18th July 2022

Market Announcements Office
ASX Limited
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SYDNEY NSW 2000

APS 330 Pillar 3 Disclosure at 30 June 2022

Australia and New Zealand Banking Group Limited (ANZ) today releases its APS 330 Pillar 3 Disclosure as at 30 June 2022.

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

2022 Basel III Pillar 3 Disclosure

As at 30 June 2022

APS 330: Public Disclosure

Important notice

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

Table 3 Capital adequacy - Capital Ratios and Risk Weighted Assets

Risk Weighted Assets (RWA)	Jun 22 $M	Mar 22 $M	Dec 21 $M
Subject to Advanced Internal Rating Based (IRB) approach			
Corporate	146,770	141,243	142,829
Sovereign	10,392	9,781	10,085
Bank	11,604	10,742	9,810
Residential Mortgage	112,190	111,355	111,190
Qualifying Revolving Retail	3,356	3,418	3,598
Other Retail	17,668	18,200	19,063
Credit risk weighted assets subject to Advanced IRB approach	**301,980**	**294,739**	**296,575**
Credit Risk Specialised Lending exposures subject to slotting approach[1]	**40,034**	**38,432**	**37,566**
Subject to Standardised approach			
Corporate	6,031	6,149	7,263
Sovereign	22	36	255
Residential Mortgage	199	194	199
Other Retail	11	12	15
Credit risk weighted assets subject to Standardised approach	**6,263**	**6,391**	**7,732**
Credit Valuation Adjustment and Qualifying Central Counterparties	**2,455**	**3,154**	**2,909**
Credit risk weighted assets relating to securitisation exposures	2,466	2,090	2,037
Other assets	3,833	4,011	4,028
Total credit risk weighted assets	**357,031**	**348,817**	**350,847**
Market risk weighted assets	7,758	7,705	7,948
Operational risk weighted assets	47,980	47,986	48,253
Interest rate risk in the banking book (IRRBB) risk weighted assets	38,444	33,402	23,876
Total Risk Weighted Assets	**451,213**	**437,910**	**430,924**

Capital ratios (%)	Jun 22	Mar 22	Dec 21
Level 2 Common Equity Tier 1 capital ratio	**11.1%**	**11.5%**	**11.6%**
Level 2 Tier 1 capital ratio	**12.8%**	**13.2%**	**13.5%**
Level 2 Total capital ratio	**16.0%**	**16.6%**	**17.4%**

Basel III APRA level 2 CET1	Jun 22	Mar 22	Dec 21
Common Equity Tier 1 Capital	49,976	50,511	50,186
Total Risk Weighted Assets	451,213	437,910	430,924
Common Equity Tier 1 capital ratio	11.1%	11.5%	11.6%

Basel III APRA level 1 Extended licensed entity CET1	Jun 22	Mar 22	Dec 21
Common Equity Tier 1 Capital	40,025	41,021	44,101
Total Risk Weighted Assets	384,319	370,715	393,522
Common Equity Tier 1 capital ratio	10.4%	11.1%	11.2%

Credit Risk Weighted Assets (CRWA)

Total Credit RWA increased by $8.2 billion from March 2022 to $357.0 billion at June 2022. Increasing portfolio volumes primarily driven by lending growth in Institutional grew RWA by $7.6 billion combined with foreign exchange movements of $2.4 billion. This is offset by risk improvement of -$1.1 billion mainly in Institutional, Australia Commercial and New Zealand portfolios.

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

Traded Market Risk RWA increased slightly by $53 million over the quarter due to an increase in Risk Factor Not in VaR.
IRRBB RWA increased over the quarter mainly due to a decline in Embedded Gains as yields continued to rise, as well as increased market volatility.

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

Table 4 Credit risk exposures

Exposure at Default in Table 4 represents credit exposure net of offsets for credit risk mitigation such as guarantees, credit derivatives, netting and financial collateral. It includes Advanced IRB, Specialised Lending and Standardised exposures, however does not include Securitisation, Equities or Other Assets exposures.

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

	Jun 22				
Advanced IRB approach	**Risk Weighted Assets $M**	**Exposure at Default $M**	**Average Exposure at Default for three months $M**	**Individual provision charge for three months $M**	**Write-offs for three months $M**
Corporate	146,770	317,867	308,355	(11)	19
Sovereign	10,392	257,495	255,330	-	-
Bank	11,604	40,347	38,197	-	-
Residential Mortgage	112,190	412,563	412,095	(5)	5
Qualifying Revolving Retail	3,356	13,443	13,477	13	24
Other Retail	17,668	27,914	28,291	7	57
Total Advanced IRB approach	**301,980**	**1,069,629**	**1,055,745**	**4**	**105**
Specialised Lending	**40,034**	**49,249**	**48,233**	8	-
Standardised approach					
Corporate	6,031	5,853	5,978	2	-
Sovereign	22	111	145	-	-
Residential Mortgage	199	434	425	-	-
Other Retail	11	11	12	-	2
Total Standardised approach	**6,263**	**6,409**	**6,560**	**2**	**2**
Credit Valuation Adjustment and Qualifying Central Counterparties	**2,455**	**6,992**	**6,893**	**-**	**-**
Total	**350,732**	**1,132,279**	**1,117,431**	**14**	**107**

[2] Average Exposure at Default for quarter is calculated as the simple average of the balances at the start and the end of each three month period.

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

	Mar 22				
Advanced IRB approach	**Risk Weighted Assets $M**	**Exposure at Default $M**	**Average Exposure at Default for three months $M**	**Individual provision charge for three months $M**	**Write-offs for three months $M**
Corporate	141,243	298,844	299,558	(33)	13
Sovereign	9,781	253,167	263,706	-	-
Bank	10,742	36,047	34,129	-	-
Residential Mortgage	111,355	411,629	411,717	(6)	11
Qualifying Revolving Retail	3,418	13,510	13,614	15	26
Other Retail	18,200	28,667	29,008	11	48
Total Advanced IRB approach	**294,739**	**1,041,864**	**1,051,732**	**(13)**	**98**
Specialised Lending	**38,432**	**47,217**	**46,729**	**11**	**2**
Standardised approach					
Corporate	6,149	6,102	6,665	11	3
Sovereign	36	179	335	-	-
Residential Mortgage	194	416	420	-	1
Other Retail	12	12	13	-	-
Total Standardised approach	**6,391**	**6,709**	**7,434**	**11**	**4**
Credit Valuation Adjustment and Qualifying Central Counterparties	**3,154**	**6,793**	**6,683**	**-**	**-**
Total	**342,716**	**1,102,583**	**1,112,578**	**9**	**104**

	Dec 21				
Advanced IRB approach	**Risk Weighted Assets $M**	**Exposure at Default $M**	**Average Exposure at Default for three months $M**	**Individual provision charge for three months $M**	**Write-offs for three months $M**
Corporate	142,829	300,272	294,101	(2)	14
Sovereign	10,085	274,244	260,849	-	-
Bank	9,810	32,211	32,123	-	-
Residential Mortgage	111,190	411,804	411,026	12	9
Qualifying Revolving Retail	3,598	13,717	13,743	17	32
Other Retail	19,063	29,349	29,723	43	58
Total Advanced IRB approach	**296,575**	**1,061,597**	**1,041,565**	**70**	**113**
Specialised Lending	**37,566**	**46,240**	**45,640**	**8**	**-**
Standardised approach					
Corporate	7,263	7,228	6,939	-	3
Sovereign	255	491	259	-	-
Residential Mortgage	199	424	428	-	-
Other Retail	15	14	15	-	2
Total Standardised approach	**7,732**	**8,157**	**7,641**	**-**	**5**
Credit Valuation Adjustment and Qualifying Central Counterparties	**2,909**	**6,572**	**6,496**	**-**	**-**
Total	**344,782**	**1,122,566**	**1,101,342**	**78**	**118**

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

Portfolio Type	Jun 22 $M	Mar 22 $M	Dec 21 $M	Average for the quarter ended Jun 22 $M
Cash	147,212	147,409	159,941	147,311
Contingents liabilities, commitments, and other off-balance sheet exposures	183,472	175,572	184,178	179,522
Derivatives	46,643	41,399	40,092	44,021
Settlement Balances	16	72	32	44
Investment Securities	80,158	74,706	76,560	77,432
Net Loans, Advances & Acceptances	646,014	635,682	630,426	640,847
Other assets	8,284	8,307	8,628	8,296
Trading Securities	20,480	19,436	22,709	19,958
Total exposures	**1,132,279**	**1,102,583**	**1,122,566**	**1,117,431**

[3] Average Exposure at Default for quarter is calculated as the simple average of the balances at the start and the end of each three month period.

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

	Jun 22					
	Impaired derivatives $M	**Impaired loans/ facilities $M**	**Past due loans ≥ 90 days $M**	**Individual provision balance $M**	**Individual provision charge for three months $M**	**Write-offs for three months $M**
Portfolios subject to Advanced IRB approach						
Corporate	7	618	253	270	(11)	19
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	345	1,955	79	(5)	5
Qualifying Revolving Retail	-	32	-	-	13	24
Other Retail	-	234	287	145	7	57
Total Advanced IRB approach	**7**	**1,229**	**2,495**	**494**	**4**	**105**
Specialised Lending	**-**	**101**	**13**	**36**	**8**	**-**
Portfolios subject to Standardised approach						
Corporate	-	189	65	51	2	-
Residential Mortgage	-	30	12	6	-	-
Other Retail	-	9	1	1	-	2
Total Standardised approach	**-**	**228**	**78**	**58**	**2**	**2**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**7**	**1,558**	**2,586**	**588**	**14**	**107**

[4] Impaired derivatives are net of credit valuation adjustment (CVA) of nil, being a market value based assessment of the credit risk of the relevant counterparties (March 2022: nil; December 2021: $1 million).

[5] Impaired loans / facilities include restructured items of $303 million for customer facilities in which the original contractual terms have been modified for reasons related to the financial difficulties of the customer. Restructuring may consist of reduction of interest, principal or other payments legally due, or an extension in maturity materially beyond those typically offered to new facilities with similar risk (March 2022: $375 million; December 2021: $392 million).

[6] Impaired assets for June 2022 include $109 million of well secured facilities ($88 million of corporate and $21 million of mortgages) now classified as restructures post finalisation of COVID-19 support packages in the quarter.

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

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

Mar 22	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Individual provision charge for three months $M	Write-offs for three months $M
Portfolios subject to Advanced IRB approach						
Corporate	11	917	178	293	(33)	13
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	306	2,107	85	(6)	11
Qualifying Revolving Retail	-	33	-	-	15	26
Other Retail	-	275	326	177	11	48
Total Advanced IRB approach	**11**	**1,531**	**2,611**	**555**	**(13)**	**98**
Specialised Lending	**-**	**103**	**14**	**29**	**11**	**2**
Portfolios subject to Standardised approach						
Corporate	-	104	103	45	11	3
Residential Mortgage	-	9	38	5	-	1
Other Retail	-	8	-	2	-	-
Total Standardised approach	**-**	**121**	**141**	**52**	**11**	**4**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**11**	**1,755**	**2,766**	**636**	**9**	**104**

Dec 21	Impaired derivatives $M	Impaired loans/ facilities $M	Past due loans ≥ 90 days $M	Individual provision balance $M	Individual provision charge for three months $M	Write-offs for three months $M
Portfolios subject to Advanced IRB approach						
Corporate	7	1,027	216	327	(2)	14
Sovereign	-	-	-	-	-	-
Bank	-	-	-	-	-	-
Residential Mortgage	-	353	2,126	99	12	9
Qualifying Revolving Retail	-	35	-	-	17	32
Other Retail	-	295	366	192	43	58
Total Advanced IRB approach	**7**	**1,710**	**2,708**	**618**	**70**	**113**
Specialised Lending	**-**	**110**	**20**	**22**	**8**	**-**
Portfolios subject to Standardised approach						
Corporate	-	107	77	38	-	3
Residential Mortgage	-	10	42	5	-	-
Other Retail	-	9	-	3	-	2
Total Standardised approach	**-**	**126**	**119**	**46**	**-**	**5**
Qualifying Central Counterparties	**-**	**-**	**-**	**-**	**-**	**-**
Total	**7**	**1,946**	**2,847**	**686**	**78**	**118**

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

	Jun 22		
	Specific Provision Balance $M	**General Reserve for Credit Losses $M**	**Total $M**
Collectively Assessed Provisions for Credit Impairment	420	3,359	3,779
Individually Assessed Provisions	588	-	588
Total Provision for Credit Impairment	**1,008**	**3,359**	**4,367**

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

	Dec 21		
	Specific Provision Balance $M	**General Reserve for Credit Losses $M**	**Total $M**
Collectively Assessed Provisions for Credit Impairment	423	3,635	4,058
Individually Assessed Provisions	686	-	686
Total Provision for Credit Impairment	**1,109**	**3,635**	**4,744**

[8] Due to definitional differences, there is a variation in the split between ANZ's Individually and Collectively Assessed Provisions for Credit Impairment 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 Individually and Collectively Assessed Provisions for Credit Impairment, for ease of comparison with other published results.

Table 5 Securitisation

Table 5(a) part (i): Banking Book - Summary of current period's activity by underlying asset type and facility [9]

Jun 22				
	Original value securitised			
Securitisation activity by underlying asset type	ANZ Originated $M	ANZ Self Securitised $M	ANZ Sponsored $M	Recognised gain or loss on sale $M
Residential mortgage	(75)	1,845	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(75)**	**1,845**	**-**	**-**

Securitisation activity by facility provided	Notional amount $M
Liquidity facilities	-
Funding facilities	1,487
Underwriting facilities	-
Lending facilities	-
Credit enhancements	-
Holdings of securities (excluding trading book)	469
Other	-
Total	**1,956**

Mar 22				
	Original value securitised			
Securitisation activity by underlying asset type	ANZ Originated $M	ANZ Self Securitised $M	ANZ Sponsored $M	Recognised gain or loss on sale $M
Residential mortgage	(152)	6,657	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(152)**	**6,657**	**-**	**-**

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

[9] Activity represents net movement in outstanding.

Securitisation activity by underlying asset type	Dec 21 Original value securitised			
	ANZ Originated	ANZ Self Securitised	ANZ Sponsored	Recognised gain or loss on sale
	$M	$M	$M	$M
Residential mortgage	(84)	(287)	-	-
Credit cards and other personal loans	-	-	-	-
Auto and equipment finance	-	-	-	-
Commercial loans	-	-	-	-
Other	-	-	-	-
Total	**(84)**	**(287)**	**-**	**-**

Securitisation activity by facility provided	Notional amount $M
Liquidity facilities	-
Funding facilities	(299)
Underwriting facilities	-
Lending facilities	-
Credit enhancements	-
Holdings of securities (excluding trading book)	362
Other	2
Total	**59**

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

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

Table 5(b) part (i): Banking Book: Securitisation - Regulatory credit exposures by exposure type

Securitisation exposure type - On balance sheet	Jun 22 $M	Mar 22 $M	Dec 21 $M
Liquidity facilities	-	-	-
Funding facilities	8,096	7,768	7,144
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	3,710	3,240	2,986
Protection provided	-	-	-
Other	58	85	146
Total	**11,864**	**11,093**	**10,276**

Securitisation exposure type - Off Balance Sheet	Jun 22 $M	Mar 22 $M	Dec 21 $M
Liquidity facilities	13	13	14
Funding facilities	3,279	1,744	2,191
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	-	-	-
Protection provided	-	-	-
Other	-	-	-
Total	**3,292**	**1,757**	**2,205**

Total Securitisation exposure type	Jun 22 $M	Mar 22 $M	Dec 21 $M
Liquidity facilities	13	13	14
Funding facilities	11,375	9,512	9,335
Underwriting facilities	-	-	-
Lending facilities	-	-	-
Credit enhancements	-	-	-
Holdings of securities (excluding trading book)	3,710	3,240	2,986
Protection provided	-	-	-
Other	58	85	146
Total	**15,156**	**12,850**	**12,481**

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

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

Table 18 Leverage ratio

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

Consistent with the BCBS definition, APRA's Leverage Ratio compares Tier 1 Capital to the Exposure Measure (expressed as a percentage) as defined by APS 110: Capital Adequacy. APRA requires ADIs authorised to use the internal ratings based approach to credit risk to maintain a minimum leverage ratio of 3.5% from January 2023.

The following information is the short form data disclosure required to be published under paragraph 49 of APS 330.

		Jun 22	Mar 22	Dec 21	Sep 21
	Capital and total exposures	**$M**	**$M**	**$M**	**$M**
20	Tier 1 capital	57,578	58,001	58,020	59,473
21	Total exposures	1,156,723	1,117,287	1,128,011	1,088,070
	Leverage ratio				
22	Basel III leverage ratio	5.0%	5.2%	5.1%	5.5%

Table 20 Liquidity Coverage Ratio disclosure template

		Jun 22		Mar 22	
		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)		231,524		233,997
2	Alternative liquid assets (ALA)		6,214		8,067
3	Reserve Bank of New Zealand (RBNZ) securities		15		67
	Cash outflows				
4	Retail deposits and deposits from small business customers	285,499	29,685	284,077	29,648
5	of which: stable deposits	117,447	5,872	118,041	5,902
6	of which: less stable deposits	168,052	23,813	166,036	23,746
7	Unsecured wholesale funding	286,673	149,021	285,028	148,475
8	of which: operational deposits (all counterparties) and deposits in networks for cooperative banks	100,568	24,264	101,881	24,576
9	of which: non-operational deposits (all counterparties)	170,836	109,488	166,610	107,362
10	of which: unsecured debt	15,269	15,269	16,537	16,537
11	Secured wholesale funding		1,057		1,326
12	Additional requirements	179,655	57,747	167,043	49,317
13	of which: outflows related to derivatives exposures and other collateral requirements	38,433	38,433	30,677	30,677
14	of which: outflows related to loss of funding on debt products	-	-	-	-
15	of which: credit and liquidity facilities	141,222	19,314	136,366	18,640
16	Other contractual funding obligations	10,221	-	8,875	-
17	Other contingent funding obligations	97,798	6,168	94,104	5,570
18	Total cash outflows		243,678		234,336
	Cash inflows				
19	Secured lending (e.g. reverse repos)	17,456	1,751	15,283	1,426
20	Inflows from fully performing exposures	31,304	21,083	26,797	17,922
21	Other cash inflows	37,643	37,643	29,790	29,790
22	Total cash inflows	86,403	60,477	71,870	49,138
23	Total liquid assets		237,753		242,131
24	Total net cash outflows		183,201		185,198
25	Liquidity Coverage Ratio (%)		129.8%		130.7%
	Number of data points used (simple average)		65		64

Liquidity Coverage Ratio (LCR)

ANZ's average LCR for the 3 months to 30 June 2022 was 129.8% with total liquid assets exceeding net outflows by an average of $54.5b.

The main contributors to net cash outflows were modelled outflows associated with the bank's corporate and retail deposit portfolios, offset by inflows from maturing loans. While cash outflows associated with derivatives are material, these are effectively offset by derivative cash inflows.
ANZ has a well-diversified deposit and funding base avoiding undue concentrations by investor type, maturity, market source and currency.

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

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 the failure of ANZ's customers and counterparties to honour or perform fully the terms of a loan or contract.
Credit Valuation Adjustment (CVA)	Over the life of a derivative instrument, ANZ uses a CVA model to adjust fair value to take into account the impact of counterparty credit quality. The methodology calculates the present value of expected losses over the life of the financial instrument as a function of probability of default, loss given default, expected credit risk exposure and an asset correlation factor. Impaired derivatives are also subject to a CVA.
Days past due	The number of days a credit obligation is overdue, commencing on the date that the arrears or excess occurs and accruing for each completed calendar day thereafter.
Exposure at Default (EAD)	Exposure At Default is defined as the expected facility exposure at the date of default.
Impaired assets (IA)	Facilities are classified as impaired when there is doubt as to whether the contractual amounts due, including interest and other payments, will be met in a timely manner. Impaired assets include impaired facilities, and impaired derivatives. Impaired derivatives have a credit valuation adjustment (CVA), which is a market assessment of the credit risk of the relevant counterparties.
Impaired loans (IL)	Impaired loans comprise of drawn facilities where the customer's status is defined as impaired.
Individual provision charge (IPC)	Individual provision charge is the amount of expected credit losses on financial instruments assessed for impairment on an individual basis (as opposed to on a collective basis). It takes into account expected cash flows over the lives of those financial instruments.
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.
Market risk	The risk to ANZ's earnings arising from changes in interest rates, currency exchange rates and credit spreads, or from fluctuations in bond, commodity or equity prices. ANZ has grouped market risk into two broad categories to facilitate the measurement, reporting and control of market risk: Traded market risk - the risk of loss from changes in the value of financial instruments due to movements in price factors for physical and derivative trading positions. Trading positions arise from transactions where ANZ acts as principal with clients or with the market. Non-traded market risk (or balance sheet risk) - comprises interest rate risk in the banking book and the risk to the AUD denominated value of ANZ's capital and earnings due to foreign exchange rate movements.

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

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