2015 | BASEL III PILLAR 3 DISCLOSURE

AS AT 31 DECEMBER 2015

APS 330: PUBLIC DISCLOSURE

ANZ

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 December 2015. 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.

Table 3 Capital adequacy - Capital ratios and Risk Weighted Assets

Risk weighted assets (RWA)	Dec-15 $M	Sep-15 $M	Jun-15 $M
Subject to Advanced Internal Rating Based (IRB) approach			
Corporate	148,017	150,165	142,900
Sovereign	6,363	6,664	6,453
Bank	16,428	17,445	18,831
Residential Mortgage	56,479	54,996	53,474
Qualifying Revolving Retail	7,469	7,546	7,846
Other Retail	30,156	32,990	31,429
Credit risk weighted assets subject to Advanced IRB approach	**264,912**	**269,806**	**260,933**
Credit risk Specialised Lending exposures subject to slotting approach[1]	**35,173**	**32,240**	**31,364**
Subject to Standardised approach			
Corporate	23,929	26,217	25,206
Residential Mortgage	2,765	2,882	2,645
Other Retail	3,638	3,625	3,345
Credit risk weighted assets subject to Standardised approach	**30,332**	**32,724**	**31,196**
Credit Valuation Adjustment and Qualifying Central Counterparties	**8,723**	**10,170**	**8,854**
Credit risk weighted assets relating to securitisation exposures	1,215	1,156	1,072
Other assets	3,735	3,655	3,761
Total credit risk weighted assets	**344,090**	**349,751**	**337,180**
Market risk weighted assets	5,903	6,868	6,874
Operational risk weighted assets	37,849	37,885	32,894
Interest rate risk in the banking book (IRRBB) risk weighted assets	9,457	7,433	7,010
Total risk weighted assets	**397,299**	**401,937**	**383,958**
Capital ratios (%)			
Level 2 Common Equity Tier 1 capital ratio	**9.4%**	**9.6%**	**8.6%**
Level 2 Tier 1 capital ratio	**11.2%**	**11.3%**	**10.5%**
Level 2 Total capital ratio	**13.3%**	**13.3%**	**12.5%**

Credit Risk Weighted Assets (CRWA)

Total CRWA at December 2015 was $344.1 billion, a decrease of $5.7 billion (1.6%) from September 2015. This included a $2.3 billion decrease due to foreign currency movements, a reduction in IRB Other Retail, mainly driven by the sale of Esanda business assets, and a reduction in exposure for the Institutional business. These were partially offset by portfolio growth in Australia and New Zealand business in the IRB Residential Mortgage and Specialised Lending asset classes, together with a revised risk treatment being applied in the Specialised Lending asset class which increased the Specialised Lending RWA.

Market Risk, Operational Risk and IRRBB Risk Weighted Assets (RWA)

The 14% decrease in Traded Market Risk RWA was primarily the result of increased diversification in the trading book and a reduction in general market risk held over the quarter.

The Operational Risk RWA remained relatively unchanged since September 2015 reflecting minimal change in the ANZ operational risk profile.

IRRBB RWA increased $2.02b mainly due to realisation of prior embedded gains.

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

Table 4 Credit risk exposures

Exposure at Default in Table 4 represents gross credit exposure without offsets for credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral. It includes Advanced IRB, Specialised Lending and Standardised exposures, however does not include Securitisation, Equities or Other Assets exposures.

Table 4(a) part (i): Period end and average Exposure at Default [2]

	Dec 15				
Advanced IRB approach	Risk Weighted Assets $M	Exposure at Default $M	Average Exposure at Default for three months $M	Individual provision charge for three months $M	Write-offs for three months $M
Corporate	148,017	274,768	275,642	92	79
Sovereign	6,363	141,718	134,534	2	-
Bank	16,428	111,932	113,915	-	-
Residential Mortgage	56,479	334,380	328,777	4	9
Qualifying Revolving Retail	7,469	22,188	22,138	51	69
Other Retail	30,156	40,866	43,608	129	133
Total Advanced IRB approach	**264,912**	**925,852**	**918,614**	**278**	**290**
Specialised Lending	**35,173**	**39,577**	**38,665**	**-**	**2**
Standardised approach					
Corporate	23,929	27,695	29,030	-	1
Residential Mortgage	2,765	7,536	7,683	-	1
Other Retail	3,638	3,645	3,641	41	48
Total Standardised approach	**30,332**	**38,876**	**40,354**	**41**	**50**
Credit Valuation Adjustment and Qualifying Central Counterparties	**8,723**	**29,611**	**31,433**	**-**	**-**
Total	**339,140**	**1,033,916**	**1,029,066**	**319**	**342**

[2] Average Exposure at Default for quarter is calculated as the simple average of the balances at the start and the end of each three month period.

	Sep 15				
Advanced IRB approach	Risk Weighted Assets $M	Exposure at Default $M	Average Exposure at Default for three months $M	Individual provision charge for three months $M	Write-offs for three months $M
Corporate	150,165	276,516	273,182	148	135
Sovereign	6,664	127,349	124,471	(2)	-
Bank	17,445	115,898	112,356	-	-
Residential Mortgage	54,996	323,174	317,664	2	8
Qualifying Revolving Retail	7,546	22,088	22,151	49	71
Other Retail	32,990	46,351	45,929	142	138
Total Advanced IRB approach	**269,806**	**911,376**	**895,753**	**339**	**352**
Specialised Lending	**32,240**	**37,754**	**37,496**	**(19)**	**51**
Standardised approach					
Corporate	26,217	30,365	29,656	5	6
Residential Mortgage	2,882	7,829	7,616	-	2
Other Retail	3,625	3,636	3,497	36	45
Total Standardised approach	**32,724**	**41,830**	**40,769**	**41**	**53**
Credit Valuation Adjustment and Qualifying Central Counterparties	**10,170**	**33,255**	**28,903**	**-**	**-**
Total	**344,940**	**1,024,215**	**1,002,921**	**361**	**456**

	Jun 15				
Advanced IRB approach	Risk Weighted Assets $M	Exposure at Default $M	Average Exposure at Default for three months $M	Individual provision charge for three months $M	Write-offs for three months $M
Corporate	142,900	269,847	270,707	56	62
Sovereign	6,453	121,593	117,288	-	-
Bank	18,831	108,814	115,704	-	-
Residential Mortgage	53,474	312,154	311,477	7	9
Qualifying Revolving Retail	7,846	22,214	22,074	53	74
Other Retail	31,429	45,508	45,814	137	134
Total Advanced IRB approach	**260,933**	**880,130**	**883,064**	**253**	**279**
Specialised Lending	**31,364**	**37,239**	**37,382**	**4**	**10**
Standardised approach					
Corporate	25,206	28,947	29,574	5	28
Residential Mortgage	2,645	7,402	7,346	-	2
Other Retail	3,345	3,357	3,320	32	40
Total Standardised approach	**31,196**	**39,706**	**40,240**	**37**	**70**
Credit Valuation Adjustment and Qualifying Central Counterparties	**8,854**	**24,552**	**25,420**	**-**	**-**
Total	**332,347**	**981,627**	**986,106**	**294**	**359**

Table 4(a) part (ii): Exposure at Default by portfolio type[3]

Portfolio Type	Dec-15 $M	Sep-15 $M	Jun-15 $M	Average for the quarter ended Dec-15 $M
Cash	41,644	29,176	33,985	35,410
Contingents liabilities, commitments, and other off-balance sheet exposures	166,935	162,535	160,641	164,735
Derivatives	124,458	141,641	114,225	133,050
Settlement Balances	41,568	39,216	34,615	40,392
Investment Securities	42,072	37,811	34,440	39,941
Net Loans, Advances & Acceptances[4]	570,538	565,448	550,601	567,993
Other assets	15,743	12,114	17,739	13,929
Trading Securities	30,958	36,274	35,381	33,616
Total exposures	**1,033,916**	**1,024,215**	**981,627**	**1,029,066**

[3] Average Exposure at Default for quarter is calculated as the simple average of the balances at the start and the end of each three month period.

[4] Includes loans reclassified as held for sale for accounting purposes.

Table 4(b): Impaired asset[5] [6], Past due loans[7] [8], Provisions and Write-offs

	Dec 15					
	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Individual provision charge for three months $M	Write-offs for three months $M
Portfolios subject to Advanced IRB approach						
Corporate	12	1,397	208	585	100	79
Sovereign	-	1	-	6	2	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	218	1,592	81	3	9
Qualifying Revolving Retail	-	81	-	-	51	69
Other Retail[9]	-	447	288	242	129	134
Total Advanced IRB approach	**12**	**2,144**	**2,088**	**914**	**285**	**291**
Specialised Lending	**35**	**146**	**24**	**35**	**(7)**	**2**
Portfolios subject to Standardised approach						
Corporate	-	59	42	21	-	1
Residential Mortgage	-	38	9	13	-	1
Other Retail	-	198	5	3	41	48
Total Standardised approach	**-**	**295**	**56**	**37**	**41**	**50**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**47**	**2,585**	**2,168**	**986**	**319**	**343**

[5] Impaired derivatives are net of credit value adjustment (CVA) of $64 million, being a market value based assessment of the credit risk of the relevant counterparties (September 2015: $69 million; June 2015: $64 million).

[6] Impaired loans / facilities include restructured items of $211 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 2015: $184 million; June 2015: $270 million).

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

[8] Quarter on quarter residential mortgage delinquency rate has decreased with past due loans ≥ 90 days as percentage of Exposure at Default of: December 2015 0.47%, September 2015 0.48% and June 2015 0.50%.

[9] Quarter on quarter decreases in Other Retail impairments and individual provisions is partly due to the sale of Esanda assets.

	Sep 15					
	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Individual provision charge for three months $M	Write-offs for three months $M
Portfolios subject to Advanced IRB approach						
Corporate	9	1,487	202	575	148	135
Sovereign	-	2	-	4	(2)	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	240	1,570	86	2	8
Qualifying Revolving Retail	-	88	-	-	49	71
Other Retail	-	599	306	317	142	138
Total Advanced IRB approach	**9**	**2,416**	**2,078**	**982**	**339**	**352**
Specialised Lending	**28**	**159**	**62**	**40**	**(19)**	**51**
Portfolios subject to Standardised approach						
Corporate	-	73	40	23	5	6
Residential Mortgage	-	37	12	14	-	2
Other Retail	-	177	7	2	36	45
Total Standardised approach	**-**	**287**	**59**	**39**	**41**	**53**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**37**	**2,862**	**2,199**	**1,061**	**361**	**456**

	Jun 15					
	Impaired Derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Individual provision charge for three months $M	Write-offs for three months $M
Portfolios subject to Advanced IRB approach						
Corporate	-	1,363	254	543	56	62
Sovereign	-	2	-	4	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	263	1,577	91	7	9
Qualifying Revolving Retail	-	96	-	-	53	74
Other Retail	-	597	327	323	137	134
Total Advanced IRB approach	**-**	**2,321**	**2,158**	**961**	**253**	**279**
Specialised Lending	**23**	**378**	**47**	**86**	**4**	**10**
Portfolios subject to Standardised approach						
Corporate	-	70	49	21	5	28
Residential Mortgage	-	37	14	13	-	2
Other Retail	-	164	7	2	32	40
Total Standardised approach	**-**	**271**	**70**	**36**	**37**	**70**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**23**	**2,970**	**2,275**	**1,083**	**294**	**359**

Table 4(c): Specific Provision Balance and General Reserve for Credit Losses [10]

	Dec 15		
	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collective Provision	308	2,611	2,919
Individual Provision	986	-	986
Total Provision for Credit Impairment	**1,294**	**2,611**	**3,905**

	Sep 15		
	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collective Provision	334	2,622	2,956
Individual Provision	1,061	-	1,061
Total Provision for Credit Impairment	**1,395**	**2,622**	**4,017**

	Jun 15		
	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collective Provision	331	2,606	2,937
Individual Provision	1,083	-	1,083
Total Provision for Credit Impairment	**1,414**	**2,606**	**4,020**

[10] 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 5 Securitisation

Table 5(a) part (i): Banking Book - Summary of current period's activity by underlying asset type and facility [11]

	Dec-15			
	Original value securitised			
Securitisation activity by underlying asset type	ANZ Originated $M	ANZ Self Securitised $M	ANZ Sponsored $M	Recognized gain or loss on sale $M
Residential mortgage	-	(36)	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**-**	**(36)**	**-**	**-**

Securitisation activity by facility provided				Notional amount $M
Liquidity facilities	-	-	-	-
Funding facilities	-	-	-	-
Underwriting facilities	-	-	-	-
Lending facilities	-	-	-	-
Credit enhancements	-	-	-	-
Holdings of securities (excluding trading book)	-	-	-	142
Other	-	-	-	11
Total	**-**	**-**	**-**	**154**

	Sep-15			
	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	-	5,778	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**-**	**5,778**	**-**	**-**

Securitisation activity by facility provided				Notional amount $M
Liquidity facilities	-	-	-	-
Funding facilities	-	-	-	329
Underwriting facilities	-	-	-	-
Lending facilities	-	-	-	-
Credit enhancements	-	-	-	-
Holdings of securities (excluding trading book)	-	-	-	240
Other	-	-	-	4
Total	**-**	**-**	**-**	**573**

[11] Activity represents net movement in outstandings.

Securitisation activity by underlying asset type	Jun-15 Original value securitised ANZ Originated $M	ANZ Self Securitised $M	ANZ Sponsored $M	Recognised gain or loss on sale $M
Residential mortgage	-	(494)	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**-**	**(494)**	**-**	**-**

Securitisation activity by facility provided				Notional amount $M
Liquidity facilities	-	-	-	-
Funding facilities	-	-	-	47
Underwriting facilities	-	-	-	-
Lending facilities	-	-	-	-
Credit enhancements	-	-	-	-
Holdings of securities (excluding trading book)	-	-	-	9
Other	-	-	-	-
Total	**-**	**-**	**-**	**56**

Table 5(a) part (ii): Trading Book - Summary of current period's activity by underlying asset type and facility

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

Table 5(b) part (i): Banking Book – Exposure at Default by exposure type

Securitisation exposure type - On balance sheet	Dec-15 $M	Sep15 $M	Jun-15 $M
Liquidity facilities	5	5	5
Funding facilities	5,841	5,593	4,991
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	5,219	5,076	4,846
Protection provided	-	-	-
Other	161	168	264
Total	**11,226**	**10,842**	**10,106**

Securitisation exposure type - Off Balance Sheet	Dec-15 $M	Sep15 $M	Jun-15 $M
Liquidity facilities	72	66	70
Funding facilities	-	-	-
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	-	-	-
Protection provided	-	-	-
Other	-	-	-
Total	**72**	**66**	**70**

Total Securitisation exposure type	Dec-15 $M	Sep15 $M	Jun-15 $M
Liquidity facilities	77	71	75
Funding facilities	5,841	5,593	4,991
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	5,219	5,076	4,846
Protection provided	-	-	-
Other	161	168	264
Total	**11,298**	**10,908**	**10,176**

Table 5(b) part (ii): Trading Book - Exposure at Default by exposure type

Securitisation exposure type - On balance sheet	Dec15 $M	Sep-15 $M	Jun-15 $M
Liquidity facilities	-	-	-
Funding facilities	-	-	-
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities	16	-	-
Protection provided	-	-	-
Other	-	-	-
Total	**-**	**-**	**-**

Securitisation exposure type - Off Balance Sheet	Dec15 $M	Sep-15 $M	Jun-15 $M
Liquidity facilities	-	-	-
Funding facilities	-	-	-
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities	-	-	-
Protection provided	-	-	-
Other	-	-	-
Total	**-**	**-**	**-**

Total Securitisation exposure type	Dec15 $M	Sep-15 $M	Jun-15 $M
Liquidity facilities	-	-	-
Funding facilities	-	-	-
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities	16	-	-
Protection provided	-	-	-
Other	-	-	-
Total	**16**	**-**	**-**

Leverage Ratio

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

Consistent with the BCBS definition, APRA's Leverage Ratio compares Tier 1 Capital to the Exposure Measure (expressed as a percentage) as defined by APS 110. APRA has not finalised a minimum Leverage Ratio requirement for Australian ADIs, although the current BCBS proposal is for a minimum of 3%. Currently the Leverage Ratio is only a disclosure requirement. APRA intends to consult on the appropriate application of the Leverage Ratio as a minimum requirement for Australian ADIs once BCBS finalises its calibration for implementation as a Pillar 1 requirement by January 2018.

	Capital and total exposures	**Dec-15 $M**	**Sep-15 $M**
20	Tier 1 capital	44,364	45,484
21	Total exposures	908,186	896,985
	Leverage ratio		
22	Basel III leverage ratio	4.9%	5.1%

The leverage ratio at 31 December 2015 was 4.9%, down 19 basis points over the quarter. This movement is largely due to the payment of the 2015 final dividend (-28bps) and balance sheet growth, partially offset by retained earnings.

Glossary

Basel III Credit Valuation Adjustment (CVA) capital charge	CVA charge is an additional capital requirement under Basel III for bilateral derivative exposures. Derivatives not cleared through a central exchange/counterparty are subject to this additional capital charge and also receive normal CRWA treatment under Basel II principles.
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 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.
Exposure at Default (EAD)	Exposure At Default is defined as the expected facility exposure at the date of default.
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.
Impaired assets (IA)	Facilities are classified as impaired when there is doubt as to whether the contractual amounts due, including interest and other payments, will be met in a timely manner. Impaired assets include impaired facilities, and impaired derivatives. Impaired derivatives have a credit valuation adjustment (CVA), which is a market assessment of the credit risk of the relevant counterparties.
Impaired loans (IL)	Impaired loans comprise of drawn facilities where the customer's status is defined as impaired.
Individual provision charge (IPC)	Individual provision charge is the amount of expected credit losses on financial instruments assessed for impairment on an individual basis (as opposed to on a collective basis). It takes into account expected cash flows over the lives of those financial instruments.
Individual provisions (IP)	Individual provisions are assessed on a case-by-case basis for all individually managed impaired assets taking into consideration factors such as the realisable value of security (or other credit mitigants), the likely return available upon liquidation or bankruptcy, legal uncertainties, estimated costs involved in recovery, the market price of the exposure in secondary markets and the amount and timing of expected receipts and recoveries.

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 controls or from external events, including legal risk but excluding reputation risk.
Past due facilities	Facilities where a contractual payment has not been met or the customer is outside of contractual arrangements are deemed past due. Past due facilities include those operating in excess of approved arrangements or where scheduled repayments are outstanding but do not include impaired assets.
Probability of Default (PD)	Probability of Default is an estimate of the level of the risk of borrower default.
Qualifying Central Counterparties (QCCP)	QCCP is a central counterparty which is an entity that interposes itself between counterparties to derivative contracts. Trades with QCCP attract a more favorable risk weight calculation.
Recoveries	Payments received and taken to profit for the current period for the amounts written off in prior financial periods.
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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