2014
BASEL III
PILLAR 3 DISCLOSURE

HALF YEAR ENDED 31 MARCH 2014

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.

This disclosure was prepared as at 31 March 2014. ANZ has a continuous disclosure policy, under which ANZ will immediately notify the market of any material price sensitive information concerning the Group, in accordance with legislative and regulatory disclosure requirements.

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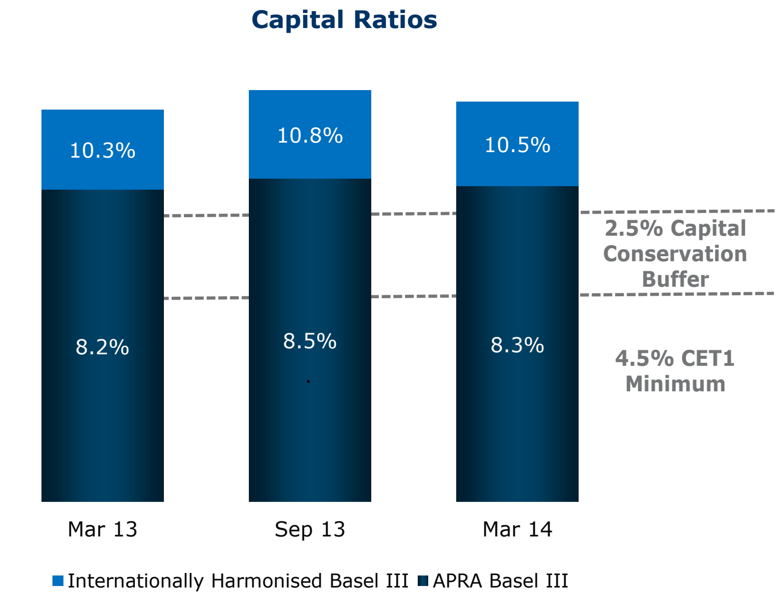
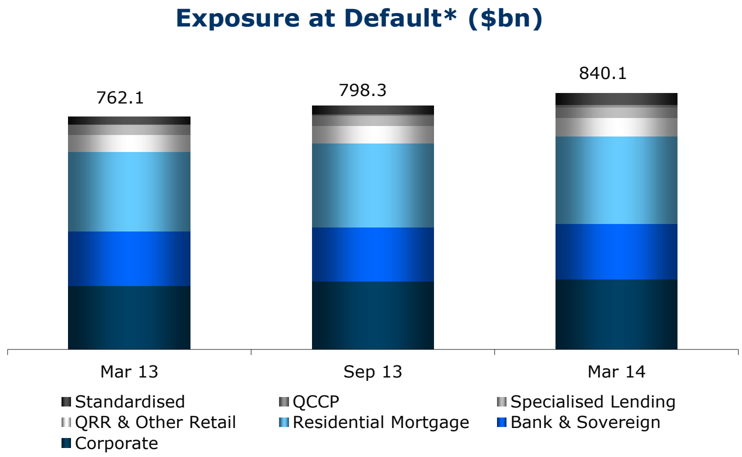
[1]Each table reference adopted in this document aligns to those required by APS 330 to be disclosed at year end.

Chapter 1 – Highlights



ANZ is well capitalised

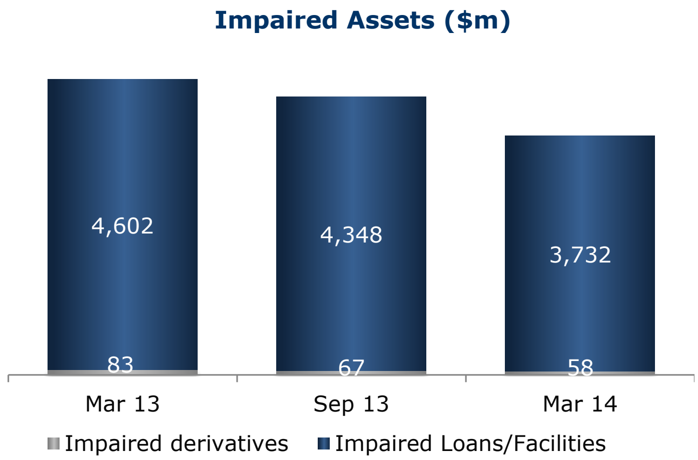
- Capital levels will grow organically in the lead up to the introduction of the higher loss absorbing capital requirement for D-SIB's in 2016.



* Exposure at Default does not include Securitisation, Equities or Other Assets. It is gross of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral.

Growth in EAD of 5% HoH to $840.1bn in 1H14

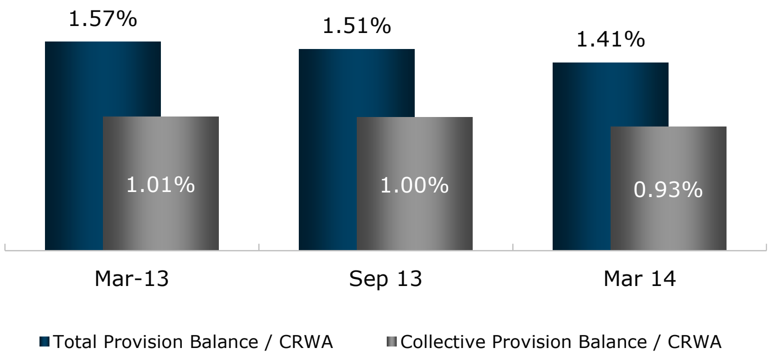
- Growth driven predominately by increases in the Corporate +$16bn and Residential Mortgages +$13bn asset classes.



Impaired Assets continue to trend downward

- Impaired Loans/Facilities decreased by 14% HoH and 19% YoY.

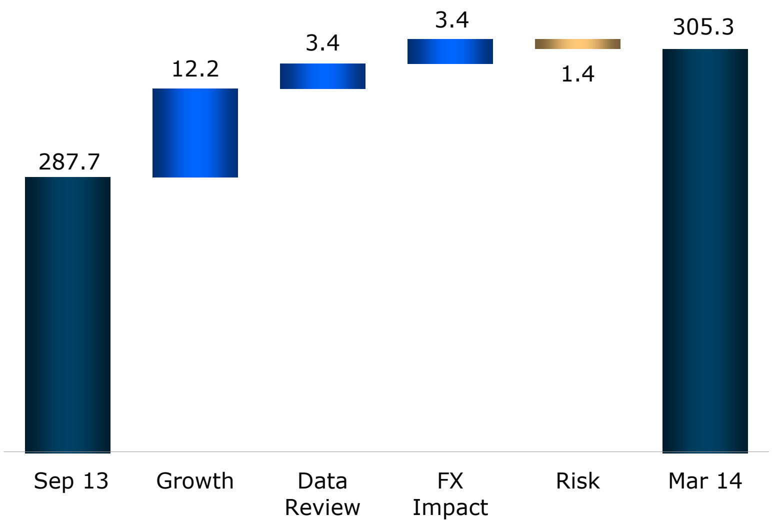
Provision Ratios (Provision / Credit RWA)



Provision coverage remains appropriate

- The total provision ratio at 1.41% and collective provision ratio at 0.93%continues to provide conservative coverage given ongoing improvement in credit quality.

Movement in Credit Risk Weighted Assets ($bn)



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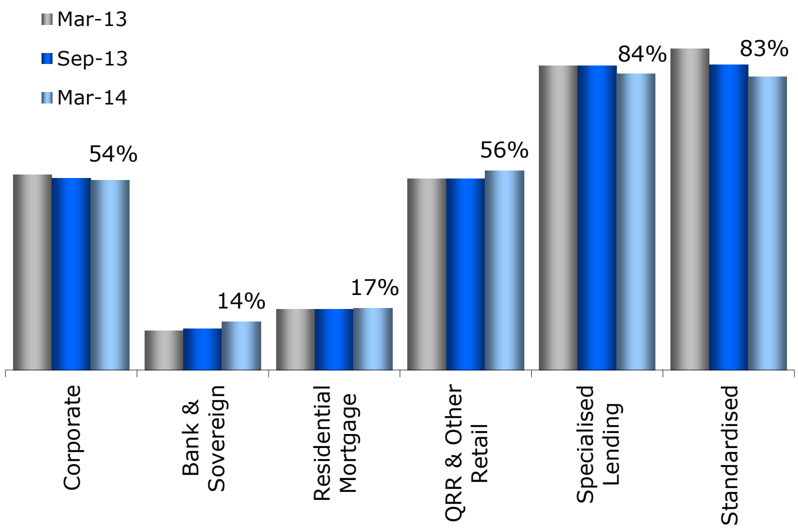
Credit Risk Weighted Assets (CRWA) up by $17.6bnHoH

- Growth in CRWA has been driven by increases in the Corporate,Bank and Residential Mortgages Basel Asset Classes.
- FX impact driven by the depreciation of the AUD against most of the major currencies.

Average Risk Weights (Credit RWA / EAD*)



* Exposure at Default is gross of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral.

Chapter 2 - 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 annual disclosure, which has the most comprehensive requirements.

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 Annual Report and in Pillar 1 returns provided to APRA. This Pillar 3 disclosure is not audited by ANZ's external auditor.

Comparison to ANZ's Annual Report

These disclosures have been produced in accordance with regulatory capital adequacy concepts and rules, rather than in accordance with accounting policies adopted in ANZ's Annual Report. 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 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 3 – Capital and Capital Adequacy

Table 1 Common 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 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 common disclosure template 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 plus the additional buffer of 1% for domestic systemically important banks do not apply until 1 January 2016 and the phase out period for capital instruments began on 1 January 2013.

The information in the lines of the template have 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 disclosure.

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, which is subject to minimum capital requirements as set by the Reserve Bank of New Zealand (RBNZ). The RBNZ adopted the Basel II framework, effective from 1 January 2008 and Basel III reforms from 1 January 2013 and ANZ Bank New Zealand Limited has been accredited to use the advanced approach for the calculation of credit risk and operational risk. ANZ Bank New Zealand Limited maintains a buffer above the minimum capital base required by the RBNZ. This capital buffer has been calculated via the ICAAP undertaken for ANZ Bank New Zealand Limited, to ensure ANZ Bank New Zealand Limited is appropriately capitalised under stressed economic scenarios.

Table 1 Common disclosure template

		Mar 14 $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	23,636	Table A
2	Retained earnings	22,178	Table B
3	Accumulated other comprehensive income (and other reserves)	(275)	Table C
4	Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)	n/a	
5	Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	38	Table D
6	Common Equity Tier 1 capital before regulatory adjustments	45,577	
Common Equity Tier 1 capital : regulatory adjustments			
7	Prudential valuation adjustments	0	
8	Goodwill (net of related tax liability)	4,100	Table E
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	4,385	Table F
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	30	Table I
11	Cash-flow hedge reserve	62	
12	Shortfall of provisions to expected losses	129	Table G
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	0	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	(11)	
15	Defined benefit superannuation fund net assets	0	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	0	
17	Reciprocal cross-holdings in common equity	0	
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)	0	
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)	1,380	Table H
20	Mortgage service rights (amount above 10% threshold)	n/a	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0	
22	Amount exceeding the 15% threshold	0	
23	which: significant investments in the ordinary shares of financial entities	0	
24	which: mortgage servicing rights	n/a	
25	which: deferred tax assets arising from temporary differences	0	
26	National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j)	5,466	
26a	which: treasury shares	0	
26b	which: offset to dividends declared under a dividend reinvestment plan (DRP), to the extent that he dividends are used to purchase new ordinary shares issued by the ADI	0	
26c	which: deferred fee income	(391)	
26d	which: equity investments in financial institutions not reported in rows 18, 19 and 23	3,769	Table H
26e	which: deferred tax assets not reported in rows 10, 21 and 25	904	Table I
26f	which: capitalised expenses	1,059	Table J
26g	which: investments in commercial (non-financial) entities that are deducted under APRA rudential requirements	83	Table K
26h	which: covered bonds in excess of asset cover in pools	0	
26i	which: undercapitalisation of a non-consolidated subsidiary	0	
26j	which: other national specific regulatory adjustments not reported in rows 26a to 26i	42	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	0	
28	Total regulatory adjustments to Common Equity Tier 1	15,541	
29	Common Equity Tier 1 Capital (CET1)	30,036	

		Mar 14 $M	Reconciliation Table Reference
Additional Tier 1 Capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments	2,730	Table L
31	which: classified as equity under applicable accounting standards	0	
32	which: classified as liabilities under applicable accounting standards	2,730	Table L
33	Directly issued capital instruments subject to phase out from Additional Tier 1	4,634	Table L
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)	n/a	
35	which: instruments issued by subsidiaries subject to phase out	n/a	
36	Additional Tier 1 Capital before regulatory adjustments	7,364	
Additional Tier 1 Capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	0	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	0	
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)	0	
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)	85	Table L
41	National specific regulatory adjustments (sum of rows 41a, 41b and 41c)	0	
41a	which: holdings of capital instruments in group members by other group members on behalf of ird parties	0	
41b	which: investments in the capital of financial institutions that are outside the scope of regulatory onsolidations not reported in rows 39 and 40	0	
41c	which: other national specific regulatory adjustments not reported in rows 41a and 41b	0	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	0	
43	Total regulatory adjustments to Additional Tier 1 capital	85	
44	Additional Tier 1 capital (AT1)	7,279	Table L
45	Tier 1 Capital (T1=CET1+AT1)	37,315	
Tier 2 Capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments	867	Table M
47	Directly issued capital instruments subject to phase out from Tier 2	4,713	Table M
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)	691	
49	which: instruments issued by subsidiaries subject to phase out	691	Table M
50	Provisions	212	Table G
51	Tier 2 Capital before regulatory adjustments	6,483	
Tier 2 Capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	10	Table M
53	Reciprocal cross-holdings in Tier 2 instruments	0	
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% threshold)	0	
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 M
56	National specific regulatory adjustments (sum of rows 56a, 56b and 56c)	53	
56a	which: holdings of capital instruments in group members by other group members on behalf of ird parties	0	
56b	which: investments in the capital of financial institutions that are outside the scope of regulatory onsolidation not reported in rows 54 and 55	53	Table M
56c	which: other national specific regulatory adjustments not reported in rows 56a and 56b	0	
57	Total regulatory adjustments to Tier 2 capital	148	
58	Tier 2 capital (T2)	6,335	
59	Total capital (TC=T1+T2)	43,650	
60	Total risk-weighted assets based on APRA standards	360,740	

		Mar 14 $M	Reconciliation Table Reference
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	8.3%	
62	Tier 1 (as a percentage of risk-weighted assets)	10.3%	
63	Total capital (as a percentage of risk-weighted assets)	12.1%	
64	Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer of 2.5% plus any countercyclical buffer requirements expressed as a percentage of risk-weighted assets)	7.0%	
65	: which: capital conservation buffer requirement[1]	2.5%	
66	: which: ADI-specific countercyclical buffer requirements[1]	n/a	
67	: 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)	3.8%	
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	134	
73	Significant investments in the ordinary shares of financial entities	3,688	Table H
74	Mortgage servicing rights (net of related tax liability)	n/a	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	904	
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)	212	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	489	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	0	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	1,597	
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	4,786	
83	Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)	0	
84	Current cap on T2 instruments subject to phase out arrangements	5,496	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	299	

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	33,651	(319)	33,332	
Settlement balances owed to ANZ	16,209	0	16,209	
Collateral Paid	6,219	0	6,219	
Trading securities	46,170	(2)	46,168	
of which: Financial Institutions capital instruments			10	Table M
of which: Financial Institutions equity investments			52	Table H
Derivative financial instruments	43,829	(1)	43,828	
of which: Other entities equity investments			5	Table K
Available-for-sale assets	27,330	(753)	26,577	
of which: Financial institutions equity instruments			17	Table H
of which: Other entities equity investments			41	Table K
Net loans and advances	509,250	0	509,250	
of which: deferred fee income			(391)	Row 26c
of which: collective provision			(2,843)	Table G
of which: individual provisions			(1,470)	Table G
of which: capitalised brokerage			1,000	Table J
of which: Financial Institutions equity exposures			12	Table H
of which: Other equity exposures			31	Table K
of which: margin lending adjustment			42	Row 26j
Regulatory deposits	2,205	0	2,205	
Due from controlled entities	0	172	172	
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 M
Shares in controlled entities	0	3,823	3,823	
of which: Investment in deconsolidated financial subsidiaries			3,738	Table H
of which: AT1 significant investment in banking, financial and insurance entities that are outside the scope of regulatory consolidation			85	Table L
Investment in associates	4,323	(5)	4,318	
of which: Financial Institutions			4,312	Table H
of which: Other Entities			6	Table K
Current tax assets	64	(6)	58	
Deferred tax assets	446	23	469	Table I
of which: Deferred tax assets that rely on future profitability			30	Table I
Goodwill and other intangible assets	7,969	(2,233)	5,736	
of which: Goodwill			3,443	Table E
of which: Software			2,262	Table F
of which: other intangible assets			31	Table F
Investments backing policy liabilities	33,197	(33,197)	0	
Other assets	4,803	(1,149)	3,654	
Premises and equipment	2,150	(6)	2,144	
Total Assets	**737,815**	**(33,653)**	**704,162**	

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	8,133	2	8,135	
Collateral Received	3,880	0	3,880	
Deposits and other borrowings	498,318	4,893	503,211	
Derivative financial instruments	45,876	4	45,880	
Due to controlled entities	0	860	860	
Current tax liabilities	285	(74)	211	
Deferred tax liabilities	41	(367)	(326)	Table I
of which: related to intangible assets			15	Table F
of which: related to capitalised expenses			5	Table J
Policy liabilities	33,402	(33,402)	0	
External unit holder liabilities (life insurance funds)	3,334	(3,334)	0	
Payables and other liabilities	9,615	(1,085)	8,530	
Provisions	1,115	(84)	1,031	
Bonds and notes	73,552	(753)	72,799	
Loan Capital	13,226	8	13,234	
of which: Directly issued qualifying Additional Tier 1 instruments			2,700	Table L
of which: Directly issued capital instruments subject to phase out from Additional Tier 1			3,750	Table L
of which: Directly issued capital instruments subject to phase out from Tier 2			5,134	Table M
of which: Directly issued qualifying Tier 2 instruments			867	Table M
of which: instruments issued by subsidiaries subject to phase out			783	Table M
Total Liabilities	**690,777**	**(33,332)**	**657,445**	
Net Assets	**47,038**	**(321)**	**46,717**	

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	23,529	277	23,806	Table A
of which: Share reserve			170	Table A & C
Preference share capital	871	0	871	
of which: Directly issued capital instruments subject to phase out from Additional Tier 1			871	Table L
Reserves	(334)	(84)	(418)	Table C
of which: Cash flow hedging reserves			62	Row 11
Retained earnings	22,905	(509)	22,396	Table B
Share capital and reserves attributable to shareholders of the Company	**46,971**	**(316)**	**46,655**	
Non-controlling interest	67	(5)	62	Table D
Total shareholders' equity	**47,038**	**(321)**	**46,717**	

The following reconciliation tables provide additional information on the difference between Table 1 Common Disclosure template and the Level 2 balance sheet.

Table A		Mar 14 $M	Table 1 Reference
	Issued capital	23,806	
less	Reclassification to reserves	(170)	Table C
	Regulatory Directly Issued qualifying ordinary shares	**23,636**	Row 1

Table B		Mar 14 $M	Table 1 Reference
	Retained earnings	22,396	
less	Regulatory reclassification from significant investments in the ordinary shares of banking, financial and insurance entities outside the scope of regulatory consolidation	(218)	Table H
	Retained earnings	**22,178**	Row 2

Table C		Mar 14 $M	Table 1 Reference
	Reserves	(418)	
add	Reclassification from Issued Capital	170	Table A
less	Non qualifying reserves	(27)	
	Reserves for Regulatory capital purposes (amount allowed in group CET1)	**(275)**	Row 3

Table D		Mar 14 $M	Table 1 Reference
	Non-controlling interests	62	
less	Surplus capital attributable to minority shareholders	(24)	
	Ordinary share capital issued by subsidiaries and held by third parties	**38**	Row 5

Table E		Mar 14 $M	Table 1 Reference
	Goodwill	3,443	
add	Goodwill component of investments in financial associates	657	Table H
	Goodwill (net of related tax liability)	**4,100**	Row 8

Table F		Mar 14 $M	Table 1 Reference
	Software	2,262	
	Other intangible assets	31	
less	Associated deferred tax liabilities	(15)	
add	Regulatory reclassification from significant investments in the ordinary shares of banking, financial and insurance entities outside the scope of regulatory consolidation	2,107	Table H
	Other intangibles other than mortgage servicing rights (net of related tax liability)	**4,385**	Row 9

Table G		Mar 14 $M	Table 1 Reference
	Collective Provision	2,843	
	Individual Provision	1,470	
add	Partial write-offs	797	
less	Standardised component of collective provision allowed as Tier 2 capital	(212)	Row 50
less	Standardised component of individual provision	(153)	
less	Excluded component of collective provision	(25)	
	Eligible Provisions for regulatory purposes	4,720	
less	Regulatory expected loss	(4,849)	
	Expected loss in excess of eligible provisions	**(129)**	Row 12

Table H		**Mar 14** $M	**Table 1 Reference**
	Investment in deconsolidated financial subsidiaries	3,738	
less	Regulatory reclassification to Retained Earnings and Other Intangible Assets	(2,325)	Tables B & F
add	Investment in financial associates	4,312	
less	Goodwill component of investments in financial associates	(657)	Table E
less	Amount below 10% threshold	(3,688)	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)	**1,380**	Row 19
add	Amount below the 10% threshold	3,688	
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 – trading security exposures	52	
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 - Available for Sale exposures	17	
	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 - Loan exposures	12	
	Equity investment in financial institutions not reported in rows 18, 19 and 23	3,769	Row 26d
	Deduction for equity holdings in financial institutions - APRA regulations	**5,150**	

Table I		**Mar 14** $M	**Table 1 Reference**
	Deferred tax assets	469	
	Deferred tax liabilities	(326)	
	Deferred tax asset less deferred tax liabilities	795	
less	Deferred tax assets that rely on future profitability	(30)	Row 10
add	Deferred tax liabilities on intangible assets and capitalised expenses	21	
add	Impact of calculating the deduction on a jurisdictional basis	118	
	Deferred tax assets not reported in rows 10, 21 and 25 of the Common Disclosure Template	**904**	Row 26e

Table J		**Mar 14** $M	**Table 1 Reference**
	Capitalised brokerage costs	1,000	
	Capitalised debt raising expenses	64	
less	Associated deferred tax liabilities	(5)	
	Capitalised expenses	**1,059**	Row 26f

Table K		**Mar 14** $M	**Table 1 Reference**
	Investments in non-financial Available for Saleequities	41	
	Investments in non financial associates	6	
	Non financial equity exposures (loans)	31	
	Derivative non financial equity exposures	5	
	Equity exposures to non financial entities	**83**	Row 26g

Table L		Mar 14 $M	Table 1 Reference
	Directly issued qualifying Additional Tier 1 Capital Instruments classified as liabilities	2,700	
add	Issue costs	30	
	Directly issued qualifying Additional Tier 1 Capital Instruments classified as liabilities	2,730	Row 30
	Directly issued capital instruments subject to phase out from Additional Tier 1 – loan capital	3,750	
	Directly issued capital instruments subject to phase out from Additional Tier 1 - preference shares	871	
add	Issue costs	13	
less	Transitional adjustment	0	
	Directly issued capital instruments subject to phase out from Additional Tier 1	4,634	
	Additional Tier 1 capital before regulatory adjustments	**7,364**	Row 33
less	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, (net of eligible short positions)	(85)	Row 40
	Additional Tier 1 capital	**7,279**	Row 44

Table M		Mar 14 $M	Table 1 Reference
	Directly issued capital instruments subject to phase out from Tier 2	5,134	
add	Issue costs	21	
less	Fair value adjustment	(143)	
less	Transition adjustment	(299)	
	Directly issued capital instruments subject to phase out from Tier 2	4,713	Row 47
	Instruments issued by subsidiaries subject to phase out from Tier 2	783	
less	Surplus capital attributable to third party holders	(92)	
	Instruments issued by subsidiaries subject to phase out from Tier 2	691	Row 49
add	Directly issued qualifying Tier 2 instruments	867	Row 46
add	Provisions	212	Table G
	Tier 2 capital before regulatory adjustments	6,483	
less	Investments in own Tier 2 instruments (trading limit)	(10)	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	(53)	Row 56b
	Tier 2 capital	**6,335**	

The following table providesdetails 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	Corporate	0	0
Advice for Life Pty Ltd	Advice	0	0
ANZ Insurance Broker Co Ltd	Insurance Broker	28	1
ANZ Investment Services (New Zealand) Limited	Funds Manager	52	40
ANZ Lenders Mortgage Insurance Pty Limited	Mortgage insurance	921	512
ANZ Life Assurance Company Pty Ltd	Insurance	0	0
ANZ New Zealand Investments Limited	Funds Manager	84	26
ANZ New Zealand Investments Nominees Limited	Trustee/Nominee	0	0
ANZ Private Equity Management Limited	Investment	1	0
ANZ Self Managed Super Ltd	Investment	0	0
ANZ Specialist Asset Management Limited	Trustee/Nominee	6	0
ANZ Trustees Limited	Trustee/Nominee	52	33
ANZ Wealth Alternative Investments Management Pty Ltd	Investment	2,745	2,741
ANZ Wealth Australia Limited	Holding Company	2,797	788
ANZ Wealth New Zealand Limited	Holding Company	470	0
ANZcover Insurance Private Ltd	Captive-Insurance	59	16
ANZcover Insurance Pty Ltd	Captive-Insurance	166	20
AUT Administration Pty Ltd	Corporate	1	0
AUT Investments Limited	Investment	6	0
Capricorn Financial Advisers Pty Ltd	Advice	1	2
Elders Financial Planning Pty Ltd	Advice	13	3
Financial Investment Network Group Pty Ltd	Advice	73	4
Financial Lifestyle Solutions Pty Limited	Advice	4	4
Financial Planning Hotline Pty Ltd	Investment	0	0
Financial Services Partners Holdings Pty Limited	Advice	5	0
Financial Services Partners Incentive Co Pty Limited	Advice	0	0
Financial Services Partners Management Pty Limited	Advice	0	0
Financial Services Partners Pty Ltd	Advice	1	0
FSP Funds Management Limited	Advice	1	0
FSP Group Pty Limited	Advice	29	2
FSP Portfolio Administration Limited	Advice	1	0
FSP Super Pty Limited	Advice	6	0
Integrated Networks Pty Limited	Holding Company	44	0
Medical Properties Holding Company No.1 Limited	Non-operating	2	0
Mercantile Mutual Financial Services Pty Ltd	Investment	1	0
Millennium 3 Financial Services Group Pty Ltd	Advice	67	11
Millennium 3 Professional Services Pty Ltd	Advice	18	9
Millennium3 Financial Services Pty Ltd	Advice	0	0
Millennium3 Mortgage Platform Services Pty Limited	Advice	0	0
OASIS Asset Management Limited	Investment	37	7
OASIS Fund Management Limited	Investment	7	2
OneAnswer Nominees Limited	Trustee/Nominee	0	0
OnePath Administration Pty Ltd	Corporate	196	145
OnePath Custodians Pty Ltd	Investment	39	7
OnePath Financial Planning Pty Ltd	Advice	1	0
OnePath Funds Management Ltd	Investment	108	37
OnePath General Insurance Pty Ltd	Insurance	299	200
OnePath Insurance Holdings (NZ) Limited	Holding Company	342	0
OnePath Insurance Services (NZ) Limited	Insurance	134	52
OnePath Investment Holdings Pty Ltd	Investment	71	0
OnePath Life (NZ) Limited	Insurance	648	161
OnePath Life Australia Holdings Pty Ltd	Holding Company	2,529	0
OnePath Life Limited	Insurance	36,546	34,371
Polaris Financial Solutions Pty Limited	Advice	1	1
RI Advice Group Pty Ltd	Advice	19	6
RI Central Coast Pty Ltd	Advice	2	0

Entity	Activity	Total Assets ($M)	Total Liabilities ($M)
RI Gold Coast Pty Ltd	Advice	1	0
RI Maroochydore Pty Ltd	Advice	1	0
RI Newcastle Pty Ltd	Advice	2	0
RI Parramatta Pty Ltd	Advice	6	0
RI Rockhampton& Gladstone Pty Ltd	Advice	2	0
RI Townsville Pty Ltd	Advice	0	0
RIEAS Pty Ltd	Advice	0	0

Table 2 Main features of capital instruments

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

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

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

Table 6 Capital adequacy - Capital Ratio and Risk Weighted Assets

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

	Basel III		
Risk weighted assets (RWA)	**Mar 14** $M	**Sep 13** $M	**Mar 13** $M
Subject to Advanced Internal Rating Based (IRB) approach			
Corporate	123,743	121,586	114,700
Sovereign	4,545	4,360	4,382
Bank	20,269	16,270	15,838
Residential Mortgage	50,426	47,559	44,597
Qualifying Revolving Retail	7,260	7,219	7,234
Other Retail	26,416	24,328	23,200
Credit risk weighted assets subject to Advanced IRB approach	**232,659**	**221,322**	**209,951**
Credit risk Specialised Lending exposures subject to slotting approach[3]	**28,522**	**27,640**	**27,842**
Subject to Standardised approach			
Corporate	26,255	19,285	17,157
Residential Mortgage	1,966	1,922	1,827
Qualifying Revolving Retail	1,796	1,728	2,068
Other Retail	1,073	985	1,248
Credit risk weighted assets subject to Standardised approach	**31,090**	**23,920**	**22,300**
Credit Valuation Adjustmentand Qualifying Central Counterparties	**8,065**	**8,501**	**8,949**
Credit risk weighted assets relating to securitisation exposures	1,253	2,724	2,549
Other assets	3,739	3,544	3,387
Total credit risk weighted assets	**305,328**	**287,651**	**274,978**
Market risk weighted assets	7,104	4,303	6,850
Operational risk weighted assets	31,949	29,024	28,125
Interest rate risk in the banking book (IRRBB) risk weighted assets	16,359	18,287	12,629
Total risk weighted assets	**360,740**	**339,265**	**322,582**
Capital ratios (%)[4]			
Level 2 Common Equity Tier 1 capital ratio	**8.3%**	**8.5%**	**8.2%**
Level 2 Tier 1 capital ratio	**10.3%**	**10.4%**	**9.8%**
Level 2 Total capital ratio	**12.1%**	**12.2%**	**11.7%**
Level 1: Extended licensed Common Equity Tier 1 capital ratio	**8.3%**	**8.5%**	**8.4%**
Level 1: Extended licensed entity Tier 1 capital ratio	**10.6%**	**10.6%**	**10.3%**
Level 1: Extended licensed entity Total capital ratio	**12.5%**	**12.5%**	**12.2%**
Other significant Authorised Deposit-taking Institution (ADI) or overseas bank subsidiary:			
ANZ Bank New Zealand Limited –Common Equity Tier 1 capital ratio	**10.7%**	**10.4%**	**10.2%**
ANZ Bank New Zealand Limited - Tier 1 capital ratio	**11.1%**	**10.8%**	**10.2%**
ANZ Bank New Zealand Limited - Total capital ratio	**12.4%**	**12.4%**	**11.8%**

[3]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.

[4]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 CRWA increased $17.7 billion (6.2%) from September 2013 to $305.3 billion at March 2014, including a $3.4 billion increase due to foreign currency movements. Portfolio growth contributed a further $12.2 billion, with growth in the Institutional portfolio contributing to the increase in AIRB and Standardised Corporate, AIRB Bank together with increases in the Australian mortgages portfolio.

Market RWA has increased from $4.3 billion to $7.1 billion over the half reflecting higher levels of Traded Market Risk and relatively lower diversification compared with FY13. The increases are distributed across a variety of instruments and portfolios.

The increase in Operational RWA reflected the business growth and recognised global and local industry trends.

The reduction in IRRBB RWA was primarily due to lower repricing and yield curve risk.

Chapter 4 –Credit risk

Table 7 Credit risk – General disclosures

Table 7(b) part (i): Period end and average Exposure at Default [5][6]

	Mar 14				
Advanced IRB approach	Basel III Risk Weighted Assets $M	Exposure at Default $M	Average Exposure at Default for halfyear $M	Individual provision charge for half year $M	Write-offs for half year $M
Corporate	123,743	230,437	227,262	224	234
Sovereign	4,545	74,641	74,244	-	-
Bank	20,269	106,275	104,456	-	-
Residential Mortgage	50,426	287,414	281,084	13	18
Qualifying Revolving Retail	7,260	21,124	21,149	97	134
Other Retail	26,416	38,540	37,787	178	186
Total Advanced IRB approach	**232,659**	**758,431**	**745,982**	**512**	**572**
Specialised Lending	**28,522**	**33,969**	**33,021**	**37**	**37**
Standardised approach					
Corporate	26,255	29,128	24,442	14	-
Residential Mortgage	1,966	5,450	5,321	2	11
Qualifying Revolving Retail	1,796	1,789	1,755	11	33
Other Retail	1,073	1,065	1,023	26	35
Total Standardised approach	**31,090**	**37,432**	**32,541**	**53**	**79**
Credit Valuation Adjustment and Qualifying Central Counterparties	**8,065**	**10,293**	**7,681**	**-**	**-**
Total	**300,336**	**840,125**	**819,225**	**602**	**688**

[5]Exposure at Default in Table 7 includes Advanced IRB, Specialised Lending and Standardised exposures, however does not include Securitisation, Equities or Other Assets exposures. Exposure at Default in Table 7 is gross of credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral.

[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.

Sep 13					
Advanced IRB approach	Basel III Risk Weighted Assets $M	Exposure at Default $M	Average Exposure at Default for halfyear $M	Individual provision charge for half year $M	Write-offs for half year $M
Corporate	121,586	224,087	215,887	225	240
Sovereign	4,360	73,846	75,922	-	-
Bank	16,270	102,636	102,504	-	-
Residential Mortgage	47,559	274,755	267,154	23	51
Qualifying Revolving Retail	7,219	21,174	21,063	115	152
Other Retail	24,328	37,034	36,111	166	188
Total Advanced IRB approach	**221,322**	**733,532**	**718,641**	**529**	**631**
Specialised Lending	**27,640**	**32,072**	**32,197**	**6**	**51**
Standardised approach					
Corporate	19,285	19,756	18,373	20	71
Residential Mortgage	1,922	5,191	4,699	4	5
Qualifying Revolving Retail	1,728	1,721	1,892	(7)	3
Other Retail	985	980	1,111	20	32
Total Standardised approach	**23,920**	**27,648**	**26,075**	**37**	**111**
Credit Valuation Adjustment and Qualifying Central Counterparties	**8,501**	**5,069**	**3,293**	**-**	**-**
Total	**281,383**	**798,321**	**780,206**	**572**	**793**

Mar 13					
Advanced IRB approach	Basel III 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	114,700	207,687	205,084	243	303
Sovereign	4,382	77,998	72,294	-	-
Bank	15,838	102,372	100,640	-	-
Residential Mortgage	44,597	259,553	255,196	35	31
Qualifying Revolving Retail	7,234	20,951	20,932	112	146
Other Retail	23,200	35,187	33,570	138	150
Total Advanced IRB approach	**209,951**	**703,748**	**687,716**	**528**	**630**
Specialised Lending	**27,842**	**32,321**	**31,969**	**39**	**170**
Standardised approach					
Corporate	17,157	16,989	17,478	22	36
Residential Mortgage	1,827	4,206	3,991	1	1
Qualifying Revolving Retail	2,068	2,062	2,041	(9)	8
Other Retail	1,248	1,242	1,194	14	19
Total Standardised approach	**22,300**	**24,499**	**24,704**	**28**	**64**
Credit Valuation Adjustment and Qualifying Central Counterparties	**8,949**	**1,516**	**1,516**	**-**	**-**
Total	**269,042**	**762,084**	**745,905**	**595**	**864**

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

Portfolio Type	Mar 14 $M	Sep 13 $M	Mar 13 $M	Average for half year Mar 14 $M
Cash	16,264	12,571	17,263	14,418
Contingents liabilities, commitments, and other off-balance sheet exposures	144,397	133,668	127,206	139,033
Derivatives	95,155	90,016	80,559	92,586
Settlement Balances	24,749	31,447	37,146	28,098
Investment Securities	23,323	24,207	20,018	23,765
Net Loans, Advances & Acceptances	498,544	474,740	448,840	486,642
Other assets	5,926	3,308	2,877	4,617
Trading Securities	31,767	28,364	28,175	30,066
Total exposures	**840,125**	**798,321**	**762,084**	**819,225**

[7]The classification of the balance sheet has changed to more consistently reflect the nature of the financial assets. Prior to this classification, the balance sheet was classified according to both nature of the asset and counterparty. 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 14			
Portfolio Type	Australia $M	New Zealand $M	Asia Pacific, Europe and Americas $M	Total $M
Corporate	131,400	45,257	82,908	**259,565**
Sovereign	23,328	9,787	41,526	**74,641**
Bank	62,819	9,706	33,750	**106,275**
Residential Mortgage	226,355	61,059	5,450	**292,864**
Qualifying Revolving Retail	21,124	-	1,789	**22,913**
Other Retail	29,106	9,474	1,025	**39,605**
Qualifying Central Counterparties	7,830	1,510	953	**10,293**
Specialised Lending	25,746	7,771	452	**33,969**
Total exposures	**527,708**	**144,564**	**167,853**	**840,125**

	Sep 13			
Portfolio Type	Australia $M	New Zealand $M	Asia Pacific, Europe and Americas $M	Total $M
Corporate	126,645	42,061	75,137	**243,843**
Sovereign	21,742	9,155	42,949	**73,846**
Bank	59,667	10,994	31,975	**102,636**
Residential Mortgage	218,861	55,894	5,191	**279,946**
Qualifying Revolving Retail	21,174	-	1,721	**22,895**
Other Retail	28,476	8,602	936	**38,014**
Qualifying Central Counterparties	3,522	819	728	**5,069**
Specialised Lending	24,111	7,047	914	**32,072**
Total exposures	**504,198**	**134,572**	**159,551**	**798,321**

	Mar 13			
Portfolio Type	Australia $M	New Zealand $M	Asia Pacific, Europe and Americas $M	Total $M
Corporate	122,352	38,389	63,935	**224,676**
Sovereign	19,923	8,547	49,528	**77,998**
Bank	62,994	9,913	29,465	**102,372**
Residential Mortgage	210,841	48,712	4,206	**263,759**
Qualifying Revolving Retail	20,951	-	2,062	**23,013**
Other Retail	27,671	7,564	1,194	**36,429**
Qualifying Central Counterparties	1,292	68	156	**1,516**
Specialised Lending	23,814	6,585	1,922	**32,321**
Total exposures	**489,838**	**119,778**	**152,468**	**762,084**

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

	Mar 14														
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	43,076	9,682	6,613	10,488	10,812	36,510	2,660	44,043	2,255	19,338	28,352	14,727	14,445	16,564	**259,565**
Sovereign	1,201	-	124	661	8	43,964	26,625	868	1	613	175	1	335	65	**74,641**
Bank	-	-	-	-	-	106,183	-	76	-	-	-	-	16	-	**106,275**
Residential Mortgage	-	-	-	-	-	-	-	-	292,864	-	-	-	-	-	**292,864**
Qualifying Revolving Retail	-	-	-	-	-	-	-	-	22,913	-	-	-	-	-	**22,913**
Other Retail	3,107	2,150	3,070	90	1,286	408	10	1,143	19,557	909	829	2,772	1,188	3,086	**39,605**
Qualifying Central Counterparties	-	-	-	-	-	10,293	-	-	-	-	-	-	-	-	**10,293**
Specialised Lending	601	24	188	1,831	125	66	-	7	-	28,978	-	11	1,436	702	**33,969**
Total exposures	**47,985**	**11,856**	**9,995**	**13,070**	**12,231**	**197,424**	**29,295**	**46,137**	**337,590**	**49,838**	**29,356**	**17,511**	**17,420**	**20,417**	**840,125**
% of Total	*5.7%*	*1.4%*	*1.2%*	*1.6%*	*1.5%*	*23.5%*	*3.5%*	*5.5%*	*40.2%*	*5.9%*	*3.5%*	*2.1%*	*2.1%*	*2.4%*	*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.

Sep 13

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	38,673	9,726	6,526	10,083	10,376	33,559	2,554	41,223	2,446	18,723	26,608	15,126	12,255	15,965	**243,843**
Sovereign	1,045	-	67	633	8	43,456	26,608	731	1	622	49	-	527	99	**73,846**
Bank	-	-	-	-	-	102,441	-	75	-	-	25	-	95	-	**102,636**
Residential Mortgage	-	-	-	-	-	-	-	-	279,946	-	-	-	-	-	**279,946**
Qualifying Revolving Retail	-	-	-	-	-	-	-	-	22,895	-	-	-	-	-	**22,895**
Other Retail	3,149	2,065	3,001	88	1,193	392	9	1,121	18,565	1,029	815	2,631	1,179	2,777	**38,014**
Qualifying Central Counterparties	-	-	-	-	-	2,966	-	-	-	-	-	-	-	2,103	**5,069**
Specialised Lending	411	26	142	2,029	130	3	173	15	-	26,945	-	34	1,602	562	**32,072**
Total exposures	**43,278**	**11,817**	**9,736**	**12,833**	**11,707**	**182,817**	**29,344**	**43,165**	**323,853**	**47,319**	**27,497**	**17,791**	**15,658**	**21,506**	**798,321**
% of Total	*5.4%*	*1.5%*	*1.2%*	*1.6%*	*1.5%*	*22.9%*	*3.7%*	*5.4%*	*40.6%*	*5.9%*	*3.4%*	*2.2%*	*2.0%*	*2.7%*	*100.0%*

Mar 13

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	35,439	8,475	6,083	9,035	10,054	28,291	2,345	39,567	1,943	17,607	25,612	14,450	11,137	14,638	**224,676**
Sovereign	1,154	-	91	790	8	49,052	25,045	585	2	598	122	-	370	181	**77,998**
Bank	-	-	-	-	-	102,372	-	-	-	-	-	-	-	-	**102,372**
Residential Mortgage	-	-	-	-	-	-	-	-	263,759	-	-	-	-	-	**263,759**
Qualifying Revolving Retail	-	-	-	-	-	-	-	-	23,013	-	-	-	-	-	**23,013**
Other Retail	3,129	2,024	2,934	85	1,098	373	7	1,131	17,764	1,031	806	2,508	1,131	2,408	**36,429**
Qualifying Central Counterparties	-	-	-	-	-	660	-	-	-	-	-	-	-	856	**1,516**
Specialised Lending	730	26	9	2,318	168	-	173	124	-	26,373	-	22	1,827	551	**32,321**
Total exposures	**40,452**	**10,525**	**9,117**	**12,228**	**11,328**	**180,748**	**27,570**	**41,407**	**306,481**	**45,609**	**26,540**	**16,980**	**14,465**	**18,634**	**762,084**
% of Total	*5.3%*	*1.4%*	*1.2%*	*1.6%*	*1.5%*	*23.7%*	*3.6%*	*5.4%*	*40.2%*	*6.0%*	*3.5%*	*2.2%*	*1.9%*	*2.4%*	*100.0%*

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

	Mar 14				
Portfolio Type	< 12 mths $M	1 - 5 years $M	> 5 years $M	No Maturity Specified $M	Total $M
Corporate	116,648	122,415	20,273	229	**259,565**
Sovereign	43,028	19,165	12,448	-	**74,641**
Bank	54,129	50,474	1,672	-	**106,275**
Residential Mortgage	984	5,224	256,095	30,561	**292,864**
Qualifying Revolving Retail	-	-	-	22,913	**22,913**
Other Retail	13,306	13,990	12,309	-	**39,605**
Qualified Central Counterparties	1,761	6,124	2,408	-	**10,293**
Specialised Lending	11,494	20,778	1,697	-	**33,969**
Total exposures	**241,350**	**238,170**	**306,902**	**53,703**	**840,125**

	Sep 13				
Portfolio Type	< 12 mths $M	1 - 5 years $M	> 5 years $M	No Maturity Specified $M	Total $M
Corporate	108,760	114,807	20,106	170	**243,843**
Sovereign	44,171	17,771	11,904	-	**73,846**
Bank	47,573	53,269	1,794	-	**102,636**
Residential Mortgage	689	4,969	244,357	29,931	**279,946**
Qualifying Revolving Retail	-	-	-	22,895	**22,895**
Other Retail	12,419	14,133	11,462	-	**38,014**
Qualified Central Counterparties	1,303	2,464	1,302	-	**5,069**
Specialised Lending	11,410	18,925	1,676	61	**32,072**
Total exposures	**226,325**	**226,338**	**292,601**	**53,057**	**798,321**

	Mar 13				
Portfolio Type	< 12 mths $M	1 - 5 years $M	> 5 years $M	No Maturity Specified $M	Total $M
Corporate	100,881	104,989	18,677	129	**224,676**
Sovereign	49,351	19,598	9,049	-	**77,998**
Bank	49,495	50,540	2,337	-	**102,372**
Residential Mortgage	1,646	4,403	228,585	29,125	**263,759**
Qualifying Revolving Retail	-	-	-	23,013	**23,013**
Other Retail	12,312	15,932	8,185	-	**36,429**
Qualified Central Counterparties	847	370	299	-	**1,516**
Specialised Lending	12,254	17,251	2,754	62	**32,321**
Total exposures	**226,786**	**213,083**	**269,886**	**52,329**	**762,084**

[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 14					
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	-	968	161	280	(7)	61
Business Services	-	232	49	165	160	54
Construction	-	81	61	34	2	18
Electricity, gas and water supply	-	3	4	2	-	-
Entertainment Leisure & Tourism	-	84	50	30	6	12
Financial, Investment & Insurance	-	32	23	16	18	25
Government & Official Institutions	-	-	-	-	-	-
Manufacturing	-	245	86	122	(6)	30
Personal	-	966	1,112	394	289	370
Property Services	1	527	135	143	34	31
Retail Trade	-	84	107	51	26	49
Transport & Storage	57	236	20	69	3	4
Wholesale Trade	-	189	26	123	31	18
Other	-	85	57	41	46	16
Total	**58**	**3,732**	**1,891**	**1,470**	**602**	**688**

[11] Impaired derivatives are net of credit value adjustment (CVA) of $80 million, being a market value based assessment of the credit risk of the relevant counterparties (September 2013: $93 million; March 2013: $111 million).

[12] Impaired loans / facilities include restructured items of $60 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 2013: $341 million; March 2013: $524 million).

[13] Not well secured portfolio managed retail exposures have been reclassified from past due loans > 90 days toimpaired loans / facilities from June 2013.

	Sep 13					
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	-	1,143	161	337	78	65
Business Services	-	96	44	63	11	23
Construction	-	105	94	47	14	22
Electricity, gas and water supply	-	285	5	2	(5)	(1)
Entertainment Leisure & Tourism	-	122	56	35	6	8
Financial, Investment & Insurance	-	160	21	21	-	12
Government & Official Institutions	-	-	-	-	-	-
Manufacturing	-	319	31	141	27	60
Personal	-	955	955	395	309	400
Property Services	6	479	145	134	-	55
Retail Trade	-	119	91	77	53	25
Transport & Storage	61	238	23	70	7	19
Wholesale Trade	-	186	25	109	43	68
Other	-	141	47	36	29	37
Total	**67**	**4,348**	**1,698**	**1,467**	**572**	**793**

	Mar 13					
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	-	1,158	178	327	49	33
Business Services	-	131	61	64	27	35
Construction	2	113	58	50	11	25
Electricity, gas and water supply	2	271	3	6	-	1
Entertainment Leisure & Tourism	1	110	59	34	12	13
Financial, Investment & Insurance	-	171	22	31	(2)	5
Government & Official Institutions	-	-	-	-	-	-
Manufacturing	6	373	30	132	30	147
Personal	-	810	1,009	403	269	334
Property Services	7	727	122	191	65	68
Retail Trade	-	90	68	55	30	37
Transport & Storage	65	253	22	74	73	144
Wholesale Trade	-	240	19	133	13	8
Other	-	155	45	43	18	14
Total	**83**	**4,602**	**1,696**	**1,543**	**595**	**864**

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

	Mar 14					
	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	1,871	300	792	224	234
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	388	1,214	126	13	18
Qualifying Revolving Retail	-	86	-	-	97	134
Other Retail	-	424	225	242	178	186
Total Advanced IRB approach	**1**	**2,769**	**1,739**	**1,160**	**512**	**572**
Specialised Lending	**57**	**635**	**100**	**138**	**37**	**37**
Portfolios subject to Standardised approach						
Corporate	-	146	39	97	14	-
Residential Mortgage	-	52	10	14	2	11
Qualifying Revolving Retail	-	72	-	39	11	33
Other Retail	-	58	3	22	26	35
Total Standardised approach	**-**	**328**	**52**	**172**	**53**	**79**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**58**	**3,732**	**1,891**	**1,470**	**602**	**688**

	Sep 13					
	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	2,286	308	790	225	240
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	398	1,026	134	23	51
Qualifying Revolving Retail	-	78	-	-	115	152
Other Retail	-	390	233	213	166	188
Total Advanced IRB approach	**2**	**3,152**	**1,567**	**1,137**	**529**	**631**
Specialised Lending	**65**	**857**	**97**	**145**	**6**	**51**
Portfolios subject to Standardised approach						
Corporate	-	172	21	100	20	71
Residential Mortgage	-	44	9	14	4	5
Qualifying Revolving Retail	-	65	-	45	(7)	3
Other Retail	-	58	4	26	20	32
Total Standardised approach	**-**	**339**	**34**	**185**	**37**	**111**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**67**	**4,348**	**1,698**	**1,467**	**572**	**793**

	Mar 13					
	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	10	2,418	282	759	243	303
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	463	907	159	35	31
Qualifying Revolving Retail	-	-	94	-	112	146
Other Retail	-	323	284	202	138	150
Total Advanced IRB approach	**10**	**3,204**	**1,567**	**1,120**	**528**	**630**
Specialised Lending	**71**	**1,055**	**72**	**183**	**39**	**170**
Portfolios subject to Standardised approach						
Corporate	2	237	39	150	22	36
Residential Mortgage	-	18	3	14	1	1
Qualifying Revolving Retail	-	63	1	46	(9)	8
Other Retail	-	25	14	30	14	19
Total Standardised approach	**2**	**343**	**57**	**240**	**28**	**64**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**83**	**4,602**	**1,696**	**1,543**	**595**	**864**

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

	Mar 14				
Geographic region	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥90 days $M	Individual provision balance $M	Collective provision balance $M
Australia	58	2,272	1,640	941	1,887
New Zealand	-	815	197	233	464
Asia Pacific, Europe and America	-	645	54	296	492
Total	**58**	**3,732**	**1,891**	**1,470**	**2,843**

	Sep 13				
Geographic region	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥90 days $M	Individual provision balance $M	Collective provision balance $M
Australia	67	2,806	1,486	944	1,862
New Zealand	-	873	178	261	495
Asia Pacific, Europe and America	-	669	34	262	530
Total	**67**	**4,348**	**1,698**	**1,467**	**2,887**

	Mar 13				
Geographic region	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥90 days $M	Individual provision balance $M	Collective provision balance $M
Australia	79	2,973	1,455	955	1,808
New Zealand	-	1,021	184	313	470
Asia Pacific, Europe and America	4	608	57	275	491
Total	**83**	**4,602**	**1,696**	**1,543**	**2,769**

[14] Impaired derivatives are net of credit value adjustment (CVA) of $80 million, being a market value based assessment of the credit risk of the relevant counterparties (September 2013: $93 million; March 2013: $111 million).

[15] Impaired loans / facilities include restructured items of $60 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 2013: $341 million; March 2013: $524 million).

[16] Not well secured portfolio managed retail exposures have been reclassified from past due loans > 90 days to impaired loans / facilities from June 2013.

Table 7(h): Provision for Credit Impairment

Collective Provision	Half year Mar 14 $M	Half year Sep 13 $M	Half year Mar 13 $M
Balance at start of period	2,887	2,769	2,765
Charge to income statement	(74)	26	4
Disposal	-	-	-
Adjustments for exchange rate fluctuations	30	92	-
Total Collective Provision	**2,843**	**2,887**	**2,769**
Individual Provision			
Balance at start of period	1,467	1,543	1,773
New and increased provisions	966	957	932
Write-backs	(257)	(247)	(240)
Adjustment for exchange rate fluctuations	12	54	(3)
Discount unwind	(30)	(47)	(55)
Bad debts written off	(688)	(793)	(864)
Total Individual Provision	**1,470**	**1,467**	**1,543**
Total Provisions for Credit Impairment	**4,313**	**4,354**	**4,312**

Specific Provision Balance and General Reserve for Credit Losses[17]

	Mar 14		
	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collective Provision	300	2,543	2,843
Individual Provision	1,470	-	1,470
Total Provision for Credit Impairment			**4,313**

	Sep 13		
	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collective Provision	346	2,541	2,887
Individual Provision	1,467	-	1,467
Total Provision for Credit Impairment			**4,354**

	Mar 13		
	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collective Provision	341	2,428	2,769
Individual Provision	1,543	-	1,543
Total Provision for Credit Impairment			**4,312**

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

Table 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[18]

Risk weight

Standardised approach exposures	Mar 14 $M	Sep 13 $M	Mar 13 $M
0%	-	-	-
20%	486	364	-
35%	5,285	4,771	3,156
50%	555	821	387
75%	3	-	711
100%	28,429	21,478	19,660
150%	205	184	539
>150%	1	2	-
Capital deductions	-	-	-
Total	**34,964**	**27,620**	**24,453**

Other Asset exposures			
0%	-	-	-
20%	1,092	1,023	1,081
35%	-	-	-
50%	-	-	-
75%	-	-	-
100%	3,521	3,339	3,171
150%	-	-	-
>150%	-	-	-
Capital deductions	-	-	-
Total	**4,613**	**4,362**	**4,252**

Specialised Lending exposures			
0%	1,226	1,020	1,231
70%	12,807	11,938	11,339
90%	15,779	14,972	15,519
115%	3,380	3,308	3,231
250%	588	802	889
Total	**33,780**	**32,040**	**32,209**

[18]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[19] 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[20] Project finance Object finance	AIRB – Supervisory Slotting[21]
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 Asia Pacific) 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.

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. When measuring economic loss, all relevant factors are taken into account, including material effects of the timing of cash flows and material direct and indirect costs associated with collecting on the exposure, including realisation of collateral.

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

[20]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.

[21]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 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 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 gradings 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 < A1	AAA to < A+	0.0000 - 0.0346%
2+ to 3+	A1 to < Baa2	A+ to < BBB	0.0347 - 0.1636%
3= to 4=	Baa2 to < Ba1	BBB to < BB+	0.1637 - 0.5108%
4- to 6-	Ba1 to < B1	BB+ to < B+	0.5109 - 3.4872%
7+ to 8+	B1 to <Caa	B+ to < CCC	3.4873 - 10.0928%
8=	Caa	CCC	10.0929 - 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 PD, so the PD master scale gives ANZ a common language to understand and manage credit risk. For retail asset class exposures, the LGD dimension is recognised through the process of pooling retail exposures into homogenous groups.

ANZ also uses specialised PD master scale/mappings for the sovereign and bank asset classes, based predominantly on the corporate master scale.

Table 9(d): Non Retail Exposure at Default subject to Internal Ratings Based (IRB) approach[22][23][24]

	Mar 14							
	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	13,931	55,782	84,336	68,921	3,285	1,231	2,951	**230,437**
Sovereign	68,175	1,662	1,921	2,728	124	31	-	**74,641**
Bank	35,639	60,622	6,719	3,285	7	3	-	**106,275**
Total	**117,745**	**118,066**	**92,976**	**74,934**	**3,416**	**1,265**	**2,951**	**411,353**
% of Total	28.6%	28.7%	22.6%	18.2%	0.8%	0.3%	0.7%	100.0%
Undrawn commitments (included in above)								
Corporate	5,222	19,124	24,263	12,632	451	105	155	**61,952**
Sovereign	596	288	295	12	-	-	-	**1,191**
Bank	57	207	509	17	-	-	-	**790**
Total	**5,875**	**19,619**	**25,067**	**12,661**	**451**	**105**	**155**	**63,933**
Average Exposure at Default								
Corporate	4.709	3.116	1.361	0.391	0.569	0.227	0.760	**0.791**
Sovereign	71.675	26.915	24.120	17.944	12.353	2.209	-	**58.449**
Bank	19.295	4.025	3.872	2.468	0.506	0.167	-	**5.419**
Exposure-weighted average Loss Given Default (%)								
Corporate	57.5%	59.2%	48.9%	40.0%	40.0%	39.7%	40.5%	**48.5%**
Sovereign	2.5%	5.5%	41.7%	49.7%	74.1%	25.6%	-	**5.5%**
Bank	62.3%	63.5%	70.5%	69.2%	67.2%	67.4%	-	**64.1%**
Exposure-weighted average risk weight (%)								
Corporate	21.1%	35.4%	54.6%	73.1%	120.6%	176.0%	140.0%	**57.3%**
Sovereign	0.5%	2.5%	47.3%	112.3%	221.5%	119.5%	-	**6.5%**
Bank	22.3%	25.9%	76.5%	127.4%	251.1%	252.9%	-	**36.0%**

[22] In accordance with APS 330, EAD in Table 9(d) includes Advanced IRB exposures; however does not include 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).

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

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

	Sep 13							
	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	12,338	56,758	77,638	68,754	3,792	1,706	3,101	**224,087**
Sovereign	67,730	1,933	1,239	2,873	50	21	-	**73,846**
Bank	85,766	8,769	6,914	1,180	1	6	-	**102,636**
Total	**165,834**	**67,460**	**85,791**	**72,807**	**3,843**	**1,733**	**3,101**	**400,569**
% of Total	41.4%	16.8%	21.4%	18.2%	1.0%	0.4%	0.8%	100.0%
Undrawn commitments (included in above)								
Corporate	4,238	18,957	21,365	10,822	509	207	117	**56,215**
Sovereign	711	411	19	9	-	-	-	**1,150**
Bank	282	107	220	13	-	-	-	**622**
Total	**5,231**	**19,475**	**21,604**	**10,844**	**509**	**207**	**117**	**57,987**
Average Exposure at Default								
Corporate	3.861	3.057	1.258	0.388	0.635	0.319	0.748	**0.783**
Sovereign	71.914	38.134	20.392	16.607	5.571	1.775	-	**58.910**
Bank	7.613	2.755	3.517	1.198	0.083	0.198	-	**5.313**
Exposure-weighted average Loss Given Default (%)								
Corporate	58.2%	60.0%	48.3%	39.7%	40.4%	43.0%	39.4%	**48.4%**
Sovereign	2.4%	4.2%	49.8%	49.8%	70.7%	34.6%	-	**5.2%**
Bank	63.7%	64.6%	70.9%	72.0%	54.5%	65.7%	-	**64.3%**
Exposure-weighted average risk weight (%)								
Corporate	20.8%	37.0%	54.0%	74.1%	125.2%	187.9%	136.5%	**58.7%**
Sovereign	0.5%	1.8%	52.9%	110.9%	222.9%	212.3%	-	**6.1%**
Bank	20.0%	29.8%	81.6%	134.2%	167.1%	329.7%	-	**31.1%**

	Mar 13							
	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	10,663	50,805	74,387	62,974	1,812	3,765	3,281	**207,687**
Sovereign	72,199	1,576	1,018	3,115	22	68	-	**77,998**
Bank	81,682	13,350	5,960	1,375	4	1	-	**102,372**
Total	**164,544**	**65,731**	**81,365**	**67,464**	**1,838**	**3,834**	**3,281**	**388,057**
% of Total	42.4%	16.9%	21.0%	17.4%	0.5%	1.0%	0.8%	100.0%
Undrawn commitments (included in above)								
Corporate	3,865	17,933	20,947	10,396	508	136	118	**53,903**
Sovereign	789	411	41	4	-	-	-	**1,245**
Bank	102	99	62	16	-	-	-	**279**
Total	**4,756**	**18,443**	**21,050**	**10,416**	**508**	**136**	**118**	**55,427**
Average Exposure at Default								
Corporate	0.199	2.730	1.161	0.356	0.589	0.197	0.798	**0.611**
Sovereign	67.595	24.178	19.346	15.185	4.557	1.463	-	**54.644**
Bank	4.437	2.486	3.420	1.679	0.070	0.256	-	**3.820**
Exposure-weighted average Loss Given Default (%)								
Corporate	57.0%	60.2%	48.1%	39.1%	40.3%	41.4%	40.0%	**48.2%**
Sovereign	2.4%	4.4%	44.0%	52.6%	59.1%	40.6%	-	**5.1%**
Bank	64.8%	66.4%	73.0%	73.3%	75.0%	68.5%	-	**65.8%**
Exposure-weighted average risk weight (%)								
Corporate	20.0%	37.0%	53.0%	74.0%	126.0%	192.0%	132.0%	**59.0%**
Sovereign	0.4%	2.0%	46.8%	109.7%	195.1%	222.5%	-	**5.8%**
Bank	19.8%	31.4%	90.1%	135.9%	245.3%	334.0%	-	**32.2%**

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

	Mar 14							
	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% <100.0% $M	Default $M	Total $M
Exposure at Default								
Residential Mortgage	2,560	184,167	22,221	63,451	8,245	4,932	1,838	**287,414**
Qualifying Revolving Retail	11,255	257	1,814	4,774	1,933	929	162	**21,124**
Other Retail	1,023	4,208	2,403	21,683	7,117	1,412	694	**38,540**
Total	**14,838**	**188,632**	**26,438**	**89,908**	**17,295**	**7,273**	**2,694**	**347,078**
% of Total	4.3%	54.3%	7.6%	25.9%	5.0%	2.1%	0.8%	100.0%
Undrawn commitments (included in above)								
Residential Mortgage	971	20,531	875	4,075	146	141	3	**26,742**
Qualifying Revolving Retail	8,749	256	1,154	2,099	573	114	23	**12,968**
Other Retail	482	1,810	1,170	2,907	289	47	8	**6,713**
Total	**10,202**	**22,597**	**3,199**	**9,081**	**1,008**	**302**	**34**	**46,423**
Average Exposure at Default								
Residential Mortgage	0.048	0.214	0.166	0.206	0.240	0.255	0.201	**0.202**
Qualifying Revolving Retail	0.011	0.006	0.010	0.010	0.009	0.008	0.009	**0.010**
Other Retail	0.015	0.013	0.012	0.017	0.010	0.008	0.012	**0.014**
Exposure-weighted average Loss Given Default (%)								
Residential Mortgage	15.5%	19.5%	18.9%	23.1%	20.9%	20.0%	21.9%	**20.3%**
Qualifying Revolving Retail	73.2%	73.2%	73.2%	73.2%	73.2%	73.2%	73.2%	**73.2%**
Other Retail	49.9%	53.0%	62.3%	49.7%	54.9%	65.5%	53.8%	**52.4%**
Exposure-weighted average risk weight (%)								
Residential Mortgage	3.9%	6.4%	13.5%	31.4%	74.9%	107.8%	225.5%	**17.5%**
Qualifying Revolving Retail	4.9%	11.4%	14.2%	39.4%	107.6%	206.6%	337.0%	**34.4%**
Other Retail	33.5%	40.5%	48.2%	62.6%	85.6%	149.2%	209.2%	**68.5%**

Sep 13	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% <100.0% $M	Default $M	Total $M
Exposure at Default								
Residential Mortgage	2,749	178,322	21,116	58,390	8,455	4,053	1,670	**274,755**
Qualifying Revolving Retail	11,246	219	1,904	4,797	1,962	889	157	**21,174**
Other Retail	950	3,866	3,039	20,226	6,991	1,279	683	**37,034**
Total	**14,945**	**182,407**	**26,059**	**83,413**	**17,408**	**6,221**	**2,510**	**332,963**
% of Total	4.5%	54.8%	7.8%	25.0%	5.2%	1.9%	0.8%	100.0%
Undrawn commitments (included in above)								
Residential Mortgage	1,077	19,487	1,077	3,468	222	66	2	**25,399**
Qualifying Revolving Retail	8,758	218	1,223	2,085	586	106	22	**12,998**
Other Retail	446	1,633	1,495	2,305	273	44	7	**6,203**
Total	**10,281**	**21,338**	**3,795**	**7,858**	**1,081**	**216**	**31**	**44,600**
Average Exposure at Default								
Residential Mortgage	0.026	0.224	0.160	0.195	0.233	0.255	0.192	**0.197**
Qualifying Revolving Retail	0.011	0.006	0.010	0.009	0.009	0.008	0.009	**0.010**
Other Retail	0.013	0.012	0.013	0.017	0.010	0.008	0.014	**0.014**
Exposure-weighted average Loss Given Default (%)								
Residential Mortgage	16.3%	19.5%	19.0%	23.4%	20.9%	20.0%	22.5%	**20.3%**
Qualifying Revolving Retail	73.2%	73.2%	73.2%	73.2%	73.2%	73.2%	73.2%	**73.2%**
Other Retail	51.3%	51.5%	59.5%	46.1%	53.3%	62.0%	52.3%	**49.8%**
Exposure-weighted average risk weight (%)								
Residential Mortgage	4.1%	6.3%	13.7%	32.1%	76.1%	108.6%	221.7%	**17.3%**
Qualifying Revolving Retail	4.9%	11.5%	14.2%	39.2%	108.4%	207.3%	364.6%	**34.1%**
Other Retail	13.2%	22.5%	43.0%	59.9%	83.8%	145.2%	206.7%	**65.7%**

Mar 13	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% <100.0% $M	Default $M	Total $M
Exposure at Default								
Residential Mortgage	2,541	171,246	18,914	53,456	7,985	3,812	1,599	**259,553**
Qualifying Revolving Retail	11,148	167	1,859	4,697	1,940	974	166	**20,951**
Other Retail	870	3,462	2,812	19,288	6,780	1,304	671	**35,187**
Total	**14,559**	**174,875**	**23,585**	**77,441**	**16,705**	**6,090**	**2,436**	**315,691**
% of Total	4.6%	55.4%	7.5%	24.5%	5.3%	1.9%	0.8%	100.0%
Undrawn commitments (included in above)								
Residential Mortgage	943	18,524	991	3,199	179	69	3	**23,908**
Qualifying Revolving Retail	8,702	166	1,189	2,058	577	113	20	**12,825**
Other Retail	409	1,482	1,416	2,097	250	45	7	**5,706**
Total	**10,054**	**20,172**	**3,596**	**7,354**	**1,006**	**227**	**30**	**42,439**
Average Exposure at Default								
Residential Mortgage	0.025	0.219	0.145	0.180	0.226	0.250	0.177	**0.189**
Qualifying Revolving Retail	0.011	0.006	0.010	0.009	0.009	0.008	0.008	**0.010**
Other Retail	0.009	0.008	0.011	0.017	0.010	0.007	0.012	**0.013**
Exposure-weighted average Loss Given Default (%)								
Residential Mortgage	16.6%	19.6%	18.7%	23.1%	20.9%	20.0%	23.4%	**20.3%**
Qualifying Revolving Retail	73.2%	73.2%	73.2%	73.2%	73.2%	73.2%	73.2%	**73.2%**
Other Retail	50.3%	51.1%	60.0%	45.1%	52.9%	63.0%	53.7%	**49.2%**
Exposure-weighted average risk weight (%)								
Residential Mortgage	4.2%	6.4%	13.5%	32.1%	76.3%	108.8%	225.9%	**16.2%**
Qualifying Revolving Retail	4.8%	11.3%	14.0%	38.5%	107.1%	206.8%	339.7%	**32.8%**
Other Retail	12.9%	22.4%	43.5%	58.7%	83.0%	146.8%	228.5%	**61.9%**

Table 9(e): Actual Losses by portfolio type

Basel Asset Class	Half year Mar 14 Individual provision charge $M	Write-offs $M
Corporate	224	234
Sovereign	-	-
Bank	-	-
Residential Mortgage	13	18
Qualifying Revolving Retail	97	134
Other Retail	178	186
Total Advanced IRB	**512**	**572**
Specialised Lending	37	37
Standardised approach	53	79
Total	**602**	**688**

Basel Asset Class	Half year Sep 13 Individual provision charge $M	Write-offs $M
Corporate	225	240
Sovereign	-	-
Bank	-	-
Residential Mortgage	23	51
Qualifying Revolving Retail	115	152
Other Retail	166	188
Total Advanced IRB	**529**	**631**
Specialised Lending	6	51
Standardised approach	37	111
Total	**572**	**793**

Basel Asset Class	Half year Mar 13 Individual provision charge $M	Write-offs $M
Corporate	243	303
Sovereign	-	-
Bank	-	-
Residential Mortgage	35	31
Qualifying Revolving Retail	112	146
Other Retail	138	150
Total Advanced IRB	**528**	**630**
Specialised Lending	39	170
Standardised approach	28	64
Total	**595**	**864**

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

	Mar14				
Portfolio Type	Average Estimated PD %	Average Actual PD %	Average estimated to actual EAD ratio	Average Estimated LGD %	Average Actual LGD %
Corporate	1.50	1.01	1.12	41.5	30.0
Sovereign	0.47	nil	n/a	n/a	nil
Bank	0.47	0.08	-	46.0	58.3
Specialised Lending	n/a	2.35	1.14	n/a	25.8
Residential Mortgage	0.82	0.81	1.00	20.7	3.9
Qualifying Revolving Retail	2.75	2.12	1.04	73.2	71.7
Other Retail	3.40	3.69	1.05	48.1	44.6

APS 330 Table 9f compares internal credit risk estimates used in calculating regulatory capital withrealised 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 requiresthe 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 was no Sovereign defaults observed in ANZ Sovereign exposures for the observation period.

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 March 2014. The actual PD is based on the number of defaulted obligors compared to the total number of obligors measured at the beginning of each financial year over the period of observation being 2009 to March 2014

The EAD ratio compares internally estimated EAD prior to default to realised EAD for defaultedobligors over the four years of observation being 2009 to 2013 financial years. A ratio greater than1.0 signifies that on average, the actual defaulted exposures are lower than the estimated exposuresat the time of default.

The estimated LGD is the internal estimates of downturn LGD for accounts that defaulted at thebeginning of each year during the observation period being 2009 to 2012 financial years. The actualLGD is based on the average realised losses over the period for the accounts observed at beginningand defaulted during the observation period. For non-retail portfolios, the estimated and actual LGDsare based on accounts that defaulted in 2009 to 2011 financial years. For retail portfolios, theestimated and actual LGDs are based on accounts that defaulted in 2009 to 2012 financial years. Fornon-retail portfolios, defaults occurring in the 2012 and 2013 have been excluded from the analysis,to allow sufficient time for workout period. For retail portfolios, defaults occurring in 2013 have been excluded. For non-retail portfolios, actual LGD for defaults where workouts were notfinalisedhave been estimated to approximate the final actual loss. For the retail portfolios, defaults with non-finalised workout have been excluded from the analysis.

In assessing the accuracy of the credit risk estimates, it should be noted that the period of analysisdoes not cover a full economic cycle.

Table 10 Credit risk mitigation disclosures

Table 10(b): Credit risk mitigation on Standardised approach portfolios – collateral [25]

	Mar 14			
	Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised approach				
Corporate	29,128	177	-	0.6%
Residential Mortgage	5,450	43	-	0.8%
Qualifying Revolving Retail	1,789	-	-	0.0%
Other Retail	1,065	-	-	0.0%
Total	**37,432**	**220**	**-**	**0.6%**

	Sep 13			
	Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised approach				
Corporate	19,756	267	-	1.4%
Residential Mortgage	5,191	3	-	0.1%
Qualifying Revolving Retail	1,721	-	-	0.0%
Other Retail	980	-	-	0.0%
Total	**27,648**	**270**	**-**	**1.0%**

	Mar 13			
	Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised approach				
Corporate	16,989	370	-	2.2%
Residential Mortgage	4,206	1	-	0.0%
Qualifying Revolving Retail	2,062	-	-	0.0%
Other Retail	1,242	-	-	0.0%
Total	**24,499**	**371**	**-**	**1.5%**

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

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

	Mar 14			
	Exposure $M	Exposures covered by Guarantees $M	Exposures covered by Credit Derivatives $M	% Coverage
Advanced IRB				
Corporate (incl. Specialised Lending)	264,406	19,969	292	7.7%
Sovereign	74,641	212	-	0.3%
Bank	106,275	7,987	-	7.5%
Residential Mortgage	287,414	-	-	0.0%
Qualifying Revolving Retail	21,124	-	-	0.0%
Other Retail	38,540	-	-	0.0%
Total	**792,400**	**28,168**	**292**	**3.6%**
Standardised approach				
Corporate	29,128	-	-	0.0%
Residential Mortgage	5,450	-	-	0.0%
Qualifying Revolving Retail	1,789	-	-	0.0%
Other Retail	1,065	-	-	0.0%
Total	**37,432**	**-**	**-**	**0.0%**
Qualifying Central Counterparties	**10,293**	**-**	**-**	**0.0%**

	Sep 13			
	Exposure $M	Exposures covered by Guarantees $M	Exposures covered by Credit Derivatives $M	% Coverage
Advanced IRB				
Corporate (incl. Specialised Lending)	256,159	18,093	250	7.2%
Sovereign	73,846	247	-	0.3%
Bank	102,636	8,131	-	7.9%
Residential Mortgage	274,755	-	-	0.0%
Qualifying Revolving Retail	21,174	-	-	0.0%
Other Retail	37,034	-	-	0.0%
Total	**765,604**	**26,471**	**250**	**3.5%**
Standardised approach				
Corporate	19,756	-	-	0.0%
Residential Mortgage	5,191	-	-	0.0%
Qualifying Revolving Retail	1,721	-	-	0.0%
Other Retail	980	-	-	0.0%
Total	**27,648**	**-**	**-**	**0.0%**
Qualifying Central Counterparties	**5,069**	**-**	**-**	**0.0%**

	Mar 13			
	Exposure $M	Exposures covered by Guarantees $M	Exposures covered by Credit Derivatives $M	% Coverage
Advanced IRB				
Corporate (incl. Specialised Lending)	240,008	16,406	142	6.9%
Sovereign	77,998	241	-	0.3%
Bank	102,372	6,717	-	6.6%
Residential Mortgage	259,553	-	-	0.0%
Qualifying Revolving Retail	20,951	-	-	0.0%
Other Retail	35,187	-	-	0.0%
Total	**736,069**	**23,364**	**142**	**3.2%**
Standardised approach				
Corporate	16,989	-	-	0.0%
Residential Mortgage	4,206	-	-	0.0%
Qualifying Revolving Retail	2,062	-	-	0.0%
Other Retail	1,242	-	-	0.0%
Total	**26,015**	**-**	**-**	**0.0%**
Qualifying Central Counterparties	**1,516**	**-**	**-**	**0.0%**

Chapter 5 – Securitisation

Banking Book

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

	Mar 14		
Traditional securitisations			
Underlying asset	ANZ Originated $M	ANZ Self Securitised $M	ANZ Sponsored $M
Residential mortgage	-	49,266	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**-**	**49,266**	**-**

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	-	49,266	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**-**	**49,266**	**-**

	Sep 13		
Traditional securitisations			
Underlying asset	ANZ Originated $M	ANZ Self Securitised $M	ANZ Sponsored $M
Residential mortgage	-	46,597	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**-**	**46,597**	**-**

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	-	46,597	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**-**	**46,597**	**-**

	Mar 13		
Traditional securitisations			
Underlying asset	ANZ Originated $M	ANZ Self Securitised $M	ANZ Sponsored $M
Residential mortgage	-	46,141	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**-**	**46,141**	**-**

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	-	46,141	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**-**	**46,141**	**-**

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

	Mar 14				
Underlying asset	ANZ Originated $M	ANZ Self Securitised $M	Impaired $M	Past due $M	Losses recognised for the six month ended $M
Residential mortgage	-	49,266	1	146	0
Credit cards and other personal loans	-	-	-	-	-
Auto and equipment finance	-	-	-	-	-
Commercial loans	-	-	-	-	-
Other	-	-	-	-	-
Total	**-**	**49,266**	**1**	**146**	**0**

	Sep 13				
Underlying asset	ANZ Originated $M	ANZ Self Securitised $M	Impaired $M	Past due $M	Losses recognised for the six month ended $M
Residential mortgage	-	46,597	1	103	0
Credit cards and other personal loans	-	-	-	-	-
Auto and equipment finance	-	-	-	-	-
Commercial loans	-	-	-	-	-
Other	-	-	-	-	-
Total	**-**	**46,597**	**1**	**103**	**0**

	Mar 13				
Underlying asset	ANZ Originated $M	ANZ Self Securitised $M	Impaired $M	Past due $M	Losses recognised for the six month ended $M
Residential mortgage	-	46,141	-	66	-
Credit cards and other personal loans	-	-	-	-	-
Auto and equipment finance	-	-	-	-	-
Commercial loans	-	-	-	-	-
Other	-	-	-	-	-
Total	**-**	**46,141**	**-**	**66**	**-**

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[26]

	Mar 14			
	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	-	2,670	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**-**	**2,670**	**-**	**-**

Securitisation activity by facility provided	Notional amount $M
Liquidity facilities	-
Funding facilities	433
Underwriting facilities	-
Lending facilities	-
Credit enhancements	-
Holdings of securities (excluding trading book)	(390)
Other	44
Total	**87**

	Sep 13			
	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	-	456	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**-**	**456**	**-**	**-**

Securitisation activity by facility provided	Notional amount $M
Liquidity facilities	-
Funding facilities	661
Underwriting facilities	-
Lending facilities	-
Credit enhancements	-
Holdings of securities (excluding trading book)	150
Other	589
Total	**1,400**

[26] Activity represents net movement in outstandings.

Securitisation activity by underlying asset type	Mar 13 Original value securitised ANZ Originated $M	ANZ Self Securitised $M	ANZ Sponsored $M	Recognised gain or loss on sale $M
Residential mortgage	-	642	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**-**	**642**	**-**	**-**

Securitisation activity by facility provided				Notional amount $M
Liquidity facilities	-	-	-	-
Funding facilities	-	-	-	190
Underwriting facilities	-	-	-	-
Lending facilities	-	-	-	-
Credit enhancements	-	-	-	-
Holdings of securities (excluding trading book)	-	-	-	444
Other	-	-	-	-
Total	**-**	**-**	**-**	**634**

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

Securitisation exposure type - On balance sheet	**Mar 14** $M	**Sep 13** $M	**Mar 13** $M
Liquidity facilities	-	-	-
Funding facilities	6,511	5,806	5,232
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	2,650	3,040	2,889
Protection provided	-	-	-
Other	460	589	-
Total	**9,621**	**9,435**	**8,121**

Securitisation exposure type - Off balance sheet	**Mar 14** $M	**Sep 13** $M	**Mar 13** $M
Liquidity facilities	118	113	121
Funding facilities	-	-	-
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	-	-	-
Protection provided	-	-	
Other	-	-	-
Total	**118**	**113**	**121**

Total Securitisation exposure type	**Mar 14** $M	**Sep 13** $M	**Mar 13** $M
Liquidity facilities	118	113	121
Funding facilities	6,511	5,806	5,232
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	2,650	3,040	2,889
Protection provided	-	-	-
Other	460	589	-
Total	**9,739**	**9,548**	**8,242**

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

Securitisation risk weights	Mar 14 Regulatory credit exposure $M	Mar 14 Risk weighted assets $M	Sep 13 Regulatory credit exposure $M	Sep 13 Risk weighted assets $M	Mar 13 Regulatory credit exposure $M	Mar 13 Risk weighted assets $M
≤ 25%	9,442	1,010	8,919	938	7,676	841
>25 ≤ 35%	-	-	-	-	-	-
>35 ≤ 50%	-	-	-	-	-	-
>50 ≤ 75%	144	75	155	81	148	77
>75 ≤ 100%	82	82	88	88	80	80
>100 ≤ 650%	29	44	33	50	33	50
1250% (Deduction)	-	-	119	1,488	114	1,426
Total	**9,696**	**1,210**	**9,314**	**2,645**	**8,051**	**2,474**

Resecuritisation risk weights	Mar 14 Regulatory credit exposure $M	Mar 14 Risk weighted assets $M	Sep 13 Regulatory credit exposure $M	Sep 13 Risk weighted assets $M	Mar 13 Regulatory credit exposure $M	Mar 13 Risk weighted assets $M
≤ 25%	-	-	195	39	146	29
>25 ≤ 35%	-	-	-	-	-	-
>35 ≤ 50%	-	-	-	-	-	-
>50 ≤ 75%	-	-	-	-	-	-
>75 ≤ 100%	43	43	40	40	45	45
>100 ≤ 650%	-	-	-	-	-	-
1250% (Deduction)	-	-	-	-	-	-
Total	**43**	**43**	**235**	**79**	**191**	**74**

Total Securitisation risk weights	Mar 14 Regulatory credit exposure $M	Mar 14 Risk weighted assets $M	Sep 13 Regulatory credit exposure $M	Sep 13 Risk weighted assets $M	Mar 13 Regulatory credit exposure $M	Mar 13 Risk weighted assets $M
≤ 25%	9,442	1,010	9,114	977	7,822	870
>25 ≤ 35%	-	-	-	-	-	-
>35 ≤ 50%	-	-	-	-	-	-
>50 ≤ 75%	144	75	155	81	148	77
>75 ≤ 100%	125	125	128	128	125	125
>100 ≤ 650%	29	44	33	50	33	50
1250% (Deduction)	-	-	119	1,488	114	1,426
Total	**9,739**	**1,253**	**9,549**	**2,724**	**8,242**	**2,548**

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

No longer required under Basel III, defaulted exposures given a risk weight of 1250% 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

	Mar 14		
Resecuritisation exposures retained or purchased	Exposures subject to CRM $M	Exposures not subject to CRM $M	Total $M
Residential mortgage	-	-	**-**
Credit cards and other personal loans	-	-	**-**
Auto and equipment finance	-	43	**43**
Commercial loans	-	-	**-**
Other	-	-	**-**
Total	**-**	**43**	**43**

Resecuritisation exposures by credit worthiness of guarantors	Exposures to Guarantors $M
Credit Rating Level 1	-
Credit Rating Level 2	-
Credit Rating Level 3	-
Credit Rating Level 4	-
Credit Rating Level 5 or below	-
No Guarantor	-
Total	**-**

	Sep 13		
Resecuritisation exposures retained or purchased	Exposures subject to CRM $M	Exposures not subject to CRM $M	Total $M
Residential mortgage	-	-	**-**
Credit cards and other personal loans	-	163	**163**
Auto and equipment finance	-	40	**40**
Commercial loans	-	-	**-**
Other	-	32	**32**
Total	**-**	**235**	**235**

Resecuritisation exposures by credit worthiness of guarantors	Exposures to Guarantors $M
Credit Rating Level 1	-
Credit Rating Level 2	-
Credit Rating Level 3	-
Credit Rating Level 4	-
Credit Rating Level 5 or below	-
No Guarantor	-
Total	**-**

	Mar 13		
Resecuritisation exposures retained or purchased	Exposures subject to CRM $M	Exposures not subject to CRM $M	Total $M
Residential mortgage	-	-	**-**
Credit cards and other personal loans	-	146	**146**
Auto and equipment finance	-	45	**45**
Commercial loans	-	-	**-**
Other	-	-	**-**
Total	**-**	**191**	**191**

Resecuritisation exposures by credit worthiness of guarantors	Exposures to Guarantors $M
Credit Rating Level 1	-
Credit Rating Level 2	-
Credit Rating Level 3	-
Credit Rating Level 4	-
Credit Rating Level 5 or below	-
No Guarantor	-
Total	**-**

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

Securitisation exposure type - On balance sheet	Mar 14 $M	Sep 13 $M	Mar 13 $M
Liquidity facilities	-	-	-
Funding facilities	-	-	-
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities	23	21	17
Protection provided	-	-	-
Other	-	-	-
Total	**23**	**21**	**17**

Securitisation exposure type - Off balance sheet	Mar 14 $M	Sep 13 $M	Mar 13 $M
Liquidity facilities	-	-	-
Funding facilities	-	-	-
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities	-	-	-
Protection provided	-	-	-
Other	-	-	-
Total	**-**	**-**	**-**

Total Securitisation exposure type	Mar 14 $M	Sep 13 $M	Mar 13 $M
Liquidity facilities	-	-	-
Funding facilities	-	-	-
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities	23	21	17
Protection provided	-	-	-
Other	-	-	-
Total	**23**	**21**	**17**

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 APS120 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

	Mar 14		
Resecuritisation exposures retained or purchased	Exposures subject to CRM $M	Exposures not subject to CRM $M	Total $M
Residential mortgage	-	-	**-**
Credit cards and other personal loans	23	-	**23**
Auto and equipment finance	-	-	**-**
Commercial loans	-	-	**-**
Other	-	-	**-**
Total	**23**	**-**	**23**

Resecuritisation exposures by credit worthiness of guarantors	Exposures to Guarantors $M
Credit Rating Level 1	23
Credit Rating Level 2	-
Credit Rating Level 3	-
Credit Rating Level 4	-
Credit Rating Level 5 or below	-
No Guarantor	**-**
Total	**23**

	Sep 13		
Resecuritisation exposures retained or purchased	Exposures subject to CRM $M	Exposures not subject to CRM $M	Total $M
Residential mortgage	-	-	**-**
Credit cards and other personal loans	21	-	**21**
Auto and equipment finance	-	-	**-**
Commercial loans	-	-	**-**
Other	-	-	**-**
Total	**21**	**-**	**21**

Resecuritisation exposures by credit worthiness of guarantors	Exposures to Guarantors $M
Credit Rating Level 1	21
Credit Rating Level 2	-
Credit Rating Level 3	-
Credit Rating Level 4	-
Credit Rating Level 5 or below	-
No Guarantor	**-**
Total	**21**

	Mar 13		
Resecuritisation exposures retained or purchased	Exposures subject to CRM $M	Exposures not subject to CRM $M	Total $M
Residential mortgage	-	-	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**-**	**-**	**-**

Resecuritisation exposures by credit worthiness of guarantors	Exposures to Guarantors $M
Credit Rating Level 1	-
Credit Rating Level 2	-
Credit Rating Level 3	-
Credit Rating Level 4	-
Credit Rating Level 5 or below	-
No Guarantor	-
Total	**-**

Chapter 6 – Market risk

Table 13 Market risk – Standard approach

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

	Mar 14 $M	Sep 13 $M	Mar 13 $M
Interest rate risk	155	127	134
Equity position risk	4	7	7
Foreign exchange risk	-	-	-
Commodity risk	4	5	3
Total	**163**	**139**	**144**
Risk Weighted Assets equivalent	**2,038**	**1,738**	**1,800**

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

Table 14 Market risk – Internal models approach

Table 14(e): Value at Risk (VaR) and stressed VaRover the reporting period[28]

	Six months ended 31 Mar 14			
99% 1 Day Value at Risk (VaR)	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	6.9	13.5	2.8	8.4
Interest Rate	7.7	16.6	3.2	9.5
Credit	3.9	5.2	2.8	2.8
Commodity	1.4	2.1	0.9	1.2
Equity	1.0	2.2	0.4	0.7

	Six months ended 30 Sep 13			
99% 1 Day Value at Risk (VaR)	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	4.9	8.0	2.3	3.0
Interest Rate	6.4	11.2	3.3	3.9
Credit	4.6	8.6	3.2	4.2
Commodity	1.7	2.2	1.2	1.4
Equity	1.4	3.4	0.6	1.4

	Six months ended 31 Mar 13			
99% 1 Day Value at Risk (VaR)	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	5.4	12.6	3.3	6.3
Interest Rate	5.2	11.6	2.8	8.3
Credit	3.8	5.6	2.8	3.8
Commodity	2.5	4.1	1.3	2.3
Equity	1.8	2.9	1.0	1.3

	Six months ended 31 Mar 14			
99% 10 Day Stressed VaR	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	33.9	90.9	10.4	42.6
Interest Rate	62.2	122.0	28.5	58.7
Credit	43.2	67.7	20.2	23.0
Commodity	8.9	24.7	3.7	11.8
Equity	3.9	29.7	0.2	7.0

	Six months ended 30 Sep 13			
99% 10 Day Stressed VaR	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	52.7	89.1	27.7	46.7
Interest Rate	44.2	81.6	25.7	37.3
Credit	17.8	26.8	11.7	20.8
Commodity	7.6	14.3	5.2	7.7
Equity	10.7	60.1	0.1	1.0

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

Chapter 7 – Equities

Table 16 Equities – Disclosures for banking book positions

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

Equity investments	Mar 14 $M	
	Balance sheet value	Fair value
Value of listed (publicly traded) equities	2,166	2,493
Value of unlisted (privately held) equities	2,215	2,251
Total	**4,381**	**4,744**

Equity investments	Sep 13 $M	
	Balance sheet value	Fair value
Value of listed (publicly traded) equities	2,089	2,392
Value of unlisted (privately held) equities	2,146	2,180
Total	**4,235**	**4,572**

Equity investments	Mar 13 $M	
	Balance sheet value	Fair value
Value of listed (publicly traded) equities	1,998	2,305
Value of unlisted (privately held) equities	1,834	1,864
Total	**3,832**	**4,169**

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

Realised gains (losses) on equity investments	Half Year Mar 14 $M	Half Year Sep 13 $M	Half Year Mar 13 $M
Cumulative realised gains (losses) from disposals and liquidations in the reporting period	4	4	4
Cumulative realised losses from impairment and writedowns in the reporting period	-	(29)	(1)
Total	**4**	**(25)**	**3**

Unrealised gains (losses) on equity investments	Half Year Mar 14 $M	Half Year Sep 13 $M	Half Year Mar 13 $M
Total unrealised gains (losses)	4	4	4
Reversal of prior period unrealised gains (losses) from disposals and liquidations in the reporting period	-	-	(1)
Total unrealised gains (losses) included in Common Equity Tier 1, Tier 1 and/or Tier 2 capital	**4**	**4**	**3**

Table 16(f): Equities Risk Weighted Assets

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

Chapter 8 – Interest Rate Risk in the Banking Book

Table 17 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: Interest rate shock applied	**Mar 14** $M	**Sep 13** $M	**Mar 13** $M
AUD			
200 basis point parallel increase	(646)	(709)	(479)
200 basis point parallel decrease	689	773	524
NZD			
200 basis point parallel increase	(20)	(16)	(5)
200 basis point parallel decrease	16	10	1
USD			
200 basis point parallel increase	(14)	(34)	(37)
200 basis point parallel decrease	12	16	16
GBP			
200 basis point parallel increase	(2)	(3)	(2)
200 basis point parallel decrease	1	1	1
Other			
200 basis point parallel increase	36	47	41
200 basis point parallel decrease	12	5	(8)
IRRBB regulatory capital	**1,309**	**1,463**	**1,010**
IRRBB regulatory RWA	**16,359**	**18,287**	**12,629**

IRRBB stress testing methodology

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

Appendix 1 – ANZ Bank (Europe) Limited

ANZ Bank (Europe) Limited (ANZBEL) is a 100% owned and controlled subsidiary of ANZ. ANZBEL is regulated by the Prudential Regulatory Authority (PRA) and the Financial Conduct Authority (FCA), formerly the Financial Services Authority (FSA). ANZBEL is subject to similar Pillar 3 requirements as ANZ, under the FCA's Prudential Source Book for Banks, Building Societies and Investment Firms (BIPRU). The FCA has granted ANZBEL a Pillar 3 Disclosure waiver direction, which can be found on the FCA website: fca.org.uk/static/fca/documents/waivers/bipru-waivers.pdf

In line with the FCA waiver direction, ANZBEL will rely on disclosures in this document to satisfy most of its Pillar 3 disclosure obligations. The following FCA requirements are not mirrored in APS 330 or included in this disclosure document, and as such are required by the FCA to be reported on an individual basis in the annual ANZBEL Statutory Accounts:

- BIPRU 11.5.4R (4) - Disclosure of the firm’s minimum capital requirements covering position, foreign exchange, commodity, counterparty and concentration risks.
- BIPRU 11.5.12R – Disclosure: Market Risk.

Glossary

Collective provision (CP)	Collective provision is the provision for credit losses that are inherent in the portfolio but not able to be individually identified. A collective provision may only be recognised when a loss event has already occurred. Losses expected as a result of future events, no matter how likely, are not recognised.
Credit Default Swaps (CDS)	A sequence of payments by one party (often called the "Buyer") in exchange for an obligation of the other party (often called the "Seller") to make a payment to the buyer if a credit default event occurs in relation to a specified reference entity (and possibly a specified obligation of that reference entity).
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 the failure of ANZ's customers and counterparties to honour or perform fully the terms of a loan or contract.
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.
Equity risk	Is the potential loss that may be incurred on equity investments in the banking book.
Expected loss (EL)	Expected loss is determined based on the expected average annual loss of principal over the economic cycle for the current risk profile of the lending portfolio.
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 losseson financial instruments assessed for impairment on an individualbasis (as opposed to on a collective basis). It takes into accountexpected cash flow over the lives of those financial instruments.

Loss Given Default (LGD)	Loss Given Default 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.
Market risk	The risk to ANZ's earnings arising from changes in interest rates, currency exchange rates and credit spreads, 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 physical and derivative trading positions. Trading positions arise from transactions where ANZ acts as principal with clients or with the market. 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. This definition includes legal risk, and the risk of reputation loss, or damage arising from inadequate or failed internal processes, people and systems, but excludes strategic 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.
Probability of Default (PD)	Probability of Default is an estimate of the level of the risk of borrower default.
Recoveries	Payments received and taken to profit for the current period for the amounts written off in prior financial periods.
Regulatory Expected Loss	Regulatory Expected Loss is a measure of expected credit losses at the start of the year.
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 which are weighted for credit risk according to a set formula (APS 112/113).
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.
Slotting	Exposures where repayment is dependent on funds generated by the asset financed and with little/no recourse to any alternative source.
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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