2021

BASEL III PILLAR 3 DISCLOSURE

AS AT 31 MARCH 2021

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.

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[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.

RBNZ announcement on actions to support the banking system

In March 2021, The RBNZ announced that the restrictions on dividends and redemption of non-CET1 capital instruments put in place since April 2020 will be eased. The updated restrictions will allow ANZ Bank New Zealand Limited ("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 normalise the dividend setting by removing the restrictions completely, subject to prevailing economic conditions.

Further, in the March 2021 update, the RBNZ announced that it will remove the restrictions on redemption of non-CET1 capital instruments. However, as ANZ New Zealand was not permitted to redeem its NZ$500 million Capital Notes in May 2020, and ANZ New Zealand did not exercise its option to convert in May 2020, the terms of the Capital Notes provide for their conversion into a variable number of ANZBGL shares in May 2022 subject to certain conditions. Conversion would result in an increase in the Group's CET1 capital (approximately 10 basis points) at Level 2.

Table 1 Capital disclosure template

		Mar-21 $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	26,312	Table A
2	Retained earnings	35,112	
3	Accumulated other comprehensive income (and other reserves)	910	Table B
4	Directly issued capital subject to phase out from Common Equity Tier 1 (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	62,336	
	Common Equity Tier 1 capital : regulatory adjustments		
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	2,989	
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	1,034	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	643	
12	Shortfall of provisions to expected losses	42	Table E
13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	(19)	
15	Defined benefit superannuation fund net assets	166	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)	-	
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		
25	of which: deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments (sum of rows 26a - 26j)	6,695	
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	(351)	
26d	of which: equity investment in financial institutions not reported in rows 18, 19 and 23	3,449	Table G
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	2,109	Table H
26f	of which: capitalised expenses	1,431	Table I
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA rules	41	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	16	
27	Regulatory adjustments applied to CET1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to CET1	11,550	
29	Common Equity Tier 1 capital (CET1)	50,786	

Table 1 Capital disclosure template

		Mar-21 $M	Reconciliation Table Reference
	Additional Tier 1 Capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments	7,569	Table K
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	7,569	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)	255	Table K
35	of which: instruments issued by subsidiaries subject to phase out	n/a	
36	Additional Tier 1 capital before regulatory adjustments	7,824	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)	24	
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	24	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	**179**	
44	Additional Tier 1 capital (AT1)	**7,645**	Table K
45	Tier 1 Capital (T1=CET1+AT1)	**58,431**	
	Tier 2 Capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments	14,799	
47	Directly issued capital instruments subject to phase out from Tier 2	395	Table L
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)	53	Table L
49	of which: instruments issued by subsidiaries subject to phase out	-	Table L
50	Provisions	1,417	
51	Tier 2 capital before regulatory adjustments	**16,664**	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)	65	
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	Table L
56c	of which: other national specific regulatory adjustments not reported in rows 56a and 56b	-	
57	Total regulatory adjustment to Tier 2 capital	**200**	
58	Tier 2 capital (T2)	**16,464**	Table L
59	Total capital (TC=T1+T2)	**74,895**	
60	Total risk-weighted assets based on APRA standards	**408,166**	

Table 1 Capital disclosure template

			Reconciliation Table Reference
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	12.4%	
62	Tier 1 (as a percentage of risk-weighted assets)	14.3%	
63	Total capital (as a percentage of risk-weighted assets)	18.3%	
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)	8.013%	
65	of which: capital conservation buffer requirement[3]	3.5%	
66	of which: ADI-specific countercyclical buffer requirements	0.013%	
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)	7.9%	
	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	283	
73	Significant investments in the ordinary shares of financial entities	3,254	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)	2,109	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)	173	Table E
77	Cap on inclusion of provisions in Tier 2 under standardised approach	216	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	1,244	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	1,948	
	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	$3,725	$199	$209	$314,985	$319,118
Jurisdictional buffer set by national authorities	1.00%	0.50%	1.00%	-	-
Countercyclical buffer requirement	0.012%	0.00003%	0.00065%	-	0.013%

[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	124,460	(31)	124,429	
Settlement Balances owed to ANZ	9,778	-	9,778	
Collateral Paid	12,059	-	12,059	
Trading securities	46,331	-	46,331	
of which: Financial Institutions capital instruments			85	Table L
Derivative financial instruments	104,666	-	104,666	
Investment Securities	91,990	(575)	91,415	
of which: significant investment in financial institutions equity instruments			1,019	Table G
of which: non-significant investment in financial institutions equity instruments			195	Table G
of which: Other entities equity investments			30	Table J
of which: collectively assessed provision			(18)	Table E
Net loans and advances	614,359	(1,587)	612,772	
of which: deferred fee income			351	Row 26c
of which: collectively assessed provision			(3,472)	Table E
of which: individual provisions			(778)	Table E
of which: capitalised brokerage & loan/lease origination fees			1,377	Table I
of which: CET1 margin lending adjustment			16	Row 26j
of which: AT1 margin lending adjustment			-	
Regulatory deposits	859	-	859	
Due from controlled entities	-	1,653	1,653	
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		617	617	
of which: Investment in deconsolidated financial subsidiaries			462	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	1,854	-	1,854	
of which: Financial Institutions			1,843	Table G
of which: Other Entities			11	Table J
Current tax assets	170	-	170	
Deferred tax assets	2,105	(1)	2,104	Table H
Goodwill and other intangible assets	4,024	(70)	3,954	
of which: Goodwill			2,989	
of which: Software			961	Table D
Premises and equipment	2,792	-	2,792	
Other assets	2,892	(180)	2,712	
of which: Defined benefit superannuation fund net assets			220	Table F
Total Assets	**1,018,339**	**(174)**	**1,018,165**	

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	19,188	-	19,188	
Collateral Received	7,552	-	7,552	
Deposits and other borrowings	706,623	43	706,666	
Derivative financial instruments	102,926	-	102,926	
Due to controlled entities	-	2,269	2,269	
Current tax liabilities	203	(32)	171	
Deferred tax liabilities	73	-	73	Table H
of which: related to intangible assets			1	Table D
of which: related to capitalised expenses			4	Table I
of which: related to defined benefit super assets			54	Table F
Payables and other liabilities	8,558	(577)	7,981	
Employee entitlements	600	-	600	
Provisions	2,417	(76)	2,341	
of which: individually assessed provision			795	Table E
of which: collectively assessed provision			31	Table E
Debt Issuances	107,623	(1,620)	106,003	
of which: Directly issued qualifying Additional Tier 1 instruments			7,585	Table K
of which: Additional Tier 1 Instruments			459	Table K
of which: Directly issued capital instruments subject to phase out from Tier 2			395	Table L
of which: Directly issued qualifying Tier 2 instruments			14,819	Table L
Total Liabilities	**955,763**	**7**	**955,770**	
Net Assets	**62,576**	**(181)**	**62,395**	

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	26,615	(77)	26,538	Table A
of which: Share reserve			226	Tables A & B
Reserves	741	(6)	735	Table B
of which: Cash flow hedging reserves			643	Row 11
Retained earnings	35,210	(98)	35,112	Row 2
Share capital and reserves attributable to shareholders of the company	**62,566**	**(181)**	**62,385**	
Non-controlling interests	10		10	Table C
Total Shareholders' Equity	**62,576**	**(181)**	**62,395**	

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 21 $M	Table 1 Reference
	Issued capital	26,538	
Less	Reclassification to Reserves	(226)	Table B
	Regulatory Directly Issued qualifying ordinary shares	**26,312**	**Row 1**

Table B		Mar 21 $M	Table 1 Reference
	Reserves	735	
Add	Reclassification from Issued Capital	226	Table A
Less	Non qualifying reserves	(51)	
	Reserves for Regulatory capital purposes (amount allowed in group CET1)	**910**	Row 3

Table C		Mar 21 $M	Table 1 Reference
	Non-controlling interests	10	
Less	Surplus capital attributable to minority shareholders	(8)	
	Ordinary share capital issued by subsidiaries and held by third parties	**2**	**Row 5**

Table D		Mar 21 $M	Table 1 Reference
	Software	961	
Add	Other intangible assets	4	
Less	Associated deferred tax liabilities	(1)	
Add	Regulatory reclassification from significant investments in the ordinary shares of banking, financial and insurance entities outside the scope of regulatory consolidation	70	Table G
	Other intangibles other than mortgage servicing rights (net of related tax liability)	**1,034**	**Row 9**

Table E		Mar 21 $M	Table 1 Reference
	Qualifying collective provision		
	Collectively assessed provision on Loans and advances	(3,472)	
	Collectively assessed provision on Investment Securities	(18)	
	Collectively assessed provision on Undrawn commitments	(795)	
Less	Non-qualifying collectively assessed provision	432	
Less	Standardised collectively assessed provision	173	Row 76
Less	Non-defaulted expected loss	2,436	
	Non-Defaulted: Expected Loss - Eligible Provision Shortfall	-	
	Qualifying individual provision		
	Individually assessed provision on Loans and advances	(778)	
	Individually assessed provision on Undrawn and contingent facilities	(31)	
Add	Additional individually assessed provision for partial write offs	(213)	
Less	Standardised individually assessed provision	44	
Add	Collectively assessed provision on advanced defaulted	(405)	
Less	Defaulted expected loss	1,425	
	Defaulted: Expected Loss - Eligible Provision Shortfall	42	
	Gross deduction	**42**	**Row 12**

Table F		Mar 21 $M	Table 1 Reference
	Defined benefit superannuation fund net assets	220	
Less	Associated deferred tax liabilities	(54)	
	Defined benefit superannuation fund net assets	**166**	**Row 15**

Table G		Mar 21 $M	Table 1 Reference
	Investment in deconsolidated financial subsidiaries	462	
Less	Regulatory reclassification to Retained Earnings and Other Intangible Assets	(70)	Table D
Add	Investment in financial associates	1,843	
Add	Investment in financial institutions Investment Securities	1,019	
Less	Amount below 10% threshold of CET1	(3,254)	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	3,254	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	195	
	Equity investment in financial institutions not reported in rows 18, 19 and 23	3,449	Row 26d
	Deduction for equity holdings in financial institutions - APRA regulations	**3,449**	

Table H		Mar 21 $M	Table 1 Reference
	Deferred tax assets	2,104	
Add	Deferred tax liabilities	(73)	
	Deferred tax asset less deferred tax liabilities	2,031	
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	59	
Add	Impact of calculating the deduction on a jurisdictional basis	19	
	Deferred tax assets not reported in rows 10, 21 and 25 of the Common Disclosure Template	**2,109**	**Row 26e**

Table I		Mar 21 $M	Table 1 Reference
	Capitalised brokerage & loan/lease origination fees	1,377	
	Capitalised debt and capital issuance expenses	58	
Less	Associated deferred tax liabilities	(4)	
	Capitalised expenses	**1,431**	**Row 26f**

Table J		Mar 21 $M	Table 1 Reference
	Investments in non financial Investment Securities equities	30	
	Investments in non financial associates	11	
	Non financial equity exposures (loans)	-	
	Equity exposures to non financial entities	**41**	**Row 26g**

Table K		Mar 21 $M	Table 1 Reference
	Directly issued qualifying Additional Tier 1 Capital Instruments classified as liabilities	7,585	
Add	Issue costs	21	
Add	Fair value adjustment	(37)	
	Directly issued qualifying Additional Tier 1 Capital Instruments classified as liabilities	7,569	Row 30
	Additional Tier 1 instruments issued by subsidiaries held by third parties	459	
Add	Issue costs	-	
Less	Surplus capital attributable to third party holders	(204)	
Add	AT1 Instruments issued by subsidiaries and held by third parties (amounts allowed in Group AT1)	255	Row 34
	Additional Tier 1 capital before regulatory adjustments	**7,824**	**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	(24)	Row 41b
Less	Other national specific regulatory adjustments not reported	-	Row 41c
	Additional Tier 1 capital	**7,645**	**Row 44**

Table L		Mar 21 $M	Table 1 Reference
	Directly issued capital instruments subject to phase out from Tier 2	395	
Less	Amortisation of Tier 2 Capital Instruments subject to Phase out	-	
Less	Fair value adjustment	-	
	Directly issued capital instruments subject to phase out from Tier 2	395	Row 47
Add	Surplus capital attributable to third party holders	53	Row 48
Add	Directly issued qualifying Tier 2 instruments	14,819	
Add	Issue costs	26	
Add	Fair value adjustment	(46)	
Add	Provisions	1,417	
	Tier 2 capital before regulatory adjustments	**16,664**	**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	(65)	Row 56b
	Tier 2 capital	**16,464**	**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	35	8
ANZ Lenders Mortgage Insurance Pty. Limited	Mortgage insurance	1,002	508
ANZ Pensions (UK) Limited	Trustee/Nominee	-	-
ANZ New Zealand Investments Limited	Funds Management	166	44
ANZ New Zealand Investments Nominees Limited	Nominee	-	-
ANZ Wealth Australia Limited	Holding Company / Corporate	-	-
ANZ Wealth New Zealand Limited	Holding Company	119	-
ANZcover Insurance Private Ltd	Captive-Insurance	208	96
Kingfisher Trust 2016-1	Securitisation Trust	681	681
Kingfisher Trust 2019-1	Securitisation Trust	945	945
Shout for Good Pty. Ltd.	Corporate	-	-

Table 2 Main features of capital instruments

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

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

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

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 21 $M	Sep 20 $M	Mar 20 $M
Subject to Advanced Internal Rating Based (IRB) approach			
Corporate	135,713	139,415	150,290
Sovereign	7,750	7,545	6,915
Bank	10,092	12,734	18,615
Residential Mortgage	110,206	110,353	107,351
Qualifying Revolving Retail	3,678	4,337	4,956
Other Retail	20,693	21,794	25,080
Credit risk weighted assets subject to Advanced IRB approach	**288,132**	**296,178**	**313,207**
Credit risk Specialised Lending exposures subject to slotting approach[4]	**36,476**	**39,001**	**41,072**
Subject to Standardised approach			
Corporate	6,388	10,185	14,626
Sovereign	76	220	-
Residential Mortgage	203	210	228
Other Retail	23	33	46
Credit risk weighted assets subject to Standardised approach	**6,690**	**10,648**	**14,900**
Credit Valuation Adjustment and Qualifying Central Counterparties	**4,281**	**7,710**	**9,679**
Credit risk weighted assets relating to securitisation exposures	2,220	2,125	2,142
Other assets	4,063	4,375	4,997
Total credit risk weighted assets	**341,862**	**360,037**	**385,997**
Market risk weighted assets	8,955	8,237	7,102
Operational risk weighted assets	47,199	47,563	47,902
Interest rate risk in the banking book (IRRBB) risk weighted assets	10,150	13,547	8,011
Total risk weighted assets	**408,166**	**429,384**	**449,012**

Capital ratios (%)[5]	Mar 21	Sep 20	Mar 20
Level 2 Common Equity Tier 1 capital ratio	**12.4%**	**11.3%**	**10.8%**
Level 2 Tier 1 capital ratio	**14.3%**	**13.2%**	**12.5%**
Level 2 Total capital ratio	**18.3%**	**16.4%**	**15.5%**
Level 1: Extended licensed Common Equity Tier 1 capital ratio	**12.2%**	**11.2%**	**10.6%**
Level 1: Extended licensed entity Tier 1 capital ratio	**14.2%**	**13.2%**	**12.6%**
Level 1: Extended licensed entity Total capital ratio	**18.6%**	**16.7%**	**15.8%**
Other significant Authorised Deposit-taking Institution (ADI) or overseas bank subsidiary:			
ANZ Bank New Zealand Limited – Common Equity Tier 1 capital ratio	**13.1%**	**11.7%**	**11.1%**
ANZ Bank New Zealand Limited - Tier 1 capital ratio	**15.9%**	**14.4%**	**13.9%**
ANZ Bank New Zealand Limited - Total capital ratio	**15.9%**	**14.4%**	**13.9%**

[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 decreased $18.1 billion (-5%) from September 2020 to $341.9 billion at March 2021 mainly driven by reduction in exposures in the Institutional Division, combined with the impact of foreign exchange movements. Exposures subject to the Standardised approach reduced upon APRA approval for the implementation of Advanced Internal Ratings Based treatment for Non-Bank Financial Institutions customers in Asia.

Market Risk, Operational Risk and IRRBB RWA

IRRBB RWA decreased $3.4 billion due to an improvement in Embedded Gains combined with a reduction in Repricing and Yield Curve Risk.

Traded Market Risk RWA increased $0.7 billion over the half due to increase in 10d VaR, mainly driven by an increase in positioning across Credit Trading.

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 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**

[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 20				
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	139,415	274,414	291,198	126	340
Sovereign	7,545	186,605	191,941	-	-
Bank	12,734	42,171	52,910	-	-
Residential Mortgage	110,353	392,312	386,197	39	32
Qualifying Revolving Retail	4,337	14,846	15,487	79	107
Other Retail	21,794	31,931	33,474	133	131
Total Advanced IRB approach	**296,178**	**942,279**	**971,207**	**377**	**610**
Specialised Lending	**39,001**	**46,430**	**47,433**	**3**	**2**
Standardised approach					
Corporate	10,185	11,344	13,657	12	18
Sovereign	220	212	106	-	-
Residential Mortgage	210	435	453	2	2
Other Retail	33	33	40	1	8
Total Standardised approach	**10,648**	**12,024**	**14,256**	**15**	**28**
Credit Valuation Adjustment and Qualifying Central Counterparties	**7,710**	**9,684**	**9,845**	-	-
Total	**353,537**	**1,010,417**	**1,042,741**	**395**	**640**

	Mar 20				
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	150,290	307,981	292,290	356	87
Sovereign	6,915	197,277	175,109	-	-
Bank	18,615	63,649	59,397	-	-
Residential Mortgage	107,351	380,082	376,729	30	47
Qualifying Revolving Retail	4,956	16,128	16,388	81	113
Other Retail	25,080	35,017	35,670	155	196
Total Advanced IRB approach	**313,207**	**1,000,134**	**955,583**	**622**	**443**
Specialised Lending	**41,072**	**48,436**	**45,892**	**9**	**-**
				-	-
Standardised approach				-	-
Corporate	14,626	15,971	14,484	(5)	24
Sovereign	-	-	-	-	-
Residential Mortgage	228	471	458	-	1
Other Retail	46	46	48	-	1
Total Standardised approach	**14,900**	**16,488**	**14,990**	**(5)**	**26**
Credit Valuation Adjustment and Qualifying Central Counterparties	**9,679**	**10,005**	**9,677**	-	-
Total	**378,858**	**1,075,063**	**1,026,142**	**626**	**469**

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

Portfolio Type	Mar 21 $M	Sep 20 $M	Mar 20 $M	Average for half year Mar 21 $M
Cash	107,422	71,926	96,865	89,674
Contingents liabilities, commitments, and other off-balance sheet exposures	170,731	171,397	170,345	171,064
Derivatives	46,614	50,963	61,962	48,789
Settlement Balances	61	133	225	97
Investment Securities	88,206	89,977	84,112	89,092
Net Loans, Advances & Acceptances	600,397	593,904	630,971	597,151
Other assets	7,846	8,728	4,939	8,287
Trading Securities	23,914	23,389	25,644	23,652
Total exposures	**1,045,191**	**1,010,417**	**1,075,063**	**1,027,806**

[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 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**

	Sep 20			
Portfolio Type	Australia $M	New Zealand $M	Asia Pacific, Europe and Americas $M	Total $M
Corporate	154,805	41,413	89,540	**285,758**
Sovereign	79,134	24,465	83,218	**186,817**
Bank	18,131	2,883	21,157	**42,171**
Residential Mortgage	303,867	88,445	435	**392,747**
Qualifying Revolving Retail	14,846	-	-	**14,846**
Other Retail	22,747	9,184	33	**31,964**
Qualifying Central Counterparties	4,053	2,175	3,456	**9,684**
Specialised Lending	33,460	12,698	272	**46,430**
Total exposures	**631,043**	**181,263**	**198,111**	**1,010,417**

	Mar 20			
Portfolio Type	Australia $M	New Zealand $M	Asia Pacific, Europe and Americas $M	Total $M
Corporate	160,963	50,455	112,534	**323,952**
Sovereign	62,481	18,308	116,488	**197,277**
Bank	25,443	4,948	33,258	**63,649**
Residential Mortgage	289,578	90,504	471	**380,553**
Qualifying Revolving Retail	16,128	-	-	**16,128**
Other Retail	23,140	11,877	46	**35,063**
Qualifying Central Counterparties	4,088	2,123	3,794	**10,005**
Specialised Lending	35,087	13,210	139	**48,436**
Total exposures	**616,908**	**191,425**	**266,730**	**1,075,063**

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

	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 and Official Institutions $M**	**Manufacturing $M**	**Personal $M**	**Property Services $M**	**Wholesale Trade $M**	**Retail Trade $M**	**Transport & Storage $M**	**Other $M**	**Total $M**
Corporate	43,390	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%*

[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 20

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 and Official Institutions $M	Manufacturing $M	Personal $M	Property Services $M	Wholesale Trade $M	Retail Trade $M	Transport & Storage $M	Other $M	Total $M
Corporate	45,440	10,594	5,414	11,511	15,041	52,381	42	43,594	448	24,488	22,228	13,884	18,580	22,113	**285,758**
Sovereign	531	-	15	608	-	99,407	83,099	1,461	-	1,581	27	-	72	16	**186,817**
Bank	-	1	1	24	2	42,096	-	2	1	5	9	-	28	2	**42,171**
Residential Mortgage	-	-	-	-	-	-	-	-	392,747	-	-	-	-	-	**392,747**
Qualifying Revolving Retail	-	-	-	-	-	-	-	-	14,846	-	-	-	-	-	**14,846**
Other Retail	2,267	2,401	3,234	76	1,956	557	10	1,386	9,168	1,005	1,035	3,315	1,041	4,513	**31,964**
Qualifying Central Counterparties	-	-	-	-	-	9,684	-	-	-	-	-	-	-	-	**9,684**
Specialised Lending	1,964	10	362	2,016	423	1	-	2	-	40,004	26	-	1,166	456	**46,430**
Total exposures	**50,202**	**13,006**	**9,026**	**14,235**	**17,422**	**204,126**	**83,151**	**46,445**	**417,210**	**67,083**	**23,325**	**17,199**	**20,887**	**27,100**	**1,010,417**
% of Total	*5.0%*	*1.3%*	*0.9%*	*1.4%*	*1.7%*	*20.2%*	*8.2%*	*4.6%*	*41.3%*	*6.6%*	*2.3%*	*1.7%*	*2.1%*	*2.7%*	*100.0%*

Mar 20

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 and Official Institutions $M	Manufacturing $M	Personal $M	Property Services $M	Wholesale Trade $M	Retail Trade $M	Transport & Storage $M	Other $M	Total $M
Corporate	48,913	11,537	5,921	12,257	14,453	62,027	4,211	51,565	630	23,986	29,290	14,635	20,836	23,691	**323,952**
Sovereign	821	-	16	667	10	120,719	71,117	1,925	-	1,652	4	-	179	167	**197,277**
Bank	-	1	-	4	1	63,596	-	2	-	1	9	3	32	-	**63,649**
Residential Mortgage	-	-	-	-	-	-	-	-	380,553	-	-	-	-	-	**380,553**
Qualifying Revolving Retail	-	-	-	-	-	-	-	-	16,128	-	-	-	-	-	**16,128**
Other Retail	2,644	2,538	3,617	90	1,927	561	14	1,488	11,632	1,044	1,091	3,419	1,191	3,807	**35,063**
Qualifying Central Counterparties	-	-	-	-	-	10,005	-	-	-	-	-	-	-	-	**10,005**
Specialised Lending	1,660	6	387	1,839	440	1	-	2	-	42,466	22	-	1,209	404	**48,436**
Total exposures	**54,038**	**14,082**	**9,941**	**14,857**	**16,831**	**256,909**	**75,342**	**54,982**	**408,943**	**69,149**	**30,416**	**18,057**	**23,447**	**28,069**	**1,075,063**
% of Total	*5.0%*	*1.3%*	*0.9%*	*1.4%*	*1.6%*	*23.9%*	*7.0%*	*5.1%*	*38.1%*	*6.4%*	*2.8%*	*1.7%*	*2.2%*	*2.6%*	*100.0%*

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

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**

Sep 20					
Portfolio Type	**< 12 mths $M**	**1 - 5 years $M**	**> 5 years $M**	**No Maturity Specified $M**	**Total $M**
Corporate	123,849	145,885	15,925	99	**285,758**
Sovereign	102,470	58,241	26,106	-	**186,817**
Bank	26,165	15,596	410	-	**42,171**
Residential Mortgage	272	925	366,032	25,518	**392,747**
Qualifying Revolving Retail	-	-	-	14,846	**14,846**
Other Retail	11,830	4,586	15,548	-	**31,964**
Qualifying Central Counterparties	7,025	1,199	906	554	**9,684**
Specialised Lending	19,568	24,824	2,008	30	**46,430**
Total exposures	**291,179**	**251,256**	**426,935**	**41,047**	**1,010,417**

Mar 20					
Portfolio Type	**< 12 mths $M**	**1 - 5 years $M**	**> 5 years $M**	**No Maturity Specified $M**	**Total $M**
Corporate	148,359	155,699	19,772	122	**323,952**
Sovereign	131,162	47,317	18,798	-	**197,277**
Bank	45,909	17,175	565	-	**63,649**
Residential Mortgage	292	978	352,414	26,869	**380,553**
Qualifying Revolving Retail	-	-	-	16,128	**16,128**
Other Retail	13,206	5,483	16,374	-	**35,063**
Qualifying Central Counterparties	7,004	1,774	638	589	**10,005**
Specialised Lending	17,573	27,986	2,839	38	**48,436**
Total exposures	**363,505**	**256,412**	**411,400**	**43,746**	**1,075,063**

[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 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 and 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**

[11] Impaired derivatives are net of credit valuation adjustment (CVA) of $1 million, being a market value based assessment of the credit risk of the relevant counterparties (September 2020: $2 million; March 2020: $3 million).

[12] Impaired loans / facilities include restructured items of $300 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 2020: $254 million; March 2020: $226 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)

Sep 20						
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	-	601	101	104	30	30
Business Services	-	104	50	57	27	25
Construction	-	91	63	44	23	10
Electricity, gas and water supply	-	10	1	9	11	11
Entertainment Leisure & Tourism	-	118	59	63	21	8
Financial, Investment & Insurance	-	62	35	27	5	4
Government & Official Institutions	-	-	-	-	-	-
Manufacturing	-	77	28	35	11	13
Personal	-	777	3,107	312	189	232
Property Services	-	142	49	35	4	3
Retail Trade	-	304	80	90	16	24
Transport & Storage	1	113	26	46	18	6
Wholesale Trade	-	68	38	20	19	256
Other	-	75	123	49	21	18
Total	**1**	**2,542**	**3,760**	**891**	**395**	**640**

Mar 20						
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	-	519	116	104	(14)	8
Business Services	-	81	46	49	13	20
Construction	-	90	67	43	9	25
Electricity, gas and water supply	-	11	1	10	-	1
Entertainment Leisure & Tourism	-	120	64	55	30	17
Financial, Investment & Insurance	-	69	18	26	11	29
Government & Official Institutions	-	-	-	-	-	-
Manufacturing	-	74	38	42	20	28
Personal	-	786	2,822	254	183	273
Property Services	-	143	52	52	12	3
Retail Trade	-	292	88	115	76	23
Transport & Storage	1	116	25	39	17	7
Wholesale Trade	-	348	38	259	248	22
Other	-	81	114	45	21	13
Total	**1**	**2,730**	**3,489**	**1,093**	**626**	**469**

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

	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(f) part (ii): Impaired asset, Past due loans, Provisions and Write-offs (continued)[14]

Sep 20	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	-	1,298	212	435	126	340
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	549	3,004	136	39	32
Qualifying Revolving Retail	-	47	-	-	79	107
Other Retail	-	416	469	248	133	131
Total Advanced IRB approach	**-**	**2,310**	**3,685**	**819**	**377**	**610**
Specialised Lending	**-**	**79**	**31**	**14**	**3**	**2**
Portfolios subject to Standardised approach						
Corporate	1	135	28	56	12	18
Residential Mortgage	-	9	16	2	2	2
Other Retail	-	9	-	-	1	8
Total Standardised approach	**1**	**153**	**44**	**58**	**15**	**28**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**1**	**2,542**	**3,760**	**891**	**395**	**640**

Mar 20	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	-	1,500	218	645	356	87
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	504	2,791	128	30	47
Qualifying Revolving Retail	-	78	-	-	81	113
Other Retail	-	417	425	225	155	196
Total Advanced IRB approach	**-**	**2,499**	**3,434**	**998**	**622**	**443**
Specialised Lending	**-**	**71**	**27**	**14**	**9**	**-**
Portfolios subject to Standardised approach						
Corporate	1	139	14	74	(5)	24
Residential Mortgage	-	10	9	7	-	1
Other Retail	-	11	5	-	-	1
Total Standardised approach	**1**	**160**	**28**	**81**	**(5)**	**26**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**1**	**2,730**	**3,489**	**1,093**	**626**	**469**

[14] For Individual Provision Balance, the corporate asset class split between advanced and standardised has been updated for September 2020 comparative to reflect the Basel treatment of the underlying assets.

Table 7(g): Impaired assets[15] [16], Past due loans[17] and Provisions[18] by Geography

			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**

			Sep 20		
Geographic region	**Impaired derivatives $M**	**Impaired loans/ facilities $M**	**Past due loans ≥ 90 days $M**	**Individual provision balance $M**	**Collective provision balance $M**
Australia	-	1,973	3,245	688	3,727
New Zealand	-	392	467	119	671
Asia Pacific, Europe and America	1	177	48	84	610
Total	**1**	**2,542**	**3,760**	**891**	**5,008**

			Mar 20		
Geographic region	**Impaired derivatives $M**	**Impaired loans/ facilities $M**	**Past due loans ≥ 90 days $M**	**Individual provision balance $M**	**Collective provision balance $M**
Australia	-	1,961	3,106	670	3,222
New Zealand	-	312	356	96	657
Asia Pacific, Europe and America	1	457	27	327	622
Total	**1**	**2,730**	**3,489**	**1,093**	**4,501**

[15] Impaired derivatives are net of credit valuation adjustment (CVA) of $1 million, being a market value based assessment of the credit risk of the relevant counterparties (September 2020: $2 million; March 2020: $3 million).

[16] Impaired loans / facilities include restructured items of $300 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 2020: $254 million; March 2020: $226 million).

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

[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 7(h): Provision for Credit Impairment

Collectively Assessed Provision	Half year Mar 21 $M	Half year Sep 20 $M	Half year Mar 20 $M
Balance at start of period	5,008	4,501	3,376
Charge/(Release) to Income Statement	(678)	669	1,048
Adjustment for exchange rate fluctuations and transfers	(45)	(114)	77
UDC Divestment	-	(48)	-
Total Collectively Assessed Provision	**4,285**	**5,008**	**4,501**
Individually Assessed Provision			
Balance at start of period	891	1,093	814
New and increased provisions	455	675	900
Write-backs	(180)	(165)	(170)
Adjustment for exchange rate fluctuations and transfers	(6)	(38)	28
Discount unwind	(11)	(12)	(10)
Bad debts written off	(340)	(640)	(469)
UDC Divestment	-	(22)	-
Total Individually Assessed Provision	**809**	**891**	**1,093**
Total Provisions for Credit Impairment	**5,094**	**5,899**	**5,594**

Table 7(j): Specific Provision Balance and General Reserve for Credit Losses[19]

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**

Sep 20	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collectively Assessed Provision	484	4,524	5,008
Individually Assessed Provision	891	-	891
Total Provision for Credit Impairment	**1,375**	**4,524**	**5,899**

Mar 20	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collectively Assessed Provision	473	4,028	4,501
Individually Assessed Provision	1,093	-	1,093
Total Provision for Credit Impairment	**1,566**	**4,028**	**5,594**

[19] 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[20]

Standardised approach exposures	Mar 21 $M	Sep 20 $M	Mar 20 $M
0%	-	-	4
20%	19	241	369
35%	189	195	210
50%	516	2,429	2,826
75%	-	-	-
100%	5,974	8,830	12,790
150%	259	329	277
>150%	1	-	12
Capital deductions	-	-	-
Total	**6,958**	**12,024**	**16,488**

Other Asset exposures	Mar 21 $M	Sep 20 $M	Mar 20 $M
0%	-	-	-
20%	745	708	649
35%	-	-	-
50%	-	-	-
75%	-	-	-
100%	3,860	4,234	4,867
150%	-	-	-
>150%	22	-	-
Capital deductions	-	-	-
Total	**4,627**	**4,942**	**5,516**

Specialised Lending exposures	Mar 21 $M	Sep 20 $M	Mar 20 $M
0%	151	158	165
70%	21,756	20,787	23,878
90%	18,219	22,235	20,864
115%	2,660	2,731	2,401
250%	716	519	1,128
Total	**43,502**	**46,430**	**48,436**

[20] 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[21] 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[22] Project finance Object finance	AIRB – Supervisory Slotting[23]
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.

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

[22] 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.

[23] 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 > BB+	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[24 25 26]

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	18.9%	33.2%	51.2%	60.3%	80.6%	172.9%	143.8%	**47.4%**
Sovereign	1.1%	3.3%	27.0%	53.8%	151.8%	321.8%	-	**3.4%**
Bank	15.0%	23.7%	65.3%	120.8%	207.0%	401.8%	-	**28.5%**

[24] 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).

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

[26] 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 20	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	24,603	82,128	91,679	56,616	14,593	2,239	2,556	**274,414**
Sovereign	155,797	23,676	3,109	2,253	1,737	13	20	**186,605**
Bank	8,054	28,841	4,099	1,129	43	5	-	**42,171**
Total	**188,454**	**134,645**	**98,887**	**59,998**	**16,373**	**2,257**	**2,576**	**503,190**
% of Total	37.5%	26.7%	19.7%	11.9%	3.3%	0.4%	0.5%	100.0%
Undrawn commitments (included in above)								
Corporate	8,736	33,475	29,496	9,381	1,658	263	180	**83,189**
Sovereign	1,680	86	113	181	23	-	-	**2,083**
Bank	1	555	26	-	1	-	-	**583**
Total	**10,417**	**34,116**	**29,635**	**9,562**	**1,682**	**263**	**180**	**85,855**
Average Exposure at Default								
Corporate	15.011	10.685	2.206	0.856	0.300	0.473	0.830	**1.582**
Sovereign	168.430	215.233	37.458	18.775	48.251	1.636	2.479	**144.655**
Bank	6.820	7.889	5.654	7.953	1.190	0.235	-	**7.321**
Exposure-weighted average Loss Given Default (%)								
Corporate	58.4%	56.1%	46.7%	36.5%	31.6%	43.3%	40.8%	**47.6%**
Sovereign	6.3%	12.0%	35.6%	22.6%	54.8%	63.0%	11.6%	**8.2%**
Bank	57.4%	59.1%	64.3%	67.9%	69.7%	66.9%	-	**59.5%**
Exposure-weighted average risk weight (%)								
Corporate	19.0%	32.3%	53.1%	63.4%	79.6%	225.7%	135.4%	**49.5%**
Sovereign	1.4%	3.3%	33.6%	43.1%	148.7%	280.7%	-	**4.0%**
Bank	15.5%	25.4%	65.5%	120.4%	220.5%	422.3%	-	**30.2%**

Mar 20	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	34,797	97,236	96,962	58,955	15,175	2,436	2,420	**307,981**
Sovereign	160,894	31,038	2,212	1,037	2,082	14	-	**197,277**
Bank	20,510	36,251	5,767	1,087	27	7	-	**63,649**
Total	**216,201**	**164,525**	**104,941**	**61,079**	**17,284**	**2,457**	**2,420**	**568,907**
% of Total	38.0%	28.9%	18.4%	10.7%	3.0%	0.4%	0.4%	100.0%
Undrawn commitments (included in above)								
Corporate	9,265	36,315	22,743	8,587	1,743	311	67	**79,031**
Sovereign	1,515	19	1	20	24	-	-	**1,579**
Bank	-	519	33	3	1	-	-	**556**
Total	**10,780**	**36,853**	**22,777**	**8,610**	**1,768**	**311**	**67**	**81,166**
Average Exposure at Default								
Corporate	15.795	10.623	1.988	0.730	0.136	0.239	0.669	**1.160**
Sovereign	192.458	408.394	38.138	12.200	26.352	2.293	-	**172.596**
Bank	3.743	4.551	4.372	5.275	0.671	0.314	-	**4.264**
Exposure-weighted average Loss Given Default (%)								
Corporate	56.1%	56.8%	47.7%	37.0%	33.1%	40.5%	41.3%	**48.7%**
Sovereign	5.1%	13.2%	39.0%	42.7%	51.8%	54.5%	-	**7.4%**
Bank	63.4%	61.9%	65.4%	68.6%	72.0%	67.9%	-	**62.8%**
Exposure-weighted average risk weight (%)								
Corporate	17.2%	32.9%	53.5%	62.9%	84.9%	200.1%	127.0%	**48.8%**
Sovereign	0.8%	3.4%	37.5%	75.6%	139.6%	282.1%	-	**3.5%**
Bank	19.9%	26.1%	66.3%	121.2%	224.4%	416.2%	-	**29.3%**

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

	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%	10.6%	19.5%	40.1%	96.7%	145.1%	181.5%	**24.9%**
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%	33.4%	54.0%	78.4%	139.9%	207.0%	**66.3%**

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

Sep 20	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	87,863	85,491	61,628	141,183	9,430	3,117	3,600	**392,312**
Qualifying Revolving Retail	5,305	3,405	1,176	3,371	983	565	41	**14,846**
Other Retail	732	4,075	1,784	15,508	6,538	2,138	1,156	**31,931**
Total	**93,900**	**92,971**	**64,588**	**160,062**	**16,951**	**5,820**	**4,797**	**439,089**
% of Total	21.4%	21.2%	14.7%	36.5%	3.8%	1.3%	1.1%	100.0%
Undrawn commitments (included in above)								
Residential Mortgage	21,988	5,682	1,656	6,792	32	29	1	**36,180**
Qualifying Revolving Retail	3,999	2,641	800	1,506	298	58	2	**9,304**
Other Retail	672	3,297	900	3,088	869	180	29	**9,035**
Total	**26,659**	**11,620**	**3,356**	**11,386**	**1,199**	**267**	**32**	**54,519**
Average Exposure at Default								
Residential Mortgage	0.260	0.220	0.270	0.280	0.310	0.310	0.280	**0.259**
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	19.7%	17.7%	19.6%	20.8%	20.2%	20.0%	19.7%	**19.7%**
Qualifying Revolving Retail	72.6%	76.0%	74.7%	78.8%	82.1%	81.1%	75.7%	**75.9%**
Other Retail	57.7%	64.3%	44.3%	41.1%	42.3%	53.5%	42.1%	**45.7%**
Exposure-weighted average risk weight (%)								
Residential Mortgage	4.4%	10.8%	19.3%	40.8%	96.8%	144.7%	170.1%	**26.1%**
Qualifying Revolving Retail	3.4%	7.8%	15.6%	43.4%	102.1%	211.1%	117.5%	**29.2%**
Other Retail	37.6%	44.0%	34.4%	54.6%	79.2%	141.8%	190.1%	**67.5%**

Mar 20	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	72,103	98,989	63,456	132,126	6,725	3,336	3,347	**380,082**
Qualifying Revolving Retail	5,464	3,607	1,242	3,872	1,245	624	74	**16,128**
Other Retail	1,132	5,585	1,943	19,367	4,056	1,959	975	**35,017**
Total	**78,699**	**108,181**	**66,641**	**155,365**	**12,026**	**5,919**	**4,396**	**431,227**
% of Total	18.3%	25.1%	15.5%	35.9%	2.8%	1.4%	1.0%	100.0%
Undrawn commitments (included in above)								
Residential Mortgage	15,431	7,705	3,061	7,497	33	29	-	**33,756**
Qualifying Revolving Retail	4,013	2,694	758	1,414	304	68	2	**9,253**
Other Retail	871	3,652	1,262	2,919	487	80	10	**9,281**
Total	**20,315**	**14,051**	**5,081**	**11,830**	**824**	**177**	**12**	**52,290**
Average Exposure at Default								
Residential Mortgage	0.258	0.230	0.265	0.271	0.349	0.330	0.270	**0.257**
Qualifying Revolving Retail	0.009	0.008	0.008	0.010	0.010	0.007	0.009	**0.009**
Other Retail	0.008	0.017	0.011	0.024	0.008	0.012	0.025	**0.016**
Exposure-weighted average Loss Given Default (%)								
Residential Mortgage	19.7%	18.0%	19.3%	20.8%	20.3%	20.0%	19.8%	**19.6%**
Qualifying Revolving Retail	72.9%	76.8%	75.0%	78.9%	82.2%	81.3%	75.7%	**76.4%**
Other Retail	55.0%	54.7%	71.7%	46.6%	68.2%	54.0%	46.0%	**52.5%**
Exposure-weighted average risk weight (%)								
Residential Mortgage	5.8%	11.1%	19.0%	39.7%	93.9%	127.3%	178.0%	**25.3%**
Qualifying Revolving Retail	3.4%	7.8%	15.7%	44.2%	102.1%	203.6%	54.9%	**30.7%**
Other Retail	29.6%	37.0%	53.8%	59.4%	118.2%	166.3%	212.1%	**71.6%**

Table 9(e): Actual Losses by portfolio type

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**

Half year Sep 20		
Basel Asset Class	**Individual provision charge $M**	**Write-offs $M**
Corporate	126	340
Sovereign	-	-
Bank	-	-
Residential Mortgage	39	32
Qualifying Revolving Retail	79	107
Other Retail	133	131
Total Advanced IRB	**377**	**610**
Specialised Lending	3	2
Standardised approach	15	28
Total	**395**	**640**

Half year Mar 20		
Basel Asset Class	**Individual provision charge $M**	**Write-offs $M**
Corporate	356	87
Sovereign	-	-
Bank	-	-
Residential Mortgage	30	47
Qualifying Revolving Retail	81	113
Other Retail	155	196
Total Advanced IRB	**622**	**443**
Specialised Lending	9	-
Standardised approach	(5)	26
Total	**626**	**469**

Factors impacting the loss experience

The individually assessed credit impairment charge decreased by $208 million since September 2020 with underlying portfolio impairment charges subdued due to the impact of Government and Bank COVID 19 support packages on Retail and Small Business portfolios.

Write-offs decreased $300 million over the half predominantly driven by the write off of a large single named exposure in AIRB Corporate in the September 2020 half.

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

	Mar 21				
Portfolio Type	**Average Estimated PD %**	**Average Actual PD %**	**Average estimated to actual EAD ratio**	**Average Estimated LGD %**	**Average Actual LGD %**
Corporate	2.01	1.74	1.19	41.59	36.31
Sovereign	0.42	0.00	n/a	n/a	n/a
Bank	0.60	0.06	1.02	46.00	58.30
Specialised Lending	n/a	1.88	1.05	n/a	28.27
Residential Mortgage	0.77	0.81	1.01	20.3	1.6
Qualifying Revolving Retail	2.04	1.64	1.11	79.5	65.7
Other Retail	4.00	2.94	1.05	53.1	41.5

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 2021 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 12 years of observation being 2009 to February 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 the beginning of each year during the observation period being 2009 to March 2019. 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 2019. Defaults occurring after March 2019 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 the beginning of each financial year over the period of observation being 2015 to 2019. The actual PD is based on the number of defaulted obligors up to September 2020 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 2015 to 2019. 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 2014 to 2018. The actual LGD is based on the average realised losses over the period for the accounts observed at the beginning and defaulted during the observation period. Defaults occurring after September 2019 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 [27] [28]

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%**

Sep 20	Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised approach				
Corporate	11,344	6,436	-	36.1%
Sovereign	212	1,532	-	87.8%
Residential Mortgage	435	-	-	-
Other Retail	33	-	-	-
Total	**12,024**	**7,968**	**-**	**39.9%**

Mar 20	Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised approach				
Corporate	15,971	5,269	-	24.8%
Sovereign	-	-	-	-
Residential Mortgage	471	-	-	-
Other Retail	46	-	-	-
Total	**16,488**	**5,269**	**-**	**24.2%**

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

[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[29]

	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**	**-**	**-**	**0.0%**

	Sep 20			
	Exposure $M	**Exposures covered by Guarantees $M**	**Exposures covered by Credit Derivatives $M**	**% Coverage**
Advanced IRB				
Corporate (incl. Specialised Lending)	320,844	1,746	1,070	0.9%
Sovereign	186,605	4,907	-	2.6%
Bank	42,171	-	19	-
Residential Mortgage	392,312	-	-	-
Qualifying Revolving Retail	14,846	-	-	-
Other Retail	31,931	-	-	-
Total	**988,709**	**6,653**	**1,089**	**0.8%**
Standardised approach				
Corporate	11,344	29	11	0.4%
Sovereign	212	-	-	
Residential Mortgage	435	-	-	-
Other Retail	33	-	-	-
Total	**12,024**	**29**	**11**	**0.3%**
Qualifying Central Counterparties	**9,684**	-	-	**-**

[29] 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 20			
	Exposure $M	**Exposures covered by Guarantees $M**	**Exposures covered by Credit Derivatives $M**	**% Coverage**
Advanced IRB				
Corporate (incl. Specialised Lending)	356,417	3,810	1,197	1.4%
Sovereign	197,277	5,652	-	2.9%
Bank	63,649	-	-	-
Residential Mortgage	380,082	-	-	-
Qualifying Revolving Retail	16,128	-	-	-
Other Retail	35,017	-	-	-
Total	**1,048,570**	**9,462**	**1,197**	**1.0%**
Standardised approach				
Corporate	15,971	39	-	0.2%
Sovereign	-	-	-	-
Residential Mortgage	471	-	-	-
Other Retail	46	-	-	-
Total	**16,488**	**39**	**-**	**0.2%**
Qualifying Central Counterparties	**10,005**	**-**	**-**	**-**

Table 11 General disclosures for derivatives and counterparty credit risk

Table 11(b): Counterparty credit risk – net derivative credit exposure[30]

	Mar 21 $M	Sep 20 $M	Mar 20 $M
Gross positive fair value of contracts	104,666	135,331	173,677
Netting benefits	(88,484)	(118,097)	(144,910)
Netted current credit exposure	16,182	17,234	28,767
Collateral held	(6,286)	(6,287)	(13,732)
Net derivatives credit exposure	**9,896**	**10,947**	**15,035**

Counterparty credit risk exposure - by portfolio type

Portfolio Type	Mar 21 $M	Sep 20 $M	Mar 20 $M
Corporate	18,812	20,222	27,804
Sovereign	3,430	5,212	3,826
Bank	13,313	14,645	18,600
Qualifying Central Counterparties	9,996	9,223	10,005
Specialised Lending	1,063	1,661	1,727
Total exposures	**46,614**	**50,963**	**61,962**

Notional Value of Credit Derivative Hedges

Product Type	Mar 21 $M	Sep 20 $M	Mar 20 $M
Credit Default Swaps	-	343	351
Interest Rate Swaps	-	-	-
Currency Swaps	-	-	-
Other	-	-	-
Total exposures	**-**	**343**	**351**

[30] Prior period comparatives have been restated due to revision of netting benefits for March 2020.

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

	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**

	Sep 20		
	Protection Bought $M	Protection Sold $M	Total $M
Credit derivative products used for own credit portfolio			
Credit default swaps	4,157	636	4,793
Total notional value	**4,157**	**636**	**4,793**
Credit derivative products used for intermediation			
Credit default swaps	343	343	686
Total return swaps	-	-	-
Total notional value	**343**	**343**	**686**
Total credit derivative notional value	**4,500**	**979**	**5,479**

	Mar 20		
	Protection Bought $M	Protection Sold $M	Total $M
Credit derivative products used for own credit portfolio			
Credit default swaps	5,073	2,321	7,394
Total notional value	**5,073**	**2,321**	**7,394**
Credit derivative products used for intermediation			
Credit default swaps	351	355	706
Total return swaps	-	-	-
Total notional value	**351**	**355**	**706**
Total credit derivative notional value	**5,424**	**2,676**	**8,100**

Chapter 4 – Securitisation

Table 12 Securitisation disclosures

Banking Book

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

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

Sep 20

Traditional securitisations **Underlying asset**	**ANZ Originated** **$M**	**ANZ Self Securitised** **$M**	**ANZ Sponsored** **$M**
Residential mortgage	1,793	85,239	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**1,793**	**85,239**	**-**

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	1,793	85,239	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**1,793**	**85,239**	**-**

Mar 20

Traditional securitisations **Underlying asset**	**ANZ Originated** **$M**	**ANZ Self Securitised** **$M**	**ANZ Sponsored** **$M**
Residential mortgage	2,108	133,650	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**2,108**	**133,650**	**-**

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	2,108	133,650	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**2,108**	**133,650**	**-**

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

	Mar 21				
Underlying asset	**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**	**-**

	Sep 20				
Underlying asset	**ANZ originated $M**	**ANZ Self Securitised $M**	**Impaired $M**	**Past due $M**	**Losses recognised for the six month ended $M**
Residential mortgage	1,793	85,239	-	214	-
Credit cards and other personal loans	-	-	-	-	-
Auto and equipment finance	-	-	-	-	-
Commercial loans	-	-	-	-	-
Other	-	-	-	-	-
Total	**1,793**	**85,239**	**-**	**214**	**-**

	Mar 20				
Underlying asset	**ANZ originated $M**	**ANZ Self Securitised $M**	**Impaired $M**	**Past due $M**	**Losses recognised for the six month ended $M**
Residential mortgage	2,108	133,650	-	65	-
Credit cards and other personal loans	-	-	-	-	-
Auto and equipment finance	-	-	-	-	-
Commercial loans	-	-	-	-	-
Other	-	-	-	-	-
Total	**2,108**	**133,650**	**-**	**65**	**-**

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 [31]

Mar 21				
Securitisation activity by underlying asset type	**Original value securitised 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**

Sep 20				
Securitisation activity by underlying asset type	**Original value securitised ANZ Originated $M**	**ANZ Self Securitised $M**	**ANZ Sponsored $M**	**Recognised gain or loss on sale $M**
Residential mortgage	(315)	(48,411)	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(315)**	**(48,411)**	**-**	**-**

Securitisation activity by facility provided	**Notional amount $M**
Liquidity facilities	-
Funding facilities	701
Underwriting facilities	-
Lending facilities	-
Credit enhancements	-
Holdings of securities (excluding trading book)	(117)
Other	23
Total	**607**

[31] 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 20			
	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	(261)	62,787	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(261)**	**62,787**	**-**	**-**

Securitisation activity by facility provided	**Notional amount $M**
Liquidity facilities	-
Funding facilities	1,210
Underwriting facilities	-
Lending facilities	-
Credit enhancements	-
Holdings of securities (excluding trading book)	474
Other	268
Total	**1,952**

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

Securitisation exposure type - On balance sheet	Mar 21 $M	Sep 20 $M	Mar 20 $M
Liquidity facilities	-	-	-
Funding facilities	9,028	8,480	8,799
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	2,420	2,280	2,397
Protection provided	-	-	-
Other	245	330	432
Total	**11,693**	**11,090**	**11,628**

Securitisation exposure type - Off Balance Sheet	Mar 21 $M	Sep 20 $M	Mar 20 $M
Liquidity facilities	17	19	22
Funding facilities	2,000	2,112	1,818
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	-	-	-
Protection provided	-	-	-
Other	-	-	-
Total	**2,017**	**2,131**	**1,840**

Total Securitisation exposure type	Mar 21 $M	Sep 20 $M	Mar 20 $M
Liquidity facilities	17	19	22
Funding facilities	11,028	10,592	10,617
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	2,420	2,280	2,397
Protection provided	-	-	-
Other	245	330	432
Total	**13,710**	**13,221**	**13,468**

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

	Mar 21		Sep 20		Mar 20	
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%	13,710	2,220	13,221	2,125	13,468	2,142
>25 ≤ 35%	-	-	-	-	-	-
>35 ≤ 50%	-	-	-	-	-	-
>50 ≤ 75%	-	-	-	-	-	-
>75 ≤ 100%	-	-	-	-	-	-
>100 ≤ 650%	-	-	-	-	-	-
1250% (Deduction)	-	-	-	-	-	-
Total	**13,710**	**2,220**	**13,221**	**2,125**	**13,468**	**2,142**

	Mar 21		Sep 20		Mar 20	
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 21		Sep 20		Mar 20	
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%	13,710	2,220	13,221	2,125	13,468	2,142
>25 ≤ 35%	-	-	-	-	-	-
>35 ≤ 50%	-	-	-	-	-	-
>50 ≤ 75%	-	-	-	-	-	-
>75 ≤ 100%	-	-	-	-	-	-
>100 ≤ 650%	-	-	-	-	-	-
1250% (Deduction)	-	-	-	-	-	-
Total	**13,710**	**2,220**	**13,221**	**2,125**	**13,468**	**2,142**

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[32] (APRA does not currently permit Australian banks to use an internal model approach for this).

Table 13(b): Market risk – Standard approach [33]

	Mar 21 $M	Sep 20 $M	Mar 20 $M
Interest rate risk	134	138	186
Equity position risk	-	-	-
Foreign exchange risk	-	-	-
Commodity risk	-	-	-
Total	**134**	**138**	**186**
Risk Weighted Assets equivalent	**1,675**	**1,725**	**2,325**

[32] 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.

[33] 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 [34]

	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 Sep 20			
99% 1 Day Value at Risk (VaR)	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	3.5	5.2	2.0	2.0
Interest Rate	9.3	14.0	4.5	9.6
Credit	13.1	17.1	3.6	13.9
Commodity	2.9	4.7	1.3	3.0
Equity	-	-	-	-

	Six months ended Mar 20			
99% 1 Day Value at Risk (VaR)	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	2.8	6.1	1.2	2.7
Interest Rate	5.2	8.9	3.3	4.9
Credit	4.2	5.5	1.8	3.1
Commodity	2.2	3.4	1.3	1.4
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	-	-	-	-

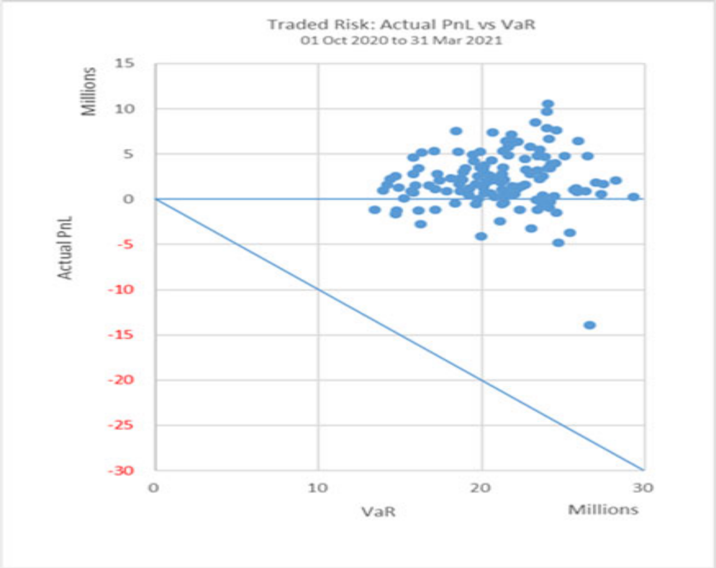
	Six months ended Sep 20			
99% 10 Day Stressed VaR	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	29.6	54.9	11.4	32.7
Interest Rate	65.7	111.3	37.7	59.1
Credit	48.8	77.0	32.5	41.3
Commodity	11.8	18.5	5.0	16.3
Equity	-	-	-	-

	Six months ended Mar 20			
99% 10 Day Stressed VaR	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	48.6	146.8	15.6	33.8
Interest Rate	63.9	181.4	33.8	87.1
Credit	41.5	59.0	24.8	32.9
Commodity	11.5	16.3	6.7	6.7
Equity	-	-	-	-

[34] 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

Definition and categorisation of equity investments held in the banking book

Equity risk is the risk of financial loss arising from the unexpected reduction in value of equity investments not held in the trading book including those of the Group's joint ventures associates. ANZ's equity exposures in the banking book are primarily categorised as follows:

- Equity investments that are taken for strategic reasons - These transactions represent strategic business initiatives and include ANZ's investments in partnership arrangements with financial institutions in Asia. These investments are undertaken after extensive analysis and due diligence by Group Strategy, internal specialists and external advisors, where appropriate. Board approval is required prior to committing to any investments over delegated authorities, and all regulatory notification requirements are met. Performance of these investments is monitored by both the owning business unit and Group Strategy to ensure that it is within expectations.
- Equity investments made as the result of a work out of a problem exposure - From time to time, ANZ will take an equity stake in a customer as part of a work out arrangement for problem exposures. These investments are made only where there is no other viable option available and form an immaterial part of ANZ's equity exposures.

Valuation of and accounting for equity investments in the banking book

In line with Group Accounting Policy the accounting treatment of equity investments depends on whether ANZ has significant influence over the investee.

Investments in associates

Where significant influence exists, the investment is classified as an Investment in Associate in the financial statements. ANZ adopts the equity method of accounting for associates. ANZ's share of the profit or loss of associates is included in the consolidated income statement. The associate investments are recognised at cost plus ANZ's share of post-acquisition net assets less accumulated impairment. Interests in associates are reviewed semi-annually for impairment, using either market value, or a discounted cash flow methodology to assess value in-use (VIU). As at 31 March 2021 the carrying value of these investments were supported by VIU assessments. The Group recorded an impairment charge of $815 million ($595 million for AMMB Holdings Berhard (AmBank) and $220 million for PT Bank Pan Indonesia (PT Panin)) as at 31 March 2020 as neither the market values of the investments (based on share price) nor VIU calculation supported the carrying value of either investment at that date.

Where ANZ does not have significant influence over the investee, the instrument is categorised as an investment security and classified as fair value through profit and loss, with changes in fair value recognised in the income statement, unless designated irrevocably on acquisition as fair value through other comprehensive income (FVOCI). If this election is made, gains or losses are not reclassified from other comprehensive income to profit or loss on disposal of the investment. However, gains or losses may be reclassified within equity.

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

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

Equity investments	Sep 20 $M Balance sheet value	Fair value
Value of listed (publicly traded) equities	3,075	2,314
Value of unlisted (privately held) equities	201	199
Total	**3,276**	**2,513**

Equity investments	Mar 20 $M Balance sheet value	Fair value
Value of listed (publicly traded) equities	3,344	2,498
Value of unlisted (privately held) equities	137	137
Total	**3,481**	**2,635**

Table 16(d) and 16(e): Equities – gains (losses)[35]

Realised gains (losses) on equity investments	Half Year Mar-21 $M	Half Year Sep 20 $M	Half Year Mar 20 $M
Cumulative realised gains (losses) from disposals and liquidations in the reporting period	-	(2)	-
Cumulative realised losses from impairment and writedowns in the reporting period	-	-	(815)
	-	**(2)**	**(815)**

Unrealised gains (losses) on equity investments	Half Year Mar 21 $M	Half Year Sep 20 $M	Half Year Mar 20 $M
Total unrealised gains (losses)	73	(112)	(40)
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	**73**	**(112)**	**(40)**

Table 16(f): Equities Risk Weighted Assets

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

[35] 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 21**	**Sep 20**	**Mar 20**
Interest rate shock applied	**$M**	**$M**	**$M**
AUD			
200 basis point parallel increase	(479)	(229)	(267)
200 basis point parallel decrease	489	227	262
NZD			
200 basis point parallel increase	(224)	(121)	(133)
200 basis point parallel decrease	209	101	116
USD			
200 basis point parallel increase	59	(45)	(84)
200 basis point parallel decrease	(50)	52	93
GBP			
200 basis point parallel increase	6	38	13
200 basis point parallel decrease	(6)	(38)	(13)
Other			
200 basis point parallel increase	(125)	(122)	(74)
200 basis point parallel decrease	135	132	82

IRRBB regulatory capital	**812**	**1,084**	**641**
IRRBB regulatory RWA	**10,150**	**13,547**	**8,011**

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 has not finalised a minimum Leverage Ratio requirement for Australian ADIs, although they have proposed a minimum of 3.5% for ADIs authorised to use the internal ratings based approach to credit risk.

At 31 March 2021, the Group's Leverage Ratio of 5.5% was above the 3% minimum currently required by the BCBS. Table 18 below shows the Group's Leverage Ratio calculation as at 31 March 2021 and Table 19 summarises the reconciliation of accounting assets and leverage ratio exposure measure at 31 March 2021.

Table 18 Leverage Ratio

		Mar 21 $M	Sep 20 $M	Mar 20 $M
	On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	889,625	853,357	911,565
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(11,438)	(11,527)	(12,154)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**878,187**	**841,830**	**899,411**
	Derivative exposures			
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	10,965	11,287	16,277
5	Add-on amounts for PFE associated with all derivatives transactions	30,555	30,360	36,100
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	671	777	887
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(8,271)	(10,499)	(10,850)
8	(Exempted CCP leg of client-cleared trade exposures)	-	-	-
9	Adjusted effective notional amount of written credit derivatives	313	979	2,001
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(300)	(608)	(1,547)
11	**Total derivative exposures**	**33,933**	**32,296**	**42,868**
	Securities financing transaction exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	23,875	53,384	64,405
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(2,012)	(1,206)	(1,143)
14	CCR exposure for SFT assets	5,084	6,238	4,181
15	Agent transaction exposures	-	-	-
16	**Total securities financing transaction exposures**	**26,947**	**58,416**	**67,443**
	Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	253,217	267,614	269,417
18	(Adjustments for conversion to credit equivalent amounts)	(139,092)	(153,486)	(154,740)
19	Off-balance sheet items	**114,125**	**114,128**	**114,677**
	Capital and Total Exposures			
20	**Tier 1 capital**	**58,431**	**56,481**	**56,295**
21	**Total exposures**	**1,053,192**	**1,046,670**	**1,124,399**
	Leverage ratio			
22	**Basel III leverage ratio**	**5.5%**	**5.4%**	**5.0%**

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

		Mar 21 $M	Sep 20 $M	Mar 20 $M
1	Total consolidated assets as per published financial statements	1,018,339	1,042,286	1,149,955
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation.	(174)	(214)	(308)
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.	(70,733)	(103,034)	(130,809)
5	Adjustment for SFTs (i.e. repos and similar secured lending)	3,073	5,032	3,038
6	Adjustment for off-balance sheet exposures (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	114,125	114,128	114,677
7	Other adjustments	(11,438)	(11,528)	(12,154)
	Leverage ratio exposure	**1,053,192**	**1,046,670**	**1,124,399**

Table 20 Liquidity Coverage Ratio disclosure template

		Mar 21 Total Unweighted Value $M	Mar 21 Total Weighted Value $M	Dec 20 Total Unweighted Value $M	Dec 20 Total Weighted Value $M
	Liquid assets, of which:				
1	High-quality liquid assets (HQLA)		199,086		194,069
2	Alternative liquid assets (ALA)		12,542		39,949
3	Reserve Bank of New Zealand (RBNZ) securities		19		282
	Cash outflows				
4	Retail deposits and deposits from small business customers	250,037	25,255	244,337	24,990
5	of which: stable deposits	110,284	5,514	107,326	5,366
6	of which: less stable deposits	139,753	19,741	137,011	19,624
7	Unsecured wholesale funding	241,043	125,679	241,502	127,456
8	of which: operational deposits (all counterparties) and deposits in networks for cooperative banks	91,433	22,034	89,147	21,465
9	of which: non-operational deposits (all counterparties)	135,158	89,193	142,213	95,849
10	of which: unsecured debt	14,452	14,452	10,142	10,142
11	Secured wholesale funding		390		368
12	Additional requirements	150,268	44,595	151,584	45,313
13	of which: outflows related to derivatives exposures and other collateral requirements	27,807	27,807	28,481	28,481
14	of which: outflows related to loss of funding on debt products	-	-	-	-
15	of which: credit and liquidity facilities	122,461	16,788	123,103	16,832
16	Other contractual funding obligations	7,604	-	7,997	-
17	Other contingent funding obligations	94,246	5,552	97,690	6,710
18	Total cash outflows		201,471		204,837
	Cash inflows				
19	Secured lending (e.g. reverse repos)	18,809	1,503	26,879	1,536
20	Inflows from fully performing exposures	23,605	16,001	23,428	15,431
21	Other cash inflows	25,693	25,693	22,372	22,372
22	Total cash inflows	68,107	43,197	72,679	39,339
23	Total liquid assets		211,647		234,300
24	Total net cash outflows		158,274		165,498
25	Liquidity Coverage Ratio (%)		133.7%		141.6%
	Number of data points used (simple average)		63		66

Liquidity Coverage Ratio (LCR)

ANZ's average LCR for the 3 months to 31 March 2021 was 133.7% with total liquid assets exceeding net outflows by an average of $53.4b.

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.

The composition of the liquid asset portfolio has remained relatively stable through the quarter, with HQLA securities and cash making up on average 94% of total liquid assets.
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 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	62,686	-	-	22,336	85,022
2	of which: regulatory capital	62,686	-	-	22,336	85,022
3	of which: other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers	233,076	68,099	-	-	275,730
5	of which: stable deposits	106,918	13,212	-	-	114,123
6	of which: less stable deposits	126,158	54,887	-	-	161,607
7	Wholesale funding	147,089	249,014	33,574	67,223	186,720
8	of which: operational deposits	93,246	-	-	-	46,623
9	of which: other wholesale funding	53,843	249,014	33,574	67,223	140,097
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities	22,596	6,537	-	177	177
12	NSFR derivative liabilities	-	6,537	-	-	-
13	All other liabilities and equity not included in the above categories	22,596	-	-	177	177
14	**Total ASF**					**547,649**
Required Stable Funding (RSF) Item						
15a	Total NSFR (HQLA)					8,119
15b	ALA					3,080
15c	RBNZ securities					925
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities	13,654	94,209	40,300	457,118	404,306
18	of which: Performing loans to financial institutions secured by Level 1 HQLA	-	19,367	9	-	1,941
19	of which: Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	385	19,030	5,571	18,957	24,982
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)	11,894	47,359	27,223	107,846	138,964
21	of which: With a risk weight of less than or equal to 35% under APS 112	-	227	3	527	458
22	of which: Performing residential mortgages	-	7,743	7,189	326,764	233,723
23	of which: With a risk weight equal to 35% under APS 112	-	6,832	6,322	280,119	193,186
24	of which: Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,375	710	308	3,551	4,696
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	25,597	28,855	1,314	3,506	30,382
27	of which: Physical traded commodities, including gold	2,404				2,044
28	of which: Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)		2,473	-	-	2,102
29	of which: NSFR derivative assets		10,965	-	-	4,428
30	of which: NSFR derivative liabilities before deduction of variation margin posted		14,806	-	-	2,961
31	of which: All other assets not included in the above categories	23,193	612	1,314	3,506	18,847
32	Off-balance sheet items		-	-	183,549	7,366
33	**Total RSF**					**454,178**
34	**Net Stable Funding Ratio (%)**					**120.58%**

ANZ's NSFR as at 31 March 2021 was 120.6%, down 3.7% in the quarter since December 2020.

The main sources of Available Stable Funding (ASF) at 31 March 2021 were deposits from Retail and SME customers, at 50%, with other wholesale funding (including Term Funding Facilities) at 26% and capital at 16% of the total ASF.

The majority of ANZ's Required Stable Funding (RSF) at 31 March 2021 was driven by mortgages at 51% and other lending to non-FI customers at 31% of the total RSF.

Table 21 NSFR disclosure template (continued)

		Dec 20				
		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	61,575	-	-	21,625	83,200
2	of which: regulatory capital	61,575	-	-	21,625	83,200
3	of which: other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers	228,556	65,987	5,635	2,933	279,097
5	of which: stable deposits	106,153	14,821	-	-	114,925
6	of which: less stable deposits	122,403	51,166	5,635	2,933	164,172
7	Wholesale funding	140,430	267,176	26,012	75,849	190,924
8	of which: operational deposits	90,273	-	-	-	45,136
9	of which: other wholesale funding	50,157	267,176	26,012	75,849	145,788
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities	15,428	9,759	-	1,194	1,194
12	NSFR derivative liabilities	-	9,759	-	-	
13	All other liabilities and equity not included in the above categories	15,428	-	-	1,194	1,194
14	**Total ASF**					**554,415**
	Required Stable Funding (RSF) Item					
15(a)	Total NSFR (HQLA)					8,353
15(b)	ALA					5,716
15(c)	RBNZ securities					953
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities	13,276	111,831	44,577	432,161	390,874
18	of which: Performing loans to financial institutions secured by Level 1 HQLA	-	38,864	-	-	3,886
19	of which: Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	336	19,537	5,890	17,634	23,846
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)	11,803	44,555	30,776	110,394	141,025
21	of which: With a risk weight of less than or equal to 35% under APS 112	10	1,718	225	2,532	2,624
22	of which: Performing residential mortgages	-	7,864	7,424	300,649	217,440
23	of which: With a risk weight equal to 35% under APS 112	-	6,922	6,518	256,541	179,025
24	of which: Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,137	1,011	487	3,484	4,677
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	18,798	41,025	632	3,493	32,832
27	of which: Physical traded commodities, including gold	2,570				2,184
28	of which: Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)		2,526	-	-	2,147
29	of which: NSFR derivative assets		12,790	-	-	3,031
30	of which: NSFR derivative liabilities before deduction of variation margin posted		23,965	-	-	4,793
31	of which: All other assets not included in the above categories	16,228	1,744	632	3,493	20,676
32	Off-balance sheet items		-	-	186,245	7,466
33	**Total RSF**					**446,193**
34	**Net Stable Funding Ratio (%)**					**124.25%**

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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