

2025 Basel III Pillar 3 Disclosure

As at 30 June 2025
APS 330: Public Disclosure

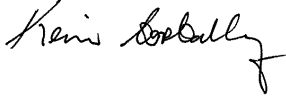


Important notice

This document has been prepared by ANZ Bank HoldCo 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.

ANZ Basel III Pillar 3 disclosure
June 2025

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 June 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

15 August 2025

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¹ Each table reference adopted in this document aligns to those required by APS 330, as defined by the Basel Committee on Banking Supervision (BCBS) and adjusted by APRA for the Australian context.

Introduction

Purpose of this document

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

APS 330 Public Disclosure Prudential Standard 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 calculations for credit risk, securitisation, traded market risk, interest rate risk in the banking book and operational risk.

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 following a restructure on 3 January 2023 (formerly Australia and New Zealand Banking Group Limited for prior years).

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

Basel in ANZ

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

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 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 on the integration of Suncorp Bank into ANZ risk management frameworks and policies.

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.

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 at the time of default. Under the Internal Ratings Based (IRB) approach in APS 113, banks are accredited to provide their own estimates of EAD or use supervisory estimates for all exposures (drawn, commitments or contingents) reflecting the current balance as well as the likelihood of additional drawings prior to default. Note APS 113 no longer permits the use of own estimates (internally modelled credit conversion factors (CCFs)) for committed non-retail exposures and non-revolving retail, therefore ANZ applies supervisory CCFs as detailed in APS 112.
- 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.

		Jun 25 \$M	Mar 25 \$M	Dec 24 \$M	Sep 24 \$M	Jun 24 \$M
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	56,942	55,229	54,333	54,469	57,576
2	Tier 1	64,322	62,672	62,699	62,676	65,846
3	Total capital	96,834	95,503	92,447	91,865	93,141
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	476,830	468,999	472,434	446,582	433,213
4a	Total risk-weighted assets (pre-floor)	465,879	456,940	461,059	441,710	412,882
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	11.9%	11.8%	11.5%	12.2%	13.3%
5b	CET1 ratio (%) (pre-floor ratio)	12.2%	12.1%	11.8%	12.3%	13.9%
6	Tier 1 ratio (%)	13.5%	13.4%	13.3%	14.0%	15.2%
6b	Tier 1 ratio (%) (pre-floor ratio)	13.8%	13.7%	13.6%	14.2%	15.9%
7	Total capital ratio (%)	20.3%	20.4%	19.6%	20.6%	21.5%
7b	Total capital ratio (%) (pre-floor ratio)	20.8%	20.9%	20.1%	20.8%	22.6%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	3.75%	3.75%	3.75%	3.75%	3.75%
9	Countercyclical buffer requirement (%)	0.7191%	0.7219%	0.7276%	0.7247%	0.6971%
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%	5.48%	5.47%	5.45%
12	CET1 available after meeting the bank's minimum capital requirements (%)	7.4%	7.3%	7.0%	7.7%	8.8%
Basel III Leverage ratio						
13	Total Basel III leverage ratio exposure measure	1,447,763	1,427,834	1,432,615	1,344,137	1,250,307
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	4.4%	4.4%	4.4%	4.7%	5.3%
Liquidity Coverage Ratio (LCR)						
15	Total high-quality liquid assets (HQLA)	324,230	316,323	295,673	275,264	256,996
16	Total net cash outflow	242,689	237,584	225,783	207,942	195,514
17	LCR ratio (%)	133.63%	133.17%	130.95%	132.38%	131.40%
Net Stable Funding Ratio (NSFR)						
18	Total available stable funding	744,791	737,456	721,838	704,909	648,532
19	Total required stable funding	642,418	630,563	634,312	607,169	558,211
20	NSFR ratio	115.94%	116.95%	113.80%	116.10%	116.18%

Common Equity Tier 1

Level 2 CET1 ratio of 11.9%, an increase of 16bps since March 2025. Key drivers were:

- An increase in capital due to profit generated during the 3 months to 30 June 2025.
- Offsetting underlying RWA growth was mainly due to lending growth in the Institutional and Australia Retail divisions plus an increase in Market Risk RWA.
- Capital floor adjustment contributed a +3bps increase to the CET1 ratio in 3Q25, driven by +2bps from CRWA movement and +1bps from Non-Credit RWA movements.

Leverage ratio

APRA leverage ratio was stable over the quarter at 4.4%.

Total Risk Weighted Assets

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

Liquidity

The Group's average LCR for the 3 months to 30 June 2025 has increased 0.4% from 133.2% as at 31 March 2025 to 133.6% with total liquid assets exceeding net cash outflows by an average of \$81.5 billion.

Through the period the LCR has remained within the range 128% to 140%. The liquid asset portfolio was made up of on average 42.6% (\$136.1 billion) cash and central bank reserves and 52.3% (\$166.9 billion) HQLA1 securities, with the remaining mainly consisting of HQLA2 securities.

The Group's NSFR has decreased 1.0% over the quarter from 117.0% as at 31 March 2025 to 115.9% as at 30 June 2025. This decline was primarily driven by an increase in loans, partly offset by deposit growth as well as an increase in the proportion of wholesale funding in the less than 6-month maturity bucket.

The main sources of Available Stable Funding (ASF) at June 2025 were deposits from Retail and SME customers, at 49%, with other wholesale funding at 28% and capital at 15% of the total ASF.

The majority of ANZ's Required Stable Funding (RSF) at June 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. Suncorp Bank will no longer be producing a separate Pillar 3 report starting from March 2025. 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.

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

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
	Jun 25 \$M	Mar 25 \$M	Jun 25 \$M
1 Credit risk (excluding counterparty credit risk)	361,775	357,140	28,942
2 of which: standardised approach (SA)	41,363	42,612	3,309
3 of which: foundation internal ratings-based (FIRB) approach	73,363	69,351	5,869
4 of which: supervisory slotting approach	14,827	15,360	1,186
5 of which: advanced internal ratings-based (AIRB) approach ¹	232,222	229,817	18,578
6 Counterparty credit risk (CCR)	14,345	13,809	1,148
7 of which: standardised approach for counterparty credit risk	13,645	13,097	1,092
8 of which: IMM	-	-	-
9 of which: other CCR	700	712	56
10 Credit valuation adjustment (CVA)	4,991	4,736	399
16 Securitisation exposures in banking book	2,535	2,396	203
17 of which: securitisation IRB approach (SEC-IRBA)	-	-	-
18 of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	870	780	70
19 of which: securitisation standardised approach (SEC-SA)	1,665	1,616	133
20 Market risk	7,719	6,854	617
21 of which: standardised approach (SA)	1,193	1,288	95
22 of which: internal model approach (IMA)	6,526	5,566	522
24 Operational risk²	53,773	50,648	4,302
25a IRRBB regulatory RWA	20,741	21,357	1,659
26 Output floor applied (%)	72.5%	72.5%	
28 Floor adjustment	10,951	12,059	876
29 Total	476,830	468,999	38,146

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

² Reporting period 30 June 2025 includes \$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 11.9% as at 30 June 2025.

Credit Risk Weighted Assets

Credit RWA for 30 June 2025 totalled \$383.6 billion (which includes Credit Risk, Counterparty Credit Risk, CVA and Securitisation), a \$5.6 billion increase over the quarter. The main drivers of this increase included:

- Volume growth (+\$4.6 billion) which includes an increase in the Institutional division (+\$2.4 billion) from lending growth in Corporate Finance and an increase in Australia Retail (+\$1.4 billion) driven by growth in Home Loans.
- Data and methodology (+\$1.0 billion) from cumulative adjustments arising from refinement in processes, data and methodology treatments
- Portfolio risk and foreign exchange impacts were both neutral.

Market Risk, Operational Risk and IRRBB RWA

Traded Market risk RWA increased by \$0.9 billion over the quarter, primarily driven by higher 10-day Standard VaR and Stressed VaR components.

IRRBB RWA decreased by \$0.6 billion over the quarter primarily due to an improvement in Embedded Gains.

Operational risk RWA increased by \$3.1 billion due to Operational risk RWA overlay increase from \$750 million capital 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 total actual RWA to the floor of 72.5% of RWA calculated under the full standardised approach. For 30 June 2025, the RWA floor adjustment was \$11.0 billion, a decrease of \$1.1 billion over the quarter.

The decrease in the RWA floor adjustment included:

- A net reduction of \$0.6 billion from credit risk, primarily driven by Institutional portfolio mix.
- 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.
- A partially offsetting increase arising from IRRBB, where a decrease in IRRBB RWA of \$0.6 billion had no impact on the Output Floor.

ANZ Basel III Pillar 3 disclosure
June 2025

Overview of EAD and RWA

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

	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

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

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.

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

		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 ¹	-	10,951	10,951	-
8	Total	360,658	116,172	476,830	657,696

¹ Reflects the standardised floor adjustment.

		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 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 acquired Suncorp Bank portfolio continues to measure 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 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).

DIS40: Credit risk

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.

	Jun 25	Mar 25	Dec 24
	RWA Amount	RWA Amount	RWA Amount
	\$M	\$M	\$M
1 RWA as at end of previous reporting period	314,528	313,949	299,585
2 Asset size	5,083	409	12,816
3 Asset quality	(28)	613	(1,119)
4 Model updates	-	-	747
5 Methodology and policy	939	(340)	(1,556)
6 Acquisitions and disposals	-	-	-
7 Foreign exchange movements	(110)	(103)	3,476
8 Other	-	-	-
9 RWA as at end of reporting period	320,412	314,528	313,949

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 Risk RWA amounts under the IRB approach only and hence may not directly reconcile to Group level Credit RWA attributions.

DIS80: Leverage ratio

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.

	Jun 25 \$M	Mar 25 \$M	Dec 24 \$M
On-balance sheet exposures			
1 On-balance sheet exposures (excl. derivatives and securities financing transactions (SFTs), but incl. collateral)	1,186,042	1,167,801	1,167,840
2 Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	7,305	7,333	6,481
3 (Deductions of receivable assets for cash variation margin provided in derivatives transactions)	(8,605)	(6,468)	(7,784)
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)	(14,821)	(14,501)	(13,915)
7 Total on-balance sheet exposures (excluding derivatives and SFTs)	1,169,921	1,154,165	1,152,622
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)	16,088	19,069	27,715
9 Add-on amounts for potential future exposure associated with <i>all</i> derivatives transactions	41,062	41,181	41,088
10 (Exempted central counterparty (CCP) leg of client-cleared trade exposures)	-	-	-
11 Adjusted effective notional amount of written credit derivatives	10,131	9,322	6,570
12 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(9,849)	(8,909)	(5,770)
13 Total derivative exposures (sum of rows 8 to 12)	57,432	60,663	69,603
Securities financing transaction exposures			
14 Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	82,607	75,828	72,335
15 (Netted amounts of cash payables and cash receivables of gross SFT assets)	(2,386)	(2,595)	(2,161)
16 Counterparty credit risk exposure for SFT assets	1,758	1,379	1,820
17 Agent transaction exposures	-	-	-
18 Total securities financing transaction exposures (sum of rows 14 to 17)	81,979	74,612	71,994
Other off-balance sheet exposures			
19 Off-balance sheet exposure at gross notional amount	301,633	302,468	297,722
20 (Adjustments for conversion to credit equivalent amounts)	(162,346)	(163,222)	(159,326)
21 (Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	(856)	(852)	-
22 Off-balance sheet items (sum of rows 19 to 21)	138,431	138,394	138,396
Capital and total exposures			
23 Tier 1 capital	64,322	62,672	62,699
24 Total exposures (sum of rows 7, 13, 18 and 22)	1,447,763	1,427,834	1,432,615
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	80,221	73,233	70,174
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	83,075	80,075	74,963
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)	1,447,763	1,427,834	1,432,615
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)	1,447,763	1,427,834	1,432,615
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%

ANZ's leverage ratio was stable over the quarter at 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 Board Risk Committee 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's liquidity risk management framework remains unchanged and continues to operate 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 average¹ LCR for the 3 months to 30 June 2025 has increased 0.4% from 133.2% as at 31 March 2025 to 133.6% with total liquid assets exceeding net cash outflows by an average of \$81.5 billion.

Through the period the LCR has remained within the range 128% to 140%. The liquid asset portfolio was made up of on average 42.6% (\$136.1 billion) cash and central bank reserves and 52.3% (\$166.9 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.

¹ There were 65 daily LCR data points used in calculating the average for the current quarter and 64 in the previous quarter.

LIQ1: Liquidity Coverage Ratio (LCR) (Continued)

	Jun 25		Mar 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)		319,396		312,232
1b Alternative liquid assets (ALA)		-		-
1c Reserve Bank of New Zealand (RBNZ) securities		4,834		4,091
Cash outflows				
2 Retail deposits and deposits from small business customers	325,390	31,337	317,803	30,681
3 of which: Stable deposits	151,109	7,555	148,100	7,405
4 of which: Less stable deposits	174,281	23,782	169,703	23,276
5 Unsecured wholesale funding	330,946	187,914	324,605	182,353
6 of which: Operational deposits (all counterparties) and deposits in networks of cooperative banks	101,854	24,722	98,274	23,809
7 of which: Non-operational deposits (all counterparties)	211,766	145,866	213,987	146,200
8 of which: Unsecured debt	17,326	17,326	12,344	12,344
9 Secured wholesale funding		613		2,137
10 Additional requirements	224,070	75,298	220,478	75,208
11 of which: Outflows related to derivative exposures and other collateral requirements	49,796	48,356	49,466	49,240
12 of which: Outflows related to loss of funding on debt products	-	-	-	-
13 of which: Credit and liquidity facilities	174,274	26,942	171,012	25,968
14 Other contractual funding obligations	10,448	988	10,327	817
15 Other contingent funding obligations	136,695	9,164	136,000	10,104
16 Total Cash Outflows		305,314		301,300
Cash inflows	-	-	-	-
17 Secured lending (eg reverse repos)	48,122	1,170	44,798	1,748
18 Inflows from fully performing exposures	33,614	24,154	31,141	21,631
19 Other cash inflows	37,301	37,301	40,337	40,337
20 Total Cash Inflows	119,037	62,625	116,276	63,716
		Total adjusted value		Total adjusted value
21 Total HQLA		324,230		316,323
22 Total net cash outflows		242,689		237,584
23 Liquidity Coverage Ratio (%)		133.63%		133.17%

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	CMS1	Comparison of modelled and standardised RWA at risk level	Row 7a	As above	As above	As above

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 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	Credit risk is the risk of loss due to a borrower or counterparty failing to meet their obligations.
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	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. Unencumbered assets are assets which do not meet the definition of encumbered.
Exposure at Default (EAD)	Exposure At Default is defined as the expected facility exposure at the date of default.
Individually Assessed Provisions for Credit Impairment	Individually assessed provisions for credit impairment are calculated in accordance with AASB 9 Financial Instruments (AASB 9). They are assessed on a case-by-case basis for all individually managed impaired assets taking into consideration factors such as the realisable value of security (or other credit mitigants), the likely return available upon liquidation or bankruptcy, legal uncertainties, estimated costs involved in recovery, the market price of the exposure in secondary markets and the amount and timing of expected receipts and recoveries.
Market risk	The risk to ANZ's earnings arising from changes in interest rates, foreign exchange rates, credit spreads, volatility, correlations or from fluctuations in bond, commodity or equity prices. ANZ has grouped market risk into two broad categories to facilitate the measurement, reporting and control of market risk: Traded market risk - the risk of loss from changes in the value of financial instruments due to movements in price factors for both physical and derivative trading positions. Trading positions arise from transactions where ANZ acts as principal with customers, financial exchanges or inter-bank counterparties. Non-traded market risk (or balance sheet risk) - comprises interest rate risk in the banking book and the risk to the AUD denominated value of ANZ's capital and earnings due to foreign exchange rate movements.
Operational risk	The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events including legal risk but excluding reputation risk.
Past due facilities	Facilities where a contractual payment has not been met or the customer is outside of contractual arrangements are deemed past due. Past due facilities include those operating in excess of approved arrangements or where scheduled repayments are outstanding but do not include impaired assets.

Qualifying Central Counterparties (QCCP)	QCCP is a central counterparty which is an entity that interposes itself between counterparties to derivative contracts. Trades with QCCP attract a more 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.



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