2022

Basel III Pillar 3 Disclosure

As at 31 March 2022

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.

Table of Contents[1]

[1] Each table reference adopted in this document aligns to those required by APS 330 to be disclosed at half 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 mandates the release to the investment community and general public of information relating to capital adequacy and risk management practices. APS 330 was established to implement Pillar 3 of the Basel Committee on Banking Supervision's framework for bank capital adequacy[2]. In simple terms, the Basel framework consists of three mutually reinforcing 'Pillars':

Pillar 1 Minimum capital requirement	**Pillar 2** Supervisory review process	**Pillar 3** Market discipline
Minimum capital requirements for Credit Risk, Operational Risk, Market Risk and Interest Rate Risk in the Banking Book	Firm-wide risk oversight, Internal Capital Adequacy Assessment Process (ICAAP), consideration of additional risks, capital buffers and targets and risk concentrations, etc.	Regular disclosure to the market of qualitative and quantitative aspects of risk management, capital adequacy and underlying risk metrics

APS 330 requires the publication of various levels of information on a quarterly, semi-annual and annual basis. This document is the semi-annual disclosure.

Basel in ANZ

In December 2007, ANZ received accreditation for the most advanced approaches permitted under Basel for credit risk and operational risk, complementing its accreditation for market risk. Effective January 2013, ANZ adopted APRA requirements for Basel III with respect to the measurement and monitoring of regulatory capital.

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 review 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 Internal Ratings Based (AIRB) 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.

[2] Basel Committee on Banking Supervision, International Convergence of Capital Measurement and Capital Standards: A Revised Framework, 2004.

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 Australia and New Zealand Banking Group Limited.

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. Note that the capital conservation and countercyclical buffers referred to in rows 64 to 67 have been effective since 1 January 2016 and the phase out period for capital instruments began on 1 January 2013.

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.

In March 2021, the RBNZ announced that the restrictions on dividends and redemption of non-CET1 capital instruments put in place in April 2020 will be eased. The updated restrictions will allow ANZ New Zealand, a New Zealand subsidiary of ANZBGL to pay up to 50% of their earnings as dividends to shareholders. This restriction will remain in place until 1 July 2022, at which point the RBNZ intends to remove the restrictions completely, subject to prevailing economic conditions. Additionally, as part of the March 2021 update, the RBNZ announced that it will remove the restrictions on redemption of non-CET1 capital instruments.

Table 1 Capital disclosure template

		Mar 22 $M	Reconciliation Table Reference
	Common Equity Tier 1 Capital: instruments and reserves		
1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	24,788	Table A
2	Retained earnings	38,013	
3	Accumulated other comprehensive income (and other reserves)	(1,253)	Table B
4	Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)	n/a	
5	Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	2	Table C
6	Common Equity Tier 1 capital before regulatory adjustments	61,550	
	Common Equity Tier 1 capital : regulatory adjustments		
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	3,062	
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	1,006	Table D
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	Table H
11	Cash-flow hedge reserve	(1,247)	
12	Shortfall of provisions to expected losses	32	Table E
13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	98	
15	Defined benefit superannuation fund net assets	164	Table F
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	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 (amount above 10% threshold)	-	
19	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)	-	Table G
20	Mortgage service rights (amount above 10% threshold)	n/a	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold	-	
23	of which: significant investments in the ordinary shares of financial entities	-	
24	of which: mortgage servicing rights	n/a	
25	of which: deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments (sum of rows 26a - 26j)	7,924	
26a	of which: treasury shares	-	
26b	of which: offset to dividends declared under a dividend reinvestment plan (DRP), to the extent to that the dividends are used to purchase new ordinary shares issued by the ADI	-	
26c	of which: deferred fee income	(386)	
26d	of which: equity investment in financial institutions not reported in rows 18, 19 and 23	3,830	Table G
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	2,908	Table H
26f	of which: capitalised expenses	1,548	Table I
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA rules	12	Table J
26h	of which: covered bonds in excess of asset cover in pools	-	
26i	of which: undercapitalisation of a non-consolidated subsidiary	-	
26j	of which: other national specific regulatory adjustments not reported in rows 26a to 26i	12	
27	Regulatory adjustments applied to CET1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to CET1	11,039	
29	Common Equity Tier 1 capital (CET1)	50,511	

Table 1 Capital disclosure template

			Reconciliation Table Reference
	Additional Tier 1 Capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments	7,670	Table K
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	7,670	Table K
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	Table K
35	of which: instruments issued by subsidiaries subject to phase out	n/a	
36	**Additional Tier 1 capital before regulatory adjustments**	**7,670**	**Table K**
	Additional Tier 1 Capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39	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 (amount above 10% threshold)	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, (net of eligible short positions)	155	Table K
41	National specific regulatory adjustments (sum of rows 41a - 41c)	25	
41a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	-	
41b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40	25	Table K
41c	of which: other national specific regulatory adjustments not reported in rows 41a and 41b	-	Table K
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	**180**	
44	Additional Tier 1 capital (AT1)	**7,490**	Table K
45	Tier 1 Capital (T1=CET1+AT1)	**58,001**	
	Tier 2 Capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments	14,094	
47	Directly issued capital instruments subject to phase out from Tier 2	-	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group T2)	-	Table L
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions	1,082	Table L
51	Tier 2 capital before regulatory adjustments	**15,176**	**Table L**
	Tier 2 Capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	50	Table L
53	Reciprocal cross-holdings in Tier 2 instruments	-	
54	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, where the ADI does not own more than 10% of the issued share capital (amount above 10%	-	
55	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	85	Table L
56	National specific regulatory adjustments (sums of rows 56a - 56c)	261	Table L
56a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	-	
56b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55	65	
56c	of which: other national specific regulatory adjustments not reported in rows 56a and 56b	196	
57	Total regulatory adjustment to Tier 2 capital	**396**	
58	Tier 2 capital (T2)	**14,780**	**Table L**
59	Total capital (TC=T1+T2)	**72,781**	
60	Total risk-weighted assets based on APRA standards	**437,910**	

Table 1 Capital disclosure template

			Reconciliation Table Reference
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	11.5%	
62	Tier 1 (as a percentage of risk-weighted assets)	13.2%	
63	Total capital (as a percentage of risk-weighted assets)	16.6%	
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)	8.014%	
65	of which: capital conservation buffer requirement[3]	3.5%	
66	of which: ADI-specific countercyclical buffer requirements	0.014%	
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)	7.0%	
	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	560	
73	Significant investments in the ordinary shares of financial entities	3,359	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)	2,908	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)	142	Table E
77	Cap on inclusion of provisions in Tier 2 under standardised approach	196	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	941	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	1,999	
	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	Other $M	Total $M
RWA for all private sector credit exposures	$4,134	$28	$354	$317,249	$321,765
Jurisdictional buffer set by national authorities	1.00%	0.50%	1.00%	-	-
Countercyclical buffer requirement	0.013%	0.000%	0.001%	-	0.014%

[3] 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	168,054	(50)	168,004	
Settlement Balances owed to ANZ	7,141	-	7,141	
Collateral Paid	10,764	-	10,764	
Trading securities	39,433	-	39,433	
of which: Financial Institutions capital instruments			85	Table L
Derivative financial instruments	45,238	-	45,238	
Investment Securities	79,757	(341)	79,416	
of which: significant investment in financial institutions equity instruments			956	Table G
of which: non-significant investment in financial institutions equity instruments			471	Table G
of which: Other entities equity investments			4	Table J
of which: collectively assessed provision			(29)	Table E
Net loans and advances	651,436	(1,243)	650,193	
of which: deferred fee income			(386)	Row 26c
of which: collectively assessed provision			(2,940)	Table E
of which: individual provisions			(619)	Table E
of which: capitalised brokerage & Loan/Lease origination fees			1,482	Table I
of which: CET1 margin lending adjustment			12	Row 26j
of which: AT1 margin lending adjustment			-	
Regulatory deposits	661	-	661	
Due from controlled entities		1,047	1,047	
of which: Significant investments in the Tier 2 "capital of banking, financial and insurance entities" that are outside the scope of regulatory consolidation			85	Table L
Shares in controlled entities		619	619	
of which: Investment in deconsolidated financial subsidiaries			464	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	2,018	-	2,018	
of which: Financial Institutions			2,010	Table G
of which: Other Entities			8	Table J
Current tax assets	227	34	261	
Deferred tax assets	2,903	(1)	2,902	Table H
Goodwill and other intangible assets	4,068	(71)	3,997	
of which: Goodwill			3,062	
of which: Software			924	Table D
Premises and equipment	2,702	-	2,702	
Other assets	2,959	(121)	2,838	
of which: Defined benefit superannuation fund net assets			214	Table F
Total Assets	**1,017,361**	**(127)**	**1,017,234**	

Liabilities	Balance Sheet as in published financial statements $M	Adjustments $M	Balance sheet under scope of regulatory consolidation $M	Template and Reconciliation Table Reference
Settlement Balances owed by ANZ	19,752	-	19,752	
Collateral Received	6,716	-	6,716	
Deposits and other borrowings	780,288	-	780,288	
Derivative financial instruments	47,795	-	47,795	
Due to controlled entities		2,014	2,014	
Current tax liabilities	320	(11)	309	
Deferred tax liabilities	82	-	82	Table H
of which: related to intangible assets			-	Table D
of which: related to capitalised expenses			5	Table I
of which: related to defined benefit super assets			50	Table F
Payables and other liabilities	10,579	(574)	10,005	
Employee entitlements	585	-	585	
Provisions	2,262	(138)	2,124	
of which: individually assessed provision			788	Table E
of which: collectively assessed provision			17	Table E
Debt Issuances	87,226	(1,268)	85,958	
of which: Directly issued qualifying Additional Tier 1 instruments			7,582	Table K
of which: Additional Tier 1 Instruments			-	Table K
of which: Directly issued capital instruments subject to phase out from Tier 2			-	Table L
of which: Directly issued qualifying Tier 2 instruments			13,379	Table L
Total Liabilities	**955,605**	**23**	**955,628**	
Net Assets	**61,756**	**(150)**	**61,606**	

Shareholders' equity	Balance Sheet as in published financial statements $M	Adjustments $M	Balance sheet under scope of regulatory consolidation $M	Template and Reconciliation Table Reference
Ordinary Share Capital	25,091	(77)	25,014	Table A
of which: Share reserve			226	Tables A & B
Reserves	(1,422)	(8)	(1,430)	Table B
of which: Cash flow hedging reserves			(1,247)	Row 11
Retained earnings	38,078	(65)	38,013	Row 2
Share capital and reserves attributable to shareholders of the company	**61,747**	**(150)**	**61,597**	
Non-controlling interests	9		9	Table C
Total Shareholders' Equity	**61,756**	**(150)**	**61,606**	

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 22 $M	Table 1 Reference
	Issued capital	25,014	
Less	Reclassification to Reserves	(226)	Table B
	Regulatory Directly Issued qualifying ordinary shares	**24,788**	**Row 1**

Table B		Mar 22 $M	Table 1 Reference
	Reserves	(1,430)	
Add	Reclassification from Issued Capital	226	Table A
Less	Non qualifying reserves	(49)	
	Reserves for Regulatory capital purposes (amount allowed in group CET1)	**(1,253)**	**Row 3**

Table C		Mar 22 $M	Table 1 Reference
	Non-controlling interests	9	
Less	Surplus capital attributable to minority shareholders	(7)	
	Ordinary share capital issued by subsidiaries and held by third parties	**2**	**Row 5**

Table D		Mar 22 $M	Table 1 Reference
	Software	924	
Add	Other intangible assets	11	
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)	**1,006**	**Row 9**

Table E		Mar 22 $M	Table 1 Reference
	Qualifying collective provision		
	Collectively assessed provision on Loans and advances	(2,940)	
	Collectively assessed provision on Investment Securities	(29)	
	Collectively assessed provision on Undrawn commitments	(788)	
Less	Non-qualifying collectively assessed provision	440	
Less	Standardised collectively assessed provision	142	Row 76
Less	Non-defaulted expected loss	2,235	
	Non-Defaulted: Expected Loss - Eligible Provision Shortfall	-	
	Qualifying individual provision		
	Individually assessed provision on Loans and advances	(619)	
	Individually assessed provision on Undrawn and contingent facilities	(17)	
Add	Additional individually assessed provision for partial write offs	(206)	
Less	Standardised individually assessed provision	43	
Add	Collectively assessed provision on advanced defaulted	(400)	
Less	Defaulted expected loss	1,231	
	Defaulted: Expected Loss - Eligible Provision Shortfall	32	
	Gross deduction	**32**	**Row 12**

Table F		Mar 22 $M	Table 1 Reference
	Defined benefit superannuation fund net assets	214	
Less	Associated deferred tax liabilities	(50)	
	Defined benefit superannuation fund net assets	**164**	**Row 15**

Table G		Mar 22 $M	Table 1 Reference
	Investment in deconsolidated financial subsidiaries	464	
Less	Regulatory reclassification to Retained Earnings and Other Intangible Assets	(71)	Table D
Add	Investment in financial associates	2,010	
Add	Investment in financial institutions Investment Securities	956	
Less	Amount below 10% threshold of CET1	(3,359)	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	3,359	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	471	
	Equity investment in financial institutions not reported in rows 18, 19 and 23	3,830	Row 26d
	Deduction for equity holdings in financial institutions - APRA regulations	**3,830**	

Table H		Mar 22 $M	Table 1 Reference
	Deferred tax assets	2,902	
Add	Deferred tax liabilities	(82)	
	Deferred tax asset less deferred tax liabilities	2,820	
Less	Deferred tax assets that rely on future profitability	-	Row 10
Add	Deferred tax liabilities on intangible assets, capitalised expenses and defined benefit super assets	55	
Add	Impact of calculating the deduction on a jurisdictional basis	33	
	Deferred tax assets not reported in rows 10, 21 and 25 of the Common Disclosure Template	**2,908**	**Row 26e**

Table I		Mar 22 $M	Table 1 Reference
	Capitalised brokerage and loan/lease costs	1,482	
	Capitalised debt and capital disposal and issuance expenses	71	
	Other capitalised expenses	-	
Less	Associated deferred tax liabilities	(5)	
	Capitalised expenses	**1,548**	**Row 26f**

Table J		Mar 22 $M	Table 1 Reference
	Investments in non financial Investment Securities equities	4	
	Investments in non financial associates	8	
	Non financial equity exposures (loans)	-	
	Equity exposures to non financial entities	**12**	**Row 26g**

Table K		Mar 22 $M	Table 1 Reference
	Directly issued qualifying Additional Tier 1 Capital Instruments classified as liabilities	7,582	
Add	Issue costs	(31)	
Add	Fair value adjustment	119	
	Directly issued qualifying Additional Tier 1 Capital Instruments classified as liabilities	7,670	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	**7,670**	**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	(25)	Row 41b
Less	Other national specific regulatory adjustments not reported	-	Row 41c
	Additional Tier 1 capital	**7,490**	**Row 44**

Table L		Mar 22 $M	Table 1 Reference
	Surplus capital attributable to third party holders	-	Row 48
Add	Directly issued qualifying Tier 2 instruments	13,379	
Add	Issue costs	23	
Add	Fair value adjustment	692	
Add	Provisions	1,082	Row 50
	Tier 2 capital before regulatory adjustments	**15,176**	**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	(85)	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	(261)	Row 56
	Tier 2 capital	**14,780**	**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	2	-
ANZ Investment Services (New Zealand) Limited	Funds Management	17	2
ANZ Lenders Mortgage Insurance Pty. Limited	Mortgage insurance	984	477
ANZ Pensions (UK) Limited	Trustee/Nominee	-	-
ANZ New Zealand Investments Limited	Funds Management	105	46
ANZcover Insurance Private Ltd	Captive-Insurance	249	158
Kingfisher Trust 2016-1	Securitisation Trust	540	540
Kingfisher Trust 2019-1	Securitisation Trust	732	732
Shout for Good Pty. Ltd.	Corporate	-	-
Secure Data Consent Pty Ltd	Technology	3	-

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.

Chapter 3 – Credit Risk

Table 6 Capital adequacy - Capital Ratio and Risk Weighted Assets

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

Risk weighted assets	Mar 22 $M	Sep 21 $M	Mar 21 $M
Subject to Advanced Internal Rating Based (IRB) approach			
Corporate	141,243	136,298	135,713
Sovereign	9,781	9,893	7,750
Bank	10,742	9,118	10,092
Residential Mortgage	111,355	110,622	110,206
Qualifying Revolving Retail	3,418	3,723	3,678
Other Retail	18,200	19,660	20,693
Credit risk weighted assets subject to Advanced IRB approach	**294,739**	**289,314**	**288,132**
Credit risk Specialised Lending exposures subject to slotting approach[4]	**38,432**	**36,977**	**36,476**
Subject to Standardised approach			
Corporate	6,149	6,632	6,388
Sovereign	36	27	76
Residential Mortgage	194	203	203
Other Retail	12	17	23
Credit risk weighted assets subject to Standardised approach	**6,391**	**6,879**	**6,690**
Credit Valuation Adjustment and Qualifying Central Counterparties	**3,154**	**3,270**	**4,281**
Credit risk weighted assets relating to securitisation exposures	2,090	2,056	2,220
Other assets	4,011	4,002	4,063
Total credit risk weighted assets	**348,817**	**342,498**	**341,862**
Market risk weighted assets	7,705	7,127	8,955
Operational risk weighted assets	47,986	48,425	47,199
Interest rate risk in the banking book (IRRBB) risk weighted assets	33,402	18,036	10,150
Total risk weighted assets	**437,910**	**416,086**	**408,166**
Capital ratios (%)[5]			
Level 2 Common Equity Tier 1 capital ratio	**11.5%**	**12.3%**	**12.4%**
Level 2 Tier 1 capital ratio	**13.2%**	**14.3%**	**14.3%**
Level 2 Total capital ratio	**16.6%**	**18.4%**	**18.3%**
Level 1: Extended licensed Common Equity Tier 1 capital ratio	**11.1%**	**12.0%**	**12.2%**
Level 1: Extended licensed entity Tier 1 capital ratio	**13.1%**	**14.1%**	**14.2%**
Level 1: Extended licensed entity Total capital ratio	**17.1%**	**18.6%**	**18.6%**
Other significant Authorised Deposit-taking Institution (ADI) or overseas bank subsidiary:			
ANZ Bank New Zealand Limited – Common Equity Tier 1 capital ratio	**12.4%**	**13.4%**	**13.1%**
ANZ Bank New Zealand Limited - Tier 1 capital ratio	**14.6%**	**16.2%**	**15.9%**
ANZ Bank New Zealand Limited - Total capital ratio	**15.1%**	**16.9%**	**15.9%**

Basel III APRA level 2 CET1	Mar 22	Sep 21	Mar 21
Common Equity Tier 1 Capital	50,511	51,359	50,786
Total Risk Weighted Assets	437,910	416,086	408,166
Common Equity Tier 1 capital ratio	**11.5%**	**12.3%**	**12.4%**

Basel III APRA level 1 Extended licensed entity CET1	Mar 22	Sep 21	Mar 21
Common Equity Tier 1 Capital	41,021	45,555	45,854
Total Risk Weighted Assets	370,715	379,387	374,939
Common Equity Tier 1 capital ratio	**11.1%**	**12.0%**	**12.2%**

[4] Specialised Lending exposures subject to slotting approach are those where the main servicing and repayment is from the asset being financed, and includes specified commercial property development/investment lending, project finance and object finance.

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

Credit Risk Weighted Assets (CRWA)

Total Credit RWA increased by $6.3 billion (1.8%) from September 2021 to $348.8 billion at March 2022. Increasing portfolio volumes primarily driven by core lending growth in Institutional grew RWA by $14.7 billion, offset by foreign exchange movements(-$4.1 billion) and risk improvement (-$3.4 billion) mainly in Institutional and Australia Commercial portfolios.

Market Risk, Operational Risk and IRRBB RWA

IRRBB RWA and Traded Market Risk RWA increased $15.9 billion over the half, predominantly driven by the increase in IRRBB RWA from higher embedded losses. The higher Traded Market Risk RWA was due to inclusion of new Risk Not in VaR (RNIV) overlay.

Operational Risk Weighted Assets reduction is due to foreign exchange movements.

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, Specialised Lending and Standardised exposures, and excludes Securitisation, Equities or Other Assets exposures.

Table 7(b) part (i): Period end and average Exposure at Default [6]

	Mar 22				
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	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**

[6] Average Exposure at Default 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(b) part (i): Period end and average Exposure at Default (continued)

	Sep 21				
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	136,298	287,932	279,341	(14)	79
Sovereign	9,893	247,455	237,640	-	-
Bank	9,118	32,035	33,718	-	-
Residential Mortgage	110,622	410,249	407,901	(3)	21
Qualifying Revolving Retail	3,723	13,769	13,947	34	60
Other Retail	19,660	30,096	30,492	52	123
Total Advanced IRB approach	**289,314**	**1,021,536**	**1,003,039**	**69**	**283**
Specialised Lending	**36,977**	**45,039**	**44,271**	**(5)**	**-**
Standardised approach					
Corporate	6,632	6,649	6,547	4	2
Sovereign	27	27	48	-	-
Residential Mortgage	203	431	427	1	1
Other Retail	17	16	19	-	-
Total Standardised approach	**6,879**	**7,123**	**7,041**	**5**	**3**
Credit Valuation Adjustment and Qualifying Central Counterparties	**3,270**	**6,420**	**8,306**	-	-
Total	**336,440**	**1,080,118**	**1,062,657**	**69**	**286**

	Mar 21				
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	135,713	270,749	272,582	49	68
Sovereign	7,750	227,824	207,215	-	-
Bank	10,092	35,401	38,786	-	-
Residential Mortgage	110,206	405,552	398,931	46	71
Qualifying Revolving Retail	3,678	14,125	14,486	33	61
Other Retail	20,693	30,888	31,410	59	126
Total Advanced IRB approach	**288,132**	**984,539**	**963,410**	**187**	**326**
Specialised Lending	**36,476**	**43,502**	**44,966**	**-**	**1**
Standardised approach					
Corporate	6,388	6,445	8,894	(2)	11
Sovereign	76	69	141	-	-
Residential Mortgage	203	422	429	-	2
Other Retail	23	22	28	2	-
Total Standardised approach	**6,690**	**6,958**	**9,492**	**-**	**13**
Credit Valuation Adjustment and Qualifying Central Counterparties	**4,281**	**10,192**	**9,938**	-	-
Total	**335,579**	**1,045,191**	**1,027,806**	**187**	**340**

Table 7(b) part (ii): Exposure at Default by portfolio type[7]

Portfolio Type	Mar 22 $M	Sep 21 $M	Mar 21 $M	Average for half year Mar 22 $M
Cash	147,409	133,269	107,422	140,339
Contingents liabilities, commitments, and other off-balance sheet exposures	175,572	175,410	170,731	175,491
Derivatives	41,399	40,937	46,614	41,168
Settlement Balances	72	138	61	105
Investment Securities	74,706	79,346	88,206	77,026
Net Loans, Advances & Acceptances	635,682	617,951	600,397	626,818
Other assets	8,307	8,390	7,846	8,349
Trading Securities	19,436	24,677	23,914	22,057
Total exposures	**1,102,583**	**1,080,118**	**1,045,191**	**1,091,353**

[7] 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

	Mar 22			
Portfolio Type	Australia $M	New Zealand $M	Asia Pacific, Europe and Americas $M	Total $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**

	Sep 21			
Portfolio Type	Australia $M	New Zealand $M	Asia Pacific, Europe and Americas $M	Total $M
Corporate	153,827	41,731	99,023	**294,581**
Sovereign	124,794	25,985	96,703	**247,482**
Bank	13,252	2,588	16,195	**32,035**
Residential Mortgage	309,444	100,805	431	**410,680**
Qualifying Revolving Retail	13,769	-	-	**13,769**
Other Retail	21,227	8,869	16	**30,112**
Qualifying Central Counterparties	1,055	685	4,680	**6,420**
Specialised Lending	32,227	12,687	125	**45,039**
Total exposures	**669,595**	**193,350**	**217,173**	**1,080,118**

	Mar 21			
Portfolio Type	Australia $M	New Zealand $M	Asia Pacific, Europe and Americas $M	Total $M
Corporate	150,050	40,340	86,804	**277,194**
Sovereign	111,651	23,482	92,760	**227,893**
Bank	13,367	2,781	19,253	**35,401**
Residential Mortgage	312,231	93,322	421	**405,974**
Qualifying Revolving Retail	14,125	-	-	**14,125**
Other Retail	22,111	8,777	22	**30,910**
Qualifying Central Counterparties	3,394	1,526	5,272	**10,192**
Specialised Lending	31,269	12,111	122	**43,502**
Total exposures	**658,198**	**182,339**	**204,654**	**1,045,191**

Table 7(d): Industry distribution of Exposure at Default[8] [9]

	Mar 22														
Portfolio Type	**Agriculture, Forestry, Fishing & Mining $M**	**Business Services $M**	**Construction $M**	**Electricity, Gas & Water Supply $M**	**Entertainment, Leisure & Tourism $M**	**Financial, Investment & Insurance $M**	**Government & 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	-	14	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%*

[8] 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.

[9] Other industry includes Health & Community Services, Education, Communication Services and Personal & Other Services.

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

Sep 21

Portfolio Type	Agriculture, Forestry, Fishing & Mining $M	Business Services $M	Construction $M	Electricity, Gas & Water Supply $M	Entertainment, Leisure & Tourism $M	Financial, Investment & Insurance $M	Government & Official Institutions $M	Manufacturing $M	Personal $M	Property Services $M	Wholesale Trade $M	Retail Trade $M	Transport & Storage $M	Other $M	Total $M
Corporate	42,791	11,131	5,083	12,002	14,601	70,555	30	39,995	297	24,735	21,691	12,991	16,701	21,978	**294,581**
Sovereign	470	-	15	576	-	164,252	78,885	1,219	-	1,632	20	-	234	179	**247,482**
Bank	1	1	-	-	-	32,020	-	2	-	-	-	6	-	5	**32,035**
Residential Mortgage	-	-	-	-	-	-	-	-	410,680	-	-	-	-	-	**410,680**
Qualifying Revolving Retail	-	-	-	-	-	-	-	-	13,769	-	-	-	-	-	**13,769**
Other Retail	2,076	2,280	3,103	73	1,728	538	12	1,424	8,338	933	1,036	3,073	1,170	4,328	**30,112**
Qualifying Central Counterparties	-	-	-	-	-	6,419	-	-	-	-	-	-	-	1	**6,420**
Specialised Lending	1,492	7	352	1,825	318	1	-	116	-	39,565	24	2	896	441	**45,039**
Total exposures	**46,830**	**13,419**	**8,553**	**14,476**	**16,647**	**273,785**	**78,927**	**42,756**	**433,084**	**66,865**	**22,771**	**16,072**	**19,001**	**26,932**	**1,080,118**
% of Total	*4.3%*	*1.2%*	*0.8%*	*1.3%*	*1.5%*	*25.4%*	*7.3%*	*4.0%*	*40.1%*	*6.2%*	*2.1%*	*1.5%*	*1.8%*	*2.5%*	*100.0%*

Mar 21

Portfolio Type	Agriculture, Forestry, Fishing & Mining $M	Business Services $M	Construction $M	Electricity, Gas & Water Supply $M	Entertainment, Leisure & Tourism $M	Financial, Investment & Insurance $M	Government & Official Institutions $M	Manufacturing $M	Personal $M	Property Services $M	Wholesale Trade $M	Retail Trade $M	Transport & Storage $M	Other $M	Total $M
Corporate	43,390	10,418	5,377	12,152	14,526	57,138	36	37,632	421	23,898	20,484	12,582	17,773	21,367	**277,194**
Sovereign	454	-	14	539	-	137,971	85,974	1,256	-	1,518	22	-	125	20	**227,893**
Bank	-	4	-	23	2	35,351	-	3	-	4	2	7	-	5	**35,401**
Residential Mortgage	-	-	-	-	-	-	-	-	405,974	-	-	-	-	-	**405,974**
Qualifying Revolving Retail	-	-	-	-	-	-	-	-	14,125	-	-	-	-	-	**14,125**
Other Retail	2,148	2,360	3,188	77	1,834	545	12	1,394	8,629	966	1,043	3,194	1,030	4,490	**30,910**
Qualifying Central Counterparties	-	-	-	-	-	10,192	-	-	-	-	-	-	-	-	**10,192**
Specialised Lending	1,476	8	346	1,816	306	1	-	-	-	38,161	24	-	917	447	**43,502**
Total exposures	**47,468**	**12,790**	**8,925**	**14,607**	**16,668**	**241,198**	**86,022**	**40,285**	**429,149**	**64,547**	**21,575**	**15,783**	**19,845**	**26,329**	**1,045,191**
% of Total	*4.5%*	*1.2%*	*0.9%*	*1.4%*	*1.6%*	*23.1%*	*8.2%*	*3.9%*	*41.1%*	*6.2%*	*2.1%*	*1.5%*	*1.9%*	*2.5%*	*100.0%*

Table 7(e): Residual contractual maturity of Exposure at Default[10]

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**

Sep 21

Portfolio Type	< 12 mths $M	1 - 5 years $M	> 5 years $M	No Maturity Specified $M	Total $M
Corporate	135,428	145,349	13,739	65	**294,581**
Sovereign	164,238	55,444	27,800	-	**247,482**
Bank	21,608	10,007	420	-	**32,035**
Residential Mortgage	230	1,040	385,276	24,134	**410,680**
Qualifying Revolving Retail	-	-	-	13,769	**13,769**
Other Retail	11,278	4,039	14,792	3	**30,112**
Qualifying Central Counterparties	4,408	881	663	468	**6,420**
Specialised Lending	17,994	25,471	1,557	17	**45,039**
Total exposures	**355,184**	**242,231**	**444,247**	**38,456**	**1,080,118**

Mar 21

Portfolio Type	< 12 mths $M	1 - 5 years $M	> 5 years $M	No Maturity Specified $M	Total $M
Corporate	121,998	140,590	14,522	84	**277,194**
Sovereign	140,413	55,048	32,432	-	**227,893**
Bank	23,367	11,705	329	-	**35,401**
Residential Mortgage	229	974	380,081	24,690	**405,974**
Qualifying Revolving Retail	-	-	-	14,125	**14,125**
Other Retail	11,406	4,371	15,131	2	**30,910**
Qualifying Central Counterparties	7,345	1,374	938	535	**10,192**
Specialised Lending	18,816	22,885	1,777	24	**43,502**
Total exposures	**323,574**	**236,947**	**445,210**	**39,460**	**1,045,191**

[10] No Maturity Specified predominately includes credit cards and residential mortgage equity manager accounts.

Table 7(f) part (i): Impaired assets[11 12], Past due loans[13], Provisions and Write-offs by Industry sector

Mar 22						
Industry Sector	**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**

Sep 21						
Industry Sector	**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	-	215	95	58	(9)	10
Business Services	-	59	55	33	(10)	12
Construction	-	77	68	41	8	15
Electricity, Gas & Water Supply	-	9	1	9	-	-
Entertainment, Leisure & Tourism	11	130	89	51	11	14
Financial, Investment & Insurance	-	55	68	31	4	3
Government & Official Institutions	-	-	1	-	-	-
Manufacturing	-	45	36	23	(6)	15
Personal	-	508	2,258	160	55	157
Property Services	-	97	63	24	(3)	5
Retail Trade	-	109	88	53	(23)	16
Transport & Storage	1	359	33	43	-	12
Wholesale Trade	-	293	31	123	38	8
Other	-	57	119	38	4	19
Total	**12**	**2,013**	**3,005**	**687**	**69**	**286**

[11] Impaired derivatives are net of credit valuation adjustment (CVA) of nil, being a market value based assessment of the credit risk of the relevant counterparties (September 2021: nil; March 2021: $1 million).

[12] Impaired loans / facilities include restructured items of $375 million for customer 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 (September 2021: $355 million; March 2021: $300 million).

[13] For regulatory reporting, not well secured portfolio managed retail exposures have been reclassified from past due loans ≥ 90 days to impaired loans / facilities.

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

Mar 21						
Industry Sector	**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	-	366	96	73	(13)	37
Business Services	-	102	54	55	(3)	8
Construction	-	84	75	44	13	10
Electricity, Gas & Water Supply	-	9	1	9	-	-
Entertainment, Leisure & Tourism	-	100	71	52	2	19
Financial, Investment & Insurance	-	57	51	26	2	1
Government & Official Institutions	-	-	-	-	-	-
Manufacturing	-	96	46	41	25	20
Personal	-	604	2,463	203	77	192
Property Services	-	117	82	29	2	5
Retail Trade	2	262	92	91	7	23
Transport & Storage	1	359	31	51	3	6
Wholesale Trade	-	320	32	87	60	9
Other	-	62	128	48	12	10
Total	**3**	**2,538**	**3,222**	**809**	**187**	**340**

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

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

Sep 21	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	1,083	217	338	(14)	79
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	363	2,214	93	(3)	21
Qualifying Revolving Retail	-	33	-	-	34	60
Other Retail	-	328	401	187	52	123
Total Advanced IRB approach	**11**	**1,807**	**2,832**	**618**	**69**	**283**
Specialised Lending	**-**	**66**	**35**	**13**	**(5)**	**-**
Portfolios subject to Standardised approach						
Corporate	1	119	94	46	4	2
Residential Mortgage	-	10	44	6	1	1
Other Retail	-	11	-	4	-	-
Total Standardised approach	**1**	**140**	**138**	**56**	**5**	**3**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**12**	**2,013**	**3,005**	**687**	**69**	**286**

Mar 21	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	2	1,498	227	412	49	68
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	434	2,446	113	46	71
Qualifying Revolving Retail	-	38	-	-	33	61
Other Retail	-	363	418	215	59	126
Total Advanced IRB approach	**2**	**2,333**	**3,091**	**740**	**187**	**326**
Specialised Lending	**-**	**75**	**39**	**18**	**-**	**1**
Portfolios subject to Standardised approach						
Corporate	1	112	63	43	(2)	11
Residential Mortgage	-	8	29	5	-	2
Other Retail	-	10	-	3	2	-
Total Standardised approach	**1**	**130**	**92**	**51**	**-**	**13**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**3**	**2,538**	**3,222**	**809**	**187**	**340**

Table 7(g): Impaired assets[14] [15], Past due loans[16] and Provisions[17] by Geography

Mar 22					
Geographic region	**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**

Sep 21					
Geographic region	**Impaired derivatives $M**	**Impaired loans/ facilities $M**	**Past due loans ≥ 90 days $M**	**Individual provision balance $M**	**Collective provision balance $M**
Australia	11	1,589	2,522	530	2,987
New Zealand	-	182	345	71	603
Asia Pacific, Europe and America	1	242	138	86	605
Total	**12**	**2,013**	**3,005**	**687**	**4,195**

Mar 21					
Geographic region	**Impaired derivatives $M**	**Impaired loans/ facilities $M**	**Past due loans ≥ 90 days $M**	**Individual provision balance $M**	**Collective provision balance $M**
Australia	2	1,948	2,785	632	3,106
New Zealand	-	334	345	88	610
Asia Pacific, Europe and America	1	256	92	89	569
Total	**3**	**2,538**	**3,222**	**809**	**4,285**

[14] Impaired derivatives are net of credit valuation adjustment (CVA) of nil, being a market value based assessment of the credit risk of the relevant counterparties (September 2021: nil; March 2021: $1 million).

[15] Impaired loans / facilities include restructured items of $375 million for customer 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 (September 2021: $355 million; March 2021: $300 million).

[16] For regulatory reporting, not well secured portfolio managed retail exposures have been reclassified from past due loans ≥ 90 days to impaired loans / facilities.

[17] 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

Collectively Assessed Provision	Half year Mar 22 $M	Half year Sep 21 $M	Half year Mar 21 $M
Balance at start of period	4,195	4,285	5,008
Charge/(Release) to Income Statement	(371)	(145)	(678)
Adjustment for exchange rate fluctuations and transfers	(67)	55	(45)
Total Collectively Assessed Provision	**3,757**	**4,195**	**4,285**

Individually Assessed Provision			
Balance at start of period	687	809	891
New and increased provisions	301	369	455
Write-backs	(115)	(206)	(180)
Adjustment for exchange rate fluctuations and transfers	(8)	11	(6)
Discount unwind	(7)	(10)	(11)
Bad debts written off	(222)	(286)	(340)
Total Individually Assessed Provision	**636**	**687**	**809**
Total Provisions for Credit Impairment	**4,393**	**4,882**	**5,094**

Table 7(j): Specific Provision Balance and General Reserve for Credit Losses[18]

Mar 22	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $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**

Sep 21	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collectively Assessed Provision	436	3,759	4,195
Individually Assessed Provision	687	-	687
Total Provision for Credit Impairment	**1,123**	**3,759**	**4,882**

Mar 21	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collectively Assessed Provision	432	3,853	4,285
Individually Assessed Provision	809	-	809
Total Provision for Credit Impairment	**1,241**	**3,853**	**5,094**

[18] 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 bucket[19]

Standardised approach exposures	Mar 22 $M	Sep 21 $M	Mar 21 $M
0%	3	-	-
20%	386	22	19
35%	194	200	189
50%	336	515	516
75%	-	-	-
100%	5,394	6,088	5,974
150%	385	296	259
>150%	11	2	1
Capital deductions	-	-	-
Total	**6,709**	**7,123**	**6,958**
Other Asset exposures			
0%	-	-	-
20%	696	748	745
35%	-	-	-
50%	-	-	-
75%	-	-	-
100%	3,794	3,785	3,860
150%	-	-	-
>150%	31	27	22
Capital deductions	-	-	-
Total	**4,521**	**4,560**	**4,627**
Specialised Lending exposures			
0%	150	109	151
70%	26,370	24,488	21,756
90%	17,696	17,830	18,219
115%	2,560	2,031	2,660
250%	441	581	716
Total	**47,217**	**45,039**	**43,502**

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

Table 9 Credit risk – Disclosures for portfolios subject to Advanced IRB approaches

Portfolios subject to the Advanced IRB (AIRB) approach

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

IRB Asset Class	Borrower Type	Rating Approach
Corporate	Corporations, partnerships or proprietorships that do not fit into any other asset class	AIRB
Sovereign	Central governments Central banks Certain multilateral development banks	AIRB
Bank	Banks[20] In Australia only, other authorised deposit taking institutions (ADI) incorporated in Australia	AIRB
Residential Mortgages	Exposures secured by residential property	AIRB
Qualifying Revolving Retail	Consumer credit cards <$100,000 limit	AIRB
Other Retail	Small business lending Other lending to consumers	AIRB
Specialised Lending	Income Producing Real Estate[21] Project finance Object finance	AIRB – Supervisory Slotting[22]
Other Assets	All other assets not falling into the above classes e.g. margin lending, fixed assets	AIRB – fixed risk weights

In addition, ANZ has applied the Standardised approach to some portfolio segments (mainly retail and local corporates in Pacific, and local corporates in Asia) 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 and its external rating. 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, such as for economic capital. Standardised segments will be migrated to AIRB if they reach a volume that generates sufficient data for development of advanced internal models.

ANZ has not applied the Foundation IRB approach to any portfolios.

The ANZ rating system

As an AIRB 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 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.

[20] The IRB asset classification of investment banks is Corporate, rather than Bank.

[21] Since 2009, APRA has agreed that some large, well-diversified commercial property exposures may be treated as corporate exposures, in line with the original Basel Committee's definition of Specialised Lending.

[22] ANZ uses an internal assessment which is mapped to the appropriate Supervisory Slot.

Effective maturity is also calculated as an input to the risk weighted exposure calculation for bank, 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, mezzanine finance, 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	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+	Caa	CCC	9.7981 – 27.1109%
8=	Ca, C	CC, 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.

Table 9(d): Non Retail Exposure at Default subject to Advanced Internal Ratings Based (IRB) approach[23] [24] [25]

Mar 22	AAA < A+ $M	A+ < BBB $M	BBB < BB+ $M	BB+ < B+ $M	B+ < CCC $M	CCC $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%**

[23] In accordance with APS 330, EAD in Table 9(d) includes Advanced IRB exposures and excludes Specialised Lending, Standardised, Securitisation, Equities or Other Assets exposures. Specialised Lending is excluded from Table 9(d) as it follows the Supervisory Slotting treatment, and a breakdown of risk weightings is provided in Table 8(b).

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

[25] 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 21	AAA < A+ $M	A+ < BBB $M	BBB < BB+ $M	BB+ < B+ $M	B+ < CCC $M	CCC $M	Default $M	Total $M
Exposure at Default								
Corporate	32,022	94,109	94,734	51,223	12,191	1,681	1,972	**287,932**
Sovereign	216,732	23,550	3,242	1,436	2,349	146	-	**247,455**
Bank	7,782	19,924	3,617	657	53	2	-	**32,035**
Total	**256,536**	**137,583**	**101,593**	**53,316**	**14,593**	**1,829**	**1,972**	**567,422**
% of Total	45.3%	24.2%	17.9%	9.4%	2.6%	0.3%	0.3%	100.0%
Undrawn commitments (included in above)								
Corporate	9,341	32,520	29,271	8,573	1,510	172	61	**81,448**
Sovereign	1,307	392	436	28	62	19	-	**2,244**
Bank	1	409	25	-	-	-	-	**435**
Total	**10,649**	**33,321**	**29,732**	**8,601**	**1,572**	**191**	**61**	**84,127**
Average Exposure at Default								
Corporate	18.091	6.980	2.159	0.835	0.312	0.372	0.914	**1.726**
Sovereign	256.184	158.057	27.709	14.960	19.907	7.693	-	**183.572**
Bank	3.421	3.983	2.799	4.641	1.911	0.110	-	**3.636**
Exposure-weighted average Loss Given Default (%)								
Corporate	59.8%	57.1%	45.8%	33.3%	32.2%	38.7%	37.7%	**48.1%**
Sovereign	6.0%	18.3%	33.1%	40.7%	53.2%	39.7%	-	**8.2%**
Bank	57.3%	58.5%	67.5%	69.2%	72.1%	72.4%	-	**59.5%**
Exposure-weighted average risk weight (%)								
Corporate	18.7%	32.8%	53.6%	62.3%	90.0%	202.8%	121.6%	**47.3%**
Sovereign	1.1%	5.2%	32.4%	81.6%	162.8%	199.7%	-	**4.0%**
Bank	14.7%	22.9%	69.6%	118.4%	210.2%	356.1%	-	**28.5%**

Mar 21	AAA < A+ $M	A+ < BBB $M	BBB < BB+ $M	BB+ < B+ $M	B+ < CCC $M	CCC $M	Default $M	Total $M
Exposure at Default								
Corporate	25,619	85,110	89,310	53,030	13,358	1,968	2,354	**270,749**
Sovereign	195,497	25,578	3,017	1,823	1,901	4	4	**227,824**
Bank	7,973	22,926	3,675	775	43	9	-	**35,401**
Total	**229,089**	**133,614**	**96,002**	**55,628**	**15,302**	**1,981**	**2,358**	**533,974**
% of Total	42.9%	25.0%	18.0%	10.4%	2.9%	0.4%	0.4%	100.0%
Undrawn commitments (included in above)								
Corporate	7,668	30,925	29,367	9,255	1,589	189	192	**79,185**
Sovereign	1,272	207	256	72	10	-	-	**1,817**
Bank	-	410	6	-	1	-	-	**417**
Total	**8,940**	**31,542**	**29,629**	**9,327**	**1,600**	**189**	**192**	**81,419**
Average Exposure at Default								
Corporate	14.665	7.900	2.094	0.825	0.303	0.460	0.903	**1.589**
Sovereign	228.920	171.665	31.428	13.208	23.465	0.490	0.701	**171.167**
Bank	4.571	4.752	3.544	5.653	0.937	0.415	-	**4.532**
Exposure-weighted average Loss Given Default (%)								
Corporate	59.1%	56.7%	45.4%	34.9%	31.5%	35.8%	40.6%	**47.4%**
Sovereign	5.9%	11.9%	27.3%	27.6%	55.7%	60.7%	18.7%	**7.4%**
Bank	57.3%	57.4%	64.5%	68.3%	67.8%	66.2%	-	**58.3%**
Exposure-weighted average risk weight (%)								
Corporate	19.3%	33.8%	53.7%	66.1%	89.8%	183.1%	143.9%	**50.1%**
Sovereign	1.1%	3.3%	27.0%	53.8%	151.8%	321.8%	-	**3.4%**
Bank	14.9%	23.7%	65.3%	120.8%	206.9%	401.8%	-	**28.5%**

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

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

Sep 21

	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	90,803	94,203	68,171	144,757	7,686	2,052	2,577	**410,249**
Qualifying Revolving Retail	5,276	3,256	1,082	2,938	784	397	36	**13,769**
Other Retail	834	4,117	1,797	14,754	6,036	1,644	914	**30,096**
Total	**96,913**	**101,576**	**71,050**	**162,449**	**14,506**	**4,093**	**3,527**	**454,114**
% of Total	21.3%	22.4%	15.6%	35.8%	3.2%	0.9%	0.8%	100.0%
Undrawn commitments (included in above)								
Residential Mortgage	22,974	5,800	1,493	8,781	27	15	-	**39,090**
Qualifying Revolving Retail	3,967	2,471	715	1,284	225	52	2	**8,716**
Other Retail	760	3,277	923	2,996	725	119	24	**8,824**
Total	**27,701**	**11,548**	**3,131**	**13,061**	**977**	**186**	**26**	**56,630**
Average Exposure at Default								
Residential Mortgage	0.262	0.223	0.297	0.332	0.322	0.330	0.308	**0.279**
Qualifying Revolving Retail	0.009	0.008	0.008	0.010	0.010	0.006	0.009	**0.009**
Other Retail	0.008	0.011	0.011	0.020	0.021	0.010	0.031	**0.016**
Exposure-weighted average Loss Given Default (%)								
Residential Mortgage	19.7%	17.3%	19.7%	20.7%	20.1%	20.0%	19.2%	**19.5%**
Qualifying Revolving Retail	72.7%	76.0%	74.6%	78.4%	82.0%	80.4%	75.7%	**75.6%**
Other Retail	58.7%	62.7%	43.5%	40.6%	41.5%	54.1%	43.1%	**45.3%**
Exposure-weighted average risk weight (%)								
Residential Mortgage	4.5%	11.6%	23.0%	44.6%	98.3%	144.9%	187.9%	**27.0%**
Qualifying Revolving Retail	3.4%	8.0%	16.2%	44.5%	112.2%	218.0%	153.3%	**27.0%**
Other Retail	35.4%	43.8%	33.5%	54.1%	79.0%	141.3%	206.7%	**65.3%**

Mar 21

	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	90,796	90,181	66,931	144,061	8,339	2,332	2,912	**405,552**
Qualifying Revolving Retail	5,274	3,443	1,137	2,962	852	424	33	**14,125**
Other Retail	798	3,928	1,810	15,305	6,118	1,900	1,029	**30,888**
Total	**96,868**	**97,552**	**69,878**	**162,328**	**15,309**	**4,656**	**3,974**	**450,565**
% of Total	21.5%	21.7%	15.5%	36.0%	3.4%	1.0%	0.9%	100.0%
Undrawn commitments (included in above)								
Residential Mortgage	22,634	5,669	1,589	8,780	29	16	-	**38,717**
Qualifying Revolving Retail	3,786	2,537	738	1,161	207	38	2	**8,469**
Other Retail	729	3,120	922	3,753	980	169	44	**9,717**
Total	**27,149**	**11,326**	**3,249**	**13,694**	**1,216**	**223**	**46**	**56,903**
Average Exposure at Default								
Residential Mortgage	0.260	0.220	0.290	0.320	0.320	0.340	0.310	**0.273**
Qualifying Revolving Retail	0.010	0.010	0.010	0.010	0.010	0.010	0.010	**0.009**
Other Retail	0.010	0.010	0.010	0.020	0.020	0.010	0.030	**0.016**
Exposure-weighted average Loss Given Default (%)								
Residential Mortgage	19.8%	17.6%	19.9%	20.8%	20.2%	20.0%	19.5%	**19.7%**
Qualifying Revolving Retail	72.4%	75.9%	74.6%	78.6%	82.0%	80.2%	75.7%	**75.6%**
Other Retail	59.0%	62.8%	43.4%	40.9%	42.1%	53.3%	44.0%	**45.4%**
Exposure-weighted average risk weight (%)								
Residential Mortgage	4.4%	11.6%	22.5%	44.1%	98.5%	145.3%	192.4%	**27.2%**
Qualifying Revolving Retail	3.4%	7.8%	15.6%	43.0%	102.0%	203.1%	152.6%	**26.0%**
Other Retail	35.3%	44.0%	33.5%	54.3%	80.4%	142.6%	207.0%	**67.0%**

Table 9(e): Actual Losses by portfolio type

Half year Mar 22		
Basel Asset Class	**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**

Half year Sep 21		
Basel Asset Class	**Individual provision charge $M**	**Write-offs $M**
Corporate	(14)	79
Sovereign	-	-
Bank	-	-
Residential Mortgage	(3)	21
Qualifying Revolving Retail	34	60
Other Retail	52	123
Total Advanced IRB	**69**	**283**
Specialised Lending	(5)	-
Standardised approach	5	3
Total	**69**	**286**

Half year Mar 21		
Basel Asset Class	**Individual provision charge $M**	**Write-offs $M**
Corporate	49	68
Sovereign	-	-
Bank	-	-
Residential Mortgage	46	71
Qualifying Revolving Retail	33	61
Other Retail	59	126
Total Advanced IRB	**187**	**326**
Specialised Lending	-	1
Standardised approach	-	13
Total	**187**	**340**

Factors impacting the loss experience

The individually assessed credit impairment charge increased by $18 million predominantly driven by a single name exposure impairment in New Zealand division together with lower write-backs in the Australia Retail and Commercial division Home Loans portfolio. This was partially offset by a decrease in the Institutional division with lower transition to impairment over the period.

Write-offs decreased $64 million over the half predominantly driven by the continued reduction in impairments in Australia Retail and Commercial and Institutional division

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

	Mar 22				
Portfolio Type	**Average Estimated PD %**	**Average Actual PD %**	**Average estimated to actual EAD ratio**	**Average Estimated LGD %**	**Average Actual LGD %**
Corporate	2.01	1.71	1.17	41.24	35.41
Sovereign	0.42	-	n/a	n/a	n/a
Bank	0.58	0.06	1.02	46.00	58.30
Specialised Lending	n/a	1.83	1.07	n/a	31.77
Residential Mortgage	0.77	0.74	1.01	20.2	1.5
Qualifying Revolving Retail	1.81	1.47	1.13	79.6	67.4
Other Retail	3.85	2.62	1.05	51.6	36.8

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 estimated PD is based on the average of the internally estimated long-run PD's for obligors that are not in default at the beginning of each financial year over the period of observation being 2009 to 2021. The actual PD is based on the number of defaulted obligors up to February 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 13 years of observation being 2009 to February 2022. 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 2009 to March 2020. 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. For non-retail portfolios, the estimated and actual LGDs are based on accounts that defaulted up to March 2020. Defaults occurring after March 2020 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 estimated PD is based on the average of the internally estimated long-run PDs for obligors that are not in default at March of each year over the period of observation being 2017 to 2021. The actual PD is based on the number of defaulted obligors up to March 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 March of each year during the observation period being 2016 to 2020. 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 March 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 approach portfolios – collateral [26] [27]

Mar 22

	Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised approach				
Corporate	6,102	298	-	4.9%
Sovereign	179	1,721	-	91.1%
Residential Mortgage	416	-	-	-
Other Retail	12	-	-	-
Total	**6,709**	**2,019**	**-**	**30.1%**

Sep 21

	Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised approach				
Corporate	6,649	563	-	8.5%
Sovereign	27	520	-	95.1%
Residential Mortgage	431	-	-	-
Other Retail	16	-	-	-
Total	**7,123**	**1,083**	**-**	**15.2%**

Mar 21

	Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised approach				
Corporate	6,445	2,523	-	28.1%
Sovereign	69	403	-	85.4%
Residential Mortgage	422	-	-	-
Other Retail	22	-	-	-
Total	**6,958**	**2,926**	**-**	**26.6%**

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

[27] 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[28]

	Mar 22			
	Exposure $M	Exposures covered by Guarantees $M	Exposures covered by Credit Derivatives $M	% Coverage
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**	**-**	**-**	**-**

	Sep 21			
	Exposure $M	Exposures covered by Guarantees $M	Exposures covered by Credit Derivatives $M	% Coverage
Advanced IRB				
Corporate (incl. Specialised Lending)	332,971	1,276	786	0.6%
Sovereign	247,455	4,688	-	1.9%
Bank	32,035	1	37	0.1%
Residential Mortgage	410,249	-	-	-
Qualifying Revolving Retail	13,769	-	-	-
Other Retail	30,096	-	-	-
Total	**1,066,575**	**5,965**	**823**	**0.6%**
Standardised approach				
Corporate	6,649	-	4	0.1%
Sovereign	27	-	-	-
Residential Mortgage	431	-	-	-
Other Retail	16	-	-	-
Total	**7,123**	**-**	**4**	**0.1%**
Qualifying Central Counterparties	**6,420**	-	-	**-**

[28] 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 (continued)

	Mar 21			
	Exposure $M	Exposures covered by Guarantees $M	Exposures covered by Credit Derivatives $M	% Coverage
Advanced IRB				
Corporate (incl. Specialised Lending)	314,251	1,563	841	0.8%
Sovereign	227,824	4,440	-	1.9%
Bank	35,401	-	18	-
Residential Mortgage	405,552	-	-	-
Qualifying Revolving Retail	14,125	-	-	-
Other Retail	30,888	-	-	-
Total	**1,028,041**	**6,003**	**859**	**0.7%**
Standardised approach				
Corporate	6,445	23	10	0.5%
Sovereign	69	-	-	-
Residential Mortgage	422	-	-	-
Other Retail	22	-	-	-
Total	**6,958**	**23**	**10**	**0.5%**
Qualifying Central Counterparties	**10,192**	**-**	**-**	**-**

Table 11 General disclosures for derivatives and counterparty credit risk

Table 11(b): Counterparty credit risk – net derivative credit exposure

	Mar 22 $M	Sep 21 $M	Mar 21 $M
Gross positive fair value of contracts	45,238	38,736	104,666
Netting benefits	(27,920)	(23,810)	(88,484)
Netted current credit exposure	17,318	14,926	16,182
Collateral held	(8,710)	(5,663)	(6,286)
Net derivatives credit exposure	**8,608**	**9,263**	**9,896**

Counterparty credit risk exposure - by portfolio type

Portfolio Type	Mar 22 $M	Sep 21 $M	Mar 21 $M
Corporate	17,326	18,375	18,812
Sovereign	3,379	3,280	3,430
Bank	13,565	12,083	13,313
Qualifying Central Counterparties	6,793	6,239	9,996
Specialised Lending	336	960	1,063
Total exposures	**41,399**	**40,937**	**46,614**

Notional Value of Credit Derivative Hedges

Product Type	Mar 22 $M	Sep 21 $M	Mar 21 $M
Credit Default Swaps	-	-	-
Interest Rate Swaps	-	-	-
Currency Swaps	-	-	-
Other	-	-	-
Total exposures	**-**	**-**	**-**

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

	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**

	Sep 21		
	Protection Bought $M	Protection Sold $M	Total $M
Credit derivative products used for own credit portfolio			
Credit default swaps	6,755	2,764	9,519
Total notional value	**6,755**	**2,764**	**9,519**
Credit derivative products used for intermediation			
Credit default swaps	-	-	-
Total return swaps	-	-	-
Total notional value	**-**	**-**	**-**
Total credit derivative notional value	**6,755**	**2,764**	**9,519**

	Mar 21		
	Protection Bought $M	Protection Sold $M	Total $M
Credit derivative products used for own credit portfolio			
Credit default swaps	4,564	414	4,978
Total notional value	**4,564**	**414**	**4,978**
Credit derivative products used for intermediation			
Credit default swaps	-	-	-
Total return swaps	-	-	-
Total notional value	**-**	**-**	**-**
Total credit derivative notional value	**4,564**	**414**	**4,978**

Chapter 4 – Securitisation

Table 12 Securitisation disclosures

Banking Book

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

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

Sep 21

Traditional securitisations Underlying asset	ANZ Originated $M	ANZ Self Securitised $M	ANZ Sponsored $M
Residential mortgage	1,396	76,895	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**1,396**	**76,895**	**-**

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	1,396	76,895	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**1,396**	**76,895**	**-**

Mar 21

Traditional securitisations Underlying asset	ANZ Originated $M	ANZ Self Securitised $M	ANZ Sponsored $M
Residential mortgage	1,587	72,153	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**1,587**	**72,153**	**-**

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	1,587	72,153	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**1,587**	**72,153**	**-**

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

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**	**-**

Underlying asset	Sep 21 ANZ originated $M	ANZ Self Securitised $M	Impaired $M	Past due $M	Losses recognised for the six month ended $M
Residential mortgage	1,396	76,895	-	53	-
Credit cards and other personal loans	-	-	-	-	-
Auto and equipment finance	-	-	-	-	-
Commercial loans	-	-	-	-	-
Other	-	-	-	-	-
Total	**1,396**	**76,895**	**-**	**53**	**-**

Underlying asset	Mar 21 ANZ originated $M	ANZ Self Securitised $M	Impaired $M	Past due $M	Losses recognised for the six month ended $M
Residential mortgage	1,587	72,153	-	57	-
Credit cards and other personal loans	-	-	-	-	-
Auto and equipment finance	-	-	-	-	-
Commercial loans	-	-	-	-	-
Other	-	-	-	-	-
Total	**1,587**	**72,153**	**-**	**57**	**-**

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 [29]

	Mar 22			
	Original value securitised			
Securitisation activity by underlying asset type	**ANZ Originated $M**	**ANZ Self Securitised $M**	**ANZ Sponsored $M**	**Recognised gain or loss on sale $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**

	Sep 21			
	Original value securitised			
Securitisation activity by underlying asset type	**ANZ Originated $M**	**ANZ Self Securitised $M**	**ANZ Sponsored $M**	**Recognised gain or loss on sale $M**
Residential mortgage	(191)	4,742	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(191)**	**4,742**	**-**	**-**

Securitisation activity by facility provided	**Notional amount $M**
Liquidity facilities	-
Funding facilities	(600)
Underwriting facilities	-
Lending facilities	-
Credit enhancements	-
Holdings of securities (excluding trading book)	204
Other	9
Total	**(387)**

[29] 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)

	Mar 21			
	Original value securitised			
Securitisation activity by underlying asset type	**ANZ Originated $M**	**ANZ Self Securitised $M**	**ANZ Sponsored $M**	**Recognised gain or loss on sale $M**
Residential mortgage	(206)	(13,086)	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(206)**	**(13,086)**	**-**	**-**

Securitisation activity by facility provided	**Notional amount $M**
Liquidity facilities	-
Funding facilities	500
Underwriting facilities	-
Lending facilities	-
Credit enhancements	-
Holdings of securities (excluding trading book)	140
Other	17
Total	**657**

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

Securitisation exposure type - On balance sheet	Mar 22 $M	Sep 21 $M	Mar 21 $M
Liquidity facilities	-	-	-
Funding facilities	7,768	7,696	9,028
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	3,240	2,624	2,420
Protection provided	-	-	-
Other	85	177	245
Total	**11,093**	**10,497**	**11,693**

Securitisation exposure type – Off Balance Sheet	Mar 22 $M	Sep 21 $M	Mar 21 $M
Liquidity facilities	13	15	17
7768+Funding facilities	1,744	2,084	2,000
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	-	-	-
Protection provided	-	-	-
Other	-	-	-
Total	**1,757**	**2,099**	**2,017**

Total Securitisation exposure type	Mar 22 $M	Sep 21 $M	Mar 21 $M
Liquidity facilities	13	15	17
Funding facilities	9,512	9,780	11,028
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	3,240	2,624	2,420
Protection provided	-	-	-
Other	85	177	245
Total	**12,850**	**12,596**	**13,710**

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

	Mar 22		Sep 21		Mar 21	
Securitisation risk weights	**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%	12,850	2,090	12,596	2,056	13,710	2,220
>25 ≤ 35%	-	-	-	-	-	-
>35 ≤ 50%	-	-	-	-	-	-
>50 ≤ 75%	-	-	-	-	-	-
>75 ≤ 100%	-	-	-	-	-	-
>100 ≤ 650%	-	-	-	-	-	-
1250% (Deduction)	-	-	-	-	-	-
Total	**12,850**	**2,090**	**12,596**	**2,056**	**13,710**	**2,220**

	Mar 22		Sep 21		Mar 21	
Resecuritisation risk weights	**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	**-**	**-**	**-**	**-**	**-**	**-**

	Mar 22		Sep 21		Mar 21	
Total Securitisation risk weights	**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%	12,850	2,090	12,596	2,056	13,710	2,220
>25 ≤ 35%	-	-	-	-	-	-
>35 ≤ 50%	-	-	-	-	-	-
>50 ≤ 75%	-	-	-	-	-	-
>75 ≤ 100%	-	-	-	-	-	-
>100 ≤ 650%	-	-	-	-	-	-
1250% (Deduction)	-	-	-	-	-	-
Total	**12,850**	**2,090**	**12,596**	**2,056**	**13,710**	**2,220**

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 risk.[30] APRA does not currently permit Australian banks to use an internal model approach for this.

Table 13(b): Market risk – Standard approach [31]

	Mar 22 $M	Sep 21 $M	Mar 21 $M
Interest rate risk	131	134	134
Equity position risk	-	-	-
Foreign exchange risk	-	-	-
Commodity risk	-	-	-
Total	**131**	**134**	**134**
Risk Weighted Assets equivalent	**1,638**	**1,675**	**1,675**

[30] 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.

[31] 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 [32]

	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 Sep 21			
99% 1 Day Value at Risk (VaR)	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	3.1	5.5	1.3	3.8
Interest Rate	7.5	12.9	4.6	9.6
Credit	13.1	21.8	5.3	6.3
Commodity	3.1	5.0	2.0	3.1
Equity	-	-	-	-

	Six months ended Mar 21			
99% 1 Day Value at Risk (VaR)	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	4.6	10.0	2.0	3.2
Interest Rate	10.0	19.5	4.4	6.4
Credit	14.4	22.2	9.3	14.8
Commodity	2.4	3.4	1.3	2.6
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	-	-	-	-

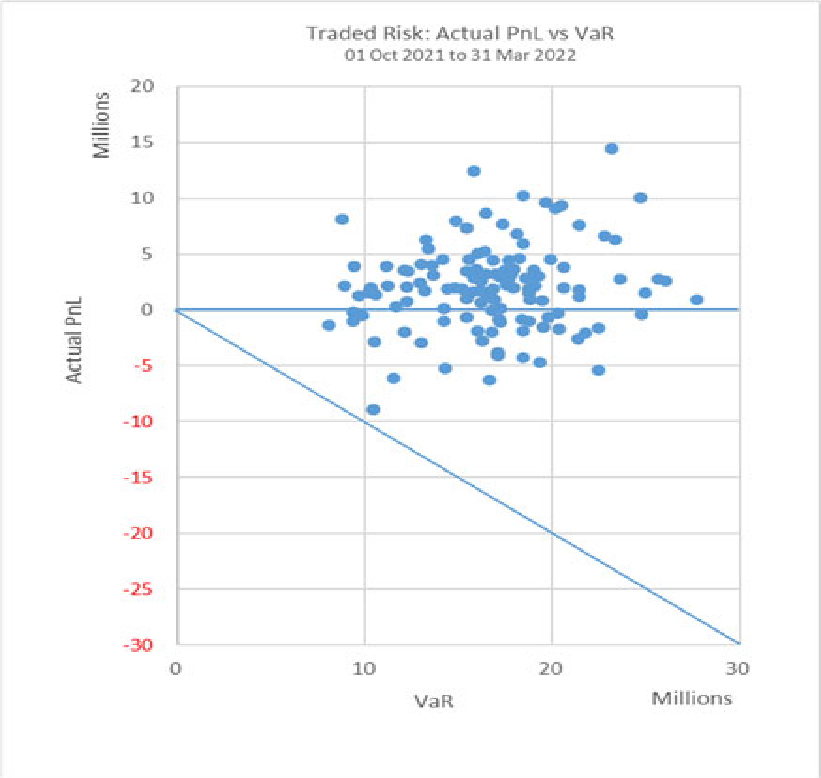
	Six months ended Sep 21			
99% 10 Day Stressed VaR	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	29.5	55.8	14.3	31.0
Interest Rate	48.8	88.2	27.1	74.1
Credit	47.1	65.9	26.6	30.0
Commodity	31.5	38.8	24.5	25.2
Equity	-	-	-	-

	Six months ended Mar 21			
99% 10 Day Stressed VaR	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	39.8	116.0	12.5	16.5
Interest Rate	52.8	99.2	23.2	26.5
Credit	49.1	64.5	34.1	47.1
Commodity	29.1	36.8	16.1	29.8
Equity	-	-	-	-

[32] The Foreign exchange VaR excludes foreign exchange translation exposures outside of the trading book.

Comparison of VaR estimates with actual gains/losses experienced

Total traded market risks back testing exceptions were within the APS 116 green zone for the period.



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

Equity investments	Balance sheet value	Fair value
	Sep 21 $M	
Value of listed (publicly traded) equities	2,941	2,443
Value of unlisted (privately held) equities	399	399
Total	**3,340**	**2,842**

Equity investments	Balance sheet value	Fair value
	Mar 21 $M	
Value of listed (publicly traded) equities	2,870	3,430
Value of unlisted (privately held) equities	230	230
Total	**3,100**	**3,660**

Table 16(d) and 16(e): Equities – gains (losses)[33]

Realised gains (losses) on equity investments	Half Year Mar 22 $M	Half Year Sep 21 $M	Half Year Mar 21 $M
Cumulative realised gains (losses) from disposals and liquidations in the reporting period	-	8	-
Cumulative realised losses from impairment and writedowns in the reporting period	-	(2)	-
Total	**-**	**6**	**-**

Unrealised gains (losses) on equity investments	Half Year Mar 22 $M	Half Year Sep 21 $M	Half Year Mar 21 $M
Total unrealised gains (losses)	(18)	(26)	73
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	**(18)**	**(26)**	**73**

Table 16(f): Equities Risk Weighted Assets

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

[33] 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

	Change in Economic Value		
Standard Shock Scenario Stress Testing:	**Mar 22**	**Sep 21**	**Mar 21**
Interest rate shock applied	**$M**	**$M**	**$M**
AUD			
200 basis point parallel increase	(717)	(1,317)	(479)
200 basis point parallel decrease	751	1,419	489
NZD			
200 basis point parallel increase	(172)	(306)	(224)
200 basis point parallel decrease	154	294	209
USD			
200 basis point parallel increase	(53)	(10)	59
200 basis point parallel decrease	54	18	(50)
Other			
200 basis point parallel increase	(54)	(118)	(119)
200 basis point parallel decrease	74	130	129

IRRBB regulatory capital	**2,672**	**1,443**	**812**
IRRBB regulatory RWA	**33,402**	**18,036**	**10,150**

IRRBB stress testing methodology

Stress tests within ANZ include standard extraordinary forward looking and repricing term assumptions 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. Other stress tests include interest rate moves from historical periods of stress possible future stress test as well as stresses to assumptions made about the repricing term of exposures. The extraordinary rate move scenarios include rate changes over the stressed periods in financial market history. Forward looking stress tests include interest rate moves from plausible future severe scenarios. 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 2022, the Group's Leverage Ratio of 5.2% was above the 3% minimum currently required by the BCBS. Table 18 below shows the Group's Leverage Ratio calculation as at 31 March 2022 and Table 19 summarises the reconciliation of accounting assets and leverage ratio exposure measure at 31 March 2022.

Table 18 Leverage Ratio

		Mar 22 $M	Sep 21 $M	Mar 21 $M
	On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	941,228	914,059	889,625
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(12,542)	(12,090)	(11,438)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**928,686**	**901,969**	**878,187**
	Derivative exposures			
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	9,614	9,675	10,965
5	Add-on amounts for PFE associated with all derivatives transactions	33,845	31,879	30,555
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	686	2,076	671
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(7,671)	(5,875)	(8,271)
8	(Exempted CCP leg of client-cleared trade exposures)	-	-	-
9	Adjusted effective notional amount of written credit derivatives	3,470	143	313
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(3,470)	(129)	(300)
11	**Total derivative exposures**	**36,474**	**37,769**	**33,933**
	Securities financing transaction exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	30,768	25,943	23,875
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(2,761)	(1,253)	(2,012)
14	CCR exposure for SFT assets	6,216	5,794	5,084
15	Agent transaction exposures	-	-	-
16	**Total securities financing transaction exposures**	**34,223**	**30,484**	**26,947**
	Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	264,942	260,594	253,217
18	(Adjustments for conversion to credit equivalent amounts)	(147,038)	(142,746)	(139,092)
19	Off-balance sheet items	**117,904**	**117,848**	**114,125**
	Capital and Total Exposures			
20	**Tier 1 capital**	**58,001**	**59,473**	**58,431**
21	**Total exposures**	**1,117,287**	**1,088,070**	**1,053,192**
	Leverage ratio			
22	**Basel III leverage ratio**	**5.2%**	**5.5%**	**5.5%**

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

		Mar 22 $M	Sep 21 $M	Mar 21 $M
1	Total consolidated assets as per published financial statements	1,017,361	978,857	1,018,339
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation.	(127)	(120)	(174)
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.	(8,764)	(967)	(70,733)
5	Adjustment for SFTs (i.e. repos and similar secured lending)	3,455	4,542	3,073
6	Adjustment for off-balance sheet exposures (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	117,904	117,848	114,125
7	Other adjustments	(12,542)	(12,090)	(11,438)
	Leverage ratio exposure	**1,117,287**	**1,088,070**	**1,053,192**

Table 20 Liquidity Coverage Ratio disclosure template

		Mar 22		Dec 21	
		Total Unweighted Value $M	Total Weighted Value $M	Total Unweighted Value $M	Total Weighted Value $M
	Liquid assets, of which:				
1	High-quality liquid assets (HQLA)		233,997		229,565
2	Alternative liquid assets (ALA)		8,067		10,700
3	Reserve Bank of New Zealand (RBNZ) securities		67		-
	Cash outflows				
4	Retail deposits and deposits from small business customers	284,077	29,648	278,347	28,583
5	of which: stable deposits	118,041	5,902	119,886	5,994
6	of which: less stable deposits	166,036	23,746	158,461	22,589
7	Unsecured wholesale funding	285,028	148,475	280,746	145,579
8	of which: operational deposits (all counterparties) and deposits in networks for cooperative banks	101,881	24,576	105,142	25,411
9	of which: non-operational deposits (all counterparties)	166,610	107,362	160,873	105,437
10	of which: unsecured debt	16,537	16,537	14,731	14,731
11	Secured wholesale funding		1,326		742
12	Additional requirements	167,043	49,317	155,935	44,943
13	of which: outflows related to derivatives exposures and other collateral requirements	30,677	30,677	27,425	27,425
14	of which: outflows related to loss of funding on debt products	-	-	-	-
15	of which: credit and liquidity facilities	136,366	18,640	128,510	17,518
16	Other contractual funding obligations	8,875	-	8,877	-
17	Other contingent funding obligations	94,104	5,570	97,704	6,359
18	Total cash outflows		234,336		226,206
	Cash inflows				
19	Secured lending (e.g. reverse repos)	15,283	1,426	12,719	1,437
20	Inflows from fully performing exposures	26,797	17,922	26,663	17,786
21	Other cash inflows	29,790	29,790	25,953	25,953
22	Total cash inflows	71,870	49,138	65,335	45,176
23	Total liquid assets		242,131		240,265
24	Total net cash outflows		185,198		181,030
25	Liquidity Coverage Ratio (%)		130.7%		132.7%
	Number of data points used (simple average)		64		66

Liquidity Coverage Ratio (LCR)

ANZ's average LCR for the 3 months to 31 March 2022 was 130.7% with total liquid assets exceeding net outflows by an average of $57.0 billion.

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

		Mar 22				
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
	Available Stable Funding (ASF) Item	$M	$M	$M	$M	$M
1	Capital	61,936	-	-	22,249	84,185
2	of which: regulatory capital	61,936	-	-	22,249	84,185
3	of which: other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers	272,431	56,845	-	1	301,456
5	of which: stable deposits	113,239	10,136	-	-	117,206
6	of which: less stable deposits	159,192	46,709	-	1	184,250
7	Wholesale funding	174,141	256,231	31,955	65,936	196,903
8	of which: operational deposits	97,827	-	-	-	48,914
9	of which: other wholesale funding	76,314	256,231	31,955	65,936	147,989
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities	18,813	10,077	-	232	232
12	NSFR derivative liabilities		10,077	-	-	
13	All other liabilities and equity not included in the above categories	18,813	-	-	232	232
14	**Total ASF**					**582,776**
Required Stable Funding (RSF) Item						
15a	Total NSFR (HQLA)					6,758
15b	ALA					2,812
15c	RBNZ securities					971
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities	12,810	112,816	41,632	479,260	426,206
18	of which: Performing loans to financial institutions secured by Level 1 HQLA	-	26,163	100	-	2,667
19	of which: Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	532	24,148	8,351	19,914	28,243
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)	11,023	53,761	25,854	119,720	150,841
21	of which: With a risk weight of less than or equal to 35% under APS 112	-	230	2	473	423
22	of which: Performing residential mortgages	-	7,243	6,923	336,711	239,958
23	of which: With a risk weight equal to 35% under APS 112	-	6,412	6,126	290,236	199,640
24	of which: Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,255	1,501	404	2,915	4,497
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	25,631	31,178	2,003	1,811	28,710
27	of which: Physical traded commodities, including gold	3,213				2,731
28	of which: Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)		2,396	-	-	2,037
29	of which: NSFR derivative assets		9,614	-	-	-
30	of which: NSFR derivative liabilities before deduction of variation margin posted		17,896	-	-	3,579
31	of which: All other assets not included in the above categories	22,419	1,272	2,003	1,811	20,363
32	Off-balance sheet items		-	-	191,592	8,048
33	**Total RSF**					**473,505**
34	**Net Stable Funding Ratio (%)**					**123.08%**

ANZ's NSFR as at 31 March 2022 was 123.1%, down 2.2% in the quarter since December 2021.

The main sources of Available Stable Funding (ASF) at March 2022 were deposits from Retail and SME customers, at 52%, with other wholesale funding (including Term Funding Facilities) at 25% and capital at 14% of the total ASF.

The majority of ANZ's Required Stable Funding (RSF) at March 2022 was driven by mortgages at 51% and other lending to non-FI customers at 32% of the total RSF.

Table 21 NSFR disclosure template (continued)

		Dec 21				
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
	Available Stable Funding (ASF) Item	$M	$M	$M	$M	$M
1	Capital	62,184	-	-	23,415	85,599
2	of which: regulatory capital	62,184	-	-	23,415	85,599
3	of which: other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers	262,906	58,478	-	-	295,715
5	of which: stable deposits	118,689	10,679	-	-	122,900
6	of which: less stable deposits	144,217	47,799	-	-	172,815
7	Wholesale funding	188,173	266,259	29,239	66,083	199,294
8	of which: operational deposits	103,171	-	-	-	51,586
9	of which: other wholesale funding	85,002	266,259	29,239	66,083	147,708
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities	12,256	6,152	-	555	555
12	NSFR derivative liabilities		6,152	-	-	
13	All other liabilities and equity not included in the above categories	12,256	-	-	555	555
14	**Total ASF**					**581,163**
	Required Stable Funding (RSF) Item					
15(a)	Total NSFR (HQLA)					7,169
15(b)	ALA					3,079
15(c)	RBNZ securities					1,092
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities	12,879	107,081	49,243	468,706	417,934
18	of which: Performing loans to financial institutions secured by Level 1 HQLA	-	25,403	-	-	2,540
19	of which: Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	474	22,945	10,447	18,405	27,545
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)	10,972	50,364	31,229	114,494	147,347
21	of which: With a risk weight of less than or equal to 35% under APS 112	-	210	22	473	423
22	of which: Performing residential mortgages	-	7,213	6,893	332,731	235,754
23	of which: With a risk weight equal to 35% under APS 112	-	6,374	6,091	287,012	196,072
24	of which: Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,433	1,156	674	3,076	4,748
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	17,668	22,331	540	3,875	26,282
27	of which: Physical traded commodities, including gold	1,487				1,264
28	of which: Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)		2,199	-	-	1,869
29	of which: NSFR derivative assets		7,984	-	-	1,832
30	of which: NSFR derivative liabilities before deduction of variation margin posted		12,000	-	-	2,400
31	of which: All other assets not included in the above categories	16,181	148	540	3,875	18,917
32	Off-balance sheet items		-	-	198,246	8,331
33	**Total RSF**					**463,888**
34	**Net Stable Funding Ratio (%)**					**125.28%**

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	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: 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. 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.
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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