ASX Release



For Release: 8 February 2013

ANZ pro forma cash profit excel template

ANZ advised at the time of its Full Year Result in October 2012 that the Group would be adopting Cash Profit reporting in Financial Year 2013.

To assist analysts and investors, ANZ has today released a pro forma FY12 Cash Profit template. As usual a set of key table templates containing prior period numbers will be provided ahead of the 2013 Half Year result.

A short teleconference hosted by the Chief Financial Officer Shayne Elliott and Deputy Chief Financial Officer Shane Buggle will be held at 12.45pm to discuss the template released today. A replay will be available on the ANZ website later this afternoon.

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ANZ CASH PROFIT DEFINITION

Revenue and net investment hedges (gains)/losses

The Group uses cash profit as a measure of the result of the ongoing business activities of the Group, enabling shareholders to assess Group and Divisional performance against prior periods and against peer institutions. To calculate cash profit, the Group excludes items within the statutory net profit as outlined below. These items are calculated consistently year on year and do not 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. non-core gains or losses included in earnings arising from changes in tax, legal, accounting legislation or other non-core items not associated with the ongoing operations of the Group;
- treasury shares, revaluation of policyholder liabilities, economic hedging impacts and similar accounting items that represent timing differences that will reverse through earnings in the future; and
- accounting reclassifications between individual line items that do not impact reported results, such as policyholder tax recoveries.

Profit Reconciliation As reported - Underlying profit Revised approach - Cash profit Half Year Half Year **Full Year Full Year** Mar 12 Mar 12 Sep 12 Sep 12 Sep 12 Sep 12 \$M \$M \$M \$M \$M \$M Statutory profit attributable to shareholders of the Company 2.742 2 919 5,661 2.742 2.919 5,661 350 192 (23) 169 Underlying profit (current)/Cash profit (revised) 3.038 2.973 2.934 5.830 6,011 2,896 Half Year Full Year Half Year Full Year Sep 12 Mar 12 Sep 12 Sep 12 Mar 12 Sep 12 \$M \$M Adjustments between statutory profit and underlying profit/cash profit Gain on sale of Visa shares (224)(224)New Zealand Simplification programme 59 46 105 28 Acquisition related adjustments 41 70 26 70 96 Treasury shares adjustment 26 96 Economic hedging - fair value (gains)/losses 207 22 229 207 22 229

Total adjustments between statutory profit and underlying profit/cash profit	296	54	350	192	(23)	169
Other	1	(4)	(3)			
Credit intermediation trades	(16)	(46)	(62)	(16)	(46)	(62)
Non continuing businesses						
Policyholder liability discount valuation				(35)	(6)	(41)
NZ managed funds impacts	-	1	1			
Capitalised software impairment	220	-	220			

(63)

(53)

10

(63)

(53)

10

Cash profit Half Year Full Year Sep 12 Mar 12 Sep 12 \$M \$M Net interest income 6,128 5,984 12,112 3,001 Other operating income 2,736 5,737 8.720 17.849 Operating income 9.129 Operating expenses (4,386)(4,133)(8,519)Profit before credit impairment and income tax 4,743 4,587 9,330 Provision for credit impairment (570) (688)(1,258)Profit before income tax 4,055 4,017 8,072 Income tax expense (1,119)(1,117)(2,236)Non-controlling interests (4) (6) (2) Cash profit 2,934 2,896 5,830