

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

CONDENSED CONSOLIDATED INCOME STATEMENT
Australia and New Zealand Banking Group Limited

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

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

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

Australia and New Zealand Banking Group Limited

	Full Year		
	Sep 17 \$M	Sep 16 \$M	Movt
Profit for the period	6,421	5,720	12%
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss	26	(82)	large
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation reserve:			
Exchange differences taken to equity ¹	(748)	(456)	64%
Exchange differences transferred to Income Statement	-	(126)	-100%
Other reserve movements	(339)	75	large
Income tax attributable to the above items	20	-	n/a
Share of associates' other comprehensive income²	1	4	-75%
Other comprehensive income net of tax	(1,040)	(585)	78%
Total comprehensive income for the period	5,381	5,135	5%
Comprising total comprehensive income attributable to:			
Non-controlling interests	9	4	large
Shareholders of the Company	5,372	5,131	5%

^{1.} Includes foreign currency translation differences attributable to non-controlling interests of \$6 million loss (Sep 16 full year: \$7 million loss).

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

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

CONDENSED CONSOLIDATED BALANCE SHEET
Australia and New Zealand Banking Group Limited

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

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

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
Australia and New Zealand Banking Group Limited

	Full Year	
	Inflows (Outflows)	Inflows (Outflows)
	Sep 17 \$M	Sep 16 \$M
Profit after income tax	6,406	5,709
Adjustments to reconcile to net cash provided by/(used in) operating activities:		
Provision for credit impairment	1,198	1,929
Depreciation and amortisation	972	1,475
(Profit)/loss on sale of premises and equipment	(114)	(4)
Net derivatives/foreign exchange adjustment	(3,409)	(1,434)
Profit on Esanda Dealer Finance divestment	-	(66)
Impairment of investment in AmBank	-	260
Reclassification of SRCB to held for sale	231	-
Sale of Asia Retail and Wealth businesses	338	-
Other non-cash movements	(242)	(338)
<i>Net (increase)/decrease in operating assets:</i>		
Collateral paid	3,533	(3,183)
Trading securities	2,081	332
Net loans and advances	(17,838)	(14,797)
Investments backing policy liabilities	(2,122)	(2,062)
Other assets	509	(441)
<i>Net increase/(decrease) in operating liabilities:</i>		
Deposits and other borrowings	30,904	23,128
Settlement balances owed by ANZ	(627)	(589)
Collateral received	(310)	(1,027)
Life insurance contract policy liabilities	2,260	1,921
Other liabilities	202	28
Total adjustments	17,566	5,132
Net cash provided by/(used in) operating activities¹	23,972	10,841
Cash flows from investing activities		
Available for sale assets:		
Purchases	(27,220)	(44,182)
Proceeds from sale or maturity	19,751	23,745
Esanda Dealer Finance divestment	-	6,682
Sale of Asia Retail and Wealth businesses	(5,213)	-
Other assets	(148)	(655)
Net cash (used in) investing activities	(12,830)	(14,410)
Cash flows from financing activities		
Debt issuances:		
Issue proceeds	23,973	29,204
Redemptions	(22,578)	(27,959)
Subordinated debt:		
Issue proceeds	1,155	6,177
Redemptions	(4,831)	(900)
Dividends paid	(4,210)	(4,564)
Share buyback	(176)	-
Net cash (used in)/provided by financing activities	(6,667)	1,958
Net increase in cash and cash equivalents	4,475	(1,611)
Cash and cash equivalents at beginning of period	66,220	69,278
Effects of exchange rate changes on cash and cash equivalents	(2,647)	(1,447)
Cash and cash equivalents at end of period	68,048	66,220

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

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Australia and New Zealand Banking Group Limited

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

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

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

1. Basis of preparation

These Condensed Consolidated Financial Statements:

- have been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (“AASs”);
- should be read in conjunction with ANZ’s Annual Financial Statements for the year ended 30 September 2017 and any public announcements made by the Parent Entity and its controlled entities (the Group) for the year ended 30 September 2017 (when released) in accordance with the continuous disclosure obligations under the Corporations Act 2001 and the ASX Listing Rules;
- do not include all notes of the type normally included in ANZ’s Annual Financial Statements;
- are presented in Australian dollars unless otherwise stated; and
- were approved by the Board of Directors on 25 October 2017.

i) Accounting policies

Except as outlined below, these Condensed Consolidated Financial Statements have been prepared on the basis of accounting policies and using methods of computation consistent with those applied in the 2016 ANZ Annual Financial Statements.

Assets and liabilities held for sale

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

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

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

ii) Basis of measurement

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

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

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

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

iii) Use of estimates, assumptions and judgements

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

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

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

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

iv) Rounding of amounts

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

2. Income

	Half Year			Full Year		
	Sep 17 \$M	Mar 17 \$M	Movt	Sep 17 \$M	Sep 16 \$M	Movt
Interest income	14,694	14,426	2%	29,120	29,951	-3%
Interest expense	(7,152)	(7,010)	2%	(14,162)	(14,856)	-5%
Major bank levy	(86)	-	n/a	(86)	-	n/a
Net interest income	7,456	7,416	1%	14,872	15,095	-1%
i) Fee and commission income						
Lending fees ¹	363	369	-2%	732	779	-6%
Non-lending fees and commissions ²	1,475	1,518	-3%	2,993	2,928	2%
Fee and commission income	1,838	1,887	-3%	3,725	3,707	0%
Fee and commission expense	(611)	(661)	-8%	(1,272)	(1,162)	9%
Net fee and commission income	1,227	1,226	0%	2,453	2,545	-4%
ii) Other income						
Net foreign exchange earnings and other financial instruments income ³	511	705	-28%	1,216	969	25%
Impairment of AmBank	-	-	n/a	-	(260)	-100%
Gain on cessation of equity accounting of investment in Bank of Tianjin (BoT)	-	-	n/a	-	29	-100%
Gain on the Esanda Dealer Finance divestment	-	-	n/a	-	66	-100%
Derivative CVA methodology change	-	-	n/a	-	(237)	-100%
Derivative valuation adjustments	67	162	-59%	229	(102)	large
Gain on sale of 100 Queen Street, Melbourne	-	114	-100%	114	-	n/a
Sale of Asia Retail and Wealth businesses	14	(324)	large	(310)	-	n/a
Reclassification of SRCB to held for sale	(1)	(230)	-100%	(231)	-	n/a
Other	72	58	24%	130	136	-4%
Other income	663	485	37%	1,148	601	91%
Other operating income⁴	1,890	1,711	10%	3,601	3,146	14%
iii) Net funds management and insurance income						
Funds management income	492	472	4%	964	932	3%
Investment income	863	1,608	-46%	2,471	2,350	5%
Insurance premium income	891	812	10%	1,703	1,562	9%
Commission expense	(294)	(260)	13%	(554)	(457)	21%
Claims	(383)	(380)	1%	(763)	(734)	4%
Changes in policy liabilities ⁵	(786)	(1,474)	-47%	(2,260)	(1,843)	23%
Elimination of treasury share (gain)/loss	21	(82)	large	(61)	(46)	33%
Net funds management and insurance income	804	696	16%	1,500	1,764	-15%
iv) Share of associates' profit	127	173	-27%	300	541	-45%
Operating income	10,277	9,996	3%	20,273	20,546	-1%

¹ Lending fees exclude fees treated as part of the effective yield calculation in interest income.

² In the March 2017 half, a change was made to the classification of certain fees payable. These items have been reclassified from other operating income to operating expenses to more accurately reflect the nature of these items. Comparatives have been restated accordingly (Sep 16 full year: \$17 million).

³ Includes fair value movements (excluding realised and accrued interest) on derivatives not designated as accounting hedges entered into to manage interest rate and foreign exchange risk on funding instruments, ineffective portions of cash flow hedges, and fair value movements in financial assets and liabilities designated at fair value through profit and loss.

⁴ Total other operating income includes external dividend income of \$27.3 million (Mar 17 half year nil; Sep 16 full year: \$27.3 million).

⁵ Includes policyholder tax gross up, which represents contribution tax (recovered at 15% on the super contributions made by members) debited to the policyholder account once a year in July when the statement is issued to the members at the end of the 30 June financial year.

3. Operating expenses

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

¹ The September 2016 full year includes a \$556 million charge for accelerated amortisation associated with software capitalisation policy changes.

² In the March 2017 half, a change was made to the classification of certain fees payable. These items have been reclassified from operating income to other operating expenses to more accurately reflect the nature of these items. Comparatives have been restated accordingly (Sep 16 full year: \$17 million).

4. Income tax expense

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

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

5. Dividends

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

¹ Dividends paid to ordinary equity holders of the Company. Excludes dividends paid by subsidiaries of the Group to non-controlling equity holders for the September 2017 full year of \$1.3 million (Mar 17 half: \$1.3 million; Sep 16 full year: \$1.4 million).

² Dividend payout ratio is calculated using the proposed 2017 final dividend of \$2,350 million (not shown in the above table). The proposed 2017 final dividend of \$2,350 million is based on the forecast number of ordinary shares on issue at the dividend record date. Dividend payout ratios for the March 2017 half year and September 2016 full year are calculated using actual dividends paid of \$2,349 million and \$4,676 million respectively.

Ordinary Shares

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

ANZ has a Dividend Reinvestment Plan (DRP) and a Bonus Option Plan (BOP) that will operate in respect of the proposed 2017 final dividend. For the 2017 final dividend, ANZ intends to provide shares under the DRP through an on-market purchase (as approved by APRA) and BOP through the issue of new shares. The "Acquisition Price" to be used in determining the number of shares to be provided under the DRP and BOP will be calculated by reference to the arithmetic average of the daily volume weighted average sale price of all fully paid ANZ ordinary shares sold in the ordinary course of trading on the ASX during the ten trading days commencing on 17 November 2017, and then rounded to the nearest whole cent. Shares provided under the DRP and BOP will rank equally in all respects with existing fully paid ANZ ordinary shares. Election notices from shareholders wanting to commence, cease or vary their participation in the DRP or BOP for the 2017 final dividend must be received by ANZ's Share Registrar by 5.00pm (Australian Eastern Daylight Time) on 15 November 2017.

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

6. Earnings per share

	Half Year			Full Year		
	Sep 17	Mar 17	Movt	Sep 17	Sep 16	Movt
Earnings reconciliation						
Profit for the period (\$M)	3,502	2,919	20%	6,421	5,720	12%
Less: profit attributable to non-controlling interests (\$M)	(7)	(8)	-13%	(15)	(11)	36%
Earnings used in calculating basic earnings per share (\$M)	3,495	2,911	20%	6,406	5,709	12%
Weighted average number of ordinary shares (M)¹	2,914.0	2,906.6	0%	2,910.3	2,891.7	1%
Basic earnings per share (cents)	119.9	100.2	20%	220.1	197.4	11%
Earnings reconciliation						
Earnings used in calculating basic earnings per share (\$M)	3,495	2,911	20%	6,406	5,709	12%
Add: interest on convertible subordinated debt (\$M)	140	148	-5%	288	297	-3%
Earnings used in calculating diluted earnings per share (\$M)	3,635	3,059	19%	6,694	6,006	11%
Weighted average number of shares on issue¹						
Shares used in calculating basic earnings per share (M)	2,914.0	2,906.6	0%	2,910.3	2,891.7	1%
Add: Weighted average dilutive potential ordinary shares (M)						
Convertible subordinated debt (M)	243.0	247.1	-2%	253.3	273.9	-8%
Share based payments (options, rights and deferred shares) (M)	11.5	10.0	15%	11.9	6.8	75%
Adjusted weighted average number of shares - diluted (M)	3,168.5	3,163.7	0%	3,175.5	3,172.4	0%
Diluted earnings per share (cents)	114.7	96.7	19%	210.8	189.3	11%

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

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

7. Net loans and advances

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

¹ Capitalised brokerage/mortgage origination fees are amortised over the expected life of the loan.

² Customer liability for acceptances has been recognised as Other assets from 30 September 2017.

8. Provision for credit impairment

	Half Year			Full Year		
	Sep 17 \$M	Mar 17 \$M	Movt	Sep 17 \$M	Sep 16 \$M	Movt
Individual provision						
Balance at start of period	1,269	1,307	-3%	1,307	1,061	23%
New and increased provisions	948	1,121	-15%	2,069	2,445	-15%
Write-backs	(280)	(221)	27%	(501)	(311)	61%
Adjustment for exchange rate fluctuations and transfers	(2)	(12)	-83%	(14)	(9)	56%
Discount unwind	(8)	(24)	-67%	(32)	(65)	-51%
Bad debts written-off	(791)	(902)	-12%	(1,693)	(1,722)	-2%
Esanda Dealer Finance divestment	-	-	n/a	-	(92)	-100%
Total individual provision	1,136	1,269	-10%	1,136	1,307	-13%
Collective provision						
Balance at start of period	2,785	2,876	-3%	2,876	2,956	-3%
Charge/(release) to Income Statement	(75)	(67)	12%	(142)	17	large
Adjustment for exchange rate fluctuations and transfers	(9)	(24)	-63%	(33)	(19)	74%
Esanda Dealer Finance divestment	-	-	n/a	-	(78)	-100%
Asia Retail and Wealth divestment	(39)	-	n/a	(39)	-	n/a
Total collective provision¹	2,662	2,785	-4%	2,662	2,876	-7%
Total provision for credit impairment	3,798	4,054	-6%	3,798	4,183	-9%

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

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

9. Deposits and other borrowings

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

10. Assets and liabilities held for sale

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

- **Asia Retail and Wealth Businesses**

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

- **UDC Finance**

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

- **Shanghai Rural Commercial Bank**

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

- **Metrobank Card Corporation**

On 18 October 2017, the Group announced it had entered into an agreement with its joint venture partner Metropolitan Bank & Trust Company (Metrobank) in relation to its 40% stake in the Philippines based Metrobank Card Corporation (MCC). The Group has agreed to sell 20% of its stake, and entered into a put option to sell the remaining 20% stake, exercisable in the fourth quarter of 2018 on the same terms for the same consideration. The asset has been classified as held for sale at 30 September 2017 as sale negotiations were well progressed at that time, and it was highly probable the sale transaction would complete within 12 months. The sale is subject to customary closing conditions and regulatory approvals. This asset is part of the TSO and Group Centre Division.

Income Statement impact relating to assets and liabilities held for sale

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

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

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

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

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

Assets and liabilities held for sale

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Asia Retail and Wealth businesses \$M	UDC Finance \$M	Shanghai Rural Commercial Bank \$M	Metrobank Card Corporation \$M	Total \$M
As at 30 September 2017					
Net loans and advances	3,283	2,679	-	-	5,962
Investment in associates	-	-	1,748	120	1,868
Goodwill and other intangible assets	-	122	-	-	122
Other assets	-	18	-	-	18
Total assets held for sale	3,283	2,819	1,748	120	7,970
Deposits and other borrowings	3,602	956	-	-	4,558
Current tax liabilities	-	22	-	-	22
Deferred tax liabilities	-	(8)	-	-	(8)
Payables and other liabilities	47	30	-	-	77
Provisions	43	1	-	-	44
Total liabilities held for sale	3,692	1,001	-	-	4,693
As at 31 March 2017					
Net loans and advances	9,776	2,493	-	-	12,269
Investment in associates	-	-	1,735	-	1,735
Goodwill and other intangible assets	-	118	-	-	118
Other assets	-	23	-	-	23
Total assets held for sale	9,776	2,634	1,735	-	14,145
Deposits and other borrowings	15,818	1,192	-	-	17,010
Current tax liabilities	-	31	-	-	31
Payables and other liabilities	44	30	-	-	74
Provisions	50	1	-	-	51
Total liabilities held for sale	15,912	1,254	-	-	17,166

11. Shareholders' equity

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

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

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

12. Changes in composition of the Group

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

13. Investments in Associates

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

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

¹ Contributions to profit reflect the IFRS equivalent results adjusted to align with the Group's financial year end which may differ from the published results of these entities. Excludes gains or losses on disposal or valuation adjustments.

² On 3 January 2017, the Group announced that it had agreed to sell its 20% stake in Shanghai Rural Commercial Bank (SRCB). On 18th September the Group announced a revision to the 3 January arrangement in which Baoshan Iron & Steel Co. Ltd. (Bao) replaced Shanghai SinoPoland Enterprise Management Development Corporation Limited to join China COSCO Shipping Corporation Limited (COSCO) to acquire ANZ's 20% stake in SRCB. Under the updated arrangement, COSCO and Bao will each acquire a 10% stake in SRCB. The key financial terms of the revised sale agreement are unchanged from the transaction announced previously. The sale is subject to customary closing conditions and regulatory approvals and is expected to be completed by late 2017. As a consequence, the Group ceased equity accounting for the investment in SRCB and commenced accounting for it as an asset held for sale.

³ On 30 March 2016, the Bank of Tianjin (BoT) completed a capital raising and initial public offering (IPO) on the Hong Kong Stock Exchange. As a result, the Group's equity interest reduced from 14% to 12% and the Group ceased equity accounting the investment due to losing the ability to appoint directors to the Board of BoT at this date. From 31 March 2016, the investment was classified as an available for sale asset.

⁴ Includes Metrobank Card Corporation (MCC). On 18 October 2017, the Group announced it had entered into an agreement with its joint venture partner Metropolitan Bank & Trust Company (Metrobank) in relation to its 40% stake in the Philippines based Metrobank Card Corporation (MCC). The Group has agreed to sell 20% of its stake, and entered into a put option to sell the remaining 20% stake, exercisable in the fourth quarter of 2018 on the same terms for the same consideration. As the sale was announced after balance date, equity accounted earnings are included for the September 2017 full year.

14. Contingent liabilities and contingent assets

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

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

- **Bank fees litigation**

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

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

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

- **Benchmark/rate actions**

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

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

- **Regulatory reviews and customer exposures**

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

- **Security recovery actions**

Various claims have been made or are anticipated, arising from security recovery actions taken to resolve impaired assets over recent years. ANZ will defend these claims.

15. Subsequent events since balance date

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

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

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

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