

News Release

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Update on customer remediation impact on 2H19 results

ANZ today announced its second half 2019 Cash Profit will be impacted by a charge of \$559m¹ (after-tax) as a result of increased provisions for customer related remediation.

Continuing operations

Within continuing operations, remediation charges recognised in the second half of 2019 will be \$405m after-tax (\$485m before tax), largely related to product reviews in Australia Retail & Commercial for fee and interest calculation and related matters. These include historical matters recently identified during the period, as well as refinements to estimates of existing customer compensation programs and associated costs.

Discontinued operations²

Within discontinued operations, remediation charges recognised in the second half of 2019 will be \$154m after-tax (\$166m before tax), primarily associated with the advice remediation program and customer compensation charges for other Wealth products.

FY18 and estimated FY19 impacts to profit after tax:

| Customer Remediation | Full Year 2019 (\$m) | Full Year 2018 (\$m) |
|-------------------------|-------------------------|-------------------------|
| Continuing Operations | 475 | 295 |
| Discontinued Operations | 207 | 127 |
| Total | 682 | 422 |

| Customer Remediation | 2H 2019 (\$m) | 1H 2019 (\$m) |
|-------------------------|------------------|------------------|
| Continuing Operations | 405 | 70 |
| Discontinued Operations | 154 | 53 |
| Total | 559 | 123 |

The charges relate to issues that have been identified from reviews to date and these reviews remain ongoing.

ANZ Chief Financial Officer Michelle Jablko said: "We recognise the impact this has on both customers and shareholders. We are well progressed in fixing issues and have a dedicated team of more than 500 specialists working hard to get any money owed back to customers as quickly as possible."

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¹ All items are approximates on an unaudited after tax basis (in applicable tax jurisdictions unless otherwise stated)

² Discontinued operations represents our Australian Wealth businesses sold or agreed to be sold including OnePath Pensions and Investments, ANZ's aligned dealer groups and OnePath Life