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ANZ Bank New Zealand Ltd.

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Table Of Contents

Table Of Contents (cont.)

ANZ Bank New Zealand Ltd.

Rating Score Snapshot

Issuer Credit Rating
AA-/Stable/A-1+

SACP: a-

Anchor	bbb	
Business position	Strong	+1
Capital and earnings	Strong	+1
Risk position	Adequate	0
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment		0

Support: +3

ALAC support	0
GRE support	0
Group support	+3
Sovereign support	0

Additional factors: 0

Issuer credit rating
AA-/Stable/A-1+

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview	
Key strengths	**Key risks**
Highly likely to receive support from parent, if needed.	Material reliance on domestic and offshore wholesale funding.
Largest retail and commercial franchise in New Zealand.	

Australia-based parent, Australia and New Zealand Banking Group Ltd. (ANZ) will provide timely financial support to ANZ Bank New Zealand Ltd. (ANZ NZ) in all foreseeable situations, in our view. Accordingly, we equalize our rating on ANZ NZ with that on ANZ (AA-/Stable/A-1+). We consider ANZ NZ to be an integral part of ANZ's group-wide strategy, making up a considerable part of ANZ's operations. In addition, we expect the Australian government to extend its support for ANZ to ANZ NZ, if needed.

ANZ NZ should continue to dominate New Zealand's financial sector as the country's largest bank. The bank's share of about 29% of systemwide loans and 31% of systemwide deposits underscores its market leadership. This scale also affords ANZ NZ a reasonable degree of pricing power, while the bank's loan portfolio diversity broadly reflects the New Zealand economy.

We forecast ANZ NZ will maintain a risk-adjusted capital (RAC) ratio above 10% over the next two years. New Zealand's major banks, including ANZ NZ, can generate sufficient capital through retained earnings to meet their transition to higher capital standards in 2028.

Asset quality should remain sound over the next two years, in our view. This is despite greater repayment pressure on borrowers from rising prices and interest rates. Our base case assumes credit losses of about 10 basis points (bps) for ANZ NZ in fiscal 2023, rising to 15 bps in fiscal 2024, supported by low unemployment and modest economic growth.

Outlook

The stable rating outlook on ANZ NZ mirrors that on its parent, ANZ. We expect to maintain our issuer credit rating on ANZ NZ at the same level as its parent over the next two years.

Downside scenario

We expect to lower our ratings on ANZ NZ if we lowered our long-term rating on ANZ. In addition, risks to the ratings on ANZ NZ would emerge if its importance to the broader group lessened.

This could occur if there were a weakened commitment from the parent, a dilution in shareholding, or a reduction in ANZ NZ's importance to the group strategy.

We consider these scenarios unlikely over the next two years.

Upside scenario

We expect to raise our ratings on ANZ NZ if we raised our long-term rating on ANZ, although we consider it unlikely over the next two years.

That said, we see upside to our ratings on the additional Tier-1 and Tier-2 regulatory capital instruments that ANZ NZ issued. We expect to raise our ratings on these instruments if we form a view that the stand-alone credit strength of its parent, ANZ, has improved.

This could occur if:

- We see a reduction in the Australian banking industry's risk appetite or a lower possibility of significant regulatory lapses, for example, due to a simplification of the business models of the larger Australian banks; or
- The Australian banking sector's net external liabilities are likely to remain well below 20% of domestic customer loans.

Key Metrics

ANZ Bank New Zealand Ltd.--Key ratios and forecasts

	--Fiscal year ended Sept. 30--				
(%)	**2021a**	**2022a**	**2023f**	**2024f**	**2025f**
Growth in operating revenue	1.8	16.5	6.9-8.4	(1.8)-(2.3)	(3.5)-(4.2)
Growth in customer loans	6.0	4.5	1.8-2.2	2.9-3.6	3.6-4.4

ANZ Bank New Zealand Ltd.--Key ratios and forecasts (cont.)

	--Fiscal year ended Sept. 30--				
(%)	2021a	2022a	2023f	2024f	2025f
Growth in total assets	2.8	8.9	(3.5)-(4.3)	2.9-3.5	3.7-4.5
Net interest income/average earning assets (NIM)	2.1	2.3	2.5-2.8	2.4-2.7	2.2-2.5
Cost to income ratio	38.8	34.0	33.1-34.8	33.1-34.8	33.2-34.9
Return on average common equity	6.4	13.4	12.5-13.8	11.2-12.4	9.9-10.9
Return on assets	1.1	1.2	1.1-1.3	1.1-1.3	1.0-1.2
New loan loss provisions/average customer loans	(0.1)	0.0	0.1-0.1	0.1-0.2	0.2-0.2
Gross nonperforming assets/customer loans	0.4	0.4	0.5-0.6	0.7-0.7	0.6-0.7
Net charge-offs/average customer loans	0.0	N.M.	0.1-0.1	0.1-0.1	0.2-0.2
Risk-adjusted capital ratio	12.8	12.9	12.7-13.3	12.8-13.4	12.6-13.2

All figures are S&P Global Ratings-adjusted. a--Actual. f--Forecast. NIM--Net interest margin.

Anchor: Flexible Economy And Stable Industry Structure Offset Elevated Economic Risks

The starting point for our ratings on ANZ NZ--similar to all other banks operating predominantly in New Zealand--reflects our assessment of New Zealand's macroeconomic environment.

The New Zealand economy is open, prosperous, and flexible, drawing on decades of structural reforms. We forecast economic growth to fall to 1.8% in 2024 before increasing to 2.5% in 2025.

An orderly correction in house prices has reduced some of the downside risks to New Zealand financial institutions. While house prices have fallen by more than 15% since their peak in late calendar 2021, growth has resumed in recent months. A resumption of immigration-driven population growth along with limited new housing supply should put a floor under house prices.

We forecast credit losses will revert to their long-term historical average of about 10 bps in fiscal 2023 and continue to rise in fiscal 2024. New Zealand's external weaknesses--in particular its high level of external debt and persistent current account deficits--accentuate the economic risks.

We consider the risk appetite settings of New Zealand's banks to be conservative. We view the industry structure as stable--an oligopoly dominated by four large banks. The banking sector earnings are likely to remain adequate to absorb credit losses. However, the banking system's high share of net external borrowings remains a risk if a dislocation in international funding markets occurs.

Business Position: Strong Market Position As New Zealand's Largest Bank

ANZ NZ should maintain a leading position in New Zealand's lending market. The bank's market share of about 29% of systemwide loans underpins its strong competitive position. It has a high degree of pricing power across multiple lending markets. Furthermore, ANZ NZ's strong franchise in New Zealand supports its ability to maintain and manage customer relationships.

We view ANZ NZ's revenue as well-diversified across business lines, with the geographical spread of its book comparable to the New Zealand population.

Chart 1

ANZ NZ remains focused on residential mortgage lending

Data as of June 30, 2023. Source: Reserve Bank of New Zealand.

ANZ NZ's growth prospects largely reflect system expectations. We forecast loan growth of 3%-4% in each of the next two years as interest rates remain at about current levels for the next year. Residential mortgages are likely to remain the predominant source of lending for the bank over the next two years. Residential mortgages accounted for about 70% of total lending as of June 30, 2023.

Like its peers, ANZ NZ should continue to benefit from operational and product support from its parent. Ongoing operational support from ANZ is important to ANZ NZ's business model, in our view, as it allows the bank to operate with a lower cost structure than it could as a stand-alone entity.

Capital And Earnings: Strong Capital

ANZ NZ's RAC ratio remains a strength for its credit profile. We forecast our RAC ratio for ANZ NZ will remain at about its current level over the next two years. We expect ANZ NZ will maintain a dividend payout ratio of about 50% across that period. As of March 31, 2023, our RAC ratio for ANZ NZ was 13.0%, the highest among New Zealand major bank peers.

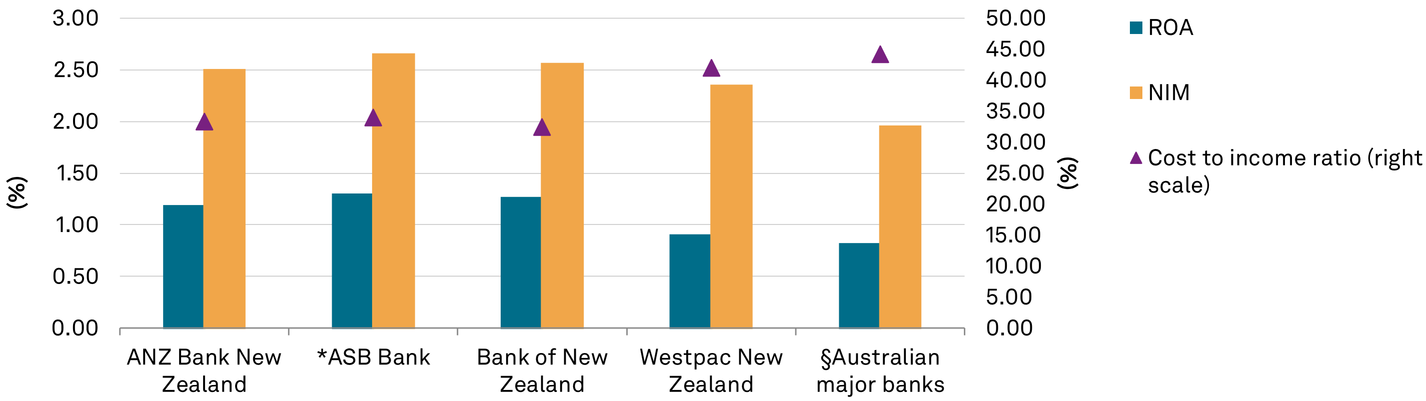
ANZ NZ should maintain good earnings, in line with New Zealand major bank peers. With similar asset portfolios, earnings metrics among New Zealand major banks will likely remain broadly similar, with net interest margins weakening in line with decreases in the official cash rate. As of March 31, 2023, return on assets for the bank was 1.1%.

We expect this to remain largely unchanged over the next two years.

Chart 2

ANZ NZ's profitability remains in line with peers'

ROA = core earnings to average adjusted assets, NIM = net interest income to average earning assets, as of March 31, 2023



*As of June 30, 2023. §Includes data from Commonwealth Bank of Australia Ltd. which reports as of June 30, 2023.
ROA--Return on assets. NIM--Net interest margin. Source: S&P Global Ratings.

Risk Position: Conservative Risk Appetite Underpins Low Credit Losses

ANZ NZ maintains a conservative risk appetite consistent with New Zealand major bank peers. We believe that we adequately capture the bank's risk profile in the standard risk weights we apply in our capital and earnings assessment. We expect the bank's overall risk appetite to remain reflective of the New Zealand banking system, with a geographic breakdown similar to the New Zealand population.

ANZ NZ's banking activities remain relatively simple, with low exposure to high-risk activities like trading and investment banking.

Asset quality for ANZ NZ should remain sound and consistent with the New Zealand banking system, despite macroeconomic headwinds. We forecast credit losses for ANZ NZ will revert to their long-term historical average of about 10 bps in fiscal 2023 and continue to rise in fiscal 2024. Significantly higher interest rates to combat persistent inflation, a slowing economy, and the large proportion of loans repricing within the next two years will be the primary drivers for the increase.

Chart 3

ANZ NZ's asset quality remains broadly consistent with peers'

*As of June 30, 2023. §Includes data from Commonwealth Bank of Australia Ltd. which reports as of June 30, 2023. GNPA--Gross nonperforming assets over customer loans plus other real estate owned. LLP--New loan loss provisions over average customer loans. Source: S&P Global Ratings.

Focus on residential mortgage lending is likely to support stable asset quality through the cycle. Loans to residential borrowers made up about 69% of the bank's total loan book as of March 31, 2023, broadly consistent with New Zealand major bank peers.

ANZ NZ's agriculture portfolio to remain supportive of asset quality over the next two years. As of June 30, 2023, ANZ NZ had a leading market share of about 25% of total agriculture lending in New Zealand, making up about 10% of the bank's loan book. We view the performance of agriculture lending as more volatile than traditional retail lending given its reliance on commodity prices and weather events. We expect losses from ANZ NZ's agricultural lending portfolio to increase modestly over the next 12 months as dairy prices continue to weaken.

Funding And Liquidity: Structural Risks Persist

ANZ NZ's strong brand underpins its market leading retail deposit book. As of June 30, 2023, ANZ NZ held 31% of outstanding deposits in the New Zealand banking sector, compared to less than 20% for each of its New Zealand major bank peers. We view deposit funding as relatively stable.

ANZ NZ's lower reliance on wholesale funding makes it slightly less exposed to volatility in global capital markets than the other New Zealand major banks. Notwithstanding this, all four institutions face some level of heightened funding risks caused by their material reliance on net external borrowings to fill structural funding gaps. We believe that in the event of a major dislocation in foreign capital markets, all four banks would be vulnerable. Reserve Bank of New Zealand (RBNZ)'s proven willingness and capability to provide funding support to the New Zealand banking sector tempers some of this risk.

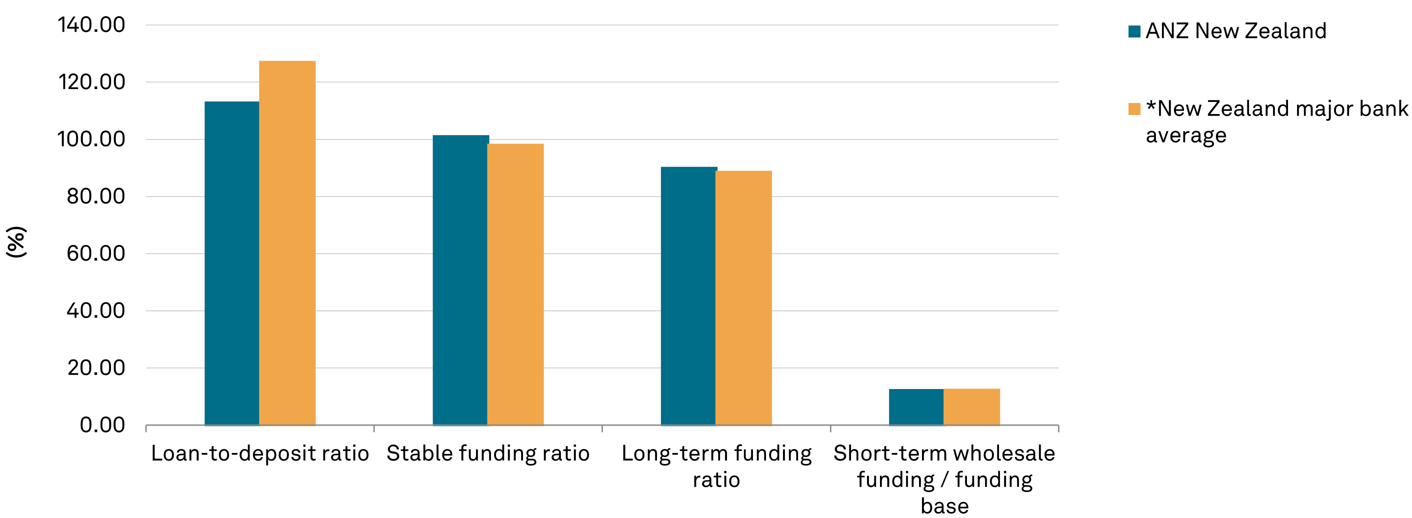
We anticipate ANZ NZ will comfortably refinance its RBNZ Term Lending Facility (TLF) and Funding for Lending Programme (FLP) liabilities primarily via wholesale markets. As of March 31, 2023, the bank had a combined NZ$3.8 billion outstanding under the RBNZ's TLF and FLP. These begin to mature in 2024. We believe the major bank will meet these obligations, reflecting its track record of operating in domestic and foreign capital markets.

ANZ NZ adequately manages funding and liquidity risks, in our view. This is notwithstanding the inherent structural funding weaknesses in the New Zealand banking system. We consider ANZ NZ's reliance on wholesale funding--at about 20% of its funding base as of March 31, 2023--is consistent with the average of 29% across the other three New Zealand major banks. ANZ NZ's wholesale funding strategy remains one of consistent issuance into established markets with diversification across geographies.

Chart 4

ANZ NZ's funding metrics are consistent with peers'

As of March 31, 2023



*Includes data from ASB Bank Ltd., which reports as of June 30, 2023. Source: S&P Global Ratings.

We believe ANZ NZ has sufficient liquidity to manage at least 12 months of general market stress without a significant dependence on central bank support. As of March 31, 2023, the bank had a short-term wholesale coverage ratio (which measures on-balance sheet liquidity cover for wholesale debt maturing within 12 months) of about 1.3x, compared to a four-year average of 1.65x.

ANZ NZ consistently manages its daily core funding ratio (CFR) at well above the regulatory prescribed minimum of 75%. For the quarter ending March 31, 2023, the bank's average CFR was 91.4%. In addition, it conducts specific stress tests routinely.

In a longer-term stress scenario, we believe ANZ NZ could also effectively draw on contingent liquidity from the RBNZ via repurchase agreements of internally securitized mortgages. Notwithstanding this, we do not foresee any unusual liquidity needs for ANZ NZ over the next two years.

Support: Expected Timely Support From Australian Parent Enhances Creditworthiness

We equalize our ratings on ANZ NZ with those on its parent, ANZ. Consequently, our long-term rating on ANZ NZ factors in three notches of uplift above the bank's SACP of 'a-'. This reflects our view that ANZ is likely to provide timely financial support to ANZ NZ in all foreseeable circumstances.

We believe ANZ NZ will remain an integral part of the ANZ group-wide strategy. As a fully owned and sizable subsidiary of the parent, ANZ NZ will likely continue to account for more than 10% of group earnings and capital. This makes it highly unlikely ANZ would divest ANZ NZ, in our view. ANZ NZ is closely linked to the ANZ group's reputation, name, brand, and risk management. Consequently, we believe there are strong incentives for the group to support the New Zealand subsidiary. Furthermore, we expect that the Australian government's support for ANZ would extend to ANZ NZ if needed. This is because any financial distress at ANZ NZ could harm ANZ's perceived creditworthiness in domestic and international capital markets.

In our view, it is uncertain whether the New Zealand government would provide timely financial support to the country's private-sector banks, if needed. In arriving at this opinion, we note that the nation's bank resolution framework allows senior creditors of a bank to absorb losses to help the bank continue operations if such a bank were to experience financial distress.

Additional Rating Factors

Our ratings on ANZ NZ's hybrid capital instruments incorporate the strength of the ANZ group's stand-alone creditworthiness. This is because we believe the ANZ group would support all ANZ NZ's obligations, including those on its hybrid debt instruments, in a manner similar to ANZ's own obligations. In addition, we expect that the Australian government is unlikely to extend any financial support to these instruments, if needed.

Our ratings on ANZ NZ's Tier 2 capital instruments are 'A-', or three notches below our ICR on ANZ NZ. The three-notch difference reflects the following factors:

- one-notch for the subordinated status of the instruments in liquidation; and
- two notches for removing the uplift for the likely Australian government support, if needed. We apply this uplift above the ANZ group SACP to determine the ANZ group credit profile, and our ICR on ANZ NZ. We consider that such support is unlikely to extend to the hybrid instruments issued by ANZ NZ.

Our ratings on ANZ NZ's additional Tier 1 capital instruments are 'BBB', five notches below our ICR on ANZ NZ. Our ratings on these instruments incorporate a two-notch deduction, in addition to the factors explained above in relation to our ratings on ANZ NZ's Tier 2 instruments. This reflects our view that the additional Tier 1 securities are subject to the risk of partial or untimely payment on top of the credit risks that Tier 2 securities carry.

Unlike regulatory capital instruments issued by banks in many other countries, additional Tier 1 and Tier 2 instruments issued by ANZ NZ (and other NZ banks) do not include nonviability capital conversion features.

Environmental, Social, And Governance

We view ESG factors for ANZ NZ as broadly in line with the New Zealand banking industry and peers. We do not view ANZ NZ or its parent ANZ as an outlier in relation to its reporting and governance regarding environmental risk. Like its major bank peers, we expect ANZ NZ will provide more detailed environmental disclosures over the next two years, reflecting changing regulatory and government demands. In January 2023, the New Zealand government introduced a mandatory climate-related financial disclosures regime.

ANZ NZ is participating in the RBNZ's 2023 Climate Stress Test (CST) Scenario. The CST models the effect of a severe climate risk scenario on the balance sheets, capital, and earnings of New Zealand's five lenders (including ANZ NZ). This will replace the central bank's previous Annual Bank Solvency Stress Test. The RBNZ will publish results early in calendar 2024.

ANZ NZ has exposure to New Zealand's dairy industry and other primary production sectors, which have a significant environmental footprint and face growing pressure to lower emissions. We expect legislation introduced to curb emissions will strike a balance between sustainability and economic viability. This will curb the potential for a sudden increase in credit losses, in our view. We do, however, expect New Zealand's transition to a low-carbon economy will reduce the profitability of some of ANZ NZ's primary production borrowers, potentially weakening its lending portfolio.

Key Statistics

Table 1

ANZ Bank New Zealand Ltd.--Key figures

	--Year ended Sept. 30--				
(Mil. NZ$)	**2023***	**2022**	**2021**	**2020**	**2019**
Adjusted assets	185,899	198,035	181,678	176,652	166,140
Customer loans (gross)	147,904	147,713	141,341	133,392	133,022
Adjusted common equity	14,450	14,337	13,431	12,359	10,833
Operating revenues	2,386	4,865	4,175	4,101	4,085
Noninterest expenses	811	1,653	1,621	1,724	1,608
Core earnings	1,025	2,281	1,925	1,415	1,731

*Data as of March 31. NZ$--New Zealand dollar.

Table 2

ANZ Bank New Zealand Ltd.--Business position

	--Year ended Sept. 30--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Total revenues from business line (currency in millions)	2,386.0	4,865.0	4,189.0	4,101.0	4,190.0

Table 2

ANZ Bank New Zealand Ltd.--Business position (cont.)					
	--Year ended Sept. 30--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Commercial banking/total revenues from business line	21.9	25.9	25.7	26.4	25.6
Retail banking/total revenues from business line	59.1	53.9	59.1	56.1	57.2
Commercial & retail banking/total revenues from business line	81.0	79.8	84.8	82.6	82.8
Corporate finance/total revenues from business line	N/A	11.7	13.6	17.6	14.2
Other revenues/total revenues from business line	19.0	8.5	1.6	(0.2)	3.0
Investment banking/total revenues from business line	N/A	11.7	13.6	17.6	14.2
Return on average common equity	11.7	13.4	12.0	9.2	13.4

*Data as of March 31. N/A--Not available.

Table 3

ANZ Bank New Zealand Ltd.--Capital and earnings					
	--Year ended Sept. 30--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Tier 1 capital ratio	13.8	15.0	16.2	14.4	13.6
Adjusted common equity/total adjusted capital	89.0	83.7	83.0	81.8	79.6
Net interest income/operating revenues	90.0	77.6	82.0	79.5	79.4
Fee income/operating revenues	10.5	11.1	13.3	13.6	16.3
Market-sensitive income/operating revenues	(0.6)	10.8	4.3	6.4	2.9
Cost to income ratio	34.0	34.0	38.8	42.0	39.4
Preprovision operating income/average assets	1.6	1.7	1.4	1.4	1.5
Core earnings/average managed assets	1.1	1.2	1.1	0.8	1.1

*Data as of March 31.

Table 4

ANZ Bank New Zealand Ltd.--Risk-adjusted capital framework data					
(Mil. NZ$)	**Exposure***	**Basel III RWA**	**Average Basel III RW(%)**	**S&P Global Ratings RWA**	**Average S&P Global Ratings RW (%)**
Credit risk					
Government & central banks	26,422.0	270.0	1.0	787.2	3.0
Of which regional governments and local authorities	0.0	0.0	0.0	0.0	0.0
Institutions and CCPs	6,427.4	1,641.0	25.5	1,397.9	21.7
Corporate	59,346.0	39,537.0	66.6	55,508.5	93.5
Retail	119,547.0	27,387.0	22.9	44,649.7	37.3
Of which mortgage	112,417.0	21,268.0	18.9	41,065.9	36.5
Securitization§	0.0	0.0	0.0	0.0	0.0
Other assets†	2,210.0	1,272.0	57.6	3,812.2	172.5
Total credit risk	213,952.4	70,107.0	32.8	106,155.4	49.6
Credit valuation adjustment					
Total credit valuation adjustment	--	888.1	--	1,154.6	--

Table 4

ANZ Bank New Zealand Ltd.--Risk-adjusted capital framework data (cont.)

Market Risk					
Equity in the banking book	1.0	5.0	500.0	8.8	875.0
Trading book market risk	--	5,604.0	--	8,406.0	--
Total market risk	--	5,609.0	--	8,414.8	--
Operational risk					
Total operational risk	--	11,565.0	--	9,652.1	--

	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA
Diversification adjustments					
RWA before diversification	--	110,785.1	--	125,376.8	100.0
Total diversification/ Concentration adjustments	--	--	--	21,137.4	16.9
RWA after diversification	--	110,785.1	--	146,514.2	116.9

	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio				
Capital ratio before adjustments	15,254.0	13.8	16,238.0	13.0
Capital ratio after adjustments‡	15,254.0	13.8	16,238.0	11.1

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. CCPs--Central counterparty clearing house. NZ$--New zealand dollar. Sources: Company data as of March 31, 2023, S&P Global Ratings.

Table 5

ANZ Bank New Zealand Ltd.--Risk position

	--Year ended Sept. 30--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Growth in customer loans	0.3	4.5	6.0	0.3	4.8
Total managed assets/adjusted common equity (x)	13.1	14.0	13.8	14.5	15.6
New loan loss provisions/average customer loans	0.2	0.0	(0.1)	0.3	0.1
Net charge-offs/average customer loans	0.0	N.M.	0.0	0.1	0.1
Gross nonperforming assets/customer loans + other real estate owned	0.4	0.4	0.4	0.7	0.5
Loan loss reserves/gross nonperforming assets	115.7	108.0	111.0	78.5	81.6

*Data as of March 31. N.M.--Not meaningful.

Table 6

ANZ Bank New Zealand Ltd.--Funding and liquidity

	--Year ended Sept. 30--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Core deposits/funding base	80.9	78.8	80.3	79.7	78.2
Customer loans (net)/customer deposits	112.9	112.8	112.5	109.8	121.3
Long-term funding ratio	88.9	88.4	90.7	91.6	92.2
Stable funding ratio	101.1	105.6	106.8	110.7	103.2

Table 6

ANZ Bank New Zealand Ltd.--Funding and liquidity (cont.)					
	--Year ended Sept. 30--				
(%)	2023*	2022	2021	2020	2019
Short-term wholesale funding/funding base	12.3	12.8	10.3	9.2	8.5
Broad liquid assets/short-term wholesale funding (x)	1.3	1.5	1.7	2.2	1.6
Broad liquid assets/total assets	13.3	15.6	15.0	16.9	11.1
Broad liquid assets/customer deposits	19.2	24.0	22.2	25.2	17.3
Net broad liquid assets/short-term customer deposits	4.3	8.0	9.6	14.0	6.6
Short-term wholesale funding/total wholesale funding	60.6	56.2	48.0	41.7	35.7
Narrow liquid assets/3-month wholesale funding (x)	2.6	2.7	5.4	5.7	6.1

*Data as of March 31.

ANZ Bank New Zealand Ltd.--Rating component scores		
Issuer Credit Rating	**AA-/Stable/A-1+**	
SACP	a-	
Anchor		bbb
Economic risk		4
Industry risk		4
Business position		Strong
Capital and earnings		Strong
Risk position		Adequate
Funding		Adequate
Liquidity		Adequate
Comparable ratings analysis		0
Support		+3
ALAC support		0
GRE support		0
Group support		+3
Sovereign support		0
Additional factors		0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- New Zealand's Big Four Banks To Stand Tall In The Face Of Inquiry, Aug. 30, 2023
- Banking Industry Country Risk Assessment: New Zealand, May 21, 2023

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Ratings Detail (As Of November 1, 2023)*	
ANZ Bank New Zealand Ltd.	
Issuer Credit Rating	AA-/Stable/A-1+
Certificate Of Deposit	
Local Currency	AA-/A-1+
Preference Stock	BBB
Senior Unsecured	A-1+
Senior Unsecured	AA-
Subordinated	A-
Issuer Credit Ratings History	
07-Jun-2021	AA-/Stable/A-1+
07-Apr-2020	AA-/Negative/A-1+
09-Jul-2019	AA-/Stable/A-1+
Sovereign Rating	
New Zealand	
Foreign Currency	AA+/Stable/A-1+
Local Currency	AAA/Stable/A-1+
Related Entities	
Australia and New Zealand Bank (China) Co. Ltd.	
Issuer Credit Rating	A+/Stable/A-1
Australia and New Zealand Banking Group Ltd.	
Issuer Credit Rating	AA-/Stable/A-1+
Certificate Of Deposit	
Foreign Currency	AA-/A-1+
Commercial Paper	
Foreign Currency	A-1+
Junior Subordinated	BBB-

Ratings Detail (As Of November 1, 2023)*(cont.)	
Senior Unsecured	A-1+
Senior Unsecured	AA-
Subordinated	BBB+
Australia and New Zealand Banking Group Ltd. (London Branch)	
Junior Subordinated	BBB-
Australia and New Zealand Banking Group Ltd.(New York Branch)	
Senior Unsecured	AA-

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.