

ANZ Bank New Zealand Limited

Key Rating Drivers

Strong Support Prospects: The Issuer Default Ratings (IDRs) and Shareholder Support Rating (SSR) of ANZ Bank New Zealand Limited (ANZNZ) reflect Fitch Ratings' assessment of a 'Very High' likelihood of support from its 100% owner, Australia and New Zealand Banking Group Limited (ANZ), if required. The anchor rating for ANZNZ's Long-Term IDRs and SSR is ANZ's Viability Rating (VR) as differences in the regulatory capital regimes between Australia and New Zealand at present mean it is uncertain that ANZNZ's senior creditors would benefit from the protection of the parent's resolution debt buffers. However, the Positive Outlook highlights this is likely to change to ANZ's Long-Term IDR once ANZNZ is able to issue loss-absorbing capacity (LAC) instruments to its parent.

Supportive Operating Environment: New Zealand banks benefit from a generally stable operating environment, supported by robust regulatory supervision. Direct exposure to the Middle East is modest, but second-order effects could have a larger impact if the conflict is prolonged. The operating environment assessment captures the susceptibility of highly leveraged households to abrupt interest-rate hikes and/or sustained elevated interest rates, resulting in a score of 'a+', below the implied 'aa' category score.

Market Position Underpins VR: ANZNZ's VR is driven by its large domestic market position, with a market share of above 25% in loans and deposits, underpinning a straightforward business model and financial profile. The business profile score of 'a+' is above the implied category score of 'bbb', reflecting ANZNZ's strong market position.

Risk Managed Well: ANZNZ's business model means credit risk is likely to remain its largest risk exposure, although this has been well managed by the bank. Credit risk, which arises from its loan portfolio, accounted for 82% of risk-weighted assets (RWAs) in the first half of the financial year ending September 2026 (1HFY26). Non-financial risk is becoming more prominent, with cyber and technology risk a particular focus for the bank. ANZNZ's risk management framework benefits from adopting aspects of ANZ's risk policies, adapted as necessary for the New Zealand market.

Modest Increase in Impaired Loans: Fitch expects ANZNZ's stage 3 loan/gross loan ratio to rise to around 1.11% by FYE26 due to a shallow economic recovery and unemployment remaining at decade-high levels. The elevated unemployment rate means some asset quality pressure is likely to persist at the start of FY27, although we expect an improvement in the second half of the year to result in a broadly flat stage 3 ratio for FY27.

Limited Profit Volatility: We expect the operating profit/RWA ratio to remain at above 3% through FY26 and FY27. This reflects a steady net interest margin of 2.4%-2.5%, moderate loan growth and cost control. Cost efficiency should remain healthy, with a cost/income ratio of about 32%, which is the strongest among its domestic peers, reflecting ANZNZ's scale advantage.

CET1 Ratio Broadly Steady: Fitch does not anticipate significant changes in ANZNZ's common equity Tier 1 (CET1) ratio (12.7% at end-1HFY26) as a result of a reduction in the end-point regulatory requirements following the completion of the Reserve Bank of New Zealand's (RBNZ) capital framework review. The assigned score of 'a' is above the 'bbb' category score to reflect Fitch's view that the New Zealand capital framework is more conservative than global standards.

Stable Funding Profile: We expect ANZNZ's deposit growth to be broadly consistent with loan growth, resulting in the loan/customer deposit ratio remaining around 110%. ANZNZ reports regulatory liquidity ratios that are significantly above minimum requirements.

Integral Subsidiary: The SSR reflects the bank's role as ANZ's key and integral subsidiary in the group's core New Zealand market. We believe ANZNZ is highly unlikely to be sold. A sale would alter ANZ's profile, while a default would present significant reputational risk for ANZ and could damage its franchise. We expect the Australian and New Zealand banking regulators to permit support to be provided, if required.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

The Outlook may be revised to Stable from Positive if the RBNZ decides ANZNZ does not need to build LAC buffers through issuance to its parent, although this appears unlikely.

A downgrade of ANZ's VR is likely to result in a downgrade of ANZNZ's SSR and Long-Term IDRs; see [Fitch Affirms Australia and New Zealand Banking Group at 'AA-'; Outlook Stable](#), published on 5 March 2026, for the key drivers and sensitivities of ANZ's VR.

ANZ's Long-Term IDRs and SSR may also be downgraded should we change our view on its importance to ANZ. This could be reflected in its partial or full sale or a decision to significantly scale back operations within New Zealand. Weakening co-operation between authorities in Australia and New Zealand may indicate a reduced ability for ANZ to provide timely support and pressure the ratings. However, neither of these scenarios is likely in our view.

The VR could be downgraded if deterioration in the economic environment results in a combination of:

- the four-year average of the stage 3 loan/gross loan ratio increasing significantly above 1.5% (FY22-FY25: 0.8%) for a sustained period;
- the four-year average of the operating profit/RWA ratio falling consistently and significantly below 2.0% (FY22-FY25: 3.0%);
- the CET1 capital ratio declining below 10.5% without a credible plan to return it to above this level (end-1H26: 12.7%).

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

IDRs and SSR

The anchor rating for ANZ's SSR is likely to change to ANZ's Long-Term IDR once ANZ is able to begin issuing LAC instruments to the parent. This would result in an upgrade of ANZ's SSR and Long-Term IDRs if the uplift applied to ANZ's Long-Term IDR remains in place.

An upgrade on ANZ's VR is likely to be reflected in ANZ's Long-Term IDRs and SSR, as long as there is no change to ANZ's propensity to support ANZ.

VR

An upgrade of the VR could result from ANZ maintaining its strong business profile in combination with a sustained improvement in asset quality, capital and funding metrics.

Other Debt and Issuer Ratings

Rating Level	Rating	Outlook
Senior unsecured: long term	A+	n.a.
Senior unsecured: short term	F1	n.a.
Source: Fitch Ratings		

Rating Level	Rating	Outlook
Guaranteed: long term	A+	n.a.
Guaranteed: short term	F1	n.a.
Source: Fitch Ratings		

Short-Term IDR

The Short-Term IDRs are at the lower of the two options available at a Long-Term IDR of 'A+', as the parent's funding and liquidity score is below 'aa-'. This is the threshold for an 'F1+' Short-Term IDR.

Senior Unsecured

ANZ's senior unsecured debt ratings are aligned with its anchor rating, which is the SSR, as per Fitch's *Bank Rating Criteria*, as we view New Zealand as having a developed resolution framework and there is only one class of senior debt.

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade:

Short-Term IDRs

ANZ's Short-Term IDRs may be downgraded if the Long-Term IDRs are downgraded to 'A-' or below.

Senior Unsecured

ANZ's senior unsecured debt ratings would be downgraded if its SSR is downgraded.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade:

Short-Term IDR

ANZ's Short-Term IDRs would be upgraded if the Long-Term IDRs are upgraded to 'AA-' or the parent's funding and liquidity score is raised to 'aa-'.

Senior Unsecured

ANZ's senior unsecured debt ratings would be upgraded if its SSR is upgraded.

Ratings Navigator

	Operating Environment 0%	Business Profile 20%	Risk Profile 10%	Financial Profile				Implied Viability Rating	Viability Rating	Shareholder Support Rating	LT Issuer Default Rating
				Asset Quality 20%	Earnings & Profitability 15%	Capitalisation & Leverage 25%	Funding & Liquidity 10%				
aaa								aaa	aaa	aaa	AAA
aa+								aa+	aa+	aa+	AA+
aa								aa	aa	aa	AA
aa-								aa-	aa-	aa-	AA-
a+								a+	a+	a+	A+ Pos
a								a	a	a	A
a-								a-	a-	a-	A-
bbb+								bbb+	bbb+	bbb+	BBB+
bbb								bbb	bbb	bbb	BBB
bbb-								bbb-	bbb-	bbb-	BBB-
bb+								bb+	bb+	bb+	BB+
bb								bb	bb	bb	BB
bb-								bb-	bb-	bb-	BB-
b+								b+	b+	b+	B+
b								b	b	b	B
b-								b-	b-	b-	B-
ccc+								ccc+	ccc+	ccc+	CCC+
ccc								ccc	ccc	ccc	CCC
ccc-								ccc-	ccc-	ccc-	CCC-
cc								cc	cc	cc	CC
c								c	c	c	C
f								f	f	ns	D or RD

The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

Factor Outlook

Stable Evolving Positive Negative

VR - Adjustments to Key Rating Drivers

The operating environment score of 'a+' is below the 'aa' category implied score for the following adjustment reason: level or growth of credit (negative).

The business profile score of 'a+' is above the 'bbb' category implied score for the following adjustment reason: market position (positive).

The capitalisation and leverage score of 'a' is above the 'bbb' category implied score due to the following adjustment reason: leverage and risk-weight calculation (positive).

Company Summary and Key Qualitative Factors

Operating Environment

Fitch expects New Zealand's GDP growth to accelerate in 2026 from just 0.2% in 2025, although improvement in unemployment is likely to lag the stronger economic growth. The unemployment rate was 5.6% in the second quarter of 2026 and is likely to remain near cyclical highs through to the end of the year before falling in 2027. Losses for banks should be manageable at this level, supported by conservative underwriting and macroprudential policies. This underpins Fitch's stable operating environment outlook.

The regulatory framework includes macroprudential speed limits on riskier residential mortgages. These have been in place for about a decade and reduce the risk of loss for banks should mortgage arrears increase. Loans from the banking sector remain heavily exposed to households, primarily through residential mortgages. New Zealand has high household leverage relative to many other countries, although this has improved since 2022. Household debt/disposable income was 166% at end-March 2026, down from a cyclical high of 176% at end-March 2022.

Business Profile

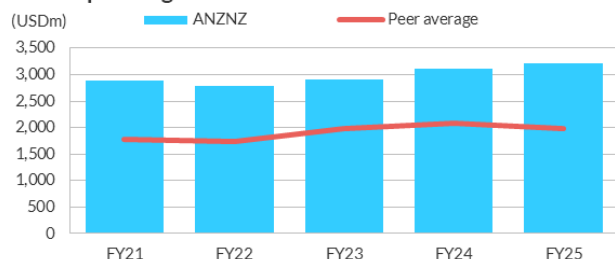
ANZ is New Zealand's largest bank and Fitch expects it to maintain its leading competitive position in the medium term, supporting economies of scale and underpinning the bank's financial profile and VR. Investment in digital capabilities supports its franchise in an increasingly technology-driven market.

The bank operates a straightforward, traditional banking model that limits complexity and reduces reliance on more volatile revenue streams, such as trading, supporting earnings stability. Earnings are concentrated in net interest income, reflecting the predominance of loans on the balance sheet.

ANZ's operations are weighted towards retail banking. At end-1HFY26, the personal segment represented 73% of net loans and advances and 48% of net profit after tax. The business and agricultural segments accounted for 15% and 19%, respectively, on the same measures, while the institutional segment contributed 11% and 21%.

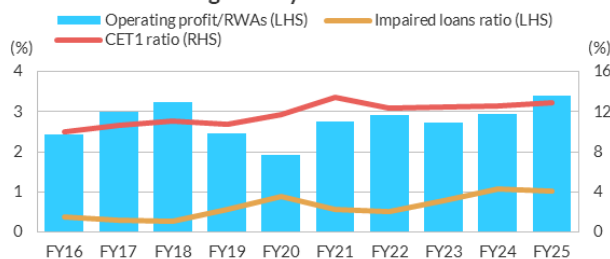
ANZ's ownership provides limited benefits to ANZ's domestic lending and deposit franchise, while offering greater support to its wholesale funding franchise. ANZ operates exclusively in New Zealand, with Fitch expecting overseas activities to be undertaken by the parent.

Total Operating Income



Source: Fitch Ratings, Fitch Solutions, banks

Performance Through the Cycle



Source: Fitch Ratings, Fitch Solutions, ANZ

Risk Profile

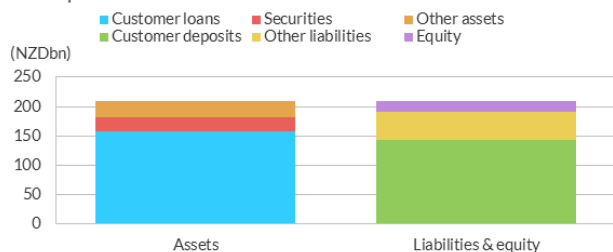
Corporate and commercial loans, which accounted for only 25% of gross loans at end-1HFY26, against 74% for residential mortgages, are the more likely source of large losses. Single-name concentration is limited, although agriculture and commercial real estate represent sector-level concentrations, consistent with the structure of the domestic economy.

Residential mortgage risks are well managed, underpinned by conservative underwriting standards and macroprudential measures. RBNZ loan-to-value (LTV) restrictions limit the incidence of negative equity and constrain mortgage losses, while debt-to-income restrictions introduced in mid-2024 should further reduce risk accumulation as interest rates decline.

Securities exposures consist almost entirely of high-quality government securities held for prudential liquidity purposes. All securities are held in trading or available-for-sale categories, with value movements reflected in capital levels. Interest rate risk is managed through hedging. We believe cyber risk remains a key non-financial risk for New Zealand banks and is a significant focus for ANZ.

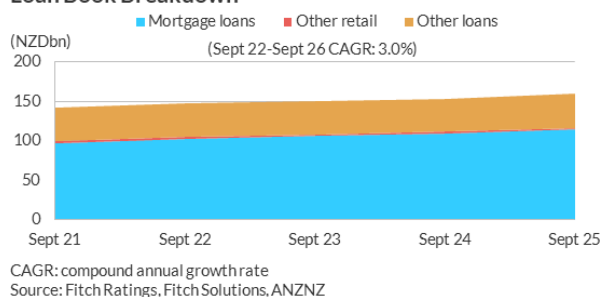
Balance Sheet

End-Sept2025



Source: Fitch Ratings, Fitch Solutions, ANZNZ

Loan Book Breakdown



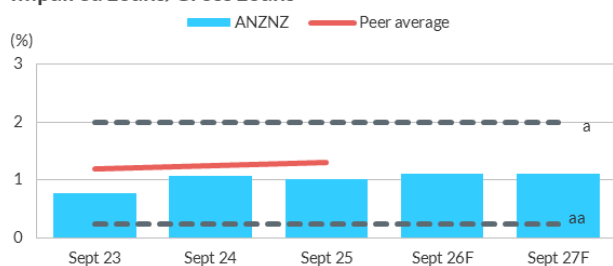
Financial Profile

Asset Quality

Fitch expects the stage 3 loan ratio to weaken moderately from 1.0% at end-1HFY26, as modest economic growth has not been sufficient to reduce the unemployment rate. Loan losses are likely to remain limited, supported by a low average LTV ratio, consistent underwriting standards and regulatory limits on high-risk mortgages. Collateral coverage stood at above 94% of net loans and advances at FYE25. Significant losses are not Fitch's base case but would most likely emerge from the business loan portfolio.

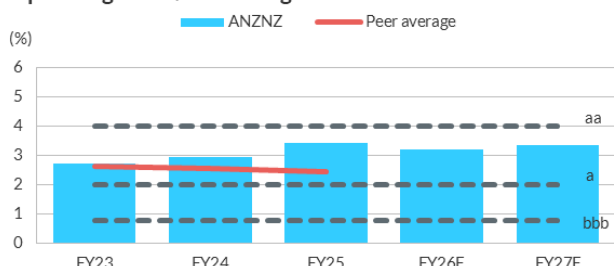
The loan loss allowance covered 44% of impaired loans at end-1HFY26, which Fitch considers adequate given the high level of collateral, primarily property, across the portfolio. Fitch expects coverage to decline to around 40% by FYE26, reflecting an anticipated increase in stage 3 loans in 2HFY26.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

Fitch expects ANZNZ's net interest margin (NIM) to contract in FY26 before recovering in FY27, supported by higher interest rates. We expect the NIM to remain in the range of 2.4%–2.5%, with the operating profit/RWA ratio forecast at 3.2%–3.3% through to FY27, placing ANZNZ at the top of its peer group. This outperformance reflects the bank's strong domestic franchise, particularly in retail deposits, which supports lower funding costs and a cost/income ratio that has historically been around 35%.

Comparing the operating profit/RWA ratios of New Zealand banks to those of international peers is complicated by the RBNZ's conservative capital framework implemented. Fitch also considers complementary metrics, such as operating profit/average total assets, when assigning the earnings and profitability score.

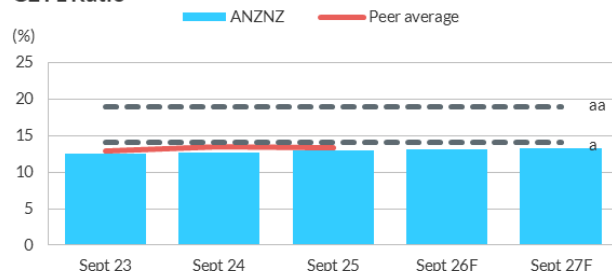
Capitalisation and Leverage

Fitch expects ANZNZ to manage its CET1 ratio around similar levels following the finalisation of the RBNZ's capital framework review, which reduced the fully phased-in regulatory minimum, including buffers, to 12% from 13.5% under the previous framework. The review also increased the granularity of standardised risk-weights for some asset classes, which combined should lower overall standardised risk-weights. ANZNZ should benefit through an easing of the output floor as a result. We have not incorporated the reduction in the output floor into our forecasts as there remains some uncertainty as to the size of the benefit.

The regulatory capital output floor is 85% of the standardised approach and the framework also applies a 1.2x scalar to internal ratings-based models; both are more conservative than Basel minimums and result in lower capital ratios for New Zealand banks relative to many international peers. Fitch also uses non-risk-weighted ratios, such as the tangible common equity/tangible asset ratio, to assess capitalisation to account for the conservative bias.

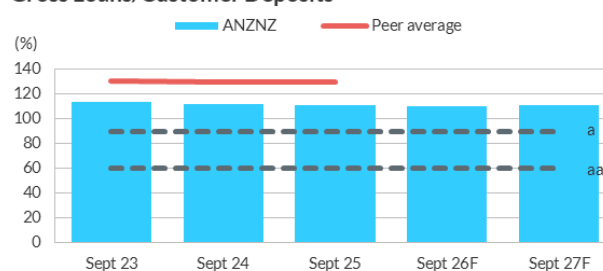
LAC requirements for New Zealand's four major banks will begin a phase-in period from late 2028. The RBNZ is still to finalise the structure of the instruments, but has indicated that they will not be senior ranking and that they can only be issued to the Australian parents to support a single point of entry resolution approach for the Australasian banking groups.

CET1 Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

We expect ANZNZ's loan and deposit growth to be broadly similar over time, resulting in a stable loans/customer deposits ratio through the cycle. The deposit base is steady, with household deposits accounting for more than 60% of total deposits at end-1HFY26 and the remainder diversified by industry sector.

Wholesale funding, including that sourced from offshore markets, remains an important component of ANZNZ's funding mix. Associated risks are addressed through liquidity management, contingency planning and diversification across products, investors and markets. ANZNZ also benefits from being part of ANZ group, which supports access to wholesale funding markets at pricing not typically available on a standalone basis. Foreign-exchange risk is mitigated using fully collateralised hedges.

Additional Notes on Charts

Black dashed lines represent boundaries for indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'a' category. Peer average includes ASB Bank Limited, Bank of New Zealand, Westpac New Zealand Limited. Latest data available for ASB Bank Limited is for FY26. Unless otherwise stated, financial year (FY) end is 31 December for all banks in this report. Financial year end of ANZNZ, Bank of New Zealand, Westpac New Zealand Limited is 30 September. Financial year end of ASB Bank Limited is 30 June.

Financials

Financial Statements

	30 Sep 22 12 months (NZDm)	30 Sep 23 12 months (NZDm)	30 Sep 24 12 months (NZDm)	30 Sep 25 12 months (NZDm)	30 Sep 26F 12 months (NZDm)	30 Sep 27F 12 months (NZDm)
Summary income statement						
Net interest and dividend income	3,776	4,293	4,402	4,652	-	-
Net fees and commissions	539	504	494	483	-	-
Other operating income	536	81	-17	419	-	-
Total operating income	4,851	4,878	4,879	5,554	5,179	5,260
Operating costs	1,653	1,663	1,760	1,812	1,885	1,942
Pre-impairment operating profit	3,198	3,215	3,119	3,742	3,294	3,318
Loan and other impairment charges	39	183	44	-25	52	48
Operating profit	3,159	3,032	3,075	3,767	3,242	3,270

Other non-operating items (net)	12	34	3	-	-	-
Tax	882	849	870	1,053	-	-
Net income	2,289	2,217	2,208	2,714	2,334	2,355
Other comprehensive income	-15	-136	119	118	-	-
Fitch comprehensive income	2,274	2,081	2,327	2,832	-	-

Summary balance sheet

Assets

Gross loans	147,713	150,051	152,391	159,351	160,874	167,214
– of which impaired	734	1,177	1,623	1,609	1,793	1,669
Loan loss allowances	646	730	725	668	724	739
Net loans	147,067	149,321	151,666	158,683	160,150	166,475
Interbank	785	401	574	1,620	-	-
Derivatives	15,481	8,753	10,181	11,449	-	-
Other securities and earning assets	21,505	18,348	21,674	25,946	-	-
Total earning assets	184,838	176,823	184,095	197,698	-	-
Cash and due from banks	11,327	12,426	9,872	7,360	-	-
Other assets	4,969	5,040	5,209	4,931	-	-
Total assets	201,134	194,289	199,176	209,989	210,317	218,624

Liabilities

Customer deposits	130,330	132,529	136,163	143,542	148,690	154,638
Interbank and other short-term funding	16,207	13,521	12,374	16,079	-	-
Other long-term funding	19,082	18,209	16,685	16,861	-	-
Trading liabilities and derivatives	13,785	8,326	11,179	10,408	-	-
Total funding and derivatives	179,404	172,585	176,401	186,890	-	-
Other liabilities	2,005	2,345	3,027	2,263	-	-
Preference shares and hybrid capital	2,791	1,788	2,630	2,630	-	-
Total equity	16,934	17,571	17,118	18,206	18,821	19,645
Total liabilities and equity	201,134	194,289	199,176	209,989	-	-
Exchange rate	USD1= NZD1.7443	USD1= NZD1.6762	USD1= NZD1.5717	USD1= NZD1.7292	-	-

Source: Fitch Ratings, Fitch Solutions, ANZNZ

Key Ratios

Ratios (%; annualised as appropriate)	30 Sep 22	30 Sep 23	30 Sep 24	30 Sep 25	30 Sep 26F	30 Sep 27F
Profitability						
Operating profit/risk-weighted assets	2.9	2.7	3.0	3.4	2.9	2.8
Net interest income/average earning assets	2.1	2.4	2.5	2.5	2.4	2.4
Non-interest expense/gross revenue	34.1	34.1	36.1	32.6	36.4	36.9
Net income/average equity	13.7	12.9	12.7	15.3	12.7	12.2

Asset quality						
Impaired loans ratio	0.5	0.8	1.1	1.0	1.1	1.0
Growth in gross loans	4.5	1.6	1.6	4.6	1.0	3.9
Loan loss allowances/impaired loans	88.0	62.0	44.7	41.5	40.4	44.3
Loan impairment charges/average gross loans	0.0	0.1	0.0	0.0	0.0	0.0
Capitalisation						
Common equity Tier 1 ratio	12.4	12.5	12.6	12.9	13.2	13.4
Fully loaded common equity Tier 1 ratio	-	-	-	-	-	-
Fitch Core Capital ratio	-	-	-	-	-	-
Tangible common equity/tangible assets	6.8	7.4	7.0	7.1	-	-
Basel leverage ratio	-	-	-	-	-	-
Net impaired loans/common equity Tier 1	0.7	3.2	6.8	6.6	7.2	5.9
Net impaired loans/Fitch Core Capital	-	-	-	-	-	-
Funding and liquidity						
Gross loans/customer deposits	113.3	113.2	111.9	111.0	108.2	108.1
Gross loans/customer deposits + covered bonds	109.9	110.4	110.2	109.1	-	-
Liquidity coverage ratio	-	-	-	-	-	-
Customer deposits/total non-equity funding	77.4	79.8	81.1	80.1	-	-
Net stable funding ratio	-	-	-	-	-	-

Source: Fitch Ratings, Fitch Solutions, ANZNZ

Support Assessment

Shareholder Support

Shareholder	Australia and New Zealand Banking Group Limited	
Shareholder Viability Rating	●	a+
Total adjustment (notches)		0
Shareholder Support Rating		a+
Shareholder ability to support		
Shareholder regulation	●	Equalised
Relative size	●	1 notch
Country risks	●	Equalised
Shareholder propensity to support		
Role in group	●	Equalised
Reputational risk	●	Equalised
Integration	●	Equalised
Support record	●	1 notch
Subsidiary performance and prospects	●	Equalised
Legal commitments	●	2+ notches

The colours indicate the influence of each support factor in our assessment. Influence: Dark blue = neutral; Red = higher

Source: Fitch Ratings

ANZ's Long-Term IDRs and SSR reflect Fitch's assessment of a very high probability of support from its Australian parent, ANZ, if required. The Long-Term IDRs are driven by the SSR, which is aligned with the parent's VR, reflecting Fitch's assessment that ANZ remains a key and integral subsidiary of ANZ. New Zealand is a core market for ANZ, and ANZ is the only New Zealand-incorporated bank within the group. Any default by ANZ would pose a huge reputational risk to ANZ and could damage the group's franchise. Fitch also expects cooperation between the Australian and New Zealand banking regulators to ensure support can be provided to the subsidiary, if required.

Subsidiaries and Affiliates

ANZ issues foreign-currency wholesale funding through its wholly owned subsidiary, ANZ New Zealand (Int'l) Limited (ANZIL). ANZIL is used for funding purposes only and is not rated by Fitch; Fitch only rates the debt that it issues. The debt ratings are aligned with ANZ's senior unsecured debt ratings, as ANZ guarantees ANZIL's senior unsecured debt instruments and the guarantee ranks pari passu with ANZ's senior unsecured debt.

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade:

The ratings of the guaranteed instruments issued by ANZIL would be downgraded if ANZ's senior unsecured debt ratings are downgraded.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade:

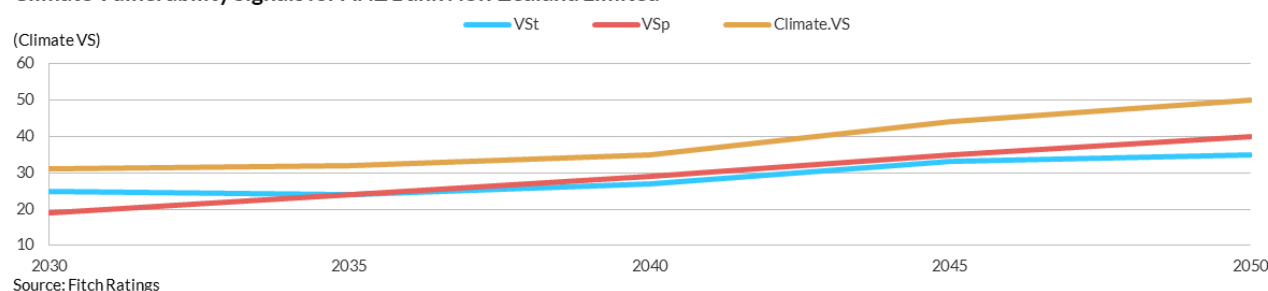
The ratings of the guaranteed instruments issued by ANZIL would be upgraded if ANZ's senior unsecured debt ratings are upgraded.

Climate Vulnerability Considerations

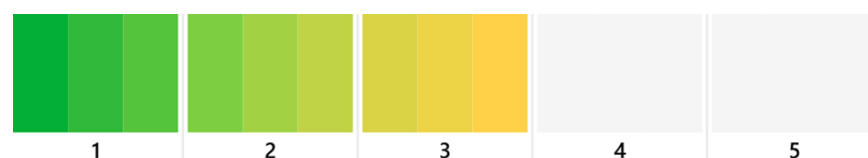
Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify issuers whose credit profiles have a higher potential exposure to climate-related risks, and to subject those ratings to additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk).

The Climate.VS for ANZ for 2035 is 32, which indicates that climate risk factors are not expected to materially affect the credit profile, but some adaptation may be needed. This reflects a transition risk (VSt) component signal of 24 and a physical risk (VSp) component signal of 24. Any potential effect on the rating may differ from the illustrative rating impact in the Climate.VS framework.

Climate Vulnerability Signals for ANZ Bank New Zealand Limited



Environmental, Social and Governance Considerations



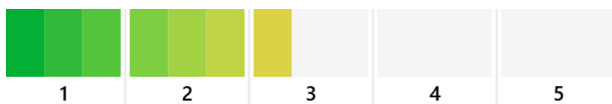
Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	2	Regulatory risks, emissions fines or compliance costs related to owned, financed or managed assets, which could impact asset prices, profitability, etc.	Operating Environment; Business Profile; Risk Profile; Asset Quality
Energy Management	1	n.a.	n.a.
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile; Risk Profile; Asset Quality



Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile; Risk Profile
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile; Risk Profile
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile; Financial Profile



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Operational implementation of strategy	Business Profile
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile; Earnings & Profitability; Capitalisation & Leverage
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile



ESG Scoring

ESG relevance scores range from '1' to '5' based on a 15-level colour gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.

Credit-Relevant ESG Scale

	5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
	4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
	3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
	2	Irrelevant to the entity rating but relevant to the sector.
	1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

Ratings

Foreign Currency

Long-Term IDR	A+
Short-Term IDR	F1

Local Currency

Long-Term IDR	A+
Short-Term IDR	F1

Viability Rating	a
Shareholder Support Rating	a+

Sovereign Risk (New Zealand)

Long-Term Foreign-Currency IDR	AA+
Long-Term Local-Currency IDR	AA+
Country Ceiling	AAA

Outlooks

Long-Term Foreign-Currency IDR	Positive
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Long-Term Local-Currency IDR	Positive
Sovereign Long-Term Foreign-Currency IDR	Negative
Sovereign Long-Term Local-Currency IDR	Negative

ESG and Climate

Highest ESG Relevance Scores

Environmental	2
Social	3
Governance	3

Climate Vulnerability

2035 Climate Vulnerability Signal: 32
Transition (VSt): 24
Physical (VSp): 24

Applicable Criteria

[Bank Rating Criteria \(May 2026\)](#)

Related Research

[LAC Issuance Positive for New Zealand Major Banks' Ratings \(September 2026\)](#)

[Developed Markets 100 Largest Banks Monitor \(July 2026\)](#)

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