2019 BASEL III PILLAR 3 DISCLOSURE

AS AT 31 MARCH 2019

APS330:
PUBLIC DISCLOSURE

Important notice

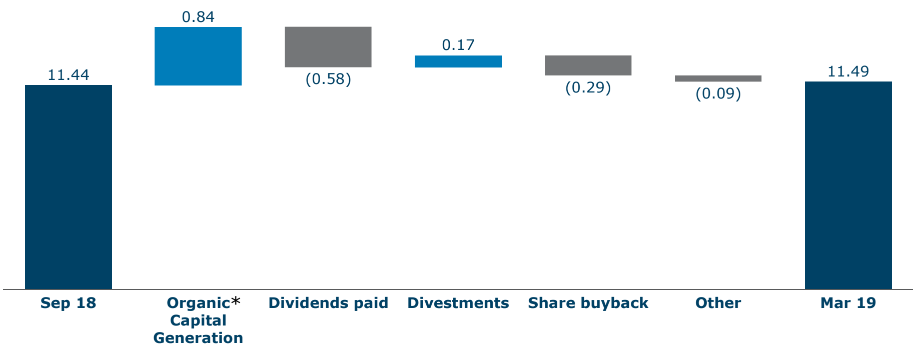
This document has been prepared by Australia and New Zealand Banking Group Limited (ANZ) to meet its disclosure obligations under the Australian Prudential Regulation Authority (APRA) ADI Prudential Standard (APS) 330: Public Disclosure.

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.

Chapter 1 – Highlights

APRA Common Equity Tier 1 Capital (CET1) – Level 2

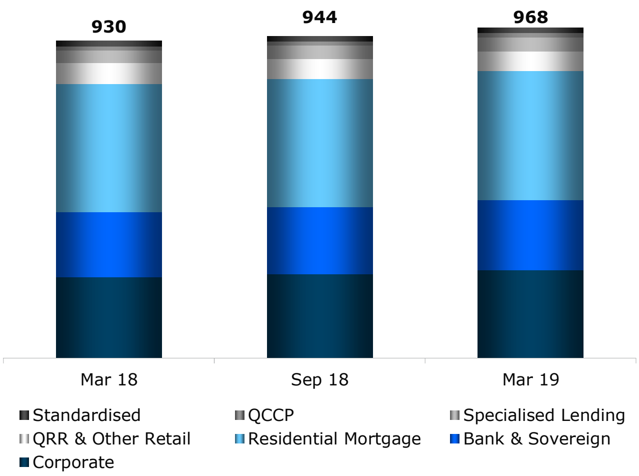


*Organic capital generation comprises cash earnings (excluding large/notable items), movement in underlying RWA (excluding from foreign exchange translation impacts, regulatory changes and other one-offs) and movement in business capital deductions.

Capital ratio for March 2019

- CET1 ratios have increased in the half to March 2019 mainly due to cash profit generation, net reduction in underlying RWA growth (excluding foreign exchange impacts, regulatory changes and other one-offs), and benefits from asset sales. Partially offsetting these were the impact from payment of the 2018 final dividend and on-market share buy back during the half.
- The APRA CET1 ratio is currently in excess of APRA's 'unquestionably strong' benchmark of 10.5% CET1.

Exposure at Default* ($bn)

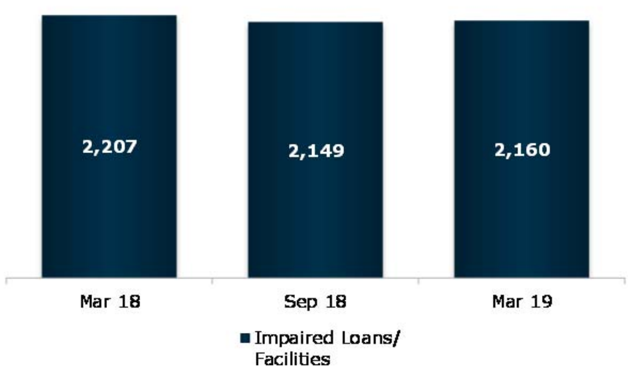


*Exposure at Default is post Credit Risk Mitigation (CRM) and does not include Securitisation, Equities or Other Assets.

EAD up $24bn to $968bn for 1H19

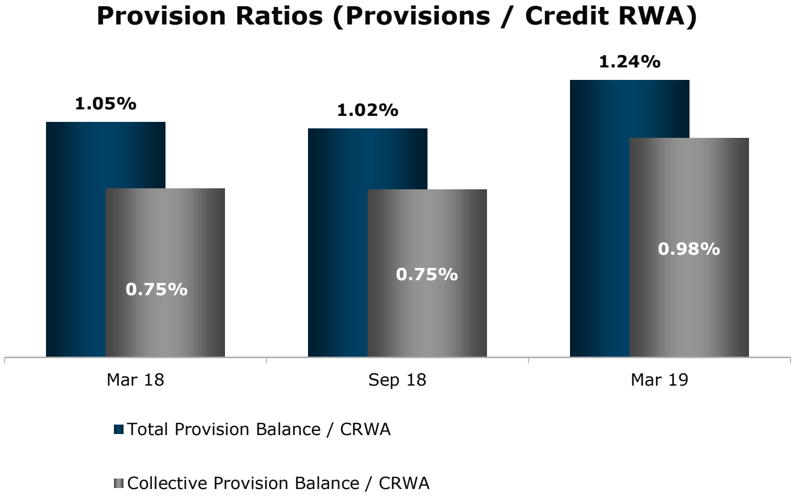
- Underlying increase in EAD driven by FX of $11.4bn and volume growth of $12.3bn being Corporate (+$8.7bn), Bank (+$3.0bn), Specialised Lending (+$2.7bn) and Sovereign (+$1.8bn) assets classes. This was partially offset by reductions in Standardised (-$1.8bn) and Other Retail (-$1.8bn).

Impaired Assets ($m)



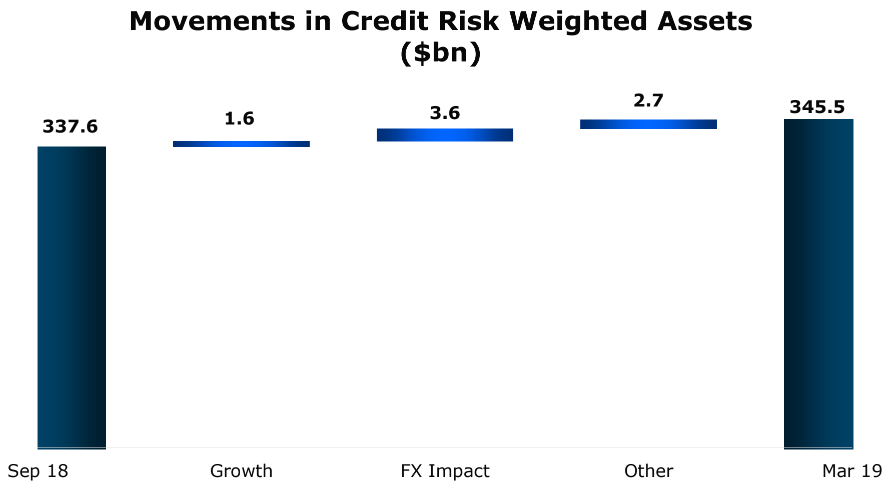
Impaired Assets up $11m HoH

- Increase in Impaired Asset HoH is driven by an increase in the Australia Division (+$72m) driven by a single name exposure and an increase in the home loan portfolio. This was partially offset by a decrease in the Institutional division (-$69m) driven by repayments and writeoffs.



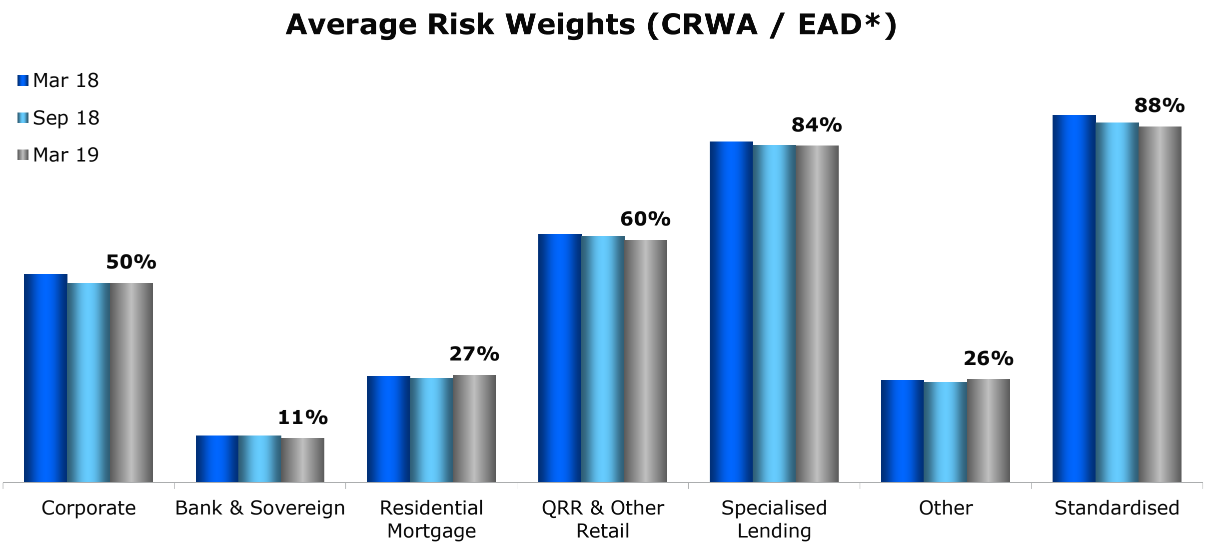
Provision coverage remains sound

- The Total Provision ratio increased by 22bps and Collective Provision ratio increased 23bps driven by the transition to AASB 9 Financial Instruments which has resulted in an $813 million increase to Collectively Assessed Provisions for Credit Impairment.
- For comparison purposes the ratios as at 1 October 2018 were Total Provision ratio 1.26% and Collective Provision ratio 0.99%.



Credit Risk Weighted Assets (CRWA) increased by $7.9bn HoH.

- Driven by increase in volume of AIRB Corporate exposures combined with increase in Residential mortgages due to application of a regulatory determined risk weight adjustments.



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

Chapter 2 - Introduction

Purpose of this document

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

APS 330 mandates the release to the investment community and general public of information relating to capital adequacy and risk management practices. APS 330 was established to implement Pillar 3 of the Basel Committee on Banking Supervision's framework for bank capital adequacy[2]. In simple terms, the Basel framework consists of three mutually reinforcing 'Pillars':

Pillar 1 Minimum capital requirement	**Pillar 2** Supervisory review process	**Pillar 3** Market discipline
Minimum capital requirements for Credit Risk, Operational Risk, Market Risk and Interest Rate Risk in the Banking Book	Firm-wide risk oversight, Internal Capital Adequacy Assessment Process (ICAAP), consideration of additional risks, capital buffers and targets and risk concentrations, etc.	Regular disclosure to the market of qualitative and quantitative aspects of risk management, capital adequacy and underlying risk metrics

APS 330 requires the publication of various levels of information on a quarterly, semi-annual and annual basis. This document is the semi-annual disclosure.

Basel in ANZ

In December 2007, ANZ received accreditation for the most advanced approaches permitted under Basel for credit risk and operational risk, complementing its accreditation for market risk. Effective January 2013, ANZ adopted APRA requirements for Basel III with respect to the measurement and monitoring of regulatory capital.

Verification of disclosures

These Pillar 3 disclosures have been verified in accordance with Board approved policy, including ensuring consistency with information contained in ANZ's Financial Report and in Pillar 1 returns provided to APRA. In addition ANZ's external auditor has performed an agreed upon procedure review with respect to these disclosures.

Comparison to ANZ's Financial Reporting

These disclosures have been produced in accordance with regulatory capital adequacy concepts and rules, rather than with accounting policies adopted in ANZ's financial reports. As such, there are different areas of focus and measures in some common areas of disclosures. These differences are most pronounced in the credit risk disclosures, for instance:

- The principal method for measuring the amount at risk is Exposure at Default (EAD), which is the estimated amount of exposure likely to be owed on a credit obligation at the time of default. Under the Advanced Internal Ratings Based (AIRB) approach in APS 113 Capital Adequacy: Internal Ratings-based Approach to Credit Risk, banks are accredited to provide their own estimates of EAD for all exposures (drawn, commitments or contingent liabilities) reflecting the current balance as well as the likelihood of additional drawings prior to default.
- Loss Given Default (LGD) is an estimate of the amount of losses expected in the event of default. LGD is essentially calculated as the amount at risk (EAD) less expected net recoveries from realisation of collateral as well as any post default repayments of principal and interest.
- Most credit risk disclosures split ANZ's portfolio into regulatory asset classes, which span different areas of ANZ's internal divisional and business unit organisational structure.

Unless otherwise stated, all amounts are rounded to AUD millions.

[2] Basel Committee on Banking Supervision, International Convergence of Capital Measurement and Capital Standards: A Revised Framework, 2004.

Chapter 3 – Capital and Capital Adequacy

Table 1 Capital Disclosure template

The head of the Level 2 Group to which this prudential standard applies is Australia and New Zealand Banking Group Limited.

Table 1 of this chapter consists of a Capital Disclosure template that assists users in understanding the differences between the application of the Basel III reforms in Australia and those rules as detailed in the document Basel III: A global regulatory framework for more resilient banks and banking systems, issued by the Bank for International Settlements.

The information in the lines of the template has been mapped to ANZ's Level 2 balance sheet, which adjusts for non-consolidated subsidiaries as required under APS 001: Definitions. Where this information cannot be mapped on a one to one basis, it is provided in an explanatory table. ANZ's material non-consolidated subsidiaries are also listed in this chapter.

Restrictions on Transfers of Capital within ANZ

ANZ operates branches and locally incorporated subsidiaries in many countries. These operations are capitalised at an appropriate level to cover the risks in the business and to meet local prudential requirements. This level of capitalisation may be enhanced to meet local taxation and operational requirements. Any repatriation of capital from subsidiaries or branches is subject to meeting the requirements of the local prudential regulator and/or the local central bank. Apart from ANZ's operations in New Zealand, local country capital requirements do not impose any material call on ANZ's capital base.

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

Table 1 Capital disclosure template

		Mar 19 $M	Reconciliation Table Reference
	Common Equity Tier 1 Capital: instruments and reserves		
1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	26,156	Table A
2	Retained earnings	31,860	Table B
3	Accumulated other comprehensive income (and other reserves)	1,716	Table C
4	Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)	n/a	
5	Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	53	Table D
6	Common Equity Tier 1 capital before regulatory adjustments	**59,785**	
	Common Equity Tier 1 capital : regulatory adjustments		
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	3,865	Table E
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	2,854	Table F
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	9	Table J
11	Cash-flow hedge reserve	444	
12	Shortfall of provisions to expected losses	42	Table G
13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	13	
15	Defined benefit superannuation fund net assets	126	Table H
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
19	Significant investments in the ordinary shares of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	
20	Mortgage service rights (amount above 10% threshold)	n/a	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold	-	
23	of which: significant investments in the ordinary shares of financial entities	-	
24	of which: mortgage servicing rights	n/a	
25	of which: deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments (sum of rows 26a - 26j)	6,904	
26a	of which: treasury shares	-	
26b	of which: offset to dividends declared under a dividend reinvestment plan (DRP), to the extent to that the dividends are used to purchase new ordinary shares issued by the ADI	-	
26c	of which: deferred fee income	(142)	
26d	of which: equity investment in financial institutions not reported in rows 18, 19 and 23	4,814	Table I
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	1,153	Table J
26f	of which: capitalised expenses	1,019	Table K
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA rules	33	Table L
26h	of which: covered bonds in excess of asset cover in pools	-	
26i	of which: undercapitalisation of a non-consolidated subsidiary	-	
26j	of which: other national specific regulatory adjustments not reported in rows 26a to 26i	27	
27	Regulatory adjustments applied to CET1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to CET1	**14,257**	
29	Common Equity Tier 1 capital (CET1)	**45,528**	

Table 1 Capital disclosure template

		Mar 19 $M	Reconciliation Table Reference
	Additional Tier 1 Capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments	7,662	Table M
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	7,662	Table M
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	Table M
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	298	Table M
35	of which: instruments issued by subsidiaries subject to phase out	n/a	
36	Additional Tier 1 capital before regulatory adjustments	**7,960**	
	Additional Tier 1 Capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, (net of eligible short positions)	405	Table M
41	National specific regulatory adjustments (sum of rows 41a - 41c)	8	
41a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	-	
41b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40	7	
41c	of which: other national specific regulatory adjustments not reported in rows 41a and 41b	1	Table M
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	**413**	
44	Additional Tier 1 capital (AT1)	**7,547**	
45	Tier 1 Capital (T1=CET1+AT1)	**53,075**	
	Tier 2 Capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments	6,670	
47	Directly issued capital instruments subject to phase out from Tier 2	661	Table N
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group T2)	61	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions	307	
51	Tier 2 capital before regulatory adjustments	**7,699**	
	Tier 2 Capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	10	Table N
53	Reciprocal cross-holdings in Tier 2 instruments	-	
54	Investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10%	-	
55	Significant investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	85	Table N
56	National specific regulatory adjustments (sums of rows 56a - 56c)	35	
56a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	-	
56b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55	35	Table N
56c	of which: other national specific regulatory adjustments not reported in rows 56a and 56b	-	
57	Total regulatory adjustment to Tier 2 capital	**130**	
58	Tier 2 capital (T2)	**7,569**	
59	Total capital (TC=T1+T2)	**60,644**	
60	Total risk-weighted assets based on APRA standards	**396,291**	

Table 1 Capital disclosure template

		Mar 19 $M	Reconciliation Table Reference
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	11.5%	
62	Tier 1 (as a percentage of risk-weighted assets)	13.4%	
63	Total capital (as a percentage of risk-weighted assets)	15.3%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIBs buffer requirement, expressed as a percentage of risk-weighted assets)	8.053%	
65	of which: capital conservation buffer requirement	3.5%[3]	
66	of which: ADI-specific countercyclical buffer requirements	0.053%	
67	of which: G-SIB buffer requirement (not applicable)	n/a	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	7.0%	
	National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	n/a	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	n/a	
71	National total capital minimum ratio (if different from Basel III minimum)	n/a	
	Amount below thresholds for deductions (not risk-weighted)		
72	Non-significant investments in the capital of other financial entities	115	
73	Significant investments in the ordinary shares of financial entities	4,740	Table I
74	Mortgage servicing rights (net of related tax liability)	n/a	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	1,153	Table J
	Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	151	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	255	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	156	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	1,951	
	Capital instruments subject to phase-out arrangements (only application between 1 January 2018 to 1 January 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	n/a	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	n/a	
82	Current cap on AT1 instruments subject to phase out arrangements	n/a	
83	Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	n/a	
85	Amount excluded from T2 due to cap (excess over cap after redemption and maturities)	-	

Counter Cyclical Capital Buffer

Geographic breakdown of Private Sector Credit Exposures	Hong Kong $M	Sweden $M	Norway $M	United Kingdom $M	Other $M	Total $M
RWA for all private sector credit exposures	3,440	356	493	6,341	306,102	316,732
Jurisdictional buffer set by national authorities	2.500%	2.000%	2.000%	1.000%	-	-
Countercyclical buffer requirement	0.028%	0.002%	0.003%	0.020%	-	0.053%

[3] Includes 1.0% buffer applied by APRA to ADI's deemed as domestic systemically important.

The following table shows ANZ's consolidated balance sheet and the adjustments required to derive the Level 2 Balance Sheet. The adjustments remove the external assets and liabilities of the entities deconsolidated for prudential purposes and reinstate any intragroup assets and liabilities, treating them as external to the Level 2 Group.

Assets	Balance Sheet as in published financial statements $M	Adjustments $M	Balance sheet under scope of regulatory consolidation $M	Template and Reconciliation Table Reference
Cash and Cash Equivalents	93,996	(99)	93,897	
Settlement Balances owed to ANZ	4,041	-	4,041	
Collateral Paid	11,860	-	11,860	
Trading securities	42,857	-	42,857	
of which: Financial Institutions capital instruments			85	Table N
Derivative financial instruments	79,375	-	79,375	
Investment Securities	78,882	(598)	78,284	
of which: non-significant investment in financial institutions equity instruments			74	Table I
of which: other entities equity investments			29	Table L
of which: significant equity investments			1,215	Table I
of which: collectively assessed provisions			(12)	
Net loans and advances	609,255	(1,093)	608,162	
of which: deferred fee income			(142)	Row 26c
of which: collectively assessed provisions			(2,736)	Table G
of which: individually assessed provisions			(891)	Table G
of which: capitalised brokerage			77	Table K
of which: CET1 margin lending adjustment			27	Row 26j
of which: AT1 margin lending adjustment			1	Table M
Regulatory deposits	944	-	944	
Assets held for sale	43,549	(42,209)	1,340	
of which: Goodwill			10	Table E
of which: Deferred Tax assets			9	
Due from controlled entities	-	1,224	1,224	
of which: Significant investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation			85	Table N
Shares in controlled entities	-	3,116	3,116	
of which: Investment in deconsolidated financial subsidiaries			2,711	Table I
of which: AT1 significant investment in banking, financial and insurance entities that are outside the scope of regulatory consolidation			405	Table M
Investment in associates	2,737	-	2,737	
of which: Financial Institutions			2,735	Table I
of which: Other Entities			2	Table L
Current tax assets	500	30	530	
Deferred tax assets	1,146	(2)	1,144	Table J
of which: Deferred tax assets that rely on future profitability			10	
Goodwill and other intangible assets	5,017	(9)	5,008	
of which: Goodwill			3,640	Table E
of which: Software			1,368	Table F
Premises and equipment	1,863	-	1,863	
Other assets	4,222	22	4,244	
of which: Defined benefit superannuation fund net assets			158	
Total Assets	**980,244**	**(39,618)**	**940,626**	

Liabilities	Balance Sheet as in published financial statements $M	Adjustments $M	Balance sheet under scope of regulatory consolidation $M	Template and Reconciliation Table Reference
Settlement Balances owed by ANZ	12,371	-	12,371	
Collateral Received	5,726	-	5,726	
Deposits and other borrowings	634,989	4,351	639,340	
Derivative financial instruments	80,871	-	80,871	
Due to controlled entities	-	1,616	1,616	
Current tax liabilities	159	(47)	112	
Deferred tax liabilities	48	-	48	Table J
of which: related to intangible assets			8	Table F
of which: related to capitalised expenses			5	Table K
of which: related to defined benefit super assets			32	Table H
Liabilities held for sale	46,555	(44,078)	2,477	
Provisions	2,221	(90)	2,131	
of which: collectively assessed provision			630	Table G
Payables and other liabilities	7,641	(463)	7,178	
Debt Issuances	129,692	(1,095)	128,597	
of which: Directly issued qualifying Additional Tier 1 instruments			7,561	Table M
of which: Additional Tier 1 Instruments			478	Table M
of which: Directly issued capital instruments subject to phase out from Tier 2			1,630	Table N
of which: Directly issued qualifying Tier 2 instruments			6,599	Table N
Total Liabilities	**920,273**	**(39,806)**	**880,467**	
Net Assets	**59,971**	**188**	**60,159**	

Shareholders' equity	Balance Sheet as in published financial statements $M	Adjustments $M	Balance sheet under scope of regulatory consolidation $M	Template and Reconciliation Table Reference
Ordinary Share Capital	26,048	328	26,376	Table A
of which: Share reserve			220	Tables A & C
Reserves	1,709	(148)	1,561	Table C
of which: Cash flow hedging reserves			444	Row 11
Retained earnings	32,064	8	32,072	Table B
Share capital and reserves attributable to shareholders of the company	**59,821**	**188**	**60,009**	
Non-controlling interests	150	-	150	Table D
Total Shareholders' Equity	**59,971**	**188**	**60,159**	

The following reconciliation tables provide additional information on the difference between Table 1 Capital Disclosure Template and the Level 2 Balance Sheet.

Table A		Mar 19 $M	Table 1 Reference
	Issued capital	26,376	
Less	Reclassification to Reserves	(220)	Table C
	Regulatory Directly Issued qualifying ordinary shares	**26,156**	Row 1

Table B		Mar 19 $M	Table 1 Reference
	Retained earnings	32,072	
Less	Regulatory reclassification from significant investments in the ordinary shares of banking, financial and insurance entities outside the scope of regulatory consolidation	(212)	Table I
	Retained earnings	**31,860**	Row 2

Table C		Mar 19 $M	Table 1 Reference
	Reserves	1,561	
Add	Reclassification from Issued Capital	220	Table A
Less	Non qualifying reserves	(65)	
	Reserves for Regulatory capital purposes (amount allowed in group CET1)	**1,716**	Row 3

Table D		Mar 19 $M	Table 1 Reference
	Non-controlling interests	150	
Less	Surplus capital attributable to minority shareholders	(97)	
	Ordinary share capital issued by subsidiaries and held by third parties	**53**	Row 5

Table E		Mar 19 $M	Table 1 Reference
	Goodwill	3,640	
Add	Goodwill classified as Held for Sale	10	
Add	Goodwill component of investments in financial associates	215	Table I
	Goodwill (net of related tax liability)	**3,865**	Row 8

Table F		Mar 19 $M	Table 1 Reference
	Software	1,368	
Less	Associated deferred tax liabilities	(8)	
Add	Regulatory reclassification from significant investments in the ordinary shares of banking, financial and insurance entities outside the scope of regulatory consolidation	1,494	Table I
	Other intangibles other than mortgage servicing rights (net of related tax liability)	**2,854**	Row 9

Table G		Mar 19 $M	Table 1 Reference
	Qualifying collective provision		
	Collectively assessed provision on Loans and advances	(2,736)	
	Collectively assessed provision on Investment Securities	(12)	
	Collectively assessed provision on Undrawn commitments	(630)	
Less	Non-qualifying collectively assessed provision	395	
Less	Standardised collectively assessed provision	151	
Less	Non-defaulted expected loss	2,675	
	Non-Defaulted: Expected Loss - Eligible Provision Shortfall	-	
	Qualifying individual provision		
	Individually assessed provision	(891)	
Add	Additional individually assessed provision for partial write offs	(310)	
Less	Standardised individually assessed provision	85	
Add	Collectively assessed provision on advanced defaulted	(373)	
Less	Defaulted expected loss	**1,531**	
	Defaulted: Expected Loss - Eligible Provision Shortfall	42	
	Expected Loss - Eligible Provision Shortfall	**42**	Row 12

Table H		Mar 19 $M	Table 1 Reference
	Defined benefit superannuation fund net assets	158	
Less	Associated deferred tax liabilities	(32)	
	Defined benefit superannuation fund net assets	**126**	Row 15

Table I		Mar 19 $M	Table 1 Reference
	Investment in deconsolidated financial subsidiaries	2,711	
Less	Regulatory reclassification to Retained Earnings and Other Intangible Assets	(1,706)	Tables B & F
Add	Investment in financial associates	2,735	
Add	Investment in financial institutions Investment Securities	1,215	
Less	Goodwill component of investments in financial associates	(215)	Table E
Less	Amount below 10% threshold of CET1	(4,740)	Row 73
	Significant investments in the ordinary shares of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	Row 19
Add	Deduction amount below the 10% threshold of CET 1	4,740	Row 73
Add	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital – Investment securities exposures	74	
	Equity investment in financial institutions not reported in rows 18, 19 and 23	4,814	Row 26d
	Deduction for equity holdings in financial institutions - APRA regulations	**4,814**	

Table J		Mar 19 $M	Table 1 Reference
	Deferred tax assets	1,144	
Add	Deferred tax liabilities	(48)	
Add	Deferred tax assets reclassified to Held for Sale	9	
	Deferred tax asset less deferred tax liabilities	1,105	
Less	Deferred tax assets that rely on future profitability	(9)	Row 10
Add	Deferred tax liabilities on intangible assets, capitalised expenses and defined benefit super assets	44	
Add	Impact of calculating the deduction on a jurisdictional basis	13	
	Deferred tax assets not reported in rows 10, 21 and 25 of the Common Disclosure Template	**1,153**	Row 26e

Table K		Mar 19 $M	Table 1 Reference
	Capitalised brokerage costs	947	
	Capitalised debt and capital issuance expenses	77	
Less	Associated deferred tax liabilities	(5)	
	Capitalised expenses	**1,019**	Row 26f

Table L		Mar 19 $M	Table 1 Reference
	Investments in non financial Investment Securities equities	29	
	Investments in non financial associates	2	
	Non financial equity exposures (loans)	2	
	Equity exposures to non financial entities	**33**	Row 26g

Table M		Mar 19 $M	Table 1 Reference
	Directly issued qualifying Additional Tier 1 Capital Instruments classified as liabilities	7,561	
Add	Issue costs	45	
Add	Fair value adjustment	56	
	Directly issued qualifying Additional Tier 1 Capital Instruments classified as liabilities	7,662	Row 30
	Additional Tier 1 instruments issued by subsidiaries held by third parties	478	
Add	Issue costs	1	
Less	Surplus capital attributable to third party holders	(181)	
	AT1 Instruments issued by subsidiaries and held by third parties (amounts allowed in Group AT1)	298	Row 34
	Additional Tier 1 capital before regulatory adjustments	7,960	Row 36
Less	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	(405)	Row 40
	Investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40	(7)	Row 41b
Less	Other national specific regulatory adjustments not reported	(1)	Row 41c
	Additional Tier 1 capital	**7,547**	Row 44

Table N		Mar 19 $M	Table 1 Reference
	Directly issued capital instruments subject to phase out from Tier 2	1,630	
Less	Amortisation of Tier 2 Capital Instruments subject to Phase out	(950)	
Less	Fair value adjustment	(19)	
	Directly issued capital instruments subject to phase out from Tier 2	661	Row 47
Add	Surplus capital attributable to third party holders	61	
Add	Directly issued qualifying Tier 2 instruments	6,599	Row 46
Add	Issue costs	9	
Add	Fair value adjustment	62	
Add	Provisions	307	
	Tier 2 capital before regulatory adjustments	7,699	Row 51
Less	Investments in own Tier 2 instruments (trading limit)	(10)	Row 52
Less	Significant investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	(85)	Row 55
Less	Investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55	(35)	Row 56b
	Tier 2 capital	**7,569**	Row 58

The following table provides details of entities included within the accounting scope of consolidation but excluded from regulatory consolidation.

Entity	Activity	Total Assets $M	Total Liabilities $M
ACN 008 647 185 Pty Ltd	Holding Company	-	-
ANZ ILP Pty Ltd	Incorporated Legal Practice	3	-
ANZ Investment Services (New Zealand) Limited	Funds Management	43	14
ANZ Lenders Mortgage Insurance Pty Limited	Mortgage insurance	1,049	632
ANZ Pensions (UK) Limited	Trustee/Nominee	461	-
ANZ Life Assurance Company Pty Ltd	Insurance	-	-
ANZ New Zealand Investments Limited	Funds Management	154	40
ANZ New Zealand Investments Nominees Limited	Nominee	-	-
ANZ Self Managed Super Ltd	Investment	-	-
ANZ Wealth Alternative Investments Management Pty Ltd	Investment	966	962
ANZ Wealth Australia Limited	Holding Company / Corporate	1,962	-
ANZ Wealth New Zealand Limited	Holding Company	125	-
ANZcover Insurance Private Ltd	Captive-Insurance	131	103
AUT Administration Pty Ltd	Dormant	-	-
Financial Planning Hotline Pty Ltd	Advice	-	-
Kingfisher Trust 2016-1	Securitisation Trust	1,114	1,114
Looking Together Pty Ltd	Property Price Information	-	-
OASIS Asset Management Limited	Investment	16	1
OASIS Fund Management Limited	Superannuation	12	5
OnePath Administration Pty Ltd	Service Company	(10)	(16)
OnePath Custodians Pty Ltd	Superannuation	60	1
OnePath Funds Management Limited	Investment	35	15
OnePath General Insurance Pty Ltd	Insurance	90	57
OnePath Investment Holdings Pty Ltd	Investment	7	-
OnePath Life Australia Holdings Pty Ltd	Holding Company	1,951	-
OnePath Life Limited	Insurance	40,880	39,338
Shout for Good Pty Ltd	Corporate	-	-
Tandem Financial Advice Pty Limited	Advice	-	-
Union Investment Company Pty Limited	Advice	-	-

Table 2 Main features of capital instruments

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

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

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

Table 6 Capital adequacy - Capital Ratio and Risk Weighted Assets

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

Risk weighted assets	Mar 19 $M	Sep 18 $M	Mar 18 $M
Subject to Advanced Internal Rating Based (IRB) approach			
Corporate	127,989	121,891	123,253
Sovereign	7,016	6,955	6,896
Bank	15,511	15,908	15,129
Residential Mortgage	101,469	97,764	99,560
Qualifying Revolving Retail	5,795	6,314	6,845
Other Retail	28,029	29,373	30,769
Credit risk weighted assets subject to Advanced IRB approach	**285,809**	**278,205**	**282,452**
Credit risk Specialised Lending exposures subject to slotting approach[4]	**35,696**	**33,110**	**32,065**
Subject to Standardised approach			
Corporate	12,252	13,760	15,105
Residential Mortgage	331	327	321
Other Retail	81	88	102
Credit risk weighted assets subject to Standardised approach	**12,664**	**14,175**	**15,528**
Credit Valuation Adjustment and Qualifying Central Counterparties	**6,217**	**7,344**	**7,864**
Credit risk weighted assets relating to securitisation exposures	1,558	1,600	1,728
Other assets	3,579	3,146	3,185
Total credit risk weighted assets	**345,523**	**337,580**	**342,822**
Market risk weighted assets	5,790	6,808	6,558
Operational risk weighted assets	37,733	37,618	37,378
Interest rate risk in the banking book (IRRBB) risk weighted assets	7,245	8,814	9,019
Total risk weighted assets	**396,291**	**390,820**	**395,777**

Capital ratios (%)[5]			
Level 2 Common Equity Tier 1 capital ratio	**11.5%**	**11.4%**	**11.0%**
Level 2 Tier 1 capital ratio	**13.4%**	**13.4%**	**12.9%**
Level 2 Total capital ratio	**15.3%**	**15.2%**	**14.9%**
Level 1: Extended licensed Common Equity Tier 1 capital ratio	**11.2%**	**11.6%**	**10.9%**
Level 1: Extended licensed entity Tier 1 capital ratio	**13.2%**	**13.6%**	**12.9%**
Level 1: Extended licensed entity Total capital ratio	**15.3%**	**15.6%**	**15.1%**
Other significant Authorised Deposit-taking Institution (ADI) or overseas bank subsidiary:			
ANZ Bank New Zealand Limited – Common Equity Tier 1 capital ratio	**11.4%**	**11.1%**	**11.0%**
ANZ Bank New Zealand Limited - Tier 1 capital ratio	**14.6%**	**14.4%**	**14.4%**
ANZ Bank New Zealand Limited - Total capital ratio	**14.6%**	**14.4%**	**14.4%**

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

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

Credit Risk Weighted Assets (CRWA)

Total CRWA increased $7.9 billion (2.4%) from September 2018 to $345.5 billion at March 2019. This was driven by an increase in Corporates under the Advanced IRB approach with CRWA increasing $6.1 billion predominantly from portfolio growth in the Institutional Business. CRWA for Residential Mortgages under the Advanced IRB approach increased $3.7 billion predominately due to the application of regulatory determined risk weight adjustments.

Market Risk, Operational Risk and IRRBB RWA

Traded Market Risk RWA decreased $1 billion over the half due to reductions in both Standard VaR and Stress VaR.

IRRBB RWA decreased $1.6 billion over the half due to a reduction in Repricing and Yield Curve risk and improvement in embedded gains.

Chapter 4 – Credit risk

Exposure at Default in Table 7 represents credit exposure net of offsets for credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral. It includes Advanced IRB, Specialised Lending and Standardised exposures, and excludes Securitisation, Equities or Other Assets exposures.

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

	Mar 19				
Advanced IRB approach	**Risk Weighted Assets $M**	**Exposure at Default $M**	**Average Exposure at Default for half year $M**	**Individual provision charge for half year $M**	**Write-offs for half year $M**
Corporate	127,989	258,005	251,815	51	68
Sovereign	7,016	149,660	147,615	-	-
Bank	15,511	55,029	53,196	-	-
Residential Mortgage	101,469	379,512	378,043	45	50
Qualifying Revolving Retail	5,795	17,589	18,018	85	123
Other Retail	28,029	38,542	39,181	197	232
Total Advanced IRB approach	**285,809**	**898,337**	**887,868**	**378**	**473**
				-	-
Specialised Lending	**35,696**	**42,661**	**41,062**	**1**	**2**
Standardised approach					
Corporate	12,252	13,519	14,291	1	19
Residential Mortgage	331	716	710	(1)	1
Other Retail	81	80	84	1	3
Total Standardised approach	**12,664**	**14,315**	**15,085**	**1**	**23**
Credit Valuation Adjustment and Qualifying Central Counterparties	**6,217**	**12,530**	**11,966**	**-**	**-**
Total	**340,386**	**967,843**	**955,981**	**380**	**498**

[6] Average Exposure at Default for half year is calculated as the simple average of the balances at the start and the end of each six month period.

Table 7(b) part (i): Period end and average Exposure at Default (continued)

Sep 18					
Advanced IRB approach	**Risk Weighted Assets $M**	**Exposure at Default $M**	**Average Exposure at Default for half year $M**	**Individual provision charge for half year $M**	**Write-offs for half year $M**
Corporate	121,891	245,625	241,708	1	90
Sovereign	6,955	145,569	143,426	(3)	-
Bank	15,908	51,363	50,016	-	-
Residential Mortgage	97,764	376,573	376,328	56	41
Qualifying Revolving Retail	6,314	18,447	18,889	93	140
Other Retail	29,373	39,819	40,700	211	277
Total Advanced IRB approach	**278,205**	**877,396**	**871,067**	**358**	**548**
Specialised Lending	**33,110**	**39,462**	**38,661**	**2**	**4**
Standardised approach					
Corporate	13,760	15,064	15,646	(19)	15
Residential Mortgage	327	704	693	1	3
Other Retail	88	87	94	1	3
Total Standardised approach	**14,175**	**15,855**	**16,433**	**(17)**	**21**
Credit Valuation Adjustment and Qualifying Central Counterparties	**7,344**	**11,402**	**10,997**	**-**	**-**
Total	**332,834**	**944,115**	**937,158**	**343**	**573**

Mar 18					
Advanced IRB approach	**Risk Weighted Assets $M**	**Exposure at Default $M**	**Average Exposure at Default for half year $M**	**Individual provision charge for half year $M**	**Write-offs for half year $M**
Corporate	123,253	237,791	234,083	68	142
Sovereign	6,896	141,282	136,378	-	-
Bank	15,129	48,668	46,604	-	-
Residential Mortgage	99,560	376,082	371,376	42	24
Qualifying Revolving Retail	6,845	19,331	20,693	92	139
Other Retail	30,769	41,580	41,766	197	287
Total Advanced IRB approach	**282,452**	**864,734**	**850,900**	**399**	**592**
Specialised Lending	**32,065**	**37,860**	**37,533**	**(4)**	**4**
Standardised approach					
Corporate	15,105	16,228	15,342	-	16
Residential Mortgage	321	681	1,565	2	1
Other Retail	102	101	1,045	33	38
Total Standardised approach	**15,528**	**17,010**	**17,952**	**35**	**55**
Credit Valuation Adjustment and Qualifying Central Counterparties	**7,864**	**10,591**	**10,255**	**-**	**-**
Total	**337,909**	**930,195**	**916,640**	**430**	**651**

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

Portfolio Type	Mar 19 $M	Sep 18 $M	Mar 18 $M	Average for half year Mar 19 $M
Cash	61,314	57,604	56,499	59,459
Contingents liabilities, commitments, and other off-balance sheet exposures	157,005	153,021	152,263	155,013
Derivatives	43,924	42,752	43,357	43,338
Settlement Balances	8	16	19	12
Investment Securities	77,158	73,296	69,149	75,227
Net Loans, Advances & Acceptances	600,846	592,967	582,380	596,907
Other assets	5,348	4,387	2,873	4,868
Trading Securities	22,240	20,072	23,655	21,156
Total exposures	**967,843**	**944,115**	**930,195**	**955,980**

[7] Average for half year is calculated as the simple average of the balances at the start and the end of each six month period.

Table 7(c): Geographic distribution of Exposure at Default

	Mar 19			
Portfolio Type	Australia $M	New Zealand $M	Asia Pacific, Europe and Americas $M	Total $M
Corporate	137,863	47,503	86,158	**271,524**
Sovereign	50,526	12,732	86,402	**149,660**
Bank	27,287	4,124	23,618	**55,029**
Residential Mortgage	295,444	84,068	716	**380,228**
Qualifying Revolving Retail	17,589	-	-	**17,589**
Other Retail	26,335	12,207	80	**38,622**
Qualifying Central Counterparties	8,826	1,222	2,482	**12,530**
Specialised Lending	30,225	12,294	142	**42,661**
Total exposures	**594,095**	**174,150**	**199,598**	**967,843**

	Sep 18			
Portfolio Type	Australia $M	New Zealand $M	Asia Pacific, Europe and Americas $M	Total $M
Corporate	134,113	44,608	81,968	**260,689**
Sovereign	48,311	12,402	84,856	**145,569**
Bank	22,215	4,041	25,107	**51,363**
Residential Mortgage	298,367	78,206	704	**377,277**
Qualifying Revolving Retail	18,447	-	-	**18,447**
Other Retail	27,956	11,863	87	**39,906**
Qualifying Central Counterparties	7,763	1,293	2,346	**11,402**
Specialised Lending	27,993	11,321	148	**39,462**
Total exposures	**585,165**	**163,734**	**195,216**	**944,115**

	Mar 18			
Portfolio Type	Australia $M	New Zealand $M	Asia Pacific, Europe and Americas $M	Total $M
Corporate	130,966	46,025	77,028	**254,019**
Sovereign	49,482	12,288	79,512	**141,282**
Bank	22,776	4,702	21,190	**48,668**
Residential Mortgage	297,892	78,190	681	**376,763**
Qualifying Revolving Retail	19,331	-	-	**19,331**
Other Retail	29,249	12,331	101	**41,681**
Qualifying Central Counterparties	7,561	1,321	1,709	**10,591**
Specialised Lending	26,633	11,154	73	**37,860**
Total exposures	**583,890**	**166,011**	**180,294**	**930,195**

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

	Mar 19														
Portfolio Type	**Agriculture, Forestry, Fishing & Mining $M**	**Business Services $M**	**Construction $M**	**Electricity, Gas & Water Supply $M**	**Entertainment, Leisure & Tourism $M**	**Financial, Investment & Insurance $M**	**Government and Official Institutions $M**	**Manufacturing $M**	**Personal $M**	**Property Services $M**	**Wholesale Trade $M**	**Retail Trade $M**	**Transport & Storage $M**	**Other $M**	**Total $M**
Corporate	45,087	10,230	5,777	9,385	13,754	44,455	3,178	40,719	680	21,220	26,539	14,321	16,360	19,819	**271,524**
Sovereign	1,015	2	17	495	-	81,015	62,735	1,415	-	2,035	64	-	254	613	**149,660**
Bank	1	1	-	-	-	54,921	-	2	-	2	6	42	54	-	**55,029**
Residential Mortgage	-	-	-	-	-	-	-	-	380,228	-	-	-	-	-	**380,228**
Qualifying Revolving Retail	-	-	-	-	-	-	-	-	17,589	-	-	-	-	-	**17,589**
Other Retail	2,954	2,764	3,891	99	2,156	631	15	1,590	13,109	1,163	1,179	3,824	1,312	3,935	**38,622**
Qualifying Central Counterparties	-	-	-	-	-	12,530	-	-	-	-	-	-	-	-	**12,530**
Specialised Lending	1,329	4	373	1,524	164	1	-	2	-	37,511	19	16	1,310	408	**42,661**
Total exposures	**50,386**	**13,001**	**10,058**	**11,503**	**16,074**	**193,553**	**65,928**	**43,728**	**411,606**	**61,931**	**27,807**	**18,203**	**19,290**	**24,775**	**967,843**
% of Total	*5.2%*	*1.3%*	*1.0%*	*1.2%*	*1.7%*	*20.0%*	*6.8%*	*4.5%*	*42.5%*	*6.4%*	*2.9%*	*1.9%*	*2.0%*	*2.6%*	*100.0%*

[8] Property Services includes Commercial property operators, Residential property operators, Retirement village operators/developers, Real estate agents, Non-financial asset investors and Machinery and equipment hiring and leasing.

[9] Other industry includes Health & Community Services, Education, Communication Services and Personal & Other Services.

Table 7(d): Industry distribution of Exposure at Default (continued)

Sep 18

Portfolio Type	Agriculture, Forestry, Fishing & Mining $M	Business Services $M	Construction $M	Electricity, Gas & Water Supply $M	Entertainment, Leisure & Tourism $M	Financial, Investment & Insurance $M	Government and Official Institutions $M	Manufacturing $M	Personal $M	Property Services $M	Wholesale Trade $M	Retail Trade $M	Transport & Storage $M	Other $M	Total $M
Corporate	43,262	9,676	5,621	9,390	13,119	41,966	2,989	39,260	710	21,199	25,351	13,988	15,171	18,987	**260,689**
Sovereign	1,095	1	16	604	-	77,790	62,555	1,018	-	1,600	11	-	445	434	**145,569**
Bank	14	9	35	57	27	50,956	-	17	-	83	31	30	78	26	**51,363**
Residential Mortgage	-	-	-	-	-	-	-	-	377,277	-	-	-	-	-	**377,277**
Qualifying Revolving Retail	-	-	-	-	-	-	-	-	18,447	-	-	-	-	-	**18,447**
Other Retail	3,046	2,887	4,000	104	2,239	663	16	1,634	13,567	1,212	1,213	4,013	1,353	3,959	**39,906**
Qualifying Central Counterparties	-	-	-	-	-	11,402	-	-	-	-	-	-	-	-	**11,402**
Specialised Lending	1,283	5	367	1,212	77	1	-	3	-	34,868	14	16	1,054	562	**39,462**
Total exposures	**48,700**	**12,578**	**10,039**	**11,367**	**15,462**	**182,778**	**65,560**	**41,932**	**410,001**	**58,962**	**26,620**	**18,047**	**18,101**	**23,968**	**944,115**
% of Total	*5.2%*	*1.3%*	*1.1%*	*1.2%*	*1.6%*	*19.5%*	*6.9%*	*4.4%*	*43.5%*	*6.2%*	*2.8%*	*1.9%*	*1.9%*	*2.5%*	*100.0%*

Mar 18

Portfolio Type	Agriculture, Forestry, Fishing & Mining $M	Business Services $M	Construction $M	Electricity, Gas & Water Supply $M	Entertainment, Leisure & Tourism $M	Financial, Investment & Insurance $M	Government and Official Institutions $M	Manufacturing $M	Personal $M	Property Services $M	Wholesale Trade $M	Retail Trade $M	Transport & Storage $M	Other $M	Total $M
Corporate	43,623	9,941	5,678	9,461	13,456	37,230	2,849	37,790	730	19,685	24,776	13,405	16,109	19,286	**254,019**
Sovereign	1,095	-	28	773	-	73,584	62,706	1,048	-	1,420	13	-	344	271	**141,282**
Bank	2	4	1	27	-	48,465	-	13	-	-	27	2	127	-	**48,668**
Residential Mortgage	-	-	-	-	-	-	-	-	376,763	-	-	-	-	-	**376,763**
Qualifying Revolving Retail	-	-	-	-	-	-	-	-	19,331	-	-	-	-	-	**19,331**
Other Retail	3,174	2,956	4,100	105	2,318	691	16	1,661	14,453	1,244	1,257	4,177	1,401	4,128	**41,681**
Qualifying Central Counterparties	-	-	-	-	-	10,591	-	-	-	-	-	-	-	-	**10,591**
Specialised Lending	815	6	375	1,599	67	1	-	1	-	33,561	17	16	955	447	**37,860**
Total exposures	**48,709**	**12,907**	**10,182**	**11,965**	**15,841**	**170,562**	**65,571**	**40,513**	**411,277**	**55,910**	**26,090**	**17,600**	**18,936**	**24,132**	**930,195**
% of Total	*5.2%*	*1.4%*	*1.1%*	*1.3%*	*1.7%*	*18.4%*	*7.0%*	*4.4%*	*44.2%*	*6.0%*	*2.8%*	*1.9%*	*2.0%*	*2.6%*	*100.0%*

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

	Mar 19				
Portfolio Type	< 12 mths $M	1 - 5 years $M	> 5 years $M	No Maturity Specified $M	Total $M
Corporate	113,793	142,076	15,517	138	**271,524**
Sovereign	86,706	44,577	18,377	-	**149,660**
Bank	37,777	16,757	495	-	**55,029**
Residential Mortgage	340	1,038	350,139	28,711	**380,228**
Qualifying Revolving Retail	-	-	-	17,589	**17,589**
Other Retail	13,926	6,552	18,144	-	**38,622**
Qualifying Central Counterparties	4,685	4,665	2,819	361	**12,530**
Specialised Lending	17,997	22,795	1,821	48	**42,661**
Total exposures	**275,224**	**238,460**	**407,312**	**46,847**	**967,843**

	Sep 18				
Portfolio Type	< 12 mths $M	1 - 5 years $M	> 5 years $M	No Maturity Specified $M	Total $M
Corporate	113,477	132,355	14,711	146	**260,689**
Sovereign	82,871	44,102	18,596	-	**145,569**
Bank	35,539	15,424	400	-	**51,363**
Residential Mortgage	329	993	346,915	29,040	**377,277**
Qualifying Revolving Retail	-	-	-	18,447	**18,447**
Other Retail	13,933	7,142	18,831	-	**39,906**
Qualifying Central Counterparties	3,881	4,427	2,736	358	**11,402**
Specialised Lending	16,627	21,023	1,766	46	**39,462**
Total exposures	**266,657**	**225,466**	**403,955**	**48,037**	**944,115**

	Mar 18				
Portfolio Type	< 12 mths $M	1 - 5 years $M	> 5 years $M	No Maturity Specified $M	Total $M
Corporate	112,769	125,869	15,231	150	**254,019**
Sovereign	79,422	36,023	25,837	-	**141,282**
Bank	33,167	15,078	423	-	**48,668**
Residential Mortgage	311	1,100	345,272	30,080	**376,763**
Qualifying Revolving Retail	-	-	-	19,331	**19,331**
Other Retail	14,537	7,645	19,499	-	**41,681**
Qualifying Central Counterparties	3,372	4,053	2,824	342	**10,591**
Specialised Lending	16,825	19,695	1,290	50	**37,860**
Total exposures	**260,403**	**209,463**	**410,376**	**49,953**	**930,195**

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

Table 7(f) part (i): Impaired assets[11 12], Past due loans[13], Provisions and Write-offs by Industry sector

	Mar 19					
Industry Sector	**Impaired derivatives $M**	**Impaired loans/ facilities $M**	**Past due loans ≥ 90 days $M**	**Individual provision balance $M**	**Individual provision charge for half year $M**	**Write-offs for half year $M**
Agriculture, Forestry, Fishing & Mining	-	551	122	117	-	21
Business Services	-	100	39	45	23	14
Construction	-	130	61	59	21	18
Electricity, gas and water supply	-	2	1	2	-	-
Entertainment Leisure & Tourism	-	114	62	47	22	20
Financial, Investment & Insurance	-	102	14	60	14	5
Government & Official Institutions	-	-	-	-	-	-
Manufacturing	-	105	27	65	1	36
Personal	-	672	2,659	320	235	301
Property Services	-	73	75	24	5	6
Retail Trade	-	116	75	60	28	44
Transport & Storage	-	70	16	25	10	8
Wholesale Trade	-	48	25	29	4	9
Other	-	77	82	38	17	16
Total	**-**	**2,160**	**3,258**	**891**	**380**	**498**

[11] Impaired derivatives are net of credit value adjustment (CVA) of $20 million, being a market value based assessment of the credit risk of the relevant counterparties (September 2018: $27 million; March 2018: $36 million).

[12] Impaired loans / facilities include restructured items of $264 million for customer facilities in which the original contractual terms have been modified for reasons related to the financial difficulties of the customer. Restructuring may consist of reduction of interest, principal or other payments legally due, or an extension in maturity materially beyond those typically offered to new facilities with similar risk (September 2018: $269 million; March 2018: $76 million).

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

Table 7(f) part (i): Impaired assets, Past due loans, Provisions and Write-offs by Industry sector (continued)

Sep 18						
Industry Sector	**Impaired derivatives $M**	**Impaired loans/ facilities $M**	**Past due loans ≥ 90 days $M**	**Individual provision balance $M**	**Individual provision charge for half year $M**	**Write-offs for half year $M**
Agriculture, Forestry, Fishing & Mining	-	567	90	136	(12)	31
Business Services	-	72	39	32	3	14
Construction	-	118	62	53	6	26
Electricity, gas and water supply	-	2	1	1	-	-
Entertainment Leisure & Tourism	-	102	54	42	17	25
Financial, Investment & Insurance	-	86	19	48	2	22
Government & Official Institutions	-	-	-	-	-	-
Manufacturing	-	140	23	102	(13)	23
Personal	-	637	2,359	311	271	351
Property Services	-	75	36	21	(3)	7
Retail Trade	-	136	73	74	36	31
Transport & Storage	-	72	20	22	12	10
Wholesale Trade	-	65	20	33	2	16
Other	-	77	66	45	22	17
Total	**-**	**2,149**	**2,862**	**920**	**343**	**573**

Mar 18						
Industry Sector	**Impaired derivatives $M**	**Impaired loans/ facilities $M**	**Past due loans ≥ 90 days $M**	**Individual provision balance $M**	**Individual provision charge for half year $M**	**Write-offs for half year $M**
Agriculture, Forestry, Fishing & Mining	-	459	92	169	(5)	39
Business Services	-	81	40	32	17	18
Construction	-	157	64	73	16	69
Electricity, gas and water supply	-	1	1	1	-	1
Entertainment Leisure & Tourism	-	127	55	45	17	29
Financial, Investment & Insurance	-	103	14	68	58	5
Government & Official Institutions	-	-	-	-	-	-
Manufacturing	-	193	23	130	18	22
Personal	-	641	2,351	298	263	353
Property Services	-	60	38	28	3	5
Retail Trade	-	145	72	67	35	30
Transport & Storage	-	73	20	22	(13)	10
Wholesale Trade	-	86	20	46	4	19
Other	-	81	75	37	17	51
Total	**-**	**2,207**	**2,865**	**1,016**	**430**	**651**

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

	Mar 19					
	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Individual provision charge for half year $M	Write-offs for half year $M
Portfolios subject to Advanced IRB approach						
Corporate	-	1,050	167	375	51	68
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	335	2,655	156	45	50
Qualifying Revolving Retail	-	76		-	85	123
Other Retail	-	491	369	256	197	232
Total Advanced IRB approach	**-**	**1,952**	**3,191**	**787**	**378**	**473**
Specialised Lending	**-**	**38**	**32**	**6**	**1**	**2**
Portfolios subject to Standardised approach						
Corporate	-	138	14	87	1	19
Residential Mortgage	-	19	13	9	(1)	1
Other Retail	-	13	8	2	1	3
Total Standardised approach	**-**	**170**	**35**	**98**	**1**	**23**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**2,160**	**3,258**	**891**	**380**	**498**

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

Sep 18	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Individual provision charge for half year $M	Write-offs for half year $M
Portfolios subject to Advanced IRB approach						
Corporate	-	1,051	161	394	1	90
Sovereign	-	-	-	-	(3)	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	304	2,291	160	56	41
Qualifying Revolving Retail	-	76	-	-	93	140
Other Retail	-	490	353	247	211	277
Total Advanced IRB approach	**-**	**1,921**	**2,805**	**801**	**358**	**548**
Specialised Lending	**-**	**43**	**22**	**7**	**2**	**4**
Portfolios subject to Standardised approach						
Corporate	-	150	17	101	(19)	15
Residential Mortgage	-	20	12	9	1	3
Other Retail	-	15	6	2	1	3
Total Standardised approach	**-**	**185**	**35**	**112**	**(17)**	**21**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**2,149**	**2,862**	**920**	**343**	**573**

Mar 18	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Individual provision charge for half year $M	Write-offs for half year $M
Portfolios subject to Advanced IRB approach						
Corporate	-	997	140	456	68	142
Sovereign	-	-	-	3	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	272	2,333	144	42	24
Qualifying Revolving Retail	-	88	-	5	92	139
Other Retail	-	545	336	260	197	287
Total Advanced IRB approach	**-**	**1,902**	**2,809**	**868**	**399**	**592**
Specialised Lending	**-**	**28**	**17**	**9**	**(4)**	**4**
Portfolios subject to Standardised approach						
Corporate	-	237	23	127	-	16
Residential Mortgage	-	25	12	10	2	1
Other Retail	-	15	4	2	33	38
Total Standardised approach	**-**	**277**	**39**	**139**	**35**	**55**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**2,207**	**2,865**	**1,016**	**430**	**651**

Table 7(g): Impaired assets[14] [15], Past due loans[16] and Provisions[17] by Geography

Mar 19					
Geographic region	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Collective provision balance $M
Australia	-	1,637	2,966	656	2,484
New Zealand	-	313	256	108	437
Asia Pacific, Europe and America	-	210	36	127	457
Total	**-**	**2,160**	**3,258**	**891**	**3,378**

Sep 18					
Geographic region	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Collective provision balance $M
Australia	-	1,590	2,644	650	1,796
New Zealand	-	328	183	121	352
Asia Pacific, Europe and America	-	231	35	149	375
Total	**-**	**2,149**	**2,862**	**920**	**2,523**

Mar 18					
Geographic region	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Collective provision balance $M
Australia	-	1,510	2,647	668	1,822
New Zealand	-	361	178	165	393
Asia Pacific, Europe and America	-	336	40	183	364
Total	**-**	**2,207**	**2,865**	**1,016**	**2,579**

[14] Impaired derivatives are net of credit value adjustment (CVA) of $20 million, being a market value based assessment of the credit risk of the relevant counterparties (September 2018: $27 million; March 2018: $36 million).

[15] Impaired loans / facilities include restructured items of $264 million for customer facilities in which the original contractual terms have been modified for reasons related to the financial difficulties of the customer. Restructuring may consist of reduction of interest, principal or other payments legally due, or an extension in maturity materially beyond those typically offered to new facilities with similar risk (September 2018: $269 million; March 2018: $76 million).

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

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

Table 7(h): Provision for Credit Impairment[18]

Collectively Assessed Provision	Half year Mar 19 $M	Half year Sep 18 $M	Half year Mar 18 $M
Balance at start of period	3,336	2,579	2,662
Charge/(Release) to Income Statement	12	(63)	(22)
Adjustment for exchange rate fluctuations and transfers	30	7	18
Retail Asia divestment	-	-	(79)
Total Collectively Assessed Provision	**3,378**	**2,523**	**2,579**
1 October Transition to AASB 9		**813**	
Total Collectively Assessed Provision		**3,336**	
Individually Assessed Provision			
Balance at start of period	920	1,016	1,136
New and increased provisions	625	716	728
Write-backs	(152)	(234)	(191)
Adjustment for exchange rate fluctuations and transfers	7	5	5
Discount unwind	(11)	(10)	(7)
Bad debts written off	(498)	(573)	(651)
Asia Retail and Wealth divestment	-	-	(4)
Total Individually Assessed Provision	**891**	**920**	**1,016**
Total Provisions for Credit Impairment	**4,269**	**3,443**	**3,595**
1 October Transition to AASB 9 Total Provisions for Credit Impairment		**4,256**	

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

Mar 19	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collectively Assessed Provision	395	2,983	3,378
Individually Assessed Provision	891	-	891
Total Provision for Credit Impairment	**1,286**	**2,983**	**4,269**

Sep 18	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collectively Assessed Provision	307	2,216	2,523
Individually Assessed Provision	920	-	920
Total Provision for Credit Impairment	**1,227**	**2,216**	**3,443**

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

[18] The Group has adopted AASB 9 Financial Instruments effective from 1 October 2018 which has resulted in an $813 million increase to Collectively Assessed Provisions for Credit Impairment.

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

Table 8 Credit risk – Disclosures for portfolios subject to the Standardised approach and supervisory risk weights in the IRB approach

Table 8(b): Exposure at Default by risk bucket[20]

Standardised approach exposures	Mar 19 $M	Sep 18 $M	Mar 18 $M
0%	-	-	-
20%	383	487	255
35%	362	359	344
50%	2,589	2,351	2,462
75%	-	-	-
100%	10,658	12,467	13,643
150%	320	188	303
>150%	3	3	3
Capital deductions	-	-	-
Total	**14,315**	**15,855**	**17,010**
Other Asset exposures			
0%	-	-	-
20%	818	865	907
35%	-	-	-
50%	-	-	-
75%	-	-	-
100%	3,415	2,974	3,004
150%	-	-	-
>150%	-	-	-
Capital deductions	-	-	-
Total	**4,233**	**3,839**	**3,911**
Specialised Lending exposures			
0%	201	193	99
70%	20,389	18,225	15,983
90%	19,369	18,402	19,164
115%	2,046	2,084	2,153
250%	656	558	461
Total	**42,661**	**39,462**	**37,860**

[20] Table 8(b) shows exposure at default after credit risk mitigation in each risk category.

Table 9 Credit risk – Disclosures for portfolios subject to Advanced IRB approaches

Portfolios subject to the Advanced IRB (AIRB) approach

The following table summarises the types of borrowers and the rating approach adopted within each of ANZ's AIRB portfolios:

IRB Asset Class	Borrower Type	Rating Approach
Corporate	Corporations, partnerships or proprietorships that do not fit into any other asset class	AIRB
Sovereign	Central governments Central banks Certain multilateral development banks	AIRB
Bank	Banks[21] In Australia only, other authorised deposit taking institutions (ADI) incorporated in Australia	AIRB
Residential Mortgages	Exposures secured by residential property	AIRB
Qualifying Revolving Retail	Consumer credit cards <$100,000 limit	AIRB
Other Retail	Small business lending Other lending to consumers	AIRB
Specialised Lending	Income Producing Real Estate[22] Project finance Object finance	AIRB – Supervisory Slotting[23]
Other Assets	All other assets not falling into the above classes e.g. margin lending, fixed assets	AIRB – fixed risk weights

In addition, ANZ has applied the Standardised approach to some portfolio segments (mainly retail and local corporates in Asia Pacific) where currently available data does not enable development of advanced internal models for PD, LGD and EAD estimates. Under the Standardised approach, exposures are mapped to several regulatory risk weights, mainly based on the type of counterparty and its external rating. For these counterparties, external ratings by Standard & Poor's and Moody's Investors Service are used as inputs into the RWA calculation. As described in the section on the ANZ rating system, ANZ has mapped its master scale to the grading of these two External Credit Assessment Institutions (ECAIs).

ANZ applies its full normal risk measurement and management framework to these segments for internal management purposes. Standardised segments will be migrated to AIRB if they reach a volume that generates sufficient data for development of advanced internal models.

ANZ has not applied the Foundation IRB approach to any portfolios.

The ANZ rating system

As an AIRB bank, ANZ's internal models generate the inputs into regulatory capital adequacy to determine the risk weighted exposure calculations for both on and off-balance sheet exposures, including undrawn portions of credit facilities, committed and contingent exposures and EL calculations. ANZ's internal models are used to generate the three key risk components that serve as inputs to the IRB approach to credit risk:

- PD is an estimate of the level of the risk of borrower default. Borrower ratings are derived by way of rating models used both at loan origination and for ongoing monitoring.
- EAD is defined as the expected facility exposure at the date of default.
- LGD is an estimate of the potential economic loss on a credit exposure, incurred as a consequence of obligor default and expressed as a percentage of the facility's EAD. ANZ's LGD also includes recognition of the different legal and insolvency regimes in different countries, where this has been shown to influence recovery outcomes.

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

[22] Since 2009, APRA has agreed that some large, well-diversified commercial property exposures may be treated as corporate exposures, in line with the original Basel Committee's definition of Specialised Lending.

[23] ANZ uses an internal assessment which is mapped to the appropriate Supervisory Slot.

Effective maturity is also calculated as an input to the risk weighted exposure calculation for bank, sovereign and corporate IRB asset classes.

ANZ's rating system has two separate and distinct dimensions that:

- Measure the PD, which is expressed by the Customer Credit Rating (CCR), reflecting the ability to service and repay debt.
- Measure the LGD as expressed by the Security Indicator (SI) ranging from A to G. The SI is calculated by reference to the percentage of a loan covered by security which can be realised in the event of default. This calculation uses standard ratios to adjust the current market value of collateral items to allow for historical realisation outcomes. The security-related SIs are supplemented with a range of other SIs which cover such factors as cash cover, mezzanine finance, intra-group guarantees and sovereign backing as ANZ's LGD research indicates that these transaction characteristics have different recovery outcomes. ANZ's LGD also includes recognition of the different legal and insolvency regimes in different countries, where this has been shown to influence recovery outcomes.

ANZ's corporate PD master scale is APRA approved, and is made up of 27 rating grades. Each level/grade is separately defined and has a range of default probabilities attached to it. The PD master scale enables ANZ's rating system to be mapped to the grading's of external rating agencies, using the PD as a common element after ensuring that default definitions and other key attributes are aligned.

The following table demonstrates this alignment (for one year PDs):

ANZ CCR	Moody's	Standard & Poor's	PD Range
0+ to 1-	Aaa to Aa3	AAA to AA-	0.0000 - 0.0346%
2+ to 3+	A1 to Baa1	A+ to BBB+	0.0347 - 0.1636%
3= to 4+	Baa2 to > Baa3	BBB to > BB+	0.1637 - 0.4004%
4= to 6=	Ba1 to B1	BB+ to B+	0.4005 – 2.7550%
6- to 7=	B2 to B3	B to B-	2.7551 – 9.7980%
7- to 8+	Caa	CCC	9.7981 – 27.1109%
8=	Ca, C	CC, C	27.1110 – 99.9999%
8-, 9 and 10	Default	Default	100%

In the retail asset classes, most facilities utilise credit rating scores. The scores are calibrated to PDs, and used to allocate exposures to homogenous pools, along with LGD and EAD.

Table 9(d): Non Retail Exposure at Default subject to Advanced Internal Ratings Based (IRB) approach[24] [25] [26]

	Mar 19							
	AAA < A+ $M	A+ < BBB $M	BBB < BB+ $M	BB+ < B+ $M	B+ < CCC $M	CCC $M	Default $M	Total $M
Exposure at Default								
Corporate	24,071	75,429	82,915	57,029	14,719	2,105	1,737	**258,005**
Sovereign	121,841	22,498	2,180	649	2,458	33	1	**149,660**
Bank	22,421	27,875	3,677	916	136	4	-	**55,029**
Total	**168,333**	**125,802**	**88,772**	**58,594**	**17,313**	**2,142**	**1,738**	**462,694**
% of Total	36.3%	27.2%	19.2%	12.7%	3.7%	0.5%	0.4%	100.0%
Undrawn commitments (included in above)								
Corporate	7,415	29,225	21,602	8,829	1,573	231	42	**68,917**
Sovereign	1,305	47	111	12	2	-	-	**1,477**
Bank	1	587	28	-	-	-	-	**616**
Total	**8,721**	**29,859**	**21,741**	**8,841**	**1,575**	**231**	**42**	**71,010**
Average Exposure at Default								
Corporate	10.996	8.165	1.639	0.688	0.131	0.217	0.628	**0.958**
Sovereign	168.289	368.813	31.597	9.136	30.727	11.051	0.277	**148.032**
Bank	10.800	5.413	8.755	3.878	4.401	0.158	-	**6.931**
Exposure-weighted average Loss Given Default (%)								
Corporate	54.5%	56.2%	45.8%	37.1%	34.1%	39.8%	46.1%	**47.0%**
Sovereign	5.3%	11.8%	35.7%	45.8%	54.1%	60.0%	5.0%	**7.7%**
Bank	63.8%	61.6%	64.3%	68.7%	66.1%	71.1%	-	**62.8%**
Exposure-weighted average risk weight (%)								
Corporate	17.7%	32.4%	51.3%	63.5%	89.6%	187.6%	116.7%	**49.1%**
Sovereign	1.0%	3.1%	38.1%	91.4%	147.0%	310.0%	-	**4.7%**
Bank	19.6%	27.2%	64.7%	115.2%	193.9%	376.2%	-	**28.5%**

[24] In accordance with APS 330, EAD in Table 9(d) includes Advanced IRB exposures and excludes Specialised Lending, Standardised, Securitisation, Equities or Other Assets exposures. Specialised Lending is excluded from Table 9(d) as it follows the Supervisory Slotting treatment, and a breakdown of risk weightings is provided in Table 8(b).

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

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

Table 9(d): Non Retail Exposure at Default subject to Advanced Internal Ratings Based (IRB) approach (continued)

Sep 18	AAA < A+ $M	A+ < BBB $M	BBB < BB+ $M	BB+ < B+ $M	B+ < CCC $M	CCC $M	Default $M	Total $M
Exposure at Default								
Corporate	24,269	68,253	79,833	54,934	14,790	1,636	1,910	**245,625**
Sovereign	120,919	19,532	1,822	903	2,375	17	1	**145,569**
Bank	17,177	27,971	4,183	1,917	109	6	-	**51,363**
Total	**162,365**	**115,756**	**85,838**	**57,754**	**17,274**	**1,659**	**1,911**	**442,557**
% of Total	36.7%	26.2%	19.4%	13.1%	3.9%	0.4%	0.4%	100.0%
Undrawn commitments (included in above)								
Corporate	8,015	24,703	22,462	7,943	1,631	245	33	**65,032**
Sovereign	952	68	-	11	2	-	-	**1,033**
Bank	6	450	28	131	3	-	-	**618**
Total	**8,973**	**25,221**	**22,490**	**8,085**	**1,636**	**245**	**33**	**66,683**
Average Exposure at Default								
Corporate	11.109	8.117	1.603	0.651	0.130	0.172	0.714	**0.911**
Sovereign	161.225	542.567	31.972	9.219	30.444	5.712	0.653	**142.296**
Bank	12.013	7.359	11.951	6.223	0.998	0.209	-	**8.514**
Exposure-weighted average Loss Given Default (%)								
Corporate	55.7%	55.8%	46.5%	37.0%	33.8%	38.7%	43.6%	**47.0%**
Sovereign	5.3%	11.5%	39.9%	46.7%	53.9%	60.0%	5.0%	**7.6%**
Bank	63.5%	62.5%	65.0%	65.0%	34.8%	42.7%	-	**63.0%**
Exposure-weighted average risk weight (%)								
Corporate	18.5%	32.3%	52.2%	63.2%	88.0%	180.6%	109.6%	**49.2%**
Sovereign	1.0%	3.0%	43.0%	94.7%	146.5%	267.3%	-	**4.8%**
Bank	20.3%	26.4%	65.1%	113.1%	114.2%	251.7%	-	**31.0%**

Mar 18	AAA < A+ $M	A+ < BBB $M	BBB < BB+ $M	BB+ < B+ $M	B+ < CCC $M	CCC $M	Default $M	Total $M
Exposure at Default								
Corporate	19,419	62,744	78,496	58,649	14,245	2,409	1,829	**237,791**
Sovereign	120,077	16,108	1,760	1,001	2,323	13	-	**141,282**
Bank	17,342	25,651	3,928	1,668	71	8	-	**48,668**
Total	**156,838**	**104,503**	**84,184**	**61,318**	**16,639**	**2,430**	**1,829**	**427,741**
% of Total	36.7%	24.4%	19.7%	14.3%	3.9%	0.6%	0.4%	100.0%
Undrawn commitments (included in above)								
Corporate	5,731	24,602	23,306	9,165	1,506	275	44	**64,629**
Sovereign	862	70	8	51	3	-	-	**994**
Bank	139	506	1	-	2	-	-	**648**
Total	**6,732**	**25,178**	**23,315**	**9,216**	**1,511**	**275**	**44**	**66,271**
Average Exposure at Default								
Corporate	6.812	7.567	1.628	0.666	0.124	0.237	0.671	**0.865**
Sovereign	158.412	413.028	34.493	8.558	27.334	6.747	-	**134.298**
Bank	7.791	5.489	8.908	6.391	1.019	0.185	-	**6.311**
Exposure-weighted average Loss Given Default (%)								
Corporate	54.7%	55.8%	46.6%	37.6%	34.3%	41.0%	47.5%	**46.7%**
Sovereign	5.4%	12.6%	38.9%	49.3%	51.1%	60.0%	-	**7.7%**
Bank	63.4%	62.4%	66.3%	67.6%	72.3%	55.6%	-	**63.3%**
Exposure-weighted average risk weight (%)								
Corporate	18.2%	32.2%	52.0%	64.2%	88.2%	196.9%	118.1%	**51.2%**
Sovereign	1.1%	3.4%	44.4%	105.2%	138.3%	267.3%	-	**4.9%**
Bank	20.7%	26.5%	68.5%	113.4%	197.3%	309.6%	-	**31.1%**

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

	Mar 19							
	0.00% <0.11% $M	0.11% <0.30% $M	0.30% <0.51% $M	0.51% <3.49% $M	3.49% <10.09% $M	10.09% <100.00% $M	Default $M	Total $M
Exposure at Default								
Residential Mortgage	72,179	101,882	62,220	129,353	7,357	3,477	3,044	**379,512**
Qualifying Revolving Retail	5,700	3,914	1,358	4,262	1,638	644	73	**17,589**
Other Retail	1,101	5,542	2,448	21,259	5,052	2,142	998	**38,542**
Total	**78,980**	**111,338**	**66,026**	**154,874**	**14,047**	**6,263**	**4,115**	**435,643**
% of Total	18.1%	25.6%	15.2%	35.6%	3.2%	1.4%	0.9%	100.0%
Undrawn commitments (included in above)								
Residential Mortgage	15,461	7,497	2,782	7,197	31	22	1	**32,991**
Qualifying Revolving Retail	4,178	2,943	828	1,587	446	60	2	**10,044**
Other Retail	833	3,575	1,577	2,809	513	77	8	**9,392**
Total	**20,472**	**14,015**	**5,187**	**11,593**	**990**	**159**	**11**	**52,427**
Average Exposure at Default								
Residential Mortgage	0.250	0.232	0.258	0.259	0.340	0.326	0.275	**0.251**
Qualifying Revolving Retail	0.009	0.008	0.008	0.011	0.010	0.006	0.009	**0.009**
Other Retail	0.008	0.016	0.013	0.024	0.009	0.012	0.026	**0.017**
Exposure-weighted average Loss Given Default (%)								
Residential Mortgage	19.7%	18.4%	19.2%	20.7%	20.3%	20.0%	19.9%	**19.6%**
Qualifying Revolving Retail	75.6%	80.5%	77.6%	81.4%	84.6%	82.7%	83.6%	**79.4%**
Other Retail	55.3%	54.7%	73.2%	45.6%	66.4%	56.6%	47.1%	**52.3%**
Exposure-weighted average risk weight (%)								
Residential Mortgage	5.9%	11.5%	19.1%	39.8%	94.1%	127.6%	188.2%	**25.5%**
Qualifying Revolving Retail	3.5%	8.1%	16.2%	45.4%	105.0%	201.7%	230.3%	**33.3%**
Other Retail	29.7%	37.0%	55.6%	59.5%	115.7%	170.2%	221.7%	**72.7%**

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

Sep 18	0.00% <0.11% $M	0.11% <0.30% $M	0.30% <0.51% $M	0.51% <3.49% $M	3.49% <10.09% $M	10.09% <100.00% $M	Default $M	Total $M
Exposure at Default								
Residential Mortgage	72,571	100,911	61,451	127,212	7,944	3,830	2,654	**376,573**
Qualifying Revolving Retail	5,776	3,911	1,521	4,695	1,767	703	74	**18,447**
Other Retail	1,056	5,353	2,384	22,156	5,780	2,125	965	**39,819**
Total	**79,403**	**110,175**	**65,356**	**154,063**	**15,491**	**6,658**	**3,693**	**434,839**
% of Total	18.3%	25.3%	15.0%	35.4%	3.6%	1.5%	0.8%	100.0%
Undrawn commitments (included in above)								
Residential Mortgage	15,368	7,284	2,689	7,431	37	27	1	**32,837**
Qualifying Revolving Retail	4,225	2,957	982	1,948	507	79	1	**10,699**
Other Retail	811	3,418	1,544	2,945	546	81	8	**9,353**
Total	**20,404**	**13,659**	**5,215**	**12,324**	**1,090**	**187**	**10**	**52,889**
Average Exposure at Default								
Residential Mortgage	0.251	0.231	0.252	0.248	0.332	0.324	0.272	**0.246**
Qualifying Revolving Retail	0.009	0.008	0.009	0.011	0.010	0.006	0.009	**0.009**
Other Retail	0.008	0.015	0.012	0.025	0.010	0.011	0.027	**0.017**
Exposure-weighted average Loss Given Default (%)								
Residential Mortgage	19.7%	18.5%	19.2%	20.7%	20.3%	20.0%	19.9%	**19.7%**
Qualifying Revolving Retail	75.5%	80.2%	77.5%	81.3%	84.7%	82.8%	83.5%	**79.3%**
Other Retail	56.6%	54.5%	73.6%	45.2%	65.1%	57.7%	46.8%	**52.0%**
Exposure-weighted average risk weight (%)								
Residential Mortgage	5.9%	11.6%	19.3%	40.0%	94.1%	127.7%	190.5%	**25.6%**
Qualifying Revolving Retail	3.5%	8.1%	16.3%	44.8%	105.1%	201.4%	232.6%	**34.2%**
Other Retail	30.5%	36.9%	55.8%	59.1%	112.7%	172.4%	255.0%	**73.8%**

Mar 18	0.00% <0.11% $M	0.11% <0.30% $M	0.30% <0.51% $M	0.51% <3.49% $M	3.49% <10.09% $M	10.09% <100.00% $M	Default $M	Total $M
Exposure at Default								
Residential Mortgage	70,037	99,897	61,545	129,372	8,360	4,213	2,658	**376,082**
Qualifying Revolving Retail	5,799	4,005	1,590	5,184	1,902	768	83	**19,331**
Other Retail	1,107	5,603	2,440	23,055	6,253	2,149	973	**41,580**
Total	**76,943**	**109,505**	**65,575**	**157,611**	**16,515**	**7,130**	**3,714**	**436,993**
% of Total	17.6%	25.1%	15.0%	36.1%	3.8%	1.6%	0.8%	100.0%
Undrawn commitments (included in above)								
Residential Mortgage	15,252	7,274	2,678	8,363	37	22	-	**33,626**
Qualifying Revolving Retail	4,250	3,026	1,019	2,304	576	88	1	**11,264**
Other Retail	829	3,569	1,587	3,209	563	81	6	**9,844**
Total	**20,331**	**13,869**	**5,284**	**13,876**	**1,176**	**191**	**7**	**54,734**
Average Exposure at Default								
Residential Mortgage	0.246	0.231	0.251	0.247	0.326	0.325	0.272	**0.245**
Qualifying Revolving Retail	0.009	0.008	0.009	0.011	0.010	0.006	0.009	**0.009**
Other Retail	0.008	0.016	0.013	0.025	0.011	0.011	0.025	**0.017**
Exposure-weighted average Loss Given Default (%)								
Residential Mortgage	19.7%	18.5%	19.1%	20.8%	20.3%	20.0%	20.0%	**19.7%**
Qualifying Revolving Retail	75.5%	80.3%	77.4%	81.1%	84.5%	82.8%	83.5%	**79.3%**
Other Retail	55.6%	54.4%	73.7%	45.5%	64.9%	57.7%	48.2%	**52.2%**
Exposure-weighted average risk weight (%)								
Residential Mortgage	5.9%	11.7%	19.3%	40.1%	94.3%	128.1%	193.7%	**26.1%**
Qualifying Revolving Retail	3.5%	8.1%	16.3%	44.9%	104.8%	201.2%	232.3%	**35.4%**
Other Retail	29.8%	36.7%	55.8%	59.8%	113.1%	174.4%	257.2%	**74.0%**

Table 9(e): Actual Losses by portfolio type

	Half year Mar 19	
Basel Asset Class	**Individual provision charge $M**	**Write-offs $M**
Corporate	51	68
Sovereign	-	-
Bank	-	-
Residential Mortgage	45	50
Qualifying Revolving Retail	85	123
Other Retail	197	232
Total Advanced IRB	**378**	**473**
Specialised Lending	1	2
Standardised approach	1	23
Total	**380**	**498**

	Half year Sep 18	
Basel Asset Class	**Individual provision charge $M**	**Write-offs $M**
Corporate	1	90
Sovereign	(3)	-
Bank	-	-
Residential Mortgage	56	41
Qualifying Revolving Retail	93	140
Other Retail	211	277
Total Advanced IRB	**358**	**548**
Specialised Lending	2	4
Standardised approach	(17)	21
Total	**343**	**573**

	Half year Mar 18	
Basel Asset Class	**Individual provision charge $M**	**Write-offs $M**
Corporate	68	142
Sovereign	-	-
Bank	-	-
Residential Mortgage	42	24
Qualifying Revolving Retail	92	139
Other Retail	197	287
Total Advanced IRB	**399**	**592**
Specialised Lending	(4)	4
Standardised approach	35	55
Total	**430**	**651**

Factors impacting the loss experience

The individual credit impairment charge increased $37 million over the half driven by significant write backs and recoveries in AIRB Corporate and Standardised asset classes in the September 2018 half.

Write-offs decreased $75 million over the half driven by AIRB Corporate, Qualifying Revolving Retail and Other Retail asset class.

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

	Mar 19				
Portfolio Type	Average Estimated PD %	Average Actual PD %	Average estimated to actual EAD ratio	Average Estimated LGD %	Average Actual LGD %
Corporate	1.92	1.77	1.20	42.43	34.49
Sovereign	0.39	Nil	n/a	n/a	n/a
Bank	0.65	0.08	1.02	46.00	58.30
Specialised Lending	n/a	2.04	1.05	n/a	24.76
Residential Mortgage[27]	0.73	0.78	1.01	20.69	1.86
Qualifying Revolving Retail	2.39	1.83	1.08	76.96	69.25
Other Retail	4.11	3.33	1.05	53.21	42.65

APS 330 Table 9(f) compares internal credit risk estimates used in calculating regulatory capital with realised outcomes by portfolio types. It covers the PD, EAD and LGD estimates for the IRB portfolios.

Estimated PD and LGD for Specialised Lending exposures have not been provided, since APRA requires the use of supervisory slotting for Regulatory EL calculations. Actual PD, EAD ratio, Estimated LGD and Actual LGD for Sovereign exposures have not been provided, since there were no Sovereign defaults observed in ANZ Sovereign exposures for the observation period.

Wholesale Portfolios
The estimated PD is based on the average of the internally estimated long-run PD's for obligors that are not in default at the beginning of each financial year over the period of observation being 2009 to 2018. The actual PD is based on the number of defaulted obligors up to February 2019 compared to the total number of obligors measured.

The EAD ratio compares internally estimated EAD prior to default to realised EAD for defaulted obligors over the 9 years of observation being 2009 to February 2019. A ratio greater than 1.0 signifies that on average, the actual defaulted exposures are lower than the estimated exposures at the time of default.

The estimated LGD is the downturn LGD for accounts that defaulted at the beginning of each year during the observation period being 2009 to March 2017. The actual LGD is based on the average realised losses over the period for the accounts observed at the beginning and defaulted during the observation period. For non-retail portfolios, the estimated and actual LGDs are based on accounts that defaulted up to March 2017. Defaults occurring after March 2017 have been excluded from the analysis to allow sufficient time for workout period. Actual LGD for defaults where workouts were not finalised have been estimated to approximate the final actual loss.

Retail Portfolios
The estimated PD is based on the average of the internally estimated long-run PD's for obligors that are not in default at the beginning of each financial year over the period of observation being 2014 to 2018. The actual PD is based on the number of defaulted obligors up to March 2019 compared to the total number of obligors measured.

The EAD ratio compares internally estimated EAD prior to default to realised EAD for defaulted obligors over the period of observation being 2014 to 2018. A ratio greater than 1.0 signifies that on average, the actual defaulted exposures are lower than the estimated exposures at the time of default.

The estimated LGD is the downturn LGD for accounts that defaulted at the beginning of each year during the observation period being 2013 to 2017. The actual LGD is based on the average realised losses over the period for the accounts observed at the beginning and defaulted during the observation period. Defaults occurring after March 2017 have been excluded from the analysis to allow sufficient time for workout period.

[27] A revised capital model was introduced in June 2017, which will impact Average Estimated PD rates for the Australian Residential Mortgages portfolio. The current Average Estimated PD rates are based on previous capital models, with the impacts of the revised model to gradually roll through in future periods.

Table 10 Credit risk mitigation disclosures

Table 10(b): Credit risk mitigation on Standardised approach portfolios – collateral [28]

Mar 19	Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised approach				
Corporate	13,519	7,119	2,254	69.3%
Residential Mortgage	716	-	-	0.0%
Other Retail	80	-	-	0.0%
Total	**14,315**	**7,119**	**2,254**	**65.5%**

Sep 18	Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised approach				
Corporate	15,064	5,486	2,585	53.6%
Residential Mortgage	704	-	-	0.0%
Other Retail	87	-	-	0.0%
Total	**15,855**	**5,486**	**2,585**	**50.9%**

Mar 18	Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised approach				
Corporate	16,228	5,159	3,078	50.8%
Residential Mortgage	681	-	-	0.0%
Other Retail	101	-	-	0.0%
Total	**17,010**	**5,159**	**3,078**	**48.4%**

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

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

	Mar 19			
	Exposure $M	Exposures covered by Guarantees $M	Exposures covered by Credit Derivatives $M	% Coverage
Advanced IRB				
Corporate (incl. Specialised Lending)	300,666	5,979	1,051	2.3%
Sovereign	149,660	6,171	-	4.1%
Bank	55,029	11	-	0.0%
Residential Mortgage	379,512	-	-	0.0%
Qualifying Revolving Retail	17,589	-	-	0.0%
Other Retail	38,542	-	-	0.0%
Total	**940,998**	**12,161**	**1,051**	**1.4%**
Standardised approach				
Corporate	13,519	43	-	0.3%
Residential Mortgage	716	-	-	0.0%
Other Retail	80	-	-	0.0%
Total	**14,315**	**43**	**-**	**0.3%**
Qualifying Central Counterparties	**12,530**	**-**	**-**	**0.0%**

	Sep 18			
	Exposure $M	Exposures covered by Guarantees $M	Exposures covered by Credit Derivatives $M	% Coverage
Advanced IRB				
Corporate (incl. Specialised Lending)	285,087	7,460	856	2.9%
Sovereign	145,569	5,386	-	3.7%
Bank	51,363	11	-	0.0%
Residential Mortgage	376,573	-	-	0.0%
Qualifying Revolving Retail	18,447	-	-	0.0%
Other Retail	39,819	-	-	0.0%
Total	**916,858**	**12,857**	**856**	**1.5%**
Standardised approach				
Corporate	15,064	58	-	0.4%
Residential Mortgage	704	-	-	0.0%
Other Retail	87	-	-	0.0%
Total	**15,855**	**58**	**-**	**0.4%**
Qualifying Central Counterparties	**11,402**	-	-	**0.0%**

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

	Mar 18			
	Exposure $M	Exposures covered by Guarantees $M	Exposures covered by Credit Derivatives $M	% Coverage
Advanced IRB				
Corporate (incl. Specialised Lending)	275,651	6,790	824	2.8%
Sovereign	141,282	5,212	-	3.7%
Bank	48,668	10	-	0.0%
Residential Mortgage	376,082	-	-	0.0%
Qualifying Revolving Retail	19,331	-	-	0.0%
Other Retail	41,580	-	-	0.0%
Total	**902,594**	**12,012**	**824**	**1.4%**
Standardised approach				
Corporate	16,228	182	-	1.1%
Residential Mortgage	681	-	-	0.0%
Other Retail	101	-	-	0.0%
Total	**17,010**	**182**	**-**	**1.1%**
Qualifying Central Counterparties	**10,591**	**-**	**-**	**0.0%**

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

Net derivative credit exposure	**Mar 19 $M**	**Sep 18 $M**	**Mar 18 $M**
Gross positive fair value of contracts	79,376	68,426	70,915
Netting benefits	(66,767)	(54,251)	(55,268)
Netted current credit exposure	12,609	14,175	15,647
Collateral held	(4,566)	(5,507)	(7,530)
Net derivatives credit exposure	**8,043**	**8,668**	**8,117**

Counterparty credit risk exposure - by portfolio type

Portfolio Type	**Mar 19 $M**	**Sep 18 $M**	**Mar 18 $M**
Corporate	14,096	14,286	15,106
Sovereign	1,816	1,478	1,383
Bank	14,853	15,199	15,817
Qualifying Central Counterparties	12,530	11,402	10,591
Specialised Lending	629	387	461
Total exposures	**43,924**	**42,752**	**43,358**

Notional Value of Credit Derivative Hedges

Product Type	**Mar 19 $M**	**Sep 18 $M**	**Mar 18 $M**
Credit Default Swaps	349	342	343
Interest Rate Swaps	-	-	-
Currency Swaps	-	-	-
Other	-	-	-
Total exposures	**349**	**342**	**343**

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

	Mar 19		
	Protection Bought $M	Protection Sold $M	Total $M
Credit derivative products used for own credit portfolio			
Credit default swaps	4,451	2,702	7,153
Total notional value	**4,451**	**2,702**	**7,153**
Credit derivative products used for intermediation			
Credit default swaps	349	349	698
Total return swaps	-	-	-
Total notional value	**349**	**349**	**698**
Total credit derivative notional value	**4,800**	**3,051**	**7,851**

	Sep 18		
	Protection Bought $M	Protection Sold $M	Total $M
Credit derivative products used for own credit portfolio			
Credit default swaps	2,347	1,794	4,141
Total notional value	**2,347**	**1,794**	**4,141**
Credit derivative products used for intermediation			
Credit default swaps	342	342	684
Total return swaps	-	-	-
Total notional value	**342**	**342**	**684**
Total credit derivative notional value	**2,689**	**2,136**	**4,825**

	Mar 18		
	Protection Bought $M	Protection Sold $M	Total $M
Credit derivative products used for own credit portfolio			
Credit default swaps	2,896	2,502	5,398
Total notional value	**2,896**	**2,502**	**5,398**
Credit derivative products used for intermediation			
Credit default swaps	343	343	686
Total return swaps	-	-	-
Total notional value	**343**	**343**	**686**
Total credit derivative notional value	**3,239**	**2,845**	**6,084**

Chapter 5 – Securitisation

Banking Book

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

		Mar 19	
Traditional securitisations			
Underlying asset	**ANZ Originated $M**	**ANZ Self Securitised $M**	**ANZ Sponsored $M**
Residential mortgage	1,092	71,454	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**1,092**	**71,454**	**-**

Synthetic securitisations			
Underlying asset	**ANZ Originated $M**	**ANZ Self Securitised $M**	**ANZ Sponsored $M**
Residential mortgage	-	-	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**-**	**-**	**-**

Aggregate of traditional and synthetic securitisations			
Underlying asset	**ANZ Originated $M**	**ANZ Self Securitised $M**	**ANZ Sponsored $M**
Residential mortgage	1,092	71,454	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**1,092**	**71,454**	**-**

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

Sep 18

Traditional securitisations **Underlying asset**	**ANZ Originated** **$M**	**ANZ Self Securitised** **$M**	**ANZ Sponsored** **$M**
Residential mortgage	1,211	70,615	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**1,211**	**70,615**	**-**

Synthetic securitisations **Underlying asset**	**ANZ Originated** **$M**	**ANZ Self Securitised** **$M**	**ANZ Sponsored** **$M**
Residential mortgage	-	-	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**-**	**-**	**-**

Aggregate of traditional and synthetic securitisations **Underlying asset**	**ANZ Originated** **$M**	**ANZ Self Securitised** **$M**	**ANZ Sponsored** **$M**
Residential mortgage	1,211	70,615	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**1,211**	**70,615**	**-**

Mar 18

Traditional securitisations **Underlying asset**	**ANZ Originated** **$M**	**ANZ Self Securitised** **$M**	**ANZ Sponsored** **$M**
Residential mortgage	1,349	70,709	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**1,349**	**70,709**	**-**

Synthetic securitisations **Underlying asset**	**ANZ Originated** **$M**	**ANZ Self Securitised** **$M**	**ANZ Sponsored** **$M**
Residential mortgage	-	-	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**-**	**-**	**-**

Aggregate of traditional and synthetic securitisations **Underlying asset**	**ANZ Originated** **$M**	**ANZ Self Securitised** **$M**	**ANZ Sponsored** **$M**
Residential mortgage	1,349	70,709	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**1,349**	**70,709**	**-**

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

Underlying asset	Mar 19				
	ANZ originated $M	ANZ Self Securitised $M	Impaired $M	Past due $M	Losses recognised for the six month ended $M
Residential mortgage	1,092	71,454	-	54	-
Credit cards and other personal loans	-	-	-	-	-
Auto and equipment finance	-	-	-	-	-
Commercial loans	-	-	-	-	-
Other	-	-	-	-	-
Total	**1,092**	**71,454**	**-**	**54**	**-**

Underlying asset	Sep 18				
	ANZ originated $M	ANZ Self Securitised $M	Impaired $M	Past due $M	Losses recognised for the six month ended $M
Residential mortgage	1,211	70,615	-	52	-
Credit cards and other personal loans	-	-	-	-	-
Auto and equipment finance	-	-	-	-	-
Commercial loans	-	-	-	-	-
Other	-	-	-	-	-
Total	**1,211**	**70,615**	**-**	**52**	**-**

Underlying asset	Mar 18				
	ANZ originated $M	ANZ Self Securitised $M	Impaired $M	Past due $M	Losses recognised for the six month ended $M
Residential mortgage	1,349	70,709	-	57	-
Credit cards and other personal loans	-	-	-	-	-
Auto and equipment finance	-	-	-	-	-
Commercial loans	-	-	-	-	-
Other	-	-	-	-	-
Total	**1,349**	**70,709**	**-**	**57**	**-**

Table 12(i): Banking Book: Total amount of outstanding exposures intended to be securitised

No assets from ANZ's Banking Book were intended to be securitised as at the reporting date.

Table 12(j): Banking Book: Securitisation - Summary of current period's activity by underlying asset type and facility [29]

Mar 19				
	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	(119)	839	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(119)**	**839**	**-**	**-**

Securitisation activity by facility provided	Notional amount $M
Liquidity facilities	-
Funding facilities	(650)
Underwriting facilities	-
Lending facilities	-
Credit enhancements	-
Holdings of securities (excluding trading book)	39
Other	-
Total	**(611)**

Sep 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	(138)	(94)	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(138)**	**(94)**	**-**	**-**

Securitisation activity by facility provided	Notional amount $M
Liquidity facilities	(3)
Funding facilities	600
Underwriting facilities	-
Lending facilities	-
Credit enhancements	-
Holdings of securities (excluding trading book)	(444)
Other	5
Total	**158**

[29] Activity represents net movement in outstandings.

Table 12(j): Banking Book: Securitisation - Summary of current period's activity by underlying asset type and facility (continued)

	Mar 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	(179)	(302)	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(179)**	**(302)**	**-**	**-**

Securitisation activity by facility provided	Notional amount $M
Liquidity facilities	(51)
Funding facilities	(162)
Underwriting facilities	-
Lending facilities	-
Credit enhancements	-
Holdings of securities (excluding trading book)	(404)
Other	6
Total	**(611)**

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

Securitisation exposure type - On balance sheet	Mar 19 $M	Sep 18 $M	Mar 18 $M
Liquidity facilities	-	-	-
Funding facilities	6,574	6,924	7,126
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	1,760	1,721	2,165
Protection provided	-	-	-
Other	141	104	128
Total	**8,475**	**8,749**	**9,418**

Securitisation exposure type - Off Balance Sheet	Mar 19 $M	Sep 18 $M	Mar 18 $M
Liquidity facilities	12	13	17
Funding facilities	1,320	1,362	1,411
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	-	-	-
Protection provided	-	-	-
Other	-	-	-
Total	**1,332**	**1,375**	**1,428**

Total Securitisation exposure type	Mar 19 $M	Sep 18 $M	Mar 18 $M
Liquidity facilities	12	13	17
Funding facilities	7,894	8,286	8,537
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	1,760	1,721	2,165
Protection provided	-	-	-
Other	141	104	128
Total	**9,807**	**10,124**	**10,846**

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

	Mar 19		Sep 18		Mar 18	
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%	9,807	1,558	10,124	1,600	10,846	1,728
>25 ≤ 35%	-	-	-	-	-	-
>35 ≤ 50%	-	-	-	-	-	-
>50 ≤ 75%	-	-	-	-	-	-
>75 ≤ 100%	-	-	-	-	-	-
>100 ≤ 650%	-	-	-	-	-	-
1250% (Deduction)	-	-	-	-	-	-
Total	**9,807**	**1,558**	**10,124**	**1,600**	**10,846**	**1,728**

	Mar 19		Sep 18		Mar 18	
Resecuritisation risk weights	**Regulatory credit exposure $M**	**Risk weighted assets $M**	**Regulatory credit exposure $M**	**Risk weighted assets $M**	**Regulatory credit exposure $M**	**Risk weighted assets $M**
≤ 25%	-	-	-	-	-	-
>25 ≤ 35%	-	-	-	-	-	-
>35 ≤ 50%	-	-	-	-	-	-
>50 ≤ 75%	-	-	-	-	-	-
>75 ≤ 100%	-	-	-	-	-	-
>100 ≤ 650%	-	-	-	-	-	-
1250% (Deduction)	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

	Mar 19		Sep 18		Mar 18	
Total Securitisation risk weights	**Regulatory credit exposure $M**	**Risk weighted assets $M**	**Regulatory credit exposure $M**	**Risk weighted assets $M**	**Regulatory credit exposure $M**	**Risk weighted assets $M**
≤ 25%	9,807	1,558	10,124	1,600	10,846	1,728
>25 ≤ 35%	-	-	-	-	-	-
>35 ≤ 50%	-	-	-	-	-	-
>50 ≤ 75%	-	-	-	-	-	-
>75 ≤ 100%	-	-	-	-	-	-
>100 ≤ 650%	-	-	-	-	-	-
1250% (Deduction)	-	-	-	-	-	-
Total	**9,807**	**1,558**	**10,124**	**1,600**	**10,846**	**1,728**

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

No longer required under Basel III; defaulted exposures are given a risk weight of 1250% and no longer deducted from Capital.

Table 12(m): Banking Book: Securitisations subject to early amortisation treatment

ANZ does not have any Securitisations subject to early amortisation treatment or using Standardised approach.

Table 12(n): Banking Book: Resecuritisation - Aggregate amount of resecuritisation exposures retained or purchased

ANZ does not have any retained or purchased Resecuritisation exposures.

Trading Book

Table 12(o): Trading Book: Traditional and synthetic securitisation exposures

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

Table 12(p): Trading Book: Total amount of outstanding exposures intended to be securitised

No assets from ANZ's Trading Book were intended to be securitised as at the reporting date.

Table 12(q): Trading Book: Securitisation - Summary of current year's activity by underlying asset type and facility

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

Table 12(r): Trading Book: Traditional and synthetic securitisation exposures

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

Table 12(s): Trading Book: Securitisation – Regulatory credit exposures by exposure type

ANZ does not have any Regulatory credit exposures by exposure type

Table 12(t)(i) & Table 12(u)(i): Trading Book: Aggregate securitisation exposures subject to Internal Models Approach (IMA) and the associated Capital requirements

ANZ does not have any Securitisation exposures subject to Internal Models Approach.

Table 12(t)(ii) & Table 12(u)(ii): Trading Book: Aggregate securitisation exposures subject to APS 120 and the associated Capital requirements

ANZ does not have any aggregate Securitisation exposures subject to APS120 and the associated Capital requirements.

Table 12(u)(iii): Trading Book: Securitisation - Aggregate securitisation exposures deducted from Capital

ANZ does not have any Securitisation exposures deducted from Capital.

Table 12(v): Trading Book: Securitisations subject to early amortisation treatment

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

Table 12(w): Trading Book: Resecuritisation - Aggregate amount of resecuritisation exposures retained or purchased

ANZ does not have any retained or purchased Resecuritisation exposures.

Chapter 6 – Market risk

Table 13 Market risk – Standard approach

Table 13(b): Market risk – Standard approach [30]

	Mar 19 $M	Sep 18 $M	Mar 18 $M
Interest rate risk	109	76	100
Equity position risk	-	-	-
Foreign exchange risk	-	-	-
Commodity risk	-	-	-
Total	**109**	**76**	**100**
Risk Weighted Assets equivalent	**1,363**	**950**	**1,250**

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

Table 14 Market risk – Internal models approach

Table 14(f): Value at Risk (VaR) and stressed VaR over the reporting period [31]

	Six months ended Mar 19			
99% 1 Day Value at Risk (VaR)	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	4.8	9.5	2.0	3.6
Interest Rate	6.6	10.3	4.6	5.0
Credit	2.4	4.4	1.2	4.1
Commodity	2.1	3.9	1.4	2.3
Equity	-	-	-	-

	Six months ended Sep 18			
99% 1 Day Value at Risk (VaR)	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	3.3	6.4	1.7	3.7
Interest Rate	13.6	18.7	6.0	8.3
Credit	2.9	3.5	2.3	2.5
Commodity	3.8	4.5	3.3	3.7
Equity	-	-	-	-

	Six months ended Mar 18			
99% 1 Day Value at Risk (VaR)	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	5.0	10.3	2.1	3.3
Interest Rate	10.8	15.5	6.8	12.7
Credit	5.1	6.5	3.4	3.6
Commodity	2.4	3.5	1.4	3.5
Equity	-	-	-	-

	Six months ended Mar 19			
99% 10 Day Stressed VaR	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	61.8	105.3	25.7	63.0
Interest Rate	58.0	86.7	33.6	43.8
Credit	34.5	58.1	18.9	46.9
Commodity	9.0	14.9	4.6	11.9
Equity	-	-	-	-

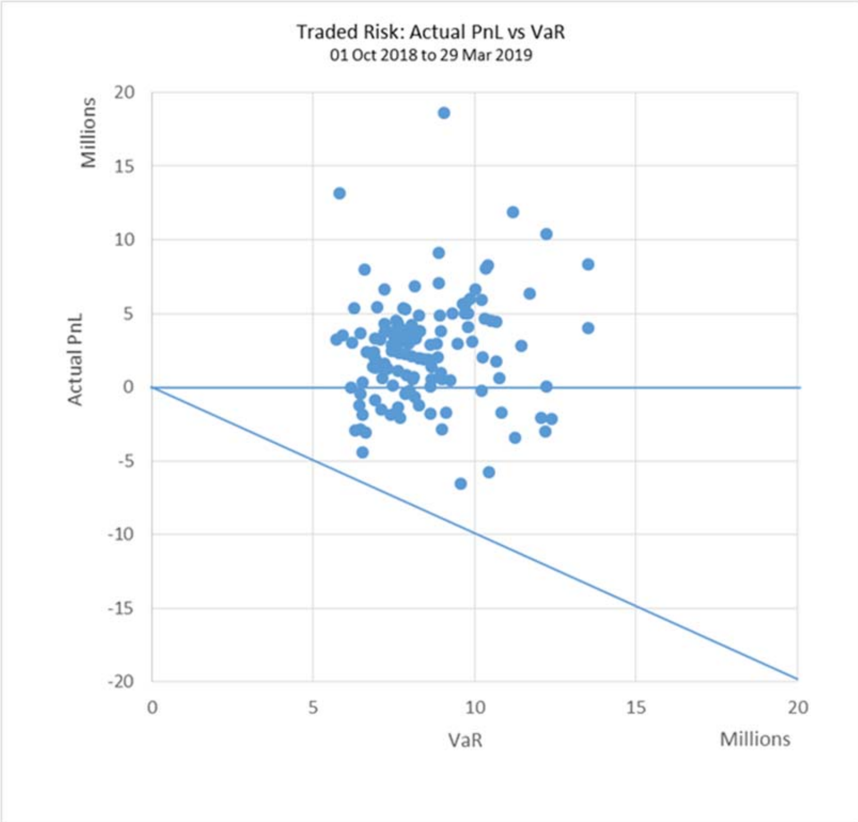
	Six months ended Sep 18			
99% 10 Day Stressed VaR	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	42.1	80.7	15.4	71.0
Interest Rate	81.3	198.5	49.3	49.3
Credit	30.9	36.1	21.8	32.1
Commodity	17.0	26.0	7.5	10.4
Equity	-	0.1	-	-

	Six months ended Mar 18			
99% 10 Day Stressed VaR	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	40.8	74.0	20.0	46.3
Interest Rate	68.6	166.5	35.3	64.5
Credit	37.3	49.3	29.0	29.0
Commodity	13.3	24.0	4.3	21.3
Equity	0.1	0.3	-	-

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

Comparison of VaR estimates with actual gains/losses experienced

Total traded market risks back testing exceptions were within the APS 116 green zone for the period.



Chapter 7 – Equities

Table 16 Equities – Disclosures for banking book positions

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

Equity investments	Mar 19 $M Balance sheet value	Mar 19 $M Fair value
Value of listed (publicly traded) equities	3,937	3,683
Value of unlisted (privately held) equities	119	119
Total	**4,056**	**3,802**

Equity investments	Sep 18 $M Balance sheet value	Sep 18 $M Fair value
Value of listed (publicly traded) equities	3,554	2,869
Value of unlisted (privately held) equities	86	86
Total	**3,640**	**2,955**

Equity investments	Mar 18 $M Balance sheet value	Mar 18 $M Fair value
Value of listed (publicly traded) equities	3,444	2,831
Value of unlisted (privately held) equities	151	151
Total	**3,595**	**2,982**

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

Realised gains (losses) on equity investments	Half Year Mar 19 $M	Half Year Sep 18 $M	Half Year Mar 18 $M
Cumulative realised gains (losses) from disposals and liquidations in the reporting period	42	124	353
Cumulative realised losses from impairment and writedowns in the reporting period	-	-	-
	42	**124**	**353**

Unrealised gains (losses) on equity investments	Half Year Mar 19 $M	Half Year Sep 18 $M	Half Year Mar 18 $M
Total unrealised gains (losses)	160	36	170
Reversal of prior period unrealised gains (losses) from disposals and liquidations in the reporting period	-		-
Total unrealised gains (losses) included in Common Equity Tier 1, Tier 1 and/or Tier 2 capital	**160**	**36**	**170**

Table 16(f): Equities Risk Weighted Assets

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

Chapter 8 – Interest Rate Risk in the Banking Book

Table 17 Interest Rate Risk in the Banking Book

Table 17(b): Interest Rate Risk in the Banking Book

	Change in Economic Value		
Standard Shock Scenario Stress Testing: Interest rate shock applied	**Mar 19 $M**	**Sep 18 $M**	**Mar 18 $M**
AUD			
200 basis point parallel increase	(336)	(485)	(339)
200 basis point parallel decrease	327	497	344
NZD			
200 basis point parallel increase	(76)	(133)	(112)
200 basis point parallel decrease	64	129	106
USD			
200 basis point parallel increase	0	(76)	(46)
200 basis point parallel decrease	1	76	52
GBP			
200 basis point parallel increase	33	21	12
200 basis point parallel decrease	(34)	(21)	(12)
Other			
200 basis point parallel increase	24	(48)	(96)
200 basis point parallel decrease	(22)	52	103

IRRBB regulatory capital	**580**	**705**	**722**
IRRBB regulatory RWA	**7,245**	**8,814**	**9,019**

IRRBB stress testing methodology

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

Chapter 9 – Leverage and Liquidity Coverage Ratio

Leverage Ratio

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

Consistent with the BCBS definition, APRA's Leverage Ratio compares Tier 1 Capital to the Exposure Measure (expressed as a percentage) as defined by APS 110. APRA has not finalised a minimum Leverage Ratio requirement for Australian ADIs, although they have proposed a minimum of 3.5% for internal ratings based approach ADI.

At 31 March 2019, the Group's Leverage Ratio of 5.4% was above the 3% minimum currently required by the BCBS. Table 18 below shows the Group's Leverage Ratio calculation as at 31 March 2019 and Table 19 summarises the reconciliation of accounting assets and leverage ratio exposure measure at 31 March 2019.

Table 18 Leverage Ratio

		Mar 19 $M	Sep 18 $M	Mar 18 $M
	On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	824,997	799,199	795,034
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(14,082)	(13,794)	(14,762)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**810,915**	**785,405**	**780,272**
	Derivative exposures			
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	8,074	8,702	8,267
5	Add-on amounts for PFE associated with all derivatives transactions	31,651	29,471	31,107
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(8,789)	(8,106)	(7,199)
8	(Exempted CCP leg of client-cleared trade exposures)	-	-	-
9	Adjusted effective notional amount of written credit derivatives	2,060	2,137	2,851
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(1,557)	(1,528)	(2,279)
11	**Total derivative exposures**	**31,439**	**30,676**	**32,747**
	Securities financing transaction exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	36,256	34,173	29,543
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(1,344)	(253)	(1,240)
14	CCR exposure for SFT assets	2,375	2,146	1,048
15	Agent transaction exposures	-	-	-
16	**Total securities financing transaction exposures**	**37,287**	**36,066**	**29,351**
	Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	245,941	245,108	233,527
18	(Adjustments for conversion to credit equivalent amounts)	(139,999)	(142,298)	(133,606)
19	Off-balance sheet items	**105,942**	**102,810**	**99,921**
	Capital and Total Exposures			
20	**Tier 1 capital**[32]	**53,075**	**52,218**	**51,125**
21	**Total exposures**	**985,583**	**954,957**	**942,291**
	Leverage ratio			
22	**Basel III leverage ratio**	**5.4%**	**5.5%**	**5.4%**

[32] Prior period numbers have not been restated for impacts of transition to AASB 15.

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

		Mar 19 $M	Sep 18 $M	Mar 18 $M
1	Total consolidated assets as per published financial statements	980,244	942,624	935,116
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation.	(39,618)	(40,829)	(39,623)
3	Adjustment for assets held on the balance sheet in a fiduciary capacity pursuant to the Australian Accounting Standards but excluded from the leverage ratio exposure measure	-	-	-
4	Adjustments for derivative financial instruments.	(47,936)	(37,747)	(38,168)
5	Adjustment for SFTs (i.e. repos and similar secured lending)	1,033	1,893	(193)
6	Adjustment for off-balance sheet exposures (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	105,942	102,810	99,921
7	Other adjustments	(14,082)	(13,794)	(14,762)
	Leverage ratio exposure	**985,583**	**954,957**	**942,291**

Table 20 Liquidity Coverage Ratio disclosure template

		Mar 19		Dec 18		Sep 18	
		Total Unweighted Value $M	Total Weighted Value $M	Total Unweighted Value $M	Total Weighted Value $M	Total Unweighted Value $M	Total Weighted Value $M
	Liquid assets, of which:						
1	High-quality liquid assets (HQLA)	-	141,966	-	142,176	-	143,308
2	Alternative liquid assets (ALA)	-	41,999	-	40,899	-	40,897
3	Reserve Bank of New Zealand (RBNZ) securities	-	5,579	-	5,699	-	10,672
	Cash outflows						
4	Retail deposits and deposits from small business customers	196,966	20,100	196,568	20,702	200,900	21,704
5	of which: stable deposits	75,599	3,780	76,098	3,805	76,278	3,814
6	of which: less stable deposits	121,367	16,320	120,470	16,897	124,622	17,890
7	Unsecured wholesale funding	198,225	110,546	203,583	115,711	191,856	106,859
8	of which: operational deposits (all counterparties) and deposits in networks for cooperative banks	57,304	13,840	57,906	13,820	57,716	13,760
9	of which: non-operational deposits (all counterparties)	128,579	84,364	134,548	90,762	121,176	80,135
10	of which: unsecured debt	12,342	12,342	11,129	11,129	12,964	12,964
11	Secured wholesale funding		1,165		1,721		1,679
12	Additional requirements	136,570	35,619	136,658	37,934	142,461	42,596
13	of which: outflows related to derivatives exposures and other collateral requirements	20,668	20,668	24,686	24,686	29,301	29,301
14	of which: outflows related to loss of funding on debt products	-	-	-	-	-	-
15	of which: credit and liquidity facilities	115,902	14,951	111,972	13,248	113,160	13,295
16	Other contractual funding obligations	10,508	-	10,119	-	10,200	-
17	Other contingent funding obligations	70,505	4,292	70,557	4,723	66,375	3,872
18	Total cash outflows		171,722		180,791		176,710
	Cash inflows						
19	Secured lending (e.g. reverse repos)	28,676	1,542	26,712	1,728	27,371	1,271
20	Inflows from fully performing exposures	33,223	22,715	29,119	19,000	29,633	19,433
21	Other cash inflows	15,336	15,336	16,829	16,829	19,211	19,211
22	Total cash inflows	77,235	39,593	72,660	37,557	76,215	39,915
23	Total liquid assets		189,544		188,774		194,877
24	Total net cash outflows		132,129		143,234		136,795
25	Liquidity Coverage Ratio (%)		143.5%		131.8%		142.5%
	Number of data points used (simple average)		63		66		65

Liquidity Coverage Ratio (LCR)

ANZ's average LCR for the 3 months to 31 March 2019 was 143.5% with total liquid assets exceeding net outflows by an average of $57.4b.

The main contributors to net cash outflows were modelled outflows associated with the bank's corporate and retail deposit portfolios, offset by inflows from maturing loans. While cash outflows associated with derivatives are material, these are effectively offset by derivative cash inflows.

The composition of the liquid asset portfolio has remained relatively stable through the half, with HQLA securities and cash making up on average 75% of total liquid assets.

ANZ has a well diversified deposit and funding base avoiding undue concentrations by investor type, maturity, market source and currency.

ANZ monitors and manages its liquidity risk on a daily basis including LCR by geography and currency, ensuring ongoing compliance across the network.

Table 21 NSFR disclosure template

		Mar 19				
		Unweighted value by residual maturity				
	Available Stable Funding (ASF) Item	**No maturity $M**	**< 6 months $M**	**6 months to < 1yr $M**	**≥ 1yr $M**	**Weighted value $M**
1	Capital	59,928	-	-	13,962	73,890
2	of which: regulatory capital	59,928	-	-	13,962	73,890
3	of which: other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers	168,893	77,141	8,405	3,019	236,559
5	of which: stable deposits	70,721	20,176	-	-	86,352
6	of which: less stable deposits	98,172	56,965	8,405	3,019	150,207
7	Wholesale funding	114,982	261,217	31,330	98,983	201,836
8	of which: operational deposits	58,098	-	-	-	29,049
9	of which: other wholesale funding	56,884	261,217	31,330	98,983	172,787
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities	13,975	4,895	-	733	733
12	of which: NSFR derivative liabilities		4,895	-	-	
13	of which: All other liabilities and equity not included in the above categories	13,975	-	-	733	733
14	**Total ASF**					**513,018**
	Required Stable Funding (RSF) Item					
15(a)	Total NSFR (HQLA)					5,844
15(b)	ALA					4,800
15(c)	RBNZ securities					598
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities	17,885	127,995	33,230	430,109	393,763
18	of which: Performing loans to financial institutions secured by Level 1 HQLA	-	33,176	-	-	3,318
19	of which: Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	879	36,683	3,375	10,330	18,399
20	of which: Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs)	16,168	52,621	24,710	119,840	154,345
21	of which: With a risk weight of less than or equal to 35% under APS 112	4	1,203	136	4,259	3,441
22	of which: Performing residential mortgages	-	4,834	4,900	296,600	213,688
23	of which: With a risk weight equal to 35% under APS 112	-	4,284	4,346	252,326	175,503
24	of which: Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	838	681	245	3,339	4,013
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	25,802	24,132	2,046	3,300	34,155
27	of which: Physical traded commodities, including gold	1,056				898
28	of which: Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)		1,413	-	-	1,201
29	of which: NSFR derivative assets		8,074	-	-	3,179
30	of which: NSFR derivative liabilities before deduction of variation margin posted		13,669	-	-	2,734
31	of which: All other assets not included in the above categories	24,746	975	2,046	3,300	26,143
32	Off-balance sheet items		-	-	172,905	6,958
33	**Total RSF**					**446,119**
34	**Net Stable Funding Ratio (%)**					**115.00%**

ANZ's NSFR as at 31 March 2019 was 115.0%, up 0.7% in the quarter since December 2018.

The main sources of Available Stable Funding (ASF) at March 2019 were deposits from Retail and SME customers, at 46%, with other wholesale funding at 34% and capital at 14% of the total ASF.

The majority of ANZ's Required Stable Funding (RSF) at March 2019 was driven by mortgages at 48% and other lending to non-FI customers at 35% of the total RSF.

Table 21 NSFR disclosure template (continued)

		Dec 18				
		Unweighted value by residual maturity				
	Available Stable Funding (ASF) Item	No maturity $M	< 6 months $M	6 months to < 1yr $M	≥ 1yr $M	Weighted value $M
1	Capital	58,792	-	-	14,501	73,293
2	of which: regulatory capital	58,792	-	-	14,501	73,293
3	of which: other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers	169,014	76,433	8,088	3,333	236,058
5	of which: stable deposits	70,876	19,996	-	-	86,329
6	of which: less stable deposits	98,138	56,437	8,088	3,333	149,729
7	Wholesale funding	102,130	280,013	37,706	92,759	198,784
8	of which: operational deposits	57,095	-	-	-	28,548
9	of which: other wholesale funding	45,035	280,013	37,706	92,759	170,236
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities	11,011	8,348	-	940	940
12	of which: NSFR derivative liabilities		8,348	-	-	
13	of which: All other liabilities and equity not included in the above categories	11,011	-	-	940	940
14	**Total ASF**					**509,075**
	Required Stable Funding (RSF) Item					
15(a)	Total NSFR (HQLA)					5,681
15(b)	ALA					4,690
15(c)	RBNZ securities					655
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities	17,559	116,749	39,472	428,125	393,422
18	of which: Performing loans to financial institutions secured by Level 1 HQLA	-	27,352	2	-	2,736
19	of which: Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	488	29,405	7,683	9,766	18,506
20	of which: Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs)	16,150	54,283	26,895	117,081	153,893
21	of which: With a risk weight of less than or equal to 35% under APS 112	6	1,175	162	4,210	3,409
22	of which: Performing residential mortgages	-	4,848	4,700	299,127	215,149
23	of which: With a risk weight equal to 35% under APS 112	-	4,279	4,154	252,924	175,319
24	of which: Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	921	861	192	2,151	3,138
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	25,333	28,570	1,446	3,493	33,920
27	of which: Physical traded commodities, including gold	2,046				1,739
28	of which: Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)		1,435	-	-	1,220
29	of which: NSFR derivative assets		9,628	-	-	1,281
30	of which: NSFR derivative liabilities before deduction of variation margin posted		16,474	-	-	3,295
31	of which: All other assets not included in the above categories	23,287	1,033	1,446	3,493	26,385
32	Off-balance sheet items		-	-	171,664	6,928
33	**Total RSF**					**445,296**
34	**Net Stable Funding Ratio (%)**					**114.32%**

Glossary

ADI	Authorised Deposit-taking Institution.
Basel III Credit Valuation adjustment (CVA) capital charge	CVA charge is an additional capital requirement under Basel III for bilateral derivative exposures. Derivatives not cleared through a central exchange/counterparty are subject to this additional capital charge and also receive normal CRWA treatment under Basel II principles.
Collectively Assessed Provision for Credit Impairment	Collectively assessed provisions for credit impairment represent the Expected Credit Loss (ECL) calculated in accordance with AASB 9 Financial Instruments (AASB 9). These incorporate forward looking information and do not require an actual loss event to have occurred for an impairment provision to be recognised.
Collective provision (CP)	Collective provision under AASB 139 Financial Instruments (AASB 139) 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 a counterparty failing to fulfil its obligations, or from a decrease in credit quality of a counterparty resulting in a loss in value.
Credit Valuation Adjustment (CVA)	Over the life of a derivative instrument, ANZ uses a CVA model to adjust fair value to take into account the impact of counterparty credit quality. The methodology calculates the present value of expected losses over the life of the financial instrument as a function of probability of default, loss given default, expected credit risk exposure and an asset correlation factor. Impaired derivatives are also subject to a CVA.
Days past due	The number of days a credit obligation is overdue, commencing on the date that the arrears or excess occurs and accruing for each completed calendar day thereafter.
Exposure at Default (EAD)	Exposure At Default is defined as the expected facility exposure at the date of default.
Impaired assets (IA)	Facilities are classified as impaired when there is doubt as to whether the contractual amounts due, including interest and other payments, will be met in a timely manner. Impaired assets include impaired facilities, and impaired derivatives. Impaired derivatives have a credit valuation adjustment (CVA), which is a market assessment of the credit risk of the relevant counterparties.
Impaired loans (IL)	Impaired loans comprise of drawn facilities where the customer's status is defined as impaired.
Individual provision charge (IPC)	Individual provision charge is the amount of expected credit losses on financial instruments assessed for impairment on an individual basis (as opposed to on a collective basis). It takes into account expected cash flows over the lives of those financial instruments.
Individually Assessed Provisions for Credit Impairment	Individually assessed provisions for credit impairment are calculated in accordance with AASB 9 Financial Instruments (AASB 9). They are assessed on a case-by-case basis for all individually managed impaired assets taking into consideration factors such as the realisable value of security (or other credit mitigants), the likely return available upon liquidation or bankruptcy, legal uncertainties, estimated costs involved in recovery, the market price of the exposure in secondary markets and the amount and timing of expected receipts and recoveries.
Individual provisions (IP)	Individual provisions under AASB 139 Financial Instruments (AASB 139) are assessed on a case-by-case basis for all individually managed impaired assets taking into consideration factors such as the realisable value of security (or other credit mitigants), the likely return available upon liquidation or bankruptcy, legal uncertainties, estimated costs involved in recovery, the market price of the exposure in secondary markets and the amount and timing of expected receipts and recoveries.

Internationally Comparable Basel III Capital Ratio	The Internationally Comparable Basel III CET1 ratios are ANZ's interpretation of the regulations documented in the Basel Committee publications; "Basel 3: A global regulatory framework for more resilient banks and banking systems" (June 2011) and "International Convergence of Capital Measurement and Capital Standards" (June 2006). They also include differences identified in APRA's information paper entitled International Capital Comparison Study (13 July 2015).
Market risk	The risk to ANZ's earnings arising from changes in interest rates, foreign exchange rates, credit spreads, volatility, correlations or from fluctuations in bond, commodity or equity prices. ANZ has grouped market risk into two broad categories to facilitate the measurement, reporting and control of market risk: Traded market risk - the risk of loss from changes in the value of financial instruments due to movements in price factors for both physical and derivative trading positions. Trading positions arise from transactions where ANZ acts as principal with customers, financial exchanges or inter-bank counterparties. Non-traded market risk (or balance sheet risk) - comprises interest rate risk in the banking book and the risk to the AUD denominated value of ANZ's capital and earnings due to foreign exchange rate movements.
Operational risk	The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events including legal risk but excluding reputation risk.
Past due facilities	Facilities where a contractual payment has not been met or the customer is outside of contractual arrangements are deemed past due. Past due facilities include those operating in excess of approved arrangements or where scheduled repayments are outstanding but do not include impaired assets.
Qualifying Central Counterparties (QCCP)	QCCP is a central counterparty which is an entity that interposes itself between counterparties to derivative contracts. Trades with QCCP attract a more favorable risk weight calculation.
Recoveries	Payments received and taken to profit for the current period for the amounts written off in prior financial periods.
Restructured items	Restructured items comprise facilities in which the original contractual terms have been modified for reasons related to the financial difficulties of the customer. Restructuring may consist of reduction of interest, principal or other payments legally due, or an extension in maturity materially beyond those typically offered to new facilities with similar risk.
Risk Weighted Assets (RWA)	Assets (both on and off-balance sheet) are risk weighted according to each asset's inherent potential for default and what the likely losses would be in the case of default. In the case of non-asset backed risks (i.e. market and operational risk), RWA is determined by multiplying the capital requirements for those risks by 12.5.
Securitisation risk	The risk of credit related losses greater than expected due to a securitisation failing to operate as anticipated, or of the values and risks accepted or transferred, not emerging as expected.
Write-Offs	Facilities are written off against the related provision for impairment when they are assessed as partially or fully uncollectable, and after proceeds from the realisation of any collateral have been received. Where individual provisions recognised in previous periods have subsequently decreased or are no longer required, such impairment losses are reversed in the current period income statement.

This page has been intentionally left blank anz.com

Australia and New Zealand Banking Group Limited

ABN 11005357522