

2025 Basel III Pillar 3 Disclosure

As at 30 September 2025
APS 330: Public Disclosure



Important notice

This document has been prepared by ANZ BH Pty Ltd as the head of ANZ's Level 2 Banking Group (ANZ) to meet its disclosure obligations under the Australian Prudential Regulation Authority (APRA) ADI Prudential Standard (APS) 330 Public Disclosure.

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Introduction

Purpose of this document

This document has been prepared in accordance with the Australian Prudential Regulation Authority (APRA) Prudential Standard (APS) 330: Public Disclosure.

APS 330 Public Disclosure Prudential Standard (APS 330) requires locally-incorporated authorised deposit-taking institutions (ADIs) to meet minimum requirements for the public disclosure of key information on their capital and risk exposures and, where applicable, leverage ratio, liquidity coverage ratio, net stable funding ratio and indicators for the identification of potential global systemically important banks, so as to contribute to the transparency of financial markets and to enhance market discipline.

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

Australia and New Zealand Banking Group Limited (ANZBGL) is an authorised deposit-taking institution (ADI) and a wholly owned subsidiary of ANZ Bank HoldCo. The ultimate parent entity is ANZ Group Holdings Limited (ANZGHL). ANZGHL and its subsidiaries are collectively referred to as the ANZGHL Group.

The APS 330 disclosure has been prepared on the Level 2 basis being ANZ Bank HoldCo as the head of ANZ's Level 2 Banking Group.

Any reference to ANZ / the Group refers to ANZ's Level 2 Banking Group.

Capital Adequacy Requirements

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

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

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

Suncorp Bank Acquisition

On 31 July 2024, the Group acquired 100% of the shares in SBGH Limited, the immediate holding company of Suncorp Bank. The transaction was undertaken to accelerate the growth of the Group's retail and commercial businesses while also improving the geographic balance of its business in Australia. The reported figures at 30 September 2025 include Suncorp Bank for the period since ownership where applicable.

Suncorp Bank is the trading name of Norfina Limited ABN 66 010 831 722 (formerly Suncorp-Metway Limited). Norfina Limited is an ADI and a wholly owned subsidiary of Australia and New Zealand Banking Group Limited (ANZBGL).

Suncorp Bank is a standardised ADI with Credit RWA calculated based on APS 112. Suncorp Bank is exposed to a similar range of inter-related business risks as the pre-existing ANZ portfolio, although with a predominant Australia domestic focus and has its own Risk Management Framework, Risk Management Strategy, Risk Appetite Statement and supporting suite of policies and procedures to manage these risks. Work is in progress to ensure a smooth transition and integration of risk management frameworks and policies, and effective integration into the ANZ risk management operating model.

Verification of disclosures

These Pillar 3 disclosures have been verified in accordance with Board-approved policy, including ensuring consistency with information contained in returns provided to APRA. In addition, ANZ's external auditor performs an agreed-upon procedures engagement with respect to the annual and semi-annual disclosures.

Comparison to ANZBGL's Financial Reporting

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

- The principal method for measuring the amount at risk is Exposure at Default (EAD), which is the estimated exposure owed on a credit obligation (including on-balance sheet and commitments and contingents) at the time of default.
- Loss Given Default (LGD) is an estimate of the loss expected in the event of default. LGD is essentially calculated as the amount at risk (EAD) less expected net recoveries from realisation of collateral as well as any post default repayments of principal and interest.
- Most credit risk disclosures split ANZ's portfolio into regulatory asset classes, which span different areas of ANZ's internal divisional and business unit organisational structure.

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

Key Changes in the Pillar 3 report

In December 2022, APRA finalised the ADI public disclosure requirements (APS 330), effective 1 January 2025. Some of the key aims of the new requirements are to improve transparency and comparability and to align with updated international and domestic standards.

In accordance with APS 330, an ADI must make the prudential disclosures as set out in the Standard issued by the *Basel Committee on Banking Supervision* (BCBS Standard) titled "Disclosure requirements", subject to the modifications specified in Attachment A of APS 330. The BCBS Standard, including disclosure templates and tables that an ADI must complete and disclose, is available on the *Bank of International Settlements* website.

An ADI may make minor modifications to the content of its disclosures under the BCBS Standard where there are inconsistencies between the BCBS Standard and the applicable requirements in any Prudential Standards¹. These modifications are noted in the respective disclosure tables throughout this document and outlined in detail in Appendix 1.

Certain comparative period disclosures for the updated templates will be included over future reporting periods.

¹ APS 330, Para. 19-20

DIS20: Overview of risk management, key prudential metrics and RWA

KM1: Key metrics (at consolidated group level)

The table below sets out the key regulatory metrics and ratios covering capital (including buffer requirements and ratios), RWA, Leverage ratio, Liquidity coverage ratio (LCR) and Net Stable Funding Ratio (NSFR).

This table has minor modifications from the original BCBS standard. Additional detail on these modifications has been provided in Appendix 1.

	Sep 25 \$M	Jun 25 \$M	Mar 25 \$M	Dec 24 \$M	Sep 24 \$M
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	55,184	56,942	55,229	54,333	54,469
2 Tier 1	62,541	64,322	62,672	62,699	62,676
3 Total capital	96,351	96,834	95,503	92,447	91,865
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	458,547	476,830	468,999	472,434	446,582
4a Total risk-weighted assets (pre-floor)	455,048	465,879	456,940	461,059	441,710
Risk-based capital ratios as a percentage of RWA					
5 CET1 ratio (%)	12.0%	11.9%	11.8%	11.5%	12.2%
5b CET1 ratio (%) (pre-floor ratio)	12.1%	12.2%	12.1%	11.8%	12.3%
6 Tier 1 ratio (%)	13.6%	13.5%	13.4%	13.3%	14.0%
6b Tier 1 ratio (%) (pre-floor ratio)	13.7%	13.8%	13.7%	13.6%	14.2%
7 Total capital ratio (%)	21.0%	20.3%	20.4%	19.6%	20.6%
7b Total capital ratio (%) (pre-floor ratio)	21.2%	20.8%	20.9%	20.1%	20.8%
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (%)	3.75%	3.75%	3.75%	3.75%	3.75%
9 Countercyclical buffer requirement (%)	0.7199%	0.7191%	0.7219%	0.7276%	0.7247%
10 Bank G-SIB and/or D-SIB additional requirements (%)	1.00%	1.00%	1.00%	1.00%	1.00%
11 Total of bank CET1 specific buffer requirements (%)	5.47%	5.47%	5.47%	5.48%	5.47%
12 CET1 available after meeting the bank's minimum capital requirements (%)	7.5%	7.4%	7.3%	7.0%	7.7%
Basel III Leverage ratio					
13 Total Basel III leverage ratio exposure measure	1,424,842	1,447,763	1,427,834	1,432,615	1,344,137
14 Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	4.4%	4.4%	4.4%	4.4%	4.7%
Liquidity Coverage Ratio (LCR)					
15 Total high-quality liquid assets (HQLA)	314,879	324,230	316,323	295,673	275,264
16 Total net cash outflow	238,504	242,689	237,584	225,783	207,942
17 LCR ratio (%)	132.07%	133.63%	133.17%	130.95%	132.38%
Net Stable Funding Ratio (NSFR)					
18 Total available stable funding	730,141	744,791	737,456	721,838	704,909
19 Total required stable funding	637,319	642,418	630,563	634,312	607,169
20 NSFR ratio	114.56%	115.94%	116.95%	113.80%	116.10%

Common Equity Tier 1

Level 2 CET1 ratio of 12.0%, an increase of 25bps since March 2025. Key drivers were:

- Cash profit (Level 2) excluding 2H25 significant items increased the CET1 ratio by +71 bps.
- 2H25 significant items decreased the CET1 ratio by -19 bps, relating to significant items impacting CET1 including an increase of \$141 million to Suncorp Bank goodwill post purchase price allocation (PPA) completion during the September 2025 half.
- Payment of the 2025 interim dividend (net of Dividend Reinvestment Plan (DRP) and Bonus Option Plan (BOP)) reduced the CET1 ratio by -45 bps.
- A reduction in underlying RWA usage increased the CET1 ratio by +3 bps, driven by portfolio optimisation in the Institutional division, partially offset by lending growth in the Australia Retail and New Zealand divisions, along with increased IRRBB RWA.
- Capital deductions, RWA initiatives and others reduced CET1 ratio by -7 bps, driven by the additional operational risk overlay and higher deferred tax assets, offset by a benefit from reduced loss in fair value through other comprehensive income (FVOCI) reserves and a lower deduction in APRA expected loss in excess of eligible provisions.
- A decrease in the capital floor increased the CET1 ratio by +22 bps, mainly due to the reduction in the Institutional division reducing the capital floor by more than the actual RWA decrease and the impact of an increase in IRRBB RWA.

Leverage ratio

APRA leverage ratio is flat during the September 2025 half.

For key movements in RWA see table OV1: Overview of RWA.

Liquidity

The Group's average LCR for the 3 months to 30 September 2025 has decreased -1.5% from 133.6% as at 30 June 2025 to 132.1% with total liquid assets exceeding net cash outflows by an average of \$76.4 billion.

Through the period the LCR has remained within the range 127% to 138%. The liquid asset portfolio was made up of on average 38% (\$119.4 billion) cash and central bank reserves and 56% (\$174.3 billion) HQLA1 securities, with the remaining mainly consisting of HQLA2 securities.

The Group's NSFR has decreased 1.4% over the quarter from 115.9% as at 30 June 2025 to 114.6% as at 30 September 2025. This was driven by a change in the proportion of wholesale funding in the less than 6-month maturity bucket, the July dividend payment and a movement in collateral composition.

The main sources of Available Stable Funding (ASF) at 30 September 2025 were deposits from Retail and SME customers, at 50%, with other wholesale funding at 27% and capital at 14% of the total ASF.

The majority of ANZ's Required Stable Funding (RSF) at 30 September 2025 was driven by mortgages at 51% and other lending to non-financial institution customers at 28% of the total RSF.

Key metrics - Suncorp Bank

The table below sets out the key regulatory metrics and ratios covering capital and RWA for Suncorp Bank.

Following the acquisition of Suncorp Bank on 31 July 2024, the reported figures include Suncorp Bank for the period since ownership where applicable. As of March 2025, Suncorp Bank does not produce a separate Pillar 3 report. The table below sets out the key information on regulatory metrics and ratios covering capital and RWAs for Suncorp Bank.

Suncorp Bank is a standardised ADI with Credit RWA calculated based on APS 112 Standardised Approach to Credit Risk.

	Sep 25	Jun 25	Mar 25	Dec 24	Sep 24
	\$M	\$M	\$M	\$M	\$M
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	3,638	3,666	3,559	3,440	3,345
2 Tier 1	4,198	4,226	4,119	4,000	3,905
3 Total capital	5,047	5,063	4,955	4,830	4,751
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	33,821	34,060	33,356	33,516	33,422
Risk-based capital ratios as a percentage of RWA					
5 CET1 ratio (%)	10.8%	10.8%	10.7%	10.3%	10.0%
6 Tier 1 ratio (%)	12.4%	12.4%	12.3%	11.9%	11.7%
7 Total capital ratio (%)	14.9%	14.9%	14.9%	14.4%	14.2%

OVA: Bank risk management approach

(a) Key risks related to the business model

Risk management framework

Aligned with APRA's CPS 220 Risk Management (CPS 220) standard, ANZ's Risk Management Framework (RMF) is designed to support ANZ's strategic objectives.

The Board is ultimately responsible for establishing and overseeing the ANZ Group's RMF which is supported by the Group's underlying systems, structures, policies, procedures, processes and people. The Board has delegated authority to the Board Risk Committee (BRC) to develop and monitor compliance with the Group's risk management policies.

The Committee reports regularly to the Board on its activities. The key pillars of ANZ's Group RMF include:

The Risk Management Strategy (RMS) outlines how risk management supports the Group's purpose and strategy, the responsibilities of the Group Chief Risk Officer and the risk function, and the values and behaviours that guide risk decision-making. The RMS describes each material risk and how it is managed, including policies, standards, and procedures. It also details how risks are identified, measured, evaluated, monitored, reported, and controlled or mitigated, along with the oversight mechanisms and committees in place.

The Risk Appetite Statement (RAS) articulates the maximum level of risk the Group is willing to accept in pursuing its strategic objectives and its operating plans considering its shareholders', depositors' and customers' interests.

The RAS, supported by other components of the RMF, also conveys the following:

- The degree of risk (risk appetite) that ANZ is prepared to accept in pursuit of its strategic objectives and plans considering its shareholders', depositors' and customers' interests.
- For each material risk, the maximum level of risk that ANZ is willing to operate within, expressed as a risk tolerance, where appropriate. Risk tolerances translate risk appetite into operational limits for the day-to-day management of material risks, where possible;
- The approach for setting risk tolerances at an appropriate level;
- The process for monitoring compliance with each risk tolerance and for taking appropriate action if it is breached;
- The timing and process for reviewing of the risk appetite and risk tolerances; and
- The cascading and application of Group RAS to Divisions and Business Units.

The Group Strategic Planning Process outlines the approach to implementing ANZ Group's strategic objectives, considering the Material Risks the Bank might have to navigate to achieve its goals.

The governance and oversight of risk management, while embedded in day-to-day activities, is also the focus of committees and regular forums across the bank (see diagram next page). The committees and forums discuss and monitor known and emerging risks, review management plans and monitor progress to address known issues.

Risk management is operationalised using the Three Lines-of-Defence Model. Each line of defence has defined roles, responsibilities and escalation paths to support risk management at ANZ.

The first line of defence, comprising business and enablement functions, manages day-to-day risks and controls. The second line, the Risk function, provides independent oversight and challenges decisions affecting the Group's risk profile. Internal Audit, the third line, offers independent evaluation and assurance on the effectiveness of the Group's RMF.

Suncorp Bank currently operates an independent RMF. Suncorp Bank's Risk Management Framework (RMF) will no longer apply once legal transfer and migration are complete; from which point the ANZ RMF will apply.

Court enforceable undertaking and ASIC settlement

In April 2025, ANZ confirmed it had entered into a court enforceable undertaking (CEU) with the Australian Prudential Regulation Authority (APRA) for matters relating to Non-financial risk management practices and risk culture across the Group.

In September 2025 the Group:

- submitted its Root Cause Remediation Plan (RCRP) to APRA as required by the CEU.
- entered into an agreement with the Australian Securities and Investments Commission (ASIC) to resolve five matters within its Australia Markets and Australia Retail businesses that were the subject of separate regulatory investigations. Under the agreement, which requires Federal Court approval, the Group is subject to total penalties of \$240 million.
- recognised an after-tax charge of \$264 million comprising \$240 million in relation to ASIC penalties and \$24 million of various costs associated with the matter. This was recognised across the Australia Retail and Institutional divisions.

It is acknowledged that the risk management framework will be updated and strengthened, including to better reflect the importance of non-financial risks as part of the RCRP.

Risk types

The material risks facing the Group and how these risks are managed, are summarised below.

ANZ's Risk function is responsible for the organisation's risk strategies, policies and processes. It has global authority for the effectiveness of the RMF, maintaining a strong risk, control, governance and compliance focus in line with ANZ's risk management framework and systems.

For detailed description on the scope and main features of risk measurement systems and risk reporting, as well as processes to mitigate risks, refer to the respective sections noted for each risk type.

Risk type	Description	Managing the risk
Capital adequacy risk	The risk of loss arising from the Group failing to maintain the level of capital required by prudential regulators and other key stakeholders (shareholders, debt investors, depositors, rating agencies, etc.) to support the Group's consolidated operations and risk appetite.	ANZ pursues an active approach to capital management, which is designed to protect the interests of depositors, creditors and shareholders through ongoing review, and Board approval, of the level and composition of ANZ's capital base against key policy objectives. Refer to DIS25: Composition of Capital for details on Capital Adequacy measurement and reporting.
Credit risk	The risk of financial loss resulting from: <ul style="list-style-type: none"> a counterparty failing to fulfil its obligations; or a decrease in credit quality of a counterparty resulting in a deterioration of value. 	ANZ's credit risk framework is top down, being defined by credit principles, policies and requirements. Credit policies, requirements and procedures cover all aspects of the credit life cycle from initial approval and risk grading, through to ongoing management and problem debt management. Refer to CRA: General qualitative information on Credit Risk for details on Credit Risk measurement and reporting and CRC: Qualitative Disclosure related to Credit Risk mitigation on strategies and processes to mitigate Credit Risk.
Liquidity and funding risk	The risk that the Group is unable to meet its payment obligations as they fall due, including: <ul style="list-style-type: none"> repaying depositors or maturing wholesale debt; or the Group having insufficient capacity to fund increases in assets. 	The Group recognises the inherent liquidity and funding risk in the balance sheet and has established a set of key principles, to mitigate and control liquidity and funding risk. ANZ's framework is top down, being defined by liquidity principles and policies. A liquidity limit framework is in place with liquidity limits set based on a liquidity stress testing framework. Refer to DIS85: Liquidity for details on Liquidity measurement and reporting.
Market risk	The risk stems from ANZ's trading and balance sheet activities and is the risk to the Group's earnings arising from: <ul style="list-style-type: none"> changes in interest rates, foreign exchange rates, credit spreads, volatility, correlations; or fluctuations in bond, commodity or equity prices. 	ANZ has a detailed market risk management and control framework which includes incorporating an independent risk measurement approach to quantify the magnitude of market risk within the trading and balance sheet portfolios. This approach identifies the range of possible outcomes, that can be expected over a given period of time and establishes the likelihood of those outcomes and allocates an appropriate amount of capital to support these activities. Refer to DIS 50: Market Risk and IRRBBA: Interest Rate Risk in the Banking Book (IRBBB) risk management objectives and policies for details on Market Risk measurement and reporting and strategies and processes to mitigate and hedge Market Risk.
Strategic risk	The risk that ANZ may not achieve its key strategic objectives due to ineffective adaptation to changes in the operating environment undermining the bank's capacity to pivot or refine strategies in response to evolving conditions.	ANZ's strategic risk management is underpinned by a rolling three-year business plan, updated annually to remain responsive to a changing environment. This plan is informed by structured analysis and reviewed by risk, Group Strategy and the Executive Committee to ensure alignment with ANZ's risk appetite and long-term goals.

Risk type	Description	Managing the risk
Climate risk	<p>The financial and non-financial risks arising from climate change including:</p> <p>Physical risk – arising from both longer-term changes in climate (chronic risk) as well as changes to the frequency and magnitude of extreme weather events (acute risk). Examples of chronic physical risk drivers include rising sea levels, rising average temperatures and ocean acidification. Examples of acute physical risk drivers include heatwaves, floods, bushfires and cyclones;</p> <p>Transition risk – arising from the transition to a lower emissions economy, including changes in domestic and international policy and regulatory settings, technological innovation, social adaptation and market changes; or</p> <p>Liability risk – in the form of potential litigation or regulatory action that may arise as a consequence of a failure to adequately consider or respond to the impacts of climate change (including physical and transition risks). This includes for example, the risk of greenwashing, which may arise where an entity is alleged to have misrepresented its climate-related risks, business credentials or strategies.</p>	<p>Regular reviews of strategic objectives and market conditions support ongoing alignment and adaptability. Insights from these processes are presented to the Board to guide strategic decision-making.</p> <p>ANZ continue to integrate and embed climate risk within ANZ's Risk Management Framework</p> <p>While climate risk can be a driver of credit risk through lending to ANZ's customers, it may also result in other financial risks.</p> <p>Climate risks are also considered to be a driver of other material risks within ANZ's RMF.</p> <p>Climate-related financial and non-financial risks are managed through the risk management strategies associated with these risks.</p>
Financial crime risk	<p>The risk of facilitating financial crime including non-compliance with ANZ policies, or regulatory expectations. It includes the following non-financial risk themes:</p> <p>Financial Crime – The risk of facilitating money laundering, terrorism financing, sanctions evasion, or bribery and corruption events.</p> <p>Internal Fraud – Fraud / theft attempted or perpetrated by an internal party (or parties) (i.e. an ANZ employee or contingent worker, including instances where an employee is acting in collusion with external parties).</p> <p>External Fraud – Fraud attempted or perpetrated without the deliberate involvement of an ANZ employee or contingent worker.</p>	<p>ANZ maintains a financial crime risk management program that anticipates and navigates criminal threats. The Financial Crime Portfolio continues to be responsible for ensuring that ANZ meets its regulatory obligations through its Anti-Money Laundering/Counter Terrorism Financing Sanctions, Anti-Bribery & Anti-Corruption and Anti-Fraud Programs and Policies. This allows ANZ to deliver detection, investigative and intelligence capability focused on identifying, mitigating, and managing financial crime risk to help protect the community. ANZ continues to maintain ANZ's partnership with the Australian Transaction Report and Analysis Centre (AUSTRAC) Fintel Alliance and through membership of the Financial Crime Prevention Network in New Zealand to increase the resilience of the financial sector to prevent exploitation by criminals, and support investigations into serious crime and national security.</p>
Compliance & conduct risk	<p>The risks of legal or regulatory actions, material financial loss, or loss of reputation caused by ANZ failing to:</p> <ul style="list-style-type: none"> comply with laws, regulations, prudential standards, licences, codes or policies; appropriately manage customer interests and market integrity. <p>It includes the non-financial risk themes of conduct and regulatory risk.</p>	<p>ANZ manages compliance and conduct risks pursuant to ANZ's Risk Management Strategy, ANZ Non-Financial Risk Framework and related policies.</p>
Resilience risk	<p>The risk of material adverse impacts of operational disruption events on ANZ Group, its customers, and the financial system. It includes the non-financial risk themes of operational resilience, data, third party, technology and information security (including cyber).</p>	<p>ANZ manages resilience through ANZ's Non-Financial Risk Framework supported by resilience policies, standards and procedures designed to protect critical operations to safeguard customer interests and uphold financial stability. The framework covers the approach to business continuity and incident response management,</p>

Risk type	Description	Managing the risk
		<p>and incorporates key controls such as risk assessments, scenario testing, and crisis management protocols. The framework is regularly reviewed to reflect emerging threats, operational dependencies, lessons learned from real events, regulatory expectations, and industry best practices.</p> <p>Specifically, data risk is governed to ensure accuracy, integrity, and ethical use; information security and cyber risk are mitigated through layered controls, continuous monitoring, and enhanced cyber resilience strategies to defend against threats like AI-enabled attacks; operational resilience is maintained by identifying critical services and ensuring continuity within defined tolerance through monitoring, continuity planning and testing and Third Party Risk Management (TPRM) framework; and technology risk is managed by focusing on information technology (IT) systems resilience, stability, and secure change processes aligned with regulatory expectations.</p>
Operational risk	<p>The risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events. This includes the non-financial risk themes of model, third party, physical security, transaction processing and execution, people, legal, statutory reporting & tax and change execution</p>	<p>The management of operational risk is prescribed in the Non-Financial Risk Framework, which ANZ continues to review and evolve to ensure that it supports the delivery of consistent processes and repeatable outcomes for ANZ customers. There is an increased focus on change execution risk which refers to the risk that change initiatives may fail to deliver intended outcomes due to breakdowns in planning, delivery, stakeholder engagement, and adoption. This risk is linked to the Group's strategic priorities. The Group is adjusting its risk taxonomy to ensure risk management, governance, and oversight are concentrated where they are most needed.</p> <p>Refer to ORA: General qualitative Information on a bank's operational risk framework for details on NFR measurement and reporting.</p>

(b) Risk governance structure

The following lists the Board Committees, in accordance with ANZ Accountability Map under the Financial Accountability Regime (FAR). From time to time, other ad hoc committees of the Board may be formed.

The Board is responsible for setting a target risk culture, overseeing the establishment by management of an operational structure and the necessary resources to facilitate effective risk management throughout the Group. These responsibilities include:

- Overseeing and assessing management's performance in achieving strategies and budgets approved by the Board and monitoring and managing risk across the banking group;
- Monitoring compliance with regulatory requirements, ethical standards and external commitments, oversight of the banking group's governance framework and implementation of related policies;
- Overseeing management's establishment of a sound risk management culture that supports the ability of the banking group to operate consistently within its risk appetite; and
- Approving each of the following (except to the extent delegated by the Board from time to time):
 - the risk appetite within which management is expected to operate, including the Group's risk appetite statement and risk management strategy;
 - the performance and remuneration policy;
 - major changes to the internal capital adequacy assessment process and the liquidity and funding management strategy or policy of the Level 2 Banking group.

Principal board committees

The following lists the Board Committees, in accordance with ANZ Accountability Map under the Financial Accountability Regime (FAR). From time to time, other ad hoc committees of the Board may be formed.

Risk Committee - assists the Board of Directors in:

- Advising the Board on, and recommending any change to ANZ's overall current and future risk appetite and risk management strategy, as appropriate;
- Assessing and advising the Board on management's implementation of the risk management strategy;
- Reviewing, and if thought fit, approving matters escalated from management concerning credit transactions, equity and other investments beyond the approval discretion of management;
- Reviewing matters escalated from management concerning risk acceptance, or resolution of significant risk exposures and risk events of ANZ (including significant breaches), and if thought fit, approving matters beyond the approval discretion of management;
- Overseeing compliance by ANZ with applicable external regulatory obligations, significant internal policies relating to the operation of its business and APRA risk reporting requirements (as appropriate);
- Advising the Board's People & Culture Committee of any financial or non-financial risk outcomes that may warrant consideration by the Board's People & Culture Committee in discharging its duties; and
- Monitoring key technology and cyber risks including matters referred to it by the Board's Digital Business and Technology Committee.

Audit Committee - assists the Board of Directors in:

- Overseeing the work of internal and external audit, including by regularly reviewing internal and external audit plans to ensure they meet regulatory requirements and cover all material risks and financial reporting requirements;
- Regularly reviewing the findings of audits, and seeking to ensure that concerns are being managed and rectified in an appropriate and timely manner;
- Overseeing the adequacy and independence of the internal and external audit functions;
- Overseeing ANZ's compliance with its financial reporting and professional accounting requirements;
- Overseeing and reviewing ANZ's financial reporting principles and policies, controls and procedures; and
- Seeking to ensure that management's procedures for the receipt, retention and treatment of information submitted confidentially by employees and third parties regarding accounting, internal controls, compliance or audit matters are established and maintained.

Digital Business and Technology Committee – assists the Board of Directors in:

- Monitoring and providing guidance as appropriate on matters relating to ANZ's digital transformation, technology, technology-related innovation strategies and information/cyber security strategies;
- Monitoring the delivery of the key programs that form part of ANZ's digital transformation, technology, technology-related innovation strategies and information/cyber security strategies;
- Recommending to the Board and monitoring the delivery of material digital transformation and technology investments; and
- Reviewing health and relevance of ANZ's technology suite, to seek to ensure secure, stable and reliable services.

People and Culture Committee - assists the Board of Directors in:

- Overseeing the design, effective operation, implementation and monitoring of the performance and remuneration framework, including performance management, fixed and variable remuneration, and accountability and consequence management;
- Considering and approving, where appropriate, remuneration arrangements for Non-Executive Directors;
- Considering and approving, or making recommendations to the Board, on the appointment (including fit and proper assessments) and termination of specified roles in accordance with the performance and remuneration policy;
- Overseeing succession plans for enterprise business critical roles, including making recommendations to the Board on succession matters relating to the Chief Executive Officer;
- Reviewing and making recommendations to the Board regarding remuneration arrangements and outcomes (including performance measures and assessment, and fixed and variable remuneration outcomes) for specified roles in accordance with the performance and remuneration policy;
- Reviewing and, where appropriate, approving relevant talent and culture strategies, policies and practices, including strategies and actions being taken to measure, monitor and continue to evolve organisational culture;
- Reviewing regular reporting on ANZ's Financial Accountability Regime framework;
- Overseeing the Enterprise Accountability Group (EAG) in carrying out its responsibilities under the EAG Charter, including approving any recommendations from EAG in relation to the accountability and consequence framework;
- Overseeing ANZ's approach to diversity and inclusion;

- Monitoring and where appropriate approving matters relating to the development of a stakeholder engagement strategy for shareholder and regulator communication in relation to remuneration issues; and
- Monitoring and where appropriate approving matters relating to ANZ's compliance with regulatory, legal and any continuous disclosure requirements relating to remuneration.

Nomination and Board Operations Committee - supports the Board of Directors in:

- Assisting the Board with all matters to do with the proper functioning of the Board, including in relation to its ongoing composition;
- Reviewing and approving the processes in place for evaluating the performance of the Board, its Standing Committees and each Director, including the Chairman of the Board but excluding the Chief Executive Officer; and
- All other matters to do with the effective and efficient operation of the Board and its Standing Committees.

The above Committees are exclusively comprised of Non-Executive directors. Members, including the Chair of each committee, are appointed by the Board and serve at the discretion of the Board and for such term or terms as the Board determines. Under ANZ's FAR arrangements, the chair and members of each committee are accountable persons with prescribed responsibility for oversight of ANZ, as a member of the Board.

Processes and procedures relating to the operation of each of the board committees are documented in the committee charters and in the Board Committees' Standing Rules which are on the ANZ corporate governance website: <http://shareholder.anz.com/our-company/corporate-governance>.

Executive Management Committees

Executive Management Committees are responsible for co-ordination of risk matters for each of the areas of risk management. The following lists ANZ's key management committees and states their primary purpose, in accordance with ANZ's accountability map under FAR, and related sub-committees:

Group Executive Committee (ExCo) - headed by the CEO is ANZ's leadership team whose role is to support the CEO in delivering ANZ's purpose, to shape a world where people and communities thrive. It does this by focusing on:

- All Key stakeholders;
- ANZ's Culture and Capabilities; and
- Prioritising efforts and allocating resources in line with ANZ's strategic pillars.

Enterprise Accountability Group – reports to Board Human Resources Committee and is responsible for:

- overseeing the ongoing effectiveness of an enterprise-wide accountability and consequence management framework and being cognisant of its impact on the culture of ANZ;
- reviewing and approving the release of, or exercise of the downward adjustment or further deferral discretions in relation to, deferred remuneration; and
- reviewing and monitoring the consequences applied to staff who are considered either directly or indirectly accountable for material risk (financial or non-financial) and compliance events and/ or material internal audit issues.

Group Asset and Liability Committee (GALCO) - is responsible for the oversight and strategic management of the Group's balance sheet activities including balance sheet structure, liquidity, funding, capital management, non-traded interest rate risk and non-traded FX risk.

Capital and Stress Testing Oversight Committee (CSTOC) - is a sub-committee of GALCO, with responsibility for the oversight and control of the Group's stress testing framework, modelling, processes and outcomes; economic profit methodology and framework; operational risk capital measurement framework, modelling, processes and outcomes; capital allocation framework and other capital management (apart from Group ICAAP) and portfolio measurement related recommendations.

Credit and Market Risk Committee (CMRC) - is the senior executive management forum responsible for the oversight and control of credit, market and other material financial risks across the ANZ Group. The purpose of CMRC is to assist the BRCs in the effective discharge of their responsibilities.

Credit Ratings System Oversight Committee (CRSOC) - is the senior management forum responsible for the oversight and control of the Internal Ratings System for credit risk including credit model approvals and performance monitoring. CRSOC is a sub-committee of the CMRC.

Operational Risk Executive Committee (OREC) - is the primary senior executive management forum responsible for oversight of Operational Risk and Compliance Risk expected and unexpected risk profile and the related control environment across the ANZ Group. The purpose of OREC is to assist the BRCs in the effective discharge of their responsibilities.

Investment Committee - is to carry out the responsibilities delegated by the CEO of ANZ, regarding the funding and delivery of value from ANZ's investments in change initiatives. The committee acts as the governance, oversight and advisory board for funding provided to the Divisions and enterprise priorities.

Group Executive People Committee (GEPC) - is a leadership and decision-making body charged with advancing ANZ's people strategy and priorities in line with the ANZ's purpose, strategy and aspirational culture.

Suncorp Bank

Suncorp bank has its own Enterprise Risk Management Framework (ERMF) and Risk Management Strategy (RMS) which sets out how Suncorp Bank manages its risks utilising the ERMF, including risk appetite, policies, procedures, management responsibilities and controls.

Suncorp Bank's Risk Appetite Statement (RAS) is approved by its Board and sets the parameters within which the Suncorp Bank CEO and management are expected to operate. Any metrics outside tolerance are escalated to the Suncorp Bank CRO and tabled at the relevant management committee (Suncorp Bank Credit Risk Committee/ Suncorp Bank Non-Financial Risk Committee/Suncorp Bank Assets and Liability Committee) to determine management actions to address, which are then reported to its Board.

(c) Risk culture within the bank

Risk culture is an important part of ANZ's organisational culture, influencing decision-making through shared values, behaviours, and practices. ANZ's Risk Principles form an important part of the RMF by guiding risk management and fostering an appropriate risk culture across the Group.

Despite ANZ's strong focus on risk culture there is still a requirement for further improvement. ANZ's expectations for continuous improvement in risk culture have not been met in key businesses across the Group. ANZ has committed under the RCRP to reviewing and strengthening the approach to risk culture, to support the Group to meet the evolving expectations of ANZ's customers, shareholders, the community and regulators.

Risk culture is driven across the Group through completion of risk culture plans, awareness activities and delivery of the Group wide non-financial risk framework. Divisional and Functional level maturity assessments assist the Board to form a view of ANZ's overall risk culture annually.

Risk culture is embedded in performance and remuneration (refer to the ANZBGL Remuneration Report within the ANZBGL Annual Report), and recognition programs such as Risk Role Models.

(d) Qualitative information on stress testing

Capital and Stress Testing Oversight Committee (CSTOC) – is a sub-committee of GALCO, with responsibility for the oversight and control of the Group's stress testing framework. Refer to section (b) Risk governance structure for further details on CSTOC.

Capital management

ANZ achieves its Capital management objectives through an Internal Capital Adequacy Assessment Process (ICAAP) whereby ANZ conducts detailed strategic and capital planning over a medium-term time horizon. The Capital Plan is maintained and updated through a monthly review of forecast financial performance, economic conditions and development of business initiatives and strategies. The Board and senior management are provided with monthly updates of ANZ's capital position. Any actions required to ensure ongoing prudent capital management are submitted to the Board for approval. ANZ annually conducts a detailed strategic planning process over a three-year time horizon, the outcomes of which are embodied in the Strategic Plan. This process involves forecasting key economic variables which Divisions use to determine key financial data for their existing business. New strategic initiatives to be undertaken over the planning period and their financial impact are then determined. These processes are used for the following:

- Stress tests are performed under different economic conditions to provide a comprehensive review of ANZ's capital position both before and after mitigating actions. The stress tests determine the level of additional capital (i.e., the 'stress capital buffer') needed to absorb losses that may be experienced during an economic downturn; and
- Stress testing is integral to strengthening the predictive approach to risk management and is a key component in managing risks, asset writing strategies and business strategies. It creates greater understanding of the impacts on financial performance through modelling relationships and sensitivities between geographic, industry and Divisional exposures under a range of macro-economic scenarios. ANZ has a dedicated stress testing team that models and reports to management and the BRC on a range of scenarios and stress tests.

Reporting of traded market risk

ANZ also undertakes a wide range of stress tests on the Group trading portfolio and to individual trading portfolios. Refer to DIS50: Market Risk for further details.

IRRBB stress testing methodology

Stress tests within ANZ include standard and extraordinary tests. These tests are used to highlight potential risk which may not be captured by VaR, and how the portfolio might behave under extraordinary circumstances. Refer to IRRBBA: IRRBB risk management objectives and policies for further details.

OV1: Overview of RWA

The table below shows RWA and minimum capital requirements by risk type and approach. For the purpose of this table, the minimum capital requirement is defined to be 8% of RWA.

This table has minor modifications from the original BCBS standard. Additional detail on these modifications has been provided in Appendix 1.

	RWA			Minimum capital requirements
	Sep 25 \$M	Jun 25 \$M	Mar 25 \$M	Sep 25 \$M
1 Credit risk (excluding counterparty credit risk)	350,098	361,775	357,140	28,008
2 of which: standardised approach (SA)	40,401	41,363	42,612	3,232
3 of which: foundation internal ratings-based (FIRB) approach	67,702	73,363	69,351	5,416
4 of which: supervisory slotting approach	13,787	14,827	15,360	1,103
5 of which: advanced internal ratings-based (AIRB) approach ^{1, 2}	228,208	232,222	229,817	18,257
6 Counterparty credit risk (CCR)	13,226	14,345	13,809	1,058
7 of which: standardised approach for counterparty credit risk	12,616	13,645	13,097	1,009
8 of which: IMM	-	-	-	-
9 of which: other CCR	610	700	712	49
10 Credit valuation adjustment (CVA)	3,768	4,991	4,736	301
16 Securitisation exposures in banking book	2,491	2,535	2,396	199
17 of which: securitisation IRB approach (SEC-IRBA)	-	-	-	-
18 of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	776	870	780	62
19 of which: securitisation standardised approach (SEC-SA)	1,715	1,665	1,616	137
20 Market risk	6,895	7,719	6,854	551
21 of which: standardised approach (SA)	1,518	1,193	1,288	121
22 of which: internal model approach (IMA)	5,377	6,526	5,566	430
24 Operational risk³	53,773	53,773	50,648	4,302
25a IRRBB regulatory RWA	24,797	20,741	21,357	1,984
26 Output floor applied (%)	72.5%	72.5%	72.5%	
28 Floor adjustment	3,499	10,951	12,059	280
29 Total	458,547	476,830	468,999	36,683

¹ Includes a \$3.1 billion RWA overlay relating to the Australian Residential Mortgages PD model introduced from 30 June 2024 reporting period.

² Includes a \$4.2 billion RWA overlay relating to an Income Producing Real Estate (IPRE) risk weight floor.

³ Reporting periods 30 September 2025 and 30 June 2025 include \$12.5 billion (\$1 billion capital) operational risk RWA overlay, applied to both Level 1 and Level 2. Corresponding overlay for 31 March 2025 was \$9.4 billion RWA (\$750 million capital).

The **minimum capital requirement** is based on an 8% capitalisation rate, however ANZ's current CET1 ratio is 12.0% as at 30 September 2025.

Credit risk weighted assets

Credit RWA for 30 September 2025 totalled \$369.6 billion (which includes Credit Risk, Counterparty Credit Risk, CVA and Securitisation), an \$8.5 billion decrease half on half. Key drivers of this movement include:

- Volume reduction (-\$3.4 billion) driven by the Institutional business (-\$5.5 billion) mainly in corporate asset classes combined with lower markets-related exposures. This was partially offset by volume growth in the Australia Retail Home Loans portfolio (+\$1.9 billion).
- Portfolio risk was lower (-\$1.7 billion) mostly from improvement in the Australia Retail Home Loans portfolio.
- Other movements (-\$0.9 billion) mostly related to a reduction in CVA RWA from increased CVA hedging.
- Foreign exchange impact reduction (-\$4.8 billion)
- Data, models and methodology (+\$2.3 billion) from continued refinement in processes, data and associated methodology treatments.

Market risk, Operational risk and IRRBB RWA

Traded Market Risk RWA remained broadly stable, increasing marginally by \$0.04 billion half-on-half. This movement was primarily driven by higher bond holdings.

IRRBB RWA increased over the half primarily due to higher Repricing and Yield Curve Risk combined with incorporating IRRBB risk for Suncorp Bank.

Operational risk RWA increased from \$50.6 billion to \$53.8 billion, driven by increase in the Operational risk overlay from \$750 million to \$1 billion capital, applied to both Level 1 and Level 2, from 30 April 2025.

Floor adjustment RWA

The RWA floor adjustment is the additional RWA required after comparing the total actual RWA to the Output Floor of 72.5% of RWA calculated under the full standardised approach. For 30 September 2025, the RWA floor adjustment was \$3.5 billion, a decrease of \$8.6 billion over the half. The decrease in the RWA floor adjustment included:

- A net reduction of \$4.2 billion from credit and counterparty risks, primarily driven by the reduction in the Institutional portfolio which decreased the Output Floor by more than actual RWA.
- A reduction arising from IRRBB which was higher by \$3.4 billion but has no impact on the Output Floor.
- A reduction arising from the additional Operational risk overlay, which increased Operational Risk RWA by \$3.1 billion but contributed a smaller \$2.7 billion RWA increase to the Output Floor.

Overview of EAD and RWA

The table below shows a summary of EAD and RWA by asset class.

	Sep 25					
	EAD Post-CCF and Post-CRM			RWA		
	Credit risk	Counterparty credit risk	Total	Credit risk	Counterparty credit risk	Total
	\$m	\$m	\$m	\$m	\$m	\$m
1 Subject to AIRB approach	697,803	3,123	700,926	228,208	1,282	229,490
2 of which Corporate (including SME) ¹	138,656	1,476	140,132	63,726	651	64,377
3 of which Retail SME	16,515	-	16,515	9,419	-	9,419
4 of which Residential mortgage ²	373,535	-	373,535	94,135	-	94,135
5 of which Qualifying revolving retail	12,465	-	12,465	3,032	-	3,032
6 of which Other retail	1,450	-	1,450	1,642	-	1,642
7 of which RBNZ regulated banking subsidiary	155,182	1,647	156,829	56,254	631	56,885
8 Subject to FIRB approach	403,354	38,337	441,691	67,702	10,561	78,263
9 of which Corporate	84,651	6,226	90,877	34,388	2,477	36,865
10 of which Sovereign	230,008	3,335	233,343	10,107	175	10,282
11 of which Financial institution	88,695	28,776	117,471	23,207	7,909	31,116
12 Subject to supervisory slotting (including RBNZ)	16,427	370	16,797	13,787	285	14,072
13 Subject to standardised approach	131,242	12,766	144,008	40,401	1,098	41,499
14 of which Corporate (including SME)	15,984	80	16,064	12,456	84	12,540
15 of which Residential mortgage	64,727	-	64,727	22,407	-	22,407
16 of which Sovereign	10,949	175	11,124	10	175	185
17 of which Other exposures	13,711	9,550	23,261	3,698	420	4,118
18 of which RBNZ regulated banking subsidiary	25,871	2,961	28,832	1,830	419	2,249
19 Total credit and counterparty credit risk³	1,248,826	54,596	1,303,422	350,098	13,226	363,324
20 Credit valuation adjustment						3,768
21 Securitisation exposures in banking book			15,678			2,491
22 Total subject to calculation of RWA for credit risk			1,319,100			369,583
23 Market risk						6,895
24 Operational risk						53,773
25 Interest rate risk in the banking book						24,797
26 Floor adjustment						3,499
27 Total RWA						458,547

¹ Includes a \$4.2 billion RWA overlay relating to an IPRE risk weight floor.

² Includes a \$3.1 billion RWA overlay relating to the Australian Residential Mortgages PD model introduced from 30 June 2024 reporting period.

³ The percentage of credit risk EAD (excluding CCR) covered by the AIRB, FIRB, supervisory slotting and standardised approaches was 56%, 32%, 1%, 11%, respectively.

Overview of EAD and RWA (Continued)

	Jun 25					
	EAD Post-CCF and Post-CRM			RWA		
	Credit risk	Counterparty credit risk	Total	Credit risk	Counterparty credit risk	Total
	\$m	\$m	\$m	\$m	\$m	\$m
1 Subject to AIRB approach	704,540	2,722	707,262	232,222	1,210	233,432
2 of which Corporate (including SME)	140,491	1,719	142,210	65,978	764	66,742
3 of which Retail SME	16,781	-	16,781	9,527	-	9,527
4 of which Residential mortgage ¹	371,200	-	371,200	95,516	-	95,516
5 of which Qualifying revolving retail	12,576	-	12,576	3,101	-	3,101
6 of which Other retail	1,483	-	1,483	1,675	-	1,675
7 of which RBNZ regulated banking subsidiary	162,009	1,003	163,012	56,425	446	56,871
8 Subject to FIRB approach	446,003	40,257	486,260	73,363	11,449	84,812
9 of which Corporate	97,480	6,637	104,117	38,458	2,743	41,201
10 of which Sovereign	254,360	4,032	258,392	10,055	287	10,342
11 of which Financial institution	94,163	29,588	123,751	24,850	8,419	33,269
12 Subject to supervisory slotting (including RBNZ)	17,803	420	18,223	14,827	320	15,147
13 Subject to standardised approach	130,297	14,835	145,132	41,363	1,366	42,729
14 of which Corporate (including SME)	16,223	243	16,466	12,728	216	12,944
15 of which Residential mortgage	64,343	-	64,343	22,385	-	22,385
16 of which Sovereign	11,080	239	11,319	-	239	239
17 of which Other exposures	13,032	11,328	24,360	4,222	465	4,687
18 of which RBNZ regulated banking subsidiary	25,619	3,025	28,644	2,028	446	2,474
19 Total credit and counterparty credit risk	1,298,643	58,234	1,356,877	361,775	14,345	376,120
20 Credit valuation adjustment						4,991
21 Securitisation exposures in banking book			15,963			2,535
22 Total subject to calculation of RWA for credit risk			1,372,840			383,646
23 Market risk						7,719
24 Operational risk						53,773
25 Interest rate risk in the banking book						20,741
26 Floor adjustment						10,951
27 Total RWA						476,830

DIS21: Comparison of modelled and standardised RWA

CMS1: Comparison of modelled and standardised RWA at risk level

The table below outlines the comparison of modelled and standardised RWA at Risk level.

Sep 25				
RWA				
	RWA for modelled approaches that banks have supervisory approval to use	RWA for portfolios where standardised approaches are used	Total Actual RWA	RWA calculated using full standardised approach
	\$M	\$M	\$M	\$M
1 Credit risk (excluding counterparty credit risk)	309,697	40,401	350,098	539,346
2 Counterparty credit risk	12,128	1,098	13,226	26,205
3 Credit valuation adjustment		3,768	3,768	3,768
4 Securitisation exposures in the banking book	-	2,491	2,491	2,491
5 Market risk	5,377	1,518	6,895	6,895
6 Operational risk		53,773	53,773	53,773
7a IRRBB	24,797		24,797	
7 Residual RWA ¹	-	3,499	3,499	-
8 Total	351,999	106,548	458,547	632,478

¹ Reflects the standardised floor adjustment.

Jun 25				
RWA				
	RWA for modelled approaches that banks have supervisory approval to use	RWA for portfolios where standardised approaches are used	Total Actual RWA	RWA calculated using full standardised approach
	\$M	\$M	\$M	\$M
1 Credit risk (excluding counterparty credit risk)	320,412	41,363	361,775	561,941
2 Counterparty credit risk	12,979	1,366	14,345	26,737
3 Credit valuation adjustment		4,991	4,991	4,991
4 Securitisation exposures in the banking book	-	2,535	2,535	2,535
5 Market risk	6,526	1,193	7,719	7,719
6 Operational risk		53,773	53,773	53,773
7a IRRBB	20,741		20,741	
7 Residual RWA	-	10,951	10,951	-
8 Total	360,658	116,172	476,830	657,696

Mar 25				
RWA				
	RWA for modelled approaches that banks have supervisory approval to use	RWA for portfolios where standardised approaches are used	Total Actual RWA	RWA calculated using full standardised approach
	\$M	\$M	\$M	\$M
1 Credit risk (excluding counterparty credit risk)	314,528	42,612	357,140	554,974
2 Counterparty credit risk	12,604	1,205	13,809	27,287
3 Credit valuation adjustment		4,736	4,736	4,736
4 Securitisation exposures in the banking book	-	2,396	2,396	2,396
5 Market risk	5,566	1,288	6,854	6,854
6 Operational risk		50,648	50,648	50,648
7a IRRBB	21,357		21,357	
7 Residual RWA	-	12,059	12,059	-
8 Total	354,055	114,944	468,999	646,895

In accordance with current prudential regulations, APRA (and Reserve Bank of New Zealand (RBNZ) in the New Zealand context) has approved ANZ's use of the internal ratings-based approach for calculating the required capital for the majority of credit risk and counterparty credit risk exposures, with the standardised approach used for only a relatively small proportion of credit exposures. Noting the Suncorp Bank portfolio continues to calculate required capital under the standardised approach.

Methodological differences primarily arise due to the measurement of exposure at default (EAD) and the risk weights applied. In both cases, the treatment of credit risk mitigation, such as collateral, can have a significant effect. In line with the BCBS objectives, the internal model approach aims to balance the maintaining of prudent levels of capital while encouraging, where appropriate, the use of advanced risk management techniques.

Risk weights

Under the internal ratings-based approach, internal estimates of the probability of default (PD) and the loss given default (LGD), and for wholesale exposures the maturity, are used as inputs to the risk-weight formula for calculating RWA. Additionally, a 1.1 scaling factor is applied to internal ratings-based exposures. Under the standardised approach, risk weights are less granular and are driven by ratings provided by external credit assessment institutions (ECAIs) or the amount of collateral with which an exposure is secured which is used in the loan to value ratio (LVR).

The material divergences between the Standardised and Internal Ratings-Based approaches are in the Corporate and Financial Institutions asset classes. Much of this comes about due to the limited availability of external credit ratings across the portfolios, including for high-quality Institutional customers. Under the Standardised rules for unrated exposures, the risk-weight outcome is relatively conservative with only minor difference in treatment between customer credit profiles, resulting in a material divergence to the Internal Ratings-Based outcome for the same portfolios.

The Retail Residential Mortgage sub-asset class also exhibits conservatism in the standardised approach driven by the prescribed risk weights primarily using LVR.

EAD measurement

Prescribed credit conversion factors (CCF's) applied to off-balance sheet amounts are mostly consistent across internal ratings-based and standardised approaches. Some differences are observed in non-revolving retail exposures (requiring 100% CCF in internal ratings-based) and revolving retail exposures (allowing an internal estimate under internal ratings-based).

CMS2: Comparison of modelled and standardised RWA for credit risk at asset class level

The table below outlines the comparison of modelled and standardised RWA at asset class level.

This table has minor modifications from the original BCBS standard. Additional detail on these modifications has been provided in Appendix 1.

		Sep 25			
		RWA for modelled approaches that banks have supervisory approval to use	RWA for portfolios where standardised approaches are used	Total Actual RWA	RWA calculated using full standardised approach
		\$M	\$M	\$M	\$M
1	Sovereign	10,107	10	10,117	11,532
2	Financial Institutions	23,207	170	23,377	54,635
5	Corporates	98,114	12,237	110,351	192,132
	of which: FIRB is applied	34,388		34,388	66,678
	of which: AIRB is applied ¹	63,726		63,726	113,154
6	Retail	108,228	22,495	130,723	180,192
	of which: qualifying revolving retail	3,032	-	3,032	6,335
	of which: other retail	1,642	88	1,730	1,403
	of which: retail residential mortgages ²	94,135	22,407	116,542	162,051
	of which: retail SME	9,419	-	9,419	10,403
7	Specialised lending ³	5,901	219	6,120	8,423
8	Others	-	3,440	3,440	3,440
9	RBNZ regulated entities	64,140	1,830	65,970	88,992
10	Total	309,697	40,401	350,098	539,346

¹ Includes a \$4.2 billion RWA overlay relating to an IPRE risk weight floor.

² Retail Residential Mortgages RWA include a \$3.1 billion overlay for the PD model introduced from 30 June 2024 reporting period.

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

		Mar 25			
		RWA for modelled approaches that banks have supervisory approval to use	RWA for portfolios where standardised approaches are used	Total Actual RWA	RWA calculated using full standardised approach
		\$M	\$M	\$M	\$M
1	Sovereign	10,983	-	10,983	12,634
2	Financial Institutions	23,781	170	23,951	58,042
5	Corporates	101,166	13,828	114,994	202,614
	of which: FIRB is applied	34,587		34,587	70,824
	of which: AIRB is applied	66,579		66,579	117,962
6	Retail	109,096	22,137	131,233	177,453
	of which: qualifying revolving retail	3,155	-	3,155	6,434
	of which: other retail	1,636	167	1,803	1,479
	of which: retail residential mortgages	94,747	21,970	116,717	159,147
	of which: retail SME	9,558	-	9,558	10,393
7	Specialised lending	6,929	143	7,072	10,006
8	Others	-	4,329	4,329	4,329
9	RBNZ regulated entities	62,573	2,005	64,578	89,896
10	Total	314,528	42,612	357,140	554,974

For key drivers of differences between the internally modelled amounts and those that would be disclosed under the standardised approach, see Table CMS1.

Suncorp Bank is a standardised ADI with Credit RWA calculated based on APS 112 and as such is reflected in the above table under RWA for portfolios where standardised approaches are used, predominantly in the Corporates and Residential Mortgages Asset Classes.

DIS25: Composition of capital

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

Table CC1 of this chapter consists of a Common Disclosure template that assists users in understanding the differences between the application of the Basel III reforms in Australia and those rules as detailed in the document *Finalised Basel III post-crisis reforms* issued by the Bank for International Settlements. The capital disclosure template in this chapter is the post January 2018 version as ANZ is fully applying the Basel III regulatory adjustments, as implemented by APRA.

The information in the lines of the template has been mapped to ANZ's Level 2 balance sheet, which adjusts for non-consolidated subsidiaries as required under APS 001 Definitions.

Restrictions on transfers of capital within ANZ

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

ANZ undertakes banking activities in New Zealand principally through its wholly owned subsidiary, ANZ Bank New Zealand Limited (ANZ New Zealand), which is subject to minimum capital requirements as set by the Reserve Bank of New Zealand (RBNZ). ANZ New Zealand maintains a buffer above the minimum capital base required by the RBNZ. This capital buffer has been calculated via the ICAAP undertaken for ANZ New Zealand, to ensure ANZ New Zealand is appropriately capitalised under stressed economic scenarios.

Capital reporting and measurement

To ensure that an Authorised Deposit-taking Institution (ADI) is adequately capitalised on both a standalone and group basis, APRA adopts a tiered approach to the measurement of an ADI's capital adequacy by assessing the ADI's financial strength at three levels:

Level 1 - being the ADI i.e., ANZBGL, consolidated with APRA-approved subsidiaries, to form the ADI's Extended Licensed Entity (ELE).

Level 2 - being the consolidated ANZBGL group for financial reporting purposes adjusted to exclude associates' activities and certain subsidiaries referenced under APS 001 Definitions that undertake the following business activities:

- Insurance businesses (including friendly societies and health funds).
- Acting as manager, responsible entity, approved trustee, trustee or similar role in relation to funds management.
- Non-financial (commercial) operations.
- Securitisation special purpose vehicles to which assets have been transferred in accordance with APRA's requirements as set out in APS 120 Securitisation (APS 120).

Level 3 – the consolidated ANZGHL group for financial reporting purposes.

ANZ measures capital adequacy monthly and reports for prudential purposes on a Level 1 and Level 2 basis. This Pillar 3 report is based on the Level 2 prudential structure.

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

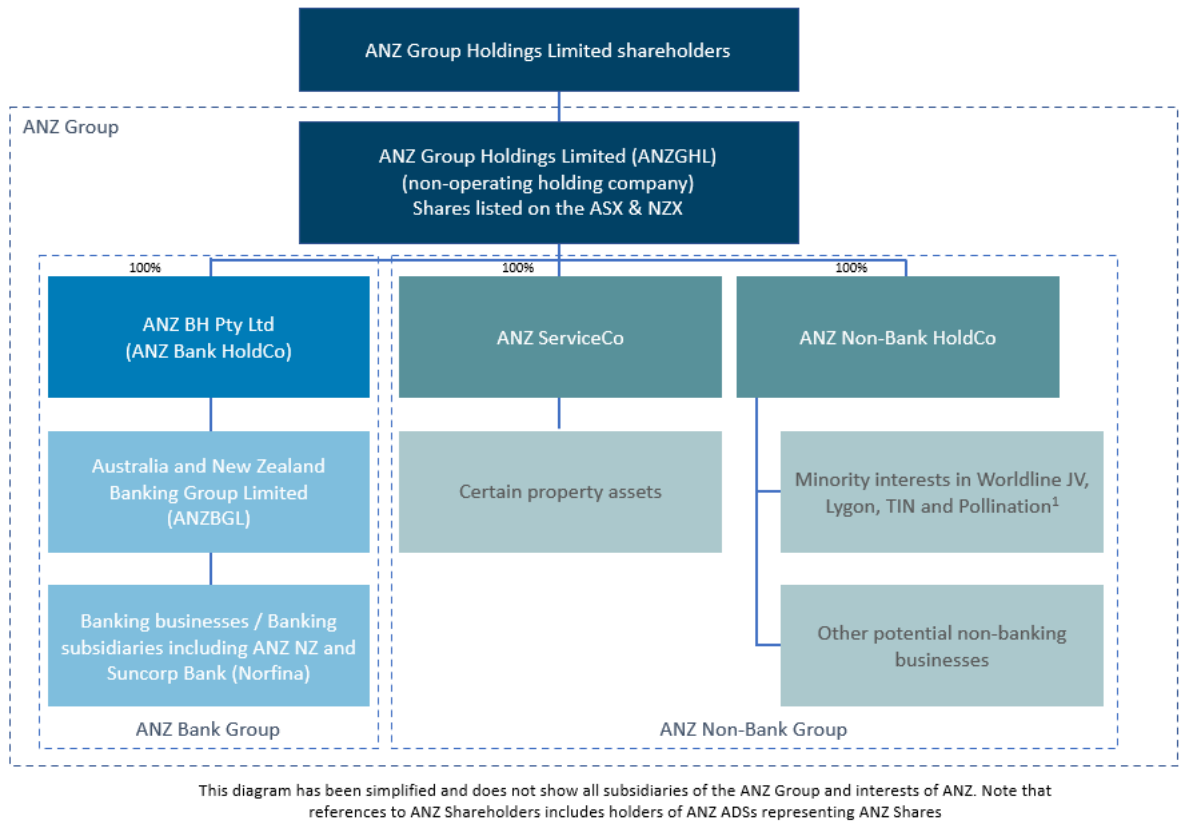
- ANZGHL must always ensure that the quality and quantity of the total capital of the Level 3 group is equivalent to, or greater than, the quality and quantity of the sum of the total capital of the consolidated ANZ Bank Group and the consolidated ANZ Non-Bank Group.
- ANZGHL must calculate and manage 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.

For further details on Level 3 Capital, refer to Note 24 Capital Management of ANZGHL's 2025 Annual Report.

For details on key regulatory capital management developments, refer to Capital Management – Other Developments section of the Results Announcement.

For a list of all material subsidiaries and a brief description of their key activities, refer to Note 24 Controlled Entities of ANZBGL's 2025 Annual Report.

ANZ corporate structure:



CCA: Main features of regulatory capital instruments

Details of the main features of the ANZ Group's regulatory capital instruments, together with the terms and conditions of those capital instruments, are available at <https://www.anz.com/shareholder/centre/reporting/regulatory-disclosure/regulatory-capital-instruments/>.

¹ Beneficial interests in 1835i trusts were divested in October 2025.

CC1: Composition of regulatory capital

The table below shows the components of regulatory capital.

This table has minor modifications from the original BCBS standard. Additional detail on these modifications has been provided in Appendix 1.

	Amounts Sep 25 \$M	Amounts Mar 25 \$M	Source based on reference of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 capital: instruments and reserves			
1 Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	26,750	26,725	
2 Retained earnings	43,884	43,638	a
3 Accumulated other comprehensive income (and other reserves)	(1,173)	(750)	
4 Directly issued capital subject to phase-out from CET1 capital (only applicable to non-joint stock companies)	-	-	
5 Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 capital)	2	2	
6 Common Equity Tier 1 capital before regulatory adjustments	69,463	69,615	
Common Equity Tier 1 capital: regulatory adjustments			
7 Prudent valuation adjustments	-	-	
8 Goodwill (net of related tax liability)	4,165	4,117	b
9 Other intangibles other than mortgage servicing rights (MSR) (net of related tax liability)	1,434	1,482	
10 Deferred tax assets (DTA) that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-	-	
11 Cash flow hedge reserve	170	(219)	c
12 Shortfall of provisions to expected losses	25	304	
13 Securitisation gain on sale (as set out in [CAP30.14])	-	-	
14 Gains and losses due to changes in own credit risk on fair valued liabilities	231	257	
15 Defined benefit pension fund net assets	134	130	
16 Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-	-	
17 Reciprocal cross-holdings in common equity	-	-	
18 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	
19 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	
20 MSR (amount above 10% threshold)	-	-	
21 DTA arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-	
22 Amount exceeding the 15% threshold	-	-	
23 of which: significant investments in the common stock of financials	-	-	
24 of which: MSR	-	-	
25 of which: DTA arising from temporary differences	-	-	
26 National specific regulatory adjustments	8,120	8,315	
26a of which: treasury shares	-	-	
26b of which: Offset to dividends declared under a dividend reinvestment plan (DRP), to the extent to that the dividends are used to purchase new ordinary shares issued by the ADI	-	-	
26c of which: deferred fee income	(546)	(496)	d
26d of which: equity investment in financial institutions not reported in rows 18, 19 and 23	2,333	2,926	
26e of which: deferred tax assets not reported in rows 10, 21 and 25	3,720	3,412	
26f of which: capitalised expenses	2,550	2,430	
26g of which: investments in commercial (non-financial) entities that are deducted under APRA rules	5	5	
26h of which: covered bonds in excess of asset cover in pools	-	-	
26i of which: undercapitalisation of a non-consolidated subsidiary	-	-	
26j of which: other national specific regulatory adjustments not reported in rows 26a to 26i	58	38	
27 Regulatory adjustments applied to Common Equity Tier 1 capital due to insufficient Additional Tier 1 and Tier 2 capital to cover deductions	-	-	
28 Total regulatory adjustments to Common Equity Tier 1 capital	14,279	14,386	
29 Common Equity Tier 1 capital (CET1)	55,184	55,229	

CC1: Composition of regulatory capital (continued)

	Amounts Sep 25 \$M	Amounts Mar 25 \$M	Source based on reference of the balance sheet under the regulatory scope of consolidation
Additional Tier 1 capital: instruments			
30 Directly issued qualifying additional Tier 1 instruments plus related stock surplus	7,526	7,602	
31 of which: classified as equity under applicable accounting standards	-	-	
32 of which: classified as liabilities under applicable accounting standards	7,526	7,602	
33 Directly issued capital instruments subject to phase out from Additional Tier 1 Capital	-	-	
34 Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group additional Tier 1 capital)	-	-	
35 of which: instruments issued by subsidiaries subject to phase out	-	-	
36 Additional Tier 1 capital before regulatory adjustments	7,526	7,602	
Additional Tier 1 capital: regulatory adjustments			
37 Investments in own additional Tier 1 instruments	-	-	
38 Reciprocal cross-holdings in additional Tier 1 instruments	-	-	
39 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-	
40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	155	155	e
41 National specific regulatory adjustments	14	4	
41a of which: holdings of capital instruments in group members by other group members on behalf of third parties	-	-	
41b of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40	14	4	
41c of which: other national specific regulatory adjustments not reported in rows 41a and 41b	-	-	
42 Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	-	-	
43 Total regulatory adjustments to additional Tier 1 capital	169	159	
44 Additional Tier 1 capital (AT1)	7,357	7,443	
45 Tier 1 capital (T1 = CET1 + AT1)	62,541	62,672	
Tier 2 capital: instruments and provisions			
46 Directly issued qualifying Tier 2 instruments plus related stock surplus	32,397	31,492	
47 Directly issued capital instruments subject to phase out from Tier 2 Capital	-	-	
48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	-	
49 of which: instruments issued by subsidiaries subject to phase out	-	-	
50 Provisions	1,710	1,639	
51 Tier 2 capital before regulatory adjustments	34,107	33,131	
Tier 2 capital: regulatory adjustments			
52 Investments in own Tier 2 instruments	100	100	
53 Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-	-	
54 Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-	
55 Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-	
56 National specific regulatory adjustments	197	200	
56a of which: holdings of capital instruments in group members by other group members on behalf of third parties	-	-	
56b of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55	174	192	
56c of which: other national specific regulatory adjustments not reported in rows 56a and 56b	23	8	
57 Total regulatory adjustments to Tier 2 capital	297	300	
58 Tier 2 capital	33,810	32,831	
59 Total regulatory capital (= Tier 1 + Tier2)	96,351	95,503	
60 Total risk-weighted assets	458,547	468,999	

CC1: Composition of regulatory capital (continued)

	Amounts Sep 25 \$M	Amounts Mar 25 \$M	Source based on reference of the balance sheet under the regulatory scope of consolidation
Capital adequacy ratios and buffers			
61 Common Equity Tier 1 capital (as a percentage of risk-weighted assets)	12.0%	11.8%	
62 Tier 1 capital (as a percentage of risk-weighted assets)	13.6%	13.4%	
63 Total capital (as a percentage of risk-weighted assets)	21.0%	20.4%	
64 Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	9.970%	9.972%	
65 of which: capital conservation buffer requirement ¹	4.75%	4.75%	
66 of which: bank-specific countercyclical buffer requirement	0.7199%	0.7219%	
67 of which: higher loss absorbency requirement	-	-	
68 Common Equity Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	7.5%	7.3%	
National minima (if different from Basel III)			
69 National minimum Common Equity Tier 1 capital adequacy ratio (if different from Basel III minimum)	-	-	
70 National minimum Tier 1 capital adequacy ratio (if different from Basel III minimum)	-	-	
71 National minimum Total capital adequacy ratio (if different from Basel III minimum)	-	-	
Amounts below the thresholds for deduction (before risk-weighting)			
72 Non-significant investments in the capital and other TLAC liabilities of other financial entities	263	270	
73 Significant investments in the common stock of financial entities	2,258	2,852	
74 MSR (net of related tax liability)	-	-	
75 DTA arising from temporary differences (net of related tax liability)	3,720	3,412	
Applicable caps on the inclusion of provisions in Tier 2 capital			
76 Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach (prior to application of cap)	351	352	
77 Cap on inclusion of provisions in Tier 2 capital under standardised approach	531	570	
78 Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to internal ratings-based approach (prior to application of cap)	1,359	1,287	
79 Cap for inclusion of provisions in Tier 2 capital under internal ratings-based approach	1,948	1,980	

¹ Includes 1.0% buffer applied by APRA to ADIs deemed as domestically systemically important.

See commentary on drivers of changes in Capital over the reporting period in table KM1: Key Metrics.

CC2: Reconciliation of regulatory capital to balance sheet

The table below shows the bank's regulatory balance sheet and shows the link between a bank's balance sheet in its published financial statements and the numbers that are used in the composition of capital disclosure template set out in CC1.

This table has minor modifications from the original BCBS standard. Additional detail on these modifications has been provided in Appendix 1.

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		As at Sep 25 \$M	As at Sep 25 \$M	
Assets				
1	Cash and Cash Equivalents	155,209	155,208	
2	Settlement Balances owed to ANZ	23,394	23,394	
3	Collateral Paid	9,831	9,831	
4	Trading securities	48,248	48,248	
4a	of which: Financial Institutions capital instruments		-	
5	Derivative financial instruments	47,480	47,480	
6	Investment Securities	165,540	165,390	
6a	of which: significant investment in financial institutions equity instruments		843	
6b	of which: non-significant investment in financial institutions equity instruments		75	
6c	of which: Other entities equity investments		5	
6d	of which: collectively assessed provision		(34)	
8	Net loans and advances	829,986	824,588	
8a	of which: deferred fee income		(546)	d
8b	of which: collectively assessed provision		(3,512)	
8c	of which: individual provisions		(362)	
8d	of which: capitalised brokerage & Loan/Lease origination fees		4,500	
8f	of which: CET1 margin lending adjustment		-	
8g	of which: AT1 margin lending adjustment		-	
9	Regulatory deposits	541	541	
11	Due from controlled entities	-	57	
11a	of which: Significant investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation		-	
12	Shares in controlled entities	-	490	
12a	of which: Investment in deconsolidated financial subsidiaries		335	
12b	of which: AT1 significant investment in banking, financial and insurance entities that are outside the scope of regulatory consolidation		155	e
13	Investment in associates	1,140	1,140	
13a	of which: Financial Institutions		1,140	
14	Current tax assets	25	25	
15	Deferred tax assets	3,327	3,327	
16	Goodwill and other intangible assets	5,762	5,703	
16a	of which: Goodwill		4,165	b
16b	of which: Software		996	
16c	of which: other intangible assets (WDv)		542	
18	Premises and equipment	2,283	2,283	
19	Other assets	4,905	4,754	
19a	of which: Defined benefit superannuation fund net assets		184	
19b	of which: Capitalised Costs of Disposal		58	
Total assets		1,297,671	1,292,454	

Balances under "of which" are disclosed in column: Under regulatory scope of consolidation.

CC2: Reconciliation of regulatory capital to balance sheet (continued)

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		As at Sep 25	As at Sep 25	
		\$M	\$M	
Liabilities				
20	Settlement Balances owed by ANZ	31,144	31,144	
21	Collateral Received	7,428	7,428	
22	Deposits and other borrowings	956,401	956,436	
23	Derivative financial instruments	43,902	43,902	
24	Due to controlled entities	-	698	
25	Current tax liabilities	537	475	
26	Deferred tax liabilities	226	226	
26a	of which: related to intangible assets		162	
26b	of which: related to capitalised expenses		8	
26c	of which: related to defined benefit superannuation fund		50	
30	Payables and other liabilities	15,147	14,879	
31	Employee Entitlements	688	688	
32	Provisions	2,479	2,482	
32a	of which: collectively assessed provision		832	
32b	of which: individually assessed provision		37	
33	Debt Issuances	169,274	163,877	
33a	of which: Directly issued qualifying Additional Tier 1 instruments		7,452	
33b	of which: Additional Tier 1 Instruments		-	
33d	of which: Directly issued qualifying Tier 2 instruments		33,811	
Total liabilities		1,227,226	1,222,235	
Net Assets		70,445	70,219	
Shareholders' equity		\$M	\$M	
34	Ordinary Share Capital	27,053	26,976	
34a	of which: Share reserve		226	
35	Reserves	(1,379)	(1,380)	
35a	of which: Cash flow hedging reserves		170	c
36	Retained earnings	44,032	43,884	a
37	Share capital and reserves attributable to shareholders of the company	69,706	69,480	
38	Non-controlling interests	739	739	
39	Total shareholders' equity	70,445	70,219	

Balances under "of which" are disclosed in column: Under regulatory scope of consolidation.

DIS30: Links between financial statements and regulatory exposures

LIA: Explanations of differences between accounting and regulatory exposure amounts

- (a) **Origins of significant differences between the carrying values in financial statements and Carrying values under scope of regulatory consolidation** are identified as the non-consolidated subsidiaries, consolidated for accounting in the Banking Group and excluded from the APRA Level 2 Group as per APS 001 Attachment B.
- (b) **Origins of differences between carrying values and amount considered for regulatory purposes** are shown in table LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements.
- (c) Refer to Note 18: Fair value approach and valuation techniques of the ANZBGL's 2025 Annual Report for information on the Group's valuation methodologies for financial instruments.
- (d) **Investments in insurance** are deducted from capital in accordance with APS 110.
- (e) When calculating ANZ's capital adequacy ratio no surplus capital held in insurance subsidiaries was recognised for level 2 capital reporting.

Refer to Appendix 2 for details of entities included within the accounting scope of consolidation but excluded from regulatory consolidation.

ANZ Basel III Pillar 3 disclosure
September 2025

LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

The table below outlines the differences in the basis of consolidation for accounting and regulatory purposes. It provides an allocation of the balance sheet line items reported under the scope of regulatory consolidation between the different regulatory risk frameworks.¹

		Sep 25						
		Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items:				
				Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
		\$M	\$M	\$M	\$M	\$M	\$M	\$M
Assets								
1	Cash and Cash Equivalents	155,209	155,208	101,420	56,428	-	49,989	-
2	Settlement Balances owed to ANZ	23,394	23,394	-	-	-	17,559	5,835
3	Collateral Paid	9,831	9,831	-	9,831	-	-	-
4	Trading securities	48,248	48,248	21,460	-	-	33,613	-
5	Derivative financial instruments	47,480	47,480	-	47,424	56	46,170	-
6	Investment Securities	165,540	165,390	162,997	-	1,470	-	923
8	Net loans and advances	829,986	824,588	783,608	25,390	11,635	34,047	3,954
9	Regulatory deposits	541	541	541	-	-	-	-
10	Assets held for sale	-	-	-	-	-	-	-
11	Due from controlled entities	-	57	57	-	-	-	-
12	Shares in controlled entities	-	490	-	-	-	-	490
13	Investment in associates	1,140	1,140	-	-	-	-	1,140
14	Current tax assets	25	25	25	-	-	-	-
15	Deferred tax assets	3,327	3,322	-	-	-	-	3,322
16	Goodwill and other intangible assets	5,762	5,703	-	-	-	-	5,703
18	Premises and equipment	2,283	2,283	2,283	-	-	-	-
19	Other assets	4,905	4,754	4,512	-	-	-	242
20	Total assets	1,297,671	1,292,454	1,076,903	139,073	13,161	181,378	21,609

¹ Exposures may be subject to more than one risk framework and when this occurs the carrying value is reported in all columns that it attracts a capital charge. As a result, the sum of values in columns corresponding to the risk frameworks does not always equal the total carrying value under the scope of regulatory consolidation.

ANZ Basel III Pillar 3 disclosure
September 2025

LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories (continued)¹

		Sep 25						
		Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items:				
				Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
		\$M	\$M	\$M	\$M	\$M	\$M	\$M
Liabilities								
1	Settlement Balances owed by ANZ	31,144	31,144	-	-	-	19,991	11,153
2	Collateral Received	7,428	7,428	-	7,428	-	-	-
3	Deposits and other borrowings	956,401	956,436	-	56,139	-	101,951	854,485
4	Derivative financial instruments	43,902	43,902	-	43,902	-	42,202	-
5	Due to controlled entities	-	698	-	-	-	-	698
6	Current tax liabilities	537	475	-	-	-	-	475
7	Deferred tax liabilities	226	226	-	-	-	-	226
11	Employee Entitlements	688	688	-	-	-	-	688
12	Provisions	2,479	2,482	-	-	-	-	2,482
13	Payables and other liabilities	15,147	14,879	-	-	-	3,960	10,919
14	Debt Issuances	169,274	163,877	-	-	-	103	163,774
15	Total liabilities	1,227,226	1,222,235	-	107,469	-	168,207	1,044,900

¹ Exposures may be subject to more than one risk framework and when this occurs the carrying value is reported in all columns that it attracts a capital charge. As a result, the sum of values in columns corresponding to the risk frameworks does not always equal the total carrying value under the scope of regulatory consolidation.

LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

The table below reconciles the main differences between the accounting carrying values under the regulatory scope of consolidation and the exposures used for regulatory purposes, split as per the regulatory risk framework.¹ The regulatory risk framework includes the following additional components:

- Off-balance sheet amounts and differences due to credit conversion factors (CCF): off-balance sheet amounts consist of items such as undrawn commitments, financial guarantees and other off-balance sheet products. Prescribed regulatory CCFs are applied to these amounts based on their nature to form a regulatory exposure amount
- Valuation differences: for counterparty credit risk primarily relates to the regulatory valuation of derivatives and securities financing transactions (SFTs). The regulatory valuation reflects the inclusion of potential future exposure (PFE) and a 1.4 alpha multiplier for the standardised approach to counterparty credit risk (CCR) approach. Within credit risk are differences related to valuations including a larger interest accrual considered in the regulatory risk framework
- Differences due to netting rules: relates to the differences in netting financial assets with financial liabilities which differs between the accounting and regulatory risk framework
- Consideration of provisions: relates to the grossing up of provisions associated with IRB exposures

Sep 25					
Items subject to:					
	Total	Credit risk framework	Counterparty credit risk framework	Securitisation framework	Market risk framework
	\$M	\$M	\$M	\$M	\$M
1 Asset carrying value amount under scope of regulatory consolidation (as per Template LI1)	1,270,845	1,076,903	139,073	13,161	181,378
2 Liabilities carrying value amount under regulatory scope of consolidation (as per Template LI1)	177,335	-	107,469	-	168,207
3 Total net amount under regulatory scope of consolidation (Row 1 – Row 2)	1,093,510	1,076,903	31,604	13,161	13,171
4 Off-balance sheet amounts	291,027	288,621	-	2,406	
5 Differences in valuations	43,451	2,233	41,108	111	
6 Differences due to different netting rules, other than those already included in row 2	(18,117)	-	(18,116)	-	
7 Differences due to consideration of provisions	3,870	3,870	-	-	
8 Differences due to prudential filters	-	-	-	-	
9 Differences due to credit conversion factors	(122,801)	(122,801)	-	-	
10 Other Differences	-	-	-	-	
11 Exposure amounts considered for regulatory purposes	1,290,940	1,248,826	54,596	15,678	

¹ The total reflects carrying values under regulatory consolidation, excluding items not subject to capital requirements or deducted from capital (LI1). Accordingly, the total will not align to the sum of the Credit, Securitisation, Counterparty Credit, and Market Risk frameworks.

DIS31: Asset encumbrance

ENC: Asset encumbrance

The table below differentiates assets which are used to support funding or collateral needs ("encumbered assets") as at 30 September 2025 from those assets which are "unencumbered". Each of the reported values in the table is based on the carrying amount on the balance sheet using period-end values.

The Group mainly has the following sources of encumbrance:

- Assets pledged under repurchase agreements: Collateralised financing transactions through repurchase agreements are a form of short-term funding. The asset used as collateral is debt securities.
- Covered bonds: The Group operates various global covered bond programs to raise funding in primary markets. Residential mortgages are used as collateral.
- External Securitisation: Residential mortgages securitised under the Group's securitisation program.
- Collateral is used to mitigate risks arising from derivative and hedging arrangements.

As at 30 September 2025, ANZ Group has \$111.0 billion of encumbered assets, which is predominantly Debt securities \$57.6 billion and Net loans and advances of \$37.9 billion.

The Group has updated its March 2025 disclosures related to collateral paid and other assets. The collateral paid disclosure used a conservative method that showed the full gross collateral posted. As part of the update, \$7,345 million has been reclassified from Encumbered collateral paid to Unencumbered other assets. Additionally, \$1,579 million in certain property assets under a sale and leaseback arrangement have been reclassified as encumbered in other assets, following an assessment of the transaction's accounting treatment.

	Sep 25		
	Encumbered assets	Unencumbered assets	Total ³
	\$M	\$M	\$M
1 Assets of the reporting institution	110,958	1,186,713	1,297,671
2 Debt securities ¹	57,574	238,033	295,607
3 Net Loans and advances	37,882	766,714	804,596
4 of which: Covered Bonds	32,510	-	32,510
5 of which: Securitisations	5,372	-	5,372
6 Collateral posted in connection with derivatives contracts ²	13,912	-	13,912
7 Other assets	1,590	181,966	183,556

¹ Including securities held by reverse repurchase agreements.

² Initial margins required to open the position and any collateral placed for the market value of derivatives transactions (cash and non-cash collateral).

³ Total Assets from the consolidated balance sheet as reported in the ANZBGL Group's financial statements.

	Mar 25		
	Encumbered assets ⁴	Unencumbered assets ⁴	Total ⁴
	\$M	\$M	\$M
1 Assets of the reporting institution	111,959	1,191,012	1,302,971
2 Debt securities	59,658	222,380	282,038
3 Net Loans and advances	37,059	767,352	804,411
4 of which: Covered Bonds	32,403	-	32,403
5 of which: Securitisations	4,656	-	4,656
6 Collateral posted in connection with derivatives contracts	13,663	-	13,663
7 Other assets	1,579	201,280	202,859

⁴ March comparative numbers have been restated to align with the change in methodology in the current period.

DIS40: Credit risk

CRA: General qualitative information about credit risk

ANZ operates a diverse business structure with three major customer segments (retail banking, commercial banking, and institutional banking), across six divisions, 29 markets, and a broad cross-section of industries. Credit risk frameworks and policies are adopted across all segments and geographies in which ANZ operates, but align as necessary to accommodate the local regulatory, business and customer environment.

Definition of credit risk

Credit risk is 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 deterioration of value.

Portfolios with approval to use the Internal Ratings based (IRB) approach

ANZ has APRA approval to use the four approaches under the Internal Ratings based approach to credit risk, within APS 113.

As an IRB bank, ANZ's internal models generate the inputs into regulatory capital adequacy under the four approaches (see below), to determine the risk weighted asset calculations for both on and off-balance sheet committed exposures and expected loss (EL) calculations.

ANZ's internal models are used to generate three key risk components that serve as inputs to the IRB approach to credit risk:

- Probability of Default (PD) is an estimate of the level of risk of borrower defaulting over a 12-month horizon;
- Exposure at Default (EAD) represents the expected outstanding at the time of default, including current outstandings, and an estimate of additional drawings prior to default under committed limits); and
- Loss Given Default (LGD) is an estimate of the economic loss on a credit exposure, incurred as a consequence of obligor default, expressed as a percentage of the facility's EAD.

Effective maturity (M) is also calculated as an input to the risk weighted asset calculation for wholesale asset classes.

Internal Rating Based Approaches:

Foundation IRB (FIRB) - ANZ provide its own estimates of PD and M, and use APRA supervisory estimates for LGD and EAD;

Advanced IRB (AIRB) (Wholesale) - ANZ use its own estimates of PD, LGD (excluding senior unsecured and subordinated corporate exposures) and M, and use APRA supervisory estimates for EAD;

Advanced IRB (AIRB) (Retail) - ANZ use its own estimates of PD, LGD and EAD (excluding non-revolving retail exposures for which ANZ use APRA supervisory EAD estimates); and

Supervisory slotting approach - ANZ use its own mapping of credit exposures to the supervisory slotting categories, and APRA supervisory risk weights and APRA supervisory estimates for EAD.

Portfolios subject to standardised approach to credit risk

Exposures are either prescribed the standardised approach, such as Non-standard mortgages, Margin lending and Fixed Assets, or are subject to the standardised approach on the basis ANZ is not approved to use the IRB approach to credit risk.

Where ANZ does not have APRA approval to apply the IRB approach to specific portfolios, ANZ applies the Standardised approach to credit risk, under APS 112. This relates to portfolios where available data does not enable development of advanced internal models for PD, LGD and EAD estimates.

Suncorp Bank is a standardised ADI and calculates Credit Risk Capital per APS 112.

Under the Standardised approach, exposures are mapped to regulatory risk weights, mainly based on:

- Loan to Value Ratio (LVR) for exposures secured by property (after accounting for dependency on property-related cash flows for wholesale exposures); or
- the type of counterparty such as: Sovereign, Bank, Corporate and its external rating where the borrower is externally rated.

For these counterparties, external ratings are used as inputs into the RWA calculation. Refer to table CRD: Qualitative disclosure on banks' use of external credit rating for further details.

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

ANZ also applies the above approach to meeting the new requirement that IRB ADIs calculate and disclose RWA under the standardised approach.

Criteria and approach used for defining credit risk management policy and for setting credit risk limits

ANZ has a comprehensive framework to manage Credit Risk. The framework is top-down, being defined by credit principles and policies. Credit policies, requirements and procedures cover all aspects of the credit life cycle such as transaction structuring, risk grading, initial approval, ongoing management and problem debt management, as well as specialist policy topics.

The effectiveness of the credit risk management framework is assessed through various compliance and monitoring processes. These, together with portfolio selection and risk appetite setting, define and guide the credit process, organisation and staff. Refer to table OVA: Bank risk management approach for further details on the Risk Appetite Statement (RAS).

Structure and organisation of the credit risk function

The Credit and Market Risk Committee (CMRC) is a senior executive level committee responsible for the oversight and control of credit, market and material financial risks across the ANZ Group. The Credit Rating System Oversight Committee (CRSOC) supports the CMRC, by providing oversight and control of the internal ratings system for credit risk in the wholesale and retail sectors, including credit model approvals and performance monitoring.

The primary responsibility for prudent and profitable management of credit risk assets and customer relationships rests with the business units. Business units are supported by an independent credit risk management function which is staffed by risk specialists. Independence is achieved by having all second line credit risk staff ultimately report to the Chief Risk Officer (CRO). ANZ's Risk function (Risk) performs key roles in portfolio management such as approving sector and customer appetite, development and validation of credit risk measurement systems, loan asset quality reporting, sensitivity analysis and stress testing in response to economic scenarios and development of the overall governance framework including credit policies and requirements, and adherence to regulations.

The authority to make credit decisions is delegated by the Board to the CEO who in turn delegates authority to the CRO. The CRO in turn delegates some of their credit discretion to individuals as part of a 'cascade' of authority from senior to the most junior credit officers via the Credit Approval Discretion (CAD) Framework. Within ANZ's wholesale business, credit approval for material judgemental lending is made on a 'dual approval' basis, jointly by the business writer in the business unit and the respective independent credit risk officer. Individuals must be suitably skilled and accredited in order to be granted and retain Credit Approval Discretion. Credit Approval Discretions are reviewed on an annual basis and may be varied based on the holder's performance. Credit decisions are subject to Division level hind sighting using a risk-based approach, with material approvals oversighted by the Group CRO, CRO Institutional and the BRC.

Programmed credit assessment typically covers Retail and some small business lending and refers to the automated assessment of credit applications using a combination of scoring (application and behavioural), policy rules and external credit reporting information. Where an application does not meet the automated assessment criteria it will be referred out for manual assessment.

Suncorp Bank

Credit Risk Authorities that are delegated by the Suncorp Bank Board in the Credit Risk Management Policy (CRMP) to the ANZ Group CRO are, in turn, delegated to the CRO Suncorp Bank to facilitate credit risk management and day to day operations of Suncorp Bank. Authorities delegated by the Suncorp Bank Board in the CRMP to the CEO Suncorp Bank are partially delegated to the CRO Suncorp Bank. The CEO Suncorp Bank is ultimately accountable for the acceptance of credit risk through execution of credit risk authority on behalf of the Bank.

The Chief Risk Officer Suncorp Bank (CRO Suncorp Bank) establishes, approves, and oversees all Credit Policies and Underwriting Standards, the Credit Risk Authority Framework (CRAF), the Delegated Credit Authority Framework (DCAF) and the Concentration Risk Management Framework (CRMF). This authority has been delegated to the CRO Suncorp Bank by the ANZ Group CRO. The CEO Suncorp Bank and ANZ Group CRO delegate credit authorities to suitability accredited employees within the parameters of the CRMP and CRAF.

Portfolio direction and performance

The credit risk management framework contains several portfolio direction and performance tools which enable Risk to play a fundamental role in monitoring the direction and performance of the portfolio. These include:

- Group and divisional level risk appetite strategies, business writing strategies and Sector and Product Transaction Guidelines which are prepared by the businesses and set out appetite, planned portfolio growth, capital usage and risk/return profile, and also identify areas that may require attention to mitigate and improve risk management. In all cases, Risk plays an active role for the review and challenge of appetite settings, industry deep dives and stress testing reports;
- Wholesale portfolio Red/Amber/Green (RAG) ratings for industries and portfolio reviews are re-assessed on a quarterly basis ensuring ANZ's view of risks and potential impacts dynamically respond to changing external market conditions; and
- Wholesale portfolio exposure concentration limits, covering single customers, and customer groups with economic interdependence, industries and cross border risk, to maintain a diversified portfolio.

ANZ uses portfolio monitoring and analysis tools, technologies and techniques to assist with portfolio risk assessment and management. These assist in:

- Monitoring, analysing and reporting ANZ's credit risk profile and progress in meeting portfolio objectives;
- Calculating and reporting ANZ's collective provision, economic loss, regulatory risk weighted assets (RWA) and regulatory expected loss (EL);
- Assessing impact of emerging issues, and conducting ad-hoc investigations and deep dive portfolio reviews;
- Validating rating/scoring tools and credit estimates; and
- Ongoing review and refinement of ANZ's credit risk measurement and policy framework.

Relationships between the credit risk management, risk compliance and internal audit functions

The credit risk management function at ANZ interacts closely with the broader Risk, compliance and internal audit functions to ensure a robust control environment.

The Group has an independent risk management function, headed by the CRO- the second line of defence. The Risk function at both divisional/functional and group levels, undertakes oversight, independent review, and assurance of business activities. The Group Compliance function develop and maintain relevant policies, provide subject matter expertise, and monitor compliance with the Group's Risk Appetite Statements.

The third line of defence, Internal Audit, provides independent and objective assurance regarding policy and regulatory compliance, performing objective assessments across all geographies and divisions, and independently reviewing the adequacy of the frameworks. Additionally, Internal Audit reports directly to the Board Audit Committee, evaluating the Risk Management Framework annually and facilitating comprehensive reviews every three years. Collectively, these functions monitor and report to executive management, the Board, and regulators, ensuring effective credit risk management within ANZ.

Scope and main content of the reporting on credit risk exposure and on the credit risk management function to the executive management and to the board of directors

Credit risk management information systems, reporting and analysis are managed centrally and at the divisional and business unit level.

Periodic reporting provides confirmation of the effectiveness of processes, highlights emerging issues, and allows monitoring of portfolio trends by all levels of management and the Board.

Examples of reports include EAD, portfolio mix, risk grade profiles and migrations, RWAs, large exposure reporting, credit early alerts, watch and control lists, policy or appetite exceptions, impaired assets and provisions.

CR1: Credit quality of assets

The table below presents a view of the credit quality of on- and off-balance sheet assets.
Non-performing exposures are exposures captured by the definition of default (refer below table).

		Sep 25					
		Gross carrying values of ¹			Of which ECL accounting provisions for credit losses on SA exposures		Net values
		Non-performing exposures	Performing exposures	Allowances/ impairments ²	Allocated in regulatory category of Specific	Allocated in regulatory category of General	
		\$M	\$M	\$M	\$M	\$M	\$M
1	Loans	8,181	816,422	(3,874)	(89)	(286)	820,729
2	Debt Securities	-	164,470	(34)	-	(1)	164,436
2a	of which: measured at amortising cost	-	7,404	(34)	-	(1)	7,370
2b	of which: measured at fair value	-	157,066	-	-	-	157,066
3	Off-balance sheet exposures	229	241,865	(870)	(5)	(64)	241,224
3a	Other financial assets	-	254,953	-	-	-	254,953
4	Total	8,410	1,477,710	(4,778)	(94)	(351)	1,481,342

¹ Gross carrying values exclude capitalised brokerage & loan/lease origination fees and unearned income.

² Allowances/impairments of \$4,778 million include Collectively Assessed Provision for Credit Impairment of \$4,379 million, and Individually Assessed Provisions for Credit Impairment of \$399 million.

		Mar 25					
		Gross carrying values of			Of which ECL accounting provisions for credit losses on SA exposures		Net values
		Non-performing exposures	Performing exposures	Allowances/ impairments	Allocated in regulatory category of Specific	Allocated in regulatory category of General	
		\$M	\$M	\$M	\$M	\$M	\$M
1	Loans	8,077	808,198	(3,761)	(53)	(292)	812,514
2	Debt Securities	-	153,730	(31)	-	-	153,699
2a	of which: measured at amortising cost	-	6,783	(31)	-	-	6,752
2b	of which: measured at fair value	-	146,947	-	-	-	146,947
3	Off-balance sheet exposures	229	251,825	(852)	(4)	(60)	251,202
3a	Other financial assets	-	298,501	-	-	-	298,501
4	Total	8,306	1,512,254	(4,644)	(57)	(352)	1,515,916

CR2: Changes in stock of non-performing loans and debt securities

The table below presents the non-performing exposure balances, the flows between performing and non-performing exposure categories and reductions in the non-performing exposure balances due to write-offs.¹

	Sep 25 \$M	Mar 25 \$M
1 Non-performing loans and debt securities at end of the previous reporting period	8,306	7,451
2 Loans and debt securities that have defaulted since the last reporting period	3,963	4,179
3 Returned to performing status	(1,816)	(1,499)
4 Amounts written off	(174)	(172)
5 Other changes ²	(1,869)	(1,653)
6 Non-performing loans and debt securities at end of the reporting period	8,410	8,306

¹ Includes off-balance sheet exposures.

² Other changes include repayments and foreign exchange impacts.

CRB: Additional disclosure related to the credit quality of assets

Past due facilities

A facility is past due:

- after any amount that was due under a contract (interest, principal, fee or other amount) was not paid in full on, or before, the date that it is due; or
- when it is outside of contracted arrangements.

Days past due are the number of calendar days that have elapsed since the facility became past due.

Definition of default

ANZ uses the following definition of default:

- the customer is considered unlikely to pay its credit obligations in full, without recourse to actions such as realising security; or
- the executed customer documentation includes a payment obligation, such as a maturing/terminating facility or amortisation, and the customer is 90 consecutive days or more past due on this credit obligation; or
- the customer's overdraft or other revolving facilities have been continuously outside approved limits for 90 or more consecutive days

Non-performing exposures

A non-performing exposure is an exposure that is in default. An exposure will only be re-classified as performing when the exposure no longer meets the definition of default, and when repayments have been made when due over a continuous repayment period of at least 90 days (or over 6 months, per revised contractual terms, for restructured exposures), as required by APS 220 Credit Risk Management.

Provisions for credit impairment

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.

In determining what constitutes a SICR, ANZ considers both qualitative and quantitative information, including probability of default at origination and at the reporting date.

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.

Credit-impaired exposures

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.

Financial assets, including those that are well-secured, are considered credit-impaired for financial reporting purposes when they default. These assets are reported as Stage 3.

For regulatory purposes, specific provisions are defined as the provisions for credit-impaired exposures (i.e. stage 3 ECL). Specific provisions include individually assessed provisions, and stage 3 collectively assessed provisions.

Measurement of expected credit loss

Collectively assessed 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.

Individually assessed ECL is assessed on a case-by-case basis for individually managed assets where doubt exists as to whether the full contractual amount will be received in a timely manner, taking into consideration factors such as the realisable value of security (or other credit mitigants), the likely return available upon liquidation or bankruptcy, legal uncertainties, estimated costs involved in recovery, the market price of the exposure in secondary markets and the amount and timing of expected receipts and recoveries.

Write-offs

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.

Restructured exposures

A restructured exposure is an exposure where a concession has been granted:

- to a customer experiencing financial difficulty, and
- the concession is not available to a customer in good standing, and
- the concession results in, for example, the:
 - forgiveness or postponement of a material value of principal or fees
 - deferral of interest
 - capitalisation of arrears

Restructures can be granted on performing and non-performing facilities. ANZ ensures that non-performing exposures, and exposures that are non-performing due to a restructure, maintain the non-performing status for a minimum of 6 months after being restructured.

**ANZ Basel III Pillar 3 disclosure
September 2025**

Breakdown of exposures, amounts of non-performing exposures and accounting provisions, by industry

		Sep 25						
		Gross carrying amount				of which: non-performing		Accounting provisions for non-performing exposures
		Total	of which: loans	of which: off-balance sheet exposures	of which: other financial assets	Total	of which: individually assessed for ECL	Total
		\$M	\$M	\$M	\$M	\$M	\$M	\$M
1	Agriculture, Forestry, Fishing & Mining	55,628	41,326	13,517	785	671	171	83
2	Business & Property Services	23,532	14,348	8,888	296	111	30	21
3	Commercial Property	80,758	62,782	16,593	1,383	462	228	36
4	Construction	13,211	6,508	6,657	46	148	44	19
5	Electricity, Gas & Water Supply	23,658	11,590	11,192	876	4	3	1
6	Entertainment, Leisure & Tourism	17,670	13,750	3,829	91	151	30	16
7	Financial, Investment & Insurance	402,472	86,293	51,424	264,755	23	8	6
8	Government & Official Institutions	146,648	2,436	1,173	143,039	-	-	-
9	Manufacturing	50,831	26,053	23,205	1,573	216	78	28
10	Personal Lending	20,788	6,897	13,853	38	99	22	15
11	Residential Mortgage	554,118	498,599	54,108	1,411	5,987	257	57
12	Retail Trade	17,969	11,480	6,418	71	219	122	83
13	Transport & Storage	21,170	11,644	8,736	790	62	34	12
14	Wholesale Trade	25,252	12,706	11,439	1,107	55	20	11
15	Other	32,415	18,191	11,062	3,162	202	98	61
16	Total	1,486,120	824,603	242,094	419,423	8,410	1,145	1,050

¹ Losses from lower risk IPRE lending and total losses from IPRE lending are less than 0.3% and 0.5% of total IPRE exposures respectively in each of the past three years to 30 September 2025.

**ANZ Basel III Pillar 3 disclosure
September 2025**

Breakdown of exposures, amounts of non-performing exposures and accounting provisions, by country

		Sep 25						
		Gross carrying amount				of which: non-performing		Accounting provisions for non-performing exposures
		Total	of which: loans	of which: off-balance sheet exposures	of which: other financial assets	Total	of which: individually assessed for ECL	Total
		\$M	\$M	\$M	\$M	\$M	\$M	\$M
1	Australia	968,320	615,118	140,876	212,326	6,823	757	851
2	New Zealand	198,199	139,702	26,180	32,317	1,444	314	147
3	International	319,601	69,783	75,038	174,780	143	74	52
4	Total	1,486,120	824,603	242,094	419,423	8,410	1,145	1,050

Ageing of exposures¹

		Sep 25			
		Gross carrying amount			
		30-59 Days	60-89 Days	90+ Days	Total
		\$M	\$M	\$M	\$M
1	Corporate, SME and Other Lending	331	279	999	1,609
2	Personal Lending	40	24	65	129
3	Residential Mortgage	1,512	994	4,231	6,737
4	Total	1,883	1,297	5,295	8,475

¹ Credit exposures that are 1 – 29 days past due are not disclosed separately as these do not substantially contribute to an elevated level of credit risk.

Maturity of exposures

		Sep 25			
		Gross carrying amount			
		Within 1 year	1 to 5 years	More than 5 years	No maturity specified ²
		\$M	\$M	\$M	\$M
1	Loans	132,675	153,282	527,856	10,790
2	Off-balance sheet exposures	78,806	87,807	46,812	28,669
3	Other financial assets	210,895	111,039	97,489	-
4	Total	422,376	352,128	672,157	39,459

² No Maturity Specified predominately includes credit cards and residential mortgage equity manager accounts.

Restructured exposures

		Sep 25
		\$M
1	Total Restructured Exposures	1,393

CRC: Qualitative disclosure related to credit risk mitigation techniques

(a) Core features of policies and processes for collateral evaluation and management.

Main types of collateral taken by ANZ

Collateral is used to mitigate credit risk, as the secondary source of repayment in case the counterparty cannot meet its contractual repayment obligations¹. Types of collateral typically taken by ANZ include:

- Charges over property, such as residential, commercial, industrial, or rural property;
- Charges over business assets;
- Charges over specific plant and equipment;
- Charges over listed shares, bonds, or securities;
- Charges over cash investments and financial assets;
- Guarantees and pledges; and
- Cash and securities under Credit Support Annex (CSA) and Global Master Repurchase Agreement (GMRA) for Counterparty credit risk in derivative and repo transactions.

In some cases, such as where the customer risk profile is considered very sound or by the nature of the product, a transaction may not be supported by collateral.

ANZ's credit policy, requirements and processes set out the acceptable types of collateral, as well as a process by which additional instruments and/or asset types can be considered for approval.

For derivative transactions, APRA's CPS 226 "Margining and risk mitigation for non-centrally cleared derivatives" (CPS 226) has mandated Variation Margin and Initial Margin arrangements between covered entities, subject to trading volume thresholds. The operation of collateral agreements falls under a policy which establishes the control framework designed to ensure a robust and globally consistent approach to the management of collateralised exposures, as well as compliance with CPS 226 obligations.

For non-derivative and repo transactions, ANZ's credit risk modelling teams use historical internal loss data and other relevant external data to assist in determining the discount that each type of collateral would be expected to incur in a forced sale. The discounted value is used in the determination of the Security Indicator (SI) and LGD. For derivative transactions, ANZ haircuts the value of cash and securities collateral under CSA or GMRA to calculate the regulatory EAD, as per APRA's APS 112 and APS 180 Capital Adequacy: Counterparty Credit Risk (APS 180).

Policies and processes for collateral valuation and management

ANZ has well established policies, requirements and processes around collateral valuation and management that are reviewed regularly. The concepts of legal enforceability, certainty and current valuation are central to collateral management.

To achieve legal enforceability and certainty, ANZ uses standard collateral instruments or has specific documentation drawn up by external legal advisers, and where applicable, security interests are registered. The use of collateral management systems also provides certainty that the collateral has been properly taken, registered and stored.

In order to rely on the valuation of collateral assets, ANZ has developed comprehensive rules around acceptable types of valuations (including who may value an asset), frequency of revaluations and standard extension ratios for typical asset types. Upon receipt of a new valuation, the information is used to recalculate the SI (or to reassess the adequacy of the provision, in the case of an impaired asset) and in the calculation of LGD and LVR.

Guarantee support

ANZ use guarantees for credit risk mitigation, which include but are not limited to, credit risk insurance and risk participation agreements. ANZ's credit policy stipulates the minimum requirements to qualify for credit risk mitigation.

For a guarantee to be recognised as eligible CRM, the guarantor must be unconditionally obliged to pay out in a timely manner in the event that the underlying counterparty fails to make a payment. The guarantor would have no direct control on the enforceability of the guarantee.

(b) The use of netting

Netting is a form of credit risk mitigation in that it reduces EAD, by offsetting a customer's positive and negative balances with ANZ.

In order to apply on-balance sheet netting, the arrangement must be specifically documented with the customer and meet a number of legally enforceable requirements.

Netting is also used where the credit exposure arises from off-balance sheet market related transactions. For close-out netting to be utilised with counterparties, a legally enforceable eligible netting agreement in an acceptable jurisdiction must be in place. This means that each transaction is aggregated into a single net amount, and transactions are netted to arrive at a single overall sum.

¹ For some products, the collateral provided is fundamental to its structuring so is not strictly the secondary source of repayment. For example, lending secured by trade receivables is typically repaid by the collection of those receivables.

(c) Information about market or credit risk concentrations under the credit risk mitigation instruments used (i.e. by guarantor type, collateral and credit derivative providers)

Use of credit derivatives for risk mitigation

ANZ uses market instruments, mainly interest rate and foreign exchange derivatives, as well as CDS Indices to hedge the Credit value adjustment (CVA) mark to market volatility of the markets derivative portfolio.

Transaction structuring to mitigate credit risk

Besides collateral, guarantee support and derivatives described above, credit risk mitigation can also be achieved by prudent transaction structuring. For example, the risk in project finance lending can be mitigated by lending covenants, loan syndication and political risk insurance.

Concentrations of credit risk mitigation

Taking collateral raises the possibility that ANZ may inadvertently increase its risk by becoming exposed to collateral concentrations. For example, in the same way that an over-exposure to a particular industry may mean that a bank is more sensitive to the performance of that industry, an over-exposure to a particular collateral asset type may make ANZ more sensitive to the performance of that asset type.

ANZ does not believe that it has any material concentrations of collateral types, given the well diversified nature of its portfolio and diverse range of pledged collateral, and well embedded collateral review processes.

Additional credit risk mitigation for markets derivatives

Right to break clauses are used in master agreement or in trade confirmation to reduce the term of long dated derivative trades. Additional termination triggers (close out of exposure) such as credit rating downgrade clauses and change in ownership clauses included in documentation are used to reduce credit exposure under specific credit events. ANZ uses central clearing houses to clear certain derivative transactions and reduce bilateral exposure. Settlement through Continuous Linked Settlement (CLS) is used to eliminate settlement risk for foreign exchange transactions with CLS members. In addition to the exchange of Variation margin and Initial Margin, APRA's CPS 226 also requires the following risk mitigation practices to be established for un-cleared derivatives between covered counterparties: trading relationship documentation; trade confirmation; portfolio reconciliation; portfolio compression; valuation processes; and dispute resolution processes.

CR3: Credit risk mitigation techniques – overview

The following table presents a detailed breakdown of ANZ's unsecured and secured loan and debt securities exposures.

The change in exposures secured by financial guarantees from \$9.4 billion in March 2025 to \$6.3 billion in September 2025 includes a reduction of \$1.8b due to a methodology change in the application of guarantees.

		Sep 25				
		Exposures unsecured: carrying amount	Exposures to be secured ¹	Exposures secured by collateral ²	Exposures secured by financial guarantees	Exposures secured by credit derivatives
		\$M	\$M	\$M	\$M	\$M
1	Loans	148,445	672,284	665,977	6,307	-
2	Debt securities	159,040	5,396	5,396	-	-
3	Total	307,485	677,680	671,373	6,307	-
4	of which: non-performing	103	7,095	7,095	-	-

¹ Includes exposures partly or totally secured by collateral, financial guarantees, or credit derivatives.

² Eligible Collateral could include physical collateral, cash collateral (cash, certificates deposits and bank bills issued by the lending ADI), gold bullion and highly rated debt securities.

		Mar 25				
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
		\$M	\$M	\$M	\$M	\$M
1	Loans	139,021	673,493	664,074	9,419	-
2	Debt securities	148,538	5,161	5,161	-	-
3	Total	287,559	678,654	669,235	9,419	-
4	of which: non-performing	133	7,100	7,100	-	-

CRD: Qualitative disclosure on banks' use of external credit ratings under the standardised approach for credit risk

As noted in Table CRA General qualitative information about credit risk, under the Standardised approach, specific portfolios are mapped to regulatory risk weights, mainly based on the type of counterparty such as: Sovereign, Bank, Corporate and its external rating where the borrower is externally rated.

For these counterparties, external ratings by Standard & Poor's, Moody's Investors Service and Fitch Ratings are used as inputs into the RWA calculation. ANZ has mapped its master scale to the grading of these three External Credit Assessment Institutions (ECAIs).

Currently, external ratings are used to determine the RWA amounts associated with the exposures under the asset classes of Corporate, Sovereign and Bank.

External ratings utilised are either an issuer rating or an issue-specific rating. We rely on an issue-specific rating if it is available for the purposes of determining RWA for the exposures we hold. We utilise the issuer rating only for our exposures which rank pari-passu with senior claims of the issuer.

ANZ's rating system mapping to the gradings of external rating agencies is outlined in Table CRE.

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CR4: Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects

The table below presents on-balance sheet and off-balance sheet exposures before and after credit conversion factors (CCF) and CRM as well as associated RWA and RWA density by asset classes.

This table has minor modifications from the original BCBS standard. Non performing exposures have been incorporated into the respective asset classes, providing further consistency with other tables. March 2025 comparative information has been restated accordingly (RWA of \$1.2 billion as at March 2025)¹. Refer also to Appendix 1.

		Sep 25					
		Exposures before CCF and before CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
		\$M	\$M	\$M	\$M	\$M	%
1	Sovereigns	10,939	10	10,939	10	10	0%
4	Banks	808	-	808	-	170	21%
6	Corporate Exposures	1,328	1,776	1,320	899	1,950	88%
6a	Specialised lending	144	106	144	55	219	110%
6b	Commercial Property	12,016	1,390	12,005	724	9,039	71%
6c	ADC	495	349	495	342	1,248	149%
8	Other Retail	77	18	75	11	88	102%
9	Residential Property	59,908	10,210	59,906	4,821	22,407	35%
11	Other Exposures	9,709	26	9,708	26	357	4%
11a	Fixed Assets	3,083	-	3,083	-	3,083	100%
12	RBNZ regulated entities	24,987	1,588	24,985	886	1,830	7%
14	Total	123,494	15,473	123,468	7,774	40,401	31%

¹ March comparative numbers have been restated to align with the change in methodology in the current period.

Suncorp Bank is a standardised ADI with Credit RWA calculated based on APS 112 and as such is reflected in the above table, predominantly in the Sovereign, Residential and Commercial Property Asset Classes.

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CR4: Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects (continued)

		Mar 25					
		Exposures before CCF and before CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
		\$M	\$M	\$M	\$M	\$M	%
1	Sovereigns	11,854	-	11,834	-	-	0%
4	Banks	850	-	850	-	170	20%
6	Corporate Exposures	1,626	2,455	1,620	1,838	3,194	92%
6a	Specialised lending	78	71	78	52	143	110%
6b	Commercial Property	12,327	1,465	12,315	786	9,398	72%
6c	ADC	510	340	508	333	1,239	147%
8	Other Retail	102	94	99	42	166	118%
9	Residential Property	57,917	10,238	57,909	4,995	21,968	35%
11	Other Exposures	7,452	1	7,452	1	912	12%
11a	Fixed Assets	3,417	-	3,417	-	3,417	100%
12	RBNZ regulated entities	26,050	1,795	26,080	1,003	2,005	7%
14	Total	122,183	16,459	122,162	9,050	42,612	32%

CR5: Standardised approach – exposures by asset classes and risk weights

The table below shows exposure at default post-CCF and CRM, broken down by Credit Exposure Class and risk weight.

This table has minor modifications from the original BCBS standard. Non performing exposures have been incorporated into the respective asset classes, providing further consistency with other tables. March 2025 comparative information has been restated accordingly (RWA of \$1.2 billion as at March 2025)¹. Refer also to Appendix 1.

		Sep 25																											
	Risk Weight %	0	20	25	30	35	40	45	50	60	65	70	75	80	85	90	100	105	110	130	150	250	400	1,250	Other	Total			
Credit exposure amount (post-CCF and post-CRM) \$M																													
1	Sovereigns	10,938	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11	-	-	-	-	-	-	-	-	-	10,949		
4	Banks	-	723	-	85	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	808		
6	Corporate Exposures	-	152	-	-	-	-	-	112	-	-	-	101	-	1,057	-	113	-	627	-	57	-	-	-	-	-	2,219		
6a	Specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	199	-	-	-	-	-	-	-	199		
6b	Commercial Property	-	-	-	-	-	-	-	-	5,844	-	3,506	528	-	1,420	806	194	-	222	-	209	-	-	-	-	-	12,729		
6c	ADC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14	-	-	-	823	-	-	-	-	-	837		
8	Other Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82	-	-	-	4	-	-	-	-	-	86		
9	Residential Property	-	11,470	12,031	11,386	12,382	5,668	6,425	1,065	209	1,483	130	-	151	189	-	1,659	273	-	139	67	-	-	-	-	-	64,727		
11	Other Exposures	9,423	22	-	-	-	-	-	-	-	-	-	-	-	-	-	223	-	25	-	-	41	-	-	-	-	9,734		
11a	Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,083	-	-	-	-	-	-	-	-	-	3,083		
12	RBNZ regulated entities	21,666	2,452	-	-	-	-	-	829	-	-	-	-	-	-	-	924	-	-	-	-	-	-	-	-	-	25,871		
14	Total	42,027	14,819	12,031	11,471	12,382	5,668	6,425	2,006	6,053	1,483	3,636	629	151	2,666	806	6,303	273	1,073	139	1,160	41	-	-	-	-	131,242		

¹ March comparative numbers have been restated to align with the change in methodology in the current period.

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CR5: Standardised approach – exposures by asset classes and risk weights (continued)

		Mar 25																									
Risk Weight %		0	20	25	30	35	40	45	50	60	65	70	75	80	85	90	100	105	110	130	150	250	400	1,250	Other	Total	
		Credit exposure amount (post-CCF and post-CRM) \$M																									
1	Sovereigns	11,834	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,834
4	Banks	-	850	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	850
6	Corporate Exposures	-	-	-	-	-	-	-	112	-	-	-	112	-	1,990	-	147	-	1,080	-	17	-	-	-	-	-	3,458
6a	Specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	130	-	-	-	-	-	-	-	130
6b	Commercial Property	-	-	-	-	-	-	-	-	5,675	-	3,579	566	-	1,832	845	141	-	223	-	240	-	-	-	-	-	13,101
6c	ADC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46	-	-	-	795	-	-	-	-	841	
8	Other Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90	-	-	-	51	-	-	-	-	141	
9	Residential Property	-	10,944	11,621	11,052	12,004	5,717	5,887	1,165	255	1,518	149	-	175	189	-	1,713	290	-	153	72	-	-	-	-	62,904	
11	Other Exposures	6,592	16	-	-	-	-	-	-	-	-	-	-	-	-	-	804	-	-	-	-	41	-	-	-	7,453	
11a	Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,417	-	-	-	-	-	-	-	-	3,417	
12	RBNZ regulated entities	22,785	2,325	-	-	-	-	-	867	-	-	-	-	-	-	-	1,106	-	-	-	-	-	-	-	-	27,083	
14	Total	41,211	14,135	11,621	11,052	12,004	5,717	5,887	2,144	5,930	1,518	3,728	678	175	4,011	845	7,464	290	1,433	153	1,175	41	-	-	-	131,212	

CR5: Standardised approach – exposures by asset classes and risk weights (continued)

		Sep 25			
		On-balance sheet exposure	Off-balance sheet exposure	Weighted average CCF ¹	Exposure
Risk weight		(pre-CCF)		(post-CCF and post-CRM)	
1	Less than 40%	88,120	10,101	46%	92,730
2	40–70%	23,994	2,141	60%	25,270
3	75%	536	137	68%	629
4	85%	2,365	914	49%	2,817
5	90–100%	6,575	1,015	53%	7,110
6	105–130%	1,070	743	56%	1,485
7	150%	788	422	88%	1,160
8	250%	41	-	-	41
9	400%	5	-	-	-
10	1250%	-	-	-	-
11	Total exposures	123,494	15,473	50%	131,242

¹ Weighting is based on off-balance sheet exposure (pre-CCF).

		Mar 25			
		On-balance sheet exposure	Off-balance sheet exposure	Weighted average CCF	Exposure
Risk weight		(pre-CCF)		(post-CCF and post-CRM)	
1	Less than 40%	85,205	10,186	47%	90,023
2	40–70%	23,593	2,247	59%	24,924
3	75%	577	148	68%	678
4	85%	3,014	1,442	81%	4,186
5	90–100%	7,712	1,101	54%	8,309
6	105–130%	1,213	938	71%	1,876
7	150%	828	397	87%	1,175
8	250%	41	-	-	41
9	400%	-	-	-	-
10	1250%	-	-	-	-
11	Total exposures	122,183	16,459	55%	131,212

CRE: Qualitative disclosure related to IRB models

Scope of the supervisor's acceptance of approach: Portfolios subject to the advanced IRB (AIRB) and foundation IRB (FIRB) approach

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

IRB Asset Class	Borrower Type	Rating Approach
Corporate	Corporations, partnerships or proprietorships that do not fit into any other asset class. Income Producing Real Estate	AIRB or FIRB where annual revenue > \$750m
Sovereign	Central governments Central banks Certain multilateral development banks	FIRB
Residential Mortgages	Exposures secured by residential property	AIRB
Qualifying Revolving Retail	Australian consumer credit cards <\$100,000 limit	AIRB
Other Retail	Other lending to consumers	AIRB
Specialised Lending subject to supervisory slotting	Project finance	IRB – Supervisory Slotting
Retail SME	Small business lending	AIRB
Financial Institutions	Banks, securities firms, insurance companies and leveraged funds	FIRB
Exposures of New Zealand banking subsidiaries	Includes all exposures in all asset classes for New Zealand banking subsidiaries.	AIRB and Supervisory Slotting

In addition, where ANZ is not accredited to use the IRB based approach to credit risk, ANZ applies the Standardised approach to credit risk as detailed in table CRA.

On 31 July 2024 ANZ added Suncorp Bank to the ANZ Banking Group. Suncorp Bank is a standardised ADI with Credit RWA calculated based on APS 112 and as such will not be reflected in IRB specific disclosure tables.

The ANZ rating system

As an IRB bank, ANZ's internal models generate the inputs into the risk weighted asset calculations for both on- and off-balance sheet committed exposures and expected loss (EL) calculations. ANZ's internal models are used to generate the three key risk components that serve as inputs to the IRB approach to credit risk: PD, EAD and LGD. Refer to table CRA General Qualitative Information about credit risk for definitions.

For wholesale asset classes, ANZ's rating system has two separate and distinct dimensions that:

- Measure the PD, which is expressed by the Customer Credit Rating (CCR), reflecting the ability to service and repay debt.
- Measure the LGD as expressed by the Security Indicator (SI) ranging from A to G under the AIRB approach. The SI is calculated by reference to the percentage of a loan covered by security which can be realised in the event of default. This calculation uses standard ratios to adjust the current market value of collateral items to reflect anticipated sales proceeds during the workout process. The security-related SIs are supplemented with a range of other SIs which cover such factors as Cash cover (K), Subordination (M) and Sovereign backing (S). ANZ's AIRB LGD's also includes recognition of the different legal and insolvency regimes in different countries, where this has been shown to influence recovery outcomes.

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

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

ANZ CCR	Moody's	Standard & Poor's	PD Range
0+ to 1-	Aaa to Aa3	AAA to AA-	0.0000 - 0.0346%
2+ to 3+	A1 to Baa1	A+ to BBB+	0.0347 - 0.1636%
3= to 4+	Baa2 to Baa3	BBB to BBB-	0.1637 - 0.4004%
4= to 6=	Ba1 to B1	BB+ to B+	0.4005 – 2.7550%
6- to 7=	B2 to B3	B to B-	2.7551 – 9.7980%
7- to 8+	Caa1 to Caa3	CCC+ to CCC-	9.7981 – 27.1109%
8=	Ca to C	CC to C	27.1110 – 99.9999%
8-, 9 and 10	Default	Default	100%

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

Across the Retail and Wholesale asset classes the Group uses a range of PD models to rate IRB exposures. There are 16 models with more than \$10bn of IRB EAD, accounting for 91% of total IRB exposures.

Use of internal estimates other than for regulatory capital purposes

ANZ's rating system is a fundamental part of credit management and plays a key role in:

- Lending discretions,
- Minimum origination standards,
- Concentration limits,
- Portfolio reporting,
- Customer profitability measurement,
- Collectively assessed provision measurement,
- Management of deteriorating customers (where certain CCR/SI combinations trigger increasing scrutiny), and
- Pricing decisions

Regulatory capital, collectively assessed provisions and internal expected loss are calculated from the same data sources and starting from the same basis, however there are some differences between the factors used because several aspects of ANZ's rating system are adjusted in accordance with requirements for regulatory capital purposes. The most significant of these adjustments are the use for regulatory capital purposes of downturn LGDs; probability of default floors; the application of regulatory prescribed scalars such as the mortgage's scalars of 1.4, 1.7 and 2.5 and the mandatory use of the supervisory slotting approach for project finance and IPRE in NZ.

Internal model development, controls and changes

ANZ's rating system and credit risk estimates are governed by the BRC and several executive management committees and are underpinned by a comprehensive framework of controls that operate throughout ANZ. All policies, methodologies, model designs, model reviews, validations, responsibilities, systems and processes supporting the ratings systems are documented, and subject to review by Internal Audit.

The design, build and implementation of credit rating models resides with a specialist Group-level team. Credit rating models are owned by Risk teams. The use (including rating overrides) and performance of credit rating models is monitored by the relevant business and their counterparts in Risk and validated regularly by a separate specialist Group-level function. This cycle of design, build, implementation, monitoring and validation is overseen by the CRSOC and informs the need for new models or recalibration of existing models.

Relationship between Risk Management and Internal Audit

Internal Audit provides third line independent credit-related assurance activities, including providing an independent assessment of both the asset quality in the portfolio and the quality of credit decision making. It also assesses management controls from a "top down" portfolio oversight perspective as well as credit risk processes from a "bottom up" perspective based on individual customer file reviews.

Scope and main content of reporting related to credit risk models

Risk grades are an integral part of periodic reporting to the Board and executives. Refer to table CRA: General qualitative information on Credit Risk, section (c) Structure and organisation of the credit risk management and control function, for details on the committees responsible for oversight and control of the internal ratings system, including credit model approvals and performance monitoring.

In addition, the use of the rating system's outputs in key business unit performance measures in processes such as provisioning and the allocation of capital ensure that the rating system receives robust input from the business units, not just the specialist modelling teams.

Rating process by asset class

Building reliable and accurate rating tools requires balancing of many factors including data availability (external data may be used in some circumstances, where it is relevant), the size of the segment (the more customers within the segment, the more likely that statistically reliable models can be built), and the need to be able to validate the model. Rating tool approaches include:

- Statistical models producing a PD or an LGD, which are developed from internal or external data.
- Statistical models producing an internal rating, which involve calibrating ANZ's models to external rating data where internal data on defaults is insufficient for statistical purposes.
- Hybrid statistical and expert models producing an internal rating, which use a mixture of default data and expert input.
- Expert models/processes that produce an internal rating, including external rating agency replication models.
- Ongoing data collection and testing processes ensure enhanced or new models are introduced as required to maintain and improve the accuracy and reliability of rating processes.

Regardless of what credit risk rating tool is used, lending staff rating a customer are required to review the model- generated PD (or CCR) and take into account any out-of-model factors or policy overlays in deciding whether or not to override the model rating. Overrides of a rating model to a better rating require approval from the independent credit risk function. The significance of the model for risk grading varies with the customer segment: models will dominate risk grading of homogenous, simple and data-rich segments such as in Retail, however for complex, specialised business segments expert knowledge and the highly customised nature of transactions will influence the rating outcome.

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CR6: IRB – Credit risk exposures by portfolio and PD range

The table below provides the key parameters used for the calculation of capital requirements for credit risk exposures under the IRB approach.^{1 2 3}

This table has minor modifications from the original BCBS standard. Additional detail on this modification has been provided in Appendix 1.

		Sep 25											
		Original on- balance sheet gross exposure	Off-balance sheet exposures	Average CCF	EAD post CRM and post- CCF	Average PD	Number of Borrowers	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Portfolio/ PD scale	AIRB	\$M	\$M	%	\$M	%		%	Yr	\$M	%	\$M	\$M
Corporates													
1	0.00 to <0.15	13,062	7,391	42%	16,145	0.10%	561	37%	2.55	4,571	28%	6	
2	0.15 to <0.25	7,290	5,478	42%	9,570	0.20%	1,157	34%	2.50	3,876	41%	9	
3	0.25 to <0.50	32,865	12,683	54%	39,710	0.36%	5,944	25%	2.19	15,355	39%	35	
4	0.50 to <0.75	24,865	6,025	58%	28,352	0.65%	7,619	21%	2.10	12,516	44%	40	
5	0.75 to <2.50	33,930	8,303	64%	39,205	1.36%	16,492	21%	2.31	21,838	56%	111	
6	2.50 to <10.00	3,373	600	61%	3,737	4.34%	2,296	22%	2.32	2,870	77%	37	
7	10.00 to <100.00	752	275	43%	870	24.81%	3,174	30%	2.10	1,644	189%	70	
8	100.00 (Default)	1,010	103	55%	1,067	100.00%	784	28%	2.57	1,056	99%	277	
9 Sub-Total AIRB Corporates		117,147	40,858	53%	138,656	1.69%	38,027	25%	2.28	63,726	46%	585	1,271
Residential Mortgages													
10	0.00 to <0.15	133,419	21,576	100%	155,041	0.07%	412,929	13%	-	10,594	7%	16	
11	0.15 to <0.25	22,691	1,374	100%	24,067	0.18%	43,664	14%	-	2,369	10%	6	
12	0.25 to <0.50	71,521	2,728	100%	74,251	0.36%	176,571	14%	-	11,728	16%	39	
13	0.50 to <0.75	14,299	1,234	100%	15,536	0.64%	40,739	16%	-	4,031	26%	16	
14	0.75 to <2.50	67,079	7,306	100%	74,385	1.26%	173,808	17%	-	31,632	43%	155	
15	2.50 to <10.00	23,235	115	100%	23,350	4.15%	56,808	15%	-	17,476	75%	148	
16	10.00 to <100.00	2,564	25	100%	2,589	18.90%	6,472	18%	-	4,121	159%	90	
17	100.00 (Default)	4,300	15	100%	4,316	100.00%	10,064	28%	-	12,184	282%	331	
18 Sub-Total AIRB Residential Mortgages		339,108	34,373	100%	373,535	1.94%	921,055	15%	-	94,135	25%	801	841

¹ Excludes Specialised Lending subject to supervisory slotting.

² Average maturity has been excluded for retail as it is not used in the RWA calculation.

³ The definition of a "borrower" differs across portfolios. In some instances, a wholesale borrower can be reported across more than one PD band.

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CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

		Sep 25											
Portfolio/ PD scale		Original on- balance sheet gross exposure	Off-balance sheet exposures	Average CCF	EAD post CRM and post- CCF	Average PD	Number of Borrowers	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
AIRB		\$M	\$M	%	\$M	%		%	Yr	\$M	%	\$M	\$M
Retail SME													
19	0.00 to <0.15	20	104	83%	105	0.12%	1,176	15%	-	5	5%	-	
20	0.15 to <0.25	22	47	81%	60	0.19%	549	18%	-	5	8%	-	
21	0.25 to <0.50	345	469	78%	711	0.39%	9,087	27%	-	136	19%	1	
22	0.50 to <0.75	226	287	63%	406	0.65%	10,575	38%	-	146	36%	1	
23	0.75 to <2.50	4,037	1,184	79%	4,977	1.60%	39,978	26%	-	1,873	38%	18	
24	2.50 to <10.00	7,420	1,461	93%	8,784	4.43%	55,765	29%	-	4,923	55%	109	
25	10.00 to <100.00	883	91	92%	966	17.19%	28,717	51%	-	1,213	126%	75	
26	100.00 (Default)	475	31	98%	506	100.00%	5,375	39%	-	1,118	221%	163	
27 Sub-Total AIRB Retail SME		13,428	3,674	84%	16,515	6.95%	151,222	29%	-	9,419	57%	367	511
Qualifying Revolving Retail (QRR)													
28	0.00 to <0.15	1,507	6,164	73%	6,018	0.11%	653,111	74%	-	313	5%	5	
29	0.15 to <0.25	162	843	73%	774	0.19%	108,566	74%	-	64	8%	1	
30	0.25 to <0.50	593	1,937	77%	2,075	0.36%	253,401	75%	-	292	14%	6	
31	0.50 to <0.75	152	256	95%	396	0.65%	37,024	74%	-	88	22%	2	
32	0.75 to <2.50	1,045	880	98%	1,905	1.36%	186,468	79%	-	787	41%	20	
33	2.50 to <10.00	778	223	125%	1,057	4.07%	107,310	82%	-	997	94%	35	
34	10.00 to <100.00	168	28	129%	204	19.92%	28,790	81%	-	430	211%	33	
35	100.00 (Default)	34	2	100%	36	100.00%	4,490	76%	-	61	166%	25	
36 Sub-Total AIRB QRR		4,439	10,333	78%	12,465	1.32%	1,379,160	75%	-	3,032	24%	127	192
Other Retail													
37	0.00 to <0.15	5	34	97%	38	0.09%	18,169	78%	-	7	19%	-	
38	0.15 to <0.25	-	1	75%	1	0.19%	8	81%	-	-	35%	-	
39	0.25 to <0.50	5	17	117%	25	0.36%	38,825	77%	-	12	49%	-	
40	0.50 to <0.75	2	3	114%	6	0.65%	13,284	76%	-	4	69%	-	
41	0.75 to <2.50	637	60	109%	704	1.28%	189,954	77%	-	670	95%	7	
42	2.50 to <10.00	521	24	105%	546	3.95%	102,891	78%	-	669	122%	17	
43	10.00 to <100.00	79	3	106%	81	30.33%	22,146	79%	-	166	204%	19	
44	100.00 (Default)	49	-	100%	49	100.00%	25,437	81%	-	114	231%	37	
45 Sub-Total AIRB Other Retail		1,298	142	106%	1,450	7.25%	410,714	78%	-	1,642	113%	80	124
46 Total AIRB		475,420	89,380	75%	542,621	2.03%	2,900,178	19%	2.28	171,954	32%	1,960	2,939

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CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

Portfolio/ PD scale FIRB		Sep 25											
		Original on- balance sheet gross exposure	Off-balance sheet exposures	Average CCF	EAD post CRM and post- CCF	Average PD	Number of Borrowers	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
		\$M	\$M	%	\$M	%		%	Yr	\$M	%	\$M	\$M
Corporates													
47	0.00 to <0.15	23,609	53,848	41%	45,537	0.08%	769	46%	2.03	11,890	26%	18	
48	0.15 to <0.25	11,159	17,236	37%	17,544	0.20%	433	49%	2.16	8,428	48%	17	
49	0.25 to <0.50	10,326	15,601	40%	16,620	0.33%	555	47%	2.00	10,019	60%	26	
50	0.50 to <0.75	1,643	2,646	32%	2,498	0.61%	110	40%	2.39	1,833	73%	6	
51	0.75 to <2.50	1,205	1,409	42%	1,799	1.31%	114	35%	1.52	1,419	79%	8	
52	2.50 to <10.00	124	188	46%	210	3.37%	6	60%	0.96	359	171%	4	
53	10.00 to <100.00	173	191	71%	307	20.17%	14	29%	0.69	440	143%	16	
54	100.00 (Default)	115	44	49%	136	100.00%	32	45%	0.38	-	0%	61	
55 Sub-Total FIRB Corporates		48,354	91,163	40%	84,651	0.44%	2,033	47%	2.04	34,388	41%	156	485
Sovereign													
56	0.00 to <0.15	223,259	5,478	21%	224,405	0.02%	173	9%	2.71	4,544	2%	5	
57	0.15 to <0.25	875	49	40%	895	0.20%	5	50%	1.11	377	42%	1	
58	0.25 to <0.50	1,314	2	62%	1,315	0.26%	4	50%	0.82	607	46%	2	
59	0.50 to <0.75	130	40	40%	146	0.58%	5	50%	1.28	114	79%	-	
60	0.75 to <2.50	1,281	22	40%	1,289	1.32%	16	50%	0.09	1,275	99%	9	
61	2.50 to <10.00	1,929	-	0%	1,929	5.00%	6	50%	0.31	3,109	161%	48	
62	10.00 to <100.00	27	306	1%	29	22.26%	8	50%	0.13	81	276%	3	
63	100.00 (Default)	-	-	0%	-	0.00%	-	0%	-	-	0%	-	
64 Sub-Total FIRB Sovereign		228,815	5,897	20%	230,008	0.07%	217	10%	2.65	10,107	4%	68	35
Financial Institutions													
65	0.00 to <0.15	56,334	51,814	49%	81,652	0.06%	763	48%	1.34	18,661	23%	22	
66	0.15 to <0.25	1,200	1,916	25%	1,687	0.20%	72	46%	1.43	820	49%	2	
67	0.25 to <0.50	3,253	2,342	29%	3,932	0.36%	144	47%	1.08	2,570	65%	6	
68	0.50 to <0.75	672	380	40%	826	0.58%	109	43%	1.51	624	76%	2	
69	0.75 to <2.50	433	767	19%	576	1.27%	226	37%	1.81	500	87%	3	
70	2.50 to <10.00	9	7	78%	14	5.24%	20	38%	2.22	22	154%	-	
71	10.00 to <100.00	4	612	0%	4	35.00%	146	45%	2.55	10	286%	1	
72	100.00 (Default)	4	-	73%	4	100.00%	9	50%	2.84	-	0%	2	
73 Sub-Total FIRB Financial Institutions		61,909	57,838	46%	88,695	0.09%	1,489	47%	1.34	23,207	26%	38	187
74 Total FIRB		339,078	154,898	41%	403,354	0.15%	3,739	26%	2.24	67,702	17%	262	707

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CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

		Sep 25											
Portfolio/ PD scale		Original on- balance sheet gross exposure	Off-balance sheet exposures	Average CCF	EAD post CRM and post- CCF	Average PD	Number of Borrowers	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
RBNZ regulated entities		\$M	\$M	%	\$M	%		%	Yr	\$M	%	\$M	\$M
Corporates													
75	0.00 to <0.15	4,645	3,909	92%	8,173	0.07%	266	52%	2.81	2,172	27%	3	
76	0.15 to <0.25	1,241	1,163	91%	2,282	0.20%	331	44%	1.97	1,025	45%	2	
77	0.25 to <0.50	6,043	2,468	87%	8,110	0.37%	3,632	32%	2.25	3,423	42%	9	
78	0.50 to <0.75	5,678	1,282	85%	6,745	0.66%	3,741	30%	2.07	3,459	51%	14	
79	0.75 to <2.50	8,996	1,594	91%	10,425	1.42%	6,929	31%	2.07	7,055	68%	46	
80	2.50 to <10.00	1,744	290	91%	2,007	4.85%	1,010	32%	1.71	2,131	106%	31	
81	10.00 to <100.00	906	219	91%	1,105	21.29%	1,758	39%	1.29	2,293	208%	95	
82	100.00 (Default)	224	19	95%	242	100.00%	190	31%	0.94	549	227%	41	
83 Sub-Total NZ Corporates		29,477	10,944	90%	39,089	2.06%	17,857	37%	2.21	22,107	57%	241	463
Residential Mortgages													
84	0.00 to <0.15	14,967	6,903	105%	22,207	0.08%	160,950	16%	-	856	4%	3	
85	0.15 to <0.25	4,742	117	105%	4,865	0.19%	29,600	17%	-	387	8%	2	
86	0.25 to <0.50	33,149	801	105%	33,989	0.37%	166,381	18%	-	4,797	14%	23	
87	0.50 to <0.75	6,824	844	101%	7,675	0.66%	34,569	20%	-	1,825	24%	10	
88	0.75 to <2.50	29,743	295	106%	30,056	1.38%	132,660	21%	-	11,565	38%	85	
89	2.50 to <10.00	9,768	41	105%	9,811	3.97%	37,328	21%	-	7,245	74%	82	
90	10.00 to <100.00	425	12	106%	438	11.38%	1,817	21%	-	535	122%	10	
91	100.00 (Default)	948	1	100%	949	100.00%	4,195	21%	-	1,947	205%	64	
92 Sub-Total NZ Residential Mortgage		100,566	9,014	105%	109,990	1.82%	567,500	19%	-	29,157	27%	279	151
Other Retail													
93	0.00 to <0.15	42	1,568	101%	1,618	0.11%	171,575	77%	-	885	55%	25	
94	0.15 to <0.25	111	834	101%	954	0.19%	126,469	78%	-	553	58%	14	
95	0.25 to <0.50	298	694	101%	1,002	0.34%	157,772	78%	-	674	67%	15	
96	0.50 to <0.75	216	289	110%	533	0.61%	53,635	81%	-	404	76%	5	
97	0.75 to <2.50	622	321	89%	907	1.29%	146,161	78%	-	833	92%	11	
98	2.50 to <10.00	658	260	104%	928	4.58%	162,923	86%	-	1,251	135%	35	
99	10.00 to <100.00	121	5	112%	127	18.22%	101,438	85%	-	231	182%	18	
100	100.00 (Default)	31	4	100%	34	100.00%	7,223	81%	-	159	465%	18	
101 Sub-Total NZ Other Retail		2,099	3,975	101%	6,103	1.98%	927,196	79%	-	4,990	82%	141	73
102 Total RBNZ regulated entities		132,142	23,933	97%	155,182	1.89%	1,512,553	26%	2.21	56,254	36%	661	687

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CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

Portfolio/ PD scale		Mar 25											
		Original on- balance sheet gross exposure	Off-balance sheet exposures	Average CCF	EAD post CRM and post- CCF	Average PD	Number of Borrowers	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
		AIRB	\$M	\$M	%	\$M	%		%	Yr	\$M	%	\$M
Corporates													
1	0.00 to <0.15	13,641	10,658	44%	18,296	0.11%	685	40%	2.25	4,979	27%	8	
2	0.15 to <0.25	8,498	6,398	40%	11,076	0.20%	1,204	34%	2.38	4,309	39%	8	
3	0.25 to <0.50	30,967	13,336	57%	38,622	0.37%	6,033	26%	2.10	14,366	37%	36	
4	0.50 to <0.75	24,672	6,714	65%	29,060	0.65%	7,793	22%	2.19	12,919	44%	42	
5	0.75 to <2.50	34,311	8,728	67%	40,185	1.35%	16,952	23%	2.44	23,944	60%	121	
6	2.50 to <10.00	3,328	588	53%	3,639	4.30%	2,253	21%	2.12	2,632	72%	33	
7	10.00 to <100.00	1,106	600	24%	1,250	25.05%	3,475	32%	2.27	2,387	191%	105	
8	100.00 (Default)	964	53	66%	999	100.00%	864	30%	2.80	1,043	104%	247	
9 Sub-Total AIRB Corporates		117,487	47,075	54%	143,127	1.66%	39,259	27%	2.26	66,579	47%	600	1,245
Residential Mortgages													
10	0.00 to <0.15	126,780	21,426	100%	148,255	0.08%	407,409	13%	-	10,133	7%	15	
11	0.15 to <0.25	21,678	1,320	100%	22,999	0.18%	43,055	14%	-	2,270	10%	6	
12	0.25 to <0.50	70,184	2,688	100%	72,873	0.36%	176,852	14%	-	11,546	16%	38	
13	0.50 to <0.75	14,203	1,273	100%	15,479	0.64%	41,718	16%	-	4,014	26%	16	
14	0.75 to <2.50	68,637	6,915	100%	75,552	1.26%	179,890	17%	-	32,177	43%	158	
15	2.50 to <10.00	24,362	112	100%	24,474	4.15%	60,234	15%	-	18,285	75%	156	
16	10.00 to <100.00	2,524	20	100%	2,543	18.53%	6,405	18%	-	3,886	153%	84	
17	100.00 (Default)	3,937	9	100%	3,945	100.00%	9,443	28%	-	12,436	315%	220	
18 Sub-Total AIRB Residential Mortgages		332,305	33,763	100%	366,120	1.88%	925,006	15%	-	94,747	26%	693	651

ANZ Basel III Pillar 3 disclosure
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CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

Portfolio/ PD scale		Mar 25										EL	Provisions
		Original on- balance sheet gross exposure	Off-balance sheet exposures	Average CCF	EAD post CRM and post- CCF	Average PD	Number of Borrowers	Average LGD	Average maturity	RWA	RWA density		
		\$M	\$M	%	\$M	%		%	Yr	\$M	%	\$M	\$M
Retail SME													
19	0.00 to <0.15	21	107	83%	110	0.12%	1,217	14%	-	5	4%	-	
20	0.15 to <0.25	19	50	81%	60	0.19%	553	17%	-	4	7%	-	
21	0.25 to <0.50	347	480	78%	723	0.39%	9,250	27%	-	137	19%	1	
22	0.50 to <0.75	226	278	63%	402	0.65%	10,364	38%	-	143	35%	1	
23	0.75 to <2.50	4,029	1,214	80%	4,996	1.60%	41,267	26%	-	1,901	38%	19	
24	2.50 to <10.00	7,475	1,415	93%	8,796	4.42%	57,940	29%	-	4,877	55%	109	
25	10.00 to <100.00	917	90	91%	999	16.78%	28,661	50%	-	1,260	126%	77	
26	100.00 (Default)	487	36	98%	523	100.00%	5,757	40%	-	1,231	235%	174	
27 Sub-Total AIRB Retail SME		13,521	3,670	84%	16,609	7.02%	155,009	30%	-	9,558	58%	381	517
Qualifying Revolving Retail (QRR)													
28	0.00 to <0.15	1,495	6,004	74%	5,938	0.11%	641,900	74%	-	308	5%	5	
29	0.15 to <0.25	175	875	73%	811	0.19%	111,495	74%	-	68	8%	1	
30	0.25 to <0.50	630	1,973	77%	2,148	0.36%	259,648	75%	-	302	14%	6	
31	0.50 to <0.75	164	267	96%	420	0.65%	38,814	74%	-	94	22%	2	
32	0.75 to <2.50	1,095	894	99%	1,976	1.35%	192,619	79%	-	814	41%	21	
33	2.50 to <10.00	827	235	125%	1,121	4.07%	112,903	82%	-	1,057	94%	37	
34	10.00 to <100.00	177	30	130%	215	19.77%	30,378	81%	-	453	210%	34	
35	100.00 (Default)	38	2	100%	40	100.00%	4,817	76%	-	59	148%	27	
36 Sub-Total AIRB QRR		4,601	10,280	78%	12,669	1.38%	1,392,574	76%	-	3,155	25%	133	214
Other Retail													
37	0.00 to <0.15	5	36	99%	41	0.09%	20,891	78%	-	8	19%	-	
38	0.15 to <0.25	-	1	72%	1	0.19%	4	84%	-	-	36%	-	
39	0.25 to <0.50	7	21	116%	31	0.36%	43,514	77%	-	15	49%	-	
40	0.50 to <0.75	3	2	124%	6	0.65%	14,311	76%	-	4	69%	-	
41	0.75 to <2.50	620	62	111%	689	1.26%	198,812	77%	-	650	94%	7	
42	2.50 to <10.00	527	23	105%	551	3.89%	109,932	78%	-	673	122%	17	
43	10.00 to <100.00	82	3	105%	85	30.02%	23,756	78%	-	174	204%	20	
44	100.00 (Default)	53	-	100%	54	100.00%	20,709	80%	-	112	209%	41	
45 Sub-Total AIRB Other Retail		1,297	148	107%	1,458	7.54%	431,929	78%	-	1,636	112%	85	130
46 Total AIRB		469,211	94,936	75%	539,983	1.99%	2,943,777	20%	2.26	175,675	33%	1,892	2,757

ANZ Basel III Pillar 3 disclosure
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CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

Portfolio/ PD scale FIRB		Mar 25										EL	Provisions
		Original on- balance sheet gross exposure	Off-balance sheet exposures	Average CCF	EAD post CRM and post- CCF	Average PD	Number of Borrowers	Average LGD	Average maturity	RWA	RWA density		
		\$M	\$M	%	\$M	%		%	Yr	\$M	%		
Corporates													
47	0.00 to <0.15	28,377	56,618	41%	51,525	0.09%	732	46%	1.94	12,769	25%	20	
48	0.15 to <0.25	11,493	15,232	39%	17,372	0.20%	442	49%	2.07	7,894	45%	17	
49	0.25 to <0.50	11,070	13,970	41%	16,796	0.34%	477	47%	2.11	10,085	60%	27	
50	0.50 to <0.75	1,267	4,118	27%	2,377	0.59%	120	42%	1.84	1,702	72%	6	
51	0.75 to <2.50	1,381	1,326	43%	1,951	1.22%	108	37%	1.59	1,541	79%	8	
52	2.50 to <10.00	11	149	72%	119	7.74%	15	3%	1.02	11	9%	-	
53	10.00 to <100.00	193	64	54%	228	21.23%	15	46%	1.17	584	256%	22	
54	100.00 (Default)	264	104	48%	314	100.00%	29	48%	0.43	1	0%	150	
55 Sub-Total FIRB Corporates		54,056	91,581	40%	90,682	0.60%	1,938	46%	1.98	34,587	38%	250	487
Sovereign													
56	0.00 to <0.15	245,516	5,893	29%	247,227	0.02%	220	9%	2.39	4,699	2%	5	
57	0.15 to <0.25	1,275	80	40%	1,307	0.20%	6	50%	1.14	554	42%	1	
58	0.25 to <0.50	1,432	44	41%	1,450	0.27%	5	50%	0.81	684	47%	2	
59	0.50 to <0.75	126	26	40%	137	0.58%	5	50%	1.63	111	81%	-	
60	0.75 to <2.50	1,221	173	89%	1,375	1.32%	44	50%	1.28	1,360	99%	9	
61	2.50 to <10.00	2,183	-	0%	2,183	5.00%	6	50%	0.29	3,519	161%	55	
62	10.00 to <100.00	16	161	2%	20	23.91%	7	50%	0.09	56	278%	2	
63	100.00 (Default)	-	-	100%	-	100.00%	-	50%	-	-	0%	-	
64 Sub-Total FIRB Sovereign		251,769	6,377	30%	253,699	0.07%	293	10%	2.35	10,983	4%	74	34
Financial Institutions													
65	0.00 to <0.15	58,041	53,624	51%	85,161	0.06%	764	48%	1.27	19,046	22%	24	
66	0.15 to <0.25	902	2,443	33%	1,701	0.20%	67	51%	1.41	917	54%	2	
67	0.25 to <0.50	3,082	2,753	32%	3,972	0.35%	149	48%	0.82	2,601	65%	7	
68	0.50 to <0.75	823	350	18%	886	0.59%	96	49%	0.72	750	85%	3	
69	0.75 to <2.50	325	568	19%	432	1.28%	210	42%	2.02	402	93%	2	
70	2.50 to <10.00	5	7	78%	11	4.09%	19	41%	2.48	18	162%	-	
71	10.00 to <100.00	15	551	0%	15	34.86%	174	48%	4.40	47	316%	3	
72	100.00 (Default)	4	-	83%	4	100.00%	16	50%	4.28	-	0%	2	
73 Sub-Total FIRB Financial Institutions		63,197	60,296	48%	92,182	0.09%	1,495	48%	1.25	23,781	26%	43	214
74 Total FIRB		369,022	158,254	43%	436,563	0.19%	3,726	25%	2.04	69,351	16%	367	735

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CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

		Mar 25											
Portfolio/ PD scale		Original on- balance sheet gross exposure	Off-balance sheet exposures	Average CCF	EAD post CRM and post- CCF	Average PD	Number of Borrowers	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
RBNZ regulated entities		\$M	\$M	%	\$M	%		%	Yr	\$M	%	\$M	\$M
Corporates													
75	0.00 to <0.15	4,097	5,457	76%	8,206	0.07%	254	52%	2.94	2,216	27%	3	
76	0.15 to <0.25	680	1,066	93%	1,636	0.20%	333	50%	1.93	807	49%	2	
77	0.25 to <0.50	6,126	2,288	88%	8,078	0.37%	3,557	29%	2.11	3,095	38%	9	
78	0.50 to <0.75	6,064	1,408	88%	7,284	0.65%	3,849	31%	2.07	3,881	53%	15	
79	0.75 to <2.50	9,118	1,856	88%	10,733	1.40%	6,790	32%	1.91	7,253	68%	48	
80	2.50 to <10.00	1,745	198	96%	1,935	4.79%	1,116	30%	1.62	1,899	98%	28	
81	10.00 to <100.00	940	139	93%	1,068	22.71%	1,728	40%	1.14	2,356	221%	104	
82	100.00 (Default)	260	20	96%	279	100.00%	192	32%	0.75	451	162%	60	
83 Sub-Total NZ Corporates		29,030	12,432	83%	39,219	2.17%	17,819	37%	2.15	21,958	56%	269	477
Residential Mortgages													
84	0.00 to <0.15	14,747	6,918	105%	22,005	0.08%	155,497	16%	-	825	4%	3	
85	0.15 to <0.25	4,545	117	105%	4,667	0.19%	28,478	17%	-	355	8%	1	
86	0.25 to <0.50	33,628	836	105%	34,506	0.37%	163,141	18%	-	4,727	14%	23	
87	0.50 to <0.75	6,839	827	101%	7,674	0.66%	33,808	19%	-	1,747	23%	10	
88	0.75 to <2.50	30,308	304	106%	30,631	1.37%	132,375	20%	-	11,481	37%	85	
89	2.50 to <10.00	10,177	41	106%	10,219	4.00%	38,316	21%	-	7,379	72%	84	
90	10.00 to <100.00	437	14	106%	451	11.50%	1,873	20%	-	516	114%	10	
91	100.00 (Default)	1,034	1	100%	1,035	100.00%	4,405	20%	-	156	15%	203	
92 Sub-Total NZ Residential Mortgage		101,715	9,058	105%	111,188	1.91%	557,893	18%	-	27,186	24%	419	174
Other Retail													
93	0.00 to <0.15	43	1,566	101%	1,617	0.11%	164,163	77%	-	884	55%	25	
94	0.15 to <0.25	120	936	101%	1,064	0.19%	132,119	78%	-	615	58%	16	
95	0.25 to <0.50	302	717	101%	1,030	0.34%	156,215	78%	-	691	67%	15	
96	0.50 to <0.75	228	307	109%	564	0.62%	54,005	81%	-	430	76%	5	
97	0.75 to <2.50	655	311	90%	934	1.28%	149,414	78%	-	871	93%	12	
98	2.50 to <10.00	662	253	104%	926	4.59%	170,368	86%	-	1,258	136%	36	
99	10.00 to <100.00	128	4	113%	133	18.46%	109,909	86%	-	246	185%	20	
100	100.00 (Default)	35	3	100%	38	100.00%	7,335	81%	-	3	8%	28	
101 Sub-Total NZ Other Retail		2,173	4,097	101%	6,306	2.03%	943,528	79%	-	4,998	79%	157	92
102 Total RBNZ regulated entities		132,918	25,587	94%	156,713	1.98%	1,519,240	26%	2.15	54,142	35%	845	743

CR7: IRB – Effect on RWA of credit derivatives used as CRM techniques

The table below shows the effect of credit derivatives on the IRB credit risk approach.¹

	Sep 25		Mar 25	
	Pre-credit derivatives RWA	Actual RWA	Pre-credit derivatives RWA	Actual RWA
	\$M	\$M	\$M	\$M
1 Sovereign – FIRB	10,107	10,107	10,983	10,983
3 Financial Institutions – FIRB	23,207	23,207	23,781	23,781
5 Corporate – FIRB	34,388	34,388	34,587	34,587
6 Corporate – AIRB	63,726	63,726	66,579	66,579
8 Specialised lending	5,901	5,901	6,929	6,929
9 Retail – qualifying revolving (QRRE)	3,032	3,032	3,155	3,155
10 Retail – residential mortgage exposures	94,135	94,135	94,747	94,747
11 Retail – SME	9,419	9,419	9,558	9,558
12 Other retail exposures	1,642	1,642	1,636	1,636
17 RBNZ regulated entities	64,140	64,140	62,573	62,573
18 Total	309,697	309,697	314,528	314,528

¹ ANZ does not have any credit derivatives with CRM impact in the banking book. Hence both columns are identical.

CR8: RWA flow statements of credit risk exposures under IRB

The table below presents the changes in IRB RWA amounts over the reporting period for the key drivers of credit risk¹.

	Sep 25	Jun 25	Mar 25
	RWA Amount	RWA Amount	RWA Amount
	\$M	\$M	\$M
1 RWA as at end of previous reporting period	320,412	314,528	313,949
2 Asset size	(5,524)	5,083	409
3 Asset quality	(1,628)	(28)	613
4 Model updates	-	-	-
5 Methodology and policy	1,312	939	(340)
6 Acquisitions and disposals	-	-	-
7 Foreign exchange movements	(4,271)	(110)	(103)
8 Other ²	(604)	-	-
9 RWA as at end of reporting period	309,697	320,412	314,528

¹ The attribution of Credit RWA movements requires assumptions and judgement; different assumptions could lead to different attributions. This table presents the contribution of changes in Credit RWA amounts under the IRB approach only and hence may not directly reconcile to Group level Credit RWA attributions.

² The September 2025 reduction relates to a new securitisation of residential mortgages eligible for capital relief under APS 120.

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CR9: IRB – Back testing of probability of default (PD) per portfolio

The table below presents a comparison of the PD used in IRB models with the effective default rates of the bank's borrowers in order to validate the reliability of PD calculations for the exposures under the IRB approach.^{1 2 3 4}

Portfolio/ PD scale AIRB		Sep 25								
		External rating equivalent	External rating equivalent	Weighted average PD	Arithmetic average PD by Borrowers	Number of Borrowers		Defaulted Borrowers in the year	of which: new defaulted Borrowers in the year	Average historical annual default rate
						End of previous year	End of the year			
		S&P	Moody's	%	%					%
Corporates										
1	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.10%	0.10%	783	595	2	-	0.23%
2	0.15 to <0.25	BBB	Baa2	0.20%	0.20%	1,240	1,185	8	-	0.50%
3	0.25 to <0.50	BBB-	Baa3	0.36%	0.38%	5,980	5,818	22	-	0.36%
4	0.50 to <0.75	BB+	Ba1	0.65%	0.66%	7,863	7,504	48	-	0.51%
5	0.75 to <2.50	BB to B+	Ba2 to B1	1.35%	1.45%	17,427	16,153	321	5	1.76%
6	2.50 to <10.00	B to B-	B2 to B3	4.37%	4.29%	2,134	2,265	171	-	9.15%
7	10.00 to <100.00	CCC+ to C	Caa1 to C	21.67%	32.28%	2,523	3,074	134	9	5.77%
8	100.00 (Default)	Default	Default	100.00%	100.00%	794	753			
10	Sub-Total AIRB Corporates			1.90%	5.24%	38,744	37,347	706	14	1.88%
Residential Mortgages										
11	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.08%	0.07%	407,779	415,956	542	27	0.08%
12	0.15 to <0.25	BBB	Baa2	0.18%	0.19%	43,446	43,990	154	11	0.18%
13	0.25 to <0.50	BBB-	Baa3	0.36%	0.36%	180,424	177,353	953	40	0.34%
14	0.50 to <0.75	BB+	Ba1	0.64%	0.63%	43,813	41,658	331	8	0.52%
15	0.75 to <2.50	BB to B+	Ba2 to B1	1.30%	1.31%	176,253	165,613	2,717	38	1.06%
16	2.50 to <10.00	B to B-	B2 to B3	4.13%	4.12%	61,172	57,792	2,317	5	2.99%
17	10.00 to <100.00	CCC+ to C	Caa1 to C	18.63%	19.09%	6,032	6,697	826	-	11.19%
18	100.00 (Default)	Default	Default	100.00%	100.00%	8,879	10,121			
20	Sub-Total AIRB Residential Mortgage			0.82%	0.79%	927,798	919,180	7,840	129	0.62%

¹ External Ratings have been mapped to the PD bands reported in table CR9, where the midpoints of the PD range align with the External Rating.

² The 5-year default rate history requires aligning asset classes prior to the definitions under the APS 113 capital reforms. Corporate exposures are included only from March 2023 onward, resulting in a 2.5-year average for September 2025, building up to a full 5-year average by September 2027.

³ Excludes Specialised Lending subject to supervisory slotting.

⁴ The historical average default rate calculation is aligned with APS 113 guidelines, excluding technical defaults from the numerator, and exited obligors from the denominator.

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CR9: IRB – Back testing of probability of default (PD) per portfolio (continued)

Portfolio/ PD scale		Sep 25								
		External rating equivalent	External rating equivalent	Weighted average PD	Arithmetic average PD by Borrowers	Number of Borrowers		Defaulted Borrowers in the year	of which: new defaulted Borrowers in the year	Average historical annual default rate
						End of previous year	End of the year			
AIRB		S&P	Moody's	%	%					%
Retail SME										
21	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.12%	0.12%	1,259	1,196	1	-	0.03%
22	0.15 to <0.25	BBB	Baa2	0.19%	0.19%	594	529	-	-	0.23%
23	0.25 to <0.50	BBB-	Baa3	0.39%	0.41%	9,665	9,130	44	-	0.37%
24	0.50 to <0.75	BB+	Ba1	0.65%	0.65%	10,173	10,585	70	2	0.55%
25	0.75 to <2.50	BB to B+	Ba2 to B1	1.60%	1.48%	43,326	40,202	475	3	1.05%
26	2.50 to <10.00	B to B-	B2 to B3	4.42%	4.21%	59,325	56,073	1,892	22	2.96%
27	10.00 to <100.00	CCC+ to C	Caa1 to C	16.43%	12.92%	28,447	28,373	3,807	200	13.78%
28	100.00 (Default)	Default	Default	100.00%	100.00%	6,498	5,251			
30 Sub-Total AIRB Retail SME				3.93%	4.53%	159,287	151,339	6,289	227	3.51%
Qualifying Revolving Retail (QRR)										
31	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.10%	0.10%	613,240	652,715	889	3	0.11%
32	0.15 to <0.25	BBB	Baa2	0.19%	0.19%	125,375	109,005	230	3	0.15%
33	0.25 to <0.50	BBB-	Baa3	0.36%	0.37%	269,948	253,561	799	7	0.27%
34	0.50 to <0.75	BB+	Ba1	0.65%	0.65%	40,143	37,031	178	5	0.43%
35	0.75 to <2.50	BB to B+	Ba2 to B1	1.35%	1.33%	198,009	186,749	2,324	124	1.00%
36	2.50 to <10.00	B to B-	B2 to B3	4.08%	4.29%	118,226	107,888	3,639	155	2.56%
37	10.00 to <100.00	CCC+ to C	Caa1 to C	19.85%	23.23%	31,907	28,989	4,564	124	12.86%
38	100.00 (Default)	Default	Default	100.00%	100.00%	4,522	4,598			
40 Sub-Total AIRB QRR				1.09%	1.23%	1,401,370	1,380,536	12,623	421	0.88%
Other Retail										
41	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.08%	0.08%	34,541	18,313	14	-	0.06%
42	0.15 to <0.25	BBB	Baa2			-	-	-	-	
43	0.25 to <0.50	BBB-	Baa3	0.35%	0.36%	54,406	38,303	112	2	0.20%
44	0.50 to <0.75	BB+	Ba1	0.65%	0.65%	14,729	13,198	70	-	0.46%
45	0.75 to <2.50	BB to B+	Ba2 to B1	1.28%	1.43%	231,833	191,976	8,210	176	1.74%
46	2.50 to <10.00	B to B-	B2 to B3	3.93%	4.22%	108,271	103,073	4,432	541	3.25%
47	10.00 to <100.00	CCC+ to C	Caa1 to C	30.98%	21.05%	21,761	22,611	4,151	370	11.07%
48	100.00 (Default)	Default	Default	100.00%	100.00%	19,107	24,112			
50 Sub-Total AIRB Other Retail				3.80%	2.74%	484,648	411,586	16,989	1,089	2.58%

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CR9: IRB – Back testing of probability of default (PD) per portfolio (continued)

Portfolio/ PD scale		Sep 25								
		External rating equivalent	External rating equivalent	Weighted average PD	Arithmetic average PD by Borrowers	Number of Borrowers		Defaulted Borrowers in the year	of which: new defaulted Borrowers in the year	Average historical annual default rate
						End of previous year	End of the year			
FIRB		S&P	Moody's	%	%					%
Corporates										
51	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.09%	0.10%	900	893	2	-	0.12%
52	0.15 to <0.25	BBB	Baa2	0.20%	0.20%	466	489	-	-	0.00%
53	0.25 to <0.50	BBB-	Baa3	0.33%	0.34%	554	652	2	-	0.13%
54	0.50 to <0.75	BB+	Ba1	0.60%	0.63%	109	114	-	-	0.00%
55	0.75 to <2.50	BB to B+	Ba2 to B1	1.35%	1.51%	112	116	2	-	1.22%
56	2.50 to <10.00	B to B-	B2 to B3	5.11%	5.33%	8	8	-	-	0.00%
57	10.00 to <100.00	CCC+ to C	Caa1 to C	22.36%	25.75%	4	15	1	-	21.67%
58	100.00 (Default)	Default	Default	100.00%	100.00%	27	33			
60 Sub-Total FIRB Corporates				0.36%	1.58%	2,180	2,320	7	-	0.30%
Sovereign										
61	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.02%	0.03%	240	246	-	-	0.18%
62	0.15 to <0.25	BBB	Baa2	0.20%	0.19%	7	6	-	-	0.00%
63	0.25 to <0.50	BBB-	Baa3	0.26%	0.26%	5	6	-	-	0.00%
64	0.50 to <0.75	BB+	Ba1	0.57%	0.57%	5	6	-	-	0.00%
65	0.75 to <2.50	BB to B+	Ba2 to B1	1.54%	1.70%	18	16	-	-	0.00%
66	2.50 to <10.00	B to B-	B2 to B3	5.00%	5.00%	5	7	-	-	1.79%
67	10.00 to <100.00	CCC+ to C	Caa1 to C	21.10%	23.33%	6	7	-	-	12.08%
68	100.00 (Default)	Default	Default	100.00%	100.00%	6	6			
70 Sub-Total FIRB Sovereign				0.08%	2.76%	292	300	-	-	1.54%
Financial Institutions										
71	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.06%	0.07%	2,169	2,658	5	1	0.07%
72	0.15 to <0.25	BBB	Baa2	0.20%	0.20%	165	156	-	-	0.00%
73	0.25 to <0.50	BBB-	Baa3	0.35%	0.38%	417	453	-	-	0.11%
74	0.50 to <0.75	BB+	Ba1	0.59%	0.64%	196	221	1	-	0.27%
75	0.75 to <2.50	BB to B+	Ba2 to B1	1.59%	1.67%	251	265	6	-	1.26%
76	2.50 to <10.00	B to B-	B2 to B3	3.97%	4.28%	20	17	2	-	2.73%
77	10.00 to <100.00	CCC+ to C	Caa1 to C	34.04%	34.72%	214	148	5	-	2.36%
78	100.00 (Default)	Default	Default	100.00%	100.00%	8	11			
80 Sub-Total FIRB Financial Institutions				0.11%	2.67%	3,440	3,929	19	1	0.31%

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CR9: IRB – Back testing of probability of default (PD) per portfolio (continued)

Portfolio/ PD scale		Sep 25								
		External rating equivalent	External rating equivalent	Weighted average PD	Arithmetic average PD by Borrowers	Number of Borrowers		Defaulted Borrowers in the year	of which: new defaulted Borrowers in the year	Average historical annual default rate
						End of previous year	End of the year			
RBNZ regulated entities		S&P	Moody's	%	%					%
Corporates										
81	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.07%	0.08%	590	360	1	-	0.06%
82	0.15 to <0.25	BBB	Baa2	0.20%	0.20%	316	274	-	-	0.00%
83	0.25 to <0.50	BBB-	Baa3	0.37%	0.38%	2,955	2,944	-	-	0.08%
84	0.50 to <0.75	BB+	Ba1	0.65%	0.66%	3,344	3,325	2	-	0.12%
85	0.75 to <2.50	BB to B+	Ba2 to B1	1.38%	1.43%	6,216	6,427	11	-	0.52%
86	2.50 to <10.00	B to B-	B2 to B3	4.75%	4.66%	1,060	951	22	-	3.08%
87	10.00 to <100.00	CCC+ to C	Caa1 to C	22.56%	32.04%	1,714	1,663	64	1	3.20%
88	100.00 (Default)	Default	Default	100.00%	100.00%	158	161			
90 Sub-Total NZ Corporates				2.38%	5.38%	16,353	16,105	100	1	0.72%
Residential Mortgages										
91	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.08%	0.08%	150,907	160,449	161	4	0.07%
92	0.15 to <0.25	BBB	Baa2	0.19%	0.19%	28,097	29,496	75	3	0.18%
93	0.25 to <0.50	BBB-	Baa3	0.37%	0.37%	161,852	166,118	717	38	0.27%
94	0.50 to <0.75	BB+	Ba1	0.65%	0.65%	30,997	32,098	241	8	0.48%
95	0.75 to <2.50	BB to B+	Ba2 to B1	1.37%	1.36%	131,413	132,345	1,843	76	0.87%
96	2.50 to <10.00	B to B-	B2 to B3	4.00%	3.97%	38,858	37,488	1,341	20	2.23%
97	10.00 to <100.00	CCC+ to C	Caa1 to C	11.45%	12.09%	2,008	1,834	101	1	3.09%
98	100.00 (Default)	Default	Default	100.00%	100.00%	3,653	4,208			
100 Sub-Total NZ Residential Mortgage				1.00%	0.83%	547,785	564,036	4,479	150	0.53%
Other Retail										
101	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.11%	0.11%	161,546	171,961	156	-	0.08%
102	0.15 to <0.25	BBB	Baa2	0.19%	0.19%	139,168	127,295	175	-	0.11%
103	0.25 to <0.50	BBB-	Baa3	0.34%	0.36%	158,860	159,840	285	2	0.18%
104	0.50 to <0.75	BB+	Ba1	0.59%	0.61%	53,584	53,201	192	-	0.27%
105	0.75 to <2.50	BB to B+	Ba2 to B1	1.25%	1.36%	148,564	142,192	1,260	20	0.75%
106	2.50 to <10.00	B to B-	B2 to B3	4.48%	5.15%	160,526	159,151	3,173	111	1.65%
107	10.00 to <100.00	CCC+ to C	Caa1 to C	18.44%	21.13%	97,872	100,995	6,412	242	6.59%
108	100.00 (Default)	Default	Default	100.00%	100.00%	7,639	7,047			
110 Sub-Total NZ Other Retail				1.43%	3.51%	927,759	921,682	11,653	375	1.08%

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CR10: IRB (specialised lending under the slotting approach, other than HVCRE)

The table below shows quantitative disclosures of banks' specialised lending exposures using the supervisory slotting approach.¹

		Sep 25									
Regulatory categories	Residual maturity	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount					RWA	Expected losses
					PF ²	OF ²	CF ²	IPRE ²	Total		
		\$M	\$M		\$M	\$M	\$M	\$M	\$M	\$M	\$M
1 Strong	Less than 2.5 years	5,421	751	70%	1,194	-	-	4,867	6,062	4,591	24
2 Strong	Equal to or more than 2.5 years	3,302	1,750	70%	3,908	-	-	760	4,668	3,340	19
3 Good	Less than 2.5 years	2,131	441	90%	687	-	-	1,774	2,461	2,374	20
4 Good	Equal to or more than 2.5 years	1,056	1,007	90%	1,826	-	-	143	1,969	1,794	16
5 Satisfactory		615	131	115%	309	-	-	409	717	872	20
6 Weak		295	4	250%	23	-	-	276	299	816	24
7 Non Performing		246	4	-	-	-	-	251	251	-	125
8 Total		13,066	4,088	-	7,947	-	-	8,480	16,427	13,787	248

¹ NZ exposures are mapped to the RW categories before application of the scalar of 1.1.

² PF: Project finance, OF: Object finance, CF: Commodities finance, and IPRE: Income producing real estate.

		Mar 25									
Regulatory categories	Residual maturity	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount					RWA	Expected losses
		\$M	\$M		PF \$M	OF \$M	CF \$M	IPRE \$M	Total \$M		
1 Strong	Less than 2.5 years	5,679	1,038	70%	1,754	-	-	4,870	6,624	4,984	26
2 Strong	Equal to or more than 2.5 years	3,114	2,758	70%	4,745	-	-	846	5,591	3,979	22
3 Good	Less than 2.5 years	2,415	674	90%	960	-	-	1,966	2,926	2,829	23
4 Good	Equal to or more than 2.5 years	903	1,040	90%	1,686	-	-	192	1,878	1,714	15
5 Satisfactory		682	75	115%	322	-	-	419	741	901	21
6 Weak		338	10	250%	-	-	-	347	347	953	28
7 Non Performing		293	4	-	-	-	-	297	297	-	149
8 Total		13,424	5,599	-	9,467	-	-	8,937	18,404	15,360	284

DIS42: Counterparty credit risk

CCRA: Qualitative disclosure related to CCR

Definition of counterparty credit risk

Counterparty credit risk (CCR) arises from the risk of counterparty default before settlement date and the counterparty is unable to fulfil present and future contractual payment obligations relating to a derivative contract or securities financing transaction (SFT). The amount at risk may change over time as a function of the underlying market parameters.

Counterparty credit risk is present in market instruments (derivatives and forward contracts), and comprises:

- Settlement risk, which arises where one party makes payment or delivers value in the expectation but without certainty that the counterparty will perform the corresponding obligation in a bilateral contract at settlement date.
- Market replacement risk (pre-settlement risk), which is the risk that a counterparty will default during the life of a derivative contract and that a loss will be incurred in covering the position.

ANZ transacts market instruments with the following counterparties:

- End users – would typically use Over the Counter (OTC) derivative instruments provided by ANZ to manage price movement risk associated with their core business activity.
- Professional counterparties – ANZ may hedge price movement risks by entering into transactions with professional counterparties that conduct two-way (buy and sell) business.

Counterparty credit risk requires a different method to calculate exposure at default because actual and potential market movements impact ANZ's exposure or replacement cost over the life of derivative contracts. The markets covered by this treatment include the derivative activities associated with interest rate, foreign exchange, CDS, equity, commodity and repurchase agreement (repo) products.

Exposure at default for regulatory capital

For regulatory capital the Exposure at Default captures the expected positive mark-to-market of a portfolio in the event of a counterparty default across a one-year time horizon at a 99% confidence level, taking into account any legal documents in force. For derivative transactions, it is calculated for ANZ following Standardised Approach for Counterparty Credit Risk (SA-CCR) under APS 180. For STFs covered by an eligible bilateral netting agreement, it is calculated following the comprehensive approach under APS 112.

Suncorp Bank uses the adjusted Current Exposure Method (adjusted CEM) under APS 180.

Counterparty credit risk management:

(a) Counterparty credit risk measurement and reporting

The approach to measure counterparty credit risk exposure is based on internal models. These measures are referred to as potential credit risk exposure (PCRE) and potential future exposure (PFE) and measure the worst-case credit exposure of derivative transactions at future time points to ANZ. PFE is measured at the 97.5th percentile at future pre-described time points, and PCRE is a 97.5th percentile averaged over time points.

PCRE and PFE factors recognise that prices may change over the remaining period to maturity, and that risk decreases as the contract's remaining term to maturity decreases. In general terms PCRE is calculated by applying a risk weighting or volatility factor to the face value of the notional principal of individual trades. PFE simulates relevant risk factors in a portfolio by taking into account the relevant volatilities and correlations calibrated to historical market data. To measure counterparty credit risk exposure, PCRE and PFE take into account legal document in force, as well as credit risk mitigation tools like margin or Right-to-break clauses.

(b) Counterparty credit risk governance and limit management

ANZ's counterparty credit risk management is governed by its credit principles, policies and procedures. The Markets Risk function is responsible for determining the counterparty credit risk exposure methodology applied to market instruments, in the framework for counterparty credit limit management, measurement and reporting.

The counterparty credit risk associated with derivative transactions is governed by credit limit setting consistent with all credit exposures to the ANZ Group. Counterparty credit limits are approved by the appropriate credit delegation holders.

(c) Counterparty credit risk mitigation and credit enhancements

ANZ's primary tools to mitigate counterparty credit risk include:

- A bilateral netting master agreement (e.g., by International Swaps and Derivatives Association – (ISDA)) allowing close-out netting of exposures in a portfolio with offsetting contracts, with a single net payment with the same legal counterparty.
- Use of collateral agreements in some transactions based on standard market documentation (i.e., ISDA master agreement with credit support annex or CSA for derivatives and Global Master Repurchase Agreement or GMRA for repo) that governs the amount of collateral required to be posted or received by ANZ throughout the life of the contract. Reasons for requiring collateral include:
 - Variation Margin – reflects the current mark-to-market exposure.
 - Initial Margin – in addition to the variation margin, covers the future potential exposure that could arise from future changes in market value over a defined period of risk.

- Since March 2017, APRA's CPS 226 "Margining and risk mitigation for non-centrally cleared derivatives" (CPS 226) has mandated Variation Margin and Initial Margin arrangements between covered entities, subject to trading volume thresholds. The operation of collateral agreements falls under a policy which establishes the control framework designed to ensure a robust and globally consistent approach to the management of collateralised exposures, as well as compliance with CPS 226 obligations.
- APRA's CPS 226 also requires ADIs to apply risk mitigation practices for un-cleared derivatives between covered counterparties in the areas of trading relationship documentation, trade confirmation, portfolio reconciliation, portfolio compression, valuation processes and dispute resolution processes.
- Use of right-to-break clauses in master agreements or in trade confirmation to reduce the term of long dated derivative trades.
- Independent limit setting, credit exposure control, monitoring and reporting of excesses against approved credit limits.
- Additional termination triggers (close out of exposure) such as credit rating downgrade clauses and change in ownership clauses included in documentation to reduce credit exposure under specific credit events.
- Linking covenants and events of default in existing loan facility agreements to master agreements.
- Settlement through Continuous Linked Settlement (CLS) to eliminate settlement risk for foreign exchange transactions with CLS members.
- Clearing certain derivative transactions through central counterparties clearing houses.

The terms of legal agreements with some of ANZ's central clearing counterparties central clearer have been amended to give effect to "settled-to-market" legal settlement. As a result of this change, collateral paid and received by the Group under these agreements is no longer separately recognised, instead settling the Group's outstanding derivative exposures and reducing the associated carrying values of the derivative asset and liability balances.

(d) Wrong way risk exposures management

ANZ's management of counterparty credit risk also considers the possibility of wrong way risk, which emerges when PD is adversely correlated with counterparty credit risk exposures.

The impact of ANZ ratings downgrade on collateral management

In the event of a downgrading of ANZ's rating by one notch from AA- to A+, as at 30 September 2025, ANZ would be required to lodge additional \$54 million collateral with its counterparties.

CCR1: Analysis of CCR exposures by approach

The table below provides a comprehensive view of the methods used to calculate counterparty credit risk exposures and the main parameters used within each method.

		Sep 25				
		Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM
		\$M	\$M	\$M		\$M
1	SA-CCR (for derivatives)	6,175	20,991		1.4	37,936
2	Internal Model Method (for derivatives and SFTs)			-	-	-
3	Simple Approach for credit risk mitigation (for SFTs)					-
4	Comprehensive Approach for credit risk mitigation (for SFTs)					2,783
5	Value-at-risk (VaR) for SFTs					-
6	RBNZ regulated entities					3,458
7	Total					12,658

		Mar 25				
		Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM
		\$M	\$M	\$M	\$M	\$M
1	SA-CCR (for derivatives)	7,754	21,555		1.4	40,847
2	Internal Model Method (for derivatives and SFTs)			-	-	-
3	Simple Approach for credit risk mitigation (for SFTs)					-
4	Comprehensive Approach for credit risk mitigation (for SFTs)					2,928
5	Value-at-risk (VaR) for SFTs					-
6	RBNZ regulated entities					3,622
7	Total					13,331

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CCR3: Standardised approach – CCR exposures by regulatory portfolio and risk weights

The table below presents a breakdown of counterparty credit risk exposures calculated according to the standardized approach by portfolio and risk weight.

This table has minor modifications from the original BCBS standard. Additional detail on this modification has been provided in Appendix 1.

		Sep 25									Total credit exposure
Risk Weight %		0%	0-10%	10-20%	20-50%	50-75%	75-100%	100-150%	Greater than 150%	Others	
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	
1	Sovereigns	-	-	-	-	-	175	-	-	-	175
4	Banks	-	-	42	-	280	-	-	-	-	322
6	Corporates	-	-	-	-	1	23	57	-	-	81
8	Other assets	-	-	-	-	-	-	-	-	-	-
10	RBNZ regulated entities	969	-	529	268	3	-	-	-	-	1,769
11	Total	969	-	571	268	284	198	57	-	-	2,347

		Mar 25									Total credit exposure
Risk Weight %		0%	0-10%	10-20%	20-50%	50-75%	75-100%	100-150%	Greater than 150%	Others	
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	
1	Sovereigns	-	-	-	-	-	213	-	-	-	213
4	Banks	-	-	194	-	276	-	-	-	-	470
6	Corporates	-	-	-	-	1	110	62	-	-	173
8	Other assets	-	-	-	-	-	-	-	-	-	-
10	RBNZ regulated entities	1,352	-	427	296	3	-	-	-	-	2,078
11	Total	1,352	-	621	296	280	323	62	-	-	2,934

CCR4: IRB – CCR exposures by portfolio and PD scale

The table below presents a detailed view of CCR exposures subject to IRB approach by asset classes and PD scale.¹

ANZ applies the Standardised Approach for Counterparty Credit Risk (SACCR) for calculating Exposure at Default (EAD) across all IRB exposures as per APRA requirements. The exception is for exposures under its RBNZ regulated entities, which follow the Current Exposure Method (CEM) in line with Reserve Bank of New Zealand (RBNZ) requirements.

CCR exposures subject to the supervisory slotting approach are included in the EAD & RWA summary (EAD of \$275 million & RWA of \$202 million as at March 2025). The prior period CCR4 table has been restated accordingly².

Portfolio/ PD scale		EAD post CRM and post-CCF	Average PD	Number of Counterparties ¹	Sep 25		RWA	RWA density
					Average LGD	Average maturity		
FIRB		\$M	%	#	%	Yr	\$M	%
Sovereign								
1	0.00 to <0.15	3,023	0.02%	53	13%	1.20	67	2%
2	0.15 to <0.25	37	0.20%	2	50%	0.27	14	37%
3	0.25 to <0.50	273	0.26%	4	50%	0.13	93	34%
4	0.50 to <0.75	2	0.57%	1	50%	1.91	1	82%
5	0.75 to <2.50	-	-	-	-	-	-	-
6	2.50 to <10.00	-	5.00%	1	50%	0.01	-	161%
7	10.00 to <100.00	-	-	-	-	-	-	-
8	100.00 (Default)	-	-	-	-	-	-	-
12 Total FIRB Sovereign		3,335	0.04%	61	17%	1.10	175	5%
Corporates								
13	0.00 to <0.15	3,543	0.09%	254	46%	3.72	1,229	35%
14	0.15 to <0.25	1,977	0.20%	134	49%	1.34	836	42%
15	0.25 to <0.50	627	0.33%	111	47%	1.51	329	52%
16	0.50 to <0.75	59	0.60%	17	50%	1.75	64	108%
17	0.75 to <2.50	20	1.14%	19	49%	0.39	19	92%
18	2.50 to <10.00	-	-	-	-	-	-	-
19	10.00 to <100.00	-	21.00%	1	50%	0.23	-	413%
20	100.00 (Default)	-	100.00%	1	50%	0.21	-	-
24 Total FIRB Corporates		6,226	0.16%	537	48%	2.71	2,477	40%
Financial Institutions								
25	0.00 to <0.15	24,330	0.06%	1,855	50%	1.02	4,778	20%
26	0.15 to <0.25	953	0.20%	115	51%	0.62	407	43%
27	0.25 to <0.50	2,404	0.36%	341	50%	1.26	1,659	69%
28	0.50 to <0.75	697	0.63%	137	50%	0.71	627	90%
29	0.75 to <2.50	392	1.75%	62	50%	0.46	438	112%
30	2.50 to <10.00	-	-	-	-	-	-	-
31	10.00 to <100.00	-	-	-	-	-	-	-
32	100.00 (Default)	-	-	-	-	-	-	-
36 Total FIRB Financial Institutions		28,776	0.13%	2,510	50%	1.01	7,909	27%
37 Total FIRB		38,337	0.13%	3,108	47%	1.30	10,561	28%

CCR4: IRB – CCR exposures by portfolio and PD scale (continued)

Portfolio/ PD scale		Sep 25					RWA RWA density	
		EAD post CRM and post-CCF	Average PD	Number of Counterparties	Average LGD	Average maturity		
		\$M	%	#	%	Yr	\$M	%
Corporates								
38	0.00 to <0.15	595	0.09%	137	47%	2.85	176	30%
39	0.15 to <0.25	321	0.20%	205	43%	4.10	170	53%
40	0.25 to <0.50	334	0.35%	332	36%	2.68	159	48%
41	0.50 to <0.75	105	0.65%	207	30%	1.60	55	52%
42	0.75 to <2.50	118	1.15%	248	29%	2.01	85	72%
43	2.50 to <10.00	1	5.09%	28	31%	1.27	1	99%
44	10.00 to <100.00	2	26.54%	13	37%	0.44	5	197%
45	100.00 (Default)	-	100.00%	2	31%	2.25	-	142%
47	Sub-total	1,476	0.36%	1,172	41%	2.92	651	44%
48	RBNZ regulated entities	1,647	0.24%	756	61%	1.55	631	38%
49	Total AIRB Corporates	3,123	0.30%	1,928	52%	2.20	1,282	41%
51	Total AIRB	3,123	0.30%	1,928	52%	2.20	1,282	41%

¹ The definition of a "counterparty" differs across portfolios. In some instances, a wholesale borrower can be reported across more than one PD band.

² March comparative numbers have been restated to align with the change in methodology in the current period.

CCR4: IRB – CCR exposures by portfolio and PD scale (continued)

Portfolio/ PD scale		Mar 25						
		EAD post CRM and post-CCF	Average PD	Number of Counterparties	Average LGD	Average maturity	RWA	RWA density
FIRB		\$M	%	#	%	Yr	\$M	%
Sovereign								
1	0.00 to <0.15	2,981	0.02%	54	9%	1	48	1%
2	0.15 to <0.25	71	0.20%	2	50%	0	26	37%
3	0.25 to <0.50	603	0.26%	3	50%	0	232	38%
4	0.50 to <0.75	7	0.57%	2	50%	1	5	73%
5	0.75 to <2.50	-	1.74%	2	50%	-	-	111%
6	2.50 to <10.00	-	-	-	-	-	-	-
7	10.00 to <100.00	-	21.00%	1	50%	0	1	276%
8	100.00 (Default)	-	-	-	-	-	-	-
12	Total FIRB Sovereign	3,662	0.06%	64	16%	1	312	8%
Corporates								
13	0.00 to <0.15	3,166	0.09%	242	47%	3	1,093	35%
14	0.15 to <0.25	2,195	0.20%	112	50%	2	965	44%
15	0.25 to <0.50	814	0.34%	111	50%	1	460	57%
16	0.50 to <0.75	48	0.57%	14	50%	2	38	79%
17	0.75 to <2.50	73	1.12%	21	52%	1	69	94%
18	2.50 to <10.00	-	5.00%	1	50%	0	-	161%
19	10.00 to <100.00	-	21.00%	2	50%	0	1	276%
20	100.00 (Default)	-	-	-	-	-	-	-
24	Total FIRB Corporates	6,296	0.18%	503	49%	2	2,626	42%
Financial Institutions								
25	0.00 to <0.15	26,601	0.06%	1,905	50%	1	5,024	19%
26	0.15 to <0.25	1,101	0.20%	117	52%	1	533	49%
27	0.25 to <0.50	1,982	0.36%	328	50%	1	1,362	69%
28	0.50 to <0.75	960	0.63%	137	51%	1	861	90%
29	0.75 to <2.50	294	1.98%	52	51%	0	354	121%
30	2.50 to <10.00	-	-	-	-	-	-	-
31	10.00 to <100.00	-	35.00%	1	50%	-	-	287%
32	100.00 (Default)	-	-	-	-	-	-	-
36	Total FIRB Financial Institutions	30,938	0.12%	2,540	50%	1	8,134	26%
37	Total FIRB	40,896	0.12%	3,107	47%	1	11,072	27%

CCR4: IRB – CCR exposures by portfolio and PD scale (continued)

Portfolio/ PD scale		Mar 25						
		EAD post CRM and post-CCF	Average PD	Number of Counterparties	Average LGD	Average maturity	RWA	RWA density
		AIRB	\$M	%	#	%	Yr	\$M
Corporates								
38	0.00 to <0.15	1,041	0.08%	146	48%	5	364	35%
39	0.15 to <0.25	176	0.20%	173	43%	3	79	45%
40	0.25 to <0.50	328	0.35%	311	39%	3	163	50%
41	0.50 to <0.75	115	0.66%	209	34%	2	85	74%
42	0.75 to <2.50	91	1.20%	218	33%	3	80	90%
43	2.50 to <10.00	1	5.54%	19	21%	1	1	68%
44	10.00 to <100.00	3	33.00%	16	41%	1	6	233%
45	100.00 (Default)	1	100.00%	6	26%	3	1	124%
47	Sub-total	1,756	0.32%	1,098	44%	4	779	45%
48	RBNZ regulated entities	1,536	0.20%	750	60%	2	551	36%
49	Total AIRB Corporates	3,292	0.27%	1,848	52%	3	1,330	41%
51	Total AIRB	3,292	0.27%	1,848	52%	3	1,330	41%

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CCR5: Composition of collateral for CCR exposure

The table shows a breakdown of collateral posted or received to support or reduce the CCR exposures related to derivative transactions or securities financing transactions (SFTs), including the value of settlements posted or received under the Settled-to-Market (STM) model with central counterparties (CCPs).

		Sep 25					
		Collateral used in derivative transactions				Collateral used in SFTs	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
		Segregated	Unsegregated	Segregated	Unsegregated		
		\$M	\$M		\$M	\$M	\$M
1	Cash – domestic currency	3	4,573	-	765	9,677	33,120
2	Cash – other currencies	7	8,024	-	18,316	49,991	49,882
3	Domestic sovereign debt	-	-	-	-	30,183	6,059
4	Other sovereign debt	2,021	6,267	3,236	845	47,527	50,274
5	Government agency debt	-	-	-	-	-	-
6	Corporate bonds	363	251	-	-	7,258	4,554
7	Equity securities	-	-	-	-	-	-
8	Other collateral	-	-	-	120	-	-
9	Total	2,394	19,115	3,236	20,046	144,636	143,889

		Mar 25					
		Collateral used in derivative transactions				Collateral used in SFTs ¹	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
		Segregated	Unsegregated	Segregated	Unsegregated		
		\$M	\$M		\$M	\$M	\$M
1	Cash – domestic currency	2	5,142	-	760	12,177	30,753
2	Cash – other currencies	7	9,547	-	17,049	45,865	49,628
3	Domestic sovereign debt	-	63	-	-	27,252	11,779
4	Other sovereign debt	1,648	3,685	2,330	869	49,004	46,068
5	Government agency debt	-	-	-	-	-	-
6	Corporate bonds	336	155	-	-	8,172	1,995
7	Equity securities	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	2,686
9	Total	1,993	18,592	2,330	18,678	142,470	142,909

¹ March comparative numbers have been restated to align with the change in methodology in the current period.

CCR5: Composition of collateral for CCR exposure (continued)

Increase in collateral used in derivative transactions is primarily driven by the depreciation of AUD and NZD (–9.5%), which impacted the mark-to-market (MtM) of FX and cross-currency positions with financial counterparties covered by collateral agreements.

March 2025 comparative numbers related to fair value of collateral used in SFTs were updated, excluding some operational repo transactions. The impact of this adjustment is a reduction of SFT collateral received and posted by \$5.4 billion and \$1.5 billion, respectively.

Collateral used in SFTs has risen due to both an increase in customer flow and FX translation from AUD depreciation, as the portfolio is predominantly denominated in USD.

CCR6: Credit derivatives exposures

The table below presents credit derivatives bought or sold by notional and fair values.

		Sep 25		Mar 25	
		Protection bought	Protection sold	Protection bought	Protection sold
		\$M	\$M	\$M	\$M
1	Notionals				
2	Single-name credit default swaps	864	885	923	937
3	Index credit default swaps	17,282	15,851	9,855	8,249
4	Total return swaps	-	-	-	-
5	Credit options	-	-	-	-
6	Other credit derivatives	-	-	-	-
7	Total notionals	18,146	16,736	10,778	9,186
8	Fair values				
9	Positive fair value (asset)	1	17	8	-
10	Negative fair value (liability)	12	-	3	7

Credit derivatives are transacted by the Markets business within the Institutional division (with offsetting bought and sold protection). Index credit default swaps are used primarily to hedge credit and funding exposures on derivative trades with customers, and single-name credit default swaps are used primarily to hedge exposures on bond trading inventories.

Credit derivative notionals increased over the last 6 months, mainly driven by new index credit default swaps entered to hedge a higher proportion of risk on derivative trades with customers, which more than offset expiries of index credit default swaps during the period. The movement in fair value over the same period was minimal as these credit derivatives are recognised on a settled-to-market basis.

CCR8: Exposures to central counterparties

The table below presents a comprehensive view of exposures and RWAs to CCPs.

		Sep 25		Mar 25	
		EAD (post-CRM)	RWA	EAD (post-CRM)	RWA
		\$M	\$M	\$M	\$M
1	Exposures to QCCPs (total)		451		478
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	5,574	111	7,326	147
3	(i) OTC derivatives	5,193	103	7,113	143
4	(ii) Exchange-traded derivatives	-	-	-	-
5	(iii) Securities financing transactions	381	8	213	4
6	(iv) Netting sets where cross-product netting has been approved	-	-	-	-
7	Segregated initial margin	-		-	
8	Non-segregated initial margin	3,385	68	3,187	64
9	Pre-funded default fund contributions	1,322	272	1,197	267
10	Unfunded default fund contributions	-	-	-	-
11	Exposures to non-QCCPs (total)		117		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
13	(i) OTC derivatives	-	-	-	-
14	(ii) Exchange-traded derivatives	-	-	-	-
15	(iii) Securities financing transactions	-	-	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-	-	-
17	Segregated initial margin	-		-	
18	Non-segregated initial margin	138	117	-	-
19	Pre-funded default fund contributions	-	-	-	-
20	Unfunded default fund contributions	-	-	-	-

DIS43: Securitisation

SECA: Qualitative disclosure requirements related to securitisation exposures

Definition of securitisation

A securitisation is a financial structure where the cash flow from a pool of assets is used to service obligations to at least two different tranches or classes of creditors, typically holders of debt securities, with each class or tranche reflecting a different degree of credit risk. This stratification of credit risk means that one class of creditors is entitled to receive payments from the pool before another class.

Securitisations may be categorised as:

- Traditional securitisations, where legal ownership of the underlying asset pool is transferred to investors, with principal and interest paid from realisation of or regular cash flows from the assets. The Special Purpose Vehicle (SPV) assets are insulated from bankruptcy of the seller or servicer.
- Synthetic securitisations, where credit risk is transferred to a third party but legal ownership of the underlying assets remain with the originator e.g., by using credit derivatives or guarantees.

Securitisation of ANZ originated assets

ANZ adopts securitisation as a funding, capital and liquidity management tool using assets it has originated.

This may involve the transfer of credit risk and thereby provide regulatory capital relief. The Kingfisher Programme is the Group's securitisation programme of ANZ originated residential mortgage loans. ANZ also operates a self-securitisation programme, backed by pools of residential mortgages, which forms part of the Group's liquidity arrangements. ANZ retains all the notes issued which are used to access government sponsored facilities.

For these securitisation programmes, ANZ undertakes roles including as the originator, sponsor, servicer and trust manager. ANZ may retain an exposure to these securitisation programmes (including as facility provider and swap provider), consistent with the roles described below in 'Third Party Securitisation Activities' and facilities provided as described below in 'Risk Management'.

Similarly, Suncorp Bank adopts securitisation including operating a self-securitisation programme and undertakes roles, as described above, under the Apollo Programme. Any facilities provided are governed by Suncorp Bank's risk management framework.

Covered bond transactions, whereby bonds issued by ANZ and Suncorp Bank are secured by assets held in a special purpose vehicle, are not securitisation exposures.

Third party securitisation activities

ANZ's involvement with securitisation of third-party originated assets, including residential mortgages, auto and equipment loans and trade receivables, comprises of:

- Provision of facilities – this may include providing facilities to securitisation vehicles in the form of funding facility provider and interest rate swap provider. Funding may be provided via an ANZ-sponsored securitisation vehicle which is consolidated in the Bank's financial statements, to certain clients wishing to access securitisation.
- Services to securitisation programmes may include structuring and arranging services and distributing securities.
- Investment in securities – ANZ may purchase notes issued by securitisation programmes.

For any assets ANZ has securitised or for SPVs that ANZ sponsors, any role provided by ANZ or its subsidiaries is subject to market-based terms and conditions, and ANZ's normal approval and review processes. Further, any securitisation exposures retained by ANZ or its affiliated entities are subject to ANZ's normal approval and review processes as well as satisfying the requirements under APS 120.

ANZ do not have exposures that are classified as re-securitisation exposures. That is, a securitisation exposure where at least one of the underlying exposures in the pool is a securitisation exposure.

Exposures are classified into either the trading book or the banking book. In general terms, the trading book consists of positions in financial instruments and commodities held with trading intent or in order to hedge other elements of the trading book, and the banking book contains all other exposures. Banking book exposures are typically held to maturity, in contrast to the shorter term, trading nature of the trading book.

Governance and risk management

Similar to other exposures, securitisation exposures are subject to financial and non-financial risks. Governance of securitisation activities is managed in accordance with ANZ's established risk management framework, including the credit risk and market risk frameworks described in DIS40: Credit Risk and DIS50: Market Risk. Roles and responsibilities are clearly outlined in the Group's policies and procedures, including:

- Appropriate risk management systems to identify, measure, monitor and manage the risks arising from its involvement in securitisation exposures;
- Impact of ANZ's involvement in securitisation exposures on its risk profile; and
- How ANZ ensures that it does not provide any implicit support to securitisations with ANZ originated assets.

Funding third party originated exposures and investment in securities must satisfy ANZ's credit, due diligence and other business requirements. Many functions within ANZ are involved in securitisation activities given the range of activities undertaken and risks that need to be managed. For origination and structuring of securitisation transactions, ANZ has a specialist securitisation team with independent risk personnel overseeing operations. Credit decisions require joint approval by the business unit and respective independent credit risk officer. The securitisation team must be involved in all non-trading securitisation transactions across ANZ, which ensures consistent expert treatment.

All facilities provided to our investments in securitisation programmes (across both the banking and trading books) undergo initial and ongoing due diligence in line with requirements outlined by APRA. This includes analysing the risk characteristics of the securitisation exposure, structure of the transaction and monitoring performance of the underlying assets of the transaction. In addition, such securitisation exposures are formally reviewed at least annually with credit discretions being exercised until the securitisation exposures are repaid in full or sold.

Risk reporting of securitisation exposures

Credit risk management information systems and reporting are managed centrally for all securitisation exposures. In addition to the formal credit review process for ANZ's securitisation exposures, internal reporting to the appropriate Risk and management functions provides oversight at the portfolio level. These reports include securitisation programme performance, EAD, portfolio mix, and RWA.

The use and treatment of Credit Risk Mitigation (CRM) techniques with respect to securitisation exposures is assessed on a case-by-case basis in a manner consistent with the bank-wide CRM methodology.

Regulatory capital approaches

Securitisation exposures held in Group's banking book are governed by APS 120 and Prudential Practice Guide APG 120. This standard is employed to calculate the credit risk regulatory capital charge via a hierarchy of approaches.

The primary rating approach is the External Ratings-based Approach (ERBA). For externally rated securitisation exposures that satisfy the operational requirements for external credit assessments, ANZ calculates credit risk regulatory capital based upon the ratings assigned by Standard & Poor's, Moody's Investor Services and/or Fitch Ratings as appropriate, seniority of the securitisation exposure and the tenor of the securitisation exposure.

If ERBA is not applicable, ANZ adopts the Supervisory Formula Approach (SFA) for securitisation exposures. In this case, the credit risk regulatory capital calculation takes into account the type and performance of the underlying assets of the securitisation and the credit support provided to the securitisation exposure.

In relation to securitisation of ANZ originated assets, where:

- the significant credit risk transfer requirements have been satisfied under APS 120, ANZ is not required to hold credit risk regulatory capital for the underlying assets of the securitisation, however credit risk regulatory capital is held for the facilities provided to the securitisation;
- in absence of significant credit risk transfer being satisfied under APS 120, ANZ holds credit risk regulatory capital for the underlying assets of the securitisation however the credit risk regulatory capital for facilities provided to the securitisation is not required to be calculated.

Under APRA's capital framework, ANZ's New Zealand banking subsidiaries regulated by the Reserve Bank of New Zealand (RBNZ) are required to calculate capital requirements for any securitisation exposures held using the RBNZ's prudential framework rather than APRA's framework. These exposures are included in the exposures of New Zealand banking subsidiaries in DIS40: Credit Risk tables rather than in the Securitisation tables.

Accounting policies

A key consideration in determining the treatment of transactions involving ANZ assets is whether the securitisation special purpose vehicles (SPVs) should be consolidated under AASB 10: Consolidated Financial Statements. If these SPVs meet the criteria for consolidation, the assets remain on the balance sheet of ANZ's consolidated financial statements and are classified and valued in accordance with AASB 9: Financial Instruments. Currently, transfers to securitisation SPVs are treated as financing transactions in the separate financial statements of ANZBGL because it retains substantially all of the risks and rewards of assets transferred to the SPVs.

Securitisation services based on customers' generated assets include warehouse and term fund facilities which are treated as loans.

For synthetic securitisations of ANZ-originated assets, any transferred credit exposure is recognised through the fair value measurement of the credit derivative established within the structure.

Full details of the principal accounting policies governing ANZ's securitisation activities are outlined in ANZBGL's 2025 Annual Report, Notes to the Financial Statements. These include the valuation, derecognition, consolidation and income recognition principles outlined in the accounting policies and key judgements and estimates disclosures in each relevant note. Note 26 – Structured Entities and Note 27 – Assets pledged, collateral accepted, and financial assets transferred also provide details about the nature of ANZ's securitisation activities and certain accounting policies as they specifically apply to these activities. There have been no changes to the application of accounting policies in relation to securitisation activities since the prior year.

To the extent that ANZ has exposures intended to be securitised, they could reside in either the banking or trading book.

To the extent that ANZ has entered into contractual arrangements that could require it to provide financial support for securitised assets e.g. liquidity facilities, these are recognised in accordance with the accounting policies set out in ANZBGL's 2025 Annual Report.

DIS50: Market Risk outlines regulatory capital treatment for securitisation exposures held in ANZ's trading book. In addition, the operational requirements for the recognition of external credit assessments outlined in APS 120 also apply to these exposures.

SEC1: Securitisation exposures in the banking book

The table below presents the bank's securitisation exposures in the banking book.¹ Where ANZ acts as investor, securitisation exposures increased by \$638 million (6.6%) since the last reporting period as a result of additional third party securitisation activity.

Sep 25						
Bank acts as originator/sponsor ²			Bank acts as investor ³			
	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
	\$M	\$M	\$M	\$M	\$M	\$M
1 Retail (total)	87,265	-	87,265	10,317	-	10,317
2 of which: Residential mortgages	87,265	-	87,265	9,547	-	9,547
3 of which: Credit cards	-	-	-	-	-	-
4 of which: Other retail exposures	-	-	-	770	-	770
5 of which: Re-securitisation	-	-	-	-	-	-
6 Wholesale (total)	-	-	-	5,144	-	5,144
7 of which: Loans to corporates	-	-	-	-	-	-
8 of which: Commercial mortgage	-	-	-	-	-	-
9 of which: Lease and receivables	-	-	-	3,321	-	3,321
10 of which: Other wholesale	-	-	-	1,823	-	1,823
11 of which: Re-securitisation	-	-	-	-	-	-

¹ Securitisation exposures that are prudentially regulated by a prescribed New Zealand authority are disclosed as part of the New Zealand credit RWA, per APS 330, Att. A, para. 31.

² This includes self-securitisation assets of \$81,894m as at this reporting date (\$81,971m as at 31 March 2025).

³ Securitisation exposures relating to third party securitisation transactions.

Mar 25						
Bank acts as originator/sponsor			Bank acts as investor			
	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
	\$M	\$M	\$M	\$M	\$M	\$M
1 Retail (total)	86,515	-	86,515	9,679	-	9,679
2 of which: Residential mortgages	86,515	-	86,515	8,899	-	8,899
3 of which: Credit cards	-	-	-	-	-	-
4 of which: Other retail exposures	-	-	-	780	-	780
5 of which: Re-securitisation	-	-	-	-	-	-
6 Wholesale (total)	-	-	-	5,128	-	5,128
7 of which: Loans to corporates	-	-	-	-	-	-
8 of which: Commercial mortgage	-	-	-	-	-	-
9 of which: Lease and receivables	-	-	-	3,618	-	3,618
10 of which: Other wholesale	-	-	-	1,510	-	1,510
11 of which: Re-securitisation	-	-	-	-	-	-

SEC2: Securitisation exposures in the trading book

The Group has no traditional or synthetic securitisation exposures in the trading book.

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September 2025

SEC3: Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor

The table below present securitisation exposures in the banking book when the bank acts as originator or sponsor and the associated capital requirements.¹ Securitisation exposure increased by \$12 million (5.9%) that related to a new ANZ Group-originated securitisation program established since the last reporting date.

		Sep 25													
		Exposure values (by risk weight bands)					Exposure values (by regulatory approach)			RWA ² (by regulatory approach)			Capital charge after cap ³		
		≤20%	>20% to 50%	>50% to 100%	>100% to <1250% RW	1250%	SEC- ERBA	SEC-SA	1250%	SEC- ERBA	SEC-SA	1250%	SEC- ERBA	SEC-SA	1250%
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	
1	Total exposures	217	-	-	-	-	217	-	-	43	-	-	4	-	-
2	Traditional Securitisation	217	-	-	-	-	217	-	-	43	-	-	4	-	-
3	of which: Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	of which: Retail underlying	217	-	-	-	-	217	-	-	43	-	-	4	-	-
6	of which: Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which: Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	of which: Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	of which: Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which: Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	of which: Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹ Securitisation exposures that are prudentially regulated by a prescribed New Zealand authority are disclosed as part of the New Zealand credit RWA, per APS 330, Att. A, para. 31.

² RWA metrics are before application of the cap.

³ Capital charge after cap excludes regulatory adjustment of \$11 million deducted from capital (31 March 2025: \$11 million) relating to the securitisation of ANZ Group-originated assets.

ANZ Basel III Pillar 3 disclosure
September 2025

SEC3: Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor (continued)

		Mar 25													
		Exposure values (by risk weight bands)					Exposure values (by regulatory approach)			RWA (by regulatory approach)			Capital charge after cap		
		≤20%	>20% to 50%	>50% to 100%	>100% to <1250% RW	1250%	SEC- ERBA	SEC-SA	1250%	SEC- ERBA	SEC-SA	1250%	SEC- ERBA	SEC-SA	1250%
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
1	Total exposures	206	-	-	-	-	206	-	-	41	-	-	3	-	-
2	Traditional Securitisation	206	-	-	-	-	206	-	-	41	-	-	3	-	-
3	of which: Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	of which: Retail underlying	206	-	-	-	-	206	-	-	41	-	-	3	-	-
6	of which: Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which: Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	of which: Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	of which: Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which: Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	of which: Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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September 2025

SEC4: Securitisation exposures in the banking book and associated capital requirements – bank acting as investor

The table below presents securitisation exposures in the banking book where the bank acts as investor and the associated capital requirements.¹ Securitisation exposures in the banking book increased by \$653 million or 4.4% since the last reporting date, reflecting additional funding extended to securitisation warehouse arrangements. Changes to risk weights reflect movements in asset composition, as governed by APRA's prudential standard for securitisation APS120.

		Sep 25													
		Exposure values (by risk weight bands)					Exposure values (by regulatory approach)			RWA ² (by regulatory approach)			Capital charge after cap		
										SEC- ERBA	SEC-SA	1250%			
		≤20%	>20% to 50%	>50% to 100%	>100% to <1250% RW	1250%	SEC- ERBA	SEC-SA	1250%	SEC- ERBA	SEC-SA	1250%	SEC- ERBA	SEC-SA	1250%
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	
1	Total exposures	15,344	117	-	-	-	4,239	11,222	-	733	1,715	-	58	137	-
2	Traditional Securitisation	15,344	117	-	-	-	4,239	11,222	-	733	1,715	-	58	137	-
3	of which: Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	of which: Retail underlying	10,317	-	-	-	-	1,431	8,886	-	279	1,353	-	22	108	-
6	of which: Wholesale	5,027	117	-	-	-	2,808	2,336	-	454	362	-	36	29	-
8	of which: Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	of which: Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	of which: Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which: Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	of which: Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹ Securitisation exposures that are prudentially regulated by a prescribed New Zealand authority are disclosed as part of the New Zealand credit RWA, per APS 330, Att. A, para. 31.

² RWA metrics are before application of the cap.

ANZ Basel III Pillar 3 disclosure
September 2025

SEC4: Securitisation exposures in the banking book and associated capital requirements – bank acting as investor (continued)

		Mar 25													
		Exposure values (by risk weight bands)					Exposure values (by regulatory approach)			RWA (by regulatory approach)			Capital charge after cap		
		≤20%	>20% to 50%	>50% to 100%	>100% to <1250% RW	1250%	SEC- ERBA	SEC-SA	1250%	SEC- ERBA	SEC-SA	1250%	SEC- ERBA	SEC-SA	1250%
		\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
1	Total exposures	14,798	9	-	-	-	4,255	10,551	-	739	1,616	-	59	129	-
2	Traditional Securitisation	14,798	9	-	-	-	4,255	10,551	-	739	1,616	-	59	129	-
3	of which: Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	of which: Retail underlying	9,679	-	-	-	-	1,265	8,413	-	246	1,289	-	20	103	-
6	of which: Wholesale	5,119	9	-	-	-	2,990	2,138	-	493	327	-	39	26	-
8	of which: Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	of which: Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	of which: Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which: Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	of which: Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-

DIS50: Market risk

Definition and scope of market risk

Market risk stems from ANZ's trading and balance sheet activities and is the risk to ANZ's earnings or economic value arising from changes in interest rates, foreign exchange rates, credit spreads, volatility, correlations or from fluctuations in bond, commodity, or equity prices.

Market risk management of interest rate risk in the banking book (IRRBB) is described in DIS70.

Regulatory capital approach

ANZ has been approved by APRA to use the internal model approach (IMA) under APS 116 Capital Adequacy: Market Risk for general market risk (APS 116) and under APS 117 Capital Adequacy: Interest Rate Risk in the Banking Book (Advanced ADIs) (APS 117) for interest rate risk in the banking book (IRRBB). Suncorp Bank has not been approved by APRA to use the IMA approach and uses the standard method under APS 116 and APS 117.

ANZ uses the standard method to measure market risk capital for specific risk¹ (APRA does not currently permit Australian banks to use an internal model approach for this).

Governance of market risk

The BRC supervision of market risk is supported by the Credit and Market Risk Committee (CMRC).

CMRC is responsible for the oversight and control of credit, market and material financial risks across the ANZ Group and meets at least monthly. The Market Risk function is a specialist risk management unit independent of the business that is responsible for:

- Designing and implementing policies and procedures to ensure market risk exposures are managed within the appetite and limit framework set by the Board.
- Measuring and monitoring market risk exposures and approving counterparty and associated risks.
- The ongoing effectiveness and appropriateness of the risk management framework.

Traded market risk

Traded market risk is the risk of loss from changes in the value of financial instruments due to movements in price factors for both physical and derivative trading positions in the trading book. Trading positions arise from transactions where ANZ acts as principal with customers, financial exchanges, or inter-bank counterparties.

The Trading Book Policy Statement and accompanying procedures governs the management of traded market risk and its key components include:

- A clear definition of the trading book.
- A comprehensive set of requirements that promote the proactive identification and communication of risk.
- A robust value-at-risk (VaR) quantification approach supplemented by comprehensive stress testing.
- A comprehensive limit framework that controls all material market risks.
- An independent Market Risk function with specific responsibilities.
- Regular and effective reporting of market risk to executive management and the Board.

¹ Specific risk is the risk that the value of a security will change due to issuer-specific factors. It applies to interest rate and equity positions related to a specific issuer.

Trading portfolios - lines of business

ANZ has traded risk exposures across the following key lines of business:

	Business line	Description
1	Credit Trading and Debt Capital Mkts	Includes price making of debt securities and use of credit default swaps for risk management of the portfolio.
2	Commodities Trading	Includes price making of precious metals, agricultural commodities, emissions and petroleum.
3	FX Options	Includes price making of FX options on a range of approved currencies.
4	Local Markets	Includes price making of spot FX, FX forwards, non-deliverable forwards, rates and government bonds in approved currencies.
5	Global Currency eFX	Includes price making of spot FX, FX forwards, non-deliverable forwards, in approved currencies. Global eFX algorithmic trading business in spot FX and FX forwards.
6	Interest Rate Options	Includes price making of options on interest rates and inflation products.
7	G10 Rates	Includes price making of interest rate products in approved currencies.
8	NZ Rates	Includes price making of interest rate products in approved currencies out of NZ.
9	Balance Sheet Overlay	A trading portfolio which is used as an overlay to the non-traded Mismatch and Liquidity Portfolios.
10	FICC Management	Overlay portfolio for fixed income, currencies, and commodities (FICC) business.
11	XVA Trading	Management of funding valuation adjustment (FVA) and credit valuation adjustment (CVA) risk.
12	Repo Trading	Includes repo and reverse repo trading to facilitate the efficient funding and ability to short bonds.

Measurement of traded market risk

ANZ's traded market risk management framework incorporates a risk measurement approach to quantify the magnitude of market risk within trading books. This approach and related analysis identify the range of possible outcomes that can be expected over a given period of time and establishes the relative likelihood of those outcomes.

ANZ's key tools to measure and manage traded market risk on a daily basis are VaR, sensitivity measures and stress tests. VaR is calculated using a historical simulation with a 500-day observation period for standard VaR, and a one-year stressed period for stressed VaR. Traded VaR is calculated at a 99% confidence level for one and ten-day holding periods for standard VaR, and a ten-day holding period for stressed VaR. All material market risk factors and all trading portfolios are captured within the VaR model, with the exception of specific risk for interest rates, equity trading, for which capital is calculated using the standard method.

ANZ also undertakes a wide range of stress tests on the Group trading portfolio and to individual trading portfolios. Standard stress tests are applied daily measuring the potential loss that could arise from the largest market movements observed since 2008 over specific holding periods. Holding periods used to calculate stress parameters differ and reflect the relative liquidity of each product type. Results from stress testing on plausible severe scenarios are also calculated daily.

VaR and stress tests are supplemented by loss limits and detailed control limits. Loss limits are designed to ensure that in the event of continued losses from a trading activity, the trading activity is stopped and senior management reviews before trading is resumed. Detailed control limits such as sensitivity, single name or position limits are also in place to ensure appropriate control is exercised over a specific risk or product in line with desk activity. Temporary limit increases can be implemented within approved discretions for specific detailed control limits to manage customer flow and associated hedging, and/or to manage temporary increases in market positioning due to second order effects – trading positions are expected to be managed to within approved appetite and within agreed timelines.

Comparison of VaR estimates to gains/losses

Back testing involves comparing VaR calculations with corresponding profit and loss to identify how often trading losses exceed the calculated VaR. For APRA back testing purposes, VaR is calculated at the 99% confidence interval with a one day holding period.

Back testing is conducted daily, and outliers are analysed to determine whether they are the result of trading decisions, systemic changes in market conditions or issues related to the VaR model (historical data or model calibration). ANZ uses actual and hypothetical profit and loss data. Hypothetical data is designed to remove the impacts of intraday trading and sales margins. It is calculated as the difference between the value of the prior day portfolio at prior day closing rates and the value at current day closing rates. Markets Finance calculates actual profit and loss while Market Risk calculate hypothetical profit and loss.

Reporting of traded market risk

Market Risk reports the result of daily VaR, key sensitivities and stress testing results to senior management in Market Risk and the Markets business. Market Risk will escalate details of any limit breach to the appropriate discretion holder within Market Risk and to Group Risk and reports to the CMRC each month.

Market Risk monitors and analyses back testing results daily and reports results to the CMRC quarterly.

Mitigation of market risk

The Market Risk team's responsibilities, including the reporting and escalation processes described above, are fundamental to how market risk is managed. Market Risk has a presence in all the major dealing operations centres in Australia, New Zealand, Asia, Europe, and America.

Prudential valuation practices

ANZ recognises and measures a significant component of its financial instruments, including but not limited to the Trading Book, at fair value in accordance with Australian Accounting Standards and Prudential Standards.

ANZ's Valuation Control Framework (VCF) ensures the effectiveness and appropriateness of the valuation control process in ANZ supporting fair valuation in accordance with prudential requirements. The VCF defines roles and responsibilities for valuation governance. Oversight of the implementation of the VCF for ANZ's Markets business and Group Treasury function, where most financial instruments recognised and measured at fair value are contained, is undertaken by ANZ's Valuation Governance Group (VGG). The VGG consists of senior executives from these businesses and Enterprise Finance and Group Risk functions, and oversees a framework for the design, validation, and implementation of valuation methodologies in Markets.

Compliance with financial reporting and prudential standard and reporting frameworks involves, but is not limited to, the following activities:

- Identification of valuation methodologies – for existing and new products
- Ongoing assessment of valuation techniques and data inputs across all products and businesses
- Positions are market to market / marked to model on a daily basis, where daily rates validation is performed on external sourced market data and independent price verification is performed at least monthly for front office input market data and parameters.
- Monitoring and implementation of valuation adjustments including independent price verification, bid-offer and mark-to-model adjustments required where these factors are not captured by risk-free models.
- Identification and maintenance of a register of products with valuation complexity and uncertainty.

The integrity of valuations is facilitated through:

- Oversight from the VGG and supporting sub-group bodies.
- Ensuring clear role definitions and independence between the development and initial validation of models, and their periodic review.
- The following activities operating independently of Front Office businesses in both Markets and Group Treasury via a clear segregation of duties:
 - Validation of models implemented in revaluation systems is performed by Markets Risk.
 - Management of the sourcing of market data is performed by Middle Office.
 - Verifying observable rates and/or verifying prices sourced from the Front Office as inputs to valuation is performed by Financial Control, with Markets Risk as a second line of defence.

All valuation adjustments are determined independently by Financial Control, with Markets Risk as a second line of defence, and oversighted by the VGG.

Table 1: Market risk – disclosures for ADIs using the standard method

	Sep 25 \$M	Mar 25 \$M	Sep 24 \$M
1 Interest rate risk	121	103	125
2 Equity position risk	-	-	-
3 Foreign exchange risk	-	-	2
4 Commodity risk	-	-	-
Total	121	103	127
Risk Weighted Assets equivalent¹	1,518	1,288	1,588

¹ RWA equivalent is the capital requirement multiplied by 12.5 in accordance with APS 110.

Table 2: Market risk – disclosures for ADIs using the internal models approach (IMA) for trading portfolios

The below disclosure table includes Suncorp Bank for period end September 2025.

		Six months ended Sep 25			
99% 1 Day Value at Risk (VaR)		Mean \$M	Maximum \$M	Minimum \$M	Period end \$M
1	Foreign Exchange ¹	3.2	6.5	1.9	2.0
2	Interest Rate	5.9	8.7	3.8	4.1
3	Credit	2.8	4.2	1.8	2.9
4	Commodity	7.7	11.3	4.9	8.9
5	Equity	-	-	-	-

		Six months ended Sep 25			
99% 10 Day Stressed VaR		Mean \$M	Maximum \$M	Minimum \$M	Period end \$M
1	Foreign Exchange ¹	64.4	129.3	17.5	48.3
2	Interest Rate	77.0	125.1	47.3	66.8
3	Credit	22.8	32.6	14.2	31.9
4	Commodity	25.6	53.4	16.2	18.8
5	Equity	-	-	-	-

¹ The Foreign exchange VaR excludes foreign exchange translation exposures outside of the trading book.

		Six months ended Mar 25			
99% 1 Day Value at Risk (VaR)		Mean \$M	Maximum \$M	Minimum \$M	Period end \$M
1	Foreign Exchange	3.6	8.9	2.4	2.9
2	Interest Rate	5.6	7.4	4.1	5.1
3	Credit	5.5	8.2	3.4	3.4
4	Commodity	4.9	10.9	2.3	8.7
5	Equity	-	-	-	-

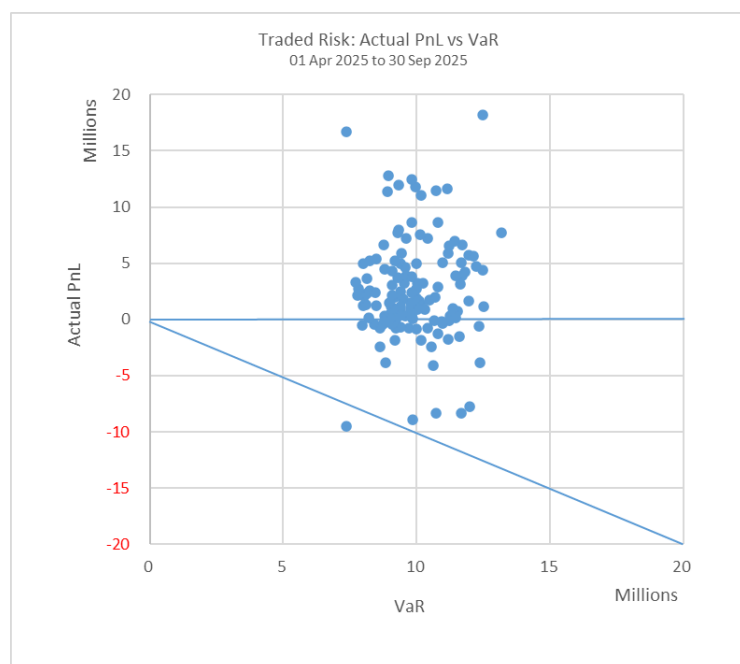
		Six months ended Mar 25			
99% 10 Day Stressed VaR		Mean \$M	Maximum \$M	Minimum \$M	Period end \$M
1	Foreign Exchange	40.6	77.3	15.9	43.7
2	Interest Rate	77.7	123.6	50.4	60.2
3	Credit	33.1	49.6	19.8	23.7
4	Commodity	32.6	41.2	23.7	24.0
5	Equity	-	-	-	-

Table 2: Market risk – disclosures for ADIs using the internal models approach (IMA) for trading portfolios (continued)

99% 1 Day Value at Risk (VaR)		Six months ended Sep 24			
		Mean	Maximum	Minimum	Period end
		\$M	\$M	\$M	\$M
1	Foreign Exchange	5.6	11.5	3.2	3.2
2	Interest Rate	7.8	17.6	4.9	6.4
3	Credit	6.6	7.9	5.2	5.7
4	Commodity	2.7	4.4	1.8	3.3
5	Equity	-	-	-	-

99% 10 Day Stressed VaR		Six months ended Sep 24			
		Mean	Maximum	Minimum	Period end
		\$M	\$M	\$M	\$M
1	Foreign Exchange	42.9	95.5	18.2	39.1
2	Interest Rate	68.1	92.8	45.7	74.0
3	Credit	37.2	43.6	30.0	34.1
4	Commodity	20.4	30.4	14.2	28.3
5	Equity	-	-	-	-

Comparison of VaR estimates with actual gains/losses experienced



In 2H25, ANZ experienced 1 actual back testing exceptions driven by unexpected volatility in the gold exchange for physical market in New York.

Actual PnL Backtesting Outliers

Reporting Period: 01 Apr 2025 to 30 Sep 2025

Date	Actual PnL Loss	VaR 99%
	\$M	\$M
7-Aug-25	-9.5	-7.4

DIS51: Credit valuation adjustment risk

CVAA: General qualitative disclosure requirements related to CVA

Credit valuation adjustment (CVA)

ANZ employs a model to adjust the fair value of the CVA held, considering the impact of counterparty credit quality. This methodology calculates the present value of expected losses over the life of a derivative based on the Probability of Default (PD), Loss Given Default (LGD), and expected exposure profile.

Key risk sensitivities, including CR01, DV01, Basis DV01, XCCY DV01, NPV, and vega, are measured and monitored daily against respective limits and triggers. Several VaR risk metrics (1D VaR, 10D VaR, Stressed VaR) are also computed to assess potential losses under various market conditions, adhering to their respective limits and triggers.

ANZ utilizes credit derivatives (mainly credit indices), interest derivatives, and foreign exchange derivatives as hedging instruments to minimize P&L volatility. Daily P&L is tracked and reported to the appropriate committee regularly for oversight and assessment of hedging effectiveness. Daily and YTD loss triggers are also established to ensure losses remain within acceptable limits.

All the aforementioned limits and triggers form ANZ's CVA limit framework, which is reviewed at least annually to ensure CVA exposure remains within approved risk appetite as approved by the Board.

APRA requires banks, including ANZ, to hold additional risk-based capital to cover the risk of CVA mark-to-market losses associated with deterioration in counterparty credit worthiness when entering into derivative transactions.

ANZ's aggregated non-centrally cleared derivative notional is above the threshold therefore ANZ is not eligible to set its CVA capital requirement to 100% of counterparty credit risk capital.

CVAB: Qualitative disclosures for banks using the SA-CVA

ANZ does not apply Standardised Approach (SA) CVA.

DIS60: Operational risk

ORA: General qualitative information on a bank's operational risk framework

Overview

Non-financial risk is the risk of loss and/or non-compliance (including failure to act in accordance with laws, regulations, industry standards and codes, and internal policies) resulting from inadequate or failed internal processes, people, systems and/or data, or from external events. This includes operational risk, financial crime risk, compliance and conduct risk, resilience risk and the risk of reputational loss but excludes strategic risk.

(a) Policies, frameworks and guidelines for the management of operational risk

The non-financial risk (NFR) framework has been designed to enable ANZ to holistically, consistently and effectively identify, assess, remediate, monitor and report non-financial risks. The NFR Framework includes:

- The NFR Taxonomy which has multiple Risk Themes, with some Risk Themes identified as presenting a greater inherent risk to ANZ are subject to a higher degree of oversight.
- The NFR Operating Model (with NFR role types) that clearly articulates accountabilities and responsibilities across the Three Lines-of-Defence Model and covers end-to-end NFR management lifecycle activities to ensure non-financial risks are effectively managed within risk appetite.

The NFR framework aligns with ANZ's Risk Appetite Statement (RAS), the Risk Management Strategy (RMS) and supports ANZ to meet the requirements of Prudential Standard APS 115.

Enhancing non-financial risk management through a business and cultural transformation that delivers a better-run bank with improved customer outcomes is one of the key priorities for ANZ and significant work is already underway including:

- Lifting people capability to ensure ANZ has the right people with the right capabilities focussed on the right priorities and all working toward outcomes that benefit both ANZ's customers and the business.
- Implementing the work required under the Root Cause Remediation Plan in FY26, and executing at pace, with good customer outcomes and sound risk management front-of-mind.
- Uplifting the Three Lines of Defence operating model and strengthening ANZ's first line of defence teams, while re-defining and planning the required changes to ANZ's culture.

Suncorp Bank has its own RMF, RMS, RAS and supporting suite of policies and procedures to manage NFR. Work is in progress to ensure a smooth transition and effective integration into ANZ's risk management operating model.

(b) Structure and organisation of operational risk management and control function

ANZ operates under the Three Lines-of-Defence Model. Each line of defence has clearly defined roles, responsibilities and escalation paths to support effective risk management at ANZ. The Three Lines-of-Defence Model embeds a culture where risk is everyone's responsibility.

The Divisions and enablement functions, as day-to-day owners of risks and controls, form the **first line** of defence and are responsible for:

- Identification, measurement and effective management of material risks and related control(s);
- Monitoring the NFR environment across the business;
- Operating within approved risk appetite and policies; and
- Identification and escalation of risk issues.

The **second line** of defence is comprised of the Risk function. Accountabilities include:

- Undertaking appropriate oversight and independent review and challenge over business activities including consistent implementation of relevant policies and procedures across divisions and functions;
- Working with the first line, developing and maintaining the RMF including setting and monitoring risk appetite limits and tolerances and reviewing any breaches; and
- Providing subject matter expertise on relevant policies and procedures to support consistent implementation.

Internal audit is the **third line** of defence and is accountable for:

- Providing independent and objective assurance to management and the ANZ Board regarding the adequacy and compliance with policy and regulatory requirements;
- Performing objective assessments across geographies, divisions, lines of business and processes; and
- Undertaking independent review of the adequacy of relevant policies and procedures.

Collectively Internal Audit, NFR functions and the Business are responsible for monitoring and reporting to Executive Management, the Board, Regulators and others on all matters related to the measurement and management of NFR.

(c) Operational risk measurement system

Operational Risk Capital is held to protect depositors and shareholders from rare and severe unexpected losses. ANZ maintains and calculates Operational Risk Regulatory Capital on an annual basis, per APS 115. The SMA methodology applies across all of ANZ including Suncorp. For the purposes of RBNZ capital adequacy, ANZ Bank New Zealand Ltd uses the Reserve Bank of New Zealand standardised approach to Operational Risk capital calculation.

(d) Reporting framework of operational risk to executive management and to the board of directors

ANZ uses a global, web based NFR and IT Governance tool that provides ANZ the source of truth and provides transparency of Risk, Controls, Obligations and Events information across ANZ. The Operational Risk Executive Committee (OREC) monitors and oversees at an enterprise level the state of NFR management and takes appropriate actions to manage enterprise risks, incidents and breaches of risk appetite. Where required, risks, incidents and breaches of risk appetite are reported to the Board Risk committee (BRC).

The primary responsibilities for NFR are vested by the ANZ Group RMS, in the BRC and OREC.

(e) Risk mitigation and transfer

ANZ does not expect to eliminate all non-financial risks but seeks to ensure that risk exposures are managed within risk appetite tolerance levels that ANZ is willing to accept in pursuit of achieving its strategic objectives and plan. ANZ's risk appetite for Non-Financial Risk is as low as reasonably practical based on a sound risk/reward analysis, with no appetite for any deliberate or reckless non-compliance with laws, regulatory requirements and expectations of the countries in which it operates, nor with ANZ's NFR Policy, ANZ's Code of Conduct and ANZ's Risk Principles.

ANZ seeks to minimise and mitigate non-financial risk by appropriately identifying, acting upon and monitoring those risks in accordance with the relevant policies and procedures. In line with industry practice, ANZ manages a program of insurance cover to transfer risks within agreed retentions and limits, placed with insurers approved by the ANZ BRC or as delegated to the CRO. ANZ obtains insurance to cover those non-financial risks where cost-effective premiums can be obtained. In conducting their business, Business units are advised to act as if uninsured and not to use insurance as a guaranteed mitigant. ANZ has business continuity, recovery of services from disruption and crisis management plans. The intention of business continuity and recovery plans is so that critical business functions can be maintained, or restored in a timely fashion, in the event of material disruptions arising from non-financial risk events. Crisis management planning at Group and country levels supplement business continuity plans in the event of a broader Group or country crisis. Crisis management plans include crisis team structures, roles, responsibilities and contact lists, and are subject to testing.

ANZ Basel III Pillar 3 disclosure
September 2025

OR1: Historical losses

The table below presents the annual aggregated operational losses¹ incurred over the past 10 years^{2 3}. Losses have been reported in the year they were financially incurred, as opposed to the year the operational loss event was discovered. Consequently, the current year loss amount may include losses associated with operational loss events discovered in prior years. The below disclosure includes Suncorp Bank's operational loss history.

	Sep 24	Sep 23	Sep 22	Sep 21	Sep 20	Sep 19	Sep 18	Sep 17	Sep 16	Sep 15	Ten-year average
Using \$30,000 threshold											
1 Total amount of operational losses net of recoveries (no exclusions) (\$M)	123	175	169	182	344	343	463	445	144	115	250
2 Total number of operational risk losses	501	537	511	531	515	520	421	597	317	291	474
3 Total amount of excluded operational risk losses (\$M)	-	-	-	-	-	-	-	-	-	-	-
4 Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
5 Total amount of operational losses net of recoveries and net of excluded losses (\$M)	123	175	169	182	344	343	463	445	144	115	250
Using \$150,000 threshold											
6 Total amount of operational losses net of recoveries (no exclusions) (\$M)	108	148	155	167	331	319	448	418	132	99	233
7 Total number of operational risk losses	154	161	173	194	192	200	140	172	95	55	154
8 Total amount of excluded operational risk losses (\$M)	-	-	-	-	-	-	-	-	-	-	-
9 Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
10 Total amount of operational losses net of recoveries and net of excluded losses (\$M)	108	148	155	167	331	319	448	418	132	99	233
Details of operational risk capital calculation											
11 Are losses used to calculate the ILM ⁴ (yes/no)?	No										
12 If "no" in row 11, is the exclusion of internal loss data due to non-compliance with the minimum loss data standards (yes/no)?	No										
13 Loss event threshold: \$30,000 or \$150,000 for the operational risk capital calculation if applicable	n/a										

¹ Operational loss included in the disclosure table is an actual loss incurred by the bank, resulting from inadequate or failed internal processes, people, systems, or from external events.

² The September 2024 reporting end date for OR1 aligns to the latest ANZ ARF 115 submission to APRA.

³ In September 2025, ANZ entered into a settlement agreement with ASIC for \$240m; additional details with respect to this are provided in OVA: (a) key risks related to the business model - Court Enforceable Undertaking and ASIC settlement. This loss incurred amount will be reported in subsequent OR1 disclosures.

⁴ In adopting the Basel III Standardised Measurement Approach (SMA) framework, APRA has exercised its national discretion to not implement the loss component and instead set the operational risk requirement equal to the BIC for all ADIs. Hence the effective Internal Loss Multiplier (ILM) is equal to 1.

OR2: Business indicator and subcomponent

The table below presents the business indicator (BI) and its subcomponents, which informs the Group operational risk regulatory capital and RWA as per APS115, for the period 31 December 2024 to 30 September 2025. The table below includes Suncorp Bank.

Business Indicators (BI) and their subcomponents		Sep 24 \$M	Sep 23 \$M	Sep 22 \$M
1	Interest, lease and dividend component ^{1 2}	16,945		
1a	Interest and lease income	64,139	53,000	25,201
1b	Interest and lease expense	47,248	35,307	9,383
1c	Interest earning assets	984,582	914,206	862,468
1d	Dividend income	103	78	253
2	Services component ^{1 3}	3,344		
2a	Fee and commission income	2,887	2,888	3,066
2b	Fee and commission expense	1,170	1,172	1,230
2c	Other operating income	452	331	408
2d	Other operating expense	379	395	304
3	Financial component ^{1 4}	2,023		
3a	Net P&L on the trading book	1,904	1,514	(304)
3b	Net P&L on the banking book	41	40	2,266
4	BI ^{1 5}	22,312		
5	Business indicator component (BIC) ⁶	3,302		
Disclosure on the BI:				
6a	BI gross of excluded divested activities	22,412		
6b	Reduction in BI due to excluded divested activities ⁷	(100)		

¹ The Business indicator and its subcomponents represent averages for the most recent three financial years. In accordance with APS 115, annual refresh of operational risk capital and RWA is conducted in the quarter proceeding ANZ's financial year end. Hence September 2022, September 2023 and September 2024 informs the operational risk capital and RWA for the period from December 2024 to September 2025.

² The interest, lease and dividend component is calculated as the lesser of the average net interest and lease income and 2.25% of interest earning assets, plus the average of dividend income.

³ The services component is calculated as the higher of the average fee and commission income and expense, plus the higher of the average other operating income and expense.

⁴ The financial component is calculated as the sum of the average net profit or loss on the trading and banking book.

⁵ The business indicator is the sum of the interest, lease and dividend component, services component and financial component.

⁶ The business indicator component (BIC) is calculated as the business indicator multiplied by 12%, plus 3% of the amount by which the business indicator exceeds \$1.5 billion.

⁷ The Group fully disposed its interests in AMMB Holdings Berhad (AmBank) in 2024 resulting in a reduction of the BI.

OR3: Minimum required operational risk capital

This disclosure represents operational risk regulatory capital requirements based on additional capital requirements and the OR2 BIC.

	Sep 25
	\$M
1 Business indicator component (BIC)	3,302
2 Internal loss multiplier (ILM) ¹	1
2a Other regulatory capital charges ²	1,000
3 Minimum required operational risk capital (ORC) ³	4,302
4 Operational risk RWA ⁴	53,773

¹ As per APRA national discretion, the internal loss multiplier (ILM) has been excluded from the calculation of operational risk capital and set to 1.

² Other regulatory capital charges are an additional capital overlay required by APRA under APS 115. Operational risk capital overlay increased by \$250 million from \$750 million capital to \$1 billion capital, applied to both Level 1 and Level 2, from 30 April 2025.

³ Minimum required operational risk capital is calculated as the business indicator component multiplied by the internal loss multiplier, plus other regulatory capital charges.

⁴ Operational risk RWA is the minimum required operational risk capital multiplied by 12.5.

DIS70: Interest rate risk in the banking book

IRRBBA: IRRBB risk management objectives and policies

Definition of interest rate risk in the banking book (IRRBB)

Interest rate risk in the banking book (IRRBB) relates to the potential adverse impact of changes in market interest rates on ANZ's future earnings or economic value. The risk generally arises from:

- Repricing and yield curve risk – the risk to earnings or economic value as a result of changes in the overall level of interest rates and/or the relativity of these rates across the yield curve.
- Basis Risk – the risk to earnings or market value arising from volatility in the interest margin applicable to banking book items.
- Optionality risk – the risk to earnings or market value arising from the existence of stand-alone or embedded options in the banking book.

Regulatory capital approach

Refer to DIS50: Market Risk section for details.

Governance

The BRC has established the risk appetite for IRRBB and delegated authority to the Group Asset and Liability Committee (GALCO) to manage the strategic position (capital investment term) and oversee the interest rate risk arising from the repricing of assets and liabilities (mismatch risk) in the banking book. GALCO has delegated the management of the mismatch risk to the Markets Business.

Market risk is the independent function responsible for:

- Designing and implementing policies and procedures to ensure that IRRBB exposure is managed within the limit framework set out by the BRC
- Monitoring and measuring IRRBB market risk exposure, compliance with limits and policies.
- Ensuring ongoing and effectiveness and appropriateness of the risk management framework.

Risk management framework

IRRBB is managed under a comprehensive measurement and reporting framework, supported by an independent Market Risk function. Key components of the framework include:

- A comprehensive set of policies that promote proactive risk identification and communication.
- Funds Transfer Pricing framework to transfer interest rate risk from business units so it can be managed by the Markets business and monitored by Market Risk.
- Quantification of the magnitude of risks and controlling the potential impact that changes in market interest rates can have on the net interest income and balance sheet market value of ANZ.
- Regular and effective reporting of IRRBB to executive management and the Board.

Measurement of interest rate risk in the banking book

ANZ uses the following principal techniques to quantify and monitor IRRBB:

- Interest Rate Sensitivity – this is an estimate of the change in economic value of the banking book due to a 1 basis point move in a specific part of the yield curve.
- Earnings at Risk (EaR) – this is an estimate of the amount of income that is at risk from interest rate movements over a given holding period, expressed to a 97.5% level of statistical confidence.
- Value at Risk (VaR) - this is an estimate of the impact of interest rate changes on the banking book's market value, expressed to a 99% level of statistical confidence for a given holding period.
- Market Value loss limits – this mitigates the potential for embedded losses within the banking book.
- Stress testing – standard, extraordinary, forward looking and repricing term assumption tests are used to highlight potential risk which may not be captured by VaR and how the portfolio might behave under extraordinary circumstances.

The calculations used to quantify IRRBB require assumptions to be made about the repricing term of exposures that do not have a contractually defined repricing date, such as deposits with no set maturity dates and prepayments. Changes to these assumptions require GALCO approval.

Basis and optionality risks are measured using Monte Carlo simulation techniques, to generate a theoretical worst-case outcome at a specified confidence level (typically no less than at a 99% level of statistical confidence) less the average outcome.

Reporting of interest rate risk in the banking book

Market Risk analyses the output of ANZ's VaR, EaR and Stress Testing calculations daily. Compliance with the risk appetite and limit framework is reported to CMRC, GALCO and the BRC.

ANZ's interest rate risk in the banking book capital requirement

The IRRBB regulatory capital requirements include a value for repricing and yield curve risk, basis and optionality risks based on a 99% confidence level, one year holding period and a six-year historical data set.

Embedded losses also make up the capital requirement and are calculated as the difference between the book value and the current economic value of banking book items not accounted for on a marked-to-market basis.

IRRBB stress testing methodology

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

IRRBB1: Quantitative information on IRRBB

In this reporting period, ANZ has reported IRRBB information under the previous APS 330 requirements. ANZ will implement the new disclosure requirements after the revised APS 117 comes into effect from 1 October 2025.

The table below shows the impact on the Bank's economic value of equity (EVE) and the bank's exposure to movements in interest rates based on the 6 prescribed scenarios.

Standard Shock Scenario Stress Testing: Interest rate shock applied		Change in Economic Value		
		Sep 25 \$M	Sep 24 \$M	Sep 23 \$M
AUD				
1	200 basis point parallel increase	(411)	(253)	(478)
2	200 basis point parallel decrease	380	233	473
NZD				
3	200 basis point parallel increase	(188)	(119)	(118)
4	200 basis point parallel decrease	183	109	105
USD				
5	200 basis point parallel increase	(73)	63	13
6	200 basis point parallel decrease	64	(69)	(17)
Other				
7	200 basis point parallel increase	(155)	(72)	(54)
8	200 basis point parallel decrease	172	76	62
9	IRRBB regulatory capital	1,984	1,844	2,536
10	IRRBB regulatory RWA	24,797	23,052	31,703

DIS75: Macroprudential supervisory measures

CCyB1: Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement

The below table shows the geographical distribution of risk weighted credit exposures relevant to the calculation of the countercyclical capital buffer in line with APS 110. The exposures are prepared on an ultimate risk basis for private sector credit exposures which excludes exposures to ADIs and overseas equivalents, central governments and banks, regional governments, local authorities and multilateral development banks. In determining the geographical allocation of exposures, ultimate risk considers the incorporation country of the guarantor (or other risk transfer mechanism).

This table has minor modifications from the original BCBS standard. Additional detail on this modification has been provided in Appendix 1.

Geographical breakdown	Sep 25			
	Countercyclical capital buffer rate	Risk-weighted assets (RWA) used in the computation of the countercyclical capital buffer	Bank-specific countercyclical capital buffer rate	Countercyclical capital buffer amount
	%	\$M	%	\$M
Australia	1.00%	223,412		
France	1.00%	2,359		
Germany	0.75%	2,182		
Hong Kong	0.50%	3,709		
Luxembourg	0.50%	1,223		
Netherlands	2.00%	960		
Norway	2.50%	513		
Sweden	2.00%	251		
United Kingdom	2.00%	5,176		
Belgium	1.00%	54		
Denmark	2.50%	355		
Ireland	1.50%	52		
South Korea	1.00%	1,817		
Sum		242,063		
Total		342,799	0.7199%	3,301

Geographical breakdown	Mar 25			
	Countercyclical capital buffer rate	Risk-weighted assets (RWA) used in the computation of the countercyclical capital buffer	Bank-specific countercyclical capital buffer rate	Countercyclical capital buffer amount
	%	\$M	%	\$M
Australia	1.00%	225,969		
France	1.00%	2,671		
Germany	0.75%	2,324		
Hong Kong	0.50%	4,095		
Luxembourg	0.50%	1,090		
Netherlands	2.00%	1,144		
Norway	2.50%	499		
Sweden	2.00%	215		
United Kingdom	2.00%	5,726		
Belgium	1.00%	65		
Denmark	2.50%	410		
Ireland	1.50%	266		
South Korea	1.00%	1,685		
Sum		246,159		
Total		348,477	0.7219%	3,386

CCyB1: Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement (continued)

Sep 24				
	Countercyclical capital buffer rate	Risk-weighted assets (RWA) used in the computation of the countercyclical capital buffer	Bank-specific countercyclical capital buffer rate	Countercyclical capital buffer amount
Geographical breakdown	%	\$M	%	\$M
Australia	1.00%	218,914		
France	1.00%	1,633		
Germany	0.75%	1,712		
Hong Kong	1.00%	4,551		
Luxembourg	0.50%	1,109		
Netherlands	2.00%	1,340		
Norway	2.50%	386		
Sweden	2.00%	179		
United Kingdom	2.00%	4,197		
Belgium	0.50%	59		
Denmark	2.50%	179		
Ireland	1.50%	243		
South Korea	1.00%	1,813		
Sum		236,315		
Total		333,211	0.7247%	3,236

DIS80: Leverage ratio

LR1: Summary comparison of accounting assets vs leverage ratio exposure measure

The below table is a summary comparison of total consolidated assets as per the financial statements and leverage ratio exposure measure calculated in accordance with APS110.

The leverage ratio exposure measure materially differs from total consolidated sheet assets due to i) the inclusion of off-balance sheet items such as commitments and contingents ii) adjustments for derivative exposures including counterparty netting and potential future exposure iii) inclusion of securities financing transactions on daily average basis and iv) regulatory deductions which are also deducted from Tier 1 capital.

	Sep 25 \$M	Mar 25 \$M
1 Total consolidated assets as per published financial statements	1,297,671	1,302,971
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(308)	(304)
3 Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	(5,398)	(4,587)
4 Adjustments for temporary exemption of central bank reserves (if applicable)	-	-
5 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-
6 Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7 Adjustments for eligible cash pooling transactions	-	-
8 Adjustments for derivative financial instruments	14,223	11,977
9 Adjustment for securities financing transactions (i.e. repurchase agreements and similar secured lending)	1,078	(6,609)
10 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	131,430	138,394
11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-	-
12 Other adjustments	(13,854)	(14,008)
13 Leverage ratio exposure measure	1,424,842	1,427,834

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

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

At 30 September 2025, the Group's Leverage Ratio of 4.4% was above the 3.5% minimum requirement. Table LR1 summarises the reconciliation of accounting assets and leverage ratio exposure measure at 30 September 2025 and Table LR2 below shows the Group's Leverage Ratio calculation as at 30 September 2025.

LR2: Leverage ratio common disclosure template

The table below provides a detailed breakdown of the components of the leverage ratio, as well as information on the actual leverage ratio, minimum requirements and buffers.

	Sep 25 \$M	Jun 25 \$M	Mar 25 \$M
On-balance sheet exposures			
1 On-balance sheet exposures (excl. derivatives and securities financing transactions (SFTs), but incl. collateral)	1,163,156	1,186,042	1,167,801
2 Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	8,425	7,305	7,333
3 (Deductions of receivable assets for cash variation margin provided in derivatives transactions)	(5,925)	(8,605)	(6,468)
4 (Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-	-
5 (Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	-	-	-
6 (Asset amounts deducted in determining Tier 1 capital and regulatory adjustments)	(14,344)	(14,821)	(14,501)
7 Total on-balance sheet exposures (excluding derivatives and SFTs)	1,151,312	1,169,921	1,154,165
Derivative exposures			
8 Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin, with bilateral netting and/or the specific treatment for client cleared derivatives)	18,814	16,088	19,069
9 Add-on amounts for potential future exposure associated with <i>all</i> derivatives transactions	39,972	41,062	41,181
10 (Exempted central counterparty (CCP) leg of client-cleared trade exposures)	-	-	-
11 Adjusted effective notional amount of written credit derivatives	17,139	10,131	9,322
12 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(16,722)	(9,849)	(8,909)
13 Total derivative exposures (sum of rows 8 to 12)	59,203	57,432	60,663
Securities financing transaction exposures			
14 Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	83,733	82,607	75,828
15 (Netted amounts of cash payables and cash receivables of gross SFT assets)	(2,364)	(2,386)	(2,595)
16 Counterparty credit risk exposure for SFT assets	1,528	1,758	1,379
17 Agent transaction exposures	-	-	-
18 Total securities financing transaction exposures (sum of rows 14 to 17)	82,897	81,979	74,612
Other off-balance sheet exposures			
19 Off-balance sheet exposure at gross notional amount	291,027	301,633	302,468
20 (Adjustments for conversion to credit equivalent amounts)	(158,764)	(162,346)	(163,222)
21 (Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	(833)	(856)	(852)
22 Off-balance sheet items (sum of rows 19 to 21)	131,430	138,431	138,394
Capital and total exposures			
23 Tier 1 capital	62,541	64,322	62,672
24 Total exposures (sum of rows 7, 13, 18 and 22)	1,424,842	1,447,763	1,427,834
Leverage ratio			
25 Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	4.4%	4.4%	4.4%
25a Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	4.4%	4.4%	4.4%
26 National minimum leverage ratio requirement	3.5%	3.5%	3.5%
27 Applicable leverage buffers	0.9%	0.9%	0.9%
Disclosure of mean values			
28 Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	81,369	80,221	73,233
29 Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	81,104	83,075	80,075
30 Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,424,842	1,447,763	1,427,834
30a Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,424,842	1,447,763	1,427,834
31 Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.4%	4.4%	4.4%
31a Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.4%	4.4%	4.4%

DIS85: Liquidity

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 Group Asset and Liability Committee. The Group's liquidity and funding risks are governed by a set of principles approved by the BRC and include:

- maintaining the ability to meet all payment obligations in the immediate term;
- ensuring that the Group has the ability to meet 'survival horizons' under a range of ANZ specific, 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 Authorised Deposit-taking Institution (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.

Key areas of measurement for liquidity risk

Scenario modelling of funding sources

The 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 Group's funding profile.

Key components of this framework include the Liquidity Coverage Ratio (LCR), which is a severe short term liquidity stress scenario, 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

The Group holds a portfolio of high quality (unencumbered) liquid assets to protect its 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 (HQLA1) - 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 (HQLA2) - 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 that the RBNZ will accept in its domestic market operations and asset qualifying as collateral for the CLF. 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.

The 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.

Liquidity crisis contingency planning

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

Ongoing business management	Early signs/ mild stress	Severe stress
establish crisis/severity levels	monitoring and review	activate contingency funding plans
liquidity limits	management actions not requiring business rationalisation	management actions for altering asset and liability behaviour
early warning indicators		
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 Group monitors the composition and stability of its funding so that it remains within the Group's funding risk appetite. This approach ensures that an appropriate proportion of the 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
3 year strategic plan prepared annually	customer balance sheet growth
annual funding plan as part of the ANZBGL Group's planning process	changes in wholesale funding including: targeted funding volumes; markets; investors; tenors; and currencies for senior, secured, subordinated, hybrid transactions and market conditions
forecasting in light of actual results as a calibration to the annual plan	liquidity stress testing

LIQ1: Liquidity coverage ratio (LCR)

The Group's average⁷ LCR for the 3 months to 30 September 2025 has decreased -1.5% from 133.6% as at 30 June 2025 to 132.1% with total liquid assets exceeding net cash outflows by an average of \$76.4 billion.

Through the period the LCR has remained within the range 127% to 138%. The liquid asset portfolio was made up of on average 38% (\$119.4 billion) cash and central bank reserves and 56% (\$174.3 billion) HQLA1 securities, with the remaining mainly consisting of HQLA2 securities.

As per APRA requirements, liquid assets beyond the regulatory minimum are not included in the consolidated ANZBGL Group position where they are deemed non-transferable between geographies, in particular this applies to liquid assets held in New Zealand.

The main contributors to net cash outflows were modelled outflows associated with the bank's corporate and retail deposit portfolios, offset by inflows from maturing loans. While cash outflows associated with derivatives are material, these are effectively offset by derivative cash inflows. Modelled outflows are also included for market valuation changes of derivatives based on the past 24 months largest 30-day movements in collateral balances.

The Group has a well-diversified deposit and funding base avoiding undue concentrations by investor type, maturity, market source and currency.

The Group monitors and manages its liquidity risk on a daily basis including LCR by geography and currency. The Group's liquidity risk framework ensures ongoing monitoring of foreign currency LCR (including derivative flows) and sets limits at the Group level to ensure mismatches are managed effectively.

The Group's liquidity and funding management includes monitoring of liquidity across the Group, specifically for:

- Individual countries, including any local regulatory requirements
- Consolidated ANZ Group Level 1 and 2 LCR
- AUD only LCR for Australia as well as Level 2

Other contingent funding obligations include outflows for revocable credit and liquidity facilities, trade finance related obligations, buybacks of domestic Australian debt securities and other contractual outflows such as interest payments.

⁷ There were 66 daily LCR data points used in calculating the average for the current quarter and 65 in the previous quarter.

LIQ1: Liquidity coverage ratio (LCR) (Continued)

	Sep 25		Jun 25	
	Total Unweighted value	Total weighted value	Total Unweighted value	Total weighted value
	\$M	\$M	\$M	\$M
High-quality liquid assets				
1a High-quality liquid assets (HQLA)		310,269		319,396
1b Alternative liquid assets (ALA)		-		-
1c Reserve Bank of New Zealand (RBNZ) securities		4,610		4,834
Cash outflows				
2 Retail deposits and deposits from small business customers	326,903	31,435	325,390	31,337
3 of which: Stable deposits	152,881	7,644	151,109	7,555
4 of which: Less stable deposits	174,022	23,791	174,281	23,782
5 Unsecured wholesale funding	327,004	180,340	330,946	187,914
6 of which: Operational deposits (all counterparties) and deposits in networks of cooperative banks	105,792	25,636	101,854	24,722
7 of which: Non-operational deposits (all counterparties)	207,324	140,816	211,766	145,866
8 of which: Unsecured debt	13,888	13,888	17,326	17,326
9 Secured wholesale funding		751		613
10 Additional requirements	220,027	68,679	224,070	75,298
11 of which: Outflows related to derivative exposures and other collateral requirements	43,480	42,036	49,796	48,356
12 of which: Outflows related to loss of funding on debt products	-	-	-	-
13 of which: Credit and liquidity facilities	176,547	26,643	174,274	26,942
14 Other contractual funding obligations	8,692	866	10,448	988
15 Other contingent funding obligations	142,972	9,685	136,695	9,164
16 Total Cash Outflows		291,756		305,314
Cash inflows	-	-	-	-
17 Secured lending (e.g. reverse repos)	45,916	815	48,122	1,170
18 Inflows from fully performing exposures	29,493	21,667	33,614	24,154
19 Other cash inflows	30,770	30,770	37,301	37,301
20 Total Cash Inflows	106,179	53,252	119,037	62,625
		Total adjusted value		Total adjusted value
21 Total HQLA		314,879		324,230
22 Total net cash outflows		238,504		242,689
23 Liquidity Coverage Ratio (%)		132.07%		133.63%

LIQ2: Net stable funding ratio (NSFR)

The Group's NSFR has decreased 1.4% over the quarter from 115.9% as at 30 June 2025 to 114.6% as at 30 September 2025. This was driven by a change in the proportion of wholesale funding in the less than 6-month maturity bucket, the July dividend payment and a movement in collateral composition.

The main sources of Available Stable Funding (ASF) at 30 September 2025 were deposits from Retail and SME customers, at 50%, with other wholesale funding at 27% and capital at 14% of the total ASF.

The majority of ANZ's Required Stable Funding (RSF) at 30 September 2025 was driven by mortgages at 51% and other lending to non-FI customers at 28% of the total RSF.

		Sep 25				Weighted value
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
(In currency amount)		\$M	\$M	\$M	\$M	\$M
Available stable funding (ASF) item						
1	Capital:	70,012	-	-	35,824	105,836
2	Regulatory capital	70,012	-	-	35,824	105,836
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	265,257	134,716	17	1	368,602
5	Stable deposits	126,872	45,321	-	-	163,584
6	Less stable deposits	138,385	89,395	17	1	205,018
7	Wholesale funding:	183,340	372,113	50,522	90,377	252,767
8	Operational deposits	105,197	-	-	-	52,598
9	Other wholesale funding	78,143	372,113	50,522	90,377	200,169
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	32,701	9,891	365	2,754	2,936
12	NSFR derivative liabilities		9,891	-	-	
13	All other liabilities and equity not included in the above categories	32,701	-	365	2,754	2,936
14	Total ASF					730,141
Required stable funding (RSF) item						
15a	Total NSFR high-quality liquid assets (HQLA)					13,065
15b	Alternative liquid assets (ALA)					-
15c	Reserve Bank of New Zealand (RBNZ) securities					894
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	12,339	154,443	49,265	673,762	570,308
18	Performing loans to financial institutions secured by Level 1 HQLA	-	73,425	-	-	7,343
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	861	30,768	13,069	44,151	56,162
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	10,959	44,550	29,413	156,663	176,447
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	406	357	15,152	10,231
22	Performing residential mortgages, of which:	-	5,572	5,089	461,600	324,857
23	Standard loans to individuals with a LVR of 80% or below	-	4,552	4,118	382,990	257,043
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	519	128	1,694	11,348	5,499
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	46,506	40,166	155	7,216	43,235
27	Physical traded commodities, including gold	4,658				3,959
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties		6,757	-	-	5,744
29	NSFR derivative assets		12,799	-	-	2,908
30	NSFR derivative liabilities before deduction of variation margin posted		19,764	-	-	3,953
31	All other assets not included in the above categories	41,848	846	155	7,216	26,671
32	Off-balance sheet items		-	-	235,115	9,817
33	Total RSF					637,319
34	Net Stable Funding Ratio (%)					114.56%

LIQ2: Net stable funding ratio (NSFR) (continued)

		Jun 25				Weighted value
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
(In currency amount)		\$M	\$M	\$M	\$M	\$M
Available stable funding (ASF) item						
1	Capital:	72,715	-	-	35,538	108,253
2	Regulatory capital	72,715	-	-	35,538	108,253
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	260,329	139,706	31	-	368,543
5	Stable deposits	124,331	45,333	-	-	161,181
6	Less stable deposits	135,998	94,373	31	-	207,362
7	Wholesale funding:	181,567	397,899	55,602	92,725	264,537
8	Operational deposits	107,831	-	-	-	53,916
9	Other wholesale funding	73,736	397,899	55,602	92,725	210,621
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	16,356	11,295	365	3,275	3,458
12	NSFR derivative liabilities		11,295	-	-	
13	All other liabilities and equity not included in the above categories	16,356	-	365	3,275	3,458
14	Total ASF					744,791
Required stable funding (RSF) item						
15a	Total NSFR high-quality liquid assets (HQLA)					12,582
15b	Alternative liquid assets (ALA)					-
15c	Reserve Bank of New Zealand (RBNZ) securities					874
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	12,358	168,759	45,477	678,163	576,871
18	Performing loans to financial institutions secured by Level 1 HQLA	-	74,859	-	-	7,486
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	612	33,958	13,282	42,691	55,038
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	11,237	53,641	26,086	160,319	182,534
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	454	347	15,853	10,705
22	Performing residential mortgages, of which:	-	5,510	5,203	463,207	326,096
23	Standard loans to individuals with a LVR of 80% or below	-	4,522	4,229	385,140	258,758
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	509	791	906	11,946	5,717
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	29,941	41,204	861	6,830	41,992
27	Physical traded commodities, including gold	4,418				3,756
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties		6,910	-	-	5,873
29	NSFR derivative assets		10,745	-	-	-
30	NSFR derivative liabilities before deduction of variation margin posted		23,079	-	-	4,616
31	All other assets not included in the above categories	25,523	470	861	6,830	27,747
32	Off-balance sheet items		-	-	236,735	10,099
33	Total RSF					642,418
34	Net Stable Funding Ratio (%)					115.94%

Governance and accountable person attestation

Public disclosure of prudential information policy

These Pillar 3 disclosures have been verified in accordance with ANZ's Board-approved Public Disclosure of Prudential Information Policy (the policy). The key elements of this policy are outlined below.

Approach to determining the content of prudential disclosures

The policy requires formal processes for determining the content of prudential disclosures to ensure that disclosures are appropriate, accurate, and aligned with the manner in which ANZ assesses and manages its risks.

Where minimum regulatory requirements do not adequately capture ANZ's risk profile, the policy requires the inclusion of additional information to provide a more complete and transparent view.

ANZ's Pillar 3 disclosures are consistent with information that has been subject to review by an external auditor, is lodged or published elsewhere or has been already supplied to APRA.

Disclosures are prepared on a Level 2 basis, consolidating ANZ's global operations and subsidiaries, including controlled banking, securities, and financial entities. The policy excludes entities involved in insurance, funds management, non-financial operations, and securitisation vehicles that meet APS 120 criteria.

Internal controls and procedures for disclosures

The policy establishes internal controls and validation processes to ensure the reliability of disclosures. ANZ maintains formal procedures for assessing the appropriateness and accuracy of disclosures in accordance with APS 330.

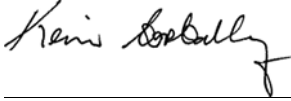
The APS 330 Delegate is responsible for reviewing and recommending disclosures for approval prior to lodgement and publication each quarter.

ANZ's external auditors (KPMG) perform an Agreed Upon Procedure (AUP) over the Pillar 3 disclosure semi-annually.

An Accountable Person must attest that disclosures have been prepared in accordance with the policy. The ANZBGL Board approves major amendments to the policy and attests to the reliability of disclosures as part of the annual CPS 220 attestation to APRA.

Accountable person attestation

I, KEVIN CORBALLY, Group Chief Risk Officer, am the Accountable Person responsible for APRA prudential compliance with APS 330 Public Disclosure and confirm that the disclosures required by APRA's Prudential Standard APS 330 Public Disclosure for the period ending 30 September 2025, have been prepared in accordance with ANZ's Public Disclosure of Prudential Information Policy in all material respects.



KEVIN CORBALLY
Group Chief Risk Officer

10 November 2025

Appendix 1: Modification details

Minor modifications were made to the content of the disclosures under the BCBS Standard where there are inconsistencies between the BCBS Standard and the Australian context. These modifications are noted in the respective tables throughout this document and outlined in detail in the table below.

Chapter	Template	Name	Row/ Column in BCBS template	Details	Modification	Rationale
DIS20: Overview of risk management, key prudential metrics and RWA	KM1	Key metrics	Rows 14b-14d	Impact of any applicable temporary exemption of central bank reserves	Removed	Not applicable in the Australian context
	OV1	Overview of RWA	Rows 11-14	Equity	Removed	A capital deduction with no related RWA amounts
			Row 15	Settlement risk	Removed	Low materiality- standardised approach (SA)
			Rows 25, 27-28	Amounts below the thresholds for deduction subject to 250% risk weight and floor adjustment before/ after application of transitional cap	Removed	Not applicable in the Australian context
DIS21: Comparison of modelled and standardised RWA	CMS2	Comparison of modelled and standardised RWA at asset class level	Heading- column b	RWA for portfolios where standardised approaches are used (original heading: RWA for column (a) if re-computed using the standardised approach)	Modified	Provides further clarity on the disclosure
DIS25: Composition of capital	CC1	Composition of regulatory capital	Rows 26a-j; 56 a-c	National-specific regulatory adjustments in Common Equity Tier 1 and Tier 2 capital	Disclosed	Provides sufficient details and clarity on relevant specific adjustments.
			Rows 80-85	Phase-out arrangements 2018-2022,	Removed	No longer relevant.
	CC2	Reconciliation of regulatory capital to balance sheet		The format of the table, as per the BCBS template, is flexible, provided the rows align with the presentation of the bank's financial report. Thus, rows in table CC2 have been adjusted to align with ANZ's financial report.		The format of the table, as per the BCBS template, is flexible, provided the rows align with the presentation of the bank's financial report. Thus, rows in table CC2 have been adjusted accordingly.

**ANZ Basel III Pillar 3 disclosure
September 2025**

Chapter	Template	Name	Row/ Column in BCBS template	Details	Modification	Rationale
DIS40: Credit risk	CR4	Standardised approach: <ul style="list-style-type: none"> Credit risk exposure and credit risk mitigation (CRM) 	Row 10	Defaulted exposures	Removed	Incorporated into the respective asset classes, providing further consistency with other tables.
	CR5	<ul style="list-style-type: none"> Exposures by asset classes and risk weights 				
	CR6	IRB - Credit risk exposures	Column h	Retail - Average maturity	Removed	Average maturity has been excluded for Retail, consistently with industry practice, as it does not add relevant information for users.
	CR9	IRB - Backtesting of probability of default (PD) per portfolio	Column h	Average historical annual default rate	2.5 years of history will be included for Corporates asset class as at September 2025	<p>A minimum period of 5 years is required per the BCBS instructions for this column.</p> <p>Due to changes in asset class definitions arising from the implementation of Capital Reforms, some assumptions are necessary when allocating asset classes across the historical data between the AIRB and FIRB approaches.</p> <p>The Corporates asset class allocation between AIRB and FIRB approaches has been reflected for the period post Capital Reforms (2.5 years as at September 2025). As time passes, additional historical data will become available (e.g., 3.5 years by September 2026) and will be incorporated in future disclosures.</p>
DIS42: Counterparty credit risk	CCR3	Standardised approach- CCR exposure		Column "greater than 150%"	Added	Provides more meaningful details than using the "other " column.
DIS50: Market risk	Table 1 Table 2	Market risk- Standard method Market risk- Internal models approach (IMA)	Qualitative disclosure	Market risk management objectives and policies	To be disclosed annually	Consistently with the other risk categories, Market Risk qualitative disclosure will be provided on an annual basis.

**ANZ Basel III Pillar 3 disclosure
September 2025**

Chapter	Template	Name	Row/ Column in BCBS template	Details	Modification	Rationale
DIS70: Interest rate risk in the banking book	IRRBB1	Quantitative information on IRRBB	Table replacement	IRRBB is in the process of changing due to new requirements of APS117. APRA's new requirement for APS117 comes into effect from 1 October 2025.	In this reporting period, ANZ has reported IRRBB information under the previous APS 330 requirements. ANZ will implement the new disclosure requirements after the revised APS 117 comes into effect from 1 October 2025.	To provide a correct and meaningful disclosure ANZ is reporting IRRBB under the previous APS330 until APS117 goes live.
DIS75: Macroprudential supervisory measures	CCYB1	Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement	Column b	Exposure Values	Removed	Reflects the computation of the countercyclical capital buffer (based on RWA).

Appendix 2: Entities excluded from regulatory consolidation

The following table provides details of entities included within the accounting scope of consolidation but excluded from regulatory consolidation.

Entity	Activity
ACN 008 647 185 Pty Ltd	Holding Company
ANZ ILP Pty Ltd	Incorporated Legal Practice
ANZ Investment Services (New Zealand) Limited	Funds Management
ANZ Lenders Mortgage Insurance Pty. Limited	Mortgage insurance
ANZ New Zealand Investments Limited	Funds Management
ANZ New Zealand Investments Nominees Limited	Nominee
ANZ Pensions (UK) Limited	Trustee/Nominee
ANZcover Insurance Private Ltd	Captive-Insurance
APOLLO Series 2024-1 Trust	Securitisation Trust
APOLLO Series 2017-1 Trust	Securitisation Trust
APOLLO Series 2017-2 Trust	Securitisation Trust
APOLLO Series 2018-1 Trust	Securitisation Trust
APOLLO Series 2022-1 Trust	Securitisation Trust
APOLLO Series 2023-1 Trust	Securitisation Trust
APOLLO Series 2025-1 Trust	Securitisation Trust
Kingfisher Trust 2016-1	Securitisation Trust
Kingfisher Trust 2019-1	Securitisation Trust
Kingfisher Trust 2025-1	Securitisation Trust
Shout for Good Pty. Ltd.	Corporate

Glossary

ADI	Authorised Deposit-taking Institution.
Collectively Assessed Provision for Credit Impairment	Collectively assessed provisions for credit impairment represent the Expected Credit Loss (ECL) calculated in accordance with AASB 9 Financial Instruments (AASB 9). These incorporate forward looking information and do not require an actual loss event to have occurred for an impairment provision to be recognised.
Counterparty credit risk	Counterparty credit risk (CCR) is the risk of loss due to a counterparty failing to meet its obligations before the final settlement of the transaction's cash flows.
Credit exposure	The aggregate of all claims, commitments and contingent liabilities arising from on- and off-balance sheet transactions (in the banking book and trading book) with the counterparty or group of related counterparties.
Credit risk	The risk of financial loss resulting from a counterparty failing to fulfil its obligations or a decrease in credit quality of a counterparty resulting in a deterioration of value.
Credit Valuation Adjustment (CVA)	Over the life of a derivative instrument, ANZ uses a CVA model to adjust fair value to take into account the impact of counterparty credit quality. The methodology calculates the present value of expected losses over the life of the financial instrument as a function of probability of default, loss given default, expected credit risk exposure and an asset correlation factor. Impaired derivatives are also subject to a CVA.
Credit Valuation adjustment (CVA) capital charge	A capital charge to reflect potential mark-to-market losses due to counterparty migration risk for bilateral over-the-counter derivative contracts.
Days past due	The number of days a credit obligation is overdue, commencing on the date that the arrears or excess occurs and accruing for each completed calendar day thereafter.
Encumbered and unencumbered assets	<p>Encumbered assets are assets that the bank is restricted or prevented from liquidating, selling, transferring or assigning due to legal, regulatory, contractual or other limitations.</p> <p>Unencumbered assets are assets which do not meet the definition of encumbered.</p>
Exposure at Default (EAD)	Exposure At Default is defined as the expected facility exposure at the date of default.
IPRE	Income-producing real estate
Individually Assessed Provisions for Credit Impairment	Individually assessed provisions for credit impairment are calculated in accordance with AASB 9 Financial Instruments (AASB 9). They are assessed on a case-by-case basis for all individually managed impaired assets taking into consideration factors such as the realisable value of security (or other credit mitigants), the likely return available upon liquidation or bankruptcy, legal uncertainties, estimated costs involved in recovery, the market price of the exposure in secondary markets and the amount and timing of expected receipts and recoveries.
Market risk	<p>The risk stems from ANZ's trading and balance sheet activities and is the risk to the Group's earnings arising from changes in interest rates, foreign exchange rates, credit spreads, volatility, correlations or fluctuations in bond, commodity or equity prices. ANZ has grouped market risk into two broad categories to facilitate the measurement, reporting and control of market risk:</p> <p>Traded market risk - the risk of loss from changes in the value of financial instruments due to movements in price factors for both physical and derivative trading positions. Trading positions arise from transactions where ANZ acts as principal with customers, financial exchanges or inter-bank counterparties.</p> <p>Non-traded market risk (or balance sheet risk) - comprises interest rate risk in the banking book and the risk to the AUD denominated value of ANZ's capital and earnings due to foreign exchange rate movements.</p>

Operational risk	The risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events. This includes the non-financial risk themes of model, third party, physical security, transaction processing and execution, people, legal, statutory reporting & tax and change execution.
Past due facilities	Facilities where a contractual payment has not been met or the customer is outside of contractual arrangements are deemed past due. Past due facilities include those operating in excess of approved arrangements or where scheduled repayments are outstanding but do not include impaired assets.
Qualifying Central Counterparties (QCCP)	QCCP is a central counterparty which is an entity that interposes itself between counterparties to derivative contracts. Trades with QCCP attract a more favourable risk weight calculation.
Recoveries	Payments received and taken to profit for the current period for the amounts written off in prior financial periods.
Risk Weighted Assets (RWA)	Assets (both on and off-balance sheet) are risk weighted according to each asset's inherent potential for default and what the likely losses would be in the case of default. In the case of non-asset backed risks (i.e., market and operational risk), RWA is determined by multiplying the capital requirements for those risks by 12.5.
Securitisation risk	The risk of credit related losses greater than expected due to a securitisation failing to operate as anticipated, or of the values and risks accepted or transferred, not emerging as expected.
Write-Offs	Facilities are written off against the related provision for impairment when they are assessed as partially or fully uncollectable, and after proceeds from the realisation of any collateral have been received. Where individual provisions recognised in previous periods have subsequently decreased or are no longer required, such impairment losses are reversed in the current period income statement.

Important information- forward-looking statements

This report may contain forward-looking statements or opinions including statements regarding ANZ's intent, belief or current expectations with respect to the Group's business operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and risk management practices. Those matters are subject to risks and uncertainties that could cause the actual results and financial position of the Group to differ materially from the information presented herein.

When used in the report, the words 'forecast', 'estimate', 'goal', 'target', 'indicator', 'plan', 'modelling', 'project', 'intend', 'anticipate', 'believe', 'expect', 'may', 'probability', 'risk', 'will', 'seek', 'would', 'could', 'should' and similar expressions, as they relate to the Group and its management, are intended to identify forward-looking statements or opinions. Those statements are usually predictive in character; or may be affected by inaccurate assumptions or unknown risks and uncertainties or may differ materially from results ultimately achieved. As such, these statements should not be relied upon when making investment decisions.

There can be no assurance that actual outcomes will not differ materially from any forward-looking statements or opinions contained herein.

The forward-looking statements or opinions only speak as at the date of publication and no representation is made as to their correctness on or after this date. No member of the Group undertakes to publicly release the result of any revisions to these statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.



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