2010
BASEL II
PILLAR 3

HALF YEAR ENDED 31 MARCH 2010

IN ACCORDANCE WITH APS 330

ANZ

Important Notice

This document has been prepared by Australia & New Zealand Banking Group Ltd (ANZ, or the Group) to meet its disclosure obligations under the Australian Prudential Regulation Authority (APRA) APS 330 Capital Adequacy: Public Disclosure of Prudential Information.

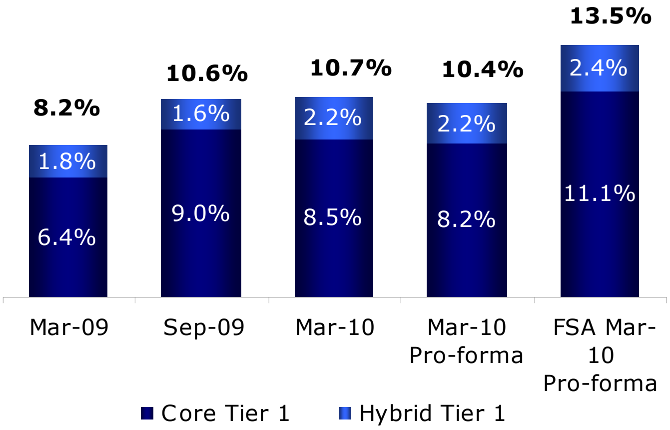
This disclosure was prepared as at 31 March 2010. ANZ has a continuous disclosure policy, under which ANZ will immediately notify the market of any material price sensitive information concerning the Group, in accordance with legislative and regulatory disclosure requirements.

TABLE OF CONTENTS [1]

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

Highlights[2]

Capital ratios

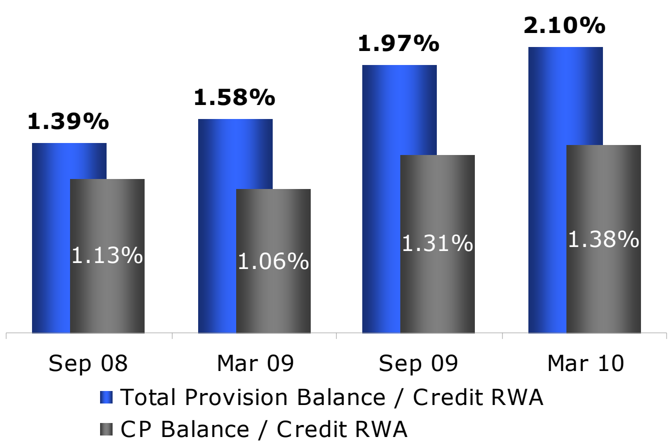


Strong capital position maintained

Capital position has been strengthened via:

- Organic capital generation of 39 basis points
- ING-JV and Landmark acquisition largely offset by $2bn hybrid issuance

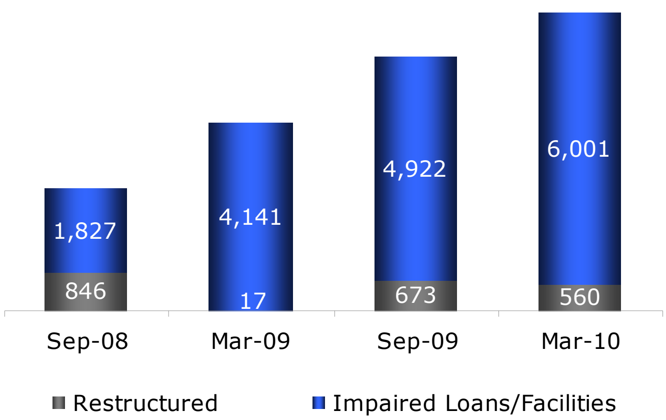
Provision ratios (Provisions/CRWA)



Strengthened Coverage from higher CP balance and a reduction in Credit Risk Weighted Assets (CRWA)

- Higher provisions for defaults and portfolio deterioration
- Lower CRWA from EAD contraction in Corporate portfolios

Impaired Assets ($m)



Impaired Assets increased over 1H10 with slower run off

- Increase driven mainly by middle market downgrades
- Diverse spread across industry; not concentrated as exhibited in 2H09
- Rate of new impaired loans slowing since Sep-09, however largely well secured

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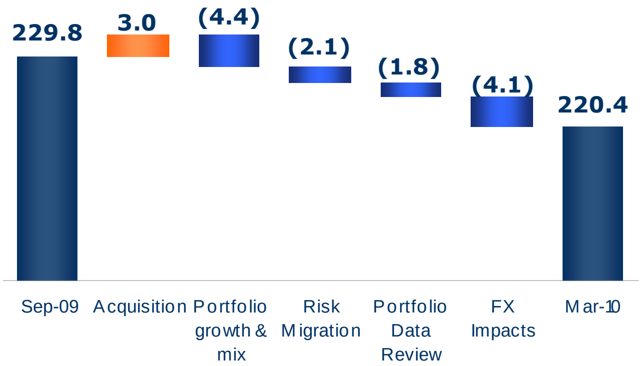
[2] *Capital Ratios*: Mar-10 pro forma includes adjustment for acquisition of Royal Bank of Scotland (RBS) assets in second half of 2010.

Highlights (continued)[3]

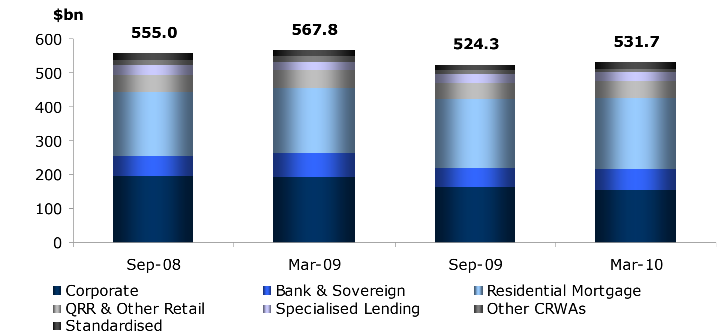
Movement in Credit Risk Weighted Assets ($bn)



Reduction in credit RWA driven by:

- Increase in Mortgages, SME and Sovereign RWAs more than offset by reductions in Corporate Portfolios with higher RWAs
- FX impact due to the strength of AUD against USD and NZD partially offset by:
- $3.0bn in acquisition of Royal Bank of Scotland (RBS) and Landmark Financial Services

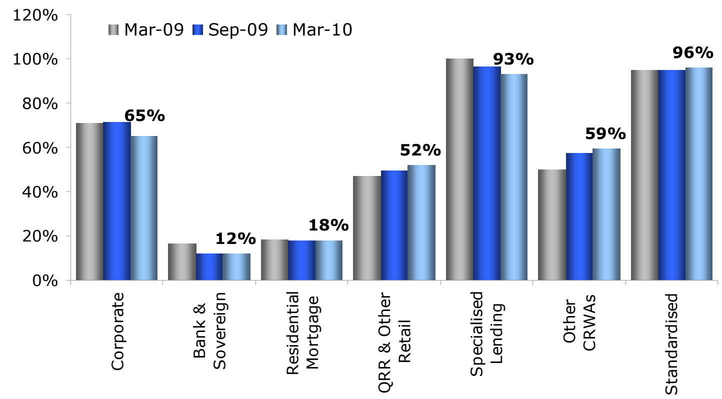
Exposure at Default ($bn)



Growth in EAD to $531.7bn driven by:

- Increase in Residential Mortgages exposures with improved economic conditions in the Australian property market
- Increase in Sovereign exposures mainly from the Liquidity portfolio

Average Risk Weights (CRWA/EAD)



Portfolio Average Risk Weight decreased 2.4% to 41.5% over the 1H10

- Change in portfolio mix from contraction in Corporate EAD and growth in Sovereign and Residential Mortgages with lower average risk weights
- Risk portfolio improvement

[3] Other CRWAs comprise Securitisation, Equities, and Other Asset exposures.

Introduction

Purpose of this document

This document has been prepared in accordance with the Australian Prudential Regulation Authority (APRA) Australian Prudential Standard (APS) 330 Capital Adequacy: Public Disclosure of Prudential Information.

Top Corporate Entity

The top corporate entity in the Group is Australia and New Zealand Banking Group Limited.

Table 1 Capital deficiencies in non-consolidated subsidiaries

The aggregate amount of any under capitalisation of a non-consolidated subsidiary (or subsidiaries) that is required to be deducted from capital is zero.

Table 2 Capital structure

Table 2: Capital Structure[4] [5]

	Regulatory Capital					
	March 2010 $M		September 2009 $M		March 2009 $M	
Tier 1 capital						
Paid-up ordinary share capital		19,563		19,064		14,103
Foreign currency translation reserve	(2,381)		(1,725)		(373)	
Share and share option reserve	156		156		105	
Reserves		(2,225)		(1,569)		(268)
Retained earnings including current year earnings	14,629		14,129		13,620	
less : Accumulated retained profits and reserves of insurance, funds management and securitisation entities and associates	(955)		(1,010)		(1,336)	
Dividend not provided for	(1,318)		(1,403)		(993)	
add : Deferred fee revenue including fees deferred as part of loan yields	425		391		403	
Accrual for Dividend Reinvestment Plans	395		421		298	
Prudential retained earnings		13,176		12,528		11,992
Minority interests		66		65		72
Fundamental Tier 1 capital		**30,580**		**30,088**		**25,899**
Innovative Tier 1 capital		1,690		2,122		3,076
Non-innovative Tier 1 capital		3,791		1,901		2,019
Gross Tier 1 capital		**36,061**		**34,111**		**30,994**
Goodwill		(3,298)		(2,999)		(3,033)
Other deductions from Tier 1 capital only		(3,305)		(1,832)		(2,414)
50/50 deductions from Tier 1 capital		(2,830)		(2,661)		(2,604)
Deductions from Tier 1 capital		**(9,433)**		**(7,492)**		**(8,051)**
NET TIER 1 CAPITAL		**26,628**		**26,619**		**22,943**
Tier 2 capital						
Upper Tier 2 capital		1,060		1,392		1,464
Lower Tier 2 capital		7,430		9,108		9,217
Gross Tier 2 capital		**8,490**		**10,500**		**10,681**
Upper and lower Tier 2 capital deductions		(28)		(28)		(28)
50/50 deductions from Tier 2 capital		(2,830)		(2,661)		(2,604)
Deductions from Tier 2 capital		**(2,858)**		**(2,689)**		**(2,632)**
NET TIER 2 CAPITAL		**5,632**		**7,811**		**8,049**
TOTAL CAPITAL BASE		**32,260**		**34,430**		**30,992**

[4] Refer following page for breakdown of Other deductions from Tier 1 capital only, 50/50 deductions from Tier 1 capital and Upper Tier 2 capital.

[5] March 2010 "Goodwill" value includes prudential goodwill for ING Australia and New Zealand.

Table 2: Capital Structure (continued)[6] [7]

Other Deductions from Tier 1 capital	March 2010 $M	September 2009 $M	March 2009 $M
Intangible component of investment in ING Australia and New Zealand (excluding prudential goodwill)	(1,487)	-	-
Capitalised software and other intangible assets	(1,008)	(897)	(783)
Capitalised expenses including loan and lease origination fees, capitalised securitisation establishment costs and costs associated with debt raisings	(617)	(602)	(643)
Applicable deferred tax assets (excluding the component relating to the general reserve for impairment of financial assets)	(215)	(325)	(524)
Mark-to-market impact of own credit spread	22	12	(358)
Negative Available-for-sale reserve	-	(20)	(106)
Total	**(3,305)**	**(1,832)**	**(2,414)**

Deductions taken 50% from Tier 1 and 50% from Tier 2 capital	March 2010 Gross	March 2010 50%	September 2009 Gross	September 2009 50%	March 2009 Gross	March 2009 50%
Investment in ANZ insurance subsidiaries	(378)	(189)	(321)	(161)	(281)	(141)
Investment in funds management entities	(66)	(33)	(67)	(33)	(66)	(33)
Investment in ING Australia and New Zealand	(1,268)	(634)	(1,474)	(737)	(1,456)	(728)
Investment in other Authorised Deposit Taking Institutions and overseas equivalents	(1,962)	(981)	(1,951)	(976)	(1,851)	(925)
Investment in other commercial operations	(72)	(36)	(72)	(36)	(72)	(36)
Expected loss in excess of eligible provisions	(1,035)	(518)	(1,012)	(506)	(1,017)	(508)
Other	(878)	(439)	(424)	(212)	(465)	(233)
Total	**(5,659)**	**(2,830)**	**(5,321)**	**(2,661)**	**(5,208)**	**(2,604)**

Details of Upper Tier 2 Capital	March 2010 $M	September 2009 $M	March 2009 $M
Eligible component of post acquisition earnings and reserves in associates and joint ventures	-	269	271
Perpetual subordinated notes	975	1,026	1,129
General reserve for impairment of financial assets net of attributable deferred tax	85	97	64
Total	**1,060**	**1,392**	**1,464**

[6] Under Basel II, “General reserve for impairment of financial assets net of attributable deferred tax asset” consists of the surplus of the general reserve for impairment of financial assets net of tax and/or the provisions attributable to the standardised portfolio.

[7] "Investment in ING Australia and New Zealand" were joint venture investments until November 2009.

Table 3 Capital adequacy

Table 3: Capital Ratios and Risk Weighted Assets [8] [9] [10]

	Risk Weighted Assets		
	March 2010 $M	September 2009 $M	March 2009 $M
Subject to Advanced IRB approach			
Corporate	100,945	116,153	136,559
Sovereign	2,470	1,408	1,402
Bank	5,108	5,592	10,374
Residential Mortgage	37,423	36,725	35,932
Qualifying revolving retail	7,238	6,852	8,900
Other retail	17,942	17,108	14,905
Credit risk weighted assets subject to Advanced IRB approach	**171,126**	**183,838**	**208,072**
Credit Risk Specialised Lending exposures subject to slotting criteria	**24,965**	**24,272**	**25,362**
Subject to Standardised approach			
Corporate	16,892	13,531	15,594
Sovereign	-	-	-
Bank	1	13	21
Residential Mortgage	400	411	467
Credit risk weighted assets subject to standardised approach	**17,293**	**13,955**	**16,082**
Credit risk weighted assets relating to securitisation exposures	1,975	2,658	3,364
Credit risk weighted assets relating to equity exposures	1,639	1,914	1,707
Other assets	3,377	3,174	3,183
Total credit risk weighted assets	**220,375**	**229,811**	**257,770**
Market risk weighted assets	3,969	3,553	5,632
Operational risk weighted assets	16,481	16,240	17,480
Interest rate risk in the banking book weighted assets	8,136	2,465	-
TOTAL RISK WEIGHTED ASSETS	**248,961**	**252,069**	**280,882**
Capital ratios (%)			
Level 2 Total capital ratio	**13.0%**	**13.7%**	**11.0%**
Level 2 Tier 1 capital ratio	**10.7%**	**10.6%**	**8.2%**
Level 1: Australia and New Zealand Banking Group Limited extended licensed entity Total capital ratio	**13.7%**	**14.2%**	**11.5%**
Level 1: Australia and New Zealand Banking Group Limited extended licensed entity Tier 1 capital ratio	**11.9%**	**11.6%**	**9.0%**
Other significant ADI or overseas bank subsidiary: ANZ National Bank Limited Group Total capital ratio	**13.2%**	**12.7%**	**12.3%**
Other significant ADI or overseas bank subsidiary: ANZ National Bank Limited Group Tier 1 capital ratio	**9.5%**	**9.0%**	**8.7%**

Total Risk Weighted Assets decreased by $3.1 billion (1.2%) in the March 2010 half. Credit RWA dropped by $9.4 billion (4.1%) over the half. This reduction has been driven by declining asset volumes, exchange rate movements, and methodology and credit risk changes predominantly in the Corporate/Corporate SME asset class.

Sovereign Risk Weighted Assets increased by $1.1 billion (75%) over the half largely driven by an increase in volume and a small amount of credit deterioration.

Residential Mortgage Risk Weighted Assets increased over the half through increased exposure volume and credit deterioration predominantly in Australia.

Specialised lending Risk Weighted Assets increased by $0.7 billion (2.9%). The increase is due in part to the reclassification of a small number of corporate exposures into this asset class.

Securitisation reduced by $0.7bn over the half largely due to portfolio amortisation.

There has been an increase in Standardised Credit RWA of $3.3 billion (23.9%). The majority of this is attributable to the acquisition of Landmark Financial Services and some Royal Bank of Scotland (RBS) assets.

Operational and Market RWAs were relatively stable over the period. The increase in Interest Rate Risk in the Banking Book RWA of $5.7 billion (230%) was caused by a reduction of embedded gains due to realisation of prior gains and interest rate increases. The increased repricing and yield curve risk due to greater exposure to volatility in government/swap spread has further contributed to the movement.

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[8] Specialised Lending subject to slotting approach exposures 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.

[9] Standardised exposures to all private sector counterparties other than Banks and Residential Mortgages have been classified in the Corporate asset class as they do not meet the requirement for other AIRB asset classes. The main types of standardised exposures are business lending and other personal lending.

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

Summary of Credit risk disclosures[11] [12]

March 2010	Risk Weighted Assets $M	Regulatory Credit Exposure $M	Individual provision charge for the six months ended $M	Write-offs for the six months ended $M
Corporate (incl. Specialised Lending)	125,910	181,978	610	569
Sovereign	2,470	34,786	-	-
Bank	5,108	27,952	(18)	8
Residential Mortgage	37,423	208,508	92	48
Qualifying Revolving Retail	7,238	20,396	107	128
Other Retail	17,942	28,250	182	185
Standardised	17,293	18,030	53	25
Total	**213,384**	**519,900**	**1,026**	**963**

September 2009	Risk Weighted Assets $M	Regulatory Credit Exposure $M	Individual provision charge for the six months ended $M	Write-offs for the six months ended $M
Corporate (incl. Specialised Lending)	140,425	188,067	731	671
Sovereign	1,408	28,618	-	-
Bank	5,592	29,444	41	(3)
Residential Mortgage	36,725	201,581	114	32
Qualifying Revolving Retail	6,852	19,820	120	138
Other Retail	17,108	28,651	238	245
Standardised	13,955	14,696	57	23
Total	**222,065**	**510,877**	**1,301**	**1,106**

March 2009	Risk Weighted Assets $M	Regulatory Credit Exposure $M	Individual provision charge for the six months ended $M	Write-offs for the six months ended $M
Corporate (incl. Specialised Lending)	161,921	217,873	1,035	429
Sovereign	1,402	21,553	-	-
Bank	10,374	48,847	4	30
Residential Mortgage	35,932	195,432	48	14
Qualifying Revolving Retail	8,900	23,604	108	124
Other Retail	14,905	27,073	221	170
Standardised	16,082	16,948	33	16
Total	**249,516**	**551,330**	**1,449**	**783**

[11] Regulatory credit exposure in this table includes Advanced IRB, Specialised Lending and Standardised exposures, however does not include Securitisation, Equities or Other Assets exposures. Specialised Lending is included in the Corporate asset class.

[12] The Individual Provision charge relates to loans and advances, and does not include impairment on Available-For-Sale assets of $20 million in March 10 (September 2009: Nil; March 2009: $20 million).

Table 4 Credit risk – General disclosures

Table 4(b) part (i): Period end and average regulatory credit exposure[13 14 15 16]

Portfolio Type	Regulatory Credit Exposure March 2010 $M	September 2009 $M	March 2009 $M	Average for half year $M
Corporate	172,008	176,406	208,058	174,207
Sovereign	34,786	28,618	21,553	31,702
Bank	27,955	29,459	48,876	28,707
Residential Mortgage	209,643	202,731	196,757	206,187
Qualifying Revolving Retail	20,396	19,820	23,604	20,108
Other Retail	28,250	28,651	27,073	28,451
Specialised Lending	26,862	25,192	25,409	26,027
Total Exposure	**519,900**	**510,877**	**551,330**	**515,389**

Table 4(b) part (ii): Regulatory credit exposure by facility type[17]

Facility Type	Regulatory Credit Exposure March 2010 $M	September 2009 $M	March 2009 $M	Average for half year $M
Acceptance	12,510	13,762	15,017	13,136
Cash and liquid assets	13,521	18,402	19,039	15,962
Contingents, commitments, other off B/S	103,868	103,557	119,835	103,712
Creditors & Other Liabilities	41	378	130	210
Derivatives	14,151	13,912	29,653	14,032
Due from other financial Institutions	6,353	3,207	3,776	4,780
Investment Securities	16,381	14,758	14,127	15,570
Loans & Advances	330,963	326,272	333,093	328,617
Other assets	582	432	1,581	507
Total deposits & other borrowings	234	240	199	237
Trading Securities	21,296	15,957	14,880	18,626
Total Exposures	**519,900**	**510,877**	**551,330**	**515,390**

[13] In accordance with APS 330, regulatory credit exposure throughout Table 4 includes Advanced IRB, Specialised Lending and Standardised exposures, however does not include Securitisation, Equities or Other Assets exposures.

[14] Table 4(b) part (i) has been reformatted to split out the Specialised Lending previously disclosed within Corporate since December 2009 Pillar III release. Specialised Lending subject to slotting approach exposures 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.

[15] Standardised exposures to all private sector counterparties other than Banks and Residential Mortgages have been classified in the Corporate category as they do not meet the requirement for other Advanced IRB asset classes. The main types of Standardised exposures are business lending and other personal lending.

[16] The period end averages are calculated as the simple average of the September 2009 and March 2010 closing balances.

[17] September and March 2009 comparatives restated to reflect some reclassification of exposures between facility types.

Table 4(c): Geographic distribution of regulatory credit exposure[18]

Portfolio Type	March 2010 Australia $M	New Zealand $M	Other $M	Total $M
Corporate	103,519	38,759	29,730	**172,008**
Sovereign	12,543	6,879	15,364	**34,786**
Bank	12,031	2,633	13,291	**27,955**
Residential Mortgage	166,496	42,069	1,078	**209,643**
Qualifying Revolving Retail	20,396	-	-	**20,396**
Other Retail	21,325	6,908	17	**28,250**
Specialised Lending	21,014	5,381	467	**26,862**
Total exposures	**357,324**	**102,629**	**59,947**	**519,900**

Portfolio Type	September 2009 Australia $M	New Zealand $M	Other $M	Total $M
Corporate	105,615	41,960	28,831	**176,406**
Sovereign	8,445	6,086	14,087	**28,618**
Bank	13,379	3,102	12,978	**29,459**
Residential Mortgage	157,118	44,521	1,092	**202,731**
Qualifying Revolving Retail	19,820	-	-	**19,820**
Other Retail	21,188	7,421	42	**28,651**
Specialised Lending	18,790	5,980	422	**25,192**
Total exposures	**344,355**	**109,070**	**57,452**	**510,877**

Portfolio Type	March 2009 Australia $M	New Zealand $M	Other $M	Total $M
Corporate	125,813	45,713	36,532	**208,058**
Sovereign	9,126	4,073	8,354	**21,553**
Bank	26,017	6,893	15,966	**48,876**
Residential Mortgage	150,352	45,145	1,260	**196,757**
Qualifying Revolving Retail	19,401	4,203	-	**23,604**
Other Retail	22,311	4,740	22	**27,073**
Specialised Lending	18,876	6,364	169	**25,409**
Total exposures	**371,896**	**117,131**	**62,303**	**551,330**

[18] Other geography comprises ANZ's operations in Asia Pacific, Europe and America.

Table 4(d): Industry distribution of regulatory credit exposure[19] [20]

Portfolio Type	Agriculture, Forestry, Fishing & Mining $M	Business Services $M	Construction $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	33,149	7,782	5,629	8,937	14,798	1,368	26,998	2,664	13,699	15,663	11,614	7,575	22,132	**172,008**
Sovereign	33	-	21	-	17,929	15,854	201	-	43	-	-	-	705	**34,786**
Bank	-	-	-	-	27,651	-	62	-	-	72	-	64	106	**27,955**
Residential Mortgage	-	-	-	-	-	-	-	209,643	-	-	-	-	-	**209,643**
Qualifying Revolving Retail	-	-	-	-	-	-	-	20,396	-	-	-	-	-	**20,396**
Other retail	2,319	1,691	2,380	753	304	8	821	13,362	891	595	1,868	1,072	2,186	**28,250**
Specialised Lending	288	-	60	155	407	-	250	-	21,141	-	-	2,086	2,475	**26,862**
Total exposures	**35,789**	**9,473**	**8,090**	**9,845**	**61,089**	**17,230**	**28,332**	**246,065**	**35,774**	**16,330**	**13,482**	**10,797**	**27,604**	**519,900**
% of Total	6.9%	1.8%	1.6%	1.9%	11.8%	3.3%	5.4%	47.3%	6.9%	3.1%	2.6%	2.1%	5.3%	100.0%

September 2009

Portfolio Type	Agriculture, Forestry, Fishing & Mining $M	Business Services $M	Construction $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	32,235	8,383	5,243	9,223	15,353	1,546	28,254	2,626	17,407	15,773	12,352	8,111	19,900	**176,406**
Sovereign	34	-	22	-	18,284	9,890	173	-	23	13	-	-	179	**28,618**
Bank	-	-	58	98	29,054	-	56	-	-	1	-	105	87	**29,459**
Residential Mortgage	-	-	-	-	-	-	-	202,731	-	-	-	-	-	**202,731**
Qualifying Revolving Retail	-	-	-	-	-	-	-	19,820	-	-	-	-	-	**19,820**
Other Retail	2,380	1,661	2,329	772	312	13	851	13,458	887	611	1,864	1,102	2,411	**28,651**
Specialised Lending	246	-	401	152	412	33	298	-	20,120	-	-	1,196	2,334	**25,192**
Total exposures	**34,895**	**10,044**	**8,053**	**10,245**	**63,415**	**11,482**	**29,632**	**238,635**	**38,437**	**16,398**	**14,216**	**10,514**	**24,911**	**510,877**
% of Total	6.8%	2.0%	1.6%	2.0%	12.4%	2.2%	5.8%	46.7%	7.5%	3.2%	2.8%	2.1%	4.9%	100.0%

March 2009

Portfolio Type	Agriculture, Forestry, Fishing & Mining $M	Business Services $M	Construction $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	36,599	9,086	6,044	10,463	23,384	1,825	33,914	2,412	21,594	20,232	13,357	9,243	19,905	**208,058**
Sovereign	-	-	28	-	13,541	7,360	166	-	36	54	-	-	368	**21,553**
Bank	2	-	22	121	47,811	-	121	1	89	69	57	86	497	**48,876**
Residential Mortgage	-	-	-	-	-	-	-	196,757	-	-	-	-	-	**196,757**
Qualifying Revolving Retail	-	-	-	-	-	-	-	23,604	-	-	-	-	-	**23,604**
Other Retail	2,621	1,821	2,584	964	339	13	1,045	9,576	1,120	707	2,453	1,228	2,602	**27,073**
Specialised Lending	471	-	319	165	207	71	269	-	20,393	-	-	1,258	2,256	**25,409**
Total exposures	**39,693**	**10,907**	**8,997**	**11,713**	**85,282**	**9,269**	**35,515**	**232,350**	**43,232**	**21,062**	**15,867**	**11,815**	**25,628**	**551,330**
% of Total	7.2%	2.0%	1.6%	2.1%	15.5%	1.7%	6.4%	42.1%	7.8%	3.8%	2.9%	2.1%	4.6%	100.0%

[19] Property Services includes Commercial Property Operators and Developers, Real Estate agents, Non-financial asset investors and Machinery and Equipment Hiring and leasing.

[20] Other Industry bucket includes Health & Community Services, Education, Communication Services, Electricity, Gas & Water Supply, and Personal & Other Services.

Table 4(e): Residual contractual maturity of regulatory credit exposure[21]

March 2010

Portfolio Type	<= 12 mths $M	1 ~ 5 years $M	>5 years $M	No Maturity Specified $M	Total $M
Corporate	78,249	73,741	19,653	365	**172,008**
Sovereign	13,043	18,675	3,068	-	**34,786**
Bank	18,689	9,126	140	-	**27,955**
Residential Mortgage	1,793	4,347	176,859	26,644	**209,643**
Qualifying Revolving Retail	-	-	-	20,396	**20,396**
Other Retail	6,035	12,465	5,411	4,339	**28,250**
Specialised Lending	9,942	13,360	3,536	24	**26,862**
Total exposures	**127,751**	**131,714**	**208,667**	**51,768**	**519,900**

September 2009

Portfolio Type	<= 12 mths $M	1 ~ 5 years $M	>5 years $M	No Maturity Specified $M	Total $M
Corporate	76,856	79,564	19,581	405	**176,406**
Sovereign	9,443	17,488	1,687	-	**28,618**
Bank	19,767	9,543	149	-	**29,459**
Residential Mortgage	1,897	4,682	170,337	25,815	**202,731**
Qualifying Revolving Retail	-	-	-	19,820	**19,820**
Other Retail	6,363	12,671	5,117	4,500	**28,651**
Specialised Lending	10,990	10,983	3,219	-	**25,192**
Total exposures	**125,316**	**134,931**	**200,090**	**50,540**	**510,877**

March 2009

Portfolio Type	<= 12 mths $M	1 ~ 5 years $M	>5 years $M	No Maturity Specified $M	Total $M
Corporate	87,981	93,936	24,309	1,832	**208,058**
Sovereign	9,623	10,853	1,077	-	**21,553**
Bank	32,898	15,199	779	-	**48,876**
Residential Mortgage	2,314	4,785	164,238	25,420	**196,757**
Qualifying Revolving Retail	-	-	-	23,604	**23,604**
Other Retail	7,033	12,890	6,624	526	**27,073**
Specialised Lending	9,743	13,204	2,462	-	**25,409**
Total exposures	**149,592**	**150,867**	**199,489**	**51,382**	**551,330**

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

Table 4(f) part (i): Impaired assets, Past due loans[22], Provisions and Write-offs by Industry sector[23 24]

March 2010

Industry Sector	Impaired derivatives $M	Impaired loans/facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Individual provision charge for the six months ended $M	Write-offs for the six months ended $M
Agriculture, forestry, fishing & mining	4	934	164	170	89	3
Business Services	-	268	66	103	22	35
Construction	-	119	42	62	37	14
Entertainment Leisure & Tourism	-	39	11	23	8	2
Financial, Investment & Insurance	-	864	14	173	(1)	107
Government & Official Institutions	-	-	-	-	-	-
Manufacturing	3	559	28	185	94	128
Personal	-	780	996	373	335	306
Property Services	48	1,754	102	207	201	190
Retail Trade	-	148	37	63	27	16
Transport & Storage	-	85	19	41	22	7
Wholesale Trade	-	255	18	84	60	67
Other	12	689	26	109	132	88
Total	**67**	**6,494**	**1,523**	**1,593**	**1,026**	**963**

September 2009

Industry Sector	Impaired derivatives $M	Impaired loans/facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Individual provision charge for the six months ended $M	Write-offs for the six months ended $M
Agriculture, forestry, fishing & mining	-	458	77	55	19	18
Business Services	-	215	41	114	77	59
Construction	-	122	43	43	31	29
Entertainment Leisure & Tourism	-	57	42	27	5	7
Financial, Investment & Insurance	1	958	10	261	222	197
Government & Official Institutions	-	-	-	-	-	-
Manufacturing	6	627	34	230	178	133
Personal	-	802	950	357	459	371
Property Services	118	1,580	159	194	120	102
Retail Trade	-	114	53	53	33	35
Transport & Storage	-	85	31	32	25	6
Wholesale Trade	-	127	139	69	32	11
Other	2	323	18	91	100	138
Total	**127**	**5,468**	**1,597**	**1,526**	**1,301**	**1,106**

March 2009

Industry Sector	Impaired derivatives $M	Impaired loans/facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Individual provision charge for the six months ended $M	Write-offs for the six months ended $M
Agriculture, forestry, fishing & mining	-	114	55	41	23	33
Business Services	-	113	43	82	41	7
Construction	-	114	40	45	45	15
Entertainment Leisure & Tourism	-	50	28	25	15	8
Financial, Investment & Insurance	8	741	133	245	322	228
Government & Official Institutions	-	-	-	-	-	-
Manufacturing	1	345	35	186	123	6
Personal	-	477	1,036	247	350	278
Property Services	244	1,280	81	173	317	161
Retail Trade	-	130	43	60	45	14
Transport & Storage	-	38	20	15	11	18
Wholesale Trade	-	128	22	60	34	5
Other	1	374	50	162	123	10
Total	**254**	**3,904**	**1,586**	**1,341**	**1,449**	**783**

[22] Past due loans ≥ 90 days includes $1,370 million well secured loans (September 2009: $1,462 million; March 2009: $1,440 million).

[23] Impaired derivatives adjusted for credit valuation adjustment (CVA) of $61 million, being a market assessment of the credit risk of the relevant counterparties (September 2009: $64 million; March 2009: $70 million).

[24] Impaired loans / facilities include restructured items of $560 million for customer facilities in which the original terms have been modified to provide for concessions of interest, or principal, or other payments due, or for an extension in maturity for a non-commercial period for reasons related to the financial difficulties of a customer, and are not considered impaired. Includes both on and off balance sheet exposures (September 2009: $673 million; March 2009: $17 million).

Table 4(f) part (ii): Impaired asset, Past due loans, Provisions and Write-offs by Counterparty type

	Impaired Derivatives $M			Impaired Loans / Facilities $M			Past due loans ≥ 90 days $M			Individual provision balance $M			Individual provision charge $M			Write-offs $M		
Portfolios subject to IRB approach	Mar-10	Sep-09	Mar-09	Mar-10	Sep-09	Mar-09	Mar-10	Sep-09	Mar-09	Mar-10	Sep-09	Mar-09	Six months ended Mar-10	Six months ended Sep-09	Six months ended Mar-09	Six months ended Mar-10	Six months ended Sep-09	Six months ended Mar-09
Corporate	67	127	254	5,327	4,499	3,238	324	511	432	1,024	1,018	987	610	731	1,035	569	671	429
Sovereign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank	-	-	-	31	98	7	-	-	-	16	44	4	(18)	41	4	8	(3)	30
Residential Mortgage	-	-	-	480	425	279	839	805	879	178	169	86	92	114	48	48	32	14
Qualifying revolving retail	-	-	-	-	-	-	76	70	77	-	2	1	107	120	108	128	138	124
Other retail	-	-	-	370	316	294	205	159	159	251	229	226	182	238	221	185	245	170
Total IRB approach	**67**	**127**	**254**	**6,208**	**5,338**	**3,818**	**1,444**	**1,545**	**1,547**	**1,469**	**1,462**	**1,304**	**973**	**1,244**	**1,416**	**938**	**1,083**	**767**
Portfolios subject to Standardised approach																		
Corporate	-	-	-	258	110	81	69	43	39	112	57	36	50	53	33	24	22	16
Sovereign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential Mortgage	-	-	-	28	20	5	10	9	-	12	7	1	3	4	-	1	1	-
Total Standardised approach	**-**	**-**	**-**	**286**	**130**	**86**	**79**	**52**	**39**	**124**	**64**	**37**	**53**	**57**	**33**	**25**	**23**	**16**
Total	**67**	**127**	**254**	**6,494**	**5,468**	**3,904**	**1,523**	**1,597**	**1,586**	**1,593**	**1,526**	**1,341**	**1,026**	**1,301**	**1,449**	**963**	**1,106**	**783**

Table 4(g): Impaired assets, Past due loans[25], and Provisions by Geography [26]

Geographic Region	Impaired derivatives $M	Impaired loans/facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Collective provision balance $M
March 2010					
Australia	67	4,441	1,162	1,009	2,013
New Zealand	-	1,424	286	471	672
Other	-	629	75	113	352
Total	**67**	**6,494**	**1,523**	**1,593**	**3,037**

Geographic Region	Impaired derivatives $M	Impaired loans/facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Collective provision balance $M
September 2009					
Australia	127	3,907	1,068	1,060	2,001
New Zealand	-	1,001	365	391	660
Other	-	560	164	75	339
Total	**127**	**5,468**	**1,597**	**1,526**	**3,000**

Geographic Region	Impaired derivatives $M	Impaired loans/facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Collective provision balance $M
March 2009					
Australia	254	3,157	968	1,072	1,931
New Zealand	-	530	453	224	506
Other	-	217	165	45	305
Total	**254**	**3,904**	**1,586**	**1,341**	**2,742**

Table 4(h): Reconciliation of changes in Provisions

Collective Provision	**Six months ended 31 March 2010 $M**	**Six months ended 30 September 2009 $M**	**Six months ended 31 March 2009 $M**
Balance at start of period	3,000	2,742	2,821
Charge to income statement	36	331	(96)
Provisions acquired	49	-	-
Adjustments for exchange rate fluctuations	(48)	(73)	17
Total Collective Provision	**3,037**	**3,000**	**2,742**
Individual Provisions			
Balance at start of period	1,526	1,341	675
Charge to income statement for loans and advances	1,026	1,301	1,449
Provisions acquired	39	-	-
Adjustments for exchange rate fluctuations	(32)	(16)	(6)
Discount unwind	(61)	(37)	(36)
Bad debts written-off	(963)	(1,106)	(783)
Recoveries of amounts previously written off	58	43	42
Total Individual Provision	**1,593**	**1,526**	**1,341**
Total Provisions	**4,630**	**4,526**	**4,083**

Specific Provision Balance and General Reserve for Credit Losses[27]

	March 2010 $M			September 2009 $M		
	Specific Provision Balance	**General Reserve for Credit Losses**	**Total**	**Specific Provision Balance**	**General Reserve for Credit Losses**	**Total**
Collective Provision	260	2,777	3,037	186	2,814	3,000
Individual Provision	1,593	-	1,593	1,526	-	1,526
Total Provision for Credit Impairment			**4,630**			**4,526**

[25] Past due loans ≥ 90 days includes $1,370 million well secured loans (September 2009: $1,462 million; March 2009: $1,440 million).

[26] Other geography comprises ANZ's operations in Asia Pacific, Europe and America.

[27] There is a difference in the split between ANZ's Individual Provision and Collective Provision for accounting purposes and Specific Provision and General Reserve for Credit Losses (GRCL) for regulatory purposes, due to definitional differences. This difference 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 ANZ's other published results.

Table 4(i): Regulatory credit exposures by measurement approach

	March 2010 $M	September 2009 $M	March 2009 $M
Advanced IRB			
Corporate	155,116	162,875	192,464
Sovereign	34,786	28,618	21,553
Bank	27,952	29,444	48,847
Residential Mortgage	208,508	201,581	195,432
Qualifying Revolving Retail	20,396	19,820	23,604
Other Retail	28,250	28,651	27,073
Total Advanced IRB	**475,008**	**470,989**	**508,973**
Specialised Lending (subject to slotting criteria)	**26,862**	**25,192**	**25,409**
Standardised			
Corporate	16,892	13,531	15,594
Sovereign	-	-	-
Bank	3	15	29
Residential Mortgage	1,135	1,150	1,325
Total Standardised	**18,030**	**14,696**	**16,948**
Total Exposure	**519,900**	**510,877**	**551,330**

Table 5 Credit risk – Disclosures for portfolios subject to the Standardised Approach and supervisory risk weighting in the IRB approach

Table 5(b): Regulatory credit exposure by risk bucket [28]

Risk weight	March 2010 $M	September 2009 $M	March 2009 $M
Standardised approach exposures			
0%	-	-	-
20%	3	3	3
35%	1,125	1,130	1,313
50%	10	9	22
75%	-	1	-
100%	16,892	13,553	15,609
150%	-	-	1
>150%	-	-	-
Capital deductions	-	-	-
Total	**18,030**	**14,696**	**16,948**
Other assets			
0%	-	-	-
20%	1,746	1,553	1,407
35%	-	-	-
50%	-	-	-
75%	-	-	-
100%	3,028	2,863	2,902
150%	-	-	-
>150%	-	-	-
Capital deductions	-	-	-
Total	**4,774**	**4,416**	**4,309**
Specialised Lending exposures subject to supervisory slotting			
0%	1,817	1,298	852
70%	6,531	6,560	7,136
90%	11,296	9,770	9,613
115%	5,791	5,943	5,782
250%	1,427	1,621	2,026
Total	**26,862**	**25,192**	**25,409**
Equity exposures			
Risk weight			
300%	-	1	64
400%	410	478	379
Total	**410**	**479**	**443**

[28] Standardised exposures to all private sector counterparties (other than Banks and Residential Mortgages) have been classified in the Corporate category as they do not meet the requirements for other AIRB asset classes. The main types of the exposures are Business Lending and Other Personal Lending.

Table 6 Credit risk – Disclosure for portfolios subject to Internal Rating Based (IRB) approaches

Table 6(d): Non Retail regulatory credit exposure subject to Internal Ratings Based (IRB) approach[29 30 31]

March 2010	AAA < A+ $M	A+ < BBB $M	BBB < BB+ $M	BB+ < B+ $M	B+ < CCC $M	CCC $M	Default $M	**Total $M**
Regulatory credit exposure								
Corporate	6,403	28,468	45,854	61,453	6,095	2,602	4,241	**155,116**
Sovereign	30,821	1,919	145	1,589	310	-	2	**34,786**
Bank	24,928	1,557	865	472	12	13	105	**27,952**
Total	**62,152**	**31,944**	**46,864**	**63,514**	**6,417**	**2,615**	**4,348**	**217,854**
% of Total	**28.5%**	**14.7%**	**21.5%**	**29.2%**	**2.9%**	**1.2%**	**2.0%**	**100.0%**
Undrawn commitments (included in above)								
Corporate	1,697	12,834	15,717	11,330	572	186	270	**42,606**
Sovereign	977	91	2	13	2	-	-	**1,085**
Bank	223	10	6	41	-	-	-	**280**
Total	**2,897**	**12,935**	**15,725**	**11,384**	**574**	**186**	**270**	**43,971**
Average Exposure At Default (EAD)								
Corporate	0.712	1.077	0.354	0.256	0.424	0.223	0.655	
Sovereign	14.608	6.280	5.625	7.736	20.796	0.000	0.162	
Bank	0.947	0.923	0.696	0.410	0.219	0.362	7.012	
Exposure-weighted average Loss Given Default (LGD) (%)								
Corporate	59.9%	58.9%	45.3%	38.2%	40.0%	39.3%	41.8%	
Sovereign	2.5%	4.9%	58.7%	55.3%	41.7%	85.0%	59.0%	
Bank	62.7%	63.2%	65.3%	67.0%	62.7%	74.7%	63.0%	
Exposure-weighted average risk weight (%)								
Corporate	16.9%	33.5%	49.1%	78.3%	128.7%	180.9%	167.3%	
Sovereign	0.5%	2.2%	68.9%	112.1%	124.8%	397.4%	781.7%	
Bank	13.7%	22.3%	64.2%	117.7%	208.0%	349.0%	157.5%	

September 2009	AAA < A+ $M	A+ < BBB $M	BBB < BB+ $M	BB+ < B+ $M	B+ < CCC $M	CCC $M	Default $M	**Total $M**
Regulatory credit exposure								
Corporate	6,543	28,634	48,005	65,423	6,622	3,720	3,928	**162,875**
Sovereign	25,610	1,691	94	1,218	1	1	3	**28,618**
Bank	26,441	1,290	1,026	507	15	26	139	**29,444**
Total	**58,594**	**31,615**	**49,125**	**67,148**	**6,638**	**3,747**	**4,070**	**220,937**
% of Total	**26.5%**	**14.3%**	**22.2%**	**30.4%**	**3.0%**	**1.7%**	**1.8%**	**100.0%**
Undrawn commitments (included in above)								
Corporate	1,769	12,735	15,382	12,580	611	546	201	**43,824**
Sovereign	437	63	1	20	-	-	-	**521**
Bank	256	6	8	5	-	-	-	**275**
Total	**2,462**	**12,804**	**15,391**	**12,605**	**611**	**546**	**201**	**44,620**
Average Exposure At Default (EAD)								
Corporate	0.790	1.467	0.577	0.336	0.514	0.329	0.651	
Sovereign	38.223	13.421	8.502	10.884	0.072	0.344	0.179	
Bank	9.955	1.101	1.362	0.509	0.374	13.889	2.278	
Exposure-weighted average Loss Given Default (LGD) (%)								
Corporate	59.6%	55.6%	47.8%	38.5%	43.6%	43.5%	47.0%	
Sovereign	2.5%	4.8%	58.5%	56.7%	39.0%	2.0%	59.0%	
Bank	62.0%	64.1%	60.7%	66.0%	58.8%	64.3%	42.0%	
Exposure-weighted average risk weight (%)								
Corporate	17.9%	34.0%	55.0%	78.9%	142.7%	203.6%	259.0%	
Sovereign	0.4%	1.9%	68.2%	98.4%	154.1%	11.5%	0.0%	
Bank	13.4%	19.1%	57.8%	124.9%	195.9%	311.1%	340.9%	

[29] In accordance with APS 330, regulatory credit exposures in Table 6(d) include Advanced IRB; however do not include Standardised, Securitisation, Equities or Other Assets exposures. Specialised Lending is also excluded from Table 6(d) as it follows the Supervisory Slotting treatment, and a breakdown of risk weightings is provided in Table 5(b).

[30] Average Exposure at Default (EAD) is calculated as total EAD divided by the total number of credit risk generating exposures.

[31] Exposure-weighted average risk weight (%) is the RWA divided by the EAD

Table 6(d): Non Retail regulatory credit exposure subject to Internal Ratings Based (IRB) approach (continued)

	March 2009							
	AAA < A+ $M	A+ < BBB $M	BBB < BB+ $M	BB+ < B+ $M	B+ < CCC $M	CCC $M	Default $M	**Total $M**
Regulatory credit exposure								
Corporate	9,773	37,424	56,437	74,769	7,186	3,560	3,315	**192,464**
Sovereign	18,895	1,278	28	1,291	9	49	3	**21,553**
Bank	42,172	2,190	3,644	673	25	74	69	**48,847**
Total	**70,840**	**40,892**	**60,109**	**76,733**	**7,220**	**3,683**	**3,387**	**262,864**
% of Total	**26.9%**	**15.6%**	**22.9%**	**29.2%**	**2.7%**	**1.4%**	**1.3%**	**100.0%**
Undrawn commitments (included in above)								
Corporate	3,395	14,508	16,690	16,029	789	537	338	**52,286**
Sovereign	1,088	101	-	95	1	1	-	**1,286**
Bank	1,943	85	165	20	-	2	32	**2,247**
Total	**6,426**	**14,694**	**16,855**	**16,144**	**790**	**540**	**370**	**55,819**
Average Exposure At Default (EAD)								
Corporate	0.887	1.692	0.674	0.364	0.557	0.305	0.909	
Sovereign	45.530	9.909	1.500	8.842	1.311	48.502	0.257	
Bank	17.276	1.639	1.610	0.588	0.450	1.943	11.540	
Exposure-weighted average Loss Given Default (LGD) (%)								
Corporate	60.6%	57.1%	48.6%	39.8%	46.7%	48.3%	45.7%	
Sovereign	2.7%	4.8%	5.0%	58.3%	5.1%	2.0%	59.0%	
Bank	62.7%	63.4%	64.9%	58.5%	68.1%	65.7%	63.5%	
Exposure-weighted average risk weight (%)								
Corporate	21.1%	34.8%	57.9%	82.7%	167.0%	229.1%	204.2%	
Sovereign	0.5%	1.7%	8.4%	98.1%	19.9%	11.0%	0.0%	
Bank	16.0%	25.6%	53.6%	108.2%	221.5%	320.3%	162.0%	

Table 6(d): Retail regulatory credit exposure subject to Internal Ratings Based (IRB) approach by risk grade[32]

	March 2010							
	0.00% < 0.11% $M	0.11% < 0.30% $M	0.30% < 0.51% $M	0.51% < 3.49% $M	3.49% < 10.09% $M	10.09% < 100.00 % $M	Default $M	**Total $M**
Regulatory Credit Exposure								
Residential Mortgage	2,990	124,525	32,335	37,732	5,783	3,649	1,494	**208,508**
Qualifying Revolving Retail	10,390	274	1,824	4,688	2,044	1,019	157	**20,396**
Other Retail	30	3,440	1,772	16,577	4,932	876	623	**28,250**
Total	**13,410**	**128,239**	**35,931**	**58,997**	**12,759**	**5,544**	**2,274**	**257,154**
% of Total	**5.2%**	**49.9%**	**14.0%**	**22.9%**	**5.0%**	**2.2%**	**0.9%**	**100.0%**
Undrawn commitments (included in above)								
Residential Mortgage	381	14,107	2,816	2,482	235	91	10	**20,122**
Qualifying Revolving Retail	8,068	274	1,194	2,151	628	128	25	**12,468**
Other Retail	26	2,283	1,174	2,121	262	55	7	**5,928**
Total	**8,475**	**16,664**	**5,184**	**6,754**	**1,125**	**274**	**42**	**38,518**
Average Exposure At Default (EAD)								
Residential Mortgage	0.037	0.202	0.220	0.177	0.172	0.172	0.258	
Qualifying Revolving Retail	0.011	0.006	0.010	0.008	0.008	0.007	0.008	
Other Retail	0.001	0.011	0.007	0.015	0.010	0.007	0.028	
Exposure-weighted average LGD (%)								
Residential Mortgage	20.8%	20.0%	21.8%	20.6%	20.3%	20.5%	21.6%	
Qualifying Revolving Retail	73.2%	73.2%	73.2%	73.2%	73.2%	73.2%	73.2%	
Other Retail	71.2%	61.4%	60.3%	44.4%	48.6%	65.1%	58.5%	
Exposure-weighted average risk weight (%)								
Residential Mortgage	5.1%	6.8%	16.1%	30.3%	76.5%	113.5%	237.9%	
Qualifying Revolving Retail	4.7%	11.0%	13.6%	38.1%	106.0%	205.2%	271.7%	
Other Retail	18.1%	29.0%	41.7%	58.7%	76.5%	158.6%	209.7%	

32 Average EAD is calculated as total EAD divided by the total number of credit risk generating exposures.

Table 6(d): Retail regulatory credit exposure subject to Internal Ratings Based (IRB) approach by risk grade (continued)

September 2009	0.00% < 0.11% $M	0.11% < 0.30% $M	0.30% < 0.51% $M	0.51% < 3.49% $M	3.49% < 10.09% $M	10.09% < 100.00 % $M	Default $M	**Total $M**
Regulatory Credit Exposure								
Residential Mortgage	3,587	120,570	11,016	56,097	5,327	3,574	1,410	**201,581**
Qualifying Revolving Retail	10,196	249	1,843	4,598	1,860	921	153	**19,820**
Other Retail	1,086	3,415	1,757	16,048	5,025	746	574	**28,651**
Total	**14,869**	**124,234**	**14,616**	**76,743**	**12,212**	**5,241**	**2,137**	**250,052**
% of Total	**5.9%**	**49.7%**	**5.8%**	**30.7%**	**4.9%**	**2.1%**	**0.9%**	**100.0%**
Undrawn commitments (included in above)								
Residential Mortgage	402	12,690	1,191	4,037	235	96	13	**18,664**
Qualifying Revolving Retail	7,983	249	1,233	2,155	604	121	23	**12,368**
Other Retail	452	2,117	1,169	2,388	276	50	5	**6,457**
Total	**8,837**	**15,056**	**3,593**	**8,580**	**1,115**	**267**	**41**	**37,489**
Average Exposure At Default (EAD)								
Residential Mortgage	0.041	0.191	0.158	0.213	0.168	0.178	0.286	
Qualifying Revolving Retail	0.011	0.006	0.010	0.008	0.008	0.007	0.008	
Other Retail	0.086	0.010	0.006	0.014	0.011	0.007	0.027	
Exposure-weighted average LGD (%)								
Residential Mortgage	20.8%	20.1%	20.2%	21.4%	20.3%	20.6%	21.8%	
Qualifying Revolving Retail	73.2%	73.2%	73.2%	73.2%	73.2%	73.2%	73.2%	
Other Retail	24.8%	56.5%	65.0%	45.5%	44.6%	61.4%	57.1%	
Exposure-weighted average risk weight (%)								
Residential Mortgage	4.6%	6.9%	14.4%	26.9%	77.9%	113.8%	241.5%	
Qualifying Revolving Retail	4.8%	11.3%	13.9%	38.5%	106.9%	206.3%	275.0%	
Other Retail	5.8%	26.3%	43.1%	60.2%	70.1%	147.1%	192.3%	

March 2009	0.00% < 0.11% $M	0.11% < 0.30% $M	0.30% < 0.51% $M	0.51% < 3.49% $M	3.49% < 10.09% $M	10.09% < 100.00 % $M	Default $M	**Total $M**
Regulatory Credit Exposure								
Residential Mortgage	3,800	113,959	27,277	39,008	6,161	3,936	1,291	**195,432**
Qualifying Revolving Retail	10,874	2,141	1,790	5,454	2,073	1,103	169	**23,604**
Other Retail	1,348	2,642	879	16,493	4,479	702	530	**27,073**
Total	**16,022**	**118,742**	**29,946**	**60,955**	**12,713**	**5,741**	**1,990**	**246,109**
% of Total	**7%**	**48%**	**12%**	**25%**	**5%**	**2%**	**1%**	**100%**
Undrawn commitments (included in above)								
Residential Mortgage	361	12,454	2,721	2,383	220	101	14	**18,254**
Qualifying Revolving Retail	8,680	1,785	1,214	2,712	704	145	21	**15,261**
Other Retail	467	651	699	2,025	107	49	9	**4,007**
Total	**9,508**	**14,890**	**4,634**	**7,120**	**1,031**	**295**	**44**	**37,522**
Average Exposure At Default (EAD)								
Residential Mortgage	0.046	0.185	0.123	0.160	0.167	0.161	0.201	
Qualifying Revolving Retail	0.010	0.009	0.009	0.007	0.007	0.006	0.006	
Other Retail	0.032	0.023	0.003	0.018	0.011	0.007	0.018	
Exposure-weighted average LGD (%)								
Residential Mortgage	20.9%	20.1%	21.8%	20.8%	20.4%	20.5%	21.4%	
Qualifying Revolving Retail	73.9%	80.0%	73.3%	74.5%	73.7%	73.7%	73.9%	
Other Retail	22.2%	18.6%	37.6%	39.6%	43.1%	53.4%	51.7%	
Exposure-weighted average risk weight (%)								
Residential Mortgage	5.5%	6.7%	14.7%	30.0%	73.2%	111.4%	267.6%	
Qualifying Revolving Retail	4.7%	8.5%	13.5%	37.9%	105.4%	205.3%	857.5%	
Other Retail	5.2%	9.4%	24.5%	52.7%	67.5%	127.9%	330.5%	

Table 6(e): Actual Losses by portfolio type[33]

Basel Asset Class	Six months ended March 2010 Individual provision charge $M	Six months ended March 2010 Write-offs $M
Corporate	610	569
Sovereign	-	-
Bank	(18)	8
Residential Mortgage	92	48
Qualifying revolving retail	107	128
Other retail	182	185
Total Advanced IRB	**973**	**938**
Standardised	53	25
Total	**1,026**	**963**

Basel Asset Class	Six months ended September 2009 Individual provision charge $M	Six months ended September 2009 Write-offs $M
Corporate	731	671
Sovereign	-	-
Bank	41	(3)
Residential Mortgage	114	32
Qualifying revolving retail	120	138
Other retail	238	245
Total Advanced IRB	**1,244**	**1,083**
Standardised	57	23
Total	**1,301**	**1,106**

Basel Asset Class	Six months ended March 2009 Individual provision charge $M	Six months ended March 2009 Write-offs $M
Corporate	1,035	429
Sovereign	-	-
Bank	4	30
Residential Mortgage	48	14
Qualifying Revolving Retail	108	124
Other Retail	221	170
Total Advanced IRB	**1,416**	**767**
Standardised	33	16
Total	**1,449**	**783**

Write-offs decreased to $963 million in March 2010 compared to $1,106 million for the half year ending September 2009. Write-offs were driven by the IRB Corporate class of assets within the Institutional business, and by unsecured portfolios, Commercial Property and Finance and Insurance in Australia.

[33] Charges for Individual Provision relate to loans and advances, and do not include impairment on available-for-sale of $20 million in March 2010 (September 2009: Nil; March 2009: $20 million).

Table 6(f): Analysis of actual versus Expected Losses by portfolio type (Advanced AIRB) [34]

	31 March 2010 Actual losses for 12 months ending March 2010		31 March 2009 One year Expected Loss (EL) estimates	
	Write-offs $M	**Individual provision charge $M**	**Internal model EL estimate $M**	**Regulatory EL estimate $M**
Corporate	1,240	1,341	731	2,691
Sovereign	-	-	7	7
Bank	5	23	25	30
Residential Mortgage	80	206	59	469
Qualifying Revolving Retail	266	227	352	369
Other Retail	430	420	354	614
Total Advanced IRB	**2,021**	**2,217**	**1,528**	**4,180**

Regulatory EL and Internal EL shown above represent estimated credit loss from defaults over a one year period and are computed as the product of PD, LGD and EAD as at 31 March 2009. The actual loss measures are Charges for Individual Provision and Write-offs for the 12 month period as recorded in ANZ's financial statements for September 2009 and March 2010. While these metrics provide some insight into the predictive power of ANZ's estimations, any comparison has limitations due to definitional differences - eg:

- Both Regulatory and Internal EL are a measure of expected credit losses at a certain balance sheet date, while the Charges for Individual Provisions and Write-Offs are recorded for a fluctuating credit portfolio over the course of a financial year. In addition Write Offs may relate to prior period defaults.
- The parameters PD, LGD and EAD underlying the Regulatory EL calculation represent through the cycle estimates based on APRA methodologies which include the use of the LGD floor for Mortgages, slotting approach for project finance, object finance and non diversified real estate. Regulatory EL also includes the Individual Provision balance on defaulted exposures.
- Internal EL is calculated on non-impaired exposures only and uses long run LGD's rather than downturn LGD (which is used for Regulatory EL).
- Charges for Individual Provisions represent an accounting estimate of likely losses on defaulted exposures, whereas Write-offs are taken when defaulted exposures are assessed as partially or fully uncollectable after the proceeds from any realisation of collateral have been taken into account. There is typically a time lag between Charges for Individual Provisions and Write-offs.

Charges for Individual Provision exceeded write-offs for 12 months to March 2010 because many of the defaults that emerged during the year are still in the workout period where recovery options are being identified and pursued.

[34] Table 6(f) relates only to Advanced IRB and not Standardised, Equities, Securitisation or Other Assets.

Table 7 Credit risk – Mitigation disclosures

Table 7(b): Credit risk mitigation - collateral[35 36]

	March 2010			
	Total Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised				
Corporate	17,392	500	-	2.9%
Sovereign	-	-	-	0.0%
Bank	3	-	-	0.0%
Residential Mortgage	1,135	-	-	0.0%
Other Retail	-	-	-	0.0%
Total	**18,530**	**500**	**-**	**2.7%**

	September 2009			
	Total Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised				
Corporate	13,881	350	-	2.5%
Sovereign	-	-	-	0.0%
Bank	15	-	-	0.0%
Residential Mortgage	1,169	19	-	1.6%
Other Retail	-	-	-	0.0%
Total	**15,065**	**369**	**-**	**2.4%**

	March 2009			
	Total Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised				
Corporate	16,072	478	-	3.0%
Sovereign	-	-	-	0.0%
Bank	29	-	-	0.0%
Residential Mortgage	1,347	22	-	1.6%
Other Retail	-	-	-	0.0%
Total	**17,448**	**500**	**-**	**2.9%**

[35] In order to show the cover provided by the disclosed mitigants, the exposure amount is prior to the application of the eligible risk mitigation. Excluding mitgants, the standardised exposure amount is $18,030 million as of March 2010 (September 2009: $14,696 million; March 2009: $16,948 million).

[36] Eligible Collateral includes cash collateral (cash, certificates deposits and bank bills), gold bullion and highly rated debt securities.

Table 7(c): Credit risk mitigation – guarantees and credit derivatives[37] [38]

March 2010

	Total Exposure $M	Exposures Covered by Guarantees $M	Exposures Covered by Credit Derivatives $M	% Coverage
Advanced IRB				
Corporate	185,540	13,500	378	7.5%
Sovereign	26,937	30	-	0.1%
Bank	32,617	4,970	-	15.2%
Residential Mortgage	208,508	-	-	-
Qualifying Revolving Retail	20,396	-	-	-
Other Retail	28,250	-	-	-
Total	**502,248**	**18,500**	**378**	**3.8%**
Standardised				
Corporate	16,892	-	-	-
Sovereign	-	-	-	-
Bank	3	-	-	-
Residential Mortgage	1,135	-	-	-
Other Retail	-	-	-	-
Total	**18,030**	**-**	**-**	**-**

September 2009

	Total Exposure $M	Exposures Covered by Guarantees $M	Exposures Covered by Credit Derivatives $M	% Coverage
Advanced IRB				
Corporate	190,898	10,809	779	6.1%
Sovereign	23,052	24	-	0.1%
Bank	32,959	3,933	-	11.9%
Residential Mortgage	201,581	-	-	-
Qualifying Revolving Retail	19,820	-	-	-
Other Retail	28,651	-	-	-
Total	**496,960**	**14,766**	**779**	**3.1%**
Standardised				
Corporate	13,531	-	-	-
Sovereign	-	-	-	-
Bank	15	-	-	-
Residential Mortgage	1,150	-	-	-
Other Retail	-	-	-	-
Total	**14,696**	**-**	**-**	**-**

March 2009

	Total Exposure $M	Exposures Covered by Guarantees $M	Exposures Covered by Credit Derivatives $M	% Coverage
Advanced IRB				
Corporate	221,174	12,053	1,023	5.9%
Sovereign	18,121	35	-	0.2%
Bank	50,001	1,898	-	3.8%
Residential Mortgage	195,432	-	-	-
Qualifying Revolving Retail	23,604	-	-	-
Other Retail	27,073	-	-	-
Total	**535,405**	**13,986**	**1,023**	**2.8%**
Standardised				
Corporate	15,594	-	-	-
Sovereign	-	-	-	-
Bank	29	-	-	-
Residential Mortgage	1,325	-	-	-
Other Retail	-	-	-	-
Total	**16,948**	**-**	**-**	**-**

[37] Guarantee coverage for Corporate exposures can originate from Corporate, Sovereign or Bank counterparties. Table 7(c) shows the original exposure amount by asset class prior to the impact of the guarantee. For example, a Corporate exposure guaranteed by a Bank is shown above as a Corporate, however it will appear in other tables in this Pillar 3 disclosure as a Bank exposure i.e. post the effect of the guarantee.

[38] The total exposure amount in Table 7(c) has been grossed up for the mitigant value of Credit Derivatives.

Table 9 Securitisation disclosures

Table 9(d): Traditional and synthetic securitisation exposures[39] [40]

	March 2010			
Traditional securitisations				Regulatory credit exposure
Underlying asset	ANZ originated $M	Third party originated $M	Other Services $M	Facilities provided $M
Residential mortgage	242	-	-	1,626
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	870
Commercial loans	-	-	-	161
Other	-	-	-	3,626
Total	**242**	**-**	**-**	**6,283**

	March 2010			
Synthetic securitisations				Regulatory credit exposure
Underlying asset	ANZ originated $M	Third party originated $M	Other Services $M	Facilities provided $M
Residential mortgage	-	-	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	246
Total	**-**	**-**	**-**	**246**

	March 2010			
Aggregate of traditional and synthetic securitisations				Regulatory credit exposure
Underlying asset	ANZ originated $M	Third party originated $M	Other Services $M	Facilities provided $M
Residential mortgage	242	-	-	1,626
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	870
Commercial loans	-	-	-	161
Other	-	-	-	3,872
Total	**242**	**-**	**-**	**6,529**

[39] For the ANZ originated and Third party originated columns the value shown is the current outstanding value of the assets originated. For Facilities provided the value shown is the EAD of facilities extended to securitisation undertaken by third parties where ANZ does not act as an originator.

[40] Total regulatory credit exposure in Table 9(d) varies from that presented in remaining tables by $45 million. This amount is included in total asset value of ANZ originated securitisations, however is excluded from facilities provided in Table 9(d) to avoid double counting.

Table 9(d): Traditional and synthetic securitisation exposures (continued)

Traditional securitisations	September 2009			Regulatory credit exposure
Underlying asset	ANZ originated $M	Third party originated $M	Other Services $M	Facilities provided $M
Residential mortgage	284	-	-	1,782
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	1,057
Commercial loans	-	-	-	181
Other	-	-	-	4,410
Total	**284**	**-**	**-**	**7,430**

Synthetic securitisations	September 2009			Regulatory credit exposure
Underlying asset	ANZ originated $M	Third party originated $M	Other Services $M	Facilities provided $M
Residential mortgage	-	-	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	1,065
Total	**-**	**-**	**-**	**1,065**

Aggregate of traditional and synthetic securitisations	September 2009			Regulatory credit exposure
Underlying asset	ANZ originated $M	Third party originated $M	Other Services $M	Facilities provided $M
Residential mortgage	284	-	-	1,782
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	1,057
Commercial loans	-	-	-	181
Other	-	-	-	5,475
Total	**284**	**-**	**-**	**8,495**

Table 9(d): Traditional and synthetic securitisation exposures (continued)

Traditional securitisations	March 2009			Regulatory credit exposure
Underlying asset	ANZ originated $M	Third party originated $M	Other Services $M	Facilities provided $M
Residential mortgage	326	-	-	3,077
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	1,371
Commercial loans	-	-	-	554
Other	-	-	-	5,300
Total	**326**	**-**	**-**	**10,302**

Synthetic securitisations	March 2009			Regulatory credit exposure
Underlying asset	ANZ originated $M	Third party originated $M	Other Services $M	Facilities provided $M
Residential mortgage	-	-	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	2,200	-	-	-
Other	-	-	-	1,409
Total	**2,200**	**-**	**-**	**1,409**

Aggregate of traditional and synthetic securitisations	March 2009			Regulatory credit exposure
Underlying asset	ANZ originated $M	Third party originated $M	Other Services $M	Facilities provided $M
Residential mortgage	326	-	-	3,077
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	1,371
Commercial loans	2,200	-	-	554
Other	-	-	-	6,709
Total	**2,526**	**-**	**-**	**11,711**

Table 9(e): Impaired and Past due loans relating to ANZ originated securitisations

Underlying asset	ANZ originated $M	Value as at 31 March 2010 Impaired $M	Past due $M	Half Year Losses recognised $M
Residential Mortgage	242	-	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**242**	**-**	**-**	**-**

Underlying asset	ANZ originated $M	Value as at 30 September 2009 Impaired $M	Past due $M	Half Year Losses recognised $M
Residential Mortgage	284	-	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**284**	**-**	**-**	**-**

Underlying asset	ANZ originated $M	Value as at 31 March 2009 Impaired $M	Past due $M	Half Year Losses recognised $M
Residential Mortgage	326	-	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	2,200	-	-	-
Other	-	-	-	-
Total	**2,526**	**-**	**-**	**-**

Table 9(f): Securitisation – Regulatory credit exposures by exposure type[41]

	Regulatory credit exposure		
Securitisation exposure type	**March 2010 $M**	**September 2009 $M**	**March 2009 $M**
Liquidity facilities	2,888	3,915	5,239
Funding facilities	3,034	3,006	4,327
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	26	59	117
Holdings of securities (excluding trading book)	626	1,561	2,073
Other	-	-	-
Total	**6,574**	**8,541**	**11,756**

[41] Credit enhancement facilities are second loss facilities and benefit from credit enhancement from a third party first loss provider.

Table 9(g): Securitisation – Regulatory credit exposures by risk weight band

	March 2010		September 2009		March 2009	
Securitisation risk weights	Regulatory credit exposure $M	Risk weighted assets $M	Regulatory credit exposure $M	Risk weighted assets $M	Regulatory credit exposure $M	Risk weighted assets $M
≤ 25%	4,772	517	6,206	627	8,938	1,264
>25 ≤ 35%	-	-	225	79	1,009	353
>35 ≤ 50%	20	10	26	13	-	-
>50 ≤ 75%	14	10	412	309	1	1
>75 ≤ 100%	1,388	1,388	1,630	1,630	1,746	1,746
>100 ≤ 650%	20	50	-	-	-	-
1250% (Deduction)	360	-	42	-	62	-
Total	**6,574**	**1,975**	**8,541**	**2,658**	**11,756**	**3,364**

Table 9(g) : Securitisation - Aggregate securitisation exposures by risk weight band

	March 2010			September 2009			March 2009		
Securitisation exposures deducted from Capital	Deductions from Tier 1 Capital $M	Deductions from Tier 2 Capital $M	Total $M	Deductions from Tier 1 Capital $M	Deductions from Tier 2 Capital $M	Total $M	Deductions from Tier 1 Capital $M	Deductions from Tier 2 Capital $M	Total $M
Residential Mortgage	-	-	-	-	-	-	-	-	-
Credit cards and other personal loans	-	-	-	-	-	-	-	-	-
Auto and equipment finance	-	-	-	-	-	-	-	-	-
Commercial loans	-	-	-	-	-	-	-	-	-
Other	180	180	360	21	21	42	31	31	62
Total	**180**	**180**	**360**	**21**	**21**	**42**	**31**	**31**	**62**

Table 9(h) and 9(i): Security exposures subject to early amortisation or using Standardised Approach

ANZ does not have any Securitisation exposures subject to early amortisation or using Standardised Approach.

Table 9(j): Securitisation – Summary of current year's activity by underlying asset type and facility[42]

For the six months to 31 March 2010

Securitisation activity by underlying asset type	Original value securitised: ANZ originated $M	Original value securitised: Third party originated $M	Recognised gain or loss on sale $M
Residential mortgage	-	505	-
Credit cards and other personal loans	-		-
Auto and equipment finance	-		-
Commercial loans	-		-
Other	-	164	-
Total	**-**	**669**	**-**

Securitisation activity by facility provided	Notional amount $M
Liquidity facilities	-
Funding facilities	229
Underwriting facilities	-
Lending facilities	-
Credit enhancements	-
Holdings of securities (excluding trading book)	-
Other	-
Total	**229**

For the six months to 30 September 2009

Securitisation activity by underlying asset type	Original value securitised: ANZ originated $M	Original value securitised: Third party originated $M	Recognised gain or loss on sale $M
Residential mortgage	-	1,773	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	400	-
Commercial loans	-	-	-
Other	-	-	-
Total	**-**	**2,173**	**-**

Securitisation activity by facility provided	Notional amount $M
Liquidity facilities	-
Funding facilities	-
Underwriting facilities	-
Lending facilities	59
Credit enhancements	-
Holdings of securities (excluding trading book)	-
Other	-
Total	**59**

[42] "Third party originated" represents the total original assets of the securitisation, and is not representative of ANZ's exposure.

Table 9(j): Securitisation – Summary of current year's activity by underlying asset type and facility (continued)

	For the six months to 31 March 2009		
	Original value securitised		
Securitisation activity by underlying asset type	ANZ originated $M	Third party originated $M	Recognised gain or loss on sale $M
Residential mortgage	-	772	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**-**	**772**	**-**

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

Table 10 Market risk – Standardised Approach

Table 10(b): Market Risk – Standardised Approach[43]

Market Risk under standardised approach	Capital requirements March 2010 $M	September 2009 $M	March 2009 $M
Interest rate risk	121	112	147
Equity position risk	2	3	3
Foreign exchange risk	-	-	-
Commodity risk	5	6	7
Total	128	121	157
RWA equivalent	1,597	1,514	1,961

Table 11 Market risk – Internal Models Approach (IMA)

Table 11(d): VaR over the reporting period[44] [45]

VaR over six months ended 31 March 2010

Value at Risk (VaR)	Mean $M	Maximum $M	Minimum $M	Period end $M
Equities	-	-	-	-
Interest Rate	15.7	23.8	9.2	23.8
Foreign exchange	2.5	7.8	0.8	1.9
Commodity	2.1	3.2	0.9	2.1
Credit	3.0	4.9	1.7	4.4

VaR over six months ended 30 September 2009

Value at Risk (VaR)	Mean $M	Maximum $M	Minimum $M	Period end $M
Equities	-	-	-	-
Interest Rate	6.6	10.8	2.4	9.6
Foreign exchange	2.1	4.6	0.9	3.5
Commodity	1.4	4.3	0.6	1.2
Credit	1.8	3.2	1.2	2.4

VaR over six months ended 31 March 2009

Value at Risk (VaR)	Mean $M	Maximum $M	Minimum $M	Period end $M
Equities	-	-	-	-
Interest Rate	5.5	10.3	2.4	6.6
Foreign exchange	1.7	3.0	0.9	1.5
Commodity	1.0	2.5	0.6	0.9
Credit	1.9	3.2	1.2	2.2

Comparison of VaR estimates to actual gains/losses

Back testing involves the comparison of calculated VaR exposures with profit and loss data to identify the frequency of incidents when trading losses exceed the calculated VaR. As a probabilistic measure of potential future gains or losses, it is expected that results exceed VaR a proportion of the time. For APRA backtesting purposes, VaR is calculated at the 99% confidence interval with a one day holding period. Therefore, over the long-run we would expect one back testing outlier each 100 days.

ANZ uses actual profit and loss data and hypothetical profit and loss data. Hypothetical profit and loss data is designed to remove the impacts of intraday trading and sales margins. It is calculated as the difference between the value of the prior day portfolio at prior day closing rates and the value at

[43] RWA equivalent is the capital requirement multiplied by 12.5.

[44] Regulatory VaR is calculated at 97.5% confidence level for a one-day holding period.

[45] The Foreign Exchange VaR excludes foreign exchange translation exposures outside of the Trading Book. (Non Trading translation risk includes translation of the net mark-to-market of the structured credit business).

current day closing rates. Markets Finance calculates actual profit and loss while Market Risk calculates hypothetical profit and loss.

As at 31 March 2010, based on the prior 250 business days, there were zero hypothetical and one actual genuine negative outliers, compared to 6 hypothetical and 1 actual genuine negative outliers as at 30 September 2009.

This decrease in the number of hypothetical and actual genuine negative outliers is in line with expectations as the high market volatility experienced from late 2007 has been rolled out of the current historical VaR model while a reduction in market volatility throughout 2009-2010 has decreased the magnitude of daily actual and hypothetical profit and loss results. Considering this the VaR model continues to be an appropriate model to use for Market Risk calculations.

Table 13 Equities – Disclosures for banking book positions

Table 13(b) and 13(c): Equities – Types and nature of Banking Book investments

Equity investments	Balance sheet value			Fair value		
	March 2010 $M	September 2009 $M	March 2009 $M	March 2010 $M	September 2009 $M	March 2009 $M
Value of listed (publicly traded) equities	1,851	1,697	2,042	2,547	2,199	1,708
Value of unlisted (privately held) equities	1,531	3,337	3,140	1,558	3,713	3,628
Total	**3,382**	**5,034**	**5,182**	**4,105**	**5,912**	**5,336**

Table 13(d) and 13(e): Equities – gains (losses)

Gains (losses) on equity investments	Half Year 31 March 2010 $M	Half Year 30 September 2009 $M	Half Year 31 March 2009 $M
Cumulative realised gains (losses) from disposals and liquidations in the reporting period	2	(3)	(3)
Total unrealised gains (losses)	46	18	3
Total unrealised gains (losses) included in Gross Tier 1/Tier 2 capital	-	-	-

Table 13(f): Equities – Capital requirement

Risk Weighted Assets	March 2010 $M	September 2009 $M	March 2009 $M
Equity investments subject to a 300% risk weight	1	2	193
Equity investments subject to a 400% risk weight	1,638	1,912	1,514
Total minimum capital requirement by equity asset class	**1,639**	**1,914**	**1,146**
Aggregate amount of equity investments subject to:			
Supervisory provisions	n/a	n/a	n/a
Grandfathering provisions	n/a	n/a	n/a

Table 14 Interest Rate Risk in the Banking Book

Table 14(b): Interest Rate Risk in the Banking Book (IRRBB) [46]

	Change in Economic Value		
Standard Shock Scenario Stress Testing: Interest rate shock applied	**31 March 2010 $M**	**30 September 2009 $M**	**31 March 2009 $M**
AUD			
200 basis point parallel increase	32	(9)	(134)
200 basis point parallel decrease	(31)	16	141
NZD			
200 basis point parallel increase	(20)	(76)	(79)
200 basis point parallel decrease	17	75	79
USD			
200 basis point parallel increase	(7)	(17)	(22)
200 basis point parallel decrease	7	10	20
GBP			
200 basis point parallel increase	(4)	(5)	(6)
200 basis point parallel decrease	1	2	5
Other			
200 basis point parallel increase	8	(17)	(38)
200 basis point parallel decrease	3	11	35

IRRBB regulatory capital	**651**	**197**	**-**
IRRBB regulatory RWA	**8,136**	**2,465**	**-**

Stress testing methodology

The information above is provided for ANZ's IRRBB capital requirement which is determined by its internal model. The capital requirement includes a value for Repricing and Yield Curve risk based on historical simulation with a 99% confidence interval, one year holding period and a six year historical data set. Values for Optionality and Basis risk are also included and have been determined using Monte Carlo simulation. Embedded gains/losses also make up the capital requirement and are calculated as the difference between the book value of banking book items and the current economic value.

[46] Risk Weighted Assets are derived by multiplying total regulatory capital by 12.5

Appendix ANZ Bank (Europe) Limited

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

In line with the FSA waiver direction, ANZBEL will rely on disclosures in this document to satisfy most of its Pillar 3 disclosure obligations. The following FSA requirements are not mirrored in APS 330 or included in this disclosure document, and as such are required by the FSA 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*

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