



# Financial Report

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## Income Statement

For the year ended 30 September	Note	2025 \$m	2024 \$m
Interest income <sup>1</sup>		63,923	60,639
Interest expense		(45,962)	(44,570)
Net interest income	2	17,961	16,069
Other operating income	3	4,225	4,478
Operating income		22,186	20,547
Operating expenses	4	(13,023)	(10,741)
Profit before credit impairment and income tax		9,163	9,806
Credit impairment (charge)/release	14	(441)	(406)
<b>Profit before income tax</b>		<b>8,722</b>	<b>9,400</b>
Income tax expense	5	(2,790)	(2,830)
<b>Profit for the year</b>		<b>5,932</b>	<b>6,570</b>
Comprising:			
Profit attributable to shareholders of the Company		5,891	6,535
Profit attributable to non-controlling interests		41	35
<b>Earnings per ordinary share (cents)</b>			
Basic	7	198.2	217.9
Diluted	7	196.5	215.1
<b>Dividend per ordinary share (cents)</b>		<b>166</b>	<b>166</b>

1. Includes interest income calculated using the effective interest method on financial assets measured at amortised cost or fair value through other comprehensive income of \$59,030 million (2024: \$55,678 million) in the Group.

The notes appearing on pages 101 to 212 form an integral part of these financial statements.



## Statement of Comprehensive Income

	2025 \$m	2024 \$m
For the year ended 30 September		
Profit for the year	5,932	6,570
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Investment securities - equity securities at FVOCI	(207)	(25)
Other reserve movements <sup>1</sup>	(59)	(17)
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation reserve	(602)	(930)
Cash flow hedge reserve	843	2,069
Other reserve movements	508	(774)
Income tax attributable to the above items	(316)	(388)
Share of associates' other comprehensive income <sup>2</sup>	12	(23)
<b>Total comprehensive income for the year</b>	<b>6,111</b>	<b>6,482</b>
Comprising total comprehensive income attributable to:		
Shareholders of the Company	6,105	6,457
Non-controlling interests <sup>1</sup>	6	25

1. The Group includes foreign currency translation differences attributable to non-controlling interests of -\$35 million (2024: \$10 million).

2. The Group's share of associates' other comprehensive income, that may be reclassified subsequently to profit or loss in the Group, includes:

	2025 \$m	2024 \$m
FVOCI reserve gain/(loss)	18	(10)
Defined benefits gain/(loss)	(6)	(13)
<b>Total</b>	<b>12</b>	<b>(23)</b>

The notes appearing on pages 101 to 212 form an integral part of these financial statements.

## Balance Sheet

As at 30 September	Note	2025 \$m	2024 \$m
<b>Assets</b>			
Cash and cash equivalents	9	155,211	150,967
Settlement balances owed to ANZ		23,394	5,484
Collateral paid		9,831	10,090
Trading assets	10	48,248	45,755
Derivative financial instruments	11	47,480	54,370
Investment securities	12	165,693	140,549
Net loans and advances	13	829,456	803,382
Regulatory deposits		541	665
Investments in associates	27	1,142	1,444
Current tax assets		33	46
Deferred tax assets	5	3,287	3,254
Goodwill and other intangible assets	21	5,765	5,511
Premises and equipment		2,144	2,222
Other assets		4,883	5,376
<b>Total assets</b>		<b>1,297,108</b>	<b>1,229,115</b>
<b>Liabilities</b>			
Settlement balances owed by ANZ		31,144	16,188
Collateral received		7,428	6,583
Deposits and other borrowings	15	955,064	903,554
Derivative financial instruments	11	43,902	55,254
Current tax liabilities		537	360
Deferred tax liabilities	5	228	78
Payables and other liabilities	16	14,493	17,851
Employee entitlements		690	646
Other provisions	22	2,481	1,585
Debt issuances	17	169,274	156,388
<b>Total liabilities</b>		<b>1,225,241</b>	<b>1,158,487</b>
<b>Net assets</b>		<b>71,867</b>	<b>70,628</b>
<b>Shareholders' equity</b>			
Ordinary share capital	23	28,191	28,182
Reserves	23	(1,555)	(1,774)
Retained earnings	23	44,492	43,449
<b>Share capital and reserves attributable to shareholders of the Company</b>		<b>71,128</b>	<b>69,857</b>
Non-controlling interests	23	739	771
<b>Total shareholders' equity</b>		<b>71,867</b>	<b>70,628</b>

The notes appearing on pages 101 to 212 form an integral part of these financial statements.



## Cash Flow Statement

For the year ended 30 September	2025 \$m	2024 \$m
<b>Profit for the year</b>	<b>5,932</b>	<b>6,570</b>
<b>Adjustments to reconcile to net cash provided by/(used in) operating activities:</b>		
Allowance for expected credit losses	441	406
Impairment of investment in associates	285	-
Depreciation and amortisation	1,083	926
Goodwill and other intangible assets impairments	149	9
Net derivatives/foreign exchange adjustment	3,868	3,244
(Gain)/Loss on sale from divestments	-	21
Other non-cash movements	47	12
<i>Net (increase)/decrease in operating assets:</i>		
Collateral paid	579	(1,968)
Trading assets	(20,740)	(3,204)
Net loans and advances	(29,358)	(33,546)
Other assets	13	(294)
<i>Net increase/(decrease) in operating liabilities:</i>		
Deposits and other borrowings	50,405	41,945
Settlement balances owed by ANZ	15,331	(2,905)
Collateral received	595	(3,368)
Other liabilities	(2,520)	2,104
<b>Total adjustments</b>	<b>20,178</b>	<b>3,382</b>
<b>Net cash provided by/(used in) operating activities<sup>1</sup></b>	<b>26,110</b>	<b>9,952</b>
<b>Cash flows from investing activities</b>		
Acquisition of Suncorp Bank, net of cash acquired	-	(4,914)
Investment securities assets:		
Purchases	(83,296)	(84,777)
Proceeds from sale or maturity	59,813	47,542
Proceeds from divestments, net of cash disposed	-	668
Net investments in other assets	(453)	(640)
<b>Net cash provided by/(used in) investing activities</b>	<b>(23,936)</b>	<b>(42,121)</b>
<b>Cash flows from financing activities</b>		
Deposits and other borrowings (repaid)/drawn down	(1,429)	(1,014)
Debt issuances: <sup>2</sup>		
Issue proceeds	45,938	50,604
Redemptions	(38,584)	(25,367)
Dividends paid <sup>3</sup>	(4,573)	(5,252)
On-market purchase of treasury shares	(126)	(126)
Repayment of lease liabilities	(323)	(309)
Share buy-back	(291)	(883)
ANZ Bank New Zealand Perpetual Preference Shares	-	252
<b>Net cash provided by/(used in) financing activities</b>	<b>612</b>	<b>17,905</b>
<b>Net increase/(decrease) in Cash and cash equivalents</b>	<b>2,786</b>	<b>(14,264)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>150,967</b>	<b>168,154</b>
<b>Effects of exchange rate changes on Cash and cash equivalents</b>	<b>1,458</b>	<b>(2,923)</b>
<b>Cash and cash equivalents at end of year</b>	<b>155,211</b>	<b>150,967</b>

1. Net cash provided by/(used in) operating activities for the Group includes interest received of \$63,968 million (2024: \$59,618 million), interest paid of \$46,869 million (2024: \$43,476 million) and income taxes paid of \$3,080 million (2024: \$2,925 million).

2. Non-cash movements on Debt issuances include a loss of \$5,542 million (2024: \$711 million gain) from unrealised movements primarily due to fair value hedging adjustments and foreign exchange differences for the Group.

3. Cash outflow for shares purchased to satisfy the dividend reinvestment plan are classified in Dividends paid.

The notes appearing on pages 101 to 212 form an integral part of these financial statements.

## Statement of Changes in Equity

	Ordinary share capital \$m	Reserves \$m	Retained earnings \$m	Share capital and reserves attributable to shareholders of the Company \$m	Non- controlling interests \$m	Total shareholders' equity \$m
<b>As at 1 October 2023</b>	29,082	(1,735)	42,148	69,495	522	70,017
Profit or loss for the year	-	-	6,535	6,535	35	6,570
Other comprehensive income for the year	-	(58)	(20)	(78)	(10)	(88)
<b>Total comprehensive income for the year</b>	-	(58)	6,515	6,457	25	6,482
<b>Transactions with equity holders in their capacity as equity holders:</b>						
Dividends paid	-	-	(5,220)	(5,220)	(32)	(5,252)
Dividend reinvestment plan <sup>1</sup>	-	-	-	-	-	-
Share buy-back <sup>2</sup>	(883)	-	-	(883)	-	(883)
<b>Other equity movements:</b>						
Employee share and option plans	(17)	25	4	12	-	12
ANZ Bank New Zealand Perpetual Preference Shares <sup>3</sup>	-	-	(4)	(4)	256	252
Other items	-	(6)	6	-	-	-
<b>As at 30 September 2024</b>	28,182	(1,774)	43,449	69,857	771	70,628
Profit or loss for the year	-	-	5,891	5,891	41	5,932
Other comprehensive income for the year	-	237	(23)	214	(35)	179
<b>Total comprehensive income for the year</b>	-	237	5,868	6,105	6	6,111
<b>Transactions with equity holders in their capacity as equity holders:</b>						
Dividends paid	-	-	(4,847)	(4,847)	(38)	(4,885)
Dividend reinvestment plan <sup>1</sup>	312	-	-	312	-	312
Share buy-back <sup>2</sup>	(291)	-	-	(291)	-	(291)
<b>Other equity movements:</b>						
Employee share and option plans	(12)	-	2	(10)	-	(10)
Other items	-	(18)	20	2	-	2
<b>As at 30 September 2025</b>	28,191	(1,555)	44,492	71,128	739	71,867

1. 10.8 million shares were issued under the dividend reinvestment plan (DRP) for the 2025 interim dividend (2024 final dividend: nil, 2024 interim dividend: nil, 2023 final dividend: nil). On-market share purchases for the DRP were \$192 million (2024: \$535 million).

2. The Group commenced a \$2.0 billion on-market share buy-back on 3 July 2024. This resulted in 9.7 million shares (\$291 million) being cancelled during 2025 and 29.8 million shares (\$883 million) being cancelled during 2024. The Group ceased the remaining \$826 million share buy-back on 13 October 2025.

3. Perpetual preference shares issued by ANZ Bank New Zealand, a member of the Group, are considered non-controlling interests to the Group. Refer to Note 23 Shareholders' equity for further details.

The notes appearing on pages 101 to 212 form an integral part of these financial statements.

# Notes to the Consolidated Financial Statements

## 1. About our financial statements

### General information

These are the consolidated financial statements for ANZGHL (the Company) and its controlled entities (together, the Group or Consolidated Entity) for the year ended 30 September 2025. The Company is a publicly listed company incorporated and domiciled in Australia. The address of the Company's registered office and its principal place of business is ANZ Centre, 833 Collins Street, Docklands, Victoria, Australia 3008. The Group provides banking and financial services to individuals and business customers and operates in and across 29 markets.

On 7 November 2025, the Directors resolved to authorise the issue of these financial statements. Information in the financial statements is included only to the extent we consider it material and relevant to the understanding of the financial statements. A disclosure is considered material and relevant if, for example:

- the amount is significant in size (quantitative factor);
- the information is significant by nature (qualitative factor);
- the user cannot understand the Group's results without the specific disclosure (qualitative factor);
- the information is critical to a user's understanding of the impact of significant changes in the Group's business during the period – for example, business acquisitions or disposals (qualitative factor);
- the information relates to an aspect of the Group's operations that is important to its future performance (qualitative factor); and
- the information is required under legislative requirements of the *Corporations Act 2001*, the *Banking Act 1959 (Cth)* or by the Group's principal regulators, including the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulation Authority (APRA).

This section of the financial statements:

- outlines the basis upon which the Group's financial statements have been prepared; and
- discusses any new accounting standards or regulations that directly impact the financial statements.

### Basis of preparation

This financial report is a general purpose (Tier 1) financial report prepared by a 'for profit' entity, in accordance with Australian Accounting Standards (AASs) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the *Corporations Act 2001*, and *International Financial Reporting Standards* (IFRS) and interpretations published by the International Accounting Standards Board (IASB).

We present the financial statements of the Group in Australian dollars, which is the Company's functional and presentation currency. We measure the financial statements of each entity in the Group using the currency of the primary economic environment in which that entity operates (the functional currency). We have rounded values to the nearest million dollars (\$m), unless otherwise stated, as permitted under the *ASIC Corporations (Rounding in Financial/Directors Report) Instrument 2016/191*.

Certain comparative amounts have been restated to conform with the basis of preparation in the current year.

### Basis of measurement and presentation

The financial information has been prepared on a historical cost basis – except the following assets and liabilities which we have stated at their fair value:

- derivative financial instruments and in the case of fair value hedging, a fair value adjustment made to the underlying hedged item;
- financial instruments held for trading;
- financial assets and financial liabilities designated at fair value through profit or loss (FVTPL); and
- financial assets at fair value through other comprehensive income (FVOCI).

In accordance with AASB 119 *Employee Benefits* we have measured defined benefit obligations using the Projected Unit Credit Method.

### Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Company and all its subsidiaries. An entity, including a structured entity, is considered a subsidiary of the Group when we determine that the Company has control over the entity. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. We assess power by examining existing rights that give the Company the current ability to direct the relevant activities of the entity. We have eliminated, on consolidation, the effect of all transactions between entities in the Group.

## 1. About our financial statements (continued)

### Foreign currency translation

#### Transactions and balances

Foreign currency transactions are translated into the relevant functional currency at the exchange rate prevailing at the date of the transaction. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the relevant spot rate. Any foreign currency translation gains or losses that arise are included in profit or loss in the period they arise.

We measure translation differences on non-monetary items classified as FVTPL and report them as part of the fair value gain or loss on these items. For non-monetary items classified as investment securities measured at FVOCI, translation differences are included in other comprehensive income.

#### Financial statements of foreign operations that have a functional currency that is not Australian dollars

The financial statements of our foreign operations are translated into Australian dollars for consolidation into the Group financial statements using the following method:

Foreign currency item	Exchange rate used
Assets and liabilities	The reporting date rate
Equity	The initial investment date rate
Income and expenses	The average rate for the period – but for a significant transaction if we believe the average rate is not reasonable, then we use the rate at the date of the transaction

Exchange differences arising from the translation of financial statements of foreign operations are recognised in the foreign currency translation reserve in equity. When we dispose of a foreign operation, the cumulative exchange differences are transferred to profit or loss.

### Fiduciary activities

The Group provides fiduciary services to third parties including custody, nominee and trustee services. This involves the Group holding assets on behalf of third parties and making decisions regarding the purchase and sale of financial instruments. If the Group is not the beneficial owner or does not control the assets, then we do not recognise these transactions in these financial statements, except when required by accounting standards or another legislative requirement.

## Key judgements and estimates



In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates and assumptions about past and future events. Further information on the key judgements and estimates that we consider material to the financial statements are contained within each relevant note to the financial statements.

The global economy continues to face challenges reflecting the impacts of global uncertainties from continuing trade and geopolitical tensions, and impacts from climate change, which contribute to an elevated level of estimation uncertainty involved in the preparation of these financial statements.

The Group is exposed to climate risk either directly through its operations or indirectly, for example, through lending to customers. Climate risk may also be a driver of other risks within our risk management framework. Our most material climate risks arise from lending to business and retail customers, which contribute to credit risk.

The Group has made various accounting estimates in this Financial Report based on forecasts of economic conditions which reflect expectations and assumptions at 30 September 2025 about future events considered reasonable in the circumstances. Thus, there is a considerable degree of judgement involved in preparing these estimates. Actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of these differences may significantly impact accounting estimates included in these financial statements. The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses and recoverable amounts of non-financial assets including investments in associates.

The impact of these uncertainties on each of these accounting estimates is discussed in the relevant notes in this Financial Report, along with assumptions and judgements made in relation to other key estimates. Readers should consider these disclosures in light of the inherent uncertainties described above.



## 1. About our financial statements (continued)

### Accounting standards adopted in the period

Accounting policies have been consistently applied to all periods presented, unless otherwise noted.

#### Lease Liability in a Sale and Leaseback

AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback* amended AASB 16 *Leases* and specifies the accounting for variable lease payments by seller-lessees in sale and leaseback transactions. The amendment was effective from 1 October 2024 and did not have a material impact on the Group.

### Accounting standards not early adopted

A number of new standards, amendments to standards and interpretations have been published but are not mandatory for the financial statements for the year ended 30 September 2025 and have not been applied by the Group in preparing these financial statements. Further details of these are set out below.

#### AASB 18 *Presentation and Disclosure in Financial Statements*

In June 2024, the AASB issued AASB 18 *Presentation and Disclosure in Financial Statements* (AASB 18) which updates and replaces requirements for the presentation and disclosure of information in financial statements. AASB 18 introduces new defined subtotals to be presented in the consolidated Income Statement, disclosure of management-defined performance measures and requirements for grouping of information. This standard will be effective for the financial year beginning 1 October 2027. We are currently assessing the impact of adopting this standard.

#### Classification and measurement amendments to AASB 9 *Financial Instruments*

In July 2024, the AASB issued AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments* which amends requirements related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance and similar features. The amendments will be effective for the financial year beginning 1 October 2026. We are currently assessing the impact of adopting this standard.

#### Nature-dependent electricity contracts

In February 2025, the AASB issued AASB 2025-1 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity* which enhances guidance on the application of the 'own-use' exemption on nature dependent power purchase agreements (PPAs) and hedge accounting requirements for PPAs that are classified as derivative financial instruments. The amendments also introduce new disclosure requirements for certain PPAs. The amendments will be effective for the financial year beginning 1 October 2026. We are currently assessing the impact of adopting these amendments.

### Related pronouncement of the AASB

#### AASB Sustainability Reporting Standards

In September 2024, the AASB published two sustainability standards: AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information*, a voluntary standard for general sustainability-related financial disclosures, and AASB S2 *Climate-related Disclosures* (AASB S2), a mandatory standard that requires disclosure of climate-related financial risks and opportunities that could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital over the short, medium or long term. AASB S2 will be effective for the Group for the financial year beginning 1 October 2025.

## 2. Net interest income

	2025 \$m	2024 \$m
<b>Interest income by type of financial asset</b>		
Financial assets at amortised cost	53,085	51,139
Investment securities at FVOCI	5,945	4,539
Trading assets	1,923	2,217
Financial assets at FVTPL	2,970	2,744
<b>Interest income</b>	<b>63,923</b>	<b>60,639</b>
<b>Interest expense by type of financial liability</b>		
Financial liabilities at amortised cost	(42,888)	(41,401)
Securities sold short	(397)	(649)
Financial liabilities at FVTPL	(2,226)	(2,131)
<b>Interest expense</b>	<b>(45,511)</b>	<b>(44,181)</b>
Major bank levy	(451)	(389)
<b>Net interest income</b>	<b>17,961</b>	<b>16,069</b>

### Recognition and measurement



#### Net interest income

##### Interest income and expense

We recognise interest income and expense in net interest income for all financial instruments, including those classified as held for trading, assets measured at FVOCI, and assets and liabilities designated at FVTPL. We use the effective interest rate method to calculate the amortised cost of assets held at amortised cost and to recognise interest income on financial assets measured at amortised cost and FVOCI. The effective interest rate is the rate that discounts the stream of estimated future cash receipts or payments over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or liability. For assets subject to prepayment, we determine their expected life on the basis of historical behaviour of the particular asset portfolio taking into account contractual obligations and prepayment experience.

We recognise fees and costs, which form an integral part of the financial instrument (for example loan origination fees and costs), using the effective interest rate method. These are presented as part of interest income or expense depending on whether the underlying financial instrument is a financial asset or financial liability.

##### Major Bank Levy

The *Major Bank Levy Act 2017* (levy or major bank levy) applies a rate of 0.06% to certain liabilities of one of the Group's banking subsidiaries, Australia and New Zealand Banking Group Limited (ANZBGL). The levy represents a finance cost, and it is presented as interest expense in the Income Statement.

### 3. Other operating income

	2025 \$m	2024 \$m
<b>Fee and commission income</b>		
Lending fees <sup>1</sup>	436	420
Non-lending fees	2,347	2,334
Commissions	63	75
Funds management income	251	241
Fee and commission income	3,097	3,070
Fee and commission expense	(1,196)	(1,085)
<b>Net fee and commission income</b>	<b>1,901</b>	<b>1,985</b>
<b>Other income</b>		
Net foreign exchange earnings and other financial instruments income <sup>2</sup>	2,346	2,166
Net income from insurance business	95	122
Share of associates' profit/(loss)	76	105
Release of foreign currency translation reserve on dissolution of entities	15	22
Loss on disposal of investment in AmBank	-	(21)
PT Panin impairment	(285)	-
Other	77	99
<b>Other income</b>	<b>2,324</b>	<b>2,493</b>
<b>Other operating income</b>	<b>4,225</b>	<b>4,478</b>

1. Excludes fees treated as part of the effective yield calculation in Interest income.

2. Includes fair value movements (excluding realised and accrued interest) on derivatives not designated as accounting hedges entered into to manage interest rate and foreign exchange risk, ineffective portions of cash flow hedges, and fair value movements in financial assets and liabilities at FVTPL.

### 3. Other operating income (continued)

#### Recognition and measurement



##### Other operating income

##### Fee and commission revenue

We recognise fee and commission revenue arising from contracts with customers (a) over time when the performance obligation is satisfied across more than one reporting period, or (b) at a point in time when the performance obligation is satisfied immediately or is satisfied within one reporting period.

- lending fees exclude fees treated as part of the effective yield calculation of interest income. Lending fees include certain guarantee and commitment fees where the loan or guarantee is not likely to be drawn upon, and other fees charged for providing customers a distinct good or service that are recognised separately from the underlying lending product.
- non-lending fees include fees associated with deposit and credit card accounts, interchange fees and fees charged for specific customer transactions such as international transaction fees. Where the Group provides multiple goods or services to a customer under the same contract, the Group allocates the transaction price of the contract to distinct performance obligations based on the relative stand-alone selling price of each performance obligation. Revenue is recognised as each performance obligation is satisfied.
- commissions represent fees from third parties where we act as an agent by arranging a third party (such as an insurance provider) to provide goods and services to a customer. In such cases, we are not primarily responsible for providing the underlying good or service to the customer. If the Group collects funds on behalf of a third party when acting as an agent, we only recognise the net commission retained as revenue. When the commission is variable based on factors outside our control (such as a trail commission), revenue is only recognised if it is highly probable that a significant reversal of the variable amount will not be required in future periods.
- funds management income represents fees earned from customers for providing financial advice and asset management services. Revenue is recognised either at the point the financial advice is provided or over the period in which the asset management services are delivered. Performance fees associated with funds management activities are only recognised when it becomes highly probable the performance hurdle will be achieved.

##### Net foreign exchange earnings and other financial instruments income

We recognise the following as net foreign exchange earnings and other financial instruments income:

- exchange rate differences arising on the settlement of monetary items and translation differences on monetary items translated at rates different to those at which they were initially recognised or included in a previous financial report;
- fair value movements (excluding realised and accrued interest) on derivatives not designated as accounting hedges that we use to manage interest rate and foreign exchange risk on funding instruments;
- the ineffective portions of fair value hedges, cash flow hedges and net investment hedges;
- immediately upon sale or repayment of a hedged item, the unamortised fair value adjustments to items designated as fair value hedges and amounts accumulated in equity related to designated cash flow hedges;
- fair value movements on financial assets and financial liabilities at FVTPL or held for trading;
- amounts released from the FVOCI reserve when a debt instrument classified as FVOCI is sold; and
- the gain or loss on derecognition of financial assets or liabilities measured at amortised cost.

##### Gain or loss on disposal of non-financial assets

The gain or loss on the disposal of assets is the difference between the carrying value of the asset and the proceeds of disposal net of costs. This is recognised in Other income in the year in which control of the asset transfers to the buyer.

##### Share of associates' profit/(loss)

The equity method is applied to accounting for associates. Under the equity method, our share of the after tax results of associates is included in the Income Statement and the Statement of Comprehensive Income.

## 4. Operating expenses

	2025 \$m	2024 \$m
<b>Personnel</b>		
Salaries and related costs	5,991	5,506
Superannuation costs	508	446
Equity-settled share-based payments	122	141
Other	134	85
<b>Personnel</b>	<b>6,755</b>	<b>6,178</b>
<b>Premises</b>		
Rent	87	74
Depreciation	431	407
Other	192	178
<b>Premises</b>	<b>710</b>	<b>659</b>
<b>Technology</b>		
Depreciation and amortisation	500	505
Subscription licences and outsourced services	1,331	1,155
Other	412	255
<b>Technology</b>	<b>2,243</b>	<b>1,915</b>
<b>Restructuring</b>	<b>772</b>	<b>235</b>
<b>Other</b>		
Advertising and public relations	220	210
Professional fees	956	770
Freight, stationery, postage and communication	179	170
Card processing fees	88	108
Amortisation and impairment of other intangible assets <sup>1</sup>	150	13
Non-lending losses, frauds and forgeries <sup>2</sup>	383	83
Cashrewards goodwill impairment	78	-
Other	489	400
<b>Other</b>	<b>2,543</b>	<b>1,754</b>
<b>Operating expenses</b>	<b>13,023</b>	<b>10,741</b>

1. 2025 includes \$143 million amortisation of acquired intangible assets recognised as part of the acquisition accounting relating to the Suncorp Bank acquisition.

2. 2025 includes \$240 million of ASIC penalties.

## 4. Operating expenses (continued)

### Recognition and measurement



#### Operating expenses

Operating expenses are recognised as services are provided to the Group, over the period in which an asset is consumed, or once a liability is created.

#### Salaries and related costs - annual leave, long service leave and other employee benefits

Wages and salaries, annual leave and other employee entitlements expected to be paid or settled within twelve months of employees rendering service are measured at their nominal amounts using remuneration rates that the Group expects to pay when the liabilities are settled.

We accrue employee entitlements relating to long service leave using an actuarial calculation. It includes assumptions regarding staff departures, leave utilisation and future salary increases. The result is then discounted using market yields at the reporting date. The market yields are determined from a blended rate of high quality corporate bonds with terms to maturity that closely match the estimated future cash outflows.

If we expect to pay short term cash bonuses, then a liability is recognised when the Group has a present legal or constructive obligation to pay this amount (as a result of past service provided by the employee) and the obligation can be reliably measured.

Personnel expenses also include share-based payments which may be cash or equity settled. We calculate the fair value of equity settled remuneration at grant date, which is then amortised over the vesting period, with a corresponding increase in share capital or the share option reserve as applicable. When we estimate the fair value, we take into account market vesting conditions, such as share price performance conditions. We take non-market vesting conditions, such as service conditions, into account by adjusting the number of equity instruments included in the expense.

After the grant of an equity-based award, the amount we recognise as an expense is reversed when non-market vesting conditions are not met, for example an employee fails to satisfy the minimum service period specified in the award due to resignation, termination or notice of dismissal for serious misconduct. However, we do not reverse the expense if the award does not vest due to the failure to meet a market-based performance condition.

Further information on share-based payment schemes operated by the Group during the current and prior year is included in Note 31 Employee share and option plans.

## 5. Income tax

### Income tax expense

Reconciliation of the prima facie income tax expense on pre-tax profit with the income tax expense recognised in profit or loss:

	2025 \$m	2024 \$m
<b>Profit before income tax</b>	<b>8,722</b>	<b>9,400</b>
Prima facie income tax expense at 30%	2,617	2,820
Tax effect of permanent differences:		
Share of associates' (profit)/loss	(23)	(32)
Interest on convertible instruments	105	124
Overseas tax rate differential	(159)	(156)
Provision for foreign tax on dividend repatriation	33	36
Non-deductible ASIC penalties	72	-
PT Panin impairment	86	-
Cashrewards goodwill impairment	23	-
Other	45	18
<b>Subtotal</b>	<b>2,799</b>	<b>2,810</b>
Income tax (over)/under provided in previous years	(9)	20
<b>Income tax expense</b>	<b>2,790</b>	<b>2,830</b>
Current tax expense	3,176	3,078
Adjustments recognised in the current year in relation to the current tax of prior years	(9)	20
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	(377)	(268)
<b>Income tax expense</b>	<b>2,790</b>	<b>2,830</b>
Australia	1,318	1,495
Overseas	1,472	1,335
<b>Income tax expense</b>	<b>2,790</b>	<b>2,830</b>
<b>Effective tax rate</b>	<b>32.0%</b>	<b>30.1%</b>

## 5. Income tax (continued)

### Deferred tax assets and liabilities

	2025 \$m	2024 <sup>1</sup> \$m
Deferred tax assets balances comprise temporary differences attributable to:		
Amounts recognised in the Income Statement:		
Collectively assessed allowances for expected credit losses	1,249	1,216
Individually assessed allowances for expected credit losses	114	86
Provision for employee entitlements	316	309
Other provisions	403	282
Software	1,108	1,014
Lease liabilities	307	334
Other	242	205
<b>Total</b>	<b>3,739</b>	<b>3,446</b>
Amounts recognised directly in Other Comprehensive Income:		
Foreign currency translation reserve	36	15
Cash flow hedge reserve	-	217
FVOCI reserve	232	246
Other reserves	9	2
<b>Total</b>	<b>277</b>	<b>480</b>
<b>Total deferred tax assets (before set-off)</b>	<b>4,016</b>	<b>3,926</b>
Set-off of deferred tax balances pursuant to set-off provisions	(729)	(672)
<b>Net deferred tax assets</b>	<b>3,287</b>	<b>3,254</b>
	2025 \$m	2024 \$m
Deferred tax liabilities balances comprise temporary differences attributable to:		
Amounts recognised in the Income Statement:		
Intangible assets	163	-
Provision for foreign tax on dividend repatriation	113	112
Right-of-use assets	271	286
Other	190	240
<b>Total</b>	<b>737</b>	<b>638</b>
Amounts recognised directly in Other Comprehensive Income:		
Cash flow hedge reserve	65	32
FVOCI reserve	104	30
Defined benefit obligations	50	42
Other reserves	1	8
<b>Total</b>	<b>220</b>	<b>112</b>
<b>Total deferred tax liabilities (before set-off)</b>	<b>957</b>	<b>750</b>
Set-off of deferred tax balances pursuant to set-off provisions	(729)	(672)
<b>Net deferred tax liabilities</b>	<b>228</b>	<b>78</b>

<sup>1</sup> Comparative information have been restated to conform with the basis of preparation in the current year to better reflect the nature of the underlying balances.



## 5. Income tax (continued)

### Tax consolidation

The Company and all its wholly owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. The Company is the head entity of the tax-consolidated group. We recognise each of the following in the separate financial statements of members of the tax consolidated group on a 'group allocation' basis: tax expense/income, and deferred tax liabilities/assets that arise from temporary differences for members of the tax-consolidated group. The Company (as head entity of the tax-consolidated group) recognises current tax liabilities and assets of the tax-consolidated group.

Under a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the tax-consolidated group in relation to the tax contribution amounts paid or payable between the Company and the other members of the tax-consolidated group.

Members of the tax-consolidated group have also entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities were the head entity to default on its income tax payment obligations.

### Unrecognised deferred tax assets and liabilities

Unrecognised deferred tax assets related to unused realised tax losses (on revenue account) total \$74 million (2024: \$79 million) for the Group.

Unrecognised deferred tax assets related to unused capital losses amount to \$358 million (2024: \$361 million) for the Group.

Unrecognised deferred tax liabilities related to additional potential foreign tax costs (assuming all retained earnings in offshore branches and subsidiaries are repatriated) total \$263 million (2024: \$251 million) for the Group.

## Recognition and measurement



### Income tax expense

Income tax expense comprises both current and deferred taxes and is based on the accounting profit adjusted for differences in the accounting and tax treatments of income and expenses (that is, taxable income). We recognise tax expense in profit or loss except when the tax relates to items recognised directly in equity and other comprehensive income, in which case we recognise the tax directly in equity or other comprehensive income respectively.

### Current tax expense

Current tax is the tax we expect to pay on taxable income for the year, based on tax rates (and tax laws) which are enacted at the reporting date. We recognise current tax as a liability (or asset) to the extent that it is unpaid (or refundable).

### Deferred tax assets and liabilities

We account for deferred tax using the balance sheet method. Deferred tax arises because the accounting income is not always the same as the taxable income. This creates temporary differences, which usually reverse over time. Until they reverse, we recognise a deferred tax asset, or liability, on the balance sheet. We measure deferred taxes at the tax rates that we expect will apply to the period(s) when the asset is realised, or the liability settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

We offset current and deferred tax assets and liabilities only to the extent that:

- they relate to income taxes imposed by the same taxation authority;
- there is a legal right and intention to settle on a net basis; and
- it is allowed under the tax law of the relevant jurisdiction.

The Group does not recognise or disclose any deferred taxes arising from tax law enacted or substantively enacted in the jurisdictions in which the Group operates to implement the Pillar Two Model Rules published by The Organisation for Economic Co-Operation and Development.

## Key judgements and estimates



Judgement is required in determining provisions held in respect of uncertain tax positions. The Group estimates its tax liabilities based on its understanding of the relevant law in each of the countries in which it operates and seeks independent advice where appropriate.

## 6. Dividends

### Ordinary share dividends

Dividends determined by the Company's Board are recognised with a corresponding reduction of retained earnings on the dividend payment date. Accordingly, the final dividend proposed for the current financial year is paid in the following financial year.

Dividends	% of total	Amount per share	Total dividend \$m
<b>Financial Year 2024</b>			
2023 final dividend paid <sup>1</sup>		94 cents	2,825
2024 interim dividend paid <sup>2</sup>		83 cents	2,496
Bonus option plan adjustment			(101)
Dividends paid during the year ended 30 September 2024			5,220
Cash	89.8%		4,685
Dividend reinvestment plan <sup>3</sup>	10.2%		535
Dividends paid during the year ended 30 September 2024			5,220
<b>Financial Year 2025</b>			
2024 final dividend paid <sup>4</sup>		83 cents	2,472
2025 interim dividend paid <sup>4</sup>		83 cents	2,466
Bonus option plan adjustment			(91)
Dividends paid during the year ended 30 September 2025			4,847
Cash	89.6%		4,343
Dividend reinvestment plan <sup>3</sup>	10.4%		504
Dividends paid during the year ended 30 September 2025			4,847

Dividends proposed and to be paid after year-end	Payment date	Amount per share	Total dividend \$m
2025 final dividend (partially franked at 70% for Australian tax, New Zealand imputation credit NZD 13 cents per share)	19 December 2025	83 cents	2,476

1. 2023 final dividend comprising 81 cents and an additional dividend of 13 cents was partially franked at 56% for Australian tax purposes (30% tax rate) and carried New Zealand imputation credits of NZD 11 cents.

2. 2024 interim dividend was partially franked at 65% for Australian tax purposes (30% tax rate) and carried New Zealand imputation credits of NZD 12 cents.

3. Includes on-market share purchases for the DRP of \$192 million (2024: \$535 million).

4. 2024 final dividend and 2025 interim were partially franked at 70% for Australian tax purposes (30% tax rate) and carried New Zealand imputation credits of NZD 12 cents.

### Dividend reinvestment plan and bonus option plan

Eligible shareholders can elect to reinvest their dividend entitlement into ANZ ordinary shares under the Company's dividend reinvestment plan (DRP). Eligible shareholders can elect to forgo their dividend entitlement and instead receive ANZ ordinary shares under the Company's bonus option plan (BOP). For the proposed 2025 final dividend, ANZ intends that the DRP and BOP participation will be satisfied by an issue of new ANZ ordinary shares. A 1.5% discount will be applied to the DRP and BOP price.

Refer to Note 23 Shareholders' equity for details of ANZ ordinary shares the Company purchased or issued in respect of the DRP and BOP.

## 6. Dividends (continued)

### Dividend franking account

	Currency	2025 \$m	2024 \$m
Australian franking credits available at 30% tax rate	AUD	156	65
New Zealand imputation credits available (which can be attached to our Australian dividends but may only be used by New Zealand resident shareholders)	NZD	6,217	5,911

The above amounts represent the balances of the franking accounts as at the end of the financial year, adjusted for:

- franking credits/debits that will arise from the settlement of the 2025 income tax position; and
- franking credits/debits from the receipt/payment of dividends that have been recognised as tax receivables/payables as at the end of the financial year.

Instalment tax payments on account of the 2025 and 2026 financial year, which will be made after 30 September 2025, will generate sufficient franking credits to enable the proposed 2025 final dividend to be partially franked. The extent to which future dividends will be franked will depend on a number of factors, including the level of profits generated by the Group that will be subject to tax in Australia.

### Restrictions on the payment of dividends

The Company's ability to pay dividends on ANZ ordinary shares is largely dependent on the receipt of broadly similar amounts in dividend from the ANZ Bank Group, which in turn requires APRA's prior written approval if:

- the aggregate dividends exceed the ANZ Bank Group's after tax earnings (in calculating those after tax earnings, we take into account any payments we made on senior capital instruments) in the financial year to which they relate; or
- the ANZ Bank Group's Common Equity Tier 1 capital ratio falls within capital range buffers specified by APRA.

If the ANZ Bank Group fails to pay a dividend or distribution on its ANZ Capital Notes or ANZ Capital Securities on the scheduled payment date, it may (subject to a number of exceptions) be restricted from resolving to pay or paying any dividend on its ordinary shares issued to the Company.

## 7. Earnings per ordinary share

	2025 cents	2024 cents
Earnings per ordinary share		
Basic earnings per share	198.2	217.9
Diluted earnings per share	196.5	215.1

	2025 \$m	2024 \$m
Reconciliation of earnings used in earnings per share calculations		
Basic:		
Profit for the year	5,932	6,570
Less: Profit attributable to non-controlling interests	(41)	(35)
Earnings used in calculating basic earnings per share	5,891	6,535
Diluted:		
Earnings used in calculating basic earnings per share	5,891	6,535
Add: Interest on convertible subordinated debt	357	420
Earnings used in calculating diluted earnings per share	6,248	6,955

	2025 millions	2024 millions
Reconciliation of WANOS used in earnings per share calculations <sup>1</sup>		
WANOS used in calculating basic earnings per share	2,972.6	2,998.4
Add: Weighted average dilutive potential ordinary shares <sup>2</sup>	207.3	235.6
WANOS used in calculating diluted earnings per share	3,179.9	3,234.0

1. WANOS excludes the weighted average number of treasury shares held in ANZEST Pty Ltd of 4.3 million (2024: 5.3 million).

2. Dilutive potential ordinary shares include convertible subordinated debt and share-based payments (options, rights, and deferred shares).

## 8. Segment reporting

### Description of segments

The Group's operating segments are presented on a basis that is consistent with the information provided internally to the Chief Executive Officer (CEO), who is the chief operating decision maker. This reflects the way the Group's businesses are managed, rather than the legal structure of the Group.

We measure the performance of operating segments on a cash profit basis. To calculate cash profit, we exclude items from profit after tax attributable to shareholders. The adjustments include impacts of economic hedges and revenue and expense hedges which represent timing differences that will reverse through earnings in the future. A number of intangible assets were recognised as part of the Suncorp Bank acquisition accounting and the amortisation of these intangible assets is treated as a cash profit adjustment from 2025. Transactions between divisions across segments within the Group are conducted on an arm's-length basis and where relevant disclosed as part of the income and expenses of these segments.

The reportable segments are divisions engaged in providing either different products or services or similar products and services in different geographical areas. They are as follows:

#### Australia Retail

The Australia Retail division provides a full range of banking services to Australian consumers. This includes Home Loans, Deposits, Credit Cards and Personal Loans. Products and services are provided via the branch network, home loan specialists, contact centres, a variety of self-service channels (digital and internet banking, website, ATMs and phone banking) and third-party brokers.

#### Australia Commercial

The Australia Commercial division provides a full range of banking products and financial services, including asset financing, across the following customer segments: SME Banking (small business owners and medium commercial customers), and Diversified & Specialist Businesses (large commercial customers, and high net worth individuals and family groups).

#### Institutional

The Institutional division services global institutional and corporate customers, and governments across Australia, New Zealand and International (including Papua New Guinea (PNG)) via the following business units:

- **Transaction Banking** provides customers with working capital and liquidity solutions including documentary trade, supply chain financing, commodity financing as well as cash management solutions, deposits, payments and clearing.
- **Corporate Finance** provides customers with loan products, loan syndication, specialised loan structuring and execution, project and export finance, debt structuring and acquisition finance, and sustainable finance solutions.
- **Markets** provides customers with risk management services in foreign exchange, interest rates, credit, commodities, and debt capital markets in addition to managing the Group's interest rate exposure and liquidity position.

#### New Zealand

The New Zealand division comprises the following business units:

- **Personal** provides a full range of banking and wealth management services to consumer and private banking customers. We deliver our services via our internet and app-based digital solutions and a network of branches, mortgage specialists, private bankers and contact centres.
- **Business & Agri** provides a full range of banking services through our digital, branch and contact centre channels, and traditional relationship banking and sophisticated financial solutions through dedicated managers. These cover privately owned small and medium enterprises, and the agricultural business segment.

#### Suncorp Bank

The Suncorp Bank division provides banking and related services to retail, commercial, small and medium enterprises and agribusiness customers in Australia.

#### Pacific

The Pacific division provides products and services to retail and commercial customers (including multi-nationals) and to governments located in the Pacific region, excluding PNG which forms part of the Institutional division.

#### Group Centre

Group Centre division provides support to the operating divisions, including technology, property, risk management, financial management, treasury, strategy, marketing, human resources, corporate affairs, and shareholder functions. It also includes minority investments in Asia and interests in the ANZ Non-Bank Group.

## 8. Segment reporting (continued)

## Operating segments

Year ended 30 September 2025	Australia Retail \$m	Australia Commercial \$m	Institutional \$m	New Zealand \$m	Suncorp Bank \$m	Pacific \$m	Group Centre \$m	Group Total \$m
Net interest income	5,246	3,180	4,154	3,239	1,640	108	394	17,961
Net fee and commission income	513	275	677	383	53	12	(11)	1,902
Other income <sup>1,2</sup>	113	31	1,981	2	13	77	(181)	2,036
Operating income <sup>1,2</sup>	5,872	3,486	6,812	3,624	1,706	197	202	21,899
Operating expenses <sup>3</sup>	(4,015)	(1,520)	(3,081)	(1,407)	(1,073)	(144)	(1,640)	(12,880)
Cash profit/(loss) before credit impairment and income tax	1,857	1,966	3,731	2,217	633	53	(1,438)	9,019
Credit impairment (charge)/release	(289)	(102)	(31)	19	(36)	4	(6)	(441)
Cash profit/(loss) before income tax	1,568	1,864	3,700	2,236	597	57	(1,444)	8,578
Income tax (expense)/benefit <sup>1,2,3</sup>	(520)	(562)	(1,092)	(627)	(179)	(12)	242	(2,750)
Non-controlling interests	-	-	-	-	-	(2)	(39)	(41)
Cash profit/(loss)	1,048	1,302	2,608	1,609	418	43	(1,241)	5,787
Economic hedges <sup>1</sup>								128
Revenue and expense hedges <sup>2</sup>								76
Amortisation of acquired intangibles <sup>3</sup>								(100)
Profit attributable to shareholders of the Company								5,891
<i>Includes non-cash items:</i>								
Share of associates' profit/(loss)	-	-	-	-	-	-	76	76
Depreciation and amortisation <sup>4</sup>	(46)	(8)	(176)	(99)	(69)	(9)	(533)	(1,083)
Investment in associates impairment	-	-	-	-	-	-	(285)	(285)
Goodwill impairment	-	-	-	-	-	-	(78)	(78)
Software impairment	(6)	-	-	-	-	-	(64)	(70)
Equity-settled share-based payment expenses	(8)	(5)	(74)	(3)	(2)	(1)	(29)	(122)
Credit impairment (charge)/release	(289)	(102)	(31)	19	(36)	4	(6)	(441)

Financial position	Australia Retail \$m	Australia Commercial \$m	Institutional \$m	New Zealand \$m	Suncorp Bank <sup>3</sup> \$m	Pacific \$m	Group Centre \$m	Group Total \$m
Goodwill	100	-	1,193	1,526	1,346	-	-	4,165
Investments in associates	-	-	-	-	-	-	1,142	1,142
Total external assets	351,601	67,524	632,279	126,104	89,369	3,354	26,877	1,297,108
Total external liabilities	190,522	123,936	502,702	120,644	82,791	3,858	200,788	1,225,241

1. The cash profit adjustment for economic hedges applies to the Institutional, New Zealand, Suncorp Bank and Group Centre divisions with \$178 million gain recognised in Other operating income and \$50 million expense recognised in Income tax expense.

2. The cash profit adjustment for revenue and expense hedges applies to the Group Centre division with \$109 million gain recognised in Other operating income and \$33 million expense recognised in Income tax expense.

3. The cash profit adjustment for amortisation of acquired intangibles applies to the Suncorp Bank division with \$143 million loss recognised in Operating expenses and \$43 million in Income tax benefit.

4. Group total depreciation and amortisation includes \$143 million of amortisation of acquired intangibles recognised as a cash profit adjustment and applies to the Suncorp Bank division.

## 8. Segment reporting (continued)

### Operating segments (continued)

Year ended 30 September 2024	Australia Retail \$m	Australia Commercial \$m	Institutional \$m	New Zealand \$m	Suncorp Bank \$m	Pacific \$m	Group Centre \$m	Group Total \$m
Net interest income	5,223	3,164	3,741	3,143	251	123	424	16,069
Net fee and commission income	531	300	740	399	6	14	(5)	1,985
Other income <sup>1,2</sup>	133	42	2,408	-	-	77	95	2,755
Operating income <sup>1,2</sup>	5,887	3,506	6,889	3,542	257	214	514	20,809
Operating expenses	(3,516)	(1,507)	(2,875)	(1,376)	(188)	(138)	(1,141)	(10,741)
Cash profit/(loss) before credit impairment and income tax	2,371	1,999	4,014	2,166	69	76	(627)	10,068
Credit impairment (charge)/release	(71)	(80)	10	(28)	(243)	8	(2)	(406)
<b>Cash profit/(loss) before income tax</b>	<b>2,300</b>	<b>1,919</b>	<b>4,024</b>	<b>2,138</b>	<b>(174)</b>	<b>84</b>	<b>(629)</b>	<b>9,662</b>
Income tax (expense)/benefit <sup>1,2</sup>	(693)	(577)	(1,166)	(602)	52	(22)	106	(2,902)
Non-controlling interests	-	-	-	-	-	(2)	(33)	(35)
<b>Cash profit/(loss)</b>	<b>1,607</b>	<b>1,342</b>	<b>2,858</b>	<b>1,536</b>	<b>(122)</b>	<b>60</b>	<b>(556)</b>	<b>6,725</b>
Economic hedges <sup>1</sup>								(264)
Revenue and expense hedges <sup>2</sup>								74
Amortisation of acquired intangibles								-
<b>Profit attributable to shareholders of the Group</b>								<b>6,535</b>
<b>Includes non-cash items:</b>								
Share of associates' profit/(loss)	-	-	-	-	-	-	105	105
Depreciation and amortisation	(56)	(6)	(171)	(107)	(46)	(9)	(532)	(927)
Software impairment	(3)	(6)	-	-	-	-	-	(9)
Equity-settled share-based payment expenses	(6)	(5)	(97)	(5)	-	(1)	(27)	(141)
Credit impairment (charge)/release	(71)	(80)	10	(28)	(243)	8	(2)	(406)

Financial position	Australia Retail \$m	Australia Commercial \$m	Institutional \$m	New Zealand \$m	Suncorp Bank <sup>3</sup> \$m	Pacific \$m	Group Centre \$m	Group Total \$m
Goodwill	178	-	1,245	1,596	1,402	-	-	4,421
Investments in associates	-	-	-	-	-	-	1,444	1,444
Total external assets	335,356	65,456	574,998	127,032	87,185	3,162	35,926	1,229,115
Total external liabilities	180,801	122,029	460,053	120,203	81,610	3,686	190,105	1,158,487

1. The cash profit adjustment for economic hedges applies to the Institutional, New Zealand, Suncorp Bank and Group Centre divisions with \$368 million loss recognised in Other operating income and \$104 million benefit recognised in Income tax expense.

2. The cash profit adjustment for revenue and expense hedges applies to the Group Centre division with \$106 million gain recognised in Other operating income and \$32 million expense recognised in Income tax expense.

3. Assets acquired and liabilities assumed are disclosed on a provisional basis. Refer to Note 35 Suncorp Bank acquisition for more information.

## 8. Segment reporting (continued)

### Segment income by products and services

The primary sources of our external income across all divisions are interest income and other operating income, which includes net fee and commission income, net foreign exchange earnings and other financial instruments income. The Australia Retail, Australia Commercial, New Zealand, Suncorp Bank, and Pacific divisions derive income from products and services in retail and commercial banking. The Institutional division derives its income from institutional products and market services. No single customer amounts to greater than 10% of the Group's income.

### Geographical information

The reportable segments operate across three geographical regions as follows:

- Australia Retail division - Australia
- Australia Commercial division - Australia
- Institutional division - all three geographical regions
- New Zealand division - New Zealand
- Suncorp Bank division - Australia
- Pacific division - Rest of World
- Group Centre division - all three geographical regions

The Rest of World geography includes Asia, Pacific, Europe and the Americas.

The following table sets out total operating income earned and assets to be recovered in more than one year based on the geographical regions in which the Group operates.

	Australia		New Zealand		Rest of World		Total	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m
Total operating income	14,215	12,816	4,896	4,404	3,075	3,327	22,186	20,547
Assets to be recovered in more than one year <sup>1</sup>	524,001	497,441	123,343	121,455	36,347	25,444	683,691	644,340

1. Represents Net loans and advances based on the contractual maturity.



## Financial assets and other trading assets

Outlined below is a description of how we classify and measure financial assets relevant to Note 9 to 14.

### Classification and measurement



#### Financial assets – general

There are three measurement classifications for financial assets under AASB 9 *Financial Instruments* (AASB 9): amortised cost, FVTPL and FVOCI. Financial assets are classified into these measurement classifications on the basis of two criteria:

- the business model within which the financial asset is managed; and
- the contractual cash flow characteristics of the financial asset (specifically whether the contractual cash flows represent solely payments of principal and interest).

The resultant financial asset classifications are as follows:

- Amortised cost: Financial assets with contractual cash flows that comprise solely payments of principal and interest and which are held in a business model whose objective is to collect their cash flows;
- FVOCI: Financial assets with contractual cash flows that comprise solely payments of principal and interest and which are held in a business model whose objective is to collect their cash flows or to sell the assets; and
- FVTPL: Any other financial assets not falling into the categories above are measured at FVTPL.

#### Fair value option for financial assets

A financial asset may be irrevocably designated on initial recognition:

- at FVTPL when the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise; or
- at FVOCI for investments in equity securities, where that instrument is neither held for trading nor contingent consideration recognised by an acquirer in a business combination.

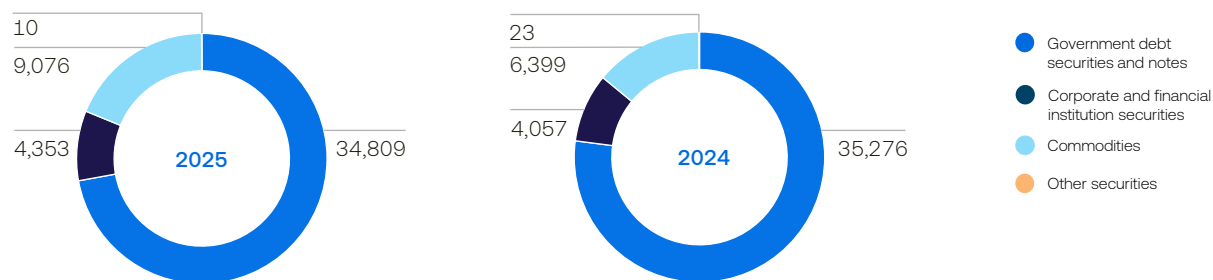
## 9. Cash and cash equivalents

Cash and cash equivalents comprise coins, notes, money at call, reverse repurchase agreements of less than 3 months, balances held with central banks and other banks, and other cash equivalents that are readily convertible to known amounts of cash with insignificant risk of changes in value.

	2025 \$m	2024 \$m
Coins, notes and cash at bank	1,205	1,198
Reverse repurchase agreements	56,428	44,125
Balances with central banks <sup>1</sup>	92,436	101,124
Balances with other banks and other cash equivalents <sup>1</sup>	5,142	4,520
<b>Cash and cash equivalents</b>	<b>155,211</b>	<b>150,967</b>

1. Comparative information have been restated to conform with the basis of preparation in the current year to better reflect the nature of the underlying cash and cash equivalents.

## 10. Trading assets



	2025 \$m	2024 \$m
Government debt securities and notes	34,809	35,276
Corporate and financial institution securities	4,353	4,057
Commodities	9,076	6,399
Equity and Other securities	10	23
<b>Total</b>	<b>48,248</b>	<b>45,755</b>

### Recognition and measurement

Trading assets are financial instruments or other assets we either:

- Acquire principally for the purpose of selling in the short-term; or
- Hold as part of a portfolio we manage for short-term profit making.

Trading assets include commodity inventories measured at fair value less cost to sell in accordance with the broker trader exemption under AASB 102 *Inventories*.

We recognise purchases and sales of trading assets on trade date:

- Initially, we measure them at fair value; and
- Subsequently, we measure them in the Balance Sheet at their fair value with any change in fair value recognised in profit or loss.

Assets disclosed as Trading assets are subject to the general classification and measurement policy for Financial Assets outlined at the commencement of the Group's financial assets disclosures on page 119.

### Key judgements and estimates

Judgement is required when applying the valuation techniques used to determine the fair value of trading assets not valued using quoted market prices. Refer to Note 19 Fair value of financial assets and financial liabilities for further details.

## 11. Derivative financial instruments

	Assets 2025 \$m	Liabilities 2025 \$m	Assets 2024 \$m	Liabilities 2024 \$m
Fair value				
Derivative financial instruments - held for trading	47,242	(43,564)	53,889	(54,798)
Derivative financial instruments - designated in hedging relationships	238	(338)	481	(456)
<b>Derivative financial instruments</b>	<b>47,480</b>	<b>(43,902)</b>	<b>54,370</b>	<b>(55,254)</b>

### Features

Derivative financial instruments are contracts:

- Whose value is derived from an underlying price index (or other variable) defined in the contract - sometimes the value is derived from more than one variable;
- That require little or no initial net investment; and
- That are settled at a future date.

Movements in the price of the underlying variables, which cause the value of the contract to fluctuate, are reflected in the fair value of the derivative.

### Purpose

The Group's derivative financial instruments have been categorised as follows:

Trading	<p>Derivatives held in order to:</p> <ul style="list-style-type: none"> <li>• meet customer needs for managing their own risks.</li> <li>• manage risks in the Group that are not in a designated hedge accounting relationship (some elements of balance sheet management).</li> <li>• undertake market making and positioning activities to generate profits from short-term fluctuations in prices or margins.</li> </ul>
Designated in Hedging Relationships	<p>Derivatives designated into hedge accounting relationships in order to minimise profit or loss volatility by matching movements in underlying positions relating to:</p> <ul style="list-style-type: none"> <li>• hedges of the Group's exposures to interest rate risk and currency risk.</li> <li>• hedges of other exposures relating to non-trading positions.</li> </ul>

### Types

The Group offers or uses four different types of derivative financial instruments:

Forwards	A contract documenting the rate of interest, or the currency exchange rate, to be paid or received on a notional principal amount at a future date.
Futures	An exchange traded contract in which the parties agree to buy or sell an asset in the future for a price agreed on the transaction date, with a net settlement in cash paid on the future date without physical delivery of the asset.
Swaps	A contract in which two parties exchange one series of cash flows for another.
Options	A contract in which the buyer of the contract has the right - but not the obligation - to buy (known as a 'call option') or to sell (known as a 'put option') an asset or instrument at a set price on a future date. The seller has the corresponding obligation to fulfil the transaction to sell or buy the asset or instrument if the buyer exercises the option.

## 11. Derivative financial instruments (continued)

### Risks managed

The Group offers and uses the instruments described above to manage fluctuations in the following:

Foreign Exchange	Currencies at current or determined rates of exchange.
Interest Rate	Fixed or variable interest rates applying to money lent, deposited or borrowed.
Commodity	Soft commodities (that is, agricultural products such as wheat, coffee, cocoa and sugar) and hard commodities (that is, mined products such as gold, oil and gas).
Credit	Risk of default by customers or third parties.

The Group uses a number of central clearing counterparties and exchanges to settle derivative transactions. Different arrangements for posting of collateral exist with these exchanges:

- some transactions are subject to clearing arrangements which result in separate recognition of collateral assets and liabilities, with the carrying values of the associated derivative assets and liabilities held at their fair value.
- other transactions, are legally settled by the payment or receipt of collateral which reduces the carrying values of the related derivative instruments by the amount paid or received.

### Derivative financial instruments – held for trading

The majority of the Group's derivative financial instruments are held for trading. The fair value of derivative financial instruments held for trading is:

Fair value	Assets 2025 \$m	Liabilities 2025 \$m	Assets 2024 \$m	Liabilities 2024 \$m
<b>Interest rate contracts</b>				
Forward rate agreements	51	(12)	1	(1)
Futures contracts	65	(123)	80	(109)
Swap agreements	9,390	(9,993)	8,258	(9,527)
Options	1,071	(1,077)	1,263	(1,371)
<b>Total</b>	<b>10,577</b>	<b>(11,205)</b>	<b>9,602</b>	<b>(11,008)</b>
<b>Foreign exchange contracts</b>				
Spot and forward contracts	14,183	(13,592)	20,008	(21,445)
Swap agreements	18,673	(13,819)	21,961	(19,612)
Options	739	(962)	779	(835)
<b>Total</b>	<b>33,595</b>	<b>(28,373)</b>	<b>42,748</b>	<b>(41,892)</b>
<b>Commodity and other contracts</b>	<b>3,052</b>	<b>(3,974)</b>	<b>1,537</b>	<b>(1,896)</b>
<b>Credit default swaps</b>	<b>18</b>	<b>(12)</b>	<b>2</b>	<b>(2)</b>
<b>Derivative financial instruments - held for trading<sup>1</sup></b>	<b>47,242</b>	<b>(43,564)</b>	<b>53,889</b>	<b>(54,798)</b>

1. Includes derivatives held for balance sheet management which are not designated into accounting hedge relationships.

## 11. Derivative financial instruments (continued)

### Derivative financial instruments – designated in hedging relationships

Under the accounting policy choice provided by AASB 9, the Group has continued to apply the hedge accounting requirements of AASB 139 *Financial Instruments: Recognition and Measurement* (AASB 139).

There are three types of hedge accounting relationships the Group utilises:

	Fair value hedge	Cash flow hedge	Net investment hedge
<b>Objective of this hedging arrangement</b>	To hedge our exposure to changes to the fair value of a recognised asset or liability or unrecognised firm commitment caused by interest rate or foreign currency movements.	To hedge our exposure to variability in cash flows of a recognised asset or liability, a firm commitment or a highly probable forecast transaction caused by interest rate, foreign currency and other price movements.	To hedge our exposure to exchange rate differences arising from the translation of our foreign operations from their functional currency to Australian dollars.
<b>Recognition of effective hedge portion</b>	<p>The following are recognised in profit or loss at the same time:</p> <ul style="list-style-type: none"> <li>all changes in the fair value of the underlying item relating to the hedged risk; and</li> <li>the change in the fair value of the derivatives.</li> </ul>	We recognise the effective portion of changes in the fair value of derivatives designated as a cash flow hedge in the cash flow hedge reserve.	We recognise the effective portion of changes in the fair value of the hedging instrument in the foreign currency translation reserve (FCTR).
<b>Recognition of ineffective hedge portion</b>	Recognised immediately in Other operating income.		
<b>If a hedging instrument expires, or is sold, terminated, or exercised; or no longer qualifies for hedge accounting</b>	When we recognise the hedged item in profit or loss, we recognise the related unamortised fair value hedge adjustment in profit or loss. This may occur over time if the hedged item is amortised to profit or loss as part of the effective yield over the period to maturity.	Only when we recognise the hedged item in profit or loss is the amount previously deferred in the cash flow hedge reserve transferred to profit or loss.	The amount we defer in the foreign currency translation reserve remains in equity and is transferred to profit or loss only when we dispose of, or partially dispose of, the foreign operation.
<b>Hedged item sold or repaid</b>	We recognise the unamortised fair value hedge adjustment immediately in profit or loss.	Amounts accumulated in equity are transferred immediately to profit or loss.	The gain or loss, or applicable proportion, we have recognised in equity is transferred to profit or loss on disposal or partial disposal of a foreign operation.

## 11. Derivative financial instruments (continued)

### Derivative financial instruments – designated in hedging relationships (continued)

The fair value of derivative financial instruments designated in hedging relationships is:

	2025			2024		
	Nominal amount \$m	Assets \$m	Liabilities \$m	Nominal amount \$m	Assets \$m	Liabilities \$m
<b>Fair value hedges</b>						
Foreign exchange spot and forward contracts	599	-	(1)	571	14	-
Interest rate swap agreements	192,596	46	(273)	175,849	226	(253)
Interest rate futures contracts	599	1	(1)	3,151	11	-
<b>Cash flow hedges</b>						
Interest rate swap agreements	133,923	136	(62)	154,968	200	(196)
Foreign exchange swap agreements	705	52	-	654	26	(7)
Foreign exchange spot and forward contracts	177	3	(1)	81	4	-
<b>Net investment hedges</b>						
Foreign exchange spot and forward contracts	-	-	-	92	-	-
<b>Derivative financial instruments - designated in hedging relationships</b>	<b>328,599</b>	<b>238</b>	<b>(338)</b>	<b>335,366</b>	<b>481</b>	<b>(456)</b>

## 11. Derivative financial instruments (continued)

### Derivative financial instruments – designated in hedging relationships (continued)

The maturity profile of the nominal amounts of our hedging instruments held is:

Nominal amount		Average Rate	Less than 3 months \$m	3 to 12 months \$m	1 to 5 years \$m	After 5 years \$m	Total \$m
<b>As at 30 September 2025</b>							
<b>Fair value hedges</b>							
Interest rate	Interest rate	2.89%	7,619	20,388	94,000	71,188	193,195
Foreign exchange	HKD/AUD FX rate	5.14	599	-	-	-	599
<b>Cash flow hedges</b>							
Interest rate	Interest rate	3.22%	11,883	42,949	78,576	515	133,923
Foreign exchange <sup>1</sup>	AUD/USD FX rate	0.74	66	111	-	705	882
	USD/EUR FX rate	0.91	-	-	-	-	-
<b>Net investment hedges</b>							
Foreign exchange	NZD/AUD FX rate	-	-	-	-	-	-
<b>As at 30 September 2024</b>							
<b>Fair value hedges</b>							
Interest rate	Interest rate	2.94%	10,202	17,387	86,096	65,315	179,000
Foreign exchange	HKD/AUD FX rate	5.26	571	-	-	-	571
<b>Cash flow hedges</b>							
Interest rate	Interest rate	3.11%	20,417	42,091	91,589	871	154,968
Foreign exchange <sup>1</sup>	AUD/USD FX rate	0.74	20	61	-	654	735
	USD/EUR FX rate	0.91	-	-	-	-	-
<b>Net investment hedges</b>							
Foreign exchange	NZD/AUD FX rate	1.09	-	92	-	-	92

1. Hedges of foreign exchange risk cover multiple currency pairs. The table reflects the larger currency pairs only.

## 11. Derivative financial instruments (continued)

### Derivative financial instruments – designated in hedging relationships (continued)

The impacts of ineffectiveness from our designated hedge relationships by type of hedge relationship and type of risk being hedged are:

	Ineffectiveness			Amount reclassified from the cash flow hedge reserve or FCTR to profit or loss <sup>4</sup> \$m
	Change in value of hedging instrument <sup>2</sup> \$m	Change in value of hedged item \$m	Hedge ineffectiveness recognised in profit or loss <sup>3</sup> \$m	
As at 30 September 2025				
Fair value hedges <sup>1</sup>				
Interest rate	(151)	170	19	-
Foreign exchange	(28)	28	-	-
Cash flow hedges <sup>1</sup>				
Interest rate	856	(852)	4	(6)
Foreign exchange	4	(4)	-	(7)
Net investment hedges <sup>1</sup>				
Foreign exchange	23	(23)	-	-
As at 30 September 2024				
Fair value hedges <sup>1</sup>				
Interest rate	(2,922)	2,928	6	-
Foreign exchange	36	(36)	-	-
Cash flow hedges <sup>1</sup>				
Interest rate	2,175	(2,074)	101	(2)
Foreign exchange	(3)	3	-	-
Net investment hedges <sup>1</sup>				
Foreign exchange	9	(9)	-	-

1. All hedging instruments are classified as derivative financial instruments.

2. Changes in value of hedging instruments is before any adjustments for Settle to Market clearing arrangements.

3. Recognised in Other operating income.

4. Recognised in Net interest income and Other operating income.



## 11. Derivative financial instruments (continued)

### Derivative financial instruments – designated in hedging relationships (continued)

The hedged items in relation to the Group's fair value hedges are:

	Balance sheet presentation	Hedged risk	Carrying amount		Accumulated fair value hedge adjustments on the hedged item	
			Assets \$m	Liabilities \$m	Assets \$m	Liabilities \$m
As at 30 September 2025						
Fixed rate loans and advances	Net loans and advances	Interest rate	982	-	(25)	-
Fixed rate deposits and other borrowings	Deposits and other borrowings	Interest rate	-	(2,267)	-	6
Fixed rate debt issuance	Debt issuances	Interest rate	-	(71,300)	-	1,068
Fixed rate investment securities at FVOCI <sup>1</sup>	Investment securities	Interest rate	113,397	-	973	-
Equity securities at FVOCI <sup>1</sup>	Investment securities	Foreign exchange	599	-	71	-
Total			114,978	(73,567)	1,019	1,074
As at 30 September 2024						
Fixed rate loans and advances	Net loans and advances	Interest rate	1,546	-	(30)	-
Fixed rate debt issuance	Debt issuances	Interest rate	-	(73,805)	-	1,284
Fixed rate investment securities at FVOCI <sup>1</sup>	Investment securities	Interest rate	97,838	-	625	-
Equity securities at FVOCI <sup>1</sup>	Investment securities	Foreign exchange	571	-	43	-
Total			99,955	(73,805)	638	1,284

1. The carrying amount of debt and equity instruments at FVOCI does not include the fair value hedge adjustment. The fair value hedge adjustment is included in other comprehensive income.

The cumulative amount of fair value hedge adjustments relating to ceased hedge relationships remaining on the Balance Sheet is nil (2024: \$3 million).

## 11. Derivative financial instruments (continued)

### Derivative financial instruments – designated in hedging relationships (continued)

The hedged items in relation to the Group's cash flow and net investment hedges are:

Hedged risk		Cash flow hedge reserve		Foreign currency translation reserve	
		Continuing hedges \$m	Discontinued hedges \$m	Continuing hedges \$m	Discontinued hedges \$m
<b>As at 30 September 2025</b>					
<b>Cash flow hedges</b>					
Floating rate loans and advances	Interest rate	407	15	-	-
Floating rate customer deposits	Interest rate	(187)	4	-	-
Foreign currency debt issuances	Foreign exchange	(8)	-	-	-
Highly probable forecast transactions	Foreign exchange	2	-	-	-
<b>Net investment hedges</b>					
Foreign operations	Foreign exchange	-	-	42	23
<b>As at 30 September 2024</b>					
<b>Cash flow hedges</b>					
Floating rate loans and advances	Interest rate	(575)	-	-	-
Floating rate customer deposits	Interest rate	(31)	-	-	-
Foreign currency debt issuances	Foreign exchange	(7)	-	-	-
Highly probable forecast transactions	Foreign exchange	4	-	-	-
<b>Net investment hedges</b>					
Foreign operations	Foreign exchange	-	-	22	20

## 11. Derivative financial instruments (continued)

### Derivative financial instruments – designated in hedging relationships (continued)

The table below details the reconciliation of the Group's cash flow hedge reserve by risk type:

	Interest rate \$m	Foreign currency \$m	Total \$m
<b>Balance at 1 October 2023</b>	(1,871)	(1)	(1,872)
Fair value gains/(losses)	2,074	(3)	2,071
Transferred to profit or loss	(2)	-	(2)
Income taxes and others	(620)	1	(619)
<b>Balance at 30 September 2024</b>	<b>(419)</b>	<b>(3)</b>	<b>(422)</b>
Fair value gains/(losses)	852	4	856
Transferred to profit or loss	(6)	(7)	(13)
Income taxes and others	(252)	1	(251)
<b>Balance at 30 September 2025</b>	<b>175</b>	<b>(5)</b>	<b>170</b>

Hedges of net investments in a foreign operation resulted in a \$23 million increase in FCTR during the year (2024: \$9 million increase).

## 11. Derivative financial instruments (continued)

## Recognition and measurement

**Recognition**

Initially and at each reporting date, we recognise all derivatives at fair value. If the fair value of a derivative is positive, then we carry it as an asset, but if its value is negative, then we carry it as a liability.

Valuation adjustments are integral in determining the fair value of derivatives. This includes:

- a credit valuation adjustment (CVA) to reflect the counterparty risk and/or event of default; and
- a funding valuation adjustment (FVA) to account for funding costs and benefits in the derivatives portfolio.

**Derecognition of assets and liabilities**

We remove derivative assets from our Balance Sheet when the contracts expire or we have transferred substantially all the risks and rewards of ownership. We remove derivative liabilities from our Balance Sheet when the Group's contractual obligations are discharged, cancelled or expired.

With respect to derivatives cleared through a central clearing counterparty or exchange, derivative assets or liabilities may be derecognised in accordance with the principle above when collateral is settled, depending on the legal arrangements in place for each instrument.

**Impact on the Income Statement**

The recognition of gains or losses on derivative financial instruments depends on whether the derivative is held for trading or is designated in a hedge accounting relationship. For derivative financial instruments held for trading, gains or losses from changes in the fair value are recognised in profit or loss.

For an instrument designated in a hedge accounting relationship, the recognition of gains or losses depends on the nature of the item being hedged. Refer to the table on page 123 for details of the recognition approach applied for each type of hedge accounting relationship.

Sources of hedge accounting ineffectiveness may arise from differences in the interest rate reference rate, margins, or rate set differences and differences in discounting between the hedged items and the hedging instruments.

**Hedge effectiveness**

To qualify for hedge accounting under AASB 139, a hedge relationship is expected to be highly effective. A hedge relationship is highly effective only if the following conditions are met:

- the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated (prospective effectiveness); and
- the actual results of the hedge are within the range of 80-125% (retrospective effectiveness).

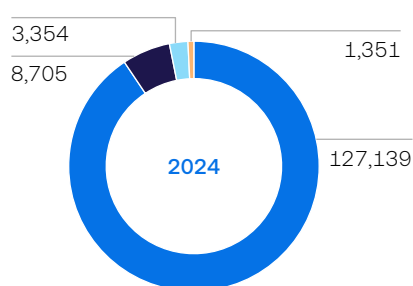
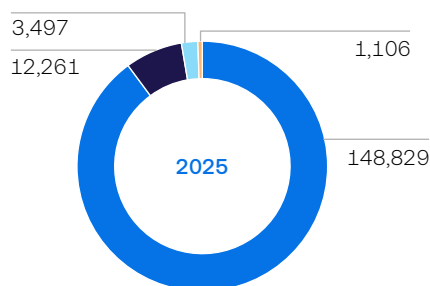
The Group monitors hedge effectiveness on a regular basis but at a minimum at each reporting date.

## Key judgements and estimates



Judgement is required when we select the valuation techniques used to determine the fair value of derivatives, particularly the selection of valuation inputs that are not readily observable, and the application of valuation adjustments to certain derivatives. Refer to Note 19 Fair value of financial assets and financial liabilities for further details.

## 12. Investment securities



- Government securities
- Corporate and financial institution securities
- Other securities
- Equity securities

	2025 \$m	2024 \$m
<b>Investment securities measured at FVOCI</b>		
Debt securities	156,373	131,944
Equity securities	1,106	1,351
<b>Investment securities measured at amortised cost</b>		
Debt securities	7,520	7,091
<b>Investment securities measured at FVTPL</b>		
Debt securities	694	163
<b>Total</b>	<b>165,693</b>	<b>140,549</b>

The maturity profile of investment securities is as follows:

	Less than 3 months \$m	3 to 12 months \$m	1 to 5 years \$m	After 5 years \$m	No maturity \$m	Total \$m
<b>As at 30 September 2025</b>						
Government securities	10,402	17,206	66,723	54,498	-	148,829
Corporate and financial institution securities	235	1,824	9,956	246	-	12,261
Other securities	574	389	985	1,549	-	3,497
Equity securities	-	-	-	-	1,106	1,106
<b>Total</b>	<b>11,211</b>	<b>19,419</b>	<b>77,664</b>	<b>56,293</b>	<b>1,106</b>	<b>165,693</b>
<b>As at 30 September 2024</b>						
Government securities	9,824	11,048	52,228	54,039	-	127,139
Corporate and financial institution securities	485	1,326	6,566	328	-	8,705
Other securities	490	386	578	1,900	-	3,354
Equity securities	-	-	-	-	1,351	1,351
<b>Total</b>	<b>10,799</b>	<b>12,760</b>	<b>59,372</b>	<b>56,267</b>	<b>1,351</b>	<b>140,549</b>

During the year, the Group recognised a net gain of \$28 million (2024: \$8 million) in Other operating income from the recycling of gains/losses previously recognised in Other comprehensive income in respect of debt securities at FVOCI.

## 12. Investment securities (continued)

### Recognition and measurement



Investment securities are those financial assets in security form (that is, transferable debt or equity instruments) that are not held for trading purposes. By way of exception, bills of exchange (a form of security/transferable instrument) which are used to facilitate the Group's customer lending activities are classified as Loans and advances (rather than Investment securities) to better reflect the substance of the arrangement.

Equity investments not held for trading purposes may be designated at FVOCI on an instrument-by-instrument basis. If this election is made, gains or losses are not reclassified from Other comprehensive income to profit or loss on disposal of the investment. However, gains or losses may be reclassified within equity.

Assets disclosed as Investment securities are subject to the general classification and measurement policy for financial assets outlined at the commencement of the Group's financial asset disclosures on page 119. Additionally, expected credit losses associated with Investment securities - debt securities at amortised cost and Investment securities - debt securities at FVOCI are recognised and measured in accordance with the accounting policy outlined in Note 14 Allowance for expected credit losses. For Investment securities - debt securities at FVOCI, the allowance for Expected Credit Loss (ECL) is recognised in the FVOCI reserve in equity with a corresponding charge to profit or loss.

### Key judgements and estimates



Judgement is required when we select valuation techniques used to determine the fair value of assets not valued using quoted market prices, particularly the selection of valuation inputs that are not readily observable. Refer to Note 19 Fair value of financial assets and financial liabilities for further details.

## 13. Net loans and advances

The following table provides details of Net loans and advances:

	2025 \$m	2024 \$m
Overdrafts	6,019	6,109
Credit cards	6,205	6,713
Commercial bills	3,739	4,401
Term loans – housing	503,997	484,554
Term loans – non-housing	308,556	300,634
Other	955	924
<b>Subtotal</b>	<b>829,471</b>	<b>803,335</b>
Unearned income <sup>1</sup>	(641)	(515)
Capitalised brokerage and other origination costs <sup>1</sup>	4,500	4,237
<b>Gross loans and advances</b>	<b>833,330</b>	<b>807,057</b>
Allowance for expected credit losses (refer to Note 14)	(3,874)	(3,675)
<b>Net loans and advances</b>	<b>829,456</b>	<b>803,382</b>
<i><b>Residual contractual maturity:</b></i>		
Within one year	145,765	159,042
More than one year	683,691	644,340
<b>Net loans and advances</b>	<b>829,456</b>	<b>803,382</b>
<i><b>Carried on Balance Sheet at:</b></i>		
Amortised cost	799,058	778,596
Fair value through profit or loss	30,398	24,786
<b>Net loans and advances</b>	<b>829,456</b>	<b>803,382</b>

1. Amortised over the expected life of the loan.

### Recognition and measurement



Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are facilities the Group provides directly to customers or through third party channels.

Loans and advances are initially recognised at fair value plus transaction costs directly attributable to the issue of the loan or advance, which are primarily brokerage and other origination costs which we amortise over the estimated life of the loan. Subsequently, we then measure loans and advances at amortised cost using the effective interest rate method, net of any allowance for ECL, or at fair value when they are specifically designated on initial recognition as FVTPL, are classified as held for sale or when held for trading. Refer to Note 19 Fair value of financial assets and financial liabilities for further details.

We classify contracts to lease assets and hire purchase agreements as finance leases if they transfer substantially all the risks and rewards of ownership of the asset to the customer or an unrelated third party. We include these facilities in 'Other' in the table above.

The Group enters into transactions in which it transfers financial assets that are recognised on its Balance Sheet. When the Group retains substantially all of the risks and rewards of the transferred assets, the transferred assets remain on the Group's Balance Sheet, however if substantially all the risks and rewards are transferred, the Group derecognises the asset. If the risks and rewards are partially retained and control over the asset is lost, the Group derecognises the asset. If control over the asset is not lost, the Group continues to recognise the asset to the extent of its continuing involvement.

We separately recognise the rights and obligations retained, or created, in the transfer of assets as appropriate.

Assets disclosed as Net loans and advances are subject to the general classification and measurement policy for financial assets outlined on page 119. Additionally, expected credit losses associated with loans and advances at amortised cost are recognised and measured in accordance with the accounting policy outlined in Note 14 Allowance for expected credit losses.

## 14. Allowance for expected credit losses

	2025			2024		
	Collectively assessed \$m	Individually assessed \$m	Total \$m	Collectively assessed \$m	Individually assessed \$m	Total \$m
Net loans and advances at amortised cost	3,512	362	3,874	3,372	303	3,675
Off-balance sheet commitments	833	37	870	841	5	846
Investment securities - debt securities at amortised cost	34	-	34	34	-	34
<b>Total</b>	<b>4,379</b>	<b>399</b>	<b>4,778</b>	<b>4,247</b>	<b>308</b>	<b>4,555</b>
<b>Other comprehensive income</b>						
Investment securities - debt securities at FVOCI <sup>1</sup>	13	-	13	20	-	20

1. For FVOCI assets, the allowance for ECL does not alter the carrying amount which remains at fair value. Instead, the allowance for ECL is recognised in Other comprehensive income with a corresponding charge to profit or loss.

The following tables present the movement in the allowance for ECL for the year.

**Net loans and advances - at amortised cost**

Allowance for ECL is included in Net loans and advances.

	Stage 1 \$m	Stage 2 \$m	Stage 3		Total \$m
			Collectively assessed \$m	Individually assessed \$m	
<b>As at 1 October 2023</b>	<b>1,227</b>	<b>1,624</b>	<b>329</b>	<b>366</b>	<b>3,546</b>
Transfer between stages	155	(181)	(57)	83	-
New and increased provisions (net of releases) <sup>1</sup>	(89)	218	168	379	676
Write-backs	-	-	-	(177)	(177)
Bad debts written off (excluding recoveries)	-	-	-	(316)	(316)
Foreign currency translation and other movements <sup>2</sup>	(17)	(8)	3	(32)	(54)
<b>As at 30 September 2024</b>	<b>1,276</b>	<b>1,653</b>	<b>443</b>	<b>303</b>	<b>3,675</b>
Transfer between stages	170	(173)	(106)	109	-
New and increased provisions (net of releases)	(116)	91	270	447	692
Write-backs	-	-	-	(137)	(137)
Bad debts written off (excluding recoveries)	-	-	-	(346)	(346)
Foreign currency translation and other movements <sup>2</sup>	3	(13)	14	(14)	(10)
<b>As at 30 September 2025</b>	<b>1,333</b>	<b>1,558</b>	<b>621</b>	<b>362</b>	<b>3,874</b>

1. Includes Suncorp Bank acquisition related collectively assessed allowance for ECL. Under accounting standards, these were initially recognised as Stage 1, and where relevant moving to Stage 2 after the date of acquisition, all presented within New and increased provisions (net of releases).

2. Other movements include the impacts of discount unwind on individually assessed allowance for ECL.



## 14. Allowance for expected credit losses (continued)

### Off-balance sheet commitments - undrawn and contingent facilities

Allowance for ECL is included in Other provisions.

	Stage 1 \$m	Stage 2 \$m	Stage 3		Total \$m
			Collectively assessed \$m	Individually assessed \$m	
As at 1 October 2023	630	162	25	10	827
Transfer between stages	18	(17)	(1)	-	-
New and increased provisions (net of releases)	26	13	1	3	43
Write-backs	-	-	-	(7)	(7)
Foreign currency translation	(16)	(2)	2	(1)	(17)
As at 30 September 2024	658	156	27	5	846
Transfer between stages	18	(18)	(3)	3	-
New and increased provisions (net of releases)	(43)	25	6	31	19
Write-backs	-	-	-	(3)	(3)
Foreign currency translation	10	(3)	-	1	8
As at 30 September 2025	643	160	30	37	870

### Investment securities - debt securities at amortised cost

Allowance for ECL is included in Investment securities.

	Stage 1 \$m	Stage 2 \$m	Stage 3		Total \$m
			Collectively assessed \$m	Individually assessed \$m	
As at 30 September 2024	34	-	-	-	34
As at 30 September 2025	34	-	-	-	34

### Investment securities - debt securities at FVOCI

As FVOCI assets are measured at fair value, there is no separate allowance for ECL. Instead, the allowance for ECL is recognised in Other comprehensive income with a corresponding charge to profit or loss.

	Stage 1 \$m	Stage 2 \$m	Stage 3		Total \$m
			Collectively assessed \$m	Individually assessed \$m	
As at 30 September 2024	20	-	-	-	20
As at 30 September 2025	13	-	-	-	13

## 14. Allowance for expected credit losses (continued)

### Credit impairment charge - Income Statement

#### Credit impairment charge/(release) analysis

	2025 \$m	2024 \$m
New and increased provisions (net of releases) <sup>1,2</sup>		
- Collectively assessed	114	262
- Individually assessed	596	465
Write-backs <sup>3</sup>	(140)	(184)
Recoveries of amounts previously written-off	(129)	(137)
<b>Total credit impairment charge</b>	<b>441</b>	<b>406</b>

1. Includes the impact of transfers between collectively assessed and individually assessed.

2. New and increased provisions (net of releases) includes:

	2025		2024	
	Collectively assessed \$m	Individually assessed \$m	Collectively assessed \$m	Individually assessed \$m
Net loans and advances at amortised cost	136	556	214	462
Off-balance sheet commitments	(15)	34	40	3
Investment securities - debt securities at amortised cost	-	-	3	-
Investment securities - debt securities at FVOCI	(7)	-	5	-
Other financial asset	-	6	-	-
<b>Total</b>	<b>114</b>	<b>596</b>	<b>262</b>	<b>465</b>

3. Consists of write-backs in Net loans and advances at amortised cost of \$137 million (2024: \$177 million) and Off-balance sheet commitments of \$3 million (2024: \$7 million) for the Group.

The contractual amount outstanding on financial assets that were written off during the year and that are still subject to enforcement activity is \$134 million (2024: \$136 million) for the Group.

## 14. Allowance for expected credit losses (continued)

### Recognition and measurement



#### Expected credit loss model

The measurement of expected credit losses reflects an unbiased, probability weighted prediction which evaluates a range of scenarios and takes into account the time value of money, past events, current conditions and forecasts of future economic conditions.

Expected credit losses are either measured over 12 months or the expected lifetime of the financial asset, depending on credit deterioration since origination, according to the following three-stage approach:

- Stage 1: At the origination of a financial asset, and where there has not been a Significant Increase in Credit Risk (SICR) since origination, an allowance for ECL is recognised reflecting the expected credit losses resulting from default events that are possible within the next 12 months from the reporting date. For instruments with a remaining maturity of less than 12 months, expected credit losses are estimated based on default events that are possible over the remaining time to maturity.
- Stage 2: Where there has been a SICR since origination, an allowance for ECL is recognised reflecting expected credit losses resulting from all possible default events over the expected life of a financial instrument. If credit risk were to improve in a subsequent period such that the increase in credit risk since origination is no longer considered significant, the exposure returns to a Stage 1 classification with ECL measured accordingly.
- Stage 3: Where there is objective evidence of impairment, an allowance equivalent to lifetime ECL is recognised.

Expected credit losses are estimated on a collective basis for exposures in Stage 1 and Stage 2, and on either a collective or individual basis when transferred to Stage 3.

For financial assets that are credit-impaired on initial recognition, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, these assets do not carry an expected credit loss allowance on initial recognition. The amount recognised as a provision for credit losses after initial recognition is equal to the change in the lifetime expected credit loss since initial recognition.

#### Measurement of expected credit loss

ECL is calculated as the product of the following credit risk factors at a facility level, discounted to incorporate the time value of money:

- Probability of default (PD) - the estimate of the likelihood that a borrower will default over a given period;
- Exposure at default (EAD) - the expected balance sheet exposure at default taking into account repayments of principal and interest, expected additional drawdowns and accrued interest; and
- Loss given default (LGD) - the expected loss in the event of the borrower defaulting, expressed as a percentage of the facility's EAD, taking into account direct and indirect recovery costs.

These credit risk factors are adjusted for current and forward-looking information through the use of macroeconomic variables.

#### Expected life

When estimating ECL for exposures in Stage 2 and 3, the Group considers the expected lifetime over which it is exposed to credit risk.

For non-retail portfolios, the Group uses the maximum contractual period as the expected lifetime for non-revolving credit facilities. For non-retail revolving credit facilities, such as corporate lines of credit, the expected life reflects the Group's contractual right to withdraw a facility as part of a contractually agreed annual review, after taking into account the applicable notice period.

For retail portfolios, the expected lifetime is determined using a behavioural term, taking into account expected prepayment behaviour and events that give rise to substantial modifications.

#### Definition of default, credit impaired and write-offs

The definition of default used in measuring ECL is aligned to the definition used for internal credit risk management purposes across all portfolios. This definition is also in line with the regulatory definition of default. Default occurs when there are indicators that a debtor is unlikely to fully satisfy contractual credit obligations to the Group, or the exposure is 90 days past due.

Financial assets, including those that are well secured, are considered credit impaired for financial reporting purposes when they default.

When there is no realistic probability of recovery, loans are written off against the related impairment allowance on completion of the Group's internal processes and when all reasonably expected recoveries have been collected. In subsequent periods, any recoveries of amounts previously written-off are recorded as a release to the credit impairment charge in the Income Statement.

#### Modified financial assets

If the contractual terms of a financial asset are modified or an existing financial asset is replaced with a new one for either credit or commercial reasons, an assessment is made to determine if the changes to the terms of the existing financial asset are considered substantial. This assessment considers both changes in cash flows arising from the modified terms as well as changes in the overall instrument risk profile; for example, changes in the principal (credit limit), term, or type of underlying collateral. Where a modification is considered non-substantial, the existing financial asset is not derecognised and its date of origination continues to be used to determine SICR. Where a modification is considered substantial, the existing financial asset is derecognised and a new financial asset is recognised at its fair value on the modification date, which also becomes the date of origination used to determine SICR for this new asset.

## 14. Allowance for expected credit losses (continued)

### Recognition and measurement (continued)



#### Significant increase in credit risk

Stage 2 assets are those that have experienced a SICR since origination. In determining what constitutes a SICR, the Group considers both qualitative and quantitative information:

##### i. Internal credit rating grade

For the majority of portfolios, the primary indicator of a SICR is a significant deterioration in the internal credit rating grade of a facility since origination and is measured by the application of thresholds.

For non-retail portfolios, a SICR is determined by comparing the Customer Credit Rating (CCR) applicable to a facility at reporting date to the CCR at origination of that facility. A CCR is assigned to each borrower which reflects the PD of the borrower and incorporates both borrower and non-borrower specific information, including forward-looking information. CCRs are subject to review at least annually or more frequently when an event occurs which could affect the credit risk of the customer.

For retail portfolios, a SICR is determined, depending on the type of facility, by either comparing the scenario weighted lifetime PD at the reporting date to that at origination, or by reference to customer behavioural score thresholds. The scenario weighted lifetime probability of default may increase significantly if:

- there has been a deterioration in the economic outlook, or an increase in economic uncertainty; or
- there has been a deterioration in the customer's overall credit position, or ability to manage their credit obligations.

##### ii. Backstop criteria

The Group uses 30 days past due arrears as a backstop criterion for both non-retail and retail portfolios. For retail portfolios only, facilities are required to demonstrate three to six months of good payment behaviour prior to being allocated back to Stage 1.

#### Forward-looking information

Forward-looking information is incorporated into both our assessment of whether a financial asset has experienced a SICR since origination and in our estimate of ECL. In applying forward-looking information for estimating ECL, the Group considers four probability-weighted forecast economic scenarios as follows:

##### i. Base case scenario

The base case scenario is the Group's view of future macroeconomic conditions. It reflects the same basis of assumptions used by management for strategic planning and budgeting, and also informs the Group Internal Capital Adequacy Assessment Process which is the process the Group applies in strategic and capital planning over a 3-year time horizon;

##### ii. Upside scenario

The upside scenario is fixed by reference to average economic cycle conditions (not economic conditions prevailing at balance date) and is based on a combination of more optimistic economic events and uncertainty over long term horizons; and

##### iii. Downside and iv. Severe downside scenario

The downside and severe scenarios assume an economic downturn, both domestically and globally. Forecast macroeconomic variables for such scenarios are developed internally, reflecting plausible scenarios unfolding over a 5-year period given current economic conditions. These assumptions have been revised in 2025, reflecting a sharp rise in inflation, declining asset prices, and increases to unemployment. The impacts to underlying macroeconomic variables are deeper in the case of the severe scenario.

The four scenarios are described in terms of macroeconomic variables used in the PD, LGD and EAD models (collectively the ECL models) depending on the lending portfolio and country of the borrower. Examples of the macroeconomic variables include unemployment rates, Gross Domestic Product (GDP) growth rates, residential property price indices, commercial property price indices and consumer price indices.

Probability weighting of each scenario is determined by management considering the risks and uncertainties surrounding the base case economic scenario, as well as specific portfolio considerations where required. The Group Asset and Liability Committee (GALCO) is responsible for reviewing and approving the base case economic scenario and the Credit and Market Risk Committee (CMRC) approves the probability weights applied to each scenario.

Where applicable, temporary adjustments may be made to account for situations where known or expected risks have not been adequately addressed in the modelling process.

## 14. Allowance for expected credit losses (continued)

### Key judgements and estimates



#### Collectively assessed allowance for expected credit losses

In estimating collectively assessed ECL, the Group makes judgements and assumptions in relation to:

- the selection of an estimation technique or modelling methodology; and
- the selection of inputs for those models, and the interdependencies between those inputs.

The following table summarises the key judgements and assumptions in relation to the model inputs and the interdependencies between those inputs, and highlights significant changes during the current period.

The judgements and associated assumptions have been made within the context of the uncertainty as to how various factors might impact the global economy and reflect historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. The Group's ECL estimates are inherently uncertain and, as a result, actual results may differ from these estimates.

Judgement/Assumption	Description	Considerations for the year ended 30 September 2025
<b>Determining when a SICR has occurred or reversed</b>	<p>In the measurement of ECL, judgement is involved in determining whether there has been a SICR since initial recognition of a loan, which would result in it moving from Stage 1 to Stage 2. This is a key area of judgement since transition from Stage 1 to Stage 2 increases the ECL from an allowance based on the PD in the next 12 months, to an allowance for lifetime ECL. Subsequent decreases in credit risk resulting in transition from Stage 2 to Stage 1 may similarly result in significant changes in the ECL allowance.</p> <p>The setting of precise SICR trigger points requires judgement which may have a material impact upon the size of the ECL allowance. The Group monitors the effectiveness of SICR criteria on an ongoing basis.</p>	The determination of SICR was consistent with prior period.
<b>Measuring both 12-month and lifetime expected credit losses</b>	<p>The PD, LGD and EAD factors used in determining ECL are point-in-time measures reflecting the relevant forward-looking information determined by management. Judgement is involved in determining which forward-looking information is relevant for particular lending portfolios and for determining each portfolio's point-in-time sensitivity.</p> <p>In addition, judgement is required where behavioural characteristics are applied in estimating the lifetime of a facility which is used in measuring ECL.</p>	<p>The PD, LGD and EAD models are subject to the Group's model risk policy that stipulates periodic model monitoring and re-validation, and defines approval procedures and authorities according to model materiality.</p> <p>There were no material changes to the policy.</p>
<b>Base case economic forecast</b>	The Group derives a forward-looking 'base case' economic scenario which reflects ANZ Economics' view of future macroeconomic conditions.	<p>There have been no changes to the types of forward-looking variables (key economic drivers) used as model inputs.</p> <p>The base case assumptions have been updated to reflect a stabilisation in inflation in both Australia and New Zealand. Near-term growth forecasts have been reduced, reflecting the impacts of global uncertainty. A return to average GDP growth rates is forecast in Australia for 2026. In New Zealand, weaker GDP growth momentum pushes the return to average out to 2027. Further interest rate cuts in both economies are expected to contribute to a recovery in consumer spending. The level of unemployment is elevated in New Zealand but projected to fall, whereas it remains relatively low in Australia.</p> <p>The expected outcomes of key economic drivers for the base case scenario at 30 September 2025 are described below under the heading "Base case economic forecast assumptions".</p>

## 14. Allowance for expected credit losses (continued)

## Key judgements and estimates (continued)



Judgement/Assumption	Description	Considerations for the year ended 30 September 2025
<b>Probability weighting of each economic scenario (base case, upside, downside and severe downside scenarios)</b>	<p>Probability weighting of each economic scenario is determined by management considering the risks and uncertainties surrounding the base case economic scenario at each measurement date.</p> <p>The assigned probability weightings in Australia, New Zealand and Rest of World are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected.</p>	<p>Probability weightings in Australia, New Zealand and Rest of World remain unchanged from the prior period, reflecting our assessment of the continuing downside risks in local and global economies, and uncertainties related to foreign policies.</p> <p>The probability weightings for current and prior periods are as detailed in the section below under the heading 'Probability weightings'.</p>
<b>Management temporary adjustments</b>	<p>Management temporary adjustments to the ECL allowance are used in circumstances where it is judged that our existing inputs, assumptions and model techniques do not capture all the risk factors relevant to our lending portfolios. Emerging local or global macroeconomic, microeconomic or political events, and natural disasters that are not incorporated into our current parameters, risk ratings, or forward-looking information are examples of such circumstances.</p>	<p>Management have continued to apply adjustments to accommodate risks associated with higher inflation and interest rates experienced over the last few years. Management overlays have been made for risks particular to home loans, credit cards and commercial lending in Australia, and for mortgages and commercial lending in New Zealand. The total amount of adjustments has decreased from the prior period as anticipated risks are now represented in the portfolio credit profiles.</p> <p>Management has considered and concluded no temporary adjustment is required at 30 September 2025 to the ECL in relation to climate or weather related events during the period.</p>

*Base case economic forecast assumptions*

Continuing uncertainties described above increase the risk of the economic forecast resulting in an understatement or overstatement of the ECL balance.

The economic drivers of the base case economic forecasts, reflective of ANZ Economics' view of future macroeconomic conditions used at 30 September 2025 are set out below. For the years following the near-term forecasts below, the ECL models apply simplified assumptions for the economic conditions to calculate lifetime loss.

	Forecast calendar year		
	2025	2026	2027
<b>Australia</b>			
GDP (annual % change)	1.8	2.4	2.4
Unemployment rate (annual average)	4.2	4.3	4.0
Residential property prices (annual % change)	5.0	5.8	4.8
Consumer price index (annual average % change)	2.5	2.6	2.4
<b>New Zealand</b>			
GDP (annual % change)	0.9	2.4	2.7
Unemployment rate (annual average)	5.2	4.8	4.3
Residential property prices (annual % change)	2.5	5.0	4.5
Consumer price index (annual average % change)	2.7	1.9	2.0
<b>Rest of World</b>			
GDP (annual % change)	1.5	1.9	2.0
Consumer price index (annual average % change)	3.0	2.4	2.0

## 14. Allowance for expected credit losses (continued)

### Key judgements and estimates (continued)



#### Probability weightings

Probability weightings for each scenario are determined by management considering the risks and uncertainties surrounding the base case economic scenario including the uncertainties described above.

The assigned probability weightings in Australia, New Zealand and Rest of World are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these weightings in each geography to provide estimates of the possible loss outcomes and taking into account short- and long-term inter-relationships within the Group's credit portfolios.

The average weightings applied across the Group are set out below:

	2025	2024
Base	46%	46%
Upside	1%	1%
Downside	40%	40%
Severe downside	13%	13%

#### ECL - Sensitivity analysis

Given current economic uncertainties and the judgement applied to factors used in determining the expected default of borrowers in future periods, expected credit losses reported by the Group should be considered as a best estimate within a range of possible estimates.

The table below illustrates the sensitivity of collectively assessed ECL to key factors used in determining it as at 30 September 2025:

	ECL \$m	Impact \$m
If 1% of Stage 1 facilities were included in Stage 2	4,428	49
If 1% of Stage 2 facilities were included in Stage 1	4,373	(6)
100% upside scenario	1,550	(2,829)
100% base scenario	1,997	(2,382)
100% downside scenario	4,458	79
100% severe downside scenario	9,913	5,534

#### Individually assessed allowance for expected credit losses

In estimating individually assessed ECL, the Group makes judgements and assumptions in relation to expected repayments, the realisable value of collateral, business prospects for the customer, competing claims and the likely cost and duration of the work-out process.

Judgements and assumptions in respect of these matters have been updated to reflect amongst other things, the uncertainties described above.

## Financial liabilities

Outlined below is a description of how we classify and measure financial liabilities relevant to Note 15 to 17.

### Classification and measurement



#### Financial liabilities

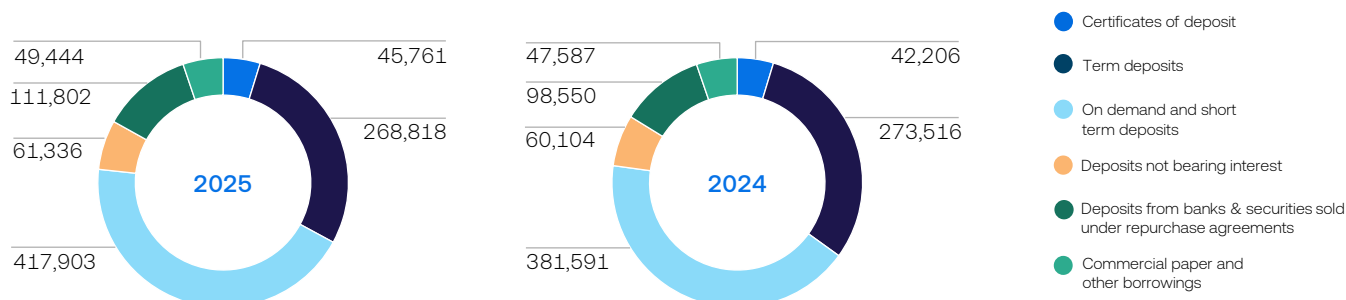
Financial liabilities are measured at amortised cost, or FVTPL when they are held for trading. Additionally, financial liabilities can be designated at FVTPL where:

- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise;
- a group of financial liabilities are managed and their performance are evaluated on a fair value basis, in accordance with a documented risk management strategy; or
- the financial liability contains one or more embedded derivatives unless:
  - a) the embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract; or
  - b) the embedded derivative is closely related to the host financial liability.

Where financial liabilities are designated as measured at fair value, gains or losses relating to changes in the entity's own credit risk are included in Other comprehensive income, except where doing so would create or enlarge an accounting mismatch in profit or loss.



## 15. Deposits and other borrowings



	2025 \$m	2024 \$m
Certificates of deposit	45,761	42,206
Term deposits	268,818	273,516
On demand and short term deposits	417,903	381,591
Deposits not bearing interest	61,336	60,104
Deposits from banks & securities sold under repurchase agreements	111,802	98,550
Commercial paper and other borrowings	49,444	47,587
<b>Deposits and other borrowings<sup>1</sup></b>	<b>955,064</b>	<b>903,554</b>
<i>Residual contractual maturity:</i>		
Within one year	943,468	893,211
More than one year	11,596	10,343
<b>Deposits and other borrowings</b>	<b>955,064</b>	<b>903,554</b>
<i>Carried on Balance Sheet at:</i>		
Amortised cost	897,376	860,553
Fair value through profit or loss	57,688	43,001
<b>Deposits and other borrowings</b>	<b>955,064</b>	<b>903,554</b>

1. Customer deposits balance of \$748,057 million (2024: \$715,211 million) for the Group includes Term deposits, On demand and short term deposits and Deposits not bearing interest.

### Recognition and measurement

For deposits and other borrowings that:

- are not designated at FVTPL on initial recognition, we measure them at amortised cost and recognise their interest expense using the effective interest rate method; and
- are managed on a fair value basis, reduce or eliminate an accounting mismatch or contain an embedded derivative, we designate them as measured at FVTPL.

Refer to Note 19 Fair value of financial assets and financial liabilities for further details.

For deposits and other borrowings designated at fair value we recognise the amount of fair value gain or loss attributable to changes in the Group's own credit risk in other comprehensive income in retained earnings. Any remaining amount of fair value gain or loss we recognise directly in profit or loss. Once we have recognised an amount in other comprehensive income, we do not later reclassify it to profit or loss.

Securities sold under repurchase agreements represent a liability to repurchase the financial assets that remain on our balance sheet since the risks and rewards of ownership remain with the Group. Over the life of the repurchase agreement, we recognise the difference between the sale price and the repurchase price and charge it to interest expense in profit or loss.

## 16. Payables and other liabilities

	2025 \$m	2024 \$m
Payables and accruals	6,206	7,218
Liabilities at fair value	3,960	6,023
Lease liabilities	1,106	1,112
Trail commission liabilities	2,106	2,055
Other liabilities	1,115	1,443
<b>Payables and other liabilities</b>	<b>14,493</b>	<b>17,851</b>

### Recognition and measurement



The Group recognises liabilities when there is a present obligation to transfer economic resources as a result of past events.

Below is the measurement basis for each item classified as other liabilities:

- Payables, accruals and other liabilities are measured at the contractual amount payable or the best estimate of consideration required to settle the payable.
- Liabilities at fair value relate to securities sold short, which we classify as held for trading and measure at FVTPL based on quoted prices in active markets.
- Lease liabilities are initially measured at the present value of the future lease payments using the Group's incremental borrowing rate at the lease commencement date. The carrying amount is then subsequently adjusted to reflect the interest on the lease liability, lease payments that have been made and any lease reassessments or modifications.
- Trail commission liabilities are measured based on the present value of expected future trail commission payments taking into consideration average behavioural loan life and outstanding balances of broker originated loans.

## 17. Debt issuances

The Group, primarily via ANZBGL and some of its banking subsidiaries (including ANZ Bank New Zealand and Norfina Limited (Suncorp Bank)), uses a variety of funding programmes to issue senior debt (including covered bonds and securitisations) and subordinated debt. The difference between senior debt and subordinated debt is that, in a winding up of an issuer, holders of senior debt of that issuer rank in priority to holders of subordinated debt of that issuer. Subordinated debt will be repaid by the relevant issuer only after the repayment of claims of its depositors and other creditors (including the senior debt holders) of that issuer.

	2025 \$m	2024 \$m
Senior debt	106,782	94,152
Covered bonds	12,985	18,931
Securitisation	5,396	3,640
<b>Total unsubordinated debt</b>	<b>125,163</b>	<b>116,723</b>
Subordinated debt		
- ANZBGL Additional Tier 1 capital	7,452	8,277
- ANZBGL Tier 2 capital	33,811	28,584
- Other subordinated debt securities	2,848	2,804
<b>Total subordinated debt</b>	<b>44,111</b>	<b>39,665</b>
<b>Total debt issued</b>	<b>169,274</b>	<b>156,388</b>
<i>Residual contractual maturity<sup>1</sup>:</i>		
Within one year	43,080	35,107
More than one year	123,905	119,090
No maturity date (instruments in perpetuity)	2,289	2,191
<b>Total debt issued</b>	<b>169,274</b>	<b>156,388</b>
<i>Carried on Balance Sheet at:</i>		
Amortised cost	166,504	154,572
Fair value through profit or loss	2,770	1,816
<b>Total debt issued</b>	<b>169,274</b>	<b>156,388</b>

1. Based on the final maturity date or, in the case of Additional Tier 1 capital securities, the mandatory conversion date (if any).

### Total debt issued by currency

The table below shows the Group's issued debt by currency of issue, which broadly represents the debt holders' base location.

		2025 \$m	2024 \$m
USD	United States dollars	49,563	45,512
EUR	Euro	27,751	26,325
AUD	Australian dollars	76,329	69,420
NZD	New Zealand dollars	1,675	1,074
JPY	Japanese yen	2,603	2,609
GBP	Pounds sterling	8,940	8,543
HKD	Hong Kong dollars	949	1,403
Other	Chinese yuan, Singapore dollars and Swiss francs	1,464	1,502
<b>Total debt issued</b>		<b>169,274</b>	<b>156,388</b>

### Subordinated debt

Subordinated debt is primarily issued externally by the Group out of its banking subsidiaries ANZBGL and ANZ Bank New Zealand. ANZ Holdings (New Zealand) Limited has also issued a perpetual subordinated debt security. The externally issued subordinated debt constitutes subordinated debt of both the Group and the relevant issuer.

At 30 September 2025, all subordinated debt issued by ANZBGL qualifies as regulatory capital for ANZBGL. Depending on their terms and conditions, the subordinated debt instruments issued by ANZBGL are classified as either Additional Tier 1 (AT1) capital for ANZBGL (in the case of the ANZ Capital Notes (ANZ CN) and ANZ Capital Securities (ANZ CS)) or Tier 2 capital for ANZBGL (in the case of the term subordinated notes) for APRA's capital adequacy purposes. Subordinated debt issued by ANZ Holdings (New Zealand) Limited or ANZ Bank New Zealand does not constitute regulatory capital for the Group for APRA's capital adequacy purposes.

Subordinated debt issued by ANZ Bank New Zealand will constitute tier 2 capital for ANZ Bank New Zealand for the purposes of the Reserve Bank of New Zealand's (RBNZ) capital requirements. Subordinated debt issued by ANZ Holdings (New Zealand) Limited does not constitute regulatory capital for the RBNZ's capital adequacy purposes.

## 17. Debt issuances (continued)

### AT1 capital

All outstanding AT1 capital instruments issued by ANZBGL are Basel III fully compliant instruments (refer to Note 24 Capital management for further information about Basel III) for APRA's capital adequacy purposes. Each of the ANZ CN and ANZ CS rank equally with each other.

Distributions on the AT1 capital instruments are non-cumulative and subject to the issuer's absolute discretion and certain payment conditions (including regulatory requirements). Distributions on ANZ CNs are franked in line with the franking applied to ANZGHL's ordinary shares.

Where specified, the AT1 capital instruments provide the issuer with an early redemption or conversion option on a specified date and in certain other circumstances (such as a tax or regulatory event). This redemption option is subject to APRA's prior written approval.

Each of the AT1 capital instruments will immediately convert into a variable number of ANZGHL's ordinary shares (based on the average market price of the shares immediately prior to conversion less a 1% discount, subject to a maximum conversion number of ANZGHL's ordinary shares) if:

- ANZBGL's Common Equity Tier 1 capital ratios are equal to or less than 5.125% – known as a Common Equity Capital Trigger Event; or
- APRA notifies ANZBGL that, without the conversion or write-off of certain securities or a public sector injection of capital (or equivalent support), it considers that ANZBGL would become non-viable – known as a Non-Viability Trigger Event.

Where specified, AT1 capital instruments mandatorily convert into a variable number of ANZGHL's ordinary shares (based on the average market price of the shares immediately prior to conversion less a 1% discount):

- on a specified mandatory conversion date; or
- on an earlier date under certain circumstances as set out in the terms.

However, this mandatory conversion is deferred for a specified period if certain conversion tests are not met.

If the AT1 capital securities convert, and the holders receive ANZGHL ordinary shares, then:

- the AT1 capital securities are transferred by the holders to ANZGHL for their face value;
- ANZBGL shall redeem the securities and simultaneously issue ordinary shares to its parent ANZ BH Pty Ltd (based on ANZBGL's share price calculated by reference to its consolidated net assets, subject to a maximum conversion number); and
- ANZ BH Pty Ltd will issue shares to ANZGHL (based on ANZ BH Pty Ltd's share price calculated by reference to its consolidated net assets, subject to a maximum conversion number).

Preference shares issued by ANZ Bank New Zealand will constitute AT1 capital for ANZ Bank New Zealand for the purposes of the RBNZ's capital requirements, however they will not constitute AT1 capital for the ANZBGL Group as the terms of the preference shares do not satisfy APRA's capital requirements. Externally issued preference shares are included within non-controlling interests in Note 23 Shareholders' equity.

In accordance with its consultation paper, APRA has confirmed that its phase out of AT1 capital instruments will commence in January 2027. Refer to Note 24 Capital Management for more details on APRA's AT1 consultation.

The tables below show key details of the ANZBGL's AT1 capital instruments on issue at 30 September in both the current and prior years:

			2025 \$m	2024 \$m
<b>ANZBGL's Additional Tier 1 capital (perpetual subordinated securities)<sup>1</sup></b>				
<b>ANZ Capital Notes</b>				
AUD	931m	ANZ CN5 <sup>2</sup>	-	931
AUD	1,500m	ANZ CN6	1,492	1,490
AUD	1,310m	ANZ CN7	1,301	1,300
AUD	1,500m	ANZ CN8	1,487	1,485
AUD	1,700m	ANZ CN9	1,683	1,680
<b>ANZ Capital Securities</b>				
USD	1,000m	ANZ Capital Securities	1,489	1,391
<b>Total ANZBGL Additional Tier 1 capital<sup>3</sup></b>			<b>7,452</b>	<b>8,277</b>

1. Carrying values are net of issuance costs.

2. All of the ANZ CN5 were redeemed on 20 March 2025.

3. This forms part of ANZBGL's qualifying AT1 capital. Refer to Note 24 Capital management for further details.

## 17. Debt issuances (continued)

### ANZ Capital Notes

	ANZ CN5	ANZ CN6	ANZ CN7
Issuer	ANZBGL	ANZBGL	ANZBGL
Issue date	28 September 2017	8 July 2021	24 March 2022
Issue amount	\$931 million	\$1,500 million	\$1,310 million
Face value per note	\$100	\$100	\$100
Distribution frequency	Quarterly in arrears	Quarterly in arrears	Quarterly in arrears
Distribution rate	Floating rate: (90 day Bank Bill rate+3.8%)x(1-Australian corporate tax rate)	Floating rate: (90 day Bank Bill rate+3.0%)x(1-Australian corporate tax rate)	Floating rate: (90 day Bank Bill rate+2.7%)x(1-Australian corporate tax rate)
Issuer's early redemption or conversion option	20 March 2025 <sup>1</sup>	20 March 2028	20 March 2029
Mandatory conversion date	20 March 2027 <sup>2</sup>	20 September 2030	20 September 2031
Common Equity Capital Trigger Event	Yes	Yes	Yes
Non-Viability Trigger Event	Yes	Yes	Yes
Carrying value (net of issue costs)	Nil (2024: \$931 million)	\$1,492 million (2024: \$1,490 million)	\$1,301 million (2024: \$1,300 million)

	ANZ CN8	ANZ CN9
Issuer	ANZBGL	ANZBGL
Issue date	24 March 2023	20 March 2024
Issue amount	\$1,500 million	\$1,700 million
Face value per note	\$100	\$100
Distribution frequency	Quarterly in arrears	Quarterly in arrears
Distribution rate	Floating rate: (90 day Bank Bill rate+2.75%)x(1-Australian corporate tax rate)	Floating rate: (90 day Bank Bill rate+2.9%)x(1-Australian corporate tax rate)
Issuer's early redemption or conversion option	20 March 2030	20 March 2031
Mandatory conversion date	20 September 2032	20 September 2033
Common Equity Capital Trigger Event	Yes	Yes
Non-Viability Trigger Event	Yes	Yes
Carrying value (net of issue costs)	\$1,487 million (2024: \$1,485 million)	\$1,683 million (2024: \$1,680 million)

1. All of the ANZ CN5 were redeemed on 20 March 2025.

2. The mandatory conversion date is no longer applicable as all of ANZ CN5 have been redeemed.

## 17. Debt issuances (continued)

### ANZ Capital Securities

Issuer	ANZBGL, acting through its London branch
Issue date	15 June 2016
Issue amount	USD 1,000 million
Face value	Minimum denomination of USD 200,000 and an integral multiple of USD 1,000 above that
Interest frequency	Semi-annually in arrears
Interest rate	Fixed at 6.75% p.a. until 15 June 2026. Reset on 15 June 2026 and each 5 year anniversary to a floating rate: 5 year USD mid-market swap rate + 5.168%
Issuer's early redemption option	15 June 2026 and each 5 year anniversary
Common Equity Capital Trigger Event	Yes
Non-Viability Trigger Event	Yes
Carrying value (net of issue costs)	\$1,489 million (2024: \$1,391 million)

## 17. Debt issuances (continued)

### Tier 2 capital

Convertible term subordinated notes issued by ANZBGL are Basel III fully compliant instruments for APRA's capital adequacy purposes. If a Non-Viability Trigger Event occurs, each of the convertible term subordinated notes will immediately convert into ANZGHL ordinary shares (based on the average market price of the ANZGHL shares immediately prior to conversion less a 1% discount, subject to a maximum conversion number).

If the Tier 2 capital securities convert, and the holders receive ANZGHL ordinary shares, then ANZBGL shall issue ordinary shares to its parent ANZ BH Pty Ltd (based on ANZBGL's share price calculated by reference to its consolidated net assets, subject to a maximum conversion number) and ANZ BH Pty Ltd will issue shares to ANZGHL (calculated on the same basis).

The table below shows the Tier 2 capital subordinated debt issued by ANZBGL at 30 September in the current and prior year:

Currency	Face value	Maturity	Next optional call date – subject to APRA's prior approval	Interest rate	2025 \$m	2024 \$m
<b>ANZBGL Tier 2 capital (term subordinated notes)</b>						
JPY	20,000m	2026	N/A	Fixed	204	203
USD	1,500m	2026	N/A	Fixed	2,238	2,089
AUD	225m	2032	2027	Fixed	225	224
EUR	1,000m	2029	2024	Fixed	-	1,600
AUD	265m	2039	N/A	Fixed	189	189
USD	1,250m	2030	2025	Fixed	-	1,764
AUD	1,250m	2031	2026	Floating	1,250	1,250
USD	1,500m	2035	2030	Fixed	1,971	1,845
AUD	330m	2040	N/A	Fixed	223	225
AUD	195m	2040	N/A	Fixed	130	131
EUR	750m	2031	2026	Fixed	1,314	1,154
GBP	500m	2031	2026	Fixed	986	904
AUD	1,450m	2032	2027	Fixed	1,445	1,440
AUD	300m	2032	2027	Floating	300	290
JPY	59,400m	2032	2027	Fixed	598	597
SGD	600m	2032	2027	Fixed	726	684
AUD	900m	2034	2029	Fixed	905	907
USD	1,250m	2032	N/A	Fixed	1,880	1,817
EUR	1,000m	2033	2028	Fixed	1,807	1,642
AUD	1,000m	2038	2033	Fixed	1,005	1,007
AUD	275m	2033	2028	Fixed	275	275
AUD	875m	2033	2028	Floating	875	867
AUD	1,435m	2034	2029	Floating	1,435	1,415
AUD	850m	2034	2029	Fixed	813	850
USD	1,000m	2034	2029	Fixed	1,538	1,478
AUD	1,900m	2039	2034	Fixed	1,936	1,947
USD	1,250m	2035	2034	Fixed	1,843	1,790
SGD	600m	2034	2029	Fixed	736	-
AUD	500m	2035	2030	Fixed	508	-
AUD	1,250m	2035	2030	Floating	1,246	-
EUR	1,000m	2035	2030	Fixed	1,779	-
USD	1,250m	2036	2035	Fixed	1,937	-
AUD	750m	2040	2035	Fixed	752	-
AUD	750m	2045	N/A	Fixed	742	-
<b>Total ANZBGL Tier 2 capital<sup>1,2</sup></b>					<b>33,811</b>	<b>28,584</b>

1. Carrying values are net of issuance costs, and, where applicable, include fair value hedge accounting adjustments.

2. This forms part of ANZBGL's qualifying Tier 2 capital. Refer to Note 24 Capital management for further details.

## 17. Debt issuances (continued)

### Other subordinated debt securities

The term subordinated notes issued by ANZ Bank New Zealand constitute tier 2 capital under RBNZ requirements. However, they do not (among other things) contain a Non-Viability Trigger Event and therefore do not meet APRA's requirements for Tier 2 capital instruments in order to qualify as regulatory capital for the ANZBGL Group.

ANZ Holdings (New Zealand) Limited externally issued \$800 million perpetual subordinated notes in 2024, however, they do not constitute tier 2 capital for either APRA's or RBNZ's capital adequacy purposes.

Currency	Face value	Maturity	Next optional call date <sup>1</sup>	Interest rate	2025 \$m	2024 \$m
<b>Perpetual subordinated notes issued by ANZ Holdings (New Zealand) Limited<sup>2</sup></b>						
AUD	800m	Perpetual	2030	Floating	800	800
<b>Term subordinated notes issued by ANZ Bank New Zealand Limited</b>						
NZD	600m	2031	2026	Fixed	526	549
USD	500m	2032	2027	Fixed	746	708
USD	500m	2034	2029	Fixed	776	747
<b>Other subordinated debt<sup>3</sup></b>					<b>2,848</b>	<b>2,804</b>

1. Subject to APRA's or RBNZ's prior approval (as applicable).

2. The perpetual subordinated notes were issued by ANZ Holdings (New Zealand) Limited on 18 September 2024 with the proceeds invested in perpetual preference shares issued internally by ANZ Bank New Zealand (which constitute additional tier 1 capital for ANZ Bank New Zealand for the purposes of RBNZ's capital requirements but not for the purposes of APRA's capital requirements).

3. ANZ Bank New Zealand externally issued NZD 550 million of perpetual preference shares on 18 July 2022 and NZD 275 million of perpetual preference shares on 19 March 2024. These perpetual preference shares constitute AT1 capital for ANZ Bank New Zealand for the purposes of RBNZ's capital requirements but not for the purposes of APRA's capital requirements. These preference shares are included within non-controlling interests in Note 23 Shareholders' equity.

## Recognition and measurement



Debt issuances are initially recognised at fair value and are subsequently measured at amortised cost, except where designated at FVTPL. Interest expense on debt issuances is recognised using the effective interest rate method. Where the Group enters into a fair value hedge accounting relationship, the fair value attributable to the hedged risk is reflected in adjustments to the carrying value of the debt.

Subordinated debt with capital-based conversion features (i.e. Common Equity Capital Trigger Events or Non-Viability Trigger Events) are considered to contain embedded derivatives that we account for separately at FVTPL. The embedded derivatives arise because the number of shares issued on conversion following any of those trigger events is subject to the maximum conversion number, however they have no significant value as of the reporting date given the remote nature of those trigger events.



## 18. Financial risk management

### Risk management framework and model

#### Introduction

The use of financial instruments is fundamental to the Group's businesses of providing banking and other financial services to our customers. The associated financial risks (primarily credit, market, and liquidity risks) are a significant portion of the Group's key material risks.

We disclose details of all key material risks impacting the Group, and further information on the Group's risk management activities, in the Governance and Risk Management sections of this Annual Report.

This note details the Group's financial risk management policies, processes and quantitative disclosures in relation to the key financial risks.

#### Key material financial risks

#### Key sections applicable to this risk

##### Credit risk

The risk of financial loss resulting from:

- a counterparty failing to fulfil its obligations; or
- a decrease in credit quality of a counterparty resulting in a financial loss.

Credit risk incorporates the risks associated with us lending to customers who could be impacted by climate change, changes to laws, regulations, or other policies adopted by governments or regulatory authorities. Climate change impacts include both physical risks (climate- or weather-related events) and transition risks resulting from the adjustment to a low-emissions economy. Transition risks include resultant changes to laws, regulations and policies noted above.

- Credit risk overview, management and control responsibilities
- Maximum exposure to credit risk
- Credit quality
- Concentrations of credit risk
- Collateral management

##### Market risk

The risk to the Group's earnings arising from:

- changes in interest rates, foreign exchange rates, credit spreads, volatility and correlations; or
- fluctuations in bond, commodity or equity prices.

- Market risk overview, management and control responsibilities
- Measurement of market risk
- Traded and non-traded market risk
- Equity securities designated at FVOCI
- Foreign currency risk – structural exposure

##### Liquidity and funding risk

The risk that the Group is unable to meet payment obligations as they fall due, including:

- repaying depositors or maturing wholesale debt; or
- the Group having insufficient capacity to fund increases in assets.

- Liquidity risk overview, management and control responsibilities
- Key areas of measurement for liquidity risk
- Liquidity risk outcomes
- Residual contractual maturity analysis of the Group's liabilities

## 18. Financial risk management (continued)

### Overview

#### An overview of our risk management framework

This overview is provided to aid the users of the financial statements in understanding the context of the financial disclosures required under AASB 7 *Financial Instruments: Disclosures*. It should be read in conjunction with the Governance and Risk Management sections of this Annual Report.

The Board is responsible for establishing and overseeing the Group's Risk Management Framework (RMF). The Board has delegated authority to the Board Risk Committee (BRC) to develop and monitor compliance with the Group's risk management policies. The BRC reports regularly to the Board on its activities.

The Board approves the strategic objectives of the Group including:

- the Risk Appetite Statement (RAS), which sets out the Board's expectations regarding the degree of risk that the Group is prepared to accept in pursuit of its strategic objectives and business plan; and
- the Risk Management Strategy (RMS), which describes the Group's strategy for managing risks and the key elements of the RMF that give effect to this strategy. This includes a description of each material risk, and an overview of how the RMF addresses each risk, with reference to the relevant policies, standards and procedures. It also includes information on how the Group identifies, measures, evaluates, monitors, reports and controls or mitigates material risks.

The Group, through its training and management standards and procedures, aims to maintain a disciplined and robust control environment in which all employees understand their roles and obligations. At ANZ, risk is everyone's responsibility.

The Group has an independent risk management function, headed by the Chief Risk Officer who:

- is responsible for overseeing the risk profile and the risk management framework;
- can effectively challenge activities and decisions that materially affect the Group's risk profile; and
- has an independent reporting line to the BRC to enable the appropriate escalation of issues of concern.

The Internal Audit Function reports directly to the Board Audit Committee (BAC). Internal Audit provides:

- an independent evaluation of the Group's RMF annually that seeks to ensure compliance with, and the effectiveness of, the risk management framework;
- facilitation of a comprehensive review every three years that seeks to ensure the appropriateness, effectiveness and adequacy of the risk management framework; and
- recommendations to improve the framework and/or work practices to strengthen the effectiveness of day-to-day operations.

## 18. Financial risk management (continued)

### Credit risk

#### Credit risk overview, management and control responsibilities

Granting credit facilities to customers is one of the Group's major sources of income. As this activity is also a principal risk, the Group dedicates considerable resources to its management. The Group assumes credit risk in a wide range of lending and other activities in diverse markets and in many jurisdictions. Credit risks arise from traditional lending to customers as well as from interbank, treasury, trade finance and capital markets activities around the world.

Our credit risk management framework ensures we apply a consistent approach across the Group when we measure, monitor and manage the credit risk appetite set by the Board. The Board is assisted and advised by the BRC in discharging its duty to oversee credit risk. The BRC:

- assists the Board in setting the credit risk appetite and credit strategies; and
- approves credit transactions beyond the discretion of executive management.

We quantify credit risk through an internal credit rating system (masterscales) to ensure consistency across exposure types and to provide a consistent framework for reporting and analysis. The system uses models and other tools to measure the following for customer exposures:

Probability of Default (PD)	Expressed by a Customer Credit Rating (CCR), reflecting the Group's assessment of a customer's ability to service and repay debt.
Exposure at Default (EAD)	The expected balance sheet exposure at default taking into account repayments of principal and interest, expected additional drawdowns and accrued interest at the time of default.
Loss Given Default (LGD)	Expressed by a Security Indicator (SI) ranging from A to G. The SI is calculated by reference to the percentage of loan covered by security which the Group can realise if a customer defaults. The A-G scale is supplemented by a range of other SIs which cover factors such as cash cover and sovereign backing. For retail and some small business lending, we group exposures into large homogenous pools – and the LGD is assigned at the pool level.

Our specialist credit risk teams develop and validate the Group's PD and LGD rating models. The outputs from these models drive our day-to-day credit risk management decisions including origination, pricing, approval levels, regulatory capital adequacy, economic capital allocation, and credit provisioning.

All customers with whom the Group has a credit relationship are assigned a CCR at origination via either of the following assessment approaches:

#### Large and more complex lending

Rating models provide a consistent and structured assessment, with judgement required around the use of out-of-model factors. We handle credit approval on a dual approval basis, jointly with the business writer and an independent credit officer.

#### Retail and some small business lending

Automated assessment of credit applications using a combination of scoring (application and behavioural), policy rules and external credit reporting information. If the application does not meet the automated assessment criteria, then it is subject to manual assessment.

We use the Group's internal CCRs to manage the credit quality of financial assets. To enable wider comparisons, the Group's CCRs are mapped to external rating agency scales as follows:

Credit Quality Description	Internal CCR	ANZ Customer Requirements	Moody's Ratings	S&P Global Ratings
Strong	CCR 0+ to 4-	Demonstrated superior stability in their operating and financial performance over the long-term, and whose earnings capacity is not significantly vulnerable to foreseeable events.	Aaa - Baa3	AAA - BBB-
Satisfactory	CCR 5+ to 6-	Demonstrated sound operational and financial stability over the medium to long-term, even though some may be susceptible to cyclical trends or variability in earnings.	Ba1 - B1	BB+ - B+
Weak	CCR 7+ to 8=	Demonstrated some operational and financial instability, with variability and uncertainty in profitability and liquidity projected to continue over the short and possibly medium term.	B2 - Caa	B - CCC
Defaulted	CCR 8- to 10	When doubt arises as to the collectability of a credit facility, the financial instrument (or 'the facility') is classified as defaulted.	N/A	N/A

## 18. Financial risk management (continued)

### Credit risk (continued)

#### Maximum exposure to credit risk

For financial assets recognised on the Balance Sheet, the maximum exposure to credit risk is the carrying amount. In certain circumstances there may be differences between the carrying amounts reported on the Balance Sheet and the amounts reported in the tables below. Principally, these differences arise in respect of financial assets that are subject to risks other than credit risk, such as equity instruments which are primarily subject to market risk, or bank notes and coins.

For undrawn facilities, this maximum exposure to credit risk is the full amount of the committed facilities. For contingent exposures, the maximum exposure to credit risk is the maximum amount the Group would have to pay if the instrument is called upon.

The table below shows our maximum exposure to credit risk of on-balance sheet and off-balance sheet positions before taking account of any collateral held or other credit enhancements.

	Reported		Excluded <sup>1</sup>		Maximum exposure to credit risk	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m
<b>On-balance sheet positions</b>						
<b>Net loans and advances</b>	<b>829,456</b>	<b>803,382</b>	<b>-</b>	<b>-</b>	<b>829,456</b>	<b>803,382</b>
Other financial assets:						
Cash and cash equivalents	155,211	150,967	1,205	1,198	154,006	149,769
Settlement balances owed to ANZ	23,394	5,484	23,394	5,484	-	-
Collateral paid	9,831	10,090	-	-	9,831	10,090
Trading assets	48,248	45,755	9,076	6,399	39,172	39,356
Derivative financial instruments	47,480	54,370	-	-	47,480	54,370
Investment securities						
- debt securities at amortised cost	7,520	7,091	-	-	7,520	7,091
- debt securities at FVOCI	156,373	131,944	-	-	156,373	131,944
- equity securities at FVOCI	1,106	1,351	1,106	1,351	-	-
- debt securities at FVTPL	694	163	-	-	694	163
Regulatory deposits	541	665	-	-	541	665
Other financial assets <sup>2</sup>	4,016	4,506	-	-	4,016	4,506
<b>Total other financial assets</b>	<b>454,414</b>	<b>412,386</b>	<b>34,781</b>	<b>14,432</b>	<b>419,633</b>	<b>397,954</b>
<b>Subtotal</b>	<b>1,283,870</b>	<b>1,215,768</b>	<b>34,781</b>	<b>14,432</b>	<b>1,249,089</b>	<b>1,201,336</b>
<b>Off-balance sheet positions</b>						
Undrawn and contingent facilities <sup>3,4</sup>	241,224	233,054	-	-	241,224	233,054
<b>Total</b>	<b>1,525,094</b>	<b>1,448,822</b>	<b>34,781</b>	<b>14,432</b>	<b>1,490,313</b>	<b>1,434,390</b>

1. Coins, notes and cash at bank within Cash and cash equivalents; trade dated assets within Settlement balances owed to ANZ; precious metal exposures and carbon credits within Trading assets; and equity securities within Investment securities were excluded as they do not have credit risk exposure.

2. Other financial assets mainly comprise accrued interest and acceptances.

3. Undrawn and contingent facilities include guarantees, letters of credit and performance-related contingencies, net of collectively assessed and individually assessed allowance for ECL.

4. 2024 was restated to exclude commitments that can be unconditionally cancelled at any time without notice as they are not subject to ECL.

## 18. Financial risk management (continued)

### Credit risk (continued)

#### Credit quality

An analysis of the Group's credit risk exposure is presented in the following tables based on the Group's internal credit quality rating by stage without taking account of the effects of any collateral or other credit enhancements:

#### Net loans and advances

	Stage 1 \$m	Stage 2 \$m	Stage 3		Total \$m
			Collectively assessed \$m	Individually assessed \$m	
<b>As at 30 September 2025</b>					
Strong	514,830	12,698	-	-	527,528
Satisfactory	193,577	36,906	-	-	230,483
Weak	17,922	14,787	-	-	32,709
Defaulted	-	-	6,955	1,018	7,973
Gross loans and advances at amortised cost	726,329	64,391	6,955	1,018	798,693
Allowance for ECL	(1,333)	(1,558)	(621)	(362)	(3,874)
<b>Net loans and advances at amortised cost</b>	<b>724,996</b>	<b>62,833</b>	<b>6,334</b>	<b>656</b>	<b>794,819</b>
<b>Coverage ratio</b>	<b>0.18%</b>	<b>2.42%</b>	<b>8.93%</b>	<b>35.56%</b>	<b>0.49%</b>
Loans and advances at FVTPL					30,398
Loans and advances purchased credit impaired <sup>1</sup>					380
Unearned income					(641)
Capitalised brokerage and other origination costs					4,500
<b>Net carrying amount</b>					<b>829,456</b>
<b>As at 30 September 2024</b>					
Strong	484,593	17,072	-	-	501,665
Satisfactory	188,825	46,940	-	-	235,765
Weak	15,538	18,222	-	-	33,760
Defaulted	-	-	5,976	832	6,808
Gross loans and advances at amortised cost	688,956	82,234	5,976	832	777,998
Allowance for ECL	(1,276)	(1,653)	(443)	(303)	(3,675)
<b>Net loans and advances at amortised cost</b>	<b>687,680</b>	<b>80,581</b>	<b>5,533</b>	<b>529</b>	<b>774,323</b>
<b>Coverage ratio</b>	<b>0.19%</b>	<b>2.01%</b>	<b>7.41%</b>	<b>36.42%</b>	<b>0.47%</b>
Loans and advances at FVTPL					24,786
Loans and advances purchased credit impaired <sup>1</sup>					551
Unearned income					(515)
Capitalised brokerage and other origination costs					4,237
<b>Net carrying amount</b>					<b>803,382</b>

1. Represents Stage 3 exposures from Suncorp Bank at the date of acquisition recognised net of allowance for ECL.

## 18. Financial risk management (continued)

## Credit risk (continued)

Off-balance sheet commitments - undrawn and contingent facilities

	Stage 1 \$m	Stage 2 \$m	Stage 3		Total \$m
			Collectively assessed \$m	Individually assessed \$m	
<b>As at 30 September 2025</b>					
Strong	208,112	1,422	-	-	209,534
Satisfactory	27,128	3,287	-	-	30,415
Weak	691	1,225	-	-	1,916
Defaulted	-	-	142	87	229
<b>Gross undrawn and contingent facilities subject to ECL</b>	<b>235,931</b>	<b>5,934</b>	<b>142</b>	<b>87</b>	<b>242,094</b>
Allowance for ECL included in Other provisions (refer to Note 22)	(643)	(160)	(30)	(37)	(870)
<b>Net undrawn and contingent facilities subject to ECL</b>	<b>235,288</b>	<b>5,774</b>	<b>112</b>	<b>50</b>	<b>241,224</b>
<b>Coverage ratio</b>	<b>0.27%</b>	<b>2.70%</b>	<b>21.13%</b>	<b>42.53%</b>	<b>0.36%</b>
<b>As at 30 September 2024</b>					
Strong	200,720	1,497	-	-	202,217
Satisfactory	26,496	3,249	-	-	29,745
Weak	880	931	-	-	1,811
Defaulted	-	-	101	26	127
<b>Gross undrawn and contingent facilities subject to ECL</b>	<b>228,096</b>	<b>5,677</b>	<b>101</b>	<b>26</b>	<b>233,900</b>
Allowance for ECL included in Other provisions (refer to Note 22)	(658)	(156)	(27)	(5)	(846)
<b>Net undrawn and contingent facilities subject to ECL</b>	<b>227,438</b>	<b>5,521</b>	<b>74</b>	<b>21</b>	<b>233,054</b>
<b>Coverage ratio</b>	<b>0.29%</b>	<b>2.75%</b>	<b>26.73%</b>	<b>19.23%</b>	<b>0.36%</b>

## 18. Financial risk management (continued)

### Credit risk (continued)

#### Investment securities - debt securities at amortised cost

	Stage 3				
	Stage 1 \$m	Stage 2 \$m	Collectively assessed \$m	Individually assessed \$m	Total \$m
As at 30 September 2025					
Strong	5,937	-	-	-	5,937
Satisfactory	193	-	-	-	193
Weak	1,424	-	-	-	1,424
Gross investment securities - debt securities at amortised cost	7,554	-	-	-	7,554
Allowance for ECL	(34)	-	-	-	(34)
Net investment securities - debt securities at amortised cost	7,520	-	-	-	7,520
Coverage ratio	0.45%	-	-	-	0.45%
As at 30 September 2024					
Strong	5,535	-	-	-	5,535
Satisfactory	72	-	-	-	72
Weak	1,518	-	-	-	1,518
Gross investment securities - debt securities at amortised cost	7,125	-	-	-	7,125
Allowance for ECL	(34)	-	-	-	(34)
Net investment securities - debt securities at amortised cost	7,091	-	-	-	7,091
Coverage ratio	0.48%	-	-	-	0.48%

## 18. Financial risk management (continued)

## Credit risk (continued)

## Investment securities - debt securities at FVOCI

	Stage 1 \$m	Stage 2 \$m	Stage 3		Total \$m
			Collectively assessed \$m	Individually assessed \$m	
As at 30 September 2025					
Strong	156,373	-	-	-	156,373
Investment securities - debt securities at FVOCI	156,373	-	-	-	156,373
Allowance for ECL recognised in Other comprehensive income	(13)	-	-	-	(13)
Coverage ratio	0.01%	-	-	-	0.01%
As at 30 September 2024					
Strong	131,944	-	-	-	131,944
Investment securities - debt securities at FVOCI	131,944	-	-	-	131,944
Allowance for ECL recognised in Other comprehensive income	(20)	-	-	-	(20)
Coverage ratio	0.02%	-	-	-	0.02%



## 18. Financial risk management (continued)

### Credit risk (continued)

#### Other financial assets

	2025 \$m	2024 \$m
Strong	233,988	250,416
Satisfactory <sup>1</sup>	21,183	7,969
Weak	569	534
<b>Total carrying amount</b>	<b>255,740</b>	<b>258,919</b>

1. Includes Investment Securities - debt securities at FVTPL of \$694 million (2024: \$163 million) for the Group.

#### Concentrations of credit risk

Credit risk becomes concentrated when a number of customers are engaged in similar activities, have similar economic characteristics, or have similar activities within the same geographic region – therefore, they may be similarly affected by changes in economic or other conditions. The Group monitors its credit portfolio to manage risk concentration and rebalance the portfolio. The Group also applies single customer counterparty limits to protect against unacceptably large exposures to one single customer.

Composition of financial instruments that give rise to credit risk by industry group are presented below:

	Loans and advances		Other financial assets		Off-balance sheet credit related commitments		Total	
	2025 \$m	2024 <sup>1</sup> \$m	2025 \$m	2024 <sup>1</sup> \$m	2025 \$m	2024 <sup>2</sup> \$m	2025 \$m	2024 \$m
Agriculture, forestry, fishing and mining	41,326	41,510	785	827	13,517	13,442	55,628	55,779
Business services	7,845	7,992	227	210	5,968	5,326	14,040	13,528
Construction	6,508	6,248	46	47	6,657	7,449	13,211	13,744
Electricity, gas and water supply	11,590	8,370	876	853	11,192	9,959	23,658	19,182
Entertainment, leisure and tourism	13,750	14,142	91	134	3,829	3,401	17,670	17,677
Financial, investment and insurance	86,293	82,561	264,999	261,652	51,424	50,236	402,716	394,449
Government and official institutions	2,436	4,303	143,039	125,591	1,173	1,152	146,648	131,046
Manufacturing	26,053	29,067	1,573	995	23,205	24,172	50,831	54,234
Personal lending	510,894	492,042	1,449	1,649	67,961	62,513	580,304	556,204
Property services	68,755	63,017	1,452	960	19,513	19,429	89,720	83,406
Retail trade	11,480	11,164	71	129	6,418	6,698	17,969	17,991
Transport and storage	11,644	10,998	790	728	8,736	7,841	21,170	19,567
Wholesale trade	12,706	13,736	1,107	903	11,439	10,795	25,252	25,434
Other	18,191	18,185	3,162	3,310	11,062	11,487	32,415	32,982
<b>Gross total</b>	<b>829,471</b>	<b>803,335</b>	<b>419,667</b>	<b>397,988</b>	<b>242,094</b>	<b>233,900</b>	<b>1,491,232</b>	<b>1,435,223</b>
Allowance for ECL	(3,874)	(3,675)	(34)	(34)	(870)	(846)	(4,778)	(4,555)
<b>Subtotal</b>	<b>825,597</b>	<b>799,660</b>	<b>419,633</b>	<b>397,954</b>	<b>241,224</b>	<b>233,054</b>	<b>1,486,454</b>	<b>1,430,668</b>
Unearned income	(641)	(515)	-	-	-	-	(641)	(515)
Capitalised brokerage and other origination costs	4,500	4,237	-	-	-	-	4,500	4,237
<b>Maximum exposure to credit risk</b>	<b>829,456</b>	<b>803,382</b>	<b>419,633</b>	<b>397,954</b>	<b>241,224</b>	<b>233,054</b>	<b>1,490,313</b>	<b>1,434,390</b>

1. Comparative information have been restated to conform with the basis of preparation in the current year to better reflect the nature of the underlying balances.

2. 2024 was restated to exclude commitments that can be unconditionally cancelled at any time without notice as they are not subject to ECL.

## 18. Financial risk management (continued)

### Credit risk (continued)

#### Collateral management

We use collateral for on and off-balance sheet exposures to mitigate credit risk if a counterparty cannot meet its repayment obligations. Where there is sufficient collateral, an expected credit loss is not recognised. This is largely the case for certain lending products, such as margin loans and reverse repurchase agreements that are secured by the securities purchased using the lending. For some products, the collateral provided by customers is fundamental to the product's structuring, so it is not strictly the secondary source of repayment – for example, lending secured by trade receivables is typically repaid by the collection of those receivables. During the period there was no change in our collateral policies.

The nature of collateral or security held for the relevant classes of financial assets is as follows:

#### Net loans and advances

Loans – housing and personal	<p>Housing loans are secured by mortgage(s) over property and additional security may take the form of guarantees and deposits.</p> <p>Personal lending (including credit cards and overdrafts) is predominantly unsecured. If we take security, then it is restricted to eligible vehicles, motor homes and other assets.</p>
Loans – business	<p>Business loans may be secured, partially secured or unsecured. Typically, we take security by way of a mortgage over property and/or a charge over the business or other assets.</p> <p>If appropriate, we may take other security to mitigate the credit risk, such as guarantees, standby letters of credit or derivative protection.</p>

#### Other financial assets

Trading assets, Investment securities, Derivatives and Other financial assets	<p>For trading assets, we do not seek collateral directly from the issuer or counterparty. However, the collateral may be implicit in the terms of the instrument (for example, with an asset-backed security). The terms of debt securities may include collateralisation.</p> <p>For derivatives we will have large individual exposures to single name counterparties such as central clearing houses, financial institutions, and other institutional clients. Open derivative positions with these counterparties are aggregated and cash collateral (or other forms of eligible collateral) is exchanged daily through the respective Credit Support Annex agreements. The collateral is provided by the counterparty when their position is out of the money (or provided to the counterparty by the Group when our position is out of the money). Credit risk will remain where the full amount of the derivative exposure is not covered by any collateral.</p>
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#### Off-balance sheet positions

Undrawn and contingent facilities	Collateral for off-balance sheet positions is mainly held against undrawn facilities, and they are typically performance bonds or guarantees. Undrawn facilities that are secured include housing loans secured by mortgages over residential property and business lending secured by commercial real estate and/or charges over business assets.
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The table below shows the estimated value of collateral we hold and the net unsecured portion of credit exposures:

	Maximum exposure to credit risk		Total value of collateral <sup>1</sup>		Unsecured portion of credit exposure	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m
Net loans and advances	829,456	803,382	698,418	667,130	131,038	136,252
Other financial assets	419,633	397,954	67,960	51,732	351,673	346,222
Off-balance sheet positions	241,224	233,054	87,629	80,258	153,595	152,796
<b>Total</b>	<b>1,490,313</b>	<b>1,434,390</b>	<b>854,007</b>	<b>799,120</b>	<b>636,306</b>	<b>635,270</b>

1. In estimating the value of collateral for housing loans, customers are assumed to be meeting their insurance obligations for the properties over which the mortgages are secured.

## 18. Financial risk management (continued)

### Market risk

#### Market risk overview, management and control responsibilities

Market risk stems from the Group's trading and balance sheet management activities and the impact of changes and correlations between interest rates, foreign exchange rates, credit spreads, commodities, equities and the volatility within these asset classes.

Within overall strategies and policies established by the BRC, business units and risk management have joint responsibility for the control of market risk at the Group level. The Market Risk team (a specialist risk management unit independent of the business) allocates market risk limits at various levels and monitors and reports on them daily. This detailed framework allocates individual limits to manage and control exposures using risk factors and profit and loss limits.

Management, measurement and reporting of market risk is undertaken in two broad categories:

Traded Market Risk	Non-Traded Market Risk
<p>Risk of loss from changes in the value of financial instruments due to movements in price factors for both physical and derivative trading positions. Principal risk categories monitored are:</p> <ol style="list-style-type: none"> <li>1. Currency risk – potential loss arising from changes in foreign exchange rates or their implied volatilities.</li> <li>2. Interest rate risk – potential loss from changes in market interest rates or their implied volatilities.</li> <li>3. Credit spread risk – potential loss arising from a movement in margin or spread relative to a benchmark.</li> <li>4. Commodity risk – potential loss arising from changes in commodity prices or their implied volatilities.</li> <li>5. Equity risk – potential loss arising from changes in equity prices.</li> </ol>	<p>Risk of loss associated with the management of non-traded interest rate risk, liquidity risk and foreign exchange exposures. This includes interest rate risk in the banking book. This risk of loss arises from adverse changes in the overall and relative level of interest rates for different tenors, differences in the actual versus expected net interest margin, and the potential valuation risk associated with embedded options in financial instruments and bank products.</p>

#### Measurement of market risk

We primarily manage and control market risk using Value at Risk (VaR), sensitivity analysis and stress testing.

VaR measures the Group's possible daily loss based on historical market movements. The Group's VaR approach for both traded and non-traded risk is historical simulation. We use historical changes in market rates, prices and volatilities over a 500 business day window using a one-day holding period. Back testing is used to ensure our VaR models remain accurate.

The Group measures VaR at a 99% confidence interval which means there is a 99% chance that a loss will not exceed the VaR for the relevant holding period.

## 18. Financial risk management (continued)

### Market risk (continued)

#### Traded and non-traded market risk

##### Traded market risk

The table below shows the traded market risk VaR on a diversified basis by risk categories:

	Total Group		Total Group (excl. Suncorp Bank)							
	2025	2024	2025				2024			
	As at \$m	As at \$m	As at \$m	High for year \$m	Low for year \$m	Average for year \$m	As at \$m	High for year \$m	Low for year \$m	Average for year \$m
<b>Traded value at risk 99% confidence</b>										
Foreign exchange	1.7	3.2	1.9	8.9	1.7	3.4	3.2	11.5	2.2	5.0
Interest rate	3.9	6.5	3.8	8.5	3.8	5.5	6.4	19.2	4.8	8.7
Credit	2.9	5.7	2.9	8.2	1.8	4.1	5.7	8.1	4.2	6.7
Commodities	8.9	3.3	8.9	11.3	2.3	6.3	3.3	5.0	1.8	2.9
Equity	-	-	-	-	-	-	-	-	-	-
Diversification benefit <sup>1</sup>	(8.6)	(10.0)	(8.8)	n/a	n/a	(9.6)	(9.9)	n/a	n/a	(10.2)
<b>Total VaR</b>	<b>8.8</b>	<b>8.7</b>	<b>8.7</b>	<b>13.5</b>	<b>6.8</b>	<b>9.7</b>	<b>8.7</b>	<b>22.5</b>	<b>8.0</b>	<b>13.1</b>

1. The diversification benefit reflects risks that offset across categories. The high and low VaR figures reported for each factor did not necessarily occur on the same day as the high and low VaR reported for the Group as a whole. Consequently, a diversification benefit for high and low would not be meaningful and is therefore omitted from the table.

##### Non-traded market risk

###### Balance sheet risk management

The principal objectives of balance sheet risk management are to maintain acceptable levels of interest rate and liquidity risk to mitigate the negative impact of movements in interest rates on the earnings and market value of the Group's banking book, while ensuring the Group maintains sufficient liquidity to meet its obligations as they fall due.

###### Interest rate risk management

Non-traded interest rate risk relates to the potential adverse impact of changes in market interest rates on the Group's future Net interest income. This risk arises from two principal sources, namely mismatches between the repricing dates of interest bearing assets and liabilities; and the investment of capital and other non-interest bearing liabilities and assets. Interest rate risk is reported using VaR and scenario analysis (based on the impact of a 1% rate shock). The table below shows VaR figures for non-traded interest rate risk for the combined Group as well as Australia, New Zealand and Rest of World geographies which are calculated separately.

	Total Group		Total Group (excl. Suncorp Bank)							
	2025	2024	2025				2024			
	As at \$m	As at \$m	As at \$m	High for year \$m	Low for year \$m	Average for year \$m	As at \$m	High for year \$m	Low for year \$m	Average for year \$m
<b>Non-traded value at risk 99%</b>										
Australia	98.8	96.8	99.3	99.3	84.4	91.8	97.7	97.7	70.8	78.9
New Zealand	23.6	27.4	23.6	25.5	20.6	23.1	27.4	28.2	24.3	25.9
Rest of World	29.7	32.9	29.7	37.7	22.3	31.5	32.9	39.5	29.0	34.8
Diversification benefit <sup>1</sup>	(51.4)	(62.2)	(51.0)	n/a	n/a	(48.8)	(63.0)	n/a	n/a	(46.9)
<b>Total VaR</b>	<b>100.7</b>	<b>94.9</b>	<b>101.6</b>	<b>101.8</b>	<b>94.6</b>	<b>97.6</b>	<b>95.0</b>	<b>99.5</b>	<b>81.3</b>	<b>92.7</b>

1. The diversification benefit reflects risks that offset across categories. The high and low VaR figures reported for each factor did not necessarily occur on the same day as the high and low VaR reported for the Group as a whole. Consequently, a diversification benefit for high and low would not be meaningful and is therefore omitted from the table.

## 18. Financial risk management (continued)

### Market risk (continued)

We undertake scenario analysis to stress test the impact of extreme events on the Group's market risk exposures (excluding Suncorp Bank). We model a 1% overnight parallel positive shift in the yield curve to determine the potential impact on our Net interest income over the next 12 months. This is a standard risk measure which assumes the parallel shift is reflected in all wholesale and customer rates.

The table below shows the outcome of this risk measure for the current and previous financial years, expressed as a percentage of reported Net interest income.

	2025	2024
<b>Impact of 1% rate shock on the next 12 months' net interest income</b>		
As at period end	1.52%	0.68%
Maximum exposure	1.58%	1.20%
Minimum exposure	1.09%	0.27%
Average exposure (in absolute terms)	1.33%	0.78%

### Equity securities designated at FVOCI

Our investment securities contain equity investment holdings which predominantly comprise Bank of Tianjin and other unlisted equities. The market risk impact on these equity investments is not captured by the Group's VaR processes for traded and non-traded market risks. Therefore, the Group regularly reviews the valuations of the investments within the portfolio and assesses whether the investments are appropriately measured based on the recognition and measurement policies set out in Note 12 Investment securities.

### Foreign currency risk – structural exposures

Our investment of capital in foreign operations – for example, branches, subsidiaries or associates with functional currencies other than the Australian Dollar – exposes the Group to the risk of changes in foreign exchange rates. Variations in the value of these foreign operations arising as a result of exchange differences are reflected in the foreign currency translation reserve in equity. Where considered appropriate, the Group enters into hedges of the foreign exchange exposures from its foreign operations.

Similarly, the Group may enter into economic hedges against larger foreign exchange denominated revenue streams (primarily New Zealand Dollar, US Dollar and US Dollar correlated). The primary objective of hedging is to ensure that, if practical, the effect of changes in foreign exchange rates on the consolidated capital ratios are minimised.

## 18. Financial risk management (continued)

### Liquidity and funding risk

#### Liquidity risk overview, management and control responsibilities

Liquidity risk is the risk that the Group is either:

- unable to meet its payment obligations (including repaying depositors or maturing wholesale debt) when they fall due; or
- does not have the appropriate amount, tenor and composition of funding and liquidity to fund increases in its assets.

Management of liquidity and funding risks are overseen by GALCO. The Group's liquidity and funding risks are governed by a set of Board-approved principles and include:

- maintaining the ability to meet all payment obligations in the immediate term;
- ensuring that the Group maintains Board-approved 'survival horizons' under a range of idiosyncratic, and general market, liquidity stress scenarios, at a country and Group-wide level, to meet cash flow obligations over the short to medium term;
- maintaining strength in the Group's balance sheet structure to ensure long term resilience in the liquidity and funding risk profile;
- ensuring the liquidity management framework is compatible with local regulatory requirements;
- preparing daily liquidity reports and scenario analysis to quantify the Group's positions;
- targeting a diversified funding base to avoid undue concentrations by investor type, maturity, market source and currency;
- holding a portfolio of high-quality liquid assets to protect against adverse funding conditions and to support day-to-day operations; and
- establishing detailed contingency plans to cover different liquidity crisis events.

The Group operates under a non-operating holding company structure whereby:

- ANZBGL operates its own liquidity and funding program, governance frameworks and reporting regime reflecting its ADI operations;
- ANZGHL (parent entity) has no material liquidity risk given the structure and nature of the balance sheet; and
- ANZ Non-Bank Group is not expected to have separate funding arrangements and will rely on ANZGHL for funding.

A separate liquidity policy has been established for ANZGHL and ANZBGL Group to reflect the differing nature of liquidity risk inherent in each business model. ANZGHL will ensure that the parent entity and ANZ Non-Bank Group holds sufficient cash reserves to meet operating and financing requirements.

#### Key areas of measurement for liquidity risk

##### Scenario modelling of funding sources

ANZBGL Group's liquidity risk appetite is defined by a range of regulatory and internal liquidity metrics mandated by the ANZBGL Board. The metrics cover a range of scenarios of varying duration and level of severity.

The objective of this framework is to:

- Provide protection against shorter term extreme market dislocation and stress.
- Maintain structural strength in the balance sheet by ensuring that an appropriate amount of longer-term assets are funded with longer-term funding.
- Ensure that no undue timing concentrations exist in the ANZBGL Group's funding profile.

Key components of this framework include the Liquidity Coverage Ratio (LCR), which is a severe short term liquidity stress scenario, the Net Stable Funding Ratio (NSFR), a longer-term structural liquidity measure (both of which are mandated by banking regulators including APRA), and internally-developed liquidity scenarios for stress-testing purposes.

#### Liquid assets

ANZBGL Group holds a portfolio of high quality (unencumbered) liquid assets to protect ANZBGL Group's liquidity position in a severely stressed environment and to meet regulatory requirements. High quality liquid assets comprise three categories consistent with Basel III LCR requirements:

- Highest-quality liquid assets - cash and highest credit quality government, central bank or public sector securities eligible for repurchase with central banks to provide same-day liquidity.
- High-quality liquid assets - high credit quality government, central bank or public sector securities, high quality corporate debt securities and high-quality covered bonds eligible for repurchase with central banks to provide same-day liquidity.
- Alternative liquid assets (ALA) - eligible securities listed by RBNZ.

ANZBGL Group monitors and manages the size and composition of its liquid assets portfolio on an ongoing basis in line with regulatory requirements and the risk appetite set by the ANZBGL Board.

## 18. Financial risk management (continued)

### Liquidity and funding risk (continued)

#### Liquidity risk outcomes<sup>1</sup>

**Liquidity Coverage Ratio** - ANZBGL's Liquidity Coverage Ratio (LCR) averaged 132% for 2025, (2024: 133%) and above the regulatory minimum of 100%.

**Net Stable Funding Ratio** - ANZBGL's Net Stable Funding Ratio (NSFR) as at 30 September 2025 was 115% (2024: 116%), above the regulatory minimum of 100%.

1. This information is not within the scope of the external audit of the Group Financial Report by the Group's external auditor, KPMG. The Liquidity Coverage Ratio and Net Stable Funding Ratio are non-IFRS disclosures and are disclosed as part of the Group's APS 330 *Public Disclosure* and disclosed in APRA Reporting Form ARF 210 *Liquidity* which will be subject to specific procedures in accordance with Prudential Standard APS 310 *Audit and Related Matters*.

#### Liquidity crisis contingency planning

ANZBGL Group maintains APRA-endorsed liquidity crisis contingency plans for analysing and responding to a liquidity threatening event at a country and ANZBGL Group-wide level. Key liquidity contingency crisis planning requirements and guidelines include:

Ongoing business management	Early signs/mild stress	Severe stress
<ul style="list-style-type: none"> <li>establish crisis/severity levels</li> <li>liquidity limits</li> <li>early warning indicators</li> </ul>	<ul style="list-style-type: none"> <li>monitoring and review</li> <li>management actions not requiring business rationalisation</li> </ul>	<ul style="list-style-type: none"> <li>activate contingency funding plans</li> <li>management actions for altering asset and liability behaviour</li> </ul>
Assigned responsibility for internal and external communications and the appropriate timing to communicate.		

Since the precise nature of any stress event cannot be known in advance, we design the plans to be flexible to the nature and severity of the stress event with multiple variables able to be accommodated in any plan.

#### Group funding

The ANZBGL Group monitors the composition and stability of its funding so that it remains within the ANZBGL Group's funding risk appetite. This approach ensures that an appropriate proportion of the ANZBGL Group's assets are funded by stable funding sources, including customer deposits; longer-dated wholesale funding (with a remaining term exceeding one year); and equity.

Funding plans prepared	Considerations in preparing funding plans
<ul style="list-style-type: none"> <li>3 year strategic plan prepared annually</li> <li>annual funding plan as part of the ANZBGL Group's planning process</li> <li>forecasting in light of actual results as a calibration to the annual plan</li> </ul>	<ul style="list-style-type: none"> <li>customer balance sheet growth</li> <li>changes in wholesale funding including: targeted funding volumes; markets; investors; tenors; and currencies for senior, secured, subordinated, hybrid transactions and market conditions</li> <li>liquidity stress testing</li> </ul>

## 18. Financial risk management (continued)

### Liquidity and funding risk (continued)

#### Residual contractual maturity analysis of the group's liabilities

The tables below provide residual contractual maturity analysis of financial liabilities as at 30 September within relevant maturity groupings. All outstanding debt issuance and subordinated debt is profiled on the earliest date on which the Group may be required to pay. All at-call liabilities are reported in the 'Less than 3 months' category unless there is a longer minimum notice period. The amounts represent principal and interest cash flows and therefore may differ from equivalent amounts reported on Balance Sheet.

It should be noted that this is not how the Group manages its liquidity risk. The management of this risk is detailed on page 164.

	Less than 3 months \$m	3 to 12 months \$m	1 to 5 years \$m	After 5 years \$m	Total \$m
<b>As at 30 September 2025</b>					
Settlement balances owed by ANZ	31,144	-	-	-	31,144
Collateral received	7,428	-	-	-	7,428
Deposits and other borrowings	792,190	157,229	12,339	146	961,904
Liability for acceptances	222	-	-	-	222
Debt issuances <sup>1</sup>	9,987	43,588	115,444	23,013	192,032
Derivative liabilities (excluding those held for balance sheet management) <sup>2</sup>	40,814	-	-	-	40,814
Lease liabilities	89	200	647	274	1,210
Derivative assets and liabilities (balance sheet management) <sup>3</sup>					
- Funding:					
Receive leg	(49,005)	(71,961)	(89,534)	(16,260)	(226,760)
Pay leg	49,288	70,441	87,590	15,939	223,258
- Other balance sheet management:					
Receive leg	(148,344)	(38,507)	(42,114)	(22,286)	(251,251)
Pay leg	146,126	36,191	39,138	21,043	242,498
<b>As at 30 September 2024</b>					
Settlement balances owed by ANZ	16,188	-	-	-	16,188
Collateral received	6,583	-	-	-	6,583
Deposits and other borrowings	742,610	158,222	10,907	138	911,877
Liability for acceptances	425	-	-	-	425
Debt issuances <sup>1</sup>	8,327	36,858	112,728	20,384	178,297
Derivative liabilities (excluding those held for balance sheet management) <sup>2</sup>	47,622	-	-	-	47,622
Lease liabilities	90	238	688	262	1,278
Derivative assets and liabilities (balance sheet management) <sup>3</sup>					
- Funding:					
Receive leg	(66,248)	(60,183)	(83,371)	(14,359)	(224,161)
Pay leg	66,981	60,260	84,472	14,661	226,374
- Other balance sheet management:					
Receive leg	(189,769)	(42,388)	(36,763)	(21,831)	(290,751)
Pay leg	185,946	40,718	33,393	19,266	279,323

1. Callable wholesale debt instruments have been included at their next call date. Balance includes subordinated debt instruments that may be settled in cash or in equity, at the option of the Group and subordinated debt issued by ANZ New Zealand which constitutes Tier 2 capital under RBNZ requirements but does not qualify as the APRA Tier 2 requirements.

2. The full mark-to-market after any adjustments for Settle to Market of derivative liabilities (excluding those held for balance sheet management) is included in the 'Less than 3 months' category.

3. Includes derivatives designated into hedging relationships of \$338 million (2024: \$456 million) and \$2,750 million (2024: \$7,176 million) categorised as held for trading but form part of the Group's balance sheet managed activities.

At 30 September 2025, \$193,177 million (2024: \$184,890 million) of the Group's undrawn facilities and \$48,917 million (2024: \$49,010 million) of its issued guarantees mature in less than 1 year, based on the earliest date on which the Group may be required to pay.



## 19. Fair value of financial assets and financial liabilities

### Classification of financial assets and financial liabilities

The Group recognises and measures financial instruments at either fair value or amortised cost, with a significant number of financial instruments on the Balance Sheet at fair value.

Fair value is the best estimate of the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The following table sets out the classification of financial assets and liabilities according to their measurement bases together with their carrying amounts as recognised on the Balance Sheet.

		2025			2024		
	Note	At amortised cost \$m	At fair value \$m	Total \$m	At amortised cost \$m	At fair value \$m	Total \$m
Financial assets							
Cash and cash equivalents	9	105,967	49,244	155,211	113,712	37,255	150,967
Settlement balances owed to ANZ		23,394	-	23,394	5,484	-	5,484
Collateral paid		9,831	-	9,831	10,090	-	10,090
Trading assets	10	-	48,248	48,248	-	45,755	45,755
Derivative financial instruments	11	-	47,480	47,480	-	54,370	54,370
Investment securities	12	7,520	158,173	165,693	7,091	133,458	140,549
Net loans and advances	13	799,058	30,398	829,456	778,596	24,786	803,382
Regulatory deposits		541	-	541	665	-	665
Other financial assets		4,016	-	4,016	4,506	-	4,506
Total		950,327	333,543	1,283,870	920,144	295,624	1,215,768
Financial liabilities							
Settlement balances owed by ANZ		31,144	-	31,144	16,188	-	16,188
Collateral received		7,428	-	7,428	6,583	-	6,583
Deposits and other borrowings	15	897,376	57,688	955,064	860,553	43,001	903,554
Derivative financial instruments	11	-	43,902	43,902	-	55,254	55,254
Payables and other liabilities	16	10,533	3,960	14,493	11,828	6,023	17,851
Debt issuances	17	166,504	2,770	169,274	154,572	1,816	156,388
Total		1,112,985	108,320	1,221,305	1,049,724	106,094	1,155,818

## 19. Fair value of financial assets and financial liabilities (continued)

### Financial assets and financial liabilities measured at fair value

The fair valuation of financial assets and financial liabilities is generally determined at the individual instrument level.

If the Group holds offsetting risk positions, then the portfolio exception in AASB 13 *Fair Value Measurement* (AASB 13) is used to measure the fair value of such groups of financial assets and financial liabilities. The Group measures the portfolio based on the price that would be received to sell a net long position (an asset) for a particular risk exposure, or to transfer a net short position (a liability) for a particular risk exposure.

### Fair value designation

The Group designates certain loans and advances, deposits and other borrowings and debt issuances as FVTPL:

- where they contain separable embedded derivatives and are managed on a fair value basis, the total fair value movements are recognised in profit or loss in the same period as the movement on any associated hedging instruments; or
- in order to eliminate an accounting mismatch which would arise if the assets or liabilities were otherwise carried at amortised cost. This mismatch arises due to measuring the derivative financial instruments (used to mitigate interest rate risk of these assets or liabilities) at FVTPL.

The Group's approach ensures that it recognises the fair value movements on the assets or liabilities in profit or loss in the same period as the movement on the associated derivatives.

The Group may also designate certain loans and advances, deposits and other borrowings and debt issuances as FVTPL where they are managed on a fair value basis to align the measurement with how the financial instruments are managed.

### Fair value approach and valuation techniques

The Group uses valuation techniques to estimate the fair value of assets and liabilities for recognition, measurement and disclosure purposes where no quoted price in an active market for that asset or liability exists. This includes the following:

Asset or liability	Fair value approach
Financial instruments classified as: <ul style="list-style-type: none"> <li>- Derivative financial assets and financial liabilities (including trading and non-trading)</li> <li>- Repurchase agreements &lt; 90 days</li> <li>- Net loans and advances</li> <li>- Deposits and other borrowings</li> <li>- Debt issuances</li> </ul>	Discounted cash flow techniques are used whereby contractual future cash flows of the instrument are discounted using wholesale market interest rates, or market borrowing rates for debt or loans with similar maturities or yield curves appropriate for the remaining term to maturity.
Other financial instruments held for trading: <ul style="list-style-type: none"> <li>- Securities sold short</li> <li>- Debt and equity securities</li> </ul>	Valuation techniques are used that incorporate observable market inputs for financial instruments with similar credit risk, maturity and yield characteristics.  Equity securities where an active market does not exist are measured using comparable company valuation multiples (such as price-to-book ratios).
Financial instruments classified as: <ul style="list-style-type: none"> <li>- Investment securities – debt or equity</li> </ul>	Valuation techniques use comparable multiples (such as price-to-book ratios) or discounted cashflow (DCF) techniques incorporating, to the extent possible, observable inputs from instruments with similar characteristics.

There were no significant changes to valuation approaches during the current or prior periods.

## 19. Fair value of financial assets and financial liabilities (continued)

### Fair value hierarchy

The Group categorises assets and liabilities carried at fair value into a fair value hierarchy in accordance with AASB 13 based on the observability of inputs used to measure the fair value:

- Level 1 - valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuations using inputs other than quoted prices included within Level 1 that are observable for a similar asset or liability, either directly or indirectly; and
- Level 3 - valuations where significant unobservable inputs are used to measure the fair value of the asset or liability.

There were no significant changes to levelling approaches during the current or prior periods. The following table presents assets and liabilities carried at fair value in accordance with the fair value hierarchy:

	Fair value measurements							
	Quoted price in active markets (Level 1)		Using observable inputs (Level 2)		Using unobservable inputs (Level 3)		Total	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m
<b>Assets</b>								
Cash and cash equivalents (measured at fair value)	-	-	49,244	37,255	-	-	49,244	37,255
Trading assets <sup>1</sup>	30,508	31,507	17,720	14,233	20	15	48,248	45,755
Derivative financial instruments <sup>1</sup>	115	131	47,343	54,214	22	25	47,480	54,370
Investment securities <sup>1</sup>	121,790	111,060	35,287	21,055	1,096	1,343	158,173	133,458
Net loans and advances	-	-	30,310	24,429	88	357	30,398	24,786
<b>Total</b>	<b>152,413</b>	<b>142,698</b>	<b>179,904</b>	<b>151,186</b>	<b>1,226</b>	<b>1,740</b>	<b>333,543</b>	<b>295,624</b>
<b>Liabilities</b>								
Deposits and other borrowings (designated at fair value)	-	-	57,688	43,001	-	-	57,688	43,001
Derivative financial instruments <sup>1</sup>	469	393	43,419	54,846	14	15	43,902	55,254
Payables and other liabilities	3,517	5,804	443	219	-	-	3,960	6,023
Debt issuances (designated at fair value)	-	-	2,770	1,816	-	-	2,770	1,816
<b>Total</b>	<b>3,986</b>	<b>6,197</b>	<b>104,320</b>	<b>99,882</b>	<b>14</b>	<b>15</b>	<b>108,320</b>	<b>106,094</b>

1. During 2025, \$6,621 million of assets were transferred from Level 1 to Level 2 (2024: \$1,119 million transferred from Level 1 to Level 2) and \$868 million of assets were transferred from Level 2 to Level 1 (2024: \$4,913 million transferred from Level 2 to Level 1) and \$49 million of assets were transferred from Level 3 to Level 2 (2024: \$0 million transferred from Level 3 to Level 2) for the Group due to a change in the observability of market price and/or valuation inputs. There were no other material transfers between Level 1, Level 2 and Level 3 during the year. Transfers into and out of levels are measured at the beginning of the reporting period in which the transfer occurred.

## 19. Fair value of financial assets and financial liabilities (continued)

### Fair value measurement incorporating unobservable market data

#### Level 3 fair value measurements

Level 3 financial instruments are a net asset of \$1,212 million (2024: \$1,725 million) for the Group. The assets and liabilities which incorporate significant unobservable inputs are:

- equity and debt securities for which there is no active market or traded prices cannot be observed;
- loans and advances measured at fair value for which there is no observable market data; and
- derivatives referencing market rates that cannot be observed primarily due to lack of market activity.

#### Level 3 transfers

During the year \$49 million of assets were transferred from Level 3 to Level 2 due to a change in the observability of market valuations inputs (2024: no material transfers into or out of Level 3).

The material Level 3 financial instruments as at 30 September 2025 are listed as below:

##### i) Investment securities – equity holdings classified as FVOCI

###### Bank of Tianjin (BoT)

The Group holds an investment in the Bank of Tianjin. The investment is valued based on comparative price-to-book (P/B) multiples (a P/B multiple is the ratio of the market value of equity to the book value of equity). The extent of judgement applied in determining the appropriate multiple and comparator group from which the multiple is derived resulted in the Level 3 classification. As at 30 September 2025, the BoT equity holding balance was \$843 million (2024: \$958 million). The decrease in the BoT fair valuation was due to a change in the P/B multiple and book value used in the valuation and foreign currency translation impacts over the year.

###### Other equity investments

The Group holds \$251 million (2024: \$384 million) of unlisted equities classified as FVOCI, for which there are no active markets or traded prices available, resulting in a Level 3 classification. The decrease in unlisted equity holdings balance was mainly due to a downward revaluation of the equity instruments as well as disposals during the year.

##### ii) Net loans and advances – classified as FVTPL

###### Syndicated loans

The Group holds \$88 million (2024: \$357 million) of syndicated loans for sale which are measured at FVTPL, for which there is no observable market data available. The decrease in the Level 3 loan balances was mainly due to scheduled repayments, a transfer of assets from Level 3 to Level 2 due to a change in the observability of market valuation inputs, as well as foreign currency translation impacts.

#### Sensitivity to Level 3 data inputs

When we make assumptions due to significant inputs to a valuation not being directly observable (Level 3 inputs), then changing these assumptions changes the Group's estimate of the instrument's fair value. Favourable and unfavourable changes are determined by changing the primary unobservable parameters used to derive the fair valuation.

##### Investment securities – equity holdings

The valuations of the equity investments are sensitive to variations in selected unobservable inputs, with valuation techniques used including P/B multiples and DCF techniques. If for example, a 10% increase or decrease to the primary input into the valuations were to occur (such as the P/B multiple), it would result in a \$109 million (2024: \$134 million) increase or decrease in the fair value of the portfolio, which would be recognised in shareholders' equity in the Group, with no impact to net profit or loss.

##### Net loans and advances

Syndicated loan valuations are sensitive to credit spreads in determining their fair valuation. For those syndicated loans which are primarily investment grade loans, an increase or decrease in credit spreads would have an immaterial impact on net profit or net assets of the Group. For the remaining syndicated loans, the Group may, where deemed necessary, utilise Credit Risk Insurance to mitigate the credit risks associated with those loans. The effect of this means an increase or decrease in credit spreads would also result in an immaterial impact to the net profit or net assets of the Group.

##### Other

The remaining Level 3 balance is immaterial and changes in inputs have a minimal impact on net profit and net assets of the Group.

#### Deferred fair value gains and losses

Where fair value is determined using unobservable inputs significant to the fair value of a financial instrument, the Group does not immediately recognise the difference between the transaction price and the amount determined based on the valuation technique (day one gain or loss) in profit or loss. After initial recognition, the Group recognises the deferred amount in profit or loss on a straight-line basis over the life of the transaction or until all inputs become observable. Day one gains and losses which have been deferred are not material.

## 19. Fair value of financial assets and financial liabilities (continued)

### Financial assets and financial liabilities not measured at fair value

The financial assets and financial liabilities listed below are carried at amortised cost on the Group's Balance Sheet. While this is the value at which we expect the assets will be realised and the liabilities settled, the Group provides an estimate of the fair value of the financial assets and financial liabilities at balance date in the table below.

Fair values of financial assets and liabilities carried at amortised cost not included in the table below approximate their carrying values. These financial assets and liabilities are either short term in nature or are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

	Categorised into fair value hierarchy									
	At amortised cost		Quoted price in active markets (Level 1)		Using observable inputs (Level 2)		Using unobservable inputs (Level 3)		Total fair value	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m
<b>Financial assets</b>										
Investment securities	7,520	7,091	-	-	7,523	7,078	-	-	7,523	7,078
Net loans and advances	799,058	778,596	-	-	12,167	17,693	787,471	761,007	799,638	778,700
<b>Total</b>	<b>806,578</b>	<b>785,687</b>	<b>-</b>	<b>-</b>	<b>19,690</b>	<b>24,771</b>	<b>787,471</b>	<b>761,007</b>	<b>807,161</b>	<b>785,778</b>
<b>Financial liabilities</b>										
Deposits and other borrowings	897,376	860,553	-	-	897,647	860,756	-	-	897,647	860,756
Debt issuances	166,504	154,572	30,546	32,244	137,715	123,667	-	-	168,261	155,911
<b>Total</b>	<b>1,063,880</b>	<b>1,015,125</b>	<b>30,546</b>	<b>32,244</b>	<b>1,035,362</b>	<b>984,423</b>	<b>-</b>	<b>-</b>	<b>1,065,908</b>	<b>1,016,667</b>

## 19. Fair value of financial assets and financial liabilities (continued)

### Financial assets and financial liabilities not measured at fair value (continued)

The following table sets out the Group's basis of estimating the fair values of financial assets and liabilities carried at amortised cost where the carrying value is not typically a reasonable approximation of fair value.

Financial asset and liability	Fair value approach
Investment securities – debt securities at amortised cost	Calculated based on quoted market prices or observable inputs as applicable. If quoted market prices are not available, we use a discounted cash flow model using a yield curve appropriate for the remaining term to maturity of the debt instrument. The fair value reflects adjustments to credit spreads applicable for that instrument.
Net loans and advances to banks	Discounted cash flows using prevailing market rates for loans with similar credit quality.
Net loans and advances to customers	Present value of future cash flows, discounted using a curve that incorporates changes in wholesale market rates, the Group's cost of wholesale funding and the customer margin, as appropriate.
Deposit liability without a specified maturity or at call	The amount payable on demand at the reporting date. We do not adjust the fair value for any value we expect the Group to derive from retaining the deposit for a future period.
Interest bearing fixed maturity deposits and other borrowings and acceptances with quoted market rates	Market borrowing rates of interest for debt with a similar maturity are used to discount contractual cash flows to derive the fair value.
Debt issuances	Calculated based on quoted market prices or observable inputs as applicable. If quoted market prices are not available, we use a discounted cash flow model using a yield curve appropriate for the remaining term to maturity of the debt instrument. The fair value reflects adjustments to credit spreads applicable to the Group for that instrument.

### Key judgements and estimates



A significant portion of financial instruments are carried on the Balance Sheet at fair value. The Group therefore regularly evaluates the key valuation assumptions used in the determination of the fair valuation of financial instruments incorporated within the financial statements, as this can involve a high degree of judgement and estimation in determining the carrying values at the balance sheet date.

In determining the fair valuation of financial instruments, the Group has considered the impact of related economic and market conditions on fair value measurement assumptions and the appropriateness of valuation inputs in these estimates, notably valuation adjustments, as well as the impact of these matters on the classification of financial instruments in the fair value hierarchy.

Most of the valuation models the Group uses employ only observable market data as inputs. For certain financial instruments, we may use data that is not readily observable in current markets. If we use unobservable market data, then we need to exercise more judgement to determine fair value depending on the significance of the unobservable input to the overall valuation. Generally, we derive unobservable inputs from other relevant market data and compare them to observed transaction prices where available. When establishing the fair value of a financial instrument using a valuation technique, the Group also considers any required valuation adjustments in determining the fair value. We may apply adjustments (such as CVAs and FVAs – refer to Note 1.1 Derivative financial instruments) to reflect the Group's assessment of factors that market participants would consider in determining fair value of a particular financial instrument.

## 20. Offsetting

We offset financial assets and financial liabilities on the Balance Sheet (in accordance with AASB 132 *Financial Instruments: Presentation*) when there is:

- a current legally enforceable right to set off the recognised amounts in all circumstances; and
- an intention to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously.

The following table identifies financial assets and financial liabilities which have not been offset but are subject to enforceable master netting agreements (or similar arrangements) and the related amounts not offset in the Balance Sheet. We have not taken into account the effect of over-collateralisation.

			Amount subject to master netting agreement or similar			
	Total amounts recognised in the Balance Sheet \$m	Amounts not subject to master netting agreement or similar \$m	Total \$m	Financial instruments <sup>4</sup> \$m	Financial collateral (received)/ pledged <sup>4</sup> \$m	Net amount \$m
As at 30 September 2025						
Derivative financial assets <sup>1</sup>	47,480	(1,886)	45,594	(29,164)	(12,710)	3,720
Reverse repurchase, securities borrowing and similar agreements <sup>2</sup>						
- at amortised cost	7,184	(351)	6,833	(58)	(6,775)	-
- at fair value through profit or loss	74,634	(10,802)	63,832	(2,442)	(61,314)	76
<b>Total financial assets</b>	<b>129,298</b>	<b>(13,039)</b>	<b>116,259</b>	<b>(31,664)</b>	<b>(80,799)</b>	<b>3,796</b>
Derivative financial liabilities <sup>1</sup>	(43,902)	1,732	(42,170)	29,164	5,979	(7,027)
Repurchase, securities lending and similar agreements <sup>3</sup>						
- at amortised cost	(3,885)	2,803	(1,082)	58	1,024	-
- at fair value through profit or loss	(52,254)	5,856	(46,398)	2,442	43,955	(1)
<b>Total financial liabilities</b>	<b>(100,041)</b>	<b>10,391</b>	<b>(89,650)</b>	<b>31,664</b>	<b>50,958</b>	<b>(7,028)</b>
As at 30 September 2024						
Derivative financial assets <sup>1</sup>	54,370	(3,534)	50,836	(38,192)	(7,702)	4,942
Reverse repurchase, securities borrowing and similar agreements <sup>2</sup>						
- at amortised cost	6,870	(1,258)	5,612	-	(5,606)	6
- at fair value through profit or loss	57,032	(12,183)	44,849	(1,957)	(42,830)	62
<b>Total financial assets</b>	<b>118,272</b>	<b>(16,975)</b>	<b>101,297</b>	<b>(40,149)</b>	<b>(56,138)</b>	<b>5,010</b>
Derivative financial liabilities <sup>1</sup>	(55,254)	2,881	(52,373)	38,192	6,244	(7,937)
Repurchase, securities lending and similar agreements <sup>3</sup>						
- at amortised cost	(4,675)	2,168	(2,507)	-	2,507	-
- at fair value through profit or loss	(39,640)	14,185	(25,455)	1,957	23,484	(14)
<b>Total financial liabilities</b>	<b>(99,569)</b>	<b>19,234</b>	<b>(80,335)</b>	<b>40,149</b>	<b>32,235</b>	<b>(7,951)</b>

1. Derivative assets and liabilities recognised in the Balance Sheet reflect the impact of certain central clearing collateral arrangements, whereby collateral that qualifies as legal settlement has reduced the carrying value of those associated derivative balances.

2. Reverse repurchase agreements:

- with less than 90 days to maturity are presented in the Balance Sheet within Cash and cash equivalents; or
- with 90 days or more to maturity are presented in the Balance Sheet within Net loans and advances.

3. Repurchase agreements are presented on the Balance Sheet within Deposits and other borrowings.

4. The amount of financial instruments and financial collateral disclosed is limited to the net balance sheet exposure of the relevant financial assets or liabilities, and any over-collateralisation is excluded from the tables.

## 21. Goodwill and other intangible assets

	Goodwill <sup>1</sup>		Software		Other Intangibles <sup>2</sup>		Total	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m
Balance at start of year	4,421	3,056	1,020	919	70	83	5,511	4,058
Additions <sup>2</sup>	(56)	1,402	397	434	685	-	1,026	1,836
Amortisation expense <sup>3</sup>	-	-	(348)	(324)	(149)	(6)	(497)	(330)
Impairment expense <sup>4</sup>	(78)	-	(70)	(9)	(1)	(7)	(149)	(16)
Foreign currency exchange difference	(122)	(37)	(1)	-	(3)	-	(126)	(37)
<b>Balance at end of year</b>	<b>4,165</b>	<b>4,421</b>	<b>998</b>	<b>1,020</b>	<b>602</b>	<b>70</b>	<b>5,765</b>	<b>5,511</b>
Cost <sup>5</sup>	4,165	4,421	8,345	7,993	780	90	13,290	12,504
Accumulated amortisation	n/a	n/a	(7,347)	(6,973)	(178)	(20)	(7,525)	(6,993)
<b>Carrying amount</b>	<b>4,165</b>	<b>4,421</b>	<b>998</b>	<b>1,020</b>	<b>602</b>	<b>70</b>	<b>5,765</b>	<b>5,511</b>

1. Goodwill excludes notional goodwill in equity accounted investments.

2. The Group acquired Suncorp Bank during 2024 and provisionally accounted for the acquisition with the provisional goodwill balance of \$1,402 million. The Group completed its purchase price allocation for the Suncorp Bank acquisition during 2025 and recognised a decrease to goodwill of \$56 million and an increase to other intangibles of \$685 million. Comparative information was not restated.

3. 2024 includes \$36 million of accelerated amortisation expense from Suncorp Bank on alignment to the Group's software capitalisation policy.

4. 2025 includes impairment of goodwill on closure of Cashrewards.

5. Includes impact of foreign currency translation differences.

### Impairment testing for cash generating units containing goodwill

Goodwill acquired in a business combination is tested for impairment annually and whenever there are indicators of potential impairment. Goodwill is allocated at the date of acquisition to the cash generating unit (CGU) or group of CGUs that are expected to benefit from the synergies of the related business combination.

Goodwill is considered to be impaired if the carrying amount of the relevant CGU exceeds its recoverable amount. We estimate the recoverable amount of each CGU to which goodwill is allocated using a fair value less costs of disposal (FVLCD) approach, with a value-in-use (VIU) assessment performed where the FVLCD is less than the carrying amount.

Goodwill is allocated to the following CGUs based on the lowest level at which goodwill is monitored.

Cash generating units:	2025 \$m	2024 \$m
Australia Retail	100	178
Institutional	1,193	1,245
New Zealand	1,526	1,596
Suncorp Bank	1,346	1,402



## 21. Goodwill and other intangible assets (continued)

We estimate the FVL COD of each CGU to which goodwill is allocated by applying observable price earnings multiples of comparable companies to the estimated future maintainable earnings of each CGU. A deduction is then made for estimated costs of disposal. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

Management's approach and the key assumptions used in determining FVL COD are as follows:

Key assumption	Approach to determining the value (or values) for each key assumption
Future maintainable earnings	<p>Future maintainable earnings for each CGU is estimated as the sum of:</p> <ul style="list-style-type: none"> <li>• The Group's 2026 financial plan for each CGU; and</li> <li>• An allocation of the central costs recorded outside of the CGUs to which goodwill is allocated.</li> </ul> <p>Where relevant, adjustments are made to the Group's financial plan to reflect the long-term expectations for items such as expected credit losses.</p>
Price/Earnings (P/E) multiple	<p>P/E multiples applicable to each CGU have been derived from a comparator group of publicly traded companies, and include a 30% control premium, discussed below.</p> <p>In the case of the New Zealand and Institutional CGUs, management has made downwards adjustments to P/E multiples to address specific factors relevant to those CGUs.</p> <p>A control premium has been applied which recognises the increased consideration a potential acquirer would be willing to pay in order to gain sufficient ownership to achieve control over the relevant activities of the CGU. For each CGU, the control premium has been estimated as 30% of the comparator group P/E multiple based on historical transactions.</p>
Costs of disposal	<p>Costs of disposal have been estimated as 2% of the fair value of the CGU based on those observed from historical and recent transactions.</p>

Except for the impairment of goodwill resulting from Cashrewards closure, our impairment testing did not result in the impairment of goodwill as at 30 September 2025.

The FVL COD estimates for each CGU are sensitive to assumptions about P/E multiples, future maintainable earnings and control premium (30%). However, each CGU would continue to show a surplus in recoverable amount over carrying amount even where other reasonably possible alternative estimates were used.

## 21. Goodwill and other intangible assets (continued)

## Recognition and measurement



The table below details how we recognise and measure different intangible assets:

	Goodwill	Software	Other Intangibles
<b>Definition</b>	Excess amount the Group has paid in acquiring a business over the fair value of the identifiable assets acquired and liabilities assumed.	<p>Purchased software owned by the Group is capitalised.</p> <p>Internal and external costs incurred in building software and computer systems costing greater than \$20 million are capitalised as assets. Those less than \$20 million are expensed in the year in which the costs are incurred.</p> <p>Costs incurred in planning or evaluating software proposals or in maintaining systems after implementation are not capitalised.</p>	Management fee rights arising from acquisition of funds management business, core deposit intangibles arising from Suncorp Bank acquisition, and other intangible assets arising from contractual rights.
<b>Carrying value</b>	<p>Cost less any accumulated impairment losses.</p> <p>Allocated to the CGU to which the acquisition relates.</p>	<p>Initially, measured at cost or if acquired in a business combination at the acquisition date fair value.</p> <p>Subsequently, carried at cost less accumulated amortisation and impairment losses.</p>	<p>Initially, measured at fair value at acquisition.</p> <p>Subsequently, carried at cost less accumulated amortisation and impairment losses.</p>
<b>Useful life</b>	<p>Indefinite.</p> <p>Goodwill is reviewed for impairment at least annually or when there is an indication of impairment.</p>	<p>Except for major core infrastructure, amortised over periods between 2-5 years; however major core infrastructure may be amortised over 7 years subject to approval by the Audit Committee.</p> <p>Purchased software is amortised over 2 years unless it is considered integral to other assets with a longer useful life.</p>	<p>Management fee rights with an indefinite life are reviewed for impairment at least annually or when there is an indication of impairment.</p> <p>Core deposits are amortised over the expected life of 6 years.</p> <p>Other intangible assets are amortised over 3 years.</p>
<b>Depreciation method</b>	Not applicable.	Straight-line method.	Not applicable to indefinite life intangible assets. Straight-line method for assets with a finite life.

## 21. Goodwill and other intangible assets (continued)

### Key judgements and estimates



Management judgement is used to assess the recoverable value of goodwill and other intangible assets, and the useful economic life of an asset, or whether an asset has an indefinite life. We reassess the recoverability of the carrying value at each reporting date.

#### Goodwill

A number of key judgements are required in the determination of whether or not a goodwill balance is impaired including:

- the level at which goodwill is allocated – consistent with prior periods the CGUs to which goodwill is allocated are the Group's revenue generating segments that benefit from relevant historical business combinations generating goodwill.
- determination of the carrying amount of each CGU which includes an allocation, on a reasonable and consistent basis, of corporate assets and liabilities that are not directly attributable to the CGUs to which goodwill is allocated.
- assessment of the recoverable amount of each CGU including:
  - o selection of the model used to determine the fair value – the Group has used the market multiple approach to estimate the fair value; and
  - o selection of the key assumptions in respect of future maintainable earnings, the P/E multiple applied, including selection of an appropriate comparator group and determination of an appropriate control premium, and costs of disposal as described above.

#### Software and other intangible assets

At each reporting date, software and other intangible assets are assessed for indicators of impairment and, where such indicators are identified, an impairment test is performed. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the carrying amount of the asset is written down immediately. Those assets not yet ready for use are tested for impairment annually.

In addition, the expected useful lives of intangible assets are assessed at each reporting date. The assessment requires management judgement, and in relation to our software assets, a number of factors can influence the expected useful lives. These factors include changes to business strategy, significant divestments and the pace of technological change.

## 22. Other provisions

	2025 \$m	2024 \$m
ECL allowance on undrawn and contingent facilities <sup>1</sup>	870	846
Customer remediation	363	394
Restructuring costs	620	80
Non-lending losses, frauds and forgeries	451	90
Other	177	175
<b>Total other provisions</b>	<b>2,481</b>	<b>1,585</b>

1. Refer to Note 14 Allowance for expected credit losses for movement analysis.

	Customer remediation \$m	Restructuring costs \$m	Non-lending losses, frauds and forgeries \$m	Other \$m
<b>Balance at 1 October 2024</b>	394	80	90	175
New and increased provisions made during the year	291	653	402	58
Provisions used during the year	(288)	(83)	(37)	(31)
Unused amounts reversed during the year	(34)	(30)	(4)	(25)
<b>Balance at 30 September 2025</b>	<b>363</b>	<b>620</b>	<b>451</b>	<b>177</b>

## 22. Other provisions (continued)

### Customer remediation

Customer remediation includes provisions for expected refunds to customers, remediation project costs and related customer and regulatory claims, penalties and litigation costs and outcomes.

### Restructuring costs

Provisions for restructuring costs arise from activities related to changes in the scope of business undertaken by the Group or the manner in which that business is undertaken and include employee termination benefits. Costs relating to on-going activities are not provided for and are expensed as incurred.

### Non-lending losses, frauds and forgeries

Non-lending losses include losses arising from certain legal actions and losses arising from forgeries, frauds and the correction of operational issues. The amounts recognised are the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties that surround the events and circumstances that affect the provision.

### Other

Other provisions comprise various other provisions including workers compensation, make-good provisions associated with leased premises, warranties and indemnities provided in connection with various disposals of businesses and assets.

## Recognition and measurement



The Group recognises provisions when there is a present obligation arising from a past event, an outflow of economic resources is probable, and the amount of the provision can be measured reliably.

The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the timing and amount of the obligation. Where a provision is measured using the estimated cash flows required to settle the present obligation, its carrying amount is the present value of those cash flows.

## Key judgements and estimates



The Group holds provisions for various obligations including customer remediation, restructuring costs, non-lending losses, frauds and forgeries and litigation related claims. These provisions involve judgements regarding the timing and outcome of future events, including estimates of expenditure required to satisfy such obligations. Where relevant, expert legal advice has been obtained and, in light of such advice, provisions and/or disclosures as deemed appropriate have been made.

In relation to customer remediation, determining the amount of the provisions, which represent management's best estimate of the cost of settling the identified matters, requires the exercise of significant judgement. It will often be necessary to form a view on a number of different assumptions, including the number of impacted customers, the average refund per customer, the associated remediation project costs, and the implications of regulatory exposures and customer claims having regard to their specific facts and circumstances. There is a heightened level of estimation uncertainty where the customer remediation provision relates to a legal proceeding or matter. The appropriateness of the underlying assumptions is reviewed on a regular basis against actual experience and other relevant evidence including expert legal advice, and adjustments are made to the provisions where appropriate.

## 23. Shareholders' equity

### Shareholders' equity

	2025 \$m	2024 \$m
Ordinary share capital	28,191	28,182
Reserves		
Foreign currency translation reserve <sup>1</sup>	(941)	(360)
Share option reserve	108	108
FVOCI reserve	(870)	(1,078)
Cash flow hedge reserve	170	(422)
Transactions with non-controlling interests reserve	(22)	(22)
Total reserves	(1,555)	(1,774)
Retained earnings	44,492	43,449
<b>Share capital and reserves attributable to shareholders of the Company</b>	<b>71,128</b>	<b>69,857</b>
Non-controlling interests	739	771
<b>Total shareholders' equity</b>	<b>71,867</b>	<b>70,628</b>

1. As a result of the closure of a number of international entities, the associated foreign currency translation reserve was recycled from Other comprehensive income to profit or loss, resulting in \$15m gain recognised in Other operating income in 2025 (2024: \$22 million gain).

### Ordinary share capital

The table below details the movement in ordinary shares and share capital for the year.

	2025		2024	
	Number of shares	\$m	Number of shares	\$m
Balance at start of the year	2,979,416,260	28,182	3,005,286,886	29,082
Dividend reinvestment plan issuances	10,806,066	312	-	-
Bonus option plan	3,013,772	-	3,878,840	-
Employee share and option plans	-	(12)	-	(17)
Share buy-back <sup>1</sup>	(9,715,918)	(291)	(29,749,466)	(883)
<b>Balance at end of year</b>	<b>2,983,520,180</b>	<b>28,191</b>	<b>2,979,416,260</b>	<b>28,182</b>
Treasury Shares	(4,166,060)	-	(5,352,012)	-
<b>Balance at end of year</b>	<b>2,979,354,120</b>	<b>28,191</b>	<b>2,974,064,248</b>	<b>28,182</b>

1. The ANZGHL Group commenced a \$2.0 billion on-market share buy-back on 3 July 2024. This resulted in 9.7 million shares (\$291 million) being cancelled during 2025 and 29.8 million shares (\$883 million) being cancelled during 2024. The Company ceased the remaining \$826 million share buy-back on 13 October 2025.

## 23. Shareholders' equity (continued)

### Non-controlling interests

	Profit attributable to non-controlling interests		Equity attributable to non-controlling interests		Dividend paid to non-controlling interests	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m
ANZ Bank New Zealand PPS <sup>1</sup>	39	32	725	758	38	32
Other	2	3	14	13	-	-
<b>Total</b>	<b>41</b>	<b>35</b>	<b>739</b>	<b>771</b>	<b>38</b>	<b>32</b>

1. ANZ Bank New Zealand issued \$256 million of perpetual preference shares in 2024 that are considered non-controlling interests to the Group.

### ANZ Bank New Zealand Preference Shares

Perpetual Preference Shares (PPS) externally issued by ANZ Bank New Zealand Limited (ANZ Bank New Zealand), a member of the Group, are considered non-controlling interests of the Group.

The key terms of the PPS are as follows:

#### *PPS dividends*

Holders of PPS are entitled to receive dividends that are discretionary, non-cumulative and subject to conditions. If a PPS dividend is not paid, there are certain restrictions on the ability of ANZ Bank New Zealand to pay a dividend on its ordinary shares. Holders of the PPS have no other rights participate in the profits or property of ANZ Bank New Zealand.

#### *Redemption features*

Holders of PPS have no right to require that the PPS be redeemed. ANZ Bank New Zealand may, at its option, redeem all of the PPS on an optional redemption date (being each scheduled quarterly dividend payment date from the first optional redemption date), or at any time following the occurrence of a tax event or regulatory event, subject to prior written approval of RBNZ and certain other conditions being met.

## 23. Shareholders' equity (continued)

## Recognition and measurement

**Ordinary shares**

Ordinary shares have no par value. They entitle holders to receive dividends, or proceeds available on winding up of the Company, in proportion to the number of fully paid ordinary shares held. They are recognised at the amount paid per ordinary share net of directly attributable costs. Every holder of fully paid ordinary shares present at a meeting of the Company in person, or by proxy, is entitled to:

- on a show of hands, one vote; and
- on a poll, one vote, for each share held.

**Treasury shares**

Treasury shares are shares in the Company which:

- the ANZ Employee Share Acquisition Plan purchases on market and have not yet distributed, or
- the Company issues to the ANZ Employee Share Acquisition Plan and have not yet been distributed.

Treasury shares are deducted from share capital and excluded from the weighted average number of ordinary shares used in the earnings per share calculations.

**Reserves:****Foreign currency translation reserve**

Includes differences arising on translation of assets and liabilities into Australian dollars when the functional currency of a foreign operation (including subsidiaries and branches) is not Australian dollars. In this reserve, we reflect any offsetting gains or losses on hedging these exposures, together with any tax effect.

**Cash flow hedge reserve**

Includes fair value gains and losses associated with the effective portion of designated cash flow hedging instruments together with any tax effect.

**FVOCI reserve**

Includes changes in the fair value of certain debt securities and equity securities included within Investment Securities together with any tax effect.

In respect of debt securities classified as measured at FVOCI, the FVOCI reserve records accumulated changes in fair value arising subsequent to initial recognition, except for those relating to allowance for ECL, interest income and foreign currency exchange gains and losses which are recognised in profit or loss. As debt securities at FVOCI are recorded at fair value, the balance of the FVOCI reserve is net of the ECL allowance associated with such assets. When a debt security measured at FVOCI is derecognised, the cumulative gain or loss recognised in the FVOCI reserve in respect of that security is reclassified to profit or loss and presented in other operating income.

In respect of the equity securities classified as measured at FVOCI, the FVOCI reserve records accumulated changes in fair value arising subsequent to initial recognition (including any related foreign exchange gains or losses). When an equity security measured at FVOCI is derecognised, the cumulative gain or loss recognised in the FVOCI reserve in respect of that security is not recycled to profit or loss.

**Share option reserve**

Includes amounts which arise on the recognition of share-based compensation expense.

**Transactions with non-controlling interests reserve**

Includes the impact of transactions with non-controlling shareholders in their capacity as shareholders.

**Non-controlling interests**

Share in the net assets of controlled entities attributable to equity interests which the Group does not own directly or indirectly.



## 24. Capital management

### Capital management framework

The Group's capital management framework includes managing capital at Level 1, Level 2 and ANZGHL Group.

The Group's framework includes managing to Board approved risk appetite settings and maintaining all regulatory requirements. APRA requirements at Level 1 and Level 2 include the Group operating at or above APRA's expectation for Domestic Systematically Important Banks (D-SIBs) following the implementation of APRA's Capital Reform.

APRA's authority for ANZGHL to be a non-operating holding company (NOHC) of an ADI includes five conditions for the Group's capital management framework. Two of these are quantitative requirements being:

- ANZGHL must always ensure that the quality and quantity of the total capital of the Level 3 group is equivalent to, or greater than, the quality and quantity of the sum of the total capital of the consolidated ANZ Bank Group and the consolidated ANZ Non-Bank Group.
- ANZGHL must calculate and manage capital for the ANZ Non-Bank Group in accordance with an Economic Capital Model (ECM), which requires the amount of capital held, in the form of Common Equity Tier 1 (CET1), to be equal to or greater than the capital requirement as calculated under the ECM.

The Group has implemented an ECM to calculate the capital to support the ANZ Non-Bank Group operations. The material risks included in the Non-Bank Group currently are investment risk and fixed asset risk.

All requirements were satisfied as at 30 September 2025.

### Capital management strategy

The Group's capital management strategy aims to protect the interests of depositors, creditors and shareholders. We achieve this through an Internal Capital Adequacy Assessment Process (ICAAP) whereby the Group conducts detailed strategic and capital planning over a 3-year time horizon.

The process involves:

- forecasting economic variables, financial performance of divisions and the financial impact of new strategic initiatives to be implemented during the planning period;
- performing stress tests under different economic scenarios to determine the level of additional capital (stress capital buffer) needed to absorb losses that may be experienced under an economic downturn;
- reviewing capital position and targets against the Group's risk profile; and
- developing a capital plan, taking into account capital ratio targets, ECM requirements, current and future capital issuances requirements and options around capital products, timing and markets to execute the capital plan under differing market and economic conditions.

The capital plan is approved by the Board and updated as required. The Board and senior management are provided with regular updates of the Group's capital position. Any material actions required to ensure ongoing prudent capital management are submitted to the Board for approval. Throughout the year, the Group maintained compliance with all the regulatory requirements related to Capital Adequacy in the jurisdictions in which it operates.

## 24. Capital management (continued)

### Regulatory environment

#### Australia

As the ANZ Bank Group is an ADI in Australia, it is primarily regulated by APRA under the Banking Act 1959 (Cth). ANZ Bank Group must comply with APRA's minimum regulatory capital requirements, including prudential capital ratios and regulatory capital buffers at specific reporting levels that APRA sets and which are consistent with the global Basel III capital framework. This is the common framework for determining the appropriate level of bank regulatory capital as set by the Basel Committee on Banking Supervision. APRA minimum requirements are summarised below:

#### Regulatory capital definition

Common Equity Tier 1 (CET1) Capital	Tier 1 Capital	Tier 2 Capital	Total Capital
Shareholders' equity adjusted for specific items.	CET1 capital plus certain securities with complying loss absorbing characteristics known as Additional Tier 1 Capital.	Subordinated debt instruments which have a minimum term of 5 years at issue date.	Tier 1 plus Tier 2 capital.

#### APRA Minimum Regulatory Capital Requirements

CET1 Ratio	Tier 1 Ratio	Total Capital Ratio
CET1 capital divided by total risk weighted assets which includes a prudential capital ratio of at least 4.5% and 10.25% inclusive of regulatory buffers.	Tier 1 capital divided by total risk weighted assets which includes a prudential capital ratio of at least 6.0% and 11.75% inclusive of regulatory buffers.	Total capital divided by total risk weighted assets which includes a prudential capital ratio of at least 8.0% and 16.75% inclusive of regulatory buffers (including an additional 3% of additional TLAC for D-SIBs). Refer below for details.

#### Reporting Levels

Level 1	Level 2	Level 3
The ADI on a stand-alone basis (that is ANZBGL and specified subsidiaries which are consolidated to form the ADI's Extended Licensed Entity).	The consolidated ANZBGL Group less certain subsidiaries and associates that are excluded under prudential standards.	A conglomerate ANZGHL Group at the widest level.

As at 30 September 2025, APRA requires the ADI to hold additional CET1 regulatory buffers as follows:

- a capital conservation buffer (CCB) of 4.75% which is inclusive of the additional 1% surcharge for D-SIBs. APRA has determined that ANZ is a D-SIB.
- a countercyclical capital buffer which is set on a jurisdictional basis. The requirement is currently set at 1% for Australia.

Additionally in December 2021, APRA announced final Total Loss Absorbing Capacity (TLAC) requirements that require all D-SIBs, including the ANZ Bank Group, to increase its minimum total capital ratio requirement by 3% of RWA from January 2024, and a further 1.5% of RWA by January 2026 (total increase of 4.5%, resulting in a Total Capital ratio requirement inclusive of regulatory buffers of 18.25% from January 2026). APRA expects this to be predominantly met by Tier 2 capital, with an equivalent decrease in other senior funding. The Group is on track to meet these requirements as at reporting date.

In December 2024, APRA confirmed that it will phase out the use of AT1 capital instruments to simplify and improve the effectiveness of bank capital in a crisis. In July 2025, APRA subsequently released a consultation paper on related technical amendments to its bank prudential framework to effect the removal of AT1 capital instruments and address impacts stemming from their removal. The changes are scheduled to come into effect from January 2027 with the main change being replacing the current requirement for 1.5% of AT1 with 0.25% of CET1 capital and 1.25% of Tier 2 capital. APRA intends to finalise amendments to its framework before the end of 2025.

The Group reports to APRA on a Level 1 and Level 2 basis, and measures capital adequacy monthly on a Level 1 and Level 2 basis, and is not yet required to maintain capital on a Level 3 basis (APRA have yet to conclude required timing for Level 3 reporting).

#### Insurance and funds management

As required by APRA's Prudential Standards, insurance and funds management activities are:

- de-consolidated for the purposes of calculating capital adequacy; and
- excluded from the risk-based capital adequacy framework.

We deduct the investment in these controlled entities 100% from CET1 capital, and if we include any profits from these activities in the ANZ Bank Group's results, then we exclude them from the determination of CET1 capital to the extent they have not been remitted.

#### Outside Australia

In addition to APRA, the Group's branch operations and major banking subsidiary operations are also overseen by local regulators such as the Reserve Bank of New Zealand, the US Federal Reserve, the UK Prudential Regulation Authority, the Monetary Authority of Singapore, the Hong Kong Monetary Authority and the China Banking and Insurance Regulatory Commission. They may impose minimum capital levels on operations in their individual jurisdictions.

## 24. Capital management (continued)

The Group's compliance with the quantitative conditions for capital management under the APRA NOHC authority is presented in the following two tables<sup>1</sup>:

	2025			
	ANZ Bank Group \$m	ANZ Non-Bank Group \$m	ANZGHL \$m	Group \$m
Allocated equity <sup>2,3</sup>	70,445	405	1,017	71,867
Prudential adjustments to allocated equity	(436)	-	-	(436)
Gross Common Equity Tier 1 capital	70,009	405	1,017	71,431
Deductions	(14,825)	-	-	(14,825)
<b>Common Equity Tier 1 capital</b>	<b>55,184</b>	<b>405</b>	<b>1,017</b>	<b>56,606</b>
Tier 1 capital	62,541	405	1,017	63,963
Tier 2 capital	33,810	-	-	33,810
<b>Total qualifying capital</b>	<b>96,351</b>	<b>405</b>	<b>1,017</b>	<b>97,773</b>

	2024			
	ANZ Bank Group \$m	ANZ Non-Bank Group \$m	ANZGHL \$m	Group \$m
Allocated equity <sup>2</sup>	68,760	567	1,301	70,628
Prudential adjustments to allocated equity	(721)	-	-	(721)
Gross Common Equity Tier 1 capital	68,039	567	1,301	69,907
Deductions	(13,570)	-	-	(13,570)
<b>Common Equity Tier 1 capital</b>	<b>54,469</b>	<b>567</b>	<b>1,301</b>	<b>56,337</b>
Tier 1 capital	62,676	567	1,301	64,544
Tier 2 capital	29,189	-	-	29,189
<b>Total qualifying capital</b>	<b>91,865</b>	<b>567</b>	<b>1,301</b>	<b>93,733</b>

1. This information is not within the scope of the external audit of the Group Financial Report by the Group's external auditor, KPMG. The information presented in this table is a regulatory requirement reported to APRA under the conditions of ANZ's NOHC authority which will be subject to audit in accordance with *Prudential Standard 3PS 310 Audit and Related Matters*.

2. Allocated in accordance with prudential capital management view.

3. ANZGHL allocated equity includes \$0.8 billion for the remaining share buy-back. The Group ceased the remaining share buy-back on 13 October 2025 and announced that it will return the funds to ANZBGL.

## 24. Capital management (continued)

### ANZ Non-Bank Group

	2025 \$m	2024 \$m
Economic Capital Required	198	384
Actual Capital <sup>1</sup>	371	543
Actual vs Economic Capital	173	159

### ANZ Bank Group<sup>2</sup>

The following table provides details of ANZ Bank Group's capital adequacy ratios at 30 September:

	2025 \$m	2024 \$m
<b>Qualifying capital</b>		
<b>Tier 1</b>		
Shareholders' equity and non-controlling interests	70,445	68,760
Prudential adjustments to shareholders' equity	(436)	(721)
Gross Common Equity Tier 1 capital	70,009	68,039
Deductions	(14,825)	(13,570)
<b>Common Equity Tier 1 capital</b>	<b>55,184</b>	<b>54,469</b>
Additional Tier 1 capital <sup>3</sup>	7,357	8,207
<b>Tier 1 capital</b>	<b>62,541</b>	<b>62,676</b>
<b>Tier 2 capital<sup>4</sup></b>	<b>33,810</b>	<b>29,189</b>
<b>Total qualifying capital</b>	<b>96,351</b>	<b>91,865</b>
<b>Capital adequacy ratios (Level 2)</b>		
Common Equity Tier 1	12.0%	12.2%
Tier 1	13.6%	14.0%
Tier 2	7.4%	6.5%
Total capital ratio	21.0%	20.6%
<b>Risk weighted assets</b>	<b>458,547</b>	<b>446,582</b>

1. This represents the aggregation of ANZ NBH Pty Ltd and ANZ Group Services Pty Ltd's shareholders' equity.

2. This information is not within the scope of the external audit of the Group Financial Report by the Group's external auditor, KPMG. The information presented in this table is a regulatory requirement disclosed in Part A of ARF 110 *Capital Adequacy* which will be subject to audit in accordance with Prudential Standard APS 310 *Audit and Related Matters*.

3. This includes Additional Tier 1 capital of \$7,452 million (2024: \$8,277 million) (refer to Note 17 Debt issuances) and a regulatory adjustments and deductions of -\$95 million (2024: -\$70 million).

4. This includes Tier 2 capital of \$33,811 million (2024: \$28,584 million) (refer to Note 17 Debt issuances), a general reserve for impairment of financial assets of \$1,710 million (2024: \$1,711 million) and regulatory adjustments and deductions of -\$1,711 million (2024: -\$1,107 million).

## 25. Parent entity financial information

### Summary financial information

	2025 \$m	2024 \$m
<b>Income statement information for the financial year</b>		
Profit for the year	4,612	5,289
Total comprehensive income for the year	4,612	5,289
<b>Balance sheet information as at the end of the financial year</b>		
Current assets	1,100	1,408
Shares in controlled entities	58,063	58,008
Total assets	59,163	59,416
Current liabilities	83	107
Total liabilities	83	107
<b>Shareholders' equity</b>		
Ordinary share capital	58,232	58,223
Share Option Reserve	12	14
Retained earnings	836	1,072
<b>Total shareholders' equity</b>	<b>59,080</b>	<b>59,309</b>

### Parent entity's contractual commitments for property, plant and equipment

The parent entity has no contractual commitments to acquire property, plant or equipment.

### Parent entity's contingent liabilities

Refer to Note 33 Commitments, contingent liabilities and contingent assets for details of contingent liabilities of Group entities. There are no other known contingent liabilities of the parent entity.

## 26. Controlled entities

	Incorporated in	Nature of Business
The ultimate parent of the Group is ANZ Group Holdings Limited	Australia	Holding Company
The Group holds 100% of the voting interests in all controlled entities, unless noted otherwise.		
The material controlled entities of the Group are:		
<b>Australia and New Zealand Banking Group Limited</b>	Australia	Banking
<b>SBGH Limited</b>	Australia	Holding Company
Norfina Limited	Australia	Banking
SME Management Pty Limited	Australia	Banking
Norfina Covered Bond Trust	Australia	Finance
<b>ANZ NBH Pty Ltd</b>	Australia	Non-Banking
1835i Ventures Trust III	Australia	Non-Banking
<b>ANZ Group Services Pty Ltd</b>	Australia	Non-Banking
<b>ANZ BH Pty Ltd</b>	Australia	Holding Company
<b>ANZ Bank (Vietnam) Limited<sup>1</sup></b>	Vietnam	Banking
<b>ANZ Funds Pty. Ltd.</b>	Australia	Holding Company
ANZ Bank (Kiribati) Limited <sup>1</sup> (75% ownership)	Kiribati	Banking
ANZ Bank (Samoa) Limited <sup>1</sup>	Samoa	Banking
ANZ Bank (Vanuatu) Limited <sup>2</sup>	Vanuatu	Banking
ANZ Holdings (New Zealand) Limited <sup>1</sup>	New Zealand	Holding Company
ANZ Bank New Zealand Limited <sup>1</sup>	New Zealand	Banking
ANZ Investment Services (New Zealand) Limited <sup>1</sup>	New Zealand	Funds Management
ANZ New Zealand (Int'l) Limited <sup>1</sup>	New Zealand	Finance
ANZ New Zealand Investments Holdings Limited <sup>1</sup>	New Zealand	Holding Company
ANZ New Zealand Investments Limited <sup>1</sup>	New Zealand	Funds Management
ANZNZ Covered Bond Trust <sup>1,3</sup>	New Zealand	Finance
ANZ International Private Limited <sup>1</sup>	Singapore	Holding Company
ANZcover Insurance Private Ltd <sup>1</sup>	Singapore	Captive-Insurance
<b>ANZ Lenders Mortgage Insurance Pty. Limited</b>	Australia	Mortgage Insurance
<b>ANZ Residential Covered Bond Trust<sup>3</sup></b>	Australia	Finance
<b>Australia and New Zealand Bank (China) Company Limited<sup>1</sup></b>	China	Banking
<b>Australia and New Zealand Banking Group (PNG) Limited<sup>1</sup></b>	Papua New Guinea	Banking
<b>Institutional Securitisation Services Limited</b>	Australia	Securitisation Manager
<b>PT Bank ANZ Indonesia<sup>1</sup> (99% ownership)</b>	Indonesia	Banking

1. Audited by overseas KPMG firms — either as part of the Group audit, or for standalone financial statements as required.

2. Audited by Law Partners.

3. Not owned by the Group. Control exists as the Group retains substantially all the risks and rewards of the operations.

### Changes to material controlled entities

Citizens Bancorp and ANZ Guam Inc. were officially deregistered on 14 May 2025.

### Significant restrictions

Controlled entities that are subject to prudential regulation may be required to maintain minimum capital or other regulatory requirements which may, from time to time, limit the entity's ability to transfer assets, pay dividends or make other capital distributions to the parent entity or to other entities in the Group. The Group manages such restrictions within our risk management framework, as outlined in Note 18 Financial risk management and our capital management strategy, as outlined in Note 24 Capital management.

As at 30 September 2025, restrictions on the ability of an entity within the Group to transfer assets, pay dividends or make other capital distributions to other entities in the Group were not material to the liquidity or capital management of the Group.

## 26. Controlled entities (continued)

### Recognition and measurement



The Group's subsidiaries are those entities it controls through:

- being exposed to, or having rights to, variable returns from the entity; and
- being able to affect those returns through its power over the entity.

The Group assesses whether it has power over those entities by examining the Group's existing rights to direct the relevant activities of the entity.

If the Group sells or acquires subsidiaries during the year, it includes their operating results in the Group results up to the date of disposal or from the date of acquisition. When the Group's control ceases, it derecognises the assets and liabilities of the subsidiary, any related non-controlling interest and other components of equity.

If the Group's ownership interest in a subsidiary changes in a way that does not result in a loss of control, then the Group accounts for that as a transaction with equity holders in their capacity as equity holders.

All transactions between Group entities are eliminated on consolidation.

## 27. Investment in associates

Significant associates of the Group are:

Name of entity	Principal activity	Ordinary share interest		Carrying amount \$m	
		2025	2024	2025	2024
PT Bank Pan Indonesia Tbk (PT Panin)	Consumer and business bank	39%	39%	1,140	1,415
Aggregate other individually immaterial associates		n/a	n/a	2	29
<b>Total carrying value of associates<sup>1</sup></b>				<b>1,142</b>	<b>1,444</b>

1. Includes the impact of foreign currency translation recognised in the foreign currency translation reserve.

### Financial information on significant associates

Summarised financial information of PT Panin is presented in the table below. The summarised financial information is based on the associates' IFRS financial information and may require the use of unaudited financial information as PT Panin has a 31 December financial year end.

Principal place of business and country of incorporation	PT Bank Pan Indonesia Tbk Indonesia	
	2025 \$m	2024 \$m
<b>Summarised results</b>		
Operating income	1,080	1,062
Profit/(Loss) for the year	283	218
Other comprehensive income/(loss)	76	(41)
Total comprehensive income/(loss)	359	177
Less: Total comprehensive (income)/loss attributable to non-controlling interests	(10)	(19)
<b>Total comprehensive income/(loss) attributable to owners of associate</b>	<b>349</b>	<b>158</b>
<b>Summarised financial position</b>		
Total assets <sup>1</sup>	19,708	20,616
Total liabilities <sup>1</sup>	16,697	16,078
Total net assets <sup>1</sup>	3,011	4,538
Less: Non-controlling interests of associate	(336)	(353)
<b>Net assets attributable to owners of associate</b>	<b>2,675</b>	<b>4,185</b>
<b>Reconciliation to carrying amount of Group's interest in associate</b>		
Carrying amount at the beginning of the year	1,415	1,440
Group's share of total comprehensive income/(loss)	118	42
Dividends received from associate	(37)	-
Foreign currency translation reserve adjustments	(71)	(67)
Impairment charges <sup>2</sup>	(285)	-
<b>Carrying amount at the end of the year</b>	<b>1,140</b>	<b>1,415</b>
<b>Market value of Group's investment in associate<sup>3</sup></b>	<b>917</b>	<b>1,448</b>

1. Includes market value adjustments (including goodwill) the Group made at the time of acquisition (and adjustments for any differences in accounting policies).

2. The Group recorded an impairment charge of \$285 million in other operating income based on impairment assessments performed during 2025.

3. Market value is based on a price per share at reporting date and does not include any adjustments for the size of our holding.



## 27. Investment in associates (continued)

### Impairment assessment

The Group assesses the carrying value of its investment in associates for impairment indicators.

During the year, the Group identified an indicator of impairment as neither the market value of the investment in PT Panin (based on share price) nor the value-in-use (VIU) calculation supported the carrying value of the investment. Accordingly, the Group recorded an impairment charge of \$285 million to bring the carrying value of the investment to its recoverable amount based on the outcome of the VIU calculation. The impairment is recognised in the Group Centre division.

### Recognition and measurement



An associate is an entity for which the Group has significant influence over its operating and financial policies but which it does not control. The Group accounts for associates using the equity method. Its investments in associates are carried at cost plus the post-acquisition share of changes in the associate's net assets less accumulated impairments. Dividends the Group receives from associates are recognised as a reduction in the carrying amount of the investment. The Group includes goodwill recognised by the associate in the carrying amount of the investment. It does not individually test the goodwill incorporated in the associates carrying amount for impairment.

At least at each reporting date, the Group reviews investments in associates for any indication of impairment. If an indication of impairment exists, then the Group determines the recoverable amount of the associate using the higher of:

- the associate's fair value less cost of disposal; and
- its VIU.

We use a discounted cash flow methodology, and when applicable, other methodologies (such as capitalisation of earnings methodology), to determine the recoverable amount when determining a VIU.

### Key judgements and estimates



Significant management judgment is required to determine the key assumptions underpinning the VIU calculation for PT Panin.

Factors that may change in subsequent periods and lead to potential future impairments, or reversals of prior impairments, include changes in forecast earnings levels in the near and medium term and/or changes in the long-term growth forecasts, changes to required levels of regulatory capital and the post-tax discount rate arising from changes in the risk premium or risk-free rates.

The key assumptions used in the VIU calculation are outlined below:

As at 30 September 2025	PT Panin
Post-tax discount rate	13.7%
Terminal growth rate	5.1%
Expected earnings growth (compound annual growth rate – 5 years)	7.7%
Common Equity Tier 1 ratio (5-year average)	12.8%

The VIU calculations are sensitive to changes in the underlying assumptions with reasonably possible changes in key assumptions having a positive or negative impact on the VIU outcome, and as such the recoverable amount of the investment.

- A change in the September 2025 post-tax discount rate by +/- 50bps would impact the VIU outcome for PT Panin by \$(62 million)/\$55 million;
- A change in the September 2025 terminal growth rate by +/- 25bps would impact the VIU outcome for PT Panin by \$32 million/(\$20 million).

## 28. Structured entities

A Structured Entity (SE) is an entity that has been designed such that voting or similar rights are not the dominant factor in determining who controls the entity. SEs are generally established with restrictions on their ongoing activities in order to achieve narrow and well-defined objectives.

SEs are classified as subsidiaries and consolidated when control exists. If the Group does not control an SE, then it is not consolidated. This note provides information on both consolidated and unconsolidated SEs.

The Group's involvement with SEs is as follows:

Type	Details
<b>Securitisation</b>	<p>The Group establishes SEs to securitise customer loans and advances that it has originated, in order to diversify sources of funding for liquidity management. Securitisation programs include customer loans and advances assigned to bankruptcy remote SEs to provide either security for obligations payable on notes issued by the SEs to external investors or create assets held by the Group eligible for repurchase agreements with applicable central banks.</p> <p>The Group retains control over these SEs and therefore they are consolidated. Refer to Note 29 Assets pledged, collateral accepted, and financial assets transferred for further details.</p> <p>The Group also establishes SEs on behalf of customers to securitise their loans or receivables. The Group may manage these securitisation vehicles or provide liquidity or other support. Additionally, the Group may acquire interests in securitisation vehicles set up by third parties through holding securities issued by such entities. In limited circumstances where control exists, the Group consolidates the SE.</p>
<b>Covered bond issuances</b>	<p>Certain loans and advances have been assigned to bankruptcy remote SEs to provide security for issuances of debt securities by the Group. The Group retains control over these SEs and therefore they are consolidated. Refer to Note 29 Assets pledged, collateral accepted, and financial assets transferred for further details.</p>
<b>Structured finance arrangements</b>	<p>The Group is involved with SEs established:</p> <ul style="list-style-type: none"> <li>• in connection with structured lending transactions to facilitate debt syndication and/or to ring-fence collateral; and</li> <li>• to own assets that are leased to customers in structured leasing transactions.</li> </ul> <p>The Group may manage the SE, hold minor amounts of the SE's capital, or provide risk management products (derivatives) to the SE. In most instances, the Group does not control these SEs. In limited circumstances where control exists, the Group consolidates the SE.</p>
<b>Funds management activities</b>	<p>The Group is the scheme manager for a number of Managed Investment Schemes (MIS) in New Zealand. These MIS are financed through the issue of units to investors and the Group considers them to be SEs. The Group's interests in these MIS are limited to receiving fees for services or providing risk management products (derivatives). These interests do not create significant exposures that would allow the Group to control the funds. Therefore, these MIS are not consolidated.</p>

### Consolidated structured entities

#### Financial or other support provided to consolidated structured entities

The Group provides financial support to consolidated SEs as outlined below.

<b>Securitisation and covered bond issuances</b>	<p>The Group provides lending facilities, derivatives and commitments to these SEs and/or holds debt instruments they have issued.</p>
<b>Structured finance arrangements</b>	<p>The assets held by these SEs are normally pledged as collateral for financing provided. Certain consolidated SEs are financed entirely by the Group while others are financed by syndicated loan facilities in which the Group is a participant. The financing provided by the Group includes lending facilities where the Group's exposure is limited to the amount of the loan and any undrawn amount. Additionally, the Group has provided Letters of Support to these consolidated SEs confirming that the Group will not demand repayment of the financing provided for the ensuing 12-month period.</p>

The Group did not provide any non-contractual support to consolidated SEs during the year (2024: nil). Other than as disclosed above, the Group does not have any current intention to provide financial or other support to consolidated SEs.

## 28. Structured entities (continued)

### Unconsolidated structured entities

#### Group's interest in unconsolidated structured entities

An 'interest' in an unconsolidated SE is any form of contractual or non-contractual involvement with an SE that exposes the Group to variability of returns from the performance of that SE. These interests include, but are not limited to: holdings of debt or equity securities; derivatives that pass-on risks specific to the performance of the SE, lending, loan commitments, financial guarantees, and fees from funds management activities.

For the purpose of disclosing interests in unconsolidated SEs:

- no disclosure is made if the Group's involvement is not more than a passive interest – for example: when the Group's involvement constitutes a typical customer-supplier relationship. On this basis, exposures to unconsolidated SEs that arise from lending, trading and investing activities are not considered disclosable interests – unless the design of the structured entity allows the Group to participate in decisions about the relevant activities (being those that significantly affect the entity's returns).
- 'interests' do not include derivatives intended to expose the Group to market-risk (rather than performance risk specific to the SE) or derivatives through which the Group creates, rather than absorbs, variability of the unconsolidated SE (such as purchase of credit protection under a credit default swap).

The table below sets out the Group's interests in unconsolidated SEs together with the maximum exposure to loss that could arise from those interests:

	Securitisation		Structured finance		Total	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m
<b>On-balance sheet interests</b>						
Investment securities	1,438	1,819	-	-	1,438	1,819
Gross loans and advances	12,008	11,447	48	23	12,056	11,470
<b>Total on-balance sheet</b>	<b>13,446</b>	<b>13,266</b>	<b>48</b>	<b>23</b>	<b>13,494</b>	<b>13,289</b>
<b>Off-balance sheet interests</b>						
Commitments (facilities undrawn)	2,335	2,279	-	-	2,335	2,279
Guarantees	50	50	-	-	50	50
<b>Total off-balance sheet</b>	<b>2,385</b>	<b>2,329</b>	<b>-</b>	<b>-</b>	<b>2,385</b>	<b>2,329</b>
<b>Maximum exposure to loss</b>	<b>15,831</b>	<b>15,595</b>	<b>48</b>	<b>23</b>	<b>15,879</b>	<b>15,618</b>

In addition to the interests above, the Group earned funds management fees from unconsolidated investment funds of \$188 million (2024: \$184 million) during the year.

The Group's maximum exposure to loss represents the maximum amount of loss that the Group could incur as a result of its involvement with unconsolidated SEs if loss events were to take place – regardless of the probability of occurrence. This does not in any way represent the actual losses expected to be incurred. Furthermore, the maximum exposure to loss is stated gross of the effects of hedging and collateral arrangements entered into to mitigate the Group's exposure to loss.

The maximum exposure to loss has been determined as:

- the carrying amount of Investment securities measured at amortised cost; and
- the carrying amount plus the undrawn amount of any committed loans and advances.

The size of unconsolidated SEs is indicated by total assets which vary by SE with the largest single SE having a value of approximately \$4.8 billion.

The Group did not provide any non-contractual support to unconsolidated SEs during the year (2024: nil) nor does it have any current intention to provide financial or other support to unconsolidated SEs.

## 28. Structured entities (continued)

### Sponsored unconsolidated structured entities

The Group may also sponsor unconsolidated SEs in which it has no disclosable interest.

For the purposes of this disclosure, the Group considers itself the 'sponsor' of an unconsolidated SE if it is the primary party involved in the design and establishment of that SE and:

- the Group is the major user of that SE; or
- the Group's name appears in the name of that SE, or on its products; or
- the Group provides implicit or explicit guarantees of that SE's performance.

The Group has sponsored the ANZ PIE Fund in New Zealand, which invests only in deposits with ANZ Bank New Zealand. The Group does not provide any implicit or explicit guarantees of the capital value or performance of investments in the ANZ PIE Fund. There was no income received from, nor assets transferred to, this entity during the year.

### Key judgements and estimates



Significant judgement is required in assessing whether the Group has control over Structured Entities. Judgement is required to determine the existence of:

- power over the relevant activities (being those that significantly affect the entity's returns);
- exposure to variable returns of the entity; and
- the ability to use its power over the entity to affect the Group's returns.

## 29. Assets pledged, collateral accepted, and financial assets transferred

Amounts presented as collateral paid and received in the Balance Sheet relate to derivative liabilities and derivative assets respectively. The terms and conditions of those collateral agreements are included in the standard Credit Support Annex that forms part of the International Swaps and Derivatives Association Master Agreement under which most of the Group's derivatives are executed. The following disclosures exclude these balances.

In the normal course of business the Group enters into transactions where it pledges or transfers financial assets directly to third parties or to SEs. These transfers may result in the Group fully, or partially, derecognising those financial assets – depending on the Group's exposure to the risks and rewards or control over the transferred assets. If the Group retains substantially all of the risks and rewards of a transferred asset, the transfer does not qualify for derecognition and the asset remains on the Group's balance sheet in its entirety, with a corresponding liability recognised for proceeds from the transfer.

### Securitisations

Net loans and advances include residential mortgages securitised under the Group's securitisation programs which are assigned to bankruptcy remote SEs to provide security for obligations payable on the notes issued by the SEs. The holders of the issued notes have full recourse to the pool of residential mortgages which have been securitised and the Group cannot otherwise pledge or dispose of the transferred assets. In some instances, the Group is also the holder of the securitised notes issued by the SEs.

In addition, the Group is entitled to any residual income of the SEs and sometimes enters into derivatives with the SEs. The Group retains the risks and rewards of the residential mortgages and continues to recognise the mortgages as financial assets and recognises an associated liability for the externally issued notes. The securitised notes issued externally are included within debt issuances.

The Group is exposed to variable returns from its involvement with these securitisation SEs and has the ability to affect those returns through its power over the SEs activities. The SEs are therefore consolidated by the Group.

### Covered bonds

The Group operates various global covered bond programs to raise funding in its primary markets. Net loans and advances include residential mortgages assigned to bankruptcy remote SEs associated with these covered bond programs. In respect of each program, a covered bond guarantor has guaranteed payments of interest and principal pursuant to a guarantee which is secured over its assets, including these residential mortgages. Substantially all of the assets of each covered bond guarantor consist of that covered bond guarantor's equitable interests in mortgage loans secured by residential real estate.

The covered bond holders have dual recourse to the issuer and the cover pool of assets. The issuer cannot otherwise pledge or dispose of the transferred assets, however, subject to legal arrangements it may repurchase and substitute assets as long as the required cover is maintained.

The Group is required to maintain the cover pool at a level sufficient to cover the bond obligations. In addition, the Group is entitled to any residual income of the covered bond SEs (after all payments to the covered bond holders and external parties) and enters into derivatives with the SEs. The Group retains the majority of the risks and rewards of the residential mortgages and continues to recognise the mortgages as financial assets and recognises an associated liability for the externally issued covered bonds. The covered bonds issued externally are included within debt issuances.

The Group is exposed to variable returns from its involvement with the covered bond SEs and has the ability to affect those returns through its power over the SEs activities. The SEs are therefore consolidated by the Group.

### Repurchase agreements

Assets are charged or transferred as collateral to secure liabilities under repurchase agreements.

Where the Group sells securities subject to repurchase agreements and retains substantially all the risks and rewards of ownership, then those assets do not qualify for derecognition. An associated liability is recognised in deposits and other borrowings for the consideration received from the counterparty.

### Structured finance arrangements

The Group arranges funding for certain customer transactions through structured leasing. These transactions are recognised on the Group's Balance Sheet as lease receivables or loans. At times, other financial institutions participate in the funding of these arrangements. This participation involves a proportionate transfer of the rights to the assets recognised by the Group. The participating banks have limited recourse to the leased assets and related proceeds. Where the Group continues to be exposed to substantially all of the risks and rewards of the transferred assets through a derivative or other continuing involvement, the Group does not derecognise the lease receivable or loan. Instead, the Group recognises an associated liability representing its obligations to the participating financial institutions.

The tables below set out the balances of assets transferred or pledged that do not qualify for derecognition, along with the associated liabilities.

	Securitisations <sup>2,3</sup>		Covered bonds		Repurchase agreements		Structured finance arrangements	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m
Carrying amount of assets transferred <sup>1</sup>	5,470	3,730	32,510	34,235	57,574	45,709	3	15
Carrying amount of associated liabilities	5,396	3,640	12,985	18,931	56,139	44,315	3	15

1. In addition to the assets noted in the above table, there were other carrying amount of assets pledged amounting to \$7,199m (2024: \$6,339m). This principally related to those pledged to central banks as security for liabilities.

2. Does not include transfers to internal structured entities where there are no external investors.

3. The securitisation noteholders have recourse only to the pool of residential mortgages which have been securitised. The carrying value of securitised assets and the associated liabilities approximates their fair value.

## 29. Assets pledged, collateral accepted, and financial assets transferred (continued)

### Collateral accepted as security for assets

The Group has received collateral associated with various financial transactions. Under certain arrangements the Group has the right to sell, or to repledge, the collateral received. These arrangements are governed by standard industry agreements.

The fair value of collateral we have received and that which we have sold or repledged is as follows:

	2025 \$m	2024 \$m
Fair value of assets which can be sold or repledged	88,193	68,145
Fair value of assets sold or repledged	45,311	39,699

## 30. Superannuation and post-employment benefit obligations

Set out below is a summary of amounts recognised in the Balance Sheet in respect of the defined benefit superannuation schemes:

	2025 \$m	2024 \$m
<b>Defined benefit obligation and scheme assets</b>		
Present value of funded defined benefit obligations	(917)	(998)
Fair value of scheme assets	1,101	1,150
<b>Net defined benefit asset</b>	<b>184</b>	<b>152</b>
<b>As represented in the Balance Sheet</b>		
Net liabilities arising from defined benefit obligations included in Payables and other liabilities	(4)	(4)
Net assets arising from defined benefit obligations included in Other assets	188	156
<b>Net defined benefit asset</b>	<b>184</b>	<b>152</b>
Weighted average duration of the benefit payments reflected in the defined benefit obligation (years)	10.7	11.3

As at the most recent reporting dates of the schemes, the aggregate surplus of net market value of assets over the value of accrued benefits on a funding basis was \$123 million (2024: \$71 million surplus). In 2025, the Group made defined benefit contributions totaling \$2 million (2024: \$2 million). It expects to make contributions of approximately \$2 million next financial year.

### Governance of the schemes and funding of the defined benefit sections

The main defined benefit superannuation schemes in which the Group participates operate under trust law and are managed and administered on behalf of the members in accordance with the terms of the relevant trust deed and rules and all relevant legislation. These schemes have corporate trustees, which are wholly owned subsidiaries of the Group. The trustees are the legal owners of the assets, which are held separately from the assets of the Group, and are responsible for setting investment policy and agreeing funding requirements with the employer through the triennial actuarial valuation process.

The Group has defined benefit arrangements in Australia, Japan, New Zealand, Philippines, Taiwan and United Kingdom. The defined benefit section of the ANZ Australian Staff Superannuation Scheme, the ANZ UK Staff Pension Scheme and the ANZ National Retirement Scheme in New Zealand are the three largest plans. They have been closed to new members since 1987, 2004 and 1991 respectively. None of the schemes had a material deficit, or surplus, at the last funding valuation. The Group has no present liability under any of the schemes' trust deeds to fund a deficit (measured on a funding basis). A contingent liability of the Group may arise if any of the schemes were wound up.

On 24 June 2024, the trustees of the ANZ UK Staff Pension Scheme (Scheme) executed a GBP 455 million bulk annuity insurance policy. The insurance policy was purchased using the existing assets of the Scheme. The transaction secured an insurance asset that fully matches pension liabilities of the Scheme and is therefore measured at an amount that matches the insured scheme liabilities. The Group retains ultimate responsibility for the benefits provided to the Scheme members. In accordance with AASB 119 Employee Benefits, the impact of this transaction was to record a remeasurement loss of GBP 15 million in other comprehensive income.

## Recognition and measurement



### Defined benefit superannuation schemes

The Group operates a small number of defined benefit schemes. Independent actuaries calculate the liability and expenses related to providing benefits to employees under each defined benefit scheme. They use the Projected Unit Credit Method to value the liabilities. The Balance Sheet includes:

- a defined benefit liability if the obligation is greater than the fair value of the scheme's assets; and
- an asset (capped to its recoverable amount) if the fair value of the scheme's assets is greater than the obligation.

In each reporting period, the movements in the net defined benefit liability/asset are recognised as follows:

- the net movement relating to the current period's service cost, net interest on the defined benefit liability, past service costs and other costs (such as the effects of any curtailments and settlements) as operating expenses;
- remeasurements of the net defined benefit liability/asset (which comprise actuarial gains and losses and return on scheme assets, excluding interest income included in net interest) directly in retained earnings through other comprehensive income; and
- contributions of the Group directly against the net defined benefit position.

### Defined contribution superannuation schemes

The Group operates a number of defined contribution schemes. It also contributes (according to local law, in the various countries in which it operates) to Government and other plans that have the characteristics of defined contribution plans. The Group's contributions to these schemes are recognised as personnel expenses when they are incurred.

## 30. Superannuation and post-employment benefit obligations (continued)

## Key judgements and estimates



The main assumptions we use in valuing defined benefit obligations are listed in the table below. A change to any assumptions, or applying different assumptions, could have an effect on the Statement of Other Comprehensive Income and Balance Sheet.

	2025	2024	Sensitivity analysis change in significant assumptions	Increase/(decrease) in defined benefit obligation	
				2025 \$m	2024 \$m
Discount rate (% p.a.)	1.3-5.65	1.5-5.35	0.5% increase	(45)	(45)
Future salary increases (% p.a.)	2.0-3.0	2.0-3.7			
Future pension indexation					
In payment (% p.a.)/In deferment (% p.a.)	2.0-3.0/2.5	2.3-3.3/2.8	0.5% increase	35	36
Life expectancy at age 60 for current pensioners			1 year increase	35	34
– Males (years)	26.4-27.7	26.3-28.4			
– Females (years)	29.3-30.1	29.3-30.3			



## 31. Employee share and option plans

The Group operates a number of employee share and option schemes under the ANZ Employee Share Acquisition Plan and the ANZ Share Option Plan which are operated by the Company. These are Group share-based payment arrangements under which shares in ANZGHL (ANZ shares) are allocated or granted to employees of the Group.

### ANZ Employee Share Acquisition Plan

ANZ Employee Share Acquisition Plan schemes that operated during 2025 and 2024 were the Deferred Share Plan and the Variable Pay to Shares (VPS) Offer. The ANZ Incentive Plan (ANZIP) (the variable remuneration plan operating across the Group) has Short Term Variable Remuneration or Variable Remuneration delivered under the Deferred Share Plan or ANZ Share Option Plan for eligible employees.

#### Deferred Share Plan

##### i) ANZ Incentive Plan (ANZIP) – Short Term Variable Remuneration (STVR) and Variable Remuneration (VR) – deferred shares

Award Type	STVR (deferred shares)	STVR/VR historical (deferred shares)	VR (deferred shares)	VR historical (deferred shares)
Eligibility	Chief Executive Officer (CEO), Group Executive Committee (ExCo) and Group General Manager Internal Audit (GGM IA) <sup>1</sup> .		All other employees (excluding select roles in the United Kingdom (UK)/China/Hong Kong (HK) <sup>2</sup> ) in countries where deferred shares may be granted instead of deferred share rights.	
Financial Year (FY) of grant	2024 and 2023 Performance and Remuneration Review (PRR): granted in FY25 & FY24	Historical grants: on foot during FY25 & FY24	Grants from 1 Oct 2023 including 2024 PRR: granted in FY25 & FY24	2023 PRR: granted in FY24 Historical grants: on foot during FY25 & FY24
Grant approach	50% of the CEO, ExCo and GGM IA's Short Term Variable Remuneration (STVR) deferred as shares.	50% of the CEO's STVR, 25% of ExCo's Variable Remuneration (VR) (except for the Chief Risk Officer (CRO)), and 33% of the CRO and GGM IA's VR, deferred as shares.	If VR is at or exceeds AUD 125,000, then 40% of total VR amount is deferred as shares.	If VR is at or exceeds AUD 100,000, then 60% of total VR amount is deferred as shares.
Conditions	Deferred over years two and three, where year 1 includes the performance period (i.e., 1 October to 30 September). Granted in late November.		Deferred over a minimum of four years (including the performance period), vesting no faster than on a pro-rata basis and only after two years (i.e., 33% year two, 33% year three, 34% year four).	Deferred over years two, three and four, where year 1 includes the performance period. Granted in late November.
Allocation value	Deferred shares granted based on the Volume Weighted Average Price (VWAP) of ANZ shares traded on the ASX in the five trading days leading up to and including 1 October.	Deferred shares granted based on the VWAP of ANZ shares traded on the ASX in the five trading days leading up to and including the date of grant.		

1. All ANZGHL/ANZBGL Financial Accountability Regime (FAR) Accountable Executives.

2. Specific deferral arrangements also exist under ANZIP for roles defined as specific country level Material Risk Takers (MRTs), in line with local regulatory requirements.

##### ii) Exceptional circumstances

Remuneration forgone	In exceptional circumstances, we grant deferred shares to certain employees when they start with the Group to compensate them for remuneration they have forgone from their previous employer. The vesting period generally aligns with the remaining vesting period of the remuneration they have forgone, and therefore varies between grants.
Retention	We may grant deferred shares to high performing employees who are regarded as a significant retention risk to the Group.

### 31. Employee share and option plans (continued)

#### iii) Further information

Cessation	Unless the Board <sup>1</sup> decides otherwise, employees forfeit their unvested deferred shares if they resign or are dismissed for serious misconduct. The deferred shares may be held in trust beyond the deferral period.
Dividends	Dividends are reinvested in the Dividend Reinvestment Plan.
Instrument	Deferred share rights may be granted instead of deferred shares in some countries as locally appropriate (see deferred share rights Section).
Expensing value (fair value)	We expense the fair value of deferred shares on a straight-line basis over the relevant vesting period and we recognise the expense as a share-based compensation expense with a corresponding increase in equity. Deferred shares are expensed based on the one-day VWAP at the date of grant.
2025 and 2024 grants	During the 2025 year, we granted 1,441,744 deferred shares (2024: 2,863,800) with a weighted average allocation value of \$31.99 (2024: \$24.45).
Downward adjustment	Deferred shares remain at risk and the Board has the discretion to adjust the number of deferred shares downwards, including to zero at any time before the vesting date (malus), and limited to select employees <sup>2</sup> , recovery post vesting (i.e., clawback). The Group's downward adjustment provisions are detailed in Section 5.5 of the 2025 Remuneration Report.  Board discretion was exercised to apply malus to 144,946 deferred shares in 2025 (2024: to 4,138 deferred shares).

1. References to 'the Board' throughout this note means the Boards of ANZGHL and ANZBGL.

2. Clawback applies to the CEO, ExCo and GGM IA (for awards granted in the 2023, 2024 and 2025 financial years), and to select senior employees in jurisdictions where clawback regulations apply.

#### Variable Pay to Shares (VPS) Offer

Eligibility, grant approach and conditions	VPS provides employees in Australia the opportunity to receive up to \$1,000 worth of ANZ shares with concessional tax treatment (where criteria are met). All ANZ shares are held by a custodian or nominee appointed by the Trustee on the Trustee's behalf and are restricted for 3 years. During this time employees benefit from dividend payments which are reinvested through the Dividend Reinvestment Plan (DRP) and have voting entitlements. After the restriction period has been reached the shares can sold or transferred.
Allocation value	Granted based on the VWAP of ANZ shares traded on the ASX in the five trading days leading up to and including the date of grant.
Expensing value (fair value)	Expensed based on the one-day VWAP at the date of grant.
2025 and 2024 grants	During the 2025 year, we granted 48,084 shares on 22 November 2024 (2024: 51,619) at an issue price of \$32.36 (2024: \$24.20).

#### Expensing of the ANZ Employee Share Acquisition Plan

Expensing value (fair value)	The fair value of shares we granted during 2025 under the Deferred Share Plan and VPS Offer, measured as at the date of grant of the shares, is \$47.8 million (2024: \$71.4 million) based on 1,489,828 shares (2024: 2,915,419) with a weighted average VWAP of \$32.06 (2024: \$24.48).
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## 31. Employee share and option plans (continued)

### ANZ Share Option Plan

Allocation	<p>We may grant selected employees options/rights which entitle them to acquire fully paid ordinary ANZ shares at a fixed price at the time the options/rights vest. Voting and dividend rights will be attached to the ordinary shares allocated on exercise of the options/rights.</p> <p>Each option/right entitles the holder to one ordinary share subject to the terms and conditions imposed on grant. Exercise price of options, determined in accordance with the rules of the plan, is generally based on the VWAP of the shares traded on the ASX in the week leading up to and including the date of grant. For rights, the exercise price is nil.</p>
Rules	<p>Prior to the exercise of the option/right, if ANZ changes its share capital due to a bonus share issue, pro-rata new share issue or reorganisation, the following adjustments are required:</p> <ul style="list-style-type: none"> <li>• Issue of bonus shares – When the holder exercises their option, they are also entitled to be issued the number of bonus shares they would have been entitled to had they held the underlying shares at the time of the bonus issue;</li> <li>• Pro-rata share offer – We will adjust the exercise price of the option in the manner set out in the ASX Listing Rules; and</li> <li>• Reorganisation – In respect of rights, if there is a bonus issue or reorganisation of ANZ's share capital, then the Board may adjust the number of rights or the number of underlying shares so that there is no advantage or disadvantage to the holder.</li> </ul> <p>Holders otherwise have no other entitlements to participate:</p> <ul style="list-style-type: none"> <li>• in any new issue of ANZ securities before they exercise their options/rights; or</li> <li>• in a share issue of a body corporate other than ANZ (such as a subsidiary).</li> </ul> <p>Any portion of the award which vests may, at the Boards discretion, be satisfied by a cash equivalent payment rather than shares.</p>
Expensing value (fair value)	<p>We expense the fair value of options/rights on a straight-line basis over the relevant vesting period and we recognise the expense as a share-based compensation expense with a corresponding increase in equity. Factors considered in determining the fair value include: the market performance conditions, share price volatility, life of the instrument, dividend yield, and share price at grant date.</p>
Satisfying vesting	<p>Any portion of the award of options/rights (that have met the applicable time and performance conditions) may be satisfied by a cash equivalent payment rather than shares at Board discretion.</p> <p>In financial year 2025, all deferred share rights were satisfied through a share allocation, other than 96,757 deferred share rights (2024: 95,968) for which a cash payment was made.</p> <p>2020 performance rights (PR), granted in December 2020, reached the end of their performance period in November 2024. Based on performance against hurdles, 25% of the PR vested. The remaining 75% of rights lapsed and executives received no value from this proportion of the awards.</p> <p>100% of the PR granted in late 2019 (2019 PR award) were lapsed, as the performance hurdles were not met when tested in November 2023 – the end of the performance period.</p>
Cessation	<p>The provisions that apply if the employee's employment ends are in Section 8.1 of the 2025 Remuneration Report.</p>
Downward adjustment	<p>As per Deferred Share Plan.</p>

### 31. Employee share and option plans (continued)

#### Option plans that operated during 2025 and 2024

##### i) Long Term Variable Remuneration (LTVR) and Variable Remuneration (VR) - restricted rights (RR), performance rights (PR), and deferred share rights (DSR)

Award Type	LTVR (RR & PR)	LTVR / VR historical (PR)	ANZIP VR (DSR)	ANZIP historical VR (DSR)
Eligibility	CEO, ExCo and GGM IA <sup>1</sup>	CEO and ExCo <sup>1</sup>	All other employees (excluding select roles in the UK/China/HK <sup>2</sup> ) in countries where DSR may be granted instead of deferred shares	
FY of grant	2024 and 2023 PRR: granted in FY25 & FY24	Historical grants: on foot during FY25 & FY24	Grants from 1 Oct 2023 including 2024 PRR: granted in FY25 & FY24	2023 PRR: granted in FY24 Historical grants: on foot during FY25 & FY24
Grant approach	50% of the CEO and ExCo's (except for the CRO) LTVR was received as RR and 50% as PR. 100% of the CRO and GGM IA's LTVR was received as RR.	100% of the CEO's LTVR and 50% of ExCo's VR (except for the CRO who received 50% VR as DSR instead) was received as PR.	If VR is at or exceeds AUD 125,000, then 40% of total VR amount is deferred.	If VR is at or exceeds AUD 100,000, then 60% of total VR amount is deferred.
Conditions	<p>RR and PR provide a right to acquire one ordinary ANZ share at nil cost – subject to time and performance conditions.</p> <p>Awarded subject to:</p> <ul style="list-style-type: none"> <li>RR: pre grant assessment (risk-based measures)</li> <li>RR and PR: shareholder approval at Annual General Meeting (AGM) for CEO award</li> </ul> <p>Performance condition tested at end of four-year performance period:</p> <ul style="list-style-type: none"> <li>RR: pre vest assessment (risk-based measures)</li> <li>PR: relative and absolute Total Shareholder Return (TSR) hurdles</li> </ul> <p>Deferral period<sup>3</sup> = four-year performance period (commencing 1 October) + holding period (which commences the day after end of performance period and finishes on the 4<sup>th</sup>, 5<sup>th</sup> or 6<sup>th</sup> anniversary of grants (CEO only for year 6).</p> <p>Further details provided in Section 5.4 of the 2025 Remuneration Report.</p>	<p>Awarded at the end of the year subject to shareholder approval at AGM for CEO award.</p> <p>PR performance condition tested (relative and absolute TSR hurdles) at the end of four-year performance period.</p> <p>The four-year performance period commenced on 22 November to 21 November four years later.</p> <p>The deferral period is four years.</p> <p>Further details are provided in Section 5.2.3a of the 2021 Remuneration Report.</p>	<p>DSR provide a right to acquire one ordinary ANZ share at nil cost after a specified vesting period.</p> <p>Deferred over a minimum of four years (including the performance period), vesting no faster than on a pro-rata basis and only after two years (i.e., 33% year two, 33% year three, 34% year four).</p>	<p>DSR provide a right to acquire one ordinary ANZ share at nil cost after a specified vesting period.</p> <p>Deferred over years two, three and four, where year 1 includes the performance period.</p>
Allocation value	Face value of ANZ shares traded on the ASX in the five trading days leading up to and including 1 October (beginning of the financial year).		The fair value at the date of grant is used to determine the number of DSR to be allocated and is also used for expensing purposes. The fair value is adjusted for the absence of dividends during the vesting period.	

1. All ANZGHL/ANZBGL FAR Accountable Executives.

2. Specific deferral arrangements also exist under ANZIP for roles defined as specific country level MRTs, in line with local regulatory requirements.

3. A dividend equivalent payment (DEP) is paid in cash at the end of the relevant deferral period, but is only made to the extent that all or part of the underlying rights meet the relevant performance condition and vest to the individual. Dividend equivalents accrue over the full deferral period for RR, and only during the holding period for PR.

### 31. Employee share and option plans (continued)

Award Type	LTVR (RR & PR)	LTVR / VR historical (PR)	ANZIP VR (DSR)	ANZIP historical VR (DSR)
Allocation timing	LTVR awarded around late November/December (subject to shareholder approval for CEO).		Granted in late November.	
	Start of FY	End of FY		
2025 grants	During 2025, we granted 253,852 RR and 206,950 PR (2024: 376,821 RR and 313,156 PR).		During 2025, we granted 1,485,960 DSR (no performance hurdles) (2024: 3,588,912).	
Downward adjustment	Board discretion was exercised to apply malus to 42,424 RR and 209,743 PR in 2025 (2024: to nil RR and nil PR).		Board discretion was exercised to apply malus to 35,802 deferred share rights in 2025 (2024: nil).	

#### ii) Exceptional circumstances

Remuneration forgone

As per Deferred Share Plan in countries where DSR may be granted instead of deferred shares.

Retention

#### Options, deferred share rights, restricted rights and performance rights on issue

As at 7 November 2025, there were 456 holders of 4,666,946 DSR on issue, 13 holders of 993,664 RR on issue and 11 holders of 1,306,402 PR on issue.

#### Options/rights movements

This table shows the options/rights over unissued ANZ shares and their related weighted average (WA) exercise prices as at the beginning and end of 2025 and the movements during 2025:

	Opening balance 1 Oct 2024	Granted	Forfeited <sup>1</sup>	Expired	Exercised	Closing balance 30 Sep 2025
Number of options/rights	8,351,100	1,946,762	(503,804)	0	(2,806,021)	6,988,037
WA exercise price	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WA closing share price						\$30.27
WA remaining contractual life						1.9 years
WA exercise price of all exercisable options/rights outstanding						\$0.00
Outstanding number of exercisable options/rights						140,580

1. Refers to any circumstance where equity can be forfeited (for example on cessation, downward adjustment or performance conditions not met).

This table shows the options/rights over unissued ANZ shares and their related weighted average exercise prices as at the beginning and end of 2024 and the movements during 2024:

	Opening balance 1 Oct 2023	Granted	Forfeited <sup>1</sup>	Expired	Exercised	Closing balance 30 Sep 2024
Number of options/rights	6,719,516	4,278,889	(632,985)	0	(2,014,320)	8,351,100
WA exercise price	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WA closing share price						\$27.34
WA remaining contractual life						1.8 years
WA exercise price of all exercisable options/rights outstanding						\$0.00
Outstanding number of exercisable options/rights						118,965

1. Refers to any circumstance where equity can be forfeited (for example on cessation, downward adjustment or performance conditions not met).

All of the shares issued as a result of the exercise of options/rights during 2025 and 2024, were issued at a nil exercise price.

### 31. Employee share and option plans (continued)

As at the date of the signing of the Directors' Report on 7 November 2025:

- no options/rights over ordinary shares have been granted since the end of 2025; and
- no shares have been issued as a result of the exercise of options/rights since the end of 2025.

#### Fair value assumptions

When determining the fair value, we apply the standard market techniques for valuation, including Monte Carlo and/or Black Scholes pricing models. We do so in accordance with the requirements of AASB 2 *Share-based Payments*. The models take into account early exercise of vested equity, non-transferability and internal/external performance hurdles (if any).

The table below shows the significant assumptions we used as inputs into our fair value calculation of instruments granted during the period. We present the values as weighted averages, but the specific values we use for each allocation are the ones we use for the fair value calculation.

	2025			2024		
	Deferred share rights	Restricted rights	Performance rights	Deferred share rights	Restricted rights	Performance rights
Exercise price (\$)	0.00	0.00	0.00	0.00	0.00	0.00
Share closing price at grant date (\$)	32.28	32.29	32.26	24.38	24.60	24.66
Expected volatility of ANZ share price (%) <sup>1</sup>	17.5	17.5	17.5	19.98	20.0	20.0
Equity term (years)	2.1	6.5	6.5	2.1	6.6	6.6
Vesting period (years)	2.0	4.5	4.5	2.0	4.6	4.6
Expected life (years)	2.0	4.5	4.5	2.0	4.6	4.6
Expected dividend yield (%)	5.7	5.7	5.8	6.5	6.5	6.5
Risk free interest rate (%)	4.04	4.12	4.13	4.18	4.05	4.03
Fair value (\$)	28.86	25.15	11.70	21.44	18.44	10.32

1. Expected volatility represents a measure of the amount by which ANZ's share price is expected to fluctuate over the life of the rights. The measure of volatility used in the model is the annualised standard deviation of the continuously compounded rates of return on the historical share price over a defined period of time preceding the date of grant. This historical average annualised volatility is then used to estimate a reasonable expected volatility over the expected life of the rights.

#### Satisfying equity awards

All shares underpinning equity awards may be purchased on market, reallocated or be newly issued shares, or a combination.

The equity we purchased on market during 2025 (either under the ANZ Employee Share Acquisition Plan and the ANZ Share Option Plan, or to satisfy options or rights) for all employees amounted to 3,982,873 shares at an average price of \$31.64 per share (2024: 5,211,778 shares at an average price of \$24.17 per share).

## 32. Related party disclosures

### Key Management Personnel compensation

Key Management Personnel (KMP) are Directors of ANZGHL (whether executive directors or otherwise), and those personnel with a key responsibility for the strategic direction and management of the Group (i.e., members of the Group Executive Committee (ExCo)) who have Financial Accountability Regime (FAR) accountability and who report to the CEO. KMP compensation included within total personnel expenses in Note 4 Operating expenses is as follows:

	2025 \$'000	2024 <sup>1</sup> \$'000
Short-term benefits	17,504	19,554
Post-employment benefits	573	526
Other long-term benefits	147	280
Termination benefits	2,541	-
Share-based payments	17,335	11,199
<b>Total</b>	<b>38,100</b>	<b>31,559</b>

1. Includes former disclosed KMP until the end of their employment.

### Key Management Personnel loan transactions

Loans made to KMP are made in the ordinary course of business and on normal commercial terms and conditions that are no more favourable than those given to other employees or customers, including the term of the loan, security required and the interest rate. No amounts have been written off during the period, or individual provisions raised in respect of these balances. Details of the terms and conditions of lending products can be found on [anz.com](https://anz.com). The aggregate balance of loans (including credit card balances) made, guaranteed or secured, and undrawn facilities to KMP including their related parties, were as follows:

	2025 \$'000	2024 \$'000
Loans advanced <sup>1</sup>	21,660	12,817
Undrawn facilities <sup>1</sup>	648	741
Interest charged <sup>2</sup>	767	993

1. Balances are as at balance date (for KMP in office at balance date) or at the date of cessation of former KMP. Comparative balances have been adjusted for balances relating to new KMP, or KMP who departed in the prior year.

2. Interest charged is for all KMP's during the period.

### Key Management Personnel holdings of ANZ securities

KMP, including their related parties, held ANZBGL's subordinated debt and shares, share rights and options over shares in the Company directly, indirectly or beneficially as shown below:

	2025 Number	2024 Number
Shares, options and rights <sup>1</sup>	3,171,237	3,416,448
Subordinated debt <sup>1</sup>	11,331	11,040

1. Balances are as at balance date (for KMP in office at balance date) or at the date of cessation of former KMP. Comparative balances have been adjusted for balances relating to new KMP, or KMP who departed in the prior year.

## 32. Related party disclosures (continued)

### Other transactions of Key Management Personnel and their related parties

The aggregate of deposits of KMP and their related parties with the Group were \$30 million (2024: \$25 million).

Other transactions with KMP and their related parties include amounts paid to the Group in respect of investment management service fees, brokerage and bank fees and charges. The Group has reimbursed KMP for the costs incurred for security and secretarial services associated with the performance of their duties. These transactions are conducted on normal commercial terms and conditions no more favourable than those given to other employees or customers. Gifts were provided to KMP, including on their retirement, amounting to \$9,005 during the year (2024: \$6,637).

### Associates

We disclose significant associates in Note 27 Investments in associates. During the course of the financial year, transactions conducted with all associates were on terms equivalent to those made on an arm's length basis.

	2025 \$'000	2024 \$'000
Amounts receivable from associates	92,405	84,201
Amounts payable to associates	42,745	66,542
Interest revenue from associates	23,789	22,563
Interest expense to associates	2,433	1,812
Other revenue from associates	26,829	34,020
Other expenses paid to associates	7,974	6,683
Dividend income from associates	36,741	13,771
Undrawn facilities <sup>1</sup>	123,404	106,234

1. Comparatives have been amended to include unutilised limits from credit cards.

There have been no material guarantees given or received. No amounts receivable from associates have been written-off during the period, nor individual provisions raised in respect of these balances.

### Subsidiaries

We disclose material controlled entities in Note 26 Controlled entities. During the financial year, subsidiaries conducted transactions with each other and with associates on terms equivalent to those on an arm's length basis. As at 30 September 2025, we consider all outstanding amounts on these transactions to be fully collectible.

Other intragroup transactions include providing management and administrative services, staff training, data processing and technology facilities, transfer of tax losses, and the leasing of premises and equipment. The Company also issued letters of comfort and guarantees in respect of certain subsidiaries in the normal course of business.



### 33. Commitments, contingent liabilities and contingent assets

#### Credit related commitments and contingencies

	2025 \$m	2024 \$m
Contract amount of:		
Undrawn facilities <sup>1</sup>	193,177	184,890
Guarantees and letters of credit	21,514	22,509
Performance related contingencies	27,403	26,501
<b>Total</b>	<b>242,094</b>	<b>233,900</b>

1. 2024 was restated to exclude commitments that can be unconditionally cancelled at any time without notice to align to current period presentation

#### Undrawn facilities

The majority of undrawn facilities are subject to customers maintaining specific credit and other requirements or conditions. Many of these facilities are expected to be only partially used, and others may never be used at all. As such, the total of the nominal principal amounts is not necessarily representative of future liquidity risks or future cash requirements. Based on the earliest date on which the Group may be required to pay, the full amount of undrawn facilities for the Group mature within 12 months.

#### Guarantees, letters of credit and performance related contingencies

Guarantees, letters of credit and performance related contingencies relate to transactions that the Group has entered into as principal.

Letters of credit involve the Group issuing letters of credit guaranteeing payment in favour of an exporter. They are secured against an underlying shipment of goods or backed by a confirmatory letter of credit from another bank.

Performance-related contingencies are liabilities that oblige the Group to make payments to a third party if the customer fails to fulfil its non-monetary obligations under the contract.

To reflect the risks associated with these transactions, we apply the same credit origination, portfolio management and collateral requirements that we apply to loans. The contract amount represents the maximum potential amount that we could lose if the counterparty fails to meet its financial obligations. As the facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements. Based on the earliest date on which the Group may be required to pay, the full amount of guarantees and letters of credit and performance-related contingencies for the Group mature within 12 months.

#### Contingent liabilities and contingent assets

There are outstanding court proceedings, claims and possible claims for and against the Group. Where relevant, expert legal advice has been obtained and, in the light of such advice, provisions (refer to Note 22 Other provisions) and/or disclosures as deemed appropriate have been made. In some instances we have not disclosed the estimated financial impact of the individual items either because it is not practicable to do so or because such disclosure may prejudice the interests of the Group.

A description of the contingent liabilities and contingent assets as at 30 September 2025 is set out below.

#### Contingent liabilities

##### Regulatory and customer exposures

The Group regularly engages with its domestic and international regulators and other statutory and supervisory bodies. The nature of these regulatory interactions can be wide ranging and include regulatory investigations, surveillance and reviews, reportable situations, formal and informal inquiries and regulatory supervisory activities in Australia, New Zealand and globally. The Group also receives notices and requests for information from its regulators and other bodies from time to time as part of both industry-wide and Group-specific reviews and makes disclosures to its regulators at its own instigation.

There has been a recent increase in the number of matters on which the Group has engaged with its regulators. Recent interactions relate to matters including:

- markets transactions and data reporting;
- the ASIC Matters Resolution Program within Australia Retail, which covers a range of areas, specifically: ANZ's Online Saver product, hardship processes, deceased estates, breach reporting, event management, customer remediation and complaints;
- anti-money laundering and counter-terrorism financing obligations, processes and procedures;
- *Common Reporting Standard* and *Foreign Account Tax Compliance Act* obligations, processes and reporting; and
- non-financial risk (NFR) management practices including the application of interest and fees on certain products and the financial accountability regime.

The possible exposures associated with the Group's regulatory interactions may include civil enforcement actions, criminal proceedings, fines and penalties, imposition of capital or liquidity requirements, customer remediation, the requirement to conduct independent reviews, sanctions or the exercise of other regulatory powers.

There may also be exposures to customers, third parties and shareholders which are additional to any regulatory exposures. These could include class actions or claims for compensation or other remedies.

The outcomes and total costs associated with these possible regulatory, customer and other exposures remain uncertain.

### 33. Commitments, contingent liabilities and contingent assets (continued)

#### Contingent liabilities (continued)

##### Non-financial risk management enforceable undertaking

On 3 April 2025, the Group announced it had entered into a court enforceable undertaking (CEU) with APRA for matters relating to NFR management practices and risk culture across the Group and accepted an additional operational risk capital overlay of \$250 million.

The CEU followed ongoing conversations between the Group and APRA regarding APRA's concerns about the Group's NFR management practices and risk culture. It also followed the emergence of issues in ANZBGL's Global Markets business which led to APRA in August 2024 expressing its concerns about the Group's NFR uplift program of work.

As part of the CEU agreed with APRA, the Group appointed an independent reviewer to conduct an enterprise-wide independent review to identify the root causes and behavioural drivers of shortcomings in ANZ's NFR management practices and NFR culture. On 30 September 2025, ANZ submitted its Root Cause Remediation Plan (RCRP) to APRA as required by the CEU. ANZ has appointed Promontory to provide independent assurance of its progress against the RCRP.

The CEU provides that upon any breach of the terms of the CEU, APRA may take regulatory action as it considers appropriate in the circumstances, including action under section 18A of the *Banking Act 1959 (Cth)*.

##### ASIC settlement on Australian Markets and Retail matters

In September 2025, ANZBGL entered into an agreement with the Australian Securities and Investments Commission (ASIC) to resolve five matters within its Australian Markets and Australia Retail businesses that were the subject of separate regulatory investigations. Under the agreement, which requires Federal Court approval, ANZBGL is subject to the following penalties:

- \$85 million for ANZBGL's role as duration manager in the execution of a 2023 issuance of 10-year Treasury Bonds by the Australian Office of Financial Management (AOFM);
- \$40 million for submitting inaccurate monthly secondary bond turnover data to the AOFM over almost a two-year period, making a false or misleading annual attestation to the AOFM in relation to that data and failing to lodge a report with ASIC in respect of those inaccuracies;
- \$40 million for its failure to pay acquisition bonus interest on certain Online Saver accounts and displaying inaccurate rates;
- \$40 million for breaching its obligations in relation to its handling of customer hardship notices; and
- \$35 million relating to breaches of its obligations concerning deceased estates.

A provision has been recognised for expected costs associated with these matters as at 30 September 2025. While the penalties expressed above have been submitted to the Court by ANZBGL and ASIC on an agreed basis, the Court must satisfy itself that the submitted penalty is appropriate. The Court has power to order the agreed penalty or a different penalty.

##### South African rate action

In February 2017, the South African Competition Commission commenced proceedings against local and international banks including ANZBGL alleging breaches of the cartel provisions of the *South African Competition Act* in respect of trading in the South African rand. The potential civil penalty or other financial impact is uncertain.

##### Onepath superannuation litigation

In December 2020, a class action was brought against OnePath Custodians, OnePath Life and ANZBGL alleging that OnePath Custodians breached its obligations under superannuation legislation, and its duties as trustee, in respect of superannuation investments and fees. The claim also alleges that ANZBGL was involved in some of OnePath Custodians' investment breaches. An agreement to settle the claim was reached in October 2024. ANZBGL will contribute \$14 million to the settlement, which is covered by existing provisions held at 30 September 2025. The settlement is without admission of liability and remains subject to court approval.

##### New Zealand loan information litigation

In September 2021, a representative proceeding was brought against ANZ Bank New Zealand Limited, alleging breaches of disclosure requirements under consumer credit legislation in respect of variation letters sent to certain loan customers. ANZ Bank New Zealand Limited is defending the allegations.

##### Security recovery actions

Various claims have been made or are anticipated, arising from security recovery actions taken to resolve impaired assets. These claims will be defended.

##### Warranties, indemnities and performance management fees

The Group has provided warranties, indemnities and other commitments in favour of the seller/purchaser and other persons in connection with various acquisitions/disposals of businesses and assets and other transactions, covering a range of matters and risks. It is exposed to claims under those warranties, indemnities and commitments, some of which are currently active. The outcomes and total costs associated with these exposures remain uncertain.

The Group has entered an arrangement to pay performance management fees to external fund managers in the event predetermined performance criteria are satisfied in relation to certain Group investments. The satisfaction of the performance criteria and associated performance management fee remains uncertain.

### 33. Commitments, contingent liabilities and contingent assets (continued)

#### Contingent liabilities (continued)

##### Clearing and settlement obligations

Certain group companies have a commitment to comply with rules governing various clearing and settlement arrangements which could result in a credit risk exposure and loss if another member institution fails to settle its payment clearing activities. The Group's potential exposure arising from these arrangements is unquantifiable in advance.

Certain group companies hold memberships of central clearing houses, including ASX Clear (Futures), London Clearing House (LCH) SwapClear, Korea Exchange (KRX), Hong Kong Exchange (HKEX), the Clearing Corporation of India, Taiwan Futures Exchange and the Shanghai Clearing House. These memberships allow the relevant group company to centrally clear derivative instruments in line with cross-border regulatory requirements. Common to all of these memberships is the requirement for the relevant group company to make default fund contributions. In the event of a default by another member, the relevant group company could potentially be required to commit additional default fund contributions which are unquantifiable in advance.

##### Parent entity guarantees

Certain group companies have issued letters of comfort and guarantees in respect of certain subsidiaries in the normal course of business. Under these letters and guarantees, the issuing entity undertakes to ensure that those subsidiaries continue to meet their financial obligations, subject to certain conditions including that the subsidiary remains a controlled entity.

#### Contingent assets

##### National Housing Bank

ANZBGL is pursuing recovery of the proceeds of certain disputed cheques which were credited to the account of a former Grindlays customer in the early 1990s.

The disputed cheques were drawn on the National Housing Bank (NHB) in India. Proceedings between Grindlays and NHB concerning the proceeds of the cheques were resolved in early 2002.

Recovery is now being pursued from the estate of the Grindlays customer who received the cheque proceeds. Any amounts recovered are to be shared between ANZBGL and NHB.

## 34. Auditor fees

	2025 \$'000	2024 \$'000
<b>KPMG Australia</b>		
Audit or review of financial reports	15,194	11,279
Audit-related services <sup>1</sup>	5,643	4,597
Non-audit services <sup>2</sup>	168	27
<b>Total<sup>3</sup></b>	<b>21,005</b>	<b>15,903</b>
<b>Overseas related practices of KPMG Australia</b>		
Audit or review of financial reports	6,163	5,930
Audit-related services <sup>1</sup>	2,303	2,191
Non-audit services <sup>2</sup>	96	153
<b>Total</b>	<b>8,562</b>	<b>8,274</b>
<b>Total auditor fees<sup>4</sup></b>	<b>29,567</b>	<b>24,177</b>

1. Group audit-related services comprise prudential and regulatory services of \$5.29 million (2024: \$4.16 million), comfort letters \$0.64 million (2024: \$0.72 million) and other services \$2.02 million (2024: \$1.91 million).

2. The nature of non-audit services for the Group includes methodology, procedural/operational and administrative reviews. Further details are provided in the Directors' Report.

3. Inclusive of goods and services tax.

4. Total auditor fees do not include fees paid to other audit firms where KPMG is in joint audit arrangement or not the auditor amounting to \$0.76 million (2024: \$0.80 million).

The Group's Policy allows KPMG Australia or any of its related practices to provide assurance and other audit-related services that, while outside the scope of the statutory audit, are consistent with the role of an external auditor. These include regulatory and prudential reviews requested by regulators such as APRA. Any other services that are not audit or audit-related services are non-audit services. The Policy allows certain non-audit services to be provided where the service would not contravene auditor independence requirements. KPMG Australia or any of its related practices may not provide services that are perceived to be in conflict with the role of the external auditor or breach auditor independence. These include consulting advice and subcontracting of operational activities normally undertaken by management, and engagements where the external auditor may ultimately be required to express an opinion on its own work.

## 35. Suncorp Bank acquisition

On 31 July 2024, the Group acquired 100% of the shares in SBGH Limited, the immediate holding company of Norfina Limited (formerly known as Suncorp-Metway Limited, and trading as Suncorp Bank).

During 2025, the Group completed its purchase price allocation (PPA), to identify and measure the assets acquired and liabilities assumed at acquisition date. The significant adjustments to provisionally determined balances arising from the PPA exercise included the recognition of core deposit and brand intangible assets, fair value adjustments to gross loans and advances to reflect changes in interest rates and credit since loan origination, provisions for contingent liabilities and related indemnities and related deferred tax balances with a corresponding decrease to goodwill of \$56 million. The final goodwill balance of \$1,346 million is attributable to the assembled workforce and expected synergies arising from the economies of scale from the integration and consolidation of platforms and funding benefits. It will not be deductible for tax purposes.

The core deposit intangible was valued at \$633 million under a discounted cash flow approach using a multi-period excess earnings model to calculate the present value of the funding costs savings obtained, comparing the difference between the cost of existing core deposits and the cost of alternative sources of funding over the expected life of the core deposit base. The discount rates used were calculated using the cost of capital plus a risk premium. The value of the core deposit intangible asset is influenced by its estimated lifespan and by fluctuations in the estimated costs of alternative funding options. The asset will be amortised over its expected life of 6 years.

The table below sets out the PPA adjustments recognised in respect of the 31 July 2024 acquisition balance sheet. Prior periods have not been restated.

	Provisional \$m	Adjustments \$m	Final \$m
<b>Assets acquired and liabilities assumed as at acquisition date</b>			
<b>Assets</b>			
Cash and cash equivalents	1,333	-	1,333
Collateral paid	80	-	80
Trading assets	2,307	-	2,307
Derivative financial instruments	310	-	310
Investment securities	9,920	-	9,920
Gross loans and advances	69,745	(198)	69,547
Deferred tax assets	48	(48)	-
Intangible assets	103	685	788
Other assets	431	11	442
<b>Total assets</b>	<b>84,277</b>	<b>450</b>	<b>84,727</b>
<b>Liabilities</b>			
Collateral received	48	-	48
Deposits and other borrowings	62,438	(1)	62,437
Derivative financial instruments	279	-	279
Deferred tax liabilities	-	269	269
Payables and other liabilities	731	(6)	725
Provisions	89	142	231
Debt issuances	15,847	(10)	15,837
<b>Total liabilities</b>	<b>79,432</b>	<b>394</b>	<b>79,826</b>
<b>Net assets acquired</b>	<b>4,845</b>	<b>56</b>	<b>4,901</b>
Cash consideration paid <sup>1</sup>	6,247	-	6,247
<b>Goodwill</b>	<b>1,402</b>	<b>(56)</b>	<b>1,346</b>

1. The cash consideration of \$6,247 million includes payment for Suncorp Bank's Tier 2 notes (\$606 million) and Capital Notes (\$564 million).

## 35. Suncorp Bank acquisition (continued)

### Recognition and measurement



Business combinations are accounted for using the acquisition method of accounting. The cost of acquisition is measured at the fair value of the transferred consideration, including where relevant, any contingent consideration. Acquisition-related costs are expensed when incurred. Identifiable assets and liabilities, along with contingent consideration, are valued at their fair values on the acquisition date. Goodwill is calculated as the excess of the consideration over the net of identifiable assets and liabilities. The acquired business operations are included in our financial statements from the acquisition date.

## 36. Events since the end of the financial year

On 13 October 2025, the Group ceased its on-market share buy-back. The Group commenced a \$2.0 billion on-market share buy-back of its fully paid ordinary shares on 3 July 2024, resulting in 39.5 million shares being cancelled for a total consideration of \$1.2 billion.

Other than matters outlined in the Financial Report, there have been no significant events from 30 September 2025 to the date of signing this report.

## Consolidated Entity Disclosure Statement

### Basis of preparation

This Consolidated Entity Disclosure Statement has been prepared in accordance with *subsection 295(3A) of the Corporations Act 2001*. The entities listed in the statement are for ANZ Group Holdings Limited and all its controlled entities as at 30 September 2025 in accordance with *AASB 10 Consolidated Financial Statements*.

Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital Held	Tax Residency (Australia or Foreign Jurisdiction)
ANZ Finance American Samoa, Inc	Body Corporate	American Samoa	100%	American Samoa
1835 Funding Pty Limited	Body Corporate	Australia	100%	Australia
1835i Creation Fund I Trust	Trust	Australia	N/A	Australia
1835i Explorer 1 Pty Ltd	Body Corporate	Australia	0%	Australia
1835i Explorer 2 Pty Ltd	Body Corporate	Australia	0%	Australia
1835i Ventures Trust I	Trust	Australia	N/A	Australia
1835i Ventures Trust II	Trust	Australia	N/A	Australia
1835i Ventures Trust III	Trust	Australia	N/A	Australia
ACN 008 647 185 Pty Ltd <sup>1</sup>	Body Corporate	Australia	100%	Australia
ANZ BH Pty Ltd	Body Corporate	Australia	100%	Australia
ANZ Capital No. 1 Pty Ltd	Body Corporate	Australia	100%	Australia
ANZ Centre Chattels Trust	Trust	Australia	N/A	Australia
ANZ Centre Pty Ltd <sup>2</sup>	Body Corporate	Australia	100%	Australia
ANZ Centre Trust	Trust	Australia	N/A	Australia
ANZ Commodity Trading Pty Ltd	Body Corporate	Australia	100%	Australia
ANZ Fiduciary Services Pty Ltd	Body Corporate	Australia	100%	Australia
ANZ Funds Pty Ltd	Body Corporate	Australia	100%	Australia
ANZ Global Services and Operations Pty Limited	Body Corporate	Australia	100%	Australia
ANZ Group Holdings Limited	Body Corporate	Australia	N/A	Australia
ANZ Group Services Pty Ltd	Body Corporate	Australia	100%	Australia
ANZ ILP Pty Ltd	Body Corporate	Australia	100%	Australia
ANZ International Private Limited	Body Corporate	Singapore	100%	Australia
ANZ Leasing (BWC Financing) Pty Ltd	Body Corporate	Australia	100%	Australia
ANZ Lenders Mortgage Insurance Pty Limited	Body Corporate	Australia	100%	Australia
ANZ NBH Pty Ltd	Body Corporate	Australia	100%	Australia
ANZ Nominees Pty Ltd	Body Corporate	Australia	100%	Australia
ANZ Properties (Australia) Pty Ltd	Body Corporate	Australia	100%	Australia
ANZ Residential Covered Bond Trust	Trust	Australia	N/A	Australia
ANZ Rewards No. 2 Pty Ltd	Body Corporate	Australia	100%	Australia
ANZ Securities (Holdings) Pty Ltd	Body Corporate	Australia	100%	Australia
ANZ Securities Limited	Body Corporate	Australia	100%	Australia
ANZ Wealth Australia Pty Ltd	Body Corporate	Australia	100%	Australia
ANZEST Pty Ltd	Body Corporate	Australia	100%	Australia
APOLLO Series 2008-1R Trust	Trust	Australia	N/A	Australia
APOLLO Series 2017-1 Trust	Trust	Australia	N/A	Australia
APOLLO Series 2017-2 Trust	Trust	Australia	N/A	Australia
APOLLO Series 2018-1 Trust	Trust	Australia	N/A	Australia
APOLLO Series 2022-1 Trust	Trust	Australia	N/A	Australia
APOLLO Series 2023-1 Trust	Trust	Australia	N/A	Australia
APOLLO Series 2024-1 Trust	Trust	Australia	N/A	Australia
APOLLO Series 2025-1 Trust	Trust	Australia	N/A	Australia
APOLLO Warehouse Trust No. 2	Trust	Australia	N/A	Australia
Australia and New Zealand Banking Group Limited	Body Corporate	Australia	100%	Australia

1. ACN 008 647 185 Pty Ltd is trustee of Postbank Equity Trust.

2. ANZ Centre Pty Ltd acts as trustee of the ANZ Centre Trust and ANZ Centre Chattels Trust respectively.

## Consolidated Entity Disclosure Statement (continued)

Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital Held	Tax Residency (Australia or Foreign Jurisdiction)
Cashrewards IP Pty Limited	Body Corporate	Australia	0%	Australia
Cashrewards Operations Pty Limited	Body Corporate	Australia	0%	Australia
Cashrewards Pty Limited	Body Corporate	Australia	0%	Australia
Esanda Finance Corporation Pty Ltd	Body Corporate	Australia	100%	Australia
Institutional Securitisation Services Limited	Body Corporate	Australia	100%	Australia
Kingfisher Trust 2008-1	Trust	Australia	N/A	Australia
Kingfisher Trust 2016-1	Trust	Australia	N/A	Australia
Kingfisher Trust 2019-1	Trust	Australia	N/A	Australia
Kingfisher Trust 2025-1	Trust	Australia	N/A	Australia
Little Birdie Online Pty Ltd	Body Corporate	Australia	0%	Australia
Norfina Advances Corporation Pty Ltd	Body Corporate	Australia	100%	Australia
Norfina Covered Bond Trust	Trust	Australia	N/A	Australia
Norfina Limited	Body Corporate	Australia	100%	Australia
OneTwo Finance Pty Ltd	Body Corporate	Australia	100%	Australia
Postbank Equity Trust	Trust	Australia	N/A	Australia
SBGH Limited	Body Corporate	Australia	100%	Australia
Secure Data Consent Pty Ltd	Body Corporate	Australia	0%	Australia
Shout for Good Pty Ltd	Body Corporate	Australia	100%	Australia
SME Management Pty Limited	Body Corporate	Australia	100%	Australia
Votrant No. 1103 Pty Limited	Body Corporate	Australia	100%	Australia
Wheatbelt Natural Capital Pty Ltd	Body Corporate	Australia	100%	Australia
Australia and New Zealand Bank (China) Company Limited	Body Corporate	China	100%	China
ANZ Pacific Operations Pte Ltd	Body Corporate	Fiji	100%	Fiji
ANZ Europe, S.A.	Body Corporate	France	100%	France
ANZ Capital Private Limited	Body Corporate	India	100%	India
ANZ Operations And Technology Private Limited	Body Corporate	India	100%	India
ANZ Support Services India Private Limited	Body Corporate	India	100%	India
PT Bank ANZ Indonesia	Body Corporate	Indonesia	99%	Indonesia
ANZ Securities (Japan), Ltd	Body Corporate	Japan	100%	Japan
ANZ Bank (Kiribati) Limited	Body Corporate	Kiribati	75%	Kiribati
ANZ Bank New Zealand Limited	Body Corporate	New Zealand	100%	New Zealand
ANZ Custodial Services New Zealand Limited	Body Corporate	New Zealand	100%	New Zealand
ANZ Holdings (New Zealand) Limited	Body Corporate	New Zealand	100%	New Zealand
ANZ Investment Services (New Zealand) Limited	Body Corporate	New Zealand	100%	New Zealand
ANZ National Staff Superannuation Limited	Body Corporate	New Zealand	100%	New Zealand
ANZ New Zealand (Int'l) Limited	Body Corporate	New Zealand	100%	New Zealand
ANZ New Zealand Investments Holdings Limited	Body Corporate	New Zealand	100%	New Zealand
ANZ New Zealand Investments Limited	Body Corporate	New Zealand	100%	New Zealand
ANZNZ Covered Bond Trust	Trust	New Zealand	N/A	New Zealand
Arawata Assets Limited	Body Corporate	New Zealand	100%	New Zealand
Dot Data Limited	Body Corporate	New Zealand	100%	New Zealand
Endeavour Finance Limited	Body Corporate	New Zealand	100%	New Zealand
Kingfisher NZ Trust 2008-1	Trust	New Zealand	N/A	New Zealand
OneAnswer Nominees Limited	Body Corporate	New Zealand	100%	New Zealand
8 and 9 Chester Limited	Body Corporate	Papua New Guinea	100%	Papua New Guinea
Australia and New Zealand Banking Group (PNG) Limited	Body Corporate	Papua New Guinea	100%	Papua New Guinea
ANZ Global Services And Operations (Manila) Inc	Body Corporate	Philippines	100%	Philippines



## Consolidated Entity Disclosure Statement (continued)

Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital Held	Tax Residency (Australia or Foreign Jurisdiction)
ANZ Bank (Samoa) Limited	Body Corporate	Samoa	100%	Samoa
ANZcover Insurance Private Ltd	Body Corporate	Singapore	100%	Singapore
ANZ (Thai) Public Company Limited (in Liquidation)	Body Corporate	Thailand	100%	Thailand
ANZ Pensions (UK) Limited	Body Corporate	United Kingdom	100%	United Kingdom
ANZ Securities, Inc.	Body Corporate	United States	100%	United States
ANZ Bank (Vanuatu) Limited <sup>1</sup>	Body Corporate	Vanuatu	100%	N/A
La Serigne Limited <sup>1</sup>	Body Corporate	Vanuatu	100%	N/A
Whitehall Investments Ltd <sup>1</sup>	Body Corporate	Vanuatu	100%	N/A
ANZ Bank (Vietnam) Limited	Body Corporate	Vietnam	100%	Vietnam

1. Vanuatu does not have a corporate tax regime and therefore the concept of tax residency does not apply.

### Key concepts



#### Determination of tax residency

In determining tax residency, the consolidated entity has applied the following interpretations:

##### Australian tax residency

"Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997* (ITAA). In applying that definition, the consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Tax Ruling TR 2018/5* and *Practical Compliance Guideline PCG 2018-009*.

##### Foreign tax residency

Where an entity is shown as being resident in a foreign jurisdiction, this is taken to mean a resident for the purposes of the law of the foreign jurisdiction relating to foreign income tax, within the meaning of the ITAA.

## Directors' Declaration

The Directors of ANZ Group Holdings Limited declare that:

- a) In the Directors' opinion:
  - i) the financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
    - A. section 296, that they comply with the Australian Accounting Standards and any further requirements of the *Corporations Regulations 2001*; and
    - B. section 297, that they give a true and fair view of the financial position of the Consolidated Entity as at 30 September 2025 and of its performance for the year ended on that date; and
  - ii) the Consolidated Entity Disclosure Statement required by section 295(3A) of the *Corporations Act 2001* and included on pages 213 to 215 of the financial report is true and correct; and
  - iii) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- b) The notes to the financial statements of the Consolidated Entity include a statement that the financial statements and notes of the Consolidated Entity comply with International Financial Reporting Standards; and
- c) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors.



**Paul D O'Sullivan**  
Chairman

7 November 2025



**Nuno A Matos**  
Managing Director



## To the shareholders of ANZ Group Holdings Limited

### Report on the audit of the Financial Report

#### Opinion

We have audited the **Financial Report** of ANZ Group Holdings Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 30 September 2025 and of its financial performance for the year then ended, in accordance with the Corporations Act 2001, in compliance with Australian Accounting Standards and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Balance Sheet as at 30 September 2025
- Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, and Cash Flow Statement for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 September 2025
- Notes including material accounting policies
- Directors' Declaration

The **Group** consists of ANZ Group Holdings Limited and the entities it controlled at the year-end or from time to time during the financial year.

#### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards and International Standards on Auditing*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities* for the audit of the Financial Report section of our report.

We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and *Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Key Audit Matters

The **Key Audit Matters** we identified are:

- Allowance for expected credit losses
- Subjective and complex valuation of certain financial instruments held at fair value
- Carrying value of investment in PT Bank Pan Indonesia (PT Panin)
- IT systems and controls
- Acquisition accounting finalisation for the purchase of Suncorp Bank

**Key Audit Matters** are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Key Audit Matters (continued)

### Allowance for expected credit losses (\$4,778m)

Refer to Note 14 to the Financial Report.

#### The Key Audit Matter

Allowance for expected credit losses (ECL) is a Key Audit Matter due to the significance of the loans and advances balances to the Group's financial statements and the inherent complexity of the Group's expected credit loss models (ECL models) used to measure ECL allowances. These models are reliant on data and estimates including probability weighted economic scenarios and other key assumptions such as defining a significant increase in credit risk (SICR).

AASB 9 Financial Instruments requires the Group to measure ECL on a forward-looking basis reflecting a range of economic conditions. Temporary adjustments are made by the Group to address known ECL model limitations or emerging trends in the loan portfolios. We exercise significant judgement in challenging the economic scenarios and the judgmental temporary adjustments the Group applies.

Additional subjectivity and judgement is applied in the Group's modelling due to the heightened uncertainty associated with the impact of the economic outlook and its impact on customers, increasing our audit effort thereon.

#### How the matter was addressed in our audit

Working with our credit and economic specialists, our audit procedures included assessing the Group's accounting policies against the requirements of the accounting standard. Additionally, our procedures included testing the Group's key controls in relation to:

- The ECL model governance, monitoring and validation processes which involved assessment of model performance;
- The assessment and approval of the forward-looking macroeconomic assumptions and scenario weightings through challenge applied by the Group's internal governance processes;
- Reconciliation of the data used in the ECL calculation process to gross balances recorded within the general ledger as well as source systems;
- Customer credit rating (CCR), a key input into the SICR assumption for wholesale loans (non-retail loans). This covered elements such as: approval of new lending facilities against the Group's lending policies, monitoring of counterparty credit quality against the Group's exposure criteria for internal factors specific to the counterparty or external macroeconomic factors, and accuracy and timeliness of CCR and security indicator (SI) assessments against lending policies and regulatory requirements;
- IT system controls which record retail loans lending arrears and group exposures into delinquency buckets, and which re-calculate individual allowances.

We tested relevant General Information Technology Controls (GITCs) in relation to the key IT applications used by the Group in measuring ECL allowances as detailed in the IT Systems and Controls Key Audit Matter below.

In addition to controls testing, our procedures included:

- Obtaining an understanding of the Group's processes to determine ECL allowances, evaluating the ECL model methodologies against established market practices and criteria in the accounting standards. Critically evaluating and challenging ECL model methodology enhancements implemented during the financial year;
- Reperforming a sample of credit assessments for wholesale loans controlled by the Group's workout and recovery team assessed as higher risk or impaired, and a sample of other loans, focusing on larger exposures assessed by the Group as showing signs of deterioration, or in areas of current and emerging risk;
- For each loan sampled, we challenged the Group's assessment of CCR and SI using the customer's financial position, the valuation of security, and, where relevant, the risk of stranded assets, to inform our overall assessment of loan recoverability and the impact on the credit allowance. To do this, we used the information on the Group's loan file, portfolio and industry reviews, external rating and publications and, we enquired regarding the facts and circumstances of the case with the Relationship Manager;
- Exercising our judgement, our procedures included using our understanding of relevant industries and the macroeconomic environment and comparing data and assumptions used by the Group in recoverability assessments to externally sourced evidence, such as, external credit ratings, publicly available audited financial statements and comparable external valuations of collateral held. Where relevant, we assessed the forecast timing of future cash flows in the context of underlying valuations and approved business plans and challenged key assumptions in the valuations;
- Recalculated the Customer Behaviour Scorecard (CBS), which is a key input into the SICR assumption for retail loans, for a sample of loans;
- Assessing the accuracy of the Group's ECL model estimates by re-performing, the calculation of the ECL allowance for all modelled ECL using our independently derived calculation tools and comparing this to the amount recorded by the Group;
- Challenging the Group's forward-looking macroeconomic assumptions and scenarios incorporated in the Group's ECL models. We compared the Group's forecast GDP, unemployment rates, CPI and property price indices to relevant publicly available macroeconomic information, and considered other known variables and information obtained through our other procedures to identify contradictory indicators;
- Testing the implementation of the Group's SICR methodology by re-performing the staging calculation for all loans taking into consideration movements in the CCR from loan origination and comparing our result to actual staging applied on an individual account level in the Group's ECL model;
- Assessing the accuracy of the data used in the ECL models by checking a sample of data fields, such as, account balance, CBS and CCR to relevant source systems;
- Challenging key assumptions used by the Group in their temporary adjustments. This included:
  - Assessing temporary adjustments against the Group's ECL model and data deficiencies identified in the Group's model validation processes, particularly in light of the significant volatility in economic scenarios;
  - Assessing the completeness of temporary adjustments by checking the consistency of risks we identified in the loan portfolios against the Group's assessment;
  - Assessing certain temporary adjustments identified by the Group against internal and external information;
  - Assessing the appropriateness of management's release of certain key temporary adjustments, including the rationale and supporting evidence;
  - Recalculating a sample of temporary adjustments.
- Assessing the appropriateness of the Group's disclosures in the Financial Report, using our understanding obtained from our testing and against the requirements of the accounting standards.

## Key Audit Matters (continued)

### Subjective and complex valuation of certain financial instruments held at fair value:

- Fair value of level 3 asset positions \$1,343m
- Fair value of level 3 liability positions \$14m
- Fair value of level 2 asset positions \$1,608m\*
- Fair value of level 2 liability positions \$4,259m\*

\*This KAM relates to our audit procedures for structured notes, derivatives (mainly cancellable swaps and FX options) and fair value adjustments (credit valuation adjustment and funding valuation adjustment) within the level 2 population, that are valued using more complex valuation models.

Refer to Note 19 to the Financial Report.

### The Key Audit Matter

The fair value of the Group's Level 3 and certain Level 2 financial instruments is determined by the Group's application of valuation techniques which often involve the exercise of judgement and the use of assumptions and estimates.

The valuation of Level 3 and Level 2 financial instruments held at fair value is a Key Audit Matter due to:

- The high degree of estimation uncertainty and potentially significant range of reasonable outcomes associated with the valuation of financial instruments classified as Level 3 where significant pricing inputs used in the valuation methodology and models are not observable.
- The complexity and subjectivity associated with the Group's valuation models for certain Level 2 derivatives and structured notes leading to an increase in estimation uncertainty.

These factors increased the level of judgement applied by us and our audit effort thereon.

In addressing this Key Audit Matter, we involved our valuation specialists to supplement our senior team members who understand the methods, assumptions and data relevant to the Group's valuation of financial instruments.

### How the matter was addressed in our audit

Our audit procedures in addressing this Key Audit Matter included:

- Assessing the population of financial instruments held at fair value by the Group to identify portfolios with a higher risk of misstatement arising from significant judgements over valuation either due to unobservable inputs or complex/subjective models;
- Testing the design and operating effectiveness of key controls relating specifically to these financial instruments, including those in relation to:
  - independent price verification (IPV), including completeness of portfolios and valuation inputs subject to IPV;
  - model validation at inception and periodically, including assessment of model limitation and assumptions;
  - review, approval and challenge of daily profit and loss by a control function;
  - collateral management process, including review and approval of margin reconciliations with clearing houses; and
  - review and approval of fair value adjustments (FVAs), including exit price and portfolio level adjustments.
- In relation to the subjective valuation of certain Level 2 and Level 3 financial instruments, with our valuation specialists:
  - Assessing the reasonableness of key inputs and assumptions using comparable data in the market and available alternatives;
  - Comparing the Group's valuation methodology to industry practice and the criteria in the accounting standards; and
  - Independently revaluing a selection of financial instruments and FVAs of the Group. This involved sourcing independent inputs from comparable data in the market and available alternatives. We challenged and assessed differences against the Group's valuations.
- Assessing the appropriateness of the Group's disclosures in the Financial Report using our understanding obtained from our testing and against the requirements of the accounting standards.

## Key Audit Matters (continued)

### Carrying value of investments in PT Bank Pan Indonesia (PT Panin) (\$1,140m)

Refer to Note 27 to the Financial Report.

#### The Key Audit Matter

The carrying value of the Group's investment in PT Panin is a Key Audit Matter due to:

- Indicators of impairment identified in the Group's impairment assessment of non-lending assets under both the Fair Value Less Costs of Disposal (FVLCD) and the Value in Use (VIU) method at times throughout the year and at 30 September 2025;
- Historical and current volatility in the market price of the PT Panin shares;
- Judgement required in evaluating key forward-looking assumptions such as: Forecast earnings, Terminal growth rates and Discount rates.
- Recorded impairment charge of \$285m for PT Panin.

The presence of these conditions necessitated increased judgement by us to assess the Group's valuation methods and associated investment value determined by the Group.

We involved our valuation specialists to supplement our senior team members in assessing this Key Audit Matter.

#### How the matter was addressed in our audit

Working with our valuation specialists, our procedures included:

- Evaluating the appropriateness of the recoverable amount methods applied by the Group against the requirements of the accounting standards;
- Independently evaluating FVLCD method and assessing the market liquidity of the share price at the reporting date, in light of the historical volatility in the market price;
- Independently evaluating the valuation derived from the VIU method used by the Group. This included:
  - Assessing the integrity of the model used, including the accuracy of the underlying calculation formulas;
  - Assessing the Group's key assumptions used in the model by comparing to external observable metrics, historical experience, our knowledge of the market and current market practice;
  - Independently developing a discount rate range considered comparable using publicly available market data for comparable entities, adjusted for factors specific to the investment and the market and industry it operates in;
  - Comparing the forecast earnings contained in the model to the approved PT Panin financial plan, released financial results and against available market data;
  - Assessing the accuracy of previous forecasts to inform our evaluation of current forecasts incorporated in the model;
  - Considering the sensitivity of the model by varying key assumptions within a reasonable possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures.
- Recalculation of the impairment charge against disclosed amounts.
- Assessing the Group's disclosures in the Financial Report using our understanding obtained from our testing and against the requirements of the accounting standards.

## IT systems and controls

### The Key Audit Matter

The Group's businesses utilise many complex, interdependent Information Technology (IT) systems to process and record a high volume of transactions. The controls over access, changes to and operation of relevant IT systems are key to the recording of financial information and the preparation of a financial report which provides a true and fair view of the Group's financial position and performance.

The IT systems and controls, as they impact the financial recording and reporting of the Group's transactions, is a Key Audit Matter as our audit approach could significantly differ depending on the effective operation of these Group IT controls. We work with our IT specialists in this regard.

#### How the matter was addressed in our audit

Our testing focused on the technology control environments for key IT applications (systems) used in processing significant financial transactions and recording balances in the general ledgers, and the automated controls embedded within these systems which link the technology-enabled business processes. Working with our IT specialists our audit procedures included:

- Assessing the governance and higher-level controls across the relevant IT environments, including policy design, policy review and awareness, and IT risk and cyber security management practices;
- Testing the design and operating effectiveness of the Group's key controls with respect to:
  - Access control: user access management, including how users are on-boarded, monitored, and removed on a timely basis from key IT applications and infrastructure. We also tested controls for managing privileged roles and functions across relevant IT applications and the underlying infrastructure;
  - IT system change control: change management for systems relevant to financial reporting, including authorisation of changes prior to development, testing and approvals prior to migration into the production environment of key IT applications. We assessed appropriateness of users with access to release changes to IT application production environments against their job roles;
  - IT operations: access to and monitoring of system batch job schedules;
- Design and operating effectiveness testing of key automated business process controls including those relating to enforcing segregation of duties to avoid conflicts from inappropriate role combinations within IT applications. We tested key controls over:
  - System configurations to perform calculations and mappings of financial transactions, identification of transactions requiring approval and automated reconciliation controls (both between systems and intra-system); and
  - Data integrity of key system reporting used in our audit procedures and the Group's financial reporting.

## Key Audit Matters (continued)

### Acquisition accounting finalisation for the purchase of Suncorp Bank (Goodwill: \$1,346m)

Refer to Note 35 to the Group Financial Report.

#### The Key Audit Matter

On 31 July 2024, the Group acquired 100% of the shares in SBGH Limited, the immediate holding company of Suncorp Bank for a total cash consideration of \$6.2bn. A provisional valuation was undertaken in relation to assets acquired and liabilities assumed at acquisition date in the prior reporting period and the Group updated this in the current year. Consequently, goodwill associated with the acquisition was adjusted.

The finalisation of acquisition accounting for the purchase of Suncorp Bank is a Key Audit Matter due to:

- The size of acquisition and its pervasive impact on the Financial Report. Consequently, it was a significant part of our audit.
- Significant judgement required by the Group and effort for us, in gathering persuasive audit evidence regarding the Group's determination of the fair value of identifiable intangible assets, including core deposit intangible, and other assets acquired and liabilities assumed, in particular loans and advances, deposits and borrowings. The Group engaged an external expert to determine the fair value of identifiable intangible assets and loans and advances.

We involved our valuation specialists to supplement our senior audit team members in assessing this Key Audit Matter.

#### How the matter was addressed in our audit

Our procedures included:

- We evaluated the Group's acquisition accounting approach against accounting standard requirements and industry practice;
- We assessed the Group's external expert report and assessed the objectivity, competence and scope of the Group's expert;
- Working with our valuation specialists, we evaluated the valuation methodology used to determine the fair value of core deposit intangible, considering accounting standards requirements and observed industry practices;
- Working with our valuation specialists, we challenged the significant judgements made by the Group's experts in determining the fair value of core deposit intangible and checked the integrity of the model used including mathematical accuracy of underlying calculations. This also included challenging the key assumptions applied: identification of core deposits, attrition rate, cost savings, discount rate;
- Working with our valuation specialists, we assessed the fair value of material assets acquired and liabilities assumed. This included independently recalculating the fair value of loans and advances, deposits and borrowings and comparing to the fair value determined by the Group. We utilized professional judgment and independently established the assumptions used in the recalculation of the fair value;
- We recalculated the goodwill balance recognised as a result of the acquisition and compared it to the goodwill amount recorded by the Group.

We assessed the adequacy of disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.

## Other information

Other Information is financial and non-financial information in ANZ Group Holdings Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group, and in compliance with Australian Accounting Standards and the Corporations Regulations 2001
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards and International Standards on Auditing* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/media/bwvjcgre/ar1\\_2024.pdf](https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf). This description forms part of our Auditor's Report.

These responsibilities also apply to our audits performed in accordance with *International Standards on Auditing*.

## Report on the Remuneration Report

### Opinion

In our opinion, the Remuneration Report of ANZ Group Holdings Limited for the year ended 30 September 2025, complies with *Section 300A of the Corporations Act 2001* and is prepared, in all material respects, in accordance with the accompanying basis of preparation to the Remuneration Report.

### Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A of the Corporations Act 2001* and the accompanying basis of preparation to the Remuneration Report.

### Our responsibilities

We have audited the Remuneration Report included in pages 52 to 91 of the Directors' report for the year ended 30 September 2025.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A of the Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Maria Trinci  
Partner

Melbourne  
7 November 2025