5th May 2023

Market Announcements Office
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

APS 330 Pillar 3 Disclosure at 31 March 2023

Australia and New Zealand Banking Group Limited (ANZ) today releases its APS 330 Pillar 3 Disclosure as at 31 March 2023.

This has been approved for distribution by ANZ's Continuous Disclosure Committee.

Yours faithfully

Simon Pordage
Company Secretary
Australia and New Zealand Banking Group Limited

2023 BASEL III PILLAR 3 DISCLOSURE

AS AT 31 MARCH 2023

APS 330: PUBLIC DISCLOSURE

Important notice

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

Table of Contents[1]

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

Chapter 1 - 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 Public Disclosure Prudential Standard requires locally-incorporated authorised deposit-taking institutions (ADI's) to meet minimum requirements for the public disclosure of key information on their capital, risk exposures, remuneration practices and, where applicable, leverage ratio, liquidity coverage ratio, net stable funding ratio and indicators for the identification of potential global systemically important banks, so as to contribute to the transparency of financial markets and to enhance market discipline.

This document is prepared for ANZ BH Pty Ltd (ANZ Bank HoldCo) in accordance with Board policy and the APS 330 reporting standard requirements. It presents information on the Groups Capital Adequacy and Risk Weighted Assets calculations for credit risk, securitisation, traded market risk, Interest Rate Risk in the Banking Book and operational risk.

Establishment of a new group organisational structure

On 3 January 2023, Australia and New Zealand Banking Group Limited (ANZBGL) established by a scheme of arrangement, a non-operating holding company, ANZ Group Holdings Limited (ANZGHL), as the new listed parent holding company of the ANZ Group and implemented a restructure to separate ANZ's banking and certain non-banking businesses into the ANZ Bank Group and ANZ Non-Bank Group (Restructure). The ANZ Bank Group comprises ANZBGL and the majority of its businesses and subsidiaries that were held in ANZBGL prior to the Restructure. The ANZ Non-Bank Group comprises banking-adjacent businesses developed or acquired by the ANZ Group, to focus on bringing new technology and banking-adjacent services to the ANZ Group's customers, and a separate service company.

The APS 330 disclosure has been prepared on the level 2 basis being ANZ Bank HoldCo as the head of ANZ's Level 2 banking group following the restructure (formerly Australia and New Zealand Banking Group Limited for prior years).

Basel in ANZ

APRA has released new bank capital adequacy requirements applying to Australian incorporated registered banks, which are set out in APRA's Banking Prudential Standard documents. ANZ has implemented these new requirements from 1 January 2023. The new capital adequacy key requirements include changes to APS 110 Capital Adequacy (APS 110), APS 112 Capital Adequacy: Standardised Approach to Credit Risk (APS 112) and APS 113 Capital Adequacy: Internal Ratings-based Approach to Credit Risk (APS 113) with key features of the reforms including:

- improving the flexibility of the capital framework, through larger capital buffers that can be used by banks to support lending during periods of stress;
- changes to risk weighted assets (RWA) through more risk-sensitive risk weights increasing capital requirements for higher risk lending and decreasing it for lower risks;
- changes to loss given default rates (LGD) including approved use of an internal ratings-based (IRB) approved LGD model for mortgage portfolios;
- an increase in the IRB scaling factor (from 1.06x to 1.1x);
- requirement that IRB authorised deposit-taking institutions (ADIs) calculate and disclose RWA under the standardised approach and the introduction of a capital floor at 72.5% of standardised RWA; and
- use of prescribed New Zealand authority's equivalent prudential rules for the purpose of calculating the Level 2 regulatory capital requirement.

In addition, operational RWA is now calculated under APS 115 Capital Adequacy: Standardised Measurement Approach to Operational Risk (APS 115) which replaced the previous advanced methodology from December 2022.

The revisions to the prudential standards will result in changes to capital treatments, calculations, and the format of the disclosures from the 31 March 2023 period. Prior comparative periods reported in this document remain based on the pre 1 January 2023 prudential standards and have not been restated.

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

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

Chapter 2 – Capital and Capital Adequacy

Table 1 Capital Disclosure template

The head of the Level 2 Group to which this prudential standard applies is ANZ BH Pty Ltd (ANZ Bank HoldCo).

Table 1 of this chapter consists of a Common Disclosure template that assists users in understanding the differences between the application of the Basel III reforms in Australia and those rules as detailed in the document Basel III: A global regulatory framework for more resilient banks and banking systems, issued by the Bank for International Settlements. The capital disclosure template in this chapter is the post January 2018 version as ANZ is fully applying the Basel III regulatory adjustments, as implemented by APRA.

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 (ANZ New Zealand), which is subject to minimum capital requirements as set by the Reserve Bank of New Zealand (RBNZ). ANZ New Zealand maintains a buffer above the minimum capital base required by the RBNZ. This capital buffer has been calculated via the ICAAP undertaken for ANZ New Zealand, to ensure ANZ New Zealand is appropriately capitalised under stressed economic scenarios.

Table 1 Capital disclosure template

		Mar 23 $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	28,752	Table A
2	Retained earnings	39,957	
3	Accumulated other comprehensive income (and other reserves)	(897)	Table B
4	Directly issued capital subject to phase out from CET1 (only applicable to mutually owned companies)	-	
5	Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	2	Table C
6	**Common Equity Tier 1 capital before regulatory adjustments**	**67,814**	
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	2,994	
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	939	Table D
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	Table H
11	Cash-flow hedge reserve	(1,287)	
12	Shortfall of provisions to expected losses	39	Table E
13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	170	
15	Defined benefit superannuation fund net assets	166	Table F
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal crossholdings 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)	-	Table G
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)	7,413	
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	(453)	
26d	of which: equity investment in financial institutions not reported in rows 18, 19 and 23	3,517	Table G
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	2,461	Table H
26f	of which: capitalised expenses	1,874	Table I
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA rules	2	Table J
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	12	
27	Regulatory adjustments applied to CET1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	**Total regulatory adjustments to CET1**	**10,434**	
29	**Common Equity Tier 1 capital (CET1)**	**57,380**	

Table 1 Capital disclosure template

		Mar 23 $M	Reconciliation Table Reference
	Additional Tier 1 Capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments	8,353	Table K
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	8,353	Table K
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	Table K
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)	-	Table K
35	of which: instruments issued by subsidiaries subject to phase out	n/a	
36	**Additional Tier 1 capital before regulatory adjustments**	**8,353**	**Table K**
	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)	155	Table K
41	National specific regulatory adjustments (sum of rows 41a - 41c)	14	
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	14	Table K
41c	of which: other national specific regulatory adjustments not reported in rows 41a and 41b	-	Table K
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 cover deductions	-	
43	**Total regulatory adjustments to Additional Tier 1 capital**	**169**	
44	**Additional Tier 1 capital (AT1)**	**8,184**	**Table K**
45	**Tier 1 Capital (T1=CET1+AT1)**	**65,564**	
	Tier 2 Capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments	22,624	
47	Directly issued capital instruments subject to phase out from Tier 2	-	
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)	-	Table L
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions	1,781	Table L
51	**Tier 2 capital before regulatory adjustments**	**24,405**	**Table L**
	Tier 2 Capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	50	Table L
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	86	Table L
56	National specific regulatory adjustments (sums of rows 56a - 56c)	201	Table L
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	146	
56c	of which: other national specific regulatory adjustments not reported in rows 56a and 56b	55	
57	**Total regulatory adjustment to Tier 2 capital**	**337**	
58	**Tier 2 capital (T2)**	**24,068**	**Table L**
59	**Total capital (TC=T1+T2)**	**89,632**	
60	**Total risk-weighted assets based on APRA standards**	**435,514**	

Table 1 Capital disclosure template

			Reconciliation Table Reference
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.2%	
62	Tier 1 (as a percentage of risk-weighted assets)	15.1%	
63	Total capital (as a percentage of risk-weighted assets)	20.6%	
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)	9.8690%	
65	of which: capital conservation buffer requirement[2]	4.75%	
66	of which: ADI-specific countercyclical buffer requirements	0.6190%	
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)	8.7%	
	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	232	
73	Significant investments in the ordinary shares of financial entities	3,445	Table G
74	Mortgage servicing rights (net of related tax liability)	n/a	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	2,461	Table H
	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)	141	Table E
77	Cap on inclusion of provisions in Tier 2 under standardised approach	175	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	1,639	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	1,907	
	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	Luxembourg $M	Norway $M	Sweden $M	United Kingdom	Australia $M	Germany $M	Other $M	Total $M
RWA for all private sector credit exposures	4,485	243	364	220	4,720	183,389	1,936	120,125	315,482
Jurisdictional buffer set by national authorities	1.00%	0.50%	2.50%	1.00%	1.00%	1.00%	0.75%	-	-
Countercyclical buffer requirement	0.0142%	0.0004%	0.0029%	0.0007%	0.0150%	0.5812%	0.0046%	-	0.6190%

[2] Includes 1.0% buffer applied by APRA to ADIs 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	208,800		208,800	
Settlement Balances owed to ANZ	7,020		7,020	
Collateral Paid	9,245		9,245	
Trading securities	39,611		39,611	
of which: Financial Institutions capital instruments			86	Table L
Derivative financial instruments	45,614		45,614	
Investment Securities	93,505	(359)	93,146	
of which: significant investment in financial institutions equity instruments			899	Table G
of which: non-significant investment in financial institutions equity instruments			72	Table G
of which: Other entities equity investments			2	Table J
of which: collectively assessed provision			(29)	Table E
Net loans and advances	690,737	(971)	689,766	
of which: deferred fee income			(453)	Row 26c
of which: collectively assessed provision			(3,244)	Table E
of which: individual provisions			(414)	Table E
of which: capitalised brokerage & Loan/Lease origination fees			3,165	Table I
of which: CET1 margin lending adjustment			12	Row 26j
of which: AT1 margin lending adjustment			-	
Regulatory deposits	646		646	
Due from controlled entities	-	91	91	
of which: Significant investments in the Tier 2 "capital of banking, financial and insurance entities" that are outside the scope of regulatory consolidation			86	Table L
Shares in controlled entities	-	558	558	
of which: Investment in deconsolidated financial subsidiaries			403	Table G
of which: AT1 significant investment in banking, financial and insurance entities that are outside the scope of regulatory consolidation			155	Table K
Investments in associates	2,214		2,214	
of which: Financial Institutions			2,214	Table G
Current tax assets	49	25	74	
Deferred tax assets	3,014	(1)	3,013	Table H
Goodwill and other intangible assets	3,933	(71)	3,862	
of which: Goodwill			2,994	Row 8
of which: Software			868	Table D
Premises and equipment	2,613		2,613	
Other assets	4,604	(136)	4,468	
of which: Defined benefit superannuation fund net assets			214	Table F
Total Assets	**1,111,605**	**(864)**	**1,110,741**	

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	23,010		23,010	
Collateral Received	8,002		8,002	
Deposits and other borrowings	843,098	40	843,138	
Derivative financial instruments	46,154		46,154	
Due to controlled entities	-	750	750	
Current tax liabilities	342	(57)	285	
Deferred tax liabilities	58		58	Table H
of which: related to intangible assets			-	Table D
of which: related to capitalised expenses			6	Table I
of which: related to defined benefit superannuation fund assets			48	Table F
Payables and other liabilities	13,875	(372)	13,503	
Employee Entitlements	592		592	
Provisions	1,692	(1)	1,691	
of which: collectively assessed provision			767	Table E
of which: individually assessed provision			7	Table E
Debt Issuances	106,157	(991)	105,166	
of which: Directly issued qualifying Additional Tier 1 instruments			8,196	Table K
of which: Additional Tier 1 Instruments			-	Table K
of which: Directly issued qualifying Tier 2 instruments			21,342	Table L
Total Liabilities	**1,042,980**	**(631)**	**1,042,349**	
Net Assets	**68,625**	**(233)**	**68,392**	

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	29,054	(76)	28,978	Table A
of which: Share reserve			226	Tables A & B
Reserves	(1,065)	(1)	(1,066)	Table B
of which: Cash flow hedging reserves			(1,287)	Row 11
Retained earnings	40,111	(154)	39,957	Row 2
Share capital and reserves attributable to shareholders of the company	**68,100**	**(231)**	**67,869**	
Non-controlling interests	525	(2)	523	Table C
Total Shareholders' Equity	**68,625**	**(233)**	**68,392**	

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 23 $M	Table 1 Reference
	Issued capital	28,978	
Less	Reclassification to Reserves	(226)	Table B
	Regulatory Directly Issued qualifying ordinary shares	**28,752**	**Row 1**

Table B		Mar 23 $M	Table 1 Reference
	Reserves	(1,066)	
Add	Reclassification from Issued Capital	226	Table A
Less	Non qualifying reserves	(57)	
	Reserves for Regulatory capital purposes (amount allowed in group CET1)	**(897)**	**Row 3**

Table C			Table 1 Reference
	Non-controlling interests	525	
Less	Ineligible Non-controlling Interests	(515)	
Less	Surplus capital attributable to minority shareholders	(8)	
	Ordinary share capital issued by subsidiaries and held by third parties	**2**	**Row 5**

Table D		Mar 23 $M	Table 1 Reference
	Software	868	
Add	Other intangible assets	-	
Less	Associated deferred tax liabilities	-	
Add	Regulatory reclassification from significant investments in the ordinary shares of banking, financial and insurance entities outside the scope of regulatory consolidation	71	Table G
	Other intangibles other than mortgage servicing rights (net of related tax liability)	**939**	**Row 9**

Table E		Mar 23 $M	Table 1 Reference
	Qualifying collective provision		
	Collectively assessed provision on Loans and advances	(3,244)	
	Collectively assessed provision on Investment Securities	(29)	
	Collectively assessed provision on Undrawn commitments	(767)	
Less	Non-qualifying collectively assessed provision	384	
Less	Standardised collectively assessed provision	141	Row 76
Less	Non-defaulted expected loss	1,875	
	Non-Defaulted: Expected Loss - Eligible Provision Shortfall	-	
	Qualifying individual provision		
	Individually assessed provision on Loans and advances	(414)	
	Individually assessed provision on Undrawn and contingent facilities	(7)	
Add	Additional individually assessed provision for partial write offs	(181)	
Less	Standardised individually assessed provision	44	
Add	Collectively assessed provision on advanced defaulted	(357)	
Less	Defaulted expected loss	954	
	Defaulted: Expected Loss - Eligible Provision Shortfall	39	
	Gross deduction	**39**	**Row 12**

Table F		Mar 23 $M	Table 1 Reference
	Defined benefit superannuation fund net assets	214	
Less	Associated deferred tax liabilities	(48)	
	Defined benefit superannuation fund net assets	**166**	**Row 15**

Table G		Mar 23 $M	Table 1 Reference
	Investment in deconsolidated financial subsidiaries	403	
Less	Regulatory reclassification to Retained Earnings and Other Intangible Assets	(71)	Table D
Add	Investment in financial associates	2,214	
Add	Investment in financial institutions Investment Securities	899	
Less	Amount below 10% threshold of CET1	(3,445)	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	3,445	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	72	
	Equity investment in financial institutions not reported in rows 18, 19 and 23	3,517	Row 26d
	Deduction for equity holdings in financial institutions - APRA regulations	**3,517**	

Table H		Mar 23 $M	Table 1 Reference
	Deferred tax assets	3,013	
Add	Deferred tax liabilities	(58)	
	Deferred tax asset less deferred tax liabilities	2,955	
Less	Net Deferred tax assets associated with reserves ineligible for inclusion in regulatory capital	(558)	
Add	Deferred tax liabilities on intangible assets, capitalised expenses and defined benefit superannuation fund assets	54	
Add	Impact of calculating the deduction on a jurisdictional basis	10	
	Deferred tax assets not reported in rows 10, 21 and 25 of the Common Disclosure Template	**2,461**	**Row 26e**

Table I		Mar 23 $M	Table 1 Reference
	Capitalised brokerage & loan/lease origination fees	3,165	
	Capitalised debt and capital disposal & issuance expenses	92	
	Other Capitalised Expenses	(1,377)	
Less	Associated deferred tax liabilities	(6)	
	Capitalised expenses	**1,874**	**Row 26f**

Table J		Mar 23 $M	Table 1 Reference
	Investments in non-financial Investment Securities equities	2	
	Investments in non-financial associates	-	
	Non-financial equity exposures (loans)	-	
	Equity exposures to non-financial entities	**2**	**Row 26g**

Table K		Mar 23 $M	Table 1 Reference
	Directly issued qualifying Additional Tier 1 Capital Instruments classified as liabilities	8,196	
Add	Issue costs	(55)	
Add	Fair value adjustment	212	
	Directly issued qualifying Additional Tier 1 Capital Instruments classified as liabilities	8,353	Row 30
	Additional Tier 1 instruments issued by subsidiaries held by third parties	-	
Add	Issue costs	-	
Less	Surplus capital attributable to third party holders	-	
Add	AT1 Instruments issued by subsidiaries and held by third parties (amounts allowed in Group AT1)	-	Row 34
	Additional Tier 1 capital before regulatory adjustments	**8,353**	**Row 36**
Less	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	(155)	Row 40
Less	Investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40	(14)	Row 41b
Less	Other national specific regulatory adjustments not reported	-	Row 41c
	Additional Tier 1 capital	**8,184**	**Row 44**

Table L		Mar 23 $M	Table 1 Reference
Add	Surplus capital attributable to third party holders	-	Row 48
Add	Directly issued qualifying Tier 2 instruments	21,342	
Add	Issue costs	30	
Add	Fair value adjustment	1,252	
Add	Provisions	1,781	Row 50
	Tier 2 capital before regulatory adjustments	24,405	Row 51
Less	Investments in own Tier 2 instruments (trading limit)	(50)	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	(86)	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	(201)	Row 56
	Tier 2 capital	**24,068**	**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	16	-
ANZ Lenders Mortgage Insurance Pty. Limited	Mortgage insurance	912	439
ANZ Pensions (UK) Limited	Trustee/Nominee	-	-
ANZ New Zealand Investments Limited	Funds Management	107	39
ANZ New Zealand Investments Nominees Limited	Nominee	-	-
ANZcover Insurance Private Ltd	Captive-Insurance	242	184
Kingfisher Trust 2016-1	Securitisation Trust	426	426
Kingfisher Trust 2019-1	Securitisation Trust	571	571
Shout for Good Pty. Ltd.	Corporate	-	-

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

Under the revised prudential standard requirements that apply from 1 January 2023 a number of new asset classes have been introduced with one asset class (Banks) has been retired. The retired asset classes will continue to show data from prior periods.

IRB Asset Class	Borrower Type	Rating Approach Pre-Jan 2023	Rating Approach Post-Jan 2023
Remains post-January 2023			
Corporate	Corporations, partnerships or proprietorships that do not fit into any other asset class Income Producing Real Estate (from January 2023)	AIRB	AIRB or FIRB where annual revenue > $750m
Sovereign	Central governments Central banks Certain multilateral development banks	AIRB	FIRB
Residential Mortgages	Exposures secured by residential property	AIRB	AIRB
Qualifying Revolving Retail	Australian consumer credit cards <$100,000 limit	AIRB	AIRB
Other Retail	Small business lending (moved to Retail SME from January 2023) Other lending to consumers	AIRB	AIRB
Specialised Lending subject to supervisory slotting	Income Producing Real Estate Pre 1 January 2023.	IRB – Supervisory Slotting	N/A
	Project finance Object finance	IRB – Supervisory Slotting	IRB – Supervisory Slotting
Other Assets	All other assets not falling into the above classes e.g. margin lending, fixed assets	AIRB – fixed risk weights	Standardised
Retired January 2023			
Bank	Banks In Australia only, other authorised deposit taking institutions (ADI) incorporated in Australia	AIRB	
New from January 2023			
Retail SME	Small business lending		AIRB
Financial Institutions	Banks, securities firms, insurance companies and leveraged funds		FIRB
Exposures of New Zealand banking subsidiaries	Includes all exposures in all asset classes for New Zealand banking subsidiaries		AIRB and Supervisory Slotting

Table 6 Capital adequacy - Capital Ratio and Risk Weighted Assets continued

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

Risk weighted assets	Mar 23 $M	Sep 22 $M	Mar 22 $M
Subject to Advanced Internal Rating Based (IRB) approach			
Corporate	62,680	146,069	141,243
Sovereign	-	10,955	9,781
Bank	-	12,071	10,742
Residential Mortgage	86,726	113,590	111,355
Retail SME	10,065	-	-
Qualifying Revolving Retail	3,325	3,272	3,418
Other Retail	1,709	17,029	18,200
Credit risk weighted assets subject to Advanced IRB approach	**164,505**	**302,986**	**294,739**
Subject to Foundation IRB approach			
Corporate	38,808	-	-
Sovereign	11,199	-	-
Financial Institution	32,832	-	-
Credit risk weighted assets subject to Foundation IRB approach	**82,839**	**-**	**-**
Credit risk Specialised Lending exposures subject to slotting approach[3]	**3,577**	**39,792**	**38,432**
Subject to Standardised approach			
Corporate	4,911	6,235	6,149
Sovereign	88	29	36
Residential Mortgage	1,809	224	194
Other Retail	32	11	12
Other assets	4,138	-	-
Credit risk weighted assets subject to Standardised approach	**10,978**	**6,499**	**6,391**
Credit Valuation Adjustment and Qualifying Central Counterparties	**3,449**	**3,865**	**3,154**
Credit risk weighted assets relating to securitisation exposures	2,229	2,424	2,090
Other assets	-	3,876	4,011
Exposures of New Zealand banking subsidiaries	**77,717**	**-**	**-**
Total credit risk weighted assets	**345,294**	**359,442**	**348,817**
Market risk weighted assets	11,737	9,282	7,705
Operational risk weighted assets[4]	42,319	47,931	47,986
Interest rate risk in the banking book (IRRBB) risk weighted assets	31,887	38,063	33,402
RWA adjustment for the IRB capital floor	4,277	-	-
Total risk weighted assets	**435,514**	**454,718**	**437,910**

[3] Specialised Lending exposures subject to slotting approach are those where the main servicing and repayment is from the asset being financed and includes project finance and object finance.

[4] Includes a $6.25 billion operational risk RWA overlay ($500 million capital), subject to APRA's acceptance of ANZ's satisfactory remediation of matters identified through the Self-Assessments into Governance, Culture and Accountability. (Pre-existing)

Table 6 Capital adequacy - Capital Ratio and Risk Weighted Assets continued

Capital Floor	Mar 23 $M
Risk-weighted assets under the standardised approach	
Credit risk[5]	546,653
Market risk weighted assets	11,737
Operational risk weighted assets	42,319
Interest rate risk in the banking book (IRRBB) risk weighted assets	n/a
Total	**600,709**
Risk-weighted assets prior to application of floor	
Credit risk	345,294
Market risk weighted assets	11,737
Operational risk weighted assets	42,319
Interest rate risk in the banking book (IRRBB) risk weighted assets	31,887
Total	**431,238**
Capital floor at 72.5%	435,514
Capital floor adjustment	**4,277**

Capital ratios (%)[6]	Mar 23	Sep 22	Mar 22
Level 2 Common Equity Tier 1 capital ratio	**13.2%**	**12.3%**	**11.5%**
Level 2 Tier 1 capital ratio	**15.1%**	**14.0%**	**13.2%**
Level 2 Total capital ratio	**20.6%**	**18.2%**	**16.6%**
Level 1: Extended licensed Common Equity Tier 1 capital ratio	**12.9%**	**12.0%**	**11.1%**
Level 1: Extended licensed entity Tier 1 capital ratio	**15.2%**	**14.0%**	**13.1%**
Level 1: Extended licensed entity Total capital ratio	**21.6%**	**18.9%**	**17.1%**
Other significant Authorised Deposit-taking Institution (ADI) or overseas bank subsidiary:			
ANZ Bank New Zealand Limited – Common Equity Tier 1 capital ratio	**12.2%**	**12.4%**	**12.4%**
ANZ Bank New Zealand Limited - Tier 1 capital ratio	**13.8%**	**15.0%**	**14.6%**
ANZ Bank New Zealand Limited - Total capital ratio	**15.2%**	**16.4%**	**15.1%**

Basel III APRA level 2 CET1	Mar 23	Sep 22	Mar 22
Common Equity Tier 1 Capital	57,380	55,872	50,511
Total Risk Weighted Assets	435,514	454,718	437,910
Common Equity Tier 1 capital ratio	**13.2%**	**12.3%**	**11.5%**
Basel III APRA level 1 Extended licensed entity CET1	**Mar 23**	**Sep 22**	**Mar 22**
Common Equity Tier 1 Capital	47,803	47,091	41,021
Total Risk Weighted Assets	370,395	392,018	370,715
Common Equity Tier 1 capital ratio	**12.9%**	**12.0%**	**11.1%**

Credit Risk Weighted Assets (CRWA)

Total Credit RWA decreased by $14.1 billion to $345.3 billion at 31 March 2023. APRA Capital Reform changes contributed a reduction of $28.5 billion. Partially offsetting this was volume-driven growth of $10.0 billion predominantly driven by Institutional ($4.6 billion), and Australia Retail Mortgages ($3.8 billion). A risk-driven net increase of $1.3 billion also provided an offset, with Australian Retail Mortgages up $3.4 billion and Institutional down $1.9 billion.

Market Risk, Operational Risk and IRRBB RWA

IRRBB RWA decreased $6.2 billion as lower term yields led to a decrease in Embedded Loss.

Traded Market Risk RWA increased $2.5 billion over the half, mainly driven by an increase in Stress VaR.

Operational Risk RWA decreased by $5.6 billion, with a $6.0 billion reduction from ANZ's adoption of the Standardised Measurement Approach in December under APRA Capital Reforms partially offset by foreign exchange movements of $0.4 billion.

---

[5] RWA for residential mortgages for the Group excluding New Zealand banking subsidiaries exposures measured under the IRB approach is $121,005 million when calculated under the standardised approach.

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

Chapter 3 – Credit risk

Table 7 Credit risk – General disclosures

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, Foundation IRB, Specialised Lending and Standardised exposures, and excludes Securitisation and Equities exposures.

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

			Mar 23		
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	62,680	133,136	-	40	24
Residential Mortgage	86,726	324,670	-	-	12
Retail SME	10,065	16,997	-	8	43
Qualifying Revolving Retail	3,325	13,097	-	23	42
Other Retail	1,709	1,618	-	7	23
Total Advanced IRB approach	**164,505**	**489,518**	**-**	**78**	**144**
Foundation IRB approach					
Corporate	38,808	101,134	-	(123)	7
Sovereign	11,199	272,154	-	(1)	-
Financial Institution	32,832	109,294	-	-	-
Total Foundation IRB approach	**82,839**	**482,582**	**-**	**(124)**	**7**
Specialised Lending Exposures Subject to Supervisory Slotting	**3,577**	**4,318**	**-**	**-**	**-**
Standardised approach					
Corporate	4,911	5,526	-	(3)	20
Sovereign	88	88	-	-	-
Residential Mortgage	1,809	2,011	-	-	-
Other Retail	32	24	-	(2)	-
Other assets	4,138	7,879	-	-	-
Total Standardised approach	**10,978**	**15,528**	**-**	**(5)**	**20**
Credit Valuation Adjustment and Qualifying Central Counterparties	**3,449**	**6,212**	**-**	**-**	**-**
Exposures of New Zealand banking subsidiaries	**77,712**	**195,293**	**-**	**21**	**14**
Total	**343,060**	**1,193,451**	**-**	**(30)**	**185**

[7] Average Exposure at Default is not calculated this reporting period due to changes to the capital framework. Reporting of this average will resume in the next APS330 publication.

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

Sep 22					
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	146,069	327,238	313,041	(12)	36
Sovereign	10,955	266,845	260,006	-	-
Bank	12,071	40,479	38,263	-	-
Residential Mortgage	113,590	414,125	412,877	(12)	14
Qualifying Revolving Retail	3,272	13,309	13,410	12	45
Other Retail	17,029	27,088	27,877	(2)	106
Total Advanced IRB approach	**302,986**	**1,089,084**	**1,065,474**	**(14)**	**201**
Specialised Lending	**39,792**	**48,742**	**47,980**	**(1)**	**-**
Standardised approach					
Corporate	6,235	5,976	6,039	7	4
Sovereign	29	146	162	-	-
Residential Mortgage	224	435	426	1	1
Other Retail	11	10	11	(1)	-
Total Standardised approach	**6,499**	**6,567**	**6,638**	**7**	**5**
Credit Valuation Adjustment and Qualifying Central Counterparties	**3,865**	**7,916**	**7,354**	**-**	**-**
Total	**353,142**	**1,152,309**	**1,127,446**	**(8)**	**206**

Mar 22					
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	141,243	298,844	293,388	(35)	27
Sovereign	9,781	253,167	250,311	-	-
Bank	10,742	36,047	34,041	-	-
Residential Mortgage	111,355	411,629	410,939	6	20
Qualifying Revolving Retail	3,418	13,510	13,640	32	58
Other Retail	18,200	28,667	29,382	54	106
Total Advanced IRB approach	**294,739**	**1,041,864**	**1,031,701**	**57**	**211**
Specialised Lending	**38,432**	**47,217**	**46,128**	**19**	**2**
Standardised approach					
Corporate	6,149	6,102	6,376	11	6
Sovereign	36	179	103	-	-
Residential Mortgage	194	416	424	-	1
Other Retail	12	12	14	-	2
Total Standardised approach	**6,391**	**6,709**	**6,917**	**11**	**9**
Credit Valuation Adjustment and Qualifying Central Counterparties	**3,154**	**6,793**	**6,607**	-	-
Total	**342,716**	**1,102,583**	**1,091,353**	**87**	**222**

Table 7(b) part (ii): Exposure at Default by portfolio type[8]

Portfolio Type	Mar 23 $M	Sep 22 $M	Mar 22 $M	Average for half year Mar 23 $M
Cash	176,681	152,042	147,409	164,362
Contingents liabilities, commitments, and other off-balance sheet exposures	172,166	183,411	175,572	177,789
Derivatives	44,695	53,875	41,399	49,285
Settlement Balances	12	34	72	23
Investment Securities	89,381	81,198	74,706	85,290
Net Loans, Advances & Acceptances	674,528	653,303	635,682	663,916
Other assets	13,199	9,163	8,307	11,181
Trading Securities	22,789	19,283	19,436	21,036
Total exposures	**1,193,451**	**1,152,309**	**1,102,583**	**1,172,880**

[8] 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 23			
Portfolio Type	Australia $M	New Zealand $M	Asia Pacific, Europe and Americas $M	Total $M
Corporate	164,403	-	75,393	**239,796**
Sovereign	148,495	-	123,747	**272,242**
Financial Institution	39,256	-	70,038	**109,294**
Residential Mortgage	326,023	251	407	**326,681**
Retail SME	16,997	-	-	**16,997**
Qualifying Revolving Retail	13,097	-	-	**13,097**
Other Retail	1,632	-	10	**1,642**
Qualifying Central Counterparties	836	-	5,376	**6,212**
Specialised Lending Exposures Subject to Supervisory Slotting	3,632	-	686	**4,318**
Other assets	7,373	-	506	**7,879**
Exposures of New Zealand banking subsidiaries	-	195,293	-	**195,293**
Total exposures	**721,744**	**195,544**	**276,163**	**1,193,451**

	Sep 22			
Portfolio Type	Australia $M	New Zealand $M	Asia Pacific, Europe and Americas $M	Total $M
Corporate	165,339	40,234	127,641	**333,214**
Sovereign	126,677	25,114	115,200	**266,991**
Bank	17,359	3,082	20,038	**40,479**
Residential Mortgage	316,163	97,962	435	**414,560**
Qualifying Revolving Retail	13,309	-	-	**13,309**
Other Retail	19,409	7,679	10	**27,098**
Qualifying Central Counterparties	924	399	6,593	**7,916**
Specialised Lending	36,118	12,352	272	**48,742**
Total exposures	**695,298**	**186,822**	**270,189**	**1,152,309**

	Mar 22			
Portfolio Type	Australia $M	New Zealand $M	Asia Pacific, Europe and Americas $M	Total $M
Corporate	155,994	40,316	108,636	**304,946**
Sovereign	126,282	24,923	102,141	**253,346**
Bank	16,831	1,712	17,504	**36,047**
Residential Mortgage	309,206	102,422	417	**412,045**
Qualifying Revolving Retail	13,510	-	-	**13,510**
Other Retail	20,346	8,321	12	**28,679**
Qualifying Central Counterparties	953	365	5,475	**6,793**
Specialised Lending	33,900	13,176	141	**47,217**
Total exposures	**677,022**	**191,235**	**234,326**	**1,102,583**

Table 7(d): Industry distribution of Exposure at Default[9] [10]

Mar 23

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	25,678	9,740	4,849	13,304	12,562	5,376	16	42,109	32	56,866	22,605	13,167	14,692	18,800	**239,796**
Sovereign	389	-	30	465	-	205,300	62,183	2,299	-	1,014	12	-	411	139	**272,242**
Financial Institutions	299	87	84	15	92	107,605	-	461	-	164	277	66	61	83	**109,294**
Residential Mortgage	-	-	-	-	-	-	-	-	326,681	-	-	-	-	-	**326,681**
Retail SME	1,092	1,893	2,302	43	1,305	438	9	1,120	260	660	876	2,372	779	3,848	**16,997**
Qualifying Revolving Retail	-	-	-	-	-	-	-	-	13,097	-	-	-	-	-	**13,097**
Other Retail	-	-	-	-	-	-	-	-	1,642	-	-	-	-	-	**1,642**
Other Assets	4	11	4	24	-	125	-	1	1	2	1	3	2	7,701	**7,879**
Qualifying Central Counterparties	-	-	-	-	-	6,212	-	-	-	-	-	-	-	-	**6,212**
Specialised Lending subject to supervisory slotting	1,808	-	-	1,677	263	-	-	-	-	-	-	-	513	57	**4,318**
Exposures of New Zealand banking subsidiaries	16,856	1,394	1,877	2,161	2,002	11,831	20,172	4,323	108,965	14,942	3,081	2,010	1,573	4,106	**195,293**
Total exposures	**46,126**	**13,125**	**9,146**	**17,689**	**16,224**	**336,887**	**82,380**	**50,313**	**450,678**	**73,648**	**26,852**	**17,618**	**18,031**	**34,734**	**1,193,451**
% of Total	*3.9%*	*1.1%*	*0.8%*	*1.5%*	*1.4%*	*28.2%*	*6.9%*	*4.2%*	*37.7%*	*6.2%*	*2.2%*	*1.5%*	*1.5%*	*2.9%*	*100.0%*

[9] 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.

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

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

Sep 22

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	43,976	11,441	5,715	15,257	14,548	86,832	19	46,254	189	26,991	27,442	13,963	17,732	22,855	**333,214**
Sovereign	422	-	16	519	1	197,670	65,070	1,908	-	825	15	-	421	124	**266,991**
Bank	-	-	-	-	-	40,234	-	237	-	-	1	4	1	2	**40,479**
Residential Mortgage	-	-	-	-	-	-	-	-	414,560	-	-	-	-	-	**414,560**
Qualifying Revolving Retail	-	-	-	-	-	-	-	-	13,309	-	-	-	-	-	**13,309**
Other Retail	1,766	2,166	2,800	58	1,538	493	8	1,326	7,246	820	970	2,794	972	4,141	**27,098**
Qualifying Central Counterparties	-	-	-	-	-	7,916	-	-	-	-	-	-	-	-	**7,916**
Specialised Lending	1,407	5	311	1,486	262	1	-	-	-	44,513	-	-	540	217	**48,742**
Total exposures	**47,571**	**13,612**	**8,842**	**17,320**	**16,349**	**333,146**	**65,097**	**49,725**	**435,304**	**73,149**	**28,428**	**16,761**	**19,666**	**27,339**	**1,152,309**
% of Total	4.1%	1.2%	0.8%	1.5%	1.4%	28.9%	5.6%	4.3%	37.8%	6.3%	2.5%	1.5%	1.7%	2.4%	100.0%

Mar 22

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	43,097	10,459	5,222	13,751	14,892	71,210	27	40,623	236	25,511	26,960	13,069	17,411	22,478	**304,946**
Sovereign	408	-	4	497	2	188,125	61,449	1,142	-	832	16	-	200	661	**253,346**
Bank	-	-	-	-	-	36,035	-	-	1	1	1	4	1	4	**36,047**
Residential Mortgage	-	-	-	-	-	-	-	-	412,045	-	-	-	-	-	**412,045**
Qualifying Revolving Retail	-	-	-	-	-	-	-	-	13,510	-	-	-	-	-	**13,510**
Other Retail	1,952	2,213	2,973	67	1,639	525	9	1,384	7,801	898	1,015	2,939	1,092	4,172	**28,679**
Qualifying Central Counterparties	-	-	-	-	-	6,793	-	-	-	-	-	-	-	-	**6,793**
Specialised Lending	1,803	6	332	1,482	296	1	-	127	-	42,101	11	2	738	318	**47,217**
Total exposures	**47,260**	**12,678**	**8,541**	**15,797**	**16,829**	**302,689**	**61,485**	**43,276**	**433,593**	**69,343**	**28,003**	**16,014**	**19,442**	**27,633**	**1,102,583**
% of Total	*4.3%*	*1.1%*	*0.8%*	*1.4%*	*1.5%*	*27.5%*	*5.6%*	*3.9%*	*39.3%*	*6.3%*	*2.5%*	*1.5%*	*1.8%*	*2.5%*	*100.0%*

Table 7(e): Residual contractual maturity of Exposure at Default[11]

Mar 23					
Portfolio Type	**< 12 mths $M**	**1 - 5 years $M**	**> 5 years $M**	**No Maturity Specified $M**	**Total $M**
Corporate	91,527	130,379	17,888	2	**239,796**
Sovereign	148,456	91,708	32,078	-	**272,242**
Financial Institution	64,590	42,876	1,828	-	**109,294**
Residential Mortgage	196	210	312,614	13,661	**326,681**
Retail SME	3,586	2,356	11,055	-	**16,997**
Qualifying Revolving Retail	-	-	-	13,097	**13,097**
Other Retail	325	24	1,293	-	**1,642**
Other Assets	-	-	-	7,879	**7,879**
Qualifying Central Counterparties	4,069	1,108	474	561	**6,212**
Specialised Lending Exposures Subject to Supervisory Slotting	444	2,595	1,279	-	**4,318**
Exposures of New Zealand banking subsidiaries	44,478	101,692	38,473	10,650	**195,293**
Total exposures	**357,671**	**372,948**	**416,982**	**45,850**	**1,193,451**

Sep 22					
Portfolio Type	**< 12 mths $M**	**1 - 5 years $M**	**> 5 years $M**	**No Maturity Specified $M**	**Total $M**
Corporate	148,707	167,246	17,215	46	**333,214**
Sovereign	195,060	41,464	30,467	-	**266,991**
Bank	30,456	9,641	382	-	**40,479**
Residential Mortgage	222	852	391,648	21,838	**414,560**
Qualifying Revolving Retail	-	-	-	13,309	**13,309**
Other Retail	10,181	2,957	13,960	-	**27,098**
Qualifying Central Counterparties	5,689	1,077	722	428	**7,916**
Specialised Lending	18,624	28,259	1,847	12	**48,742**
Total exposures	**408,939**	**251,496**	**456,241**	**35,633**	**1,152,309**

Mar 22					
Portfolio Type	**< 12 mths $M**	**1 - 5 years $M**	**> 5 years $M**	**No Maturity Specified $M**	**Total $M**
Corporate	134,573	154,557	15,763	53	**304,946**
Sovereign	181,272	47,475	24,599	-	**253,346**
Bank	25,817	9,879	351	-	**36,047**
Residential Mortgage	225	1,175	387,534	23,111	**412,045**
Qualifying Revolving Retail	-	-	-	13,510	**13,510**
Other Retail	10,797	3,436	14,443	3	**28,679**
Qualifying Central Counterparties	4,938	992	431	432	**6,793**
Specialised Lending	18,672	26,382	2,150	13	**47,217**
Total exposures	**376,294**	**243,896**	**445,271**	**37,122**	**1,102,583**

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

Table 7(f) part (i): Non-Performing Facilities, Provisions and Write-offs by Industry sector[12]

	Mar-23						
	Non-performing facilities			Individually provisioned facilities			
Industry Sector	**Exposure $M**	**Specific provision balance $M**	**Specific provision charge for half year $M**	**Exposure $M**	**Individual provision Balance $M**	**Individual provision charge for half year $M**	**Write-offs for half year $M**
Agriculture, Forestry, Fishing & Mining	294	56	(12)	90	33	(2)	1
Business Services	81	36	2	23	15	3	5
Construction	185	58	2	56	37	2	11
Electricity, gas & water supply	5	3	-	2	2	-	-
Entertainment Leisure & Tourism	220	47	(7)	39	22	(3)	14
Financial, Investment & Insurance	37	15	(26)	18	13	(24)	8
Government & Official Institutions	-	-	-	-	-	-	-
Manufacturing	85	28	(1)	34	19	-	11
Personal	2,473	339	61	191	101	38	88
Property Services	219	61	8	75	50	11	1
Retail Trade	137	41	(1)	46	25	3	12
Transport & Storage	88	32	1	33	22	1	1
Wholesale Trade	90	31	(109)	42	26	(103)	1
Other	385	58	44	179	56	44	32
Total	**4,299**	**805**	**(38)**	**828**	**421**	**(30)**	**185**

[12] Non-performing facilities as per APS 220 standard

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

Sep 22

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	-	129	137	32	(28)	23
Business Services	-	41	28	25	(1)	6
Construction	-	63	48	40	11	7
Electricity, gas & water supply	-	2	-	2	(6)	1
Entertainment Leisure & Tourism	7	180	56	44	11	14
Financial, Investment & Insurance	-	33	38	25	6	11
Government & Official Institutions	-	-	-	-	-	-
Manufacturing	-	44	22	29	7	6
Personal	-	498	1,726	113	(3)	105
Property Services	-	69	89	33	(5)	3
Retail Trade	-	49	58	32	1	8
Transport & Storage	-	72	14	18	(2)	7
Wholesale Trade	-	270	48	120	(1)	7
Other	-	33	93	29	2	8
Total	**7**	**1,483**	**2,357**	**542**	**(8)**	**206**

Mar 22

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	-	172	65	64	(6)	6
Business Services	-	50	46	30	4	10
Construction	-	58	52	32	3	13
Electricity, Gas & Water Supply	-	9	-	8	-	-
Entertainment Leisure & Tourism	11	142	105	47	4	11
Financial, Investment & Insurance	-	50	63	30	(4)	2
Government & Official Institutions	-	-	-	-	-	-
Manufacturing	-	43	21	27	10	3
Personal	-	435	2,121	145	55	133
Property Services	-	128	49	40	21	4
Retail Trade	-	65	77	39	2	17
Transport & Storage	-	300	26	26	(12)	5
Wholesale Trade	-	261	23	115	6	6
Other	-	42	118	33	4	12
Total	**11**	**1,755**	**2,766**	**636**	**87**	**222**

Table 7(f) part (ii): Non-Performing Facilities, Provisions and Write-offs

Mar-23	Non-performing facilities			Individually provisioned facilities			
	Exposure $M	Specific provision balance $M	Specific provision charge for half year $M	Exposure $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	663	160	28	288	99	40	24
Sovereign	-	-	-	-	-	-	-
Bank	-	-	-	-	-	-	-
Residential Mortgage	2,065	181	2	129	47	-	12
Retail SME	414	123	-	120	77	8	43
Qualifying Revolving Retail	34	27	25	-	-	23	42
Other Retail	54	46	11	30	27	7	23
Total Advanced IRB approach	**3,230**	**537**	**66**	**567**	**250**	**78**	**144**
Portfolios subject to Foundation IRB approach							
Corporate	29	27	(123)	26	27	(123)	7
Financial institution	29	11	(1)	15	10	(1)	-
Sovereign	-	-	-	-	-	-	-
Total Foundational IRB approach	**58**	**38**	**(124)**	**41**	**37**	**(124)**	**7**
Specialised Lending subject to supervisory slotting	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Portfolios subject to Standardised approach							
Corporate	194	66	(8)	68	40	(3)	20
Residential Mortgage	69	8	(1)	10	6	-	-
Other Retail	8	1	(2)	8	1	(2)	-
Total Standardised approach	**271**	**75**	**(11)**	**86**	**47**	**(5)**	**20**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Exposures of New Zealand banking subsidiaries	740	155	31	134	87	21	14
Total	**4,299**	**805**	**(38)**	**828**	**421**	**(30)**	**185**

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

Sep 22	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	7	568	272	251	(12)	36
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	371	1,759	63	(12)	14
Qualifying Revolving Retail	-	29	-	-	12	45
Other Retail	-	225	247	133	(2)	106
Total Advanced IRB approach	**7**	**1,193**	**2,278**	**447**	**(14)**	**201**
Specialised Lending	**-**	**51**	**15**	**29**	**(1)**	**-**
Portfolios subject to Standardised approach						
Corporate	-	200	55	57	7	4
Residential Mortgage	-	31	9	6	1	1
Other Retail	-	8	-	3	(1)	-
Total Standardised approach	**-**	**239**	**64**	**66**	**7**	**5**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**7**	**1,483**	**2,357**	**542**	**(8)**	**206**

Mar 22	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	11	917	178	293	(35)	27
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	306	2,107	85	6	20
Qualifying Revolving Retail	-	33	-	-	32	58
Other Retail	-	275	326	177	54	106
Total Advanced IRB approach	**11**	**1,531**	**2,611**	**555**	**57**	**211**
Specialised Lending	**-**	**103**	**14**	**29**	**19**	**2**
Portfolios subject to Standardised approach						
Corporate	-	104	103	45	11	6
Residential Mortgage	-	9	38	5	-	1
Other Retail	-	8	-	2	-	2
Total Standardised approach	**-**	**121**	**141**	**52**	**11**	**9**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**11**	**1,755**	**2,766**	**636**	**87**	**222**

Table 7(g): Non-performing and Provisions[13] by Geography

Geographic region	Mar 23 Non-Performing loans/ facilities $M	Individual provision balance $M	Collective provision balance $M
Australia	3,298	267	2,681
New Zealand	749	87	719
Asia Pacific, Europe and America	252	67	640
Total	**4,299**	**421**	**4,040**

Geographic region	Sep 22 Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Collective provision balance $M
Australia	7	1,075	1,901	379	2,617
New Zealand	-	143	391	72	590
Asia Pacific, Europe and America	-	265	65	91	646
Total	**7**	**1,483**	**2,357**	**542**	**3,853**

Geographic region	Mar 22 Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Collective provision balance $M
Australia	11	1,385	2,269	481	2,599
New Zealand	-	172	358	71	573
Asia Pacific, Europe and America	-	198	139	84	585
Total	**11**	**1,755**	**2,766**	**636**	**3,757**

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

Table 7(h): Provision for Credit Impairment

Collectively Assessed Provision	Half year Mar 23 $M	Half year Sep 22 $M	Half year Mar 22 $M
Balance at start of period	3,853	3,757	4,195
Charge/(Release) to Income Statement	163	60	(371)
Adjustment for exchange rate fluctuations and transfers	24	36	(67)
Total Collectively Assessed Provision	**4,040**	**3,853**	**3,757**
Individually Assessed Provision			
Balance at start of period	542	636	687
New and increased provisions	237	219	301
Write-backs	(166)	(118)	(115)
Adjustment for exchange rate fluctuations and transfers	(1)	18	(8)
Discount unwind	(6)	(7)	(7)
Bad debts written off	(185)	(206)	(222)
Total Individually Assessed Provision	**421**	**542**	**636**
Total Provisions for Credit Impairment	**4,461**	**4,395**	**4,393**

Table 7(j): Specific Provision Balance and General Reserve for Credit Losses[14]

Mar 23	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collectively Assessed Provision	384	3,656	4,040
Individually Assessed Provision	421	-	421
Total Provision for Credit Impairment	**805**	**3,656**	**4,461**

Sep 22	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collectively Assessed Provision	389	3,464	3,853
Individually Assessed Provision	542	-	542
Total Provision for Credit Impairment	**931**	**3,464**	**4,395**

Mar 22	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collectively Assessed Provision	440	3,317	3,757
Individually Assessed Provision	636	-	636
Total Provision for Credit Impairment	**1,076**	**3,317**	**4,393**

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

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

Table 8(b): Exposure at Default by risk bucket[15]

Standardised approach exposures	Mar 23 $M	Sep 22 $M	Mar 22 $M
0%	-	1	3
20%	95	145	386
30%	71	-	-
35%	-	178	194
50%	230	319	336
60%	299	-	-
70%	808	-	-
75%	-	-	-
85%	1,041	-	-
90%	13	-	-
100%	4,759	5,562	5,394
110%	53	-	-
150%	280	348	385
>150%	-	14	11
Capital deductions	-	-	-
Total	**7,649**	**6,567**	**6,709**
Other Asset exposures			
0%	3,299	-	-
20%	766	641	696
35%	-	-	-
50%	-	-	-
75%	-	-	-
100%	3,782	3,650	3,794
150%	24	-	-
>150%	8	39	31
Capital deductions	-	-	-
Total	**7,879**	**4,330**	**4,521**
Specialised Lending exposures			
0%	-	122	150
70%	2,195	27,159	26,370
90%	1,546	18,038	17,696
110%	293	2,971	2,560
115%	284	-	-
250%	-	452	441
Total	**4,318**	**48,742**	**47,217**

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

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

Portfolios subject to the IRB approach

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

IRB Asset Class	Borrower Type	Rating Approach Pre-Jan 2023	Rating Approach Post-Jan 2023
Remains post-January 2023			
Corporate	Corporations, partnerships or proprietorships that do not fit into any other asset class Income Producing Real Estate (from January 2023)	AIRB	AIRB or FIRB where annual revenue > $750m
Sovereign	Central governments Central banks Certain multilateral development banks	AIRB	FIRB
Residential Mortgages	Exposures secured by residential property	AIRB	AIRB
Qualifying Revolving Retail	Australian consumer credit cards <$100,000 limit	AIRB	AIRB
Other Retail	Small business lending (moved to Retail SME from January 2023) Other lending to consumers	AIRB	AIRB
Specialised Lending subject to supervisory slotting	Income Producing Real Estate Pre 1 January 2023.	IRB – Supervisory Slotting	N/A
	Project finance Object finance	IRB – Supervisory Slotting	IRB – Supervisory Slotting
Other Assets	All other assets not falling into the above classes e.g. margin lending, fixed assets	AIRB – fixed risk weights	Standardised
Retired January 2023			
Bank	Banks In Australia only, other authorised deposit taking institutions (ADI) incorporated in Australia	AIRB	
New from January 2023			
Retail SME	Small business lending		AIRB
Financial Institutions	Banks, securities firms, insurance companies and leveraged funds		FIRB
Exposures of New Zealand banking subsidiaries	Includes all exposures in all asset classes for New Zealand banking subsidiaries		AIRB and Supervisory Slotting

In addition, where ANZ is not accredited to use the IRB based approach to credit risk, ANZ applies the Standardised approach to credit risk 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, its external rating and any collateral held. 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. Subject to APRA's no objection, standardised segments will be migrated to IRB if they reach a volume that generates sufficient data for development of advanced internal models.

The ANZ rating system

As an IRB 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 expected loss (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.

Effective maturity is also calculated as an input to the risk weighted exposure calculation for bank, financial institution, 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, subordinated debt, 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[16]	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 BBB-	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+	Caa1 to Caa3	CCC+ to CCC-	9.7981 – 27.1109%
8=	Ca to C	CC to 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.

[16] Facilities calibrated to external rating equivalent maybe subject to PD floor treatments as per APS 113.

Table 9(d): Non Retail Exposure at Default subject to Internal Ratings Based (IRB) approach[17] [18] [19]

	Mar 23							
	AAA To AA- $M	A+ to BBB+ $M	BBB to BBB- $M	BB+ to B+ $M	B to B- $M	CCC+ to C $M	Default $M	Total $M
Exposure at Default								
Corporate	-	82,658	84,251	58,927	6,608	978	848	**234,270**
Sovereign	240,067	25,678	2,362	1,541	2,481	25	-	**272,154**
Financial Institutions	-	94,417	11,399	2,944	478	27	29	**109,294**
New Zealand	3,249	6,731	18,175	20,468	3,533	654	230	**53,040**
Total	**243,316**	**209,484**	**116,187**	**83,880**	**13,100**	**1,684**	**1,107**	**668,758**
% of Total	36.4%	31.3%	17.4%	12.5%	2.0%	0.3%	0.2%	100.0%
Undrawn commitments (included in above)								
Corporate	-	22,834	20,281	7,590	539	62	25	**51,331**
Sovereign	1,367	220	68	28	1	1	-	**1,685**
Financial Institutions	-	12,338	1,288	253	47	17	-	**13,943**
New Zealand	407	2,780	4,057	2,387	182	31	5	**9,849**
Total	**1,774**	**38,172**	**25,694**	**10,258**	**769**	**111**	**30**	**76,808**
Average Exposure at Default								
Corporate	-	19.961	4.118	1.170	0.602	0.232	0.862	**2.569**
Sovereign	288.196	302.100	15.633	16.398	206.714	1.144	-	**227.363**
Financial Institutions	-	8.145	6.165	2.237	0.732	0.111	0.941	**6.967**
New Zealand	6.988	2.504	1.169	0.869	0.766	0.570	0.866	**1.098**
Exposure-weighted average Loss Given Default (%)								
Corporate	-	46.2%	36.3%	24.8%	24.2%	31.3%	37.8%	**36.5%**
Sovereign	6.4%	25.2%	50.0%	50.0%	50.0%	50.0%	-	**9.2%**
Financial Institutions	-	49.5%	49.1%	45.0%	38.4%	46.9%	33.6%	**49.2%**
New Zealand	64.8%	44.7%	34.3%	27.3%	25.5%	37.6%	41.1%	**34.2%**
Exposure-weighted average risk weight (%)								
Corporate	-	27.9%	43.7%	52.1%	71.1%	204.2%	84.3%	**43.1%**
Sovereign	1.1%	6.6%	48.4%	108.7%	164.2%	254.1%	-	**4.1%**
Financial Institutions	-	24.8%	60.4%	89.2%	116.0%	307.6%	0.0%	**30.0%**
New Zealand	32.0%	30.1%	47.1%	67.8%	113.0%	241.2%	79.5%	**58.9%**

[17] In accordance with APS 330, EAD in Table 9(d) includes IRB (Advanced and Foundation) exposures and excludes Specialised Lending subject to supervisory slotting, Standardised, Securitisation and Equities.

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

[19] 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 22	AAA To AA- $M	A+ to BBB+ $M	BBB to BBB- $M	BB+ to B+ $M	B to B- $M	CCC+ to C $M	Default $M	Total $M
Exposure at Default								
Corporate	40,661	122,256	97,488	57,079	7,082	1,258	1,414	**327,238**
Sovereign	236,858	21,519	3,997	1,635	2,745	91	-	**266,845**
Bank	12,738	22,289	4,127	1,287	34	4	-	**40,479**
Total	**290,257**	**166,064**	**105,612**	**60,001**	**9,861**	**1,353**	**1,414**	**634,562**
% of Total	45.7%	26.2%	16.6%	9.5%	1.6%	0.2%	0.2%	100.0%
Undrawn commitments (included in above)								
Corporate	10,602	37,838	25,836	8,466	789	124	61	**83,716**
Sovereign	1,062	960	467	37	14	8	-	**2,548**
Bank	52	635	13	-	-	-	-	**700**
Total	**11,716**	**39,433**	**26,316**	**8,503**	**803**	**132**	**61**	**86,964**
Average Exposure at Default								
Corporate	19.446	13.276	2.885	0.852	0.479	0.249	0.979	**2.449**
Sovereign	171.387	182.365	22.329	19.013	68.633	5.374	-	**146.217**
Bank	4.718	4.398	6.732	9.974	1.378	0.186	-	**4.730**
Exposure-weighted average Loss Given Default (%)								
Corporate	58.9%	58.1%	45.1%	32.0%	28.5%	38.5%	43.8%	**49.0%**
Sovereign	5.8%	16.0%	37.4%	41.4%	56.3%	45.1%	-	**7.9%**
Bank	58.9%	59.5%	67.0%	67.7%	71.1%	64.0%	-	**60.4%**
Exposure-weighted average risk weight (%)								
Corporate	18.1%	33.7%	53.3%	62.0%	82.3%	205.0%	125.6%	**44.6%**
Sovereign	1.0%	4.6%	34.2%	82.2%	174.1%	230.3%	-	**4.1%**
Bank	15.5%	24.8%	71.5%	119.2%	178.3%	390.0%	-	**29.8%**

Mar 22	AAA To AA- $M	A+ to BBB+ $M	BBB to BBB- $M	BB+ to B+ $M	B to B- $M	CCC+ to C $M	Default $M	Total $M
Exposure at Default								
Corporate	32,553	102,808	97,825	52,157	10,748	1,158	1,595	**298,844**
Sovereign	216,912	28,820	3,524	1,551	2,261	99	-	**253,167**
Bank	11,111	20,191	3,575	1,106	49	15	-	**36,047**
Total	**260,576**	**151,819**	**104,924**	**54,814**	**13,058**	**1,272**	**1,595**	**588,058**
% of Total	44.3%	25.8%	17.8%	9.3%	2.2%	0.2%	0.3%	100.0%
Undrawn commitments (included in above)								
Corporate	9,580	33,422	28,738	8,824	1,723	127	42	**82,456**
Sovereign	1,030	371	361	49	17	18	-	**1,846**
Bank	47	409	10	134	-	-	-	**600**
Total	**10,657**	**34,202**	**29,109**	**9,007**	**1,740**	**145**	**42**	**84,902**
Average Exposure at Default								
Corporate	17.995	12.512	2.586	0.920	0.482	0.305	0.877	**2.252**
Sovereign	267.133	255.041	27.747	15.668	23.932	4.507	-	**199.511**
Bank	4.785	4.514	4.747	7.325	1.635	0.031	-	**4.382**
Exposure-weighted average Loss Given Default (%)								
Corporate	59.7%	57.7%	45.3%	33.3%	29.6%	39.3%	41.0%	**48.4%**
Sovereign	5.9%	18.2%	36.1%	40.5%	52.2%	46.0%	-	**8.3%**
Bank	59.5%	59.0%	67.7%	69.2%	72.0%	66.1%	-	**60.4%**
Exposure-weighted average risk weight (%)								
Corporate	18.6%	34.3%	54.2%	64.2%	84.3%	211.9%	121.7%	**47.3%**
Sovereign	1.0%	5.0%	32.8%	80.5%	160.4%	225.3%	-	**3.9%**
Bank	16.0%	23.8%	73.1%	125.3%	184.4%	404.9%	-	**29.8%**

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

	Mar 23							
	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	84,494	59,576	35,867	132,676	8,463	1,475	2,119	**324,670**
Retail SME	43	373	655	9,468	4,887	1,157	414	**16,997**
Qualifying Revolving Retail	3,566	4,202	1,468	2,901	682	245	33	**13,097**
Other Retail	75	33	35	1,189	141	90	55	**1,618**
New Zealand	3,484	39,772	30,947	36,870	656	128	549	**112,406**
Total	**91,662**	**103,956**	**68,972**	**183,104**	**14,829**	**3,095**	**3,170**	**468,788**
% of Total	19.6%	22.2%	14.7%	39.1%	3.2%	0.7%	0.7%	100.0%
Undrawn commitments (included in above)								
Residential Mortgage	19,861	3,048	889	6,860	33	8	2	**30,701**
Retail SME	37	234	320	1,736	446	81	15	**2,869**
Qualifying Revolving Retail	2,541	3,100	972	1,182	132	34	2	**7,963**
Other Retail	69	29	31	148	22	4	-	**303**
New Zealand	2,911	5,920	1,297	3,242	190	6	4	**13,570**
Total	**25,419**	**12,331**	**3,509**	**13,168**	**823**	**133**	**23**	**55,406**
Average Exposure at Default								
Residential Mortgage	0.282	0.347	0.362	0.405	0.353	0.337	0.356	**0.348**
Retail SME	0.081	0.070	0.055	0.064	0.106	0.032	0.067	**0.067**
Qualifying Revolving Retail	0.009	0.009	0.008	0.010	0.008	0.007	0.008	**0.009**
Other Retail	0.002	0.001	0.001	0.004	0.002	0.003	0.004	**0.003**
New Zealand	0.039	0.071	0.137	0.098	0.005	0.002	0.052	**0.077**
Exposure-weighted average Loss Given Default (%)								
Residential Mortgage	11.9%	13.0%	13.2%	14.6%	13.2%	13.9%	25.8%	**13.5%**
Retail SME	11.0%	16.5%	24.4%	25.6%	48.1%	31.2%	37.0%	**28.7%**
Qualifying Revolving Retail	72.3%	75.8%	75.3%	78.7%	80.8%	82.2%	75.7%	**75.9%**
Other Retail	73.7%	79.6%	76.1%	76.0%	78.2%	76.1%	74.3%	**76.0%**
New Zealand	10.8%	12.3%	18.4%	23.0%	31.3%	25.8%	15.4%	**17.5%**
Exposure-weighted average risk weight (%)								
Residential Mortgage	6.4%	9.9%	17.9%	40.6%	87.8%	151.1%	258.0%	**26.7%**
Retail SME	2.8%	7.9%	18.6%	38.9%	65.1%	130.0%	213.1%	**59.2%**
Qualifying Revolving Retail	4.2%	8.0%	16.0%	44.9%	108.3%	212.1%	136.9%	**25.4%**
Other Retail	16.3%	36.6%	53.5%	101.5%	127.8%	204.8%	170.7%	**105.6%**
New Zealand	12.2%	13.8%	26.9%	59.0%	147.3%	184.8%	9.1%	**33.2%**

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

Sep 22	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	88,300	93,052	65,417	156,131	7,338	1,568	2,319	**414,125**
Qualifying Revolving Retail	3,615	4,245	1,480	2,965	714	260	30	**13,309**
Other Retail	762	3,654	1,639	13,269	5,715	1,428	621	**27,088**
Total	**92,677**	**100,951**	**68,536**	**172,365**	**13,767**	**3,256**	**2,970**	**454,522**
% of Total	20.4%	22.2%	15.1%	37.9%	3.0%	0.7%	0.7%	100.0%
Undrawn commitments (included in above)								
Residential Mortgage	22,694	5,865	1,486	9,840	27	11	4	**39,927**
Qualifying Revolving Retail	2,574	3,145	999	1,280	149	39	2	**8,188**
Other Retail	687	2,837	844	2,674	634	100	19	**7,795**
Total	**25,955**	**11,847**	**3,329**	**13,794**	**810**	**150**	**25**	**55,910**
Average Exposure at Default								
Residential Mortgage	0.264	0.222	0.301	0.356	0.338	0.334	0.298	**0.287**
Qualifying Revolving Retail	0.008	0.009	0.008	0.010	0.008	0.007	0.008	**0.009**
Other Retail	0.008	0.010	0.010	0.019	0.024	0.010	0.026	**0.016**
Exposure-weighted average Loss Given Default (%)								
Residential Mortgage	19.7%	17.2%	19.4%	20.6%	20.1%	20.0%	19.0%	**19.4%**
Qualifying Revolving Retail	72.1%	75.8%	75.2%	78.5%	82.1%	80.8%	75.7%	**75.7%**
Other Retail	57.4%	61.7%	45.3%	39.0%	39.4%	53.1%	43.3%	**43.9%**
Exposure-weighted average risk weight (%)								
Residential Mortgage	4.5%	11.7%	22.9%	45.2%	97.7%	145.1%	165.3%	**27.4%**
Qualifying Revolving Retail	3.7%	7.6%	15.4%	42.9%	104.0%	204.7%	130.4%	**24.6%**
Other Retail	34.4%	43.4%	35.7%	52.0%	75.5%	138.2%	226.4%	**62.9%**

Mar 22	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	89,384	94,830	68,468	147,306	7,393	1,687	2,561	**411,629**
Qualifying Revolving Retail	3,636	4,279	1,491	3,018	772	279	35	**13,510**
Other Retail	806	3,974	1,717	14,095	5,757	1,494	824	**28,667**
Total	**93,826**	**103,083**	**71,676**	**164,419**	**13,922**	**3,460**	**3,420**	**453,806**
% of Total	20.7%	22.7%	15.8%	36.2%	3.1%	0.8%	0.8%	100.0%
Undrawn commitments (included in above)								
Residential Mortgage	22,781	5,628	1,382	8,522	27	9	2	**38,351**
Qualifying Revolving Retail	2,613	3,202	1,011	1,282	159	35	2	**8,304**
Other Retail	736	3,119	888	2,863	672	101	23	**8,402**
Total	**26,130**	**11,949**	**3,281**	**12,667**	**858**	**145**	**27**	**55,057**
Average Exposure at Default								
Residential Mortgage	0.261	0.223	0.303	0.340	0.325	0.335	0.305	**0.282**
Qualifying Revolving Retail	0.008	0.009	0.008	0.010	0.009	0.007	0.008	**0.009**
Other Retail	0.008	0.011	0.011	0.020	0.024	0.010	0.031	**0.016**
Exposure-weighted average Loss Given Default (%)								
Residential Mortgage	19.7%	17.2%	19.6%	20.6%	20.1%	20.0%	19.0%	**19.4%**
Qualifying Revolving Retail	71.8%	75.7%	75.1%	78.4%	82.2%	80.6%	75.7%	**75.7%**
Other Retail	58.0%	61.8%	44.5%	39.9%	39.2%	53.4%	42.3%	**44.3%**
Exposure-weighted average risk weight (%)								
Residential Mortgage	4.5%	11.6%	23.1%	44.9%	98.1%	145.2%	184.0%	**27.1%**
Qualifying Revolving Retail	3.7%	7.6%	15.4%	42.9%	104.0%	205.6%	156.5%	**25.3%**
Other Retail	35.0%	43.2%	34.6%	53.1%	75.7%	139.2%	204.7%	**63.5%**

Table 9(e): Actual Losses by portfolio type

	Half year Mar 23	
Basel Asset Class	**Individual provision charge $M**	**Write-offs $M**
Corporate	(83)	31
Sovereign	-	-
Financial Institutions	(1)	-
Residential Mortgage	-	12
Retail SME	8	43
Qualifying Revolving Retail	23	42
Other Retail	7	23
Total IRB	**(46)**	**151**
Specialised Lending subject to supervisory slotting	-	-
Standardised approach	(5)	20
Exposures of New Zealand banking subsidiaries	21	14
Total	**(30)**	**185**

	Half year Sep 22	
Basel Asset Class	**Individual provision charge $M**	**Write-offs $M**
Corporate	(12)	36
Sovereign	-	-
Bank	-	-
Residential Mortgage	(12)	14
Qualifying Revolving Retail	12	45
Other Retail	(2)	106
Total Advanced IRB	**(14)**	**201**
Specialised Lending	(1)	-
Standardised approach	7	5
Total	**(8)**	**206**

	Half year Mar 22	
Basel Asset Class	**Individual provision charge $M**	**Write-offs $M**
Corporate	(35)	27
Sovereign	-	-
Bank	-	-
Residential Mortgage	6	20
Qualifying Revolving Retail	32	58
Other Retail	54	106
Total Advanced IRB	**57**	**211**
Specialised Lending	19	2
Standardised approach	11	9
Total	**87**	**222**

Factors impacting the loss experience

The individually assessed credit impairment charge decreased $22 million, driven by decreases in the Institutional division (-$64 million), due to significant write-backs and recoveries. This was partially offset by increases in the Australian Retail (+$37 million) and Australia Commercial (+$15) due to lower write-backs and recoveries, and the New Zealand (+$12 million) division due to lower recoveries.

Write-offs decreased $21 million over the half predominantly driven by lower write offs in the Other Retail and Retail SME asset classes.

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

	Mar 23				
Portfolio Type	**Average Estimated PD %**	**Average Actual PD %**	**Average estimated to actual EAD ratio**	**Average Estimated LGD %**	**Average Actual LGD %**
Corporate	1.90	1.65	1.13	39.88	33.91
Sovereign	0.63	-	n/a	n/a	n/a
Financial Institutions	0.53	0.37	1.41	32.36	22.57
Specialised Lending	n/a	0.19	1.02	n/a	31.00
Residential Mortgage	0.90	0.79	1.01	19.0	1.4
Qualifying Revolving Retail	1.67	1.27	1.15	79.8	63.8
Retail SME	4.77	3.77	1.03	41.4	25.3
Other Retail	4.05	3.04	1.06	64.4	56.2
New Zealand Wholesale	1.43	0.59	1.10	41.49	21.2
New Zealand Retail	2.24	1.12	1.04	33.2	8.8

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 Prudential Standard changes from 1 January 2023 have introduced a number of new asset classes. Changes have been made in the historical time series used to determine wholesale portfolio averages.

- New Zealand wholesale obligors included in the Corporate, Sovereign, Bank and Specialised Lending portfolios in prior periods have been moved into the New Zealand Wholesale portfolio;
- Income Producing Real Estate obligors formerly included in Specialised Lending have moved into the Corporate portfolio; and
- Non-bank Financial Institutions were moved into the new Financial Institutions portfolio, along with existing Bank obligors from prior periods.

The estimated PD is based on the average of the internally estimated long-run PDs for obligors that are not in default at the beginning of each financial year over the period of observation being 2015 to 2022. The actual PD is based on the number of defaulted obligors up to February 2023 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 8 years of observation being 2015 to February 2023. 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 2015 to March 2021. The actual LGD is based on the average realised losses captured 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 2021. Defaults occurring after March 2021 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. Defaults where no loss data has been captured are excluded from the LGD calculation.

A review of historical LGD data is currently being undertaken and may result in changes to Average Actual LGD numbers detailed above.

Retail Portfolios

The Prudential Standard changes from 1 January 2023 have required a number of changes to be made in the historical time series used to determine Retail portfolio averages.

- New Zealand exposures included in the Mortgage and Other Retail asset classes in prior periods have been moved into the New Zealand Retail portfolio;
- Movement of Retail SME exposures out of the Other Retail asset class

The estimated PD is based on the average of the internally estimated long-run PDs for obligors that are not in default at September of each year over the period of observation being 2018 to 2022. The actual PD is based on the number of defaulted obligors up to September 2022 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 2017 to 2021. 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 September of each year during the observation period being 2017 to 2021. 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 September 2021 have been excluded from the analysis to allow sufficient time for workout period.

Table 10 Credit risk mitigation disclosures

Table 10(b): Credit risk mitigation on Standardised and Foundation IRB approach portfolios – collateral[20] [21]

Mar 23

	Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised approach				
Corporate	5,526	205	796	15.3%
Sovereign	88	270	203	84.3%
Residential Mortgage	2,011	-	-	-
Other Retail	24	-	14	36.8%
Other assets	7,879	1,225	-	13.5%
Total	**15,528**	**1,700**	**1,013**	**14.9%**

	Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Foundation IRB approach				
Corporate	101,134	-	970	1.0%
Sovereign	272,154	-	5,498	2.0%
Financial Institution	109,294	-	2	0.0%
Total	**482,582**	**-**	**6,470**	1.3%

Sep 22

	Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised approach				
Corporate	5,976	713	-	10.5%
Sovereign	146	1,635	-	91.8%
Residential Mortgage	435	-	-	-
Other Retail	10	-	-	-
Total	**6,567**	**2,348**	**-**	**26.1%**

Mar 22

	Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised approach				
Corporate	6,102	298	-	4.6%
Sovereign	179	1,721	-	90.6%
Residential Mortgage	416	-	-	-
Other Retail	12	-	-	-
Total	**6,709**	**2,019**	**-**	**23.1%**

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

[21] Exposure at Default represents credit exposure net of offsets for credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral.

Table 10(c): Credit risk mitigation – guarantees and credit derivatives[22] [23]

	Mar 23			
	Exposure at default $M	**Exposures covered by Guarantees $M**	**Exposures covered by Credit Derivatives $M**	**% Coverage**
Advanced IRB				
Corporate (incl. Specialised Lending)	137,454	9,265	-	6.7%
Sovereign	-	-	-	-
Bank	-	-	-	-
Residential Mortgage	324,670	-	-	-
Retail SME	16,997	-	-	-
Qualifying Revolving Retail	13,097	-	-	-
Other Retail	1,618	-	-	-
Total	**493,836**	**9,265**	**-**	**1.9%**
Foundation IRB				
Corporate	101,134	8,114	-	8.0%
Sovereign	272,154	5,232	-	1.9%
Financial Institutions	109,294	194	1,305	1.4%
Total	**482,582**	**13,540**	**1,305**	**3.1%**
Standardised approach				
Corporate	5,526	471	-	8.5%
Sovereign	88	9	-	10.6%
Residential Mortgage	2,011	-	-	-
Other Retail	24	-	-	-
Other Assets	7,879	-	-	-
Total	**15,528**	**480**	**-**	**3.1%**
Exposures of New Zealand banking subsidiaries	**195,293**	**330**	**-**	**0.2%**
Qualifying Central Counterparties	**6,212**	**-**	**-**	-

[22] Exposure at Default represents credit exposure net of offsets for credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral.

[23] Exposures covered by guarantees have increased due to improvements in processes for identifying guaranteed facilities.

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

	Sep 22			
	Exposure $M	**Exposures covered by Guarantees $M**	**Exposures covered by Credit Derivatives $M**	**% Coverage**
IRB				
Corporate (incl. Specialised Lending)	375,980	1,342	868	0.6%
Sovereign	266,845	4,972	-	1.9%
Bank	40,479	-	38	0.1%
Residential Mortgage	414,125	-	-	-
Qualifying Revolving Retail	13,309	-	-	-
Other Retail	27,088	-	-	-
Total	**1,137,826**	**6,314**	**906**	**0.6%**
Standardised approach				
Corporate	5,976	9	-	0.2%
Sovereign	146	-	-	-
Residential Mortgage	435	-	-	-
Other Retail	10	-	-	-
Total	**6,567**	**9**	**-**	**0.1%**
Qualifying Central Counterparties	**7,916**	**-**	**-**	**-**

	Mar 22			
	Exposure $M	**Exposures covered by Guarantees $M**	**Exposures covered by Credit Derivatives $M**	**% Coverage**
Advanced IRB				
Corporate (incl. Specialised Lending)	346,061	992	744	0.5%
Sovereign	253,167	3,652	-	1.4%
Bank	36,047	-	25	0.1%
Residential Mortgage	411,629	-	-	-
Qualifying Revolving Retail	13,510	-	-	-
Other Retail	28,667	-	-	-
Total	**1,089,081**	**4,644**	**769**	**0.5%**
Standardised approach				
Corporate	6,102	-	-	-
Sovereign	179	-	-	-
Residential Mortgage	416	-	-	-
Other Retail	12	-	-	-
Total	**6,709**	**-**	**-**	**-**
Qualifying Central Counterparties	**6,793**	**-**	**-**	**-**

Table 11 General disclosures for derivatives and counterparty credit risk

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

	Mar 23 $M	Sep 22 $M	Mar 22 $M
Gross positive fair value of contracts	45,614	90,174	45,238
Netting benefits	(29,634)	(57,277)	(27,920)
Netted current credit exposure	15,980	32,897	17,318
Collateral held	(6,309)	(16,342)	(8,710)
Net derivatives credit exposure	**9,671**	**16,555**	**8,608**

Counterparty credit risk exposure - by portfolio type

Portfolio Type	Mar 23 $M	Sep 22 $M	Mar 22 $M
Corporate	8,797	24,956	17,326
Sovereign	3,161	4,354	3,379
Financial Institution	25,414	16,506	13,565
Qualifying Central Counterparties	7,229	7,916	6,793
Specialised Lending	94	143	336
Total exposures	**44,695**	**53,875**	**41,399**

Notional Value of Credit Derivative Hedges

Product Type	Mar 23 $M	Sep 22 $M	Mar 22 $M
Credit Default Swaps	-	-	-
Interest Rate Swaps	-	-	-
Currency Swaps	-	-	-
Other	-	-	-
Total exposures	**-**	**-**	**-**

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

	Mar 23		
	Protection Bought $M	Protection Sold $M	Total $M
Credit derivative products used for own credit portfolio			
Credit default swaps	12,664	9,789	22,453
Total notional value	**12,664**	**9,789**	**22,453**
Credit derivative products used for intermediation			
Credit default swaps	-	-	-
Total return swaps	-	-	-
Total notional value	-	-	-
Total credit derivative notional value	**12,664**	**9,789**	**22,453**

	Sep 22		
	Protection Bought $M	Protection Sold $M	Total $M
Credit derivative products used for own credit portfolio			
Credit default swaps	13,599	10,823	24,422
Total notional value	**13,599**	**10,823**	**24,422**
Credit derivative products used for intermediation			
Credit default swaps	-	-	-
Total return swaps	-	-	-
Total notional value	-	-	-
Total credit derivative notional value	**13,599**	**10,823**	**24,422**

	Mar 22		
	Protection Bought $M	Protection Sold $M	Total $M
Credit derivative products used for own credit portfolio			
Credit default swaps	6,934	3,470	10,404
Total notional value	**6,934**	**3,470**	**10,404**
Credit derivative products used for intermediation			
Credit default swaps	-	-	-
Total return swaps	-	-	-
Total notional value	-	-	-
Total credit derivative notional value	**6,934**	**3,470**	**10,404**

Chapter 4 – Securitisation

Table 12 Securitisation disclosures

Banking Book

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

	Mar 23		
Traditional securitisations			
Underlying asset	**ANZ Originated $M**	**ANZ Self Securitised $M**	**ANZ Sponsored $M**
Residential mortgage	970	68,635	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**970**	**68,635**	**-**

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	970	68,635	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**970**	**68,635**	**-**

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

Sep 22

Traditional securitisations Underlying asset	ANZ Originated $M	ANZ Self Securitised $M	ANZ Sponsored $M
Residential mortgage	1,094	85,858	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**1,094**	**85,858**	**-**

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	1,094	85,858	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**1,094**	**85,858**	**-**

Mar 22

Traditional securitisations Underlying asset	ANZ Originated $M	ANZ Self Securitised $M	ANZ Sponsored $M
Residential mortgage	1,243	83,552	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**1,243**	**83,552**	**-**

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	1,243	83,552	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**1,243**	**83,552**	**-**

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

Underlying asset	Mar 23				
	ANZ originated $M	ANZ Self Securitised $M	Impaired $M	Past due $M	Losses recognised for the six month ended $M
Residential mortgage	970	68,635	-	12	-
Credit cards and other personal loans	-	-	-	-	-
Auto and equipment finance	-	-	-	-	-
Commercial loans	-	-	-	-	-
Other	-	-	-	-	-
Total	**970**	**68,635**	**-**	**12**	**-**

Underlying asset	Sep 22				
	ANZ originated $M	ANZ Self Securitised $M	Impaired $M	Past due $M	Losses recognised for the six month ended $M
Residential mortgage	1,094	85,858	-	48	-
Credit cards and other personal loans	-	-	-	-	-
Auto and equipment finance	-	-	-	-	-
Commercial loans	-	-	-	-	-
Other	-	-	-	-	-
Total	**1,094**	**85,858**	**-**	**48**	**-**

Underlying asset	Mar 22				
	ANZ originated $M	ANZ Self Securitised $M	Impaired $M	Past due $M	Losses recognised for the six month ended $M
Residential mortgage	1,243	83,552	-	59	-
Credit cards and other personal loans	-	-	-	-	-
Auto and equipment finance	-	-	-	-	-
Commercial loans	-	-	-	-	-
Other	-	-	-	-	-
Total	**1,243**	**83,552**	**-**	**59**	**-**

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 [24]

Mar 23				
	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	(124)	44	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(124)**	**44**	**-**	**-**

Securitisation activity by facility provided	**Notional amount $M**
Liquidity facilities	-
Funding facilities	74
Underwriting facilities	-
Lending facilities	-
Credit enhancements	-
Holdings of securities (excluding trading book)	(654)
Other	1
Total	**(579)**

Sep 22				
	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	(149)	2,306	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(149)**	**2,306**	**-**	**-**

Securitisation activity by facility provided	**Notional amount $M**
Liquidity facilities	-
Funding facilities	1,486
Underwriting facilities	-
Lending facilities	-
Credit enhancements	-
Holdings of securities (excluding trading book)	112
Other	1
Total	**1,599**

[24] 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 22			
	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	(152)	6,657	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(152)**	**6,657**	**-**	**-**

Securitisation activity by facility provided	**Notional amount $M**
Liquidity facilities	-
Funding facilities	(478)
Underwriting facilities	-
Lending facilities	-
Credit enhancements	-
Holdings of securities (excluding trading book)	616
Other	1
Total	**139**

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

Securitisation exposure type - On balance sheet	Mar 23 $M	Sep 22 $M	Mar 22 $M
Liquidity facilities	-	-	-
Funding facilities	8,976	9,433	7,768
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	2,698	3,352	3,240
Protection provided	-	-	-
Other	116	55	85
Total	**11,790**	**12,840**	**11,093**

Securitisation exposure type - Off Balance Sheet	Mar 23 $M	Sep 22 $M	Mar 22 $M
Liquidity facilities	11	12	13
Funding facilities	2,191	2,128	1,744
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	-	-	-
Protection provided	-	-	-
Other	-	-	-
Total	**2,202**	**2,140**	**1,757**

Total Securitisation exposure type	Mar 23 $M	Sep 22 $M	Mar 22 $M
Liquidity facilities	11	12	13
Funding facilities	11,167	11,561	9,512
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	2,698	3,352	3,240
Protection provided	-	-	-
Other	116	55	85
Total	**13,992**	**14,980**	**12,850**

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

	Mar 23		Sep 22		Mar 22	
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%	13,992	2,229	14,980	2,424	12,850	2,090
>25 ≤ 35%	-	-	-	-	-	-
>35 ≤ 50%	-	-	-	-	-	-
>50 ≤ 75%	-	-	-	-	-	-
>75 ≤ 100%	-	-	-	-	-	-
>100 ≤ 650%	-	-	-	-	-	-
1250% (Deduction)	-	-	-	-	-	-
Total	**13,992**	**2,229**	**14,980**	**2,424**	**12,850**	**2,090**

	Mar 23		Sep 22		Mar 22	
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 23		Sep 22		Mar 22	
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%	13,992	2,229	14,980	2,424	12,850	2,090
>25 ≤ 35%	-	-	-	-	-	-
>35 ≤ 50%	-	-	-	-	-	-
>50 ≤ 75%	-	-	-	-	-	-
>75 ≤ 100%	-	-	-	-	-	-
>100 ≤ 650%	-	-	-	-	-	-
1250% (Deduction)	-	-	-	-	-	-
Total	**13,992**	**2,229**	**14,980**	**2,424**	**12,850**	**2,090**

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 5 – Market risk

Table 13 Market risk – Standard approach

ANZ uses the standard model approach to measure market risk capital for specific risk[25] (APRA does not currently permit Australian banks to use an internal model approach for this).

Table 13(b): Market risk – Standard approach [26]

	Mar 23 $M	Sep 22 $M	Mar 22 $M
Interest rate risk	132	113	131
Equity position risk	-	-	-
Foreign exchange risk	-	-	-
Commodity risk	-	-	-
Total	**132**	**113**	**131**
Risk Weighted Assets equivalent	**1,650**	**1,413**	**1,638**

[25] Specific risk is the risk that the value of a security will change due to issuer-specific factors. It applies to interest rate and equity positions related to a specific issuer.

[26] 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 [27]

	Six months ended Mar 23			
99% 1 Day Value at Risk (VaR)	**Mean $M**	**Maximum $M**	**Minimum $M**	**Period end $M**
Foreign Exchange	2.6	3.9	1.6	3.9
Interest Rate	8.4	17.6	5.3	5.8
Credit	4.1	5.9	2.5	3.9
Commodity	3.1	6.6	2.0	2.6
Equity	-	-	-	-

	Six months ended Sep 22			
99% 1 Day Value at Risk (VaR)	**Mean $M**	**Maximum $M**	**Minimum $M**	**Period end $M**
Foreign Exchange	2.0	4.0	1.1	1.8
Interest Rate	7.1	10.1	5.0	7.6
Credit	2.3	3.0	1.6	2.6
Commodity	2.3	4.9	1.4	4.3
Equity	-	-	-	-

	Six months ended Mar 22			
99% 1 Day Value at Risk (VaR)	**Mean $M**	**Maximum $M**	**Minimum $M**	**Period end $M**
Foreign Exchange	2.9	4.8	1.7	2.5
Interest Rate	11.8	23.4	5.5	6.3
Credit	7.5	11.8	2.3	2.3
Commodity	3.5	7.0	2.3	3.0
Equity	-	-	-	-

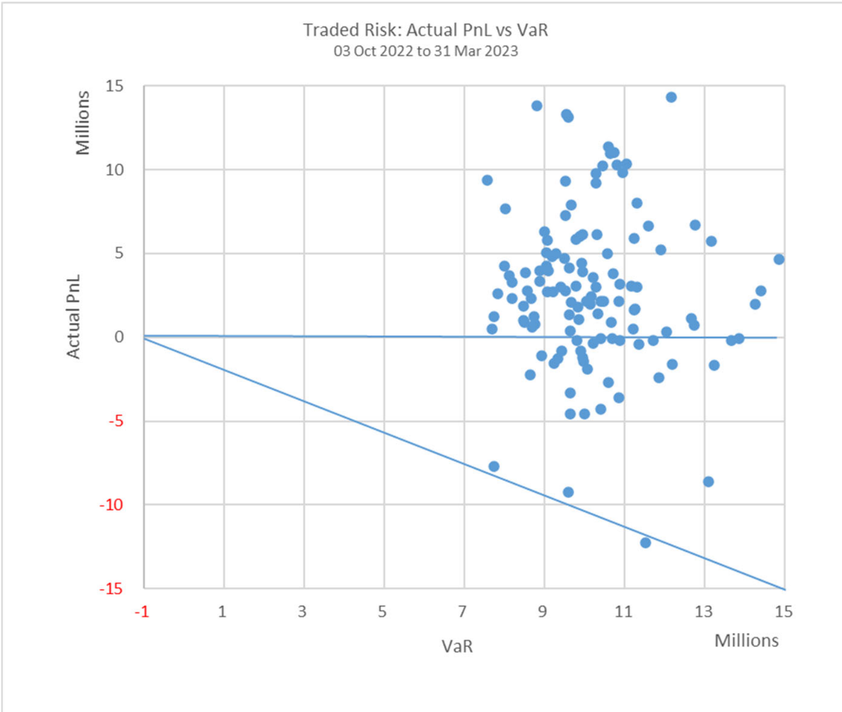
	Six months ended Mar 23			
99% 10 Day Stressed VaR	**Mean $M**	**Maximum $M**	**Minimum $M**	**Period end $M**
Foreign Exchange	44.6	82.3	21.2	57.0
Interest Rate	86.4	125.6	59.0	103.8
Credit	26.3	39.5	14.3	21.1
Commodity	27.4	41.6	20.7	22.3
Equity	-	-	-	-

	Six months ended Sep 22			
99% 10 Day Stressed VaR	**Mean $M**	**Maximum $M**	**Minimum $M**	**Period end $M**
Foreign Exchange	25.1	62.0	11.7	34.2
Interest Rate	67.2	127.5	35.5	86.8
Credit	18.7	26.1	11.4	13.8
Commodity	22.3	35.9	15.5	27.3
Equity	-	-	-	-

	Six months ended Mar 22			
99% 10 Day Stressed VaR	**Mean $M**	**Maximum $M**	**Minimum $M**	**Period end $M**
Foreign Exchange	28.5	65.5	10.8	26.2
Interest Rate	63.9	158.6	32.6	42.1
Credit	33.7	45.5	16.7	17.6
Commodity	35.0	85.0	19.6	27.5
Equity	-	-	-	-

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

Comparison of VaR estimates with actual gains/losses experienced



Chapter 6 – 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 23 $M Balance sheet value	Mar 23 $M Fair value
Value of listed (publicly traded) equities	3,122	3,146
Value of unlisted (privately held) equities	97	97
Total	**3,219**	**3,243**

Equity investments	Sep 22 $M Balance sheet value	Sep 22 $M Fair value
Value of listed (publicly traded) equities	2,970	3,807
Value of unlisted (privately held) equities	619	619
Total	**3,589**	**4,426**

Equity investments	Mar 22 $M Balance sheet value	Mar 22 $M Fair value
Value of listed (publicly traded) equities	2,898	2,481
Value of unlisted (privately held) equities	565	565
Total	**3,463**	**3,046**

Table 16(d) and 16(e): Equities – gains (losses)[28]

Realised gains (losses) on equity investments	Half Year Mar-23 $M	Half Year Sep-22 $M	Half Year Mar 22 $M
Cumulative realised gains (losses) from disposals and liquidations in the reporting period	-	-	-
Cumulative realised losses from impairment and write downs in the reporting period	-	-	-
Total	-	-	-

Unrealised gains (losses) on equity investments	Half Year Mar-23	Half Year Sep-22	Half Year Mar 22
Total unrealised gains (losses)	9	(95)	(18)
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	9	**(95)**	**(18)**

Table 16(f): Equities Risk Weighted Assets

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

[28] Table 16(d) and Table 16 (e) are reported on an after-tax basis

Chapter 7 – 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:	**Mar 23**	**Sep 22**	**Mar 22**
Interest rate shock applied	**$M**	**$M**	**$M**
AUD			
200 basis point parallel increase	(460)	(729)	(717)
200 basis point parallel decrease	452	751	751
NZD			
200 basis point parallel increase	(37)	(140)	(172)
200 basis point parallel decrease	15	124	154
USD			
200 basis point parallel increase	16	109	(53)
200 basis point parallel decrease	(21)	(116)	54
Other			
200 basis point parallel increase	(77)	(70)	(54)
200 basis point parallel decrease	92	85	74
IRRBB regulatory capital	**2,551**	**3,045**	**2,672**
IRRBB regulatory RWA	**31,887**	**38,063**	**33,402**

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 and potential future scenarios, including behavioural characteristics as well as stresses to assumptions made about the repricing term of exposures. The rate move scenarios include changes over the stressed periods and the worst theoretical losses over the selected period are reported. Stresses of the repricing term assumptions investigate scenarios where actual repricing terms are significantly different to those modelled.

Chapter 8 – 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: Capital Adequacy. APRA requires ADIs authorised to use the internal ratings based approach to credit risk to maintain a minimum leverage ratio of 3.5% from January 2023.

At 31 March 2023, the Group's Leverage Ratio of 5.3% was above the 3.5% minimum requirement. Table 18 below shows the Group's Leverage Ratio calculation as at 31 March 2023 and Table 19 summarises the reconciliation of accounting assets and leverage ratio exposure measure at 31 March 2023.

Table 18 Leverage Ratio

		Mar 23 $M	Sep 22 $M	Mar 22 $M
	On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	1,025,480	966,226	941,228
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(11,965)	(12,138)	(12,542)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**1,013,515**	**954,088**	**928,686**
	Derivative exposures			
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	13,959	19,606	9,614
5	Add-on amounts for PFE associated with all derivatives transactions	33,127	38,739	33,845
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	2,777	3,058	686
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(5,370)	(9,714)	(7,671)
8	(Exempted CCP leg of client-cleared trade exposures)	-	-	-
9	Adjusted effective notional amount of written credit derivatives	10,154	10,823	3,470
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(10,035)	(10,712)	(3,470)
11	**Total derivative exposures**	**44,612**	**51,800**	**36,474**
	Securities financing transaction exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	39,647	29,502	30,768
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(2,495)	(899)	(2,761)
14	CCR exposure for SFT assets	6,604	6,967	6,216
15	Agent transaction exposures	-	-	-
16	**Total securities financing transaction exposures**	**43,756**	**35,570**	**34,223**
	Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	297,629	285,816	264,942
18	(Adjustments for conversion to credit equivalent amounts)	(156,630)	(158,963)	(147,038)
19	Off-balance sheet items	**140,999**	**126,853**	**117,904**
	Capital and Total Exposures			
20	**Tier 1 capital**	**65,564**	**63,558**	**58,001**
21	**Total exposures**	**1,242,882**	**1,168,311**	**1,117,287**
	Leverage ratio			
22	**Basel III leverage ratio**	**5.3%**	**5.4%**	**5.2%**

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

		Mar 23 $M	Sep 22 $M	Mar 22 $M
1	Total consolidated assets as per published financial statements	1,111,605	1,085,729	1,017,361
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation.	(864)	173	(127)
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.	(1,002)	(38,375)	(8,764)
5	Adjustment for SFTs (i.e. repos and similar secured lending)	4,109	6,069	3,455
6	Adjustment for off-balance sheet exposures (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	140,999	126,853	117,904
7	Other adjustments	(11,965)	(12,138)	(12,542)
	Leverage ratio exposure	**1,242,882**	**1,168,311**	**1,117,287**

Table 20 Liquidity Coverage Ratio disclosure template

		Mar 23 Total Unweighted Value $M	Mar 23 Total Weighted Value $M	Dec 22 Total Unweighted Value $M	Dec 22 Total Weighted Value $M
	Liquid assets, of which:				
1	High-quality liquid assets (HQLA)		269,534		256,833
2	Alternative liquid assets (ALA)		-		2,675
3	Reserve Bank of New Zealand (RBNZ) securities		1,762		899
	Cash outflows				
4	Retail deposits and deposits from small business customers	258,861	24,191	265,296	24,405
5	of which: stable deposits	117,008	5,850	120,079	6,004
6	of which: less stable deposits	141,853	18,341	145,217	18,401
7	Unsecured wholesale funding	303,760	164,206	307,414	166,606
8	of which: operational deposits (all counterparties) and deposits in networks for cooperative banks	96,330	23,201	100,182	24,155
9	of which: non-operational deposits (all counterparties)	189,026	122,601	189,725	124,944
10	of which: unsecured debt	18,404	18,404	17,507	17,507
11	Secured wholesale funding		1,144		1,313
12	Additional requirements	193,884	69,860	192,791	70,636
13	of which: outflows related to derivatives exposures and other collateral requirements	48,445	48,445	49,772	49,772
14	of which: outflows related to loss of funding on debt products	-	-	-	-
15	of which: credit and liquidity facilities	145,439	21,415	143,019	20,864
16	Other contractual funding obligations	8,979	-	8,705	-
17	Other contingent funding obligations	114,489	7,932	105,716	7,225
18	Total cash outflows		267,333		270,185
	Cash inflows				
19	Secured lending (e.g. reverse repos)	21,848	1,957	17,488	1,898
20	Inflows from fully performing exposures	28,798	19,819	27,826	19,121
21	Other cash inflows	36,257	36,257	41,993	41,993
22	Total cash inflows	86,903	58,033	87,307	63,012
23	Total liquid assets		271,296		260,407
24	Total net cash outflows		209,300		207,173
25	Liquidity Coverage Ratio (%)		129.6%		125.7%
	Number of data points used (simple average)		64		65

Liquidity Coverage Ratio (LCR)

ANZ's average LCR for the 3 months to 31 Mar 2023 was 129.6% with total liquid assets exceeding net outflows by an average of $62b.

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.

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 23				
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
	Available Stable Funding (ASF) Item	$M	$M	$M	$M	$M
1	Capital	68,267	-	-	31,163	99,430
2	of which: regulatory capital	68,267	-	-	31,163	99,430
3	of which: other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers	242,258	75,917	-	-	292,864
5	of which: stable deposits	113,921	16,208	-	-	123,623
6	of which: less stable deposits	128,337	59,709	-	-	169,241
7	Wholesale funding	168,840	340,825	41,892	65,583	218,507
8	of which: operational deposits	96,079	-	-	-	48,040
9	of which: other wholesale funding	72,761	340,825	41,892	65,583	170,467
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities	17,734	10,564	137	2,686	2,755
12	of which: NSFR derivative liabilities		10,564	-	-	
13	of which: All other liabilities and equity not included in the above categories	17,734	-	137	2,686	2,755
14	**Total ASF**					**613,556**
Required Stable Funding (RSF) Item						
15a	Total NSFR (HQLA)					8,466
15b	ALA					2,009
15c	RBNZ securities					846
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities	12,827	125,471	42,468	523,418	466,262
18	of which: Performing loans to financial institutions secured by Level 1 HQLA	-	33,582	-	-	3,358
19	of which: Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	674	31,864	8,864	24,169	34,056
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)	11,248	52,079	27,443	134,186	163,309
21	of which with a risk weight of less than or equal to 35% under APS 112	-	189	5	351	325
22	of which: Performing residential mortgages, of which:	-	6,117	5,671	356,734	256,530
23	of which with a risk weight equal to 35% under APS 112	-	5,149	4,749	289,231	198,207
24	of which: Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	905	1,829	490	8,329	9,009
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	28,329	29,342	962	2,934	31,340
27	of which: Physical traded commodities, including gold	3,235				2,749
28	of which: Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)		3,677	-	-	3,126
29	of which: NSFR derivative assets		9,157	-	-	-
30	of which: NSFR derivative liabilities before deduction of variation margin posted		16,218	-	-	3,244
31	of which: All other assets not included in the above categories	25,095	290	962	2,934	22,221
32	Off-balance sheet items		-	-	203,795	8,488
33	**Total RSF**					**517,411**
34	**Net Stable Funding Ratio (%)**					**118.58%**

ANZ's NSFR as at 31 March 2023 was 118.6%, up 0.7% in the quarter since December 2022.

The main sources of Available Stable Funding (ASF) at March 2023 were deposits from Retail and SME customers, at 48%, with other wholesale funding (including Term Funding Facilities) at 28% and capital at 16% of the total ASF.

The majority of ANZ's Required Stable Funding (RSF) at March 2023 was driven by mortgages at 50% and other lending to non-FI customers at 32% of the total RSF.

Table 21 NSFR disclosure template (continued)

		Dec 22				
		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	66,929	-	-	28,951	95,880
2	of which: regulatory capital	66,929	-	-	28,951	95,880
3	of which: other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers	249,667	66,969	-	-	291,533
5	of which: stable deposits	117,201	14,009	-	-	124,650
6	of which: less stable deposits	132,466	52,960	-	-	166,883
7	Wholesale funding	161,403	335,920	43,577	62,956	211,834
8	of which: operational deposits	97,235	-	-	-	48,618
9	of which: other wholesale funding	64,168	335,920	43,577	62,956	163,216
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities	8,118	13,397	-	1,716	1,716
12	of which: NSFR derivative liabilities		13,397	-	-	
13	of which: All other liabilities and equity not included in the above categories	8,118	-	-	1,716	1,716
14	**Total ASF**					**600,963**
	Required Stable Funding (RSF) Item					
15(a)	Total NSFR (HQLA)	-	-	-	-	8,026
15(b)	ALA	-	-	-	-	2,277
15(c)	RBNZ securities	-	-	-	-	886
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities	13,192	118,414	47,174	513,658	457,249
18	of which: Performing loans to financial institutions secured by Level 1 HQLA	-	29,527	-	-	2,953
19	of which: Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	575	25,757	10,137	25,588	35,095
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)	11,045	55,926	30,743	128,937	162,245
21	of which with a risk weight of less than or equal to 35% under APS 112	-	176	22	374	342
22	of which: Performing residential mortgages	-	6,273	6,055	352,217	249,156
23	of which with a risk weight equal to 35% under APS 112	-	5,582	5,387	305,109	208,434
24	of which: Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,572	931	239	6,916	7,800
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	21,331	39,129	690	3,231	32,516
27	of which: Physical traded commodities, including gold	3,046				2,589
28	of which: Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)		3,964	-	-	3,369
29	of which: NSFR derivative assets		10,795	-	-	-
30	of which: NSFR derivative liabilities before deduction of variation margin posted		24,261	-	-	4,852
31	of which: All other assets not included in the above categories	18,286	110	690	3,231	21,705
32	Off-balance sheet items		-	-	213,449	8,852
33	**Total RSF**					**509,806**
34	**Net Stable Funding Ratio (%)**					**117.88%**

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.
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.

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