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ANZ Bank New Zealand Ltd.

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ANZ Bank New Zealand Ltd.

SACP	a-	
Anchor	bbb	
Business Position	Strong	+1
Capital and Earnings	Strong	+1
Risk Position	Adequate	0
Funding	Average	0
Liquidity	Adequate	

+

Support	+3
ALAC Support	0
GRE Support	0
Group Support	+3
Sovereign Support	0

+

Additional Factors	0

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

Credit Highlights

Overview	
Key strengths	**Key risks**
Highly likely to receive timely financial support from parent, if needed.	Material dependence on domestic and offshore wholesale borrowings.
Leading market position across retail and commercial banking in New Zealand.	Susceptible to growing risk of a correction in the New Zealand property market.

We expect ANZ Bank New Zealand Ltd. (ANZ NZ) Australia-based parent, Australia and New Zealand Banking Group Ltd. (ANZ; AA-/Stable/A-1+), would provide timely financial support to ANZ NZ in all foreseeable situations. Consequently, we equalize our issuer credit rating on ANZ NZ with our issuer credit rating on ANZ. This reflects our view that ANZ NZ is an integral part of ANZ's group-wide strategy and makes up a material portion of ANZ's operations. We also expect the Australian government's support for ANZ would extend to ANZ NZ.

ANZ NZ will continue to dominate the New Zealand financial sector as the country's largest bank. ANZ NZ has the largest market share of all banks, with about 28% of loans and advances and a 30% share in customer deposits. Combined, New Zealand's four major banks make up about 85% of the market. We believe ANZ NZ's market position affords it a reasonable degree of pricing power, while enabling a diversified loan portfolio that broadly reflects the New Zealand economy.

We expect ANZ NZ will maintain a risk-adjusted capital (RAC) ratio sustainably above 10% in the next two years. In addition, we believe the major banks, including ANZ NZ, can comfortably generate sufficient capital through retained earnings to meet higher regulatory capital requirements within the seven-year transition timeline from July 1, 2022.

ANZ NZ is likely to maintain a conservative risk appetite, consistent with the New Zealand banking system, in our view. Like major bank peers, ANZ NZ has a mortgage-focused loan portfolio and business model focused on retail banking. As a result of recovering economic conditions, we expect ANZ NZ's credit losses to fall to pre-COVID-19 levels over the next 12 months.

Outlook: Stable

The stable outlook on New Zealand-based 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, reflecting our view that ANZ NZ is likely to remain a core subsidiary of the ANZ group.

Our negative economic risk trend for New Zealand reflects the growing risk of a correction in the domestic property market, and so the prospect of a sharp rise in credit losses. If we formed a view that these economic risks facing New Zealand had materialized, ANZ NZ's standalone credit profile (SACP) would likely remain unchanged, reflecting its strong capital position. Meanwhile, our issuer credit ratings would continue to reflect the support ANZ NZ receives from its parent.

Downside scenario

We expect to lower our ratings on ANZ NZ if we lower our long-term rating on ANZ. In addition, a weakened commitment from the parent, a dilution in shareholding, or a reduction in ANZ NZ's importance to group strategy could trigger a review of its importance to the broader group, which could result in a lower rating. We consider both scenarios unlikely in the next two years.

Upside scenario

We expect to raise our ratings on ANZ NZ if we raised our long-term rating on ANZ.

Key Metrics

ANZ Bank New Zealand--Key Ratios And Forecasts

	--Fiscal year ended Sept. 30--				
(%)	**2019a**	**2020a**	**2021f**	**2022f**	**2023f**
Growth in operating revenue	-4.0	0.4	1.6	3.3	3.1
Growth in customer loans	4.8	0.3	6.0	5.0	5.0
Growth in total assets	6.5	6.1	5.5	5.0	5.0
Net interest income/average earning assets (NIM)	2.2	2.1	2.1	2.1	2.1
Cost to income ratio	39.4	42.0	39.0	39.0	39.0
Return on equity	13.4	9.2	11.3	10.5	10.3
Return on assets	1.1	0.7	1.0	0.9	0.9
New loan loss provisions/average customer loans	0.1	0.3	-0.1	0.1	0.1
Gross nonperforming assets/customer loans	0.5	0.7	0.6	0.5	0.4
Net charge-offs/average customer loans	0.1	0.1	0.0	0.0	0.0
Risk-adjusted capital ratio	11.9	13.0	13.0-13.7	13.1-13.8	13.0-13.7

All figures are S&P Global Ratings-adjusted. a--Actual. f--Forecast.

Anchor

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 macro environment.

New Zealand benefits from an open, prosperous, and flexible economy, which draws from decades of structural reforms. The New Zealand economy is recovering strongly after the COVID-19 pandemic, a trend that we expect to continue. However, unprecedented house price growth of more than 30% in the past 12 months is exposing financial institutions in New Zealand to rising economic risks, in our view. While the government and the regulator have taken various actions to mitigate the risks to financial system stability from the resurgent house prices, these initiatives have so far been less effective in restraining house price inflation than we previously anticipated. We now see a heightened risk that property price growth continues unabated. Economic risks are also heightened by New Zealand's external weaknesses--in particular its high level of external debt and persistent current account deficits. We forecast credit losses will return to pre-COVID-19 levels over the next one to two years.

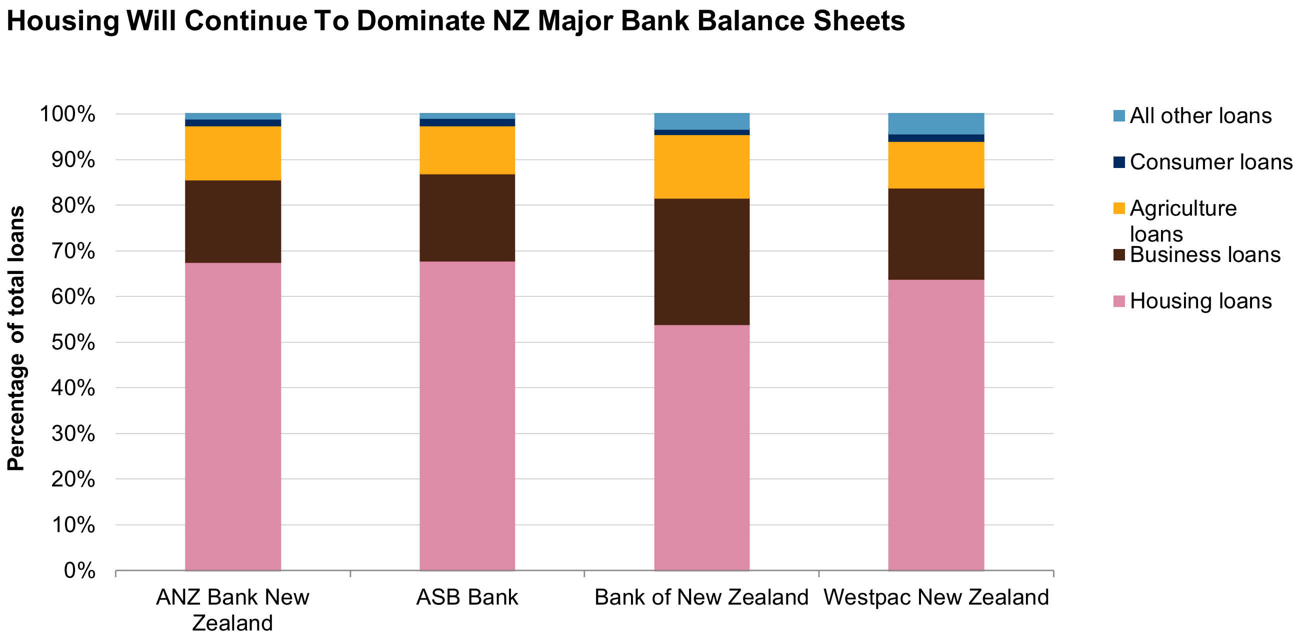
We consider that New Zealand's prudential regulatory standards remain conservative relative to international minimum standards. We are of the view that the risk appetite settings of banks are also conservative, and that the industry structure is stable--an oligopoly dominated by four large banks. We believe that the banking sector earnings will remain adequate to absorb credit losses. We consider that the substantial monetary support from the Reserve Bank of New Zealand (RBNZ) has alleviated funding and liquidity risks for the New Zealand banks. Banks' dependence on offshore borrowing has reduced since 2010. This is due to lower credit growth, a strong inflow of customer deposits, and the introduction of an Australian Prudential Regulation Authority directive for the Australian major banks to reduce their intragroup funding to their New Zealand subsidiaries. Weighing on our industry risk assessment is the banking system's high share of net external borrowings, which could become more challenging if a dislocation in international funding markets occurs.

Business Position: New Zealand's Largest Bank With Leading Positions Across Retail And Commercial Sectors

ANZ NZ is the largest of New Zealand's four major banks, which continue to dominate the country's retail and commercial banking sector. In the coming two years, we expect ANZ NZ will maintain its leading market share, which includes about 28% of the residential mortgage market (see chart 1). New Zealand's four major banks occupy about 85% of the market. ANZ NZ's leading market position across retail and commercial lending provides the bank a high degree of pricing power across a broad range of offerings. This in turn gives the bank greater ability to control customer relationships. We believe ANZ NZ's asset portfolio reinforces good revenue stability, with 83% of operating revenues coming from repeatable interest income.

Low interest rates should continue to accommodate strong growth in ANZ NZ's core business of funding mortgages with deposits. We forecast New Zealand's house price growth will remain robust, with low borrowing costs continuing to underpin strong demand for mortgage lending. We believe this will support solid mortgage growth for ANZ NZ in the coming two years. That said, imposition of further macroprudential tools to ease housing risks could slow credit and revenue growth across the banking system. In addition, a rising policy rate in the coming two years would act as a natural obstacle to credit growth and the housing market.

Chart 1



Source: S&P Global Ratings, RBNZ. As of March 31, 2021.

ANZ NZ witnessed declines in sectors outside of residential mortgage lending. ANZ NZ witnessed below-system growth of 1.4%--system 3.2%--for the 12 months to March 2021, driven by declines in agriculture, consumer, and business lending, while residential mortgage lending remained strong at about 9%. In our view, the bank is likely to stabilize outflows in these segments over the next two years as the wider economy strengthens post-COVID-19. As such, we expect ANZ NZ will maintain its market-leading position across lending segments. The bank will also continue to target horticulture lending in its agriculture portfolio as it looks to diversify the portfolio with lower reliance on dairy.

Like its peers, ANZ NZ will 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, not least because it allows the bank to operate with a lower cost structure than it could as a standalone entity. This is despite regulatory requirements for New Zealand banks to have control over outsourced activities.

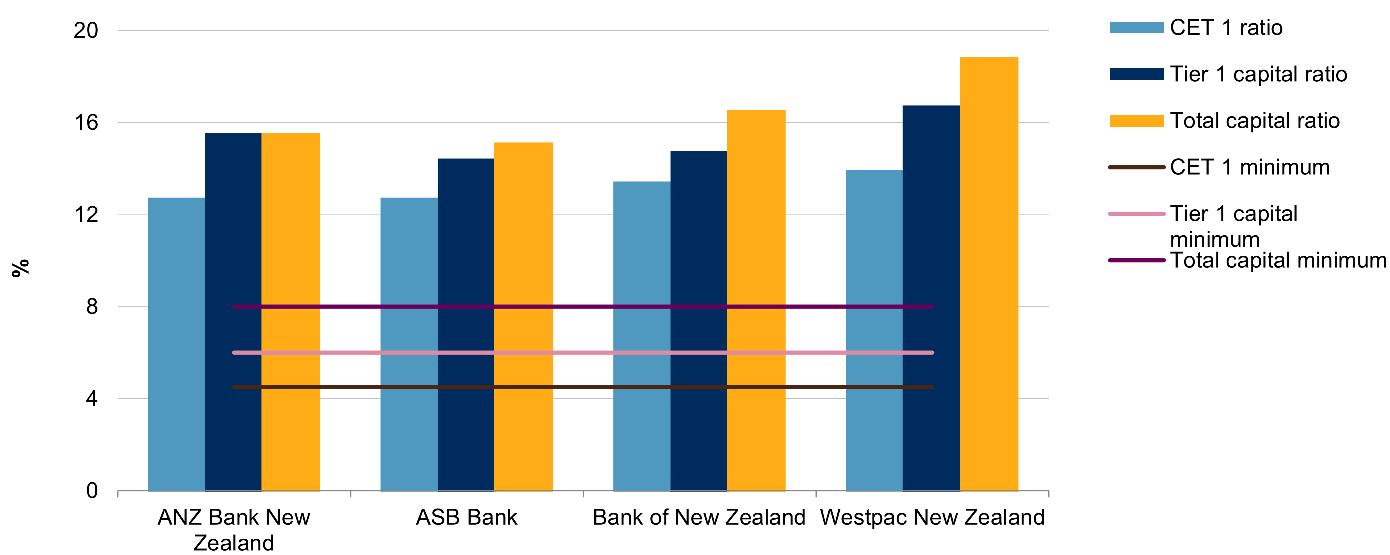
Capital And Earnings: Capitalization Will Remain A Credit Strength

We project ANZ NZ's RAC ratio to remain strong. As of March 31, 2021, our RAC ratio for ANZ NZ is 13.7%, the highest among major bank peers. We expect our RAC ratio for ANZ NZ will remain above 10% over the next two years, at between 13.0% and 13.5%. The forecast takes into account an expectation that ANZ NZ's organic capital generation will do more than finance moderate risk-weighted asset growth, as the bank prepares to meet higher regulatory capital requirements in the medium term (see Key Metrics table above). We forecast ANZ NZ will pay a dividend of about 50% to its parent for the next two years.

Chart 2

New Zealand's Major Banks Maintain Capital Well In Excess Of The Regulatory Minimum

As of June 30, 2021



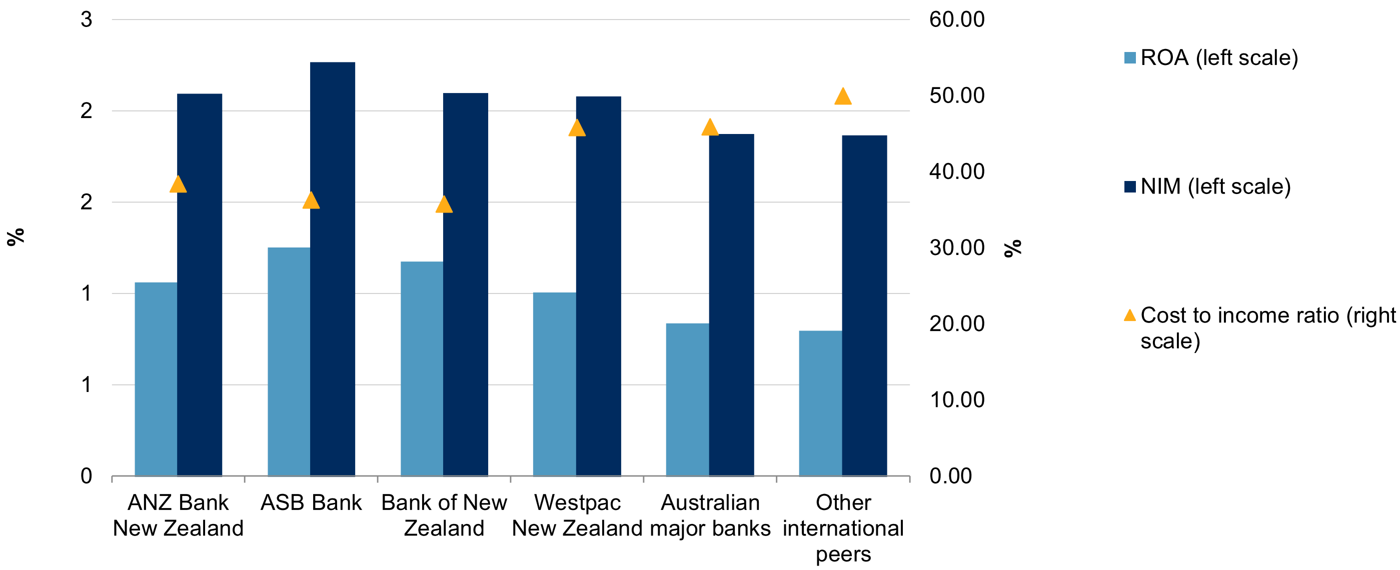
CET1--Common equity tier 1 capital. The RBNZ also requires these banks to maintain a 2.5% capital conservation buffer over the minimum regulatory requirements. Source: S&P Global Ratings.

New Zealand's soaring house prices increase the risk of a sharp property correction. We currently see a one-in-three likelihood that New Zealand financial institutions could face greater risk of a disorderly correction in house prices if the robust growth persists and prices continue to build. If we formed a view that economic risk in the New Zealand banking sector has increased, we would raise the risk weights we apply to banks' lending exposures in New Zealand. In such an instance our RAC ratio for ANZ NZ would decline; however, we expect our assessment of ANZ NZ's capital and earnings position would remain strong, with the RAC ratio likely to remain above 10%, all else remaining equal.

We believe ANZ NZ's profitability will continue to be very good by international standards. We expect ANZ NZ's return on assets to remain close to 1.05%, consistent with the bank's earnings capacity in the recent past and in line with the immediate major bank peer average of 1.12%.

Chart 3

Profitability Of New Zealand's Major Banks Is Comparable To Global Peers
ROA is measured as core earnings to average adjusted assets, NIM is measured as net interest income to average earning assets



NIM--Net interest margin. ROA--Return on assets. Source: S&P Global Ratings.

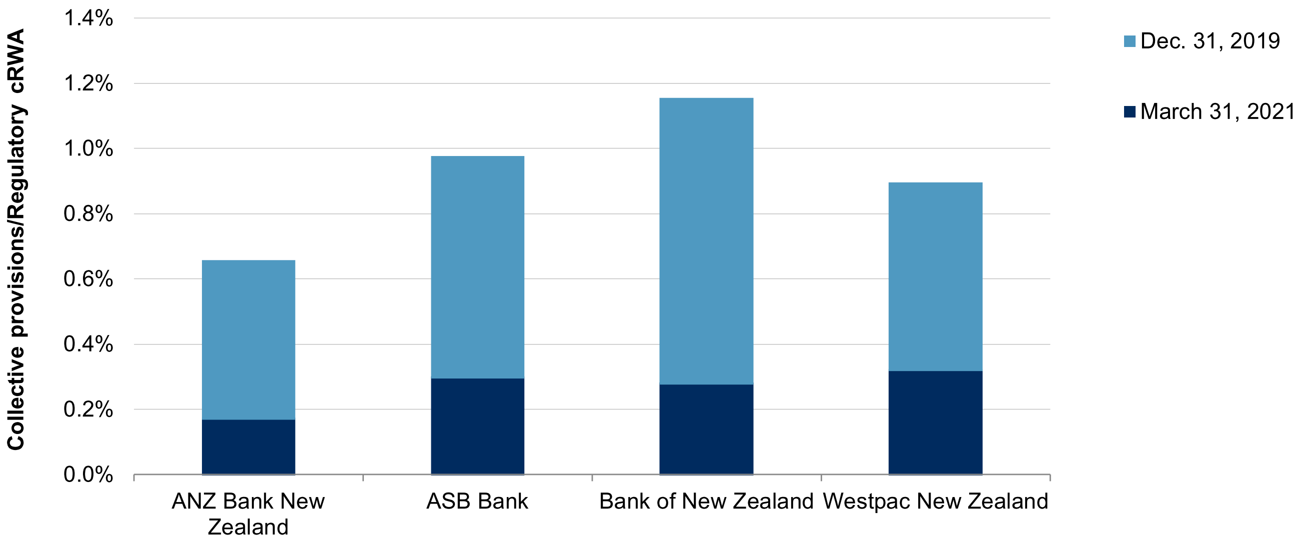
Regulatory requirements for the ANZ group to reduce its exposure to ANZ NZ to less than 25% of Level 1 Tier 1 capital is unlikely to weaken ANZ NZ's capital position. ANZ NZ makes up a greater portion of the ANZ Group when compared to its major bank peers and their operating groups. As such, regulatory initiatives outlined by the Australia Prudential Regulatory Authority (APRA) is likely to effect ANZ NZ's capital management practices more than its immediate peers. We anticipate ANZ Group exposure to ANZ NZ will not exceed 20% of Level 1 Tier 1 capital by January 2022 when the regulation in scheduled to be implemented.

Risk Position: Conservative Risk Appetite Underpins Low Credit Losses

Consistent with major bank peers, we expect ANZ NZ's credit losses will ease to pre-COVID-19 levels in the next two years. We believe the recovering economy, strong labor market, and improved consumer and business sentiment will offset the risks posed by continued uncertainty around the spread of COVID-19, including intermittent lockdowns. ANZ NZ's credit losses are likely to remain low, at about 5 basis points of customer loans over the next two years. Like its peers, ANZ NZ released some credit provisions in 2021, reflecting a stronger operating environment than it originally anticipated at the onset of the pandemic. Saying this, ANZ NZ's stock of credit loss reserves remains elevated compared with pre-COVID-19 levels and appropriately mitigates risk, in our view (chart 4).

Chart 4

Collective Provision Stocks Remain Elevated Above Pre-Pandemic Levels



Source: S&P Global Ratings, RBNZ. As of March 31, 2021. cRWA--Credit risk weighted assets.

ANZ NZ maintains a conservative risk appetite and loan book broadly comparable with major bank peers. We expect residential mortgages will continue to be the predominant asset on ANZ NZ's balance sheet, composing about two-thirds of total lending. In our view, ANZ NZ's growth appetite appears moderate and broadly in line with system trends.

We believe downside risk in the New Zealand property market remains elevated, with low interest rates driving rapid property price and credit growth. We note about 46% of ANZ NZ's mortgage portfolio is domiciled in Auckland, where surging property prices have increased the risk of a sharp correction, which could result in higher credit losses, in our view.

We consider ANZ NZ's risk management framework and executive management's experience to be adequate for the scale and complexity of its operations. We see ANZ NZ's banking activities as relatively simple, with low exposure to traditionally higher volatility earning activities such as trading and investment banking. Furthermore, we consider the bank's corporate governance structures to be well developed and in line with international best practices.

ANZ NZ will be able to leverage the expertise of its parent (ANZ) when combating cyber attacks. Recently, ANZ NZ's operations were targeted via a DDOS attack. As the largest authorized deposit institution in New Zealand, ANZ NZ will continue to be the target of cyber-attacks, in our view. We believe that access to parental expertise as well as the bank's own internal processes will allow it to combat cyber-associated risks. We expect continued focus on combating cyber risks will only increase and that the RBNZ's sector-wide initiatives should strengthen cyber security.

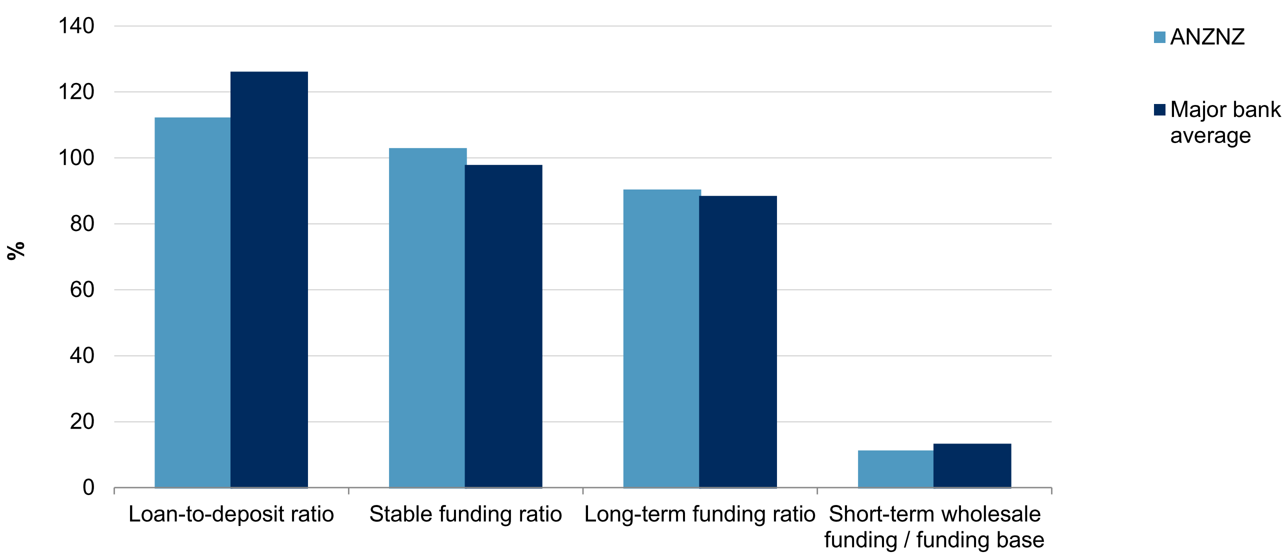
Funding And Liquidity: Policy Intervention Supports Stability

RBNZ support continues to promote funding stability for New Zealand's banks, including ANZ NZ. Since the onset of COVID-19, the RBNZ has implemented various funding initiatives, the largest and most consequential being the Funding for Lending Program (FLP). ANZ NZ has drawn NZ$1 billion from the FLP at the end of August 2021. Total funds available under the FLP are sufficient to cover the bank's wholesale funding maturities for fiscal 2022 and 2023. Consequently, we believe the FLP will continue to provide ANZ NZ insulation against volatility in wholesale funding cost and availability.

We believe ANZ NZ will continue to adequately manage its funding and liquidity risks. We expect wholesale funding will remain close to 20% of ANZ NZ's funding base; the bank has a slightly lower reliance on wholesale funding than its New Zealand major bank peers. Short-term wholesale funding contributed to 10.9% of ANZ NZ's funding base as of March 31, 2021, compared with an average of 13.0% for its major bank peers. ANZ NZ's stable funding ratio, at 102.7%, remains stronger than its peers' 97.5%. We expect ANZ NZ's wholesale funding strategy to remain one of consistent issuance into established markets.

Chart 5

ANZNZ's Funding Metrics Remain Broadly Consistent With Peers'



Source: S&P Global Ratings

We believe ANZ NZ has sufficient liquidity to manage six months of general market stress without significant dependence on central bank support. As of March 31, 2021, ANZ NZ's broad liquid assets over short-term wholesale funding needs was 1.37x, the highest of New Zealand's four major banks. In a longer-term stress scenario, we believe ANZ NZ could also effectively draw on contingent liquidity from the RBNZ. As of March 31, 2021, ANZ NZ holds close to A$32 billion in liquid assets, all of which are repo-eligible with the RBNZ. At the same time, 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 of its parent, ANZ. Consequently, our long-term issuer credit 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 under any foreseeable circumstances.

We believe ANZ NZ will remain an integral part of the ANZ group-wide strategy. As a fully owned and considerable subsidiary of ANZ, we expect ANZ NZ will continue to account for about 10% of group earnings and capital. ANZ is highly unlikely to divest ANZ NZ, in our view, given the subsidiary's success over a sustained period as one of New Zealand's largest commercial banks. We believe 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 the Australian government's support for ANZ would extend to ANZ NZ if needed. This is because we believe that financial distress at ANZ NZ could harm ANZ's perceived creditworthiness in financial markets.

We are 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

We anchor our ratings on ANZ NZ's hybrid capital instruments off the ANZ group's SACP of 'a'. This is because we believe the ANZ group would support all ANZ NZ's obligations, including those on its hybrid subordinated debt instruments, as if they were ANZ's own obligations. However, we expect that the Australian government is unlikely to extend any financial support to these instruments, if needed.

ANZ NZ is the first New Zealand bank to issue an instrument (Tier 2) under the RBNZ's revised capital standards. These instruments do not have contingent capital clauses or mandatory conversion features that are typically seen in Basel III capital instruments. We believe these instruments will only be bailed in at the point of nonviability. Subsequently, the instrument is rated 'A-', one notch below the ANZ Group SACP, reflecting subordination only.

Environmental, Social, And Governance (ESG)

We view ESG factors for ANZ NZ as broadly in line with the New Zealand banking industry and peers. Although there are no regulatory requirements around ESG for banks in New Zealand, ANZ NZ's ESG goals are broadly aligned with those of its Australian parent. In late 2020, the New Zealand government approved the introduction of a mandatory climate-related financial disclosures regime to be implemented.

ANZ NZ has material 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, which limits 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.

Key Statistics

Table 1

ANZ Bank New Zealand Ltd. Key Figures

		--Year-ended Sept. 30--			
(Mil. NZ$)	**2021***	**2020**	**2019**	**2018**	**2017**
Adjusted assets	180,455	176,652	166,140	155,622	149,939
Customer loans (gross)	138,105	133,392	133,022	126,978	118,206
Adjusted common equity	13,338	12,359	10,833	8,823	8,579
Operating revenues	2,011	4,101	4,085	4,257	3,976
Noninterest expenses	772	1,724	1,608	1,517	1,461
Core earnings	943	1,415	1,731	1,928	1,762

*Data as of March 31.

Table 2

ANZ Bank New Zealand Ltd. Business Position

		--Year-ended Sept. 30--			
(%)	**2021***	**2020**	**2019**	**2018**	**2017**
Total revenues from business line (currency in millions)	2,011	4,101	4,190	4,277	3,976
Commercial banking/total revenues from business line	25.3	26.4	25.6	23.2	23.2
Retail banking/total revenues from business line	61.2	56.1	57.2	57.6	60.3
Commercial & retail banking/total revenues from business line	86.5	82.6	82.8	80.7	83.4
Corporate finance/total revenues from business line	14.0	17.6	14.2	13.8	16.6
Other revenues/total revenues from business line	(0.4)	(0.2)	3.0	0.6	(3.3)
Investment banking/total revenues from business line	14.0	17.6	14.2	13.8	16.6
Return on average common equity	11.7	9.2	13.4	15.4	14.1

*Data as of March 31.

Table 3

ANZ Bank New Zealand Ltd. Capital And Earnings

		--Year-ended Sept. 30--			
(%)	**2021***	**2020**	**2019**	**2018**	**2017**
Tier 1 capital ratio	15.9	14.4	13.6	14.4	14.1
Adjusted common equity/total adjusted capital	82.9	81.8	79.6	76.1	75.8
Net interest income/operating revenues	83.2	79.5	79.4	74.0	76.4
Fee income/operating revenues	13.7	13.6	16.3	14.4	15.3
Market-sensitive income/operating revenues	2.0	6.4	2.9	5.9	4.1
Cost to income ratio	38.4	42.0	39.4	35.6	36.7
Preprovision operating income/average assets	1.4	1.4	1.5	1.8	1.6
Core earnings/average managed assets	1.0	0.8	1.1	1.2	1.1

*Data as of March 31.

Table 4

ANZ Bank New Zealand Ltd.--Risk-Adjusted Capital Framework

(Mil. NZ$)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk					
Government and central banks	21,664.0	235.0	1.1	643.6	3.0
Of which regional governments and local authorities	0.0	0.0	0.0	0.0	0.0
Institutions and CCPs	10,561.7	2,868.0	27.2	3,391.9	32.1
Corporate	60,311.0	37,717.0	62.5	56,634.3	93.9
Retail	110,645.0	25,143.0	22.7	41,553.9	37.6
Of which mortgage	102,704.0	19,076.0	18.6	37,517.8	36.5
Securitization§	0.0	0.0	0.0	0.0	0.0
Other assets†	1,784.0	1,221.0	68.4	3,299.3	184.9
Total credit risk	204,965.7	67,184.0	32.8	105,523.1	51.5
Credit valuation adjustment					
Total credit valuation adjustment	--	1,517.1	--	1,972.3	--
Market Risk					
Equity in the banking book	1.0	5.0	500.0	8.8	875.0
Trading book market risk	--	5,675.0	--	0.0	--
Total market risk	--	5,680.0	--	8.8	--
Operational risk					
Total operational risk	--	10,234.0	--	9,755.4	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	98,485.0	--	117,259.4	100.0
Total Diversification/ Concentration Adjustments	--	--	--	18,123.0	15.5
RWA after diversification	--	98,485.0	--	135,382.4	115.5
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		15,663.0	15.9	16,090.0	13.7
Capital ratio after adjustments‡		15,663.0	15.9	16,090.0	11.9

*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. Sources: Company data as of March. 31 2021, S&P Global Ratings.

Table 5

ANZ Bank New Zealand Ltd. Risk Position

		--Year-ended Sept. 30--			
(%)	**2021***	**2020**	**2019**	**2018**	**2017**
Growth in customer loans	7.1	0.3	4.8	7.4	2.6

Table 5

ANZ Bank New Zealand Ltd. Risk Position (cont.)					
		--Year-ended Sept. 30--			
(%)	2021*	2020	2019	2018	2017
Total managed assets/adjusted common equity (x)	13.8	14.5	15.6	18.0	17.9
New loan loss provisions/average customer loans	(0.1)	0.3	0.1	0.0	0.1
Net charge-offs/average customer loans	0.0	0.1	0.1	0.1	0.1
Gross nonperforming assets/customer loans + other real estate owned	0.5	0.7	0.5	0.4	0.5
Loan loss reserves/gross nonperforming assets	87.8	78.5	81.6	97.3	107.4

*Data as of March 31.

Table 6

ANZ Bank New Zealand Ltd. Funding And Liquidity					
		--Year-ended Sept. 30--			
(%)	2021*	2020	2019	2018	2017
Core deposits/funding base	81.2	79.7	78.2	77.8	76.7
Customer loans (net)/customer deposits	112.0	109.8	121.3	121.5	121.5
Long-term funding ratio	90.1	91.6	92.2	92.1	90.7
Stable funding ratio	102.7	110.7	103.2	100.6	98.4
Short-term wholesale funding/funding base	11.0	9.2	8.5	8.6	10.1
Broad liquid assets/short-term wholesale funding (x)	1.4	2.2	1.6	1.3	1.1
Net broad liquid assets/short-term customer deposits	5.2	14.0	6.6	3.9	1.2
Short-term wholesale funding/total wholesale funding	53.2	41.7	35.7	35.6	39.8
Narrow liquid assets/3-month wholesale funding (x)	3.7	5.7	6.1	3.5	3.3

*Data as of March 31.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- 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
- Criteria | Financial Institutions | Banks: Assessing Bank Branch Creditworthiness, Oct. 14, 2013
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

- Criteria | Financial Institutions | Banks: Commercial Paper I: Banks, March 23, 2004

Related Research

- New Zealand Financial Institutions Face Rising Risks From A Resurgent Housing Market, June 25, 2021
- Banking Industry Country Risk Assessment: New Zealand, April 15, 2021

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Anchor Matrix

Industry Risk	Economic Risk									
	1	2	3	**4**	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	**bbb**	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of September 30, 2021)*

ANZ Bank New Zealand Ltd.	
Issuer Credit Rating	AA-/Stable/A-1+
Certificate Of Deposit	
Local Currency	AA-/A-1+
Preferred 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+

Ratings Detail (As Of September 30, 2021)*(cont.)	
Local Currency	AAA/Stable/A-1+
Related Entities	
ANZ New Zealand (Int'l) Ltd. (London Branch)	
Senior Unsecured	AA-
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-
Senior Unsecured	A-1+
Senior Unsecured	AA-
Subordinated	A-
Subordinated	BBB+
Australia and New Zealand Banking Group Ltd. (London Branch)	
Junior Subordinated	BBB-
Senior Unsecured	AA-
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.

Additional Contact:
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