2018 BASEL III PILLAR 3 DISCLOSURE

AS AT 30 JUNE 2018

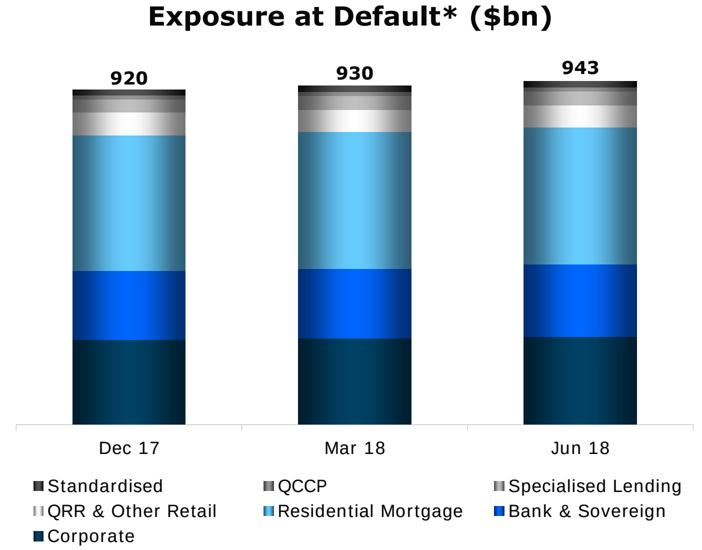
APS 330:
PUBLIC DISCLOSURE

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.

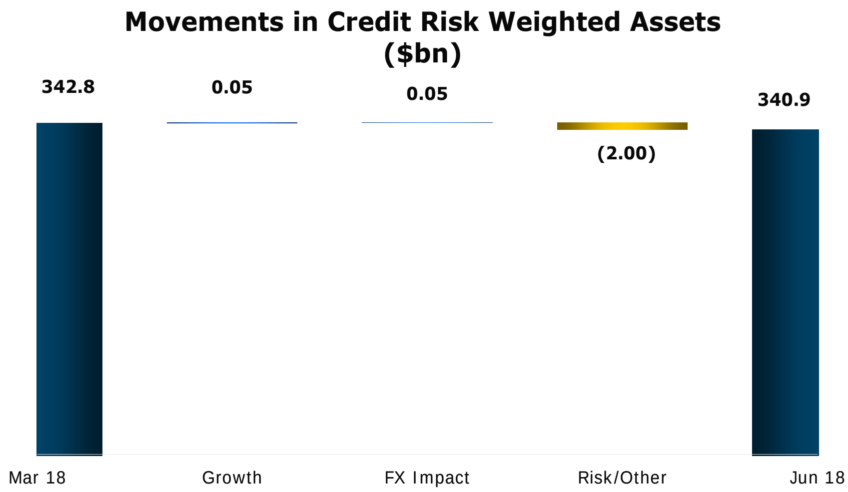
Highlights



*Exposure at Default is post Credit Risk Mitigation (CRM) and does not include Securitisation, Equities or Other Assets.

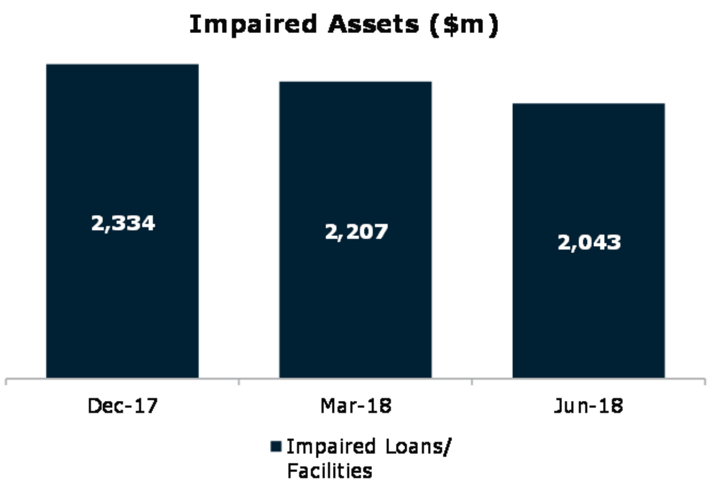
EAD up $12.7bn to $943bn for 3Q18.

- Underlying movement driven by combination of foreign exchange movements and portfolio growth in AIRB Corporate $4bn, Sovereign $5.4bn, and Bank $3.1bn asset classes.



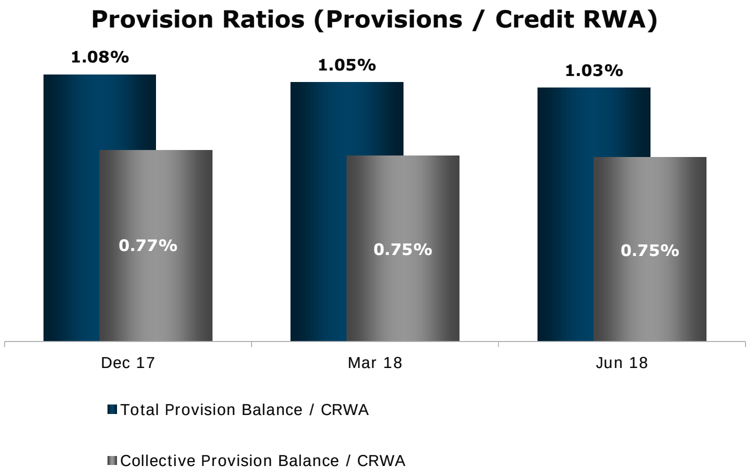
Credit Risk Weighted Assets (CRWA) decreased by $1.9bn quarter on quarter.

- This was driven by an improved portfolio mix in the Institutional business within the Corporate asset class.



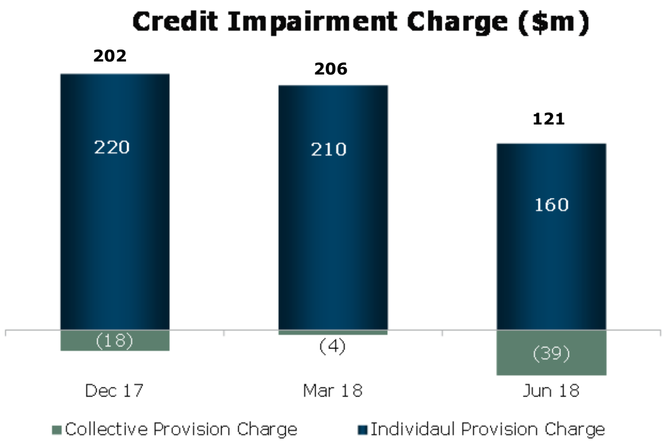
Impaired assets down $164m quarter on quarter.

- Decrease in Impaired Assets QoQ is driven by lower impairments being taken by all divisions.



Provision coverage remains sound.

• The total provision coverage ratio decreased by 2bps QoQ to 1.03%. Collective Provision ratio remained stable at 0.75%.



Credit Impairment Charge.

• Credit impairment charge down $85m QoQ due to a number of one off recoveries and high level of write-backs in the Institutional business, combined with individual credit upgrades and improved risk mix of the portfolio.

Table 3 Capital adequacy - Capital ratios and Risk Weighted Assets

Risk Weighted Assets (RWA)	Jun 18 $M	Mar 18 $M	Dec 17 $M
Subject to Advanced Internal Rating Based (IRB) approach			
Corporate	122,902	123,253	123,815
Sovereign	7,112	6,896	7,277
Bank	15,083	15,129	14,212
Residential Mortgage	99,257	99,560	98,880
Qualifying Revolving Retail	6,679	6,845	6,997
Other Retail	29,992	30,769	30,586
Credit risk weighted assets subject to Advanced IRB approach	**281,025**	**282,452**	**281,767**
Credit Risk Specialised Lending exposures subject to slotting approach[1]	**32,714**	**32,065**	**31,137**
Subject to Standardised approach			
Corporate	14,085	15,105	13,450
Residential Mortgage	326	321	355
Other Retail	95	102	702
Credit risk weighted assets subject to Standardised approach	**14,506**	**15,528**	**14,507**
Credit Valuation Adjustment and Qualifying Central Counterparties	**7,633**	**7,864**	**7,439**
Credit risk weighted assets relating to securitisation exposures	1,716	1,728	937
Other assets	3,310	3,185	3,367
Total credit risk weighted assets	**340,904**	**342,822**	**339,154**
Market risk weighted assets	7,181	6,558	5,966
Operational risk weighted assets	37,378	37,378	37,208
Interest rate risk in the banking book (IRRBB) risk weighted assets	8,988	9,019	11,157
Total Risk Weighted Assets	**394,451**	**395,777**	**393,485**
Capital ratios (%)			
Level 2 Common Equity Tier 1 capital ratio	**11.1%**	**11.0%**	**10.8%**
Level 2 Tier 1 capital ratio	**13.0%**	**12.9%**	**12.9%**
Level 2 Total capital ratio	**14.8%**	**14.9%**	**15.1%**

Credit Risk Weighted Assets (CRWA)

Total CRWA decreased $1.9 billion (-0.6%) from March 2018 to $340.9 billion at June 2018. This was driven by an improved portfolio mix in the Institutional business within the Corporate asset class offsetting portfolio growth. Residential Mortgages decrease is driven by the weakening of the NZD against the AUD, whilst in Australia portfolio growth is offset by a small improvement in underlying portfolio credit quality. AIRB Other Retail decrease is consistent with the portfolio contraction as well as foreign exchange movements against NZD.

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

Traded Market Risk RWA increased $0.6 billion (10.0%) over the quarter due to a temporary regulatory requirement to hold additional market risk capital while upgrades to the market risk systems and methodologies are implemented.

[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 credit exposure net of offsets for credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral. It includes Advanced IRB, Specialised Lending and Standardised exposures, however does not include Securitisation, Equities or Other Assets exposures.

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

	Jun 18				
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	122,902	241,724	239,758	11	34
Sovereign	7,112	146,715	143,999	(3)	-
Bank	15,083	51,800	50,234	-	-
Residential Mortgage	99,257	376,586	376,334	29	14
Qualifying Revolving Retail	6,679	19,037	19,184	51	77
Other Retail	29,992	40,582	41,081	99	142
Total Advanced IRB approach	**281,025**	**876,444**	**870,590**	**187**	**267**
Specialised Lending	**32,714**	**39,309**	**38,585**	**-**	**1**
Standardised approach					
Corporate	14,085	15,444	15,836	(29)	9
Residential Mortgage	326	694	688	1	-
Other Retail	95	94	98	1	1
Total Standardised approach	**14,506**	**16,232**	**16,622**	**(27)**	**10**
Credit Valuation Adjustment and Qualifying Central Counterparties	**7,633**	**10,865**	**10,728**	**-**	**-**
Total	**335,878**	**942,850**	**936,525**	**160**	**278**

[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.

Table 4(a) part (i): Period end and average Exposure at Default (continued)

Mar 18					
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	123,253	237,791	235,020	51	59
Sovereign	6,896	141,282	142,906	-	-
Bank	15,129	48,668	47,060	-	-
Residential Mortgage	99,560	376,082	373,876	24	15
Qualifying Revolving Retail	6,845	19,331	20,613	44	56
Other Retail	30,769	41,580	41,449	85	135
Total Advanced IRB approach	**282,452**	**864,734**	**860,924**	**204**	**265**
Specialised Lending	**32,065**	**37,860**	**37,214**	**1**	**1**
Standardised approach					
Corporate	15,105	16,228	15,433	(5)	14
Residential Mortgage	321	681	728	1	1
Other Retail	102	101	397	9	10
Total Standardised approach	**15,528**	**17,010**	**16,558**	**5**	**25**
Credit Valuation Adjustment and Qualifying Central Counterparties	**7,864**	**10,591**	**10,319**	**-**	**-**
Total	**337,909**	**930,195**	**925,015**	**210**	**291**

Dec 17					
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	123,815	232,249	231,312	17	83
Sovereign	7,277	144,529	138,001	-	-
Bank	14,212	45,451	44,996	-	-
Residential Mortgage	98,880	371,669	369,169	18	9
Qualifying Revolving Retail	6,997	21,894	21,975	48	83
Other Retail	30,586	41,317	41,634	112	152
Total Advanced IRB approach	**281,767**	**857,109**	**847,087**	**195**	**327**
Specialised Lending	**31,137**	**36,568**	**36,887**	**(5)**	**3**
Standardised approach					
Corporate	13,450	14,638	14,547	5	2
Residential Mortgage	355	774	1,611	1	-
Other Retail	702	693	1,341	24	28
Total Standardised approach	**14,507**	**16,105**	**17,499**	**30**	**30**
Credit Valuation Adjustment and Qualifying Central Counterparties	**7,439**	**10,047**	**9,983**	**-**	**-**
Total	**334,850**	**919,829**	**911,456**	**220**	**360**

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

Portfolio Type	Jun 18 $M	Mar 18 $M	Dec 17 $M	Average for the quarter ended Jun 18 $M
Cash	62,107	56,499	59,450	59,303
Contingents liabilities, commitments, and other off-balance sheet exposures	152,872	152,263	153,627	152,568
Derivatives	43,388	43,357	39,450	43,373
Settlement Balances	15	19	32	17
Investment Securities	72,907	69,149	66,348	71,028
Net Loans, Advances & Acceptances	587,547	582,380	573,168	584,964
Other assets	3,126	2,873	3,043	3,000
Trading Securities	20,888	23,655	24,711	22,272
Total exposures	**942,850**	**930,195**	**919,829**	**936,525**

[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] Prior period comparatives have been restated due to the reclassification of certain assets from Settlement Balances to Cash.

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

	Jun 18					
	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	-	920	151	431	11	34
Sovereign	-	-	-	-	(3)	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	301	2,351	161	29	14
Qualifying Revolving Retail	-	85	-	-	51	77
Other Retail	-	514	343	249	99	142
Total Advanced IRB approach	**-**	**1,820**	**2,845**	**841**	**187**	**267**
Specialised Lending	**-**	**29**	**19**	**8**	**-**	**1**
Portfolios subject to Standardised approach						
Corporate	-	155	29	96	(29)	9
Residential Mortgage	-	24	14	11	1	-
Other Retail	-	15	5	2	1	1
Total Standardised approach	**-**	**194**	**48**	**109**	**(27)**	**10**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**2,043**	**2,912**	**958**	**160**	**278**

[5] Impaired derivatives are net of credit valuation adjustment (CVA) of $36 million, being a market value based assessment of the credit risk of the relevant counterparties (March 2018: $36 million; December 2017: $40 million).

[6] Impaired loans / facilities include restructured items of $78 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 (March 2018: $76 million; December 2017: $108 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

Table 4(b): Impaired asset, Past due loans, Provisions and Write-offs (continued)

Mar 18	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	-	997	140	456	51	59
Sovereign	-	-	-	3	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	272	2,333	144	24	15
Qualifying Revolving Retail	-	88	-	5	44	56
Other Retail	-	545	336	260	85	135
Total Advanced IRB approach	**-**	**1,902**	**2,809**	**868**	**204**	**265**
Specialised Lending	**-**	**28**	**17**	**9**	**1**	**1**
Portfolios subject to Standardised approach						
Corporate	-	237	23	127	(5)	14
Residential Mortgage	-	25	12	10	1	1
Other Retail	-	15	4	2	9	10
Total Standardised approach	**-**	**277**	**39**	**139**	**5**	**25**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**2,207**	**2,865**	**1,016**	**210**	**291**

Dec 17	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	-	1,074	163	458	17	83
Sovereign	-	-	-	3	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	276	2,228	135	18	9
Qualifying Revolving Retail	-	80	-	-	48	83
Other Retail	-	550	317	276	112	152
Total Advanced IRB approach	**-**	**1,980**	**2,708**	**872**	**195**	**327**
Specialised Lending	**-**	**22**	**15**	**8**	**(5)**	**3**
Portfolios subject to Standardised approach						
Corporate	1	254	26	142	5	2
Residential Mortgage	-	29	16	10	1	-
Other Retail	-	49	5	2	24	28
Total Standardised approach	**1**	**332**	**47**	**154**	**30**	**30**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**1**	**2,334**	**2,770**	**1,034**	**220**	**360**

Table 4(c): Specific Provision Balance and General Reserve for Credit Losses [8]

	Jun 18		
	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collective Provision	326	2,215	2,541
Individual Provision	958	-	958
Total Provision for Credit Impairment	**1,284**	**2,215**	**3,499**

	Mar 18		
	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collective Provision	312	2,267	2,579
Individual Provision	1,016	-	1,016
Total Provision for Credit Impairment	**1,328**	**2,267**	**3,595**

	Dec 17		
	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collective Provision	334	2,293	2,627
Individual Provision	1,034	-	1,034
Total Provision for Credit Impairment	**1,368**	**2,293**	**3,661**

[8] 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 [9]

	Jun 18			
	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	(66)	(875)	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(66)**	**(875)**	**-**	**-**

Securitisation activity by facility provided				Notional amount $M
Liquidity facilities	-	-	-	(3)
Funding facilities	-	-	-	-
Underwriting facilities	-	-	-	-
Lending facilities	-	-	-	-
Credit enhancements	-	-	-	-
Holdings of securities (excluding trading book)	-	-	-	(236)
Other	-	-	-	-
Total	**-**	**-**	**-**	**(239)**

	Mar 18			
	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	(75)	422	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(75)**	**422**	**-**	**-**

Securitisation activity by facility provided				Notional amount $M
Liquidity facilities	-	-	-	-
Funding facilities	-	-	-	57
Underwriting facilities	-	-	-	-
Lending facilities	-	-	-	-
Credit enhancements	-	-	-	-
Holdings of securities (excluding trading book)	-	-	-	(175)
Other	-	-	-	(1)
Total	**-**	**-**	**-**	**(119)**

[9] Activity represents net movement in outstanding.

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

	Dec 17			
	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	(104)	(724)	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(104)**	**(724)**	**-**	**-**
Securitisation activity by facility provided				**Notional amount $M**
Liquidity facilities	-	-	-	(51)
Funding facilities	-	-	-	(219)
Underwriting facilities	-	-	-	-
Lending facilities	-	-	-	-
Credit enhancements	-	-	-	-
Holdings of securities (excluding trading book)	-	-	-	(229)
Other	-	-	-	7
Total	**-**	**-**	**-**	**(492)**

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: Securitisation - Regulatory credit exposures by exposure type

Securitisation exposure type - On balance sheet	Jun 18 $M	Mar 18 $M	Dec 17 $M
Liquidity facilities	-	-	18
Funding facilities	7,173	7,126	6,388
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	1,929	2,165	2,340
Protection provided	-	-	-
Other	116	128	145
Total	**9,218**	**9,418**	**8,891**

Securitisation exposure type - Off Balance sheet	Jun 18 $M	Mar 18 $M	Dec 17 $M
Liquidity facilities	13	17	-
Funding facilities	1,624	1,411	-
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	-	-	-
Protection provided	-	-	-
Other	-	-	-
Total	**1,637**	**1,428**	**-**

Total Securitisation exposure type	Jun 18 $M	Mar 18 $M	Dec 17 $M
Liquidity facilities	13	17	18
Funding facilities	8,797	8,537	6,388
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	1,929	2,165	2,340
Protection provided	-	-	-
Other	116	128	145
Total	**10,855**	**10,846**	**8,891**

Table 5(b) part (ii): Trading Book: Securitisation – Regulatory credit exposures by exposure type

Securitisation exposure type - On balance sheet	Jun 18 $M	Mar 18 $M	Dec 17 $M
Liquidity facilities	-	-	-
Funding facilities	-	-	-
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	-	-	-
Protection provided	-	-	-
Other	-	-	-
Total	**-**	**-**	**-**

Securitisation exposure type - Off Balance sheet	Jun 18 $M	Mar 18 $M	Dec 17 $M
Liquidity facilities	-	-	-
Funding facilities	-	-	-
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	-	-	-
Protection provided	-	-	-
Other	-	-	-
Total	**-**	**-**	**-**

Total Securitisation exposure type	Jun 18 $M	Mar 18 $M	Dec 17 $M
Liquidity facilities	-	-	-
Funding facilities	-	-	-
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	-	-	-
Protection provided	-	-	-
Other	-	-	-
Total	**-**	**-**	**-**

Table 18 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 requirement is for a minimum of 3%.

The following information is the short form data disclosure required to be published under paragraph 47 of APS 330

		Jun 18	Mar 18	Dec 17	Sep 17
	Capital and total exposures	**$M**	**$M**	**$M**	**$M**
20	Tier 1 capital	51,158	51,125	50,574	49,324
21	Total exposures	956,377	942,291	926,021	909,179
	Leverage ratio				
22	Basel III leverage ratio	5.3%	5.4%	5.5%	5.4%

Glossary

ADI	Authorised Deposit-taking Institution.
Basel III Credit Valuation Adjustment (CVA) capital charge	CVA charge is an additional capital requirement under Basel III for bilateral derivative exposures. Derivatives not cleared through a central exchange/counterparty are subject to this additional capital charge and also receive normal CRWA treatment under Basel II principles.
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.
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.

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.
Qualifying Central Counterparties (QCCP)	QCCP is a central counterparty which is an entity that interposes itself between counterparties to derivative contracts. Trades with QCCP attract a more favorable risk weight calculation.
Recoveries	Payments received and taken to profit for the current period for the amounts written off in prior financial periods.
Restructured items	Restructured items comprise facilities in which the original contractual terms have been modified for reasons related to the financial difficulties of the customer. Restructuring may consist of reduction of interest, principal or other payments legally due, or an extension in maturity materially beyond those typically offered to new facilities with similar risk.
Risk Weighted Assets (RWA)	Assets (both on and off-balance sheet) are risk weighted according to each asset's inherent potential for default and what the likely losses would be in the case of default. In the case of non asset backed risks (i.e. market and operational risk), RWA is determined by multiplying the capital requirements for those risks by 12.5.
Securitisation risk	The risk of credit related losses greater than expected due to a securitisation failing to operate as anticipated, or of the values and risks accepted or transferred, not emerging as expected.
Write-Offs	Facilities are written off against the related provision for impairment when they are assessed as partially or fully uncollectable, and after proceeds from the realisation of any collateral have been received. Where individual provisions recognised in previous periods have subsequently decreased or are no longer required, such impairment losses are reversed in the current period income statement.

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