2026 Basel III Pillar 3 Disclosure

As at 30 September 2026
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.

Contents[1]

Introduction 6

DIS20: Overview of risk management, key prudential metrics and RWA 8

KM1: Key metrics (at consolidated group level) 8

Key metrics - Suncorp Bank 10

OVA: Bank risk management approach 11

OV1: Overview of RWA 19

Overview of EAD and RWA 21

DIS21: Comparison of modelled and standardised RWA 24

CMS1: Comparison of modelled and standardised RWA at risk level 24

CMS2: Comparison of modelled and standardised RWA for credit risk at asset class level 27

DIS25: Composition of capital 29

CCA: Main features of regulatory capital instruments 30

CC1: Composition of regulatory capital 31

CC2: Reconciliation of regulatory capital to balance sheet 34

DIS30: Links between financial statements and regulatory exposures 36

LIA: Explanations of differences between accounting and regulatory exposure amounts 36

LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories 37

LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements 39

DIS31: Asset encumbrance 40

ENC: Asset encumbrance 40

DIS40: Credit risk 42

CRA: General qualitative information about credit risk 42

CR1: Credit quality of assets 45

CR2: Changes in stock of non-performing loans and debt securities 47

CRB: Additional disclosure related to the credit quality of assets 48

CRC: Qualitative disclosure related to credit risk mitigation techniques 54

CR3: Credit risk mitigation techniques – overview 56

CRD: Qualitative disclosure on banks' use of external credit ratings under the standardised approach for credit risk 57

CR4: Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects 58

CR5: Standardised approach – exposures by asset classes and risk weights 60

CRE: Qualitative disclosure related to IRB models 64

CR6: IRB – Credit risk exposures by portfolio and PD range 68

CR7: IRB – Effect on RWA of credit derivatives used as CRM techniques 76

CR8: RWA flow statements of credit risk exposures under IRB 76

CR9: IRB – Back testing of probability of default (PD) per portfolio 77

CR10: IRB (specialised lending under the slotting approach, other than HVCRE) 81

DIS42: Counterparty credit risk 83

[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.

CCRA: Qualitative disclosure related to CCR 83
CCR1: Analysis of CCR exposures by approach 85
CCR3: Standardised approach – CCR exposures by regulatory portfolio and risk weights 86
CCR4: IRB – CCR exposures by portfolio and PD scale 88
CCR5: Composition of collateral for CCR exposure 92
CCR6: Credit derivatives exposures 94
CCR8: Exposures to central counterparties 95
DIS43: Securitisation 96
SECA: Qualitative disclosure requirements related to securitisation exposures 96
SEC1: Securitisation exposures in the banking book 98
SEC2: Securitisation exposures in the trading book 99
SEC3: Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor 100
SEC4: Securitisation exposures in the banking book and associated capital requirements – bank acting as investor 103
DIS50: Market risk 106
Table 1: Market risk – disclosures for ADIs using the standard method 108
Table 2: Market risk – disclosures for ADIs using the internal models approach (IMA) for trading portfolios 108
DIS51: Credit valuation adjustment risk 110
CVAA: General qualitative disclosure requirements related to CVA 110
CVAB: Qualitative disclosures for banks using the SA-CVA 110
DIS60: Operational risk 111
ORA: General qualitative information on a bank's operational risk framework 111
OR1: Historical losses 113
OR2: Business indicator and subcomponent 114
OR3: Minimum required operational risk capital 115
DIS70: Interest rate risk in the banking book 116
IRRBBA: IRRBB risk management objectives and policies 116
IRRBB1: Quantitative information on IRRBB 118
DIS75: Macroprudential supervisory measures 119
GSIB1: Disclosure of G-SIB indicators 119
CCyB1: Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement 120
DIS80: Leverage ratio 122
LR1: Summary comparison of accounting assets vs leverage ratio exposure measure 122
LR2: Leverage ratio common disclosure template 123
DIS85: Liquidity 124
LIQ1: Liquidity coverage ratio (LCR) 126
LIQ2: Net stable funding ratio (NSFR) 128
Governance and accountable person attestation 130
Public disclosure of prudential information policy 130
Accountable person attestation 131
Appendix 1: Modification details 132

Appendix 2: Entities excluded from regulatory consolidation 135
Glossary 136
Important information- forward-looking statements 138

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.

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 reported figures in this disclosure include Suncorp Bank for the period since ownership as 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 that calculates credit RWA in accordance with APS 112 Capital Adequacy (APS 112). The bank is exposed to a similar range of business risks as ANZ's existing portfolio, with a predominantly domestic Australian focus, and manages these risks through its Risk Management Framework, Risk Management Strategy, Risk Appetite Statement (RAS), and supporting policies and procedures. These arrangements will remain in place until completion of the legal transfer and migration, after which the ANZ Risk Management Framework, Risk Management Strategy, RAS and supporting policy and procedures will apply.

Worldline Acquisition

On 31 July 2026, the Group completed the acquisition of Worldline S.A.'s 51% interest in ANZ Worldline. The financial and regulatory impacts of the acquisition are reflected in this Pillar 3 disclosure as at 30 September 2026, with ANZ Worldline reported under the standardised approaches for Credit and Operational Risks.

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.

Pillar 3 disclosure requirements

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 Standards[1]. These modifications are noted in the respective disclosure tables throughout this document. For further detail on the modifications, see Appendix 1.

[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.

		Sep 26	Jun 26	Mar 26	Dec 25	Sep 25
		$M	$M	$M	$M	$M
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	58,238	59,310	57,472	56,563	55,184
2	Tier 1	64,067	65,135	64,747	63,881	62,541
3	Total capital	99,114	98,362	98,494	98,473	96,351
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	485,893	474,088	464,026	465,618	458,547
4a	Total risk-weighted assets (pre-floor)	485,893	473,398	461,376	457,797	455,048
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	12.0%	12.5%	12.4%	12.1%	12.0%
5b	CET1 ratio (%) (pre-floor ratio)	12.0%	12.5%	12.5%	12.4%	12.1%
6	Tier 1 ratio (%)	13.2%	13.7%	14.0%	13.7%	13.6%
6b	Tier 1 ratio (%) (pre-floor ratio)	13.2%	13.8%	14.0%	14.0%	13.7%
7	Total capital ratio (%)	20.4%	20.7%	21.2%	21.1%	21.0%
7b	Total capital ratio (%) (pre-floor ratio)	20.4%	20.8%	21.3%	21.5%	21.2%
	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 (%)	0.7367%	0.7363%	0.7231%	0.7163%	0.7199%
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 (%)	5.49%	5.49%	5.47%	5.47%	5.47%
12	CET1 available after meeting the bank's minimum capital requirements (%)	7.5%	8.0%	7.9%	7.6%	7.5%
	Basel III Leverage ratio					
13	Total Basel III leverage ratio exposure measure	1,481,691	1,455,800	1,424,952	1,458,304	1,424,842
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	4.3%	4.5%	4.5%	4.4%	4.4%
	Liquidity Coverage Ratio (LCR)					
15	Total high-quality liquid assets (HQLA)	308,533	306,971	310,981	306,472	314,879
16	Total net cash outflow	233,417	234,122	235,995	230,953	238,504
17	LCR ratio (%)	132.2%	131.1%	131.8%	132.7%	132.1%
	Net Stable Funding Ratio (NSFR)					
18	Total available stable funding	772,187	748,291	740,506	744,637	730,141
19	Total required stable funding	663,221	660,495	644,573	643,769	637,319
20	NSFR ratio	116.4%	113.3%	114.9%	115.7%	114.6%

Common Equity Tier 1

September 2026 v June 2026[1]

Level 2 CET1 ratio decreased -52 bps to 11.99% during the September 2026 quarter. Key drivers of the movement in the CET1 ratio were:

- Cash profit (Level 2) increased the CET1 ratio by +39 bps.
- Payment of the 2026 interim dividend (net of BOP) reduced the CET1 ratio by -51 bps.
- Prior to the RWA floor adjustment, the following decreased the ratio:
    - Underlying RWA (excluding IRRBB RWA) growth decreased the CET1 ratio by -9 bps, driven by volume growth mainly in the Institutional division and an increase in traded market risk RWA. This was partially offset by a benefit from risk migration.
    - Capital deductions and others decreased the CET1 ratio by -6 bps, mainly driven by the impact of the adjustment between cash profit and statutory profit.
- IRRBB RWA growth decreased the CET1 ratio by -19 bps, driven by higher market interest rates and a temporary impact from replicating portfolio hedging proactively undertaken in advance to secure future earnings.
- A decrease in the capital floor adjustment increased the CET1 ratio by +2 bps.
- ANZ Worldline acquisition decreased the CET1 ratio by -8 bps.

[1] Disclosed basis point impacts may differ from the half-on-half disclosure due to differences in the denominator used to calculate the basis point impacts.

KM1: Key metrics (continued)

September 2026 v March 2026

Level 2 CET1 ratio decreased -40 bps to 11.99% during the September 2026 half. Key drivers of the movement in the CET1 ratio were:

- Cash profit (Level 2) increased the CET1 ratio by +80 bps.
- Payment of the 2026 interim dividend (net of BOP) reduced the CET1 ratio by -53 bps
- Prior to the RWA floor adjustment, the following decreased the ratio:
    - Underlying RWA (excluding IRRBB RWA) growth decreased the CET1 ratio by -24 bps, driven by volume growth in the Institutional, Business & Private Bank and New Zealand divisions, and an increase in traded market risk RWA. This was partially offset by a benefit from risk migration.
    - Capital deductions and others decreased the CET1 ratio by -13 bps, mainly driven by implementation of RWA data methodology updates relating to certain secured exposures in the Institutional and Business & Private Bank divisions.
- IRRBB RWA growth decreased the CET1 ratio by -29 bps, driven by higher market interest rates and a temporary impact from replicating portfolio hedging proactively undertaken in advance to secure future earnings.
- A decrease in the capital floor adjustment increased the CET1 ratio by +7 bps.
- ANZ Worldline acquisition decreased the CET1 ratio by -8 bps.

Leverage ratio

September 2026 v June 2026

APRA leverage ratio decreased -15 bps during the September 2026 quarter. Key drivers of the movement were:

- Net organic capital generation (largely from Level 2 cash profit and movements in capital deductions), less dividends paid (net of BOP), decreased the leverage ratio by -5 bps.
- Growth in exposures (excluding the impacts from foreign currency translation) decreased the leverage ratio by -11 bps driven by lending growth mainly in the Institutional division, and an increase in reverse repurchase agreements in Markets.
- Decrease in derivative exposures increased the leverage ratio by +2 bps.
- Net other impacts decreased the leverage ratio by -1 bps.

September 2026 v March 2026

APRA leverage ratio decreased -22 bps during the September 2026 half. Key drivers of the movement were:

- Net organic capital generation (largely from Level 2 cash profit and movements in capital deductions), less dividends paid (net of BOP), increased the leverage ratio by +8 bp
- Net AT1 capital impact (ANZ Capital Securities redemption) decreased the leverage ratio by -10 bps.
- Growth in exposures (excluding the impacts from foreign currency translation) decreased the leverage ratio by -23 bps driven by lending growth mainly in the Institutional, Australia Retail and Business & Private Banking divisions, and an increase in reverse repurchase agreements in Markets.
- Decrease in derivative exposures increased the leverage ratio by +2 bps.
- Net other impacts increased the leverage ratio by +1 bps.

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

Liquidity

The Group’s average LCR for the 3 months to 30 September 2026 increased 1.1% from 131.1% as at 30 June 2026 to 132.2% with total liquid assets exceeding net cash outflows by an average of $75.1 billion.

Through the period the LCR remained within the range of 127.5% to 141.7%. The liquid asset portfolio was made up of on average 34% ($103.1 billion) cash and central bank reserves and 61% ($185.0 billion) HQLA1 securities, with the remaining balance mainly HQLA2 securities.

The Group's NSFR increased 3.1% over the quarter from 113.3% as at 30 June 2026 to 116.4% as at 30 September 2026 due to increases in Corporate deposits and the impact of foreign exchange rate movement on derivative positions.

The main sources of Available Stable Funding (ASF) at 30 September 2026 were deposits from retail and small and medium enterprise (SME) customers (49%), other wholesale funding (29%) and capital (14%).

The majority of ANZ's Required Stable Funding (RSF) at 30 September 2026 was driven by home loans (50%) and other lending to non-financial institution customers (29%).

Key metrics - Suncorp Bank

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

From March 2025, Suncorp Bank no longer produces 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.

		Sep 26	Jun 26	Mar 26	Dec 25	Sep 25
		$M	$M	$M	$M	$M
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	4,064	3,971	3,793	3,759	3,638
2	Tier 1	4,624	4,531	4,353	4,319	4,198
3	Total capital	5,494	5,378	5,207	5,166	5,047
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	33,075	33,610	33,920	34,340	33,821
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	12.3%	11.8%	11.2%	10.9%	10.8%
6	Tier 1 ratio (%)	14.0%	13.5%	12.8%	12.6%	12.4%
7	Total capital ratio (%)	16.6%	16.0%	15.3%	15.0%	14.9%

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 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 Strategic Planning Process (SPP) 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. 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 ANZ's divisions and enablement functions and includes Risk Owners and Control Owners, who are accountable for the end-to-end ownership and management of risks and controls arising from their activities. The second line, the Risk function, operates under the accountability of the Group Chief Risk Officer (CRO), to support the Board, Board Risk Committee and senior management in maintaining an effective risk management framework.

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 RMF will no longer apply once legal transfer and migration are complete; from which point the ANZ RMF will apply.

PACT (People, Accountability, Customers and Trust)

ANZ has established a group-wide program (PACT) to strengthen non-financial risk management and support delivery of the Root Cause Remediation Plan (RCRP), which was established in response to findings on ANZ's non-financial risk management practices and culture. The RCRP is a commitment under the Court Enforceable Undertaking (CEU) agreed with APRA in April 2025.

Independent expert Promontory provides assurance over the program and assesses whether changes introduced are embedded and sustainable.

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
Strategic risk	The risk that the Group may make inappropriate strategic decisions, does not effectively execute the approved strategy, or does not respond effectively to changes in the operating environment or evolving external conditions.	The Group manages Strategic Risk as an integral part of strategy development, planning and decision-making, with a focus on how uncertainty, change and external conditions may affect the achievement of strategic objectives.
Reputational risk	The risk ANZ Group's behaviour or associations cause stakeholders (customers, broader community, shareholders, regulators, government bodies and political stakeholders, advocacy groups, media and employees) to hold an adverse opinion of ANZ Group which, in turn, negatively affects the ANZ Group's value or operations.	ANZ seeks to minimise, mitigate and respond to reputational considerations in relevant policy documents and existing risk frameworks and by proactively identifying, acting upon and monitoring those risks in accordance with the relevant policies and procedures, engaging with and considering the perspectives of stakeholders.
Climate risk	Refers to the strategic, financial and non-financial risks to the Group arising from climate change, including as a result of physical impacts, transitioning to a lower carbon economy, or potential litigation or regulatory action if ANZ Group fails to adequately consider or respond to the impacts of climate change.	The Group recognises Climate Risk as a standalone Material Risk. Climate Risk is also considered a cross-cutting risk, reflecting its transmission to the Group through other Material Risk categories. Where Climate Risk increases other Material Risks, the relevant risk management frameworks operate as the primary controls. The Social & Environmental Risk Policy, the Social & Environmental Risk Standard, and the Climate Risk Standard are the guiding documents for the management of Climate Risk. The Policy and Standards are supported by the application of relevant tools and procedures.
Capital adequacy risk	The risk of loss arising from the ANZ 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 ANZ Group's consolidated operations and risk appetite.	Capital management is performed through an Internal Capital Adequacy Assessment Process (ICAAP), involving detailed strategic and capital planning over a medium-term time horizon. The Capital Plan is reviewed monthly to track financial performance, economic conditions, and strategic initiatives, with regular updates to the Board. Refer to DIS25: Composition of Capital for details on Capital Adequacy measurement and reporting.
Liquidity and funding risk	The risk that the Group is unable to meet its payment obligations as they fall due, including: • repaying depositors or maturing wholesale debt; or • the Group having insufficient capacity to fund increases in assets.	The Liquidity Framework is top down and, together with the Liquidity Management Policy and Standard, outlines the approach for identifying, measuring, monitoring and managing liquidity risk. Liquidity limits are cascaded to the country level, based on a liquidity stress testing framework. Refer to DIS85: Liquidity for details on Liquidity measurement and reporting.
Wholesale Credit risk	The risk of financial loss resulting from a counterparty failing to fulfil its credit obligations, or from a decrease in credit quality of a counterparty resulting in a deterioration of value. ANZ Group's wholesale segmentation primarily includes Basel asset classes Sovereign, Financial	The Wholesale Credit Framework is top down, defined by Credit Principles, Judgmental Credit Policy and Judgmental Credit Requirements (JCR), providing overarching direction across the full credit life cycle.

Risk type	Description	Managing the risk
	Institution, Corporate and Qualifying Central Counterparties.	In addition, the Country Risk Framework includes the country risk policy and limit framework that guide risk 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.
Retail Credit risk	The risk of financial loss resulting from a counterparty failing to fulfil its credit obligations, or from a decrease in credit quality of a counterparty resulting in a deterioration of value. ANZ Group's retail segmentation primarily includes APS 113 Capital Adequacy: Internal Ratings-based Approach to Credit Risk (APS 113) asset class Retail.	The Retail Credit Framework is top down, defined by Credit Principles, Retail Credit Policy and Retail Credit Requirements, providing overarching direction across the full credit lifecycle. 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.
Market risk	The risk stems from the Group'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.	Market risk is managed through the Market Risk framework, underlying policies, and an independent risk measurement and capital allocation approach. Refer to DIS 50: Market Risk and IRRBBA: Interest Rate Risk in the Banking Book (IRRBB) risk management objectives and policies for details on Market Risk measurement, monitoring, reporting and strategies and processes to mitigate and hedge Market Risk.
Financial crime risk	The risk of facilitating financial crime including non-compliance with the Group's policies, or regulatory expectations.	The Group manages financial crime risk through a comprehensive framework designed to prevent, detect and respond to money laundering and proliferation/terrorism financing, sanctions risks, bribery and corruption and fraud. The framework is supported by clearly articulated policies and standards that promote ethical conduct, regulatory compliance and effective financial crime controls across the Group.
Conduct risk	The risk of loss or damage arising from the failure of the Group, its employees or agents to appropriately consider the interests of consumers, the integrity of the financial markets, and the expectations of stakeholders in conducting the Group business activities.	Conduct Risk is managed within the Group's Non-Financial Risk (NFR) Framework. In addition, the Group applies a global, principles-based Conduct Risk Framework that establishes a values-driven, customer-centric approach to identifying, managing, and monitoring conduct risk across the bank.
Compliance risk	The risk of failure to act in accordance with laws, regulations and regulatory expectations in the jurisdictions in which the Group operates, leading to regulatory censure or penalties.	Compliance Risk is managed within the Group's NFR Framework. The Group seeks to avoid breaches of regulations, laws and industry codes and will not tolerate wilful, systemic or repeated non-compliance. Where isolated instances of non-compliance occur despite adequate controls, the Group will identify, escalate, remediate and report them promptly and will use those instances to strengthen its compliance posture.
Operational risk and Resilience risk	The risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events that could impair the Group's ability to prevent, withstand, adapt to, and recover from disruptions.	Operational Risk and Resilience is managed within the Group's NFR Framework, applying a risk-based approach to the identification, assessment, management, reporting, and escalation of operational risks and related obligations. This approach promotes consistency across the organisation while accommodating the specific regulatory requirements of each jurisdiction in which the Group

Risk type	Description	Managing the risk
		operates. Refer to ORA: General qualitative Information on a bank's operational risk framework for details on NFR measurement and reporting.
Technology risk	The risk of outage, including degradation of systems, such as hardware, software and networks.	Technology Risk is managed within ANZ Group's NFR Framework. In addition, it is managed through controls embedded across the full technology lifecycle. Technology assets are governed and maintained throughout their lifespan, technology changes are executed in a disciplined and controlled manner, operational processes ensure system availability and timely incident resolution, and continuity arrangements provide for effective recovery of technology services following disruption.
Data risk	The risk of failing to appropriately collect, use, manage, maintain, and dispose of data. Includes all types of data, for example, customer data, employee data, and ANZ Group's proprietary data.	Data Risk is managed within ANZ Group's NFR Framework. In addition, the Enterprise Data Governance Framework sets the requirements for effective data management and drives the uplift of data capability across the organisation. The Framework establishes clear data ownership structures, mandates controls across the full data lifecycle, and defines processes for data management related incident and breach reporting.
Information Security and Cyber risk	The risk of information security incidents, including the loss and theft of data/information. This covers all types of data (e.g. customer, employee, and ANZ Group's proprietary data) and includes the failure to comply to rules concerning information security.	Information Security and Cyber Risk is managed within ANZ Group's NFR Framework. In addition, ANZ Group manages information security and cyber risk through a well-defined, policy-led, controls-driven framework supported by enterprise-wide capabilities and specialist security functions. The approach safeguards the confidentiality, integrity, and availability of ANZ Group's systems, data and services, thereby reducing the risk of information security incidents and supporting compliance with regulatory obligations.

(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

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 (EAG) – reports to People and Culture 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.

Executive Risk Committee (ERC) - The Committee is the senior executive management committee responsible for overseeing the implementation and effective operation by management of the Group's risk management framework and the management of strategic, financial and non-financial risks (noting there may be shared responsibility with the Group Asset and Liability Committee (GALCO) for capital adequacy, funding and liquidity risks) across the ANZ Group. The ERC has replaced Operational Risk Executive Committee (OREC) and Credit and Market Risk Committee (CMRC) effective September 2026.

Divisional/Functional Risk Committees - are sub-committees of the ERC and are the senior management committees responsible for providing the relevant Group Executive oversight of strategic, financial and non-financial risks within their respective Division/ Function.

Credit Ratings System Oversight Committee (CRSOC) - is a sub-committee of the ERC and 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.

Market Risk Model Oversight Committee (MRMOC) - is a sub-committee of the ERC and is the senior management forum responsible for oversight of ANZ's internal market risk models, including model lifecycle and change governance, validation and review, compliance with internal and regulatory standards, and the management of regulatory and audit action items.

Investment Committee (IC) - 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.

Climate and Nature Committee (CNC) - is a decision-making committee that is responsible for overseeing the execution of our Climate and Environment Strategy. This includes past, current and emerging climate and environment risks and opportunities and climate and environment targets.

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 the Norfina 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 part of ANZ's overall culture. It reflects how our values, behaviours and decision-making practices shape the identification, management and escalation of risk. A strong risk culture supports fair customer outcomes, sustainable performance, effective risk management and the trust of customers, shareholders, regulators and the community.

In 2026, ANZ strengthened its approach to assessing risk culture by applying a risk-specific lens to organisational culture, drawing on employee feedback and operational outcomes. This provides a more integrated view of how ANZ's values, Code of Conduct and expected behaviours are reflected in decision-making, accountability and risk outcomes across the Group.

The 2026 assessment reinforced the importance of the Group's risk-culture priorities and identified opportunities to further improve the consistency of risk-management behaviours and outcomes across the Group. It also provides a baseline to monitor progress, inform management action and support ANZ's focus on strengthening its risk management foundations as part of its 2030 strategy.

(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.

		RWA			Minimum capital requirements
		Sep 26	Jun 26	Mar 26	Sep 26
		$M	$M	$M	$M
1	**Credit risk (excluding counterparty credit risk)**	**354,716**	**351,114**	**344,891**	**28,377**
2	of which: standardised approach (SA)	42,005	40,476	40,576	3,360
3	of which: foundation internal ratings-based (FIRB) approach	66,700	66,718	65,033	5,336
4	of which: supervisory slotting approach	12,757	13,179	13,202	1,021
5	of which: advanced internal ratings-based (AIRB) approach[1, 2]	233,254	230,741	226,080	18,660
6	**Counterparty credit risk (CCR)**	**13,813**	**14,417**	**14,368**	**1,105**
7	of which: standardised approach for counterparty credit risk	12,895	13,631	13,690	1,032
8	of which: IMM	-	-	-	-
9	of which: other CCR	918	786	678	73
10	**Credit valuation adjustment (CVA)**	**5,409**	**5,143**	**4,763**	**433**
16	**Securitisation exposures in banking book**	**3,322**	**2,692**	**2,335**	**265**
17	of which: securitisation IRB approach (SEC-IRBA)	-	-	-	-
18	of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	1,455	718	688	116
19	of which: securitisation standardised approach (SEC-SA)	1,867	1,974	1,647	149
20	**Market risk[3]**	**9,345**	**8,731**	**6,954**	**748**
21	of which: standardised approach (SA)	1,720	2,032	1,558	138
22	of which: internal model approach (IMA)	7,625	6,699	5,396	610
24	**Operational risk[4]**	**54,977**	**54,687**	**54,687**	**4,398**
25a	**IRRBB regulatory RWA**	**44,311**	**36,614**	**33,378**	**3,545**
26	Output floor applied (%)	72.5%	72.5%	72.5%	
28	Floor adjustment	**-**	**690**	**2,650**	**-**
29	**Total**	**485,893**	**474,088**	**464,026**	**38,871**

1 RWA includes a $3.2 billion overlay relating to the Australian Residential Mortgages PD model. (June 2026: $3.2 billion, March 2026: $3.2 billion)

2 RWA includes a $3.9 billion overlay relating to an Income Producing Real Estate (IPRE) risk weight floor. (June 2026: $4.0 billion, March 2026: $4.0 billion)

3 Traded Market Risk RWA includes an additional $1.9 billion relating to increased capital multiplier for risk models. (June 2026: $1.7 billion)

4 Includes $12.5 billion ($1 billion capital) operational risk RWA overlay, applied to both Level 1 and Level 2.

The **minimum capital requirement** is based on an 8% capitalisation rate. However, ANZ's CET1 ratio was 12.0% as at 30 September 2026.

Credit risk weighted assets

September 2026 v June 2026

Credit RWA (CRWA) for 30 September 2026 totalled $377.3 billion (which includes Credit Risk, Counterparty Credit Risk, CVA and Securitisation), a $3.9 billion increase over the quarter to September 2026. Key drivers of this movement include:

- Volume increase (+$5.7 billion) driven primarily by growth in the Institutional (+$2.8 billion) and New Zealand (+$0.7 billion) divisions, partially offset by a reduction in Suncorp (-$0.5 billion). Additionally, the full acquisition of the ANZ-Worldline merchant acquiring business into the Group contributed $2.2 billion of CRWA during the quarter.
- Portfolio risk marginally lower (-$0.7 billion) mainly in the Institutional division.
- Other movements include foreign exchange impacts (-$1.4 billion), primarily in Institutional and New Zealand portfolios, an increase in CVA RWA (+$0.3 billion) and data, models and methodology (+$0.2 billion).

September 2026 v March 2026

Credit RWA (CRWA) for 30 September 2026 totalled $377.3 billion (which includes Credit Risk, Counterparty Credit Risk, CVA and Securitisation), a $10.9 billion increase over the half to September 2026. Key drivers of this movement include:

- Volume increase (+$9.9 billion) driven primarily by growth in the Institutional (+$5.8 billion), Business & Private Bank (+$1.7 billion) and New Zealand (+$0.9 billion) divisions, partially offset by a reduction in Suncorp (-$0.8 billion). Additionally, the full acquisition of the ANZ-Worldline merchant acquiring business into the Group contributed $2.2 billion of CRWA during the half.
- Data, models and methodology (+$4.3 billion) primarily from updates related to certain secured exposures in the Institutional and Business & Private Bank divisions.
- Portfolio risk was lower (-$1.2 billion), mainly in the Institutional division partially offset by higher portfolio risk in the New Zealand division.
- Other movements include foreign exchange impacts (-$2.7 billion), primarily within the Institutional and New Zealand divisions, and an increase in CVA RWA (+$0.6 billion).

Market risk, Operational risk and IRRBB RWA

September 2026 v June 2026

Traded Market Risk RWA increased by $0.6 billion driven by an increase in Stressed VaR.

IRRBB RWA increase of $7.7 billion over the September 2026 quarter was mainly driven by increases in interest rates impacting Embedded Loss and a temporary impact from replicating portfolio hedging proactively undertaken in advance to secure future earnings.

Operational Risk RWA increased from $54.7 billion to $55.0 billion, resulting from ANZ's acquisition of Worldline S.A.'s 51% interest in ANZ Worldline, completed on 31 July 2026.

September 2026 v March 2026

Traded Market Risk RWA increased by $2.4 billion due to increased capital multiplier for risk models and increased Stressed VaR.

IRRBB RWA increase of $10.9 billion over the September 2026 half was mainly driven by increases in interest rates impacting Embedded Loss and a temporary impact from replicating portfolio hedging proactively undertaken in advance to secure future earnings.

Operational Risk RWA increased from $54.7 billion to $55.0 billion, resulting from ANZ's acquisition of Worldline S.A.'s 51% interest in ANZ Worldline, completed on 31 July 2026.

Floor adjustment RWA

September 2026 v June 2026

For 30 September 2026 the output floor was not binding resulting in no RWA floor adjustment, a decrease of $0.7 billion over the quarter. The headroom between the output floor and actual RWA was primarily driven by:

- A reduction of $7.7 billion arising from an increase in IRRBB RWA, which is not included in the output floor calculation.
- A net increase of $2.3 billion from credit and counterparty credit risk movements, primarily driven by the Institutional business which increased the output floor by more than actual RWA.

September 2026 v March 2026

For 30 September 2026 the output floor was not binding resulting in no RWA floor adjustment, a decrease of $2.6 billion over the half. The headroom between the output floor and actual RWA was primarily driven by:

- A reduction of $10.9 billion arising from an increase in IRRBB RWA which is not included in the output floor calculation.
- A net increase of $4.0 billion from credit and counterparty credit risk movements, primarily driven by:
    - Growth attribution increased the floor adjustment ($5.2 billion), driven by the Institutional business from growth in high-quality exposures which increased the output floor by more than actual RWA.
    - Data and methodology changes (-$2.5 billion) which increased actual RWA by more than the output floor.
    - Risk, foreign exchange and CVA CRWA movements increased the floor adjustment ($1.3 billion).

Overview of EAD and RWA

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

		Sep 26					
		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**	**716,666**	**2,764**	**719,430**	**233,254**	**1,062**	**234,316**
2	of which Corporate (including SME)[1]	152,159	905	153,064	72,676	395	73,071
3	of which Retail SME	15,991	-	15,991	8,858	-	8,858
4	of which Residential mortgage[2]	386,203	-	386,203	93,455	-	93,455
5	of which Qualifying revolving retail	12,104	-	12,104	2,825	-	2,825
6	of which Other retail	1,415	-	1,415	1,627	-	1,627
7	of which RBNZ regulated banking subsidiary	148,794	1,859	150,653	53,813	667	54,480
8	**Subject to FIRB approach**	**427,590**	**41,070**	**468,660**	**66,700**	**11,006**	**77,706**
9	of which Corporate	95,394	7,594	102,988	35,602	3,158	38,760
10	of which Sovereign	244,494	3,019	247,513	7,918	229	8,147
11	of which Financial institution	87,702	30,457	118,159	23,180	7,619	30,799
12	**Subject to supervisory slotting (including RBNZ)**	**15,755**	**197**	**15,952**	**12,757**	**163**	**12,920**
13	**Subject to standardised approach**	**131,537**	**10,660**	**142,197**	**42,005**	**1,582**	**43,587**
14	of which Corporate (including SME)	16,842	326	17,168	13,741	304	14,045
15	of which Residential mortgage	65,157	-	65,157	22,480	-	22,480
16	of which Sovereign	9,946	508	10,454	10	508	518
17	of which Other exposures	14,132	7,049	21,181	3,706	240	3,946
18	of which RBNZ regulated banking subsidiary	25,460	2,777	28,237	2,068	530	2,598
19	**Total credit and counterparty credit risk[3]**	**1,291,548**	**54,691**	**1,346,239**	**354,716**	**13,813**	**368,529**
20	Credit valuation adjustment						5,409
21	Securitisation exposures in banking book			20,296			3,322
22	**Total subject to calculation of RWA for credit risk**			**1,366,535**			**377,260**
23	Market risk						9,345
24	Operational risk						54,977
25	Interest rate risk in the banking book						44,311
26	Floor adjustment						-
27	**Total RWA**						**485,893**

1 RWA includes a $3.9 billion overlay relating to an IPRE risk weight floor.

2 RWA includes a $3.2 billion overlay relating to the Australian Residential Mortgages PD model.

3 The percentage of credit risk EAD (excluding CCR) covered by the AIRB, FIRB, supervisory slotting and standardised approaches was 56%, 33%, 1%, 10%, respectively.

Overview of EAD and RWA (continued)

		Jun 26					
		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**	**709,669**	**3,026**	**712,695**	**230,741**	**1,214**	**231,955**
2	of which Corporate (including SME)[1]	146,255	1,114	147,369	69,750	535	70,285
3	of which Retail SME	16,128	-	16,128	8,947	-	8,947
4	of which Residential mortgage[2]	384,383	-	384,383	93,646	-	93,646
5	of which Qualifying revolving retail	12,257	-	12,257	2,913	-	2,913
6	of which Other retail	1,455	-	1,455	1,650	-	1,650
7	of which RBNZ regulated banking subsidiary	149,191	1,912	151,103	53,835	679	54,514
8	**Subject to FIRB approach**	**405,041**	**43,338**	**448,379**	**66,718**	**11,548**	**78,266**
9	of which Corporate	91,955	6,619	98,574	35,400	2,654	38,054
10	of which Sovereign	227,398	3,058	230,456	8,293	250	8,543
11	of which Financial institution	85,688	33,661	119,349	23,025	8,644	31,669
12	**Subject to supervisory slotting (including RBNZ)**	**15,957**	**306**	**16,263**	**13,179**	**244**	**13,423**
13	**Subject to standardised approach**	**128,544**	**11,354**	**139,898**	**40,476**	**1,411**	**41,887**
14	of which Corporate (including SME)	15,021	439	15,460	11,872	407	12,279
15	of which Residential mortgage	65,862	-	65,862	22,783	-	22,783
16	of which Sovereign	10,407	266	10,673	10	266	276
17	of which Other exposures	14,301	8,024	22,325	3,975	263	4,238
18	of which RBNZ regulated banking subsidiary	22,953	2,625	25,578	1,836	475	2,311
19	**Total credit and counterparty credit risk**	**1,259,211**	**58,024**	**1,317,235**	**351,114**	**14,417**	**365,531**
20	Credit valuation adjustment						5,143
21	Securitisation exposures in banking book			17,158			2,692
22	**Total subject to calculation of RWA for credit risk**			**1,334,393**			**373,366**
23	Market risk						8,731
24	Operational risk						54,687
25	Interest rate risk in the banking book						36,614
26	Floor adjustment						690
27	**Total RWA**						**474,088**

1 RWA includes a $4.0 billion overlay relating to an IPRE risk weight floor.

2 RWA includes a $3.2 billion overlay relating to the Australian Residential Mortgages PD model.

Overview of EAD and RWA (continued)

		Mar 26					
		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**	**701,611**	**3,119**	**704,730**	**226,080**	**1,208**	**227,288**
2	of which Corporate (including SME)[1]	142,131	1,123	143,254	65,669	500	66,169
3	of which Retail SME	16,287	-	16,287	9,081	-	9,081
4	of which Residential mortgage[2]	379,194	-	379,194	92,513	-	92,513
5	of which Qualifying revolving retail	12,357	-	12,357	2,954	-	2,954
6	of which Other retail	1,453	-	1,453	1,642	-	1,642
7	of which RBNZ regulated banking subsidiary	150,189	1,996	152,185	54,221	708	54,929
8	**Subject to FIRB approach**	**397,735**	**42,735**	**440,470**	**65,033**	**11,454**	**76,487**
9	of which Corporate	89,916	6,851	96,767	33,454	2,746	36,200
10	of which Sovereign	221,420	2,969	224,389	8,455	227	8,682
11	of which Financial institution	86,399	32,915	119,314	23,124	8,481	31,605
12	**Subject to supervisory slotting (including RBNZ)**	**15,785**	**231**	**16,016**	**13,202**	**183**	**13,385**
13	**Subject to standardised approach**	**131,161**	**11,355**	**142,516**	**40,576**	**1,523**	**42,099**
14	of which Corporate (including SME)	15,388	613	16,001	12,070	537	12,607
15	of which Residential mortgage	66,276	-	66,276	22,922	-	22,922
16	of which Sovereign	11,080	259	11,339	10	259	269
17	of which Other exposures	13,274	7,739	21,013	3,817	246	4,063
18	of which RBNZ regulated banking subsidiary	25,143	2,744	27,887	1,757	481	2,238
19	**Total credit and counterparty credit risk**	**1,246,292**	**57,440**	**1,303,732**	**344,891**	**14,368**	**359,259**
20	Credit valuation adjustment						4,763
21	Securitisation exposures in banking book			14,829			2,335
22	**Total subject to calculation of RWA for credit risk**			**1,318,561**			**366,357**
23	Market risk						6,954
24	Operational risk						54,687
25	Interest rate risk in the banking book						33,378
26	Floor adjustment						2,650
27	**Total RWA**						**464,026**

1 RWA includes a $4.0 billion overlay relating to an IPRE risk weight floor.

2 RWA includes a $3.2 billion overlay relating to the Australian Residential Mortgages PD model.

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 26			
		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)	312,711	42,005	354,716	562,883
2	Counterparty credit risk	12,231	1,582	13,813	27,359
3	Credit valuation adjustment		5,409	5,409	5,409
4	Securitisation exposures in the banking book	-	3,322	3,322	3,322
5	Market risk	7,625	1,720	9,345	9,345
6	Operational risk		54,977	54,977	54,977
7a	IRRBB	44,311		44,311	
7	Residual RWA[1]	-	-	-	-
8	**Total**	**376,878**	**109,015**	**485,893**	**663,295**

[1] Reflects the standardised floor adjustment.

		Jun 26			
		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)	310,638	40,476	351,114	553,126
2	Counterparty credit risk	13,006	1,411	14,417	29,535
3	Credit valuation adjustment		5,143	5,143	5,143
4	Securitisation exposures in the banking book	-	2,692	2,692	2,692
5	Market risk	6,699	2,032	8,731	8,731
6	Operational risk		54,687	54,687	54,687
7a	IRRBB	36,614		36,614	
7	Residual RWA[1]	-	690	690	-
8	**Total**	**366,957**	**107,131**	**474,088**	**653,914**

[1] Reflects the standardised floor adjustment.

CMS1: Comparison of modelled and standardised RWA at risk level (continued)

		Mar 26			
		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)	304,315	40,576	344,891	543,113
2	Counterparty credit risk	12,845	1,523	14,368	28,184
3	Credit valuation adjustment		4,763	4,763	4,763
4	Securitisation exposures in the banking book	-	2,335	2,335	2,335
5	Market risk	5,396	1,558	6,954	6,954
6	Operational risk		54,687	54,687	54,687
7a	IRRBB	33,378		33,378	
7	Residual RWA[1]	-	2,650	2,650	-
8	**Total**	**355,934**	**108,092**	**464,026**	**640,036**

[1] Reflects the standardised floor adjustment.

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 (CCFs) 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).

Regulatory developments

On 16 March 2026, APRA announced that it will consult on a package of proposed reforms to bank capital and liquidity settings. The proposed changes include:

1. Targeted amendments to the standardised credit risk capital framework to increase risk sensitivity and better align capital requirements with underlying risk. On 29 June 2026, APRA commenced consultation on targeted changes to standardised risk weights for infrastructure lending, high-quality unrated corporate exposures, and land acquisition, development and construction lending. The consultation closed on 7 September 2026. APRA intends to finalise the changes in late 2026, with a proposed effective date of 1 April 2027.
2. Changes to the liquidity framework including measures to address risks not covered by LCR minimum requirements, including consideration of a Pillar 2 liquidity framework. Consultation is expected to commence in the second half of 2026.
3. Implementation of a simplified version of the Basel Committee's Fundamental Review of the Trading Book standard. Consultation is expected to commence in the first half of 2027.

RBNZ standardised credit risk changes

In July 2026, the Reserve Bank of New Zealand (RBNZ) finalised changes to its Banking Prudential Requirements following the 2025 review of key capital settings. These changes include revised standardised credit risk weights for residential mortgage, farm and SME lending. The changes commenced on 1 October 2026 with transitional arrangements. The new residential mortgage risk weights apply from 1 November 2026, with all revised standardised credit risk weights applying from 1 April 2027.

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.

		Sep 26			
		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	7,918	10	7,928	10,896
2	Financial Institutions	23,180	176	23,356	52,817
5	Corporates	108,278	13,601	121,879	214,053
	of which: FIRB is applied	35,602		35,602	74,845
	of which: AIRB is applied[1]	72,676		72,676	125,607
6	Retail	106,765	22,552	129,317	187,652
	of which: qualifying revolving retail	2,825	-	2,825	6,221
	of which: other retail	1,627	72	1,699	1,351
	of which: retail residential mortgages[2]	93,455	22,480	115,935	169,845
	of which: retail SME	8,858	-	8,858	10,235
7	Specialised lending[3]	5,867	140	6,007	8,619
8	Others	-	3,458	3,458	3,458
9	RBNZ regulated entities	60,703	2,068	62,771	85,388
10	**Total**	**312,711**	**42,005**	**354,716**	**562,883**

1 Modelled RWA includes a $3.9 billion overlay relating to an IPRE risk weight floor.

2 Modelled RWA includes a $3.2 billion overlay relating to the Australian Residential Mortgages PD model.

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 26			
		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	8,455	10	8,465	10,798
2	Financial Institutions	23,124	190	23,314	51,695
5	Corporates	99,123	11,884	111,007	198,760
	of which: FIRB is applied	33,454		33,454	70,040
	of which: AIRB is applied[1]	65,669		65,669	116,836
6	Retail	106,190	23,018	129,208	183,331
	of which: qualifying revolving retail	2,954	-	2,954	6,328
	of which: other retail	1,642	97	1,739	1,415
	of which: retail residential mortgages[2]	92,513	22,921	115,434	165,302
	of which: retail SME	9,081	-	9,081	10,286
7	Specialised lending[3]	5,995	186	6,181	8,523
8	Others	-	3,531	3,531	3,531
9	RBNZ regulated entities	61,428	1,757	63,185	86,475
10	**Total**	**304,315**	**40,576**	**344,891**	**543,113**

1 Modelled RWA includes a $4.0 billion overlay relating to an IPRE risk weight floor.

2 Modelled RWA includes a $3.2 billion overlay relating to the Australian Residential Mortgages PD model.

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.

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

		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 include a $3.1 billion RWA 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.

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 (APS 001).

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:

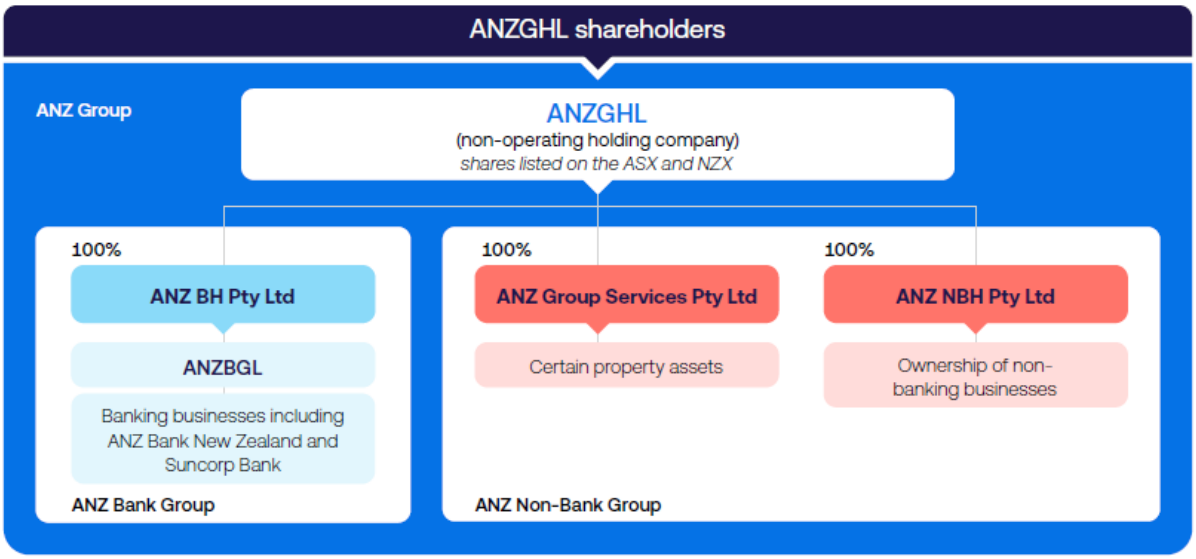
- ANZGHL must always ensure that the quality and quantity of the total capital of the Level 3 group is equivalent to, or greater than, the quality and quantity of the sum of the total capital of the consolidated ANZ Bank Group and the consolidated ANZ Non-Bank Group.
- ANZGHL must calculate and manage 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 2026 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 2026 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/.

CC1: Composition of regulatory capital

The table below shows the components of regulatory capital. This table has minor modifications from the original BCBS standard.

		Amounts Sep 26 $M	Amounts Mar 26 $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	28,836	28,722	
2	Retained earnings	46,226	45,072	a
3	Accumulated other comprehensive income (and other reserves)	(4,196)	(3,408)	
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**	**70,868**	**70,388**	
	Common Equity Tier 1 capital: regulatory adjustments			
7	Prudent valuation adjustments	-	-	
8	Goodwill (net of related tax liability)	4,137	4,029	b
9	Other intangibles other than mortgage servicing rights (MSR) (net of related tax liability)	1,438	1,410	
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	(1,134)	(974)	c
12	Shortfall of provisions to expected losses	83	25	
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	105	233	
15	Defined benefit pension fund net assets	130	124	
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	7,871	8,069	
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	(537)	(504)	d
26d	of which: equity investment in financial institutions not reported in rows 18, 19 and 23	2,224	2,367	
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	3,548	3,511	
26f	of which: capitalised expenses	2,623	2,611	
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA rules	4	4	
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	9	80	
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**	**12,630**	**12,916**	
29	**Common Equity Tier 1 capital (CET1)**	**58,238**	**57,472**	

CC1: Composition of regulatory capital (continued)

		Amounts Sep 26 $M	Amounts Mar 26 $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	6,010	7,470	
31	of which: classified as equity under applicable accounting standards	-	-	
32	of which: classified as liabilities under applicable accounting standards	6,010	7,470	
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**	**6,010**	**7,470**	
	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	26	40	
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	26	40	
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**	**181**	**195**	
44	**Additional Tier 1 capital (AT1)**	**5,829**	**7,275**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**64,067**	**64,747**	
	Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	33,497	32,246	
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	1,931	1,887	
51	**Tier 2 capital before regulatory adjustments**	**35,428**	**34,133**	
	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	281	286	
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	223	175	
56c	of which: other national specific regulatory adjustments not reported in rows 56a and 56b	58	111	
57	**Total regulatory adjustments to Tier 2 capital**	**381**	**386**	
58	**Tier 2 capital**	**35,047**	**33,747**	
59	**Total regulatory capital (= Tier 1 + Tier2)**	**99,114**	**98,494**	
60	**Total risk-weighted assets**	**485,893**	**464,026**	

CC1: Composition of regulatory capital (continued)

		Amounts Sep 26 $M	Amounts Mar 26 $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%**	**12.4%**	
62	**Tier 1 capital (as a percentage of risk-weighted assets)**	**13.2%**	**14.0%**	
63	**Total capital (as a percentage of risk-weighted assets)**	**20.4%**	**21.2%**	
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)**	**9.987%**	**9.973%**	
65	of which: capital conservation buffer requirement[1]	4.75%	4.75%	
66	of which: bank-specific countercyclical buffer requirement	0.7367%	0.7231%	
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%**	**7.9%**	
	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	322	289	
73	Significant investments in the common stock of financial entities	2,150	2,292	
74	MSR (net of related tax liability)	-	-	
75	DTA arising from temporary differences (net of related tax liability)	3,548	3,511	
	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)	380	360	
77	Cap on inclusion of provisions in Tier 2 capital under standardised approach	572	551	
78	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to internal ratings-based approach (prior to application of cap)	1,551	1,526	
79	Cap for inclusion of provisions in Tier 2 capital under internal ratings-based approach	1,969	1,920	

[1] Includes 1.0% buffer applied by APRA to ADIs deemed as domestic 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.

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		As at Sep 26	As at Sep 26	
Assets		$M	$M	
1	Cash and Cash Equivalents	188,028	187,968	
2	Settlement Balances owed to ANZ	15,979	15,979	
3	Collateral Paid	8,155	8,155	
4	Trading securities	50,794	50,794	
4a	of which: Financial Institutions capital instruments		-	
5	Derivative financial instruments	58,461	58,461	
6	Investment Securities	163,200	163,135	
6a	of which: significant investment in financial institutions equity instruments		858	
6b	of which: non-significant investment in financial institutions equity instruments		74	
6c	of which: Other entities equity investments		4	
6d	of which: collectively assessed provision		(20)	
8	Net loans and advances	861,890	854,270	
8a	of which: deferred fee income		(537)	d
8b	of which: collectively assessed provision		(3,614)	
8c	of which: individual provisions		(366)	
8d	of which: capitalised brokerage & Loan/Lease origination fees		4,589	
8f	of which: CET1 margin lending adjustment		-	
8g	of which: AT1 margin lending adjustment		-	
9	Regulatory deposits	567	567	
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	-	482	
12a	of which: Investment in deconsolidated financial subsidiaries		327	
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	1,020	1,020	
13a	of which: Financial Institutions		1,020	
14	Current tax assets	33	33	
15	Deferred tax assets	3,805	3,799	
16	Goodwill and other intangible assets	5,700	5,646	
16a	of which: Goodwill		4,137	b
16b	of which: Software		1,090	
16c	of which: other intangible assets (WDv)		419	
18	Premises and equipment	2,306	2,306	
19	Other assets	5,411	5,292	
19a	of which: Defined benefit superannuation fund net assets		178	
19b	of which: Capitalised Expenses		53	
	Total assets	**1,365,349**	**1,357,964**	

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 26	As at Sep 26	
Liabilities		**$M**	**$M**	
20	Settlement Balances owed by ANZ	36,433	36,433	
21	Collateral Received	10,157	10,157	
22	Deposits and other borrowings	1,011,916	1,011,949	
23	Derivative financial instruments	51,138	51,138	
24	Due to controlled entities	-	720	
25	Current tax liabilities	481	424	
26	Deferred tax liabilities	230	230	
26a	of which: related to intangible assets		125	
26b	of which: related to capitalised expenses		-	
26c	of which: related to defined benefit superannuation fund		48	
30	Payables and other liabilities	16,779	16,557	
31	Employee Entitlements	652	652	
32	Provisions	1,970	1,972	
32a	of which: collectively assessed provision		896	
32b	of which: individually assessed provision		7	
33	Debt Issuances	163,777	156,156	
33a	of which: Directly issued qualifying Additional Tier 1 instruments		5,970	
33b	of which: Additional Tier 1 Instruments		-	
33d	of which: Directly issued qualifying Tier 2 instruments		31,798	
	Total liabilities	**1,293,533**	**1,286,388**	
	Net Assets	**71,816**	**71,576**	
Shareholders' equity		**$M**	**$M**	
34	Ordinary Share Capital	29,139	29,062	
34a	of which: Share reserve		226	
35	Reserves	(4,394)	(4,397)	
35a	of which: Cash flow hedging reserves		(1,134)	c
36	Retained earnings	46,386	46,226	a
37	**Share capital and reserves attributable to shareholders of the company**	**71,131**	**70,891**	
38	Non-controlling interests	685	685	
39	**Total shareholders' equity**	**71,816**	**71,576**	

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 of financial assets and financial liabilities of the ANZBGL's 2026 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 Capital Adequacy (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.

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 26						
		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	188,028	187,968	116,800	72,923	-	52,163	-
2	Settlement Balances owed to ANZ	15,979	15,979	-	-	-	7,553	8,426
3	Collateral Paid	8,155	8,155	-	8,155	-	-	-
4	Trading securities	50,794	50,794	20,389	-	-	37,673	-
5	Derivative financial instruments	58,461	58,461	-	58,444	17	56,568	-
6	Investment Securities	163,200	163,135	160,853	-	1,346	-	936
8	Net loans and advances	861,890	854,270	809,860	27,555	12,803	35,793	4,052
9	Regulatory deposits	567	567	567	-	-	-	-
10	Assets held for sale	-	-	-	-	-	-	-
11	Due from controlled entities	-	57	57	-	-	-	-
12	Shares in controlled entities	-	482	-	-	-	-	482
13	Investment in associates	1,020	1,020	-	-	-	-	1,020
14	Current tax assets	33	33	33	-	-	-	-
15	Deferred tax assets	3,805	3,799	-	-	-	-	3,799
16	Goodwill and other intangible assets	5,700	5,646	-	-	-	-	5,646
18	Premises and equipment	2,306	2,306	2,306	-	-	-	-
19	Other assets	5,411	5,292	5,061	-	-	-	231
20	**Total assets**	**1,365,349**	**1,357,964**	**1,115,926**	**167,077**	**14,166**	**189,750**	**24,592**

[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.

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

		Sep 26						
		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	36,433	36,433	-	-	-	14,557	21,876
2	Collateral Received	10,157	10,157	-	10,157	-	-	-
3	Deposits and other borrowings	1,011,916	1,011,949	-	53,420	-	113,124	845,405
4	Derivative financial instruments	51,138	51,138	-	51,138	-	49,024	-
5	Due to controlled entities	-	720	-	-	-	-	720
6	Current tax liabilities	481	424	-	-	-	-	424
7	Deferred tax liabilities	230	230	-	-	-	-	230
11	Employee Entitlements	652	652	-	-	-	-	652
12	Provisions	1,970	1,972	-	-	-	-	1,972
13	Payables and other liabilities	16,779	16,557	-	-	-	4,840	11,717
14	Debt Issuances	163,777	156,156	-	-	-	679	155,477
15	**Total liabilities**	**1,293,533**	**1,286,388**	**-**	**114,715**	**-**	**182,224**	**1,038,473**

[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 26				
			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)**	**1,333,372**	**1,115,926**	**167,077**	**14,166**	**189,750**
2	Liabilities carrying value amount under regulatory scope of consolidation (as per Template LI1)	**247,915**	-	114,715	-	182,224
3	**Total net amount under regulatory scope of consolidation (Row 1 – Row 2)**	**1,085,457**	**1,115,926**	**52,362**	**14,166**	**7,526**
4	Off-balance sheet amounts	**292,951**	286,950	-	6,001	
5	Differences in valuations	**41,930**	98	41,703	129	
6	Differences due to different netting rules, other than those already included in row 2	**(39,374)**	-	(39,374)	-	
7	Differences due to consideration of provisions	**3,959**	3,959	-	-	
8	Differences due to prudential filters	**-**	-	-	-	
9	Differences due to credit conversion factors	**(118,005)**	(118,005)	-	-	
10	Other Differences	**2,620**	2,620	-	-	
11	**Exposure amounts considered for regulatory purposes**	**1,269,538**	**1,291,548**	**54,691**	**20,296**	

[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 2026 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 2026, ANZ Group has $101.4 billion of encumbered assets, which is predominantly Debt securities $54.4 billion and Net loans and advances of $33.4 billion.

		Sep 26		
		Encumbered assets	Unencumbered assets	Total[3]
		$M	$M	$M
1	**Assets of the reporting institution**	**101,376**	**1,263,973**	**1,365,349**
2	Debt securities[1]	54,361	260,094	314,455
3	Net Loans and advances	33,391	800,945	834,336
4	of which: Covered Bonds	25,783	-	25,783
5	of which: Securitisations	7,608	-	7,608
6	Collateral posted in connection with derivatives contracts[2]	12,099	-	12,099
7	Other assets	1,525	202,934	204,459

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 26		
		Encumbered assets	Unencumbered assets	Total[3]
		$M	$M	$M
1	**Assets of the reporting institution**	**93,614**	**1,220,714**	**1,314,328**
2	Debt securities[1]	49,622	252,475	302,097
3	Net Loans and advances	29,471	781,493	810,964
4	of which: Covered Bonds	24,837	-	24,837
5	of which: Securitisations	4,634	-	4,634
6	Collateral posted in connection with derivatives contracts[2]	13,058	-	13,058
7	Other assets	1,463	186,746	188,209

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.

ENC: Asset encumbrance (continued)

		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.

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 credit obligations or from a decrease in credit quality of a counterparty resulting in a deterioration in 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; and
- Loss Given Default (LGD) is an estimate of the economic loss upon the default of a borrower, expressed as a percentage of the facility's EAD.

Effective maturity (M), the remaining effective term of a credit obligation, is also an input to the risk weighted asset calculation for wholesale asset classes.

Internal Rating Based Approaches:

Foundation IRB (FIRB) - ANZ provides 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 supervisory slotting categories and apply APRA supervisory risk weights and supervisory EAD estimates.

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.

ANZ applies its full normal risk measurement and management framework to these segments for internal management purposes. Standardised segments may 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 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 Executive Risk Committee (ERC) 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 Ratings System Oversight Committee (CRSOC) supports the ERC, 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 challenge of business activities. The Group Compliance function develops and maintains relevant policies, provide subject matter expertise, and monitors 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.

		Sep 26						
		Gross carrying values of[1]			Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB 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	$M
1	Loans	8,802	845,501	(3,980)	(91)	(296)	(3,593)	850,323
2	Debt Securities	-	162,184	(20)	-	(1)	(19)	162,164
2a	of which: measured at amortising cost	-	6,399	(20)	-	(1)	(19)	6,379
2b	of which: measured at fair value	-	155,785	-	-	-	-	155,785
3	Off-balance sheet exposures	209	251,789	(903)	(2)	(83)	(818)	251,095
3a	Other financial assets	-	299,703	-	-	-	-	299,703
4	**Total**	**9,011**	**1,559,177**	**(4,903)**	**(93)**	**(380)**	**(4,430)**	**1,563,285**

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

2 Allowances/impairments of $4,903 million include Collectively Assessed Provision for Credit Impairment of $4,530 million, and Individually Assessed Provisions for Credit Impairment of $373 million.

		Mar 26						
		Gross carrying values of[1]			Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB 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	$M
1	Loans	8,022	809,560	(3,897)	(83)	(301)	(3,513)	813,685
2	Debt Securities	-	163,317	(34)	-	(1)	(33)	163,283
2a	of which: measured at amortising cost	-	6,758	(34)	-	(1)	(33)	6,724
2b	of which: measured at fair value	-	156,559	-	-	-	-	156,559
3	Off-balance sheet exposures	230	242,968	(917)	(4)	(58)	(855)	242,281
3a	Other financial assets	-	287,200	-	-	-	-	287,200
4	**Total**	**8,252**	**1,503,045**	**(4,848)**	**(87)**	**(360)**	**(4,401)**	**1,506,449**

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

2 Allowances/impairments of $4,848 million include Collectively Assessed Provision for Credit Impairment of $4,453 million, and Individually Assessed Provisions for Credit Impairment of $395 million.

CR1: Credit quality of assets (continued)

		Sep 25						
		Gross carrying values of[1]		Allowances/ impairments[2]	Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net values
		Non-performing exposures	Performing exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General		
		$M	$M	$M	$M	$M	$M	$M
1	Loans	8,181	816,422	(3,874)	(89)	(286)	(3,499)	820,729
2	Debt Securities	-	164,470	(34)	-	(1)	(33)	164,436
2a	of which: measured at amortising cost	-	7,404	(34)	-	(1)	(33)	7,370
2b	of which: measured at fair value	-	157,066	-	-	-	-	157,066
3	Off-balance sheet exposures	229	241,865	(870)	(5)	(64)	(801)	241,224
3a	Other financial assets	-	254,953	-	-	-	-	254,953
4	**Total**	**8,410**	**1,477,710**	**(4,778)**	**(94)**	**(351)**	**(4,333)**	**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.

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 26 $M	Mar 26 $M	Sep 25 $M
1	**Non-performing loans and debt securities at end of the previous reporting period**	**8,252**	**8,410**	**8,306**
2	Loans and debt securities that have defaulted since the last reporting period	3,787	3,215	3,963
3	Returned to performing status	(1,228)	(1,530)	(1,816)
4	Amounts written off	(254)	(180)	(174)
5	Other changes[2]	(1,546)	(1,663)	(1,869)
6	**Non-performing loans and debt securities at end of the reporting period**	**9,011**	**8,252**	**8,410**

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

An exposure is considered past due when any amount that was due under a credit contract (interest, principal, fee or other amount) has not been paid in full by the due date.

An exposure is considered past due from the first day of missed payment.

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 customer is 90 days or more past-due on a credit obligation.

Non-performing exposures

A non-performing exposure is an exposure that is in default. An exposure may only be re-classified as performing when it no longer meets the definition of default, repayments have been made when due over a continuous repayment period of at least 90 days (or at least 6 months under revised contractual terms for restructured exposures), and the borrower's financial condition has improved such that full repayment is likely under the original or modified terms as required by APS 220 Credit Risk Management (APS 220).

Provisions for credit impairment

Expected credit loss (ECL) 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) or equivalent - the estimate of the likelihood that a borrower will default, become non-performing or reach charge-off or be written off over a given period;
- Exposure at default (EAD) or equivalent - the expected balance sheet exposure at default or at charge-off or at write-off or at point of becoming non-performing taking into account repayments of principal and interest, expected additional drawdowns and accrued interest; and
- Loss given default (LGD) or equivalent - the expected loss in the event of the borrower defaulting, or becoming non-performing, or the facility reaching charge-off or being written off, expressed as a percentage of the facility's EAD or equivalent, 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 or hardship in meeting its financial commitments, and
- the concession is not available to a customer in good standing.

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.

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

		Sep 26							
		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	of which: individual provision[1]
		$M	$M	$M	$M	$M	$M	$M	$M
1	Agriculture, Forestry, Fishing & Mining	**56,281**	41,768	13,644	869	569	176	71	30
2	Business & Property Services	**27,154**	16,787	9,822	545	93	32	34	18
3	Commercial Property	**85,504**	67,374	16,847	1,283	451	219	62	37
4	Construction	**13,439**	6,644	6,720	75	109	30	39	20
5	Electricity, Gas & Water Supply	**23,068**	10,854	11,075	1,139	133	133	76	76
6	Entertainment, Leisure & Tourism	**18,533**	14,322	4,099	112	107	24	32	12
7	Financial, Investment & Insurance	**451,557**	89,097	53,373	309,087	24	5	6	3
8	Government & Official Institutions	**146,168**	5,927	1,512	138,729	-	-	-	-
9	Manufacturing	**56,851**	29,609	24,993	2,249	260	78	44	24
10	Personal Lending	**20,320**	6,789	13,493	38	112	27	98	23
11	Residential Mortgage	**563,477**	507,277	54,714	1,486	6,677	331	503	64
12	Retail Trade	**19,539**	11,903	7,514	122	132	36	41	23
13	Transport & Storage	**21,559**	11,313	8,914	1,332	88	16	17	7
14	Wholesale Trade	**29,000**	15,525	12,591	884	100	22	23	12
15	Other	**35,738**	19,114	12,687	3,937	156	60	44	24
16	**Total**	**1,568,188**	**854,303**	**251,998**	**461,887**	**9,011**	**1,189**	**1,090**	**373**

[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 2026.

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

		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	of which: individual provision
		$M	$M	$M	$M	$M	$M	$M	$M
1	Agriculture, Forestry, Fishing & Mining	**55,628**	41,326	13,517	785	671	171	83	33
2	Business & Property Services	**23,532**	14,348	8,888	296	111	30	38	21
3	Commercial Property	**80,758**	62,782	16,593	1,383	462	228	64	36
4	Construction	**13,211**	6,508	6,657	46	148	44	43	19
5	Electricity, Gas & Water Supply	**23,658**	11,590	11,192	876	4	3	1	1
6	Entertainment, Leisure & Tourism	**17,670**	13,750	3,829	91	151	30	33	16
7	Financial, Investment & Insurance	**402,472**	86,293	51,424	264,755	23	8	9	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	43	28
10	Personal Lending	**20,788**	6,897	13,853	38	99	22	81	15
11	Residential Mortgage	**554,118**	498,599	54,108	1,411	5,987	257	436	57
12	Retail Trade	**17,969**	11,480	6,418	71	219	122	101	83
13	Transport & Storage	**21,170**	11,644	8,736	790	62	34	18	12
14	Wholesale Trade	**25,252**	12,706	11,439	1,107	55	20	18	11
15	Other	**32,415**	18,191	11,062	3,162	202	98	82	61
16	**Total**	**1,486,120**	**824,603**	**242,094**	**419,423**	**8,410**	**1,145**	**1,050**	**399**

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

		Sep 26							
		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	of which: individual provision
		$M	$M	$M	$M	$M	$M	$M	$M
1	Australia	1,009,916	639,559	149,169	221,188	7,639	812	915	282
2	New Zealand	190,630	132,978	26,031	31,621	1,273	332	150	73
3	International	367,642	81,766	76,798	209,078	99	45	25	18
4	**Total**	**1,568,188**	**854,303**	**251,998**	**461,887**	**9,011**	**1,189**	**1,090**	**373**

		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	of which: individual provision
		$M	$M	$M	$M	$M	$M	$M	$M
1	Australia	968,320	615,118	140,876	212,326	6,823	757	851	297
2	New Zealand	198,199	139,702	26,180	32,317	1,444	314	147	60
3	International	319,601	69,783	75,038	174,780	143	74	52	42
4	**Total**	**1,486,120**	**824,603**	**242,094**	**419,423**	**8,410**	**1,145**	**1,050**	**399**

Ageing of exposures[1]

		Sep 26			
		Gross carrying amount			
		30-59 Days	60-89 Days	90+ Days	Total
		$M	$M	$M	$M
1	Corporate, SME and Other Lending	433	154	1,186	**1,773**
2	Personal Lending	117	28	88	**233**
3	Residential Mortgage	1,580	993	4,639	**7,212**
4	**Total**	**2,130**	**1,175**	**5,913**	**9,218**

[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.

		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**

Maturity of exposures

		Sep 26				
		Gross carrying amount				
		Within 1 year	1 to 5 years	More than 5 years	No maturity specified[2]	Total
		$M	$M	$M	$M	$M
1	Loans	148,112	155,951	540,187	10,053	**854,303**
2	Off-balance sheet exposures	81,616	90,117	52,722	27,543	**251,998**
3	Other financial assets	231,063	115,783	115,041	-	**461,887**
4	**Total**	**460,791**	**361,851**	**707,950**	**37,596**	**1,568,188**

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

		Sep 25				
		Gross carrying amount				
		Within 1 year	1 to 5 years	More than 5 years	No maturity specified	Total
		$M	$M	$M	$M	$M
1	Loans	132,675	153,282	527,856	10,790	**824,603**
2	Off-balance sheet exposures	78,806	87,807	46,812	28,669	**242,094**
3	Other financial assets	210,895	111,039	97,489	-	**419,423**
4	**Total**	**422,376**	**352,128**	**672,157**	**39,459**	**1,486,120**

Restructured exposures

		Sep 26	Sep 25
		$M	$M
1	**Total Restructured Exposures**	**1,684**	**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 obligations[1]. Types of collateral typically taken by ANZ include:

- property, such as residential, commercial, industrial, or rural property;
- business assets;
- specific plant and equipment;
- listed shares, bonds, or securities;
- 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, acceptable valuation types, valuation frequency and monitoring 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, including independency), 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.

(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 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.

		Sep 26				
		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	159,542	690,781	682,666	8,115	-
2	Debt securities	156,492	5,672	4,921	751	-
3	**Total**	**316,034**	**696,453**	**687,587**	**8,866**	**-**
4	of which: non-performing	78	7,671	7,671	-	-

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 26				
		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	136,416	677,269	669,476	7,793	-
2	Debt securities	157,625	5,658	5,033	625	-
3	**Total**	**294,041**	**682,927**	**674,509**	**8,418**	**-**
4	of which: non-performing	74	6,965	6,965	-	-

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.

		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.

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 exposures 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 internal master rating scale to the rating grades 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 rating grades of external rating agencies is outlined in Table CRE.

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. Suncorp Bank is a standardised ADI with Credit RWA calculated based on APS 112 and as such is reflected predominantly in the Sovereign, Residential and Commercial Property Asset Classes. This table has minor modifications from the original BCBS standard.

		Sep 26					
		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	9,936	10	9,936	10	10	0%
4	Banks	846	-	846	-	176	21%
6	Corporate Exposures	988	2,881	979	2,604	3,484	97%
6a	Specialised lending	116	13	116	11	140	110%
6b	Commercial Property	11,534	1,474	11,529	714	8,791	72%
6c	ADC	526	384	525	364	1,326	149%
8	Other Retail	64	17	62	10	72	100%
9	Residential Property	60,785	9,935	60,783	4,374	22,480	35%
11	Other Exposures	10,033	233	10,032	1	277	3%
11a	Fixed Assets	3,181	-	3,181	-	3,181	100%
12	RBNZ regulated entities	24,644	1,386	24,638	822	2,068	8%
14	**Total**	**122,653**	**16,333**	**122,627**	**8,910**	**42,005**	**32%**

		Mar 26					
		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	11,070	10	11,070	10	10	0%
4	Banks	951	-	951	-	190	20%
6	Corporate Exposures	1,304	1,318	1,298	888	2,066	95%
6a	Specialised lending	128	53	128	42	186	109%
6b	Commercial Property	11,577	1,395	11,575	708	8,715	71%
6c	ADC	424	332	423	326	1,103	147%
8	Other Retail	87	21	83	11	96	102%
9	Residential Property	61,703	10,061	61,703	4,573	22,922	35%
11	Other Exposures	9,038	1	9,038	1	341	4%
11a	Fixed Assets	3,190	-	3,190	-	3,190	100%
12	RBNZ regulated entities	24,309	1,504	24,304	839	1,757	7%
14	**Total**	**123,781**	**14,695**	**123,763**	**7,398**	**40,576**	**31%**

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

		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%**

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.

		Sep 26																							
	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	9,936	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	-	-	-	-	-	-	-	-	**9,946**
4	Banks	-	775	-	71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**846**
6	Corporate Exposures	-	37	-	-	-	-	-	12	-	-	-	121	-	1,437	-	79	-	1,837	-	60	-	-	-	-	**3,583**
6a	Specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	127	-	-	-	-	-	-	**127**
6b	Commercial Property	-	-	-	-	-	-	-	-	5,299	-	3,426	470	-	1,516	869	120	-	362	-	181	-	-	-	-	**12,243**
6c	ADC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	-	-	-	874	-	-	-	-	**889**
8	Other Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71	-	-	-	1	-	-	-	-	**72**
9	Residential Property	-	12,479	12,517	11,506	11,483	5,257	6,580	866	108	1,544	109	-	112	176	-	1,843	325	-	143	80	-	-	-	29	**65,157**
11	Other Exposures	9,805	24	-	-	-	-	-	-	-	-	-	-	-	-	-	163	-	-	-	-	41	-	-	-	**10,033**
11a	Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,181	-	-	-	-	-	-	-	-	**3,181**
12	RBNZ regulated entities	20,804	2,362	-	-	-	-	-	1,191	-	-	-	-	-	-	-	1,103	-	-	-	-	-	-	-	-	**25,460**
14	**Total**	**40,545**	**15,677**	**12,517**	**11,577**	**11,483**	**5,257**	**6,580**	**2,069**	**5,407**	**1,544**	**3,535**	**591**	**112**	**3,129**	**869**	**6,585**	**325**	**2,326**	**143**	**1,196**	**41**	**-**	**-**	**29**	**131,537**

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

		Mar 26																								
	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	11,070	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	-	-	-	-	-	-	-	-	**11,080**
4	Banks	-	951	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**951**
6	Corporate Exposures	-	-	-	-	-	-	-	79	-	-	-	94	-	1,091	-	85	-	781	-	56	-	-	-	-	**2,186**
6a	Specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	170	-	-	-	-	-	-	**170**
6b	Commercial Property	-	-	-	-	-	-	-	-	5,504	-	3,463	510	-	1,554	781	132	-	147	-	192	-	-	-	-	**12,283**
6c	ADC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41	-	-	-	708	-	-	-	-	**749**
8	Other Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	92	-	-	-	2	-	-	-	-	**94**
9	Residential Property	-	12,040	12,423	11,616	12,306	5,577	6,857	979	148	1,702	111	-	123	161	-	1,751	282	-	118	82	-	-	-	-	**66,276**
11	Other Exposures	8,743	30	-	-	-	-	-	-	-	-	-	-	-	-	-	222	-	-	-	-	44	-	-	-	**9,039**
11a	Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,190	-	-	-	-	-	-	-	-	**3,190**
12	RBNZ regulated entities	21,239	2,150	-	-	-	-	-	857	-	-	-	-	-	-	-	897	-	-	-	-	-	-	-	-	**25,143**
14	**Total**	**41,052**	**15,171**	**12,423**	**11,616**	**12,306**	**5,577**	**6,857**	**1,915**	**5,652**	**1,702**	**3,574**	**604**	**123**	**2,806**	**781**	**6,420**	**282**	**1,098**	**118**	**1,040**	**44**	**-**	**-**	**-**	**131,161**

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

		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**

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

		Sep 26			
		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%	87,416	10,275	43%	91,800
2	40–70%	23,495	1,661	54%	24,390
3	75%	481	150	73%	591
4	85%	2,360	1,100	80%	3,243
5	90–100%	6,920	903	59%	7,453
6	105–130%	1,121	1,815	94%	2,823
7	150%	814	429	89%	1,196
8	250%	41	-	-	41
9	400%	5	-	-	-
10	1250%	-	-	-	-
11	**Total exposures**	**122,653**	**16,333**	**54%**	**131,537**

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

		Mar 26			
		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%	88,121	10,006	44%	92,565
2	40–70%	24,061	1,982	61%	25,277
3	75%	586	125	14%	604
4	85%	2,465	596	78%	2,930
5	90–100%	6,739	938	49%	7,202
6	105–130%	963	654	82%	1,498
7	150%	802	394	61%	1,041
8	250%	44	-	-	44
9	400%	-	-	-	-
10	1250%	-	-	-	-
11	**Total exposures**	**123,781**	**14,695**	**50%**	**131,161**

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

		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).

CRE: Qualitative disclosure related to IRB models

Internal model development, controls and changes framework

ANZ's IRB rating system and credit risk estimates are governed by the Board Risk Committee (BRC), supported by risk committees comprising executive management and senior risk personnel. This governance is underpinned by a comprehensive, organisation-wide IRB model risk control framework. The BRC delegates model ownership and operational responsibilities, with each IRB credit model assigned an accountable owner who reports to the Chief Risk Officer. The IRB model risk management framework covers model development, validation, performance monitoring, implementation and use, as well as roles and responsibilities, governance policies and controls, and is subject to review by Internal Audit. All IRB credit modelling functions and activities are governed under Group Risk, and the Chief Risk Officer.

The Group Risk Credit Modelling function designs, builds, and supports implementation of IRB Retail and Wholesale credit risk models for ANZ. Using statistical methods and expert judgment, the team develops and remediates models in collaboration with key stakeholders across business, and credit risk. The Credit Modelling function works with technology teams to implement models for use.

Model Validation and Insights independently assesses the integrity and performance of ANZ's Wholesale and Retail Credit models. The team completes validations, assigns performance indicators, monitors remediation, and reports to key governance bodies, providing independent model risk oversight and portfolio insights.

The Credit Model Governance function ensures that governance frameworks for ANZ's credit risk models align with regulatory requirements and comply with ANZ's Model Risk Policy and Standards

The Model Owner approves new and revised models internally under the Credit Risk Model Approval Framework and remains accountable for model risk throughout the model lifecycle

The Credit Ratings System Oversight Committee (CRSOC) oversees the credit risk model lifecycle including design, development, implementation, monitoring and validation, use, change approval and governance

Relationship between risk management and internal audit

Internal Audit (IA) is the independent third line of defence within ANZ's Three Lines of Defence (3LOD) model, complementing the first and second lines, which are responsible for model risk ownership and oversight. IA periodically reviews the Bank's rating system and processes across the credit risk model lifecycle. IA operates independently, reporting functionally to the Board Audit Committee and administratively to the CEO, reinforcing its impartial role in evaluating risk management practices.

Scope and main content of reporting related to credit risk models

There are quantitative and qualitative Board and senior management reports that cover model health, data, systems, processes and controls. IRB framework reporting is provided regularly to the Credit Ratings System Oversight Committee and ANZ Board Risk Committee.

ANZ maintains a structured reporting framework that provides insights into the performance and health of its credit risk models. Reporting draws on a range of model performance metrics and indicators, including trends over time, to support senior management and governance committees in their oversight of model risk. The primary quantitative metrics for tracking overall credit model health are the Board-approved Group Risk Appetite Statement (RAS) metrics.

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.

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 RWA 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.

- 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; and
- Loss Given Default (LGD) is an estimate of the economic loss upon the default of a borrower, expressed as a percentage of the facility's EAD.

Effective maturity (M), the remaining effective term of a credit obligation, is also an input to the risk weighted asset calculation for wholesale asset classes.

The ANZ rating system has separate risk models for different segments using qualitative and quantitative methods – for example, wholesale obligors are rated via hybrid expert models calibrated to a 27-grade master scale (aligned to external ratings), whereas retail portfolios use statistically derived models tailored to product and borrower type. Models vary in data and methodology (e.g. statistical scoring for homogeneous retail vs. hybrid expert models for complex wholesale exposures).

Building reliable and accurate rating tools requires balancing 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 EAD 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.

The RWA and EAD concentration across different asset classes and Rating approaches is detailed in table OV1 (Overview of EAD and RWA).

Non-Retail Asset Classes

PD is expressed by the Customer Credit Rating (CCR), reflecting the ability to service and repay debt. 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 gradings of external rating agencies, using the default rate as a common element. The following table shows mapping to external ratings and PD ranges:

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%

LGD is expressed by the ANZ 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 LGDs also include recognition of the different legal and insolvency regimes in different countries, where this has been shown to influence recovery outcomes.

Regardless of the credit risk rating tool employed, lending staff must review the model-generated Probability of Default (PD) or Customer Credit Rating (CCR) and consider any out-of-model factors or policy overlays before deciding on a rating override. Any upgrade to a better rating than the model suggests requires approval from the independent credit risk function. The influence of the model on risk grading depends on the customer segment: for standardised, data-rich segments such as Retail, models largely drive the grading process, whereas for complex or specialised business segments, expert judgment and the highly customised nature of transactions play a more significant role in determining the final rating.

Retail Asset Classes

Within the retail segment, there are Probability of Default (PD) models covering different sub-segments such as home loans, credit cards, personal loans and overdrafts. It also includes SME retail and asset finance which covers commercial lending where the aggregated credit exposure to a group of related borrowers or counterparties is less than $1.5 million (less than 500K for New Zealand).

The retail PD models generally use credit rating scores to risk rank exposures based on information such as loan, product and long-term account behaviour characteristics. These scorecards, or other segmentation approaches, are used to assign exposures to PD pools. Each PD pool has an associated PD estimate which measures the long-run probability of default (LRPD). Borrowers with similar risk characteristics, products and subject to the same origination process are allocated the same PD.

Additionally, economic scenario simulations are incorporated into LRPD to account for the impact of unobserved economic conditions, ensuring that model estimates reflect a complete economic cycle, including periods of heightened stress.

Loss Given Default (LGD) calculations are based on accounts that defaulted during the observation period used for modelling. LGD reflects the present value of losses incurred post-default, including internal and external costs, expressed as a percentage of Exposure at Default (EAD). Recoveries and related costs after default are discounted using a rate that incorporates a risk premium.

LGD models are based on portfolio risk drivers and are developed by capturing the idiosyncratic risk of accounts separately from macroeconomic cyclical effects and aligning risk/capital with risk management practices. The models are built to first estimate spot LGD and calibrate it to realised losses. The same model is then stressed for appropriate downturn conditions to derive the downturn LGD (DTLGD) estimates - the DTLGD is used for RWA measurement.

Non-Retail and Retail: Exposure at Default (EAD)

Exposure at Default (EAD) is estimated as the total value the bank is exposed to if a borrower defaults, encompassing both the outstanding balance and a proportion of the undrawn amount that is expected to be utilised prior to default (estimated using a Credit Conversion Factor (CCF)).

For non-retail and non-revolving retail exposures, the Group uses Supervisory CCF estimates prescribed by regulation, which vary depending on the type of commitment e.g. trade facilities, performance guarantees, facilities with certain drawdown.

For revolving retail exposures, CCF is modelled using factors including historical drawdown patterns, product and loan characteristics. Retail CCF estimates are subject to regulatory floors based on the type of commitment.

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 derived from the same underlying data; however, differences arise due to adjustments made to ANZ's rating system to meet regulatory and accounting requirements. Key adjustments include the use of Long Run Probability of Default (LRPD) and downturn Loss Given Default (LGD) values for regulatory capital, the application of Probability of Default (PD) and Downturn LGD floors (based on asset class), regulatory-prescribed scalars such as mortgage scalars of 1.4, 1.7, and 2.5, and the mandatory adoption of the supervisory slotting approach for project finance and income-producing real estate (IPRE) in New Zealand.

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.

		Sep 26											
		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	14,450	7,938	49%	18,349	0.11%	521	38%	2.32	5,078	28%	7	
2	0.15 to <0.25	9,320	4,666	44%	11,388	0.20%	1,049	33%	2.38	4,261	37%	7	
3	0.25 to <0.50	34,317	13,314	55%	41,680	0.37%	5,722	27%	2.23	16,987	41%	40	
4	0.50 to <0.75	27,351	6,885	68%	32,060	0.65%	7,628	23%	2.14	14,977	47%	49	
5	0.75 to <2.50	36,504	9,275	71%	43,110	1.35%	16,876	22%	2.32	25,200	58%	130	
6	2.50 to <10.00	3,200	474	60%	3,482	4.23%	2,001	24%	2.06	2,663	76%	35	
7	10.00 to <100.00	1,090	248	51%	1,216	20.02%	2,452	33%	2.20	2,401	197%	88	
8	100.00 (Default)	848	53	50%	874	100.00%	632	28%	2.81	1,109	127%	192	
9	**Sub-Total AIRB Corporates**	**127,080**	**42,853**	**59%**	**152,159**	**1.48%**	**36,881**	**27%**	**2.26**	**72,676**	**48%**	**548**	**1,355**
	Residential Mortgages												
10	0.00 to <0.15	146,313	22,608	100%	168,965	0.07%	426,608	13%	-	11,546	7%	17	
11	0.15 to <0.25	25,200	1,499	100%	26,701	0.18%	44,497	14%	-	2,637	10%	7	
12	0.25 to <0.50	74,088	2,963	100%	77,052	0.36%	171,404	14%	-	12,218	16%	40	
13	0.50 to <0.75	14,397	1,168	100%	15,568	0.64%	38,314	16%	-	3,984	26%	16	
14	0.75 to <2.50	63,228	6,687	100%	69,915	1.25%	153,672	16%	-	28,592	40%	137	
15	2.50 to <10.00	20,689	124	100%	20,812	4.12%	48,725	15%	-	15,485	74%	130	
16	10.00 to <100.00	2,053	20	100%	2,073	18.29%	5,002	19%	-	3,364	162%	71	
17	100.00 (Default)	5,098	19	100%	5,117	100.00%	11,230	30%	-	15,629	305%	424	
18	**Sub-Total AIRB Residential Mortgages**	**351,066**	**35,088**	**100%**	**386,203**	**2.02%**	**899,452**	**14%**	**-**	**93,455**	**24%**	**842**	**969**

[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.

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

		Sep 26											
	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	19	108	82%	107	0.12%	1,155	15%	-	5	5%	-	
20	0.15 to <0.25	18	42	80%	51	0.19%	505	17%	-	4	7%	-	
21	0.25 to <0.50	326	444	78%	674	0.39%	8,382	27%	-	129	19%	1	
22	0.50 to <0.75	223	279	62%	395	0.65%	10,386	39%	-	144	36%	1	
23	0.75 to <2.50	3,903	1,103	79%	4,777	1.60%	37,609	26%	-	1,781	37%	17	
24	2.50 to <10.00	7,222	1,449	94%	8,577	4.41%	52,357	28%	-	4,706	53%	103	
25	10.00 to <100.00	845	85	91%	923	16.51%	26,471	51%	-	1,147	124%	71	
26	100.00 (Default)	459	29	99%	487	100.00%	5,154	40%	-	942	194%	149	
27	**Sub-Total AIRB Retail SME**	**13,015**	**3,539**	**84%**	**15,991**	**6.87%**	**142,019**	**29%**	**-**	**8,858**	**55%**	**342**	**481**
	Qualifying Revolving Retail (QRR)												
28	0.00 to <0.15	1,533	6,156	73%	6,017	0.11%	651,564	74%	-	314	5%	5	
29	0.15 to <0.25	155	824	72%	750	0.19%	106,709	73%	-	62	8%	1	
30	0.25 to <0.50	602	1,910	75%	2,043	0.36%	249,659	75%	-	286	14%	5	
31	0.50 to <0.75	155	235	93%	373	0.65%	36,383	74%	-	84	22%	2	
32	0.75 to <2.50	1,014	786	95%	1,760	1.35%	175,686	79%	-	726	41%	19	
33	2.50 to <10.00	711	179	122%	930	4.10%	97,154	82%	-	883	95%	31	
34	10.00 to <100.00	163	21	128%	190	19.87%	27,383	81%	-	399	210%	30	
35	100.00 (Default)	38	3	100%	41	100.00%	5,141	76%	-	71	171%	28	
36	**Sub-Total AIRB QRR**	**4,371**	**10,114**	**76%**	**12,104**	**1.31%**	**1,349,679**	**75%**	**-**	**2,825**	**23%**	**121**	**178**
	Other Retail												
37	0.00 to <0.15	3	29	95%	31	0.09%	12,082	78%	-	6	20%	-	
38	0.15 to <0.25	-	1	82%	1	0.19%	8	83%	-	-	36%	-	
39	0.25 to <0.50	5	16	113%	22	0.36%	35,526	77%	-	11	50%	-	
40	0.50 to <0.75	2	2	115%	4	0.65%	12,353	76%	-	3	69%	-	
41	0.75 to <2.50	609	58	109%	672	1.25%	179,819	77%	-	634	94%	6	
42	2.50 to <10.00	511	25	104%	537	3.90%	97,388	78%	-	655	122%	16	
43	10.00 to <100.00	82	2	104%	84	30.82%	21,912	78%	-	173	206%	20	
44	100.00 (Default)	64	-	100%	64	100.00%	37,376	83%	-	145	227%	47	
45	**Sub-Total AIRB Other Retail**	**1,276**	**133**	**105%**	**1,415**	**8.42%**	**396,464**	**78%**	**-**	**1,627**	**115%**	**89**	**131**
46	**Total AIRB**	**496,808**	**91,727**	**77%**	**567,872**	**2.01%**	**2,824,495**	**20%**	**2.26**	**179,441**	**32%**	**1,942**	**3,114**

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

		Sep 26											
	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
	FIRB	$M	$M	%	$M	%		%	Yr	$M	%	$M	$M
	Corporates												
47	0.00 to <0.15	31,884	57,602	41%	55,233	0.09%	805	46%	1.89	13,853	25%	22	
48	0.15 to <0.25	11,379	15,661	42%	17,915	0.20%	365	48%	1.88	7,747	43%	17	
49	0.25 to <0.50	11,518	13,457	41%	17,018	0.33%	495	47%	1.87	10,012	59%	27	
50	0.50 to <0.75	2,538	3,085	27%	3,370	0.66%	154	40%	1.91	2,416	72%	9	
51	0.75 to <2.50	1,142	885	45%	1,539	1.55%	96	37%	1.42	1,376	89%	9	
52	2.50 to <10.00	26	49	44%	47	3.30%	6	35%	1.36	51	108%	1	
53	10.00 to <100.00	3	164	67%	113	20.86%	14	24%	1.02	147	130%	6	
54	100.00 (Default)	108	144	36%	159	100.00%	25	43%	0.41	-	0%	69	
55	**Sub-Total FIRB Corporates**	**58,598**	**91,047**	**40%**	**95,394**	**0.39%**	**1,960**	**46%**	**1.88**	**35,602**	**37%**	**160**	**478**
	Sovereign												
56	0.00 to <0.15	238,719	6,491	28%	240,533	0.02%	199	9%	2.48	4,732	2%	5	
57	0.15 to <0.25	984	-	0%	984	0.20%	5	50%	1.10	422	43%	1	
58	0.25 to <0.50	1,307	2	62%	1,308	0.26%	4	50%	0.52	581	44%	2	
59	0.50 to <0.75	78	-	0%	78	0.57%	3	50%	1.59	62	81%	-	
60	0.75 to <2.50	317	1	42%	317	1.35%	14	50%	0.27	318	100%	2	
61	2.50 to <10.00	1,259	-	0%	1,259	3.40%	5	50%	0.43	1,763	140%	21	
62	10.00 to <100.00	14	301	0%	15	21.44%	10	50%	0.12	40	275%	2	
63	100.00 (Default)	-	-	40%	-	100.00%	-	50%	1.21	-	0%	-	
64	**Sub-Total FIRB Sovereign**	**242,678**	**6,795**	**27%**	**244,494**	**0.04%**	**240**	**10%**	**2.45**	**7,918**	**3%**	**33**	**23**
	Financial Institutions												
65	0.00 to <0.15	57,243	47,579	47%	79,607	0.06%	757	48%	1.33	17,985	23%	22	
66	0.15 to <0.25	1,603	1,849	28%	2,115	0.20%	71	45%	1.83	1,088	51%	2	
67	0.25 to <0.50	3,303	1,549	43%	3,965	0.34%	152	48%	1.09	2,537	64%	6	
68	0.50 to <0.75	1,059	528	20%	1,167	0.60%	150	44%	0.86	868	74%	3	
69	0.75 to <2.50	649	595	27%	812	1.45%	248	29%	2.02	658	81%	3	
70	2.50 to <10.00	14	8	48%	18	4.72%	27	34%	3.21	24	136%	-	
71	10.00 to <100.00	9	467	0%	9	26.86%	102	33%	4.42	20	212%	1	
72	100.00 (Default)	8	10	4%	9	100.00%	11	29%	6.78	-	0%	3	
73	**Sub-Total FIRB Financial Institutions**	**63,888**	**52,585**	**45%**	**87,702**	**0.11%**	**1,518**	**47%**	**1.34**	**23,180**	**26%**	**40**	**184**
74	**Total FIRB**	**365,164**	**150,427**	**41%**	**427,590**	**0.13%**	**3,718**	**25%**	**2.09**	**66,700**	**16%**	**233**	**685**

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

		Sep 26											
	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	3,718	4,507	93%	7,828	0.07%	292	53%	2.62	2,256	29%	3	
76	0.15 to <0.25	862	769	90%	1,536	0.20%	381	34%	2.48	488	32%	1	
77	0.25 to <0.50	6,701	3,097	88%	9,334	0.37%	3,880	33%	2.46	4,279	46%	11	
78	0.50 to <0.75	5,327	984	92%	6,223	0.66%	3,760	29%	2.29	3,034	49%	12	
79	0.75 to <2.50	8,368	1,418	90%	9,620	1.41%	6,894	31%	2.20	6,427	67%	43	
80	2.50 to <10.00	1,401	235	91%	1,615	4.53%	976	32%	2.06	1,694	105%	24	
81	10.00 to <100.00	592	131	94%	713	24.27%	1,712	36%	1.45	1,379	193%	64	
82	100.00 (Default)	165	7	83%	171	100.00%	163	30%	0.99	300	176%	35	
83	**Sub-Total NZ Corporates**	**27,134**	**11,148**	**91%**	**37,040**	**1.72%**	**18,058**	**36%**	**2.35**	**19,857**	**54%**	**193**	**403**
	Residential Mortgages												
84	0.00 to <0.15	14,964	6,686	105%	21,972	0.08%	173,406	16%	-	872	4%	3	
85	0.15 to <0.25	4,613	111	105%	4,729	0.19%	32,201	18%	-	390	8%	2	
86	0.25 to <0.50	32,070	733	105%	32,838	0.37%	176,755	19%	-	4,850	15%	23	
87	0.50 to <0.75	6,619	1,034	101%	7,660	0.66%	37,827	21%	-	1,934	25%	11	
88	0.75 to <2.50	28,167	275	106%	28,459	1.38%	135,947	22%	-	11,660	41%	85	
89	2.50 to <10.00	9,240	37	105%	9,279	3.94%	37,372	22%	-	7,318	79%	81	
90	10.00 to <100.00	330	12	106%	343	11.33%	1,575	21%	-	427	125%	8	
91	100.00 (Default)	861	1	100%	862	100.00%	4,061	23%	-	1,921	223%	62	
92	**Sub-Total NZ Residential Mortgage**	**96,864**	**8,889**	**104%**	**106,142**	**1.75%**	**599,144**	**20%**	**-**	**29,372**	**28%**	**275**	**164**
	Other Retail												
93	0.00 to <0.15	38	1,448	101%	1,494	0.11%	175,969	77%	-	816	55%	23	
94	0.15 to <0.25	99	745	101%	852	0.19%	122,105	78%	-	494	58%	13	
95	0.25 to <0.50	286	648	102%	944	0.34%	158,370	78%	-	638	68%	14	
96	0.50 to <0.75	201	273	109%	500	0.59%	53,730	81%	-	375	75%	5	
97	0.75 to <2.50	564	302	82%	812	1.25%	139,305	77%	-	742	91%	10	
98	2.50 to <10.00	613	236	104%	859	4.46%	153,534	86%	-	1,162	135%	32	
99	10.00 to <100.00	117	5	112%	123	18.16%	96,643	84%	-	223	181%	18	
100	100.00 (Default)	26	3	100%	28	100.00%	6,088	82%	-	134	471%	14	
101	**Sub-Total NZ Other Retail**	**1,944**	**3,660**	**100%**	**5,612**	**1.92%**	**905,744**	**79%**	**-**	**4,584**	**82%**	**129**	**64**
102	**Total RBNZ regulated entities**	**125,942**	**23,697**	**97%**	**148,794**	**1.75%**	**1,522,946**	**26%**	**2.36**	**53,813**	**36%**	**597**	**631**

CR6: IRB – Credit risk exposures by portfolio and PD range (continued)[1 2 3]

		Mar 26											
	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
	Corporates												
1	0.00 to <0.15	13,366	7,399	41%	16,395	0.11%	525	38%	2.10	4,520	28%	7	
2	0.15 to <0.25	9,088	4,738	47%	11,301	0.20%	1,131	37%	2.28	4,574	40%	8	
3	0.25 to <0.50	31,442	12,167	53%	37,838	0.36%	5,820	25%	2.19	14,822	39%	34	
4	0.50 to <0.75	25,875	6,659	63%	30,068	0.66%	7,589	22%	2.04	13,155	44%	43	
5	0.75 to <2.50	34,660	9,406	70%	41,220	1.35%	16,248	21%	2.27	23,373	57%	118	
6	2.50 to <10.00	3,201	550	59%	3,528	4.20%	2,130	21%	2.20	2,574	73%	31	
7	10.00 to <100.00	802	260	46%	920	22.13%	2,373	32%	1.83	1,747	190%	67	
8	100.00 (Default)	838	39	61%	861	100.00%	637	30%	2.80	904	105%	241	
9	**Sub-Total AIRB Corporates**	**119,272**	**41,218**	**55%**	**142,131**	**1.51%**	**36,453**	**26%**	**2.18**	**65,669**	**46%**	**549**	**1,276**
	Residential Mortgages												
10	0.00 to <0.15	137,639	22,010	100%	159,694	0.07%	415,601	13%	-	10,918	7%	16	
11	0.15 to <0.25	24,023	1,438	100%	25,462	0.18%	44,277	14%	-	2,520	10%	6	
12	0.25 to <0.50	73,142	2,831	100%	75,975	0.36%	174,618	14%	-	12,034	16%	40	
13	0.50 to <0.75	14,593	1,207	100%	15,803	0.64%	39,930	16%	-	4,030	25%	16	
14	0.75 to <2.50	65,493	7,444	100%	72,937	1.26%	162,248	16%	-	28,963	40%	143	
15	2.50 to <10.00	22,449	136	100%	22,585	4.13%	52,554	15%	-	16,859	75%	143	
16	10.00 to <100.00	2,198	19	100%	2,217	18.17%	5,217	18%	-	3,538	160%	75	
17	100.00 (Default)	4,501	20	100%	4,521	100.00%	10,391	29%	-	13,651	302%	348	
18	**Sub-Total AIRB Residential Mortgages**	**344,038**	**35,105**	**100%**	**379,194**	**1.93%**	**904,836**	**14%**	**-**	**92,513**	**24%**	**787**	**898**

[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.

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

		Mar 26											
	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	18	111	83%	109	0.12%	1,183	15%	-	5	5%	-	
20	0.15 to <0.25	19	46	82%	57	0.19%	534	17%	-	4	8%	-	
21	0.25 to <0.50	358	484	78%	736	0.39%	8,922	26%	-	138	19%	1	
22	0.50 to <0.75	218	288	62%	395	0.65%	10,900	40%	-	147	37%	1	
23	0.75 to <2.50	4,002	1,161	79%	4,921	1.60%	38,900	26%	-	1,840	37%	18	
24	2.50 to <10.00	7,297	1,419	93%	8,622	4.42%	54,080	28%	-	4,774	54%	105	
25	10.00 to <100.00	867	84	92%	944	16.49%	26,810	51%	-	1,179	125%	72	
26	100.00 (Default)	469	34	98%	503	100.00%	5,747	39%	-	994	198%	157	
27	**Sub-Total AIRB Retail SME**	**13,248**	**3,627**	**84%**	**16,287**	**6.91%**	**147,076**	**29%**	**-**	**9,081**	**56%**	**354**	**523**
	Qualifying Revolving Retail (QRR)												
28	0.00 to <0.15	1,545	6,137	73%	6,017	0.11%	652,862	74%	-	313	5%	5	
29	0.15 to <0.25	161	834	72%	764	0.19%	107,436	74%	-	63	8%	1	
30	0.25 to <0.50	610	1,925	76%	2,075	0.36%	252,629	75%	-	291	14%	6	
31	0.50 to <0.75	159	254	95%	401	0.65%	37,633	74%	-	90	22%	2	
32	0.75 to <2.50	1,049	835	97%	1,858	1.35%	182,609	79%	-	766	41%	20	
33	2.50 to <10.00	752	202	124%	1,002	4.08%	103,496	82%	-	948	95%	33	
34	10.00 to <100.00	166	26	128%	199	19.65%	28,255	81%	-	417	210%	31	
35	100.00 (Default)	38	3	100%	41	100.00%	5,146	76%	-	66	162%	27	
36	**Sub-Total AIRB QRR**	**4,480**	**10,216**	**77%**	**12,357**	**1.33%**	**1,370,066**	**75%**	**-**	**2,954**	**24%**	**125**	**180**
	Other Retail												
37	0.00 to <0.15	5	33	95%	35	0.09%	17,112	78%	-	7	20%	-	
38	0.15 to <0.25	-	1	71%	1	0.19%	6	77%	-	-	33%	-	
39	0.25 to <0.50	5	15	119%	22	0.36%	37,320	76%	-	11	50%	-	
40	0.50 to <0.75	2	2	115%	5	0.65%	13,107	76%	-	3	70%	-	
41	0.75 to <2.50	619	56	109%	681	1.23%	184,042	77%	-	638	94%	6	
42	2.50 to <10.00	533	24	104%	558	3.86%	98,541	78%	-	681	122%	17	
43	10.00 to <100.00	91	3	104%	93	29.93%	22,277	78%	-	191	204%	22	
44	100.00 (Default)	57	-	100%	58	100.00%	33,493	82%	-	111	193%	44	
45	**Sub-Total AIRB Other Retail**	**1,312**	**134**	**105%**	**1,453**	**7.99%**	**405,898**	**78%**	**-**	**1,642**	**113%**	**89**	**127**
46	**Total AIRB**	**482,350**	**90,300**	**76%**	**551,422**	**1.97%**	**2,864,329**	**19%**	**2.18**	**171,859**	**31%**	**1,904**	**3,004**

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

		Mar 26											
	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
	FIRB	$M	$M	%	$M	%		%	Yr	$M	%	$M	$M
	Corporates												
47	0.00 to <0.15	31,132	52,367	40%	52,242	0.08%	788	46%	1.80	12,612	24%	20	
48	0.15 to <0.25	10,200	15,018	40%	16,157	0.20%	390	48%	2.06	7,502	46%	16	
49	0.25 to <0.50	11,144	15,239	40%	17,265	0.34%	508	47%	1.91	10,319	60%	27	
50	0.50 to <0.75	1,913	2,691	27%	2,643	0.63%	127	38%	2.04	1,792	68%	6	
51	0.75 to <2.50	699	843	45%	1,082	1.37%	111	31%	1.47	793	73%	4	
52	2.50 to <10.00	104	219	47%	206	3.78%	10	45%	2.18	299	145%	3	
53	10.00 to <100.00	57	147	77%	170	17.94%	13	17%	0.84	137	80%	3	
54	100.00 (Default)	109	95	45%	151	100.00%	28	45%	0.82	-	0%	68	
55	**Sub-Total FIRB Corporates**	**55,358**	**86,619**	**40%**	**89,916**	**0.40%**	**1,975**	**46%**	**1.87**	**33,454**	**37%**	**147**	**511**
	Sovereign												
56	0.00 to <0.15	216,117	5,686	22%	217,341	0.02%	185	9%	2.67	4,739	2%	5	
57	0.15 to <0.25	872	73	40%	901	0.20%	5	50%	1.30	398	44%	1	
58	0.25 to <0.50	1,360	2	62%	1,361	0.26%	4	50%	0.76	630	46%	2	
59	0.50 to <0.75	71	29	40%	83	0.59%	4	50%	2.35	74	89%	-	
60	0.75 to <2.50	306	15	40%	312	1.23%	14	50%	0.27	300	96%	2	
61	2.50 to <10.00	1,403	-	0%	1,403	5.00%	5	50%	0.43	2,263	161%	35	
62	10.00 to <100.00	17	304	0%	19	22.36%	8	50%	0.15	51	277%	2	
63	100.00 (Default)	-	-	0%	-	0.00%	-	0%	-	-	0%	-	
64	**Sub-Total FIRB Sovereign**	**220,146**	**6,109**	**21%**	**221,420**	**0.06%**	**225**	**10%**	**2.63**	**8,455**	**4%**	**47**	**35**
	Financial Institutions												
65	0.00 to <0.15	55,415	48,839	48%	78,939	0.06%	751	48%	1.35	18,326	23%	22	
66	0.15 to <0.25	1,913	1,832	20%	2,287	0.20%	75	45%	1.48	1,115	49%	2	
67	0.25 to <0.50	2,904	1,778	49%	3,771	0.35%	144	48%	1.29	2,512	67%	6	
68	0.50 to <0.75	683	477	18%	766	0.60%	121	46%	1.06	587	77%	2	
69	0.75 to <2.50	462	933	15%	604	1.41%	232	36%	2.08	537	89%	3	
70	2.50 to <10.00	21	7	73%	26	5.78%	18	39%	2.75	40	152%	1	
71	10.00 to <100.00	2	497	0%	3	35.00%	86	39%	7.43	7	255%	-	
72	100.00 (Default)	2	1	95%	3	100.00%	7	42%	1.76	-	0%	1	
73	**Sub-Total FIRB Financial Institutions**	**61,402**	**54,364**	**46%**	**86,399**	**0.10%**	**1,434**	**48%**	**1.36**	**23,124**	**27%**	**37**	**197**
74	**Total FIRB**	**336,906**	**147,092**	**41%**	**397,735**	**0.14%**	**3,634**	**26%**	**2.18**	**65,033**	**16%**	**231**	**743**

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

		Mar 26											
	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	4,004	4,188	87%	7,601	0.07%	273	52%	2.64	2,173	29%	3	
76	0.15 to <0.25	852	1,000	90%	1,742	0.20%	359	35%	2.62	609	35%	1	
77	0.25 to <0.50	6,756	2,722	87%	9,027	0.37%	3,800	34%	2.43	4,288	48%	12	
78	0.50 to <0.75	5,705	1,160	90%	6,746	0.66%	3,800	29%	2.21	3,356	50%	13	
79	0.75 to <2.50	8,479	1,522	89%	9,819	1.41%	6,908	31%	2.13	6,553	67%	43	
80	2.50 to <10.00	1,250	277	91%	1,501	4.79%	943	34%	1.72	1,626	108%	24	
81	10.00 to <100.00	648	144	90%	776	26.48%	1,750	38%	1.45	1,606	207%	83	
82	100.00 (Default)	167	15	96%	181	100.00%	176	33%	0.73	359	198%	39	
83	**Sub-Total NZ Corporates**	**27,861**	**11,028**	**88%**	**37,393**	**1.83%**	**18,009**	**36%**	**2.31**	**20,570**	**55%**	**218**	**440**
	Residential Mortgages												
84	0.00 to <0.15	14,942	6,694	105%	21,959	0.08%	165,815	16%	-	864	4%	3	
85	0.15 to <0.25	4,653	113	105%	4,772	0.19%	30,532	17%	-	384	8%	2	
86	0.25 to <0.50	32,353	745	105%	33,136	0.37%	170,050	19%	-	4,795	14%	23	
87	0.50 to <0.75	6,636	1,056	101%	7,699	0.66%	36,362	21%	-	1,898	25%	11	
88	0.75 to <2.50	28,488	278	106%	28,784	1.37%	133,367	21%	-	11,422	40%	84	
89	2.50 to <10.00	9,391	36	105%	9,429	3.96%	37,201	22%	-	7,228	77%	81	
90	10.00 to <100.00	379	11	106%	391	11.33%	1,705	21%	-	485	124%	9	
91	100.00 (Default)	856	1	100%	857	100.00%	4,055	22%	-	1,849	216%	55	
92	**Sub-Total NZ Residential Mortgage**	**97,698**	**8,934**	**104%**	**107,027**	**1.75%**	**579,087**	**19%**	**-**	**28,925**	**27%**	**268**	**148**
	Other Retail												
93	0.00 to <0.15	41	1,486	101%	1,534	0.11%	171,943	77%	-	839	55%	24	
94	0.15 to <0.25	105	782	101%	894	0.19%	123,798	78%	-	518	58%	13	
95	0.25 to <0.50	288	659	101%	956	0.34%	157,335	78%	-	644	67%	14	
96	0.50 to <0.75	208	288	109%	523	0.62%	54,192	81%	-	399	76%	5	
97	0.75 to <2.50	594	294	88%	852	1.28%	144,700	78%	-	787	92%	11	
98	2.50 to <10.00	612	237	104%	859	4.65%	161,378	87%	-	1,170	136%	34	
99	10.00 to <100.00	114	5	113%	119	18.12%	102,231	86%	-	218	183%	17	
100	100.00 (Default)	29	3	100%	32	100.00%	6,771	81%	-	151	478%	15	
101	**Sub-Total NZ Other Retail**	**1,991**	**3,754**	**101%**	**5,769**	**1.99%**	**922,348**	**79%**	**-**	**4,726**	**82%**	**133**	**66**
102	**Total RBNZ regulated entities**	**127,550**	**23,716**	**96%**	**150,189**	**1.78%**	**1,519,444**	**26%**	**2.31**	**54,221**	**36%**	**619**	**654**

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 26		Mar 26		Sep 25	
		Pre-credit derivatives RWA	Actual RWA	Pre-credit derivatives RWA	Actual RWA	Pre-credit derivatives RWA	Actual RWA
		$M	$M	$M	$M	$M	$M
1	Sovereign – FIRB	7,918	7,918	8,455	8,455	10,107	10,107
3	Financial Institutions – FIRB	23,180	23,180	23,124	23,124	23,207	23,207
5	Corporate – FIRB	35,602	35,602	33,454	33,454	34,388	34,388
6	Corporate – AIRB	72,676	72,676	65,669	65,669	63,726	63,726
8	Specialised lending	5,867	5,867	5,995	5,995	5,901	5,901
9	Retail – qualifying revolving (QRRE)	2,825	2,825	2,954	2,954	3,032	3,032
10	Retail – residential mortgage exposures	93,455	93,455	92,513	92,513	94,135	94,135
11	Retail – SME	8,858	8,858	9,081	9,081	9,419	9,419
12	Other retail exposures	1,627	1,627	1,642	1,642	1,642	1,642
17	RBNZ regulated entities	60,703	60,703	61,428	61,428	64,140	64,140
18	**Total**	**312,711**	**312,711**	**304,315**	**304,315**	**309,697**	**309,697**

[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 risk[1].

		Sep 26 RWA Amount $M	Jun 26 RWA Amount $M	Mar 26 RWA Amount $M
1	RWA as at end of previous reporting period	310,638	304,315	308,191
2	Asset size	5,332	4,974	1,058
3	Asset quality	(737)	(461)	(692)
4	Model updates	-	-	-
5	Methodology and policy	152	3,871	(626)
6	Acquisitions and disposals	-	-	-
7	Foreign exchange movements	(1,435)	(1,155)	(3,616)
8	Other	(1,239)	(906)	-
9	**RWA as at end of reporting period**	**312,711**	**310,638**	**304,315**

[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.

CRWA under the IRB approach increased $2.1 billion over the September 2026 quarter with the increase primarily due to asset size growth, partially offset by foreign exchange and asset quality related movements.

Asset size increase (+$5.3 billion), predominantly within corporate and financial institutions in the Institutional division.

Asset quality related movements (-$0.7 billion) were driven by improvements in portfolio credit quality within Institutional division.

Methodology and policy changes (+$0.2 billion) were primarily attributable to updates to data flows relating to the Australian Home Loan portfolio.

Foreign exchange movements (-$1.4 billion) impacted the translation of foreign denominated exposures, particularly New Zealand dollar and US dollar exposures into Australian dollars.

Other relates to a new ANZ securitisation of residential mortgages eligible for capital relief under APS 120 (-$1.2 billion).

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] [5] This table has minor modifications from the original BCBS standard.

		Sep 26								
	Portfolio/ PD scale	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	%	%					%
	Corporates									
1	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.10%	0.11%	595	577	1	-	0.22%
2	0.15 to <0.25	BBB	Baa2	0.20%	0.20%	1,185	1,157	1	-	0.35%
3	0.25 to <0.50	BBB-	Baa3	0.36%	0.38%	5,818	5,962	27	-	0.37%
4	0.50 to <0.75	BB+	Ba1	0.65%	0.66%	7,504	7,478	37	-	0.50%
5	0.75 to <2.50	BB to B+	Ba2 to B1	1.37%	1.48%	16,153	16,382	181	2	1.57%
6	2.50 to <10.00	B to B-	B2 to B3	4.31%	4.39%	2,265	2,075	115	-	8.10%
7	10.00 to <100.00	CCC+ to C	Caa1 to C	22.54%	32.96%	3,074	2,419	140	32	5.14%
8	100.00 (Default)	Default	Default	100.00%	100.00%	753	619			
10	**Sub-Total AIRB Corporates**			**1.65%**	**5.87%**	**37,347**	**36,669**	**502**	**34**	**1.71%**
	Residential Mortgages									
11	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.07%	0.07%	415,956	428,305	518	27	0.10%
12	0.15 to <0.25	BBB	Baa2	0.18%	0.19%	43,990	45,038	147	13	0.22%
13	0.25 to <0.50	BBB-	Baa3	0.36%	0.36%	177,353	174,003	875	48	0.39%
14	0.50 to <0.75	BB+	Ba1	0.64%	0.63%	41,658	39,242	274	4	0.58%
15	0.75 to <2.50	BB to B+	Ba2 to B1	1.29%	1.31%	165,613	149,050	2,323	37	1.20%
16	2.50 to <10.00	B to B-	B2 to B3	4.15%	4.13%	57,792	51,245	1,757	7	3.27%
17	10.00 to <100.00	CCC+ to C	Caa1 to C	19.01%	19.39%	6,697	5,276	775	-	12.39%
18	100.00 (Default)	Default	Default	100.00%	100.00%	10,121	11,188			
20	**Sub-Total AIRB Residential Mortgage**			**0.80%**	**0.79%**	**919,180**	**903,347**	**6,669**	**136**	**0.68%**

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 3.5-year average for September 2026, 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.

5 For Retail - SME, additional defaults have been incorporated following the back-book treatment of deregistered companies. As a result, the "Number of obligors – End of the year" reported in the previous submission will not reconcile at the PD grade level to the "Number of obligors - End of previous year" reported in the current submission.

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

						Sep 26				
	Portfolio/ PD scale	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%	1,196	1,152	1	-	0.05%
22	0.15 to <0.25	BBB	Baa2	0.19%	0.19%	529	527	1	-	0.20%
23	0.25 to <0.50	BBB-	Baa3	0.39%	0.41%	9,128	8,495	49	-	0.47%
24	0.50 to <0.75	BB+	Ba1	0.65%	0.65%	10,580	10,703	101	2	0.78%
25	0.75 to <2.50	BB to B+	Ba2 to B1	1.60%	1.47%	40,140	37,859	620	10	1.21%
26	2.50 to <10.00	B to B-	B2 to B3	4.43%	4.21%	55,961	52,400	1,993	26	3.28%
27	10.00 to <100.00	CCC+ to C	Caa1 to C	17.22%	13.49%	27,822	26,729	3,792	194	15.67%
28	100.00 (Default)	Default	Default	100.00%	100.00%	5,983	5,826			
30	**Sub-Total AIRB Retail SME**			**3.99%**	**4.68%**	**151,339**	**143,691**	**6,557**	**232**	**4.02%**
	Qualifying Revolving Retail (QRR)									
31	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.10%	0.10%	652,715	652,766	897	4	0.12%
32	0.15 to <0.25	BBB	Baa2	0.19%	0.19%	109,005	106,747	200	1	0.16%
33	0.25 to <0.50	BBB-	Baa3	0.36%	0.37%	253,561	249,765	861	15	0.29%
34	0.50 to <0.75	BB+	Ba1	0.65%	0.65%	37,031	36,541	227	15	0.46%
35	0.75 to <2.50	BB to B+	Ba2 to B1	1.36%	1.33%	186,749	177,163	2,442	150	1.09%
36	2.50 to <10.00	B to B-	B2 to B3	4.07%	4.32%	107,888	98,130	3,640	147	2.82%
37	10.00 to <100.00	CCC+ to C	Caa1 to C	19.90%	23.56%	28,989	27,745	4,541	160	13.74%
38	100.00 (Default)	Default	Default	100.00%	100.00%	4,598	5,268			
40	**Sub-Total AIRB QRR**			**1.02%**	**1.16%**	**1,380,536**	**1,354,125**	**12,808**	**492**	**0.88%**
	Other Retail									
41	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.08%	0.09%	18,313	13,502	15	-	0.05%
42	0.15 to <0.25	BBB	Baa2			-	-	-	-	
43	0.25 to <0.50	BBB-	Baa3	0.36%	0.38%	38,303	36,750	93	-	0.20%
44	0.50 to <0.75	BB+	Ba1	0.65%	0.65%	13,198	12,661	57	1	0.46%
45	0.75 to <2.50	BB to B+	Ba2 to B1	1.29%	1.45%	191,976	186,570	14,310	191	2.90%
46	2.50 to <10.00	B to B-	B2 to B3	3.95%	4.20%	103,073	98,426	4,519	577	3.52%
47	10.00 to <100.00	CCC+ to C	Caa1 to C	31.13%	23.53%	22,611	22,579	4,445	489	13.81%
48	100.00 (Default)	Default	Default	100.00%	100.00%	24,112	37,769			
50	**Sub-Total AIRB Other Retail**			**3.96%**	**3.27%**	**411,586**	**408,257**	**23,439**	**1,258**	**3.19%**

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

						Sep 26				
	Portfolio/ PD scale	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%	0.09%	893	932	1	-	0.09%
52	0.15 to <0.25	BBB	Baa2	0.20%	0.20%	489	435	-	-	0.00%
53	0.25 to <0.50	BBB-	Baa3	0.33%	0.32%	652	568	-	-	0.10%
54	0.50 to <0.75	BB+	Ba1	0.60%	0.61%	114	158	-	-	0.00%
55	0.75 to <2.50	BB to B+	Ba2 to B1	1.19%	1.47%	116	96	-	-	0.92%
56	2.50 to <10.00	B to B-	B2 to B3	3.43%	4.90%	8	5	-	-	0.00%
57	10.00 to <100.00	CCC+ to C	Caa1 to C	20.19%	20.73%	15	15	1	-	17.92%
58	100.00 (Default)	Default	Default	100.00%	100.00%	33	27			
60	**Sub-Total FIRB Corporates**			**0.50%**	**1.84%**	**2,320**	**2,236**	**2**	**-**	**0.21%**
	Sovereign									
61	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.02%	0.03%	246	230	-	-	0.16%
62	0.15 to <0.25	BBB	Baa2	0.20%	0.20%	6	4	-	-	0.00%
63	0.25 to <0.50	BBB-	Baa3	0.26%	0.28%	6	6	-	-	0.00%
64	0.50 to <0.75	BB+	Ba1	0.57%	0.60%	6	4	-	-	0.00%
65	0.75 to <2.50	BB to B+	Ba2 to B1	1.31%	1.60%	16	14	-	-	0.00%
66	2.50 to <10.00	B to B-	B2 to B3	5.00%	5.00%	7	5	-	-	1.57%
67	10.00 to <100.00	CCC+ to C	Caa1 to C	22.90%	25.00%	7	8	-	-	10.57%
68	100.00 (Default)	Default	Default	100.00%	100.00%	6	6			
70	**Sub-Total FIRB Sovereign**			**0.07%**	**2.83%**	**300**	**277**	**-**	**-**	**1.54%**
	Financial Institutions									
71	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.06%	0.06%	2,658	2,409	-	-	0.05%
72	0.15 to <0.25	BBB	Baa2	0.20%	0.20%	156	160	-	-	0.00%
73	0.25 to <0.50	BBB-	Baa3	0.36%	0.38%	453	473	-	-	0.09%
74	0.50 to <0.75	BB+	Ba1	0.61%	0.63%	221	257	1	-	0.30%
75	0.75 to <2.50	BB to B+	Ba2 to B1	1.44%	1.60%	265	277	-	-	1.10%
76	2.50 to <10.00	B to B-	B2 to B3	4.80%	3.78%	17	29	-	-	2.39%
77	10.00 to <100.00	CCC+ to C	Caa1 to C	32.06%	34.69%	148	92	-	-	2.06%
78	100.00 (Default)	Default	Default	100.00%	100.00%	11	9			
80	**Sub-Total FIRB Financial Institutions**			**0.10%**	**1.84%**	**3,929**	**3,706**	**1**	**-**	**0.27%**

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

						Sep 26				
	Portfolio/ PD scale	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%	0.09%	360	377	-	-	0.04%
82	0.15 to <0.25	BBB	Baa2	0.20%	0.20%	274	277	-	-	0.00%
83	0.25 to <0.50	BBB-	Baa3	0.36%	0.38%	2,944	3,214	1	-	0.07%
84	0.50 to <0.75	BB+	Ba1	0.66%	0.66%	3,325	3,360	3	-	0.12%
85	0.75 to <2.50	BB to B+	Ba2 to B1	1.41%	1.47%	6,427	6,298	23	-	0.48%
86	2.50 to <10.00	B to B-	B2 to B3	4.67%	4.59%	951	925	14	-	2.69%
87	10.00 to <100.00	CCC+ to C	Caa1 to C	21.82%	32.38%	1,663	1,601	45	-	3.05%
88	100.00 (Default)	Default	Default	100.00%	100.00%	161	137			
90	**Sub-Total NZ Corporates**			**2.03%**	**5.41%**	**16,105**	**16,189**	**86**	**-**	**0.68%**
	Residential Mortgages									
91	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.08%	0.08%	160,449	172,397	124	5	0.08%
92	0.15 to <0.25	BBB	Baa2	0.19%	0.19%	29,496	31,985	67	3	0.21%
93	0.25 to <0.50	BBB-	Baa3	0.37%	0.36%	166,118	175,947	569	17	0.30%
94	0.50 to <0.75	BB+	Ba1	0.65%	0.65%	32,098	33,925	187	5	0.54%
95	0.75 to <2.50	BB to B+	Ba2 to B1	1.37%	1.36%	132,345	135,705	1,611	60	1.01%
96	2.50 to <10.00	B to B-	B2 to B3	3.98%	3.94%	37,488	37,304	1,095	30	2.60%
97	10.00 to <100.00	CCC+ to C	Caa1 to C	11.35%	12.07%	1,834	1,597	108	2	3.90%
98	100.00 (Default)	Default	Default	100.00%	100.00%	4,208	4,015			
100	**Sub-Total NZ Residential Mortgage**			**0.97%**	**0.80%**	**564,036**	**592,875**	**3,761**	**122**	**0.59%**
	Other Retail									
101	0.00 to <0.15	AAA to BBB+	Aaa to Baa1	0.11%	0.11%	171,961	175,998	195	-	0.10%
102	0.15 to <0.25	BBB	Baa2	0.19%	0.19%	127,295	122,483	161	-	0.11%
103	0.25 to <0.50	BBB-	Baa3	0.34%	0.36%	159,840	157,055	382	4	0.20%
104	0.50 to <0.75	BB+	Ba1	0.60%	0.62%	53,201	52,712	186	1	0.27%
105	0.75 to <2.50	BB to B+	Ba2 to B1	1.29%	1.38%	142,192	140,707	1,196	7	0.76%
106	2.50 to <10.00	B to B-	B2 to B3	4.57%	5.21%	159,151	167,343	3,034	73	1.74%
107	10.00 to <100.00	CCC+ to C	Caa1 to C	18.39%	21.26%	100,995	115,377	6,442	295	6.25%
108	100.00 (Default)	Default	Default	100.00%	100.00%	7,047	6,118			
110	**Sub-Total NZ Other Retail**			**1.44%**	**3.62%**	**921,682**	**937,793**	**11,596**	**380**	**1.11%**

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.

						Sep 26						
						Exposure amount						
	Regulatory categories[1]	Residual maturity	On-balance sheet amount	Off-balance sheet amount	RW	PF[2]	OF[2]	CF[2]	IPRE[2]	Total	RWA	Expected losses
			$M	$M		$M	$M	$M	$M	$M	$M	$M
1	Strong	Less than 2.5 years	4,533	781	70%	1,052	-	-	4,182	5,234	3,965	21
2	Strong	Equal to or more than 2.5 years	3,778	2,241	70%	4,689	-	-	986	5,675	4,071	23
3	Good	Less than 2.5 years	2,000	263	90%	855	-	-	1,306	2,161	2,071	17
4	Good	Equal to or more than 2.5 years	1,083	835	90%	1,497	-	-	200	1,697	1,545	14
5	Satisfactory		321	31	115%	75	-	-	276	351	436	10
6	Weak		237	11	250%	43	-	-	204	247	669	20
7	Non Performing		371	28	-	143	-	-	247	390	-	194
8	**Total**		**12,323**	**4,190**	**-**	**8,354**	**-**	**-**	**7,401**	**15,755**	**12,757**	**299**

[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 26						
						Exposure amount						
	Regulatory categories[1]	Residual maturity	On-balance sheet amount	Off-balance sheet amount	RW	PF[2]	OF[2]	CF[2]	IPRE[2]	Total	RWA	Expected losses
			$M	$M		$M	$M	$M	$M	$M	$M	$M
1	Strong	Less than 2.5 years	4,566	1,401	70%	913	-	-	4,476	5,389	4,109	22
2	Strong	Equal to or more than 2.5 years	3,451	1,822	70%	4,279	-	-	742	5,021	3,577	20
3	Good	Less than 2.5 years	2,122	422	90%	931	-	-	1,501	2,432	2,332	19
4	Good	Equal to or more than 2.5 years	1,159	844	90%	1,700	-	-	158	1,858	1,686	15
5	Satisfactory		346	39	115%	92	-	-	292	384	475	11
6	Weak		353	54	250%	118	-	-	265	383	1,023	31
7	Non Performing		305	13	-	79	-	-	239	318	-	158
8	**Total**		**12,302**	**4,595**	**-**	**8,112**	**-**	**-**	**7,673**	**15,785**	**13,202**	**276**

[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.

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

			Sep 25									
			On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount					RWA	Expected losses
						PF[2]	OF[2]	CF[2]	IPRE[2]	Total		
	Regulatory categories[1]	Residual maturity	$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.

DIS42: Counterparty credit risk

CCRA: Qualitative disclosure related to CCR

Definition and scope

Counterparty credit risk (CCR) is the risk that a counterparty defaults before settlement and is unable to meet its current or future payment obligations under a derivative contract or securities financing transaction (SFT). The amount at risk may change over time with movements in underlying market parameters.

CCR arises from derivatives and SFTs in interest rate, foreign exchange, credit default swap (CDS), equity, commodity and repurchase agreement (repo) products, and comprises:

- Settlement risk – the risk that ANZ makes a payment or delivers value at settlement without certainty that the counterparty will perform its corresponding obligation.
- Market replacement (pre-settlement) risk – the risk that a counterparty defaults during the life of a derivative contract and ANZ incurs a loss in replacing the position.

Governance

ANZ's objective in managing CCR is to keep exposures to individual counterparties and central clearing parties (CCPs) within approved limits and risk appetite, and to reduce potential losses through netting, collateral and other risk mitigants.

CCR is managed under ANZ's credit principles, policies and procedures. The Markets Risk function determines the CCR exposure methodology for market instruments within the framework for counterparty credit limit management, measurement and reporting.

Risk management and mitigation

ANZ's primary tools to mitigate CCR are:

- Netting – bilateral master netting agreements (e.g. International Swaps and Derivatives Association (ISDA) agreements) that allow close-out netting of offsetting contracts into a single net payment with the same legal counterparty.
- Collateral – agreements under standard market documentation (ISDA master agreement with a Credit Support Annex (CSA) for derivatives; Global Master Repurchase Agreement (GMRA) for repos), under which variation margin covers current mark-to-market exposure and initial margin covers potential future exposure over a defined period of risk.
- Regulatory margining – since March 2017, APRA's CPS 226 Margining and risk mitigation for non-centrally cleared derivatives (CPS 226) has mandated variation and initial margin between covered entities, subject to trading volume thresholds. ANZ's collateral policy sets a globally consistent control framework for managing collateralised exposures and complying with CPS 226.
- Right-to-break clauses – in master agreements or trade confirmations, to shorten the term of long-dated derivatives.
- Additional termination triggers – such as credit rating downgrade and change-of-ownership clauses, allowing exposures to be closed out on specified credit events.
- Cross-default linkage – linking covenants and events of default in existing loan facility agreements to master agreements.
- Continuous Linked Settlement (CLS) – to eliminate settlement risk on foreign exchange transactions with CLS members.
- Central clearing – of certain derivative transactions through CCPs.

Wrong-way risk: ANZ manages wrong-way risk, which arises where counterparty credit quality is adversely correlated with ANZ's CCR exposure to that counterparty – either through general market risk factors that drive both (general wrong-way risk) or because the exposure is directly related to the counterparty's credit quality (specific wrong-way risk). Wrong-way risk is governed by a dedicated policy that sets requirements for its identification, assessment and management, and transactions giving rise to specific wrong-way risk are subject to specific approval requirements.

Measurement, monitoring and reporting

ANZ measures CCR exposure for derivatives and SFTs using internal models – potential future exposure (PFE) and potential credit risk exposure (PCRE) – which estimate worst-case credit exposure at future time points. PFE simulates the relevant risk factors using volatilities and correlations calibrated to historical market data and is measured at the 97.5th percentile at prescribed future time points. PCRE is the 97.5th percentile averaged across those time points and applies a risk weighting or volatility factor to the notional principal of individual trades. Both measures reflect potential price changes over each contract's remaining term and take into account the legal documentation and risk mitigants (such as margin and right-to-break clauses) in force.

Counterparty credit limits are set consistently with all other credit exposures to the ANZ Group. Limits are assigned having regard to the counterparty's credit risk, available risk mitigation, product type, tenor and other relevant factors, and exposures are measured against limits using PFE and/or PCRE. Limits are set independently and approved by the appropriate credit delegation holders, and excesses are monitored and reported. The limit framework applies to CCR arising from both bilateral transactions and transactions cleared through CCPs.

Regulatory capital

ANZ calculates EAD for derivatives using the Standardised Approach for Counterparty Credit Risk (SA-CCR) under APS 180, and for SFTs covered by an eligible bilateral netting agreement using the comprehensive approach under APS 112. Suncorp Bank uses the adjusted Current Exposure Method (adjusted CEM) under APS 180.

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 2026, ANZ would be required to lodge additional $17 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. This table excludes exposures to central counterparties, which are disclosed in table CCR8.

		Sep 26					
		Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
		$M	$M	$M		$M	$M
1	SA-CCR (for derivatives)	7,704	20,911		1.4	39,912	11,308
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)					3,335	918
5	Value-at-risk (VaR) for SFTs					-	-
6	RBNZ regulated entities					3,321	1,002
7	**Total**						**13,228**

		Mar 26					
		Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
		$M	$M	$M	$M	$M	$M
1	SA-CCR (for derivatives)	9,246	20,784		1.4	41,937	11,861
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)					2,940	678
5	Value-at-risk (VaR) for SFTs					-	-
6	RBNZ regulated entities					3,463	1,010
7	**Total**						**13,549**

		Sep 25					
		Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
		$M	$M	$M	$M	$M	$M
1	SA-CCR (for derivatives)	6,175	20,991		1.4	37,936	11,140
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	610
5	Value-at-risk (VaR) for SFTs					-	-
6	RBNZ regulated entities					3,458	908
7	**Total**						**12,658**

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 standardised approach by portfolio and risk weight. This table has minor modifications from the original BCBS standard.

		Sep 26									
	Risk Weight %	**0%**	**0-10%**	**10-20%**	**20-50%**	**50-75%**	**75-100%**	**100-150%**	**Greater than 150%**	**Others**	**Total credit exposure**
		$M	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
1	Sovereigns	-	-	-	-	-	508	-	-	-	508
4	Banks	-	-	40	-	417	-	-	-	-	457
6	Corporates	-	-	-	-	-	14	111	-	-	125
8	Other assets	-	-	-	-	-	-	-	-	-	-
10	RBNZ regulated entities	447	-	595	400	5	-	-	-	-	1,447
11	**Total**	**447**	**-**	**635**	**400**	**422**	**522**	**111**	**-**	**-**	**2,537**

		Mar 26									
	Risk Weight %	**0%**	**0-10%**	**10-20%**	**20-50%**	**50-75%**	**75-100%**	**100-150%**	**Greater than 150%**	**Others**	**Total credit exposure**
		$M	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**	**$M**
1	Sovereigns	-	-	-	-	-	259	-	-	-	259
4	Banks	-	-	50	-	370	-	-	-	-	420
6	Corporates	-	-	-	-	2	51	74	-	-	127
8	Other assets	-	-	-	-	-	-	-	-	-	-
10	RBNZ regulated entities	499	-	632	315	3	-	-	-	-	1,449
11	**Total**	**499**	**-**	**682**	**315**	**375**	**310**	**74**	**-**	**-**	**2,255**

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

		Sep 25									
	Risk Weight %	0%	0-10%	10-20%	20-50%	50-75%	75-100%	100-150%	Greater than 150%	Others	Total credit exposure
		$M	$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**

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.

		Sep 26						
	Portfolio/ PD scale	EAD post CRM and post-CCF	Average PD	Number of Counterparties[1]	Average LGD	Average maturity	RWA	RWA density
	FIRB	$M	%	#	%	Yr	$M	%
	Sovereign							
1	0.00 to <0.15	2,613	0.02%	47	15%	1.43	83	3%
2	0.15 to <0.25	90	0.20%	1	50%	0.29	33	37%
3	0.25 to <0.50	304	0.26%	2	50%	0.09	100	33%
4	0.50 to <0.75	3	0.58%	2	50%	0.02	2	69%
5	0.75 to <2.50	9	2.04%	7	50%	0.45	11	116%
6	2.50 to <10.00	-	3.47%	2	50%	0.01	-	141%
7	10.00 to <100.00	-	-	-	-	-	-	-
8	100.00 (Default)	-	-	-	-	-	-	-
12	**Total FIRB Sovereign**	**3,019**	**0.06%**	**61**	**20%**	**1.26**	**229**	**8%**
	Corporates							
13	0.00 to <0.15	5,238	0.09%	260	45%	4.72	1,927	37%
14	0.15 to <0.25	1,119	0.20%	129	48%	3.33	591	53%
15	0.25 to <0.50	1,186	0.30%	104	49%	0.96	584	49%
16	0.50 to <0.75	33	0.68%	17	45%	2.05	37	109%
17	0.75 to <2.50	18	1.33%	11	50%	1.11	19	109%
18	2.50 to <10.00	-	-	-	-	-	-	-
19	10.00 to <100.00	-	-	-	-	-	-	-
20	100.00 (Default)	-	-	-	-	-	-	-
24	**Total FIRB Corporates**	**7,594**	**0.14%**	**521**	**46%**	**3.91**	**3,158**	**42%**
	Financial Institutions							
25	0.00 to <0.15	26,836	0.06%	1,569	50%	0.85	5,022	19%
26	0.15 to <0.25	528	0.20%	102	51%	0.63	221	42%
27	0.25 to <0.50	2,193	0.36%	351	50%	1.04	1,498	68%
28	0.50 to <0.75	699	0.64%	124	52%	0.71	648	93%
29	0.75 to <2.50	201	1.88%	55	50%	0.29	230	114%
30	2.50 to <10.00	-	3.30%	1	50%	0.01	-	139%
31	10.00 to <100.00	-	-	-	-	-	-	-
32	100.00 (Default)	-	-	-	-	-	-	-
36	**Total FIRB Financial Institutions**	**30,457**	**0.11%**	**2,202**	**50%**	**0.86**	**7,619**	**25%**
37	**Total FIRB**	**41,070**	**0.11%**	**2,784**	**47%**	**1.45**	**11,006**	**27%**

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

		Sep 26						
		EAD post CRM and post-CCF	Average PD	Number of Counterparties[1]	Average LGD	Average maturity	RWA	RWA density
	Portfolio/ PD scale							
	AIRB	$M	%	#	%	Yr	$M	%
	Corporates							
38	0.00 to <0.15	389	0.09%	122	41%	3.80	113	29%
39	0.15 to <0.25	211	0.20%	144	46%	3.59	97	46%
40	0.25 to <0.50	199	0.33%	350	44%	1.85	96	49%
41	0.50 to <0.75	51	0.64%	239	37%	1.47	32	62%
42	0.75 to <2.50	47	1.37%	227	34%	1.37	35	75%
43	2.50 to <10.00	1	4.14%	21	41%	0.50	1	113%
44	10.00 to <100.00	7	32.75%	20	49%	0.28	21	277%
45	100.00 (Default)	-	100.00%	4	48%	1.75	-	453%
47	**Sub-total**	905	0.55%	1,127	42%	3.03	395	44%
48	RBNZ regulated entities	1,859	0.17%	724	62%	2.33	667	36%
49	**Total AIRB Corporates**	**2,764**	**0.29%**	**1,851**	**56%**	**2.56**	**1,062**	**38%**
51	**Total AIRB**	**2,764**	**0.29%**	**1,851**	**56%**	**2.56**	**1,062**	**38%**

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

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

		Mar 26						
		EAD post CRM and post-CCF	Average PD	Number of Counterparties[1]	Average LGD	Average maturity	RWA	RWA density
	Portfolio/ PD scale FIRB	$M	%	#	%	Yr	$M	%
	Sovereign							
1	0.00 to <0.15	2,491	0.02%	50	13%	1.32	66	3%
2	0.15 to <0.25	71	0.20%	3	50%	0.49	26	37%
3	0.25 to <0.50	406	0.26%	2	50%	0.09	134	33%
4	0.50 to <0.75	1	0.57%	1	50%	0.48	1	68%
5	0.75 to <2.50	-	1.23%	3	41%	0.05	-	74%
6	2.50 to <10.00	-	5.00%	1	50%	0.01	-	161%
7	10.00 to <100.00	-	21.00%	1	50%	0.02	-	276%
8	100.00 (Default)	-	-	-	-	-	-	-
12	**Total FIRB Sovereign**	**2,969**	**0.06%**	**61**	**19%**	**1.13**	**227**	**8%**
	Corporates							
13	0.00 to <0.15	4,227	0.09%	255	46%	4.24	1,501	36%
14	0.15 to <0.25	1,328	0.20%	129	49%	1.78	578	44%
15	0.25 to <0.50	1,225	0.30%	112	50%	0.56	584	48%
16	0.50 to <0.75	48	0.71%	17	50%	1.67	57	118%
17	0.75 to <2.50	23	1.24%	13	50%	1.96	26	115%
18	2.50 to <10.00	-	-	-	-	-	-	-
19	10.00 to <100.00	-	-	-	-	-	-	-
20	100.00 (Default)	-	-	-	-	-	-	-
24	**Total FIRB Corporates**	**6,851**	**0.15%**	**526**	**47%**	**3.08**	**2,746**	**40%**
	Financial Institutions							
25	0.00 to <0.15	28,633	0.06%	1,839	50%	1.01	5,611	20%
26	0.15 to <0.25	1,042	0.20%	116	50%	0.42	418	40%
27	0.25 to <0.50	2,371	0.36%	346	50%	1.13	1,604	68%
28	0.50 to <0.75	654	0.64%	125	51%	0.74	604	92%
29	0.75 to <2.50	213	1.76%	62	50%	0.35	239	112%
30	2.50 to <10.00	-	-	-	-	-	-	-
31	10.00 to <100.00	2	35.00%	1	50%	0.41	5	309%
32	100.00 (Default)	-	-	-	-	-	-	-
36	**Total FIRB Financial Institutions**	**32,915**	**0.11%**	**2,489**	**50%**	**0.99**	**8,481**	**26%**
37	**Total FIRB**	**42,735**	**0.11%**	**3,076**	**47%**	**1.33**	**11,454**	**27%**

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

		Mar 26						
	Portfolio/ PD scale	EAD post CRM and post-CCF	Average PD	Number of Counterparties[1]	Average LGD	Average maturity	RWA	RWA density
	AIRB	$M	%	#	%	Yr	$M	%
	Corporates							
38	0.00 to <0.15	464	0.09%	129	43%	3.44	125	27%
39	0.15 to <0.25	250	0.20%	221	46%	4.53	139	56%
40	0.25 to <0.50	245	0.34%	327	44%	1.76	124	51%
41	0.50 to <0.75	74	0.63%	229	37%	1.29	43	58%
42	0.75 to <2.50	87	1.18%	243	34%	1.24	65	75%
43	2.50 to <10.00	2	4.46%	30	45%	0.43	2	121%
44	10.00 to <100.00	1	23.22%	9	36%	0.41	2	174%
45	100.00 (Default)	-	100.00%	1	31%	1.75	-	142%
47	**Sub-total**	1,123	0.32%	1,189	43%	3.00	500	45%
48	RBNZ regulated entities	1,996	0.25%	776	62%	1.48	708	35%
49	**Total AIRB Corporates**	**3,119**	**0.28%**	**1,965**	**55%**	**2.03**	**1,208**	**39%**
51	**Total AIRB**	**3,119**	**0.28%**	**1,965**	**55%**	**2.03**	**1,208**	**39%**

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

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).

Collateral used in derivative transactions:
Decrease in collateral posted was primarily driven by lower collateral requirements on FX and cross-currency positions following movements in AUD exchange rates.

Collateral used in SFTs:
Increase in both collaterals received and posted was driven by higher repo trading volumes, together with increased cash margin exchanged under the collateral agreements.

		Sep 26					
		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	7,375	-	1,762	9,046	40,482
2	Cash – other currencies	6	10,245	-	15,312	47,690	62,152
3	Domestic sovereign debt	10	81	-	-	34,439	6,872
4	Other sovereign debt	1,479	7,351	2,305	1,639	58,379	48,134
5	Government agency debt	-	-	-	-	-	-
6	Corporate bonds	433	146	-	-	11,063	1,623
7	Equity securities	-	-	-	-	-	-
8	Other collateral	-	-	-	199	-	-
9	**Total**	**1,931**	**25,198**	**2,305**	**18,912**	**160,617**	**159,263**

CCR5: Composition of collateral for CCR exposure (continued)

		Mar 26					
		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	7,166	-	1,317	6,623	30,116
2	Cash – other currencies	7	11,221	-	16,391	44,109	57,753
3	Domestic sovereign debt	-	18	-	-	25,401	4,139
4	Other sovereign debt	2,001	9,094	2,653	2,232	54,709	44,482
5	Government agency debt	-	-	-	-	-	-
6	Corporate bonds	431	339	-	-	8,951	2,535
7	Equity securities	-	-	-	-	-	-
8	Other collateral	-	-	-	776	-	-
9	**Total**	**2,442**	**27,838**	**2,653**	**20,716**	**139,793**	**139,025**

		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**

CCR6: Credit derivatives exposures

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

		Sep 26		Mar 26		Sep 25	
		Protection bought	Protection sold	Protection bought	Protection sold	Protection bought	Protection sold
		$M	$M	$M	$M	$M	$M
1	**Notionals**						
2	Single-name credit default swaps	16	49	16	40	864	885
3	Index credit default swaps	12,362	10,794	23,860	22,047	17,282	15,851
4	Total return swaps	-	-	-	-	-	-
5	Credit options	-	-	-	-	-	-
6	Other credit derivatives	-	-	-	-	-	-
7	**Total notionals**	12,378	10,843	23,876	22,087	18,146	16,736
8	**Fair values**						
9	Positive fair value (asset)	2	5	-	4	1	17
10	Negative fair value (liability)	4	1	4	-	12	-

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 decreased over the last 6 months, mainly driven by expiries of index credit default swaps, which more than offset new index credit default swaps entered to hedge risks on derivative trades with customers 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 26		Mar 26		Sep 25	
		EAD (post-CRM)	RWA	EAD (post-CRM)	RWA	EAD (post-CRM)	RWA
		$M	$M	$M	$M	$M	$M
1	**Exposures to QCCPs (total)**		**414**		**406**		**451**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	4,299	86	4,649	93	5,574	111
3	(i) OTC derivatives	3,962	79	4,419	88	5,193	103
4	(ii) Exchange-traded derivatives	-	-	-	-	-	-
5	(iii) Securities financing transactions	337	7	230	5	381	8
6	(iv) Netting sets where cross-product netting has been approved	-	-	-	-	-	-
7	Segregated initial margin	-		-		-	
8	Non-segregated initial margin	2,757	55	3,096	62	3,385	68
9	Pre-funded default fund contributions	866	273	869	251	1,322	272
10	Unfunded default fund contributions	-	-	-	-	-	-
11	**Exposures to non-QCCPs (total)**		**171**		**413**		**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	201	171	486	413	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 the ownership of the underlying asset pool is transferred to investors via equitable assignment of such assets to a bankruptcy remote Special Purpose Vehicle (SPV), with principal and interest paid from realisation of or regular cash flows from the assets. The 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 under the self-securitisation programme 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 of its own originated residential mortgage loans, including operating a self-securitisation programme and undertakes roles, as described above, under its 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 Prudential Standard APS 120 *Securitisation*.

ANZ does 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. ANZ's risk management framework includes:

- Appropriate risk management systems to identify, measure, monitor and manage the risks arising from its involvement in securitisation exposures;
- Determining the impact of ANZ's involvement in securitisation exposures on its risk profile; and
- Ensuring that ANZ 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 Securitisation. This standard is employed to calculate the credit risk regulatory capital charge via a hierarchy of approaches.

Under APS 120, all securitisation exposures use one of two regulatory approaches: External Ratings-based Approach (ERBA) or Supervisory Formula Approach (SFA).

If the exposure is publicly rated, the rating approach is 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 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; and
- in the 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.

Securitisation exposure held in the Group's trading book are governed by Prudential Standard APS 116 *Capital Adequacy: Market Risk.*

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 2026 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 2026 Annual Report.

SEC1: Securitisation exposures in the banking book

The table below presents the bank's securitisation exposures in the banking book.[1] Securitisation exposures where ANZ acts as originator increased due to new issuances under the Kingfisher programme since the last reporting period. Securitisation exposures where ANZ acts as investor increased since last reporting period reflecting changes to warehouse funding arrangements and bond investments, predominantly where underlying collateral relate to residential mortgages (47% to $14,422m), with the remainder across the other parts of the portfolio.

		Sep 26					
		Bank acts as originator/sponsor[1,2]			Bank acts as investor[1,3]		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
		$M	$M	$M	$M	$M	$M
1	**Retail (total)**	**84,446**	**-**	**84,446**	**14,423**	**-**	**14,423**
2	of which: Residential mortgages	84,446	-	84,446	13,295	-	13,295
3	of which: Credit cards	-	-	-	-	-	-
4	of which: Other retail exposures	-	-	-	1,128	-	1,128
5	of which: Re-securitisation	-	-	-	-	-	-
6	**Wholesale (total)**	**-**	**-**	**-**	**5,629**	**-**	**5,629**
7	of which: Loans to corporates	-	-	-	-	-	-
8	of which: Commercial mortgage	-	-	-	-	-	-
9	of which: Lease and receivables	-	-	-	3,347	-	3,347
10	of which: Other wholesale	-	-	-	2,282	-	2,282
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 $76,838m as at this reporting date ($76,816m as at 31 March 2026; $81,894m as at 30 September 2025).

3 Securitisation exposures relating to third party securitisation transactions.

		Mar 26					
		Bank acts as originator/sponsor[1,2]			Bank acts as investor[1,3]		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
		$M	$M	$M	$M	$M	$M
1	**Retail (total)**	**81,451**	**-**	**81,451**	**9,827**	**-**	**9,827**
2	of which: Residential mortgages	81,451	-	81,451	8,977	-	8,977
3	of which: Credit cards	-	-	-	-	-	-
4	of which: Other retail exposures	-	-	-	850	-	850
5	of which: Re-securitisation	-	-	-	-	-	-
6	**Wholesale (total)**	**-**	**-**	**-**	**4,875**	**-**	**4,875**
7	of which: Loans to corporates	-	-	-	-	-	-
8	of which: Commercial mortgage	-	-	-	-	-	-
9	of which: Lease and receivables	-	-	-	3,347	-	3,347
10	of which: Other wholesale	-	-	-	1,528	-	1,528
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.

3 Securitisation exposures relating to third party securitisation transactions.

SEC1: Securitisation exposures in the banking book (continued)

		Sep 25					
		Bank acts as originator/sponsor[1,2]			Bank acts as investor[1,3]		
		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.

3 Securitisation exposures relating to third party securitisation transactions.

SEC2: Securitisation exposures in the trading book

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

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 $117m (92.5%) since the last reporting date reflecting new issues under the ANZ Group-originated securitisation programs.

		Sep 26													
		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	$M
1	**Total exposures[1]**	**244**	**-**	**-**	**-**	**-**	**244**	**-**	**-**	**49**	**-**	**-**	**3**	**-**	**-**
2	Traditional Securitisation	244	-	-	-	-	244	-	-	49	-	-	3	-	-
3	of which: Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	of which: Retail underlying	244	-	-	-	-	244	-	-	49	-	-	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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 $9 million deducted from capital as at this reporting date ($16m as at 31 March 2026, $11m as at 30 September 2025) relating to the securitisation of ANZ Group-originated assets.

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

		Mar 26													
		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	$M
1	**Total exposures[1]**	**127**	**-**	**-**	**-**	**-**	**127**	**-**	**-**	**25**	**-**	**-**	**2**	**-**	**-**
2	Traditional Securitisation	127	-	-	-	-	127	-	-	25	-	-	2	-	-
3	of which: Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	of which: Retail underlying	127	-	-	-	-	127	-	-	25	-	-	2	-	-
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 deducted from capital relating to the securitisation of ANZ Group-originated assets.

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

		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	$M	
1	**Total exposures[1]**	**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 deducted from capital relating to the securitisation of ANZ Group-originated assets.

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 at $20,051m, increased by 36.4% since the last reporting date, reflecting changes to warehouse funding arrangements and bond investments.

		Sep 26													
		Exposure values (by risk weight bands)					Exposure values (by regulatory approach)			RWA[2] (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**[1]	**20,051**	**1**	**-**	**-**	**-**	**7,725**	**12,327**	**-**	**1,406**	**1,867**	**-**	**112**	**150**	**-**
2	Traditional Securitisation	20,051	1	-	-	-	7,725	12,327	-	1,406	1,867	-	112	150	-
3	of which: Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	of which: Retail underlying	14,423	-	-	-	-	4,569	9,854	-	897	1,496	-	71	120	-
6	of which: Wholesale	5,628	1	-	-	-	3,156	2,473	-	509	371	-	41	30	-
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.

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

		Mar 26													
		Exposure values (by risk weight bands)					Exposure values (by regulatory approach)			RWA[2] (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[1]**	**14,700**	**2**	**-**	**-**	**-**	**3,817**	**10,885**	**-**	**663**	**1,647**	**-**	**53**	**132**	**-**
2	Traditional Securitisation	14,700	2	-	-	-	3,817	10,885	-	663	1,647	-	53	132	-
3	of which: Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	of which: Retail underlying	9,827	-	-	-	-	1,383	8,444	-	267	1,281	-	21	103	-
6	of which: Wholesale	4,873	2	-	-	-	2,434	2,441	-	396	366	-	32	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.

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

		Sep 25													
		Exposure values (by risk weight bands)					Exposure values (by regulatory approach)			RWA[2] (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**[1]	**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.

DIS50: Market risk

Market risk qualitative disclosures (APS 330 Attachment A, Tables 1 and 2)

Definition and scope

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

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

ANZ's strategic objectives for trading activities are centred on facilitating customer transactions and supporting market making. Trading activities are undertaken primarily to meet customer needs and manage the associated market risks.

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

ANZ has traded market risk exposures in the following business lines: Credit Trading, Commodities Trading, FX Options, Local Markets (emerging market FX and interest rate products), Currency & eFX, Interest Rate Options, Linear Rates, XVA Trading and Repo Trading.

Governance

The Board Risk Committee (BRC) supervises market risk, supported by the Executive Risk Committee (ERC). The ERC is responsible for the oversight and control of credit, market and material financial risks across the ANZ Group.

The Markets Risk function, independent of the business and present in all major dealing centres in Australia, New Zealand, Asia, Europe and America, designs and implements policies and procedures to keep market risk exposures within the risk appetite and limit framework set by the Board, measures and monitors those exposures, and maintains the ongoing effectiveness of the risk management framework.

Risk management and mitigation

Traded market risk is governed by the Trading Book Policy Statement and supporting procedures, which set requirements for the designation and ongoing eligibility of trading book positions and for the governance and approval of transfers between the trading and banking books, promote the proactive identification and communication of risk, and establish a comprehensive limit framework that controls all material market risks.

VaR and stress testing limits are supplemented by loss limits, which require a loss-making trading activity to be stopped and reviewed by senior management before trading resumes, and by detailed control limits (such as sensitivity, single-name and position limits) that control specific risks or products in line with desk activity.

Hedging and mitigation: Market risk arising from customer transactions is managed by hedging with offsetting positions in the interbank and exchange-traded markets, or by holding residual positions within approved limits. The residual risk of each portfolio after hedging is captured in daily VaR, sensitivity and stress testing measures and controlled through the limit framework. Markets Risk monitors the continuing effectiveness of hedges and mitigants through daily measurement of residual exposures against limits, daily P&L attribution, and back-testing.

Measurement, monitoring and reporting

The key tools used to measure and manage traded market risk daily are Value at Risk (VaR), sensitivity measures and stress tests.

Value at Risk: VaR is calculated using historical simulation at a 99% confidence level, with a 500-day observation period for standard VaR and a one-year stressed period for stressed VaR. Standard VaR uses 1-day and 10-day holding periods; stressed VaR uses a 10-day holding period. The VaR model captures all material market risk factors and all trading portfolios, except specific risk for interest rate, for which capital is calculated using the standard method.

Stress testing: Stress tests are applied daily to the Group trading portfolio and to individual trading portfolios. Standard stress tests measure the potential loss from the largest historical market movements observed since 2008 and from forward-looking hypothetical scenarios, over holding periods that reflect the relative liquidity of each product type. Results for plausible severe scenarios are also calculated daily.

Back-testing: Back-testing is performed daily, comparing 1-day 99% VaR with both actual and hypothetical profit and loss (P&L) to identify how often trading losses exceed VaR. Hypothetical P&L removes the impact of intraday trading and sales margins, and is the change in value of the prior day's portfolio between prior-day and current-day closing rates. Outliers are analysed to determine whether they result from trading decisions, systemic changes in market conditions or VaR model issues (historical data or calibration).

Reporting: Markets Risk reports daily VaR, key sensitivities and stress testing results to senior management in Markets Risk and the Markets business. Limit breaches are escalated to the appropriate discretion holder within Markets Risk and to Group Risk, and are reported to the ERC together with back-testing results. Market risk is also reported regularly to executive management and the Board.

Prudential valuation: ANZ measures a significant portion of its financial instruments, including the trading book, at fair value in accordance with Australian Accounting Standards and prudential standards.

ANZ's Valuation Control Framework (VCF) supports fair valuation in line with prudential requirements and defines roles and responsibilities for valuation governance. The Valuation Governance Group (VGG), comprising senior executives from Markets, Group Treasury, Enterprise Finance and Group Risk, oversees implementation of the VCF in Markets and Group Treasury, where most fair-valued financial instruments are held, and the design, validation and implementation of valuation methodologies in Markets.

Compliance with financial reporting and prudential requirements includes daily marking of positions to market or to model, with at least monthly independent price verification of Front Office market data inputs and parameters, and monitoring and applying valuation adjustments, including for independent price verification, bid-offer and mark-to-model.

The integrity of valuations is supported by oversight by the VGG and clear segregation of duties from Front Office in both Markets and Group Treasury: Markets Risk validates models implemented in revaluation systems, independently of model development; Middle Office manages the sourcing of market data; and Financial Control verifies observable rates or prices sourced from the Front Office and independently determines all valuation adjustments, with Markets Risk as a second line of defence.

Regulatory capital

APRA has approved ANZ to use the internal model approach (IMA) under APS 116 Capital Adequacy: Market Risk (APS 116) for general market risk. The IMA, using the single historical simulation VaR model described above, covers all trading book portfolios (the business lines listed above including the CVA market risk hedges managed by XVA Trading, but excluding the underlying CVA risk and eligible CVA credit hedges, which are capitalised separately under APS 180) and Suncorp Bank's market risk exposures. Specific risk for interest rate is capitalised using the APS 116 standard method, which covers all bonds with issuer-specific risk and any issuer-related derivatives, including credit default swaps (CDS).

ANZ's internal capital adequacy assessment is calibrated to ANZ's capital targets and risk appetite. Traded market risk is included through estimated stressed trading losses and projected market risk RWA for all portfolios within the scope of APS 116.

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

		Sep 26 $M	Mar 26 $M	Sep 25 $M
1	Interest rate risk	138	125	121
2	Equity position risk	-	-	-
3	Foreign exchange risk	-	-	-
4	Commodity risk	-	-	-
	Total	138	125	121
	Risk Weighted Assets equivalent[1]	1,720	1,558	1,518

[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

	99% 1 Day Value at Risk (VaR)	Six months ended Sep 26 Mean $M	Maximum $M	Minimum $M	Period end $M
1	Foreign Exchange[1]	3.0	6.1	1.7	1.7
2	Interest Rate	5.5	6.9	3.6	4.1
3	Credit	3.8	5.1	3.0	3.7
4	Commodity	7.3	9.6	5.2	7.2
5	Equity	-	-	-	-

	99% 10 Day Stressed VaR	Six months ended Sep 26 Mean $M	Maximum $M	Minimum $M	Period end $M
1	Foreign Exchange[1]	40.7	93.0	12.7	16.3
2	Interest Rate	89.4	120.7	68.1	94.5
3	Credit	38.3	50.4	27.2	38.6
4	Commodity	29.2	56.3	15.6	22.1
5	Equity	-	-	-	-

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

	99% 1 Day Value at Risk (VaR)	Six months ended Mar 26 Mean $M	Maximum $M	Minimum $M	Period end $M
1	Foreign Exchange[1]	3.7	5.6	1.9	3.6
2	Interest Rate	5.2	7.6	3.9	6.1
3	Credit	3.2	4.6	2.1	3.5
4	Commodity	8.7	13.3	6.2	6.8
5	Equity	-	-	-	-

	99% 10 Day Stressed VaR	Six months ended Mar 26 Mean $M	Maximum $M	Minimum $M	Period end $M
1	Foreign Exchange[1]	81.5	120.4	24.5	96.8
2	Interest Rate	73.8	110.9	42.4	93.8
3	Credit	30.1	46.1	18.9	38.0
4	Commodity	28.0	73.7	12.4	49.5
5	Equity	-	-	-	-

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

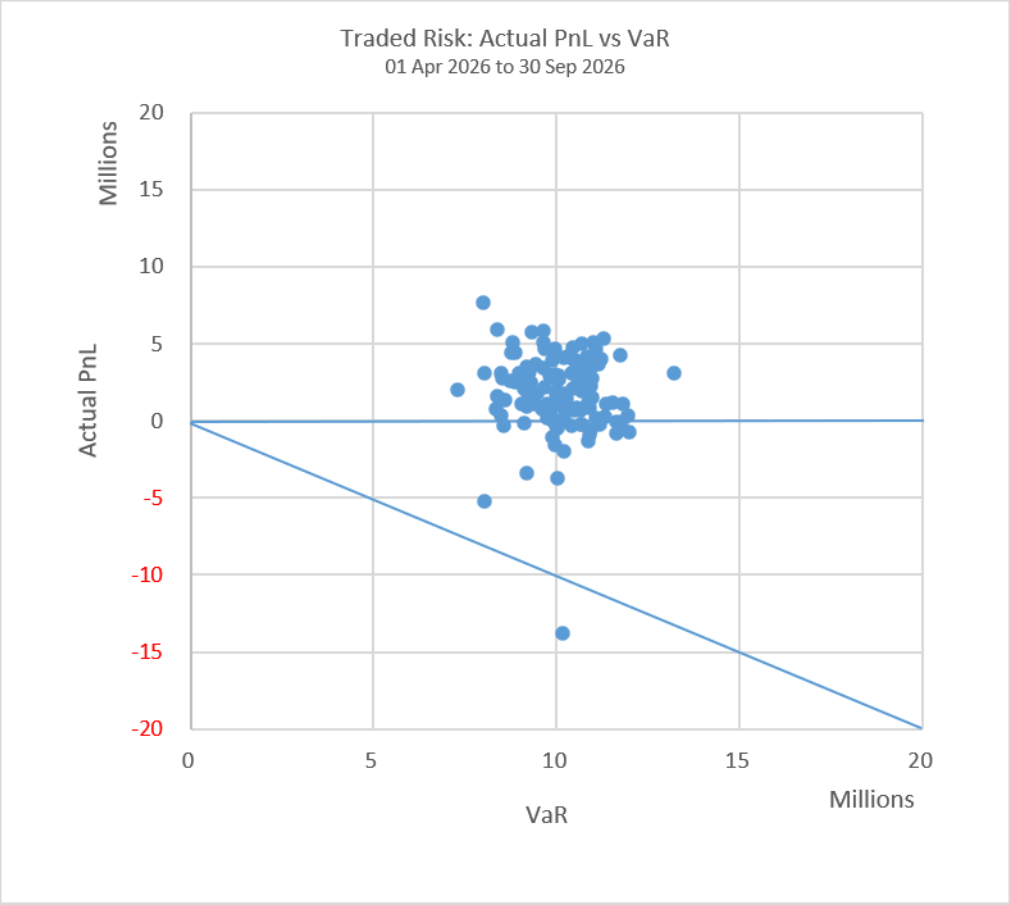
Table 2: Market risk – disclosures for ADIs using the internal models approach (IMA) for trading portfolios (continued)

	99% 1 Day Value at Risk (VaR)	Six months ended Sep 25			
		Mean	Maximum	Minimum	Period end
		$M	$M	$M	$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	-	-	-	-

	99% 10 Day Stressed VaR	Six months ended Sep 25			
		Mean	Maximum	Minimum	Period end
		$M	$M	$M	$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.

Comparison of VaR estimates with actual gains/losses experienced



DIS51: Credit valuation adjustment risk

CVAA: General qualitative disclosure requirements related to CVA

Definition and scope

Credit valuation adjustment (CVA) is an adjustment to the fair value of derivatives to reflect counterparty credit quality. ANZ's CVA model 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.

CVA risk is the risk of CVA mark-to-market losses arising from deterioration in counterparty creditworthiness on derivative transactions. Derivative transactions giving rise to CVA risk are identified and captured in the CVA calculation from trade inception.

Governance

ANZ's CVA limit framework comprises the limits and triggers on risk sensitivities, VaR metrics and losses described below. The framework is independently operated by Markets Risk and reviewed at least annually to ensure CVA exposure remains within the risk appetite approved by the Board.

Risk management and mitigation

CVA risk is centrally managed by a designated desk within Markets, which hedges CVA using credit derivatives (mainly credit indices), interest rate derivatives and foreign exchange derivatives to manage profit and loss (P&L) volatility. Daily and year-to-date loss triggers keep losses within acceptable limits.

Measurement, monitoring and reporting

Key risk sensitivities – CR01, DV01, basis DV01, cross-currency (XCCY) DV01, net present value (NPV) and vega – are measured and monitored daily against limits and triggers. VaR metrics (1-day VaR, 10-day VaR and stressed VaR) are also calculated to assess potential losses under various market conditions and are subject to their own limits and triggers.

Markets Risk monitors the continuing effectiveness of CVA hedges through daily review of CVA P&L. Residual exposures after hedging are monitored and reported daily against limits consistent with ANZ's traded market risk framework.

Regulatory capital

ANZ calculates its CVA risk capital charge using the CVA approach in Attachment A of APS 180, which reflects counterparty credit quality, exposure at default and effective maturity, and recognises eligible CVA hedges. ANZ does not use the simplified approach in Attachment A of APS 180, under which the CVA risk capital charge is set equal to the capital required for counterparty credit default risk.

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 (NFR) 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, system and/or data, or from external events. The Group's non-financial risk framework is organised into risk categories including financial crime and fraud risk, conduct risk, compliance risk, operational risk & resilience, technology risk, data risk, information security & cyber risk but excluding strategic and reputational risks. These risks may arise individually or in combination and may result in financial loss, regulatory action, reputational harm or disruption to the Group's operations, adversely affecting the Group's position.

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

The NFR framework is in place to provide a consistent way to identify, assess, remediate, monitor and report on all non-financial risks of the bank, including how it is meeting its regulatory obligations.

ANZ Group seeks to minimise and mitigate NFR by appropriately identifying, acting upon and monitoring those risks in accordance with the relevant policies and procedures.

The NFR Hub is the central system for capturing, assessing and monitoring non-financial risks and relevant obligations. Risks, issues, events and regulatory impacts are rated using the ANZ NFR Rating Matrix, with higher ratings driving increased governance and oversight.

The NFR framework aligns with ANZ's Group Risk Appetite Statement (RAS), the Group Risk Management Strategy (RMS) and supports ANZ to meet the requirements of APS 115 Capital Adequacy: Standardised Measurement Approach to Operational Risk (APS 115) and CPS230 Operational Risk Management Prudential Standards.

ANZ continues to enhance non-financial risk management through its People, Accountability, Customers and Trust (PACT) program and associated enterprise-wide uplift initiatives. These activities support ongoing cultural and business transformation focused on consistently running the business well, reliably delivering for customers, strengthening accountability and governance, and improving the management of non-financial risks across the Group.

Suncorp Bank is a standardised ADI with Operational Risk RWA calculated based on APS 115. Suncorp Bank has its own Risk Management Framework, Risk Management Strategy, Risk Appetite Statement and supporting suite of policies and procedures to manage NFR.

(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 **first line** of defence comprises ANZ's divisions and enablement functions and includes Risk Owners and Control Owners, who are accountable for the end-to-end ownership and management of risks and controls arising from their activities. Their accountabilities include:

- Identifying, assessing and managing risks and obligations within approved risk appetite as part of day-to-day operations as required by risk frameworks, policies and standards
- Designing, implementing and operating effective controls to manage identified risks and obligations
- Embedding risk and control considerations into business decision making, delivery and change activity
- Monitoring and reporting on risk profiles, emerging risks and control effectiveness
- Escalating risk issues and events and implementing remediation actions in a timely manner.

ANZ's Group Risk function operates as the **second line** of defence, under the accountability of the Group Chief Risk Officer (CRO), to support the Board, Board Risk Committee and senior management in maintaining an effective risk management framework. Accountabilities include:

- Supporting the Board in setting risk appetite (including metrics) and providing independent oversight of performance against appetite
- Leveraging risk expertise to establish and maintain risk and compliance management frameworks, policies and standards and provide expert advice and guidance on their application
- Monitoring adherence to the RMF and providing expert advice, independent review, challenge and assurance over first line risk management, including key risk decisions, assessments and remediation
- Escalating to the Board and relevant governance forums matters that may materially affect ANZ's risk profile and supporting the embedment of effective risk management practices while reinforcing first line ownership of risk.

Internal Audit forms the **third line** of defence and provides independent and objective assurance to senior management and the Board on the effectiveness of ANZ's risk management framework, governance arrangements and control environment. Accountabilities include:

- Evaluating the adequacy and effectiveness of governance, risk management and controls across first line and second line.
- Providing independent and objective assurance on the adequacy and effectiveness of the Risk Management Framework and governance, risk management and control environment.

Together, the three lines of defence support a strong risk culture where risk is everyone's responsibility, decision-making is informed by risk considerations, and the Board and senior management have confidence that material risks are clearly identified, appropriately managed, independently overseen and effectively escalated across ANZ.

(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 Standardised Measurement Approach (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 as the authoritative source for risk, controls, obligations and events information across the bank. The Executive Risk Committee (ERC) provides executive-level oversight through an integrated enterprise-wide view of risk, clear escalation pathways, and alignment between management and Board Risk Committee oversight for material and emerging risks and elevated matters. The ERC monitors risk management at an enterprise level and takes appropriate action to manage risks within risk appetite, escalating to the Board Risk Committee (BRC) where required.

(e) Risk mitigation and transfer

In pursuing its strategic ambitions and objectives, ANZ continues to identify, monitor and manage non-financial risk exposures. It recognises its responsibility to provide customers and the broader community with reliable access to products and services. Accordingly, ANZ sets tight disruption tolerances for critical operations and services, carefully selects and regularly monitors material service providers, and applies strong governance to strategic programs to support safe and effective change.

ANZ accepts that some non-financial risk and controlled disruption in non-critical areas are necessary to enable innovation, efficiency and growth. It maintains a robust control environment to identify issues early and recover quickly.

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 maintains business continuity, service recovery and crisis management plans to help the Group respond to and recover from non-financial risk disruptions. Business continuity and recovery plans are designed to maintain or restore services within agreed timeframes, with response and recovery actions proportionate to the criticality of the affected service. Crisis management plans complement these arrangements by providing escalation thresholds, governance structures and coordinated response mechanisms for significant events that have broader impacts across businesses or operations including impacting ANZ customers. They also identify when specialist functions should be engaged and establish clear roles, responsibilities and decision-making accountabilities. All plans are regularly tested to support ongoing preparedness.

OR1: Historical losses

The table below presents the annual aggregated operational losses[1] incurred over the past 10 years[2]. 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 26	Sep 25	Sep 24	Sep 23	Sep 22	Sep 21	Sep 20	Sep 19	Sep 18	Sep 17	Ten-year average
Using $30,000 threshold												
1	Total amount of operational losses net of recoveries (no exclusions) ($M)	285	473	118	188	165	177	354	342	460	458	302
2	Total number of operational risk losses	538	506	449	537	505	520	533	527	417	593	513
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)	285	473	118	188	165	177	354	342	460	458	302
Using $150,000 threshold												
6	Total amount of operational losses net of recoveries (no exclusions) ($M)	265	452	105	160	151	162	339	316	445	430	283
7	Total number of operational risk losses	166	185	143	164	169	188	196	198	135	166	171
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)	265	452	105	160	151	162	339	316	445	430	283
Details of operational risk capital calculation												
11	Are losses used to calculate the ILM (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 losses disclosed in the table are actual losses incurred by the bank due to inadequate or failed internal processes, people or systems, or external events.

[2] The September 2025 reporting period includes the settlement agreed with ASIC for civil penalties of $240m, subject to Federal Court approval. The September 2026 reporting period includes an additional $10m penalty imposed by the Federal Court in December 2025, increasing the total penalties to $250m

OR2: Business indicator and subcomponent

The table below presents the business indicator (BI) and its subcomponents used to calculate the Group's operational risk regulatory capital and RWA under APS 115 for the period from 31 December 2025 to 30 September 2026. It includes Suncorp Bank.

		Sep 25	Sep 24	Sep 23
	Business Indicators (BI) and their subcomponents	**$M**	**$M**	**$M**
1	Interest, lease and dividend component[1 2]	17,560		
1a	Interest and lease income	63,960	64,139	53,000
1b	Interest and lease expense	46,308	47,248	35,307
1c	Interest earning assets	1,032,147	984,582	914,206
1d	Dividend income	262	103	78
2	Services component[1 3]	3,291		
2a	Fee and commission income	2,781	2,887	2,888
2b	Fee and commission expense	1,098	1,170	1,172
2c	Other operating income	293	452	331
2d	Other operating expense	543	379	395
3	Financial component[1 4]	1,949		
3a	Net P&L on the trading book	1,566	1,904	1,514
3b	Net P&L on the banking book	782	41	40
4	BI[1 5]	22,800		
5	Business indicator component (BIC)[6]	3,375		
	Disclosure on the BI:			
6a	BI gross of excluded divested activities	22,800		
6b	Reduction in BI due to excluded divested activities	-		

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 2023, September 2024 and September 2025 informs the operational risk capital and RWA for the period from December 2025 to September 2026.

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 is calculated as the business indicator multiplied by 12%, plus 3% of the amount by which the business indicator exceeds $1.5 billion.

OR3: Minimum required operational risk capital

The following table presents the operational risk capital regulatory requirements.

		Sep 26 $M	Sep 25 $M
1	Business indicator component (BIC)	3,375	3,302
2	Internal loss multiplier (ILM)[1]	1	1
2a	Other regulatory capital charges[2]	1,023	1,000
3	Minimum required operational risk capital (ORC)[3]	4,398	4,302
4	Operational risk RWA[4]	54,977	53,773

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

2 Other regulatory capital charges comprise the existing $1 billion operational risk capital overlay applied by APRA, as well as the $23 million operational risk capital uplift arising from ANZ's acquisition of Worldline S.A.'s 51% interest in ANZ Worldline, completed on 31 July 2026.

3 Minimum required operational risk capital is calculated as the business indicator component 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 and scope

Interest rate risk in the banking book (IRRBB) is the potential adverse impact of changes in market interest rates on ANZ's future earnings or economic value. It generally arises from mismatches in the repricing characteristics of assets, liabilities and hedges not held for trading, as changes in interest rates and spreads can cause volatility in both earnings and economic value.

Governance

The Board Risk Committee (BRC) sets the risk appetite for IRRBB and has delegated authority to the Group Asset and Liability Committee (GALCO) to manage the equity and deposit portfolios and to oversee the interest rate risk arising from the repricing of banking book assets and liabilities (mismatch risk). GALCO has delegated the management of mismatch risk to the Markets business.

Markets Risk, as the independent risk oversight function, designs and implements policies and procedures to keep IRRBB exposure within the limit framework set by the BRC, measures and monitors IRRBB exposure and compliance with limits and policies, and ensures the ongoing effectiveness of IRRBB risk management, consistent with the ANZ Risk Management Framework.

ANZ Internal Audit provides independent assurance by reviewing the IRRBB risk management framework in accordance with APS 117 Capital Adequacy: Interest Rate Risk in the Banking Book (APS 117).

Model governance: In line with the ANZ Model Policy, all models used for APS 117 have Model Owner Documentation setting out their purpose, scope and major assumptions, and are independently validated and regularly re-validated, with identified deficiencies tracked to resolution. The Market Risk Model Oversight Committee (MRMOC) considers proposed model and assumption changes before they are implemented.

Risk management and mitigation

ANZ actively manages IRRBB within the BRC-approved risk appetite, balancing earnings, economic value and capital outcomes, with delegations for each risk appetite measure. A Funds Transfer Pricing (FTP) framework transfers interest rate risk from business units to the Markets business, which manages the centralised risk in each location through natural matching of assets and liabilities and hedging with balance sheet and derivative instruments. Each of the Group's geographic operations manages its domestic IRRBB in accordance with local and Group policies.

ANZ performs regular back-testing to assess the accuracy and reliability of model assumptions and risk estimates. Key IRRBB assumptions are reviewed periodically and when significant changes in market conditions occur.

Hedge accounting is managed at Group level in accordance with AASB 139 Financial Instruments: Recognition and Measurement (ASB 139). Items are designated in fair value, cash flow or net investment hedge relationships to minimise profit and loss volatility by matching movements in underlying positions with the relevant hedges.

Measurement, monitoring and reporting

ANZ uses the following principal techniques to quantify, manage and monitor IRRBB against limits and triggers on a daily basis:

- Interest rate sensitivity – the estimated change in the economic value of the banking book from a 1 basis point move in a specific part of the yield curve.
- Earnings at Risk (EaR) – the estimated income at risk from interest rate movements over a given holding period, at a 97.5% confidence level.
- Value at Risk (VaR) – the estimated impact of interest rate changes on the market value of the banking book, at a 99% confidence level over a 1-day holding period.
- Market value loss limits – to mitigate the potential for embedded losses in the banking book.
- Stress testing – standard, extraordinary, forward-looking and behavioural tests (described below).

IRRBB calculations require assumptions about the repricing term of exposures without a contractual repricing date, such as deposits with no set maturity and prepayments. Changes to these assumptions require GALCO approval.

Net interest income (NII) sensitivity: NII sensitivity is calculated monthly for the banking book on a pre-tax basis, projecting interest income over 12 months (including customer margins, excluding fees and commissions) under a constant balance sheet with no product migration and no management actions. Product margins are held constant, new volumes reprice at the average repricing term of existing products, and rate-insensitive products are excluded. Immediate interest rate shocks prescribed by APRA are applied, together with additional parallel shocks. The measure is not a projection of ANZ's expected future earnings under any interest rate scenario.

Economic value of equity (EVE): The change in EVE is calculated daily for the banking book and the augmented banking book (the banking book together with an earnings offset representing its total value, notionally modelled as a rolling 12-month portfolio), using internal FTP rates that exclude customer margins and spreads, under immediate interest rate shocks prescribed by APRA and a range of internally generated shocks. Fixed-rate repricing balances include the shorter and longer prepayment and drawdown assumptions set out in APS 117, to allow for customer payments that differ from expected repricing characteristics.

Core deposits: The repricing maturity of core deposits is capped at 5 years in accordance with APS 117. The permitted stable core portion is based on analysis of customer behaviour over the past 8 years for products identified as insensitive to market rates. As at 30 September 2026, the average repricing maturity of core deposits was 2.5 years and the longest was 5 years.

Stress testing: Stress tests identify potential vulnerabilities not captured by VaR. Standard stress tests combine statistically derived parallel shocks, twists and bends based on historical yield curve movements at high confidence levels, and report the single worst scenario. Extraordinary stress tests apply interest rate moves from historical stress periods and potential future scenarios, including behavioural and repricing term assumption stresses, and report the worst theoretical loss over the selected period.

Reporting: Markets Risk analyses VaR, EaR and stress testing outputs daily. Compliance with the risk appetite and limit framework is reported to the Executive Risk Committee (ERC), GALCO and the BRC on an ongoing basis.

Regulatory capital

APRA has approved ANZ to use the internal model approach (IMA) under APS 117 for IRRBB. Suncorp Bank's IRRBB exposures are capitalised by ANZ using ANZ's IMA under APS 117.

The revised APS 117 took effect on 1 October 2025, and the year ended 30 September 2026 is the first full financial year under the revised standard. IRRBB regulatory capital as at 30 September 2026 is calculated under the revised standard, while comparatives as at 30 September 2025 reflect the previous standard.

IRRBB1: Quantitative information on IRRBB

The table below shows the impact on the Bank's economic value of equity (EVE) and net interest income (NII) to movements in interest rates based on the prescribed interest rate scenarios.

		ΔEVE		ΔNII	
		Sep 26	**Mar 26**	**Sep 26**	**Mar 26**
		$M	**$M**	**$M**	**$M**
1	Parallel up	(2,414)	(2,349)	(271)	(337)
2	Parallel down	2,969	2,928	254	525
3	Steepener	287	347		
4	Flattener	(733)	(779)		
5	Short rate up	(1,719)	(1,734)		
6	Short rate down	1,736	1,742		
7	**Maximum**	**(2,414)**	**(2,349)**	**(271)**	**(337)**

		Sep 26	**Mar 26**
8	**Tier 1 capital**	**64,067**	64,747
8a	**IRRBB regulatory RWA**	**44,311**	33,378

IRRBB RWA increase of $10.9 billion over the September 2026 half was mainly driven by increases in interest rates impacting Embedded Loss and a temporary impact from replicating portfolio hedging proactively undertaken in advance to secure future earnings.

DIS75: Macroprudential supervisory measures

GSIB1: Disclosure of G-SIB indicators

Every year, a sample of international banks must provide information to the Basel Committee for Banking Supervision (BCBS) for assessment against a set of indicators that identify potential Global Systemically Important Banks (G-SIBs). Banks above a cut-off score are identified as G-SIBs and are subject to higher loss absorbency (HLA) capital requirement and G-SIB Pillar 3 disclosures.

No Australian bank has been classified as a G-SIB, however Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia, National Australia Bank Limited and Westpac Banking Corporation Limited have been designated as Domestic Systemically Important Banks (D-SIB) by APRA and are required to hold an additional 1% HLA buffer and to publish their G-SIB indicators annually using the ADI's financial year-end data. ANZ's most recent reporting date was 30 September 2025. The table below shows the thirteen indicators that are used to identify potential G-SIBs as required in APS 330, using information as at 30 September 2025.

More information can be found at website: www.bis.org/bcbs/gsib/.

Prior period reports can be found at website: www.anz.com/shareholder/centre/reporting/regulatory-disclosure/

	Category	Individual indicator	Sep 25 $M
1	Cross-jurisdictional activity	Cross-jurisdictional claims	417,873
2		Cross-jurisdictional liabilities	228,303
3	Size	Total exposures	1,420,272
4	Interconnectedness	Intra-financial system assets	153,383
5		Intra-financial system liabilities	184,972
6		Securities outstanding	358,183
7	Substitutability/ Financial institution infrastructure	Assets under custody	6,870
8		Payment activity	100,877,821
9		Underwritten transactions in debt and equity markets	73,256
10		Trading Volume	714,771
11	Complexity	Notional amount of over-the-counter derivatives	14,244,685
12		Level 3 assets	1,226
13		Trading and available for sale securities	19,024

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.

	Sep 26			
	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%	236,077		
France	1.00%	1,616		
Germany	0.75%	1,691		
Hong Kong	0.50%	4,114		
Luxembourg	0.50%	1,107		
Netherlands	2.00%	633		
Norway	2.50%	458		
Sweden	2.00%	320		
United Kingdom	2.00%	5,983		
Belgium	1.25%	88		
Denmark	2.50%	220		
Ireland	1.50%	89		
South Korea	1.00%	1,788		
South Africa	1.00%	40		
Spain	0.50%	229		
Sum		**254,453**		
Total		**352,008**	**0.7367%**	**3,580**

	Mar 26			
	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%	223,978		
France	1.00%	1,912		
Germany	0.75%	1,832		
Hong Kong	0.50%	3,738		
Luxembourg	0.50%	1,122		
Netherlands	2.00%	624		
Norway	2.50%	488		
Sweden	2.00%	388		
United Kingdom	2.00%	5,190		
Belgium	1.00%	53		
Denmark	2.50%	300		
Ireland	1.50%	45		
South Korea	1.00%	1,897		
South Africa	1.00%	49		
Spain	0.50%	238		
Sum		**241,854**		
Total		**340,552**	**0.7231%**	**3,355**

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

	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
Geographical breakdown	**%**	**$M**	**%**	**$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**

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 APS 110.

The leverage ratio exposure measure materially differs from total consolidated balance 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 26	Mar 26	Sep 25
		$M	$M	$M
1	**Total consolidated assets as per published financial statements**	**1,365,349**	**1,314,328**	**1,297,671**
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(247)	(311)	(308)
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	(7,620)	(4,671)	(5,398)
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	4,223	1,055	14,223
9	Adjustment for securities financing transactions (i.e. repurchase agreements and similar secured lending)	(4,372)	(1,715)	1,078
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	137,980	129,837	131,430
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-	-	-
12	Other adjustments	(13,622)	(13,571)	(13,854)
13	**Leverage ratio exposure measure**	**1,481,691**	**1,424,952**	**1,424,842**

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 2026, the Group's Leverage Ratio of 4.3% was above the 3.5% minimum requirement. Table LR1 summarises the reconciliation of accounting assets and leverage ratio exposure measure at 30 September 2026 and Table LR2 below shows the Group's Leverage Ratio calculation as at 30 September 2026.

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 26 $M	Jun 26 $M	Mar 26 $M
On-balance sheet exposures				
1	On-balance sheet exposures (excl. derivatives and securities financing transactions (SFTs), but incl. collateral)	1,199,042	1,175,635	1,155,484
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	8,042	7,634	8,106
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	(5,838)	(6,480)	(6,196)
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)	(14,105)	(13,913)	(14,055)
7	**Total on-balance sheet exposures** (excluding derivatives and SFTs)	**1,187,141**	**1,162,876**	**1,143,339**
Derivative exposures				
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin, with bilateral netting and/or the specific treatment for client cleared derivatives)	22,316	26,759	27,060
9	Add-on amounts for potential future exposure associated with *all* derivatives transactions	38,069	38,622	39,856
10	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)	-	-	-
11	Adjusted effective notional amount of written credit derivatives	12,628	28,639	24,089
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(12,533)	(28,340)	(23,949)
13	**Total derivative exposures (sum of rows 8 to 12)**	**60,480**	**65,680**	**67,056**
Securities financing transaction exposures				
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	97,667	93,742	86,602
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(3,023)	(2,751)	(2,942)
16	Counterparty credit risk exposure for SFT assets	1,445	1,329	1,060
17	Agent transaction exposures	-	-	-
18	**Total securities financing transaction exposures (sum of rows 14 to 17)**	**96,089**	**92,320**	**84,720**
Other off-balance sheet exposures				
19	Off-balance sheet exposure at gross notional amount	292,951	287,179	283,866
20	(Adjustments for conversion to credit equivalent amounts)	(154,074)	(151,364)	(153,149)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	(896)	(891)	(880)
22	**Off-balance sheet items (sum of rows 19 to 21)**	**137,981**	**134,924**	**129,837**
Capital and total exposures				
23	**Tier 1 capital**	**64,067**	**65,135**	**64,747**
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**1,481,691**	**1,455,800**	**1,424,952**
Leverage ratio				
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**4.3%**	**4.5%**	**4.5%**
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	**4.3%**	**4.5%**	**4.5%**
26	**National minimum leverage ratio requirement**	**3.5%**	**3.5%**	**3.5%**
27	**Applicable leverage buffers**	**0.8%**	**1.0%**	**1.0%**
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	**94,644**	**90,991**	**83,660**
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	**100,164**	**101,550**	**85,985**
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)	**1,481,691**	**1,455,800**	**1,424,952**
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)	**1,481,691**	**1,455,800**	**1,424,952**
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)	**4.3%**	**4.5%**	**4.5%**
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)	**4.3%**	**4.5%**	**4.5%**

DIS85: Liquidity

Liquidity risk overview, management and control responsibilities

Liquidity risk is the risk that the Group is unable to meet its payment obligations as they fall due, including repaying depositors or maturing wholesale debt, or that the Group has insufficient capacity to fund increases in assets. The timing mismatch of cash flows and the related liquidity risk is inherent in all banking operations. This risk is closely monitored by the Group and managed in accordance with the risk appetite set by the relevant Boards that includes:

- maintaining the ability to meet all payment obligations in the immediate term;
- ensuring the Group has adequate liquidity to meet short to medium term cash flow requirements under ANZ-specific and market-wide liquidity stress scenarios at both country and Group levels;
- 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 aligns with local regulatory requirements;
- 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 and credible contingency plans to manage a variety of liquidity crisis events.

The Group operates under a non-operating holding company (NOHC) 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 its balance sheet; and
- ANZ Non-Bank Group is not expected to have separate funding arrangements and will rely on ANZGHL for funding.

ANZBGL Group's approach to liquidity risk management incorporates two key components:

Scenario modelling of funding sources

The Group's liquidity risk appetite is defined by the ability to meet a range of regulatory requirements 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, the Net Stable Funding Ratio (NSFR), a longer-term structural liquidity measure (both of which are mandated by banking regulators including APRA) and internally developed liquidity scenarios for stress testing purposes.

Liquid assets

The Group holds a portfolio of high-quality unencumbered liquid assets in order to protect its liquidity position in a severely stressed environment, as well as to meet regulatory requirements. High-Quality Liquid Assets comprise three categories, with the definitions consistent with Basel III LCR requirements:

- Highest-quality liquid assets (HQLA1): Cash, 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 listed by the RBNZ not already included in HQLA1 and HQLA2.

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 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 liquidity limits early warning indicators	monitor and review management actions not requiring business rationalisation	activate contingency funding plans management actions for altering asset and liability behaviour
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, the plans are designed to be flexible to the nature and severity of the stress event with multiple variables able to be accommodated.

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 financial plan prepared annually annual funding plan as part of the ANZBGL Group's planning process forecasting in light of actual results as a calibration to the annual plan	customer balance sheet growth changes in wholesale funding including: target funding volumes; markets; investors; tenors; and currencies for senior, secured, subordinated, and market conditions liquidity stress testing

LIQ1: Liquidity coverage ratio (LCR)

The Group's average[1] LCR increased 1.1% from 131.1% for the 3 months 30 June 2026 to 132.2% for the 3 months to 30 September 2026 with total liquid assets exceeding net cash outflows by an average of $75.1 billion.

Through the period the LCR has remained within the range 127.5% to 141.7%. The liquid asset portfolio was made up of on average 34% ($103.1 billion) cash and central bank reserves and 61% ($185.0 billion) HQLA1 securities, with the remaining mainly consisting of HQLA2 securities.

As per APRA's requirements, liquid assets beyond the regulatory minimum are not included in the consolidated Group position where they are deemed non-transferable between geographies. This applies to some 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 calculating LCR for various geographies and currencies. 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)

		Sep 26		Jun 26	
		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)		**304,563**		**304,335**
1b	Alternative liquid assets (ALA)		**-**		**-**
1c	Reserve Bank of New Zealand (RBNZ) securities		**3,970**		**2,636**
	Cash outflows				
2	**Retail deposits and deposits from small business customers**	**332,017**	**31,588**	**330,960**	**31,589**
3	of which: Stable deposits	181,409	9,070	181,073	9,054
4	of which: Less stable deposits	150,608	22,518	149,887	22,535
5	**Unsecured wholesale funding**	**334,569**	**183,499**	**330,641**	**183,662**
6	of which: Operational deposits (all counterparties) and deposits in networks of cooperative banks	109,710	26,625	106,474	25,811
7	of which: Non-operational deposits (all counterparties)	212,503	144,518	210,993	144,677
8	of which: Unsecured debt	12,356	12,356	13,174	13,174
9	**Secured wholesale funding**		**647**		**1,236**
10	**Additional requirements**	**203,119**	**60,951**	**202,791**	**63,930**
11	of which: Outflows related to derivative exposures and other collateral requirements	36,647	36,171	40,596	40,098
12	of which: Outflows related to loss of funding on debt products	-	-	-	-
13	of which: Credit and liquidity facilities	166,472	24,780	162,195	23,832
14	**Other contractual funding obligations**	**9,002**	**503**	**10,805**	**639**
15	**Other contingent funding obligations**	**129,652**	**8,980**	**133,547**	**9,447**
16	**Total Cash Outflows**		**286,168**		**290,503**
	Cash inflows				
17	Secured lending (e.g. reverse repos)	58,138	752	53,826	690
18	Inflows from fully performing exposures	31,453	22,953	34,921	24,755
19	Other cash inflows	29,046	29,046	30,936	30,936
20	**Total Cash Inflows**	**118,637**	**52,751**	**119,683**	**56,381**
			Total adjusted value		**Total adjusted value**
21	**Total HQLA**		308,533		306,971
22	**Total net cash outflows**		233,417		234,122
23	**Liquidity Coverage Ratio (%)**		**132.2%**		**131.1%**

LIQ2: Net stable funding ratio (NSFR)

The Group's NSFR has increased 3.1% over the quarter from 113.3% as at 30 June 2026 to 116.4% as at 30 September 2026.

The main sources of Available Stable Funding (ASF) at 30 September 2026 were deposits from Retail and SME customers, at 49%, with other wholesale funding at 29% and capital at 14% of the total ASF.

The majority of ANZ's Required Stable Funding (RSF) at 30 September 2026 was driven by mortgages at 50% and other lending to non-FI customers at 29% of the total RSF.

		Sep 26				
		Unweighted value by residual maturity				Weighted value
		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:**	**71,405**	**-**	**-**	**36,990**	**108,395**
2	Regulatory capital	71,405	-	-	36,990	108,395
3	Other capital instruments	-	-	-	-	-
4	**Retail deposits and deposits from small business customers:**	**273,172**	**137,605**	**331**	**46**	**380,694**
5	Stable deposits	153,960	59,109	-	-	202,415
6	Less stable deposits	119,212	78,496	331	46	178,279
7	**Wholesale funding:**	**188,306**	**390,932**	**61,874**	**91,915**	**279,895**
8	Operational deposits	109,289	-	-	-	54,644
9	Other wholesale funding	79,017	390,932	61,874	91,915	225,251
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	**Other liabilities:**	**40,904**	**9,197**	**328**	**3,040**	**3,203**
12	NSFR derivative liabilities		9,197	-	-	
13	All other liabilities and equity not included in the above categories	40,904	-	328	3,040	3,203
14	**Total ASF**					**772,187**
Required stable funding (RSF) item						
15a	Total NSFR high-quality liquid assets (HQLA)					14,490
15b	Alternative liquid assets (ALA)					-
15c	Reserve Bank of New Zealand (RBNZ) securities					-
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	**Performing loans and securities:**	**11,895**	**186,115**	**47,955**	**698,499**	**594,128**
18	Performing loans to financial institutions secured by Level 1 HQLA	-	87,717	304	-	8,924
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	828	36,994	11,012	41,023	52,906
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:	10,862	52,409	31,908	169,496	191,960
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	492	1,851	698	17,062	12,684
22	Performing residential mortgages, of which:	-	4,432	4,232	473,848	332,979
23	Standard loans to individuals with a LVR of 80% or below	-	3,614	3,496	394,988	265,061
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	205	4,563	499	14,132	7,359
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	**Other assets:**	**39,474**	**36,653**	**292**	**7,521**	**44,823**
27	Physical traded commodities, including gold	4,688				3,984
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties		5,585	-	-	4,747
29	NSFR derivative assets		14,764	-	-	5,567
30	NSFR derivative liabilities before deduction of variation margin posted		15,498	-	-	3,100
31	All other assets not included in the above categories	34,786	806	292	7,521	27,425
32	Off-balance sheet items		-	-	228,501	9,780
33	**Total RSF**					**663,221**
34	**Net Stable Funding Ratio (%)**					**116.4%**

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

		Jun 26				
		Unweighted value by residual maturity				Weighted value
		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:**	**73,007**	**-**	**-**	**36,751**	**109,757**
2	Regulatory capital	73,007	-	-	36,751	109,757
3	Other capital instruments	-	-	-	-	-
4	**Retail deposits and deposits from small business customers:**	**269,421**	**135,698**	**11**	**-**	**375,119**
5	Stable deposits	151,943	58,085	-	-	199,527
6	Less stable deposits	117,478	77,613	11	-	175,592
7	**Wholesale funding:**	**188,954**	**388,478**	**57,184**	**87,970**	**260,245**
8	Operational deposits	108,847	-	-	-	54,423
9	Other wholesale funding	80,107	388,478	57,184	87,970	205,822
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	**Other liabilities:**	**38,853**	**8,803**	**360**	**2,990**	**3,170**
12	NSFR derivative liabilities		8,803	-	-	
13	All other liabilities and equity not included in the above categories	38,853	-	360	2,990	3,170
14	**Total ASF**					**748,291**
Required stable funding (RSF) item						
15a	Total NSFR high-quality liquid assets (HQLA)					14,383
15b	Alternative liquid assets (ALA)					-
15c	Reserve Bank of New Zealand (RBNZ) securities					808
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	**Performing loans and securities:**	**11,738**	**188,680**	**43,219**	**691,315**	**585,782**
18	Performing loans to financial institutions secured by Level 1 HQLA	-	89,844	304	-	9,136
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	738	35,605	10,769	39,018	50,481
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:	10,698	55,337	26,262	166,271	187,690
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	236	2,636	685	17,487	13,181
22	Performing residential mortgages, of which:	-	3,885	4,374	475,083	332,316
23	Standard loans to individuals with a LVR of 80% or below	-	3,097	3,668	396,665	264,914
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	302	4,009	1,510	10,943	6,159
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	**Other assets:**	**40,218**	**43,722**	**330**	**7,005**	**49,470**
27	Physical traded commodities, including gold	**4,557**				3,873
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties		6,031	-	-	5,126
29	NSFR derivative assets		18,861	-	-	10,057
30	NSFR derivative liabilities before deduction of variation margin posted		18,092	-	-	3,618
31	All other assets not included in the above categories	35,661	738	330	7,005	26,796
32	Off-balance sheet items		-	-	232,396	10,052
33	**Total RSF**					**660,495**
34	**Net Stable Funding Ratio (%)**					**113.3%**

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.

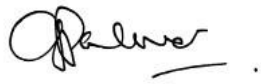
The APS 330 Delegate is responsible for reviewing and recommending disclosures for approval prior to lodgement and publication each quarter.

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, Christine Palmer, 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 2026, have been prepared in accordance with ANZ's Public Disclosure of Prudential Information Policy in all material respects.



Christine Palmer
Group Chief Risk Officer

9 November 2026

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 Row 15 Rows 25, 27-28	Equity Settlement risk Amounts below the thresholds for deduction subject to 250% risk weight and floor adjustment before/ after application of transitional cap	Removed Removed Removed	A capital deduction with no related RWA amounts Low materiality- standardised approach (SA) 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 Rows 80-85	National-specific regulatory adjustments in Common Equity Tier 1 and Tier 2 capital Phase-out arrangements 2018-2022,	Disclosed Removed	Provides sufficient details and clarity on relevant specific adjustments. 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.

Chapter	Template	Name	Row/ Column in BCBS template	Details	Modification	Rationale
DIS40: Credit risk	**CR4** **CR5**	Standardised approach: • Credit risk exposure and credit risk mitigation (CRM) • Exposures by asset classes and risk weights	Row 10	Defaulted exposures	Removed	Incorporated into the respective asset classes, providing further consistency with other tables.
	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	3.5 years of history will be included for Corporates asset class as at September 2026	A minimum period of 5 years is required per the BCBS instructions for this column. 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. The Corporates asset class allocation between AIRB and FIRB approaches has been reflected for the period post Capital Reforms (3.5 years as at September 2026). As time passes, additional historical data will become available (e.g., 4.5 years by September 2027) and will be incorporated in future disclosures.
DIS42: Counterparty credit risk	**CCR3**	Standardised approach- CCR exposure		Column "greater than 150%"	Added	Provides more meaningful details than using the "other" column.

Chapter	Template	Name	Row/ Column in BCBS template	Details	Modification	Rationale
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.
DIS70: Interest rate risk in the banking book	**IRRBB1**	Quantitative information on IRRBB	Table replacement	APRA's new requirement for APS 117 took effect from 1 October 2025.	ANZ implemented the new disclosure requirements.	APRA's new requirement for APS 117 took effect from 1 October 2025.
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
Kingfisher Trust 2026-1	Securitisation Trust
Kingfisher Trust 2026-2	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	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.
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	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: 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, 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

The material in this report should be considered together with other information published by ANZ. It is not intended to be and should not be relied upon as financial advice to investors or potential investors, and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

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 'guidance', '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 in isolation 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. To the maximum extent permitted by law, the ANZ Group makes no assurance, guarantee or warranty (express or implied) that the forward-looking statements will be realised.

The forward-looking statements or opinions only speak as at the date of publication, and no representation is made as to their correctness after this date. Unless required by law, no member of the Group undertakes to publicly release the result of any revisions to these statements to reflect events or circumstances after this date.



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