30 April 2020

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

APS 330 Pillar 3 Disclosure at 31 March 2020

Australia and New Zealand Banking Group Limited (ANZ) today releases its APS 330 Pillar 3 Disclosure at 31 March 2020.

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

2020

BASEL III PILLAR 3 DISCLOSURE

AS AT 31 MARCH 2020

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.

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[1] Each table reference adopted in this document aligns to those required by APS 330 to be disclosed at half 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 mandates the release to the investment community and general public of information relating to capital adequacy and risk management practices. APS 330 was established to implement Pillar 3 of the Basel Committee on Banking Supervision's framework for bank capital adequacy[2]. In simple terms, the Basel framework consists of three mutually reinforcing 'Pillars':

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

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

Basel in ANZ

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

Verification of disclosures

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

Comparison to ANZ's Financial Reporting

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

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

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

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

Chapter 2 – Capital and Capital Adequacy

Table 1 Capital Disclosure template

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

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

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

Restrictions on Transfers of Capital within ANZ

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

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

With effect from 2 April 2020, the RBNZ amended ANZ Bank New Zealand Limited Conditions of Registration to (among other things) prohibit ANZ Bank New Zealand Limited from making distributions other than discretionary payments payable to holders of Additional Tier 1 capital instruments. This initiative further supports the stability of the financial system by maintaining higher levels of capital during the period of falling economic activity resulting from the COVID-19 pandemic. As a result, whilst the amendments are in place, ANZ Bank New Zealand Limited will be prevented from paying dividends to ANZ.

Table 1 Capital disclosure template

		Mar-20 $M	Reconciliation Table Reference
	Common Equity Tier 1 Capital: instruments and reserves		
1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	26,137	Table A
2	Retained earnings	32,064	Table B
3	Accumulated other comprehensive income (and other reserves)	3,010	Table C
4	Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)	n/a	
5	Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	4	Table D
6	Common Equity Tier 1 capital before regulatory adjustments	61,215	
	Common Equity Tier 1 capital : regulatory adjustments		
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	3,620	
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	1,342	Table E
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
11	Cash-flow hedge reserve	874	
12	Shortfall of provisions to expected losses	-	
13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	119	
15	Defined benefit superannuation fund net assets	306	Table G
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
19	Significant investments in the ordinary shares of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	
20	Mortgage service rights (amount above 10% threshold)	-	
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	-	
25	of which: deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments (sum of rows 26a - 26j)	6,773	
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	(94)	
26d	of which: equity investment in financial institutions not reported in rows 18, 19 and 23	3,915	Table H
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	1,815	Table I
26f	of which: capitalised expenses	932	Table J
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA rules	37	Table K
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	18	
27	Regulatory adjustments applied to CET1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to CET1	12,884	
29	Common Equity Tier 1 capital (CET1)	48,331	

Table 1 Capital disclosure template

		Mar-20 $M	Reconciliation Table Reference
	Additional Tier 1 Capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments	7,869	Table L
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	7,869	Table L
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	
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)	319	Table L
35	of which: instruments issued by subsidiaries subject to phase out	n/a	
36	Additional Tier 1 capital before regulatory adjustments	8,188	
	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 L
41	National specific regulatory adjustments (sum of rows 41a - 41c)	69	
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	69	Table L
41c	of which: other national specific regulatory adjustments not reported in rows 41a and 41b	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	**224**	
44	Additional Tier 1 capital (AT1)	**7,964**	
45	Tier 1 Capital (T1=CET1+AT1)	**56,295**	
	Tier 2 Capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments	11,562	Table M
47	Directly issued capital instruments subject to phase out from Tier 2	485	Table M
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)	64	
49	of which: instruments issued by subsidiaries subject to phase out	-	Table M
50	Provisions	1,253	Table F
51	Tier 2 capital before regulatory adjustments	**13,364**	
	Tier 2 Capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	50	Table M
53	Reciprocal cross-holdings in Tier 2 instruments	-	
54	Investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10%	-	
55	Significant investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	85	Table M
56	National specific regulatory adjustments (sums of rows 56a - 56c)	117	
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	117	Table M
56c	of which: other national specific regulatory adjustments not reported in rows 56a and 56b	-	
57	Total regulatory adjustment to Tier 2 capital	**252**	
58	Tier 2 capital (T2)	**13,112**	
59	Total capital (TC=T1+T2)	**69,407**	
60	Total risk-weighted assets based on APRA standards	**449,012**	

Table 1 Capital disclosure template

			Reconciliation Table Reference
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	10.8%	
62	Tier 1 (as a percentage of risk-weighted assets)	12.5%	
63	Total capital (as a percentage of risk-weighted assets)	15.5%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIBs buffer requirement, expressed as a percentage of risk-weighted assets)	8.014%	
65	of which: capital conservation buffer requirement[3]	3.5%	
66	of which: ADI-specific countercyclical buffer requirements	0.014%	
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)	6.3%	
	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	318	
73	Significant investments in the ordinary shares of financial entities	3,782	Table H
74	Mortgage servicing rights (net of related tax liability)	n/a	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	1,815	Table I
	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)	190	Table F
77	Cap on inclusion of provisions in Tier 2 under standardised approach	334	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	1,063	Table F
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	2,156	
	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	Other $M	Total $M
RWA for all private sector credit exposures	4,694	5	390	350,761	355,850
Jurisdictional buffer set by national authorities	1.000%	0.250%	1.000%	-	-
Countercyclical buffer requirement	0.013%	0.000%	0.001%	-	0.014%

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

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

Assets	Balance Sheet as in published financial statements $M	Adjustments $M	Balance sheet under scope of regulatory consolidation $M	Template and Reconciliation Table Reference
Cash and Cash Equivalents	143,093	(85)	143,008	
Settlement Balances owed to ANZ	6,961	-	6,961	
Collateral Paid	16,762	-	16,762	
Trading securities	49,068	-	49,068	
of which: Financial Institutions capital instruments			85	Table M
Derivative financial instruments	173,677	-	173,677	
Investment Securities	85,923	(602)	85,321	
of which: significant investment in financial institutions equity instruments			1,053	Table H
of which: non-significant investment in financial institutions equity instruments			133	Table H
of which: Other entities equity investments			30	Table K
of which: collectively assessed provision			(15)	
Net loans and advances	656,609	(2,108)	654,501	
of which: deferred fee income			(94)	Row 26c
of which: collectively assessed provision			(3,614)	Table F
of which: individual provisions			(1,055)	Table F
of which: capitalised brokerage			866	Table J
of which: CET1 margin lending adjustment			18	Row 26j
of which: AT1 margin lending adjustment			-	
Regulatory deposits	804	-	804	
Due from controlled entities	-	2,062	2,062	
of which: Significant investments in the Tier 2 "capital of banking, financial and insurance entities" that are outside the scope of regulatory consolidation			85	Table M
Shares in controlled entities		656	656	
of which: Investment in deconsolidated financial subsidiaries			501	Table H
of which: AT1 significant investment in banking, financial and insurance entities that are outside the scope of regulatory consolidation			155	Table L
Investment in associates	2,313	(1)	2,312	
of which: Financial Institutions			2,308	Table H
of which: Other Entities			4	Table K
Current tax assets	452	-	452	
Deferred tax assets	1,816	(1)	1,815	Table I
Goodwill and other intangible assets	4,957	(74)	4,883	
of which: Goodwill			3,620	Row 8
of which: Software			1,263	Table E
Premises and equipment	3,211	-	3,211	
Other assets	4,309	(155)	4,154	
of which: Defined benefit superannuation fund net assets			381	Table G
Total Assets	**1,149,955**	**(308)**	**1,149,647**	

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	22,314	-	22,314	
Collateral Received	17,463	-	17,463	
Deposits and other borrowings	726,909	-	726,909	
Derivative financial instruments	167,364	-	167,364	
Due to controlled entities	-	2,580	2,580	
Current tax liabilities	244	(37)	207	
Deferred tax liabilities	94	-	94	Table I
of which: related to capitalised expenses			5	Table J
of which: related to defined benefit super assets			75	Table G
Employee entitlements	635		635	
Other Provisions	2,773	(112)	2,661	
of which: collectively assessed provision			872	Table F
of which: individually assessed provision			38	Table F
Payables and other liabilities	10,536	(501)	10,035	
Debt Issuances	140,248	(2,143)	138,105	
of which: Directly issued qualifying Additional Tier 1 instruments			7,944	
of which: Additional Tier 1 Instruments			487	Table L
of which: Directly issued capital instruments subject to phase out from Tier 2			485	Table M
of which: Directly issued qualifying Tier 2 instruments			11,959	Table N
Total Liabilities	**1,088,580**	**(213)**	**1,088,367**	
Net Assets	**61,375**	**(95)**	**61,280**	

Shareholders' equity	Balance Sheet as in published financial statements $M	Adjustments $M	Balance sheet under scope of regulatory consolidation $M	Template and Reconciliation Table Reference
Ordinary Share Capital	26,440	(77)	26,363	Table A
of which: Share reserve			226	Tables A & C
Reserves	2,851	(9)	2,842	Table C
of which: Cash flow hedging reserves			874	Row 11
Retained earnings	32,073	(9)	32,064	Row 2
Share capital and reserves attributable to shareholders of the company	**61,364**	**(95)**	**61,269**	
Non-controlling interests	11		11	Table D
Total Shareholders' Equity	**61,375**	**(95)**	**61,280**	

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 20 $M	Table 1 Reference
	Issued capital	26,363	
Less	Reclassification to Reserves	(226)	Table C
	Regulatory Directly Issued qualifying ordinary shares	**26,137**	**Row 1**

Table B		Mar 20 $M	Table 1 Reference
	Retained Earnings	32,064	
	Total Liabilities	**32,064**	**Row 2**

Table C		Mar 20 $M	Table 1 Reference
	Reserves	2,842	
Add	Reclassification from Issued Capital	226	Table A
Less	Non qualifying reserves	(58)	
	Reserves for Regulatory capital purposes (amount allowed in group CET1)	**3,010**	Row 3

Table D		Mar 20 $M	Table 1 Reference
	Non-controlling interests	11	
Less	Surplus capital attributable to minority shareholders	(7)	
	Ordinary share capital issued by subsidiaries and held by third parties	**4**	**Row 5**

Table E		Mar 20 $M	Table 1 Reference
	Software	1,263	
Add	Other intangible assets	-	
Less	Associated deferred tax liabilities	(1)	
Add	Regulatory reclassification from significant investments in the ordinary shares of banking, financial and insurance entities outside the scope of regulatory consolidation	80	Table H
	Other intangibles other than mortgage servicing rights (net of related tax liability)	**1,342**	**Row 9**

Table F		Mar 20 $M	Table 1 Reference
	Qualifying collective provision		
	Collectively assessed provision on Loans and advances	(3,614)	
	Collectively assessed provision on Investment Securities	(15)	
	Collectively assessed provision on Undrawn and contingent facilities	(872)	
Less	Non-qualifying collectively assessed provision	473	
Less	Standardised collectively assessed provision	190	Row 50 & 76
Less	Non-defaulted expected loss	2,775	
	Non-Defaulted: Expected Loss - Eligible Provision Shortfall/(Surplus)	(1,063)	Row 50 & 78
	Qualifying individual provision		
	Individually assessed provision on loans and advances	(1,055)	
	Individually assess ed provision on Undrawn and contingent facilities	(38)	
Add	Additional individually assessed provision for partial write offs	(289)	
Less	Standardised individually assessed provision	71	
Add	Collectively assessed provision on advanced defaulted	(440)	
Less	Defaulted expected loss	1,744	
	Defaulted: Expected Loss - Eligible Provision Shortfall/(Surplus)	(7)	
	Gross deduction	**-**	**Row 12**

Table G		Mar 20 $M	Table 1 Reference
	Defined benefit superannuation fund net assets	381	
Less	Associated deferred tax liabilities	(75)	
	Defined benefit superannuation fund net assets	**306**	**Row 15**

Table H		Mar 20 $M	Table 1 Reference
	Investment in deconsolidated financial subsidiaries	501	
Less	Regulatory reclassification to Retained Earnings and Other Intangible Assets	(80)	Table E
Add	Investment in financial associates	2,308	
Add	Investment in financial institutions Investment Securities	1,053	
Less	Goodwill component of investments in financial associates	-	
Less	Amount below 10% threshold of CET1	(3,782)	
	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)	-	
Add	Deduction amount below the 10% threshold of CET 1	3,782	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	133	
	Equity investment in financial institutions not reported in rows 18, 19 and 23	3,915	Row 26d
	Deduction for equity holdings in financial institutions - APRA regulations	**3,915**	

Table I		Mar 20 $M	Table 1 Reference
	Deferred tax assets	1,815	Row 75
Less	Deferred tax liabilities	(94)	
	Deferred tax asset less deferred tax liabilities	1,721	
Add	Deferred tax liabilities on intangible assets, capitalised expenses and defined benefit super assets	81	
Add	Impact of calculating the deduction on a jurisdictional basis	13	
	Deferred tax assets not reported in rows 10, 21 and 25 of the Common Disclosure Template	**1,815**	**Row 26e**

Table J		Mar 20 $M	Table 1 Reference
	Capitalised brokerage costs	866	
	Capitalised debt and capital issuance expenses	71	
Less	Associated deferred tax liabilities	(5)	
	Capitalised expenses	**932**	**Row 26f**

Table K		Mar 20 $M	Table 1 Reference
	Investments in non financial Investment Securities equities	30	
	Investments in non financial associates	4	
	Non financial equity exposures (loans)	3	
	Equity exposures to non financial entities	**37**	**Row 26g**

Table L		Mar 20 $M	Table 1 Reference
	Directly issued qualifying Additional Tier 1 Capital Instruments classified as liabilities	7,943	
Add	Issue costs	22	
Add	Fair value adjustment	(96)	
	Directly issued qualifying Additional Tier 1 Capital Instruments classified as liabilities	7,869	Row 30
	Additional Tier 1 instruments issued by subsidiaries held by third parties	487	
Add	Issue costs	-	
Less	Surplus capital attributable to third party holders	(168)	
	AT1 Instruments issued by subsidiaries and held by third parties (amounts allowed in Group AT1)	319	Row 34
	Additional Tier 1 capital before regulatory adjustments	**8,188**	**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
	Investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40	(69)	Row 41b
	Additional Tier 1 capital	**7,964**	Row 44

Table M		Mar 20 $M	Table 1 Reference
	Directly issued capital instruments subject to phase out from Tier 2	485	
Less	Amortisation of Tier 2 Capital Instruments subject to Phase out	-	
Less	Fair value adjustment	-	
	Directly issued capital instruments subject to phase out from Tier 2	485	Row 47
Add	Surplus capital attributable to third party holders	64	
Add	Directly issued qualifying Tier 2 instruments	11,959	Row 46
Add	Issue costs	20	Row 46
Add	Fair value adjustment	(417)	Row 46
Add	Eligible Provision Surplus plus Standardised Collective Provision	1,253	Table F
	Tier 2 capital before regulatory adjustments	13,364	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	(85)	Row 55
Less	Investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55	(117)	Row 56b
	Tier 2 capital	**13,112**	**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	2	-
ANZ Investment Services (New Zealand) Limited	Funds Management	40	12
ANZ Lenders Mortgage Insurance Pty. Limited	Mortgage insurance	975	535
ANZ Pensions (UK) Limited	Trustee/Nominee	-	-
ANZ Life Assurance Company Pty. Ltd	Insurance	-	-
ANZ New Zealand Investments Limited	Funds Management	136	43
ANZ New Zealand Investments Nominees Limited	Nominee	-	-
ANZ Self Managed Super Pty Limited	Investment	-	-
ANZ Wealth Australia Limited	Holding Company / Corporate	60	22
ANZ Wealth New Zealand Limited	Holding Company	127	-
ANZcover Insurance Private Ltd	Captive-Insurance	218	107
AUT Administration Pty Ltd	Dormant	-	-
Kingfisher Trust 2016-1	Securitisation Trust	896	896
Kingfisher Trust 2019-1	Securitisation Trust	1,256	1,256
Looking Together Pty Ltd	Property Price Information	-	-
Shout for Good Pty. Ltd.	Corporate	-	-
Tandem Financial Advice Pty Limited	Advice	-	-
Union Investment Company Pty Limited	Advice	-	-

Table 2 Main features of capital instruments

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

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

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

Table 6 Capital adequacy - Capital Ratio and Risk Weighted Assets

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

Risk weighted assets	Mar 20 $M	Sep 19 $M	Mar 19 $M
Subject to Advanced Internal Rating Based (IRB) approach			
Corporate	150,290	136,885	127,989
Sovereign	6,915	6,199	7,016
Bank	18,615	15,968	15,511
Residential Mortgage	107,351	105,491	101,469
Qualifying Revolving Retail	4,956	5,255	5,795
Other Retail	25,080	26,258	28,029
Credit risk weighted assets subject to Advanced IRB approach	**313,207**	**296,056**	**285,809**
Credit risk Specialised Lending exposures subject to slotting approach[4]	**41,072**	**36,318**	**35,696**
Subject to Standardised approach			
Corporate	14,626	11,645	12,252
Residential Mortgage	228	216	331
Other Retail	46	50	81
Credit risk weighted assets subject to Standardised approach	**14,900**	**11,911**	**12,664**
Credit Valuation Adjustment and Qualifying Central Counterparties	**9,679**	**8,682**	**6,217**
Credit risk weighted assets relating to securitisation exposures	2,142	1,859	1,558
Other assets	4,997	3,280	3,579
Total credit risk weighted assets	**385,997**	**358,106**	**345,523**
Market risk weighted assets	7,102	5,307	5,790
Operational risk weighted assets	47,902	46,626	37,733
Interest rate risk in the banking book (IRRBB) risk weighted assets	8,011	6,922	7,245
Total risk weighted assets	**449,012**	**416,961**	**396,291**

Capital ratios (%)[5]			
Level 2 Common Equity Tier 1 capital ratio	**10.8%**	**11.4%**	**11.5%**
Level 2 Tier 1 capital ratio	**12.5%**	**13.2%**	**13.4%**
Level 2 Total capital ratio	**15.5%**	**15.3%**	**15.3%**
Level 1: Extended licensed Common Equity Tier 1 capital ratio	**10.6%**	**11.4%**	**11.2%**
Level 1: Extended licensed entity Tier 1 capital ratio	**12.6%**	**13.4%**	**13.2%**
Level 1: Extended licensed entity Total capital ratio	**15.8%**	**15.7%**	**15.3%**
Other significant Authorised Deposit-taking Institution (ADI) or overseas bank subsidiary:			
ANZ Bank New Zealand Limited – Common Equity Tier 1 capital ratio	**11.1%**	**10.8%**	**11.4%**
ANZ Bank New Zealand Limited - Tier 1 capital ratio	**13.9%**	**13.6%**	**14.6%**
ANZ Bank New Zealand Limited - Total capital ratio	**13.9%**	**13.6%**	**14.6%**

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

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

Credit Risk Weighted Assets (CRWA)

Total CRWA increased $27.9 billion (7.8%) from September 2019 to $386.0 billion at March 2020. The increase is mainly driven by lending growth in the Institutional business ($11.5 billion) and the impact of foreign exchange movements ($9.1 billion). CRWA on Other assets increased $1.7 billion mainly from the on balance sheet recognition of leases following implementation of AASB 16: Leases on 1 October 2019.

Market Risk, Operational Risk and IRRBB RWA

Traded Market Risk RWA increased $1.8 billion over the half due to increase in Stress VaR and Specific Risk.

Operational Risk RWA increased by $1.3 billion driven by foreign exchange movements due to the depreciation of the Australian dollar against US dollar.

IRRBB RWA increased $1.1 billion due to a deterioration in Embedded Gains.

Chapter 3 – Credit risk

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

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

	Mar 20				
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	150,290	307,981	292,290	356	87
Sovereign	6,915	197,277	175,109	-	-
Bank	18,615	63,649	59,397	-	-
Residential Mortgage	107,351	380,082	376,729	30	47
Qualifying Revolving Retail	4,956	16,128	16,388	81	113
Other Retail	25,080	35,017	35,670	155	196
Total Advanced IRB approach	**313,207**	**1,000,134**	**955,583**	**622**	**443**
				-	-
Specialised Lending	**41,072**	**48,436**	**45,892**	**9**	**-**
				-	-
Standardised approach				-	-
Corporate	14,626	15,971	14,484	(5)	24
Residential Mortgage	228	471	458	-	1
Other Retail	46	46	48	-	1
Total Standardised approach	**14,900**	**16,488**	**14,990**	**(5)**	**26**
Credit Valuation Adjustment and Qualifying Central Counterparties	**9,679**	**10,005**	**9,677**	**-**	**-**
Total	**378,858**	**1,075,063**	**1,026,142**	**626**	**469**

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

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

	Sep 19				
Advanced IRB approach	**Risk Weighted Assets $M**	**Exposure at Default $M**	**Average Exposure at Default for half year $M**	**Individual provision charge for half year $M**	**Write-offs for half year $M**
Corporate	136,885	276,599	267,302	75	89
Sovereign	6,199	152,940	151,300	-	-
Bank	15,968	55,145	55,087	-	-
Residential Mortgage	105,491	373,376	376,444	37	67
Qualifying Revolving Retail	5,255	16,647	17,118	87	126
Other Retail	26,258	36,322	37,432	187	264
Total Advanced IRB approach	**296,056**	**911,029**	**904,683**	**386**	**546**
Specialised Lending	**36,318**	**43,348**	**43,005**	**(2)**	**1**
				-	-
Standardised approach				-	-
Corporate	11,645	12,998	13,258	11	26
Residential Mortgage	216	445	581	3	1
Other Retail	50	49	65	-	4
Total Standardised approach	**11,911**	**13,492**	**13,904**	**14**	**31**
Credit Valuation Adjustment and Qualifying Central Counterparties	**8,682**	**9,348**	**10,939**	-	-
Total	**352,967**	**977,217**	**972,531**	**398**	**578**

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

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

Portfolio Type	Mar 20 $M	Sep 19 $M	Mar 19 $M	Average for half year Mar 20 $M
Cash	96,865	55,083	61,314	75,974
Contingents liabilities, commitments, and other off-balance sheet exposures	170,345	160,293	157,005	165,319
Derivatives	61,962	53,716	43,924	57,839
Settlement Balances	225	26	8	126
Investment Securities	84,112	82,289	77,158	83,201
Net Loans, Advances & Acceptances	630,971	597,084	600,846	614,028
Other assets	4,939	4,627	5,348	4,783
Trading Securities	25,644	24,099	22,240	24,872
Total exposures	**1,075,063**	**977,217**	**967,843**	**1,026,142**

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

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

Portfolio Type	Mar 20 Australia $M	New Zealand $M	Asia Pacific, Europe and Americas $M	Total $M
Corporate	160,963	50,455	112,534	**323,952**
Sovereign	62,481	18,308	116,488	**197,277**
Bank	25,443	4,948	33,258	**63,649**
Residential Mortgage	289,578	90,504	471	**380,553**
Qualifying Revolving Retail	16,128	-	-	**16,128**
Other Retail	23,140	11,877	46	**35,063**
Qualifying Central Counterparties	4,088	2,123	3,794	**10,005**
Specialised Lending	35,087	13,210	139	**48,436**
Total exposures	**616,908**	**191,425**	**266,730**	**1,075,063**

Portfolio Type	Sep 19 Australia $M	New Zealand $M	Asia Pacific, Europe and Americas $M	Total $M
Corporate	148,488	47,747	93,362	**289,597**
Sovereign	53,287	12,984	86,669	**152,940**
Bank	23,630	4,108	27,407	**55,145**
Residential Mortgage	290,239	83,137	445	**373,821**
Qualifying Revolving Retail	16,647	-	-	**16,647**
Other Retail	24,734	11,588	49	**36,371**
Qualifying Central Counterparties	4,717	1,735	2,896	**9,348**
Specialised Lending	31,328	11,907	113	**43,348**
Total exposures	**593,070**	**173,206**	**210,941**	**977,217**

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

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

	Mar 20														
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	48,913	11,537	5,921	12,257	14,453	62,027	4,211	51,565	630	23,986	29,290	14,635	20,836	23,691	**323,952**
Sovereign	821	-	16	667	10	120,719	71,117	1,925	-	1,652	4	-	179	167	**197,277**
Bank	-	1	-	4	1	63,596	-	2	-	1	9	3	32	-	**63,649**
Residential Mortgage	-	-	-	-	-	-	-	-	380,553	-	-	-	-	-	**380,553**
Qualifying Revolving Retail	-	-	-	-	-	-	-	-	16,128	-	-	-	-	-	**16,128**
Other Retail	2,644	2,538	3,617	90	1,927	561	14	1,488	11,632	1,044	1,091	3,419	1,191	3,807	**35,063**
Qualifying Central Counterparties	-	-	-	-	-	10,005	-	-	-	-	-	-	-	-	**10,005**
Specialised Lending	1,660	6	387	1,839	440	1	-	2	-	42,466	22	-	1,209	404	**48,436**
Total exposures	**54,038**	**14,082**	**9,941**	**14,857**	**16,831**	**256,909**	**75,342**	**54,982**	**408,943**	**69,149**	**30,416**	**18,057**	**23,447**	**28,069**	**1,075,063**
% of Total	*5.0%*	*1.3%*	*0.9%*	*1.4%*	*1.6%*	*23.9%*	*7.0%*	*5.1%*	*38.1%*	*6.4%*	*2.8%*	*1.7%*	*2.2%*	*2.6%*	*100.0%*

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

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

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

Sep 19

Portfolio Type	Agriculture, Forestry, Fishing & Mining $M	Business Services $M	Construction $M	Electricity, Gas & Water Supply $M	Entertainment, Leisure & Tourism $M	Financial, Investment & Insurance $M	Government and Official Institutions $M	Manufacturing $M	Personal $M	Property Services $M	Wholesale Trade $M	Retail Trade $M	Transport & Storage $M	Other $M	Total $M
Corporate	45,938	10,400	5,666	10,530	14,010	50,918	4,189	45,441	607	21,864	26,581	14,466	18,243	20,744	**289,597**
Sovereign	999	1	18	467	1	79,870	67,603	1,248	-	2,025	58	-	231	419	**152,940**
Bank	115	4	-	4	-	54,906	-	2	-	2	-	45	29	38	**55,145**
Residential Mortgage	-	-	-	-	-	-	-	-	373,821	-	-	-	-	-	**373,821**
Qualifying Revolving Retail	-	-	-	-	-	-	-	-	16,647	-	-	-	-	-	**16,647**
Other Retail	2,754	2,643	3,740	96	2,045	600	15	1,534	11,986	1,092	1,122	3,617	1,253	3,874	**36,371**
Qualifying Central Counterparties	-	-	-	-	-	9,348	-	-	-	-	-	-	-	-	**9,348**
Specialised Lending	1,394	3	372	1,835	366	1	-	-	-	37,769	22	-	1,161	425	**43,348**
Total exposures	**51,200**	**13,051**	**9,796**	**12,932**	**16,422**	**195,643**	**71,807**	**48,225**	**403,061**	**62,752**	**27,783**	**18,128**	**20,917**	**25,500**	**977,217**
% of Total	*5.2%*	*1.3%*	*1.0%*	*1.3%*	*1.7%*	*20.1%*	*7.4%*	*4.9%*	*41.3%*	*6.4%*	*2.8%*	*1.9%*	*2.1%*	*2.6%*	*100.0%*

Mar 19

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

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

Mar 20					
Portfolio Type	**< 12 mths $M**	**1 - 5 years $M**	**> 5 years $M**	**No Maturity Specified $M**	**Total $M**
Corporate	148,359	155,699	19,772	122	**323,952**
Sovereign	131,162	47,317	18,798	-	**197,277**
Bank	45,909	17,175	565	-	**63,649**
Residential Mortgage	292	978	352,414	26,869	**380,553**
Qualifying Revolving Retail	-	-	-	16,128	**16,128**
Other Retail	13,206	5,483	16,374	-	**35,063**
Qualifying Central Counterparties	7,004	1,774	638	589	**10,005**
Specialised Lending	17,573	27,986	2,839	38	**48,436**
Total exposures	**363,505**	**256,412**	**411,400**	**43,746**	**1,075,063**

Sep 19					
Portfolio Type	**< 12 mths $M**	**1 - 5 years $M**	**> 5 years $M**	**No Maturity Specified $M**	**Total $M**
Corporate	130,830	140,947	17,694	126	**289,597**
Sovereign	87,943	46,864	18,133	-	**152,940**
Bank	39,751	15,026	368	-	**55,145**
Residential Mortgage	278	832	345,496	27,215	**373,821**
Qualifying Revolving Retail	-	-	-	16,647	**16,647**
Other Retail	13,208	5,975	17,188	-	**36,371**
Qualifying Central Counterparties	6,522	1,584	808	434	**9,348**
Specialised Lending	17,866	23,243	2,197	42	**43,348**
Total exposures	**296,398**	**234,471**	**401,884**	**44,464**	**977,217**

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

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

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

	Mar 20					
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	-	519	116	104	(14)	8
Business Services	-	81	46	49	13	20
Construction	-	90	67	43	9	25
Electricity, gas and water supply	-	11	1	10	-	1
Entertainment Leisure & Tourism	-	120	64	55	30	17
Financial, Investment & Insurance	-	69	18	26	11	29
Government & Official Institutions	-	-	-	-	-	-
Manufacturing	-	74	38	42	20	28
Personal	-	786	2,822	254	183	273
Property Services	-	143	52	52	12	3
Retail Trade	-	292	88	115	76	23
Transport & Storage	1	116	25	39	17	7
Wholesale Trade	-	348	38	259	248	22
Other	-	81	114	45	21	13
Total	**1**	**2,730**	**3,489**	**1,093**	**626**	**469**

[11] Impaired derivatives are net of credit value adjustment (CVA) of $3 million, being a market value based assessment of the credit risk of the relevant counterparties (September 2019: $7 million; March 2019: $20 million).

[12] Impaired loans / facilities include restructured items of $226 million for customer facilities in which the original contractual terms have been modified for reasons related to the financial difficulties of the customer. Restructuring may consist of reduction of interest, principal or other payments legally due, or an extension in maturity materially beyond those typically offered to new facilities with similar risk (September 2019: $267 million; March 2019: $264 million).

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

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

Sep 19

Industry Sector	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Individual provision charge for half year $M	Write-offs for half year $M
Agriculture, Forestry, Fishing & Mining	-	538	133	107	23	18
Business Services	-	104	42	58	24	11
Construction	-	117	77	58	17	25
Electricity, gas and water supply	-	13	1	13	-	1
Entertainment Leisure & Tourism	-	101	59	42	22	24
Financial, Investment & Insurance	-	59	16	40	-	17
Government & Official Institutions	-	-	-	-	-	-
Manufacturing	-	71	44	37	8	36
Personal	-	712	2,974	265	219	358
Property Services	-	53	52	30	7	4
Retail Trade	-	112	98	58	26	24
Transport & Storage	-	71	22	28	10	10
Wholesale Trade	-	111	33	34	11	10
Other	-	87	73	44	31	40
Total	**-**	**2,149**	**3,624**	**814**	**398**	**578**

Mar 19

Industry Sector	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Individual provision charge for half year $M	Write-offs for half year $M
Agriculture, Forestry, Fishing & Mining	-	551	122	117	-	21
Business Services	-	100	39	45	23	14
Construction	-	130	61	59	21	18
Electricity, gas and water supply	-	2	1	2	-	-
Entertainment Leisure & Tourism	-	114	62	47	22	20
Financial, Investment & Insurance	-	102	14	60	14	5
Government & Official Institutions	-	-	-	-	-	-
Manufacturing	-	105	27	65	1	36
Personal	-	778	2,591	320	235	301
Property Services	-	73	75	24	5	6
Retail Trade	-	116	75	60	28	44
Transport & Storage	-	70	16	25	10	8
Wholesale Trade	-	48	25	29	4	9
Other	-	77	82	38	17	16
Total	**-**	**2,266**	**3,190**	**891**	**380**	**498**

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

Mar 20	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Individual provision charge for half year $M	Write-offs for half year $M
Portfolios subject to Advanced IRB approach						
Corporate	-	1,500	218	645	356	87
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	504	2,791	128	30	47
Qualifying Revolving Retail	-	78	-	-	81	113
Other Retail	-	417	425	225	155	196
Total Advanced IRB approach	**-**	**2,499**	**3,434**	**998**	**622**	**443**
Specialised Lending	**-**	**71**	**27**	**14**	**9**	**-**
Portfolios subject to Standardised approach						
Corporate	1	139	14	74	(5)	24
Residential Mortgage	-	10	9	7	-	1
Other Retail	-	11	5	-	-	1
Total Standardised approach	**1**	**160**	**28**	**81**	**(5)**	**26**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**1**	**2,730**	**3,489**	**1,093**	**626**	**469**

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

Sep 19	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Individual provision charge for half year $M	Write-offs for half year $M
Portfolios subject to Advanced IRB approach						
Corporate	-	1,038	248	369	75	89
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	438	2,943	137	37	67
Qualifying Revolving Retail	-	69	-	-	87	126
Other Retail	-	442	379	221	187	264
Total Advanced IRB approach	**-**	**1,987**	**3,570**	**727**	**386**	**546**
Specialised Lending	**-**	**31**	**33**	**5**	**(2)**	**1**
Portfolios subject to Standardised approach						
Corporate	-	106	14	75	11	26
Residential Mortgage	-	10	6	7	3	1
Other Retail	-	15	1	-	-	4
Total Standardised approach	**-**	**131**	**21**	**82**	**14**	**31**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**2,149**	**3,624**	**814**	**398**	**578**

Mar 19	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Individual provision charge for half year $M	Write-offs for half year $M
Portfolios subject to Advanced IRB approach						
Corporate	-	1,050	167	375	51	68
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	441	2,587	156	45	50
Qualifying Revolving Retail	-	76	-	-	85	123
Other Retail	-	491	369	256	197	232
Total Advanced IRB approach	**-**	**2,058**	**3,123**	**787**	**378**	**473**
Specialised Lending	**-**	**38**	**32**	**6**	**1**	**2**
Portfolios subject to Standardised approach						
Corporate	-	138	14	87	1	19
Residential Mortgage	-	19	13	9	(1)	1
Other Retail	-	13	8	2	1	3
Total Standardised approach	**-**	**170**	**35**	**98**	**1**	**23**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**2,266**	**3,190**	**891**	**380**	**498**

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

			Mar 20		
Geographic region	**Impaired derivatives $M**	**Impaired loans/ facilities $M**	**Past due loans ≥ 90 days $M**	**Individual provision balance $M**	**Collective provision balance $M**
Australia	-	1,961	3,106	670	3,222
New Zealand	-	312	356	96	657
Asia Pacific, Europe and America	1	457	27	327	622
Total	**1**	**2,730**	**3,489**	**1,093**	**4,501**

			Sep 19		
Geographic region	**Impaired derivatives $M**	**Impaired loans/ facilities $M**	**Past due loans ≥ 90 days $M**	**Individual provision balance $M**	**Collective provision balance $M**
Australia	-	1,678	3,312	598	2,470
New Zealand	-	301	292	101	451
Asia Pacific, Europe and America	-	170	20	115	455
Total	**-**	**2,149**	**3,624**	**814**	**3,376**

			Mar 19		
Geographic region	**Impaired derivatives $M**	**Impaired loans/ facilities $M**	**Past due loans ≥ 90 days $M**	**Individual provision balance $M**	**Collective provision balance $M**
Australia	-	1,743	2,898	656	2,484
New Zealand	-	313	256	108	437
Asia Pacific, Europe and America	-	210	36	127	457
Total	**-**	**2,266**	**3,190**	**891**	**3,378**

[14] Impaired derivatives are net of credit value adjustment (CVA) of $3 million, being a market value based assessment of the credit risk of the relevant counterparties (September 2019: $7 million; March 2019: $20 million).

[15] Impaired loans / facilities include restructured items of $226 million for customer facilities in which the original contractual terms have been modified for reasons related to the financial difficulties of the customer. Restructuring may consist of reduction of interest, principal or other payments legally due, or an extension in maturity materially beyond those typically offered to new facilities with similar risk (September 2019: $267 million; March 2018: $264 million).

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

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

Table 7(h): Provision for Credit Impairment

Collectively Assessed Provision	Half year Mar 20 $M	Half year Sep 19 $M	Half year Mar 19 $M
Balance at start of period	3,376	3,378	3,336
Charge/(Release) to Income Statement	1,048	4	12
Adjustment for exchange rate fluctuations and transfers	77	6	30
Asia divestment	-	(11)	-
less: Investment securities at FVOCI	-	1	-
Total Collectively Assessed Provision	**4,501**	**3,376**	**3,378**

Individually Assessed Provision	Half year Mar 20 $M	Half year Sep 19 $M	Half year Mar 19 $M
Balance at start of period	814	891	920
New and increased provisions	900	750	625
Write-backs	(170)	(233)	(152)
Adjustment for exchange rate fluctuations and transfers	28	2	7
Discount unwind	(10)	(12)	(11)
Bad debts written off	(469)	(578)	(498)
Asia divestment	-	(6)	-
Total Individually Assessed Provision	**1,093**	**814**	**891**
Total Provisions for Credit Impairment	**5,594**	**4,190**	**4,269**

Table 7(j): Specific Provision Balance and General Reserve for Credit Losses[18]

Mar 20

	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collectively Assessed Provision	473	4,028	4,501
Individually Assessed Provision	1,093	-	1,093
Total Provision for Credit Impairment	**1,566**	**4,028**	**5,594**

Sep 19

	Specific Provision Balance $M	General Reserve for Credit Losses $M	Total $M
Collectively Assessed Provision	435	2,941	3,376
Individually Assessed Provision	814		814
Total Provision for Credit Impairment	**1,249**	**2,941**	**4,190**

Mar 19

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

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

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

Table 8(b): Exposure at Default by risk bucket[19]

Standardised approach exposures	Mar 20 $M	Sep 19 $M	Mar 19 $M
0%	4	1	-
20%	369	277	383
35%	210	195	362
50%	2,826	2,680	2,589
75%	-	-	-
100%	12,790	10,152	10,658
150%	277	184	320
>150%	12	3	3
Capital deductions	-	-	-
Total	**16,488**	**13,492**	**14,315**
Other Asset exposures			
0%	-	-	-
20%	649	767	818
35%	-	-	-
50%	-	-	-
75%	-	-	-
100%	4,867	3,127	3,415
150%	-	-	-
>150%	-	-	-
Capital deductions	-	-	-
Total	**5,516**	**3,894**	**4,233**
Specialised Lending exposures			
0%	165	181	201
70%	23,878	20,691	20,389
90%	20,864	19,869	19,369
115%	2,401	1,900	2,046
250%	1,128	707	656
Total	**48,436**	**43,348**	**42,661**

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

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

Portfolios subject to the Advanced IRB (AIRB) approach

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

IRB Asset Class	Borrower Type	Rating Approach
Corporate	Corporations, partnerships or proprietorships that do not fit into any other asset class	AIRB
Sovereign	Central governments Central banks Certain multilateral development banks	AIRB
Bank	Banks[20] In Australia only, other authorised deposit taking institutions (ADI) incorporated in Australia	AIRB
Residential Mortgages	Exposures secured by residential property	AIRB
Qualifying Revolving Retail	Consumer credit cards <$100,000 limit	AIRB
Other Retail	Small business lending Other lending to consumers	AIRB
Specialised Lending	Income Producing Real Estate[21] Project finance Object finance	AIRB – Supervisory Slotting[22]
Other Assets	All other assets not falling into the above classes e.g. margin lending, fixed assets	AIRB – fixed risk weights

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

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

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

The ANZ rating system

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

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

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

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

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

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

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

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

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

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

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

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

Table 9(d): Non Retail Exposure at Default subject to Advanced Internal Ratings Based (IRB) approach[23] [24] [25]

	Mar 20							
	AAA < A+ $M	A+ < BBB $M	BBB < BB+ $M	BB+ < B+ $M	B+ < CCC $M	CCC $M	Default $M	Total $M
Exposure at Default								
Corporate	34,797	97,236	96,962	58,955	15,175	2,436	2,420	**307,981**
Sovereign	160,894	31,038	2,212	1,037	2,082	14	-	**197,277**
Bank	20,510	36,251	5,767	1,087	27	7	-	**63,649**
Total	**216,201**	**164,525**	**104,941**	**61,079**	**17,284**	**2,457**	**2,420**	**568,907**
% of Total	38.0%	28.9%	18.4%	10.7%	3.0%	0.4%	0.4%	100.0%
Undrawn commitments (included in above)								
Corporate	9,265	36,315	22,743	8,587	1,743	311	67	**79,031**
Sovereign	1,515	19	1	20	24	-	-	**1,579**
Bank	-	519	33	3	1	-	-	**556**
Total	**10,780**	**36,853**	**22,777**	**8,610**	**1,768**	**311**	**67**	**81,166**
Average Exposure at Default								
Corporate	15.795	10.623	1.988	0.730	0.136	0.239	0.669	**1.160**
Sovereign	192.458	408.394	38.138	12.200	26.352	2.293	-	**172.596**
Bank	3.743	4.551	4.372	5.275	0.671	0.314	-	**4.264**
Exposure-weighted average Loss Given Default (%)								
Corporate	56.1%	56.8%	47.7%	37.0%	33.1%	40.5%	41.3%	**48.7%**
Sovereign	5.1%	13.2%	39.0%	42.7%	51.8%	54.5%	-	**7.4%**
Bank	63.4%	61.9%	65.4%	68.6%	72.0%	67.9%	-	**62.8%**
Exposure-weighted average risk weight (%)								
Corporate	17.2%	32.9%	53.5%	62.9%	84.9%	200.1%	127.0%	**48.8%**
Sovereign	0.8%	3.4%	37.5%	75.6%	139.6%	282.1%	-	**3.5%**
Bank	19.9%	26.1%	66.3%	121.2%	224.4%	416.2%	-	**29.3%**

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

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

[25] 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 19							
	AAA < A+ $M	A+ < BBB $M	BBB < BB+ $M	BB+ < B+ $M	B+ < CCC $M	CCC $M	Default $M	Total $M
Exposure at Default								
Corporate	28,676	83,292	88,656	56,847	14,923	2,151	2,054	**276,599**
Sovereign	121,380	26,556	2,315	898	1,768	22	1	**152,940**
Bank	17,972	31,295	4,321	1,529	24	4	-	**55,145**
Total	**168,028**	**141,143**	**95,292**	**59,274**	**16,715**	**2,177**	**2,055**	**484,684**
% of Total	34.8%	29.1%	19.7%	12.2%	3.4%	0.4%	0.4%	100.0%
Undrawn commitments (included in above)								
Corporate	7,689	32,168	22,657	8,018	1,620	205	58	**72,415**
Sovereign	1,194	54	1	10	4	-	-	**1,263**
Bank	47	442	28	-	2	-	-	**519**
Total	**8,930**	**32,664**	**22,686**	**8,028**	**1,626**	**205**	**58**	**74,197**
Average Exposure at Default								
Corporate	12.281	10.124	1.790	0.698	0.133	0.217	0.730	**1.039**
Sovereign	166.960	491.771	38.586	11.662	21.047	5.615	0.204	**151.426**
Bank	6.600	6.072	4.163	4.444	0.654	0.240	-	**5.922**
Exposure-weighted average Loss Given Default (%)								
Corporate	54.6%	56.5%	46.8%	36.8%	33.8%	39.2%	41.2%	**47.7%**
Sovereign	5.1%	12.9%	40.8%	42.5%	51.4%	58.3%	5.6%	**7.7%**
Bank	63.9%	61.7%	64.3%	68.5%	67.7%	72.5%	-	**62.8%**
Exposure-weighted average risk weight (%)								
Corporate	17.1%	32.9%	52.9%	62.6%	88.3%	190.5%	108.0%	**48.5%**
Sovereign	0.9%	3.3%	42.0%	80.8%	138.1%	318.9%	-	**4.1%**
Bank	19.5%	25.3%	63.7%	113.7%	183.3%	391.1%	-	**29.0%**

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

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

Mar 20	0.00% <0.11% $M	0.11% <0.30% $M	0.30% <0.51% $M	0.51% <3.49% $M	3.49% <10.09% $M	10.09% <100.00% $M	Default $M	Total $M
Exposure at Default								
Residential Mortgage	72,103	98,989	63,456	132,126	6,725	3,336	3,347	**380,082**
Qualifying Revolving Retail	5,464	3,607	1,242	3,872	1,245	624	74	**16,128**
Other Retail	1,132	5,585	1,943	19,367	4,056	1,959	975	**35,017**
Total	**78,699**	**108,181**	**66,641**	**155,365**	**12,026**	**5,919**	**4,396**	**431,227**
% of Total	18.3%	25.1%	15.5%	35.9%	2.8%	1.4%	1.0%	100.0%
Undrawn commitments (included in above)								
Residential Mortgage	15,431	7,705	3,061	7,497	33	29	-	**33,756**
Qualifying Revolving Retail	4,013	2,694	758	1,414	304	68	2	**9,253**
Other Retail	871	3,652	1,262	2,919	487	80	10	**9,281**
Total	**20,315**	**14,051**	**5,081**	**11,830**	**824**	**177**	**12**	**52,290**
Average Exposure at Default								
Residential Mortgage	0.258	0.230	0.265	0.271	0.349	0.330	0.270	**0.257**
Qualifying Revolving Retail	0.009	0.008	0.008	0.010	0.010	0.007	0.009	**0.009**
Other Retail	0.008	0.017	0.011	0.024	0.008	0.012	0.025	**0.016**
Exposure-weighted average Loss Given Default (%)								
Residential Mortgage	19.7%	18.0%	19.3%	20.8%	20.3%	20.0%	19.8%	**19.6%**
Qualifying Revolving Retail	72.9%	76.8%	75.0%	78.9%	82.2%	81.3%	75.7%	**76.4%**
Other Retail	55.0%	54.7%	71.7%	46.6%	68.2%	54.0%	46.0%	**52.5%**
Exposure-weighted average risk weight (%)								
Residential Mortgage	5.8%	11.1%	19.0%	39.7%	93.9%	127.3%	178.0%	**25.3%**
Qualifying Revolving Retail	3.4%	7.8%	15.7%	44.2%	102.1%	203.6%	54.9%	**30.7%**
Other Retail	29.6%	37.0%	53.8%	59.4%	118.2%	166.3%	212.1%	**71.6%**

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

Sep 19	0.00% <0.11% $M	0.11% <0.30% $M	0.30% <0.51% $M	0.51% <3.49% $M	3.49% <10.09% $M	10.09% <100.00% $M	Default $M	Total $M
Exposure at Default								
Residential Mortgage	71,738	98,315	59,839	129,754	6,916	3,383	3,431	**373,376**
Qualifying Revolving Retail	5,635	3,681	1,317	3,996	1,334	617	67	**16,647**
Other Retail	1,050	5,289	2,307	20,070	4,672	1,969	965	**36,322**
Total	**78,423**	**107,285**	**63,463**	**153,820**	**12,922**	**5,969**	**4,463**	**426,345**
% of Total	18.4%	25.2%	14.9%	36.1%	3.0%	1.4%	1.0%	100.0%
Undrawn commitments (included in above)								
Residential Mortgage	15,322	7,393	2,870	7,233	33	32	-	**32,883**
Qualifying Revolving Retail	4,106	2,757	819	1,463	290	53	2	**9,490**
Other Retail	803	3,354	1,488	2,666	488	76	9	**8,884**
Total	**20,231**	**13,504**	**5,177**	**11,362**	**811**	**161**	**11**	**51,257**
Average Exposure at Default								
Residential Mortgage	0.253	0.228	0.255	0.262	0.343	0.326	0.274	**0.251**
Qualifying Revolving Retail	0.009	0.008	0.008	0.010	0.010	0.006	0.009	**0.009**
Other Retail	0.008	0.016	0.011	0.024	0.009	0.011	0.027	**0.016**
Exposure-weighted average Loss Given Default (%)								
Residential Mortgage	19.7%	18.3%	19.2%	20.8%	20.3%	20.0%	19.9%	**19.6%**
Qualifying Revolving Retail	75.6%	80.1%	77.7%	81.3%	84.9%	82.6%	83.5%	**79.2%**
Other Retail	55.9%	54.0%	73.6%	45.4%	67.3%	54.8%	45.6%	**52.1%**
Exposure-weighted average risk weight (%)								
Residential Mortgage	5.9%	11.3%	19.0%	39.6%	93.9%	127.1%	197.0%	**25.6%**
Qualifying Revolving Retail	3.5%	8.1%	16.2%	45.0%	105.5%	203.0%	230.7%	**32.0%**
Other Retail	14.4%	22.7%	51.4%	59.1%	116.5%	170.9%	236.9%	**70.2%**

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

Table 9(e): Actual Losses by portfolio type

	Half year Mar 20	
Basel Asset Class	**Individual provision charge $M**	**Write-offs $M**
Corporate	356	87
Sovereign	-	-
Bank	-	-
Residential Mortgage	30	47
Qualifying Revolving Retail	81	113
Other Retail	155	196
Total Advanced IRB	**622**	**443**
Specialised Lending	9	-
Standardised approach	(5)	26
Total	**626**	**469**

	Half year Sep 19	
Basel Asset Class	**Individual provision charge $M**	**Write-offs $M**
Corporate	75	89
Sovereign	-	-
Bank	-	-
Residential Mortgage	37	67
Qualifying Revolving Retail	87	126
Other Retail	187	264
Total Advanced IRB	**386**	**546**
Specialised Lending	(2)	1
Standardised approach	14	31
Total	**398**	**578**

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

Factors impacting the loss experience

The individual credit impairment charge increased $228 million relates to a small number of new single name impairments in the Institutional division driving increases in AIRB Corporate. This was offset by improved mortgage delinquencies in the Australia retail portfolios as a result of strengthened collection practices, combined with ongoing lower portfolio growth in the unsecured portfolio driving the decrease in the AIRB Other Retail asset class.

Write-offs decreased $109 million over the half driven by Residential Mortgages, Qualifying Revolving Retail and Other Retail asset class.

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

Portfolio Type	Mar 20				
	Average Estimated PD %	Average Actual PD %	Average estimated to actual EAD ratio	Average Estimated LGD %	Average Actual LGD %
Corporate	2.01	1.74	1.20	42.45	34.68
Sovereign	0.40	0.00	n/a	n/a	n/a
Bank	0.62	0.07	1.02	46.00	58.30
Specialised Lending	n/a	1.94	1.05	n/a	26.31
Residential Mortgage	0.74	0.83	1.01	20.5	1.7
Qualifying Revolving Retail	2.22	1.77	1.09	78.2	68.3
Other Retail	4.07	3.14	1.05	53.8	43.4

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

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

Wholesale Portfolios
The estimated PD is based on the average of the internally estimated long-run PDs for obligors that are not in default at the beginning of each financial year over the period of observation being 2009 to 2019. The actual PD is based on the number of defaulted obligors up to February 2020 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 11 years of observation being 2009 to February 2020. A ratio greater than 1.0 signifies that on average, the actual defaulted exposures are lower than the estimated exposures at the time of default.

The estimated LGD is the downturn LGD for accounts that defaulted at the beginning of each year during the observation period being 2009 to March 2018. The actual LGD is based on the average realised losses over the period for the accounts observed at the beginning and defaulted during the observation period. For non-retail portfolios, the estimated and actual LGDs are based on accounts that defaulted up to March 2018. Defaults occurring after March 2018 have been excluded from the analysis to allow sufficient time for workout period. Actual LGD for defaults where workouts were not finalised have been estimated to approximate the final actual loss.

Retail Portfolios
The estimated PD is based on the average of the internally estimated long-run PDs for obligors that are not in default at March each year over the period of observation being 2015 to 2019. The actual PD is based on the number of defaulted obligors up to March 2020 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 2015 to 2019. A ratio greater than 1.0 signifies that on average, the actual defaulted exposures are lower than the estimated exposures at the time of default.

The estimated LGD is the downturn LGD for accounts that are not in default at the beginning of each year during the observation period being 2014 to 2018. The actual LGD is based on the average realised losses over the period for the accounts observed at the beginning and defaulted during the observation period. Defaults occurring after March 2019 have been excluded from the analysis to allow sufficient time for workout period.

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

Table 10 Credit risk mitigation disclosures

Table 10(b): Credit risk mitigation on Standardised approach portfolios – collateral [27]

	Mar 20			
	Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised approach				
Corporate	15,971	5,269	-	33.0%
Residential Mortgage	471	-	-	0.0%
Other Retail	46	-	-	0.0%
Total	**16,488**	**5,269**	**-**	**32.0%**

	Sep 19			
	Exposure $M	Eligible Financial Collateral $M	Other Eligible Collateral $M	% Coverage
Standardised approach				
Corporate	12,998	7,389	-	56.8%
Residential Mortgage	445	-	-	0.0%
Other Retail	49	-	-	0.0%
Total	**13,492**	**7,389**	**-**	**54.8%**

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

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

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

	Mar 20			
	Exposure $M	Exposures covered by Guarantees $M	Exposures covered by Credit Derivatives $M	% Coverage
Advanced IRB				
Corporate (incl. Specialised Lending)	356,417	3,810	1,197	1.4%
Sovereign	197,277	5,652	-	2.9%
Bank	63,649	-	-	0.0%
Residential Mortgage	380,082	-	-	0.0%
Qualifying Revolving Retail	16,128	-	-	0.0%
Other Retail	35,017	-	-	0.0%
Total	**1,048,570**	**9,462**	**1,197**	**1.0%**
Standardised approach				
Corporate	15,971	39	-	0.2%
Residential Mortgage	471	-	-	0.0%
Other Retail	46	-	-	0.0%
Total	**16,488**	**39**	**-**	**0.2%**
Qualifying Central Counterparties	**10,005**	**-**	**-**	**0.0%**

	Sep 19			
	Exposure $M	Exposures covered by Guarantees $M	Exposures covered by Credit Derivatives $M	% Coverage
Advanced IRB				
Corporate (incl. Specialised Lending)	319,947	4,217	1,029	1.6%
Sovereign	152,940	5,957	-	3.9%
Bank	55,145	-	-	0.0%
Residential Mortgage	373,376	-	-	0.0%
Qualifying Revolving Retail	16,647	-	-	0.0%
Other Retail	36,322	-	-	0.0%
Total	**954,377**	**10,174**	**1,029**	**1.2%**
Standardised approach				
Corporate	12,998	23	-	0.2%
Residential Mortgage	445	-	-	0.0%
Other Retail	49	-	-	0.0%
Total	**13,492**	**23**	**-**	**0.2%**
Qualifying Central Counterparties	**9,348**	**-**	**-**	**0.0%**

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

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

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

	Mar 20 $M	Sep 19 $M	Mar 19 $M
Gross positive fair value of contracts	173,677	120,667	79,376
Netting benefits	(151,517)	(106,003)	(66,767)
Netted current credit exposure	22,160	14,664	12,609
Collateral held	(13,732)	(6,277)	(4,566)
Net derivatives credit exposure	**8,428**	**8,387**	**8,043**

Counterparty credit risk exposure - by portfolio type

Portfolio Type	Mar 20 $M	Sep 19 $M	Mar 19 $M
Corporate	27,804	23,276	14,096
Sovereign	3,826	2,863	1,816
Bank	18,600	16,733	14,853
Qualifying Central Counterparties	10,005	9,348	12,530
Specialised Lending	1,727	1,496	629
Total exposures	**61,962**	**53,716**	**43,924**

Notional Value of Credit Derivative Hedges

Product Type	Mar 20 $M	Sep 19 $M	Mar 19 $M
Credit Default Swaps	351	344	349
Interest Rate Swaps	-	-	-
Currency Swaps	-	-	-
Other	-	-	-
Total exposures	**351**	**344**	**349**

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

	Mar 20		
	Protection Bought $M	**Protection Sold $M**	**Total $M**
Credit derivative products used for own credit portfolio			
Credit default swaps	5,073	2,321	7,394
Total notional value	**5,073**	**2,321**	**7,394**
Credit derivative products used for intermediation			
Credit default swaps	351	355	706
Total return swaps	-	-	-
Total notional value	**351**	**355**	**706**
Total credit derivative notional value	**5,424**	**2,676**	**8,100**

	Sep 19		
	Protection Bought $M	**Protection Sold $M**	**Total $M**
Credit derivative products used for own credit portfolio			
Credit default swaps	7,091	4,940	12,031
Total notional value	**7,091**	**4,940**	**12,031**
Credit derivative products used for intermediation			
Credit default swaps	344	344	688
Total return swaps	-	-	-
Total notional value	**344**	**344**	**688**
Total credit derivative notional value	**7,435**	**5,284**	**12,719**

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

Chapter 4 – Securitisation

Banking Book

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

		Mar 20	
Traditional securitisations			
Underlying asset	**ANZ Originated $M**	**ANZ Self Securitised $M**	**ANZ Sponsored $M**
Residential mortgage	2,108	133,650	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**2,108**	**133,650**	**-**

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	2,108	133,650	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**2,108**	**133,650**	**-**

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

Sep 19

Traditional securitisations Underlying asset	ANZ Originated $M	ANZ Self Securitised $M	ANZ Sponsored $M
Residential mortgage	2,369	70,863	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**2,369**	**70,863**	**-**

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	2,369	70,863	-
Credit cards and other personal loans	-	-	-
Auto and equipment finance	-	-	-
Commercial loans	-	-	-
Other	-	-	-
Total	**2,369**	**70,863**	**-**

Mar 19

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

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

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

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

Underlying asset	Mar 20				
	ANZ originated $M	ANZ Self Securitised $M	Impaired $M	Past due $M	Losses recognised for the six month ended $M
Residential mortgage	2,108	133,650	-	65	-
Credit cards and other personal loans	-	-	-	-	-
Auto and equipment finance	-	-	-	-	-
Commercial loans	-	-	-	-	-
Other	-	-	-	-	-
Total	**2,108**	**133,650**	**-**	**65**	**-**

Underlying asset	Sep 19				
	ANZ originated $M	ANZ Self Securitised $M	Impaired $M	Past due $M	Losses recognised for the six month ended $M
Residential mortgage	2,369	70,863	-	71	-
Credit cards and other personal loans	-	-	-	-	-
Auto and equipment finance	-	-	-	-	-
Commercial loans	-	-	-	-	-
Other	-	-	-	-	-
Total	**2,369**	**70,863**	**-**	**71**	**-**

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

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 [28]

	Mar 20			
	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	(261)	62,787	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(261)**	**62,787**	**-**	**-**

Securitisation activity by facility provided	Notional amount $M
Liquidity facilities	-
Funding facilities	1,210
Underwriting facilities	-
Lending facilities	-
Credit enhancements	-
Holdings of securities (excluding trading book)	474
Other	268
Total	**1,952**

	Sep 19			
	Original value securitised			
Securitisation activity by underlying asset type	ANZ Originated $M	ANZ Self Securitised $M	ANZ Sponsored $M	Recognised gain or loss on sale $M
Residential mortgage	1,277	(591)	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**1,277**	**(591)**	**-**	**-**

Securitisation activity by facility provided	Notional amount $M
Liquidity facilities	15
Funding facilities	1,135
Underwriting facilities	-
Lending facilities	-
Credit enhancements	-
Holdings of securities (excluding trading book)	163
Other	153
Total	**1,466**

[28] 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 19			
	Original value securitised			
Securitisation activity by underlying asset type	**ANZ Originated $M**	**ANZ Self Securitised $M**	**ANZ Sponsored $M**	**Recognised gain or loss on sale $M**
Residential mortgage	(119)	839	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(119)**	**839**	**-**	**-**

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

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

Securitisation exposure type - On balance sheet	Mar 20 $M	Sep 19 $M	Mar 19 $M
Liquidity facilities	-	-	-
Funding facilities	8,799	7,679	6,574
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	2,397	1,923	1,760
Protection provided	-	-	-
Other	432	437	141
Total	**11,628**	**10,039**	**8,475**

Securitisation exposure type - Off Balance Sheet	Mar 20 $M	Sep 19 $M	Mar 19 $M
Liquidity facilities	22	25	12
Funding facilities	1,818	1,598	1,320
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	-	-	-
Protection provided	-	-	-
Other	-	-	-
Total	**1,840**	**1,623**	**1,332**

Total Securitisation exposure type	Mar 20 $M	Sep 19 $M	Mar 19 $M
Liquidity facilities	22	25	12
Funding facilities	10,617	9,278	7,894
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	2,397	1,923	1,760
Protection provided	-	-	-
Other	432	437	141
Total	**13,468**	**11,662**	**9,807**

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

	Mar 20		Sep 19		Mar 19	
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%	13,468	2,142	11,662	1,859	9,807	1,558
>25 ≤ 35%	-	-	-	-	-	-
>35 ≤ 50%	-	-	-	-	-	-
>50 ≤ 75%	-	-	-	-	-	-
>75 ≤ 100%	-	-	-	-	-	-
>100 ≤ 650%	-	-	-	-	-	-
1250% (Deduction)	-	-	-	-	-	-
Total	**13,468**	**2,142**	**11,662**	**1,859**	**9,807**	**1,558**

	Mar 20		Sep 19		Mar 19	
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 20		Sep 19		Mar 19	
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%	13,468	2,142	11,662	1,859	9,807	1,558
>25 ≤ 35%	-	-	-	-	-	-
>35 ≤ 50%	-	-	-	-	-	-
>50 ≤ 75%	-	-	-	-	-	-
>75 ≤ 100%	-	-	-	-	-	-
>100 ≤ 650%	-	-	-	-	-	-
1250% (Deduction)	-	-	-	-	-	-
Total	**13,468**	**2,142**	**11,662**	**1,859**	**9,807**	**1,558**

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

Table 13(b): Market risk – Standard approach [29]

	Mar 20 $M	Sep 19 $M	Mar 19 $M
Interest rate risk	186	142	109
Equity position risk	-	-	-
Foreign exchange risk	-	-	-
Commodity risk	-	-	-
Total	**186**	**142**	**109**
Risk Weighted Assets equivalent	**2,325**	**1,775**	**1,363**

[29] 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 [30]

	Six months ended Mar 20			
99% 1 Day Value at Risk (VaR)	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	2.8	6.1	1.2	2.7
Interest Rate	5.2	8.9	3.3	4.9
Credit	4.2	5.5	1.8	3.1
Commodity	2.2	3.4	1.3	1.4
Equity	-	-	-	-

	Six months ended Sep 19			
99% 1 Day Value at Risk (VaR)	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	3.4	8.1	1.2	1.4
Interest Rate	5.0	7.0	3.7	3.8
Credit	3.8	5.4	2.3	5.1
Commodity	2.2	2.9	1.5	1.6
Equity	-	-	-	-

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

	Six months ended Mar 20			
99% 10 Day Stressed VaR	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	48.6	146.8	15.6	33.8
Interest Rate	63.9	181.4	33.8	87.1
Credit	41.5	59.0	24.8	32.9
Commodity	11.5	16.3	6.7	6.7
Equity	-	-	-	-

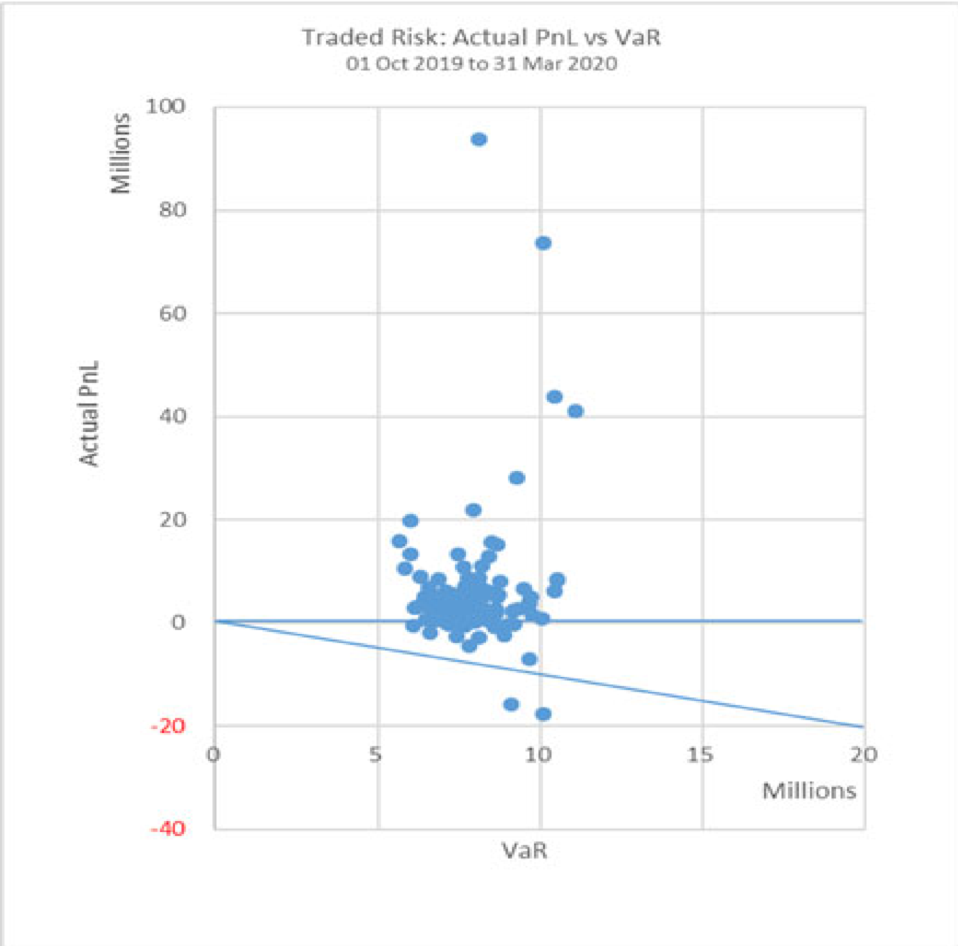
	Six months ended Sep 19			
99% 10 Day Stressed VaR	Mean $M	Maximum $M	Minimum $M	Period end $M
Foreign Exchange	70.7	133.5	24.0	24.0
Interest Rate	42.3	65.5	26.1	54.9
Credit	48.0	59.6	37.6	53.7
Commodity	11.0	16.4	7.3	11.1
Equity	-	-	-	-

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

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

Comparison of VaR estimates with actual gains/losses experienced

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



Chapter 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 20 $M Balance sheet value	Fair value
Value of listed (publicly traded) equities	3,344	2,498
Value of unlisted (privately held) equities	137	137
Total	**3,481**	**2,635**

Equity investments	Sep 19 $M Balance sheet value	Fair value
Value of listed (publicly traded) equities	4,043	3,459
Value of unlisted (privately held) equities	135	135
Total	**4,178**	**3,594**

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

Table 16(d) and 16(e): Equities – gains (losses)[31]

Realised gains (losses) on equity investments	Half Year Mar-20 $M	Half Year Sep 19 $M	Half Year Mar 19 $M
Cumulative realised gains (losses) from disposals and liquidations in the reporting period	-	-	42
Cumulative realised losses from impairment and writedowns in the reporting period	(815)	-	-
	(815)	**-**	**42**

Unrealised gains (losses) on equity investments	Half Year Mar 20 $M	Half Year Sep 19 $M	Half Year Mar 19 $M
Total unrealised gains (losses)	(40)	(88)	160
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	**(40)**	**(88)**	**160**

Table 16(f): Equities Risk Weighted Assets

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

[31] 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 Interest Rate Risk in the Banking Book

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

	Change in Economic Value		
Standard Shock Scenario Stress Testing: Interest rate shock applied	**Mar 20 $M**	**Sep 19 $M**	**Mar 19 $M**
AUD			
200 basis point parallel increase	(267)	(508)	(336)
200 basis point parallel decrease	262	527	327
NZD			
200 basis point parallel increase	(133)	(136)	(76)
200 basis point parallel decrease	116	126	64
USD			
200 basis point parallel increase	(84)	(34)	-
200 basis point parallel decrease	93	38	1
GBP			
200 basis point parallel increase	13	18	33
200 basis point parallel decrease	(13)	(19)	(34)
Other			
200 basis point parallel increase	(74)	(44)	24
200 basis point parallel decrease	82	50	(22)
IRRBB regulatory capital	**641**	**554**	**580**
IRRBB regulatory RWA	**8,011**	**6,922**	**7,245**

IRRBB stress testing methodology

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

Chapter 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. APRA has not finalised a minimum Leverage Ratio requirement for Australian ADIs, although they have proposed a minimum of 3.5% for ADIs authorised to use the internal ratings based approach to credit risk.

At 31 March 2020, the Group's Leverage Ratio of 5.0% was above the 3% minimum currently required by the BCBS. Table 18 below shows the Group's Leverage Ratio calculation as at 31 March 2020 and Table 19 summarises the reconciliation of accounting assets and leverage ratio exposure measure at 31 March 2020.

Table 18 Leverage Ratio

		Mar 20 $M	Sep 19 $M	Mar 19 $M
	On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	911,565	823,620	824,997
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(12,154)	(12,976)	(14,082)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**899,411**	**810,644**	**810,915**
	Derivative exposures			
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	16,277	11,565	8,074
5	Add-on amounts for PFE associated with all derivatives transactions	36,100	32,713	31,651
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	887	1,384	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(10,850)	(11,893)	(8,789)
8	(Exempted CCP leg of client-cleared trade exposures)		-	-
9	Adjusted effective notional amount of written credit derivatives	2,001	3,906	2,060
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(1,547)	(3,417)	(1,557)
11	**Total derivative exposures**	**42,868**	**34,258**	**31,439**
	Securities financing transaction exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	64,405	35,980	36,256
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(1,143)	(1,426)	(1,344)
14	CCR exposure for SFT assets	4,181	2,369	2,375
15	Agent transaction exposures	-	-	-
16	**Total securities financing transaction exposures**	**67,443**	**36,923**	**37,287**
	Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	269,417	253,791	245,941
18	(Adjustments for conversion to credit equivalent amounts)	(154,740)	(146,391)	(139,999)
19	Off-balance sheet items	**114,677**	**107,400**	**105,942**
	Capital and Total Exposures			
20	**Tier 1 capital**	**56,295**	**55,221**	**53,075**
21	**Total exposures**	**1,124,399**	**989,225**	**985,583**
	Leverage ratio			
22	**Basel III leverage ratio**	**5.0%**	**5.6%**	**5.4%**

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

		Mar 20 $M	Sep 19 $M	Mar 19 $M
1	Total consolidated assets as per published financial statements	1,149,955	981,137	980,244
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation.	(308)	(871)	(39,618)
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.	(130,809)	(86,409)	(47,936)
5	Adjustment for SFTs (i.e. repos and similar secured lending)	3,038	944	1,033
6	Adjustment for off-balance sheet exposures (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	114,677	107,400	105,942
7	Other adjustments	(12,154)	(12,976)	(14,082)
	Leverage ratio exposure	**1,124,399**	**989,225**	**985,583**

Table 20 Liquidity Coverage Ratio disclosure template

		Mar 20		Dec 19		Sep 19	
		Total Unweighted Value $M	Total Weighted Value $M	Total Unweighted Value $M	Total Weighted Value $M	Total Unweighted Value $M	Total Weighted Value $M
	Liquid assets, of which:						
1	High-quality liquid assets (HQLA)		178,751		158,981	-	144,200
2	Alternative liquid assets (ALA)		29,290		41,402	-	41,400
3	Reserve Bank of New Zealand (RBNZ) securities		4,511		5,872	-	4,997
	Cash outflows						
4	Retail deposits and deposits from small business customers	208,529	21,470	211,449	21,852	202,675	20,702
5	of which: stable deposits	82,549	4,127	81,912	4,096	78,262	3,913
6	of which: less stable deposits	125,980	17,343	129,537	17,756	124,413	16,789
7	Unsecured wholesale funding	232,218	127,180	211,756	115,753	208,233	114,820
8	of which: operational deposits (all counterparties) and deposits in networks for cooperative banks	71,606	17,398	65,792	15,856	64,317	15,552
9	of which: non-operational deposits (all counterparties)	149,352	98,522	135,907	89,840	132,524	87,876
10	of which: unsecured debt	11,260	11,260	10,057	10,057	11,392	11,392
11	Secured wholesale funding		1,140		1,412		513
12	Additional requirements	149,498	47,058	140,594	38,768	143,054	40,181
13	of which: outflows related to derivatives exposures and other collateral requirements	31,150	31,150	22,915	22,915	24,736	24,736
14	of which: outflows related to loss of funding on debt products	-	-	-	-	-	-
15	of which: credit and liquidity facilities	118,348	15,908	117,679	15,853	118,318	15,445
16	Other contractual funding obligations	11,345	-	10,661	-	10,892	-
17	Other contingent funding obligations	85,308	4,377	75,473	4,813	66,370	3,985
18	Total cash outflows		201,225		182,598		180,201
	Cash inflows						
19	Secured lending (e.g. reverse repos)	36,542	2,243	27,329	1,480	30,556	1,901
20	Inflows from fully performing exposures	30,416	19,071	29,791	19,130	37,335	26,443
21	Other cash inflows	24,345	24,345	16,031	16,031	18,235	18,235
22	Total cash inflows	91,303	45,659	73,151	36,641	86,126	46,579
23	Total liquid assets		212,552		206,255		190,597
24	Total net cash outflows		155,566		145,957		133,622
25	Liquidity Coverage Ratio (%)		136.6%		141.3%		142.6%
	Number of data points used (simple average)		64		66		66

Liquidity Coverage Ratio (LCR)

ANZ's average LCR for the 3 months to 31 Mar 2020 was 136.6% with total liquid assets exceeding net outflows by an average of $57.0 billion.

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

The liquid asset portfolio continues to be mostly made up of HQLA securities and cash, on average 84% through the quarter.

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 20				
		Unweighted value by residual maturity				Weighted value
	Available Stable Funding (ASF) Item	**No maturity $M**	**< 6 months $M**	**6 months to < 1yr $M**	**≥ 1yr $M**	**$M**
1	Capital	61,459	-	-	20,647	82,106
2	of which: regulatory capital	61,459	-	-	20,647	82,106
3	of which: other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers	194,663	74,501	7,703	2,908	257,281
5	of which: stable deposits	87,027	16,820	-	-	98,654
6	of which: less stable deposits	107,636	57,681	7,703	2,908	158,627
7	Wholesale funding	130,328	315,329	31,800	91,351	212,237
8	of which: operational deposits	85,277	-	-	-	42,638
9	of which: other wholesale funding	45,051	315,329	31,800	91,351	169,599
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities	33,063	11,590	-	465	465
12	of which: NSFR derivative liabilities		11,590	-	-	
13	of which: All other liabilities and equity not included in the above categories	33,063	-	-	465	465
14	**Total ASF**					**552,089**
Required Stable Funding (RSF) Item						
15a	Total NSFR (HQLA)					7,497
15b	ALA					4,773
15c	RBNZ securities					906
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities	15,812	171,628	41,463	437,602	408,939
18	of which: Performing loans to financial institutions secured by Level 1 HQLA	-	58,724	-	3	5,875
19	of which: Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	569	42,119	7,845	11,552	22,361
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)	14,534	64,050	26,729	127,813	166,420
21	of which: With a risk weight of less than or equal to 35% under APS 112	19	1,449	130	4,731	3,877
22	of which: Performing residential mortgages	-	5,860	6,237	295,205	210,342
23	of which: With a risk weight equal to 35% under APS 112	-	5,223	5,572	259,899	179,681
24	of which: Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	709	875	652	3,029	3,941
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	29,340	42,544	913	4,299	39,212
27	of which: Physical traded commodities, including gold	2,662				2,262
28	of which: Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)		2,317	-	-	1,970
29	of which: NSFR derivative assets		16,277	-	-	4,687
30	of which: NSFR derivative liabilities before deduction of variation margin posted		23,233	-	-	4,647
31	of which: All other assets not included in the above categories	26,678	717	913	4,299	25,646
32	Off-balance sheet items		-	-	193,734	7,441
33	**Total RSF**					**468,767**
34	**Net Stable Funding Ratio (%)**					**117.77%**

ANZ's NSFR as at 31 March 2020 was 117.8%, up 1.3% in the quarter since December 2019.

The main sources of Available Stable Funding (ASF) at March 2020 were deposits from Retail and SME customers, at 47%, with other wholesale funding at 31% and capital at 15% of the total ASF.

The majority of ANZ's Required Stable Funding (RSF) at March 2020 was driven by mortgages at 45% and other lending to non-FI customers at 36% of the total RSF.

Table 21 NSFR disclosure template (continued)

		Dec 19				
		Unweighted value by residual maturity				Weighted value
	Available Stable Funding (ASF) Item	**No maturity $M**	**< 6 months $M**	**6 months to < 1yr $M**	**≥ 1yr $M**	**$M**
1	Capital	60,162	-	-	17,639	77,801
2	of which: regulatory capital	60,162	-	-	17,639	77,801
3	of which: other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers	183,222	77,108	6,836	2,956	248,135
5	of which: stable deposits	77,459	17,148	-	-	89,876
6	of which: less stable deposits	105,763	59,960	6,836	2,956	158,259
7	Wholesale funding	113,869	279,712	34,702	86,817	195,533
8	of which: operational deposits	69,464	-	-	-	34,732
9	of which: other wholesale funding	44,405	279,712	34,702	86,817	160,801
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities	16,340	6,695	-	1,349	1,349
12	of which: NSFR derivative liabilities		6,695	-	-	
13	of which: All other liabilities and equity not included in the above categories	16,340	-	-	1,349	1,349
14	**Total ASF**					**522,818**
	Required Stable Funding (RSF) Item					
15(a)	Total NSFR (HQLA)					7,145
15(b)	ALA					4,800
15(c)	RBNZ securities					882
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities	16,608	137,980	41,742	425,873	394,096
18	of which: Performing loans to financial institutions secured by Level 1 HQLA	-	37,265	21	-	3,737
19	of which: Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	562	36,866	7,381	11,502	21,284
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)	15,127	57,502	28,509	117,204	155,568
21	of which: With a risk weight of less than or equal to 35% under APS 112	13	1,019	336	4,416	3,556
22	of which: Performing residential mortgages	-	5,400	5,385	293,766	209,139
23	of which: With a risk weight equal to 35% under APS 112	-	4,812	4,799	257,345	177,594
24	of which: Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	919	947	446	3,401	4,368
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	22,117	30,040	784	4,235	34,108
27	of which: Physical traded commodities, including gold	1,390				1,181
28	of which: Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)		2,299	-	-	1,954
29	of which: NSFR derivative assets		9,077	-	-	2,382
30	of which: NSFR derivative liabilities before deduction of variation margin posted		17,853	-	-	3,571
31	of which: All other assets not included in the above categories	20,727	810	784	4,235	25,020
32	Off-balance sheet items		-	-	188,679	7,629
33	**Total RSF**					**448,660**
34	**Net Stable Funding Ratio (%)**					**116.53%**

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.

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