

SUPPLEMENTARY INFORMATION
Capital management

		As at			Movement	
		Sep 17 \$M	Mar 17 \$M	Sep 16 \$M	Sep 17 v. Mar 17	Sep 17 v. Sep 16
Qualifying Capital						
Tier 1						
Shareholders' equity and non-controlling interests		59,075	57,908	57,927	2%	2%
Prudential adjustments to shareholders' equity	Table 1	(481)	(509)	(481)	-6%	0%
Gross Common Equity Tier 1 capital		58,594	57,399	57,446	2%	2%
Deductions	Table 2	(17,258)	(17,182)	(18,179)	0%	-5%
Common Equity Tier 1 capital		41,336	40,217	39,267	3%	5%
Additional Tier 1 capital	Table 3	7,988	7,874	9,018	1%	-11%
Tier 1 capital		49,324	48,091	48,285	3%	2%
Tier 2 capital	Table 4	8,669	9,648	10,328	-10%	-16%
Total qualifying capital		57,993	57,739	58,613	0%	-1%
Capital adequacy ratios						
Common Equity Tier 1		10.6%	10.1%	9.6%		
Tier 1		12.6%	12.1%	11.8%		
Tier 2		2.2%	2.4%	2.5%		
Total		14.8%	14.5%	14.3%		
Risk weighted assets	Table 5	391,113	397,040	408,582	-1%	-4%

Capital management, cont'd

	As at			Movement	
	Sep 17 \$M	Mar 17 \$M	Sep 16 \$M	Sep 17 v. Mar 17	Sep 17 v. Sep 16
Table 1: Prudential adjustments to shareholders' equity					
Treasury shares attributable to ANZ Wealth Australia policyholders	326	324	395	1%	-17%
Accumulated retained profits and reserves of insurance and funds management entities	(711)	(811)	(875)	-12%	-19%
Deferred fee revenue including fees deferred as part of loan yields	131	175	238	-25%	-45%
Available for sale reserve attributable to deconsolidated subsidiaries	(83)	(82)	(110)	1%	-25%
Other	(144)	(115)	(129)	25%	12%
Total	(481)	(509)	(481)	-6%	0%
Table 2: Deductions from Common Equity Tier 1 capital					
Unamortised goodwill & other intangibles (excluding ANZ Wealth Australia and New Zealand)	(3,553)	(3,532)	(3,913)	1%	-9%
Intangible component of investments in ANZ Wealth Australia and New Zealand	(2,100)	(2,099)	(2,103)	0%	0%
Capitalised software	(1,826)	(1,887)	(2,139)	-3%	-15%
Capitalised expenses including loan and lease origination fees	(1,149)	(1,129)	(1,148)	2%	0%
Applicable deferred net tax assets	(946)	(902)	(899)	5%	5%
Expected losses in excess of eligible provisions Table 8	(719)	(696)	(700)	3%	3%
Investment in other insurance and funds management subsidiaries	(274)	(274)	(297)	0%	-8%
Investment in ANZ Wealth Australia and New Zealand	(1,750)	(1,749)	(1,752)	0%	0%
Investment in banking associates and minority interests	(3,919)	(3,826)	(4,674)	2%	-16%
Other deductions	(1,022)	(1,088)	(554)	-6%	84%
Total	(17,258)	(17,182)	(18,179)	0%	-5%
Table 3: Additional Tier 1 capital					
Convertible Preference Shares					
ANZ CPS2	-	-	1,068	n/a	-100%
ANZ CPS3	573	1,340	1,340	-57%	-57%
ANZ Capital Notes 1	1,116	1,116	1,115	0%	0%
ANZ Capital Notes 2	1,604	1,603	1,602	0%	0%
ANZ Capital Notes 3	963	962	962	0%	0%
ANZ Capital Notes 4	1,608	1,607	1,604	0%	0%
ANZ Capital Notes 5	925	-	-	n/a	n/a
ANZ Bank NZ Capital Notes	457	454	473	1%	-3%
ANZ Capital Securities	1,206	1,218	1,329	-1%	-9%
Regulatory adjustments and deductions	(464)	(426)	(475)	9%	-2%
Total	7,988	7,874	9,018	1%	-11%
Table 4: Tier 2 capital					
General reserve for impairment of financial assets	200	257	267	-22%	-25%
Perpetual subordinated notes	1,150	1,156	1,190	-1%	-3%
Term subordinated debt notes	8,108	10,841	11,281	-25%	-28%
Regulatory adjustments and deductions	(789)	(518)	(936)	52%	-16%
Transitional adjustments	-	(2,088)	(1,474)	-100%	-100%
Total	8,669	9,648	10,328	-10%	-16%

Capital management, cont'd

		As at			Movement	
		Sep 17 \$M	Mar 17 \$M	Sep 16 \$M	Sep 17 v. Mar 17	Sep 17 v. Sep 16
Table 5: Risk weighted assets						
On balance sheet		254,534	253,532	259,356	0%	-2%
Commitments		53,546	56,279	58,167	-5%	-8%
Contingents		11,704	12,648	13,295	-7%	-12%
Derivatives		17,050	19,350	21,215	-12%	-20%
Total credit risk	Table 6	336,834	341,809	352,033	-1%	-4%
Market risk - Traded		5,363	6,323	6,188	-15%	-13%
Market risk - IRRBB		11,611	10,332	11,700	12%	-1%
Operational risk		37,305	38,576	38,661	-3%	-4%
Total risk weighted assets		391,113	397,040	408,582	-1%	-4%

		As at			Movement	
		Sep 17 \$M	Mar 17 \$M	Sep 16 \$M	Sep 17 v. Mar 17	Sep 17 v. Sep 16
Table 6: Credit risk weighted assets by Basel asset class						
Subject to Advanced IRB approach						
Corporate		121,915	127,544	130,799	-4%	-7%
Sovereign		7,555	6,718	6,634	12%	14%
Bank		13,080	14,267	14,884	-8%	-12%
Residential mortgage		96,267	86,218	84,275	12%	14%
Qualifying revolving retail (credit cards)		7,059	7,513	7,334	-6%	-4%
Other retail		31,077	31,004	31,360	0%	-1%
Credit risk weighted assets subject to Advanced IRB approach		276,953	273,264	275,286	1%	1%
Credit risk specialised lending exposures subject to slotting criteria						
		31,845	33,896	36,100	-6%	-12%
Subject to Standardised approach						
Corporate		13,365	16,264	20,459	-18%	-35%
Residential mortgage		950	2,354	2,493	-60%	-62%
Other retail (includes credit cards)		2,000	3,131	3,277	-36%	-39%
Credit risk weighted assets subject to Standardised approach		16,315	21,749	26,229	-25%	-38%
Credit Valuation Adjustment and Qualifying Central Counterparties						
		7,269	8,168	9,371	-11%	-22%
Credit risk weighted assets relating to securitisation exposures						
		1,083	1,171	1,203	-8%	-10%
Other assets		3,369	3,561	3,844	-5%	-12%
Total credit risk weighted assets		336,834	341,809	352,033	-1%	-4%

Capital management, cont'd

Table 7: Total provision for credit impairment and expected loss by division	Collective Provision and Individual Provision			Basel Expected Loss ¹		
	Sep 17 \$M	Mar 17 \$M	Sep 16 \$M	Sep 17 \$M	Mar 17 \$M	Sep 16 \$M
Australia	1,905	1,877	1,794	2,835	2,735	2,654
Institutional	1,286	1,494	1,683	866	1,337	1,404
New Zealand	454	470	491	754	766	802
Asia Retail & Pacific	150	199	211	8	5	7
TSO and Group Centre	3	14	4	-	-	1
Total provision for credit impairment and expected loss	3,798	4,054	4,183	4,463	4,843	4,868

¹ Only applicable to Advanced Internal Ratings based portfolios.

Table 8: APRA Expected loss in excess of eligible provisions	As at			Movement	
	Sep 17 \$M	Mar 17 \$M	Sep 16 \$M	Sep 17 v. Mar 17	Sep 17 v. Sep 16
APRA Basel 3 expected loss: non-defaulted	2,829	2,866	2,959	-1%	-4%
Less: Qualifying collective provision					
Collective provision	(2,662)	(2,785)	(2,876)	-4%	-7%
Non-qualifying collective provision	352	349	350	1%	1%
Standardised collective provision	200	257	267	-22%	-25%
Non-defaulted excess included in deduction	719	687	700	5%	3%
APRA Basel 3 expected loss: defaulted	1,634	1,977	1,909	-17%	-14%
Less: Qualifying individual provision					
Individual provision	(1,136)	(1,269)	(1,307)	-10%	-13%
Additional individual provision for partial write offs	(300)	(540)	(509)	-44%	-41%
Standardised individual provision	117	149	195	-21%	-40%
Collective provision on advanced defaulted	(320)	(308)	(304)	4%	5%
	(5)	9	(16)	large	-69%
Shortfall in expected loss not included in deduction	5	-	16	n/a	-69%
Defaulted excess included in deduction	-	9	-	-100%	n/a
Gross deduction	719	696	700	3%	3%