AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED – INDIA BRANCHES

Basel III: Pillar 3 Disclosures as at 31st Dec 2025

1. Background

Australia and New Zealand Banking Group Limited, India ('ANZ India' or 'the Bank') is a branch of Australia and New Zealand Banking Group Limited ('ANZ'), which is incorporated in Australia with Limited Liability. Indian branch operations are conducted in accordance with the banking license granted by the Reserve Bank of India (RBI) under the Banking Regulation Act 1949. The Bank has three branches in India as on 31st Dec 2025.

Disclosures made hereunder are in accordance with Basel III Capital Regulations – Market Discipline (Pillar 3).

2. Key Management Committees, Functions and Frameworks

India Executive Committee ('India EXCO')

India EXCO is the apex committee of the Bank and has the authority to exercise all of the powers and discretions of the Board at the country level. India EXCO takes ownership of the Bank's business in India and fulfils the regulatory responsibility of conducting periodic reviews/ approvals as specified by RBI from time to time. The committee is chaired by Chief Executive Officer India. India EXCO is an in-country committee.

India Assets and Liabilities Committee ('India ALCO')

The India Asset and Liability Committee (ALCO) is a Sub-Committee of the Group Asset and Liability Committee (GALCO) and is responsible for the oversight and strategic management of the India balance sheet activities including balance sheet structure, liquidity, funding, capital management, non-traded interest rate risk, and non-traded FX risks and exposures.

Risk Management Committee ('India RMC')

India RMC maintains responsibility to oversee all aspects of risk management in the country including credit risk, markets risk, operational risk and compliance related issues/activities. RMC also approves India's Risk Appetite statement. Since June 2025, the RMC has been operationally split into the Credit and Market Risk Committee (CMRC) and the Operational Risk and Compliance Committee (ORCC) to enable a more dedicated focus on the two primary areas of Financial Risk and Non-Financial Risk Management.

Risk Management Framework

The oversight of risk management is conducted via three clearly articulated layers of risk management – Three lines of defense:

- The area where the risk originates is responsible for managing the risk. This is defined as 'the First Line of Defence'.
- To ensure appropriate challenge and oversight, there is a dedicated and independent risk management function. This is 'the Second Line of Defence'.

The first and second lines of defence have defined roles, responsibilities, and escalation paths to support effective two-way communication and management of risk.

- The Third Line of Defence' has an independent oversight role within the governance structure and is performed by Internal Audit. Internal Audit provides independent and objective assurance to management that the first and second lines of defence are functioning as intended.

3. Regulatory Framework

The Bank operates as a scheduled commercial bank and is required to maintain capital ratios at par with locally incorporated banks.

Capital Adequacy requirements are outlined in the following circulars:

- Master Circular – Prudential Guidelines on Capital Adequacy and Market Discipline – New Capital Adequacy Framework ('NCAF')
- Master Circular - Basel III Capital Regulations.

As per Basel III guidelines, currently banks should adopt Standardized Approach (SA) for credit risk, Basic Indicator Approach (BIA) for operational risk and Standardized Duration Approach (SDA) for computing capital requirement for market risks.

Basel III guidelines are structured around three 'Pillars' which are outlined below:

- Pillar 1 sets out minimum regulatory capital requirements.
- Pillar 2 sets out key principles for supervisory review of Bank's risk management framework and its capital adequacy.
- Pillar 3 aims to encourage market discipline by developing set of disclosure requirements by banks that allow market participants to assess key pieces of information on the scope of application, capital, risk exposures, risk assessment processes and hence the capital adequacy of the bank. Further, providing disclosures that are based on a common framework is an effective means of informing the market about exposure to those risks and provides a consistent and comprehensive disclosure framework that enhances comparability.

Basel III introduced a much stricter definition of capital. The predominant form of Tier 1 capital will be Common Equity, since it is critical that banks' risk exposures are backed by high quality capital base. Further, Basel III introduced Capital Conservation Buffer (CCB) and Countercyclical buffer with a view to ensure that banks maintain a cushion of capital that can be used to absorb losses during periods of financial and economic stress and to increase capital requirements in good times and decrease the same in bad times.

4. DF-2 Capital Adequacy

The Bank aims to hold sufficient capital to meet the minimum regulatory requirements at all times. The Bank's capital management strategy is two fold:

- To satisfy the Basel III Regulatory Capital requirements set out by RBI in the Master Circular and

- To minimise the possibility of the Bank's capital falling below the minimum regulatory requirement by maintaining a capital buffer (in excess of the Basel III minimum requirements) sufficient to cover Pillar 2 risks and the capital impact of a severe (1 in 25 years) stress scenario over a 1 year horizon.

The Bank's capital management is mainly guided by current capital position, current and future business needs, regulatory environment and strategic business planning. The Bank continuously focuses on effective management of risk and corresponding capital to support the risk. India ALCO and India EXCO emphasises on the growth opportunities supported by cost effective capital.

Under the Basel III framework, on an on-going basis, the Bank has to maintain a minimum total capital of 11.5% including Capital Conversion Buffer (CCB) at 2.5% for credit risk, market risk and operational risk. The Minimum Total Capital should include minimum Common Equity Tier I (CET 1) ratio of 5.50%, minimum Tier 1 capital ratio of 7.00%. The minimum total capital requirement includes a capital conservation buffer of 2.5% (Previous Year 2.5%).

As at 31st Dec 2025 CRAR was 16.07% and Common Equity Tier I ratio was 14.10% as per BASEL III norms. The Bank is adequately capitalised presently. Summary of the Bank's capital requirement for credit, market and operational risk and CRAR as at 31st Dec 2025 is presented below.

(Amount in ₹ '000)

Minimum Regulatory Capital Requirements	
Capital requirements for Credit risk (a)	**13,578,299**
Portfolios subject to standardised approach	13,578,299
Securitisation exposures.	-
Capital requirements for Market risk (b)	**8,009,684**
Standardised duration approach	
- Interest rate risk	7,395,941
- Foreign exchange risk (including gold)	613,743
- Equity risk	-
Capital requirements for Operational risk (c)	**797,149**
Basic indicator approach	797,149
Total Minimum Regulatory Capital at 9% (a+b+c)	**22,385,132**
Minimum CRAR + CCB at 11.50%	**28,603,224**
Risk Weighted Assets and Contingents	**248,723,686**
Credit Risk	150,869,986
Market Risk	88,996,484
Operational Risk	8,857,216
Capital Ratios	
CET 1 Capital	14.10%
Tier I Capital	14.10%
Total Capital	16.07%

5. DF-3 Credit Risk: General Disclosures for all Bank

Structure and organisation of credit risk management

India RMC is responsible for all aspects of risk management, including credit risk. It approves the credit exposure / concentration limits, risk management policy (involving risk identification, risk measurement/ grading, risk mitigation and control), credit risk management structure, credit pricing policy, etc. in accordance with extant regulatory guidelines. India EXCO is apprised of key risks affecting the business. RMC ensures country's risk profile remains within the agreed group risk appetite.

The Bank takes credit risk within a well-defined framework that lays out the fundamental principles and guidelines for its management. Primary objective is management of risk within risk appetite and within regulator defined prudential limits. This framework has four main components:

- Credit principles.
- Credit policies.
- Line of Business/ Segment Specific Procedures.
- Organisation and People.

Key aspects of the Bank's Credit Risk Management Policy are

- Analysis of customer risk.
- Approval of limits and transactions.
- Managing and monitoring customers.
- Working out problem loans.

Credit is extended on the basis of the Bank's credit risk assessment and credit approval requirements and is not subject to any influences external to these requirements. All legal entities, with which the Bank has or is considering having a credit relationship, is assigned a credit rating reflecting the probability of default and each facility is assigned a security indicator reflecting the 'loss given default'. Each country to which the Bank has or is considering having, a credit exposure, is assigned a country rating reflecting the risk of economic or political events detrimentally impacting a country's willingness or capacity to secure foreign exchange to service its external debt obligations.

Risk grade assignment and risk grade reviews are subject to approval by the India Credit Committee represented by a balanced mix of business and independent risk representatives. Each assigned risk grade is reviewed at an interval (never greater than 1 year) and whenever new material information relating to the customer or facility is obtained or becomes known. The Bank has an effective credit risk management system. The quality of all credit relationships is monitored to provide for timely identification of problem credits and prompt application of remedial actions. Problem credits are managed to minimize losses, maximize recoveries and preserve the Bank's reputation, with attention to measurement of extent of impairment, exposure and security cover, provisioning, remediation, workout & losses. A specialist remediation team with work out skills will be applied to the management of all problem credits.

Collateral is a means of mitigating the risk involved in providing credit facilities and will be taken where obtainable and necessary to meet risk appetite requirements. Main types of collateral accepted are property, plant & machinery, current assets, cash and stand-by letters of credit. However, the bank generally accepts cash and SBLC and other collateral types are accepted in certain cases, primarily to maintain pari passu status where it is considered appropriate. Therefore, reliance on such collateral is not considered in credit assessment of a customer or used to compensate for inadequate understanding of the risks. Collaterals of cash and SBLC for relevant facilities are reviewed annually to ensure there is no impediment to realization. Cash and SBLC are valued at their face value on the date of securing them without considering accrued interest if any.

For Derivatives exposures, bank accepts cash and government securities under Credit Support Agreement (CSA) which is considered as credit risk mitigant for capital adequacy computation as per the Basel III guidelines.

5.1. Total gross credit risk exposures as at 31st Dec 2025

(Amount in ₹ '000)

Fund Based	**118,788,523**
Claims on Banks, Balance with RBI and Cash Balance	46,834,514
Investments (HTM)	-
Loans and Advances (including Interbank Loans)	41,804,881
Other Assets and Fixed Assets	30,149,128
Non Fund Based	**279,703,377**
Non-Market Related Off Balance sheet items (Contingent Credits and Exposures including Undrawn portion of Committed lines of credit & Uncommitted OD/CC)	11,348,200
Market Related (Foreign Exchange (Fx) and Derivative contracts)	268,355,177
Total Exposure	**398,491,900**

Notes:

Fund based credit exposure is the outstanding amount.

Non-Fund Based credit risk exposure has been computed as under:

- In case of exposures other than foreign exchange and derivative contracts, credit equivalent is arrived at by multiplying the underlying contract or notional principal amounts with the credit conversion factors prescribed by RBI under the Basel II capital framework.
- In case of foreign exchange and derivative contracts, credit equivalents are computed using the current exposure method as prescribed by RBI.

5.2. Geographic distribution of exposures, Fund based and Non-fund based separately

Since all the exposures provided under Para 5.1 above are domestic, the disclosures on geographic distribution of exposures, both fund and non-fund based has not been made.

5.3. Industry type distribution of exposures as at 31st Dec 2025

(Amount in ₹ '000)

Industry Name	Fund Based	Non-Fund Based
Banking & Finance *	47,274,221	249,659,651
Machinery And Motor Vehicle Wholesaling	-	239,000
Financial Intermediaries	17,000,000	9,706,283
Metal Product Manufacturing	-	3,294,566
Farm Produce Wholesaling	2,038,500	1,062,077
Other Manufacturing	-	1,185,275
Activities Auxiliary to Financial Intermediation	-	763,311
Accommodation, Clubs, Pubs, Cafes and Restaurants	1,416,999	108,600
Transport And Storage	-	8,000
Machinery & Equipment Manufacturing	10,999,708	3,772,484
Food, Beverage and Tobacco	980,973	1,685,011
Communications Services	-	938,514
Petroleum, Coal, Chemical and Associated Product	2,000,000	290,643
Business Services	250,966	1,631,692
Insurance	-	5,101,385
Textile, Clothing, Footwear and Leather	1,949,500	110,100
Electricity, Gas & Water Supply	4,728,528	84,688
Personal And Household Goods Wholesaling	-	60,000
Horticulture And Fruit Growing	-	2,097
Residuary Exposure		
- of which Other Assets	30,149,128	-
Total Exposure	**118,788,523**	**279,703,377**

***** Includes Cash, Balances with RBI, Balances with banks and money at call and short notice.

Notes:

Fund Based Exposure comprises of outstanding Loans & Advances, Claims on Banks and Investment in HTM & Other Assets (including fixed Assets).

Non-Fund Based Exposure comprises of Non-Market Related Off-Balance sheet items (Contingent Credits and Exposures) and is reported in terms of Credit equivalent.

As on 31st Dec 2025 the Bank's exposure to the industries stated below was more than 5% of the total gross credit exposure (outstanding):

Sr. No.	Industry Classification	Percentage of the total gross credit exposure
1	Banking & Finance *	74.51%
2	Financial Intermediaries	6.70%

5.4. Residual contractual maturity breakdown of assets as at 31st Dec 2025

(Amount in ₹ '000)

Particulars	Cash and Bank balances with RBI	Balances with Banks and money at call and short notice, Term Deposits & Other placements	Net Investments	Advances	Fixed Assets	Other Assets	Total Assets
Day 1	3,802,593	1,126,139	210,200,192	1,330	-	2,524,770	**217,655,024**
2 to 7 days	441,523	15,728,125	2,649,140	3,313,685	-	67,502	**22,199,975**
8 to 14 days	112,444	-	674,665	1,115,936	-	1,141	**1,904,186**
15 to 30 days	508,281	8,088,750	3,049,684	7,401,051	-	22,859	**19,070,625**
31 days and upto 2 months	325,439	13,481,250	1,952,636	4,457,873	-	57,332	**20,274,530**
Over 2 months and upto 3 months	611,235	-	3,667,412	1,484,081	-	278	**5,763,006**
Over 3 months and upto 6 months	532,141	-	3,192,845	989,196	-	2,814,871	**7,529,053**
Over 6 months and upto 1 year	9	-	54	3,431,573	-	50,192	**3,481,828**
Over 1 year and upto 3 years	229,742	-	1,378,452	18,538,195	-	79,125,248	**99,271,637**
Over 3 years and upto 5 years	946	-	5,677	1,071,961	-	856,335	**1,934,919**
Over 5 years	1,299	-	7,796	-	133,633	2,721,315	**2,864,043**
Total	**6,565,653**	**38,424,264**	**226,778,553**	**41,804,881**	**133,633**	**88,241,843**	**401,948,826**

5.5. Details of Non-Performing Assets (NPAs) - Gross and Net

(Amount in ₹ '000)

	As at 31st Dec, 2025
Substandard	-
Doubtful 1	-
Doubtful 2	-
Doubtful 3	-
Loss	-
Gross NPAs	-
Provisions for NPAs	-
Net NPAs	-

5.6. NPA Ratios

(Amount in ₹ '000)

	As at 31st Dec, 2025
Gross NPAs to gross advances	0.00%
Net NPAs to net advances	0.00%

5.7. Movement of NPAs (Gross)

(Amount in ₹ '000)

	For the period ended 31st Dec, 2025
Opening balance as at 1st April 2025	-
Additions	-
Reductions	-
Closing balance as at 31st Dec 2025	**-**

Note: YTD movement has been reported above

5.8. Movement of provisions

(Amount in ₹ '000)

Particulars	Specific Provision[1]	General Provision[2]
Opening balance as at 1st April 2025	-	415,836
Provisions made during the period	-	199,167
Write-off	-	-
Write-back of excess provisions	-	-
Closing balance as at 31st Dec 2025	**-**	**615,003**

[1] Specific provision relating to NPAs
[2] General provision includes Standard assets provision (including Unhedged Foreign Currency Exposure and Country Risk provision).

Note: YTD movement has been reported above

5.9. Amount of Non-Performing Investments

There are no non-performing investments as at 31st Dec 2025.

5.10. Amount of provisions held for Non-Performing Investments

There are no provisions held for non-performing investments as at 31st Dec 2025 as there are no non-performing investments.

5.11. Movement of provisions for depreciation on Investments

(Amount in ₹ '000)

	For the period ended 31st Dec 2025
Opening balance as at 1st April 2025	-
Provisions made during the period	-
Write-off	-
Write-back of excess provisions	-
Closing balance as at 31st Dec 2025	-

Note: YTD movement has been reported above

5.12. Geographic and Industry wise distribution and ageing of NPA, Specific provision separately

Industry Classification	Gross NPA	Specific Provision
NBFC and HFC	-	-

The Bank does not have overseas operations and hence amount of NPAs are restricted to the domestic segment.

6. DF-4 Credit Risk: Disclosures for Portfolios Subject to the Standardised Approach

The Bank uses short term / long term issuer rating instruments of the accredited rating agencies viz. Credit Rating Information Services of India Limited, ICRA Limited, India Ratings and Research Private Limited (India Ratings), Credit Analysis and Research Limited, SME Rating Agency of India Limited and Brickworks Ratings India Pvt. Limited to assign risk weights as per RBI guidelines. For non-resident corporate and foreign banks ratings issued by the international rating agencies like Moody's and Standard and Poor's are used for assigning risk weights.

For assets having a contractual maturity of more than a year, long term credit ratings assigned by the above-mentioned rating agencies are used.

Presented below is the summary as at 31st Dec 2025.

(Amount in ₹ '000)

Nature Of exposure	Gross Credit Exposure	Credit Risk Mitigation	Net Exposure (Before Provision)	Credit Risk weight bucket summary			Deduction from Capital
				< 100%	100%	>100%	
Fund Based	**118,788,523**	**-**	**118,788,523**	**96,943,161**	**2,238,794**	**19,606,567**	-
Claims on Banks	46,834,514	-	46,834,514	46,833,989	525	-	-
Investments (HTM)	-	-	-	-	-	-	-
Loans and Advances	41,804,881	-	41,804,881	22,814,734	1,920,661	17,069,486	-
Other Assets and Fixed Assets	30,149,128	-	30,149,128	27,294,438	317,608	2,537,081	-
Non Fund Based	**279,703,377**	**11,551,413**	**268,151,964**	**236,146,849**	**2,262,596**	**29,742,519**	-
Non Market Related Off Balance sheet items (Contingent Credits and Exposures)	11,348,200	5,000	11,343,200	5,060,596	1,381,458	4,901,146	-
Market Related (Foreign Exchange (FX) and derivative contracts)	268,355,177	11,546,413	256,808,764	231,086,253	881,138	24,841,373	-

7. Leverage Ratio

The Basel III leverage ratio is a simple, transparent, non-risk based measure which is calibrated to act as a credible supplementary measure to the risk based capital requirements. The Bank's leverage ratio calculated in accordance with extant RBI guidelines is as follows:

DF-18 Leverage Ratio Common Disclosure as at 31st Dec 2025

Leverage Ratio		
	Item	**(Amount in ₹ '000)**
	On-balance sheet exposures	
1.	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	322,874,850
2.	(Asset amounts deducted in determining Basel III Tier 1 capital)	-
3.	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	**322,874,850**
	Derivative exposures	
4.	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	79,071,411
5.	Add-on amounts for PFE associated with all derivatives transactions	237,440,813
6.	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7.	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8.	(Exempted CCP leg of client-cleared trade exposures)	-
9.	Adjusted effective notional amount of written credit derivatives	-
10.	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11.	Total derivative exposures (sum of lines 4 to 10)	316,512,224
	Securities financing transaction exposures	
12.	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-
13.	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14.	CCR exposure for SFT assets	9,422,049
15.	Agent transaction exposures	-
16.	Total securities financing transaction exposures (sum of lines 12 to 15)	9,422,049
	Other off-balance sheet exposures	
17.	Off-balance sheet exposure at gross notional amount	45,117,022
18.	(Adjustments for conversion to credit equivalent amounts)	(33,768,822)
19.	Off-balance sheet items (sum of lines 17 and 18)	11,348,200
	Capital and total exposures	
20.	**Tier 1 capital**	**35,061,675**
21.	**Total exposures (sum of lines 3, 11, 16 and 19)**	**660,157,323**
	Leverage ratio	
22.	**Basel III leverage ratio (per cent)**	**5.31%**