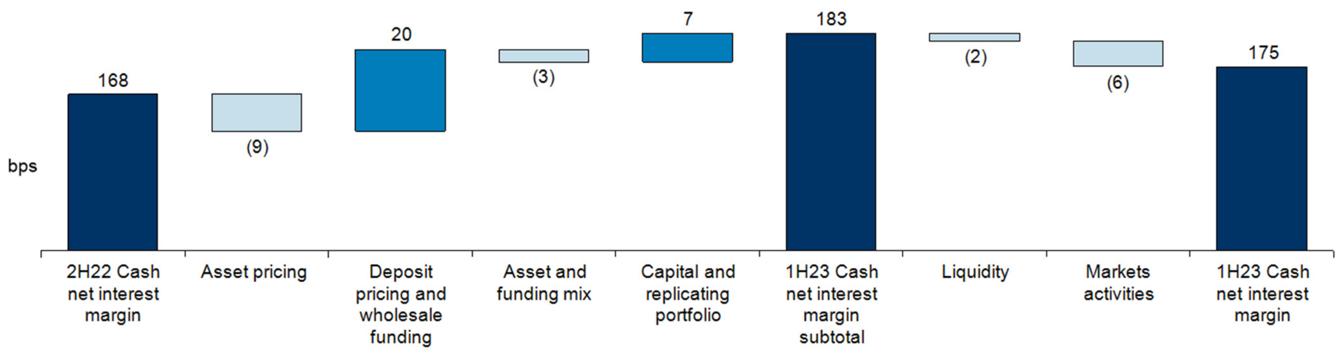
Average interest earning assets (+73.3 billion or +8%)

- Average net loans and advances (+42.2 billion or +7%): driven by lending growth across all divisions, and the impact of foreign currency translation movements.
- Average trading assets and investment securities (+5.0 billion or +4%): driven by higher liquid assets partially offset by the impact of foreign currency translation movements.
- Average cash and other liquid assets (+26.2 billion or +15%): driven by higher central bank balances and higher reverse repurchase agreements.

Average deposits and other borrowings (+58.0 billion or +8%)

- Average deposits and other borrowings (+58.0 billion or +8%): driven by growth in term deposits across all divisions, and increases in commercial paper and certificates of deposit, partially offset by lower at-call deposits.

Group net interest margin - March 2023 Half Year v September 2022 Half Year



- **March 2023 v September 2022**

Net interest margin (+7 bps)

- Asset pricing (-9 bps): primarily driven by home loan pricing competition in the Australia Retail and New Zealand divisions.
- Deposit pricing and wholesale funding (+20 bps): driven by favourable deposit margins from a rising interest rate environment.
- Asset and funding mix (-3 bps): driven by unfavourable deposit mix with a shift towards lower margin term deposits, increased term wholesale funding relative to customer deposits, and unfavourable asset mix with higher growth in the Institutional division. This was partially offset by favourable lending mix with a shift towards higher margin variable rate home loans.
- Capital and replicating portfolio (+7 bps): primarily driven by rising interest rate environment.
- Liquidity (-2 bps): driven by growth in lower yielding liquid assets to replace CLF, and other increases in liquid assets to meet regulatory compliance requirements.
- Markets activities (-6 bps): lower net interest income was driven by higher funding costs, primarily on commodity and fixed income assets where the related revenues are recognised as Other operating income.

Average interest earning assets (+52.6 billion or +6%)

- Average net loans and advances (+29.8 billion or +5%): driven by lending growth across all divisions, and the impact of foreign currency translation movements.
- Average trading assets and investment securities (+3.7 billion or +3%): driven by higher liquid assets, partially offset by the impact of foreign currency translation movements.
- Average cash and other liquid assets (+19.2 billion or +11%): driven by higher central bank balances and higher reverse repurchase agreements.

Average deposits and other borrowings (+33.6 billion or +4%)

- Average deposits and other borrowings (+33.6 billion or +4%): driven by growth in term deposits in all divisions, increases in commercial paper, and certificate of deposits and the impact of foreign currency translation movements. This was partially offset by lower at-call deposits in all divisions.

Cash Other Operating Income

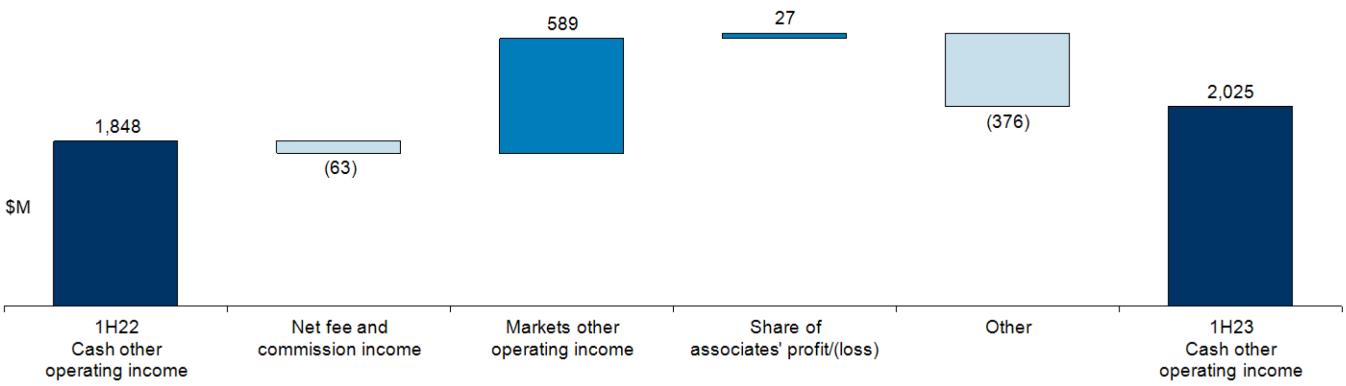
	Half Year			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Net fee and commission income[1]	**890**	954	953	-7%	-7%
Markets other operating income	**985**	464	396	large	large
Share of associates' profit/(loss)	**101**	103	74	-2%	36%
Other[1]	**49**	304	425	-84%	-88%
Total	**2,025**	1,825	1,848	11%	10%
Total excluding large/notable items[2]	**2,075**	1,810	1,576	15%	32%

	Half Year			Movement	
Other operating income by division	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Australia Retail	**281**	353	269	-20%	4%
Australia Commercial	**175**	185	477	-5%	-63%
Institutional	**1,373**	868	783	58%	75%
New Zealand	**199**	216	244	-8%	-18%
Pacific	**40**	34	34	18%	18%
Group Centre	**(43)**	169	41	large	large
Total	**2,025**	1,825	1,848	11%	10%

	Half Year			Movement	
Markets income	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Net interest income	**164**	291	416	-44%	-61%
Other operating income	**985**	464	396	large	large
Total	**1,149**	755	812	52%	42%

1. *Excluding the Markets business unit.*
2. *Refer to pages 12 to 16 for details of large/notable items.*

Other operating income - March 2023 Half Year v March 2022 Half Year



- **March 2023 v March 2022**

  Other operating income increased $177 million (+10%).

  Net fee and commission income (-$63 million or -7%)

  - $71 million decrease in the Australia Commercial division driven by lower revenue following business divestments.
  - $14 million decrease in the New Zealand division primarily driven by lower funds management fees.
  - $21 million increase in the Australia Retail division driven by higher cards revenue reflecting an increase in consumer spending, new home loan offset account fees, and lower customer remediation.
  - $16 million increase in the Institutional division (excluding Markets) driven by higher guarantee fees in Transaction Banking and higher deal activities in Corporate Finance, partially offset by lower revenue following business divestment.

  Markets income (+$337 million or +42%)

  Markets income increased $337 million driven by a $589 million increase in Other operating income, partially offset by a $252 million decrease in Net interest income. The decrease in Net interest income was driven by higher funding costs, primarily commodity and fixed income assets where the related revenues were recognised as Other operating income. The $337 million increase was attributable to the following business activities:

  - $133 million increase in Balance Sheet driven by favourable yield curve movements and portfolio repricing.
  - $83 million increase in Foreign Exchange driven by customer demand for hedging solutions, with continued foreign exchange volatility and interest rate differentials across currencies, and generally more favourable trading conditions.
  - $80 million increase in Credit and Capital Markets driven by more favourable credit trading conditions and higher levels of customer issuances.
  - $37 million increase in Derivative Valuation Adjustments with lower credit valuation adjustments arising from tightening credit spreads, and lower currency and interest rate volatility.
  - $27 million increase in Commodities driven by more favourable trading conditions and sustained customer demand for hedging solutions.
  - $23 million decrease in Rates driven by less favourable trading conditions than the March 2022 half, partially offset by increased customer demand for hedging solutions as interest rates increased.

  Share of associates' profit/(loss) (+$27 million or +36%)

  - $27 million increase in share of associates' profits primarily driven by P.T. Bank Pan Indonesia (PT Panin) ($32 million) and AMMB Holdings Berhad (AmBank) ($12 million), partially offset by equity accounted losses in Worldline Australia Pty Ltd ($17 million).

  Other (-$376 million or -88%)

  - $231 million decrease in the Australia Commercial division driven by a gain on completion of the ANZ Worldline partnership ($307 million), partially offset by a loss on sale of the financial planning and advice business ($62 million), both in the March 2022 half.
  - $99 million decrease in the Group Centre division primarily driven by lower valuation adjustments from investments measured at fair value ($48 million), a loss on reclassification of data centres to held for sale ($43 million), and lower realised gains on economic hedges against foreign currency denominated revenue streams offsetting net favourable foreign currency translations elsewhere in the Group ($42 million). This was partially offset 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) in the March 2022 half.
  - $31 million decrease in the New Zealand division driven by realised gains from the sale of government securities in the March 2022 half.

- **March 2023 v September 2022**

  Other operating income increased $200 million (+11%).

  Net fee and commission income (-$64 million or -7%)

  - $27 million decrease in the Australia Retail division driven by higher cards travel insurance premium reflecting the recovery in domestic and international travel, the timing of recognition of cards incentives, and seasonality of fees.
  - $16 million decrease in the New Zealand division driven by lower cards revenue due to the reduction in domestic interchange rates.

  Markets income (+$394 million or +52%)

  Markets income increased $394 million driven by a $521 million increase in Other operating income, partially offset by a $127 million decrease in Net interest income. The decrease in Net interest income was driven by higher funding costs, primarily commodity and fixed income assets where the related revenues were recognised as Other operating income. The $394 million increase was primarily attributable to the following business activities:

  - $150 million increase in Balance Sheet driven by favourable outcomes from yield curve movements and portfolio repricing.
  - $62 million increase in Derivative Valuation Adjustments with lower credit valuation adjustments arising from tightening credit spreads, and lower currency and interest rate volatility.
  - $59 million increase in Credit and Capital Markets driven by more favourable credit trading conditions, and higher levels of customer issuances.
  - $50 million increase in Commodities driven by more favourable trading conditions, and increased customer demand for hedging solutions.
  - $47 million increase in Rates driven by increased customer demand for hedging solutions, partially offset by less favourable trading conditions.
  - $26 million increase in Foreign Exchange driven by customer demand for hedging solutions arising from continuing volatility and interest rate differentials across currencies, and more favourable trading conditions.

  Other (-$255 million or -84%)

  - $207 million decrease in the Group Centre division driven by lower realised gains on economic hedges against foreign currency denominated revenue streams offsetting net favourable foreign currency translations elsewhere in the Group ($59 million), lower valuation adjustments from investments measured at fair value ($49 million), a loss on reclassification of data centres in Australia to held for sale ($43 million) and a net gain on modification of a significant lease arrangement in the September 2022 half ($23 million).
  - $45 million decrease in the Australia Retail division driven by lower insurance-related income.

Cash Operating Expenses

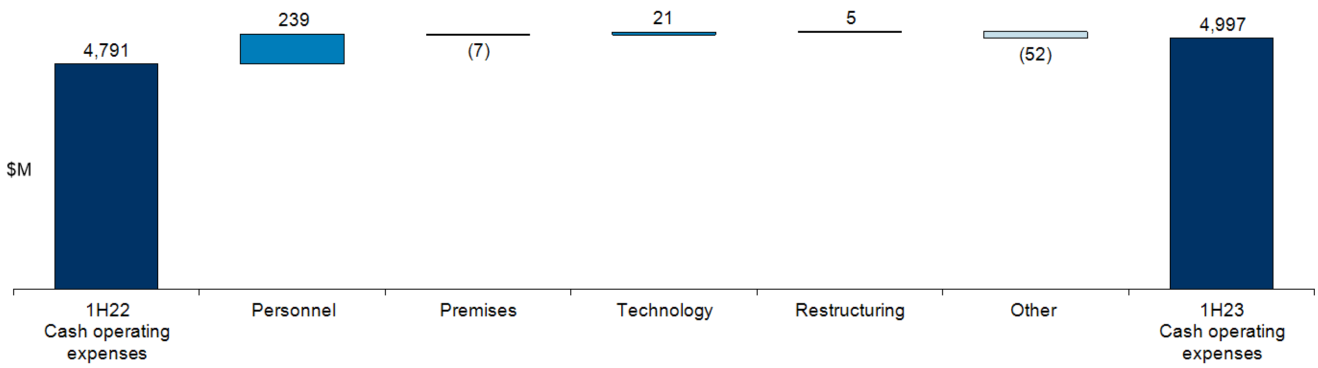
	Half Year			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Personnel	**2,893**	2,642	2,654	10%	9%
Premises	**334**	380	341	-12%	-2%
Technology	**836**	806	815	4%	3%
Restructuring	**54**	52	49	4%	10%
Other	**880**	908	932	-3%	-6%
Total	**4,997**	4,788	4,791	4%	4%
Total excluding large/notable items[1]	**4,844**	4,626	4,544	5%	7%

	Half Year			Movement	
Operating expenses by division	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Australia Retail	**1,745**	1,656	1,741	5%	0%
Australia Commercial	**685**	652	649	5%	6%
Institutional	**1,328**	1,293	1,273	3%	4%
New Zealand	**630**	622	651	1%	-3%
Pacific	**74**	73	80	1%	-8%
Group Centre	**535**	492	397	9%	35%
Total	**4,997**	4,788	4,791	4%	4%

	Half Year			Movement	
FTE by division	Mar 23	Sep 22	Mar 22	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Australia Retail	**11,199**	11,107	11,475	1%	-2%
Australia Commercial	**3,607**	3,551	3,528	2%	2%
Institutional	**6,353**	6,316	6,323	1%	0%
New Zealand	**6,785**	6,793	6,939	0%	-2%
Pacific	**1,037**	1,086	1,092	-5%	-5%
Group Centre[2]	**10,821**	10,319	10,329	5%	5%
Total FTE	**39,802**	39,172	39,686	2%	0%
Average FTE[2]	**39,589**	39,254	40,092	1%	-1%

1. *Refer to pages 12 to 16 for further details on large/notable items.*
2. *Comparative information has been restated to include FTE of the consolidated investments managed by 1835i Group Pty Ltd in the Group Centre division (FTE: Sep 22: 185; Mar 22: 157; Average FTE: Sep 22 half: 172; Mar 22 half: 79).*

Operating expenses - March 2023 Half Year v March 2022 Half Year



- **March 2023 v March 2022**

  Operating expenses increased by $206 million (+4%).

  - Personnel expenses increased $239 million (+9%) driven by inflationary impacts on wages including the revaluation of leave provisions, and incremental run costs associated with strategic initiatives including Cloud and ANZ Plus. This was partially offset by continued back and middle-office optimisation.
  - Technology expenses increased $21 million (+3%) driven by higher software licence costs and inflationary impacts on vendor contracts. This was partially offset by benefits from simplifying network infrastructure, lower amortisation, and reduction in spend on regulatory and compliance initiatives.
  - Other expenses decreased $52 million (-6%) driven by a reduction in regulatory and compliance initiatives, partially offset by increases in transaction related costs and costs previously attributed to discontinued operations.

- **March 2023 v September 2022**

  Operating expenses increased by $209 million (+4%).

  - Personnel expenses increased $251 million (+10%) driven by inflationary impacts on wages including the revaluation of leave provisions, incremental run costs associated with strategic initiatives including Cloud and ANZ Plus, and the impact of unfavourable foreign currency translation movements. This was partially offset by continued back and middle-office optimisation.
  - Premises expenses decreased $46 million (-12%) driven by the modification of a significant lease arrangement in the September 2022 half.
  - Technology expenses increased $30 million (+4%) driven by higher software licence costs and inflationary impacts on vendor contracts. This was partially offset by benefits from simplifying network infrastructure, lower amortisation, and reduction in spend on regulatory and compliance initiatives.
  - Other expenses decreased $28 million (-3%) driven by a reduction in regulatory and compliance initiatives, partially offset by increases in transaction related costs and costs previously attributed to discontinued operations.

Software Capitalisation

Capitalised software comprises both costs incurred to develop software 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 23 $M	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Balance at start of period	**896**	924	960	-3%	-7%
Software capitalised during the period	**143**	160	155	-11%	-8%
Amortisation during the period	**(163)**	(186)	(189)	-12%	-14%
Software impaired/written-off	**-**	(1)	(2)	large	large
Foreign currency translation	**1**	(1)	-	large	n/a
Total capitalised software	**877**	896	924	-2%	-5%

Capitalised software by division	As at			Movement	
	Mar 23 $M	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Australia Retail	**132**	141	147	-6%	-10%
Australia Commercial	**86**	74	59	16%	46%
Institutional	**415**	405	399	2%	4%
New Zealand	**14**	15	20	-7%	-30%
Group Centre	**230**	261	299	-12%	-23%
Total capitalised software	**877**	896	924	-2%	-5%

Credit Risk

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.

Allowance for expected credit losses

	As at			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Collectively assessed allowance for ECL	**4,040**	3,853	3,757	5%	8%
Individually assessed allowance for ECL	**421**	542	636	-22%	-34%
Total allowance for ECL	**4,461**	4,395	4,393	2%	2%

Credit impairment charge/(release)

	Half Year			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Collectively assessed credit impairment charge/(release)	**163**	60	(371)	large	large
Individually assessed credit impairment charge/(release)	**(30)**	(8)	87	large	large
Total credit impairment charge/(release)	**133**	52	(284)	large	large

Credit impairment charge/(release) by division

	Half Year			Movement	
Collectively assessed	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Australia Retail	**50**	(11)	(158)	large	large
Australia Commercial	**57**	(5)	(165)	large	large
Institutional	**5**	13	(26)	-62%	large
New Zealand	**66**	79	(18)	-16%	large
Pacific	**(15)**	(16)	(3)	-6%	large
Group Centre	**-**	-	(1)	n/a	large
Total collectively assessed	**163**	60	(371)	large	large
Individually assessed					
Australia Retail	**32**	(5)	45	large	-29%
Australia Commercial	**9**	(6)	43	large	-79%
Institutional	**(79)**	(15)	1	large	large
New Zealand	**9**	(3)	(13)	large	large
Pacific	**(1)**	7	6	large	large
Group Centre	**-**	14	5	large	large
Total individually assessed	**(30)**	(8)	87	large	large
Total credit impairment charge/(release)					
Australia Retail	**82**	(16)	(113)	large	large
Australia Commercial	**66**	(11)	(122)	large	large
Institutional	**(74)**	(2)	(25)	large	large
New Zealand	**75**	76	(31)	-1%	large
Pacific	**(16)**	(9)	3	78%	large
Group Centre	**-**	14	4	large	large
Total credit impairment charge/(release)	**133**	52	(284)	large	large

Credit impairment charge/(release) by division, cont'd

	Collectively assessed				Individually assessed			
March 2023 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	(39)	78	11	**50**	94	(62)	**32**	**82**
Australia Commercial	(2)	75	(16)	**57**	62	(53)	**9**	**66**
Institutional	43	(31)	(7)	**5**	57	(136)	**(79)**	**(74)**
New Zealand	(2)	58	10	**66**	21	(12)	**9**	**75**
Pacific	(1)	(8)	(6)	**(15)**	3	(4)	**(1)**	**(16)**
Group Centre	-	-	-	**-**	-	-	**-**	**-**
Total	(1)	172	(8)	**163**	237	(267)	**(30)**	**133**
September 2022 Half Year								
Australia Retail	27	(28)	(10)	**(11)**	97	(102)	**(5)**	**(16)**
Australia Commercial	(6)	46	(45)	**(5)**	76	(82)	**(6)**	**(11)**
Institutional	50	(46)	9	**13**	12	(27)	**(15)**	**(2)**
New Zealand	39	38	2	**79**	24	(27)	**(3)**	**76**
Pacific	3	(13)	(6)	**(16)**	10	(3)	**7**	**(9)**
Group Centre	-	-	-	**-**	-	14	**14**	**14**
Total	113	(3)	(50)	**60**	219	(227)	**(8)**	**52**
March 2022 Half Year								
Australia Retail	(21)	(131)	(6)	**(158)**	121	(76)	**45**	**(113)**
Australia Commercial	77	(260)	18	**(165)**	118	(75)	**43**	**(122)**
Institutional	54	(71)	(9)	**(26)**	38	(37)	**1**	**(25)**
New Zealand	3	(23)	2	**(18)**	15	(28)	**(13)**	**(31)**
Pacific	(5)	-	2	**(3)**	9	(3)	**6**	**3**
Group Centre	(1)	-	-	**(1)**	-	5	**5**	**4**
Total	107	(485)	7	**(371)**	301	(214)	**87**	**(284)**

Collectively assessed credit impairment charge/(release)

- **March 2023 v March 2022**

  The collectively assessed impairment charge of $163 million for the March 2023 half was driven by deterioration in economic outlook, a net increase in management temporary adjustments, and deterioration in credit risk. This was partially offset by an improvement in portfolio composition, particularly in the Institutional division.

  The collectively assessed credit impairment release of $371 million for the March 2022 half was driven by improvements in credit risk, favourable changes in portfolio composition, and a net release of management temporary adjustments. This was partially offset by an increase for the downside risks associated with the economic outlook.

- **March 2023 v September 2022**

  The collectively assessed impairment charge of $163 million for the March 2023 half was driven by deterioration in economic outlook, a net increase in management temporary adjustments, and deterioration in credit risk. This was partially offset by an improvement in portfolio composition, particularly in the Institutional division.

  The collectively assessed impairment charge of $60 million for the September 2022 half was driven by worsening base economic forecast and increasing downside risks associated with the economic outlook. This was partially offset by portfolio risk and composition improvements, and a net release of management temporary adjustments.

Individually assessed credit impairment charge/(release)

- **March 2023 v March 2022**

  The individually assessed credit impairment charge decreased $117 million driven by decreases in the Institutional division (-$80 million) due to significant write-backs and recoveries, the Australia Commercial (-$34 million) and Australia Retail (-$13 million) divisions due to subdued delinquency flows. This was partially offset by the New Zealand division (+$22 million) due to lower write-backs.

- **March 2023 v September 2022**

  The individually assessed credit impairment release increased $22 million driven by Institutional division (-$64 million) due to significant write-back and recoveries. This was partially offset by increases in the Australian Retail (+$37 million) and Australia Commercial (+$15 million) divisions due to lower write-backs and recoveries, and the New Zealand (+$12 million) division due to lower recoveries.

Allowance for expected credit losses by division[1]

	As at			Movement	
Collectively assessed	**Mar 23 $M**	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Australia Retail	**949**	899	909	6%	4%
Australia Commercial	**1,033**	976	982	6%	5%
Institutional	**1,451**	1,452	1,382	0%	5%
New Zealand	**543**	448	393	21%	38%
Pacific	**63**	77	89	-18%	-29%
Group Centre	**1**	1	2	0%	-50%
Total collectively assessed	**4,040**	3,853	3,757	5%	8%
Individually assessed					
Australia Retail	**68**	75	106	-9%	-36%
Australia Commercial	**149**	188	258	-21%	-42%
Institutional	**129**	200	202	-36%	-36%
New Zealand	**47**	46	45	2%	4%
Pacific	**28**	33	25	-15%	12%
Group Centre	**-**	-	-	n/a	n/a
Total individually assessed	**421**	542	636	-22%	-34%
Allowance for ECL					
Australia Retail	**1,017**	974	1,015	4%	0%
Australia Commercial	**1,182**	1,164	1,240	2%	-5%
Institutional	**1,580**	1,652	1,584	-4%	0%
New Zealand	**590**	494	438	19%	35%
Pacific	**91**	110	114	-17%	-20%
Group Centre	**1**	1	2	0%	-50%
Total allowance for ECL	**4,461**	4,395	4,393	2%	2%

1. *Includes allowance for ECL 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.*

Allowance for expected credit losses by division, cont'd[1]

	Collectively assessed				Individually assessed	
As at March 2023	**Stage 1 $M**	**Stage 2 $M**	**Stage 3 $M**	**Total $M**	**Stage 3 $M**	**Total $M**
Australia Retail	107	660	182	**949**	68	**1,017**
Australia Commercial	350	586	97	**1,033**	149	**1,182**
Institutional	1,159	274	18	**1,451**	129	**1,580**
New Zealand	141	333	69	**543**	47	**590**
Pacific	16	28	19	**63**	28	**91**
Group Centre	1	-	-	**1**	-	**1**
Total	1,774	1,881	385	**4,040**	421	**4,461**
As at September 2022						
Australia Retail	145	583	171	**899**	75	**974**
Australia Commercial	352	511	113	**976**	188	**1,164**
Institutional	1,124	303	25	**1,452**	200	**1,652**
New Zealand	134	259	55	**448**	46	**494**
Pacific	16	36	25	**77**	33	**110**
Group Centre	1	-	-	**1**	-	**1**
Total	1,772	1,692	389	**3,853**	542	**4,395**
As at March 2022						
Australia Retail	119	609	181	**909**	106	**1,015**
Australia Commercial	358	465	159	**982**	258	**1,240**
Institutional	1,025	342	15	**1,382**	202	**1,584**
New Zealand	102	236	55	**393**	45	**438**
Pacific	12	47	30	**89**	25	**114**
Group Centre	1	1	-	**2**	-	**2**
Total	1,617	1,700	440	**3,757**	636	**4,393**

1. *Includes allowance for ECL 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 23**	**Sep 22**	**Mar 22**
Australia Retail	**0.11%**	0.11%	0.12%
Australia Commercial	**0.53%**	0.56%	0.62%
New Zealand	**0.10%**	0.11%	0.12%
Institutional	**0.19%**	0.21%	0.21%
Total Group	**0.17%**	**0.19%**	**0.20%**

Non-Performing Credit Exposures

	As at			Movement	
	Mar 23 $M	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Impaired loans[1]	**804**	1,043	1,286	-23%	-37%
Restructured items[2]	**382**	376	375	2%	2%
Non-performing commitments, contingencies and derivatives[1]	**24**	26	48	-8%	-50%
Gross impaired assets	**1,210**	1,445	1,709	-16%	-29%
Non-performing credit exposures not impaired	**3,089**	3,065	3,365	1%	-8%
Total non-performing credit exposures[3]	**4,299**	4,510	5,074	-5%	-15%
Gross impaired assets by division					
Australia Retail	**415**	390	324	6%	28%
Australia Commercial	**288**	360	533	-20%	-46%
Institutional	**302**	425	683	-29%	-56%
New Zealand	**100**	93	113	8%	-12%
Pacific	**105**	177	56	-41%	88%
Gross impaired assets	**1,210**	1,445	1,709	-16%	-29%
Gross impaired assets by size of exposure					
Less than $10 million	**956**	1,084	1,054	-12%	-9%
$10 million to $100 million	**123**	131	221	-6%	-44%
Greater than $100 million	**131**	230	434	-43%	-70%
Gross impaired assets	**1,210**	1,445	1,709	-16%	-29%
Individually assessed provisions					
Impaired loans	**(414)**	(533)	(619)	-22%	-33%
Non-performing commitments, contingencies and derivatives	**(7)**	(9)	(17)	-22%	-59%
Net impaired assets	**789**	903	1,073	-13%	-26%

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 2023 v March 2022**

  Gross impaired assets decreased $499 million (-29%) driven by decreases in the Institutional division (-$381 million) due to the upgrade and repayments of several single name exposures, and the Australia Commercial division (-$245 million) due to underlying delinquency flows remaining subdued and the upgrade and repayments of several single name exposures. This was partially offset by increases in the Australia Retail division ($91 million) driven by well-secured home loans being classified as restructured exposures, and by the Pacific division ($49 million) driven by exposures rolling off local COVID-19 support packages and classified as restructured exposures during the September 2022 half.

- **March 2023 v September 2022**

  Gross impaired assets decreased $235 million (-16%) driven by decreases in the Institutional division (-$123 million) due to the upgrade and repayments of several single name exposures, the Australia Commercial division (-$72 million) due to underlying delinquency flows remaining subdued, and the Pacific division (-$72 million) due to the upgrade of restructured exposures. This was partially offset by an increase in the Australia Retail division (+$25 million) driven by well-secured home loans being classified as restructured exposures.

  The Group's individually assessed provision coverage ratio on impaired assets was 34.9% at 31 March 2023 (Sep 22: 37.5%; Mar 22: 37.2%;).

New Impaired Assets

	Half Year			Movement	
	Mar 23 $M	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Impaired loans[1]	**405**	320	478	27%	-15%
Restructured items[2]	**122**	274	138	-55%	-12%
Non-performing commitments and contingencies[1]	**11**	5	23	large	-52%
Total new impaired assets	**538**	599	639	-10%	-16%
New impaired assets by division					
Australia Retail	**221**	279	202	-21%	9%
Australia Commercial	**93**	109	191	-15%	-51%
Institutional	**156**	56	185	large	-16%
New Zealand	**63**	34	51	85%	24%
Pacific	**5**	121	10	-96%	-50%
Total new impaired assets	**538**	599	639	-10%	-16%

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 2023 v March 2022**

  New impaired assets decreased $101 million (-16%) driven by decreases in the Institutional division (-$29 million) reflecting a number of single name exposures recognised in the March 2022 half, and the Australia Commercial division (-$98 million) with underlying delinquency flows remaining subdued. This was partially offset by increases in the Australia Retail division ($19 million) driven by restructured home loans, and the New Zealand division ($12 million) driven by the retail portfolio.

- **March 2023 v September 2022**

  New impaired assets decreased by $61 million (-9%) driven by decreases in the Pacific (-$116 million) and Australia Retail (-$58 million) divisions due to high number of restructures recognised in the September 2022 half, and Australia Commercial division (-$16 million) with underlying delinquency flows remaining subdued. This was partially offset by increases in the Institutional division ($100 million) reflecting impairment of several single name exposures, and the New Zealand division ($29 million) driven by both the retail and commercial portfolios.

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

	As at			Movement	
	Mar 23 $M	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
1-29 days	**6,213**	5,322	4,676	17%	33%
30-59 days	**1,965**	1,243	1,368	58%	44%
60-89 days	**759**	598	635	27%	20%
90+ days	**2,502**	2,402	2,823	4%	-11%
Total	**11,439**	9,565	9,502	20%	20%

- **March 2023 v March 2022**

  Net loans and advances past due but not impaired increased $1,937 million (20%). The increase was primarily driven by home loan portfolios in the Australia Retail and New Zealand divisions. This was partially offset by a decrease in the 90+ days category driven by subdued underlying delinquency flows in the Australia Commercial division.

- **March 2023 v September 2022**

  Net loans and advances past due but not impaired increased $1,874 million (20%). The increases across all ageing categories were predominantly driven by home loan portfolios in the Australia Retail and New Zealand divisions.

Cash Income Tax Expense

	Half Year			Movement	
	Mar 23 $M	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Income tax expense from cash profit	**1,563**	1,356	1,328	15%	18%
Effective tax rate	**29.0%**	28.5%	29.9%		

- **March 2023 v March 2022**

  The effective tax rate decreased from 29.9% to 29.0%. The decrease of 90 bps was driven by lower withholding tax expense on foreign dividends (-280 bps), lower net non-tax assessable gain from divestments/closures (-77 bps), and higher offshore earnings that attract a lower rate of tax (-54 bps). This was partially offset by the non-tax assessable gain on completion of the Worldline partnership in the March 2022 half (272 bps), higher prior period adjustments booked in the March 2022 half (25 bps), and higher non-deductible interest on convertible instruments (23 bps).

- **March 2023 v September 2022**

  The effective tax rate increased from 28.5% to 29.0%. The increase of 50 bps was driven by higher prior period adjustments booked in the September 2022 half (32 bps), higher equity accounted earnings (8 bps), and higher non-deductible interest on convertible instruments (12 bps). This was partially offset by lower net non-tax assessable gain from divestments/closures (-8 bps).

Impact of Foreign Currency Translation

The following tables present the Group's comparative 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 2023 Half Year v March 2022 Half Year

	Half Year				Movement	
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX adjusted
	Mar 23 $M	Mar 22 $M	Mar 22 $M	Mar 22 $M	Mar 23 v. Mar 22	Mar 23 v. Mar 22
Net interest income	**8,503**	7,100	(9)	7,091	20%	20%
Other operating income	**2,025**	1,848	(11)	1,837	10%	10%
Operating income	**10,528**	8,948	(20)	8,928	18%	18%
Operating expenses	**(4,997)**	(4,791)	(4)	(4,795)	4%	4%
Cash profit before credit impairment and income tax	**5,531**	4,157	(24)	4,133	33%	34%
Credit impairment (charge)/release	**(133)**	284	(1)	283	large	large
Cash profit before income tax	**5,398**	4,441	(25)	4,416	22%	22%
Income tax expense and non-controlling interests	**(1,577)**	(1,328)	11	(1,317)	19%	20%
Cash profit from continuing operations	**3,821**	3,113	(14)	3,099	23%	23%
Cash profit/(loss) from continuing operations by division						
Australia Retail	**1,026**	937	-	937	9%	9%
Australia Commercial	**739**	883	-	883	-16%	-16%
Institutional	**1,597**	809	12	821	97%	95%
New Zealand	**774**	704	(18)	686	10%	13%
Pacific	**34**	(6)	-	(6)	large	large
Group Centre	**(349)**	(214)	(8)	(222)	63%	57%
Cash profit from continuing operations	**3,821**	3,113	(14)	3,099	23%	23%
Net loans and advances by division						
Australia Retail	**300,581**	284,548	-	284,548	6%	6%
Australia Commercial	**59,911**	57,625	-	57,625	4%	4%
Institutional	**208,265**	188,177	7,100	195,277	11%	7%
New Zealand	**120,262**	116,403	879	117,282	3%	3%
Pacific	**1,661**	1,664	86	1,750	0%	-5%
Group Centre	**(593)**	3,019	-	3,019	large	large
Net loans and advances	**690,087**	651,436	8,065	659,501	6%	5%
Customer deposits by division						
Australia Retail	**156,374**	147,000	-	147,000	6%	6%
Australia Commercial	**113,011**	116,420	-	116,420	-3%	-3%
Institutional	**278,089**	247,173	13,505	260,678	13%	7%
New Zealand	**97,958**	96,765	730	97,495	1%	0%
Pacific	**3,562**	3,763	210	3,973	-5%	-10%
Group Centre	**(367)**	(67)	-	(67)	large	large
Customer deposits	**648,627**	611,054	14,445	625,499	6%	4%

March 2023 Half Year v September 2022 Half Year

	Half Year				Movement	
	Actual	FX unadjusted	FX impact	FX adjusted	FX unadjusted	FX adjusted
	Mar 23 $M	Sep 22 $M	Sep 22 $M	Sep 22 $M	Mar 23 v. Sep 22	Mar 23 v. Sep 22
Net interest income	**8,503**	7,774	55	7,829	9%	9%
Other operating income	**2,025**	1,825	(11)	1,814	11%	12%
Operating income	**10,528**	9,599	44	9,643	10%	9%
Operating expenses	**(4,997)**	(4,788)	(30)	(4,818)	4%	4%
Cash profit before credit impairment and income tax	**5,531**	4,811	14	4,825	15%	15%
Credit impairment (charge)/release	**(133)**	(52)	2	(50)	large	large
Cash profit before income tax	**5,398**	4,759	16	4,775	13%	13%
Income tax expense and non-controlling interests	**(1,577)**	(1,357)	(1)	(1,358)	16%	16%
Cash profit from continuing operations	**3,821**	3,402	15	3,417	12%	12%
Cash profit/(loss) from continuing operations by division						
Australia Retail	**1,026**	1,072	-	1,072	-4%	-4%
Australia Commercial	**739**	668	-	668	11%	11%
Institutional	**1,597**	1,128	19	1,147	42%	39%
New Zealand	**774**	745	11	756	4%	2%
Pacific	**34**	15	1	16	large	large
Group Centre	**(349)**	(226)	(16)	(242)	54%	44%
Cash profit from continuing operations	**3,821**	3,402	15	3,417	12%	12%
Net loans and advances by division						
Australia Retail	**300,581**	290,322	-	290,322	4%	4%
Australia Commercial	**59,911**	59,727	-	59,727	0%	0%
Institutional	**208,265**	207,241	(804)	206,437	0%	1%
New Zealand	**120,262**	113,288	7,107	120,395	6%	0%
Pacific	**1,661**	1,754	-	1,754	-5%	-5%
Group Centre	**(593)**	75	-	75	large	large
Net loans and advances	**690,087**	672,407	6,303	678,710	3%	2%
Customer deposits by division						
Australia Retail	**156,374**	149,953	-	149,953	4%	4%
Australia Commercial	**113,011**	112,195	-	112,195	1%	1%
Institutional	**278,089**	262,534	(2,047)	260,487	6%	7%
New Zealand	**97,958**	92,032	5,774	97,806	6%	0%
Pacific	**3,562**	3,776	(19)	3,757	-6%	-5%
Group Centre	**(367)**	(61)	-	(61)	large	large
Customer deposits	**648,627**	620,429	3,708	624,137	5%	4%

Earnings Related Hedges

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

	Half Year		
NZD Economic hedges	**Mar 23 $M**	**Sep 22 $M**	**Mar 22 $M**
Net open NZD position (notional principal)[1,2]	**3,011**	2,585	2,630
Amount taken to income (pre-tax statutory basis)[3]	**(148)**	113	63
Amount taken to income (pre-tax cash basis)[4]	**16**	38	7
USD Economic hedges			
Net open USD position (notional principal)[1,2]	**750**	685	529
Amount taken to income (pre-tax statutory basis)[3]	**28**	(80)	21
Amount taken to income (pre-tax cash basis)[4]	**(20)**	(12)	6

1. *Value in AUD at contracted rate.*
2. *The following hedges were in place to partially hedge future earnings against adverse movements in exchange rates, at a NZD forward rate of NZD 1.10/AUD as at 31 March 2023 (Sep 22: NZD1.09/AUD; Mar 22: NZD 1.07/AUD), and a USD forward rate of USD 0.69/AUD as at 31 March 2023 (Sep 22: USD 0.71/AUD; Mar 22: USD 0.75/AUD).*

	Half Year		
	Mar 23	***Sep 22***	***Mar 22***
NZD Economic Hedges			
At period end (NZD billion)	*3.3*	*2.8*	*2.8*
Matured during the period (NZD billion)	*1.3*	*1.2*	*1.1*
USD Economic Hedges			
At period end (USD billion)	*0.5*	*0.5*	*0.4*
Matured during the period (USD billion)	*0.1*	*0.1*	*0.2*

3. *Unrealised valuation movement plus realised revenue from matured or closed out hedges.*
4. *Realised revenue from closed out hedges.*

An unrealised loss on the outstanding NZD and USD economic hedges of $116 million for the March 2023 half (Sep 22 half: $7 million gain; Mar 22 half: $71 million gain) was recorded in statutory profit. This unrealised loss is treated as an adjustment to statutory profit in calculating cash profit (included in revenue and expense hedge adjustments) as these are hedges of future NZD and USD revenues.

Cash Earnings Per Share

	Half Year			Movement	
	Mar 23	**Sep 22**	**Mar 22**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Cash earnings per share from continuing operations (cents)					
Basic	**127.6**	118.8	109.9	7%	16%
Diluted	**121.1**	111.6	103.3	9%	17%
Cash weighted average number of ordinary shares (M)					
Basic	**2,994.1**	2,862.5	2,832.9	5%	6%
Diluted	**3,278.3**	3,145.5	3,103.8	4%	6%
Cash profit from continuing operations ($M)	**3,821**	3,402	3,113	12%	23%
Cash profit from continuing operations used in calculating diluted cash earnings per share ($M)	**3,971**	3,509	3,205	13%	24%

Dividends

	Half Year			Movement	
Dividend per ordinary share (cents)[1]	**Mar 23**	**Sep 22**	**Mar 22**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Interim	**81**	-	72		
Final	**-**	74	-		
Total	**81**	74	72	9%	13%
Ordinary share dividends used in payout ratio ($M)[2,3]	**2,433**	2,213	2,012		
Cash profit from continuing operations ($M)	**3,821**	3,402	3,113	12%	23%
Ordinary share dividend payout ratio (cash continuing basis)[3]	**63.7%**	65.0%	64.6%		

1. *Fully franked for Australian tax purposes (30% tax rate) and carry New Zealand imputation credits of NZD 9 cents for the proposed 2023 interim dividend (2022 final dividend: NZD 9 cents; 2022 interim dividend: NZD 9 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 $13 million (Sep 22 half: nil; Mar 22 half: $2 million).*
3. *Dividend payout ratio is calculated using the proposed 2023 interim dividend of $2,433 million, based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the September 2022 half and March 2022 half were calculated using actual dividends.*

The Directors propose an interim dividend of 81 cents be paid on each eligible fully paid ANZ ordinary share on 3 July 2023. The proposed 2023 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

	Half Year			Movement	
	Mar 23 $M	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Statutory profit attributable to shareholders of the Company from continuing operations	**3,547**	3,603	3,535	-2%	0%
Adjustments between statutory profit and cash profit from continuing operations	**274**	(201)	(422)	large	large
Cash profit from continuing operations	**3,821**	3,402	3,113	12%	23%
Economic credit cost adjustment	**(333)**	(412)	(675)	-19%	-51%
Imputation credits	**625**	526	405	19%	54%
Economic return from continuing operations	**4,113**	3,516	2,843	17%	45%
Cost of capital	**(3,268)**	(3,072)	(3,028)	6%	8%
Economic profit from continuing operations	**845**	444	(185)	90%	large

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, estimated based on 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 9.75% with comparative periods restated accordingly).

Economic profit increased by $1,030 million against the March 2022 half driven by higher cash profit, favourable economic credit cost adjustment and higher imputation credits, partially offset by higher cost of capital.

Economic profit increased by $401 million against the September 2022 half, impacted by higher cash profit, favourable economic credit cost adjustment and higher imputation credits, partially offset by higher cost of capital.

Condensed Balance Sheet

	As at			Movement	
Assets	Mar 23 $B	Sep 22 $B	Mar 22 $B	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Cash / Settlement balances owed to ANZ / Collateral paid	**225.1**	185.6	186.0	21%	21%
Trading assets and investment securities	**133.6**	121.4	119.2	10%	12%
Derivative financial instruments	**45.6**	90.2	45.2	-49%	1%
Net loans and advances	**690.1**	672.4	651.4	3%	6%
Other	**16.8**	16.0	15.6	5%	8%
Total assets	**1,111.2**	1,085.6	1,017.4	2%	9%
Liabilities					
Settlement balances owed by ANZ / Collateral received	**31.0**	30.0	26.5	3%	17%
Deposits and other borrowings	**842.6**	797.3	780.3	6%	8%
Derivative financial instruments	**46.2**	85.1	47.8	-46%	-3%
Debt issuances	**106.2**	93.7	87.2	13%	22%
Other	**15.6**	13.2	13.8	18%	13%
Total liabilities	**1,041.6**	1,019.3	955.6	2%	9%
Total equity	**69.6**	66.4	61.8	5%	13%

- **March 2023 v March 2022**
  - Cash / Settlement balances owed to ANZ / Collateral paid increased $39.1 billion (+21%) driven by increases in balances with central banks ($24.0 billion), reverse repurchase agreements ($9.3 billion), and the impact of foreign currency translation movements, partially offset by a decrease in collateral paid ($2.5 billion).
  - Trading assets and investment securities increased $14.4 billion (+12%) driven by an increase in semi-government bonds as part of portfolio rebalancing, and the impact of foreign currency translation movements.
  - Net loans and advances increased $38.7 billion (+6%) driven by home loan growth in the Australia Retail ($14.6 billion), higher lending volumes in the Institutional ($13.0 billion), New Zealand ($3.0 billion) and Australia Commercial ($2.3 billion) divisions, and the impact of foreign currency translation movements.
  - Settlement balances owed by ANZ / Collateral received increased $4.5 billion (+17%) driven by higher cash clearing account balances and higher collateral received.
  - Deposits and other borrowings increased $62.3 billion (+8%) driven by increases in customer deposits across the Institutional ($17.4 billion) and Australia Retail ($9.4 billion) divisions, certificates of deposit ($7.0 billion), commercial paper ($7.0 billion), deposits from banks and repurchase agreements ($5.2 billion), and the impact of foreign currency translation movements. This was partially offset by a decrease in customer deposits in the Australia Commercial ($3.4 billion) division.
  - Debt issuances increased $19.0 billion (+22%) driven by issue of new senior and subordinated debt, including ANZ Capital Notes 8, and the impact of foreign currency translation movements.
- **March 2023 v September 2022**
  - Cash / Settlement balances owed to ANZ / Collateral paid increased $39.5 billion (+21%) driven by increases in balances with central banks ($17.9 billion), settlement balances owed to ANZ ($11.6 billion), and reverse repurchase agreements ($11.5 billion), partially offset by a decrease in collateral paid ($3.2 billion).
  - Trading assets and investment securities increased $12.2 billion (+10%) primarily driven by an increase in semi-government bonds as part of portfolio rebalancing.
  - Derivative financial assets and liabilities decreased $44.6 billion (-49%) and $38.9 billion (-46%) respectively driven by the maturity and/or unwind of positions held in the prior period that were impacted by market rate movements, primarily the significant strengthening of the USD.
  - Net loans and advances increased $17.7 billion (+3%) driven by home loan growth in the Australia Retail division ($10.1 billion), higher lending volumes in the Institutional division ($1.8 billion), and the impact of foreign currency translation movements.
  - Deposits and other borrowings increased $45.3 billion (+6%) driven by increases in customer deposits across the Institutional ($17.6 billion) and Australia Retail ($6.4 billion) divisions, certificates of deposit ($10.5 billion), deposits from banks and repurchase agreements ($7.8 billion), and the impact of foreign currency translation movements.
  - Debt issuances increased $12.5 billion (+13%) driven by the issue of new senior and subordinated debt, including ANZ Capital Notes 8, and the impact of foreign currency translation movements.

Liquidity Risk

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

Following the Restructure on 3 January 2023, the Group has operated under a non-operating holding company structure whereby:

- ANZBGL's liquidity risk management framework remains unchanged and continues to operate its own liquidity and funding program, governance frameworks and reporting regime reflecting its authorised deposit-taking institution (ADI) operations;
- ANZGHL (parent entity) has no material liquidity risk given the structure and nature of the balance sheet; and
- ANZ Non-Bank Group is not expected to have separate funding arrangements and will rely on ANZGHL for funding.

Furthermore, a separate liquidity policy has been established for ANZGHL and ANZ Bank Group to reflect the differing nature of liquidity risk inherent in each business model. ANZGHL will ensure that the parent entity and ANZ Non-Bank Group holds sufficient cash reserves to meet operating and financing requirements.

Separately, ANZ Bank Group's approach to liquidity risk management incorporates two key components:

- **Scenario modelling of funding sources**

  ANZBGL Group's liquidity risk appetite is defined by the ability to meet a range of regulatory requirements and internal liquidity metrics mandated by the ANZBGL 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.

  Consistent with APRA's requirement, ANZ's CLF was nil at 31 March 2023 (Sep 22: $2.7 billion; Mar 22: $8.0 billion).

- **Liquid assets**

  ANZBGL Group holds a portfolio of high quality unencumbered liquid assets in order to protect ANZBGL 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.

  ANZBGL 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 ANZBGL Board.

	Half Year Average[1]			Movement	
	Mar 23 $B	Sep 22 $B	Mar 22 $B	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Market Values Post Discount					
HQLA1	**253.5**	228.2	224.1	11%	13%
HQLA2	**9.7**	8.3	7.6	17%	28%
Internal residential mortgage backed securities[2]	**-**	0.3	3.2	large	large
Other ALA[2]	**2.7**	5.3	6.2	-49%	-56%
Total liquid assets	**265.9**	242.1	241.1	10%	10%
Cash flows modelled under stress scenario					
Cash outflows	**268.8**	245.9	230.3	9%	17%
Cash inflows	**60.5**	58.5	47.2	3%	28%
Net cash outflows	**208.3**	187.4	183.1	11%	14%
Liquidity Coverage Ratio[3, 4]	**128%**	129%	132%	-1%	-4%

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 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.*
4. *LCR remained above the regulatory minimum thresholds throughout the periods.*

Funding

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

During the March 2023 half, the ANZ Bank Group issued $23.9 billion of term wholesale funding (excluding Additional Tier 1 Capital) with a remaining term greater than one year as at 31 March 2023, and $1.5 billion of Additional Tier 1 Capital.

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

	As at			Movement	
ANZ Bank Group	**Mar 23 $B**	**Sep 22 $B**	**Mar 22 $B**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Customer deposits and other liabilities					
Australia Retail	**156.4**	150.0	147.0	4%	6%
Australia Commercial	**113.0**	112.2	116.4	1%	-3%
Institutional	**278.1**	262.5	247.1	6%	13%
New Zealand	**98.0**	92.0	96.8	7%	1%
Pacific	**3.6**	3.8	3.8	-5%	-5%
Group Centre	**(0.1)**	(0.1)	-	0%	n/a
Customer deposits	**649.0**	620.4	611.1	5%	6%
Other funding liabilities[1]	**12.1**	8.0	9.6	51%	26%
Total customer liabilities (funding)	**661.1**	628.4	620.7	5%	7%
Wholesale funding					
Unsubordinated debt and central bank term funding[2]	**97.1**	89.0	86.4	9%	12%
Subordinated debt[3]	**32.7**	27.3	22.6	20%	45%
Certificates of deposit	**44.5**	34.0	36.9	31%	21%
Commercial paper	**38.8**	39.2	31.9	-1%	22%
Other wholesale borrowings[4]	**122.5**	110.8	111.3	11%	10%
Total wholesale funding	**335.6**	300.3	289.1	12%	16%
Shareholders' equity	**68.6**	66.4	61.8	3%	11%
Total funding	**1,065.3**	995.1	971.6	7%	10%

1. *Includes interest accruals, payables and other liabilities, provisions and net tax provisions, and excludes liability for acceptances as they do not provide net funding.*
2. *Includes RBA TFF of $20.1 billion (Sep 22: $20.1 billion; Mar 22: $20.1 billion), RBNZ FLP of $3.2 billion (Sep 22: $2.3 billion; Mar 22: $1.4 billion) and TLF of $0.3 billion (Sep 22: $0.3 billion; Mar 22: $0.3 billion).*
3. *Includes subordinated debt issued by ANZ Bank New Zealand which constitutes Tier 2 capital under RBNZ requirements but does not meet the APRA Tier 2 requirements, and 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.*
4. *Includes borrowings from banks, securities sold under repurchase agreements, net derivative balances, special purpose vehicles, other borrowings, and RBA open repurchase arrangements 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 23 $B	**Sep 22 $B**	**Mar 22 $B**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Required Stable Funding[1]					
Retail & small and medium enterprises, corporate loans <35% risk weight[2]	**200.5**	204.8	202.2	-2%	-1%
Retail & small and medium enterprises, corporate loans >35% risk weight[2]	**221.3**	198.2	190.7	12%	16%
Other lending[3]	**37.2**	36.2	32.6	3%	14%
Liquid assets	**13.1**	12.0	11.5	9%	14%
Other assets[4]	**45.2**	39.7	36.5	14%	24%
Total Required Stable Funding	**517.3**	490.9	473.5	5%	9%
Available Stable Funding[1]					
Retail & small and medium enterprise customer deposits	**292.9**	282.6	301.5	4%	-3%
Corporate, public sector entities & operational deposits	**136.9**	132.7	118.4	3%	16%
Central bank & other financial institution deposits	**4.7**	4.8	4.0	-2%	18%
Term funding[5]	**71.3**	63.1	69.7	13%	2%
Short term funding & other liabilities	**8.5**	7.7	5.0	10%	70%
Capital	**99.4**	93.5	84.2	6%	18%
Total Available Stable Funding	**613.7**	584.4	582.8	5%	5%
Net Stable Funding Ratio[6]	**119%**	119%	123%	0%	-4%

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 loans to financial institutions and central banks, and non-performing loans.*
4. *Includes off-balance sheet items, net derivatives and other assets.*
5. *Includes balances from the drawdown of the RBA and RBNZ Funding Facilities (TFF, FLP and TLF).*
6. *The regulatory minimum NSFR is 100%.*

Capital Management

ANZ's capital management framework includes managing capital at Level 1, Level 2 and ANZGHL Group.

ANZ's framework includes managing to Board approved risk appetite settings and maintaining all regulatory requirements. APRA requirements at Level 1 and Level 2 include ANZ operating at or above APRAs expectation for Domestic Systematically Important Banks (D-SIBs) following the implementation of APRA's Capital Reform which was effective January 2023.

APRA's authority for ANZGHL to be a non-operating holding company (NOHC) of an ADI includes five conditions for ANZ's capital management framework. Two of these are quantitative requirements being:

- ANZGHL must always ensure that the quality and quantity of the total capital of the Level 3 group is equivalent to, or greater than, the quality and quantity of the sum of the total capital of the consolidated ANZ Bank Group and the consolidated ANZ Non-Bank Group.
- ANZGHL must calculate and manage capital for the ANZ Non-Bank Group in accordance with an Economic Capital Model (ECM), which requires the amount of capital held, in the form of Common Equity Tier 1 (CET1), to be equal to or greater than the capital requirement as calculated under the ECM.

ANZ has implemented an ECM to calculate the capital to support the ANZ Non-Bank Group operations. The material risks included in the Non-Bank Group currently are investment risk and fixed asset risk.

ANZ's compliance with these two conditions is presented in the following two tables:

	As at Mar 23				As at Sep 22	As at Mar 22	Movement	
	ANZ Bank Group[1] $M	ANZ Non-Bank Group $M	ANZGHL $M	ANZ Group $M	ANZ Group $M	ANZ Group $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Shareholders' equity and non-controlling interests	**68,625**	**739**	**245**	**69,609**	66,401	61,756	5%	13%
Prudential adjustments to shareholders' equity	**(358)**	**-**	**-**	**(358)**	(175)	180	large	large
Gross Common Equity Tier 1 capital	**68,267**	**739**	**245**	**69,251**	66,226	61,936	5%	12%
Deductions	**(10,887)**	**-**	**-**	**(10,887)**	(10,354)	(11,425)	5%	-5%
Common Equity Tier 1 capital	**57,380**	**739**	**245**	**58,364**	55,872	50,511	4%	16%
Tier 1 capital	**65,564**	**739**	**245**	**66,548**	63,558	58,001	5%	15%
Tier 2 capital	**24,068**	**-**	**-**	**24,068**	19,277	14,780	25%	63%
Total qualifying capital	**89,632**	**739**	**245**	**90,616**	82,835	72,781	9%	25%

1. *ANZ Bank Group shareholders' equity and non-controlling interests are adjusted for capital deductions, including deconsolidated entity adjustments, to calculate ANZ Level 2 CET1, Tier 1, Tier 2 and total qualifying capital.*

ANZ Non-Bank Group

	As at Mar 23		
	Economic Capital Required $M	Actual Capital[1] $M	Actual vs Economic Capital $M
ANZ Non-Bank Group	**674**	**772**	**98**

1. *This represents the aggregation of ANZ NBH Pty Ltd and ANZ Group Services Pty Ltd's shareholders' equity.*

ANZ Bank Group

	As at					
	Capital Reform	APRA Basel 3		Internationally Comparable Capital Ratios[1]		
	Mar 23	Sep 22	Mar 22	Mar 23	Sep 22	Mar 22
Capital Ratios (Level 2)						
Common Equity Tier 1	**13.2%**	12.3%	11.5%	**18.9%**	19.2%	18.0%
Tier 1	**15.1%**	14.0%	13.2%	**21.5%**	21.5%	20.3%
Total capital	**20.6%**	18.2%	16.6%	**29.0%**	27.3%	24.9%
Risk weighted assets ($B)	**435.5**	454.7	437.9	**341.8**	331.1	324.6

1. *March 2023 Internationally Comparable methodology aligns with the Australia Banking Association Basel 3.1 Capital Comparison Study (March 2023). September 2022 and March 2022 Internationally Comparable methodology align with APRA's information paper entitled 'International Capital Comparison Study' (13 July 2015).*

APRA Capital Reform

APRA has released new bank capital adequacy requirements applying to Australian incorporated registered banks, which are set out in APRA's Banking Prudential Standard documents. ANZ has implemented these new requirements from 1 January 2023.

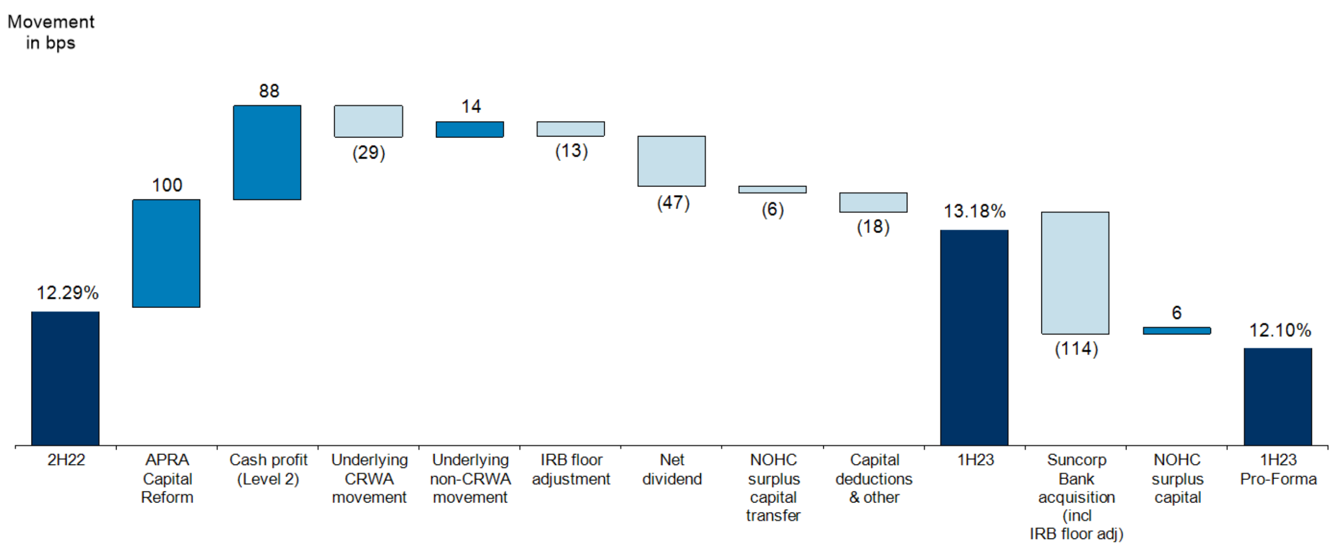
The new capital adequacy key requirements include changes to APS 110 *Capital Adequacy* (APS 110), APS 112 *Capital Adequacy: Standardised Approach to Credit Risk* (APS 112) and APS 113 *Capital Adequacy: Internal Ratings-based Approach to Credit Risk* (APS 113) with key features of the reforms including:

- improving the flexibility of the capital framework, through larger capital buffers that can be used by banks to support lending during periods of stress;
- changes to risk weighted assets (RWA) through more risk-sensitive risk weights increasing capital requirements for higher risk lending and decreasing it for lower risks;
- changes to loss given default rates (LGD) including approved use of an internal ratings-based (IRB) approved LGD model for mortgage portfolios;
- an increase in the IRB scaling factor (from 1.06x to 1.1x);
- requirement that IRB ADIs calculate and disclose RWA under the standardised approach and the introduction of a capital floor at 72.5% of standardised RWA; and
- use of prescribed New Zealand authority's equivalent prudential rules for the purpose of calculating the Level 2 regulatory capital requirement.

In addition, operational RWA is now calculated under APS 115 *Capital Adequacy: Standardised Measurement Approach to Operational Risk* (APS 115) which replaced the previous advanced methodology from December 2022.

The application of APRA Capital Reform reduced RWA by $34.5 billion, equivalent to a 100 bps CET1 ratio benefit. This was partially offset by APRA's expectations that ADIs operate a higher capital ratio to maintain an unquestionably strong level.

APRA Common Equity Tier 1 - March 2023 v September 2022



- **March 2023 v September 2022**

  CET1 ratio increased +89 bps to 13.18% during the March 2023 half. Key drivers of the movement in the CET1 ratio were:

  - APRA Capital Reform impacts, including changes from adoption of APS 115 increased the CET1 ratio by +100 bps.
  - Cash profit (Level 2) increased the CET1 ratio by +88 bps.
  - Higher underlying CRWA usage (excluding foreign currency translation movements, regulatory changes and other one-offs) decreased the CET1 ratio by -29 bps primarily driven by lending growth in the Institutional and Australia Retail divisions.
  - Lower underlying non-CRWA usage (excluding foreign currency translation movements) increased the CET1 ratio by +14 bps driven by decreases in IRRBB RWA, partially offset by increases in market risk RWA.
  - IRB floor adjustment following implementation of APRA Capital Reform on 1 January 2023 decreased the CET1 ratio by -13 bps.
  - Payment of the 2022 final dividend (net of BOP and DRP issuance) reduced the CET1 ratio by -47 bps.
  - ANZ Bank Group surplus capital transfer to ANZGHL reduced CET1 ratio by -6 bps.
  - Other impacts totalling -18 bps primarily reflecting net movements in capital deductions, net imposts, non-cash adjustments, and net other items.

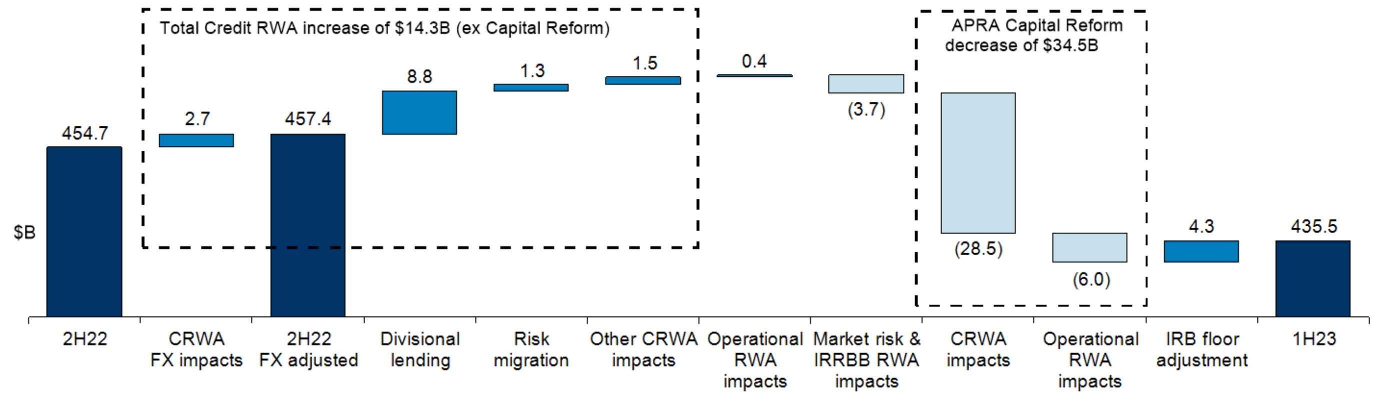
  March 2023 pro-forma CET1 capital ratio of 12.10% includes pro-forma adjustments for:

  - Suncorp Bank acquisition (including IRB floor adjustment) of -114 bps, and
  - NOHC surplus capital of +6 bps.

Total Risk Weighted Assets	As at			Movement	
	Mar 23 $B	Sep 22 $B	Mar 22 $B	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Credit RWA[1]	**345.3**	359.4	348.8	-4%	-1%
Market risk and IRRBB RWA	**43.6**	47.4	41.1	-8%	6%
Operational RWA[2]	**42.3**	47.9	48.0	-12%	-12%
Total	**431.2**	454.7	437.9	-5%	-2%
IRB floor adjustment	**4.3**	n/a	n/a	n/a	n/a
Total RWA	**435.5**	454.7	437.9	-4%	-1%

1. *March 2023 balance relates to credit RWA calculated under revised APS 113 Capital Adequacy: Internal Ratings-based Approach to Credit Risk methodology effective 1 January 2023.*
2. *March 2023 balance relates to operational RWA calculated under APS 115 Capital Adequacy: Standardised Measurement Approach to Operational Risk.*

Total Risk Weighted Assets - March 2023 v September 2022

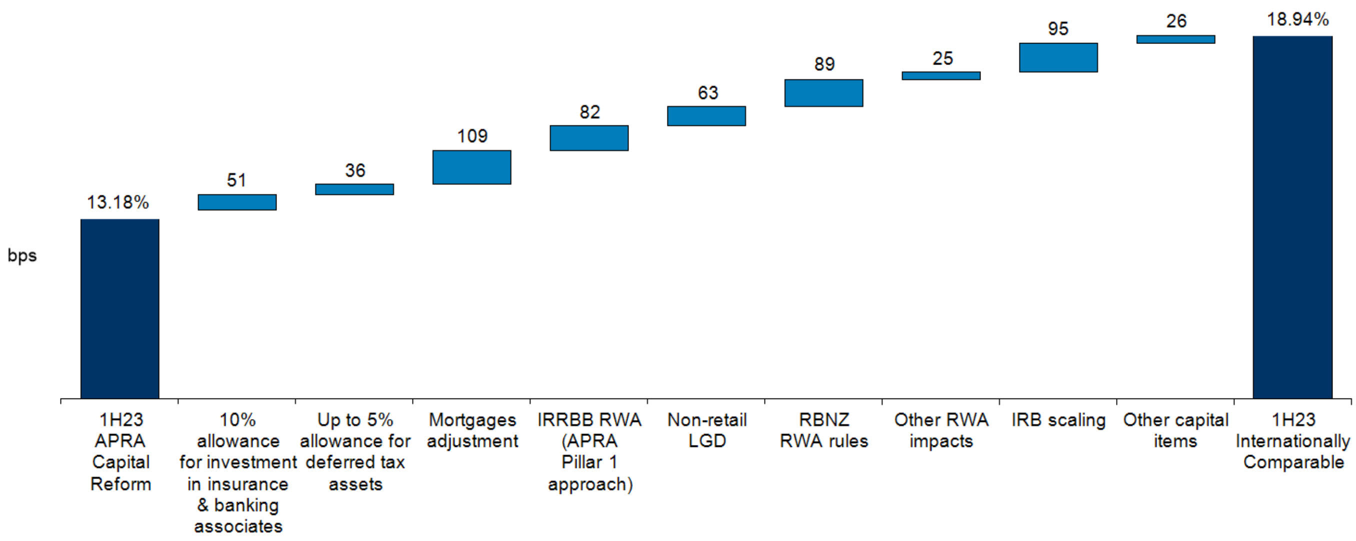


- **March 2023 v September 2022**

  Total RWA decreased $19.2 billion driven by:

  - $14.3 billion increase in total CRWA primarily driven by higher divisional lending reflecting growth in the Institutional and Australia Retail divisions,
  - $3.3 billion decrease in underlying non-CRWA (operational RWA, and market risk and IRRBB RWA) driven by a $6.2 billion reduction in IRRBB RWA reflecting decreases in embedded losses from lower term rates, partially offset by an increase in market risk RWA,
  - $34.5 billion decrease from APRA Capital Reform impacts which reduced CRWA by $28.5 billion and operational RWA by $6.0 billion, and
  - $4.3 billion increase in RWA from IRB floor adjustment, following implementation of APRA Capital Reform on 1 January 2023.

APRA Capital Reform to Internationally Comparable[1] CET1 as at 31 March 2023



1. ANZ's interpretation of the Basel Calculation of RWA for credit risk regulations (effective 1 Jan 2023) documented in The Basel Framework and The Australian Banking Association, Basel 3.1 Capital Comparison Study, March 2023.

The above graph provides a reconciliation of the CET1 ratio under APRA's Capital Reform prudential capital standards to Internationally Comparable Basel 3.1 standards. One of the objectives, although not the primary objective, of the revisions APRA has made is to 'improve transparency, by increasing the alignment of APRA's standards with the international Basel framework' (APRA Information Paper – An Unquestionably Strong Framework for Bank Capital, November 2021). Despite this, material differences in the way credit risks are measured remain between the approaches allowed by APRA and those proposed by Basel. As a result, Australian banks' APRA Capital Reform reported capital ratios will not be directly comparable with the Basel 3.1 capital ratios or directly comparable with many international jurisdictions which are yet to transition to the revised Basel 3.1 Capital Framework. The ANZ Internationally Comparable Basis CET1 ratio incorporates differences between both the Basel Committee Basel 3.1 framework and differences identified in The Australian Banking Association Basel 3.1 Capital Comparison Study (March 2023).

The material differences between APRA Capital Reform and Internationally Comparable 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 subject to a concessional threshold before the deduction is required.

Risk Weighted Assets

- Mortgages RWA
  - Standard residential mortgages - APRA imposes risk weight multipliers of 1.4x against owner occupied, principal and interest mortgages and 1.7x against all other mortgage types as well as a 5% risk weight floor across the total mortgage portfolio. Basel regulations impose no risk weight floors or multipliers.
  - Non-standard residential mortgages - APRA excludes all non-standard residential mortgages from using the IRB approach unlike Basel.
  - Borrowers with multiple mortgaged investment properties – APRA treats these as retail exposures, with a 2.5x multiplier applied if the number of investment properties exceeds 5. Basel allows these exposures to be treated as corporate exposures.
- 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.
- Non-retail LGDs - APRA allows lower LGDs for sovereign (Foundation IRB treatment only) and critical infrastructure operator exposures than Basel but requires higher LGDs for general corporate exposures.
- New Zealand subsidiary lending - APRA requires the CRWA amounts for all credit exposures originated by a New Zealand subsidiary to be calculated using the Reserve Bank of New Zealand (RBNZ) capital rules, except for APRA's overall IRB scalar, which must replace the RBNZ scalar. In comparison with Basel, the RBNZ uses a different supervisory slotting approach for specified asset classes, different LGD floors for farm lending, different LGD floors and correlation factors for residential mortgages, and different LGD and exposure at default (EAD) factors for undrawn non-retail exposures.
- Other RWA impacts - 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 IRB approach to be used when calculating RWA for these exposures. APRA has now allowed the advanced IRB approach for income producing real estate exposures, which were previously required to use slotting.
- Scaling factor on all IRB exposures of 1.1x is applied.

Leverage Ratio

At 31 March 2023, the ANZ Bank Group's APRA Leverage Ratio was 5.3% which is above the 3.5% APRA minimum for IRB ADIs which includes ANZ. The following table summarises the ANZ Bank Group's Leverage Ratio calculation:

	As at			Movement	
	Mar 23 $M	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Tier 1 Capital (net of capital deductions)	**65,564**	63,558	58,001	3%	13%
On-balance sheet exposures (excluding derivatives and securities financing transaction exposures)	**1,013,515**	954,088	928,686	6%	9%
Derivative exposures[1]	**44,612**	51,800	36,474	-14%	22%
Securities financing transaction exposures	**43,756**	35,570	34,223	23%	28%
Other off-balance sheet exposures[1]	**140,999**	126,853	117,904	11%	20%
Total exposure measure	**1,242,882**	1,168,311	1,117,287	6%	11%
APRA Leverage Ratio	**5.3%**	5.4%	5.2%		
Internationally Comparable Leverage Ratio	**5.9%**	6.1%	5.9%		

1. *March 2023 includes impacts from APRA Capital Reform.*

- **March 2023 v September 2022**

  APRA leverage ratio decreased -16 bps during the March 2023 half. Key drivers of the movement were:

  - Net organic capital generation (largely from cash profit and movements in capital deductions), less dividends paid increased the leverage ratio by +12 bps,
  - Additional Tier 1 capital impact (Capital Notes 8 issuance net of Capital Notes 3 redemption) increased the leverage ratio by +5 bps,
  - On-balance sheet exposures growth driven by increased liquid exposures and lending growth in the Institutional and Australia Retail divisions decreased the leverage ratio by -24 bps,
  - Net movements in derivative, securities financing transactions, and other off-balance sheet exposures decreased the leverage ratio by -5 bps, and
  - Net other impacts decreased the leverage ratio by -4 bps.

Capital Management - Other Developments

- **Capital Requirements**

  APRA implemented its final requirements in relation to capital adequacy and credit risk requirements for ADIs on 1 January 2023. However, APRA continues to consult and finalise revisions to a number of remaining prudential standards, being 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 had 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.

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

  The RBNZ's revised 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 Bank New Zealand) still being implemented are as follows:

  - ANZ Bank 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 AT1 Capital. ANZ Bank 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 Bank New Zealand will be able to refinance existing internal AT1 securities to external counterparties. Tier 2 capital must consist of long-term subordinated debt.

  The net impact on ANZ's Level 1 CET1 capital is approximately $1 billion to $1.5 billion between 31 March 2023 and the end of the transition period in 2028 (based on the Group's 31 March 2023 balance sheet). The amount could vary over time subject to changes to the capital position in ANZ Bank New Zealand (e.g. from RWA growth, management buffer requirements, and potential dividend payments).

- **Group regulation - roadmap for review**

  In October 2022, APRA released a roadmap for review of the prudential framework for groups. The review will focus on rationalising requirements, promoting consistency, and providing clarity across different standards that apply to groups. As part of the review, guidelines for licensing new NOHC authorities will be updated. For existing APRA authorised NOHCs, there will be no immediate changes, although APRA will seek to ensure new or adjusted NOHC license conditions are applied in a consistent manner. The review will be multi-year, finishing in 2025.

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Divisional Performance

During the March 2023 half, the Group operated on a divisional structure with six divisions: Australia Retail, Australia Commercial, Institutional, New Zealand, Pacific, and Group Centre. For further information on the composition of divisions, refer to the Definitions on page 134.

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

- Business Restructure - the non-banking businesses held in the Australia Commercial and Institutional divisions were transferred to the Group Centre division. As a result of this transfer, Group Centre division holds all interests in the ANZ Non-Bank Group.
- Corporate customer re-segmentation - certain business and property finance customers were transferred from the New Zealand division to the Institutional division to better align customer needs with the right support and expertise delivery.
- Cost reallocations - certain costs were reallocated across the Australia Retail, Australia Commercial, Institutional and Group Centre divisions.

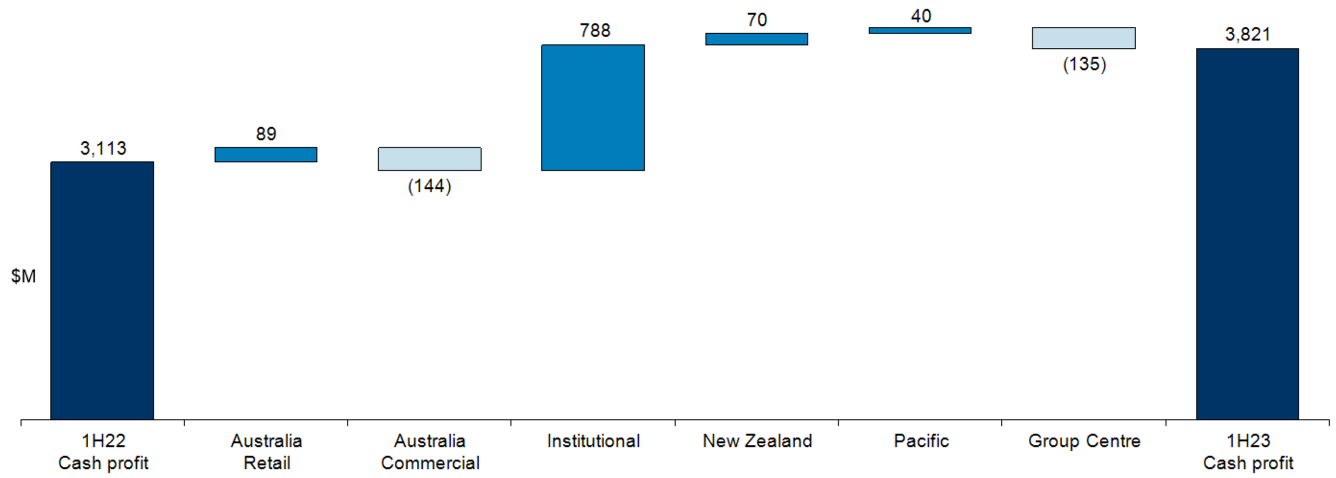
Other than those described above, there have been no other significant changes.

The divisions reported are consistent with internal reporting provided to the chief operating decision maker, being the Chief Executive Officer.

The Divisional Results section is reported on a cash profit basis for continuing operations. A number of large/notable items are included in the Divisional Results, refer to pages 12 to 16 for further details.

Divisional Performance

Cash profit by division - March 2023 Half Year v March 2022 Half Year



March 2023 Half Year	Australia Retail $M	Australia Commercial $M	Institutional $M	New Zealand $M	Pacific $M	Group Centre $M	Group $M
Net interest income	3,018	1,632	2,071	1,582	62	138	**8,503**
Other operating income	281	175	1,373	199	40	(43)	**2,025**
Operating income	3,299	1,807	3,444	1,781	102	95	**10,528**
Operating expenses	(1,745)	(685)	(1,328)	(630)	(74)	(535)	**(4,997)**
Cash profit/(loss) before credit impairment and income tax	1,554	1,122	2,116	1,151	28	(440)	**5,531**
Credit impairment (charge)/release	(82)	(66)	74	(75)	16	-	**(133)**
Cash profit/(loss) before income tax	1,472	1,056	2,190	1,076	44	(440)	**5,398**
Income tax expense and non-controlling interests	(446)	(317)	(593)	(302)	(10)	91	**(1,577)**
Cash profit/(loss) from continuing operations	1,026	739	1,597	774	34	(349)	**3,821**

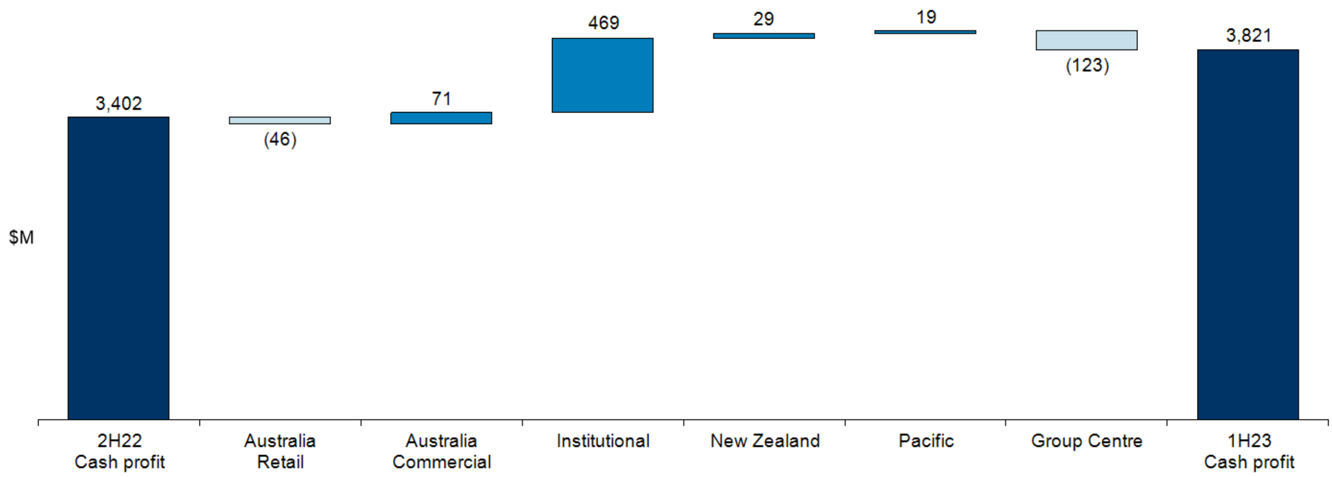
March 2022 Half Year	Australia Retail $M	Australia Commercial $M	Institutional $M	New Zealand $M	Pacific $M	Group Centre $M	Group $M
Net interest income	2,706	1,158	1,772	1,354	46	64	**7,100**
Other operating income	269	477	783	244	34	41	**1,848**
Operating income	2,975	1,635	2,555	1,598	80	105	**8,948**
Operating expenses	(1,741)	(649)	(1,273)	(651)	(80)	(397)	**(4,791)**
Cash profit/(loss) before credit impairment and income tax	1,234	986	1,282	947	-	(292)	**4,157**
Credit impairment (charge)/release	113	122	25	31	(3)	(4)	**284**
Cash profit/(loss) before income tax	1,347	1,108	1,307	978	(3)	(296)	**4,441**
Income tax expense and non-controlling interests	(410)	(225)	(498)	(274)	(3)	82	**(1,328)**
Cash profit/(loss) from continuing operations	937	883	809	704	(6)	(214)	**3,113**

March 2023 Half Year v March 2022 Half Year

	Australia Retail	Australia Commercial	Institutional	New Zealand	Pacific	Group Centre	Group
Net interest income	12%	41%	17%	17%	35%	large	**20%**
Other operating income	4%	-63%	75%	-18%	18%	large	**10%**
Operating income	11%	11%	35%	11%	28%	-10%	**18%**
Operating expenses	0%	6%	4%	-3%	-8%	35%	**4%**
Cash profit/(loss) before credit impairment and income tax	26%	14%	65%	22%	n/a	51%	**33%**
Credit impairment (charge)/release	large	large	large	large	large	large	**large**
Cash profit/(loss) before income tax	9%	-5%	68%	10%	large	49%	**22%**
Income tax expense and non-controlling interests	9%	41%	19%	10%	large	11%	**19%**
Cash profit/(loss) from continuing operations	9%	-16%	97%	10%	large	63%	**23%**

Divisional Performance

Cash profit by division - March 2023 Half Year v September 2022 Half Year



March 2023 Half Year	Australia Retail $M	Australia Commercial $M	Institutional $M	New Zealand $M	Pacific $M	Group Centre $M	Group $M
Net interest income	3,018	1,632	2,071	1,582	62	138	**8,503**
Other operating income	281	175	1,373	199	40	(43)	**2,025**
Operating income	3,299	1,807	3,444	1,781	102	95	**10,528**
Operating expenses	(1,745)	(685)	(1,328)	(630)	(74)	(535)	**(4,997)**
Cash profit/(loss) before credit impairment and income tax	1,554	1,122	2,116	1,151	28	(440)	**5,531**
Credit impairment (charge)/release	(82)	(66)	74	(75)	16	-	**(133)**
Cash profit/(loss) before income tax	1,472	1,056	2,190	1,076	44	(440)	**5,398**
Income tax expense and non-controlling interests	(446)	(317)	(593)	(302)	(10)	91	**(1,577)**
Cash profit/(loss) from continuing operations	1,026	739	1,597	774	34	(349)	**3,821**

September 2022 Half Year	Australia Retail $M	Australia Commercial $M	Institutional $M	New Zealand $M	Pacific $M	Group Centre $M	Group $M
Net interest income	2,821	1,410	1,925	1,517	50	51	**7,774**
Other operating income	353	185	868	216	34	169	**1,825**
Operating income	3,174	1,595	2,793	1,733	84	220	**9,599**
Operating expenses	(1,656)	(652)	(1,293)	(622)	(73)	(492)	**(4,788)**
Cash profit/(loss) before credit impairment and income tax	1,518	943	1,500	1,111	11	(272)	**4,811**
Credit impairment (charge)/release	16	11	2	(76)	9	(14)	**(52)**
Cash profit/(loss) before income tax	1,534	954	1,502	1,035	20	(286)	**4,759**
Income tax expense and non-controlling interests	(462)	(286)	(374)	(290)	(5)	60	**(1,357)**
Cash profit/(loss) from continuing operations	1,072	668	1,128	745	15	(226)	**3,402**

March 2023 Half Year v September 2022 Half Year

	Australia Retail	Australia Commercial	Institutional	New Zealand	Pacific	Group Centre	Group
Net interest income	7%	16%	8%	4%	24%	large	**9%**
Other operating income	-20%	-5%	58%	-8%	18%	large	**11%**
Operating income	4%	13%	23%	3%	21%	-57%	**10%**
Operating expenses	5%	5%	3%	1%	1%	9%	**4%**
Cash profit/(loss) before credit impairment and income tax	2%	19%	41%	4%	large	62%	**15%**
Credit impairment (charge)/release	large	large	large	-1%	78%	large	**large**
Cash profit/(loss) before income tax	-4%	11%	46%	4%	large	54%	**13%**
Income tax expense and non-controlling interests	-3%	11%	59%	4%	large	52%	**16%**
Cash profit/(loss) from continuing operations	-4%	11%	42%	4%	large	54%	**12%**

Divisional Performance

Key Balance Sheet Metrics by division

	As at			Movement	
Net Loans and Advances	**Mar 23 $B**	**Sep 22 $B**	**Mar 22 $B**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Australia Retail	**300.6**	290.3	284.6	4%	6%
Australia Commercial	**59.9**	59.7	57.6	0%	4%
Institutional[1]	**208.3**	207.2	188.2	0%	11%
New Zealand[1]	**120.3**	113.3	116.4	6%	3%
Pacific[1]	**1.7**	1.8	1.7	-6%	0%
Group Centre	**(0.7)**	0.1	2.9	large	large
Total	**690.1**	672.4	651.4	3%	6%
Customer Deposits					
Australia Retail	**156.4**	150.0	147.0	4%	6%
Australia Commercial	**113.0**	112.2	116.4	1%	-3%
Institutional[1]	**278.1**	262.5	247.1	6%	13%
New Zealand[1]	**98.0**	92.0	96.8	7%	1%
Pacific[1]	**3.6**	3.8	3.8	-5%	-5%
Group Centre	**(0.5)**	(0.1)	-	large	n/a
Total	**648.6**	620.4	611.1	5%	6%
Risk Weighted Assets					
Australia Retail	**117.8**	125.5	118.8	-6%	-1%
Australia Commercial	**47.4**	54.0	51.6	-12%	-8%
Institutional	**183.1**	208.1	198.7	-12%	-8%
New Zealand	**71.7**	57.7	59.8	24%	20%
Pacific	**4.1**	3.9	3.6	5%	14%
Group Centre	**11.3**	5.4	5.4	large	large
Total	**435.5**	454.7	437.9	-4%	-1%

	Half Year		
Return on Average Risk Weighted Assets - cash continuing operations	**Mar 23**	**Sep 22**	**Mar 22**
Australia Retail	**1.7%**	1.8%	1.6%
Australia Commercial	**2.8%**	2.5%	3.4%
Institutional	**1.6%**	1.1%	0.8%
New Zealand	**2.4%**	2.5%	2.4%
Pacific	**1.8%**	0.8%	(0.3%)
Group Centre	**(10.2%)**	(8.4%)	(8.5%)
Total	**1.7%**	1.5%	1.5%

1. *Refer to pages 36 and 37 for Net loans and advances and customer deposits movements excluding the impact of foreign currency translation.*

Australia Retail
Maile Carnegie

	Half Year			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Net interest income	**3,018**	2,821	2,706	7%	12%
Other operating income	**281**	353	269	-20%	4%
Operating income	**3,299**	3,174	2,975	4%	11%
Operating expenses	**(1,745)**	(1,656)	(1,741)	5%	0%
Cash profit before credit impairment and income tax	**1,554**	1,518	1,234	2%	26%
Credit impairment (charge)/release	**(82)**	16	113	large	large
Cash profit before income tax	**1,472**	1,534	1,347	-4%	9%
Income tax expense and non-controlling interests	**(446)**	(462)	(410)	-3%	9%
Cash profit	**1,026**	1,072	937	-4%	9%
Balance Sheet					
Net loans and advances	**300,581**	290,322	284,548	4%	6%
Other external assets	**3,202**	2,554	2,756	25%	16%
External assets	**303,783**	292,876	287,304	4%	6%
Customer deposits	**156,374**	149,953	147,000	4%	6%
Other external liabilities	**3,854**	3,541	3,732	9%	3%
External liabilities	**160,228**	153,494	150,732	4%	6%
Risk weighted assets	**117,844**	125,517	118,797	-6%	-1%
Average gross loans and advances	**297,255**	287,110	285,426	4%	4%
Average deposits and other borrowings	**152,392**	147,689	143,888	3%	6%
Ratios					
Return on average assets	**0.69%**	0.74%	0.65%		
Net interest margin	**2.39%**	2.29%	2.21%		
Operating expenses to operating income	**52.9%**	52.2%	58.5%		
Operating expenses to average assets	**1.17%**	1.14%	1.22%		
Individually assessed credit impairment charge/(release)	**32**	(5)	45	large	-29%
Individually assessed credit impairment charge/(release) as a % of average GLA[1]	**0.02%**	(0.00%)	0.03%		
Collectively assessed credit impairment charge/(release)	**50**	(11)	(158)	large	large
Collectively assessed credit impairment charge/(release) as a % of average GLA[1]	**0.03%**	(0.01%)	(0.11%)		
Gross impaired assets	**415**	390	324	6%	28%
Gross impaired assets as a % of GLA	**0.14%**	0.13%	0.11%		
Total full time equivalent staff (FTE)	**11,199**	11,107	11,475	1%	-2%

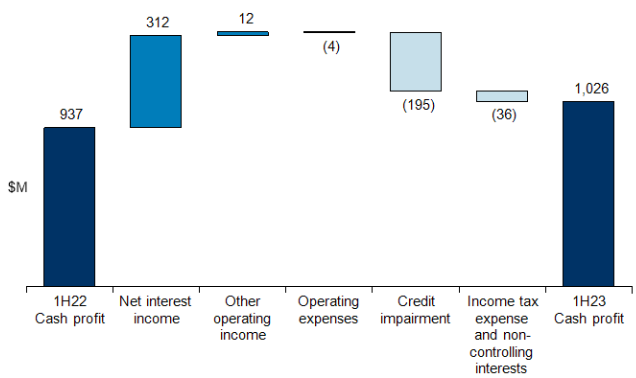
1. *Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Performance March 2023 v March 2022

Lending volumes increased driven by home loan growth, partially offset by lower unsecured lending.

- Net interest margin increased driven by favourable deposit margins from a rising interest rate environment, favourable lending mix with a shift towards higher margin variable home loans and higher earnings on capital and replicating portfolio. This was partially offset by asset margin contraction from competitive pressure, unfavourable deposit mix with a shift towards lower margin term deposits and higher net funding costs.
- Other operating income increased driven by higher cards revenue reflecting an increase in consumer spending, new home loan offset account fees, and lower customer remediation, partially offset by lower insurance related income.
- Operating expenses were broadly stable. Inflationary pressure and higher ANZ Plus run costs were offset by lower customer remediation, simplification initiatives, and a reduction in regulatory and compliance initiatives.
- Credit impairment charge increased driven by higher collectively assessed credit impairment, partially offset by lower individually assessed credit impairment due to subdued delinquency flows.

Cash Profit March 2023 v March 2022



Australia Retail

Maile Carnegie

Individually assessed credit impairment charge/(release)

	Half Year			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Home Loans	-	(13)	5	large	large
Cards and Personal Loans	31	7	39	large	-21%
Deposits and Payments[1]	1	1	1	0%	0%
Individually assessed credit impairment charge/(release)	**32**	**(5)**	**45**	**large**	**-29%**

Collectively assessed credit impairment charge/(release)

	Half Year			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Home Loans	30	3	(122)	large	large
Cards and Personal Loans	19	(15)	(37)	large	large
Deposits and Payments[1]	1	1	1	0%	0%
Collectively assessed credit impairment charge/(release)	**50**	**(11)**	**(158)**	**large**	**large**

Net loans and advances

	As at			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Home Loans	294,681	284,362	278,443	4%	6%
Cards and Personal Loans	5,865	5,926	6,070	-1%	-3%
Deposits and Payments[1]	35	34	35	3%	0%
Net loans and advances	**300,581**	**290,322**	**284,548**	**4%**	**6%**

Customer deposits

	As at			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Home Loans[2]	43,771	43,284	41,346	1%	6%
Cards and Personal Loans	206	217	196	-5%	5%
Deposits and Payments	112,397	106,452	105,458	6%	7%
Customer deposits	**156,374**	**149,953**	**147,000**	**4%**	**6%**

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 Commercial

Clare Morgan

	Half Year			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Net interest income	**1,632**	1,410	1,158	16%	41%
Other operating income	**175**	185	477	-5%	-63%
Operating income	**1,807**	1,595	1,635	13%	11%
Operating expenses	**(685)**	(652)	(649)	5%	6%
Cash profit before credit impairment and income tax	**1,122**	943	986	19%	14%
Credit impairment (charge)/release	**(66)**	11	122	large	large
Cash profit before income tax	**1,056**	954	1,108	11%	-5%
Income tax expense and non-controlling interests	**(317)**	(286)	(225)	11%	41%
Cash profit	**739**	668	883	11%	-16%
Balance Sheet					
Net loans and advances	**59,911**	59,727	57,625	0%	4%
Other external assets	**316**	256	197	23%	60%
External assets	**60,227**	59,983	57,822	0%	4%
Customer deposits	**113,011**	112,195	116,420	1%	-3%
Other external liabilities	**6,031**	6,160	6,392	-2%	-6%
External liabilities	**119,042**	118,355	122,812	1%	-3%
Risk weighted assets	**47,359**	54,043	51,605	-12%	-8%
Average gross loans and advances	**61,030**	59,794	58,441	2%	4%
Average deposits and other borrowings	**113,276**	115,269	114,924	-2%	-1%
Ratios					
Return on average assets	**1.24%**	1.09%	1.46%		
Net interest margin[1]	**2.72%**	2.30%	1.90%		
Operating expenses to operating income	**37.9%**	40.9%	39.7%		
Operating expenses to average assets	**1.15%**	1.07%	1.07%		
Individually assessed credit impairment charge/(release)	**9**	(6)	43	large	-79%
Individually assessed credit impairment charge/(release) as a % of average GLA[2]	**0.03%**	(0.02%)	0.15%		
Collectively assessed credit impairment charge/(release)	**57**	(5)	(165)	large	large
Collectively assessed credit impairment charge/(release) as a % of average GLA[2]	**0.19%**	(0.02%)	(0.57%)		
Gross impaired assets	**288**	360	533	-20%	-46%
Gross impaired assets as a % of GLA	**0.47%**	0.59%	0.91%		
Total full time equivalent staff (FTE)	**3,607**	3,551	3,528	2%	2%

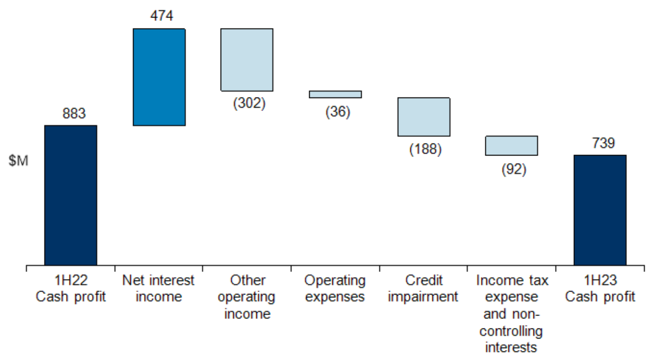
1. *Australia Commercial division generates positive net interest income from surplus deposits held. Accordingly, $59.3 billion of average deposits for the March 2023 half (Sep 22 half: $62.8 billion; Mar 22 half: $64.1 billion) have been included within average net interest earning assets for the net interest margin calculation to align with internal management reporting view.*
2. *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 2023 v March 2022

Lending volumes increased driven by Specialist Business lending growth.

- Net interest margin increased driven by favourable deposit margins from a rising interest rate environment and higher earnings on capital and replicating portfolio. This was partially offset by unfavourable deposit mix with a shift towards lower margin term deposits, higher net funding costs and asset margin contraction from competitive pressure.
- Other operating income decreased driven by the gain on sale relating to the ANZ Worldline partnership in the March 2022 half and lower impact of divested business results. This was partially offset by the loss on sale of the financial planning and advice business in the March 2022 half.
- Operating expenses increased driven by inflationary pressure, hiring of frontline FTE and higher strategic initiatives spend, partially offset by lower costs post business divestment.
- Credit impairment charge increased driven by higher collectively assessed credit impairment, partially offset by lower individually assessed credit impairment charge due to subdued delinquency flows.

Cash Profit March 2023 v March 2022



Australia Commercial
Clare Morgan

Individually assessed credit impairment charge/(release)

	Half Year			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
SME Banking	10	4	47	large	-79%
Specialist Business	(1)	(10)	(5)	-90%	-80%
Central Functions	-	-	1	n/a	large
Individually assessed credit impairment charge/(release)	**9**	**(6)**	**43**	**large**	**-79%**

Collectively assessed credit impairment charge/(release)

	Half Year			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
SME Banking	50	(30)	(156)	large	large
Specialist Business	7	25	(9)	-72%	large
Central Functions	-	-	-	n/a	n/a
Collectively assessed credit impairment charge/(release)	**57**	**(5)**	**(165)**	**large**	**large**

Net loans and advances

	As at			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
SME Banking[1]	38,602	38,573	39,128	0%	-1%
Specialist Business	20,082	19,585	17,781	3%	13%
Central Functions[1]	1,227	1,569	716	-22%	71%
Net loans and advances	**59,911**	**59,727**	**57,625**	**0%**	**4%**

Customer deposits

	As at			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
SME Banking	76,994	77,135	78,464	0%	-2%
Specialist Business	36,006	35,048	37,939	3%	-5%
Central Functions	11	12	17	-8%	-35%
Customer deposits	**113,011**	**112,195**	**116,420**	**1%**	**-3%**

1. *During the September 2022 half, the standalone asset finance business has been reclassified from SME Banking to Central Functions on a prospective basis.*

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	Half Year			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Net interest income	**2,071**	1,925	1,772	8%	17%
Other operating income	**1,373**	868	783	58%	75%
Operating income	**3,444**	2,793	2,555	23%	35%
Operating expenses	**(1,328)**	(1,293)	(1,273)	3%	4%
Cash profit before credit impairment and income tax	**2,116**	1,500	1,282	41%	65%
Credit impairment (charge)/release	**74**	2	25	large	large
Cash profit before income tax	**2,190**	1,502	1,307	46%	68%
Income tax expense and non-controlling interests	**(593)**	(374)	(498)	59%	19%
Cash profit	**1,597**	1,128	809	42%	97%
Balance Sheet					
Net loans and advances	**208,265**	207,241	188,177	0%	11%
Other external assets	**317,483**	336,825	281,506	-6%	13%
External assets	**525,748**	544,066	469,683	-3%	12%
Customer deposits	**278,089**	262,534	247,173	6%	13%
Other deposits and borrowings	**89,429**	83,230	84,845	7%	5%
Deposits and other borrowings	**367,518**	345,764	332,018	6%	11%
Other external liabilities	**83,246**	127,350	88,208	-35%	-6%
External liabilities	**450,764**	473,114	420,226	-5%	7%
Risk weighted assets	**183,125**	208,119	198,669	-12%	-8%
Average gross loans and advances	**214,883**	196,195	183,890	10%	17%
Average deposits and other borrowings	**355,905**	341,058	327,112	4%	9%
Ratios					
Return on average assets	**0.59%**	0.44%	0.35%		
Net interest margin	**0.91%**	0.91%	0.88%		
Net interest margin (excluding Markets)	**2.26%**	2.03%	1.82%		
Operating expenses to operating income	**38.6%**	46.3%	49.8%		
Operating expenses to average assets	**0.49%**	0.50%	0.55%		
Individually assessed credit impairment charge/(release)	**(79)**	(15)	1	large	large
Individually assessed credit impairment charge/(release) as a % of average GLA[1]	**(0.07%)**	(0.02%)	0.00%		
Collectively assessed credit impairment charge/(release)	**5**	13	(26)	-62%	large
Collectively assessed credit impairment charge/(release) as a % of average GLA[1]	**0.00%**	0.01%	(0.03%)		
Gross impaired assets	**302**	425	683	-29%	-56%
Gross impaired assets as a % of GLA	**0.14%**	0.20%	0.36%		
Total full time equivalent staff (FTE)	**6,353**	6,316	6,323	1%	0%

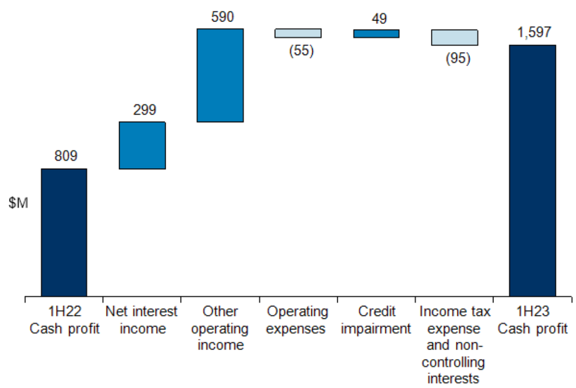
1. *Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Performance March 2023 v March 2022

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

- Net interest margin ex-Markets increased driven by favourable deposit margins from a rising interest rate environment and higher earnings on capital and replicating portfolio.
- Other operating income increased primarily driven by higher Markets revenues from increased customer activity and more favourable trading conditions.
- Operating expenses increased driven by inflationary pressure and higher technology costs, partially offset by lower impact of divested business.
- Credit impairment release increased driven by release of individually assessed credit impairment due to significant write-backs and recoveries, partially offset by increase in collectively assessed credit impairment.
- Income tax expense in the March 2022 half included the dividend withholding tax on the dividend payment from ANZ PNG to ANZBGL.

Cash Profit March 2023 v March 2022



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Institutional by Geography

	Half Year			Movement	
Australia	**Mar 23 $M**	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Net interest income	**844**	1,021	947	-17%	-11%
Other operating income	**647**	264	276	large	large
Operating income	**1,491**	1,285	1,223	16%	22%
Operating expenses	**(610)**	(595)	(603)	3%	1%
Cash profit before credit impairment and income tax	**881**	690	620	28%	42%
Credit impairment (charge)/release	**129**	(31)	39	large	large
Cash profit before income tax	**1,010**	659	659	53%	53%
Income tax expense and non-controlling interests	**(303)**	(199)	(201)	52%	51%
Cash profit	**707**	460	458	54%	54%
Individually assessed credit impairment charge/(release)	**(86)**	(1)	(2)	large	large
Collectively assessed credit impairment charge/(release)	**(43)**	32	(37)	large	16%
Net loans and advances	**113,981**	111,117	98,552	3%	16%
Customer deposits	**100,559**	100,023	91,791	1%	10%
Risk weighted assets	**86,459**	106,897	101,970	-19%	-15%
International and PNG					
Net interest income	**908**	623	525	46%	73%
Other operating income	**560**	470	401	19%	40%
Operating income	**1,468**	1,093	926	34%	59%
Operating expenses	**(614)**	(587)	(551)	5%	11%
Cash profit before credit impairment and income tax	**854**	506	375	69%	large
Credit impairment (charge)/release	**(19)**	12	(3)	large	large
Cash profit before income tax	**835**	518	372	61%	large
Income tax expense and non-controlling interests	**(193)**	(84)	(220)	large	-12%
Cash profit	**642**	434	152	48%	large
Individually assessed credit impairment charge/(release)	**(5)**	(22)	(6)	-77%	-17%
Collectively assessed credit impairment charge/(release)	**24**	10	9	large	large
Net loans and advances	**76,502**	79,561	69,970	-4%	9%
Customer deposits	**153,480**	139,707	131,913	10%	16%
Risk weighted assets	**72,458**	77,427	71,296	-6%	2%
New Zealand					
Net interest income	**319**	281	300	14%	6%
Other operating income	**166**	134	106	24%	57%
Operating income	**485**	415	406	17%	19%
Operating expenses	**(104)**	(111)	(119)	-6%	-13%
Cash profit before credit impairment and income tax	**381**	304	287	25%	33%
Credit impairment (charge)/release	**(36)**	21	(11)	large	large
Cash profit before income tax	**345**	325	276	6%	25%
Income tax expense and non-controlling interests	**(97)**	(91)	(77)	7%	26%
Cash profit	**248**	234	199	6%	25%
Individually assessed credit impairment charge/(release)	**12**	8	9	50%	33%
Collectively assessed credit impairment charge/(release)	**24**	(29)	2	large	large
Net loans and advances	**17,782**	16,563	19,655	7%	-10%
Customer deposits	**24,050**	22,804	23,469	5%	2%
Risk weighted assets	**24,208**	23,795	25,403	2%	-5%

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Individually assessed credit impairment charge/(release)	Half Year			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Transaction Banking	**(2)**	(15)	(8)	-87%	-75%
Corporate Finance	**(77)**	-	9	n/a	large
Markets	**-**	-	-	n/a	n/a
Individually assessed credit impairment charge/(release)	**(79)**	**(15)**	**1**	**large**	**large**

Collectively assessed credit impairment charge/(release)	Half Year			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Transaction Banking	**1**	(1)	(20)	large	large
Corporate Finance	**2**	11	(1)	-82%	large
Markets	**2**	3	(5)	-33%	large
Collectively assessed credit impairment charge/(release)	**5**	**13**	**(26)**	**-62%**	**large**

Net loans and advances	As at			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Transaction Banking	18,732	21,062	18,773	-11%	0%
Corporate Finance	148,520	145,475	135,735	2%	9%
Markets	40,950	40,656	33,655	1%	22%
Central Functions	63	48	14	31%	large
Net loans and advances	**208,265**	**207,241**	**188,177**	**0%**	**11%**

Customer deposits	As at			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Transaction Banking	148,314	153,477	141,956	-3%	4%
Corporate Finance	1,065	1,842	1,554	-42%	-31%
Markets	128,414	106,342	102,006	21%	26%
Central Functions	296	873	1,657	-66%	-82%
Customer deposits	**278,089**	**262,534**	**247,173**	**6%**	**13%**

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March 2023 Half Year	Transaction Banking $M	Corporate Finance $M	Markets $M	Central Functions $M	Total $M
Net interest income	753	1,153	164	1	**2,071**
Other operating income	352	43	985	(7)	**1,373**
Operating income	1,105	1,196	1,149	(6)	**3,444**
Operating expenses	(407)	(340)	(545)	(36)	**(1,328)**
Cash profit/(loss) before credit impairment and income tax	698	856	604	(42)	**2,116**
Credit impairment (charge)/release	1	75	(2)	-	**74**
Cash profit/(loss) before income tax	699	931	602	(42)	**2,190**
Income tax expense and non-controlling interests	(184)	(261)	(164)	16	**(593)**
Cash profit/(loss)	515	670	438	(26)	**1,597**
Individually assessed credit impairment charge/(release)	(2)	(77)	-	-	**(79)**
Collectively assessed credit impairment charge/(release)	1	2	2	-	**5**
Net loans and advances	18,732	148,520	40,950	63	**208,265**
Customer deposits	148,314	1,065	128,414	296	**278,089**
Risk weighted assets	27,719	99,271	54,954	1,181	**183,125**
March 2022 Half Year					
Net interest income	322	1,029	416	5	1,772
Other operating income	335	42	396	10	783
Operating income	657	1,071	812	15	2,555
Operating expenses	(343)	(332)	(570)	(28)	(1,273)
Cash profit/(loss) before credit impairment and income tax	314	739	242	(13)	1,282
Credit impairment (charge)/release	28	(8)	5	-	25
Cash profit/(loss) before income tax	342	731	247	(13)	1,307
Income tax expense and non-controlling interests	(98)	(203)	(65)	(132)	(498)
Cash profit/(loss)	244	528	182	(145)	809
Individually assessed credit impairment charge/(release)	(8)	9	-	-	1
Collectively assessed credit impairment charge/(release)	(20)	(1)	(5)	-	(26)
Net loans and advances	18,773	135,735	33,655	14	188,177
Customer deposits	141,956	1,554	102,006	1,657	247,173
Risk weighted assets	25,425	119,660	52,138	1,446	198,669
March 2023 Half Year v March 2022 Half Year					
Net interest income	large	12%	-61%	-80%	17%
Other operating income	5%	2%	large	large	75%
Operating income	68%	12%	42%	large	35%
Operating expenses	19%	2%	-4%	29%	4%
Cash profit/(loss) before credit impairment and income tax	large	16%	large	large	65%
Credit impairment (charge)/release	-96%	large	large	n/a	large
Cash profit/(loss) before income tax	large	27%	large	large	68%
Income tax expense and non-controlling interests	88%	29%	large	large	19%
Cash profit/(loss)	large	27%	large	-82%	97%
Individually assessed credit impairment charge/(release)	-75%	large	n/a	n/a	large
Collectively assessed credit impairment charge/(release)	large	large	large	n/a	large
Net loans and advances	0%	9%	22%	large	11%
Customer deposits	4%	-31%	26%	-82%	13%
Risk weighted assets	9%	-17%	5%	-18%	-8%

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March 2023 Half Year	Transaction Banking $M	Corporate Finance $M	Markets $M	Central Functions $M	Total $M
Net interest income	753	1,153	164	1	**2,071**
Other operating income	352	43	985	(7)	**1,373**
Operating income	1,105	1,196	1,149	(6)	**3,444**
Operating expenses	(407)	(340)	(545)	(36)	**(1,328)**
Cash profit/(loss) before credit impairment and income tax	698	856	604	(42)	**2,116**
Credit impairment (charge)/release	1	75	(2)	-	**74**
Cash profit/(loss) before income tax	699	931	602	(42)	**2,190**
Income tax expense and non-controlling interests	(184)	(261)	(164)	16	**(593)**
Cash profit/(loss)	515	670	438	(26)	**1,597**
Individually assessed credit impairment charge/(release)	(2)	(77)	-	-	**(79)**
Collectively assessed credit impairment charge/(release)	1	2	2	-	**5**
Net loans and advances	18,732	148,520	40,950	63	**208,265**
Customer deposits	148,314	1,065	128,414	296	**278,089**
Risk weighted assets	27,719	99,271	54,954	1,181	**183,125**

September 2022 Half Year	Transaction Banking $M	Corporate Finance $M	Markets $M	Central Functions $M	Total $M
Net interest income	557	1,070	291	7	1,925
Other operating income	329	66	464	9	868
Operating income	886	1,136	755	16	2,793
Operating expenses	(335)	(324)	(566)	(68)	(1,293)
Cash profit/(loss) before credit impairment and income tax	551	812	189	(52)	1,500
Credit impairment (charge)/release	16	(11)	(3)	-	2
Cash profit/(loss) before income tax	567	801	186	(52)	1,502
Income tax expense and non-controlling interests	(152)	(217)	(47)	42	(374)
Cash profit/(loss)	415	584	139	(10)	1,128
Individually assessed credit impairment charge/(release)	(15)	-	-	-	(15)
Collectively assessed credit impairment charge/(release)	(1)	11	3	-	13
Net loans and advances	21,062	145,475	40,656	48	207,241
Customer deposits	153,477	1,842	106,342	873	262,534
Risk weighted assets	27,272	121,817	57,813	1,217	208,119

March 2023 Half Year v September 2022 Half Year	Transaction Banking	Corporate Finance	Markets	Central Functions	Total
Net interest income	35%	8%	-44%	-86%	8%
Other operating income	7%	-35%	large	large	58%
Operating income	25%	5%	52%	large	23%
Operating expenses	21%	5%	-4%	-47%	3%
Cash profit/(loss) before credit impairment and income tax	27%	5%	large	-19%	41%
Credit impairment (charge)/release	-94%	large	-33%	n/a	large
Cash profit/(loss) before income tax	23%	16%	large	-19%	46%
Income tax expense and non-controlling interests	21%	20%	large	-62%	59%
Cash profit/(loss)	24%	15%	large	large	42%
Individually assessed credit impairment charge/(release)	-87%	n/a	n/a	n/a	large
Collectively assessed credit impairment charge/(release)	large	-82%	-33%	n/a	-62%
Net loans and advances	-11%	2%	1%	31%	0%
Customer deposits	-3%	-42%	21%	-66%	6%
Risk weighted assets	2%	-19%	-5%	-3%	-12%

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Analysis of Markets operating income[1]

	Half Year			Movement	
Composition of Markets operating income by product	**Mar 23 $M**	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Foreign Exchange	**407**	381	324	7%	26%
Rates	**158**	111	181	42%	-13%
Credit and Capital Markets	**112**	53	32	large	large
Commodities	**80**	30	53	large	51%
Franchise Revenue	**757**	575	590	32%	28%
Balance Sheet[2]	**356**	206	223	73%	60%
Derivative valuation adjustments[3]	**36**	(26)	(1)	large	large
Markets operating income	**1,149**	755	812	52%	42%

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 23 $M**	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Australia	**310**	161	237	93%	31%
International and PNG	**705**	521	479	35%	47%
New Zealand	**134**	73	96	84%	40%
Markets operating income	**1,149**	755	812	52%	42%

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Market risk

Market risk stems from the Group's trading and balance sheet management activities and the impact of changes and correlations between interest rates, foreign exchange rates, credit spreads and volatility in bonds, commodity or equity prices.

The Group manages and controls market risk using Value at Risk (VaR), sensitivity analysis and stress testing. VaR measure the Group's possible daily loss based on historical market movements.

The Group's VaR approach for both traded and non-traded risk is historical simulation using changes in market rates, prices and volatilities over the previous 500 business days to calculate standard VaR and a 1-year stressed period to calculate stressed VaR.

VaR is measured at 99% confidence interval which means there is a 99% chance that a loss will not exceed the VaR for relevant holding period.

Traded market risk

Below are aggregate 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 23 $M	Mar 23 $M	Mar 23 $M	Mar 23 $M	Sep 22 $M	Sep 22 $M	Sep 22 $M	Sep 22 $M
Value at Risk at 99% confidence								
Foreign exchange	**3.9**	**3.9**	**1.6**	**2.6**	1.8	4.8	1.1	2.4
Interest rate	**5.5**	**18.3**	**5.1**	**8.5**	7.9	22.7	5.0	9.5
Credit	**3.9**	**5.9**	**2.5**	**4.1**	2.6	11.8	1.6	4.9
Commodities	**2.6**	**6.6**	**2.0**	**3.1**	4.3	7.0	1.4	2.9
Equity	**-**	**-**	**-**	**-**	-	-	-	-
Diversification benefit	**(7.2)**	**n/a**	**n/a**	**(7.6)**	(7.2)	n/a	n/a	(7.1)
Total VaR	**8.7**	**18.2**	**7.3**	**10.7**	9.4	26.9	5.6	12.6

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 and current valuation of the banking book. 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 23 $M	Mar 23 $M	Mar 23 $M	Mar 23 $M	Sep 22 $M	Sep 22 $M	Sep 22 $M	Sep 22 $M
Value at Risk at 99% confidence								
Australia	**81.2**	**93.2**	**81.2**	**87.8**	78.5	93.4	63.0	76.1
New Zealand	**33.5**	**33.5**	**26.1**	**27.9**	25.4	27.1	20.2	23.9
Rest of World	**25.6**	**26.9**	**23.2**	**25.4**	21.7	38.0	16.8	25.8
Diversification benefit[1]	**(52.8)**	**n/a**	**n/a**	**(45.1)**	(38.1)	n/a	n/a	(33.7)
Total VaR	**87.5**	**101.5**	**87.5**	**96.0**	87.5	104.9	66.8	92.1

Impact of 1% rate shock on the next 12 months' net interest income[2]

	As at	
	Mar 23	Sep 22
As at period end	**0.74%**	1.29%
Maximum exposure	**1.14%**	2.08%
Minimum exposure	**0.61%**	1.15%
Average exposure (in absolute terms)	**0.84%**	1.56%

1. *The diversification benefit reflects risks that offset across categories. The high and low VaR figures reported for each factor did not necessarily occur on the same day as the high and low VaR reported for the Group as a whole. Consequently, a diversification benefit for high and low would not be meaningful and is therefore omitted from the table.*
2. *Modelled 1% overnight parallel positive shift in the yield curve to determine the potential impact on Net interest income over the next 12 months. This is a standard risk measure which assumes the parallel shift is reflected in all wholesale and customer rates.*

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Table reflects NZD for New Zealand (AUD results shown on page 69)

	Half Year			Movement	
	Mar 23 NZD M	**Sep 22 NZD M**	**Mar 22 NZD M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Net interest income	**1,721**	1,674	1,434	3%	20%
Other operating income	**216**	238	259	-9%	-17%
Operating income	**1,937**	1,912	1,693	1%	14%
Operating expenses	**(685)**	(688)	(689)	0%	-1%
Cash profit before credit impairment and income tax	**1,252**	1,224	1,004	2%	25%
Credit impairment (charge)/release	**(82)**	(81)	32	1%	large
Cash profit before income tax	**1,170**	1,143	1,036	2%	13%
Income tax expense and non-controlling interests	**(328)**	(321)	(290)	2%	13%
Cash profit	**842**	822	746	2%	13%
Balance Sheet					
Net loans and advances	**128,433**	128,574	125,249	0%	3%
Other external assets	**3,527**	3,326	3,513	6%	0%
External assets	**131,960**	131,900	128,762	0%	2%
Customer deposits	**104,614**	104,450	104,118	0%	0%
Other deposits and borrowings	**6,571**	5,755	6,692	14%	-2%
Deposits and other borrowings	**111,185**	110,205	110,810	1%	0%
Other external liabilities	**18,655**	20,611	17,970	-9%	4%
External liabilities	**129,840**	130,816	128,780	-1%	1%
Risk weighted assets	**76,609**	65,482	64,356	17%	19%
Average gross loans and advances	**129,088**	128,172	123,689	1%	4%
Average deposits and other borrowings	**111,064**	111,633	107,734	-1%	3%
Net funds management income	**96**	95	101	1%	-5%
Funds under management	**36,928**	34,313	37,358	8%	-1%
Average funds under management	**35,867**	35,875	38,415	0%	-7%
Ratios					
Return on average assets	**1.28%**	1.25%	1.18%		
Net interest margin	**2.67%**	2.61%	2.33%		
Operating expenses to operating income	**35.4%**	36.0%	40.7%		
Operating expenses to average assets	**1.04%**	1.05%	1.09%		
Individually assessed credit impairment charge/(release)	**10**	(4)	(14)	large	large
Individually assessed credit impairment charge/(release) as a % of average GLA[1]	**0.02%**	(0.01%)	(0.02%)		
Collectively assessed credit impairment charge/(release)	**72**	85	(18)	-15%	large
Collectively assessed credit impairment charge/(release) as a % of average GLA[1]	**0.11%**	0.13%	(0.03%)		
Gross impaired assets	**107**	106	121	1%	-12%
Gross impaired assets as a % of GLA	**0.08%**	0.08%	0.10%		
Total full time equivalent staff (FTE)	**6,785**	6,793	6,939	0%	-2%

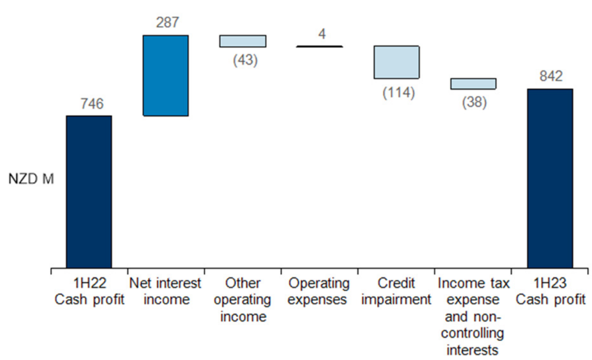
1. *Credit impairment charge/(release) used in the ratio relates to gross loans and advances and off-balance sheet commitments - undrawn and contingent liabilities.*

Performance March 2023 v March 2022

Lending volumes increased driven by home loan and business lending growth.

- Net interest margin increased driven by favourable deposit margins from a rising interest rate environment. This was partially offset by asset margin contraction from competitive pressure and unfavourable deposit mix with a shift towards lower margin term deposits.
- Other operating income decreased driven by gain on sale of government securities in the March 2022 half, and lower funds management fees.
- Credit impairment charge increased driven by increase in collectively assessed credit impairment and increase in individually assessed credit impairment due to lower write-backs.

Cash Profit March 2023 v March 2022



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Individually assessed credit impairment charge/(release)	Half Year			Movement	
	Mar 23 NZD M	Sep 22 NZD M	Mar 22 NZD M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Personal	**7**	**4**	**7**	**75%**	**0%**
Home Loans	2	-	1	n/a	large
Other	5	4	6	25%	-17%
Business	**3**	**(8)**	**(21)**	**large**	**large**
Individually assessed credit impairment charge/(release)	**10**	**(4)**	**(14)**	**large**	**large**

Collectively assessed credit impairment charge/(release)	Half Year			Movement	
	Mar 23 NZD M	Sep 22 NZD M	Mar 22 NZD M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Personal	**43**	**44**	**19**	**-2%**	**large**
Home Loans	52	24	21	large	large
Other	(9)	20	(2)	large	large
Business	**29**	**41**	**(37)**	**-29%**	**large**
Collectively assessed credit impairment charge/(release)	**72**	**85**	**(18)**	**-15%**	**large**

Net loans and advances	As at			Movement	
	Mar 23 NZD M	Sep 22 NZD M	Mar 22 NZD M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Personal	**103,509**	**103,014**	**101,646**	**0%**	**2%**
Home Loans	101,946	101,482	100,159	0%	2%
Other	1,563	1,532	1,487	2%	5%
Business	**24,924**	**25,560**	**23,603**	**-2%**	**6%**
Net loans and advances	**128,433**	**128,574**	**125,249**	**0%**	**3%**

Customer deposits	As at			Movement	
	Mar 23 NZD M	Sep 22 NZD M	Mar 22 NZD M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Personal	86,108	85,391	84,039	1%	2%
Business	18,506	19,059	20,079	-3%	-8%
Customer deposits	**104,614**	**104,450**	**104,118**	**0%**	**0%**

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March 2023 Half Year	Personal NZD M	Business NZD M	Central Functions NZD M	Total NZD M
Net interest income	1,218	496	7	**1,721**
Other operating income	192	26	(2)	**216**
Operating income	1,410	522	5	**1,937**
Operating expenses	(574)	(109)	(2)	**(685)**
Cash profit before credit impairment and income tax	836	413	3	**1,252**
Credit impairment (charge)/release	(50)	(32)	-	**(82)**
Cash profit before income tax	786	381	3	**1,170**
Income tax expense and non-controlling interests	(220)	(107)	(1)	**(328)**
Cash profit	566	274	2	**842**
Individually assessed credit impairment charge/(release)	7	3	-	**10**
Collectively assessed credit impairment charge/(release)	43	29	-	**72**
Net loans and advances	103,509	24,924	-	**128,433**
Customer deposits	86,108	18,506	-	**104,614**
Risk weighted assets	48,199	26,251	2,159	**76,609**
March 2022 Half Year				
Net interest income	1,024	415	(5)	1,434
Other operating income	202	24	33	259
Operating income	1,226	439	28	1,693
Operating expenses	(585)	(102)	(2)	(689)
Cash profit before credit impairment and income tax	641	337	26	1,004
Credit impairment (charge)/release	(26)	58	-	32
Cash profit before income tax	615	395	26	1,036
Income tax expense and non-controlling interests	(173)	(111)	(6)	(290)
Cash profit	442	284	20	746
Individually assessed credit impairment charge/(release)	7	(21)	-	(14)
Collectively assessed credit impairment charge/(release)	19	(37)	-	(18)
Net loans and advances	101,646	23,603	-	125,249
Customer deposits	84,039	20,079	-	104,118
Risk weighted assets	41,571	20,964	1,821	64,356
March 2023 Half Year v March 2022 Half Year				
Net interest income	19%	20%	large	20%
Other operating income	-5%	8%	large	-17%
Operating income	15%	19%	-82%	14%
Operating expenses	-2%	7%	0%	-1%
Cash profit before credit impairment and income tax	30%	23%	-88%	25%
Credit impairment (charge)/release	92%	large	n/a	large
Cash profit before income tax	28%	-4%	-88%	13%
Income tax expense and non-controlling interests	27%	-4%	-83%	13%
Cash profit	28%	-4%	-90%	13%
Individually assessed credit impairment charge/(release)	0%	large	n/a	large
Collectively assessed credit impairment charge/(release)	large	large	n/a	large
Net loans and advances	2%	6%	n/a	3%
Customer deposits	2%	-8%	n/a	0%
Risk weighted assets	16%	25%	19%	19%

New Zealand

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March 2023 Half Year	Personal NZD M	Business NZD M	Central Functions NZD M	Total NZD M
Net interest income	1,218	496	7	**1,721**
Other operating income	192	26	(2)	**216**
Operating income	1,410	522	5	**1,937**
Operating expenses	(574)	(109)	(2)	**(685)**
Cash profit before credit impairment and income tax	836	413	3	**1,252**
Credit impairment (charge)/release	(50)	(32)	-	**(82)**
Cash profit before income tax	786	381	3	**1,170**
Income tax expense and non-controlling interests	(220)	(107)	(1)	**(328)**
Cash profit	566	274	2	**842**
Individually assessed credit impairment charge/(release)	7	3	-	**10**
Collectively assessed credit impairment charge/(release)	43	29	-	**72**
Net loans and advances	103,509	24,924	-	**128,433**
Customer deposits	86,108	18,506	-	**104,614**
Risk weighted assets	48,199	26,251	2,159	**76,609**

September 2022 Half Year	Personal NZD M	Business NZD M	Central Functions NZD M	Total NZD M
Net interest income	1,196	470	8	1,674
Other operating income	212	28	(2)	238
Operating income	1,408	498	6	1,912
Operating expenses	(580)	(106)	(2)	(688)
Cash profit before credit impairment and income tax	828	392	4	1,224
Credit impairment (charge)/release	(48)	(33)	-	(81)
Cash profit before income tax	780	359	4	1,143
Income tax expense and non-controlling interests	(218)	(101)	(2)	(321)
Cash profit	562	258	2	822
Individually assessed credit impairment charge/(release)	4	(8)	-	(4)
Collectively assessed credit impairment charge/(release)	44	41	-	85
Net loans and advances	103,014	25,560	-	128,574
Customer deposits	85,391	19,059	-	104,450
Risk weighted assets	41,710	21,945	1,827	65,482

March 2023 Half Year v September 2022 Half Year	Personal	Business	Central Functions	Total
Net interest income	2%	6%	-13%	3%
Other operating income	-9%	-7%	0%	-9%
Operating income	0%	5%	-17%	1%
Operating expenses	-1%	3%	0%	0%
Cash profit before credit impairment and income tax	1%	5%	-25%	2%
Credit impairment (charge)/release	4%	-3%	n/a	1%
Cash profit before income tax	1%	6%	-25%	2%
Income tax expense and non-controlling interests	1%	6%	-50%	2%
Cash profit	1%	6%	0%	2%
Individually assessed credit impairment charge/(release)	75%	large	n/a	large
Collectively assessed credit impairment charge/(release)	-2%	-29%	n/a	-15%
Net loans and advances	0%	-2%	n/a	0%
Customer deposits	1%	-3%	n/a	0%
Risk weighted assets	16%	20%	18%	17%

New Zealand
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Table reflects AUD for New Zealand
NZD results shown on page 65

	Half Year			Movement	
	Mar 23 $M	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Net interest income	**1,582**	1,517	1,354	4%	17%
Other operating income	**199**	216	244	-8%	-18%
Operating income	**1,781**	1,733	1,598	3%	11%
Operating expenses	**(630)**	(622)	(651)	1%	-3%
Cash profit before credit impairment and income tax	**1,151**	1,111	947	4%	22%
Credit impairment (charge)/release	**(75)**	(76)	31	-1%	large
Cash profit before income tax	**1,076**	1,035	978	4%	10%
Income tax expense and non-controlling interests	**(302)**	(290)	(274)	4%	10%
Cash profit	**774**	745	704	4%	10%
Consisting of:					
Personal	**520**	510	418	2%	24%
Business	**252**	233	269	8%	-6%
Central Functions	**2**	2	17	0%	-88%
Cash profit	**774**	745	704	4%	10%
Balance Sheet					
Net loans and advances	**120,262**	113,288	116,403	6%	3%
Other external assets	**3,303**	2,930	3,264	13%	1%
External assets	**123,565**	116,218	119,667	6%	3%
Customer deposits	**97,958**	92,032	96,765	6%	1%
Other deposits and borrowings	**6,153**	5,070	6,219	21%	-1%
Deposits and other borrowings	**104,111**	97,102	102,984	7%	1%
Other external liabilities	**17,469**	18,161	16,699	-4%	5%
External liabilities	**121,580**	115,263	119,683	5%	2%
Risk weighted assets	**71,735**	57,696	59,810	24%	20%
Average gross loans and advances	**118,683**	115,946	116,794	2%	2%
Average deposits and other borrowings	**102,113**	100,984	101,729	1%	0%
Net funds management income	**88**	86	96	2%	-8%
Funds under management	**34,580**	30,324	34,719	14%	0%
Average funds under management	**32,975**	32,443	36,275	2%	-9%
Ratios					
Return on average assets	**1.28%**	1.25%	1.18%		
Net interest margin	**2.67%**	2.61%	2.33%		
Operating expenses to operating income	**35.4%**	36.0%	40.7%		
Operating expenses to average assets	**1.04%**	1.05%	1.09%		
Individually assessed credit impairment charge/(release)	**9**	(3)	(13)	large	large
Individually assessed credit impairment charge/(release) as a % of average GLA[1]	**0.02%**	(0.01%)	(0.02%)		
Collectively assessed credit impairment charge/(release)	**66**	79	(18)	-16%	large
Collectively assessed credit impairment charge/(release) as a % of average GLA[1]	**0.11%**	0.13%	(0.03%)		
Gross impaired assets	**100**	93	113	8%	-12%
Gross impaired assets as a % of GLA	**0.08%**	0.08%	0.10%		
Total full time equivalent staff (FTE)	**6,785**	6,793	6,939	0%	-2%

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

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	Half Year			Movement	
	Mar 23 $M	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Net interest income	**62**	50	46	24%	35%
Other operating income	**40**	34	34	18%	18%
Operating income	**102**	84	80	21%	28%
Operating expenses	**(74)**	(73)	(80)	1%	-8%
Cash profit/(loss) before credit impairment and income tax	**28**	11	-	large	n/a
Credit impairment (charge)/release	**16**	9	(3)	78%	large
Cash profit/(loss) before income tax	**44**	20	(3)	large	large
Income tax (expense)/benefit and non-controlling interests	**(10)**	(5)	(3)	large	large
Cash profit/(loss)	**34**	15	(6)	large	large
Balance Sheet					
Net loans and advances	**1,661**	1,754	1,664	-5%	0%
Customer deposits	**3,562**	3,776	3,763	-6%	-5%
Risk weighted assets	**4,131**	3,899	3,604	6%	15%
Total full time equivalent staff (FTE)	**1,037**	1,086	1,092	-5%	-5%

Group Centre

	Half Year			Movement	
	Mar 23 $M	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Share of associates' profit/(loss)	**101**	103	73	-2%	38%
Operating income (other)	**(6)**	117	32	large	large
Operating income[1]	**95**	220	105	-57%	-10%
Operating expenses[2]	**(535)**	(492)	(397)	9%	35%
Cash profit/(loss) before credit impairment and income tax	**(440)**	(272)	(292)	62%	51%
Credit impairment (charge)/release	**-**	(14)	(4)	large	large
Cash profit/(loss) before income tax	**(440)**	(286)	(296)	54%	49%
Income tax benefit and non-controlling interests	**91**	60	82	52%	11%
Cash profit/(loss)	**(349)**	(226)	(214)	54%	63%
Risk weighted assets	**11,320**	5,444	5,425	large	large
Total full time equivalent staff (FTE)[3]	**10,821**	10,319	10,329	5%	5%

1. *The March 2023 half includes the loss on reclassification of data centres to held for sale of $43 million. The September 2022 half includes the impact associated with the early termination of the head lease on the 55 Collins Street Melbourne building of $23 million and customer remediation of -$14 million. The March 2022 half Includes a $65 million loss from recycling of foreign currency reserves following dissolution of several entities.*
2. *The March 2023 half includes transaction related costs of $56 million, restructuring expense of $12 million (Sep 22 half: $12 million; Mar 22 half: $6 million). The September 2022 half also includes remediation expense of $22 million and the loss associated with the early termination of the head lease on the 55 Collins Street Melbourne building of $47 million.*
3. *Comparative information has been restated to include FTE of the consolidated investments managed by 1835i Group Pty Ltd (Sep 22: 185; Mar 22: 157).*

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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 and 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 134 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 23 $M	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Statutory profit attributable to shareholders of the Company from continuing operations	**3,547**	3,603	3,535	-2%	0%
Adjustments between statutory profit and cash profit from continuing operations					
Economic hedges	**190**	(196)	(373)	large	large
Revenue and expense hedges	**84**	(5)	(49)	large	large
Total adjustments between statutory profit and cash profit from continuing operations	**274**	(201)	(422)	large	large
Cash profit from continuing operations	**3,821**	3,402	3,113	12%	23%
Statutory profit/(loss) attributable to shareholders of the Company from discontinued operations	**-**	(14)	(5)	large	large
Cash profit	**3,821**	3,388	3,108	13%	23%

Explanation of adjustments between statutory profit and cash profit

- **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 2023 half, the majority of the loss on economic hedges relates to funding related swaps, principally from narrowing USD/EUR currency basis spreads and from the strengthening of AUD and NZD against USD. Further losses were driven by falling AUD yield curves on net pay fixed swap positions.

- **Revenue and expense hedges**

The Group enters into economic hedges to manage exposures from larger foreign exchange denominated revenue and expense streams, primarily NZD and USD (and USD correlated). The loss on revenue and expense hedges in the March 2023 half was mainly due to the depreciation 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 2023 Half Year					
Net interest income	8,503	-	-	-	8,503
Other operating income	1,636	269	120	389	2,025
Operating income	10,139	269	120	389	10,528
Operating expenses	(4,997)	-	-	-	(4,997)
Profit before credit impairment and tax	5,142	269	120	389	5,531
Credit impairment (charge)/release	(133)	-	-	-	(133)
Profit before income tax	**5,009**	**269**	**120**	**389**	**5,398**
Income tax expense and non-controlling interests	(1,462)	(79)	(36)	(115)	(1,577)
Profit after tax from continuing operations	**3,547**	**190**	**84**	**274**	**3,821**
Profit/(Loss) after tax from discontinued operations	-	-	-	-	-
Profit after tax	**3,547**	**190**	**84**	**274**	**3,821**
September 2022 Half Year					
Net interest income	7,774	-	-	-	7,774
Other operating income	2,110	(278)	(7)	(285)	1,825
Operating income	9,884	(278)	(7)	(285)	9,599
Operating expenses	(4,788)	-	-	-	(4,788)
Profit before credit impairment and tax	5,096	(278)	(7)	(285)	4,811
Credit impairment (charge)/release	(52)	-	-	-	(52)
Profit before income tax	**5,044**	**(278)**	**(7)**	**(285)**	**4,759**
Income tax expense and non-controlling interests	(1,441)	82	2	84	(1,357)
Profit after tax from continuing operations	**3,603**	**(196)**	**(5)**	**(201)**	**3,402**
Profit/(Loss) after tax from discontinued operations	(14)	-	-	-	(14)
Profit after tax	**3,589**	**(196)**	**(5)**	**(201)**	**3,388**
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**

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The Directors present their report on the Condensed Consolidated Financial Statements for ANZ Group Holdings Limited (the Company) for the half year ended 31 March 2023.

Directors

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

Directors appointed on 20 December 2022

Mr PD O'Sullivan	Chairman
Mr SC Elliott	Director and Chief Executive Officer
Ms IR Atlas, AO	Director
Ms SJ Halton, AO PSM	Director
Rt Hon Sir JP Key, GNZM AC	Director
Mr JT Macfarlane	Director
Ms CE O'Reilly	Director
Mr JP Smith	Director

The following Directors held office prior to the Company's listing on the ASX and while the Company was dormant. They each ceased office on 20 December 2022:

Dr T Warren	Director
Mr CT Brackenrig	Director
Ms ML Treloar	Director

Establishment of a New Group Organisational Structure

On 3 January 2023, Australia and New Zealand Banking Group Limited (ANZBGL) established by a scheme of arrangement, a non-operating holding company, ANZ Group Holdings Limited (ANZGHL), as the new listed parent holding company of the ANZ Group and implemented a restructure to separate ANZ's banking and certain non-banking businesses into the ANZ Bank Group and ANZ Non-Bank Group (Restructure). The ANZ Bank Group comprises the majority of the businesses and subsidiaries that were held in ANZBGL prior to the Restructure. The ANZ Non-Bank Group comprises banking-adjacent businesses developed or acquired by the ANZ Group to focus on bringing new technology and banking-adjacent services to the ANZ Group's customers, and a separate service company.

On Restructure, each ANZ shareholder received one ANZGHL ordinary share for each ANZ ordinary share that they held prior to the implementation of the Restructure.

Result

The consolidated profit attributable to shareholders of the Company was $3,547 million. Further details are contained in Group Results on pages 19 to 48 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 48 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 118 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

There have been no significant events from 31 March 2023 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

4 May 2023

ANZ Group Holdings Limited

		Half Year			Movement	
	Note	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Interest income		**22,830**	13,902	9,707	64%	large
Interest expense		**(14,327)**	(6,128)	(2,607)	large	large
Net interest income	2	**8,503**	7,774	7,100	9%	20%
Other operating income	2	**1,495**	1,922	2,313	-22%	-35%
Net income from insurance business	2	**40**	85	55	-53%	-27%
Share of associates' profit/(loss)	2, 16	**101**	103	74	-2%	36%
Operating income		**10,139**	9,884	9,542	3%	6%
Operating expenses	3	**(4,997)**	(4,788)	(4,791)	4%	4%
Profit before credit impairment and income tax		**5,142**	5,096	4,751	1%	8%
Credit impairment (charge)/release	9	**(133)**	(52)	284	large	large
Profit before income tax		**5,009**	5,044	5,035	-1%	-1%
Income tax expense	4	**(1,448)**	(1,440)	(1,500)	1%	-3%
Profit after tax from continuing operations		**3,561**	3,604	3,535	-1%	1%
Profit/(Loss) after tax from discontinued operations		**-**	(14)	(5)	large	large
Profit for the period		**3,561**	3,590	3,530	-1%	1%
Comprising:						
Profit attributable to shareholders of the Company		**3,547**	3,589	3,530	-1%	0%
Profit attributable to non-controlling interests	14	**14**	1	-	large	n/a
Earnings per ordinary share (cents) including discontinued operations						
Basic	6	**118.5**	125.4	124.6	-6%	-5%
Diluted	6	**112.8**	117.5	116.7	-4%	-3%
Earnings per ordinary share (cents) from continuing operations						
Basic	6	**118.5**	125.9	124.8	-6%	-5%
Diluted	6	**112.8**	117.9	116.9	-4%	-4%
Dividend per ordinary share (cents)	5	**81**	74	72	9%	13%

The notes appearing on pages 82 to 115 form an integral part of the Condensed Consolidated Financial Statements.

ANZ Group Holdings Limited

	Half Year			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Profit for the period from continuing operations	**3,561**	3,604	3,535	-1%	1%
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Investment securities - equity securities at FVOCI	**62**	(66)	11	large	large
Other reserve movements	**(34)**	28	99	large	large
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation reserve	**792**	16	(775)	large	large
Other reserve movements	**1,073**	(1,549)	(2,631)	large	large
Income tax attributable to the above items	**(306)**	429	743	large	large
Share of associates' other comprehensive income[1]	**8**	(50)	10	large	-20%
Other comprehensive income after tax from continuing operations	**1,595**	(1,192)	(2,543)	large	large
Profit/(Loss) after tax from discontinued operations	**-**	(14)	(5)	large	large
Total comprehensive income for the period	**5,156**	2,398	987	large	large
Comprising total comprehensive income attributable to:					
Shareholders of the Company	**5,112**	2,412	987	large	large
Non-controlling interests	**44**	(14)	-	large	n/a

1. *Share of associates' other comprehensive income includes:*

	Mar 23 half $M	*Sep 22 half $M*	*Mar 22 half $M*
FVOCI reserve gain/(loss)	*2*	*(51)*	*(5)*
Defined benefits gain/(loss)	*6*	*-*	*15*
Foreign currency translation reserve gain/(loss)	*-*	*1*	*-*
Total	***8***	***(50)***	***10***

The notes appearing on pages 82 to 115 form an integral part of the Condensed Consolidated Financial Statements.

ANZ Group Holdings Limited

		As at			Movement	
Assets	**Note**	**Mar 23 $M**	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Cash and cash equivalents[1]		**208,800**	168,132	168,054	24%	24%
Settlement balances owed to ANZ		**7,020**	4,762	7,141	47%	-2%
Collateral paid		**9,245**	12,700	10,764	-27%	-14%
Trading assets		**39,611**	35,237	39,433	12%	0%
Derivative financial instruments		**45,614**	90,174	45,238	-49%	1%
Investment securities		**93,972**	86,153	79,757	9%	18%
Net loans and advances	8	**690,087**	672,407	651,436	3%	6%
Regulatory deposits		**646**	632	661	2%	-2%
Investments in associates		**2,253**	2,181	2,018	3%	12%
Current tax assets		**49**	46	227	7%	-78%
Deferred tax assets		**2,962**	3,384	2,903	-12%	2%
Goodwill and other intangible assets		**4,037**	3,877	4,068	4%	-1%
Premises and equipment		**2,289**	2,431	2,702	-6%	-15%
Other assets		**4,615**	3,613	2,959	28%	56%
Total assets		**1,111,200**	1,085,729	1,017,361	2%	9%
Liabilities						
Settlement balances owed by ANZ		**23,010**	13,766	19,752	67%	16%
Collateral received		**8,002**	16,230	6,716	-51%	19%
Deposits and other borrowings	10	**842,564**	797,281	780,288	6%	8%
Derivative financial instruments		**46,154**	85,149	47,795	-46%	-3%
Current tax liabilities		**347**	829	320	-58%	8%
Deferred tax liabilities		**79**	83	82	-5%	-4%
Payables and other liabilities		**12,991**	9,835	10,579	32%	23%
Employee entitlements		**593**	549	585	8%	1%
Other provisions		**1,694**	1,872	2,262	-10%	-25%
Debt issuances	11	**106,157**	93,734	87,226	13%	22%
Total liabilities		**1,041,591**	1,019,328	955,605	2%	9%
Net assets		**69,609**	66,401	61,756	5%	13%
Shareholders' equity						
Ordinary share capital	14	**29,054**	28,797	25,091	1%	16%
Reserves	14	**(1,019)**	(2,606)	(1,422)	-61%	-28%
Retained earnings	14	**41,049**	39,716	38,078	3%	8%
Share capital and reserves attributable to shareholders of the Company		**69,084**	65,907	61,747	5%	12%
Non-controlling interests	14	**525**	494	9	6%	large
Total shareholders' equity		**69,609**	66,401	61,756	5%	13%

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

The notes appearing on pages 82 to 115 form an integral part of the Condensed Consolidated Financial Statements.

ANZ Group Holdings Limited

	Half Year		
	Mar 23 $M	**Sep 22 $M**	**Mar 22 $M**
Profit after income tax	**3,561**	3,590	3,530
Adjustments to reconcile to net cash flow from operating activities:			
Credit impairment charge/(release)	**133**	52	(284)
Depreciation and amortisation	**471**	499	509
Loss on reclassification of data centres to held for sale	**43**	-	-
(Profit)/loss on sale of premises and equipment	**-**	(8)	-
Net derivatives/foreign exchange adjustment	**5,417**	(4,055)	(379)
(Gain)/loss on sale from divestments	**-**	7	(259)
Other non-cash movements	**(746)**	(734)	(175)
Net (increase)/decrease in operating assets:			
Collateral paid	**3,185**	(704)	(1,934)
Trading assets	**(2,273)**	4,557	3,463
Loans and advances	**(11,227)**	(18,073)	(28,305)
Other assets	**(587)**	574	111
Net increase/(decrease) in operating liabilities:			
Deposits and other borrowings	**41,391**	(32)	48,911
Settlement balances owed by ANZ	**9,053**	(6,011)	2,525
Collateral received	**(7,892)**	8,205	1,263
Other liabilities	**(1,072)**	(332)	3,665
Total adjustments	**35,896**	(16,055)	29,111
Net cash (used in)/provided by operating activities[1]	**39,457**	(12,465)	32,641
Cash flows from investing activities			
Investment securities:			
Purchases	**(13,553)**	(17,083)	(17,209)
Proceeds from sale or maturity	**5,432**	14,305	18,492
Controlled entities and associates:			
Purchased, net of cash acquired	**(10)**	-	(65)
Proceeds from divestments, net of cash disposed	**-**	-	394
Net investments in other assets	**(350)**	(132)	(519)
Net cash (used in)/provided by investing activities	**(8,481)**	(2,910)	1,093
Cash flows from financing activities			
Deposits and other borrowings drawn down	**937**	794	432
Debt issuances:[2]			
Issue proceeds	**25,041**	15,955	7,467
Redemptions	**(14,689)**	(9,141)	(16,876)
Dividends paid[3]	**(1,979)**	(1,790)	(1,994)
On market purchase of treasury shares	**(19)**	-	(117)
Repayment of lease liabilities	**(156)**	(60)	(158)
Share buy-back	**-**	-	(846)
ANZ Bank New Zealand Perpetual Preference Shares	**-**	492	-
Share entitlement issue	**-**	3,497	-
Net cash (used in)/provided by financing activities	**9,135**	9,747	(12,092)
Net increase/(decrease) in cash and cash equivalents	**40,111**	(5,628)	21,642
Cash and cash equivalents at beginning of period	**168,132**	168,054	151,260
Effects of exchange rate changes on cash and cash equivalents	**557**	5,706	(4,848)
Cash and cash equivalents at end of period	**208,800**	168,132	168,054

1. *Net cash (used in)/provided by operating activities includes interest received of $22,079 million (Sep 22 half: $13,129 million; Mar 22 half: $9,619 million), interest paid of $12,717 million (Sep 22 half: $5,223 million; Mar 22 half: $2,634 million) and income taxes paid of $1,827 million (Sep 22 half: $749 million; Mar 22 half: $1,422 million).*
2. *Non-cash changes in debt issuances include a loss of $2,072 million (Sep 22 half: $831 million gain; Mar 22 half: $3,894 million gain) from unrealised movements primarily due to fair value hedge adjustments and foreign exchange differences.*
3. *Cash outflow for shares purchased to satisfy the Dividend Reinvestment Plan are classified in dividends paid.*

The notes appearing on pages 82 to 115 form an integral part of the Condensed Consolidated Financial Statements.

ANZ Group Holdings 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 2021	25,984	1,228	36,453	**63,665**	11	**63,676**
Profit/(Loss) from continuing operations	-	-	3,535	**3,535**	-	**3,535**
Profit/(Loss) from discontinued operations	-	-	(5)	**(5)**	-	**(5)**
Other comprehensive income for the period from continuing operations	-	(2,628)	85	**(2,543)**	-	**(2,543)**
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[1]	(846)	-	-	**(846)**	-	**(846)**
Other equity movements:						
Employee share and option plans	(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**
Profit/(Loss) from continuing operations	-	-	3,603	**3,603**	1	**3,604**
Profit/(Loss) from discontinued operations	-	-	(14)	**(14)**	-	**(14)**
Other comprehensive income for the period from continuing operations	-	(1,207)	30	**(1,177)**	(15)	**(1,192)**
Total comprehensive income for the period	-	(1,207)	3,619	**2,412**	(14)	**2,398**
Transactions with equity holders in their capacity as equity holders:						
Dividends paid	-	-	(1,973)	**(1,973)**	-	**(1,973)**
Dividend Reinvestment Plan[2]	183	-	-	**183**	-	**183**
Share entitlement issue[3]	3,497	-	-	**3,497**	-	**3,497**
Other equity movements:						
Employee share and option plans	26	-	-	**26**	-	**26**
ANZ Bank New Zealand Perpetual Preference Shares issued[4]	-	-	(7)	**(7)**	499	**492**
Other items	-	23	(1)	**22**	-	**22**
As at 30 September 2022	28,797	(2,606)	39,716	**65,907**	494	**66,401**
Profit/(Loss) from continuing operations	-	-	3,547	**3,547**	14	**3,561**
Other comprehensive income for the period from continuing operations	-	1,607	(42)	**1,565**	30	**1,595**
Total comprehensive income for the period	-	1,607	3,505	**5,112**	44	**5,156**
Transactions with equity holders in their capacity as equity holders:						
Dividends paid	-	-	(2,172)	**(2,172)**	(13)	**(2,185)**
Dividend Reinvestment Plan[2]	206	-	-	**206**	-	**206**
Other equity movements:						
Employee share and option plans	53	-	-	**53**	-	**53**
Other items	(2)	(20)	-	**(22)**	-	**(22)**
As at 31 March 2023	29,054	(1,019)	41,049	**69,084**	525	**69,609**

1. *The Group completed its $1.5 billion on-market share buy-back of ANZ ordinary shares resulting in 31 million shares being cancelled in the March 2022 half.*
2. *8.4 million shares were issued under the Dividend Reinvestment Plan (DRP) for the 2022 final dividend (2022 interim dividend: 7.2 million; 2021 final dividend: nil). On-market share purchases for the DRP were $204 million in the March 2022 half.*
3. *The Group issued 187.1 million new ordinary shares under the share entitlement offer in the September 2022 half.*
4. *ANZ Bank New Zealand, a wholly owned subsidiary of ANZGHL, issued Perpetual Preference Shares in the September 2022 half which are considered non-controlling interests to the Group. Refer to Note 14 Shareholders' equity for further details.*

The notes appearing on pages 82 to 115 form an integral part of the Condensed Consolidated Financial Statements.

1. Basis of preparation

Organisational Restructure

These Condensed Consolidated Financial Statements have been prepared for the ANZ Group Holdings Limited consolidated group. On 3 January 2023, Australia and New Zealand Banking Group Limited (ANZBGL) established by a scheme of arrangement, a non-operating holding company, ANZ Group Holdings Limited (ANZGHL), as the new listed parent holding company of the ANZ Group. Accordingly, these Condensed Consolidated Financial Statements reflect a continuation of the existing ANZ Group and have been prepared on the basis of accounting policies and using methods of computation consistent with those applied in the 2022 ANZ Annual Report.

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 2022 and any public announcements made by the Parent Entity and its controlled entities (the Group) for the half year ended 31 March 2023 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 the 2022 ANZ Annual Report;
- are presented in Australian dollars unless otherwise stated; and
- were approved by the Board of Directors on 4 May 2023.

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 and presentation

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 values:

- 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 (FVTPL);
- financial assets at fair value through other comprehensive income (FVOCI); and
- assets and liabilities held for sale (except those required to be at carrying value).

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

There were no discontinued operations in the current period. For the purpose of comparative information, discontinued operations in the prior periods were 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.

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 2022 ANZ Annual Report.

1. Basis of preparation, cont'd

v) Use of estimates, assumptions and judgements

The preparation of these Condensed Consolidated Financial Statements requires the use of management judgement, estimates and assumptions impacting the application of accounting policies and financial outcomes. Discussion of the critical accounting estimates and judgements, which include complex or subjective decisions or assessments are provided in the 2022 ANZ Annual Report. Such estimates and judgements are reviewed on an ongoing basis.

The global economy is facing challenges associated with high inflation, increasing interest rates, labour market constraints, and continuing geopolitical tensions which contributes to 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 2023 about future events considered reasonable in the circumstances. Thus 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, along with assumptions and judgements made in relation to other key estimates. Readers should consider these disclosures in light of the inherent uncertainties described above.

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*.

The Group's allowance for expected credit losses is included in the table below (refer to Note 9 for further information).

	As at		
	Mar 23 $M	**Sep 22 $M**	**Mar 22 $M**
Collectively assessed	**4,040**	3,853	3,757
Individually assessed	**421**	542	636
Total[1]	**4,461**	4,395	4,393

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 2023 half, the individually assessed allowance for expected credit losses decreased $121 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 2023 half, the collectively assessed allowance for expected credit losses increased $187 million, attributable to $100 million from deterioration in economic outlook, $80 million from a net increase in management temporary adjustments, $24 million from deterioration in credit risk, and $24 million from foreign currency translation and other impacts. This was partially offset by $41 million from an improvement in portfolio composition.

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 judgements and associated assumptions have been made within the context of the uncertainty of how various factors might impact the global economy, and reflect historical experience and other factors that are considered 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.

1. Basis of preparation, cont'd

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.

Judgement/Assumption	Description	Considerations for the half year ended 31 March 2023
Determining when a significant increase in credit risk (SICR) has occurred or reversed	In the measurement of ECL, judgement is involved in determining 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 (PD) 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 SICR 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 has continued to adjust ECL this period to account for expected deterioration in credit-worthiness of certain customer segments which are considered particularly vulnerable to economic pressures such as higher interest rates, elevated inflation and labour market pressures.
Measuring both 12-month and lifetime credit losses	The probability of default, loss given default (LGD) and exposure at default (EAD) factors 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 is relevant for particular lending portfolios and for determining each portfolio's point-in-time sensitivity. In addition, judgement is required where behavioural characteristics are applied in estimating the lifetime of a facility which is used in measuring ECL.	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. There were no material changes to the policies.
Base case economic forecast	The Group derives a forward-looking 'base case' economic scenario which reflects ANZ Research - Economics' (ANZ Economics) view of future macroeconomic conditions.	There have been no changes to the types of forward-looking variables (key economic drivers) used as model inputs. As at 31 March 2023, the base case assumptions have been updated to reflect elevated inflation, continuing high interest rates, continued cost of living pressures and tightness in the labour market. The expected outcomes of key economic drivers for the base case scenario at 31 March 2023 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]	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 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.	The probability weightings for each scenario remained unchanged from 30 September 2022. Weightings for current and prior periods are as detailed in the section below under the heading on 'Probability weightings'.
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.	Management have continued to apply adjustments to accommodate uncertainty associated with higher inflation and interest rates. Management overlays have been made for risks particular to retail, including home loans, credit cards and small business in Australia, business banking in New Zealand, and for personal and tourism in Pacific.

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.*

1. Basis of preparation, cont'd

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 2023 are set out below. For years beyond the near-term forecasts below, the ECL models apply simplified assumptions for the economy to calculate lifetime loss.

	Actual calendar year	Forecast calendar year	
	2022	2023	2024
Australia			
GDP (annual % change)	3.6%	2.0%	1.2%
Unemployment rate	3.7%	3.7%	4.2%
Residential property prices (annual % change)	-6.9%	-9.2%	4.2%
Consumer price index (annual % change)	6.6%	5.3%	3.3%
New Zealand			
GDP (annual % change)	2.8%	1.4%	-0.1%
Unemployment rate	3.3%	3.9%	5.2%
Residential property prices (annual % change)	-13.0%	-9.7%	2.2%
Consumer price index (annual % change)	7.2%	6.1%	2.9%
Rest of World			
GDP (annual % change)	2.1%	1.4%	0.4%
Consumer price index (annual % change)	8.0%	4.1%	2.7%

The base case economic forecasts for Australia, New Zealand and Rest of World are for continuing slowdowns in economic activity. Continued high inflation and tight labour markets are expected to keep interest rates high and dampen growth over the forecast period.

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.

Scenario weightings remain the same as those applied in September 2022 as noted in the table 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. 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 23	Sep 22	Mar 22
Group			
Base	**45.0%**	45.0%	40.0%
Upside	**0.0%**	0.0%	5.0%
Downside	**40.0%**	40.0%	45.0%
Severe downside	**15.0%**	15.0%	10.0%

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 2023:

	Balance Sheet $M	(Profit) and Loss Impact $M
If 1% of stage 1 facilities were included in stage 2	4,121	81
If 1% of stage 2 facilities were included in stage 1	4,035	(5)
100% upside scenario	1,315	(2,725)
100% base scenario	1,816	(2,224)
100% downside scenario	3,272	(768)
100% severe downside scenario	7,314	3,274

1. Basis of preparation, cont'd

Fair value measurement of financial instruments

The majority of valuation models the Group used to value financial instruments employ observable market data as inputs. For certain financial instruments, the Group may use data that is not readily observable in current markets requiring management to exercise judgement in determining fair value depending on the significance of the unobservable input to the overall valuation. Generally, the Group derives unobservable inputs from other relevant market data and compare them to observed transaction prices where available.

At 31 March 2023, the Group had $1,868 million of assets and $26 million of liabilities where the valuation was primarily derived using unobservable inputs (Sep 22: $1,833 million assets and $31 million liabilities; Mar 22: $1,580 million assets and $23 million liabilities). The financial instruments which are valued using unobservable inputs are predominantly equity securities and syndicated loans where quoted prices in active markets are not available.

Equity securities

The Group holds an equity investment in the Bank of Tianjin (BoT), which at 31 March 2023 has a carrying value of $900 million (Sep 22: $854 million; Mar 22: $956 million). The shares in BoT are listed, but the shares are illiquid, and consequently the fair value is based upon a valuation model using comparator group pricing multiples.

The Group holds equity investments in unlisted equities, which at 31 March 2023 have a carrying value of $545 million (Sep 22: $491 million; Mar 22: $426 million). The fair values of these investments are based on valuation techniques relevant to the investments, including use of discounted cash flow approaches, prices from recent arm's length transactions where available, and comparator group pricing multiples, such as price to book ratios.

For equity instruments valued using valuation techniques, judgement is required in both the selection of the model and inputs used. When the Group adopts comparator group pricing multiples, judgement is required to determine an appropriate comparator group for the purposes of the specific valuation.

Syndicated loans

The Group holds $380 million (Sep 22: $403 million; Mar 22: $113 million) of syndicated loans which are measured at fair value when there is no market data available for the valuation. A fair value is derived using discounted cash flow techniques with discount factors sourced from credit default swaps as a proxy.

Investments in associates

The Group assesses the carrying value of its investments in associates for impairment indicators semi-annually. In addition, the recoverable amount of the investments is assessed to determine whether it is appropriate to reverse any prior period impairment losses recorded in respect of those investments.

Investments may be subjected to impairment depending on whether indicators of impairment exist, and then where a value-in-use (VIU) or fair value less cost of disposal (FVLCOD) recoverable value assessment indicate that impairment is warranted.

Investments are also assessed for reversals of any prior period impairments by comparing their carrying values to higher of value-in-use and FVLCOD and determining whether the service potential of the investment has increased since it was last impaired.

Both VIU and FVLCOD are subject to management judgement including the inputs used in the VIU measurement. Depending on the judgements applied, decisions on the amount of impairment, reversals of prior-period impairments, or decisions on whether or not to adjust carrying values, may differ.

Customer remediation provisions

At 31 March 2023, the Group has recognised customer remediation provisions of $549 million (Sep 22: $662 million; Mar 22: $853 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), continue to play a critical role in global financial markets, serving as reference rates for certain 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. 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 primarily by 30 June 2023.

The Group continues to manage the transition from the remaining USD LIBOR tenors and other 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 2023

The table below presents the Group's exposure to interest rate benchmarks still 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 2023	USD LIBOR $M	Others $M
Gross loans and advances[1]	7,735	48
Other non-derivative financial assets[1]	149	-
Non-derivative financial liabilities[2]	650	32
Derivative assets (notional value)[3]	597,784	11,064
Derivative liabilities (notional value)[3]	578,589	9,599
Loan commitments[1,4]	6,914	-

1. *Excludes Expected Credit Losses (ECL).*
2. *Comprises floating rate debt issuances by the Group.*
3. *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.*
4. *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 exposures designated in hedge accounting relationships referencing LIBOR that will be impacted by IBOR reform. The nominal value of the associated hedging instruments is also presented:

Hedged items	As at 31 March 2023 $M
Investment securities at FVOCI	7,410
Net loans and advances	201
Deposits and other borrowings	157
Debt issuances	15,387

Hedging instruments	Notional designated up to 30 June 2023 $M	Notional designated beyond 30 June 2023 $M	Total notional amount $M
Fair value hedges	3,278	19,098	22,376
Cash flow hedges	-	277	277

2. Income

	Half Year			Movement	
	Mar 23 $M	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Interest income	**22,830**	13,902	9,707	64%	large
Interest expense	**(14,152)**	(5,953)	(2,442)	large	large
Major bank levy	**(175)**	(175)	(165)	0%	6%
Net interest income	**8,503**	7,774	7,100	9%	20%
Other operating income					
i) Fee and commission income					
Lending fees[1]	**199**	186	188	7%	6%
Non-lending fees	**1,129**	1,120	1,274	1%	-11%
Commissions	**40**	53	50	-25%	-20%
Funds management income	**122**	124	137	-2%	-11%
Fee and commission income	**1,490**	1,483	1,649	0%	-10%
Fee and commission expense	**(552)**	(494)	(666)	12%	-17%
Net fee and commission income	**938**	989	983	-5%	-5%
ii) Other income					
Net foreign exchange earnings and other financial instruments income[2]	**590**	870	1,123	-32%	-47%
Gain on completion of ANZ Worldline partnership	**-**	-	307	n/a	large
Release of foreign currency translation reserve	**-**	-	(65)	n/a	large
Loss on disposal of financial planning and advice business	**-**	-	(62)	n/a	large
Loss on reclassification of data centres to held for sale	**(43)**	-	-	n/a	n/a
Other	**10**	63	27	-84%	-63%
Other income	**557**	933	1,330	-40%	-58%
Other operating income	**1,495**	1,922	2,313	-22%	-35%
Net income from insurance business	**40**	85	55	-53%	-27%
Share of associates' profit/(loss)	**101**	103	74	-2%	36%
Operating income	**10,139**	9,884	9,542	3%	6%

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 measured and/or designated at fair value through profit or loss.*

3. Operating expenses

	Half Year			Movement	
	Mar 23 $M	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
i) Personnel					
Salaries and related costs	**2,608**	2,376	2,378	10%	10%
Superannuation costs	**195**	187	188	4%	4%
Other	**90**	79	88	14%	2%
Personnel	**2,893**	2,642	2,654	10%	9%
ii) Premises					
Rent	**34**	48	40	-29%	-15%
Depreciation	**210**	207	212	1%	-1%
Other	**90**	125	89	-28%	1%
Premises	**334**	380	341	-12%	-2%
iii) Technology					
Depreciation and amortisation	**257**	285	293	-10%	-12%
Subscription licences and outsourced services	**484**	455	444	6%	9%
Other	**95**	66	78	44%	22%
Technology	**836**	806	815	4%	3%
iv) Restructuring	**54**	52	49	4%	10%
v) Other					
Advertising and public relations	**93**	88	77	6%	21%
Professional fees	**407**	471	464	-14%	-12%
Freight, stationery, postage and communication	**86**	85	87	1%	-1%
Other	**294**	264	304	11%	-3%
Other	**880**	908	932	-3%	-6%
Operating expenses	**4,997**	4,788	4,791	4%	4%

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 23 $M	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Profit before income tax from continuing operations	**5,009**	5,044	5,035	-1%	-1%
Prima facie income tax expense at 30%	**1,503**	1,513	1,511	-1%	-1%
Tax effect of permanent differences:					
Net gain from divestments/closures	**-**	4	(87)	large	large
Share of associates' (profit)/loss	**(31)**	(31)	(22)	0%	41%
Interest on convertible instruments	**38**	28	21	36%	81%
Overseas tax rate differential	**(94)**	(67)	(61)	40%	54%
Provision for foreign tax on dividend repatriation[1]	**18**	16	139	13%	-87%
Other	**15**	(7)	11	large	36%
Subtotal	**1,449**	1,456	1,512	0%	-4%
Income tax (over)/under provided in previous years	**(1)**	(16)	(12)	-94%	-92%
Income tax expense	**1,448**	1,440	1,500	1%	-3%
Australia	**849**	884	960	-4%	-12%
Overseas	**599**	556	540	8%	11%
Income tax expense	**1,448**	1,440	1,500	1%	-3%
Effective tax rate	**28.9%**	28.5%	29.8%		

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 23	**Sep 22**	**Mar 22**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Interim	**81**	-	72		
Final	**-**	74	-		
Total	**81**	74	72	9%	13%
Ordinary share dividend ($M)[2]					
Interim dividend	**-**	2,012	-		
Final dividend	**2,213**	-	2,030		
Bonus option plan adjustment	**(41)**	(39)	(38)	5%	8%
Total	**2,172**	1,973	1,992	10%	9%
Ordinary share dividend payout ratio (%)[3]	**68.6%**	61.7%	57.0%		

1. *Fully franked for Australian tax purposes (30% tax rate) and carry New Zealand imputation credits of NZD 9 cents for the proposed 2023 interim dividend (2022 final dividend: NZD 9 cents; 2022 interim dividend: NZD 9 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 $13 million (Sep 22 half: nil; Mar 22 half: $2 million).*
3. *The dividend payout ratio for the March 2023 half is calculated using the proposed 2023 interim dividend of $2,433 million, based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the September 2022 half and March 2022 half were calculated using actual dividends of $2,213 million and $2,012 million respectively.*

Ordinary Shares

The Directors propose an interim dividend of 81 cents be paid on each eligible fully paid ANZ ordinary share on 3 July 2023. The proposed 2023 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 2023 interim dividend.

6. Earnings per share

Basic earnings per share (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 23	Sep 22	Mar 22	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Earnings Per Share - Basic					
Earnings Per Share (cents)	**118.5**	125.4	124.6	-6%	-5%
Earnings Per Share (cents) from continuing operations	**118.5**	125.9	124.8	-6%	-5%
Earnings Per Share (cents) from discontinued operations	**-**	(0.5)	(0.2)	large	large
Earnings Per Share - Diluted					
Earnings Per Share (cents)	**112.8**	117.5	116.7	-4%	-3%
Earnings Per Share (cents) from continuing operations	**112.8**	117.9	116.9	-4%	-4%
Earnings Per Share (cents) from discontinued operations	**-**	(0.4)	(0.2)	large	large

	Half Year			Movement	
	Mar 23	Sep 22	Mar 22	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Reconciliation of earnings used in earnings per share calculations					
Basic:					
Profit for the period ($M)	**3,561**	3,590	3,530	-1%	1%
Less: Profit attributable to non-controlling interests ($M)	**14**	1	-	large	n/a
Earnings used in calculating basic earnings per share ($M)	**3,547**	3,589	3,530	-1%	0%
Less: Profit/(Loss) after tax from discontinued operations ($M)	**-**	(14)	(5)	large	large
Earnings used in calculating basic earnings per share from continuing operations ($M)	**3,547**	3,603	3,535	-2%	0%
Diluted:					
Earnings used in calculating basic earnings per share ($M)	**3,547**	3,589	3,530	-1%	0%
Add: Interest on convertible subordinated debt ($M)	**150**	107	92	40%	63%
Earnings used in calculating diluted earnings per share ($M)	**3,697**	3,696	3,622	0%	2%
Less: Profit/(Loss) after tax from discontinued operations ($M)	**-**	(14)	(5)	large	large
Earnings used in calculating diluted earnings per share from continuing operations ($M)	**3,697**	3,710	3,627	0%	2%
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)	**2,994.1**	2,862.5	2,832.9	5%	6%
Add: Weighted average dilutive potential ordinary shares (M)					
Convertible subordinated debt (M)	**277.3**	275.7	264.0	1%	5%
Share based payments (options, rights and deferred shares) (M)	**6.9**	7.3	6.9	-5%	0%
WANOS used in calculating diluted earnings per share (M)	**3,278.3**	3,145.5	3,103.8	4%	6%

1. *WANOS excludes the weighted average number of treasury shares held in ANZEST Pty Ltd of 4.2 million in the March 2023 half (Sep 22 half: 4.3 million; Mar 22 half: 4.5 million).*

7. Segment reporting

i) Description of segments

During the March 2023 half, the Group operated on a divisional structure with six divisions: Australia Retail, Australia Commercial, Institutional, New Zealand, Pacific, and Group Centre. For further information on the composition of divisions refer to the Definitions on page 134.

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

- Business Restructure - the non-banking businesses held in the Australia Commercial and Institutional divisions were transferred to the Group Centre division. As a result of this transfer, Group Centre division holds all interests in the ANZ Non-Bank Group.
- Corporate customer re-segmentation - certain business and property finance customers were transferred from the New Zealand division to the Institutional division to better align customer needs with the right support and expertise delivery.
- Cost reallocations - certain costs were reallocated across the Australia Retail, Australia Commercial, Institutional and Group Centre divisions.

Operating segments presented below are consistent with internal divisional reporting provided to the chief operating decision maker, being the Chief Executive Officer.

ii) Operating segments

ANZ measures the performance of operating segments on a cash profit basis. To calculate cash profit, the Group excludes items from profit after tax attributable to shareholders. For the current and prior periods, the adjustments relate to impacts of economic hedges and revenue and expense hedges which represent timing differences that will reverse through earnings in the future.

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 2023 Half Year	Australia Retail $M	Australia Commercial $M	Institutional $M	New Zealand $M	Pacific $M	Group Centre $M	Group Total $M
Net interest income	3,018	1,632	2,071	1,582	62	138	8,503
Net fee and commission income	235	162	346	199	10	(14)	938
Net income from insurance business	40	-	-	-	-	-	40
Other income[1,2]	6	13	1,027	-	30	(130)	946
Share of associates' profit/(loss)	-	-	-	-	-	101	101
Operating income[1,2]	3,299	1,807	3,444	1,781	102	95	10,528
Operating expenses	(1,745)	(685)	(1,328)	(630)	(74)	(535)	(4,997)
Cash profit before credit impairment and income tax	1,554	1,122	2,116	1,151	28	(440)	5,531
Credit impairment (charge)/release	(82)	(66)	74	(75)	16	-	(133)
Cash profit before income tax	1,472	1,056	2,190	1,076	44	(440)	5,398
Income tax expense and non-controlling interests[1,2]	(446)	(317)	(593)	(302)	(10)	91	(1,577)
Cash profit/(loss) from continuing operations	1,026	739	1,597	774	34	(349)	3,821
Cash profit/(loss) from discontinued operations							-
Cash profit/(loss)	1,026	739	1,597	774	34	(349)	3,821
Economic hedges[1]							(190)
Revenue and expense hedges[2]							(84)
Profit after tax attributable to shareholders							3,547
Financial Position							
Total external assets	303,783	60,227	525,748	123,565	3,489	94,388	1,111,200
Total external liabilities	160,228	119,042	450,764	121,580	3,834	186,143	1,041,591

1. *The cash profit adjustment relates to the Institutional, New Zealand and Group Centre divisions. In the consolidated income statement, these amounts are recognised in Other operating income (Mar 23 half: $269 million loss; Sep 22 half: $278 million gain; Mar 22 half: $524 million gain) and Income tax expense (Mar 23 half: $79 million benefit; Sep 22 half: $82 million expense; Mar 22 half: $151 million expense).*
2. *The cash profit adjustment relates to the Group Centre division. In the consolidated income statement, these amounts are recognised in Other operating income (Mar 23 half: $120 million loss; Sep 22 half: $7 million gain; Mar 22 half: $70 million gain) and Income tax expense (Mar 23 half: $36 million benefit; Sep 22 half: $2 million expense; Mar 22 half: $21 million expense).*

7. Segment reporting, cont'd

September 2022 Half Year	Australia Retail $M	Australia Commercial $M	Institutional $M	New Zealand $M	Pacific $M	Group Centre $M	Group Total $M
Net interest income	2,821	1,410	1,925	1,517	50	51	**7,774**
Net fee and commission income	262	170	339	215	14	(11)	**989**
Net income from insurance business	85	-	-	-	-	-	**85**
Other income[1,2]	6	15	529	1	20	77	**648**
Share of associates' profit/(loss)	-	-	-	-	-	103	**103**
Operating income[1,2]	3,174	1,595	2,793	1,733	84	220	**9,599**
Operating expenses	(1,656)	(652)	(1,293)	(622)	(73)	(492)	**(4,788)**
Cash profit before credit impairment and income tax	1,518	943	1,500	1,111	11	(272)	**4,811**
Credit impairment (charge)/release	16	11	2	(76)	9	(14)	**(52)**
Cash profit before income tax	1,534	954	1,502	1,035	20	(286)	**4,759**
Income tax expense and non-controlling interests[1,2]	(462)	(286)	(374)	(290)	(5)	60	**(1,357)**
Cash profit/(loss) from continuing operations	1,072	668	1,128	745	15	(226)	**3,402**
Cash profit/(loss) from discontinued operations							**(14)**
Cash profit/(loss)							**3,388**
Economic hedges[1]							**196**
Revenue and expense hedges[2]							**5**
Profit after tax attributable to shareholders							**3,589**
Financial Position							
Total external assets	292,876	59,983	544,066	116,218	3,707	68,879	**1,085,729**
Total external liabilities	153,494	118,355	473,114	115,263	4,065	155,037	**1,019,328**

March 2022 Half Year	Australia Retail $M	Australia Commercial $M	Institutional $M	New Zealand $M	Pacific $M	Group Centre $M	Group Total $M
Net interest income	2,706	1,158	1,772	1,354	46	64	**7,100**
Net fee and commission income	214	233	312	213	12	(1)	**983**
Net income from insurance business	55	-	-	-	-	-	**55**
Other income[1,2]	-	244	471	31	22	(32)	**736**
Share of associates' profit/(loss)	-	-	-	-	-	74	**74**
Operating income[1,2]	2,975	1,635	2,555	1,598	80	105	**8,948**
Operating expenses	(1,741)	(649)	(1,273)	(651)	(80)	(397)	**(4,791)**
Cash profit before credit impairment and income tax	1,234	986	1,282	947	-	(292)	**4,157**
Credit impairment (charge)/release	113	122	25	31	(3)	(4)	**284**
Cash profit before income tax	1,347	1,108	1,307	978	(3)	(296)	**4,441**
Income tax expense and non-controlling interests[1,2]	(410)	(225)	(498)	(274)	(3)	82	**(1,328)**
Cash profit/(loss) from continuing operations	937	883	809	704	(6)	(214)	**3,113**
Cash profit/(loss) from discontinued operations							**(5)**
Cash profit/(loss)							**3,108**
Economic hedges[1]							**373**
Revenue and expense hedges[2]							**49**
Profit after tax attributable to shareholders							**3,530**
Financial Position							
Total external assets	287,304	57,822	469,683	119,667	3,796	79,089	**1,017,361**
Total external liabilities	150,732	122,812	420,226	119,683	3,986	138,166	**955,605**

1. *The cash profit adjustment relates to the Institutional, New Zealand and Group Centre divisions. In the consolidated income statement, these amounts are recognised in Other operating income (Mar 23 half: $269 million loss; Sep 22 half: $278 million gain; Mar 22 half: $524 million gain) and Income tax expense (Mar 23 half: $79 million benefit; Sep 22 half: $82 million expense; Mar 22 half: $151 million expense).*
2. *The cash profit adjustment relates to the Group Centre division. In the consolidated income statement, these amounts are recognised in Other operating income (Mar 23 half: $120 million loss; Sep 22 half: $7 million gain; Mar 22 half: $70 million gain) and Income tax expense (Mar 23 half: $36 million benefit; Sep 22 half: $2 million expense; Mar 22 half: $21 million expense).*

8. Net loans and advances

	As at			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Australia					
Overdrafts	**3,834**	3,852	3,491	0%	10%
Credit cards outstanding	**5,670**	5,658	5,707	0%	-1%
Commercial bills outstanding	**4,898**	5,214	5,632	-6%	-13%
Term loans - housing	**292,597**	282,343	277,894	4%	5%
Term loans - non-housing	**166,051**	163,520	151,718	2%	9%
Other	**916**	1,019	1,113	-10%	-18%
Total Australia	**473,966**	461,606	445,555	3%	6%
Rest of World					
Overdrafts	**568**	561	668	1%	-15%
Credit cards outstanding	**6**	6	6	0%	0%
Term loans - housing	**475**	490	464	-3%	2%
Term loans - non-housing	**77,095**	79,878	69,731	-3%	11%
Other	**613**	1,016	1,332	-40%	-54%
Total Rest of World	**78,757**	81,951	72,201	-4%	9%
New Zealand					
Overdrafts	**879**	853	824	3%	7%
Credit cards outstanding	**1,184**	1,091	1,087	9%	9%
Term loans - housing	**97,939**	91,792	95,794	7%	2%
Term loans - non-housing	**38,381**	36,332	38,512	6%	0%
Total New Zealand	**138,383**	130,068	136,217	6%	2%
Subtotal	**691,106**	673,625	653,973	3%	6%
Unearned income[1]	**(526)**	(518)	(460)	2%	14%
Capitalised brokerage and other origination costs[1]	**3,165**	2,882	1,482	10%	large
Gross loans and advances	**693,745**	675,989	654,995	3%	6%
Allowance for expected credit losses (refer to Note 9)	**(3,658)**	(3,582)	(3,559)	2%	3%
Net loans and advances[2]	**690,087**	672,407	651,436	3%	6%

1. *Amortised over the expected life of the loan.*
2. *Net loans and advances include a balance of $558 million (Sep 22: $667 million; Mar 22: $724 million) relating to the ANZ Share Investing lending portfolio which was sold in April 2023.*

9. Allowance for expected credit losses

	As at								
	Mar 23			Sep 22			Mar 22		
	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	**3,244**	**414**	**3,658**	3,049	533	3,582	2,940	619	3,559
Off-balance sheet commitments	**767**	**7**	**774**	766	9	775	788	17	805
Investment securities - debt securities at amortised cost	**29**	**-**	**29**	38	-	38	29	-	29
Total	**4,040**	**421**	**4,461**	3,853	542	4,395	3,757	636	4,393
Other Comprehensive Income									
Investment securities - debt securities at FVOCI[1]	**13**	**-**	**13**	10	-	10	10	-	10

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 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**
Transfer between stages	155	(131)	(87)	63	-
New and increased provisions (net of releases)	(41)	158	46	156	319
Write-backs	-	-	-	(111)	(111)
Bad debts written off (excluding recoveries)	-	-	-	(206)	(206)
Foreign currency translation and other movements[1]	16	(6)	(1)	12	21
As at 30 September 2022	**1,141**	**1,548**	**360**	**533**	**3,582**
Transfer between stages	114	(100)	(63)	49	-
New and increased provisions (net of releases)	(103)	264	56	188	405
Write-backs	-	-	-	(164)	(164)
Bad debts written off (excluding recoveries)	-	-	-	(185)	(185)
Foreign currency translation and other movements[1]	7	17	3	(7)	20
As at 31 March 2023	**1,159**	**1,729**	**356**	**414**	**3,658**

1. Other movements include the impact of discounting on expected cash flows for individually assessed allowances for ECL during the period.

9. 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 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**
Transfer between stages	24	(18)	(7)	1	-
New and increased provisions (net of releases)	(29)	(12)	(2)	(1)	(44)
Write-backs	-	-	-	(7)	(7)
Foreign currency translation	21	1	-	(1)	21
As at 30 September 2022	**593**	**144**	**29**	**9**	**775**
Transfer between stages	24	(22)	(2)	-	-
New and increased provisions (net of releases)	(30)	30	1	-	1
Write-backs	-	-	-	(2)	(2)
Foreign currency translation	(1)	-	1	-	-
As at 31 March 2023	**586**	**152**	**29**	**7**	**774**

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 2022	29	-	-	-	29
As at 30 September 2022	38	-	-	-	38
As at 31 March 2023	**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 2022	10	-	-	-	10
As at 30 September 2022	10	-	-	-	10
As at 31 March 2023	**13**	**-**	**-**	**-**	**13**

9. Allowance for expected credit losses, cont'd

Credit impairment charge/(release) analysis

	Half Year			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
New and increased provisions (net of releases)[1,2]					
- Collectively assessed	**163**	60	(371)	large	large
- Individually assessed	**237**	219	301	8%	-21%
Write-backs[3]	**(166)**	(118)	(115)	41%	44%
Recoveries of amounts previously written off	**(101)**	(109)	(99)	-7%	2%
Total credit impairment charge/(release)	**133**	52	(284)	large	large

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

	Mar 23 half		*Sep 22 half*		*Mar 22 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	*168*	*237*	*100*	*219*	*(408)*	*301*
Off-balance sheet commitments	*1*	*-*	*(44)*	*-*	*39*	*-*
Investment securities - debt securities at amortised cost	*(8)*	*-*	*4*	*-*	*(1)*	*-*
Investment securities - debt securities at FVOCI	*2*	*-*	*-*	*-*	*(1)*	*-*
Total	***163***	***237***	***60***	***219***	***(371)***	***301***

3. *Consists of write-backs in Net loans and advances at amortised cost of $164 million for the March 2023 half (Sep 22 half: $111 million; Mar 22 half: $111 million), and Off-balance sheet commitment of $2 million for the March 2023 half (Sep 22 half: $7 million; Mar 22 half: $4 million).*

10. Deposits and other borrowings

	As at			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Australia					
Certificates of deposit	**37,920**	29,412	29,914	29%	27%
Term deposits	**76,341**	51,319	44,165	49%	73%
On demand and short term deposits	**270,418**	285,677	286,191	-5%	-6%
Deposits not bearing interest	**22,815**	25,110	24,785	-9%	-8%
Deposits from banks and securities sold under repurchase agreements	**53,990**	47,147	50,398	15%	7%
Commercial paper	**36,248**	36,619	27,309	-1%	33%
Total Australia	**497,732**	475,284	462,762	5%	8%
Rest of World					
Certificates of deposit	**5,233**	3,193	5,013	64%	4%
Term deposits	**127,467**	107,557	97,525	19%	31%
On demand and short term deposits	**24,125**	28,974	30,841	-17%	-22%
Deposits not bearing interest	**5,453**	6,957	7,314	-22%	-25%
Deposits from banks and securities sold under repurchase agreements	**52,160**	52,343	47,967	0%	9%
Total Rest of World	**214,438**	199,024	188,660	8%	14%
New Zealand					
Certificates of deposit	**1,392**	1,444	2,018	-4%	-31%
Term deposits	**47,598**	41,188	38,931	16%	22%
On demand and short term deposits	**56,307**	54,809	59,590	3%	-6%
Deposits not bearing interest	**18,103**	18,839	21,712	-4%	-17%
Deposits from banks and securities sold under repurchase agreements	**4,398**	4,090	2,069	8%	large
Commercial paper and other borrowings	**2,596**	2,603	4,546	0%	-43%
Total New Zealand	**130,394**	122,973	128,866	6%	1%
Deposits and other borrowings	**842,564**	797,281	780,288	6%	8%

11. Debt issuances

	As at			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Total unsubordinated debt	**73,443**	66,406	64,645	11%	14%
Additional Tier 1 Capital (perpetual subordinated securities)[1]					
ANZ Capital Notes (ANZ CN)[2]					
ANZ CN3	**-**	970	969	large	large
ANZ CN4	**1,620**	1,619	1,618	0%	0%
ANZ CN5	**929**	928	928	0%	0%
ANZ CN6	**1,488**	1,487	1,487	0%	0%
ANZ CN7	**1,297**	1,297	1,298	0%	0%
ANZ CN8	**1,482**	-	-	n/a	n/a
ANZ Capital Securities[3]	**1,380**	1,404	1,282	-2%	8%
Tier 2 Capital - Term Subordinated Notes[4]	**22,797**	17,907	14,047	27%	62%
Other subordinated debt securities[5]	**1,721**	1,716	952	0%	81%
Total subordinated debt	**32,714**	27,328	22,581	20%	45%
Total debt issuances	**106,157**	93,734	87,226	13%	22%

1. *ANZ Capital Notes and ANZ Capital Securities are Basel 3 compliant instruments.*
2. *Each of the ANZ Capital Notes will convert into a variable number of ordinary shares of ANZGHL 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 ordinary shares of ANZGHL at a 1% discount subject to a maximum conversion number. Subject to certain conditions, the notes are redeemable or convertible into ordinary shares of ANZGHL (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
CN3	ANZ, acting through its New Zealand branch	5 Mar 2015	970	n/a	n/a
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
CN8	ANZ	24 Mar 2023	1,500	20 Mar 2030	20 Sep 2032

All ANZ Capital Notes 3 were redeemed by ANZ's New Zealand branch on 24 March 2023 with approximately $502 million of the proceeds from redemption reinvested into ANZ Capital Notes 8 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. *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 ordinary shares of ANZGHL at a 1% discount subject to a maximum conversion number.*
5. *ANZ Bank New Zealand Limited, a wholly owned subsidiary of the Group, 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. 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.*

12. 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 23 $M**	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 $M**	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 $M**	**Sep 22 $M**	**Mar 22 $M**
Net loans and advances	**690,087**	672,407	651,436	**-**	-	-	**690,087**	672,407	651,436
Investment securities									
- debt securities at amortised cost	**7,912**	7,943	8,505	**-**	-	-	**7,912**	7,943	8,505
- debt securities at FVOCI	**84,589**	76,817	69,824	**-**	-	-	**84,589**	76,817	69,824
- equity securities at FVOCI	**1,453**	1,353	1,390	**1,453**	1,353	1,390	**-**	-	-
- debt securities at FVTPL	**18**	40	38	**-**	-	-	**18**	40	38
Other financial assets	**314,646**	314,580	273,507	**8,521**	9,769	13,117	**306,125**	304,811	260,390
Total on-balance sheet positions	**1,098,705**	1,073,140	1,004,700	**9,974**	11,122	14,507	**1,088,731**	1,062,018	990,193
Off-balance sheet commitments									
Undrawn and contingent facilities[2]	**292,550**	285,041	264,137	**-**	-	-	**292,550**	285,041	264,137
Total	**1,391,255**	1,358,181	1,268,837	**9,974**	11,122	14,507	**1,381,281**	1,347,059	1,254,330

1. *Excluded comprises bank notes and coins and cash at bank within Other financial 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	CCR 8- 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

12. Credit risk, cont'd

Net loans and advances

			Stage 3		
As at March 2023	**Stage 1 $M**	**Stage 2 $M**	**Collectively assessed $M**	**Individually assessed $M**	**Total $M**
Strong	416,053	14,678	-	-	430,731
Satisfactory	176,054	40,305	-	-	216,359
Weak	10,072	10,293	-	-	20,365
Defaulted	-	-	3,378	804	4,182
Gross loans and advances at amortised cost	**602,179**	**65,276**	**3,378**	**804**	**671,637**
Allowance for ECL	(1,159)	(1,729)	(356)	(414)	(3,658)
Net loans and advances at amortised cost	**601,020**	**63,547**	**3,022**	**390**	**667,979**
Coverage ratio	**0.19%**	**2.65%**	**10.54%**	**51.49%**	**0.54%**
Loans and advances at fair value through profit or loss					19,469
Unearned income					(526)
Capitalised brokerage and other origination costs					3,165
Net carrying amount					**690,087**
As at September 2022					
Strong	443,571	15,880	-	-	459,451
Satisfactory	154,823	31,864	-	-	186,687
Weak	9,197	9,244	-	-	18,441
Defaulted	-	-	3,328	1,043	4,371
Gross loans and advances at amortised cost	**607,591**	**56,988**	**3,328**	**1,043**	**668,950**
Allowance for ECL	(1,141)	(1,548)	(360)	(533)	(3,582)
Net loans and advances at amortised cost	**606,450**	**55,440**	**2,968**	**510**	**665,368**
Coverage ratio	**0.19%**	**2.72%**	**10.82%**	**51.10%**	**0.54%**
Loans and advances at fair value through profit or loss					4,675
Unearned income					(518)
Capitalised brokerage and other origination costs					2,882
Net carrying amount					**672,407**
As at March 2022					
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**

12. Credit risk, cont'd

Off-balance sheet commitments - undrawn and contingent facilities

			Stage 3		
As at March 2023	**Stage 1 $M**	**Stage 2 $M**	**Collectively assessed $M**	**Individually assessed $M**	**Total $M**
Strong	200,066	1,439	-	-	201,505
Satisfactory	18,769	2,742	-	-	21,511
Weak	904	782	-	-	1,686
Defaulted	-	-	89	24	113
Gross undrawn and contingent facilities subject to ECL	**219,739**	**4,963**	**89**	**24**	**224,815**
Allowance for ECL included in Other provisions	(586)	(152)	(29)	(7)	(774)
Net undrawn and contingent facilities subject to ECL	**219,153**	**4,811**	**60**	**17**	**224,041**
Coverage ratio	**0.27%**	**3.06%**	**32.58%**	**29.17%**	**0.34%**
Undrawn and contingent facilities not subject to ECL[1]					68,509
Net undrawn and contingent facilities					**292,550**
As at September 2022					
Strong	191,363	1,703	-	-	193,066
Satisfactory	18,583	3,078	-	-	21,661
Weak	774	706	-	-	1,480
Defaulted	-	-	113	19	132
Gross undrawn and contingent facilities subject to ECL	**210,720**	**5,487**	**113**	**19**	**216,339**
Allowance for ECL included in Other provisions	(593)	(144)	(29)	(9)	(775)
Net undrawn and contingent facilities subject to ECL	**210,127**	**5,343**	**84**	**10**	**215,564**
Coverage ratio	**0.28%**	**2.62%**	**25.66%**	**47.37%**	**0.36%**
Undrawn and contingent facilities not subject to ECL[1]					69,477
Net undrawn and contingent facilities					**285,041**
As at March 2022					
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**

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

12. Credit risk, cont'd

Investment securities - debt securities at amortised cost

As at March 2023	Stage 1 $M	Stage 2 $M	Stage 3 Collectively assessed $M	Stage 3 Individually assessed $M	Total $M
Strong	6,191	-	-	-	6,191
Satisfactory	82	-	-	-	82
Weak	1,668	-	-	-	1,668
Gross investment securities - debt securities at amortised cost	**7,941**	**-**	**-**	**-**	**7,941**
Allowance for ECL	(29)	-	-	-	(29)
Net investment securities - debt securities at amortised cost	**7,912**	**-**	**-**	**-**	**7,912**
Coverage ratio	**0.37%**	**-**	**-**	**-**	**0.37%**
As at September 2022					
Strong	6,279	-	-	-	6,279
Satisfactory	113	-	-	-	113
Weak	1,589	-	-	-	1,589
Gross investment securities - debt securities at amortised cost	**7,981**	**-**	**-**	**-**	**7,981**
Allowance for ECL	(38)	-	-	-	(38)
Net investment securities - debt securities at amortised cost	**7,943**	-	-	-	**7,943**
Coverage ratio	**0.48%**	-	-	-	**0.48%**
As at March 2022					
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%**

Investment securities - debt securities at FVOCI

As at March 2023	Stage 1 $M	Stage 2 $M	Stage 3 Collectively assessed $M	Stage 3 Individually assessed $M	Total $M
Strong	84,589	-	-	-	84,589
Satisfactory	-	-	-	-	-
Investment securities - debt securities at FVOCI	**84,589**	**-**	**-**	**-**	**84,589**
Allowance for ECL recognised in Other comprehensive income	(13)	-	-	-	(13)
Coverage ratio	**0.02%**	**-**	**-**	**-**	**0.02%**
As at September 2022					
Strong	76,668	-	-	-	76,668
Satisfactory	149	-	-	-	149
Investment securities - debt securities at FVOCI	**76,817**	**-**	**-**	**-**	**76,817**
Allowance for ECL recognised in Other comprehensive income	(10)	-	-	-	(10)
Coverage ratio	**0.01%**	**-**	**-**	**-**	**0.01%**
As at March 2022					
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%**

12. Credit risk, cont'd

Other financial assets

	As at		
	Mar 23 $M	**Sep 22 $M**	**Mar 22 $M**
Strong	**302,785**	301,735	257,543
Satisfactory[1]	**2,285**	2,164	2,483
Weak	**1,069**	945	391
Defaulted	**4**	7	11
Other financial assets[1]	**306,143**	304,851	260,428

1. *Includes Investment securities - debt securities at FVTPL of $18 million (Sep 22: $40 million; Mar 22: $38 million).*

13. Fair value of financial assets and financial liabilities

Classification of Financial Assets and Financial Liabilities

The Group recognises and measures financial instruments at either fair value or amortised cost, with 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.

The following tables set out the classification of financial asset and liabilities according to their measurement bases with their carrying amounts as recognised on the balance sheet.

As at March 2023	At amortised cost $M	At fair value $M	Total $M
Financial assets			
Cash and cash equivalents[1]	**184,092**	**24,708**	**208,800**
Settlement balances owed to ANZ	**7,020**	**-**	**7,020**
Collateral paid	**9,245**	**-**	**9,245**
Trading assets	**-**	**39,611**	**39,611**
Derivative financial instruments	**-**	**45,614**	**45,614**
Investment securities	**7,912**	**86,060**	**93,972**
Net loans and advances[1]	**670,618**	**19,469**	**690,087**
Regulatory deposits	**646**	**-**	**646**
Other financial assets	**3,710**	**-**	**3,710**
Total	**883,243**	**215,462**	**1,098,705**
Financial liabilities			
Settlement balances owed by ANZ	**23,010**	**-**	**23,010**
Collateral received	**8,002**	**-**	**8,002**
Deposits and other borrowings[1]	**811,236**	**31,328**	**842,564**
Derivative financial instruments	**-**	**46,154**	**46,154**
Payables and other liabilities	**8,258**	**4,733**	**12,991**
Debt issuances	**104,626**	**1,531**	**106,157**
Total	**955,132**	**83,746**	**1,038,878**

As at September 2022	At amortised cost $M	At fair value $M	Total $M
Financial assets			
Cash and cash equivalents	168,132	-	168,132
Settlement balances owed to ANZ	4,762	-	4,762
Collateral paid	12,700	-	12,700
Trading assets	-	35,237	35,237
Derivative financial instruments	-	90,174	90,174
Investment securities	7,943	78,210	86,153
Net loans and advances	667,732	4,675	672,407
Regulatory deposits	632	-	632
Other financial assets	2,943	-	2,943
Total	864,844	208,296	1,073,140
Financial liabilities			
Settlement balances owed by ANZ	13,766	-	13,766
Collateral received	16,230	-	16,230
Deposits and other borrowings	794,621	2,660	797,281
Derivative financial instruments	-	85,149	85,149
Payables and other liabilities	6,596	3,239	9,835
Debt issuances	92,623	1,111	93,734
Total	923,836	92,159	1,015,995

1. *During the March 2023 half, within the trading book in its Markets business, a component of the Institutional division, the Group commenced the management of repurchase agreements and associated reverse repurchase agreements on a fair value basis. This resulted in repurchase and associated reverse repurchase agreements being recognised and measured at fair value through profit and loss.*

13. Fair value of financial assets and financial liabilities, cont'd

As at March 2022	At amortised cost $M	At fair value $M	Total $M
Financial assets			
Cash and cash equivalents	168,054	-	168,054
Settlement balances owed to ANZ	7,141	-	7,141
Collateral paid	10,764	-	10,764
Trading assets	-	39,433	39,433
Derivative financial instruments	-	45,238	45,238
Investment securities	8,505	71,252	79,757
Net loans and advances	645,681	5,755	651,436
Regulatory deposits	661	-	661
Other financial assets	2,216	-	2,216
Total	843,022	161,678	1,004,700
Financial liabilities			
Settlement balances owed by ANZ	19,752	-	19,752
Collateral received	6,716	-	6,716
Deposits and other borrowings	775,699	4,589	780,288
Derivative financial instruments	-	47,795	47,795
Payables and other liabilities	5,945	4,634	10,579
Debt issuances	85,362	1,864	87,226
Total	893,474	58,882	952,356

13. Fair value of financial assets and financial liabilities, cont'd

i) Assets and liabilities measured at fair value

The fair values of financial assets and financial liabilities are generally determined at the individual instrument level. If the Group holds offsetting risk positions, then the portfolio exception in AASB 13 *Fair Value Measurement* (AASB 13) is used to measure the fair value of such groups of financial assets and financial liabilities. The Group measures 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.

a) Fair value designation

The Group designates certain loans and advances and certain deposits and other borrowings and debt issuances as fair value through profit or loss:

- where they contain separable embedded derivatives and are managed on a fair value basis, the total fair value movements are recognised in profit or loss in the same period as the movement on any associated hedging instruments; or
- in order to eliminate an accounting mismatch which would arise if the assets or liabilities were otherwise carried at amortised cost. This mismatch arises due to measuring the derivative financial instruments (used to mitigate interest rate risk of these assets or liabilities) at fair value through profit or loss.

The Group's approach ensures that it recognises the fair value movements on the assets or liabilities in profit or loss in the same period as the movement on the associated derivatives.

The Group may also designate certain loans and advances, certain deposits and other borrowings and debt issuances as fair value through profit or loss where they are managed on a fair value basis to align the measurement with how the instruments are managed.

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 held for trading: • Securities sold short • Derivative financial assets and financial liabilities • Debt and equity securities	Valuation techniques are used that incorporate observable market inputs for financial instruments with similar credit risk, maturity and yield characteristics. Equity securities where an active market does not exist are measured using comparable company valuation multiples (such as price-to-book ratios).
Financial instruments classified as: • Derivative financial assets and financial liabilities (not held for trading) • Net loans and advances • Deposits and other borrowings	Discounted cash flow techniques are used whereby contractual future cash flows of the instrument are discounted using wholesale market interest rates, or market borrowing rates for debt or loans with similar maturities or yield curve appropriate for the remaining term to maturity.
Financial instruments classified as: • Investment securities – debt or equity	Valuation techniques use comparable multiples (such as price-to-book ratios) or discounted cashflow (DCF) techniques incorporating, to the extent possible, observable inputs from instruments with similar characteristics.

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

c) Fair value hierarchy

The Group categorises assets and liabilities carried at fair value into a fair value hierarchy in accordance with 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 periods.

13. Fair value of financial assets and financial liabilities, cont'd

The following table presents assets and liabilities carried at fair value in accordance with the fair value hierarchy:

	Fair value measurements			
As at March 2023	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
Assets				
Cash and cash equivalents (measured at fair value)[1]	**-**	**24,708**	**-**	**24,708**
Trading assets[2]	**26,593**	**13,017**	**1**	**39,611**
Derivative financial instruments	**315**	**45,275**	**24**	**45,614**
Investment securities[2]	**68,176**	**16,421**	**1,463**	**86,060**
Net loans and advances (measured at fair value)[1]	**-**	**19,089**	**380**	**19,469**
Total	**95,084**	**118,510**	**1,868**	**215,462**
Liabilities				
Deposits and other borrowings (designated at fair value)[1]	**-**	**31,328**	**-**	**31,328**
Derivative financial instruments	**765**	**45,363**	**26**	**46,154**
Payables and other liabilities[3]	**3,572**	**1,161**	**-**	**4,733**
Debt issuances (designated at fair value)	**-**	**1,531**	**-**	**1,531**
Total	**4,337**	**79,383**	**26**	**83,746**
As at September 2022				
Assets				
Trading assets[2]	28,455	6,782	-	35,237
Derivative financial instruments	944	89,185	45	90,174
Investment securities[2]	68,211	8,614	1,385	78,210
Net loans and advances (measured at fair value)	-	4,272	403	4,675
Total	97,610	108,853	1,833	208,296
Liabilities				
Deposits and other borrowings (designated at fair value)	-	2,660	-	2,660
Derivative financial instruments	309	84,809	31	85,149
Payables and other liabilities[3]	2,842	397	-	3,239
Debt issuances (designated at fair value)	-	1,111	-	1,111
Total	3,151	88,977	31	92,159
As at March 2022				
Assets				
Trading assets[2]	31,901	7,532	-	39,433
Derivative financial instruments	1,302	43,889	47	45,238
Investment securities[2]	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[3]	4,226	408	-	4,634
Debt issuances (designated at fair value)	-	1,864	-	1,864
Total	4,881	53,978	23	58,882

1. *During the March 2023 half, within the trading book in its Markets business, a component of the Institutional division, the Group commenced the management of repurchase agreements and associated reverse repurchase agreements on a fair value basis. This resulted in repurchase and associated reverse repurchase agreements being recognised and measured at fair value through profit and loss.*
2. *During the March 2023 half, $7,246 million of assets were transferred from Level 1 to Level 2, (Sep 22: $1,043 million; Mar 22: $3,949 million), and $1,181 million of assets were transferred from Level 2 to Level 1 (Sep 22: $1,677 million; Mar 22: $1,181 million) 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.*
3. *Payables and other liabilities relate to securities sold short which are classified as held for trading and measured at FVTPL.*

13. Fair value of financial assets and financial liabilities, cont'd

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

a) Level 3 fair value measurements

Level 3 financial instruments are a net asset of $1,842 million (Sep 22: $1,802 million; Mar 22: $1,557 million). The assets and liabilities which incorporate significant unobservable inputs are:

- equity securities for which there is no active market or traded prices cannot be observed;
- loans and advances 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.

Level 3 Transfers

During the March 2023 half, the Group transferred $3 million of derivatives measured at fair value from Level 3 to Level 2, as a result of valuation inputs becoming observable during the period. There were no other transfers into or out of Level 3 during the period.

The material Level 3 financial instruments as at 31 March 2023 are summarised below:

i) Investment Securities - equity holdings classified as FVOCI

Bank of Tianjin (BoT)

The Group holds an investment in the 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 resulted in the Level 3 classification. As at March 2023, the BoT equity holding balance was $900 million (Sep 22: $854 million, Mar 22: $956 million). An increase in the BoT fair valuation in the March 2023 half was mainly due to the increase of the P/B multiple used in the valuation over the half.

Other equity investments

The Group holds $545 million (Sep 22: $491 million; Mar 22: $426 million) of unlisted equities classified as FVOCI, for which there are no active markets or traded prices available, resulting in Level 3 classification. The increase in unlisted equity holdings balance was mainly due to new investment purchases and small revaluation increase of the equity instruments during the March 2023 half.

ii) Net loans and advances - classified as FVTPL

Syndicated loans

The Group holds $380 million (Sep 22: $403 million; Mar 22: $113 million) of syndicated loans for sale which are measured at FVTPL. These loans are classified as Level 3 when there is no observable market data available for the valuation. The decrease in the Level 3 loan balances for the March 2023 half was mainly due to FX translation impact as well as scheduled repayments.

b) Sensitivity to Level 3 data inputs

When we make assumptions due to significant inputs to a valuation not being directly observable (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 parameters used to derive the fair valuation.

Investment securities - equity holdings

The valuation of the equity investments is sensitive to variations in select unobservable inputs, with valuation techniques used including P/B multiples and discounted cashflow techniques. If for example, a 10% increase or decrease to the primary input into the valuations were to occur (such as the P/B multiple), it would result in a $145 million increase or decrease in the fair value of the portfolio, which would be recognised in shareholders' equity in the Group, with no impact to net profit or loss.

Net loans and advances

Syndicated loan valuations are sensitive to credit spreads and discount curves in determining their fair valuation. However as these are primarily investment-grade loans, an increase or decrease in credit spreads and / or interest yield would have an immaterial impact on net profit or net assets of the Group.

Other

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

13. Fair value of financial assets and financial liabilities, cont'd

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 determined based on the valuation technique (referred to as the day one gain or loss) in profit or loss. The amount deferred at initial recognition is recognised 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.

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.

	Carrying amount in the balance sheet			Fair value
As at March 2023	At amortised cost $M	At fair value $M	Total $M	$M
Financial assets				
Investment securities[1]	**7,912**	**86,060**	**93,972**	**93,958**
Net loans and advances	**670,618**	**19,469**	**690,087**	**687,457**
Total	**678,530**	**105,529**	**784,059**	**781,415**
Financial liabilities				
Deposits and other borrowings	**811,236**	**31,328**	**842,564**	**842,215**
Debt issuances	**104,626**	**1,531**	**106,157**	**105,800**
Total	**915,862**	**32,859**	**948,721**	**948,015**
As at September 2022				
Financial assets				
Investment securities[1]	7,943	78,210	86,153	86,128
Net loans and advances	667,732	4,675	672,407	668,407
Total	675,675	82,885	758,560	754,535
Financial liabilities				
Deposits and other borrowings	794,621	2,660	797,281	796,784
Debt issuances	92,623	1,111	93,734	93,121
Total	887,244	3,771	891,015	889,905
As at March 2022				
Financial assets				
Investment securities[1]	8,505	71,252	79,757	79,678
Net loans and advances	645,681	5,755	651,436	649,142
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

1. *Investment securities at amortised cost includes $4,260 million of assets that are part of the Group's liquidity portfolio (Sep 22: $3,976 million; Mar 22: $4,664 million). These are all short tenor (<1 year) instruments primarily in the Group's Rest of World geography and represent <4% of the Group's total liquid asset securities at 31 March 2023.*

14. Shareholders' equity

i) Issued securities	As at		
Ordinary shares	**Mar 23 No.**	**Sep 22 No.**	**Mar 22 No.**
Opening balance	**2,989,923,751**	2,794,104,174	2,823,563,652
Share buy-back[1]	**-**	-	(30,831,227)
Share entitlement issue[2]	**-**	187,105,950	-
Bonus Option Plan	**1,657,422**	1,518,519	1,371,749
Dividend Reinvestment Plan issuances	**8,406,978**	7,195,108	-
Employee share and option plans	**3,378,631**	-	-
Closing balance	**3,003,366,782**	2,989,923,751	2,794,104,174
Less: Treasury Shares	**(4,099,015)**	(4,209,150)	(4,391,572)
Closing balance	**2,999,267,767**	2,985,714,601	2,789,712,602
Issued/(Repurchased) during the period	**13,443,031**	195,819,577	(29,459,478)

1. *The Group completed its $1.5 billion on-market share buy-back of ANZ ordinary shares in the March 2022 half, purchasing $846 million worth of shares and resulting in 31 million shares being cancelled in the March 2022 half.*
2. *On 18 July 2022, the Group announced a fully underwritten pro rata accelerated renounceable entitlement offer of new ANZ ordinary shares to help fund the Group's anticipated acquisition of Suncorp Bank. All eligible shareholders were invited to purchase one new ordinary share for every 15 existing ordinary shares held on 21 July 2022 at an issue price of $18.90 per share. The Group issued a total of 187.1 million ordinary shares under the offer, raising $3,497 million of new share capital (net of issue costs).*

	As at			Movement	
ii) Shareholders' equity	**Mar 23 $M**	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Ordinary share capital	**29,054**	28,797	25,091	1%	16%
Reserves					
Foreign currency translation reserve[1]	**644**	(148)	(164)	large	large
Share option reserve	**58**	78	54	-26%	7%
FVOCI reserve	**(412)**	(478)	(43)	-14%	large
Cash flow hedge reserve	**(1,287)**	(2,036)	(1,247)	-37%	3%
Transactions with non-controlling interests reserve	**(22)**	(22)	(22)	0%	0%
Total reserves	**(1,019)**	(2,606)	(1,422)	-61%	-28%
Retained earnings	**41,049**	39,716	38,078	3%	8%
Share capital and reserves attributable to shareholders of the Company	**69,084**	65,907	61,747	5%	12%
Non-controlling interests	**525**	494	9	6%	large
Total shareholders' equity	**69,609**	66,401	61,756	5%	13%

1. *As a result of the dissolution of Minerva Holdings Limited in the United Kingdom and ANZ Asia Limited in Hong Kong, $65 million of the associated foreign currency translation reserve was recycled from Other comprehensive income to profit or loss in the March 2022 half.*

14. Shareholders' equity, cont'd

iii) Non-controlling interests	Profit attributable to non-controlling interests			Equity attributable to non-controlling interests			Dividend paid to non-controlling interests		
	Half Year			As at			Half Year		
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 $M	Sep 22 $M	Mar 22 $M
ANZ Bank New Zealand PPS	**13**	-	-	**515**	484	-	**13**	-	-
Other non-controlling interests	**1**	1	-	**10**	10	9	**-**	-	2
Total	**14**	1	-	**525**	494	9	**13**	-	2

ANZ Bank New Zealand Perpetual Preference Shares

ANZ Bank New Zealand, a wholly owned subsidiary of ANZGHL, issued $484 million (NZD 550 million) of Perpetual Preference Shares (PPS) on 18 July 2022. These are considered non-controlling interests of the Group.

The key terms of the PPS are as follows:

PPS dividends

PPS dividends are payable at the discretion of the Directors of ANZ Bank New Zealand and are non-cumulative. ANZ Bank New Zealand must not resolve to pay any dividend or make any other distribution on its ordinary shares until the next PPS dividend payment date if a PPS dividend is not paid.

Should ANZ Bank New Zealand elect to pay a PPS dividend, the PPS dividend is 6.95% per annum up until 18 July 2028 and thereafter a floating rate equal to the aggregate of the New Zealand 3 month bank bill rate plus 3.25%, multiplied by one minus the New Zealand company tax rate (where the PPS dividend is fully imputed), with PPS dividend payments due on 18 January, 18 April, 18 July and 18 October each year.

Redemption features

Holders of PPS have no right to require that the PPS be redeemed. ANZ Bank New Zealand may at its option redeem all of the PPS on an optional redemption date (each PPS dividend date from 18 July 2028), or at any time following the occurrence of a tax or regulatory event, subject to prior written approval of RBNZ and meeting other conditions.

15. Changes in composition of the Group

There were no acquisitions or disposals of material controlled entities for the half year ended 31 March 2023.

16. Investments in associates

	Half Year			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Share of associates' profit/(loss)	**101**	103	74	-2%	36%

Contributions to profit Associates	Contribution to Group profit after tax			Ownership interest held by Group		
	Half Year			As at		
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 %	Sep 22 %	Mar 22 %
P.T. Bank Pan Indonesia (PT Panin)	**56**	58	24	**39**	39	39
AMMB Holdings Berhad (AmBank)	**63**	57	51	**22**	22	22
Worldline Australia Pty Ltd	**(17)**	(10)	-	**49**	49	49
Other associates	**(1)**	(2)	(1)	**n/a**	n/a	n/a
Share of associates' profit/(loss)	**101**	103	74			

17. 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 2022.

18. Contingent liabilities and contingent assets

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

Refer to Note 33 of the 2022 ANZ Annual Financial Report for a description of commitments, contingent liabilities and contingent assets as at 30 September 2022. A description of the contingent liabilities and contingent assets as at 31 March 2023 is set out below.

- **Regulatory and customer exposures**

  The Group regularly engages with its regulators in relation to regulatory investigations, surveillance and reviews, reportable situations, civil enforcement actions (whether by court action or otherwise), formal and informal inquiries and regulatory supervisory activities 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 in recent years 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, privacy obligations and information security, business continuity management, 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.

- **South African rate action**

  In February 2017, the South African Competition Commission commenced proceedings against local and international banks including ANZBGL 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.

- **Capital raising action**

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

- **Consumer credit insurance litigation**

  In February 2020, a class action was brought against ANZBGL 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. An agreement to settle the claim was reached in November 2022. The financial impact is not material. The settlement is without admission of liability and remains subject to court approval.

- **Esanda dealer car loan litigation**

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

- **OnePath superannuation litigation**

  In December 2020, a class action was brought against OnePath Custodians, OnePath Life and ANZBGL 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 ANZBGL was involved in some of OnePath Custodians' investment breaches. ANZBGL 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 ANZBGL alleging that certain interest terms in credit card contracts were unfair contract terms and that it was unconscionable for ANZBGL to rely on them. ANZBGL is defending the allegations.

- **Available funds action**

  In May 2022, ASIC commenced civil penalty proceedings against ANZBGL in relation to fees charged to customers in some circumstances for credit card cash advance transactions made using recently deposited unprocessed funds. ASIC alleges that ANZBGL made false or misleading representations, engaged in misleading or deceptive conduct and breached certain statutory obligations as a credit licensee. ANZBGL is defending the allegations.

18. Contingent liabilities and contingent assets, cont'd

- **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 performance management fee remains uncertain.

- **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**

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

- **Sale of Grindlays business**

  On 31 July 2000, ANZBGL completed the sale to Standard Chartered Bank (SCB) of ANZ Grindlays Bank Limited (Grindlays) and certain other businesses. ANZBGL 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.

Contingent Assets

- **National Housing Bank**

  ANZBGL is pursuing recovery of the proceeds of certain disputed cheques which were credited to the account of a former Grindlays customer in the early 1990s.

  The disputed cheques were drawn on the National Housing Bank (NHB) in India. Proceedings between Grindlays and NHB concerning the proceeds of the cheques were resolved in early 2002.

  Recovery is now being pursued from the estate of the Grindlays customer who received the cheque proceeds. Any amounts recovered are to be shared between ANZBGL and NHB.

19. Significant events since balance date

There have been no significant events from 31 March 2023 to the date of signing this report.

Directors' Declaration

The Directors of ANZ Group Holdings 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 2023 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

4 May 2023

Independent Auditor's Review Report to the shareholders of ANZ Group Holdings Limited

Report on the Condensed Consolidated Financial Statements

Conclusion

We have reviewed the accompanying Condensed Consolidated Financial Statements of ANZ Group Holdings 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 ANZ Group Holdings Limited do not comply with the *Corporations Act 2001*, including:

i) giving a true and fair view of the Group's financial position as at 31 March 2023 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 2023;
- 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 19 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The Group comprises ANZ Group Holdings 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 2023 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	**Martin McGrath** *Partner* Melbourne 4 May 2023	**Maria Trinci** *Partner* Melbourne 4 May 2023

KPMG

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

To the Directors of ANZ Group Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review of ANZ Group Holdings Limited for the half year ended 31 March 2023, 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

Melbourne
4 May 2023

CONTENTS **Page**

Establishment of a new group organisational structure

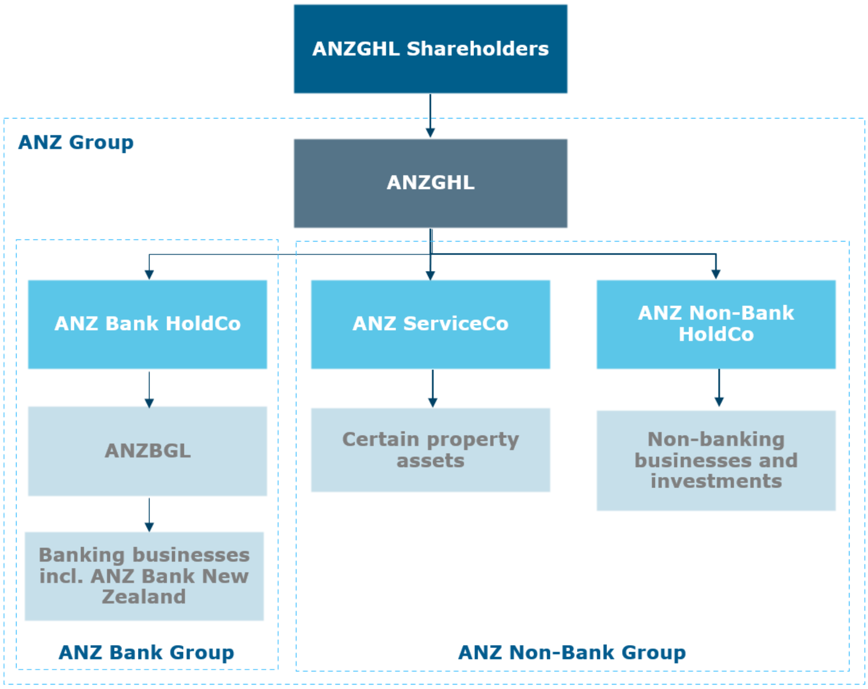
On 3 January 2023, Australia and New Zealand Banking Group Limited (ANZBGL) established by a scheme of arrangement, a non-operating holding company, ANZ Group Holdings Limited (ANZGHL), as the new listed parent holding company of the ANZ Group and implemented a restructure to separate ANZ's banking and certain non-banking businesses into the ANZ Bank Group and ANZ Non-Bank Group (Restructure).

Overview of the Restructure

The key steps undertaken in the Restructure were:

- New legal entities ANZGHL, ANZ BH Pty Ltd (ANZ Bank HoldCo), ANZ NBH Pty Ltd (ANZ Non-Bank HoldCo) and ANZ Group Services Pty Ltd (ANZ ServiceCo) were created;
- ANZBGL transferred its beneficial interests in the 1835i trusts, its non-controlling interest in the Worldline merchant acquiring joint venture with Worldline, and its equity interests in Lygon, TIN and Pollination to ANZ Non-Bank HoldCo;
- ANZBGL transferred its interest in ANZ Centre Trust, ANZ Centre Chattels Trust, certain fixtures and fittings (including leasehold improvement assets) and ANZ Centre Pty Ltd to ANZ ServiceCo;
- ANZBGL transferred all shares in ANZ Bank HoldCo, ANZ Non-Bank HoldCo and ANZ ServiceCo to ANZGHL; and
- ANZGHL transferred all shares in ANZBGL to ANZ Bank HoldCo.

The composition of the ANZ Group after the Restructure is shown in the diagram below[1].



[1] *This diagram has been simplified and does not show all subsidiaries of the ANZ Group and interests of ANZ. Note that references to ANZ/ANZGHL Shareholders includes holders of ANZ ADSs representing ANZ Shares.*

APRA Regulatory Requirements

As part of the Restructure, ANZ's prudential policy framework was adjusted to reflect APRA's regulation of the ANZ Group after the Restructure. A summary of APRA's regulation of the ANZ Group after the Restructure is set out below.

- ANZGHL: a non-operating holding company that is authorised by APRA and is required to comply with certain conditions including specific capital requirements. As an authorised NOHC, ANZGHL is also subject to regulation under the *Banking Act 1959 (Cth)* (Banking Act) and certain APRA prudential standards. As the head of a Level 3 group, ANZGHL is required to ensure certain APRA prudential standards are applied appropriately throughout the ANZ Group (including the ANZ Bank Group and relevant members of the ANZ Non-Bank Group).
- ANZ Bank HoldCo: includes the ANZ Group's entities that conduct banking business (including ANZBGL and ANZ Bank New Zealand). ANZ Bank HoldCo is subject to the full suite of APRA prudential and reporting standards for ADIs, including standards in relation to capital adequacy and liquidity.
- ANZ Non-Bank HoldCo: comprises investments and entities that are not within the ANZ Bank Group. Subject to the requirements relating to APRA's authorisation, these entities are not subject to ADI-specific regulation, such as bank capital adequacy and liquidity requirements currently applied to ANZBGL. As noted above, ANZGHL is required to apply certain APRA prudential standards appropriately throughout the ANZ Group, including to relevant members of the ANZ Non-Bank Group being those where ANZGHL has considered it appropriate to do so to protect the ANZ Group or ANZ customers or where APRA has required ANZGHL to do so.

Initially, ANZ's risk management framework will apply to the ANZ Group following the Restructure in substantially the same form as the current risk management framework. However, over time, ANZ's risk management framework and risk appetite statement may be adjusted as the ANZ Non-Bank Group develops.

Further information relating to the implementation of the Group Organisational Structure can be found on www.anz.com at https://www.anz.com/shareholder/centre/about/anzs-non-operating-holding-company/

ANZGHL and ANZBGL summary financial information

Condensed Income Statement

	ANZBGL Consolidated			ANZGHL Consolidated		
	Half Year			Half Year		
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 $M	Sep 22 $M	Mar 22 $M
Net interest income	**8,500**	7,774	7,100	**8,503**	7,774	7,100
Other operating income	**1,647**	2,110	2,442	**1,636**	2,110	2,442
Operating income	**10,147**	9,884	9,542	**10,139**	9,884	9,542
Operating expenses	**(4,986)**	(4,788)	(4,791)	**(4,997)**	(4,788)	(4,791)
Profit before credit impairment and income tax	**5,161**	5,096	4,751	**5,142**	5,096	4,751
Credit impairment (charge)/release	**(133)**	(52)	284	**(133)**	(52)	284
Profit before income tax	**5,028**	5,044	5,035	**5,009**	5,044	5,035
Income tax expense and non-controlling interests	**(1,460)**	(1,441)	(1,500)	**(1,462)**	(1,441)	(1,500)
Profit attributable to shareholders of the Company from continuing operations	**3,568**	3,603	3,535	**3,547**	3,603	3,535
Profit/(Loss) from discontinued operations	**-**	(14)	(5)	**-**	(14)	(5)
Profit attributable to shareholders of the Company	**3,568**	3,589	3,530	**3,547**	3,589	3,530
Economic hedges	**190**	(196)	(373)	**190**	(196)	(373)
Revenue and expense hedges	**84**	(5)	(49)	**84**	(5)	(49)
Cash profit	**3,842**	3,388	3,108	**3,821**	3,388	3,108

Condensed Balance Sheet

	ANZBGL Consolidated			ANZGHL Consolidated		
	As at			As at		
Assets	Mar 23 $B	Sep 22 $B	Mar 22 $B	Mar 23 $B	Sep 22 $B	Mar 22 $B
Cash / Settlement balances owed to ANZ / Collateral paid	**225.1**	185.6	186.0	**225.1**	185.6	186.0
Trading assets and investment securities	**133.1**	121.4	119.2	**133.6**	121.4	119.2
Derivative financial instruments	**45.6**	90.2	45.2	**45.6**	90.2	45.2
Net loans and advances	**690.7**	672.4	651.4	**690.1**	672.4	651.4
Other	**17.1**	16.0	15.6	**16.8**	16.0	15.6
Total assets	**1,111.6**	1,085.6	1,017.4	**1,111.2**	1,085.6	1,017.4
Liabilities						
Settlement balances owed by ANZ / Collateral received	**31.0**	30.0	26.5	**31.0**	30.0	26.5
Deposits and other borrowings	**843.1**	797.3	780.3	**842.6**	797.3	780.3
Derivative financial instruments	**46.2**	85.1	47.8	**46.2**	85.1	47.8
Debt issuances	**106.2**	93.7	87.2	**106.2**	93.7	87.2
Other	**16.5**	13.2	13.8	**15.6**	13.2	13.8
Total liabilities	**1,043.0**	1,019.3	955.6	**1,041.6**	1,019.3	955.6
Total equity	**68.6**	66.4	61.8	**69.6**	66.4	61.8

Capital management

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: https://www.anz.com/shareholder/centre/reporting/regulatory-disclosure/.

The disclosures below represent the position for ANZ BH Pty Ltd as the head of ANZ's Level 2 banking group following the Restructure described on page 120 (Australia and New Zealand Banking Group Limited for prior years). The capital position for ANZGHL, the head of the Level 3 conglomerate group, is outlined on page 43.

		As at			Movement	
Qualifying Capital		**Mar 23 $M**	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
Tier 1						
Shareholders' equity and non-controlling interests		**68,625**	66,401	61,756	3%	11%
Prudential adjustments to shareholders' equity	Table 1	**(358)**	(175)	180	large	large
Gross Common Equity Tier 1 capital		**68,267**	66,226	61,936	3%	10%
Deductions	Table 2	**(10,887)**	(10,354)	(11,425)	5%	-5%
Common Equity Tier 1 capital		**57,380**	55,872	50,511	3%	14%
Additional Tier 1 capital	Table 3	**8,184**	7,686	7,490	6%	9%
Tier 1 capital		**65,564**	63,558	58,001	3%	13%
Tier 2 capital	Table 4	**24,068**	19,277	14,780	25%	63%
Total qualifying capital		**89,632**	82,835	72,781	8%	23%
Capital adequacy ratios (Level 2)						
Common Equity Tier 1		**13.2%**	12.3%	11.5%		
Tier 1		**15.1%**	14.0%	13.2%		
Tier 2		**5.5%**	4.2%	3.4%		
Total capital ratio		**20.6%**	18.2%	16.6%		
Risk weighted assets	Table 5	**435,514**	454,718	437,910	-4%	-1%

Capital management, cont'd

		As at			Movement	
		Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Table 1: Prudential adjustments to shareholders' equity						
Shareholders' equity attributable to deconsolidated entities		**(233)**	(48)	(150)	large	55%
Deferred fee revenue including fees deferred as part of loan yields		**453**	440	386	3%	17%
Non-controlling interests and other deductions		**(578)**	(567)	(56)	2%	large
Total		**(358)**	(175)	180	large	large
Table 2: Deductions from Common Equity Tier 1 capital						
Unamortised goodwill & other intangibles (excluding ANZ New Zealand Investments Holdings Ltd)		**(2,994)**	(2,914)	(3,073)	3%	-3%
Intangible component of investments in ANZ New Zealand Investments Holdings Ltd		**(71)**	(67)	(71)	6%	0%
Capitalised software		**(868)**	(896)	(924)	-3%	-6%
Capitalised expenses (including loan and lease origination fees)		**(1,874)**	(1,625)	(1,548)	15%	21%
Applicable deferred net tax assets		**(2,461)**	(2,511)	(2,908)	-2%	-15%
Expected losses in excess of eligible provisions	Table 8	**(39)**	(11)	(32)	large	22%
Investment in other insurance subsidiaries		**(284)**	(348)	(347)	-18%	-18%
Investment in ANZ New Zealand Investments Holdings Ltd		**(45)**	(43)	(45)	5%	0%
Investment in associates		**(2,214)**	(2,181)	(2,018)	2%	10%
Other equity investments		**(973)**	(1,385)	(1,432)	-30%	-32%
Cashflow hedge reserve and other deductions		**936**	1,627	973	-42%	-4%
Total		**(10,887)**	(10,354)	(11,425)	5%	-5%
Table 3: Additional Tier 1 capital						
ANZ Capital Notes 3		**-**	970	969	large	large
ANZ Capital Notes 4		**1,620**	1,619	1,618	0%	0%
ANZ Capital Notes 5		**929**	928	928	0%	0%
ANZ Capital Notes 6		**1,488**	1,487	1,487	0%	0%
ANZ Capital Notes 7		**1,297**	1,297	1,298	0%	0%
ANZ Capital Notes 8		**1,482**	-	-	n/a	n/a
ANZ Capital Securities		**1,380**	1,404	1,282	-2%	8%
Regulatory adjustments and deductions		**(12)**	(19)	(92)	-37%	-87%
Total		**8,184**	7,686	7,490	6%	9%
Table 4: Tier 2 capital						
General reserve for impairment of financial assets		**1,781**	1,233	1,082	44%	65%
Term subordinated debt notes		**22,797**	17,907	14,047	27%	62%
Regulatory adjustments and deductions		**(510)**	137	(349)	large	46%
Total		**24,068**	19,277	14,780	25%	63%

Capital management, cont'd

		As at			Movement	
		Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Table 5: Risk weighted assets						
On balance sheet		**269,191**	268,741	262,774	0%	2%
Commitments		**45,944**	58,039	58,578	-21%	-22%
Contingents		**14,227**	12,330	11,646	15%	22%
Derivatives		**15,932**	20,332	15,819	-22%	1%
Total credit risk weighted assets	Table 6	**345,294**	359,442	348,817	-4%	-1%
Market risk - Traded		**11,737**	9,282	7,705	26%	52%
Market risk - IRRBB		**31,887**	38,063	33,402	-16%	-5%
Operational risk		**42,319**	47,931	47,986	-12%	-12%
Total risk weighted assets		**431,237**	454,718	437,910	-5%	-2%
RWA adjustment for the IRB capital floor		**4,277**	n/a	n/a	n/a	n/a
Total risk weighted assets including floor adjustment		**435,514**	n/a	n/a	n/a	n/a

	As at			Movement	
	Mar 23 $M	Sep 22 $M	Mar 22 $M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Table 6: Credit risk weighted assets by Basel asset class					
Subject to Advanced IRB approach					
Corporate	**62,680**	146,069	141,243	-57%	-56%
Sovereign	**n/a**	10,955	9,781	n/a	n/a
Bank	**n/a**	12,071	10,742	n/a	n/a
Residential mortgage	**86,726**	113,590	111,355	-24%	-22%
Retail SME	**10,065**	n/a	n/a	n/a	n/a
Qualifying revolving retail	**3,325**	3,272	3,418	2%	-3%
Other retail	**1,709**	17,029	18,200	-90%	-91%
Credit risk weighted assets subject to Advanced IRB approach	**164,505**	302,986	294,739	-46%	-44%
Credit risk weighted assets subject to supervisory slotting approach	**3,577**	39,792	38,432	-91%	-91%
Subject to Foundation Internal Rating Based (IRB) approach					
Corporate	**38,808**	n/a	n/a	n/a	n/a
Sovereign	**11,199**	n/a	n/a	n/a	n/a
Financial institution	**32,832**	n/a	n/a	n/a	n/a
Credit risk weighted assets subject to Foundational IRB approach	**82,839**	n/a	n/a	n/a	n/a
Subject to Standardised approach					
Corporate	**4,911**	6,235	6,149	-21%	-20%
Sovereign	**88**	29	36	large	large
Residential mortgage	**1,809**	224	194	large	large
Other retail	**32**	11	12	large	large
Other assets	**4,138**	n/a	n/a	n/a	n/a
Credit risk weighted assets subject to Standardised approach	**10,978**	6,499	6,391	69%	72%
Credit Valuation Adjustment and Qualifying Central Counterparties	**3,449**	3,865	3,154	-11%	9%
Exposures of New Zealand banking subsidiaries	**77,717**	n/a	n/a	n/a	n/a
Credit risk weighted assets relating to securitisation exposures	**2,229**	2,424	2,090	-8%	7%
Other assets	**n/a**	3,876	4,011	n/a	n/a
Total credit risk weighted assets	**345,294**	359,442	348,817	-4%	-1%

Capital management, 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 23 $M	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 $M**	**Sep 22 $M**	**Mar 22 $M**
Australia Retail	**1,017**	974	1,015	**824**	957	991
Australia Commercial	**1,182**	1,164	1,240	**657**	826	927
Institutional	**1,580**	1,652	1,584	**814**	984	959
New Zealand	**590**	494	438	**515**	514	572
Pacific	**91**	110	114	**17**	17	14
Group Centre	**1**	1	2	**2**	3	3
Total provision for credit impairment and expected loss	**4,461**	4,395	4,393	**2,829**	3,301	3,466

1. *Only applicable to IRB portfolios.*

Table 8: APRA Expected loss in excess of eligible provisions	As at			Movement	
	Mar 23 $M	**Sep 22 $M**	**Mar 22 $M**	**Mar 23 v. Sep 22**	**Mar 23 v. Mar 22**
APRA Basel 3 expected loss: non-defaulted	**1,875**	**2,231**	2,235	-16%	-16%
Less: Qualifying collectively assessed provision					
Collectively assessed provision	**(4,040)**	**(3,853)**	(3,757)	5%	8%
Non-qualifying collectively assessed provision	**384**	**389**	440	-1%	-13%
Standardised collectively assessed provision	**141**	**147**	142	-4%	-1%
Non-defaulted excess included in deduction	**-**	**-**	-	n/a	n/a
APRA Basel 3 expected loss: defaulted	**954**	**1,070**	1,231	-11%	-23%
Less: Qualifying individually assessed provision					
Individually assessed provision	**(421)**	**(542)**	(636)	-22%	-34%
Additional individually assessed provision for partial write offs	**(181)**	**(213)**	(206)	-15%	-12%
Standardised individually assessed provision	**44**	**51**	43	-14%	2%
Collectively assessed provision on IRB defaulted	**(357)**	**(355)**	(400)	1%	-11%
	39	**11**	32	large	22%
Shortfall in expected loss not included in deduction	**-**	**-**	-	n/a	n/a
Defaulted excess included in deduction	**39**	**11**	32	large	22%
Gross deduction	**39**	**11**	32	large	22%

Average balance sheet and related interest[1]

	Mar 23 Half Year			Sep 22 Half Year			Mar 22 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[2]	**344,016**	**8,730**	**5.1%**	333,606	6,159	3.7%	334,774	4,941	3.0%
Consumer finance	**12,320**	**493**	**8.0%**	12,130	456	7.5%	12,286	490	8.0%
Business lending	**293,374**	**8,853**	**6.1%**	274,341	5,123	3.7%	260,680	3,502	2.7%
Individual provisions for credit impairment	**(457)**	**-**	**n/a**	(587)	-	n/a	(653)	-	n/a
Total	**649,253**	**18,076**	**5.6%**	619,490	11,738	3.8%	607,087	8,933	3.0%
Non-lending interest earning assets									
Cash and other liquid assets	**196,798**	**2,712**	**2.8%**	177,619	952	1.1%	170,619	89	0.1%
Trading and investment securities	**126,358**	**2,040**	**3.2%**	122,643	1,194	1.9%	121,366	678	1.1%
Other assets	**563**	**2**	**n/a**	588	18	n/a	606	7	n/a
Total	**323,719**	**4,754**	**2.9%**	300,850	2,164	1.4%	292,591	774	0.5%
Total interest earning assets[3]	**972,972**	**22,830**	**4.7%**	920,340	13,902	3.0%	899,678	9,707	2.2%
Non-interest earning assets[2]	**139,344**			141,680			110,098		
Total average assets	**1,112,316**			1,062,020			1,009,776		
Interest bearing deposits and other borrowings									
Certificates of deposit	**41,710**	**674**	**3.2%**	37,232	235	1.3%	38,148	40	0.2%
Term deposits	**226,515**	**3,998**	**3.5%**	191,680	1,471	1.5%	176,866	440	0.5%
On demand and short term deposits[4]	**317,740**	**4,268**	**2.7%**	334,447	1,899	1.1%	339,419	858	0.5%
Deposits from banks and securities sold under agreement to repurchase	**103,137**	**1,677**	**3.3%**	100,096	572	1.1%	91,070	103	0.2%
Commercial paper and other borrowings	**43,553**	**883**	**4.1%**	34,993	243	1.4%	29,431	55	0.4%
Total	**732,655**	**11,500**	**3.1%**	698,448	4,420	1.3%	674,934	1,496	0.4%
Non-deposit interest bearing liabilities									
Collateral received and settlement balances owed by ANZ	**22,349**	**271**	**2.4%**	18,984	124	1.3%	14,507	13	0.2%
Debt issuances & subordinated debt	**96,609**	**2,080**	**4.3%**	89,023	1,222	2.7%	94,683	799	1.7%
Other liabilities	**9,293**	**476**	**n/a**	9,084	362	n/a	8,776	299	n/a
Total	**128,251**	**2,827**	**4.4%**	117,091	1,708	2.9%	117,966	1,111	1.9%
Total interest bearing liabilities[3]	**860,906**	**14,327**	**3.3%**	815,539	6,128	1.5%	792,900	2,607	0.7%
Non-interest bearing liabilities[4]	**183,799**			183,361			154,332		
Total average liabilities	**1,044,705**			998,900			947,232		
Total average shareholders' equity	**67,611**			63,120			62,544		

1. *Averages used are predominantly daily averages.*
2. *Home loans are reported net of average mortgage offset balances of $43,799 million (Sep 22: $41,990 million; Mar 22: $40,329 million), which are included in non-interest earning assets. While these balances are required to be grossed up under accounting standards, they are netted down for the calculation of customer interest payments and the calculation of the Group's net interest margin.*
3. *Intra-group interest earning assets and interest income and Intra-group interest earning liabilities and interest expense have been eliminated.*
4. *On demand and short-term deposits exclude average mortgage offset balances of $43,799 million (Sep 22: $41,990 million; Mar 22: $40,329 million), which are included in non-interest bearing liabilities.*

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

	Mar 23 Half Year			Sep 22 Half Year			Mar 22 Half Year		
	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %	Avg bal $M	Int $M	Rate %
Loans and advances[2]									
Australia	**432,682**	**11,721**	**5.4%**	410,151	7,691	3.7%	402,017	6,097	3.0%
Rest of World	**80,510**	**2,588**	**6.4%**	75,812	1,260	3.3%	69,003	689	2.0%
New Zealand	**136,061**	**3,767**	**5.6%**	133,527	2,787	4.2%	136,067	2,147	3.2%
Total	**649,253**	**18,076**	**5.6%**	619,490	11,738	3.8%	607,087	8,933	3.0%
Trading assets and investment securities									
Australia	**62,933**	**1,151**	**3.7%**	61,583	621	2.0%	61,595	272	0.9%
Rest of World	**46,819**	**661**	**2.8%**	43,971	405	1.8%	40,857	276	1.4%
New Zealand	**16,606**	**228**	**2.8%**	17,089	168	2.0%	18,914	130	1.4%
Total	**126,358**	**2,040**	**3.2%**	122,643	1,194	1.9%	121,366	678	1.1%
Total interest earning assets[3]									
Australia	**595,274**	**14,356**	**4.8%**	562,269	8,857	3.1%	548,966	6,368	2.3%
Rest of World	**211,188**	**4,184**	**4.0%**	196,306	1,989	2.0%	184,992	1,018	1.1%
New Zealand	**166,510**	**4,290**	**5.2%**	161,765	3,056	3.8%	165,720	2,321	2.8%
Total	**972,972**	**22,830**	**4.7%**	920,340	13,902	3.0%	899,678	9,707	2.2%
Total average assets									
Australia	**664,826**			646,314			617,384		
Rest of World	**266,218**			238,668			212,617		
New Zealand	**181,272**			177,038			179,775		
Total average assets	**1,112,316**			1,062,020			1,009,776		
Interest bearing deposits and other borrowings[4]									
Australia	**415,469**	**6,202**	**3.0%**	405,671	2,320	1.1%	391,882	869	0.4%
Rest of World	**206,186**	**3,590**	**3.5%**	185,569	1,256	1.3%	174,536	235	0.3%
New Zealand	**111,000**	**1,708**	**3.1%**	107,208	844	1.6%	108,516	392	0.7%
Total	**732,655**	**11,500**	**3.1%**	698,448	4,420	1.3%	674,934	1,496	0.4%
Total interest bearing liabilities[3]									
Australia	**504,444**	**8,132**	**3.2%**	484,186	3,442	1.4%	472,317	1,556	0.7%
Rest of World	**223,615**	**3,927**	**3.5%**	202,915	1,494	1.5%	190,269	434	0.5%
New Zealand	**132,847**	**2,268**	**3.4%**	128,438	1,192	1.9%	130,314	617	0.9%
Total	**860,906**	**14,327**	**3.3%**	815,539	6,128	1.5%	792,900	2,607	0.7%
Total average liabilities									
Australia	**599,344**			592,028			564,609		
Rest of World	**282,113**			247,059			220,531		
New Zealand	**163,248**			159,813			162,092		
Total average liabilities	**1,044,705**			998,900			947,232		
Total average shareholders' equity									
Share capital and reserves attributable to shareholders of the Company	**67,094**			62,905			62,532		
Non-controlling interests	**517**			215			12		
Total average shareholders' equity	**67,611**			63,120			62,544		
Total average liabilities and shareholders' equity	**1,112,316**			1,062,020			1,009,776		

1. *Averages used are predominantly daily averages.*
2. *Home loans are reported net of average mortgage offset balances of $43,799 million (Sep 22: $41,990 million; Mar 22: $40,329 million), which are included in non-interest earning assets. While these balances are required to be grossed up under accounting standards, they are netted down for the calculation of customer interest payments and the calculation of the Group's net interest margin.*
3. *Intra-group interest earning assets and interest income and Intra-group interest earning liabilities and interest expense have been eliminated.*
4. *On demand and short-term deposits exclude average mortgage offset balances of $43,799 million (Sep 22: $41,990 million; Mar 22: $40,329 million), which are included in non-interest bearing liabilities.*

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

	Half Year		
Gross earnings rate[1]	**Mar 23 %**	**Sep 22 %**	**Mar 22 %**
Australia	**5.03**	3.23	2.39
Rest of World	**4.20**	2.08	1.06
New Zealand	**5.17**	3.77	2.81
Group	**4.71**	3.01	2.16

Net interest spread and net interest margin analysis as follows:

	Half Year		
	Mar 23 %	**Sep 22 %**	**Mar 22 %**
Australia[1]			
Net interest spread	**1.51**	1.73	1.73
Interest attributable to net non-interest bearing items	**0.42**	0.17	0.08
Net interest margin - Australia	**1.93**	1.90	1.81
Rest of World[1]			
Net interest spread	**0.68**	0.61	0.60
Interest attributable to net non-interest bearing items	**0.19**	0.08	0.03
Net interest margin - Rest of World	**0.87**	0.69	0.63
New Zealand[1]			
Net interest spread	**1.71**	1.88	1.82
Interest attributable to net non-interest bearing items	**0.65**	0.36	0.19
Net interest margin - New Zealand	**2.36**	2.24	2.01
Group			
Net interest spread	**1.37**	1.51	1.50
Interest attributable to net non-interest bearing items	**0.38**	0.17	0.08
Net interest margin	**1.75**	1.68	1.58
Net interest margin (excluding Markets)	**2.43**	2.26	2.08

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

The following divisions operate across the geographic locations illustrated below:

- Australia Retail division - Australia
- Australia Commercial division - Australia
- Institutional division - Australia, New Zealand and Rest of World
- Pacific division – Rest of World
- New Zealand division - New Zealand
- Group Centre division - Australia, New Zealand and Rest of World

The Rest of World geography includes all geographies in which the Group operates in outside of Australia and New Zealand. This includes Asia, Pacific, Europe & America.

	Australia $M	New Zealand $M	Rest of World $M	Total $M
March 2023 Half Year				
Statutory profit/(loss) attributable to shareholders of the Company	**1,804**	**922**	**821**	**3,547**
Cash profit/(loss)	**2,001**	**1,018**	**802**	**3,821**
Net loans and advances	**473,874**	**138,044**	**78,169**	**690,087**
Customer deposits	**369,574**	**122,008**	**157,045**	**648,627**
Risk weighted assets	**262,828**	**95,936**	**76,750**	**435,514**
September 2022 Half Year				
Statutory profit/(loss) attributable to shareholders of the Company	1,987	1,089	513	3,589
Cash profit/(loss)	1,882	993	513	3,388
Net loans and advances	461,235	129,851	81,321	672,407
Customer deposits	362,105	114,836	143,488	620,429
Risk weighted assets	291,783	81,482	81,453	454,718
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

New Zealand geography (in NZD)

	Half Year			Movement	
	Mar 23 NZD M	Sep 22 NZD M	Mar 22 NZD M	Mar 23 v. Sep 22	Mar 23 v. Mar 22
Net interest income	**2,127**	2,000	1,761	6%	21%
Other operating income	**363**	401	383	-9%	-5%
Operating income	**2,490**	2,401	2,144	4%	16%
Operating expenses	**(809)**	(822)	(824)	-2%	-2%
Cash profit before credit impairment and income tax	**1,681**	1,579	1,320	6%	27%
Credit impairment (charge)/release	**(121)**	(59)	20	large	large
Cash profit before income tax	**1,560**	1,520	1,340	3%	16%
Income tax expense and non-controlling interests	**(453)**	(424)	(372)	7%	22%
Cash profit	**1,107**	1,096	968	1%	14%
Adjustments between statutory profit and cash profit	**(105)**	107	128	large	large
Statutory profit	**1,002**	1,203	1,096	-17%	-9%
Individually assessed credit impairment charge/(release)	**23**	6	(4)	large	large
Collectively assessed credit impairment charge/(release)	**98**	53	(16)	85%	large
Net loans and advances	**147,423**	147,373	146,397	0%	1%
Customer deposits	**130,297**	130,330	129,371	0%	1%
Risk weighted assets	**102,449**	92,477	91,697	11%	12%
Total full time equivalent staff (FTE)	**7,252**	7,280	7,431	0%	-2%

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 23	**Sep 22**	**Mar 22**	**Mar 23**	**Sep 22**	**Mar 22**
Chinese Renminbi	**4.6079**	4.6021	4.7505	**4.6763**	4.7031	4.6261
Euro	**0.6158**	0.6618	0.6703	**0.6409**	0.6747	0.6406
Pound Sterling	**0.5419**	0.5845	0.5704	**0.5618**	0.5745	0.5398
Indian Rupee	**55.188**	52.971	56.663	**55.069**	54.872	54.500
Indonesian Rupiah	**10,051**	9,879	10,743	**10,315**	10,307	10,387
Japanese Yen	**89.280**	93.802	91.432	**91.664**	93.536	83.399
Malaysian Ringgit	**2.9598**	3.0093	3.1460	**3.0018**	3.0872	3.0413
New Taiwan Dollar	**20.425**	20.603	21.412	**20.696**	20.913	20.264
New Zealand Dollar	**1.0679**	1.1349	1.0760	**1.0877**	1.1063	1.0590
Papua New Guinean Kina	**2.3634**	2.2849	2.6347	**2.3589**	2.4617	2.5492
United States Dollar	**0.6712**	0.6489	0.7483	**0.6699**	0.6991	0.7260

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

ADI means Authorised Deposit-taking Institution as defined by APRA.

ADSs means American Depositary Shares.

ANZ means ANZBGL or the ANZGHL, as the context requires.

ANZ Bank HoldCo means ANZ BH Pty Ltd, a non-operating intermediate holding company owned by ANZGHL and which owns the ANZ Bank Group (including ANZBGL and ANZ Bank New Zealand).

ANZ Bank Group means all businesses and entities owned by ANZ Bank HoldCo, including ANZBGL and ANZ Bank New Zealand.

ANZBGL means Australia and New Zealand Banking Group Limited.

ANZBGL Group means ANZBGL and each of its subsidiaries.

ANZ Bank New Zealand means ANZ Bank New Zealand Limited.

ANZEST means ANZ Employee Share Trust.

ANZ Group means the ANZBGL Group or the ANZGHL Group as a whole (including all businesses), as the context requires.

ANZGHL means ANZ Group Holdings Limited.

ANZGHL Group means all businesses owned by ANZGHL after the Restructure (including ANZ Bank HoldCo, ANZBGL, ANZ ServiceCo and ANZ Non-Bank HoldCo).

ANZ Non-Bank Group means ANZ ServiceCo and all businesses and entities owned by ANZ Non-Bank HoldCo, including ANZ's beneficial interests in the 1835i trusts, non-controlling interests in the Worldline merchant acquiring joint venture, and equity interests in Lygon, TIN and Pollination.

ANZ Non-Bank HoldCo means ANZ NBH Pty Ltd, a non-operating intermediate holding company owned by ANZGHL and which will own certain non-banking subsidiaries.

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.

ANZ ServiceCo means ANZ Group Services Pty Ltd.

ANZ Share means a fully paid ordinary share in the capital of ANZ.

APRA means Australian Prudential Regulation Authority.

APS means ADI Prudential Standard.

ASX means Australian Securities Exchange.

ASX Listing Rules means the official Listing Rules of the ASX.

AT1 means Additional Tier 1 capital.

BOP means Bonus Option Plan.

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.

Committed Liquidity Facility (CLF) – The RBA established a CLF to offset the shortage of High-Quality Liquid Assets (HQLA) in Australia. 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 calendar year 2022.

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.

DRP means Dividend Reinvestment Plan.

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.

Group means ANZ Group Holdings Limited and its subsidiaries.

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.

International and PNG comprises the countries outside of Australia and New Zealand that form part of the Institutional division. This includes Asia, Papua New Guinea, Europe & America.

Internationally comparable ratios are ANZ's interpretation of Basel Calculation of RWA for credit risk regulations (effective 1 Jan 2023) documented in the Basel Framework and the 'Australian Banking Association Basel 3.1 Capital Comparison Study' (Mar 2023). This definition is for measures from March 2023 onwards.

Level 1 in the context of APRA supervision, means ANZBGL consolidated with certain approved subsidiaries.

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

Level 3 in the context of APRA supervision, means ANZ Group, the conglomerate group at the widest level.

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).

NZX means New Zealand's Exchange.

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

RBNZ means 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.

Restructure means the restructure of the ANZ Group, as part of the establishment of the non-operating holding company, implemented by the scheme of arrangement under the *Corporations Act* between ANZBGL and shareholders.

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

During the March 2023 half, the Group operated on a divisional structure with six divisions: Australia Retail, Australia Commercial, Institutional, New Zealand, Pacific, and Group Centre.

Australia Retail

The Australia Retail division provides a full range of banking services to Australian consumers. This includes Home Loans, Deposits, Credit Cards and Personal Loans. Products and services are provided via the branch network, home loan specialists, contact centres, a variety of self-service channels (digital and internet banking, website, ATMs and phone banking) and third-party brokers. It also includes the costs related to the development and operation of the ANZ Plus proposition for retail customers.

Australia Commercial

The Australia Commercial division provides a full range of banking products and financial services, including asset financing, across the following customer segments: small business owners and medium commercial customers (SME Banking) and large commercial customers, high net worth individuals and family groups (Specialist Business).

Institutional

The Institutional division services governments, global institutional and corporate customers across Australia, New Zealand and International (including PNG) 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 a 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 and commercial customers (including multi-nationals) and to governments located in the Pacific region excluding PNG which forms part of the Institutional division.

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 Group Treasury, Shareholder Functions, minority investments in Asia and interests in the ANZ Non-Bank Group.