

**2021**

# JUNE 2021 BASEL III PILLAR 3 / 3Q21 CHART PACK

18 AUGUST 2021

This document should be read in conjunction with ANZ Basel III Pillar 3 Disclosure as at June 2021 (APS 330: Public disclosure)

Approved for distribution by ANZ's Continuous Disclosure Committee

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# OVERVIEW

## THIRD QUARTER FY2021 (PERIOD ENDED 30 JUNE 2021)

### Capital (Slide 2)

- Group CET1 ratio (APRA Level 2) 12.2%
- The recently announced \$1.5b on-market buy-back which commenced on 4 August, is expected to reduce ANZ's CET1 ratio by ~35bps

### Provision Charge outcomes and Balance sheet movement (third quarter) (Slides 3-7)

- Total Provision release of \$32m; including Individual Provision charge of \$21m, Collective Provision release of \$53m
- 3Q21 annualised Individual Provision loss rate 1bp (1H21 annualised IP loss rate 6bps; 2H20 annualised IP loss rate 13 bps)
- Provision balance \$4.25b, (\$4.29b at Mar-21); Collective Provision coverage ratio 1.24%<sup>1</sup> (Mar-21: 1.25%)
- Exposure At Default (EAD) +\$40b (+4%), primarily reflects increased Sovereign exposures (+\$34b)
- Risk Weighted Assets +1%, largely driven by increased IRRBB. Credit RWA broadly stable; increases from FX, volume & methodology offset by reductions in risk and CVA

### Customer loan repayment deferral support as a result of current lockdowns<sup>2</sup>

- Australia Housing Loan portfolio - Deferrals provided on ~1,300 loans (~\$600m of loans on a total housing loan portfolio of ~\$280b<sup>3</sup>, ~0.2% of housing portfolio by FUM). Current deferrals are equivalent to ~1% of total deferrals provided in the prior 2020/2021 deferral period
- Australia Business Lending - Deferrals provided on ~50 loans (~\$17m by EAD on a total business loan portfolio of ~\$70b<sup>3</sup> EAD, <0.3% of total business loans by EAD). Current loan deferrals are well below the ~24,000 business loans provided with repayment deferrals in the prior 2020/2021 deferral period
- ~80% of the housing and business loan deferrals are on loans in NSW

### Australian Mortgage Portfolio (Slide 8)

- The Australian Home Loan balance sheet reduced by \$0.3b in 3Q21, with \$16.2b increase in lending (prior quarter averages: 1H21 ~\$18b; 2H20 ~\$20b; 1H20 ~\$13b) offset by \$16.5b in paydowns (prior quarter averages: 1H21 ~\$15b; 2H20 ~\$14b; 1H20 ~\$13b)
- Paydown rate is higher than in prior periods, driven by ongoing shift to principal and interest loans<sup>4</sup>; as well as customers accelerating their principal reduction, by increasing their offset balances and paying more than their required minimum payments
- Actions underway to address elevated refinance out and improving turnaround times, including adding Assessment resources, process simplification and automation

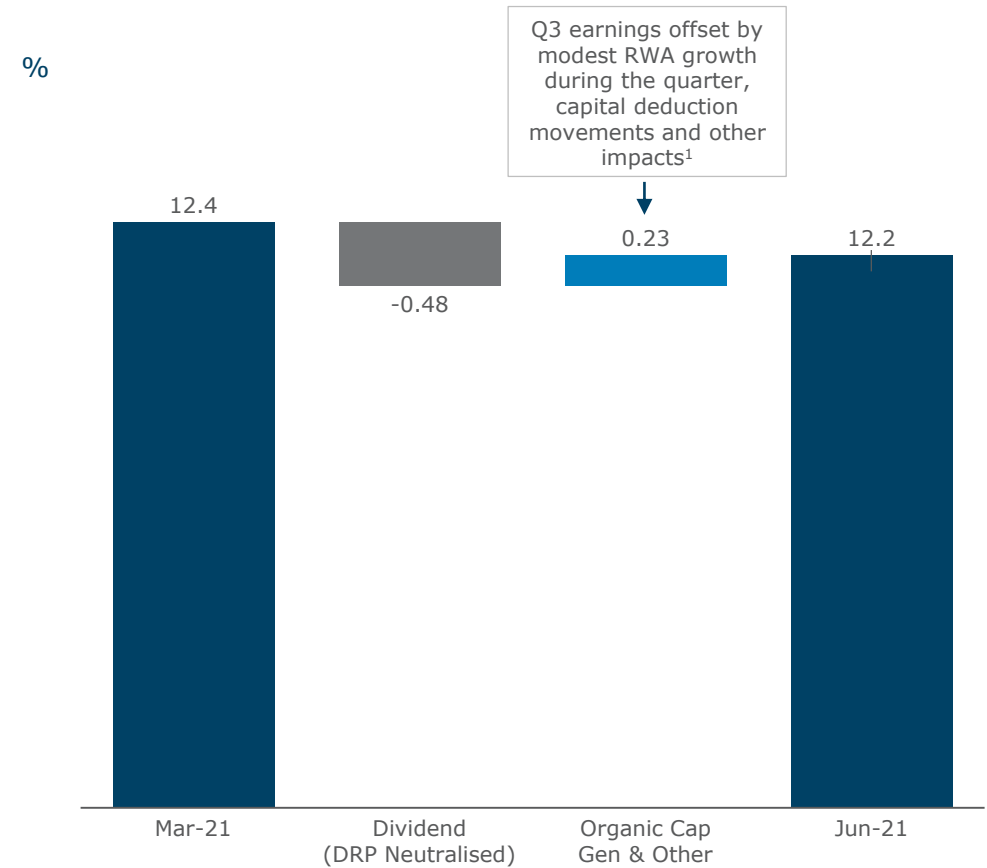
1. Collective Provision balance as a % of Credit Risk Weighted Assets  
2. July/August 2021. Data to 10 August 2021  
3. As at 30 June 2021  
4. Principal & Interest loans comprised 88% of the Australian home loan portfolio as at 30 June 2021

# CAPITAL

<b>Basel III APRA Level 2 CET1</b>	<b>Mar-21</b>	<b>Jun-21</b>
Common Equity Tier 1 Capital (AUD m)	50,786	50,245
Total Risk Weighted Assets (AUD m)	408,166	412,210
<b>Common Equity Tier 1 Capital Ratio</b>	<b>12.4%</b>	<b>12.2%</b>

<b>Basel III APRA Level 1 CET1</b>	<b>Mar-21</b>	<b>Jun-21</b>
Common Equity Tier 1 Capital (AUD m)	45,854	45,424
Total Risk Weighted Assets (AUD m)	374,939	377,876
<b>Common Equity Tier 1 Capital Ratio</b>	<b>12.2%</b>	<b>12.0%</b>

## APRA LEVEL 2 CET1 RATIO - CAPITAL MOVEMENT

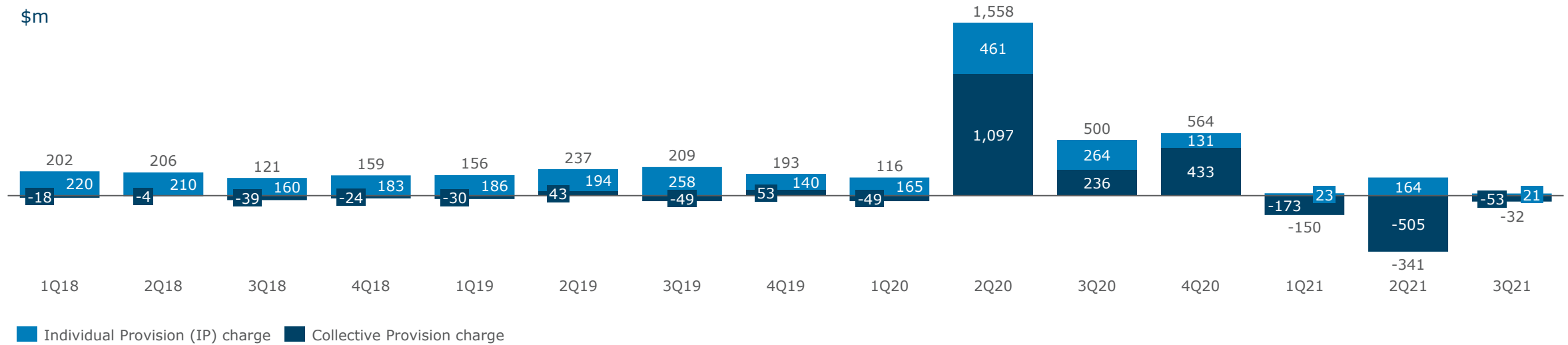


1. 'Other' (~-12 bps): Mainly due to Available for Sale portfolio movement and deferred taxes (ex. provision related). Also includes one-off impacts from RWA modelling changes

# PROVISIONS

## TOTAL PROVISION CHARGE

\$m



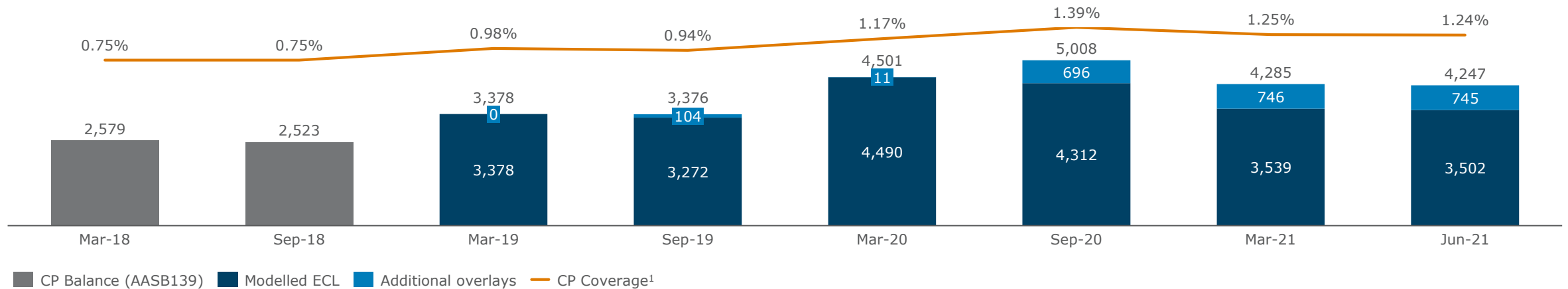
## LOSS RATES (ANNUALISED)

Bps	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
IP	15	14	11	12	12	13	17	9	11	29	17	8	1	11	1
Total	14	14	8	11	10	15	14	13	7	98	31	35	-10	-22	-2

# COLLECTIVE PROVISION BALANCE

## COLLECTIVE PROVISION BALANCE & COVERAGE

\$m



## CP BALANCE BY DIVISION

\$b	Mar-19	Sep-19	Mar-20	Sep-20	Mar-21	Jun-21
Australia Retail & Commercial	1.83	1.80	2.32	2.85	2.33	2.26
Institutional	1.13	1.17	1.59	1.51	1.36	1.39
New Zealand	0.37	0.37	0.54	0.57	0.51	0.51
Pacific	0.04	0.04	0.05	0.08	0.08	0.09

## CP BALANCE BY PORTFOLIO

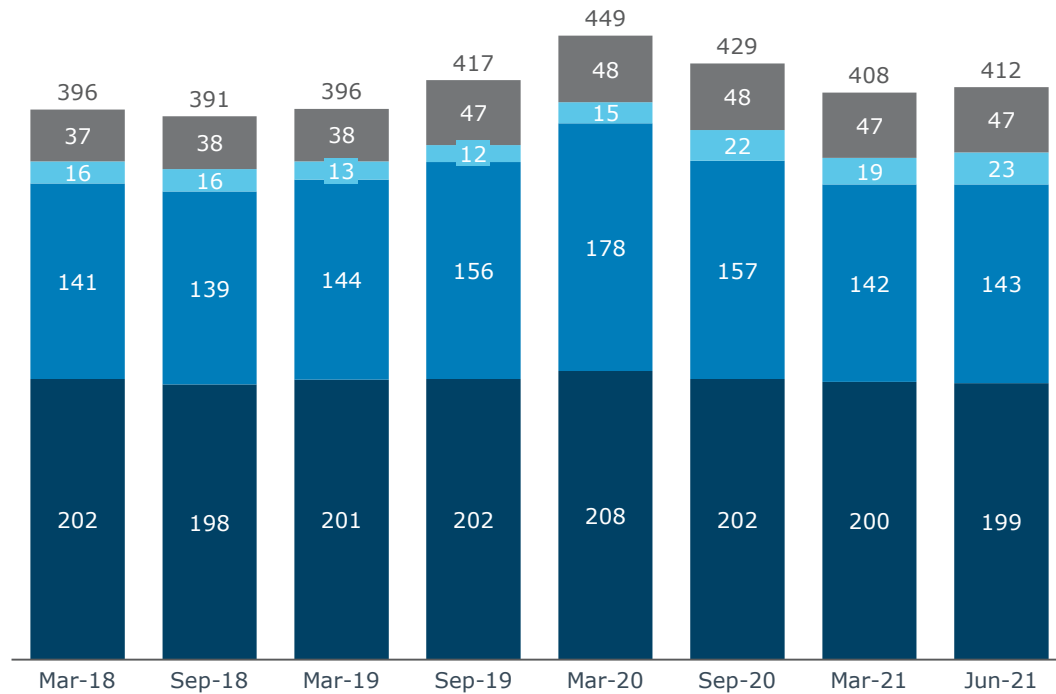
\$b	Mar-19	Sep-19	Mar-20	Sep-20	Mar-21	Jun-21
Corporate	1.59	1.62	2.22	2.30	2.13	2.13
Specialised	0.18	0.19	0.29	0.32	0.28	0.27
Residential Mortgage	0.49	0.52	0.81	1.06	0.78	0.74
Retail (ex Mortgages)	1.05	0.97	1.10	1.25	1.04	1.03
Sovereign / Banks	0.07	0.08	0.08	0.08	0.06	0.08

1. Collective Provision balance as a % of Credit Risk Weighted Assets

# RISK WEIGHTED ASSETS (RWA) & EXPOSURE AT DEFAULT (EAD)

## RWA BY CATEGORY<sup>1</sup>

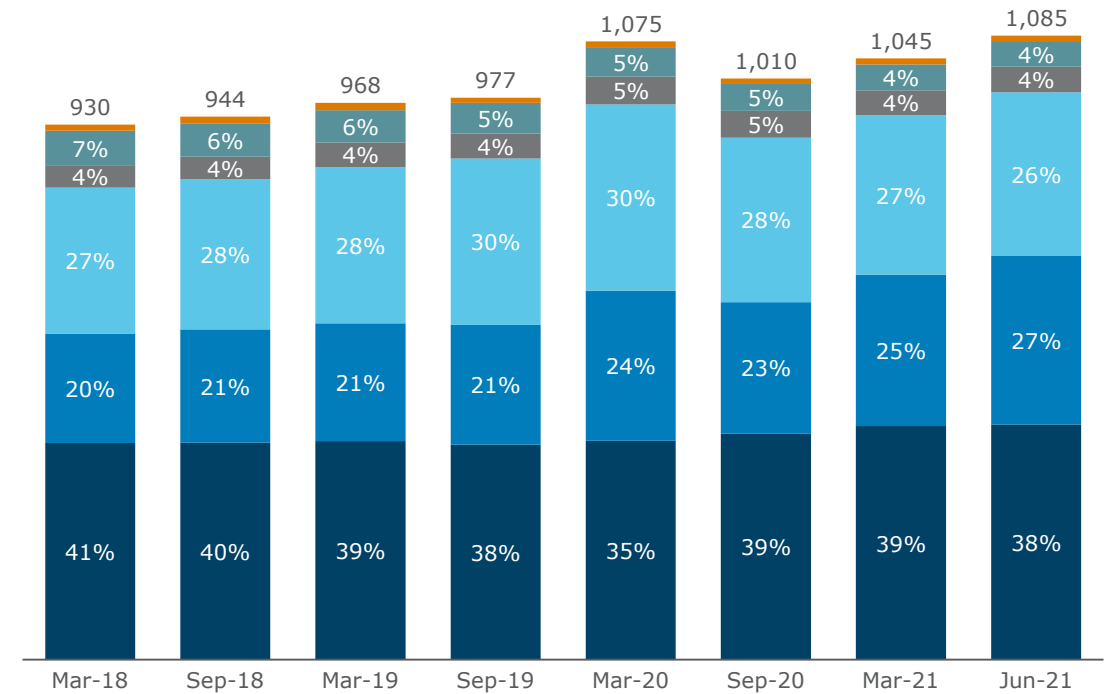
\$b



■ CRWA (ex. Insto) 
 ■ CRWA (Insto) 
 ■ Mkt. & IRRBB RWA 
 ■ Op-RWA

## EAD COMPOSITION<sup>2</sup>

\$b



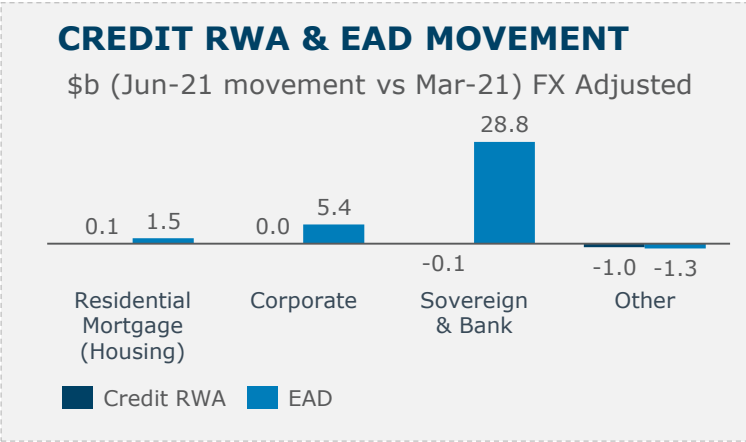
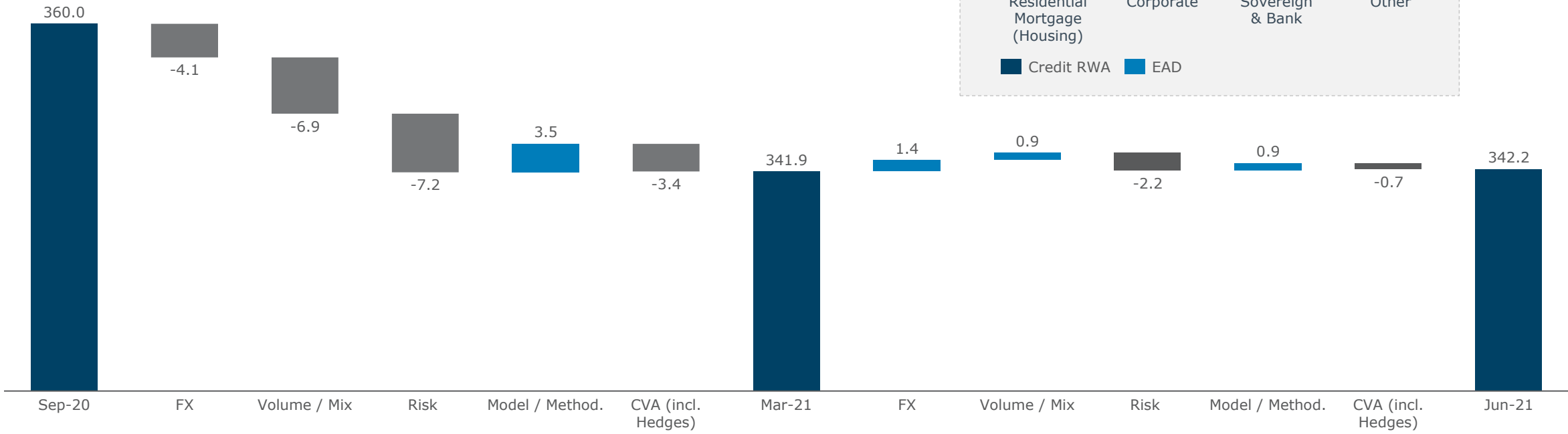
■ Residential Mortgage 
 ■ Sovereign & Bank 
 ■ Corporate 
 ■ Specialised Lending 
 ■ Retail (QRR & Other Retail) 
 ■ Other

1. Institutional RWAs are inclusive of Corporate Banking  
 2. EAD excludes Securitisation and Other assets whereas CRWA is inclusive as per APS 330

# CREDIT RISK WEIGHTED ASSETS MOVEMENT

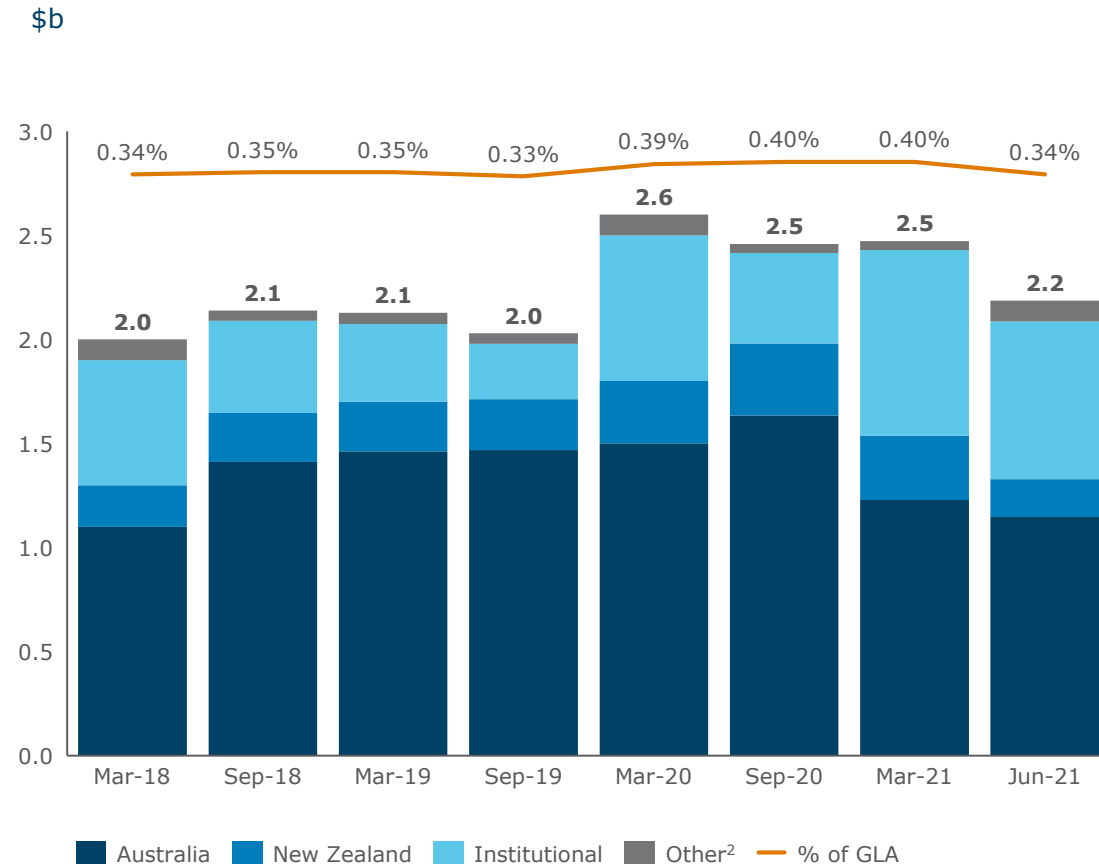
## CRWA MOVEMENT – TOTAL GROUP

\$b

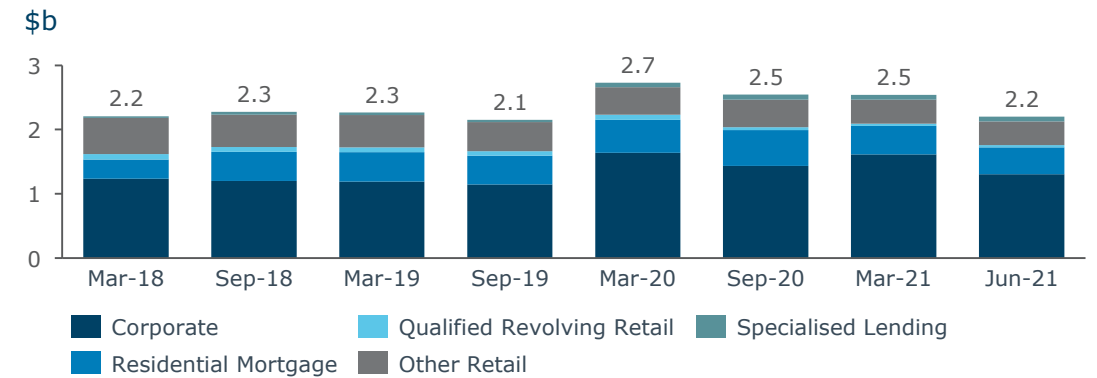


# CREDIT QUALITY

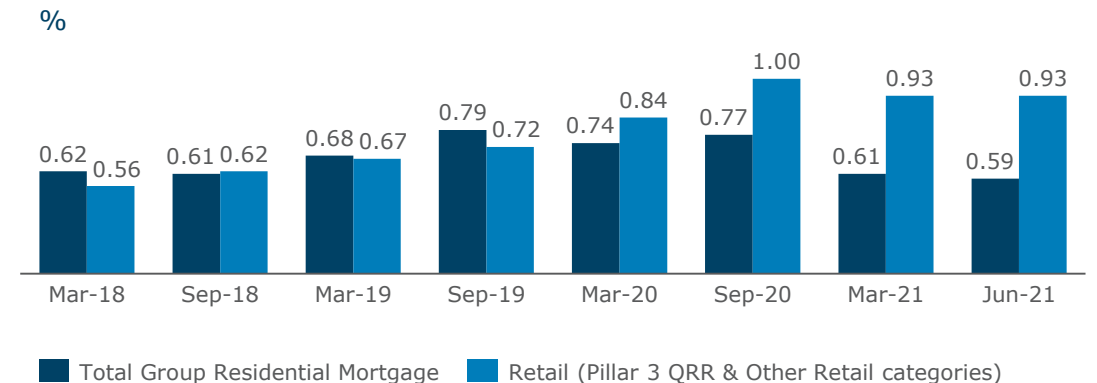
## GROSS IMPAIRED ASSETS BY DIVISION<sup>1,3</sup>



## IMPAIRED LOANS / FACILITIES BY PORTFOLIO<sup>3</sup>



## 90+ DAYS PAST DUE LOANS<sup>4</sup>



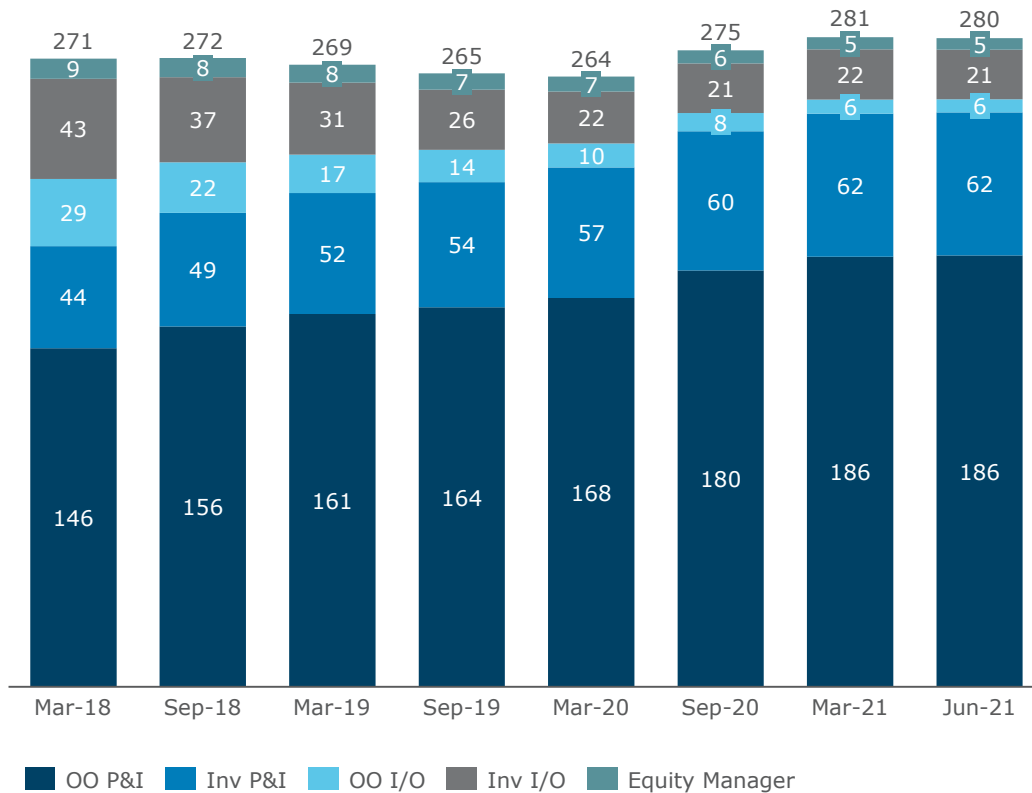
1. Excluding unsecured 90+ days past due;
2. Other includes Retail Asia & Pacific and Australia Wealth;
3. Impaired loans / facilities include restructured items in which the original contractual terms have been modified for reasons related to the financial difficulties of the customer. Restructuring 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;
4. As a % of Exposure at Default



# AUSTRALIA HOME LOAN PORTFOLIO

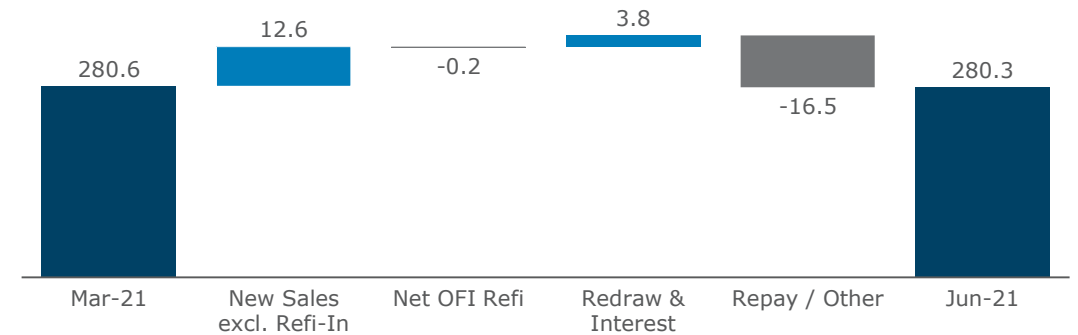
## HOME LOAN FUM COMPOSITION<sup>1,2</sup>

\$b



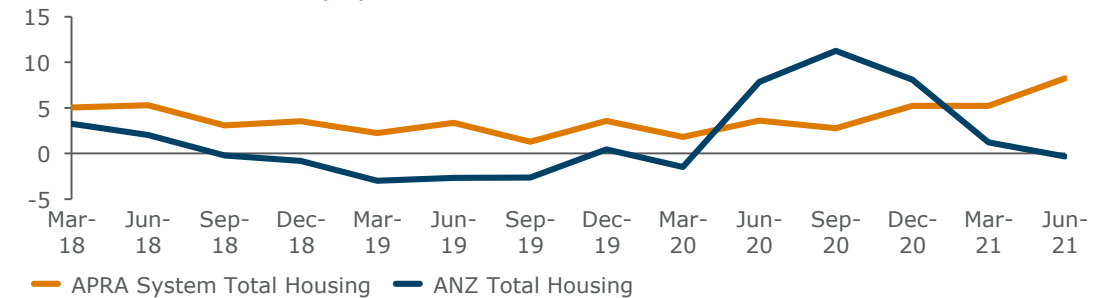
## LOAN BALANCE & LENDING FLOWS<sup>1</sup>

\$b



## ANZ HOME LOAN GROWTH<sup>3</sup>

3 month annualised (%)

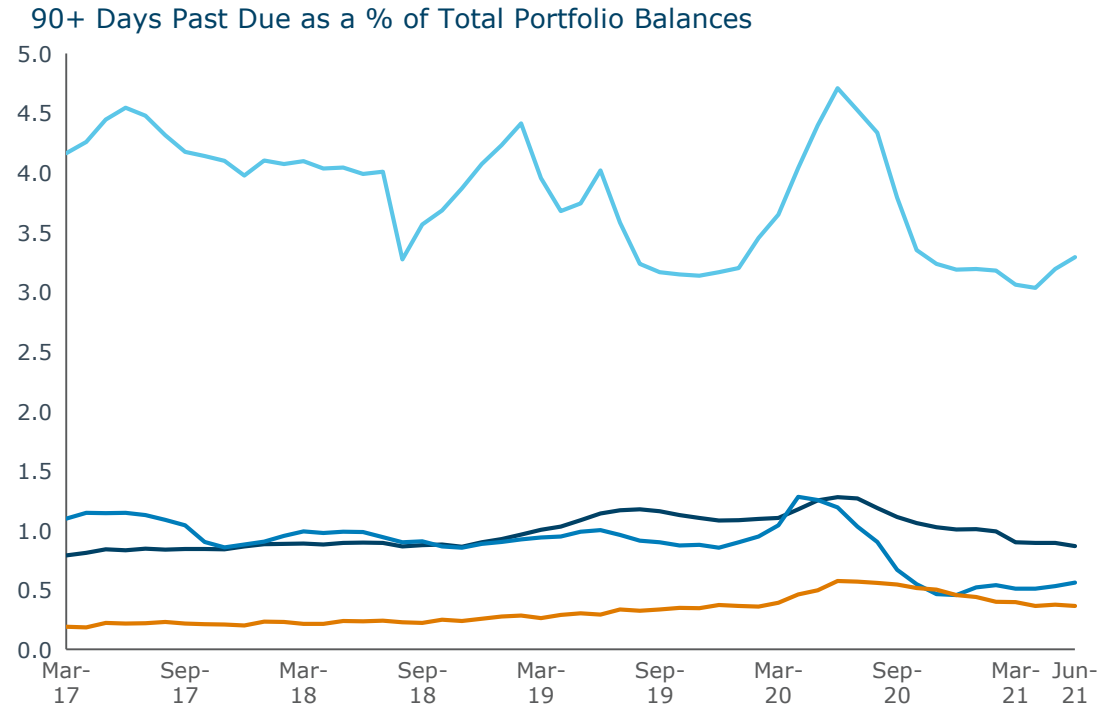


1. Based on Gross Loans and Advances. Includes Non Performing Loans  
 2. The current classification of Investor vs Owner Occupied is based on ANZ's product category, determined at origination as advised by the customer and the ongoing precision relies primarily on the customer's obligation to advise ANZ of any change in circumstances  
 3. Source: APRA Monthly Banking Statistics (MBS) and Monthly Authorised Deposit-taking Institution Statistics (MADIS). Mar-18 to Mar-19 based on MBS, thereafter MADIS

# CREDIT QUALITY

## 90+ DAYS PAST DUE

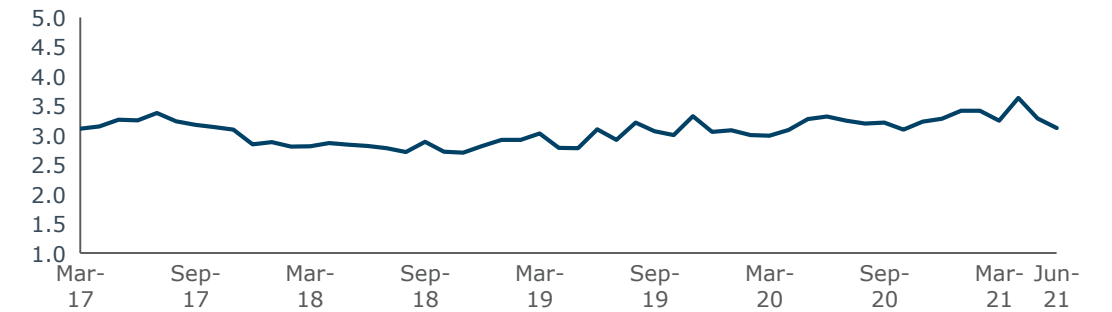
### CONSUMER PORTFOLIO<sup>1,2,3</sup>



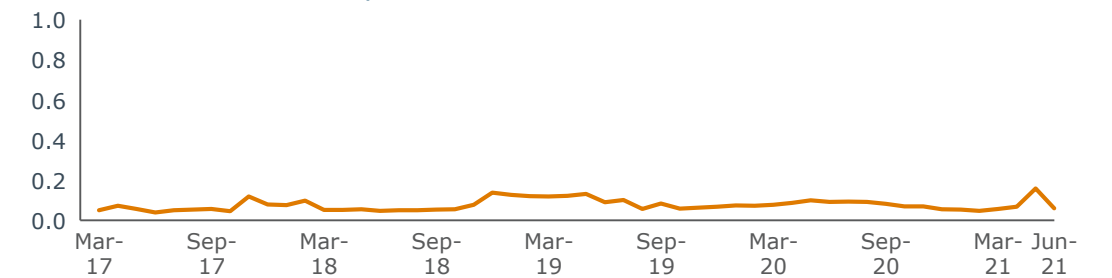
— Australia Home Loans — Australia Consumer Cards — Australia Personal Loans — NZ Home Loans

### COMMERCIAL PORTFOLIO<sup>4,5</sup>

AUSTRALIA COMMERCIAL 90+ Days Past Due<sup>1</sup> as a % of Total Portfolio Balances



NZ COMMERCIAL 90+ Days Past Due as a % of Total Portfolio Balances

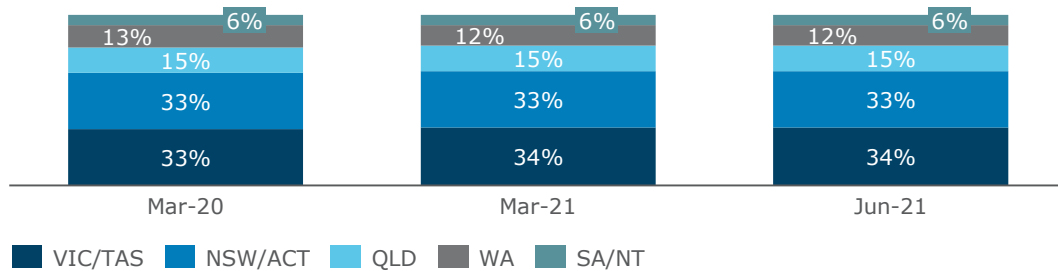


1. Includes Non Performing Loans
2. ANZ delinquencies are calculated on a missed payment basis for amortising and Interest Only loans
3. Australia Home Loans 90+ excludes eligible Home Loans accounts that had requested COVID-19 assistance but due to delays in processing had not had the loan repayment deferral applied to the account
4. Australia Commercial includes Business Banking and Small Business Banking
5. NZ Commercial is inclusive of Agri (previously shown as a separate series)

# AUSTRALIA RETAIL & COMMERCIAL - STATE BASED EXPOSURES

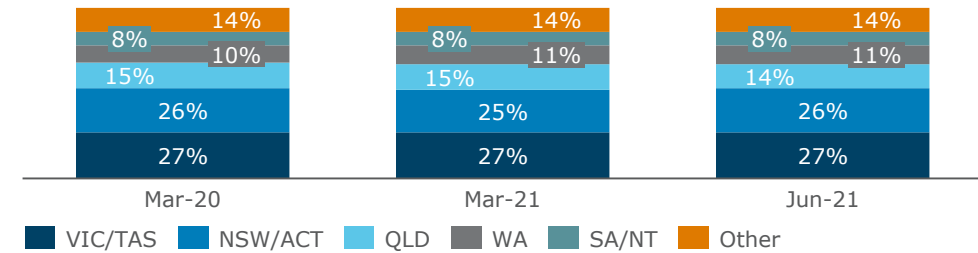
## HOME LOANS - COMPOSITION OF PORTFOLIO

% of Total Balances



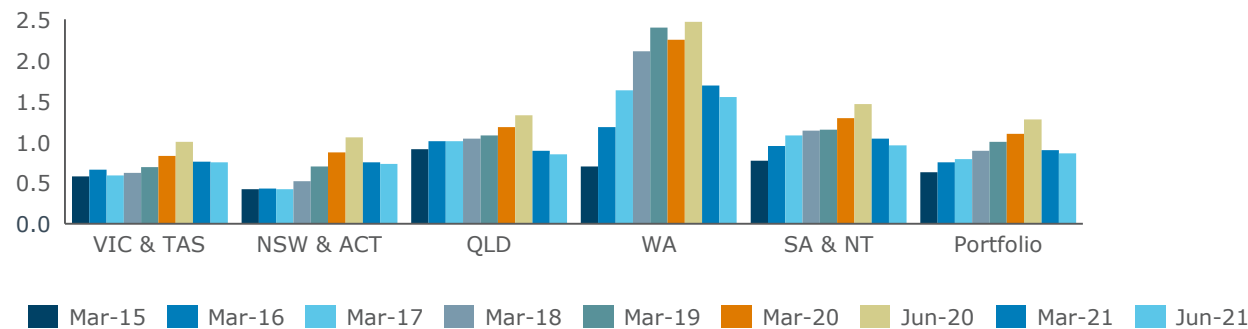
## COMMERCIAL - COMPOSITION OF PORTFOLIO

% OF EXPOSURE AT DEFAULT (EAD)



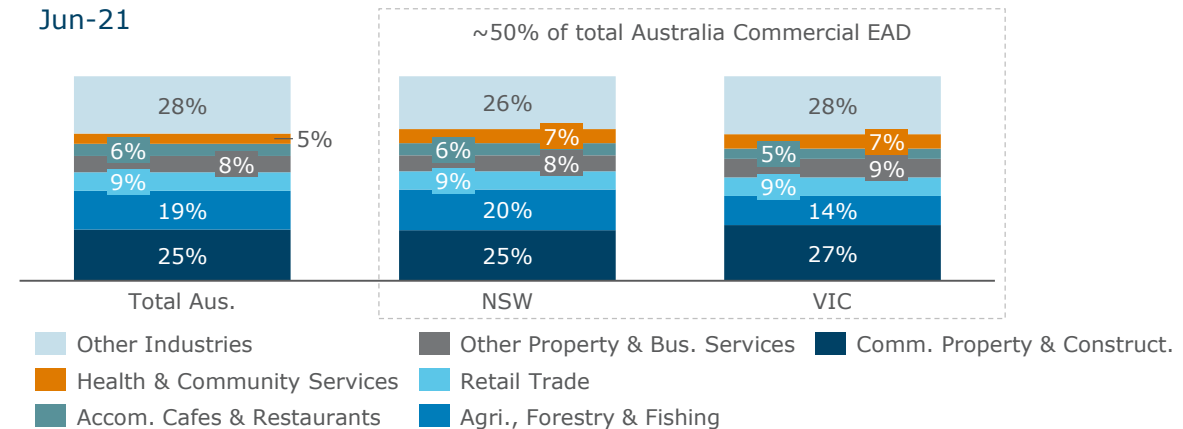
## HOME LOANS - 90+ DAYS PAST DUE<sup>1,2,3</sup>

%



## COMMERCIAL - EXPOSURE BY INDUSTRY

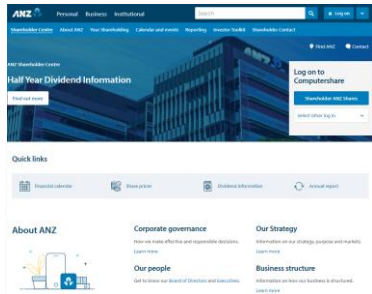
Jun-21



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# FURTHER INFORMATION

## ANZ Shareholder centre



ANZ  
shareholder  
information

<https://www.anz.com/shareholder/centre/>

## Corporate Overview & Sustainability



ESG information  
and progress  
against our ESG  
targets

<https://www.anz.com/shareholder/centre/reporting/sustainability/>

## June 2021 Pillar 3



APS330  
Basel III  
Pillar 3  
disclosure

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

## Markets Disclosure



Changes to  
ANZ Markets  
Income  
disclosures

<https://www.anz.com/shareholder/centre/investor-toolkit/market-income-disclosure/>

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