

Liquidity	Half Year Average			Movement	
	Mar 24	Sep 23	Mar 23	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Total liquid assets (\$B)	281.7	270.8	265.9	4%	6%
Liquidity Coverage Ratio (%)	134%	132%	128%	2%	6%

The Group holds a portfolio of high quality unencumbered liquid assets in order to protect the Group's 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 3 Liquidity Coverage Ratio (LCR):

- 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 Reserve Bank of New Zealand (RBNZ).

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 Board. The LCR remained above the regulatory minimum thresholds throughout this period.

Funding	As at			Movement	
	Mar 24 \$B	Sep 23 \$B	Mar 23 \$B	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Total customer liabilities (funding)	652.1	659.1	661.3	-1%	-1%
Wholesale funding	319.7	316.8	335.6	1%	-5%
Shareholders' equity	70.2	69.1	68.6	2%	2%
Total funding	1,042.0	1,045.0	1,065.5	0%	-2%
Net Stable Funding Ratio (%)	118%	116%	119%	2%	-1%

The Group targets a diversified funding base, avoiding undue concentration by investor type, maturity, market source and currency.

During the March 2024 half, the ANZ Bank Group issued \$21.2 billion of term wholesale funding¹, \$1.7 billion of APRA compliant Additional Tier 1 Capital and \$0.3 billion of RBNZ compliant Additional Tier 1 Capital.

Net Stable Funding Ratio remained above the regulatory minimum of 100% throughout this period.

¹ Excludes unsubordinated debt with shorter tenors (such as 12 to 18 months).

Capital Management (Level 2)	As at			Movement	
	Mar 24	Sep 23	Mar 23	Mar 24 v. Sep 23	Mar 24 v. Mar 23
Common Equity Tier 1					
- APRA	13.5%	13.3%	13.2%		
- International Comparable	19.7%	19.7%	19.4%		
Credit risk weighted assets (\$B)	348.4	349.0	345.3	0%	1%
Total risk weighted assets (\$B)	432.8	433.3	435.5	0%	-1%
APRA Leverage Ratio	5.4%	5.4%	5.3%		

APRA, under the authority of the *Banking Act 1959*, sets minimum regulatory requirements for banks including what is acceptable as regulatory capital and provides methods of measuring the risks incurred by the Bank.

The Group's APRA Common Equity Tier 1 ratio was 13.5% at 31 March 2024, exceeding APRA's minimum requirements. The increase of 16 bps during the March 2024 half was driven by current period earnings, proceeds from partial disposal of investment in AmBank, partially offset by the impact of dividends paid during the period, higher underlying risk weighted assets usage, and capital deduction and other impacts.

At 31 March 2024, the Group's APRA Leverage Ratio was 5.4% which is above the 3.5% proposed minimum for Internal Ratings Based Authorised Deposit-taking Institution, which includes ANZ.

