



2023 BASEL III PILLAR 3 DISCLOSURE

AS AT 31 MARCH 2023

APS 330: PUBLIC DISCLOSURE

Important notice

This document has been prepared by Australia and New Zealand Banking Group Limited (ANZ) to meet its disclosure obligations under the Australian Prudential Regulation Authority (APRA) ADI Prudential Standard (APS) 330: Public Disclosure.

| Version | Date Issued | Brief Outline of Change |
|----------------|---------------------------|---|
| 1.0 | 5 th May 2023 | Version for publication. |
| 1.1 | 24 th May 2023 | Change : Added footnote 3 to Table 6, page 16, and renumbered subsequent footnotes. |

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¹ Each table reference adopted in this document aligns to those required by APS 330 to be disclosed at full year.

Chapter 1 - Introduction

Purpose of this document

This document has been prepared in accordance with the Australian Prudential Regulation Authority (APRA) ADI Prudential Standard (APS) 330: Public Disclosure.

APS 330 Public Disclosure Prudential Standard requires locally-incorporated authorised deposit-taking institutions (ADI's) to meet minimum requirements for the public disclosure of key information on their capital, risk exposures, remuneration practices and, where applicable, leverage ratio, liquidity coverage ratio, net stable funding ratio and indicators for the identification of potential global systemically important banks, so as to contribute to the transparency of financial markets and to enhance market discipline.

This document is prepared for ANZ BH Pty Ltd (ANZ Bank HoldCo) in accordance with Board policy and the APS 330 reporting standard requirements. It presents information on the Groups Capital Adequacy and Risk Weighted Assets calculations for credit risk, securitisation, traded market risk, Interest Rate Risk in the Banking Book and operational risk.

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 ANZBGL and the majority of its 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.

The APS 330 disclosure has been prepared on the level 2 basis being ANZ Bank HoldCo as the head of ANZ's Level 2 banking group following the restructure (formerly Australia and New Zealand Banking Group Limited for prior years).

Basel in ANZ

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 authorised deposit-taking institutions (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 revisions to the prudential standards will result in changes to capital treatments, calculations, and the format of the disclosures from the 31 March 2023 period. Prior comparative periods reported in this document remain based on the pre 1 January 2023 prudential standards and have not been restated.

Verification of disclosures

These Pillar 3 disclosures have been verified in accordance with Board approved policy, including ensuring consistency with information contained in ANZ's Financial Report and in Pillar 1 returns provided to APRA. In addition, ANZ's external auditor has performed an agreed upon procedure engagement with respect to these disclosures.

Comparison to ANZ's Financial Reporting

These disclosures have been produced in accordance with regulatory capital adequacy concepts and rules, rather than with accounting policies adopted in ANZ's financial reports. As such, there are different areas of focus and measures in some common areas of disclosures. These differences are most pronounced in the credit risk disclosures, for instance:

- The principal method for measuring the amount at risk is Exposure at Default (EAD), which is the estimated amount of exposure likely to be owed on a credit obligation at the time of default. Under the Advanced (AIRB) Internal Ratings Based approach in *APS 113 Capital Adequacy: Internal Ratings-based Approach to Credit Risk*, Banks are accredited to provide their own estimates of EAD for all exposures (drawn, commitments or contingents) reflecting the current balance as well as the likelihood of additional drawings prior to default.
- Loss Given Default (LGD) is an estimate of the amount of losses expected in the event of default. LGD is essentially calculated as the amount at risk (EAD) less expected net recoveries from realisation of collateral as well as any post default repayments of principal and interest.
- Most credit risk disclosures split ANZ's portfolio into regulatory asset classes, which span different areas of ANZ's internal divisional and business unit organisational structure.

Unless otherwise stated, all amounts are rounded to AUD millions.

Chapter 2 – Capital and Capital Adequacy

Table 1 Capital Disclosure template

The head of the Level 2 Group to which this prudential standard applies is ANZ BH Pty Ltd (ANZ Bank HoldCo).

Table 1 of this chapter consists of a Common Disclosure template that assists users in understanding the differences between the application of the Basel III reforms in Australia and those rules as detailed in the document Basel III: A global regulatory framework for more resilient banks and banking systems, issued by the Bank for International Settlements. The capital disclosure template in this chapter is the post January 2018 version as ANZ is fully applying the Basel III regulatory adjustments, as implemented by APRA.

The information in the lines of the template has been mapped to ANZ's Level 2 balance sheet, which adjusts for non-consolidated subsidiaries as required under APS 001: Definitions. Where this information cannot be mapped on a one to one basis, it is provided in an explanatory table. ANZ's material non-consolidated subsidiaries are also listed in this chapter.

Restrictions on Transfers of Capital within ANZ

ANZ operates branches and locally incorporated subsidiaries in many countries. These operations are capitalised at an appropriate level to cover the risks in the business and to meet local prudential requirements. This level of capitalisation may be enhanced to meet local taxation and operational requirements. Any repatriation of capital from subsidiaries or branches is subject to meeting the requirements of the local prudential regulator and/or the local central bank. Apart from ANZ's operations in New Zealand, local country capital requirements do not impose any material call on ANZ's capital base.

ANZ undertakes banking activities in New Zealand principally through its wholly owned subsidiary, ANZ Bank New Zealand Limited (ANZ New Zealand), which is subject to minimum capital requirements as set by the Reserve Bank of New Zealand (RBNZ). ANZ New Zealand maintains a buffer above the minimum capital base required by the RBNZ. This capital buffer has been calculated via the ICAAP undertaken for ANZ New Zealand, to ensure ANZ New Zealand is appropriately capitalised under stressed economic scenarios.

Table 1 Capital disclosure template

| | Mar 23 | Reconciliation |
|---|---------------|-----------------|
| | \$M | Table Reference |
| Common Equity Tier 1 Capital: instruments and reserves | | |
| 1 | 28,752 | Table A |
| 2 | 39,957 | |
| 3 | (897) | Table B |
| 4 | - | |
| 5 | 2 | Table C |
| 6 | 67,814 | |
| Common Equity Tier 1 capital: regulatory adjustments | | |
| 7 | - | |
| 8 | 2,994 | |
| 9 | 939 | Table D |
| 10 | - | Table H |
| 11 | (1,287) | |
| 12 | 39 | Table E |
| 13 | - | |
| 14 | 170 | |
| 15 | 166 | Table F |
| 16 | - | |
| 17 | - | |
| 18 | - | |
| 19 | - | Table G |
| 20 | n/a | |
| 21 | - | |
| 22 | - | |
| 23 | - | |
| 24 | n/a | |
| 25 | - | |
| 26 | 7,413 | |
| 26a | - | |
| 26b | - | |
| 26c | (453) | |
| 26d | 3,517 | Table G |
| 26e | 2,461 | Table H |
| 26f | 1,874 | Table I |
| 26g | 2 | Table J |
| 26h | - | |
| 26i | - | |
| 26j | 12 | |
| 27 | - | |
| 28 | 10,434 | |
| 29 | 57,380 | |

Table 1 Capital disclosure template

| | Mar 23 | Reconciliation |
|--|----------------|-----------------------|
| | \$M | Table |
| | | Reference |
| Additional Tier 1 Capital: instruments | | |
| 30 | 8,353 | Table K |
| 31 | - | |
| 32 | 8,353 | Table K |
| 33 | - | Table K |
| 34 | - | Table K |
| 35 | n/a | |
| 36 | 8,353 | Table K |
| Additional Tier 1 Capital: regulatory adjustments | | |
| 37 | - | |
| 38 | - | |
| 39 | - | |
| 40 | 155 | Table K |
| 41 | 14 | |
| 41a | - | |
| 41b | 14 | Table K |
| 41c | - | Table K |
| 42 | - | |
| 43 | 169 | |
| 44 | 8,184 | Table K |
| 45 | 65,564 | |
| Tier 2 Capital: instruments and provisions | | |
| 46 | 22,624 | |
| 47 | - | |
| 48 | - | Table L |
| 49 | - | |
| 50 | 1,781 | Table L |
| 51 | 24,405 | Table L |
| Tier 2 Capital: regulatory adjustments | | |
| 52 | 50 | Table L |
| 53 | - | |
| 54 | - | |
| 55 | 86 | Table L |
| 56 | 201 | Table L |
| 56a | - | |
| 56b | 146 | |
| 56c | 55 | |
| 57 | 337 | |
| 58 | 24,068 | Table L |
| 59 | 89,632 | |
| 60 | 435,514 | |

Table 1 Capital disclosure template

| | | Reconciliation Table Reference | |
|--|--|---|---------|
| Capital ratios and buffers | | | |
| 61 | Common Equity Tier 1 (as a percentage of risk-weighted assets) | 13.2% | |
| 62 | Tier 1 (as a percentage of risk-weighted assets) | 15.1% | |
| 63 | Total capital (as a percentage of risk-weighted assets) | 20.6% | |
| 64 | Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIBs buffer requirement, expressed as a percentage of risk-weighted assets) | 9.8690% | |
| 65 | of which: capital conservation buffer requirement ² | 4.75% | |
| 66 | of which: ADI-specific countercyclical buffer requirements | 0.6190% | |
| 67 | of which: G-SIB buffer requirement (not applicable) | n/a | |
| 68 | Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets) | 8.7% | |
| National minima (if different from Basel III) | | | |
| 69 | National Common Equity Tier 1 minimum ratio (if different from Basel III minimum) | n/a | |
| 70 | National Tier 1 minimum ratio (if different from Basel III minimum) | n/a | |
| 71 | National total capital minimum ratio (if different from Basel III minimum) | n/a | |
| Amount below thresholds for deductions (not risk-weighted) | | | |
| 72 | Non-significant investments in the capital of other financial entities | 232 | |
| 73 | Significant investments in the ordinary shares of financial entities | 3,445 | Table G |
| 74 | Mortgage servicing rights (net of related tax liability) | n/a | |
| 75 | Deferred tax assets arising from temporary differences (net of related tax liability) | 2,461 | Table H |
| Applicable caps on the inclusion of provisions in Tier 2 | | | |
| 76 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap) | 141 | Table E |
| 77 | Cap on inclusion of provisions in Tier 2 under standardised approach | 175 | |
| 78 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | 1,639 | |
| 79 | Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | 1,907 | |
| Capital instruments subject to phase-out arrangements (only application between 1 January 2018 to 1 January 2022) | | | |
| 80 | Current cap on CET1 instruments subject to phase out arrangements | n/a | |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | n/a | |
| 82 | Current cap on AT1 instruments subject to phase out arrangements | n/a | |
| 83 | Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities) | - | |
| 84 | Current cap on T2 instruments subject to phase out arrangements | n/a | |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemption and maturities) | - | |

Counter Cyclical Capital Buffer

| Geographic breakdown of Private Sector Credit Exposures | Hong Kong \$M | Luxembourg \$M | Norway \$M | Sweden \$M | United Kingdom \$M | Australia \$M | Germany \$M | Other \$M | Total \$M |
|--|--------------------------|---------------------------|-----------------------|-----------------------|-------------------------------|--------------------------|------------------------|----------------------|----------------------|
| RWA for all private sector credit exposures | 4,485 | 243 | 364 | 220 | 4,720 | 183,389 | 1,936 | 120,125 | 315,482 |
| Jurisdictional buffer set by national authorities | 1.00% | 0.50% | 2.50% | 1.00% | 1.00% | 1.00% | 0.75% | - | - |
| Countercyclical buffer requirement | 0.0142% | 0.0004% | 0.0029% | 0.0007% | 0.0150% | 0.5812% | 0.0046% | - | 0.6190% |

² Includes 1.0% buffer applied by APRA to ADIs deemed as domestic systemically important.

The following table shows ANZ's consolidated balance sheet and the adjustments required to derive the Level 2 Balance Sheet. The adjustments remove the external assets and liabilities of the entities deconsolidated for prudential purposes and reinstate any intragroup assets and liabilities, treating them as external to the Level 2 Group.

| Assets | Balance Sheet as in published financial statements \$M | Adjustments \$M | Balance sheet under scope of regulatory consolidation \$M | Template and Reconciliation Table Reference |
|---|---|----------------------------|--|--|
| Cash and Cash Equivalents | 208,800 | | 208,800 | |
| Settlement Balances owed to ANZ | 7,020 | | 7,020 | |
| Collateral Paid | 9,245 | | 9,245 | |
| Trading securities | 39,611 | | 39,611 | |
| of which: Financial Institutions capital instruments | | | 86 | Table L |
| Derivative financial instruments | 45,614 | | 45,614 | |
| Investment Securities | 93,505 | (359) | 93,146 | |
| of which: significant investment in financial institutions equity instruments | | | 899 | Table G |
| of which: non-significant investment in financial institutions equity instruments | | | 72 | Table G |
| of which: Other entities equity investments | | | 2 | Table J |
| of which: collectively assessed provision | | | (29) | Table E |
| Net loans and advances | 690,737 | (971) | 689,766 | |
| of which: deferred fee income | | | (453) | Row 26c |
| of which: collectively assessed provision | | | (3,244) | Table E |
| of which: individual provisions | | | (414) | Table E |
| of which: capitalised brokerage & Loan/Lease origination fees | | | 3,165 | Table I |
| of which: CET1 margin lending adjustment | | | 12 | Row 26j |
| of which: AT1 margin lending adjustment | | | - | |
| Regulatory deposits | 646 | | 646 | |
| Due from controlled entities | - | 91 | 91 | |
| of which: Significant investments in the Tier 2 "capital of banking, financial and insurance entities" that are outside the scope of regulatory consolidation | | | 86 | Table L |
| Shares in controlled entities | - | 558 | 558 | |
| of which: Investment in deconsolidated financial subsidiaries | | | 403 | Table G |
| of which: AT1 significant investment in banking, financial and insurance entities that are outside the scope of regulatory consolidation | | | 155 | Table K |
| Investments in associates | 2,214 | | 2,214 | |
| of which: Financial Institutions | | | 2,214 | Table G |
| Current tax assets | 49 | 25 | 74 | |
| Deferred tax assets | 3,014 | (1) | 3,013 | Table H |
| Goodwill and other intangible assets | 3,933 | (71) | 3,862 | |
| of which: Goodwill | | | 2,994 | Row 8 |
| of which: Software | | | 868 | Table D |
| Premises and equipment | 2,613 | | 2,613 | |
| Other assets | 4,604 | (136) | 4,468 | |
| of which: Defined benefit superannuation fund net assets | | | 214 | Table F |
| Total Assets | 1,111,605 | (864) | 1,110,741 | |

The following reconciliation tables provide additional information on the difference between Table 1 Capital Disclosure Template and the Level 2 Balance Sheet.

| Table A | | Mar 23 | Table 1 |
|--|------------------------------|---------------|------------------|
| | | \$M | Reference |
| | Issued capital | 28,978 | |
| Less | Reclassification to Reserves | (226) | Table B |
| Regulatory Directly Issued qualifying ordinary shares | | 28,752 | Row 1 |

| Table B | | Mar 23 | Table 1 |
|--|--------------------------------------|---------------|------------------|
| | | \$M | Reference |
| | Reserves | (1,066) | |
| Add | Reclassification from Issued Capital | 226 | Table A |
| Less | Non qualifying reserves | (57) | |
| Reserves for Regulatory capital purposes (amount allowed in group CET1) | | (897) | Row 3 |

| Table C | | | Table 1 |
|--|---|----------|------------------|
| | | | Reference |
| | Non-controlling interests | 525 | |
| Less | Ineligible Non-controlling Interests | (515) | |
| Less | Surplus capital attributable to minority shareholders | (8) | |
| Ordinary share capital issued by subsidiaries and held by third parties | | 2 | Row 5 |

| Table D | | Mar 23 | Table 1 |
|--|--|---------------|------------------|
| | | \$M | Reference |
| | Software | 868 | |
| Add | Other intangible assets | - | |
| Less | Associated deferred tax liabilities | - | |
| Add | Regulatory reclassification from significant investments in the ordinary shares of banking, financial and insurance entities outside the scope of regulatory consolidation | 71 | Table G |
| Other intangibles other than mortgage servicing rights (net of related tax liability) | | 939 | Row 9 |

| Table E | | Mar 23 | Table 1 |
|---|--|---------------|------------------|
| | | \$M | Reference |
| Qualifying collective provision | | | |
| | Collectively assessed provision on Loans and advances | (3,244) | |
| | Collectively assessed provision on Investment Securities | (29) | |
| | Collectively assessed provision on Undrawn commitments | (767) | |
| Less | Non-qualifying collectively assessed provision | 384 | |
| Less | Standardised collectively assessed provision | 141 | Row 76 |
| Less | Non-defaulted expected loss | 1,875 | |
| Non-Defaulted: Expected Loss - Eligible Provision Shortfall | | - | |
| Qualifying individual provision | | | |
| | Individually assessed provision on Loans and advances | (414) | |
| | Individually assessed provision on Undrawn and contingent facilities | (7) | |
| Add | Additional individually assessed provision for partial write offs | (181) | |
| Less | Standardised individually assessed provision | 44 | |
| Add | Collectively assessed provision on advanced defaulted | (357) | |
| Less | Defaulted expected loss | 954 | |
| Defaulted: Expected Loss - Eligible Provision Shortfall | | 39 | |
| Gross deduction | | 39 | Row 12 |

| Table F | | Mar 23 | Table 1 |
|---|--|---------------|------------------|
| | | \$M | Reference |
| | Defined benefit superannuation fund net assets | 214 | |
| Less | Associated deferred tax liabilities | (48) | |
| Defined benefit superannuation fund net assets | | 166 | Row 15 |

| Table G | | Mar 23 | Table 1 |
|---|---|---------------|------------------|
| | | \$M | Reference |
| | Investment in deconsolidated financial subsidiaries | 403 | |
| Less | Regulatory reclassification to Retained Earnings and Other Intangible Assets | (71) | Table D |
| Add | Investment in financial associates | 2,214 | |
| Add | Investment in financial institutions Investment Securities | 899 | |
| Less | Amount below 10% threshold of CET1 | (3,445) | Row 73 |
| | Significant investments in the ordinary shares of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold) | - | Row 19 |
| Add | Deduction amount below the 10% threshold of CET 1 | 3,445 | Row 73 |
| Add | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital - Investment Securities | 72 | |
| | Equity investment in financial institutions not reported in rows 18, 19 and 23 | 3,517 | Row 26d |
| Deduction for equity holdings in financial institutions - APRA regulations | | 3,517 | |

| Table H | | Mar 23 | Table 1 |
|---|--|---------------|------------------|
| | | \$M | Reference |
| | Deferred tax assets | 3,013 | |
| Add | Deferred tax liabilities | (58) | |
| | Deferred tax asset less deferred tax liabilities | 2,955 | |
| Less | Net Deferred tax assets associated with reserves ineligible for inclusion in regulatory capital | (558) | |
| Add | Deferred tax liabilities on intangible assets, capitalised expenses and defined benefit superannuation fund assets | 54 | |
| Add | Impact of calculating the deduction on a jurisdictional basis | 10 | |
| Deferred tax assets not reported in rows 10, 21 and 25 of the Common Disclosure Template | | 2,461 | Row 26e |

| Table I | | Mar 23 | Table 1 |
|-----------------------------|---|---------------|------------------|
| | | \$M | Reference |
| | Capitalised brokerage & loan/lease origination fees | 3,165 | |
| | Capitalised debt and capital disposal & issuance expenses | 92 | |
| | Other Capitalised Expenses | (1,377) | |
| Less | Associated deferred tax liabilities | (6) | |
| Capitalised expenses | | 1,874 | Row 26f |

| Table J | | Mar 23 | Table 1 |
|---|---|---------------|------------------|
| | | \$M | Reference |
| | Investments in non-financial Investment Securities equities | 2 | |
| | Investments in non-financial associates | - | |
| | Non-financial equity exposures (loans) | - | |
| Equity exposures to non-financial entities | | 2 | Row 26g |

| Table K | | Mar 23 | Table 1 |
|----------------|---|---------------|------------------|
| | | \$M | Reference |
| | Directly issued qualifying Additional Tier 1 Capital Instruments classified as liabilities | 8,196 | |
| Add | Issue costs | (55) | |
| Add | Fair value adjustment | 212 | |
| | Directly issued qualifying Additional Tier 1 Capital Instruments classified as liabilities | 8,353 | Row 30 |
| | Additional Tier 1 instruments issued by subsidiaries held by third parties | - | |
| Add | Issue costs | - | |
| Less | Surplus capital attributable to third party holders | - | |
| Add | AT1 Instruments issued by subsidiaries and held by third parties (amounts allowed in Group AT1) | - | Row 34 |
| | Additional Tier 1 capital before regulatory adjustments | 8,353 | Row 36 |
| Less | Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation | (155) | Row 40 |
| Less | Investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40 | (14) | Row 41b |
| Less | Other national specific regulatory adjustments not reported | - | Row 41c |
| | Additional Tier 1 capital | 8,184 | Row 44 |

| Table L | | Mar 23 | Table 1 |
|----------------|--|---------------|------------------|
| | | \$M | Reference |
| Add | Surplus capital attributable to third party holders | - | Row 48 |
| Add | Directly issued qualifying Tier 2 instruments | 21,342 | |
| Add | Issue costs | 30 | |
| Add | Fair value adjustment | 1,252 | |
| Add | Provisions | 1,781 | Row 50 |
| | Tier 2 capital before regulatory adjustments | 24,405 | Row 51 |
| Less | Investments in own Tier 2 instruments (trading limit) | (50) | Row 52 |
| Less | Significant investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions | (86) | Row 55 |
| Less | Investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55 | (201) | Row 56 |
| | Tier 2 capital | 24,068 | Row 58 |

The following table provides details of entities included within the accounting scope of consolidation but excluded from regulatory consolidation.

| Entity | Activity | Total Assets \$M | Total Liabilities \$M |
|---|-----------------------------|-----------------------------|----------------------------------|
| ACN 008 647 185 Pty Ltd | Holding Company | - | - |
| ANZ ILP Pty Ltd | Incorporated Legal Practice | 3 | - |
| ANZ Investment Services (New Zealand) Limited | Funds Management | 16 | - |
| ANZ Lenders Mortgage Insurance Pty. Limited | Mortgage insurance | 912 | 439 |
| ANZ Pensions (UK) Limited | Trustee/Nominee | - | - |
| ANZ New Zealand Investments Limited | Funds Management | 107 | 39 |
| ANZ New Zealand Investments Nominees Limited | Nominee | - | - |
| ANZcover Insurance Private Ltd | Captive-Insurance | 242 | 184 |
| Kingfisher Trust 2016-1 | Securitisation Trust | 426 | 426 |
| Kingfisher Trust 2019-1 | Securitisation Trust | 571 | 571 |
| Shout for Good Pty. Ltd. | Corporate | - | - |

Table 2 Main features of capital instruments

As the main features of ANZ's capital instruments are updated on an ongoing basis, ANZ has provided this information separately in the Regulatory Disclosures section of its website.

Table 3 Capital adequacy, Table 4 Credit risk, Table 5 Securitisation

The above tables are produced at the quarters ending 30 June and 31 December.

Table 6 Capital adequacy - Capital Ratio and Risk Weighted Assets

Under the revised prudential standard requirements that apply from 1 January 2023 a number of new asset classes have been introduced with one asset class (Banks) has been retired. The retired asset classes will continue to show data from prior periods.

| IRB Asset Class | Borrower Type | Rating Approach Pre-Jan 2023 | Rating Approach Post-Jan 2023 |
|---|--|------------------------------|--|
| Remains post-January 2023 | | | |
| Corporate | Corporations, partnerships or proprietorships that do not fit into any other asset class Income Producing Real Estate (from January 2023) | AIRB | AIRB or FIRB where annual revenue > \$750m |
| Sovereign | Central governments Central banks Certain multilateral development banks | AIRB | FIRB |
| Residential Mortgages | Exposures secured by residential property | AIRB | AIRB |
| Qualifying Revolving Retail | Australian consumer credit cards <\$100,000 limit | AIRB | AIRB |
| Other Retail | Small business lending (moved to Retail SME from January 2023) Other lending to consumers | AIRB | AIRB |
| Specialised Lending subject to supervisory slotting | Income Producing Real Estate Pre 1 January 2023. | IRB – Supervisory Slotting | N/A |
| | Project finance Object finance | IRB – Supervisory Slotting | IRB – Supervisory Slotting |
| Other Assets | All other assets not falling into the above classes e.g. margin lending, fixed assets | AIRB – fixed risk weights | Standardised |
| Retired January 2023 | | | |
| Bank | Banks In Australia only, other authorised deposit taking institutions (ADI) incorporated in Australia | AIRB | |
| New from January 2023 | | | |
| Retail SME | Small business lending | | AIRB |
| Financial Institutions | Banks, securities firms, insurance companies and leveraged funds | | FIRB |
| Exposures of New Zealand banking subsidiaries | Includes all exposures in all asset classes for New Zealand banking subsidiaries | | AIRB and Supervisory Slotting |

Table 6 Capital adequacy - Capital Ratio and Risk Weighted Assets continued

The following table provides the composition of capital used for regulatory purposes and capital adequacy ratios.

| | Mar 23 \$M | Sep 22 \$M | Mar 22 \$M |
|---|----------------|----------------|----------------|
| Risk weighted assets | | | |
| Subject to Advanced Internal Rating Based (IRB) approach | | | |
| Corporate | 62,680 | 146,069 | 141,243 |
| Sovereign | - | 10,955 | 9,781 |
| Bank | - | 12,071 | 10,742 |
| Residential Mortgage ³ | 86,726 | 113,590 | 111,355 |
| Retail SME | 10,065 | - | - |
| Qualifying Revolving Retail | 3,325 | 3,272 | 3,418 |
| Other Retail | 1,709 | 17,029 | 18,200 |
| Credit risk weighted assets subject to Advanced IRB approach | 164,505 | 302,986 | 294,739 |
| Subject to Foundation IRB approach | | | |
| Corporate | 38,808 | - | - |
| Sovereign | 11,199 | - | - |
| Financial Institution | 32,832 | - | - |
| Credit risk weighted assets subject to Foundation IRB approach | 82,839 | - | - |
| Credit risk Specialised Lending exposures subject to slotting approach⁴ | 3,577 | 39,792 | 38,432 |
| Subject to Standardised approach | | | |
| Corporate | 4,911 | 6,235 | 6,149 |
| Sovereign | 88 | 29 | 36 |
| Residential Mortgage | 1,809 | 224 | 194 |
| Other Retail | 32 | 11 | 12 |
| Other assets | 4,138 | - | - |
| Credit risk weighted assets subject to Standardised approach | 10,978 | 6,499 | 6,391 |
| Credit Valuation Adjustment and Qualifying Central Counterparties | 3,449 | 3,865 | 3,154 |
| Credit risk weighted assets relating to securitisation exposures | 2,229 | 2,424 | 2,090 |
| Other assets | - | 3,876 | 4,011 |
| Exposures of New Zealand banking subsidiaries | 77,717 | - | - |
| Total credit risk weighted assets | 345,294 | 359,442 | 348,817 |
| Market risk weighted assets | 11,737 | 9,282 | 7,705 |
| Operational risk weighted assets ⁵ | 42,319 | 47,931 | 47,986 |
| Interest rate risk in the banking book (IRRBB) risk weighted assets | 31,887 | 38,063 | 33,402 |
| RWA adjustment for the IRB capital floor | 4,277 | - | - |
| Total risk weighted assets | 435,514 | 454,718 | 437,910 |

³ While APRA approved ANZ's Australian Mortgages LGD model for regulatory capital purposes, a \$9.6 billion RWA overlay has been applied pending recalibration of the model.

⁴ Specialised Lending exposures subject to slotting approach are those where the main servicing and repayment is from the asset being financed and includes project finance and object finance.

⁵ Includes a \$6.25 billion operational risk RWA overlay (\$500 million capital), subject to APRA's acceptance of ANZ's satisfactory remediation of matters identified through the Self-Assessments into Governance, Culture and Accountability. (Pre-existing)

Table 6 Capital adequacy - Capital Ratio and Risk Weighted Assets continued

| | Mar 23 | | |
|--|----------------|---------------|---------------|
| Capital Floor | \$M | | |
| Risk-weighted assets under the standardised approach | | | |
| Credit risk ⁶ | 546,653 | | |
| Market risk weighted assets | 11,737 | | |
| Operational risk weighted assets | 42,319 | | |
| Interest rate risk in the banking book (IRRBB) risk weighted assets | n/a | | |
| Total | 600,709 | | |
| Risk-weighted assets prior to application of floor | | | |
| Credit risk | 345,294 | | |
| Market risk weighted assets | 11,737 | | |
| Operational risk weighted assets | 42,319 | | |
| Interest rate risk in the banking book (IRRBB) risk weighted assets | 31,887 | | |
| Total | 431,238 | | |
| Capital floor at 72.5% | 435,514 | | |
| Capital floor adjustment | 4,277 | | |
| | | | |
| Capital ratios (%)⁷ | Mar 23 | Sep 22 | Mar 22 |
| Level 2 Common Equity Tier 1 capital ratio | 13.2% | 12.3% | 11.5% |
| Level 2 Tier 1 capital ratio | 15.1% | 14.0% | 13.2% |
| Level 2 Total capital ratio | 20.6% | 18.2% | 16.6% |
| Level 1: Extended licensed Common Equity Tier 1 capital ratio | 12.9% | 12.0% | 11.1% |
| Level 1: Extended licensed entity Tier 1 capital ratio | 15.2% | 14.0% | 13.1% |
| Level 1: Extended licensed entity Total capital ratio | 21.6% | 18.9% | 17.1% |
| Other significant Authorised Deposit-taking Institution (ADI) or overseas bank subsidiary: | | | |
| ANZ Bank New Zealand Limited – Common Equity Tier 1 capital ratio | 12.2% | 12.4% | 12.4% |
| ANZ Bank New Zealand Limited - Tier 1 capital ratio | 13.8% | 15.0% | 14.6% |
| ANZ Bank New Zealand Limited - Total capital ratio | 15.2% | 16.4% | 15.1% |
| | | | |
| Basel III APRA level 2 CET1 | Mar 23 | Sep 22 | Mar 22 |
| Common Equity Tier 1 Capital | 57,380 | 55,872 | 50,511 |
| Total Risk Weighted Assets | 435,514 | 454,718 | 437,910 |
| Common Equity Tier 1 capital ratio | 13.2% | 12.3% | 11.5% |
| Basel III APRA level 1 Extended licensed entity CET1 | Mar 23 | Sep 22 | Mar 22 |
| Common Equity Tier 1 Capital | 47,803 | 47,091 | 41,021 |
| Total Risk Weighted Assets | 370,395 | 392,018 | 370,715 |
| Common Equity Tier 1 capital ratio | 12.9% | 12.0% | 11.1% |

Credit Risk Weighted Assets (CRWA)

Total Credit RWA decreased by \$14.1 billion to \$345.3 billion at 31 March 2023. APRA Capital Reform changes contributed a reduction of \$28.5 billion. Partially offsetting this was volume-driven growth of \$10.0 billion predominantly driven by Institutional (\$4.6 billion), and Australia Retail Mortgages (\$3.8 billion). A risk-driven net increase of \$1.3 billion also provided an offset, with Australian Retail Mortgages up \$3.4 billion and Institutional down \$1.9 billion.

Market Risk, Operational Risk and IRRBB RWA

IRRBB RWA decreased \$6.2 billion as lower term yields led to a decrease in Embedded Loss.

Traded Market Risk RWA increased \$2.5 billion over the half, mainly driven by an increase in Stress VaR.

Operational Risk RWA decreased by \$5.6 billion, with a \$6.0 billion reduction from ANZ's adoption of the Standardised Measurement Approach in December under APRA Capital Reforms partially offset by foreign exchange movements of \$0.4 billion.

⁶ RWA for residential mortgages for the Group excluding New Zealand banking subsidiaries exposures measured under the IRB approach is \$121,005 million when calculated under the standardised approach.

⁷ ANZ Bank New Zealand Limited's capital ratios have been calculated in accordance with Reserve Bank of New Zealand prudential standards.

Chapter 3 – Credit risk

Table 7 Credit risk – General disclosures

Exposure at Default in Table 7 represents credit exposure net of offsets for credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral. It includes Advanced IRB, Foundation IRB, Specialised Lending and Standardised exposures, and excludes Securitisation and Equities exposures.

Table 7(b) part (i): Period end and average Exposure at Default ⁸

| | | | Mar 23 | | |
|--|---------------------------------|--------------------------------|--|--|-------------------------------------|
| Advanced IRB approach | Risk Weighted Assets \$M | Exposure at Default \$M | Average Exposure at Default for half year \$M | Individual provision charge for half year \$M | Write-offs for half year \$M |
| Corporate | 62,680 | 133,136 | - | 40 | 24 |
| Residential Mortgage | 86,726 | 324,670 | - | - | 12 |
| Retail SME | 10,065 | 16,997 | - | 8 | 43 |
| Qualifying Revolving Retail | 3,325 | 13,097 | - | 23 | 42 |
| Other Retail | 1,709 | 1,618 | - | 7 | 23 |
| Total Advanced IRB approach | 164,505 | 489,518 | - | 78 | 144 |
| Foundation IRB approach | | | | | |
| Corporate | 38,808 | 101,134 | - | (123) | 7 |
| Sovereign | 11,199 | 272,154 | - | (1) | - |
| Financial Institution | 32,832 | 109,294 | - | - | - |
| Total Foundation IRB approach | 82,839 | 482,582 | - | (124) | 7 |
| Specialised Lending Exposures Subject to Supervisory Slotting | 3,577 | 4,318 | - | - | - |
| Standardised approach | | | | | |
| Corporate | 4,911 | 5,526 | - | (3) | 20 |
| Sovereign | 88 | 88 | - | - | - |
| Residential Mortgage | 1,809 | 2,011 | - | - | - |
| Other Retail | 32 | 24 | - | (2) | - |
| Other assets | 4,138 | 7,879 | - | - | - |
| Total Standardised approach | 10,978 | 15,528 | - | (5) | 20 |
| Credit Valuation Adjustment and Qualifying Central Counterparties | 3,449 | 6,212 | - | - | - |
| Exposures of New Zealand banking subsidiaries | 77,712 | 195,293 | - | 21 | 14 |
| Total | 343,060 | 1,193,451 | - | (30) | 185 |

⁸ Average Exposure at Default is not calculated this reporting period due to changes to the capital framework. Reporting of this average will resume in the next APS330 publication.

Table 7(b) part (i): Period end and average Exposure at Default (continued)

| Advanced IRB approach | Sep 22 | | | | |
|--|--------------------------|-------------------------|---|---|------------------------------|
| | Risk Weighted Assets \$M | Exposure at Default \$M | Average Exposure at Default for half year \$M | Individual provision charge for half year \$M | Write-offs for half year \$M |
| Corporate | 146,069 | 327,238 | 313,041 | (12) | 36 |
| Sovereign | 10,955 | 266,845 | 260,006 | - | - |
| Bank | 12,071 | 40,479 | 38,263 | - | - |
| Residential Mortgage | 113,590 | 414,125 | 412,877 | (12) | 14 |
| Qualifying Revolving Retail | 3,272 | 13,309 | 13,410 | 12 | 45 |
| Other Retail | 17,029 | 27,088 | 27,877 | (2) | 106 |
| Total Advanced IRB approach | 302,986 | 1,089,084 | 1,065,474 | (14) | 201 |
| Specialised Lending | 39,792 | 48,742 | 47,980 | (1) | - |
| Standardised approach | | | | | |
| Corporate | 6,235 | 5,976 | 6,039 | 7 | 4 |
| Sovereign | 29 | 146 | 162 | - | - |
| Residential Mortgage | 224 | 435 | 426 | 1 | 1 |
| Other Retail | 11 | 10 | 11 | (1) | - |
| Total Standardised approach | 6,499 | 6,567 | 6,638 | 7 | 5 |
| Credit Valuation Adjustment and Qualifying Central Counterparties | 3,865 | 7,916 | 7,354 | - | - |
| Total | 353,142 | 1,152,309 | 1,127,446 | (8) | 206 |
| Advanced IRB approach | Mar 22 | | | | |
| | Risk Weighted Assets \$M | Exposure at Default \$M | Average Exposure at Default for half year \$M | Individual provision charge for half year \$M | Write-offs for half year \$M |
| Corporate | 141,243 | 298,844 | 293,388 | (35) | 27 |
| Sovereign | 9,781 | 253,167 | 250,311 | - | - |
| Bank | 10,742 | 36,047 | 34,041 | - | - |
| Residential Mortgage | 111,355 | 411,629 | 410,939 | 6 | 20 |
| Qualifying Revolving Retail | 3,418 | 13,510 | 13,640 | 32 | 58 |
| Other Retail | 18,200 | 28,667 | 29,382 | 54 | 106 |
| Total Advanced IRB approach | 294,739 | 1,041,864 | 1,031,701 | 57 | 211 |
| Specialised Lending | 38,432 | 47,217 | 46,128 | 19 | 2 |
| Standardised approach | | | | | |
| Corporate | 6,149 | 6,102 | 6,376 | 11 | 6 |
| Sovereign | 36 | 179 | 103 | - | - |
| Residential Mortgage | 194 | 416 | 424 | - | 1 |
| Other Retail | 12 | 12 | 14 | - | 2 |
| Total Standardised approach | 6,391 | 6,709 | 6,917 | 11 | 9 |
| Credit Valuation Adjustment and Qualifying Central Counterparties | 3,154 | 6,793 | 6,607 | - | - |
| Total | 342,716 | 1,102,583 | 1,091,353 | 87 | 222 |

Table 7(b) part (ii): Exposure at Default by portfolio type⁹

| Portfolio Type | Mar 23 | Sep 22 | Mar 22 | Average for half year Mar 23 |
|---|------------------|------------------|------------------|---------------------------------------|
| | \$M | \$M | \$M | \$M |
| Cash | 176,681 | 152,042 | 147,409 | 164,362 |
| Contingents liabilities, commitments, and other off-balance sheet exposures | 172,166 | 183,411 | 175,572 | 177,789 |
| Derivatives | 44,695 | 53,875 | 41,399 | 49,285 |
| Settlement Balances | 12 | 34 | 72 | 23 |
| Investment Securities | 89,381 | 81,198 | 74,706 | 85,290 |
| Net Loans, Advances & Acceptances | 674,528 | 653,303 | 635,682 | 663,916 |
| Other assets | 13,199 | 9,163 | 8,307 | 11,181 |
| Trading Securities | 22,789 | 19,283 | 19,436 | 21,036 |
| Total exposures | 1,193,451 | 1,152,309 | 1,102,583 | 1,172,880 |

⁹ Average for half year is calculated as the simple average of the balances at the start and the end of each six month period.

Table 7(c): Geographic distribution of Exposure at Default

| Portfolio Type | Mar 23 | | | Total \$M |
|--|------------------|--------------------|--|------------------|
| | Australia \$M | New Zealand \$M | Asia Pacific, Europe and Americas \$M | |
| Corporate | 164,403 | - | 75,393 | 239,796 |
| Sovereign | 148,495 | - | 123,747 | 272,242 |
| Financial Institution | 39,256 | - | 70,038 | 109,294 |
| Residential Mortgage | 326,023 | 251 | 407 | 326,681 |
| Retail SME | 16,997 | - | - | 16,997 |
| Qualifying Revolving Retail | 13,097 | - | - | 13,097 |
| Other Retail | 1,632 | - | 10 | 1,642 |
| Qualifying Central Counterparties | 836 | - | 5,376 | 6,212 |
| Specialised Lending Exposures Subject to Supervisory Slotting | 3,632 | - | 686 | 4,318 |
| Other assets | 7,373 | - | 506 | 7,879 |
| Exposures of New Zealand banking subsidiaries | - | 195,293 | - | 195,293 |
| Total exposures | 721,744 | 195,544 | 276,163 | 1,193,451 |

| Portfolio Type | Sep 22 | | | Total \$M |
|-----------------------------------|------------------|--------------------|--|------------------|
| | Australia \$M | New Zealand \$M | Asia Pacific, Europe and Americas \$M | |
| Corporate | 165,339 | 40,234 | 127,641 | 333,214 |
| Sovereign | 126,677 | 25,114 | 115,200 | 266,991 |
| Bank | 17,359 | 3,082 | 20,038 | 40,479 |
| Residential Mortgage | 316,163 | 97,962 | 435 | 414,560 |
| Qualifying Revolving Retail | 13,309 | - | - | 13,309 |
| Other Retail | 19,409 | 7,679 | 10 | 27,098 |
| Qualifying Central Counterparties | 924 | 399 | 6,593 | 7,916 |
| Specialised Lending | 36,118 | 12,352 | 272 | 48,742 |
| Total exposures | 695,298 | 186,822 | 270,189 | 1,152,309 |

| Portfolio Type | Mar 22 | | | Total \$M |
|-----------------------------------|------------------|--------------------|--|------------------|
| | Australia \$M | New Zealand \$M | Asia Pacific, Europe and Americas \$M | |
| Corporate | 155,994 | 40,316 | 108,636 | 304,946 |
| Sovereign | 126,282 | 24,923 | 102,141 | 253,346 |
| Bank | 16,831 | 1,712 | 17,504 | 36,047 |
| Residential Mortgage | 309,206 | 102,422 | 417 | 412,045 |
| Qualifying Revolving Retail | 13,510 | - | - | 13,510 |
| Other Retail | 20,346 | 8,321 | 12 | 28,679 |
| Qualifying Central Counterparties | 953 | 365 | 5,475 | 6,793 |
| Specialised Lending | 33,900 | 13,176 | 141 | 47,217 |
| Total exposures | 677,022 | 191,235 | 234,326 | 1,102,583 |

Table 7(d): Industry distribution of Exposure at Default^{10 11}

| Portfolio Type | Mar 23 | | | | | | | | | | | | | | Total \$M |
|---|---|-----------------------|------------------|-------------------------------------|--------------------------------------|---------------------------------------|--|-------------------|----------------|-----------------------|---------------------|------------------|-------------------------|---------------|------------------|
| | Agriculture, Forestry, Fishing & Mining \$M | Business Services \$M | Construction \$M | Electricity, Gas & Water Supply \$M | Entertainment, Leisure & Tourism \$M | Financial, Investment & Insurance \$M | Government and Official Institutions \$M | Manufacturing \$M | Personal \$M | Property Services \$M | Wholesale Trade \$M | Retail Trade \$M | Transport & Storage \$M | Other \$M | |
| Corporate | 25,678 | 9,740 | 4,849 | 13,304 | 12,562 | 5,376 | 16 | 42,109 | 32 | 56,866 | 22,605 | 13,167 | 14,692 | 18,800 | 239,796 |
| Sovereign | 389 | - | 30 | 465 | - | 205,300 | 62,183 | 2,299 | - | 1,014 | 12 | - | 411 | 139 | 272,242 |
| Financial Institutions | 299 | 87 | 84 | 15 | 92 | 107,605 | - | 461 | - | 164 | 277 | 66 | 61 | 83 | 109,294 |
| Residential Mortgage | - | - | - | - | - | - | - | - | 326,681 | - | - | - | - | - | 326,681 |
| Retail SME | 1,092 | 1,893 | 2,302 | 43 | 1,305 | 438 | 9 | 1,120 | 260 | 660 | 876 | 2,372 | 779 | 3,848 | 16,997 |
| Qualifying Revolving Retail | - | - | - | - | - | - | - | - | 13,097 | - | - | - | - | - | 13,097 |
| Other Retail | - | - | - | - | - | - | - | - | 1,642 | - | - | - | - | - | 1,642 |
| Other Assets | 4 | 11 | 4 | 24 | - | 125 | - | 1 | 1 | 2 | 1 | 3 | 2 | 7,701 | 7,879 |
| Qualifying Central Counterparties | - | - | - | - | - | 6,212 | - | - | - | - | - | - | - | - | 6,212 |
| Specialised Lending subject to supervisory slotting | 1,808 | - | - | 1,677 | 263 | - | - | - | - | - | - | - | 513 | 57 | 4,318 |
| Exposures of New Zealand banking subsidiaries | 16,856 | 1,394 | 1,877 | 2,161 | 2,002 | 11,831 | 20,172 | 4,323 | 108,965 | 14,942 | 3,081 | 2,010 | 1,573 | 4,106 | 195,293 |
| Total exposures | 46,126 | 13,125 | 9,146 | 17,689 | 16,224 | 336,887 | 82,380 | 50,313 | 450,678 | 73,648 | 26,852 | 17,618 | 18,031 | 34,734 | 1,193,451 |
| % of Total | 3.9% | 1.1% | 0.8% | 1.5% | 1.4% | 28.2% | 6.9% | 4.2% | 37.7% | 6.2% | 2.2% | 1.5% | 1.5% | 2.9% | 100.0% |

¹⁰ Property Services includes Commercial property operators, Residential property operators, Retirement village operators/developers, Real estate agents, Non-financial asset investors and Machinery and equipment hiring and leasing.

¹¹ Other industry includes Health & Community Services, Education, Communication Services and Personal & Other Services.

Table 7(d): Industry distribution of Exposure at Default (continued)

| Portfolio Type | Sep 22 | | | | | | | | | | | | | | |
|-----------------------------------|---|-----------------------|------------------|-------------------------------------|--------------------------------------|---------------------------------------|--|-------------------|----------------|-----------------------|---------------------|------------------|-------------------------|---------------|------------------|
| | Agriculture, Forestry, Fishing & Mining \$M | Business Services \$M | Construction \$M | Electricity, Gas & Water Supply \$M | Entertainment, Leisure & Tourism \$M | Financial, Investment & Insurance \$M | Government and Official Institutions \$M | Manufacturing \$M | Personal \$M | Property Services \$M | Wholesale Trade \$M | Retail Trade \$M | Transport & Storage \$M | Other \$M | Total \$M |
| Corporate | 43,976 | 11,441 | 5,715 | 15,257 | 14,548 | 86,832 | 19 | 46,254 | 189 | 26,991 | 27,442 | 13,963 | 17,732 | 22,855 | 333,214 |
| Sovereign | 422 | - | 16 | 519 | 1 | 197,670 | 65,070 | 1,908 | - | 825 | 15 | - | 421 | 124 | 266,991 |
| Bank | - | - | - | - | - | 40,234 | - | 237 | - | - | 1 | 4 | 1 | 2 | 40,479 |
| Residential Mortgage | - | - | - | - | - | - | - | - | 414,560 | - | - | - | - | - | 414,560 |
| Qualifying Revolving Retail | - | - | - | - | - | - | - | - | 13,309 | - | - | - | - | - | 13,309 |
| Other Retail | 1,766 | 2,166 | 2,800 | 58 | 1,538 | 493 | 8 | 1,326 | 7,246 | 820 | 970 | 2,794 | 972 | 4,141 | 27,098 |
| Qualifying Central Counterparties | - | - | - | - | - | 7,916 | - | - | - | - | - | - | - | - | 7,916 |
| Specialised Lending | 1,407 | 5 | 311 | 1,486 | 262 | 1 | - | - | - | 44,513 | - | - | 540 | 217 | 48,742 |
| Total exposures | 47,571 | 13,612 | 8,842 | 17,320 | 16,349 | 333,146 | 65,097 | 49,725 | 435,304 | 73,149 | 28,428 | 16,761 | 19,666 | 27,339 | 1,152,309 |
| % of Total | 4.1% | 1.2% | 0.8% | 1.5% | 1.4% | 28.9% | 5.6% | 4.3% | 37.8% | 6.3% | 2.5% | 1.5% | 1.7% | 2.4% | 100.0% |

| Portfolio Type | Mar 22 | | | | | | | | | | | | | | |
|-----------------------------------|---|-----------------------|------------------|-------------------------------------|--------------------------------------|---------------------------------------|--|-------------------|----------------|-----------------------|---------------------|------------------|-------------------------|---------------|------------------|
| | Agriculture, Forestry, Fishing & Mining \$M | Business Services \$M | Construction \$M | Electricity, Gas & Water Supply \$M | Entertainment, Leisure & Tourism \$M | Financial, Investment & Insurance \$M | Government and Official Institutions \$M | Manufacturing \$M | Personal \$M | Property Services \$M | Wholesale Trade \$M | Retail Trade \$M | Transport & Storage \$M | Other \$M | Total \$M |
| Corporate | 43,097 | 10,459 | 5,222 | 13,751 | 14,892 | 71,210 | 27 | 40,623 | 236 | 25,511 | 26,960 | 13,069 | 17,411 | 22,478 | 304,946 |
| Sovereign | 408 | - | 4 | 497 | 2 | 188,125 | 61,449 | 1,142 | - | 832 | 16 | - | 200 | 661 | 253,346 |
| Bank | - | - | - | - | - | 36,035 | - | - | 1 | 1 | 1 | 4 | 1 | 4 | 36,047 |
| Residential Mortgage | - | - | - | - | - | - | - | - | 412,045 | - | - | - | - | - | 412,045 |
| Qualifying Revolving Retail | - | - | - | - | - | - | - | - | 13,510 | - | - | - | - | - | 13,510 |
| Other Retail | 1,952 | 2,213 | 2,973 | 67 | 1,639 | 525 | 9 | 1,384 | 7,801 | 898 | 1,015 | 2,939 | 1,092 | 4,172 | 28,679 |
| Qualifying Central Counterparties | - | - | - | - | - | 6,793 | - | - | - | - | - | - | - | - | 6,793 |
| Specialised Lending | 1,803 | 6 | 332 | 1,482 | 296 | 1 | - | 127 | - | 42,101 | 11 | 2 | 738 | 318 | 47,217 |
| Total exposures | 47,260 | 12,678 | 8,541 | 15,797 | 16,829 | 302,689 | 61,485 | 43,276 | 433,593 | 69,343 | 28,003 | 16,014 | 19,442 | 27,633 | 1,102,583 |
| % of Total | 4.3% | 1.1% | 0.8% | 1.4% | 1.5% | 27.5% | 5.6% | 3.9% | 39.3% | 6.3% | 2.5% | 1.5% | 1.8% | 2.5% | 100.0% |

Table 7(e): Residual contractual maturity of Exposure at Default¹²

| Mar 23 | | | | | |
|--|------------------|--------------------|------------------|---------------------------------|------------------|
| Portfolio Type | < 12 mths \$M | 1 - 5 years \$M | > 5 years \$M | No Maturity Specified \$M | Total \$M |
| Corporate | 91,527 | 130,379 | 17,888 | 2 | 239,796 |
| Sovereign | 148,456 | 91,708 | 32,078 | - | 272,242 |
| Financial Institution | 64,590 | 42,876 | 1,828 | - | 109,294 |
| Residential Mortgage | 196 | 210 | 312,614 | 13,661 | 326,681 |
| Retail SME | 3,586 | 2,356 | 11,055 | - | 16,997 |
| Qualifying Revolving Retail | - | - | - | 13,097 | 13,097 |
| Other Retail | 325 | 24 | 1,293 | - | 1,642 |
| Other Assets | - | - | - | 7,879 | 7,879 |
| Qualifying Central Counterparties | 4,069 | 1,108 | 474 | 561 | 6,212 |
| Specialised Lending Exposures Subject to Supervisory Slotting | 444 | 2,595 | 1,279 | - | 4,318 |
| Exposures of New Zealand banking subsidiaries | 44,478 | 101,692 | 38,473 | 10,650 | 195,293 |
| Total exposures | 357,671 | 372,948 | 416,982 | 45,850 | 1,193,451 |
| Sep 22 | | | | | |
| Portfolio Type | < 12 mths \$M | 1 - 5 years \$M | > 5 years \$M | No Maturity Specified \$M | Total \$M |
| Corporate | 148,707 | 167,246 | 17,215 | 46 | 333,214 |
| Sovereign | 195,060 | 41,464 | 30,467 | - | 266,991 |
| Bank | 30,456 | 9,641 | 382 | - | 40,479 |
| Residential Mortgage | 222 | 852 | 391,648 | 21,838 | 414,560 |
| Qualifying Revolving Retail | - | - | - | 13,309 | 13,309 |
| Other Retail | 10,181 | 2,957 | 13,960 | - | 27,098 |
| Qualifying Central Counterparties | 5,689 | 1,077 | 722 | 428 | 7,916 |
| Specialised Lending | 18,624 | 28,259 | 1,847 | 12 | 48,742 |
| Total exposures | 408,939 | 251,496 | 456,241 | 35,633 | 1,152,309 |
| Mar 22 | | | | | |
| Portfolio Type | < 12 mths \$M | 1 - 5 years \$M | > 5 years \$M | No Maturity Specified \$M | Total \$M |
| Corporate | 134,573 | 154,557 | 15,763 | 53 | 304,946 |
| Sovereign | 181,272 | 47,475 | 24,599 | - | 253,346 |
| Bank | 25,817 | 9,879 | 351 | - | 36,047 |
| Residential Mortgage | 225 | 1,175 | 387,534 | 23,111 | 412,045 |
| Qualifying Revolving Retail | - | - | - | 13,510 | 13,510 |
| Other Retail | 10,797 | 3,436 | 14,443 | 3 | 28,679 |
| Qualifying Central Counterparties | 4,938 | 992 | 431 | 432 | 6,793 |
| Specialised Lending | 18,672 | 26,382 | 2,150 | 13 | 47,217 |
| Total exposures | 376,294 | 243,896 | 445,271 | 37,122 | 1,102,583 |

¹² No Maturity Specified predominately includes credit cards and residential mortgage equity manager accounts.

Table 7(f) part (i): Non-Performing Facilities, Provisions and Write-offs by Industry sector¹³

| Industry Sector | Mar-23 | | | | | | |
|---|---------------------------|---|---|-------------------------------------|---|---|---------------------------------------|
| | Non-performing facilities | | | Individually provisioned facilities | | | |
| | Exposure \$M | Specific provision balance \$M | Specific provision charge for half year \$M | Exposure \$M | Individual provision Balance \$M | Individual provision charge for half year \$M | Write-offs for half year \$M |
| Agriculture, Forestry, Fishing & Mining | 294 | 56 | (12) | 90 | 33 | (2) | 1 |
| Business Services | 81 | 36 | 2 | 23 | 15 | 3 | 5 |
| Construction | 185 | 58 | 2 | 56 | 37 | 2 | 11 |
| Electricity, gas & water supply | 5 | 3 | - | 2 | 2 | - | - |
| Entertainment Leisure & Tourism | 220 | 47 | (7) | 39 | 22 | (3) | 14 |
| Financial, Investment & Insurance | 37 | 15 | (26) | 18 | 13 | (24) | 8 |
| Government & Official Institutions | - | - | - | - | - | - | - |
| Manufacturing | 85 | 28 | (1) | 34 | 19 | - | 11 |
| Personal | 2,473 | 339 | 61 | 191 | 101 | 38 | 88 |
| Property Services | 219 | 61 | 8 | 75 | 50 | 11 | 1 |
| Retail Trade | 137 | 41 | (1) | 46 | 25 | 3 | 12 |
| Transport & Storage | 88 | 32 | 1 | 33 | 22 | 1 | 1 |
| Wholesale Trade | 90 | 31 | (109) | 42 | 26 | (103) | 1 |
| Other | 385 | 58 | 44 | 179 | 56 | 44 | 32 |
| Total | 4,299 | 805 | (38) | 828 | 421 | (30) | 185 |

¹³ Non-performing facilities as per APS 220 standard

Table 7(f) part (i): Impaired assets, Past due loans, Provisions and Write-offs by Industry sector (continued)

| Industry Sector | Sep 22 | | | | | |
|---|-----------------------------|--------------------------------------|------------------------------------|--|--|---------------------------------------|
| | Impaired derivatives \$M | Impaired loans/ facilities \$M | Past due loans ≥ 90 days \$M | Individual provision balance \$M | Individual provision charge for half year \$M | Write-offs for half year \$M |
| Agriculture, Forestry, Fishing & Mining | - | 129 | 137 | 32 | (28) | 23 |
| Business Services | - | 41 | 28 | 25 | (1) | 6 |
| Construction | - | 63 | 48 | 40 | 11 | 7 |
| Electricity, gas & water supply | - | 2 | - | 2 | (6) | 1 |
| Entertainment Leisure & Tourism | 7 | 180 | 56 | 44 | 11 | 14 |
| Financial, Investment & Insurance | - | 33 | 38 | 25 | 6 | 11 |
| Government & Official Institutions | - | - | - | - | - | - |
| Manufacturing | - | 44 | 22 | 29 | 7 | 6 |
| Personal | - | 498 | 1,726 | 113 | (3) | 105 |
| Property Services | - | 69 | 89 | 33 | (5) | 3 |
| Retail Trade | - | 49 | 58 | 32 | 1 | 8 |
| Transport & Storage | - | 72 | 14 | 18 | (2) | 7 |
| Wholesale Trade | - | 270 | 48 | 120 | (1) | 7 |
| Other | - | 33 | 93 | 29 | 2 | 8 |
| Total | 7 | 1,483 | 2,357 | 542 | (8) | 206 |

| Industry Sector | Mar 22 | | | | | |
|---|-----------------------------|--------------------------------------|------------------------------------|--|--|---------------------------------------|
| | Impaired derivatives \$M | Impaired loans/ facilities \$M | Past due loans ≥ 90 days \$M | Individual provision balance \$M | Individual provision charge for half year \$M | Write-offs for half year \$M |
| Agriculture, Forestry, Fishing & Mining | - | 172 | 65 | 64 | (6) | 6 |
| Business Services | - | 50 | 46 | 30 | 4 | 10 |
| Construction | - | 58 | 52 | 32 | 3 | 13 |
| Electricity, Gas & Water Supply | - | 9 | - | 8 | - | - |
| Entertainment Leisure & Tourism | 11 | 142 | 105 | 47 | 4 | 11 |
| Financial, Investment & Insurance | - | 50 | 63 | 30 | (4) | 2 |
| Government & Official Institutions | - | - | - | - | - | - |
| Manufacturing | - | 43 | 21 | 27 | 10 | 3 |
| Personal | - | 435 | 2,121 | 145 | 55 | 133 |
| Property Services | - | 128 | 49 | 40 | 21 | 4 |
| Retail Trade | - | 65 | 77 | 39 | 2 | 17 |
| Transport & Storage | - | 300 | 26 | 26 | (12) | 5 |
| Wholesale Trade | - | 261 | 23 | 115 | 6 | 6 |
| Other | - | 42 | 118 | 33 | 4 | 12 |
| Total | 11 | 1,755 | 2,766 | 636 | 87 | 222 |

Table 7(f) part (ii): Non-Performing Facilities, Provisions and Write-offs

| | Mar-23 | | | | | | |
|--|---------------------------|---|---|-------------------------------------|---|---|---------------------------------------|
| | Non-performing facilities | | | Individually provisioned facilities | | | |
| | Exposure \$M | Specific provision balance \$M | Specific provision charge for half year \$M | Exposure \$M | Individual provision Balance \$M | Individual provision charge for half year \$M | Write-offs for half year \$M |
| Portfolios subject to Advanced IRB approach | | | | | | | |
| Corporate | 663 | 160 | 28 | 288 | 99 | 40 | 24 |
| Sovereign | - | - | - | - | - | - | - |
| Bank | - | - | - | - | - | - | - |
| Residential Mortgage | 2,065 | 181 | 2 | 129 | 47 | - | 12 |
| Retail SME | 414 | 123 | - | 120 | 77 | 8 | 43 |
| Qualifying Revolving Retail | 34 | 27 | 25 | - | - | 23 | 42 |
| Other Retail | 54 | 46 | 11 | 30 | 27 | 7 | 23 |
| Total Advanced IRB approach | 3,230 | 537 | 66 | 567 | 250 | 78 | 144 |
| Portfolios subject to Foundation IRB approach | | | | | | | |
| Corporate | 29 | 27 | (123) | 26 | 27 | (123) | 7 |
| Financial institution | 29 | 11 | (1) | 15 | 10 | (1) | - |
| Sovereign | - | - | - | - | - | - | - |
| Total Foundational IRB approach | 58 | 38 | (124) | 41 | 37 | (124) | 7 |
| Specialised Lending subject to supervisory slotting | | | | | | | |
| | - | - | - | - | - | - | - |
| Portfolios subject to Standardised approach | | | | | | | |
| Corporate | 194 | 66 | (8) | 68 | 40 | (3) | 20 |
| Residential Mortgage | 69 | 8 | (1) | 10 | 6 | - | - |
| Other Retail | 8 | 1 | (2) | 8 | 1 | (2) | - |
| Total Standardised approach | 271 | 75 | (11) | 86 | 47 | (5) | 20 |
| Qualifying Central Counterparties | | | | | | | |
| | - | - | - | - | - | - | - |
| Exposures of New Zealand banking subsidiaries | | | | | | | |
| | 740 | 155 | 31 | 134 | 87 | 21 | 14 |
| Total | 4,299 | 805 | (38) | 828 | 421 | (30) | 185 |

Table 7(f) part (ii): Impaired asset, Past due loans, Provisions and Write-offs (continued)

| | Sep 22 | | | | | |
|--|-----------------------------|--------------------------------------|------------------------------------|--|--|---------------------------------------|
| | Impaired derivatives \$M | Impaired loans/ facilities \$M | Past due loans ≥ 90 days \$M | Individual provision balance \$M | Individual provision charge for half year \$M | Write-offs for half year \$M |
| Portfolios subject to Advanced IRB approach | | | | | | |
| Corporate | 7 | 568 | 272 | 251 | (12) | 36 |
| Sovereign | - | - | - | - | - | - |
| Bank | - | - | - | - | - | - |
| Residential Mortgage | - | 371 | 1,759 | 63 | (12) | 14 |
| Qualifying Revolving Retail | - | 29 | - | - | 12 | 45 |
| Other Retail | - | 225 | 247 | 133 | (2) | 106 |
| Total Advanced IRB approach | 7 | 1,193 | 2,278 | 447 | (14) | 201 |
| Specialised Lending | - | 51 | 15 | 29 | (1) | - |
| Portfolios subject to Standardised approach | | | | | | |
| Corporate | - | 200 | 55 | 57 | 7 | 4 |
| Residential Mortgage | - | 31 | 9 | 6 | 1 | 1 |
| Other Retail | - | 8 | - | 3 | (1) | - |
| Total Standardised approach | - | 239 | 64 | 66 | 7 | 5 |
| Qualifying Central Counterparties | - | - | - | - | - | - |
| Total | 7 | 1,483 | 2,357 | 542 | (8) | 206 |
| | Mar 22 | | | | | |
| | Impaired derivatives \$M | Impaired loans/ facilities \$M | Past due loans ≥ 90 days \$M | Individual provision balance \$M | Individual provision charge for half year \$M | Write-offs for half year \$M |
| Portfolios subject to Advanced IRB approach | | | | | | |
| Corporate | 11 | 917 | 178 | 293 | (35) | 27 |
| Sovereign | - | - | - | - | - | - |
| Bank | - | - | - | - | - | - |
| Residential Mortgage | - | 306 | 2,107 | 85 | 6 | 20 |
| Qualifying Revolving Retail | - | 33 | - | - | 32 | 58 |
| Other Retail | - | 275 | 326 | 177 | 54 | 106 |
| Total Advanced IRB approach | 11 | 1,531 | 2,611 | 555 | 57 | 211 |
| Specialised Lending | - | 103 | 14 | 29 | 19 | 2 |
| Portfolios subject to Standardised approach | | | | | | |
| Corporate | - | 104 | 103 | 45 | 11 | 6 |
| Residential Mortgage | - | 9 | 38 | 5 | - | 1 |
| Other Retail | - | 8 | - | 2 | - | 2 |
| Total Standardised approach | - | 121 | 141 | 52 | 11 | 9 |
| Qualifying Central Counterparties | - | - | - | - | - | - |
| Total | 11 | 1,755 | 2,766 | 636 | 87 | 222 |

Table 7(g): Non-performing and Provisions¹⁴ by Geography

| Geographic region | Mar 23 | | |
|----------------------------------|-------------------------------------|----------------------------------|----------------------------------|
| | Non-Performing loans/facilities \$M | Individual provision balance \$M | Collective provision balance \$M |
| Australia | 3,298 | 267 | 2,681 |
| New Zealand | 749 | 87 | 719 |
| Asia Pacific, Europe and America | 252 | 67 | 640 |
| Total | 4,299 | 421 | 4,040 |

| Geographic region | Sep 22 | | | | |
|----------------------------------|--------------------------|-------------------------------|------------------------------|----------------------------------|----------------------------------|
| | Impaired derivatives \$M | Impaired loans/facilities \$M | Past due loans ≥ 90 days \$M | Individual provision balance \$M | Collective provision balance \$M |
| Australia | 7 | 1,075 | 1,901 | 379 | 2,617 |
| New Zealand | - | 143 | 391 | 72 | 590 |
| Asia Pacific, Europe and America | - | 265 | 65 | 91 | 646 |
| Total | 7 | 1,483 | 2,357 | 542 | 3,853 |

| Geographic region | Mar 22 | | | | |
|----------------------------------|--------------------------|-------------------------------|------------------------------|----------------------------------|----------------------------------|
| | Impaired derivatives \$M | Impaired loans/facilities \$M | Past due loans ≥ 90 days \$M | Individual provision balance \$M | Collective provision balance \$M |
| Australia | 11 | 1,385 | 2,269 | 481 | 2,599 |
| New Zealand | - | 172 | 358 | 71 | 573 |
| Asia Pacific, Europe and America | - | 198 | 139 | 84 | 585 |
| Total | 11 | 1,755 | 2,766 | 636 | 3,757 |

¹⁴ Due to definitional differences, there is a variation in the split between ANZ's Individual Provision and Collective Provision for accounting purposes and the Specific Provision and General Reserve for Credit Losses (GRCL) for regulatory purposes. This does not impact total provisions, and essentially relates to the classification of collectively assessed provisions on defaulted accounts. The disclosures in this document are based on Individual Provision and Collective Provision, for ease of comparison with other published results.

Table 7(h): Provision for Credit Impairment

| | Half year Mar 23 \$M | Half year Sep 22 \$M | Half year Mar 22 \$M |
|---|----------------------------|----------------------------|----------------------------|
| Collectively Assessed Provision | | | |
| Balance at start of period | 3,853 | 3,757 | 4,195 |
| Charge/(Release) to Income Statement | 163 | 60 | (371) |
| Adjustment for exchange rate fluctuations and transfers | 24 | 36 | (67) |
| Total Collectively Assessed Provision | 4,040 | 3,853 | 3,757 |
| Individually Assessed Provision | | | |
| Balance at start of period | 542 | 636 | 687 |
| New and increased provisions | 237 | 219 | 301 |
| Write-backs | (166) | (118) | (115) |
| Adjustment for exchange rate fluctuations and transfers | (1) | 18 | (8) |
| Discount unwind | (6) | (7) | (7) |
| Bad debts written off | (185) | (206) | (222) |
| Total Individually Assessed Provision | 421 | 542 | 636 |
| Total Provisions for Credit Impairment | 4,461 | 4,395 | 4,393 |

Table 7(j): Specific Provision Balance and General Reserve for Credit Losses¹⁵

| | Mar 23 | | Total \$M |
|--|--------------------------------------|---|--------------|
| | Specific Provision Balance \$M | General Reserve for Credit Losses \$M | |
| Collectively Assessed Provision | 384 | 3,656 | 4,040 |
| Individually Assessed Provision | 421 | - | 421 |
| Total Provision for Credit Impairment | 805 | 3,656 | 4,461 |
| | Sep 22 | | Total \$M |
| | Specific Provision Balance \$M | General Reserve for Credit Losses \$M | |
| Collectively Assessed Provision | 389 | 3,464 | 3,853 |
| Individually Assessed Provision | 542 | - | 542 |
| Total Provision for Credit Impairment | 931 | 3,464 | 4,395 |
| | Mar 22 | | Total \$M |
| | Specific Provision Balance \$M | General Reserve for Credit Losses \$M | |
| Collectively Assessed Provision | 440 | 3,317 | 3,757 |
| Individually Assessed Provision | 636 | - | 636 |
| Total Provision for Credit Impairment | 1,076 | 3,317 | 4,393 |

¹⁵ Due to definitional differences, there is a variation in the split between ANZ's Individual Provision and Collective Provision for accounting purposes and the Specific Provision and General Reserve for Credit Losses (GRCL) for regulatory purposes. This does not impact total provisions, and essentially relates to the classification of collectively assessed provisions on defaulted accounts. The disclosures in this document are based on Individual Provision and Collective Provision, for ease of comparison with other published results.

Table 8 Credit risk – Disclosures for portfolios subject to the Standardised approach and supervisory risk weights in the IRB approach**Table 8(b): Exposure at Default by risk bucket¹⁶**

| | Mar 23 \$M | Sep 22 \$M | Mar 22 \$M |
|--|---------------|---------------|---------------|
| Standardised approach exposures | | | |
| 0% | - | 1 | 3 |
| 20% | 95 | 145 | 386 |
| 30% | 71 | - | - |
| 35% | - | 178 | 194 |
| 50% | 230 | 319 | 336 |
| 60% | 299 | - | - |
| 70% | 808 | - | - |
| 75% | - | - | - |
| 85% | 1,041 | - | - |
| 90% | 13 | - | - |
| 100% | 4,759 | 5,562 | 5,394 |
| 110% | 53 | - | - |
| 150% | 280 | 348 | 385 |
| >150% | - | 14 | 11 |
| Capital deductions | - | - | - |
| Total | 7,649 | 6,567 | 6,709 |
| Other Asset exposures | | | |
| 0% | 3,299 | - | - |
| 20% | 766 | 641 | 696 |
| 35% | - | - | - |
| 50% | - | - | - |
| 75% | - | - | - |
| 100% | 3,782 | 3,650 | 3,794 |
| 150% | 24 | - | - |
| >150% | 8 | 39 | 31 |
| Capital deductions | - | - | - |
| Total | 7,879 | 4,330 | 4,521 |
| Specialised Lending exposures | | | |
| 0% | - | 122 | 150 |
| 70% | 2,195 | 27,159 | 26,370 |
| 90% | 1,546 | 18,038 | 17,696 |
| 110% | 293 | 2,971 | 2,560 |
| 115% | 284 | - | - |
| 250% | - | 452 | 441 |
| Total | 4,318 | 48,742 | 47,217 |

¹⁶ Table 8(b) shows exposure at default after credit risk mitigation in each risk category.

Table 9 Credit risk – Disclosures for portfolios subject to IRB approaches**Portfolios subject to the IRB approach**

The following table summarises the types of borrowers and the rating approach adopted within each of ANZ's IRB portfolios:

| IRB Asset Class | Borrower Type | Rating Approach Pre-Jan 2023 | Rating Approach Post-Jan 2023 |
|---|--|------------------------------|--|
| Remains post-January 2023 | | | |
| Corporate | Corporations, partnerships or proprietorships that do not fit into any other asset class Income Producing Real Estate (from January 2023) | AIRB | AIRB or FIRB where annual revenue > \$750m |
| Sovereign | Central governments Central banks Certain multilateral development banks | AIRB | FIRB |
| Residential Mortgages | Exposures secured by residential property | AIRB | AIRB |
| Qualifying Revolving Retail | Australian consumer credit cards <\$100,000 limit | AIRB | AIRB |
| Other Retail | Small business lending (moved to Retail SME from January 2023) Other lending to consumers | AIRB | AIRB |
| Specialised Lending subject to supervisory slotting | Income Producing Real Estate Pre 1 January 2023. | IRB – Supervisory Slotting | N/A |
| | Project finance Object finance | IRB – Supervisory Slotting | IRB – Supervisory Slotting |
| Other Assets | All other assets not falling into the above classes e.g. margin lending, fixed assets | AIRB – fixed risk weights | Standardised |
| Retired January 2023 | | | |
| Bank | Banks In Australia only, other authorised deposit taking institutions (ADI) incorporated in Australia | AIRB | |
| New from January 2023 | | | |
| Retail SME | Small business lending | | AIRB |
| Financial Institutions | Banks, securities firms, insurance companies and leveraged funds | | FIRB |
| Exposures of New Zealand banking subsidiaries | Includes all exposures in all asset classes for New Zealand banking subsidiaries | | AIRB and Supervisory Slotting |

In addition, where ANZ is not accredited to use the IRB based approach to credit risk, ANZ applies the Standardised approach to credit risk where currently available data does not enable development of advanced internal models for PD, LGD and EAD estimates. Under the Standardised approach, exposures are mapped to several regulatory risk weights, mainly based on the type of counterparty, its external rating and any collateral held. For these counterparties, external ratings by Standard & Poor's and Moody's Investors Service are used as inputs into the RWA calculation. As described in the section on the ANZ rating system, ANZ has mapped its master scale to the grading of these two External Credit Assessment Institutions (ECAIs).

ANZ applies its full normal risk measurement and management framework to these segments for internal management purposes. Subject to APRA's no objection, standardised segments will be migrated to IRB if they reach a volume that generates sufficient data for development of advanced internal models.

The ANZ rating system

As an IRB bank, ANZ's internal models generate the inputs into regulatory capital adequacy to determine the risk weighted exposure calculations for both on and off-balance sheet exposures, including undrawn portions of credit facilities, committed and contingent exposures and expected loss (EL) calculations. ANZ's internal models are used to generate the three key risk components that serve as inputs to the IRB approach to credit risk:

- PD is an estimate of the level of the risk of borrower default. Borrower ratings are derived by way of rating models used both at loan origination and for ongoing monitoring.
- EAD is defined as the expected facility exposure at the date of default.
- LGD is an estimate of the potential economic loss on a credit exposure, incurred as a consequence of obligor default and expressed as a percentage of the facility's EAD. ANZ's LGD also includes recognition of the different legal and insolvency regimes in different countries, where this has been shown to influence recovery outcomes.

Effective maturity is also calculated as an input to the risk weighted exposure calculation for bank, financial institution, sovereign and corporate IRB asset classes.

ANZ's rating system has two separate and distinct dimensions that:

- Measure the PD, which is expressed by the Customer Credit Rating (CCR), reflecting the ability to service and repay debt.
- Measure the LGD as expressed by the Security Indicator (SI) ranging from A to G. The SI is calculated by reference to the percentage of a loan covered by security which can be realised in the event of default. This calculation uses standard ratios to adjust the current market value of collateral items to allow for historical realisation outcomes. The security-related SIs are supplemented with a range of other SIs which cover such factors as cash cover, subordinated debt, intra-group guarantees and sovereign backing as ANZ's LGD research indicates that these transaction characteristics have different recovery outcomes. ANZ's LGD also includes recognition of the different legal and insolvency regimes in different countries, where this has been shown to influence recovery outcomes.

ANZ's corporate PD master scale is APRA approved and is made up of 27 rating grades. Each level/grade is separately defined and has a range of default probabilities attached to it. The PD master scale enables ANZ's rating system to be mapped to the grading's of external rating agencies, using the PD as a common element after ensuring that default definitions and other key attributes are aligned.

The following table demonstrates this alignment (for one year PDs):

| ANZ CCR ¹⁷ | Moody's | Standard & Poor's | PD Range |
|-----------------------|--------------|-------------------|--------------------|
| 0+ to 1- | Aaa to Aa3 | AAA to AA- | 0.0000 - 0.0346% |
| 2+ to 3+ | A1 to Baa1 | A+ to BBB+ | 0.0347 - 0.1636% |
| 3= to 4+ | Baa2 to Baa3 | BBB to BBB- | 0.1637 - 0.4004% |
| 4= to 6= | Ba1 to B1 | BB+ to B+ | 0.4005 - 2.7550% |
| 6- to 7= | B2 to B3 | B to B- | 2.7551 - 9.7980% |
| 7- to 8+ | Caa1 to Caa3 | CCC+ to CCC- | 9.7981 - 27.1109% |
| 8= | Ca to C | CC to C | 27.1110 - 99.9999% |
| 8-, 9 and 10 | Default | Default | 100% |

In the retail asset classes, most facilities utilise credit rating scores. The scores are calibrated to PDs, and used to allocate exposures to homogenous pools, along with LGD and EAD.

¹⁷ Facilities calibrated to external rating equivalent maybe subject to PD floor treatments as per APS 113.

Table 9(d): Non Retail Exposure at Default subject to Internal Ratings Based (IRB) approach^{18 19 20}

| | Mar 23 | | | | | | | |
|---|----------------------|----------------------|-----------------------|---------------------|-------------------|---------------------|----------------|----------------|
| | AAA To AA- \$M | A+ to BBB+ \$M | BBB to BBB- \$M | BB+ to B+ \$M | B to B- \$M | CCC+ to C \$M | Default \$M | Total \$M |
| Exposure at Default | | | | | | | | |
| Corporate | - | 82,658 | 84,251 | 58,927 | 6,608 | 978 | 848 | 234,270 |
| Sovereign | 240,067 | 25,678 | 2,362 | 1,541 | 2,481 | 25 | - | 272,154 |
| Financial Institutions | - | 94,417 | 11,399 | 2,944 | 478 | 27 | 29 | 109,294 |
| New Zealand | 3,249 | 6,731 | 18,175 | 20,468 | 3,533 | 654 | 230 | 53,040 |
| Total | 243,316 | 209,484 | 116,187 | 83,880 | 13,100 | 1,684 | 1,107 | 668,758 |
| % of Total | 36.4% | 31.3% | 17.4% | 12.5% | 2.0% | 0.3% | 0.2% | 100.0% |
| Undrawn commitments (included in above) | | | | | | | | |
| Corporate | - | 22,834 | 20,281 | 7,590 | 539 | 62 | 25 | 51,331 |
| Sovereign | 1,367 | 220 | 68 | 28 | 1 | 1 | - | 1,685 |
| Financial Institutions | - | 12,338 | 1,288 | 253 | 47 | 17 | - | 13,943 |
| New Zealand | 407 | 2,780 | 4,057 | 2,387 | 182 | 31 | 5 | 9,849 |
| Total | 1,774 | 38,172 | 25,694 | 10,258 | 769 | 111 | 30 | 76,808 |
| Average Exposure at Default | | | | | | | | |
| Corporate | - | 19,961 | 4,118 | 1,170 | 0.602 | 0.232 | 0.862 | 2,569 |
| Sovereign | 288,196 | 302,100 | 15,633 | 16,398 | 206,714 | 1,144 | - | 227,363 |
| Financial Institutions | - | 8,145 | 6,165 | 2,237 | 0.732 | 0.111 | 0.941 | 6,967 |
| New Zealand | 6,988 | 2,504 | 1,169 | 0.869 | 0.766 | 0.570 | 0.866 | 1,098 |
| Exposure-weighted average Loss Given Default (%) | | | | | | | | |
| Corporate | - | 46.2% | 36.3% | 24.8% | 24.2% | 31.3% | 37.8% | 36.5% |
| Sovereign | 6.4% | 25.2% | 50.0% | 50.0% | 50.0% | 50.0% | - | 9.2% |
| Financial Institutions | - | 49.5% | 49.1% | 45.0% | 38.4% | 46.9% | 33.6% | 49.2% |
| New Zealand | 64.8% | 44.7% | 34.3% | 27.3% | 25.5% | 37.6% | 41.1% | 34.2% |
| Exposure-weighted average risk weight (%) | | | | | | | | |
| Corporate | - | 27.9% | 43.7% | 52.1% | 71.1% | 204.2% | 84.3% | 43.1% |
| Sovereign | 1.1% | 6.6% | 48.4% | 108.7% | 164.2% | 254.1% | - | 4.1% |
| Financial Institutions | - | 24.8% | 60.4% | 89.2% | 116.0% | 307.6% | 0.0% | 30.0% |
| New Zealand | 32.0% | 30.1% | 47.1% | 67.8% | 113.0% | 241.2% | 79.5% | 58.9% |

¹⁸ In accordance with APS 330, EAD in Table 9(d) includes IRB (Advanced and Foundation) exposures and excludes Specialised Lending subject to supervisory slotting, Standardised, Securitisation and Equities.

¹⁹ Average EAD is calculated as total EAD post risk mitigants divided by the total number of credit risk generating exposures.

²⁰ Exposure-weighted average risk weight (%) is calculated as CRWA divided by EAD.

Table 9(d): Non Retail Exposure at Default subject to Advanced Internal Ratings Based (IRB) approach (continued)

| Sep 22 | | | | | | | | |
|---|----------------------|----------------------|-----------------------|---------------------|-------------------|---------------------|----------------|----------------|
| | AAA To AA- \$M | A+ to BBB+ \$M | BBB to BBB- \$M | BB+ to B+ \$M | B to B- \$M | CCC+ to C \$M | Default \$M | Total \$M |
| Exposure at Default | | | | | | | | |
| Corporate | 40,661 | 122,256 | 97,488 | 57,079 | 7,082 | 1,258 | 1,414 | 327,238 |
| Sovereign | 236,858 | 21,519 | 3,997 | 1,635 | 2,745 | 91 | - | 266,845 |
| Bank | 12,738 | 22,289 | 4,127 | 1,287 | 34 | 4 | - | 40,479 |
| Total | 290,257 | 166,064 | 105,612 | 60,001 | 9,861 | 1,353 | 1,414 | 634,562 |
| % of Total | 45.7% | 26.2% | 16.6% | 9.5% | 1.6% | 0.2% | 0.2% | 100.0% |
| Undrawn commitments (included in above) | | | | | | | | |
| Corporate | 10,602 | 37,838 | 25,836 | 8,466 | 789 | 124 | 61 | 83,716 |
| Sovereign | 1,062 | 960 | 467 | 37 | 14 | 8 | - | 2,548 |
| Bank | 52 | 635 | 13 | - | - | - | - | 700 |
| Total | 11,716 | 39,433 | 26,316 | 8,503 | 803 | 132 | 61 | 86,964 |
| Average Exposure at Default | | | | | | | | |
| Corporate | 19.446 | 13.276 | 2.885 | 0.852 | 0.479 | 0.249 | 0.979 | 2.449 |
| Sovereign | 171.387 | 182.365 | 22.329 | 19.013 | 68.633 | 5.374 | - | 146.217 |
| Bank | 4.718 | 4.398 | 6.732 | 9.974 | 1.378 | 0.186 | - | 4.730 |
| Exposure-weighted average Loss Given Default (%) | | | | | | | | |
| Corporate | 58.9% | 58.1% | 45.1% | 32.0% | 28.5% | 38.5% | 43.8% | 49.0% |
| Sovereign | 5.8% | 16.0% | 37.4% | 41.4% | 56.3% | 45.1% | - | 7.9% |
| Bank | 58.9% | 59.5% | 67.0% | 67.7% | 71.1% | 64.0% | - | 60.4% |
| Exposure-weighted average risk weight (%) | | | | | | | | |
| Corporate | 18.1% | 33.7% | 53.3% | 62.0% | 82.3% | 205.0% | 125.6% | 44.6% |
| Sovereign | 1.0% | 4.6% | 34.2% | 82.2% | 174.1% | 230.3% | - | 4.1% |
| Bank | 15.5% | 24.8% | 71.5% | 119.2% | 178.3% | 390.0% | - | 29.8% |
| Mar 22 | | | | | | | | |
| | AAA To AA- \$M | A+ to BBB+ \$M | BBB to BBB- \$M | BB+ to B+ \$M | B to B- \$M | CCC+ to C \$M | Default \$M | Total \$M |
| Exposure at Default | | | | | | | | |
| Corporate | 32,553 | 102,808 | 97,825 | 52,157 | 10,748 | 1,158 | 1,595 | 298,844 |
| Sovereign | 216,912 | 28,820 | 3,524 | 1,551 | 2,261 | 99 | - | 253,167 |
| Bank | 11,111 | 20,191 | 3,575 | 1,106 | 49 | 15 | - | 36,047 |
| Total | 260,576 | 151,819 | 104,924 | 54,814 | 13,058 | 1,272 | 1,595 | 588,058 |
| % of Total | 44.3% | 25.8% | 17.8% | 9.3% | 2.2% | 0.2% | 0.3% | 100.0% |
| Undrawn commitments (included in above) | | | | | | | | |
| Corporate | 9,580 | 33,422 | 28,738 | 8,824 | 1,723 | 127 | 42 | 82,456 |
| Sovereign | 1,030 | 371 | 361 | 49 | 17 | 18 | - | 1,846 |
| Bank | 47 | 409 | 10 | 134 | - | - | - | 600 |
| Total | 10,657 | 34,202 | 29,109 | 9,007 | 1,740 | 145 | 42 | 84,902 |
| Average Exposure at Default | | | | | | | | |
| Corporate | 17.995 | 12.512 | 2.586 | 0.920 | 0.482 | 0.305 | 0.877 | 2.252 |
| Sovereign | 267.133 | 255.041 | 27.747 | 15.668 | 23.932 | 4.507 | - | 199.511 |
| Bank | 4.785 | 4.514 | 4.747 | 7.325 | 1.635 | 0.031 | - | 4.382 |
| Exposure-weighted average Loss Given Default (%) | | | | | | | | |
| Corporate | 59.7% | 57.7% | 45.3% | 33.3% | 29.6% | 39.3% | 41.0% | 48.4% |
| Sovereign | 5.9% | 18.2% | 36.1% | 40.5% | 52.2% | 46.0% | - | 8.3% |
| Bank | 59.5% | 59.0% | 67.7% | 69.2% | 72.0% | 66.1% | - | 60.4% |
| Exposure-weighted average risk weight (%) | | | | | | | | |
| Corporate | 18.6% | 34.3% | 54.2% | 64.2% | 84.3% | 211.9% | 121.7% | 47.3% |
| Sovereign | 1.0% | 5.0% | 32.8% | 80.5% | 160.4% | 225.3% | - | 3.9% |
| Bank | 16.0% | 23.8% | 73.1% | 125.3% | 184.4% | 404.9% | - | 29.8% |

Table 9(d): Retail Exposure at Default subject to Internal Ratings Based (IRB) approach by risk grade

| | Mar 23 | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|------------------|--------------------|--------------|----------------|
| | 0.00% <0.11% | 0.11% <0.30% | 0.30% <0.51% | 0.51% <3.49% | 3.49% <10.09% | 10.09% <100.00% | Default | Total |
| | \$M | \$M | \$M | \$M | \$M | \$M | \$M | \$M |
| Exposure at Default | | | | | | | | |
| Residential Mortgage | 84,494 | 59,576 | 35,867 | 132,676 | 8,463 | 1,475 | 2,119 | 324,670 |
| Retail SME | 43 | 373 | 655 | 9,468 | 4,887 | 1,157 | 414 | 16,997 |
| Qualifying Revolving Retail | 3,566 | 4,202 | 1,468 | 2,901 | 682 | 245 | 33 | 13,097 |
| Other Retail | 75 | 33 | 35 | 1,189 | 141 | 90 | 55 | 1,618 |
| New Zealand | 3,484 | 39,772 | 30,947 | 36,870 | 656 | 128 | 549 | 112,406 |
| Total | 91,662 | 103,956 | 68,972 | 183,104 | 14,829 | 3,095 | 3,170 | 468,788 |
| % of Total | 19.6% | 22.2% | 14.7% | 39.1% | 3.2% | 0.7% | 0.7% | 100.0% |
| Undrawn commitments (included in above) | | | | | | | | |
| Residential Mortgage | 19,861 | 3,048 | 889 | 6,860 | 33 | 8 | 2 | 30,701 |
| Retail SME | 37 | 234 | 320 | 1,736 | 446 | 81 | 15 | 2,869 |
| Qualifying Revolving Retail | 2,541 | 3,100 | 972 | 1,182 | 132 | 34 | 2 | 7,963 |
| Other Retail | 69 | 29 | 31 | 148 | 22 | 4 | - | 303 |
| New Zealand | 2,911 | 5,920 | 1,297 | 3,242 | 190 | 6 | 4 | 13,570 |
| Total | 25,419 | 12,331 | 3,509 | 13,168 | 823 | 133 | 23 | 55,406 |
| Average Exposure at Default | | | | | | | | |
| Residential Mortgage | 0.282 | 0.347 | 0.362 | 0.405 | 0.353 | 0.337 | 0.356 | 0.348 |
| Retail SME | 0.081 | 0.070 | 0.055 | 0.064 | 0.106 | 0.032 | 0.067 | 0.067 |
| Qualifying Revolving Retail | 0.009 | 0.009 | 0.008 | 0.010 | 0.008 | 0.007 | 0.008 | 0.009 |
| Other Retail | 0.002 | 0.001 | 0.001 | 0.004 | 0.002 | 0.003 | 0.004 | 0.003 |
| New Zealand | 0.039 | 0.071 | 0.137 | 0.098 | 0.005 | 0.002 | 0.052 | 0.077 |
| Exposure-weighted average Loss Given Default (%) | | | | | | | | |
| Residential Mortgage | 11.9% | 13.0% | 13.2% | 14.6% | 13.2% | 13.9% | 25.8% | 13.5% |
| Retail SME | 11.0% | 16.5% | 24.4% | 25.6% | 48.1% | 31.2% | 37.0% | 28.7% |
| Qualifying Revolving Retail | 72.3% | 75.8% | 75.3% | 78.7% | 80.8% | 82.2% | 75.7% | 75.9% |
| Other Retail | 73.7% | 79.6% | 76.1% | 76.0% | 78.2% | 76.1% | 74.3% | 76.0% |
| New Zealand | 10.8% | 12.3% | 18.4% | 23.0% | 31.3% | 25.8% | 15.4% | 17.5% |
| Exposure-weighted average risk weight (%) | | | | | | | | |
| Residential Mortgage | 6.4% | 9.9% | 17.9% | 40.6% | 87.8% | 151.1% | 258.0% | 26.7% |
| Retail SME | 2.8% | 7.9% | 18.6% | 38.9% | 65.1% | 130.0% | 213.1% | 59.2% |
| Qualifying Revolving Retail | 4.2% | 8.0% | 16.0% | 44.9% | 108.3% | 212.1% | 136.9% | 25.4% |
| Other Retail | 16.3% | 36.6% | 53.5% | 101.5% | 127.8% | 204.8% | 170.7% | 105.6% |
| New Zealand | 12.2% | 13.8% | 26.9% | 59.0% | 147.3% | 184.8% | 9.1% | 33.2% |

Table 9(d): Retail Exposure at Default subject to Advanced Internal Ratings Based (IRB) approach by risk grade

| | Sep 22 | | | | | | | Total \$M |
|---|------------------------|------------------------|------------------------|------------------------|-------------------------|---------------------------|----------------|----------------|
| | 0.00% <0.11% \$M | 0.11% <0.30% \$M | 0.30% <0.51% \$M | 0.51% <3.49% \$M | 3.49% <10.09% \$M | 10.09% <100.00% \$M | Default \$M | |
| Exposure at Default | | | | | | | | |
| Residential Mortgage | 88,300 | 93,052 | 65,417 | 156,131 | 7,338 | 1,568 | 2,319 | 414,125 |
| Qualifying Revolving Retail | 3,615 | 4,245 | 1,480 | 2,965 | 714 | 260 | 30 | 13,309 |
| Other Retail | 762 | 3,654 | 1,639 | 13,269 | 5,715 | 1,428 | 621 | 27,088 |
| Total | 92,677 | 100,951 | 68,536 | 172,365 | 13,767 | 3,256 | 2,970 | 454,522 |
| % of Total | 20.4% | 22.2% | 15.1% | 37.9% | 3.0% | 0.7% | 0.7% | 100.0% |
| Undrawn commitments (included in above) | | | | | | | | |
| Residential Mortgage | 22,694 | 5,865 | 1,486 | 9,840 | 27 | 11 | 4 | 39,927 |
| Qualifying Revolving Retail | 2,574 | 3,145 | 999 | 1,280 | 149 | 39 | 2 | 8,188 |
| Other Retail | 687 | 2,837 | 844 | 2,674 | 634 | 100 | 19 | 7,795 |
| Total | 25,955 | 11,847 | 3,329 | 13,794 | 810 | 150 | 25 | 55,910 |
| Average Exposure at Default | | | | | | | | |
| Residential Mortgage | 0.264 | 0.222 | 0.301 | 0.356 | 0.338 | 0.334 | 0.298 | 0.287 |
| Qualifying Revolving Retail | 0.008 | 0.009 | 0.008 | 0.010 | 0.008 | 0.007 | 0.008 | 0.009 |
| Other Retail | 0.008 | 0.010 | 0.010 | 0.019 | 0.024 | 0.010 | 0.026 | 0.016 |
| Exposure-weighted average Loss Given Default (%) | | | | | | | | |
| Residential Mortgage | 19.7% | 17.2% | 19.4% | 20.6% | 20.1% | 20.0% | 19.0% | 19.4% |
| Qualifying Revolving Retail | 72.1% | 75.8% | 75.2% | 78.5% | 82.1% | 80.8% | 75.7% | 75.7% |
| Other Retail | 57.4% | 61.7% | 45.3% | 39.0% | 39.4% | 53.1% | 43.3% | 43.9% |
| Exposure-weighted average risk weight (%) | | | | | | | | |
| Residential Mortgage | 4.5% | 11.7% | 22.9% | 45.2% | 97.7% | 145.1% | 165.3% | 27.4% |
| Qualifying Revolving Retail | 3.7% | 7.6% | 15.4% | 42.9% | 104.0% | 204.7% | 130.4% | 24.6% |
| Other Retail | 34.4% | 43.4% | 35.7% | 52.0% | 75.5% | 138.2% | 226.4% | 62.9% |
| Mar 22 | | | | | | | | |
| | 0.00% <0.11% \$M | 0.11% <0.30% \$M | 0.30% <0.51% \$M | 0.51% <3.49% \$M | 3.49% <10.09% \$M | 10.09% <100.00% \$M | Default \$M | Total \$M |
| Exposure at Default | | | | | | | | |
| Residential Mortgage | 89,384 | 94,830 | 68,468 | 147,306 | 7,393 | 1,687 | 2,561 | 411,629 |
| Qualifying Revolving Retail | 3,636 | 4,279 | 1,491 | 3,018 | 772 | 279 | 35 | 13,510 |
| Other Retail | 806 | 3,974 | 1,717 | 14,095 | 5,757 | 1,494 | 824 | 28,667 |
| Total | 93,826 | 103,083 | 71,676 | 164,419 | 13,922 | 3,460 | 3,420 | 453,806 |
| % of Total | 20.7% | 22.7% | 15.8% | 36.2% | 3.1% | 0.8% | 0.8% | 100.0% |
| Undrawn commitments (included in above) | | | | | | | | |
| Residential Mortgage | 22,781 | 5,628 | 1,382 | 8,522 | 27 | 9 | 2 | 38,351 |
| Qualifying Revolving Retail | 2,613 | 3,202 | 1,011 | 1,282 | 159 | 35 | 2 | 8,304 |
| Other Retail | 736 | 3,119 | 888 | 2,863 | 672 | 101 | 23 | 8,402 |
| Total | 26,130 | 11,949 | 3,281 | 12,667 | 858 | 145 | 27 | 55,057 |
| Average Exposure at Default | | | | | | | | |
| Residential Mortgage | 0.261 | 0.223 | 0.303 | 0.340 | 0.325 | 0.335 | 0.305 | 0.282 |
| Qualifying Revolving Retail | 0.008 | 0.009 | 0.008 | 0.010 | 0.009 | 0.007 | 0.008 | 0.009 |
| Other Retail | 0.008 | 0.011 | 0.011 | 0.020 | 0.024 | 0.010 | 0.031 | 0.016 |
| Exposure-weighted average Loss Given Default (%) | | | | | | | | |
| Residential Mortgage | 19.7% | 17.2% | 19.6% | 20.6% | 20.1% | 20.0% | 19.0% | 19.4% |
| Qualifying Revolving Retail | 71.8% | 75.7% | 75.1% | 78.4% | 82.2% | 80.6% | 75.7% | 75.7% |
| Other Retail | 58.0% | 61.8% | 44.5% | 39.9% | 39.2% | 53.4% | 42.3% | 44.3% |
| Exposure-weighted average risk weight (%) | | | | | | | | |
| Residential Mortgage | 4.5% | 11.6% | 23.1% | 44.9% | 98.1% | 145.2% | 184.0% | 27.1% |
| Qualifying Revolving Retail | 3.7% | 7.6% | 15.4% | 42.9% | 104.0% | 205.6% | 156.5% | 25.3% |
| Other Retail | 35.0% | 43.2% | 34.6% | 53.1% | 75.7% | 139.2% | 204.7% | 63.5% |

Table 9(e): Actual Losses by portfolio type

| Basel Asset Class | Half year Mar 23 | |
|---|------------------------------------|-------------------|
| | Individual provision charge \$M | Write-offs \$M |
| Corporate | (83) | 31 |
| Sovereign | - | - |
| Financial Institutions | (1) | - |
| Residential Mortgage | - | 12 |
| Retail SME | 8 | 43 |
| Qualifying Revolving Retail | 23 | 42 |
| Other Retail | 7 | 23 |
| Total IRB | (46) | 151 |
| Specialised Lending subject to supervisory slotting | - | - |
| Standardised approach | (5) | 20 |
| Exposures of New Zealand banking subsidiaries | 21 | 14 |
| Total | (30) | 185 |

| Basel Asset Class | Half year Sep 22 | |
|-----------------------------|------------------------------------|-------------------|
| | Individual provision charge \$M | Write-offs \$M |
| Corporate | (12) | 36 |
| Sovereign | - | - |
| Bank | - | - |
| Residential Mortgage | (12) | 14 |
| Qualifying Revolving Retail | 12 | 45 |
| Other Retail | (2) | 106 |
| Total Advanced IRB | (14) | 201 |
| Specialised Lending | (1) | - |
| Standardised approach | 7 | 5 |
| Total | (8) | 206 |

| Basel Asset Class | Half year Mar 22 | |
|-----------------------------|------------------------------------|-------------------|
| | Individual provision charge \$M | Write-offs \$M |
| Corporate | (35) | 27 |
| Sovereign | - | - |
| Bank | - | - |
| Residential Mortgage | 6 | 20 |
| Qualifying Revolving Retail | 32 | 58 |
| Other Retail | 54 | 106 |
| Total Advanced IRB | 57 | 211 |
| Specialised Lending | 19 | 2 |
| Standardised approach | 11 | 9 |
| Total | 87 | 222 |

Factors impacting the loss experience

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

Write-offs decreased \$21 million over the half predominantly driven by lower write offs in the Other Retail and Retail SME asset classes.

Table 9(f): Average estimated vs. actual PD, EAD and LGD – Advanced IRB

| Portfolio Type | Mar 23 | | | | |
|-----------------------------|------------------------|---------------------|---------------------------------------|-------------------------|----------------------|
| | Average Estimated PD % | Average Actual PD % | Average estimated to actual EAD ratio | Average Estimated LGD % | Average Actual LGD % |
| Corporate | 1.90 | 1.65 | 1.13 | 39.88 | 33.91 |
| Sovereign | 0.63 | - | n/a | n/a | n/a |
| Financial Institutions | 0.53 | 0.37 | 1.41 | 32.36 | 22.57 |
| Specialised Lending | n/a | 0.19 | 1.02 | n/a | 31.00 |
| Residential Mortgage | 0.90 | 0.79 | 1.01 | 19.0 | 1.4 |
| Qualifying Revolving Retail | 1.67 | 1.27 | 1.15 | 79.8 | 63.8 |
| Retail SME | 4.77 | 3.77 | 1.03 | 41.4 | 25.3 |
| Other Retail | 4.05 | 3.04 | 1.06 | 64.4 | 56.2 |
| New Zealand Wholesale | 1.43 | 0.59 | 1.10 | 41.49 | 21.2 |
| New Zealand Retail | 2.24 | 1.12 | 1.04 | 33.2 | 8.8 |

APS 330 Table 9(f) compares internal credit risk estimates used in calculating regulatory capital with realised outcomes by portfolio types. It covers the PD, EAD and LGD estimates for the IRB portfolios.

Estimated PD and LGD for Specialised Lending exposures have not been provided, since APRA requires the use of supervisory slotting for Regulatory EL calculations. Actual PD, EAD ratio, Estimated LGD and Actual LGD for Sovereign exposures have not been provided, since there were no Sovereign defaults observed in ANZ Sovereign exposures for the observation period.

Wholesale Portfolios

The Prudential Standard changes from 1 January 2023 have introduced a number of new asset classes. Changes have been made in the historical time series used to determine wholesale portfolio averages.

- New Zealand wholesale obligors included in the Corporate, Sovereign, Bank and Specialised Lending portfolios in prior periods have been moved into the New Zealand Wholesale portfolio;
- Income Producing Real Estate obligors formerly included in Specialised Lending have moved into the Corporate portfolio; and
- Non-bank Financial Institutions were moved into the new Financial Institutions portfolio, along with existing Bank obligors from prior periods.

The estimated PD is based on the average of the internally estimated long-run PDs for obligors that are not in default at the beginning of each financial year over the period of observation being 2015 to 2022. The actual PD is based on the number of defaulted obligors up to February 2023 compared to the total number of obligors measured.

The EAD ratio compares internally estimated EAD prior to default to realised EAD for defaulted obligors over the 8 years of observation being 2015 to February 2023. A ratio greater than 1.0 signifies that on average, the actual defaulted exposures are lower than the estimated exposures at the time of default.

The estimated LGD is the downturn LGD for accounts that defaulted at the beginning of each year during the observation period being 2015 to March 2021. The actual LGD is based on the average realised losses captured over the period for the accounts observed at the beginning and defaulted during the observation period. For non-retail portfolios, the estimated and actual LGDs are based on accounts that defaulted up to March 2021. Defaults occurring after March 2021 have been excluded from the analysis to allow sufficient time for workout period. Actual LGD for defaults where workouts were not finalised have been estimated to approximate the final actual loss. Defaults where no loss data has been captured are excluded from the LGD calculation.

A review of historical LGD data is currently being undertaken and may result in changes to Average Actual LGD numbers detailed above.

Retail Portfolios

The Prudential Standard changes from 1 January 2023 have required a number of changes to be made in the historical time series used to determine Retail portfolio averages.

- New Zealand exposures included in the Mortgage and Other Retail asset classes in prior periods have been moved into the New Zealand Retail portfolio;
- Movement of Retail SME exposures out of the Other Retail asset class

The estimated PD is based on the average of the internally estimated long-run PDs for obligors that are not in default at September of each year over the period of observation being 2018 to 2022. The actual PD is based on the number of defaulted obligors up to September 2022 compared to the total number of obligors measured.

The EAD ratio compares internally estimated EAD prior to default to realised EAD for defaulted obligors over the period of observation being 2017 to 2021. A ratio greater than 1.0 signifies that on average, the actual defaulted exposures are lower than the estimated exposures at the time of default.

The estimated LGD is the downturn LGD for accounts that defaulted at September of each year during the observation period being 2017 to 2021. The actual LGD is based on the average realised losses over the period for the accounts observed at the beginning and defaulted during the observation period. Defaults occurring after September 2021 have been excluded from the analysis to allow sufficient time for workout period.

Table 10 Credit risk mitigation disclosures**Table 10(b): Credit risk mitigation on Standardised and Foundation IRB approach portfolios – collateral²¹**

| | Mar 23 | | | |
|--------------------------------|-----------------|---|-------------------------------------|--------------|
| | Exposure \$M | Eligible Financial Collateral \$M | Other Eligible Collateral \$M | % Coverage |
| Standardised approach | | | | |
| Corporate | 5,526 | 205 | 796 | 15.3% |
| Sovereign | 88 | 270 | 203 | 84.3% |
| Residential Mortgage | 2,011 | - | - | - |
| Other Retail | 24 | - | 14 | 36.8% |
| Other assets | 7,879 | 1,225 | - | 13.5% |
| Total | 15,528 | 1,700 | 1,013 | 14.9% |
| | Exposure \$M | Eligible Financial Collateral \$M | Other Eligible Collateral \$M | % Coverage |
| Foundation IRB approach | | | | |
| Corporate | 101,134 | - | 970 | 1.0% |
| Sovereign | 272,154 | - | 5,498 | 2.0% |
| Financial Institution | 109,294 | - | 2 | 0.0% |
| Total | 482,582 | - | 6,470 | 1.3% |
| | Sep 22 | | | |
| | Exposure \$M | Eligible Financial Collateral \$M | Other Eligible Collateral \$M | % Coverage |
| Standardised approach | | | | |
| Corporate | 5,976 | 713 | - | 10.5% |
| Sovereign | 146 | 1,635 | - | 91.8% |
| Residential Mortgage | 435 | - | - | - |
| Other Retail | 10 | - | - | - |
| Total | 6,567 | 2,348 | - | 26.1% |
| | Mar 22 | | | |
| | Exposure \$M | Eligible Financial Collateral \$M | Other Eligible Collateral \$M | % Coverage |
| Standardised approach | | | | |
| Corporate | 6,102 | 298 | - | 4.6% |
| Sovereign | 179 | 1,721 | - | 90.6% |
| Residential Mortgage | 416 | - | - | - |
| Other Retail | 12 | - | - | - |
| Total | 6,709 | 2,019 | - | 23.1% |

²¹ Eligible Collateral could include cash collateral (cash, certificates deposits and bank bills issued by the lending ADI), gold bullion and highly rated debt securities.

²² Exposure at Default represents credit exposure net of offsets for credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral.

Table 10(c): Credit risk mitigation – guarantees and credit derivatives^{23 24}

| | Mar 23 | | | |
|--|----------------------------|---|--|-------------|
| | Exposure at default \$M | Exposures covered by Guarantees \$M | Exposures covered by Credit Derivatives \$M | % Coverage |
| Advanced IRB | | | | |
| Corporate (incl. Specialised Lending) | 137,454 | 9,265 | - | 6.7% |
| Sovereign | - | - | - | - |
| Bank | - | - | - | - |
| Residential Mortgage | 324,670 | - | - | - |
| Retail SME | 16,997 | - | - | - |
| Qualifying Revolving Retail | 13,097 | - | - | - |
| Other Retail | 1,618 | - | - | - |
| Total | 493,836 | 9,265 | - | 1.9% |
| Foundation IRB | | | | |
| Corporate | 101,134 | 8,114 | - | 8.0% |
| Sovereign | 272,154 | 5,232 | - | 1.9% |
| Financial Institutions | 109,294 | 194 | 1,305 | 1.4% |
| Total | 482,582 | 13,540 | 1,305 | 3.1% |
| Standardised approach | | | | |
| Corporate | 5,526 | 471 | - | 8.5% |
| Sovereign | 88 | 9 | - | 10.6% |
| Residential Mortgage | 2,011 | - | - | - |
| Other Retail | 24 | - | - | - |
| Other Assets | 7,879 | - | - | - |
| Total | 15,528 | 480 | - | 3.1% |
| Exposures of New Zealand banking subsidiaries | 195,293 | 330 | - | 0.2% |
| Qualifying Central Counterparties | 6,212 | - | - | - |

²³ Exposure at Default represents credit exposure net of offsets for credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral.

²⁴ Exposures covered by guarantees have increased due to improvements in processes for identifying guaranteed facilities.

Table 10(c): Credit risk mitigation – guarantees and credit derivatives (continued)

| | Sep 22 | | | % Coverage |
|--|------------------|--|--|-------------|
| | Exposure \$M | Exposures covered by Guarantees \$M | Exposures covered by Credit Derivatives \$M | |
| IRB | | | | |
| Corporate (incl. Specialised Lending) | 375,980 | 1,342 | 868 | 0.6% |
| Sovereign | 266,845 | 4,972 | - | 1.9% |
| Bank | 40,479 | - | 38 | 0.1% |
| Residential Mortgage | 414,125 | - | - | - |
| Qualifying Revolving Retail | 13,309 | - | - | - |
| Other Retail | 27,088 | - | - | - |
| Total | 1,137,826 | 6,314 | 906 | 0.6% |
| Standardised approach | | | | |
| Corporate | 5,976 | 9 | - | 0.2% |
| Sovereign | 146 | - | - | - |
| Residential Mortgage | 435 | - | - | - |
| Other Retail | 10 | - | - | - |
| Total | 6,567 | 9 | - | 0.1% |
| Qualifying Central Counterparties | 7,916 | - | - | - |
| | | | | |
| | Mar 22 | | | % Coverage |
| | Exposure \$M | Exposures covered by Guarantees \$M | Exposures covered by Credit Derivatives \$M | |
| Advanced IRB | | | | |
| Corporate (incl. Specialised Lending) | 346,061 | 992 | 744 | 0.5% |
| Sovereign | 253,167 | 3,652 | - | 1.4% |
| Bank | 36,047 | - | 25 | 0.1% |
| Residential Mortgage | 411,629 | - | - | - |
| Qualifying Revolving Retail | 13,510 | - | - | - |
| Other Retail | 28,667 | - | - | - |
| Total | 1,089,081 | 4,644 | 769 | 0.5% |
| Standardised approach | | | | |
| Corporate | 6,102 | - | - | - |
| Sovereign | 179 | - | - | - |
| Residential Mortgage | 416 | - | - | - |
| Other Retail | 12 | - | - | - |
| Total | 6,709 | - | - | - |
| Qualifying Central Counterparties | 6,793 | - | - | - |

Table 11 General disclosures for derivatives and counterparty credit risk**Table 11(b): Counterparty credit risk – net derivative credit exposure**

| | Mar 23 | Sep 22 | Mar 22 |
|--|---------------|---------------|---------------|
| | \$M | \$M | \$M |
| Gross positive fair value of contracts | 45,614 | 90,174 | 45,238 |
| Netting benefits | (29,634) | (57,277) | (27,920) |
| Netted current credit exposure | 15,980 | 32,897 | 17,318 |
| Collateral held | (6,309) | (16,342) | (8,710) |
| Net derivatives credit exposure | 9,671 | 16,555 | 8,608 |

Counterparty credit risk exposure - by portfolio type

| | Mar 23 | Sep 22 | Mar 22 |
|-----------------------------------|---------------|---------------|---------------|
| Portfolio Type | \$M | \$M | \$M |
| Corporate | 8,797 | 24,956 | 17,326 |
| Sovereign | 3,161 | 4,354 | 3,379 |
| Financial Institution | 25,414 | 16,506 | 13,565 |
| Qualifying Central Counterparties | 7,229 | 7,916 | 6,793 |
| Specialised Lending | 94 | 143 | 336 |
| Total exposures | 44,695 | 53,875 | 41,399 |

Notional Value of Credit Derivative Hedges

| | Mar 23 | Sep 22 | Mar 22 |
|------------------------|---------------|---------------|---------------|
| Product Type | \$M | \$M | \$M |
| Credit Default Swaps | - | - | - |
| Interest Rate Swaps | - | - | - |
| Currency Swaps | - | - | - |
| Other | - | - | - |
| Total exposures | - | - | - |

Table 11(c): Counterparty credit risk exposure – credit derivative transactions

| | Mar 23 | | |
|---|--------------------------|------------------------|---------------|
| | Protection Bought \$M | Protection Sold \$M | Total \$M |
| Credit derivative products used for own credit portfolio | | | |
| Credit default swaps | 12,664 | 9,789 | 22,453 |
| Total notional value | 12,664 | 9,789 | 22,453 |
| Credit derivative products used for intermediation | | | |
| Credit default swaps | - | - | - |
| Total return swaps | - | - | - |
| Total notional value | - | - | - |
| Total credit derivative notional value | 12,664 | 9,789 | 22,453 |
| | | | |
| | Sep 22 | | |
| | Protection Bought \$M | Protection Sold \$M | Total \$M |
| Credit derivative products used for own credit portfolio | | | |
| Credit default swaps | 13,599 | 10,823 | 24,422 |
| Total notional value | 13,599 | 10,823 | 24,422 |
| Credit derivative products used for intermediation | | | |
| Credit default swaps | - | - | - |
| Total return swaps | - | - | - |
| Total notional value | - | - | - |
| Total credit derivative notional value | 13,599 | 10,823 | 24,422 |
| | | | |
| | Mar 22 | | |
| | Protection Bought \$M | Protection Sold \$M | Total \$M |
| Credit derivative products used for own credit portfolio | | | |
| Credit default swaps | 6,934 | 3,470 | 10,404 |
| Total notional value | 6,934 | 3,470 | 10,404 |
| Credit derivative products used for intermediation | | | |
| Credit default swaps | - | - | - |
| Total return swaps | - | - | - |
| Total notional value | - | - | - |
| Total credit derivative notional value | 6,934 | 3,470 | 10,404 |

Chapter 4 – Securitisation

Table 12 Securitisation disclosures

Banking Book

Table 12(g): Banking Book: Traditional and synthetic securitisation exposures

| | | | | Mar 23 |
|---|-----------------------|-----------------------------|----------------------|--------|
| Traditional securitisations | | | | |
| Underlying asset | ANZ Originated | ANZ Self Securitised | ANZ Sponsored | |
| | \$M | \$M | \$M | |
| Residential mortgage | 970 | 68,635 | - | |
| Credit cards and other personal loans | - | - | - | |
| Auto and equipment finance | - | - | - | |
| Commercial loans | - | - | - | |
| Other | - | - | - | |
| Total | 970 | 68,635 | - | |
| Synthetic securitisations | | | | |
| Underlying asset | ANZ Originated | ANZ Self Securitised | ANZ Sponsored | |
| | \$M | \$M | \$M | |
| Residential mortgage | - | - | - | |
| Credit cards and other personal loans | - | - | - | |
| Auto and equipment finance | - | - | - | |
| Commercial loans | - | - | - | |
| Other | - | - | - | |
| Total | - | - | - | |
| Aggregate of traditional and synthetic securitisations | | | | |
| Underlying asset | ANZ Originated | ANZ Self Securitised | ANZ Sponsored | |
| | \$M | \$M | \$M | |
| Residential mortgage | 970 | 68,635 | - | |
| Credit cards and other personal loans | - | - | - | |
| Auto and equipment finance | - | - | - | |
| Commercial loans | - | - | - | |
| Other | - | - | - | |
| Total | 970 | 68,635 | - | |

Table 12(g): Banking Book: Traditional and synthetic securitisation exposures (continued)

| Sep 22 | | | |
|---|-------------------------------|-------------------------------------|------------------------------|
| Traditional securitisations | | | |
| Underlying asset | ANZ Originated \$M | ANZ Self Securitised \$M | ANZ Sponsored \$M |
| Residential mortgage | 1,094 | 85,858 | - |
| Credit cards and other personal loans | - | - | - |
| Auto and equipment finance | - | - | - |
| Commercial loans | - | - | - |
| Other | - | - | - |
| Total | 1,094 | 85,858 | - |
| Synthetic securitisations | | | |
| Underlying asset | ANZ Originated \$M | ANZ Self Securitised \$M | ANZ Sponsored \$M |
| Residential mortgage | - | - | - |
| Credit cards and other personal loans | - | - | - |
| Auto and equipment finance | - | - | - |
| Commercial loans | - | - | - |
| Other | - | - | - |
| Total | - | - | - |
| Aggregate of traditional and synthetic securitisations | | | |
| Underlying asset | ANZ Originated \$M | ANZ Self Securitised \$M | ANZ Sponsored \$M |
| Residential mortgage | 1,094 | 85,858 | - |
| Credit cards and other personal loans | - | - | - |
| Auto and equipment finance | - | - | - |
| Commercial loans | - | - | - |
| Other | - | - | - |
| Total | 1,094 | 85,858 | - |
| Mar 22 | | | |
| Traditional securitisations | | | |
| Underlying asset | ANZ Originated \$M | ANZ Self Securitised \$M | ANZ Sponsored \$M |
| Residential mortgage | 1,243 | 83,552 | - |
| Credit cards and other personal loans | - | - | - |
| Auto and equipment finance | - | - | - |
| Commercial loans | - | - | - |
| Other | - | - | - |
| Total | 1,243 | 83,552 | - |
| Synthetic securitisations | | | |
| Underlying asset | ANZ Originated \$M | ANZ Self Securitised \$M | ANZ Sponsored \$M |
| Residential mortgage | - | - | - |
| Credit cards and other personal loans | - | - | - |
| Auto and equipment finance | - | - | - |
| Commercial loans | - | - | - |
| Other | - | - | - |
| Total | - | - | - |
| Aggregate of traditional and synthetic securitisations | | | |
| Underlying asset | ANZ Originated \$M | ANZ Self Securitised \$M | ANZ Sponsored \$M |
| Residential mortgage | 1,243 | 83,552 | - |
| Credit cards and other personal loans | - | - | - |
| Auto and equipment finance | - | - | - |
| Commercial loans | - | - | - |
| Other | - | - | - |
| Total | 1,243 | 83,552 | - |

Table 12(h): Banking Book: Impaired and Past due loans relating to ANZ originated securitisations

| Underlying asset | Mar 23 | | | | |
|---------------------------------------|-----------------------|--------------------------------|-----------------|-----------------|---|
| | ANZ originated \$M | ANZ Self Securitised \$M | Impaired \$M | Past due \$M | Losses recognised for the six month ended \$M |
| Residential mortgage | 970 | 68,635 | - | 12 | - |
| Credit cards and other personal loans | - | - | - | - | - |
| Auto and equipment finance | - | - | - | - | - |
| Commercial loans | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total | 970 | 68,635 | - | 12 | - |

| Underlying asset | Sep 22 | | | | |
|---------------------------------------|-----------------------|--------------------------------|-----------------|-----------------|---|
| | ANZ originated \$M | ANZ Self Securitised \$M | Impaired \$M | Past due \$M | Losses recognised for the six month ended \$M |
| Residential mortgage | 1,094 | 85,858 | - | 48 | - |
| Credit cards and other personal loans | - | - | - | - | - |
| Auto and equipment finance | - | - | - | - | - |
| Commercial loans | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total | 1,094 | 85,858 | - | 48 | - |

| Underlying asset | Mar 22 | | | | |
|---------------------------------------|-----------------------|--------------------------------|-----------------|-----------------|---|
| | ANZ originated \$M | ANZ Self Securitised \$M | Impaired \$M | Past due \$M | Losses recognised for the six month ended \$M |
| Residential mortgage | 1,243 | 83,552 | - | 59 | - |
| Credit cards and other personal loans | - | - | - | - | - |
| Auto and equipment finance | - | - | - | - | - |
| Commercial loans | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total | 1,243 | 83,552 | - | 59 | - |

Table 12(i): Banking Book: Total amount of outstanding exposures intended to be securitised

No assets from ANZ's Banking Book were intended to be securitised as at the reporting date.

Table 12(j): Banking Book: Securitisation - Summary of current period's activity by underlying asset type and facility ²⁵

| Securitisation activity by underlying asset type | Mar 23 | | | Recognised gain or loss on sale \$M |
|--|----------------------------|--------------------------|-------------------|-------------------------------------|
| | Original value securitised | | | |
| | ANZ Originated \$M | ANZ Self Securitised \$M | ANZ Sponsored \$M | |
| Residential mortgage | (124) | 44 | - | - |
| Credit cards and other personal loans | - | - | - | - |
| Auto and equipment finance | - | - | - | - |
| Commercial loans | - | - | - | - |
| Other | - | - | - | - |
| Total | (124) | 44 | - | - |
| Securitisation activity by facility provided | | | | Notional amount \$M |
| Liquidity facilities | | | | - |
| Funding facilities | | | | 74 |
| Underwriting facilities | | | | - |
| Lending facilities | | | | - |
| Credit enhancements | | | | - |
| Holdings of securities (excluding trading book) | | | | (654) |
| Other | | | | 1 |
| Total | | | | (579) |
| Securitisation activity by underlying asset type | Sep 22 | | | Recognised gain or loss on sale \$M |
| | Original value securitised | | | |
| | ANZ Originated \$M | ANZ Self Securitised \$M | ANZ Sponsored \$M | |
| Residential mortgage | (149) | 2,306 | - | - |
| Credit cards and other personal loans | - | - | - | - |
| Auto and equipment finance | - | - | - | - |
| Commercial loans | - | - | - | - |
| Other | - | - | - | - |
| Total | (149) | 2,306 | - | - |
| Securitisation activity by facility provided | | | | Notional amount \$M |
| Liquidity facilities | | | | - |
| Funding facilities | | | | 1,486 |
| Underwriting facilities | | | | - |
| Lending facilities | | | | - |
| Credit enhancements | | | | - |
| Holdings of securities (excluding trading book) | | | | 112 |
| Other | | | | 1 |
| Total | | | | 1,599 |

²⁵ Activity represents net movement in outstandings.

Table 12(j): Banking Book: Securitisation - Summary of current period's activity by underlying asset type and facility (continued)

| Securitisation activity by underlying asset type | Mar 22 | | | Recognised gain or loss on sale \$M |
|--|--------------------|----------------------------|-------------------|-------------------------------------|
| | ANZ Originated \$M | Original value securitised | | |
| | | ANZ Self Securitised \$M | ANZ Sponsored \$M | |
| Residential mortgage | (152) | 6,657 | - | - |
| Credit cards and other personal loans | - | - | - | - |
| Auto and equipment finance | - | - | - | - |
| Commercial loans | - | - | - | - |
| Other | - | - | - | - |
| Total | (152) | 6,657 | - | - |
| Securitisation activity by facility provided | | | | Notional amount \$M |
| Liquidity facilities | | | | - |
| Funding facilities | | | | (478) |
| Underwriting facilities | | | | - |
| Lending facilities | | | | - |
| Credit enhancements | | | | - |
| Holdings of securities (excluding trading book) | | | | 616 |
| Other | | | | 1 |
| Total | | | | 139 |

Table 12(k): Banking Book: Securitisation - Regulatory credit exposures by exposure type

| Securitisation exposure type - On balance sheet | Mar 23 \$M | Sep 22 \$M | Mar 22 \$M |
|--|-----------------------|-----------------------|-----------------------|
| Liquidity facilities | - | - | - |
| Funding facilities | 8,976 | 9,433 | 7,768 |
| Underwriting facilities | - | - | - |
| Lending facilities | - | - | - |
| Credit enhancements | - | - | - |
| Holdings of securities (excluding trading book) | 2,698 | 3,352 | 3,240 |
| Protection provided | - | - | - |
| Other | 116 | 55 | 85 |
| Total | 11,790 | 12,840 | 11,093 |

| Securitisation exposure type - Off Balance Sheet | Mar 23 \$M | Sep 22 \$M | Mar 22 \$M |
|---|-----------------------|-----------------------|-----------------------|
| Liquidity facilities | 11 | 12 | 13 |
| Funding facilities | 2,191 | 2,128 | 1,744 |
| Underwriting facilities | - | - | - |
| Lending facilities | - | - | - |
| Credit enhancements | - | - | - |
| Holdings of securities (excluding trading book) | - | - | - |
| Protection provided | - | - | - |
| Other | - | - | - |
| Total | 2,202 | 2,140 | 1,757 |

| Total Securitisation exposure type | Mar 23 \$M | Sep 22 \$M | Mar 22 \$M |
|---|-----------------------|-----------------------|-----------------------|
| Liquidity facilities | 11 | 12 | 13 |
| Funding facilities | 11,167 | 11,561 | 9,512 |
| Underwriting facilities | - | - | - |
| Lending facilities | - | - | - |
| Credit enhancements | - | - | - |
| Holdings of securities (excluding trading book) | 2,698 | 3,352 | 3,240 |
| Protection provided | - | - | - |
| Other | 116 | 55 | 85 |
| Total | 13,992 | 14,980 | 12,850 |

Table 12(l) part (i): Banking Book: Securitisation - Regulatory credit exposures by risk weight band

| Securitisation risk weights | Mar 23 | | Sep 22 | | Mar 22 | |
|-----------------------------|-----------------------------------|-----------------------------|-----------------------------------|-----------------------------|-----------------------------------|-----------------------------|
| | Regulatory credit exposure \$M | Risk weighted assets \$M | Regulatory credit exposure \$M | Risk weighted assets \$M | Regulatory credit exposure \$M | Risk weighted assets \$M |
| ≤ 25% | 13,992 | 2,229 | 14,980 | 2,424 | 12,850 | 2,090 |
| >25 ≤ 35% | - | - | - | - | - | - |
| >35 ≤ 50% | - | - | - | - | - | - |
| >50 ≤ 75% | - | - | - | - | - | - |
| >75 ≤ 100% | - | - | - | - | - | - |
| >100 ≤ 650% | - | - | - | - | - | - |
| 1250% (Deduction) | - | - | - | - | - | - |
| Total | 13,992 | 2,229 | 14,980 | 2,424 | 12,850 | 2,090 |

| Resecuritisation risk weights | Mar 23 | | Sep 22 | | Mar 22 | |
|-------------------------------|-----------------------------------|-----------------------------|-----------------------------------|-----------------------------|-----------------------------------|-----------------------------|
| | Regulatory credit exposure \$M | Risk weighted assets \$M | Regulatory credit exposure \$M | Risk weighted assets \$M | Regulatory credit exposure \$M | Risk weighted assets \$M |
| ≤ 25% | - | - | - | - | - | - |
| >25 ≤ 35% | - | - | - | - | - | - |
| >35 ≤ 50% | - | - | - | - | - | - |
| >50 ≤ 75% | - | - | - | - | - | - |
| >75 ≤ 100% | - | - | - | - | - | - |
| >100 ≤ 650% | - | - | - | - | - | - |
| 1250% (Deduction) | - | - | - | - | - | - |
| Total | - | - | - | - | - | - |

| Total Securitisation risk weights | Mar 23 | | Sep 22 | | Mar 22 | |
|-----------------------------------|-----------------------------------|-----------------------------|-----------------------------------|-----------------------------|-----------------------------------|-----------------------------|
| | Regulatory credit exposure \$M | Risk weighted assets \$M | Regulatory credit exposure \$M | Risk weighted assets \$M | Regulatory credit exposure \$M | Risk weighted assets \$M |
| ≤ 25% | 13,992 | 2,229 | 14,980 | 2,424 | 12,850 | 2,090 |
| >25 ≤ 35% | - | - | - | - | - | - |
| >35 ≤ 50% | - | - | - | - | - | - |
| >50 ≤ 75% | - | - | - | - | - | - |
| >75 ≤ 100% | - | - | - | - | - | - |
| >100 ≤ 650% | - | - | - | - | - | - |
| 1250% (Deduction) | - | - | - | - | - | - |
| Total | 13,992 | 2,229 | 14,980 | 2,424 | 12,850 | 2,090 |

Table 12(l) part (ii): Banking Book: Securitisation - Aggregate securitisation exposures deducted from Capital

No longer required under Basel III; defaulted exposures are given a risk weight of 1250% and no longer deducted from Capital.

Table 12(m): Banking Book: Securitisations subject to early amortisation treatment

ANZ does not have any Securitisations subject to early amortisation treatment or using Standardised approach.

Table 12(n): Banking Book: Resecuritisation - Aggregate amount of resecuritisation exposures retained or purchased

ANZ does not have any retained or purchased Resecuritisation exposures.

Trading Book

Table 12(o): Trading Book: Traditional and synthetic securitisation exposures

No assets from ANZ's Trading Book were securitised during the reporting period.

Table 12(p): Trading Book: Total amount of outstanding exposures intended to be securitised

No assets from ANZ's Trading Book were intended to be securitised as at the reporting date.

Table 12(q): Trading Book: Securitisation - Summary of current year's activity by underlying asset type and facility

No assets from ANZ's Trading Book were securitised during the reporting period.

Table 12(r): Trading Book: Traditional and synthetic securitisation exposures

No assets from ANZ's Trading Book were securitised during the reporting period.

Table 12(s): Trading Book: Securitisation – Regulatory credit exposures by exposure type

ANZ does not have any Regulatory credit exposures by exposure type.

Table 12(t)(i) & Table 12(u)(i): Trading Book: Aggregate securitisation exposures subject to Internal Models Approach (IMA) and the associated Capital requirements

ANZ does not have any Securitisation exposures subject to Internal Models Approach.

Table 12(t)(ii) & Table 12(u)(ii): Trading Book: Aggregate securitisation exposures subject to APS 120 and the associated Capital requirements

ANZ does not have any aggregate Securitisation exposures subject to APS120 and the associated Capital requirements.

Table 12(u)(iii): Trading Book: Securitisation - Aggregate securitisation exposures deducted from Capital

ANZ does not have any Securitisation exposures deducted from Capital.

Table 12(v): Trading Book: Securitisations subject to early amortisation treatment

ANZ does not have any Securitisation exposures subject to early amortisation or using Standardised approach.

Table 12(w): Trading Book: Resecuritisation - Aggregate amount of resecuritisation exposures retained or purchased

ANZ does not have any retained or purchased Resecuritisation exposures.

Chapter 5 – Market risk

Table 13 Market risk – Standard approach

ANZ uses the standard model approach to measure market risk capital for specific risk²⁶ (APRA does not currently permit Australian banks to use an internal model approach for this).

Table 13(b): Market risk – Standard approach ²⁷

| | Mar 23 \$M | Sep 22 \$M | Mar 22 \$M |
|--|---------------|---------------|---------------|
| Interest rate risk | 132 | 113 | 131 |
| Equity position risk | - | - | - |
| Foreign exchange risk | - | - | - |
| Commodity risk | - | - | - |
| Total | 132 | 113 | 131 |
| Risk Weighted Assets equivalent | 1,650 | 1,413 | 1,638 |

²⁶ Specific risk is the risk that the value of a security will change due to issuer-specific factors. It applies to interest rate and equity positions related to a specific issuer.

²⁷ RWA equivalent is the capital requirement multiplied by 12.5 in accordance with APS 110.

Table 14 Market risk – Internal models approach**Table 14(f): Value at Risk (VaR) and stressed VaR over the reporting period ²⁸**

| Six months ended Mar 23 | | | | |
|-------------------------------|-------------|----------------|----------------|-------------------|
| 99% 1 Day Value at Risk (VaR) | Mean \$M | Maximum \$M | Minimum \$M | Period end \$M |
| Foreign Exchange | 2.6 | 3.9 | 1.6 | 3.9 |
| Interest Rate | 8.4 | 17.6 | 5.3 | 5.8 |
| Credit | 4.1 | 5.9 | 2.5 | 3.9 |
| Commodity | 3.1 | 6.6 | 2.0 | 2.6 |
| Equity | - | - | - | - |

| Six months ended Sep 22 | | | | |
|-------------------------------|-------------|----------------|----------------|-------------------|
| 99% 1 Day Value at Risk (VaR) | Mean \$M | Maximum \$M | Minimum \$M | Period end \$M |
| Foreign Exchange | 2.0 | 4.0 | 1.1 | 1.8 |
| Interest Rate | 7.1 | 10.1 | 5.0 | 7.6 |
| Credit | 2.3 | 3.0 | 1.6 | 2.6 |
| Commodity | 2.3 | 4.9 | 1.4 | 4.3 |
| Equity | - | - | - | - |

| Six months ended Mar 22 | | | | |
|-------------------------------|-------------|----------------|----------------|-------------------|
| 99% 1 Day Value at Risk (VaR) | Mean \$M | Maximum \$M | Minimum \$M | Period end \$M |
| Foreign Exchange | 2.9 | 4.8 | 1.7 | 2.5 |
| Interest Rate | 11.8 | 23.4 | 5.5 | 6.3 |
| Credit | 7.5 | 11.8 | 2.3 | 2.3 |
| Commodity | 3.5 | 7.0 | 2.3 | 3.0 |
| Equity | - | - | - | - |

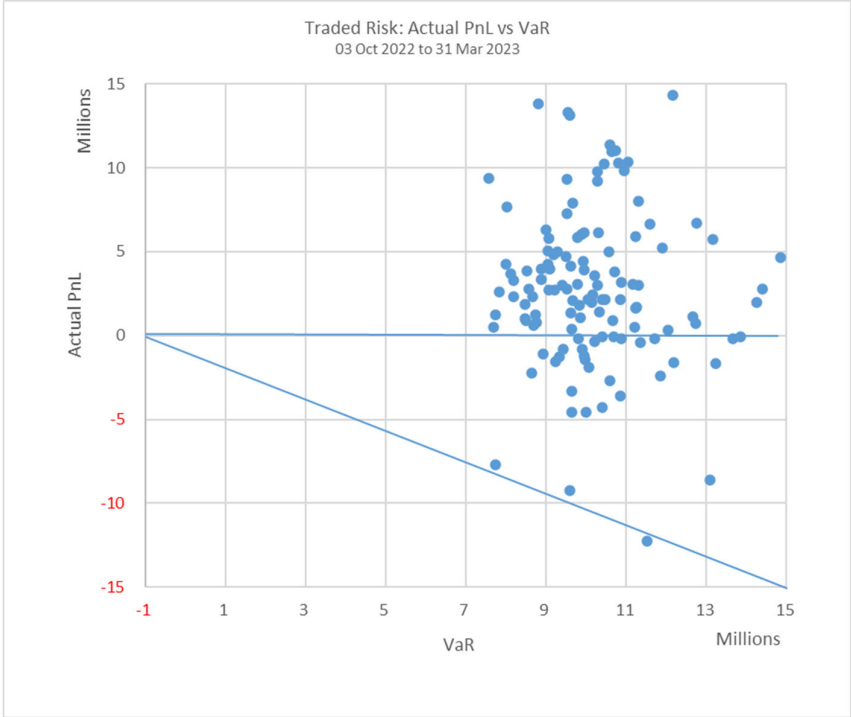
| Six months ended Mar 23 | | | | |
|-------------------------|-------------|----------------|----------------|-------------------|
| 99% 10 Day Stressed VaR | Mean \$M | Maximum \$M | Minimum \$M | Period end \$M |
| Foreign Exchange | 44.6 | 82.3 | 21.2 | 57.0 |
| Interest Rate | 86.4 | 125.6 | 59.0 | 103.8 |
| Credit | 26.3 | 39.5 | 14.3 | 21.1 |
| Commodity | 27.4 | 41.6 | 20.7 | 22.3 |
| Equity | - | - | - | - |

| Six months ended Sep 22 | | | | |
|-------------------------|-------------|----------------|----------------|-------------------|
| 99% 10 Day Stressed VaR | Mean \$M | Maximum \$M | Minimum \$M | Period end \$M |
| Foreign Exchange | 25.1 | 62.0 | 11.7 | 34.2 |
| Interest Rate | 67.2 | 127.5 | 35.5 | 86.8 |
| Credit | 18.7 | 26.1 | 11.4 | 13.8 |
| Commodity | 22.3 | 35.9 | 15.5 | 27.3 |
| Equity | - | - | - | - |

| Six months ended Mar 22 | | | | |
|-------------------------|-------------|----------------|----------------|-------------------|
| 99% 10 Day Stressed VaR | Mean \$M | Maximum \$M | Minimum \$M | Period end \$M |
| Foreign Exchange | 28.5 | 65.5 | 10.8 | 26.2 |
| Interest Rate | 63.9 | 158.6 | 32.6 | 42.1 |
| Credit | 33.7 | 45.5 | 16.7 | 17.6 |
| Commodity | 35.0 | 85.0 | 19.6 | 27.5 |
| Equity | - | - | - | - |

²⁸ The Foreign exchange VaR excludes foreign exchange translation exposures outside of the trading book.

Comparison of VaR estimates with actual gains/losses experienced



Chapter 6 – Equities

Table 16 Equities – Disclosures for banking book positions

Table 16(b) and 16(c): Equities – Types and nature of Banking Book investments

| Equity investments | Mar 23 \$M | |
|---|---------------------|--------------|
| | Balance sheet value | Fair value |
| Value of listed (publicly traded) equities | 3,122 | 3,146 |
| Value of unlisted (privately held) equities | 97 | 97 |
| Total | 3,219 | 3,243 |

| Equity investments | Sep 22 \$M | |
|---|---------------------|--------------|
| | Balance sheet value | Fair value |
| Value of listed (publicly traded) equities | 2,970 | 3,807 |
| Value of unlisted (privately held) equities | 619 | 619 |
| Total | 3,589 | 4,426 |

| Equity investments | Mar 22 \$M | |
|---|---------------------|--------------|
| | Balance sheet value | Fair value |
| Value of listed (publicly traded) equities | 2,898 | 2,481 |
| Value of unlisted (privately held) equities | 565 | 565 |
| Total | 3,463 | 3,046 |

Table 16(d) and 16(e): Equities – gains (losses)²⁹

| Realised gains (losses) on equity investments | Half Year Mar-23 | Half Year Sep-22 | Half Year Mar 22 |
|--|---------------------|---------------------|---------------------|
| | \$M | \$M | \$M |
| Cumulative realised gains (losses) from disposals and liquidations in the reporting period | - | - | - |
| Cumulative realised losses from impairment and write downs in the reporting period | - | - | - |
| Total | - | - | - |

| Unrealised gains (losses) on equity investments | Half Year Mar-23 | Half Year Sep-22 | Half Year Mar 22 |
|--|---------------------------------|---------------------|---------------------|
| | Total unrealised gains (losses) | 9 | (95) |
| Reversal of prior period unrealised gains (losses) from disposals and liquidations in the reporting period | - | - | - |
| Total unrealised gains (losses) included in Common Equity Tier 1, Tier 1 and/or Tier 2 capital | 9 | (95) | (18) |

Table 16(f): Equities Risk Weighted Assets

From 1 January 2013 all banking book equity exposures are deducted from Common Equity Tier 1 capital.

²⁹ Table 16(d) and Table 16 (e) are reported on an after-tax basis

Chapter 7 – Interest Rate Risk in the Banking Book

Table 17(b): Interest Rate Risk in the Banking Book

| Standard Shock Scenario Stress Testing: Interest rate shock applied | Change in Economic Value | | |
|--|--------------------------|---------------|---------------|
| | Mar 23 \$M | Sep 22 \$M | Mar 22 \$M |
| AUD | | | |
| 200 basis point parallel increase | (460) | (729) | (717) |
| 200 basis point parallel decrease | 452 | 751 | 751 |
| NZD | | | |
| 200 basis point parallel increase | (37) | (140) | (172) |
| 200 basis point parallel decrease | 15 | 124 | 154 |
| USD | | | |
| 200 basis point parallel increase | 16 | 109 | (53) |
| 200 basis point parallel decrease | (21) | (116) | 54 |
| Other | | | |
| 200 basis point parallel increase | (77) | (70) | (54) |
| 200 basis point parallel decrease | 92 | 85 | 74 |
| IRRBB regulatory capital | 2,551 | 3,045 | 2,672 |
| IRRBB regulatory RWA | 31,887 | 38,063 | 33,402 |

IRRBB stress testing methodology

Stress tests within ANZ include standard and extraordinary tests. These tests are used to highlight potential risk which may not be captured by VaR, and how the portfolio might behave under extraordinary circumstances. Standard stress tests include statistically derived scenarios based on historical yield curve movements. These combine parallel shocks with twists and bends in the curve to produce a wide range of hypothetical scenarios at high statistical confidence levels, with the single worst scenario identified and reported. Extraordinary stress tests include interest rate moves from historical periods of stress and potential future scenarios, including behavioural characteristics as well as stresses to assumptions made about the repricing term of exposures. The rate move scenarios include changes over the stressed periods and the worst theoretical losses over the selected period are reported. Stresses of the repricing term assumptions investigate scenarios where actual repricing terms are significantly different to those modelled.

Chapter 8 – Leverage and Liquidity Coverage Ratio

Leverage Ratio

The Leverage Ratio requirements are part of the Basel Committee on Banking Supervision (BCBS) Basel III capital framework. It is a simple, non-risk based supplement or backstop to the current risk based capital requirements and is intended to restrict the build-up of excessive leverage in the banking system.

Consistent with the BCBS definition, APRA's Leverage Ratio compares Tier 1 Capital to the Exposure Measure (expressed as a percentage) as defined by APS 110: Capital Adequacy. APRA requires ADIs authorised to use the internal ratings based approach to credit risk to maintain a minimum leverage ratio of 3.5% from January 2023.

At 31 March 2023, the Group's Leverage Ratio of 5.3% was above the 3.5% minimum requirement. Table 18 below shows the Group's Leverage Ratio calculation as at 31 March 2023 and Table 19 summarises the reconciliation of accounting assets and leverage ratio exposure measure at 31 March 2023.

Table 18 Leverage Ratio

| | Mar 23 | Sep 22 | Mar 22 |
|--|------------------|------------------|------------------|
| | \$M | \$M | \$M |
| On-balance sheet exposures | | | |
| 1 On-balance sheet items (excluding derivatives and SFTs, but including collateral) | 1,025,480 | 966,226 | 941,228 |
| 2 (Asset amounts deducted in determining Basel III Tier 1 capital) | (11,965) | (12,138) | (12,542) |
| 3 Total on-balance sheet exposures (excluding derivatives and SFTs) | 1,013,515 | 954,088 | 928,686 |
| Derivative exposures | | | |
| 4 Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin) | 13,959 | 19,606 | 9,614 |
| 5 Add-on amounts for PFE associated with all derivatives transactions | 33,127 | 38,739 | 33,845 |
| 6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework | 2,777 | 3,058 | 686 |
| 7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions) | (5,370) | (9,714) | (7,671) |
| 8 (Exempted CCP leg of client-cleared trade exposures) | - | - | - |
| 9 Adjusted effective notional amount of written credit derivatives | 10,154 | 10,823 | 3,470 |
| 10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | (10,035) | (10,712) | (3,470) |
| 11 Total derivative exposures | 44,612 | 51,800 | 36,474 |
| Securities financing transaction exposures | | | |
| 12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions | 39,647 | 29,502 | 30,768 |
| 13 (Netted amounts of cash payables and cash receivables of gross SFT assets) | (2,495) | (899) | (2,761) |
| 14 CCR exposure for SFT assets | 6,604 | 6,967 | 6,216 |
| 15 Agent transaction exposures | - | - | - |
| 16 Total securities financing transaction exposures | 43,756 | 35,570 | 34,223 |
| Other off-balance sheet exposures | | | |
| 17 Off-balance sheet exposure at gross notional amount | 297,629 | 285,816 | 264,942 |
| 18 (Adjustments for conversion to credit equivalent amounts) | (156,630) | (158,963) | (147,038) |
| 19 Off-balance sheet items | 140,999 | 126,853 | 117,904 |
| Capital and Total Exposures | | | |
| 20 Tier 1 capital | 65,564 | 63,558 | 58,001 |
| 21 Total exposures | 1,242,882 | 1,168,311 | 1,117,287 |
| Leverage ratio | | | |
| 22 Basel III leverage ratio | 5.3% | 5.4% | 5.2% |

Table 19 Summary comparison of accounting assets vs. leverage ratio exposure measure

| | | Mar 23 | Sep 22 | Mar 22 |
|---|---|------------------|------------------|------------------|
| | | \$M | \$M | \$M |
| 1 | Total consolidated assets as per published financial statements | 1,111,605 | 1,085,729 | 1,017,361 |
| 2 | Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation. | (864) | 173 | (127) |
| 3 | Adjustment for assets held on the balance sheet in a fiduciary capacity pursuant to the Australian Accounting Standards but excluded from the leverage ratio exposure measure | - | - | - |
| 4 | Adjustments for derivative financial instruments. | (1,002) | (38,375) | (8,764) |
| 5 | Adjustment for SFTs (i.e. repos and similar secured lending) | 4,109 | 6,069 | 3,455 |
| 6 | Adjustment for off-balance sheet exposures (i.e. conversion to credit equivalent amounts of off-balance sheet exposures) | 140,999 | 126,853 | 117,904 |
| 7 | Other adjustments | (11,965) | (12,138) | (12,542) |
| | Leverage ratio exposure | 1,242,882 | 1,168,311 | 1,117,287 |

Table 20 Liquidity Coverage Ratio disclosure template

| | | Mar 23 | | Dec 22 | |
|---------------------------------|--|-----------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
| | Total Unweighted Value \$M | Total Weighted Value \$M | Total Unweighted Value \$M | Total Weighted Value \$M | Total Weighted Value \$M |
| Liquid assets, of which: | | | | | |
| 1 | High-quality liquid assets (HQLA) | | 269,534 | | 256,833 |
| 2 | Alternative liquid assets (ALA) | | - | | 2,675 |
| 3 | Reserve Bank of New Zealand (RBNZ) securities | | 1,762 | | 899 |
| Cash outflows | | | | | |
| 4 | Retail deposits and deposits from small business customers | 258,861 | 24,191 | 265,296 | 24,405 |
| 5 | of which: stable deposits | 117,008 | 5,850 | 120,079 | 6,004 |
| 6 | of which: less stable deposits | 141,853 | 18,341 | 145,217 | 18,401 |
| 7 | Unsecured wholesale funding | 303,760 | 164,206 | 307,414 | 166,606 |
| 8 | of which: operational deposits (all counterparties) and deposits in networks for cooperative banks | 96,330 | 23,201 | 100,182 | 24,155 |
| 9 | of which: non-operational deposits (all counterparties) | 189,026 | 122,601 | 189,725 | 124,944 |
| 10 | of which: unsecured debt | 18,404 | 18,404 | 17,507 | 17,507 |
| 11 | Secured wholesale funding | | 1,144 | | 1,313 |
| 12 | Additional requirements | 193,884 | 69,860 | 192,791 | 70,636 |
| 13 | of which: outflows related to derivatives exposures and other collateral requirements | 48,445 | 48,445 | 49,772 | 49,772 |
| 14 | of which: outflows related to loss of funding on debt products | - | - | - | - |
| 15 | of which: credit and liquidity facilities | 145,439 | 21,415 | 143,019 | 20,864 |
| 16 | Other contractual funding obligations | 8,979 | - | 8,705 | - |
| 17 | Other contingent funding obligations | 114,489 | 7,932 | 105,716 | 7,225 |
| 18 | Total cash outflows | | 267,333 | | 270,185 |
| Cash inflows | | | | | |
| 19 | Secured lending (e.g. reverse repos) | 21,848 | 1,957 | 17,488 | 1,898 |
| 20 | Inflows from fully performing exposures | 28,798 | 19,819 | 27,826 | 19,121 |
| 21 | Other cash inflows | 36,257 | 36,257 | 41,993 | 41,993 |
| 22 | Total cash inflows | 86,903 | 58,033 | 87,307 | 63,012 |
| 23 | Total liquid assets | | 271,296 | | 260,407 |
| 24 | Total net cash outflows | | 209,300 | | 207,173 |
| 25 | Liquidity Coverage Ratio (%) | | 129.6% | | 125.7% |
| | Number of data points used (simple average) | | 64 | | 65 |

Liquidity Coverage Ratio (LCR)

ANZ's average LCR for the 3 months to 31 Mar 2023 was 129.6% with total liquid assets exceeding net outflows by an average of \$62b.

The main contributors to net cash outflows were modelled outflows associated with the bank's corporate and retail deposit portfolios, offset by inflows from maturing loans. While cash outflows associated with derivatives are material, these are effectively offset by derivative cash inflows.

ANZ has a well-diversified deposit and funding base avoiding undue concentrations by investor type, maturity, market source and currency.

ANZ monitors and manages its liquidity risk on a daily basis including LCR by geography and currency, ensuring ongoing compliance across the network.

Table 21 NSFR disclosure template

| Available Stable Funding (ASF) Item | | Mar 23 | | | | Weighted value \$M |
|---|--|---------------------------------------|-------------------|--------------------------|--------------|-----------------------|
| | | Unweighted value by residual maturity | | | | |
| | | No maturity \$M | < 6 months \$M | 6 months to < 1yr \$M | ≥ 1yr \$M | |
| 1 | Capital | 68,267 | - | - | 31,163 | 99,430 |
| 2 | of which: regulatory capital | 68,267 | - | - | 31,163 | 99,430 |
| 3 | of which: other capital instruments | - | - | - | - | - |
| 4 | Retail deposits and deposits from small business customers | 242,258 | 75,917 | - | - | 292,864 |
| 5 | of which: stable deposits | 113,921 | 16,208 | - | - | 123,623 |
| 6 | of which: less stable deposits | 128,337 | 59,709 | - | - | 169,241 |
| 7 | Wholesale funding | 168,840 | 340,825 | 41,892 | 65,583 | 218,507 |
| 8 | of which: operational deposits | 96,079 | - | - | - | 48,040 |
| 9 | of which: other wholesale funding | 72,761 | 340,825 | 41,892 | 65,583 | 170,467 |
| 10 | Liabilities with matching interdependent assets | - | - | - | - | - |
| 11 | Other liabilities | 17,734 | 10,564 | 137 | 2,686 | 2,755 |
| 12 | of which: NSFR derivative liabilities | - | 10,564 | - | - | - |
| 13 | of which: All other liabilities and equity not included in the above categories | 17,734 | - | 137 | 2,686 | 2,755 |
| 14 | Total ASF | | | | | 613,556 |
| Required Stable Funding (RSF) Item | | | | | | |
| 15a | Total NSFR (HQLA) | | | | | 8,466 |
| 15b | ALA | | | | | 2,009 |
| 15c | RBNZ securities | | | | | 846 |
| 16 | Deposits held at other financial institutions for operational purposes | - | - | - | - | - |
| 17 | Performing loans and securities | 12,827 | 125,471 | 42,468 | 523,418 | 466,262 |
| 18 | of which: Performing loans to financial institutions secured by Level 1 HQLA | - | 33,582 | - | - | 3,358 |
| 19 | of which: Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions | 674 | 31,864 | 8,864 | 24,169 | 34,056 |
| 20 | of which: Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs) | 11,248 | 52,079 | 27,443 | 134,186 | 163,309 |
| 21 | of which with a risk weight of less than or equal to 35% under APS 112 | - | 189 | 5 | 351 | 325 |
| 22 | of which: Performing residential mortgages, of which: | - | 6,117 | 5,671 | 356,734 | 256,530 |
| 23 | of which with a risk weight equal to 35% under APS 112 | - | 5,149 | 4,749 | 289,231 | 198,207 |
| 24 | of which: Securities that are not in default and do not qualify as HQLA, including exchange-traded equities | 905 | 1,829 | 490 | 8,329 | 9,009 |
| 25 | Assets with matching interdependent liabilities | - | - | - | - | - |
| 26 | Other assets: | 28,329 | 29,342 | 962 | 2,934 | 31,340 |
| 27 | of which: Physical traded commodities, including gold | 3,235 | - | - | - | 2,749 |
| 28 | of which: Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs) | - | 3,677 | - | - | 3,126 |
| 29 | of which: NSFR derivative assets | - | 9,157 | - | - | - |
| 30 | of which: NSFR derivative liabilities before deduction of variation margin posted | - | 16,218 | - | - | 3,244 |
| 31 | of which: All other assets not included in the above categories | 25,095 | 290 | 962 | 2,934 | 22,221 |
| 32 | Off-balance sheet items | - | - | - | 203,795 | 8,488 |
| 33 | Total RSF | | | | | 517,411 |
| 34 | Net Stable Funding Ratio (%) | | | | | 118.58% |

ANZ's NSFR as at 31 March 2023 was 118.6%, up 0.7% in the quarter since December 2022.

The main sources of Available Stable Funding (ASF) at March 2023 were deposits from Retail and SME customers, at 48%, with other wholesale funding (including Term Funding Facilities) at 28% and capital at 16% of the total ASF.

The majority of ANZ's Required Stable Funding (RSF) at March 2023 was driven by mortgages at 50% and other lending to non-FI customers at 32% of the total RSF.

Table 21 NSFR disclosure template (continued)

| | Available Stable Funding (ASF) Item | Dec 22 | | | | Weighted value |
|-----------|--|---------------------------------------|------------|-------------------|---------|----------------|
| | | Unweighted value by residual maturity | | | | |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| | \$M | \$M | \$M | \$M | \$M | |
| 1 | Capital | 66,929 | - | - | 28,951 | 95,880 |
| 2 | of which: regulatory capital | 66,929 | - | - | 28,951 | 95,880 |
| 3 | of which: other capital instruments | - | - | - | - | - |
| 4 | Retail deposits and deposits from small business customers | 249,667 | 66,969 | - | - | 291,533 |
| 5 | of which: stable deposits | 117,201 | 14,009 | - | - | 124,650 |
| 6 | of which: less stable deposits | 132,466 | 52,960 | - | - | 166,883 |
| 7 | Wholesale funding | 161,403 | 335,920 | 43,577 | 62,956 | 211,834 |
| 8 | of which: operational deposits | 97,235 | - | - | - | 48,618 |
| 9 | of which: other wholesale funding | 64,168 | 335,920 | 43,577 | 62,956 | 163,216 |
| 10 | Liabilities with matching interdependent assets | - | - | - | - | - |
| 11 | Other liabilities | 8,118 | 13,397 | - | 1,716 | 1,716 |
| 12 | of which: NSFR derivative liabilities | - | 13,397 | - | - | - |
| 13 | of which: All other liabilities and equity not included in the above categories | 8,118 | - | - | 1,716 | 1,716 |
| 14 | Total ASF | | | | | 600,963 |
| | Required Stable Funding (RSF) Item | | | | | |
| 15(a) | Total NSFR (HQLA) | - | - | - | - | 8,026 |
| 15(b) | ALA | - | - | - | - | 2,277 |
| 15(c) | RBNZ securities | - | - | - | - | 886 |
| 16 | Deposits held at other financial institutions for operational purposes | - | - | - | - | - |
| 17 | Performing loans and securities | 13,192 | 118,414 | 47,174 | 513,658 | 457,249 |
| 18 | of which: Performing loans to financial institutions secured by Level 1 HQLA | - | 29,527 | - | - | 2,953 |
| 19 | of which: Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions | 575 | 25,757 | 10,137 | 25,588 | 35,095 |
| 20 | of which: Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs) | 11,045 | 55,926 | 30,743 | 128,937 | 162,245 |
| 21 | of which with a risk weight of less than or equal to 35% under APS 112 | - | 176 | 22 | 374 | 342 |
| 22 | of which: Performing residential mortgages | - | 6,273 | 6,055 | 352,217 | 249,156 |
| 23 | of which with a risk weight equal to 35% under APS 112 | - | 5,582 | 5,387 | 305,109 | 208,434 |
| 24 | of which: Securities that are not in default and do not qualify as HQLA, including exchange-traded equities | 1,572 | 931 | 239 | 6,916 | 7,800 |
| 25 | Assets with matching interdependent liabilities | - | - | - | - | - |
| 26 | Other assets: | 21,331 | 39,129 | 690 | 3,231 | 32,516 |
| 27 | of which: Physical traded commodities, including gold | 3,046 | - | - | - | 2,589 |
| 28 | of which: Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs) | - | 3,964 | - | - | 3,369 |
| 29 | of which: NSFR derivative assets | - | 10,795 | - | - | - |
| 30 | of which: NSFR derivative liabilities before deduction of variation margin posted | - | 24,261 | - | - | 4,852 |
| 31 | of which: All other assets not included in the above categories | 18,286 | 110 | 690 | 3,231 | 21,705 |
| 32 | Off-balance sheet items | - | - | - | 213,449 | 8,852 |
| 33 | Total RSF | | | | | 509,806 |
| 34 | Net Stable Funding Ratio (%) | | | | | 117.88% |

Glossary

| | |
|--|--|
| ADI | Authorised Deposit-taking Institution. |
| Basel III Credit Valuation adjustment (CVA) capital charge | CVA charge is an additional capital requirement under Basel III for bilateral derivative exposures. Derivatives not cleared through a central exchange/counterparty are subject to this additional capital charge and also receive normal CRWA treatment under Basel II principles. |
| Collectively Assessed Provision for Credit Impairment | Collectively assessed provisions for credit impairment represent the Expected Credit Loss (ECL) calculated in accordance with AASB 9 Financial Instruments (AASB 9). These incorporate forward looking information and do not require an actual loss event to have occurred for an impairment provision to be recognised. |
| Credit exposure | The aggregate of all claims, commitments and contingent liabilities arising from on- and off-balance sheet transactions (in the banking book and trading book) with the counterparty or group of related counterparties. |
| Credit risk | The risk of financial loss resulting from a counterparty failing to fulfil its obligations, or from a decrease in credit quality of a counterparty resulting in a loss in value. |
| Credit Valuation Adjustment (CVA) | Over the life of a derivative instrument, ANZ uses a CVA 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. |
| Days past due | The number of days a credit obligation is overdue, commencing on the date that the arrears or excess occurs and accruing for each completed calendar day thereafter. |
| Exposure at Default (EAD) | Exposure At Default is defined as the expected facility exposure at the date of default. |
| Impaired assets (IA) | Facilities are classified as impaired when there is doubt as to whether the contractual amounts due, including interest and other payments, will be met in a timely manner. Impaired assets include impaired facilities, and impaired derivatives. Impaired derivatives have a credit valuation adjustment (CVA), which is a market assessment of the credit risk of the relevant counterparties. |
| Impaired loans (IL) | Impaired loans comprise of drawn facilities where the customer's status is defined as impaired. |
| Individual provision charge (IPC) | Individual provision charge is the amount of expected credit losses on financial instruments assessed for impairment on an individual basis (as opposed to on a collective basis). It takes into account expected cash flows over the lives of those financial instruments. |
| Individually Assessed Provisions for Credit Impairment | Individually assessed provisions for credit impairment are calculated in accordance with AASB 9 Financial Instruments (AASB 9). They are 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. |

| | |
|--|--|
| Internationally Comparable Basel III Capital Ratio | The Internationally Comparable Basel III CET1 ratios are ANZ's interpretation of the regulations documented in the Basel Committee publications; "Basel 3: A global regulatory framework for more resilient banks and banking systems" (June 2011) and "International Convergence of Capital Measurement and Capital Standards" (June 2006). They also include differences identified in APRA's information paper entitled International Capital Comparison Study (13 July 2015). |
| Market risk | <p>The risk to ANZ's earnings arising from changes in interest rates, foreign exchange rates, credit spreads, volatility, correlations or from fluctuations in bond, commodity or equity prices. ANZ has grouped market risk into two broad categories to facilitate the measurement, reporting and control of market risk:</p> <p>Traded market risk - the risk of loss from changes in the value of financial instruments due to movements in price factors for both physical and derivative trading positions. Trading positions arise from transactions where ANZ acts as principal with customers, financial exchanges or inter-bank counterparties.</p> <p>Non-traded market risk (or balance sheet risk) - comprises interest rate risk in the banking book and the risk to the AUD denominated value of ANZ's capital and earnings due to foreign exchange rate movements.</p> |
| Operational risk | The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events including legal risk but excluding reputation risk. |
| Past due facilities | Facilities where a contractual payment has not been met or the customer is outside of contractual arrangements are deemed past due. Past due facilities include those operating in excess of approved arrangements or where scheduled repayments are outstanding but do not include impaired assets. |
| Qualifying Central Counterparties (QCCP) | QCCP is a central counterparty which is an entity that interposes itself between counterparties to derivative contracts. Trades with QCCP attract a more favorable risk weight calculation. |
| Recoveries | Payments received and taken to profit for the current period for the amounts written off in prior financial periods. |
| Restructured items | 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. |
| Risk Weighted Assets (RWA) | Assets (both on and off-balance sheet) 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. |
| Securitisation risk | The risk of credit related losses greater than expected due to a securitisation failing to operate as anticipated, or of the values and risks accepted or transferred, not emerging as expected. |
| Write-Offs | Facilities are written off against the related provision for impairment when they are assessed as partially or fully uncollectable, and after proceeds from the realisation of any collateral have been received. Where individual provisions recognised in previous periods have subsequently decreased or are no longer required, such impairment losses are reversed in the current period income statement. |

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