



ANZ Holdings (New Zealand) Limited

Financial Statements

For the year ended 30 September 2025

Contents

Glossary	2
Financial Statements	3
Consolidated financial statements	4
Notes to the consolidated financial statements	8
Independent auditor's report	66

Glossary

In these Financial Statements unless the context otherwise requires:

Bank means ANZ Bank New Zealand Limited.

Banking Group means the Bank and all its controlled entities.

Company means ANZ Holdings (New Zealand) Limited.

ANZ Holdings Group, We or Our means the Company and all its controlled entities.

Immediate Parent Company means ANZ Funds Pty Ltd.

Ultimate Non-Bank Holding Company, ANZGHL means ANZ Group Holdings Limited.

ANZ Group means the worldwide operations of ANZGHL including its controlled entities.

Ultimate Parent Bank, ANZBGL means Australia and New Zealand Banking Group Limited.

New Zealand business means all business, operations, or undertakings conducted in or from New Zealand identified and treated as if it were conducted by a company formed and registered in New Zealand.

NZ Branch means the New Zealand business of the Ultimate Parent Bank.

ANZ New Zealand means the New Zealand business of the ANZ Group.

Registered office and address for service is Ground Floor, ANZ Centre, 23-29 Albert Street, Auckland, New Zealand.

RBNZ means the Reserve Bank of New Zealand.

Financial Statements

Contents

Consolidated Financial Statements

Income Statement	4
Statement of Comprehensive Income	4
Balance Sheet	5
Cash Flow Statement	6
Statement of Changes in Equity	7

Notes to the Consolidated Financial Statements

Basis of preparation

1. About our financial statements	8
-----------------------------------	---

Financial performance

2. Operating income	10
3. Operating expenses	12
4. Income tax	13
5. Dividends	14
6. Segment reporting	15

Financial assets

7. Cash and cash equivalents	16
8. Trading securities	17
9. Derivative financial instruments	18
10. Investment securities	23
11. Net loans and advances	24
12. Allowance for expected credit losses	25

Financial liabilities

13. Deposits and other borrowings	31
14. Debt issuances	32

Financial instrument disclosures

15. Financial risk management	33
16. Fair value of financial assets and financial liabilities	46
17. Offsetting	49

Non-financial assets

18. Goodwill and other intangible assets	50
--	----

Non-financial liabilities

19. Other provisions	54
----------------------	----

Equity

20. Shareholders' equity	55
21. Capital management	57

Consolidation and presentation

22. Controlled entities	58
23. Structured entities	59
24. Assets pledged, collateral accepted, and financial assets transferred	61

Other disclosures

25. Related party disclosures	62
26. Commitments and contingent liabilities	64
27. Auditor fees	65

Independent auditor's report

66

Income Statement

For the year ended 30 September	Note	2025 NZ\$m	2024 NZ\$m
Interest income		10,533	11,914
Interest expense		(6,073)	(7,614)
Net interest income	2	4,460	4,300
Other operating income	2	906	479
Operating income		5,366	4,779
Operating expenses	3	(1,813)	(1,760)
Profit before credit impairment and income tax		3,553	3,019
Credit impairment release/(charge)	12	25	(44)
Profit before income tax		3,578	2,975
Income tax expense	4	(1,010)	(845)
Profit for the year		2,568	2,130
Comprising:			
Profit attributable to the shareholder of the Company		2,525	2,095
Profit attributable to non-controlling interests		43	35

Statement of Comprehensive Income

For the year ended 30 September	2025 NZ\$m	2024 NZ\$m
Profit for the year	2,568	2,130
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Actuarial gain on defined benefit schemes	18	3
Items that may be reclassified subsequently to profit or loss		
Reserve movements:		
Unrealised gains recognised directly in equity	149	164
Realised gains transferred to the income statement	(4)	(2)
Income tax attributable to the above items	(45)	(46)
Total comprehensive income for the year	2,686	2,249
Comprising total comprehensive income attributable to:		
The shareholder of the Company	2,643	2,214
Non-controlling interests	43	35

The notes appearing on pages 8 to 65 form an integral part of these financial statements.

Balance Sheet

As at 30 September	Note	2025 NZ\$m	2024 NZ\$m
Assets			
Cash and cash equivalents	7	9,386	11,634
Settlement balances receivable		1,620	574
Collateral paid		1,114	1,041
Trading securities	8	6,348	5,576
Derivative financial instruments	9	11,449	10,177
Investment securities	10	16,458	13,295
Net loans and advances	11	158,683	151,666
Deferred tax assets	4	392	417
Goodwill and other intangible assets	18	3,100	3,094
Premises and equipment		324	363
Other assets		1,115	1,334
Total assets		209,989	199,171
Liabilities			
Settlement balances payable		4,614	5,367
Collateral received		1,725	525
Deposits and other borrowings	13	154,886	144,283
Derivative financial instruments	9	10,365	11,179
Current tax liabilities		316	254
Payables and other liabilities		1,629	2,468
Employee entitlements		122	121
Other provisions	19	225	212
Debt issuances	14	18,704	18,487
Total liabilities		192,586	182,896
Net assets		17,403	16,275
Shareholders' equity			
Share capital	20	14,544	14,544
Reserves	20	129	24
Retained earnings	20	1,905	882
Equity attributable to the shareholder of the Company	20	16,578	15,450
Non-controlling interests	20	825	825
Total shareholders' equity	20	17,403	16,275

The notes appearing on pages 8 to 65 form an integral part of these financial statements.

Cash Flow Statement

For the year ended 30 September	2025 NZ\$m	2024 NZ\$m
Profit for the year	2,568	2,130
Adjustments to reconcile to net cash provided by/(used in) operating activities:		
Depreciation and amortisation	103	109
Impairment of premises and equipment and lease remeasurements	5	1
Net derivatives/foreign exchange adjustment	(849)	721
Other non-cash movements	(170)	(88)
<i>Net (increase)/decrease in operating assets:</i>		
Collateral paid	(73)	(240)
Trading securities	(772)	345
Net loans and advances	(7,017)	(2,345)
Other assets	(802)	(353)
<i>Net increase/(decrease) in operating liabilities:</i>		
Deposits and other borrowings (excluding items included in financing activities)	12,166	2,039
Settlement balances payable	(753)	2,447
Collateral received	1,200	(975)
Other liabilities	(744)	678
Total adjustments	2,294	2,339
Net cash provided by operating activities¹	4,862	4,469
Cash flows from investing activities		
Investment securities:		
Purchases	(4,839)	(4,297)
Proceeds from sale or maturity	2,212	2,905
Other assets	(48)	(35)
Net cash used in investing activities	(2,675)	(1,427)
Cash flows from financing activities		
Deposits and other borrowings ²	(1,563)	(1,072)
Debt issuances: ³		
Issue proceeds	1,689	2,567
Redemptions	(2,955)	(3,538)
Proceeds from issue of perpetual preference shares	-	271
Repayment of lease liabilities	(48)	(50)
Dividends paid ⁴	(1,558)	(2,680)
Net cash used in financing activities	(4,435)	(4,502)
Net change in cash and cash equivalents	(2,248)	(1,460)
Cash and cash equivalents at beginning of year	11,634	13,094
Cash and cash equivalents at end of year	9,386	11,634

¹ Net cash provided by operating activities includes income taxes paid of NZ\$968 million (2024: NZ\$717 million).

² Movement in deposits and other borrowings include repayments of repurchase transactions entered into with the RBNZ under the Term Lending Facility of NZ\$63 million (2024: NZ\$72 million) and NZ\$1,500 million under the Funding for Lending Programme (2024: NZ \$1,000 million).

³ Movement in debt issuances (Note 14 Debt issuances) also includes a NZ\$1,402 million increase (2024: NZ\$787 million decrease) from the effect of foreign exchange rates, a NZ\$91 million increase (2024: NZ\$811 million increase) from changes in fair value hedging instruments and a NZ\$10 million decrease (2024: NZ\$2 million increase) from other changes.

⁴ In the prior year, a non-cash dividend paid to the Immediate Parent Company of NZ\$3,500 million in August 2024 was used to purchase redeemable preferences shares in the Company.

The notes appearing on pages 8 to 65 form an integral part of these financial statements.

Statement of Changes in Equity

	Share capital NZ\$m	Reserves NZ\$m	Retained earnings NZ\$m	Equity attributable to the shareholder of the Company NZ\$m	Non- controlling interests NZ\$m	Total shareholders' equity NZ\$m
As at 1 October 2023	11,044	(93)	4,934	15,885	550	16,435
Profit or loss for the year	-	-	2,095	2,095	35	2,130
Other comprehensive income for the year	-	117	2	119	-	119
Total comprehensive income for the year	-	117	2,097	2,214	35	2,249
Transactions with equity holders in their capacity as equity owners:						
Ordinary shares dividends paid	-	-	(6,145)	(6,145)	-	(6,145)
Redeemable preference shares issued	3,500	-	-	3,500	-	3,500
Perpetual preference shares issued (net of issue costs)	-	-	(4)	(4)	275	271
Perpetual preference shares dividends paid	-	-	-	-	(35)	(35)
As at 30 September 2024	14,544	24	882	15,450	825	16,275
Profit or loss for the year	-	-	2,525	2,525	43	2,568
Other comprehensive income for the year	-	105	13	118	-	118
Total comprehensive income for the year	-	105	2,538	2,643	43	2,686
Transactions with equity holders in their capacity as equity owners:						
Ordinary shares dividends paid	-	-	(1,515)	(1,515)	-	(1,515)
Perpetual preference shares dividends paid	-	-	-	-	(43)	(43)
As at 30 September 2025	14,544	129	1,905	16,578	825	17,403

The notes appearing on pages 8 to 65 form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

1. About our financial statements

General information

These are the consolidated financial statements for ANZ Holdings (New Zealand) Limited (the Company) and its controlled entities (together, the ANZ Holdings Group) for the year ended 30 September 2025. The Company is incorporated and domiciled in New Zealand. The address of the Company's registered office and its principal place of business is Ground Floor, ANZ Centre, 23-29 Albert Street, Auckland, New Zealand.

On 17 November 2025, the Directors resolved to authorise the issue of these financial statements.

Information in the financial statements is included only to the extent we consider it material and relevant to the understanding of the financial statements. A disclosure is considered material and relevant if, for example:

- the amount is significant in size (quantitative factor);
- the information is significant by nature (qualitative factor);
- the user cannot understand the ANZ Holdings Group's results without the specific disclosure (qualitative factor);
- the information is critical to a user's understanding of the impact of significant changes in the ANZ Holdings Group's business during the period – for example, business acquisitions or disposals (qualitative factor);
- the information relates to an aspect of the ANZ Holdings Group's operations that is important to its future performance (qualitative factor); and
- the information is required under legislative or other regulatory requirements.

This section of the financial statements:

- outlines the basis upon which the ANZ Holdings Group's financial statements have been prepared; and
- discusses any new accounting standards or regulations that directly impact the financial statements.

Basis of preparation

The Company is not publicly accountable, but has elected to apply Tier 1 Accounting Standards to these financial statements, prepared by a 'for profit' entity. These financial statements comply with:

- New Zealand Generally Accepted Accounting Practice (NZ GAAP), as defined in the Financial Reporting Act 2013;
- New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for publicly accountable for-profit entities; and
- International Financial Reporting Standards (IFRS).

The Company is required by the Tax Administration Act 1994 to prepare financial statements and has opted to prepare separate general purpose financial statements in accordance with Tier 2 For-profit Accounting Requirements.

We present the financial statements of the ANZ Holdings Group in New Zealand dollars, which is the ANZ Holdings Group's functional and presentation currency. We have rounded values to the nearest million dollars (NZ\$m), unless otherwise stated.

Certain comparative amounts have been restated to conform with the basis of presentation in the current year.

Basis of measurement and presentation

The financial information has been prepared on a historical cost basis – except the following assets and liabilities which we have stated at their fair value:

- derivative financial instruments and in the case of fair value hedging, a fair value adjustment made to the underlying hedged item;
- financial instruments held for trading;
- financial assets and financial liabilities designated at fair value through profit or loss (FVTPL); and
- financial assets at fair value through other comprehensive income (FVOCI).

Basis of consolidation

The consolidated financial statements of the ANZ Holdings Group comprise the financial statements of the Company and all its subsidiaries. An entity, including a structured entity, is considered a subsidiary of the ANZ Holdings Group when we determine that the ANZ Holdings Group has control over the entity. Control exists when the ANZ Holdings Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. We assess power by examining existing rights that give the ANZ Holdings Group the current ability to direct the relevant activities of the entity. We have eliminated, on consolidation, the effect of all transactions between entities in the ANZ Holdings Group.

Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency at the exchange rate prevailing at the date of the transaction. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the relevant spot rate. Any foreign currency translation gains or losses that arise are included in profit or loss in the period they arise.

We measure translation differences on non-monetary items classified as FVTPL and report them as part of the fair value gain or loss on these items. For non-monetary items classified as investment securities measured at FVOCI, translation differences are included in other comprehensive income.

1. About our financial statements (continued)

Fiduciary activities

The ANZ Holdings Group provides fiduciary services to third parties including custody, nominee and trustee services. This involves the ANZ Holdings Group holding assets on behalf of third parties and making decisions regarding the purchase and sale of financial instruments. If the ANZ Holdings Group is not the beneficial owner or does not control the assets, then we do not recognise these transactions in these financial statements, except when required by accounting standards or another legislative requirement.

Key judgements and estimates



In the process of applying the ANZ Holdings Group's accounting policies, management has made a number of judgements and applied estimates and assumptions about past and future events. Further information on the key judgements and estimates that we consider material to the financial statements are contained within each relevant note to the financial statements.

The global economy continues to face challenges reflecting the impacts of global uncertainties from continuing trade and geopolitical tensions, and impacts from climate change, which contribute to an elevated level of estimation uncertainty involved in the preparation of these financial statements.

The ANZ Holdings Group is exposed to climate risk either directly through its operations or indirectly, for example, through lending to customers. Climate risk may also be a driver of other risks within our risk management framework. Our most material climate risks arise from lending to business and retail customers, which contribute to credit risk.

The ANZ Holdings Group made various accounting estimates in these financial statements based on forecasts of economic conditions which reflect expectations and assumptions at 30 September 2025 about future events considered reasonable in the circumstances. Thus, there is a considerable degree of judgement involved in preparing these estimates. Actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of these differences may significantly impact accounting estimates included in these financial statements. The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses and recoverable amounts of non-financial assets.

The impact of these uncertainties on each of these accounting estimates is discussed in the relevant notes in these financial statements, along with assumptions and judgements made in relation to other key estimates. Readers should consider these disclosures in light of the uncertainties described above.

Accounting standards adopted in the period

Accounting policies have been consistently applied, unless otherwise noted.

Lease Liability in a Sale and Leaseback

Amendments to New Zealand Accounting Standards – Lease Liability in a Sale and Leaseback amends NZ IFRS 16 *Leases* and specifies the accounting for variable lease payments by seller-lessees in sale and leaseback transactions. The amendment was effective from 1 October 2024 and did not have a material impact on the ANZ Holdings Group.

Accounting standards not early adopted

A number of new standards, amendments to standards and interpretations have been published but are not mandatory for the financial statements for the year ended 30 September 2025 and have not been applied by the ANZ Holdings Group in preparing these financial statements. Further details of these are set out below.

NZ IFRS 18 *Presentation and Disclosure in Financial Statements*

In May 2024, the External Reporting Board (XRB) issued NZ IFRS 18 *Presentation and Disclosure in Financial Statements* (NZ IFRS 18) which updates and replaces requirements for the presentation and disclosure of information in financial statements. NZ IFRS 18 introduces new defined subtotals to be presented in the consolidated income statement, disclosure of management-defined performance measures and requirements for grouping of information. This standard will be effective for the financial year beginning 1 October 2027. We are currently assessing the impact of adopting this standard.

Classification and measurement amendments to NZ IFRS 9 *Financial Instruments*

In June 2024, the XRB issued *Amendments to the Classification and Measurement of Financial Instruments* which amends requirements related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance and similar features. The amendments will be effective for the financial year beginning 1 October 2026. We are currently assessing the impact of adopting this standard.

Nature dependent electricity contracts

In May 2025, the XRB issued *Amendments to NZ IFRS 9 Financial Instruments and NZ IFRS 7 Financial Instruments: Disclosures – Contracts Referencing Nature Dependent Electricity* which enhances guidance on the application of the 'own use' exemption on nature dependent power purchase agreements (PPAs) and hedge accounting requirements for PPAs that are classified as derivative financial instruments. The amendments also introduce new disclosure requirements for certain PPAs. The amendments will be effective for the financial year beginning 1 October 2026. We are currently assessing the impact of adopting these amendments.

2. Operating income

	2025 NZ\$m	2024 NZ\$m
Net interest income		
Interest income by type of financial asset		
Financial assets at amortised cost	9,708	11,226
Trading securities	231	249
Investment securities	542	409
Financial assets at FVTPL	52	30
Interest income	10,533	11,914
Interest expense by type of financial liability		
Financial liabilities at amortised cost	(5,902)	(7,386)
Financial liabilities designated at FVTPL	(171)	(228)
Interest expense	(6,073)	(7,614)
Net interest income	4,460	4,300
Other operating income		
Fee and commission income		
Lending fees	21	19
Non-lending fees	713	715
Commissions	28	29
Funds management income	244	246
Fee and commission income	1,006	1,009
Fee and commission expense	(523)	(515)
Net fee and commission income	483	494
Other income		
Net foreign exchange earnings and other financial instruments income ¹	412	(27)
Adjustment to gain on sale of UDC Finance Ltd	-	2
Gain on sale of premises and equipment	-	1
Other	11	9
Other income	423	(15)
Other operating income	906	479
Operating income	5,366	4,779

¹ Includes fair value movements (excluding realised and accrued interest) on derivatives not designated as accounting hedges entered into to manage interest rate and foreign exchange risk, ineffective portions of cash flow hedges, and fair value movements in financial assets and liabilities at FVTPL.

2. Operating income (continued)

Recognition and measurement



Net interest income

Interest income and expense

We recognise interest income and expense in net interest income for all financial instruments, including those classified as held for trading, assets measured at FVOCI, and assets and liabilities designated at FVTPL. We use the effective interest rate method to calculate the amortised cost of assets held at amortised cost and to recognise interest income on financial assets measured at amortised cost and FVOCI. The effective interest rate is the rate that discounts the stream of estimated future cash receipts or payments over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or liability. For assets subject to prepayment, we determine their expected life on the basis of historical behaviour of the particular asset portfolio taking into account contractual obligations and prepayment experience.

We recognise fees and costs, which form an integral part of the financial instrument (for example loan origination fees and costs), using the effective interest rate method. These are presented as part of interest income or expense depending on whether the underlying financial instrument is a financial asset or financial liability.

Other operating income

Fee and commission income

We recognise fee and commission revenue arising from contracts with customers (a) over time when the performance obligation is satisfied across more than one reporting period, or (b) at a point in time when the performance obligation is satisfied immediately or is satisfied within one reporting period.

- lending fees exclude fees treated as part of the effective yield calculation of interest income. Lending fees include certain guarantee and commitment fees where the loan or guarantee is not likely to be drawn upon, and other fees charged for providing customers a distinct good or service that are recognised separately from the underlying lending product.
- non-lending fees include fees associated with deposit and credit card accounts, interchange fees and fees charged for specific customer transactions such as international transaction fees. Where the ANZ Holdings Group provides multiple goods or services to a customer under the same contract, the ANZ Holdings Group allocates the transaction price of the contract to distinct performance obligations based on the relative stand-alone selling price of each performance obligation. Revenue is recognised as each performance obligation is satisfied.
- commissions represent fees from third parties where we act as an agent by arranging a third party (such as an insurance provider) to provide goods and services to a customer. In such cases, we are not primarily responsible for providing the underlying good or service to the customer. If the ANZ Holdings Group collects funds on behalf of a third party when acting as an agent, we only recognise the net commission retained as revenue. When the commission is variable based on factors outside our control (such as a trail commission), revenue is only recognised if it is highly probable that a significant reversal of the variable amount will not be required in future periods.
- funds management income represents fees earned from customers for providing financial advice and asset management services. Revenue is recognised either at the point the financial advice is provided or over the period in which the asset management services are delivered.

Net foreign exchange earnings and other financial instruments income

We recognise the following as net foreign exchange earnings and other financial instruments income:

- exchange rate differences arising on the settlement of monetary items and translation differences on monetary items translated at rates different to those at which they were initially recognised;
- fair value movements (excluding realised and accrued interest) on derivatives not designated as accounting hedges that we use to manage interest rate and foreign exchange risk on funding instruments;
- the ineffective portions of fair value hedges and cash flow hedges;
- immediately upon sale or repayment of a hedged item, the unamortised fair value adjustments to items designated as fair value hedges and amounts accumulated in equity related to designated cash flow hedges;
- fair value movements on financial assets and financial liabilities at FVTPL or held for trading;
- amounts released from the FVOCI reserve when a debt instrument classified as FVOCI is sold; and
- the gain or loss on derecognition of financial assets or liabilities measured at amortised cost.

3. Operating expenses

	2025 NZ\$m	2024 NZ\$m
Personnel		
Salaries and related costs	1,025	1,021
Superannuation costs	30	31
Other	49	38
Personnel	1,104	1,090
Premises		
Rent	20	19
Depreciation	71	74
Other	46	40
Premises	137	133
Technology		
Depreciation and amortisation	32	35
Subscription licences and outsourced services	214	193
Other	29	29
Technology	275	257
Other		
Advertising and public relations	43	39
Professional fees	69	76
Freight, stationery, postage and communication	50	43
Charges from ANZ Group	82	68
Other	53	54
Other	297	280
Operating expenses	1,813	1,760

Recognition and measurement



Operating expenses

Operating expenses are recognised as services are provided to the ANZ Holdings Group, over the period in which an asset is consumed, or once a liability is created.

Salaries and related costs - annual leave, long service leave and other employee benefits

Wages and salaries, annual leave and other employee entitlements expected to be paid or settled within twelve months of employees rendering service are measured at their nominal amounts using remuneration rates that the ANZ Holdings Group expects to pay when the liabilities are settled.

We accrue employee entitlements relating to long service leave using an actuarial calculation. It includes assumptions regarding staff departures, leave utilisation and future salary increases. The result is then discounted using market yields at the reporting date. The market yields are determined from a blended rate of government bonds with terms to maturity that closely match the estimated future cash outflows.

If we expect to pay short term cash bonuses, then a liability is recognised when the ANZ Holdings Group has a present legal or constructive obligation to pay this amount (as a result of past service provided by the employee) and the obligation can be reliably measured.

4. Income tax

Income tax expense

Reconciliation of the prima facie income tax expense on pre-tax profit with the income tax expense recognised in profit or loss:

	2025 NZ\$m	2024 NZ\$m
Profit before income tax	3,578	2,975
Prima facie income tax expense at 28%	1,002	833
Tax effect of permanent differences:		
Tax provisions no longer required	(3)	-
Non-assessable income and non-deductible expenditure	12	12
Income tax over provided in previous years	(1)	-
Income tax expense	1,010	845
Current tax expense	1,012	909
Adjustments recognised in the current year in relation to the current tax of prior years	(13)	(1)
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	11	(63)
Income tax expense	1,010	845
Effective tax rate	28.2%	28.4%

Deferred tax assets and liabilities

	2025 NZ\$m	2024 NZ\$m
Deferred tax assets balances comprise temporary differences attributable to:		
Amounts recognised in the Income Statement:		
Collectively assessed allowances for expected credit losses	206	222
Individually assessed allowances for expected credit losses	19	19
Provision for employee entitlements	56	55
Other provisions	21	21
Software	132	130
Lease liabilities	62	67
Other	11	12
Total	507	526
Total deferred tax assets (before set-off)	507	526
Set-off of deferred tax balances pursuant to set-off provisions	(115)	(109)
Net deferred tax assets	392	417
Deferred tax liabilities balances comprise temporary differences attributable to:		
Amounts recognised in the Income Statement:		
Fixed assets	-	6
Right of use assets	48	54
Other	12	29
Total	60	89
Amounts recognised directly in Other comprehensive income:		
Cash flow hedge reserve	55	20
Total	55	20
Total deferred tax liabilities (before set-off)	115	109
Set-off of deferred tax balances pursuant to set-off provisions	(115)	(109)
Net deferred tax liabilities	-	-

4. Income tax (continued)

Recognition and measurement



Income tax expense

Income tax expense comprises both current and deferred taxes and is based on the accounting profit adjusted for differences in the accounting and tax treatments of income and expenses (that is, taxable income). We recognise tax expense in profit or loss except when the tax relates to items recognised directly in equity and other comprehensive income, in which case we recognise the tax directly in equity or other comprehensive income respectively.

Current tax expense

Current tax expense is the tax we expect to pay on taxable income for the year, based on tax rates (and tax laws) which are enacted at the reporting date. We recognise current tax as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax assets and liabilities

We account for deferred tax using the balance sheet method. Deferred tax arises because the accounting income is not always the same as the taxable income. This creates temporary differences, which usually reverse over time. Until they reverse, we recognise a deferred tax asset, or liability, on the balance sheet. We measure deferred taxes at the tax rates that we expect will apply to the period(s) when the asset is realised, or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

We offset current and deferred tax assets and liabilities only to the extent that:

- they relate to income taxes imposed by the same taxation authority;
- there is a legal right and intention to settle on a net basis; and
- it is allowed under the tax law of the relevant jurisdiction.

Key judgements and estimates



Judgement is required in determining provisions held in respect of uncertain tax positions. The ANZ Holdings Group estimates its tax liabilities based on its understanding of the relevant law and seeks independent advice where appropriate.

5. Dividends

Ordinary share dividends

Dividends determined by the Company's Board are recognised with a corresponding reduction of retained earnings on the dividend payment date.

Dividends	Amount per share	Total dividend NZ\$m
Financial Year 2024		
Dividend paid in March 2024	286.9 cents	1,085
Dividend paid in August 2024	925.6 cents	3,500
Dividend paid in September 2024	412.5 cents	1,560
Dividends paid during the year ended 30 September 2024		6,145
Financial Year 2025		
Dividend paid in March 2025	166.6 cents	630
Dividend paid in September 2025	234.0 cents	885
Dividends paid during the year ended 30 September 2025		1,515

Imputation credit account

	ANZ Holdings Group		Bank ¹	
	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m
Imputation credits available as at 30 September	9,756	8,951	1,168	830

¹ Imputation credits available to the Bank are shown separately as this is relevant for holders of perpetual preference shares (refer to Note 20 Shareholders' equity) issued by the Bank.

The imputation credit balance for the ANZ Holdings Group includes the imputation credit balance in relation to the New Zealand resident imputation group, the Bank consolidated imputation group and other companies in the ANZ Holdings Group that are not in either of these imputation groups. The imputation credit balance available to the ANZ Holdings Group includes imputation credits that will arise from the payment of the amount of provision for income tax as at the reporting date.

The imputation credit balance for the Bank reflects the imputation credit balance of the Bank consolidated imputation group. The imputation credit balance available to the Bank includes imputation credits that will arise from the payment of the amount of provision for income tax as at the reporting date.

6. Segment reporting

Description of segments

The ANZ Holdings Group is organised into three major business segments for segment reporting purposes – Personal, Business & Agri and Institutional. Centralised back office and corporate functions support these segments. These segments are consistent with internal reporting provided to the chief operating decision maker, being the Bank's Chief Executive Officer (CEO).

Personal

Personal provides a full range of banking and wealth management services to consumer and private banking customers. We deliver our services via our internet and app-based digital solutions and a network of branches, mortgage specialists, private bankers and contact centres.

Business & Agri

Business & Agri provides a full range of banking services through our digital, branch and contact centre channels, and traditional relationship banking and sophisticated financial solutions through dedicated managers. These cover privately owned small and medium enterprises, and the agricultural business segment.

Institutional

The Institutional division services government and government-related entities, global institutional and corporate customers via the following business units:

- **Transaction Banking** provides customers with working capital and liquidity solutions including documentary trade, supply chain financing, commodity financing as well as cash management solutions, deposits, payments and clearing.
- **Corporate Finance** provides customers with loan products, loan syndication, specialised loan structuring and execution, project and export finance, debt structuring and acquisition finance, and sustainable finance solutions.
- **Markets** provides customers with risk management services in foreign exchange, interest rates, credit, commodities, and debt capital markets in addition to managing the ANZ Holdings Group's interest rate exposure and high quality liquid asset portfolio.

Other

Other includes treasury and back office support functions, none of which constitutes a separately reportable segment.

Operating segments

Year ended 30 September	Personal		Business & Agri		Institutional		Other		Total	
	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m
Net interest income	2,585	2,380	959	1,013	763	753	153	154	4,460	4,300
Net fee and commission income										
- Lending fees	9	8	-	-	12	11	-	-	21	19
- Non-lending fees	454	449	212	217	49	51	(2)	(2)	713	715
- Commissions	27	28	-	-	1	1	-	-	28	29
- Funds management income	244	246	-	-	-	-	-	-	244	246
- Fee and commission expense	(355)	(345)	(168)	(170)	-	-	-	-	(523)	(515)
Net fee and commission income	379	386	44	47	62	63	(2)	(2)	483	494
Other income	3	-	(1)	-	204	242	217	(257)	423	(15)
Other operating income	382	386	43	47	266	305	215	(259)	906	479
Operating income	2,967	2,766	1,002	1,060	1,029	1,058	368	(105)	5,366	4,779
Operating expenses	(1,235)	(1,213)	(299)	(276)	(255)	(248)	(24)	(23)	(1,813)	(1,760)
Profit/(loss) before credit impairment and income tax	1,732	1,553	703	784	774	810	344	(128)	3,553	3,019
Credit impairment release/(charge)	(10)	17	30	(47)	5	(14)	-	-	25	(44)
Profit/(loss) before income tax	1,722	1,570	733	737	779	796	344	(128)	3,578	2,975
Income tax expense	(482)	(442)	(205)	(207)	(218)	(223)	(105)	27	(1,010)	(845)
Non-controlling interests	-	-	-	-	-	-	(43)	(35)	(43)	(35)
Profit/(loss) after income tax ¹	1,240	1,128	528	530	561	573	196	(136)	2,525	2,095
Financial position										
Goodwill	1,042	1,042	695	695	1,269	1,269	-	-	3,006	3,006
Net loans and advances	115,317	110,149	24,324	23,952	19,042	17,565	-	-	158,683	151,666
Customer deposits	96,544	91,814	19,068	17,996	27,930	26,353	-	-	143,542	136,163

¹ Attributable to the shareholder of the Company.

Other segment

The Other segment profit/(loss) after income tax comprises:

For the year ended 30 September	2025 NZ\$m	2024 NZ\$m
Personal and Business & Agri central functions	(2)	6
Group Centre	44	43
Economic hedges	154	(185)
Total	196	(136)

Financial assets

Outlined below is a description of how we classify and measure financial assets as they apply to the note disclosures that follow.

Classification and measurement



Financial assets – general

There are three measurement classifications for financial assets under NZ IFRS 9 *Financial Instruments* (NZ IFRS 9): amortised cost, FVTPL and FVOCI. Financial assets are classified into these measurement classifications on the basis of two criteria:

- the business model within which the financial asset is managed; and
- the contractual cash flow characteristics of the financial asset (specifically whether the contractual cash flows represent solely payments of principal and interest).

The resultant financial asset classifications are as follows:

- Amortised cost: Financial assets with contractual cash flows that comprise solely payments of principal and interest and which are held in a business model whose objective is to collect their cash flows;
- FVOCI: Financial assets with contractual cash flows that comprise solely payments of principal and interest and which are held in a business model whose objective is to collect their cash flows or to sell the assets; and
- FVTPL: Any other financial assets not falling into the categories above are measured at FVTPL.

Fair value option for financial assets

A financial asset may be irrevocably designated on initial recognition:

- at FVTPL when the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise; or
- at FVOCI for investments in equity securities, where that instrument is neither held for trading nor contingent consideration recognised by an acquirer in a business combination.

7. Cash and cash equivalents

Cash and cash equivalents comprise coins, notes, money at call, reverse repurchase agreements of less than 90 days, balances held with central banks and other banks, and other cash equivalents that are readily convertible to known amounts of cash with insignificant risk of changes in value.

	2025 NZ\$m	2024 NZ\$m
Coins, notes and cash at bank	130	149
Reverse repurchase agreements	2,026	1,762
Balances with central banks	6,949	9,451
Balances with other banks and other cash equivalents	281	272
Cash and cash equivalents	9,386	11,634

8. Trading securities

	2025 NZ\$m	2024 NZ\$m
Government securities	5,520	4,869
Corporate and financial institution securities	828	707
Trading securities	6,348	5,576

Recognition and measurement



Trading securities are financial instruments we either:

- Acquire principally for the purpose of selling in the short-term; or
- Hold as part of a portfolio we manage for short-term profit making.

We recognise purchases and sales of trading securities on trade date:

- Initially, we measure them at fair value; and
- Subsequently, we measure them in the Balance Sheet at their fair value with any change in fair value recognised in profit or loss.

Assets disclosed as Trading securities are subject to the general classification and measurement policy for Financial Assets outlined on page 16.

Key judgements and estimates



Judgement is required when applying the valuation techniques used to determine the fair value of trading securities not valued using quoted market prices. Refer to Note 16 Fair value of financial assets and financial liabilities for further details.

9. Derivative financial instruments

	Assets 2025 NZ\$m	Liabilities 2025 NZ\$m	Assets 2024 NZ\$m	Liabilities 2024 NZ\$m
Fair value				
Derivative financial instruments – held for trading ¹	11,435	(10,347)	10,147	(11,172)
Derivative financial instruments – designated in hedging relationships ¹	14	(18)	30	(7)
Derivative financial instruments	11,449	(10,365)	10,177	(11,179)

¹ Comparative amounts have been adjusted to be consistent with the current period's presentation.

Features

Derivative financial instruments are contracts:

- whose value is derived from an underlying price index (or other variable) defined in the contract – sometimes the value is derived from more than one variable;
- that require little or no initial net investment; and
- that are settled at a future date.

Movements in the price of the underlying variables, which cause the value of the contract to fluctuate, are reflected in the fair value of the derivative.

Purpose

The ANZ Holdings Group's derivative financial instruments have been categorised as follows:

Trading	<p>Derivatives held in order to:</p> <ul style="list-style-type: none"> • meet customer needs for managing their own risks. • manage risks in the ANZ Holdings Group that are not in a designated hedge accounting relationship (some elements of balance sheet management). • undertake market making and positioning activities to generate profits from short-term fluctuations in prices or margins.
Designated in hedging relationships	<p>Derivatives designated into hedge accounting relationships in order to minimise profit or loss volatility by matching movements in underlying positions relating to:</p> <ul style="list-style-type: none"> • hedges of the ANZ Holdings Group's exposures to interest rate risk and currency risk. • hedges of other exposures relating to non-trading positions.

Types

The ANZ Holdings Group offers or uses four different types of derivative financial instruments:

Forwards	A contract documenting the rate of interest, or the currency exchange rate, to be paid or received on a notional principal amount at a future date.
Futures	An exchange traded contract in which the parties agree to buy or sell an asset in the future for a price agreed on the transaction date, with a net settlement in cash paid on the future date without physical delivery of the asset.
Swaps	A contract in which two parties exchange one series of cash flows for another.
Options	A contract in which the buyer of the contract has the right – but not the obligation – to buy (known as a 'call option') or to sell (known as a 'put option') an asset or instrument at a set price on a future date. The seller has the corresponding obligation to fulfil the transaction to sell or buy the asset or instrument if the buyer exercises the option.

Risks managed

The ANZ Holdings Group offers and uses the instruments described above to manage fluctuations in the following:

Foreign exchange	Currencies at current or determined rates of exchange.
Interest rate	Fixed or variable interest rates applying to money lent, deposited or borrowed.
Commodity	Soft commodities (that is, agricultural products such as wheat, coffee, cocoa, and sugar) and hard commodities (that is, mined products such as gold, oil and gas).
Credit	Risk of default by customers or third parties.

9. Derivative financial instruments (continued)

The ANZ Holdings Group uses central clearing counterparties and exchanges to settle derivative transactions. Different arrangements for posting of collateral exist with these exchanges:

- some transactions are subject to clearing arrangements which result in separate recognition of collateral assets and liabilities, with the carrying values of the associated derivative assets and liabilities held at their fair value.
- other transactions are legally settled by the payment or receipt of collateral which reduces the carrying values of the related derivative instruments by the amount paid or received.

Derivative financial instruments – held for trading

The majority of the ANZ Holdings Group's derivative financial instruments are held for trading. The fair value of derivative financial instruments held for trading are:

	Assets 2025 NZ\$m	Liabilities 2025 NZ\$m	Assets 2024 NZ\$m	Liabilities 2024 NZ\$m
Fair value				
Interest rate contracts				
Forward rate agreements	5	(4)	-	-
Futures contracts	2	(43)	3	(70)
Swap agreements ¹	5,163	(5,032)	3,915	(3,940)
Options	2	(1)	1	(1)
Total	5,172	(5,080)	3,919	(4,011)
Foreign exchange contracts				
Spot and forward contracts	1,770	(1,471)	2,356	(2,954)
Swap agreements	4,431	(3,733)	3,793	(4,127)
Options	15	(14)	33	(33)
Total	6,216	(5,218)	6,182	(7,114)
Commodity contracts and credit default swaps	47	(49)	46	(47)
Derivative financial instruments – held for trading²	11,435	(10,347)	10,147	(11,172)

¹ Comparative amounts have been adjusted to be consistent with the current period's presentation.

² Includes derivatives held for balance sheet management which are not designated into accounting hedge relationships.

Derivative financial instruments – designated in hedging relationships

Under the accounting policy choice provided by NZ IFRS 9, the ANZ Holdings Group has continued to apply the hedge accounting requirements of NZ IAS 39 *Financial Instruments: Recognition and Measurement* (NZ IAS 39).

The ANZ Holdings Group uses two types of hedge accounting relationships:

	Fair value hedge	Cash flow hedge
Objective of this hedging arrangement	To hedge our exposure to changes to the fair value of a recognised asset or liability or unrecognised firm commitment caused by interest rate or foreign currency movements.	To hedge our exposure to variability in cash flows of a recognised asset or liability, a firm commitment or a highly probable forecast transaction caused by interest rate, foreign currency and other price movements.
Recognition of effective hedge portion	The following are recognised in profit or loss at the same time: <ul style="list-style-type: none"> • all changes in the fair value of the underlying item relating to the hedged risk; and • the change in the fair value of the derivatives. 	We recognise the effective portion of changes in the fair value of derivatives designated as a cash flow hedge in the cash flow hedge reserve.
Recognition of ineffective hedge portion	Recognised immediately in Other operating income.	
If a hedging instrument expires, or is sold, terminated, or exercised; or no longer qualifies for hedge accounting	When we recognise the hedged item in profit or loss, we recognise the related unamortised fair value adjustment in profit or loss. This may occur over time if the hedged item is amortised to profit or loss as part of the effective yield over the period to maturity.	Only when we recognise the hedged item in profit or loss is the amount previously deferred in the cash flow hedge reserve transferred to profit or loss.
Hedged item sold or repaid	We recognise the unamortised fair value adjustment immediately in profit or loss.	Amounts accumulated in equity are transferred immediately to profit or loss.

9. Derivative financial instruments (continued)

The fair value of derivative financial instruments designated in hedging relationships are:

	2025			2024		
	Nominal amount NZ\$m	Assets NZ\$m	Liabilities NZ\$m	Nominal amount NZ\$m	Assets NZ\$m	Liabilities NZ\$m
Fair value hedges						
Interest rate swap agreements ¹	30,979	2	(11)	28,106	18	(2)
Cash flow hedges						
Interest rate swap agreements ¹	27,754	12	(7)	30,383	12	(5)
Derivative financial instruments - designated in hedging relationships	58,733	14	(18)	58,489	30	(7)

¹ Comparative amounts have been adjusted to be consistent with the current period's presentation.

The maturity profile of the nominal amounts of our hedging instruments held is:

Nominal amount	Average rate	Less than 3 months NZ\$m	3 to 12 months NZ\$m	1 to 5 years NZ\$m	After 5 years NZ\$m	Total NZ\$m
As at 30 September 2025						
Fair value hedges						
Interest rate	2.28%	-	2,001	19,500	9,478	30,979
Cash flow hedges						
Interest rate	3.97%	6,128	8,044	12,849	733	27,754
As at 30 September 2024						
Fair value hedges						
Interest rate	2.03%	373	1,880	16,843	9,010	28,106
Cash flow hedges						
Interest rate	4.62%	6,025	6,495	15,727	2,136	30,383

The impacts of ineffectiveness from our designated hedge relationships by type of hedge relationship and type of risk being hedged are:

	Ineffectiveness						Amount reclassified from the cash flow hedge reserve to profit or loss ⁴	
	Change in value of hedging instrument ²		Change in value of hedged item		Hedge ineffectiveness recognised in profit or loss ³			
	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m
Fair value hedges ¹								
Interest rate	(1,291)	(65)	1,293	68	2	3	-	-
Cash flow hedges ¹								
Interest rate	126	149	(126)	(150)	-	-	(3)	(1)

¹ All hedging instruments are classified as derivative financial instruments.

² Changes in value of hedging instruments is before any adjustments for Settle to Market clearing arrangements.

³ Recognised in Other operating income.

⁴ Recognised in Net interest income and Other operating income.

9. Derivative financial instruments (continued)

The hedged items in relation to the ANZ Holdings Group's fair value hedges are:

			Carrying amount		Accumulated fair value hedge adjustments on the hedged item	
	Balance Sheet presentation	Hedged risk	Assets NZ\$m	Liabilities NZ\$m	Assets NZ\$m	Liabilities NZ\$m
As at 30 September 2025						
Fixed rate debt issuance	Debt issuances	Interest rate	-	(15,456)	-	321
Fixed rate investment securities at FVOCI ¹	Investment securities	Interest rate	15,576	-	420	-
Total			15,576	(15,456)	420	321
As at 30 September 2024						
Fixed rate debt issuance	Debt issuances	Interest rate	-	(15,313)	-	412
Fixed rate investment securities at FVOCI ¹	Investment securities	Interest rate	12,443	-	39	-
Total			12,443	(15,313)	39	412

¹ The carrying amount of debt instruments at FVOCI does not include the fair value hedge adjustment. The fair value hedge adjustment is included in other comprehensive income.

The hedged items in relation to the ANZ Holdings Group's cash flow hedges are:

	Hedged risk	Continuing hedges		Discontinued hedges	
		2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m
Floating rate loans and advances	Interest rate	269	186	17	-
Floating rate customer deposits	Interest rate	(91)	(114)	-	-

All cash flow hedges relate to hedges of interest rate risk and the movements in the cash flow hedge reserve are shown in the Statement of Changes in Equity on page 7.

9. Derivative financial instruments (continued)

Recognition and measurement



Recognition	<p>Initially and at each reporting date, we recognise all derivatives at fair value. If the fair value of a derivative is positive, then we carry it as an asset, but if its value is negative, then we carry it as a liability.</p> <p>Valuation adjustments are integral in determining the fair value of derivatives. This includes:</p> <ul style="list-style-type: none"> • a credit valuation adjustment to reflect the counterparty risk and/or event of default; and • a funding valuation adjustment to account for funding costs and benefits in the derivatives portfolio.
Derecognition of assets and liabilities	<p>We remove derivative assets from our Balance Sheet when the contracts expire or we have transferred substantially all the risks and rewards of ownership. We remove derivative liabilities from our Balance Sheet when the ANZ Holdings Group's contractual obligations are discharged, cancelled or expired.</p> <p>With respect to derivatives cleared through a central clearing counterparty or exchange, derivative assets or liabilities may be derecognised in accordance with the principle above when collateral is settled, depending on the legal arrangements in place for each instrument.</p>
Impact on the Income Statement	<p>The recognition of gains or losses on derivative financial instruments depends on whether the derivative is held for trading or is designated in a hedge accounting relationship. For derivative financial instruments held for trading, gains or losses from changes in the fair value are recognised in profit or loss.</p> <p>For an instrument designated in a hedge accounting relationship, the recognition of gains or losses depends on the nature of the item being hedged. Refer to the table on page 19 for details of the recognition approach applied for each type of hedge accounting relationship.</p> <p>Sources of hedge accounting ineffectiveness may arise from differences in the interest rate reference rate, margins, or rate set differences and differences in discounting between the hedged items and the hedging instruments.</p>
Hedge effectiveness	<p>To qualify for hedge accounting under NZ IAS 39, a hedge relationship is expected to be highly effective. A hedge relationship is highly effective only if the following conditions are met:</p> <ul style="list-style-type: none"> • the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated (prospective effectiveness); and • the actual results of the hedge are within the range of 80-125% (retrospective effectiveness). <p>The ANZ Holdings Group monitors hedge effectiveness on a regular basis but at a minimum at each reporting date.</p>

Key judgements and estimates



Judgement is required when we select the valuation techniques used to determine the fair value of derivatives, particularly the selection of valuation inputs that are not readily observable, and the application of valuation adjustments to certain derivatives. Refer to Note 16 Fair value of financial assets and financial liabilities for further details.

10. Investment securities

	2025 NZ\$m	2024 NZ\$m
Investment securities measured at FVOCI		
Debt securities	16,452	13,290
Equity securities	6	5
Total	16,458	13,295

The maturity profile of investment securities is as follows:

As at 30 September 2025	Less than 3 months NZ\$m	3 to 12 months NZ\$m	1 to 5 years NZ\$m	After 5 years NZ\$m	No maturity NZ\$m	Total NZ\$m
Government securities	176	271	11,168	4,460	-	16,075
Corporate and financial institution securities	1	-	363	13	-	377
Equity securities	-	-	-	-	6	6
Total	177	271	11,531	4,473	6	16,458

As at 30 September 2024	Less than 3 months NZ\$m	3 to 12 months NZ\$m	1 to 5 years NZ\$m	After 5 years NZ\$m	No maturity NZ\$m	Total NZ\$m
Government securities	126	829	7,326	4,543	-	12,824
Corporate and financial institution securities	1	50	415	-	-	466
Equity securities	-	-	-	-	5	5
Total	127	879	7,741	4,543	5	13,295

Recognition and measurement



Investment securities are those financial assets in security form (that is, transferable debt or equity instruments) that are not held for trading purposes. By way of exception, bills of exchange (a form of security/transferable instrument) which are used to facilitate the ANZ Holdings Group's customer lending activities are classified as Loans and advances (rather than Investment securities) to better reflect the substance of the arrangement.

Equity investments not held for trading purposes may be designated at FVOCI on an instrument-by-instrument basis. If this election is made, gains or losses are not reclassified from Other comprehensive income to profit or loss on disposal of the investment. However, gains or losses may be reclassified within equity.

Assets disclosed as Investment securities are subject to the general classification and measurement policy for financial assets outlined on page 16. Additionally, expected credit losses associated with Investment securities - debt securities at FVOCI are recognised and measured in accordance with the accounting policy outlined in Note 12 Allowance for expected credit losses, and the allowance for expected credit loss is recognised in the FVOCI reserve in equity with a corresponding charge to profit or loss.

Key judgements and estimates



Judgement is required when we select valuation techniques used to determine the fair value of assets not valued using quoted market prices, particularly the selection of valuation inputs that are not readily observable. Refer to Note 16 Fair value of financial assets and financial liabilities for further details.

11. Net loans and advances

The following table provides details of Net loans and advances for the ANZ Holdings Group:

	2025 NZ\$m	2024 NZ\$m
Overdrafts	1,149	1,091
Credit cards	1,230	1,243
Term loans - housing	115,835	110,807
Term loans - non-housing ¹	40,524	38,755
Gross subtotal	158,738	151,896
Unearned income ²	(26)	(21)
Capitalised brokerage and other origination costs ²	639	516
Gross loans and advances	159,351	152,391
Allowance for expected credit losses (refer to Note 12)	(668)	(725)
Net loans and advances	158,683	151,666
<i>Residual contractual maturity:</i>		
Within one year	19,371	25,259
More than one year	139,312	126,407
Net loans and advances	158,683	151,666
<i>Carried on Balance Sheet at:</i>		
Amortised cost	157,722	151,666
Fair value through profit or loss	961	-
Net loans and advances	158,683	151,666

¹ Includes reverse repurchase agreements (with 90 days or more to maturity) designated at FVTPL of NZ\$961 million (2024: nil).

² Amortised over the expected life of the loan.

The Bank has sold residential mortgages to the NZ Branch with a net carrying value of NZ\$281 million as at 30 September 2025 (2024: NZ\$298 million). These assets qualify for derecognition as the Bank does not retain a continuing involvement in the transferred assets.

Recognition and measurement



Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are facilities the ANZ Holdings Group provides directly to customers or through third party channels.

Loans and advances are initially recognised at fair value plus transaction costs directly attributable to the issue of the loan or advance, which are primarily brokerage and other origination costs which we amortise over the estimated life of the loan. Subsequently, we then measure loans and advances at amortised cost using the effective interest rate method, net of any allowance for expected credit losses, or at fair value when they are specifically designated on initial recognition as FVTPL, are classified as held for sale or when held for trading. Refer to Note 16 Fair value of financial assets and financial liabilities for further details.

The ANZ Holdings Group enters into transactions in which it transfers financial assets that are recognised on its Balance Sheet. When the ANZ Holdings Group retains substantially all of the risks and rewards of the transferred assets, the transferred assets remain on the ANZ Holdings Group's Balance Sheet, however if substantially all the risks and rewards are transferred, the ANZ Holdings Group derecognises the asset. If the risks and rewards are partially retained and control over the asset is lost, the ANZ Holdings Group derecognises the asset. If control over the asset is not lost, the ANZ Holdings Group continues to recognise the asset to the extent of its continuing involvement.

We separately recognise the rights and obligations retained, or created, in the transfer of assets as appropriate.

Assets disclosed as Net loans and advances are subject to the general classification and measurement policy for financial assets outlined on page 16. Additionally, expected credit losses associated with loans and advances at amortised cost are recognised and measured in accordance with the accounting policy outlined in Note 12 Allowance for expected credit losses.

12. Allowance for expected credit losses

	2025			2024		
	Collectively assessed NZ\$m	Individually assessed NZ\$m	Total NZ\$m	Collectively assessed NZ\$m	Individually assessed NZ\$m	Total NZ\$m
Net loans and advances at amortised cost	604	64	668	661	64	725
Off-balance sheet commitments	130	4	134	133	3	136
Total	734	68	802	794	67	861

The following tables present the movement in the allowance for expected credit losses (ECL) for the year.

Net loans and advances – at amortised cost

Allowance for ECL is included in Net loans and advances.

	Stage 1 NZ\$m	Stage 2 NZ\$m	Stage 3		Total NZ\$m
			Collectively assessed NZ\$m	Individually assessed NZ\$m	
As at 1 October 2023	193	398	79	60	730
Transfer between stages	36	(40)	(1)	5	-
New and increased provisions (net of releases)	(42)	12	26	99	95
Write-backs	-	-	-	(49)	(49)
Bad debts written-off (excluding recoveries)	-	-	-	(41)	(41)
Discount unwind	-	-	-	(10)	(10)
As at 30 September 2024	187	370	104	64	725
Transfer between stages	58	(58)	(2)	2	-
New and increased provisions (net of releases)	(57)	8	(6)	94	39
Write-backs	-	-	-	(53)	(53)
Bad debts written-off (excluding recoveries)	-	-	-	(47)	(47)
Discount unwind	-	-	-	4	4
As at 30 September 2025	188	320	96	64	668

Off-balance sheet commitments – undrawn and contingent facilities

Allowance for ECL is included in Other provisions.

As at 1 October 2023	80	39	3	5	127
Transfer between stages	4	(4)	-	-	-
New and increased provisions (net of releases)	(10)	21	-	(2)	9
As at 30 September 2024	74	56	3	3	136
Transfer between stages	5	(5)	-	-	-
New and increased provisions (net of releases)	(9)	6	-	1	(2)
As at 30 September 2025	70	57	3	4	134

The collectively assessed allowance for ECL decreased by NZ\$60 million attributable to: releases of NZ\$53 million primarily driven by improvements in the forward-looking economic scenarios and portfolio credit risk profile, releases of NZ\$21 million in management temporary adjustments, partially offset by NZ\$14 million increase due to enhancements in model methodology.

Credit impairment charge – Income Statement

Credit impairment charge/(release) analysis

	2025 NZ\$m	2024 NZ\$m
New and increased provisions (net of releases) ¹		
- Collectively assessed	(60)	2
- Individually assessed	97	102
Write-backs	(53)	(49)
Recoveries of amounts previously written-off	(9)	(11)
Total credit impairment charge/(release)	(25)	44

¹ Includes the impact of transfers between collectively assessed and individually assessed.

12. Allowance for expected credit losses (continued)

Recognition and measurement



Expected credit loss model

The measurement of expected credit losses reflects an unbiased, probability weighted prediction which evaluates a range of scenarios and takes into account the time value of money, past events, current conditions and forecasts of future economic conditions.

Expected credit losses are either measured over 12 months or the expected lifetime of the financial asset, depending on credit deterioration since origination, according to the following three-stage approach:

- Stage 1: At the origination of a financial asset, and where there has not been a Significant Increase in Credit Risk (SICR) since origination, an allowance for ECL is recognised reflecting the expected credit losses resulting from default events that are possible within the next 12 months from the reporting date. For instruments with a remaining maturity of less than 12 months, expected credit losses are estimated based on default events that are possible over the remaining time to maturity.
- Stage 2: Where there has been a SICR since origination, an allowance for ECL is recognised reflecting expected credit losses resulting from all possible default events over the expected life of a financial instrument. If credit risk were to improve in a subsequent period such that the increase in credit risk since origination is no longer considered significant, the exposure returns to a Stage 1 classification with ECL measured accordingly.
- Stage 3: Where there is objective evidence of impairment, an allowance equivalent to lifetime ECL is recognised.

Expected credit losses are estimated on a collective basis for exposures in Stage 1 and Stage 2, and on either a collective or individual basis when transferred to Stage 3.

Measurement of expected credit loss

ECL is calculated as the product of the following credit risk factors at a facility level, discounted to incorporate the time value of money:

- Probability of default (PD) - the estimate of the likelihood that a borrower will default over a given period;
- Exposure at default (EAD) - the expected balance sheet exposure at default taking into account repayments of principal and interest, expected additional drawdowns and accrued interest; and
- Loss given default (LGD) - the expected loss in the event of the borrower defaulting, expressed as a percentage of the facility's EAD, taking into account direct and indirect recovery costs.

These credit risk factors are adjusted for current and forward-looking information through the use of macroeconomic variables.

Expected life

When estimating ECL for exposures in Stage 2 and 3, the ANZ Holdings Group considers the expected lifetime over which it is exposed to credit risk.

For non-retail portfolios, the ANZ Holdings Group uses the maximum contractual period as the expected lifetime for non-revolving credit facilities. For non-retail revolving credit facilities, such as corporate lines of credit, the expected life reflects the ANZ Holdings Group's contractual right to withdraw a facility as part of a contractually agreed annual review, after taking into account the applicable notice period.

For retail portfolios, the expected lifetime is determined using a behavioural term, taking into account expected prepayment behaviour and events that give rise to substantial modifications.

Definition of default, credit impaired and write-offs

The definition of default used in measuring ECL is aligned to the definition used for internal credit risk management purposes across all portfolios. This definition is also in line with the regulatory definition of default. Default occurs when there are indicators that a debtor is unlikely to fully satisfy contractual credit obligations to the ANZ Holdings Group, or the exposure is 90 days past due.

Financial assets, including those that are well secured, are considered credit impaired for financial reporting purposes when they default.

When there is no realistic probability of recovery, loans are written off against the related impairment allowance on completion of the ANZ Holdings Group's internal processes and when all reasonably expected recoveries have been collected. In subsequent periods, any recoveries of amounts previously written-off are recorded as a release to the credit impairment charge in the Income Statement.

Modified financial assets

If the contractual terms of a financial asset are modified or an existing financial asset is replaced with a new one for either credit or commercial reasons, an assessment is made to determine if the changes to the terms of the existing financial asset are considered substantial. This assessment considers both changes in cash flows arising from the modified terms as well as changes in the overall instrument risk profile; for example, changes in the principal (credit limit), term, or type of underlying collateral. Where a modification is considered non-substantial, the existing financial asset is not derecognised and its date of origination continues to be used to determine SICR. Where a modification is considered substantial, the existing financial asset is derecognised and a new financial asset is recognised at its fair value on the modification date, which also becomes the date of origination used to determine SICR for this new asset.

12. Allowance for expected credit losses (continued)

Recognition and measurement



Significant increase in credit risk

Stage 2 assets are those that have experienced a SICR since origination. In determining what constitutes a SICR, the ANZ Holdings Group considers both qualitative and quantitative information:

i. Internal credit rating grade

For the majority of portfolios, the primary indicator of a SICR is a significant deterioration in the internal credit rating grade of a facility since origination and is measured by the application of thresholds.

For non-retail portfolios, a SICR is determined by comparing the Customer Credit Rating (CCR) applicable to a facility at reporting date to the CCR at origination of that facility. A CCR is assigned to each borrower which reflects the PD of the borrower and incorporates both borrower and non-borrower specific information, including forward-looking information. CCRs are subject to review at least annually or more frequently when an event occurs which could affect the credit risk of the customer.

For retail portfolios, a SICR is determined, depending on the type of facility, by either comparing the scenario weighted lifetime PD at the reporting date to that at origination, or by reference to customer behavioural score thresholds. The scenario weighted lifetime probability of default may increase significantly if:

- there has been a deterioration in the economic outlook, or an increase in economic uncertainty; or
- there has been a deterioration in the customer's overall credit position, or ability to manage their credit obligations.

ii. Backstop criteria

The ANZ Holdings Group uses 30 days past due arrears as a backstop criterion for both non-retail and retail portfolios. For retail portfolios only, facilities are required to demonstrate three to six months of good payment behaviour prior to being allocated back to Stage 1.

Forward-looking information

Forward-looking information is incorporated into both our assessment of whether a financial asset has experienced a SICR since origination and in our estimate of ECL. In applying forward-looking information for estimating ECL, the ANZ Holdings Group considers four probability-weighted forecast economic scenarios as follows:

i. Base case scenario

The base case scenario is the ANZ Holdings Group's view of future macroeconomic conditions. It reflects the same basis of assumptions used by management for strategic planning and budgeting, and also informs the Banking Group's Internal Capital Adequacy Assessment Process which is the process the ANZ Holdings Group applies in strategic and capital planning over a 3-year time horizon;

ii. Upside scenario

The upside scenario is fixed by reference to average economic cycle conditions (not economic conditions prevailing at balance date) and is based on a combination of more optimistic economic events and uncertainty over long term horizons; and

iii. Downside and iv. Severe downside scenarios

The downside and severe scenarios assume an economic downturn, both domestically and globally. Forecast macroeconomic variables for such scenarios are developed internally, reflecting plausible scenarios unfolding over a 5-year period given current economic conditions. These assumptions have been revised in 2025, reflecting a sharp rise in inflation, declining asset prices, and increases to unemployment. The impacts to underlying macroeconomic variables are deeper in the case of the severe scenario.

The four scenarios are described in terms of macroeconomic variables used in the PD, LGD and EAD models (collectively the ECL models) depending on the lending portfolio and country of the borrower. Examples of the macroeconomic variables include unemployment rates, Gross Domestic Product (GDP) growth rates, residential property price indices, commercial property price indices and consumer price indices.

Probability weighting of each scenario is determined by management considering the risks and uncertainties surrounding the base case economic scenario, as well as specific portfolio considerations where required.

Where applicable, temporary adjustments may be made to account for situations where known or expected risks have not been adequately addressed in the modelling process.

12. Allowance for expected credit losses (continued)

Key judgements and estimates



Collectively assessed allowance for expected credit losses

In estimating collectively assessed ECL, the ANZ Holdings Group makes judgements and assumptions in relation to:

- the selection of an estimation technique or modelling methodology; and
- the selection of inputs for those models, and the interdependencies between those inputs.

The following table summarises the key judgements and assumptions in relation to the model inputs and the interdependencies between those inputs, and highlights significant changes during the current period.

The judgements and associated assumptions have been made within the context of the uncertainty as to how various factors might impact the global economy and reflect historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. The ANZ Holdings Group's ECL estimates are inherently uncertain and, as a result, actual results may differ from these estimates.

Judgement/Assumption	Description	Considerations for the year ended 30 September 2025
Determining when a SICR has occurred or reversed	<p>In the measurement of ECL, judgement is involved in determining whether there has been a SICR since initial recognition of a loan, which would result in it moving from Stage 1 to Stage 2. This is a key area of judgement since transition from Stage 1 to Stage 2 increases the ECL from an allowance based on the PD in the next 12 months, to an allowance for lifetime ECL. Subsequent decreases in credit risk resulting in transition from Stage 2 to Stage 1 may similarly result in significant changes in the ECL allowance.</p> <p>The setting of precise SICR trigger points requires judgement which may have a material impact upon the size of the ECL allowance. The ANZ Holdings Group monitors the effectiveness of SICR criteria on an ongoing basis.</p>	The determination of SICR was consistent with prior period.
Measuring both 12-month and lifetime expected credit losses	<p>The PD, LGD and EAD factors used in determining ECL are point-in-time measures reflecting the relevant forward-looking information determined by management. Judgement is involved in determining which forward-looking information is relevant for particular lending portfolios and for determining each portfolio's point-in-time sensitivity.</p> <p>In addition, judgement is required where behavioural characteristics are applied in estimating the lifetime of a facility which is used in measuring ECL.</p>	<p>The PD, LGD and EAD models are subject to the ANZ Holdings Group's model risk policy that stipulates periodic model monitoring and re-validation, and defines approval procedures and authorities according to model materiality.</p> <p>There were no material changes to the policy.</p>
Base case economic forecast	The ANZ Holdings Group derives a forward-looking 'base case' economic scenario which reflects our view of future macroeconomic conditions.	<p>There have been no changes to the types of forward-looking variables (key economic drivers) used as model inputs.</p> <p>The base case assumptions have been updated to reflect a stabilisation in inflation. Near-term growth forecasts have been reduced, reflecting the impacts of global uncertainty. Weaker GDP growth momentum pushes the return to average out to 2027. Further interest rate cuts are expected to contribute to a recovery in consumer spending. The level of unemployment is elevated but projected to fall.</p> <p>The expected outcomes of key economic drivers for the base case scenario at 30 September 2025 are described in the section on page 29 under the heading 'Base case economic forecast assumptions'.</p>

12. Allowance for expected credit losses (continued)

Key judgements and estimates



Judgement/Assumption	Description	Considerations for the year ended 30 September 2025
Probability weighting of each economic scenario (base case, upside, downside and severe downside scenarios)	<p>Probability weighting of each economic scenario is determined by management considering the risks and uncertainties surrounding the base case economic scenario at each measurement date.</p> <p>The assigned probability weightings are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected.</p>	<p>Probability weightings remain unchanged from the prior period, reflecting our assessment of the continuing downside risks in local and global economies, and uncertainties related to foreign policies.</p> <p>The probability weightings for current and prior periods are as detailed in the section on page 30 under the heading 'Probability weightings'.</p>
Management temporary adjustments	<p>Management temporary adjustments to the ECL allowance are used in circumstances where it is judged that our existing inputs, assumptions and model techniques do not capture all the risk factors relevant to our lending portfolios. Emerging local or global macroeconomic, microeconomic or political events, and natural disasters that are not incorporated into our current parameters, risk ratings, or forward-looking information are examples of such circumstances.</p>	<p>Management have continued to apply adjustments to accommodate risks associated with higher inflation and interest rates experienced over the last few years. Management overlays have been made for risks particular to mortgages and commercial lending. The total amount of adjustments has decreased from the prior period as anticipated risks are now represented in the portfolio credit profiles.</p> <p>Management temporary adjustments total NZ\$52 million (2024: NZ\$73 million).</p> <p>Management has considered and concluded no temporary adjustment is required at 30 September 2025 to the ECL in relation to climate or weather related events during the period.</p>

Base case economic forecast assumptions

Continuing uncertainties described above increase the risk of the economic forecast resulting in an understatement or overstatement of the ECL balance.

The economic drivers of the base case economic forecasts, reflective of the ANZ Holdings Group's view of future macroeconomic conditions used at 30 September 2025 are set out below. For the years following the near-term forecasts below, the ECL models apply simplified assumptions for the economic conditions to calculate lifetime loss.

	Forecast calendar year		
	2025	2026	2027
New Zealand			
GDP (annual % change)	0.9	2.4	2.7
Unemployment rate (annual average as a %)	5.2	4.8	4.3
Residential property prices (annual % change)	2.5	5.0	4.5
Consumer price index (annual average % change)	2.7	1.9	2.0

12. Allowance for expected credit losses (continued)

Key judgements and estimates



Probability weightings

Probability weightings for each scenario are determined by management considering the risks and uncertainties surrounding the base case economic scenario including the uncertainties described above.

The assigned probability weightings are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The ANZ Holdings Group considers these weightings to provide estimates of the possible loss outcomes, taking into account short and long term inter-relationships within the ANZ Holdings Group's credit portfolios. The weightings applied are set out below:

	2025	2024
Base	50.00%	50.00%
Upside	3.75%	3.75%
Downside	33.75%	33.75%
Severe downside	12.50%	12.50%

ECL - Sensitivity analysis

Given current economic uncertainties and the judgement applied to factors used in determining the expected default of borrowers in future periods, expected credit losses reported by the ANZ Holdings Group should be considered as a best estimate within a range of possible estimates.

The table below illustrates the sensitivity of collectively assessed ECL to key factors used in determining it as at 30 September 2025:

	Total NZ\$m	Impact on total ¹ NZ\$m
Collectively assessed ECL as at 30 September 2025 (refer to page 25)	734	-
If 1% of Stage 1 facilities were included in Stage 2	739	+5
If 1% of Stage 2 facilities were included in Stage 1	733	-1
100% upside scenario	280	-454
100% base scenario	360	-374
100% downside scenario	819	+85
100% severe downside scenario	1,720	+986

¹ There is an inverse and proportionate impact on profit or loss.

Individually assessed allowance for expected credit losses

In estimating individually assessed ECL, the ANZ Holdings Group makes judgements and assumptions in relation to expected repayments, the realisable value of collateral, business prospects for the customer, competing claims and the likely cost and duration of the work-out process. Judgements and assumptions in respect of these matters have been updated to reflect amongst other things, the uncertainties described above and in Note 1 About our financial statements.

Financial liabilities

Outlined below is a description of how we classify and measure financial liabilities relevant to the note disclosures that follow.

Classification and measurement



Financial liabilities

Financial liabilities are measured at amortised cost, or FVTPL when they are held for trading. Additionally, financial liabilities can be designated at FVTPL where:

- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise;
- a group of financial liabilities are managed and their performance are evaluated on a fair value basis, in accordance with a documented risk management strategy; or
- the financial liability contains one or more embedded derivatives unless:
 - a) the embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract; or
 - b) the embedded derivative is closely related to the host financial liability.

Where financial liabilities are designated as measured at fair value, gains or losses relating to changes in the entity's own credit risk are included in Other comprehensive income, except where doing so would create or enlarge an accounting mismatch in profit or loss.

13. Deposits and other borrowings

	2025 NZ\$m	2024 NZ\$m
Term deposits	60,808	59,308
On demand and short term deposits	65,405	60,983
Deposits not bearing interest	17,329	15,872
Total customer deposits	143,542	136,163
Certificates of deposit	882	1,174
Commercial paper	4,165	1,419
Securities sold under repurchase agreements	4,520	3,750
Borrowings from Ultimate Parent Bank and Immediate Parent Company ¹	1,777	1,777
Deposits and other borrowings	154,886	144,283
<i>Residual contractual maturity:</i>		
Within one year	147,719	136,602
More than one year	7,167	7,681
Deposits and other borrowings	154,886	144,283
<i>Carried on balance sheet at:</i>		
Amortised cost	147,366	141,842
Fair value through profit or loss (designated on initial recognition)	7,520	2,441
Deposits and other borrowings	154,886	144,283

¹ Includes borrowings from the Immediate Parent Company of NZ\$1,766 million which is subordinated to the A\$800 million perpetual subordinated debt issued by the Company.

Recognition and measurement



For deposits and other borrowings that:

- are not designated at FVTPL on initial recognition, we measure them at amortised cost and recognise their interest expense using the effective interest rate method; and
- are managed on a fair value basis, reduce or eliminate an accounting mismatch or contain an embedded derivative, we designate them as measured at FVTPL.

Refer to Note 16 Fair value of financial assets and financial liabilities for further details.

For deposits and other borrowings designated at fair value we recognise the amount of fair value gain or loss attributable to changes in the ANZ Holdings Group's own credit risk in Other comprehensive income in retained earnings. Any remaining amount of fair value gain or loss we recognise directly in profit or loss. Once we have recognised an amount in other comprehensive income, we do not later reclassify it to profit or loss.

Securities sold under repurchase agreements represent a liability to repurchase the financial assets that remain on our balance sheet since the risks and rewards of ownership remain with the ANZ Holdings Group. Over the life of the repurchase agreement, we recognise the difference between the sale price and the repurchase price and charge it to interest expense in profit or loss.

14. Debt issuances

The ANZ Holdings Group uses a variety of funding programmes to issue unsubordinated debt (including senior debt and covered bonds) and subordinated debt. The difference between unsubordinated debt and subordinated debt is that, in a winding up of the issuer, holders of unsubordinated debt rank in priority to holders of subordinated debt. Subordinated debt will be repaid only after the repayment of claims of depositors and other creditors (including holders of unsubordinated debt) of that issuer.

	2025 NZ\$m	2024 NZ\$m
Senior debt	12,020	12,349
Covered bonds	2,510	2,156
Total unsubordinated debt	14,530	14,505
Subordinated debt	4,174	3,982
Total debt issued	18,704	18,487
Residual contractual maturity:		
Within one year	4,245	3,213
More than one year	14,459	15,274
Total debt issued	18,704	18,487

Total debt issued by currency

The table below shows the ANZ Holdings Group's issued debt by currency of issue, which broadly represents the debt holders' base location.

	2025 NZ\$m	2024 NZ\$m
AUD Australian dollars	905	907
EUR Euro	6,902	5,892
NZD New Zealand dollars	2,773	2,035
CHF Swiss Francs	-	743
USD United States dollars	8,124	8,910
Total debt issued	18,704	18,487

The Bank has guaranteed the payment of interest and principal of covered bonds issued by its subsidiary ANZ New Zealand (Int'l) Limited. This obligation is guaranteed by ANZNZ Covered Bond Trust Limited (the Covered Bond Guarantor), solely in its capacity as trustee of ANZNZ Covered Bond Trust (the Covered Bond Trust). The Covered Bond Trust is a member of the ANZ Holdings Group. The Covered Bond Guarantor is not a member of the ANZ Holdings Group and has no credit ratings applicable to its long term senior unsecured obligations. The covered bonds have been assigned a long term rating of Aaa and AAA by Moody's Investors Service and Fitch Ratings respectively. Refer to page 61 for the carrying amount of assets transferred to the ANZ Covered Bond Trust pledged as security for covered bonds.

Subordinated debt

The table below shows the subordinated debt on issue at 30 September 2025 and 30 September 2024:

Currency	Face value	Issue date	Maturity	Next optional call date	Interest rate	2025 NZ\$m	2024 NZ\$m
Term subordinated debt issued by the Bank							
NZD	938m	Jun 2016	Perpetual	Jun 2026	Floating	938	938
NZD	600m	Sep 2021	Sep 2031	Sep 2026	Fixed	598	597
USD	500m	Aug 2022	Aug 2032	Aug 2027	Fixed	849	771
USD	500m	Jul 2024	Jul 2034	Jul 2029	Fixed	884	812
Perpetual subordinated debt issued by the Company							
AUD	800m	Sep 2024	Perpetual	Oct 2030	Floating	905	864
Subordinated debt¹						4,174	3,982

¹ Carrying amounts are net of issuance costs and, where applicable, include fair value hedge accounting adjustments.

Recognition and measurement



Debt issuances are initially recognised at fair value and are subsequently measured at amortised cost, except where designated at FVTPL. Interest expense on debt issuances is recognised using the effective interest rate method. Where the ANZ Holdings Group enters into a fair value hedge accounting relationship, the fair value attributable to the hedged risk is reflected in adjustments to the carrying value of the debt.

Subordinated debt with capital-based conversion features (i.e. Common Equity Capital Trigger Events or Non-Viability Trigger Events) are considered to contain embedded derivatives that we account for separately at FVTPL. The embedded derivatives arise because the number of shares issued on conversion following any of those trigger events is subject to the maximum conversion number, however they have no significant value as of the reporting date given the remote nature of those trigger events.

15. Financial risk management

Risk management framework and model

Introduction

The use of financial instruments is fundamental to the ANZ Holdings Group's business of providing banking and other financial services to our customers. The associated financial risks (primarily credit, market, and liquidity risks) are a significant portion of the ANZ Holdings Group's material risks.

This note details the ANZ Holdings Group's financial risk management policies, processes and quantitative disclosures in relation to the material financial risks:

Material financial risks

Key sections applicable to this risk

Credit risk

The risk of financial loss resulting from:

- a counterparty failing to fulfil its obligations; or
- a decrease in credit quality of a counterparty resulting in a financial loss.

Credit risk incorporates the risks associated with us lending to customers who could be impacted by climate change, changes to laws, regulations, or other policies adopted by governments or regulatory authorities. Climate change impacts include both physical risks (climate- or weather-related events) and transition risks resulting from the adjustment to a low emissions economy. Transition risks include resultant changes to laws, regulations and policies noted above.

- Credit risk overview, management and control responsibilities
- Maximum exposure to credit risk
- Credit quality
- Concentrations of credit risk
- Collateral management

Market risk

The risk to the ANZ Holdings Group's earnings arising from:

- changes in interest rates, foreign exchange rates, credit spreads, volatility and correlations; or
- fluctuations in bond, commodity or equity prices.

- Market risk overview, management and control responsibilities
- Measurement of market risk
- Traded and non-traded market risk
- Foreign currency risk – structural exposure

Liquidity and funding risk

The risk that the ANZ Holdings Group is unable to meet its payment obligations as they fall due, including:

- repaying depositors or maturing wholesale debt; or
- the ANZ Holdings Group having insufficient capacity to fund increases in assets.

- Liquidity risk overview, management and control responsibilities
- Key areas of measurement for liquidity risk
- Liquidity portfolio management
- Funding position
- Residual contractual maturity analysis of the ANZ Holdings Group's liabilities

Overview

An overview of our risk management framework

This overview is provided to aid the users of the financial statements in understanding the context of the financial disclosures required under NZ IFRS 7 *Financial Instruments: Disclosures*.

The Company is a non-operating holding company and its assets primarily comprise its investments in the Bank.

The Bank's Board is responsible for establishing and overseeing the Banking Group's Risk Management Framework (RMF). The Bank's Board has delegated authority to the Bank's Board Risk Committee (BRC) to develop and monitor compliance with the Banking Group's risk management policies. The BRC reports regularly to the Bank's Board on its activities.

The Bank's Board approves the strategic objectives of the Banking Group including:

- the Risk Appetite Statement (RAS), which sets out the Bank Board's expectations regarding the degree of risk that the Banking Group is prepared to accept in pursuit of its strategic objectives and business plan; and
- the Risk Management Strategy (RMS), which describes the Banking Group's strategy for managing risks and the key elements of the RMF that give effect to this strategy. This includes a description of each material risk, and an overview of how the RMF addresses each risk, with reference to the relevant policies, standards and procedures. It also includes information on how the Banking Group identifies, measures, evaluates, monitors, reports and controls or mitigates material risks.

The Banking Group, through its training and management standards and procedures, aims to maintain a disciplined and robust control environment in which all employees understand their roles and obligations. At the Banking Group, risk is everyone's responsibility.

The Banking Group has an independent risk management function, headed by the Bank's Chief Risk Officer who:

- is responsible for overseeing the risk profile and the risk management framework;
- can effectively challenge activities and decisions that materially affect the Banking Group's risk profile; and
- has an independent reporting line to the BRC to enable the appropriate escalation of issues of concern.

15. Financial risk management (continued)

Internal Audit Function

Internal Audit is a function independent of management whose role is to provide the Board and management with an effective and independent appraisal of the internal controls established by management. Operating under a Board approved Charter, the reporting line for the outcomes of work conducted by Internal Audit is direct to the Chair of the Audit Committee, with a direct communication line to the Chief Executive Officer and the external auditor. The Internal Audit Plan is developed using a risk based approach and is reviewed quarterly. The Audit Committee approves the plan.

All audit activities are conducted in accordance with international internal auditing standards, and the results of the activities are reported to the Audit Committee and management. These results influence the performance assessment of business heads. Furthermore, Internal Audit monitors the remediation of audit issues and reports the current status of any outstanding audits.

Credit risk

Credit risk overview, management and control responsibilities

Granting credit facilities to customers is one of the ANZ Holdings Group's major sources of income. As this activity is also a principal risk, the ANZ Holdings Group dedicates considerable resources to its management. The ANZ Holdings Group assumes credit risk in a wide range of lending and other activities in diverse markets and in many jurisdictions. Credit risks arise from traditional lending to customers as well as from interbank, treasury, trade finance and capital markets activities.

Our credit risk management framework ensures we apply a consistent approach across the ANZ Holdings Group when we measure, monitor and manage the credit risk appetite set by the Bank's Board. The Bank's Board is assisted and advised by the BRC in discharging its duty to oversee credit risk. The BRC:

- approves the credit risk appetite and credit strategies; and
- approves policies and control frameworks for the management of the Bank's credit risk.

The BRC delegates responsibility for day-to-day management of credit risk and compliance with credit risk policies to the Bank's Credit Risk Management Committee (CRMC).

We quantify credit risk through an internal credit rating system (Master Scale) to ensure consistency across exposure types and to provide a consistent framework for reporting and analysis. The system uses models and other tools to measure the following for customer exposures:

Probability of Default (PD)	Expressed by a Customer Credit Rating (CCR), reflecting the ANZ Holdings Group's assessment of a customer's ability to service and repay debt.
Exposure at Default (EAD)	The expected balance sheet exposure at default taking into account repayments of principal and interest, expected additional drawdowns and accrued interest at the time of default.
Loss Given Default (LGD)	Expressed by a Security Indicator (SI) ranging from A to G. The SI is calculated by reference to the percentage of loan covered by security which the ANZ Holdings Group can realise if a customer defaults. The A-G scale is supplemented by a range of other SIs which cover such factors as cash cover and sovereign backing. For retail and some small business lending, we group exposures into large homogeneous pools, and the LGD is assigned at the pool level.

Our specialist credit risk teams develop and validate the ANZ Holdings Group's PD and LGD rating models. The outputs from these models drive our day-to-day credit risk management decisions including origination, pricing, approval levels, regulatory capital adequacy, internal capital allocation, and credit provisioning.

All customers with whom the ANZ Holdings Group has a credit relationship are assigned a CCR at origination via either of the following assessment approaches:

Large and more complex lending

Rating models provide a consistent and structured assessment, with judgement required around the use of out-of-model factors. We handle credit approval on a dual approval basis, jointly with the business writer and an independent credit officer.

Retail and some small business lending

Automated assessment of credit applications using a combination of scoring (application and behavioural), policy rules and external credit reporting information. If the application does not meet the automated assessment criteria, then it is subject to manual assessment.

We use the ANZ Holdings Group's internal CCR to manage the credit quality of financial assets. To enable wider comparisons, the ANZ Holdings Group's CCRs are mapped to external rating agency scales as follows:

Credit quality description	Internal CCR	The ANZ Holdings Group customer requirements	Moody's Ratings	S&P Global Ratings
Strong	CCR 0+ to 4-	Demonstrated superior stability in their operating and financial performance over the long-term, and whose earnings capacity is not significantly vulnerable to foreseeable events.	Aaa – Baa3	AAA – BBB-
Satisfactory	CCR 5+ to 6-	Demonstrated sound operational and financial stability over the medium to long-term even though some may be susceptible to cyclical trends or variability in earnings.	Ba1 – B1	BB+ – B+
Weak	CCR 7+ to 8=	Demonstrated some operational and financial instability, with variability and uncertainty in profitability and liquidity projected to continue over the short and possibly medium term.	B2 – Caa	B – CCC
Defaulted	CCR 8- to 10	When doubt arises as to the collectability of a credit facility, the financial instrument (or 'the facility') is classified as defaulted.	n/a	n/a

15. Financial risk management (continued)

Credit risk (continued)

Maximum exposure to credit risk

For financial assets recognised on the balance sheet, the maximum exposure to credit risk is the carrying amount. In certain circumstances there may be differences between the carrying amounts reported on the balance sheet and the amounts reported in the tables below. Principally, these differences arise in respect of financial assets that are subject to risks other than credit risk, such as equity instruments which are primarily subject to market risk, or bank notes and coins.

For undrawn facilities, this maximum exposure to credit risk is the full amount of the committed facilities. For contingent exposures, the maximum exposure to credit risk is the maximum amount the ANZ Holdings Group would have to pay if the instrument is called upon.

The table below shows our maximum exposure to credit risk of on-balance sheet and off-balance sheet positions before taking account of any collateral held or other credit enhancements.

	Reported		Excluded ¹		Maximum exposure to credit risk	
	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m
On-balance sheet positions						
Net loans and advances	158,683	151,666	-	-	158,683	151,666
Other financial assets:						
Cash and cash equivalents	9,386	11,634	130	130	9,256	11,504
Settlement balances receivable	1,620	574	-	-	1,620	574
Collateral paid	1,114	1,041	-	-	1,114	1,041
Trading securities	6,348	5,576	-	-	6,348	5,576
Derivative financial instruments	11,449	10,177	-	-	11,449	10,177
Investment securities	16,458	13,295	-	-	16,458	13,295
Other financial assets ²	860	1,113	-	-	860	1,113
Total other financial assets	47,235	43,410	130	130	47,105	43,280
Subtotal	205,918	195,076	130	130	205,788	194,946
Off-balance sheet positions						
Undrawn and contingent facilities ³	30,116	28,511	-	-	30,116	28,511
Total	236,034	223,587	130	130	235,904	223,457

¹ Coins, notes and cash at bank within cash and cash equivalents were excluded as they do not have credit risk exposure.

² Other financial assets mainly comprise accrued interest and acceptances.

³ Undrawn and contingent facilities include guarantees, letters of credit and performance related contingencies, net of collectively assessed and individually assessed allowance for expected credit losses.

15. Financial risk management (continued)

Credit risk (continued)

Credit quality

An analysis of the ANZ Holdings Group's credit risk exposure is presented in the following tables based on the ANZ Holdings Group's internal credit quality rating by stage without taking account of the effects of any collateral or other credit enhancements.

Net loans and advances

	Stage 1 NZ\$m	Stage 2 NZ\$m	Stage 3		Total NZ\$m
			Collectively assessed NZ\$m	Individually assessed NZ\$m	
As at 30 September 2025					
Strong	79,659	1,315	-	-	80,974
Satisfactory	61,298	5,568	-	-	66,866
Weak	5,283	3,045	-	-	8,328
Defaulted	-	-	1,240	369	1,609
Gross loans and advances at amortised cost	146,240	9,928	1,240	369	157,777
Allowance for ECL	(188)	(320)	(96)	(64)	(668)
Net loans and advances at amortised cost	146,052	9,608	1,144	305	157,109
Coverage ratio	0.13%	3.22%	7.74%	17.34%	0.42%
Loans and advances at FVTPL					961
Unearned income					(26)
Capitalised brokerage and other origination costs					639
Net carrying amount					158,683
As at 30 September 2024					
Strong	73,623	1,549	-	-	75,172
Satisfactory	59,827	6,901	-	-	66,728
Weak	4,903	3,470	-	-	8,373
Defaulted	-	-	1,253	370	1,623
Gross loans and advances at amortised cost	138,353	11,920	1,253	370	151,896
Allowance for ECL	(187)	(370)	(104)	(64)	(725)
Net loans and advances at amortised cost	138,166	11,550	1,149	306	151,171
Coverage ratio	0.14%	3.10%	8.30%	17.30%	0.48%
Unearned income					(21)
Capitalised brokerage and other origination costs					516
Net carrying amount					151,666

15. Financial risk management (continued)

Credit risk (continued)

Off-balance sheet commitments - undrawn and contingent facilities

As at 30 September 2025	Stage 3				Total NZ\$m
	Stage 1 NZ\$m	Stage 2 NZ\$m	Collectively assessed NZ\$m	Individually assessed NZ\$m	
Strong	24,065	254	-	-	24,319
Satisfactory	4,169	1,097	-	-	5,266
Weak	223	403	-	-	626
Defaulted	-	-	16	23	39
Gross undrawn and contingent facilities	28,457	1,754	16	23	30,250
Allowance for ECL included in Other provisions (refer to Note 19)	(70)	(57)	(3)	(4)	(134)
Net undrawn and contingent facilities	28,387	1,697	13	19	30,116
Coverage ratio	0.25%	3.25%	18.75%	17.39%	0.44%

As at 30 September 2024

Strong	23,508	196	-	-	23,704
Satisfactory	3,530	1,087	-	-	4,617
Weak	30	260	-	-	290
Defaulted	-	-	26	10	36
Gross undrawn and contingent facilities	27,068	1,543	26	10	28,647
Allowance for ECL included in Other provisions (refer to Note 19)	(74)	(56)	(3)	(3)	(136)
Net undrawn and contingent facilities	26,994	1,487	23	7	28,511
Coverage ratio	0.27%	3.63%	11.54%	30.00%	0.47%

Other financial assets

	2025 NZ\$m	2024 NZ\$m
Strong	47,019	43,241
Satisfactory	76	32
Weak	10	7
Defaulted	-	-
Total carrying amount	47,105	43,280

15. Financial risk management (continued)

Credit risk (continued)

Concentrations of credit risk

Credit risk becomes concentrated when a number of customers are engaged in similar activities, have similar economic characteristics, or have similar activities within the same geographic region – therefore, they may be similarly affected by changes in economic or other conditions. The ANZ Holdings Group monitors its credit portfolio to manage risk concentration and rebalance the portfolio. The ANZ Holdings Group also applies single customer counterparty limits to protect against unacceptably large exposures to one single customer.

Analysis of financial assets by industry sector is based on Australian and New Zealand Standard Industrial Classification (ANZSIC) codes. The significant categories shown are the level one New Zealand Standard Industry Output Categories (NZSIOC), except that Agriculture is shown separately.

Composition of financial instruments that give rise to credit risk by industry group are presented below:

	Loans and advances		Other financial assets		Off-balance sheet credit related commitments		Total	
	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m
New Zealand residents								
Agriculture	15,517	15,489	70	82	1,055	745	16,642	16,316
Forestry and fishing, agriculture services	557	557	5	4	102	94	664	655
Mining	83	158	1	2	80	226	164	386
Manufacturing	2,347	2,444	184	94	2,182	1,952	4,713	4,490
Electricity, gas, water and waste services	1,263	589	298	290	2,018	1,383	3,579	2,262
Construction	1,093	961	5	6	970	969	2,068	1,936
Wholesale trade	1,433	1,439	70	39	1,476	1,578	2,979	3,056
Retail trade and accommodation	2,638	2,902	13	28	770	621	3,421	3,551
Transport, postal and warehousing	1,060	1,042	40	89	853	706	1,953	1,837
Finance and insurance services	2,309	864	12,356	13,000	1,272	1,465	15,937	15,329
Rental, hiring & real estate services	38,125	37,098	1,916	1,960	1,772	1,996	41,813	41,054
Professional, scientific, technical, administrative and support services	1,046	1,054	21	8	616	440	1,683	1,502
Public administration and safety	181	209	15,196	10,938	721	845	16,098	11,992
Health care and social assistance	886	915	11	9	338	294	1,235	1,218
Households	86,779	82,871	356	427	14,400	13,760	101,535	97,058
All other New Zealand residents ¹	1,172	1,153	71	109	1,338	1,384	2,581	2,646
Subtotal	156,489	149,745	30,613	27,085	29,963	28,458	217,065	205,288
Overseas								
Finance and insurance services	61	66	16,259	16,170	287	189	16,607	16,425
Households	1,550	1,508	6	8	-	-	1,556	1,516
All other non-New Zealand residents	638	577	227	17	-	-	865	594
Subtotal	2,249	2,151	16,492	16,195	287	189	19,028	18,535
Gross subtotal	158,738	151,896	47,105	43,280	30,250	28,647	236,093	223,823
Allowance for ECL	(668)	(725)	-	-	(134)	(136)	(802)	(861)
Subtotal	158,070	151,171	47,105	43,280	30,116	28,511	235,291	222,962
Unearned income	(26)	(21)	-	-	-	-	(26)	(21)
Capitalised brokerage and other origination costs	639	516	-	-	-	-	639	516
Maximum exposure to credit risk	158,683	151,666	47,105	43,280	30,116	28,511	235,904	223,457

¹ Other includes exposures to information media and telecommunications; education and training; arts and recreation services; and other services.

15. Financial risk management (continued)

Credit risk (continued)

Collateral management

We use collateral for on and off-balance sheet exposures to mitigate credit risk if a counterparty cannot meet its repayment obligations. Where there is sufficient collateral, an expected credit loss is not recognised. This is largely the case for certain lending products, such as margin loans and reverse repurchase agreements that are secured by the securities purchased using the lending. For some products, the collateral provided by customers is fundamental to the product's structuring, so it is not strictly the secondary source of repayment – for example, lending secured by trade receivables is typically repaid by the collection of those receivables. During the period there was no change in our collateral policies.

The nature of collateral or security held for the relevant classes of financial assets is as follows:

Net loans and advances

Loans – housing and personal	<p>Housing loans are secured by mortgage(s) over property and additional security may take the form of guarantees and deposits.</p> <p>Personal lending (including credit cards and overdrafts) is predominantly unsecured. If we take security, then it is restricted to eligible vehicles, motor homes and other assets.</p>
Loans – business	<p>Business loans may be secured, partially secured or unsecured. Typically, we take security by way of a mortgage over property and/or a charge over the business or other assets.</p> <p>If appropriate, we may take other security to mitigate the credit risk, such as guarantees, standby letters of credit or derivative protection.</p>

Other financial assets

Trading securities, investment securities, derivatives and other financial assets	<p>For trading securities, we do not seek collateral directly from the issuer or counterparty. However, the collateral may be implicit in the terms of the instrument (for example, with an asset-backed security). The terms of debt securities may include collateralisation.</p> <p>For derivatives we will have large individual exposures to single name counterparties such as central clearing houses, financial institutions, and other institutional clients. Open derivative positions with these counterparties are aggregated and cash collateral (or other forms of eligible collateral) is exchanged daily through the respective Credit Support Annex (CSA) agreements. The collateral is provided by the counterparty when their position is out of the money (or provided to the counterparty by the ANZ Holdings Group when our position is out of the money). Credit risk will remain where the full amount of the derivative exposure is not covered by any collateral.</p>
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Off-balance sheet positions

Undrawn and contingent facilities	Collateral for off-balance sheet positions is mainly held against undrawn facilities, and they are typically performance bonds or guarantees. Undrawn facilities that are secured include housing loans secured by mortgages over residential property and business lending secured by commercial real estate and/or charges over business assets.
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The table below shows the estimated value of collateral we hold and the net unsecured portion of credit exposures:

	Maximum exposure to credit risk		Total value of collateral ¹		Unsecured portion of credit exposure	
	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m
Net loans and advances	158,683	151,666	149,636	144,547	9,047	7,119
Other financial assets	47,105	43,280	5,985	3,605	41,120	39,675
Off-balance sheet positions	30,116	28,511	17,260	15,700	12,856	12,811
Total	235,904	223,457	172,881	163,852	63,023	59,605

¹ In estimating the value of collateral for housing loans, customers are assumed to be meeting their insurance obligations for the properties over which the mortgages are secured.

15. Financial risk management (continued)

Market risk

Market risk overview, management and control responsibilities

Market risk stems from the ANZ Holdings Group's trading and balance sheet management activities and the impact of changes and correlations between interest rates, foreign exchange rates, credit spreads, commodities, equities and the volatility within these asset classes.

The BRC delegates responsibility for day-to-day management of both market risk and compliance with market risk policies to the Bank's Asset & Liability Management Committee (ALCO).

Within overall strategies and policies established by the BRC, business units and risk management have joint responsibility for the control of market risk at the Bank level. The Market & Treasury Risk team (a specialist risk management unit independent of the business) allocates market risk limits at various levels and monitors and reports on them daily. This detailed framework allocates individual limits to manage and control exposures using risk factors and profit and loss limits.

Management, measurement and reporting of market risk is undertaken in two broad categories:

Traded market risk	Non-traded market risk
<p>Risk of loss from changes in the value of financial instruments due to movements in price factors for both physical and derivative trading positions. Principal risk categories monitored are:</p> <ul style="list-style-type: none"> • Currency risk – potential loss arising from changes in foreign exchange rates or their implied volatilities. • Interest rate risk – potential loss from changes in market interest rates or their implied volatilities. • Credit spread risk – potential loss arising from a movement in margin or spread relative to a benchmark. • Commodity risk – potential loss arising from changes in commodity prices or their implied volatilities. • Equity risk – potential loss arising from changes in equity prices. 	<p>Risk of loss associated with the management of non-traded interest rate risk, liquidity risk and foreign exchange exposures. This includes interest rate risk in the banking book. This risk of loss arises from adverse changes in the overall and relative level of interest rates for different tenors, differences in the actual versus expected net interest margin, and the potential valuation risk associated with embedded options in financial instruments and bank products.</p>

Measurement of market risk

We primarily manage and control market risk using Value at Risk (VaR), sensitivity analysis and stress testing.

VaR measures the Bank's possible daily loss based on historical market movements.

The Banking Group's VaR approach for both traded and non-traded risk is historical simulation. We use historical changes in market rates, prices and volatilities over:

- the previous 500 business days, to calculate standard VaR; and
- a 1-year stressed period, to calculate stressed VaR.

We calculate traded and non-traded VaR using a one-day holding period. For stressed VaR we use a ten-day period. Back testing is used to ensure our VaR models remain accurate.

The Banking Group measures VaR at a 99% confidence interval which means there is a 99% chance that a loss will not exceed the VaR for the relevant holding period.

15. Financial risk management (continued)

Market risk (continued)

Traded and non-traded market risk

Traded market risk

The table below shows the traded market risk VaR on a diversified basis by risk categories:

	2025				2024			
	As at NZ\$m	High for year NZ\$m	Low for year NZ\$m	Average for year NZ\$m	As at ² NZ\$m	High for year NZ\$m	Low for year NZ\$m	Average for year NZ\$m
Traded value at risk 99% confidence								
Foreign exchange	0.6	1.7	0.2	0.5	0.8	1.4	0.3	0.8
Interest rate	0.9	2.7	0.6	1.2	0.8	3.8	0.8	1.5
Credit	0.5	0.9	0.1	0.4	0.5	1.1	0.1	0.7
Diversification benefit ¹	(0.5)	n/a	n/a	(0.8)	(0.5)	n/a	n/a	(1.0)
Total VaR	1.5	4.1	0.6	1.3	1.3	4.8	1.2	2.0

¹ The diversification benefit reflects risks that offset across categories. The high and low VaR figures reported for each factor did not necessarily occur on the same day as the high and low VaR reported for the ANZ Holdings Group as a whole. Consequently, a diversification benefit for high and low would not be meaningful and is therefore omitted from the table.

² Comparative amounts have been adjusted to be consistent with the current period's presentation.

Non-traded market risk

Balance sheet risk management

The principal objectives of balance sheet risk management are to maintain acceptable levels of interest rate and liquidity risk to mitigate the negative impact of movements in interest rates on the earnings and market value of the ANZ Holdings Group's banking book, while ensuring the ANZ Holdings Group maintains sufficient liquidity to meet its obligations as they fall due.

Interest rate risk management

Non-traded interest rate risk relates to the potential adverse impact of changes in market interest rates on the ANZ Holdings Group's future net interest income. This risk arises from two principal sources, namely mismatches between the repricing dates of interest bearing assets and liabilities; and the investment of capital and other non-interest bearing liabilities and assets. Interest rate risk is reported using VaR and scenario analysis (based on the impact of a 1% rate shock). The table below shows VaR figures for non-traded interest rate risk for the Bank.

	2025				2024			
	As at NZ\$m	High for year NZ\$m	Low for year NZ\$m	Average for year NZ\$m	As at NZ\$m	High for year NZ\$m	Low for year NZ\$m	Average for year NZ\$m
Non-traded value at risk 99% confidence								
Total VaR	26.8	30.1	21.9	26.0	29.4	37.5	26.3	28.8

We undertake scenario analysis to stress test the impact of extreme events on the ANZ Holdings Group's market risk exposures. We model a 1% overnight parallel positive shift in the yield curve to determine the potential impact on our net interest income over the next 12 months. This is a standard risk measure which assumes the parallel shift is reflected in all wholesale and customer rates.

The table below shows the outcome of this risk measure for the current and previous financial years, expressed as a percentage of reported net interest income.

	2025	2024
Impact of 1% rate shock on the next 12 months' net interest income		
As at period end	0.3%	-0.4%
Maximum exposure	0.6%	1.1%
Minimum exposure	-0.4%	-0.6%
Average exposure (in absolute terms)	0.0%	0.4%

Foreign currency risk – structural exposures

Where it is considered appropriate, the ANZ Holdings Group takes out economic hedges against larger foreign exchange denominated expenditure streams (primarily Australian Dollar, US Dollar and US Dollar correlated). The primary objective of hedging these streams is to protect against a significant decrease in shareholder value due to negative impacts of foreign exchange rate movements.

15. Financial risk management (continued)

Liquidity and funding risk

Liquidity risk overview, management and control responsibilities

Liquidity risk is the risk that the ANZ Holdings Group:

- is unable to meet its payment obligations (including repaying depositors or maturing wholesale debt) when they fall due; or
- does not have the appropriate amount, tenor and composition of funding and liquidity to fund increases in its assets.

Management of the Banking Group's liquidity and funding is overseen by ALCO following delegation from the BRC. Within an overall framework established by the BRC, Treasury and Market & Treasury Risk have responsibility for the control of funding and liquidity risk. Banking Group liquidity and funding risks are governed by principles approved by the BRC that include:

- maintaining the ability to meet all payment obligations in the immediate term;
- maintaining the ability to meet 'survival horizons' under New Zealand specific and general market liquidity stress scenarios to meet cash flow obligations over the short to medium term;
- maintaining strength in the balance sheet structure to ensure long term resilience in the liquidity and funding risk profile;
- adequately diversifying funding arrangements by counterparty, geography and tenor;
- maintaining a portfolio of high-quality liquid assets to act as a source of liquidity in times of stress and support normal day-to-day payment activities; and
- establishing a stress funding plan that would cover a range of market funding scenarios.

The Company's liquidity risk is governed by principles approved by the Board including endeavouring to meet all of its obligations as they fall due.

Key areas of measurement for liquidity and funding risk

Supervision and regulation

RBNZ requires the Bank to have a comprehensively documented Board approved liquidity framework that specifies governance and oversight responsibilities and principal methods that will be used to measure, monitor and control liquidity risk. This also includes a formal contingency plan for dealing with a liquidity crisis. The Banking Group is required to meet one week and one month liquidity mismatch ratios and a one year core funding ratio each day.

Scenario modelling

A key component of the Banking Group's liquidity management framework is scenario modelling of a range of regulatory and internal liquidity metrics.

Potential severe liquidity crisis scenarios that model the behaviour of cash flows where there is a problem (real or perceived) may include, but are not limited to, operational issues, doubts about solvency, or adverse credit rating changes. Under these scenarios the Banking Group may have significant difficulty rolling over or replacing funding. The Banking Group's liquidity policy requires sufficient high quality liquid assets to be held to meet its liquidity needs for the following one month under the modelled scenarios.

As at 30 September 2025, the ANZ Holdings Group was operating above the required minimums for the modelled scenarios.

Structural balance sheet metrics

The Banking Group's liquidity management framework also encompasses structural balance sheet metrics such as the RBNZ's core funding ratio. The core funding ratio is designed to limit the amount of wholesale funding required to be rolled over within a one year timeframe and so interacts with the modelled liquidity scenarios to maintain the Banking Group's liquidity position.

Wholesale funding

The Banking Group's wholesale funding strategy is designed to deliver a sustainable portfolio of wholesale funds that balances cost efficiency with targeting diversification by markets, investors, currencies, maturities and funding structures. Short-term and long-term wholesale funding is managed and executed by Treasury.

The Banking Group also uses maturity concentration limits under the wholesale funding and liquidity management framework. Maturity concentration limits ensure that the Banking Group is not required to issue large volumes of new wholesale funding within a short time period to replace maturing wholesale funding. Funding instruments used to meet the wholesale borrowing requirement must be on a pre-established list of approved products.

Funding capacity and debt issuance planning

The Banking Group adopts a conservative approach to determine its funding capacity. Annually, a funding plan is approved by the Bank's Board. The plan is supplemented by regular updates and is linked to the Banking Group's three-year strategic planning cycle.

15. Financial risk management (continued)

Liquidity and funding risk (continued)

Liquidity portfolio management

The ANZ Holdings Group holds a diversified portfolio of cash and high quality liquid securities primarily to support liquidity risk management. The size of the ANZ Holdings Group's liquidity portfolio is determined with consideration of the amount required to meet the requirements of its internal and regulatory liquidity scenario metrics.

	2025 NZ\$m	2024 NZ\$m
Central and local government bonds	14,487	9,684
Government treasury bills	111	207
Certificates of deposit	537	359
Other bonds	7,543	8,205
Securities eligible to be accepted as collateral in repurchase transactions	22,678	18,455
Cash and balances with central banks	7,270	9,723
Total liquidity portfolio	29,948	28,178

Assets held in the ANZ Holdings Group's liquidity portfolio are all denominated in New Zealand dollars and include balances held with RBNZ and securities issued by the New Zealand Government, supranational agencies, highly rated banks, state owned enterprises, local authorities (including through a funding authority) and highly rated corporates.

The Bank also held unencumbered internal residential mortgage backed securities (RMBS) which would be accepted as collateral by RBNZ in repurchase transactions. These holdings would entitle the Bank to enter into repurchase transactions with RBNZ with a value of NZ\$11,441 million at 30 September 2025 (2024: NZ\$10,480 million).

RBNZ Term Lending Facility (TLF) and Funding for Lending Programme (FLP)

- Between May 2020 and July 2021, RBNZ made funds available under the TLF to promote lending to businesses. The TLF is a five-year secured funding facility for New Zealand banks at a fixed rate of 0.25%.
- Between December 2020 and December 2022, RBNZ made funds available under the FLP to lower the cost of borrowing for New Zealand businesses and households. The FLP is a three-year secured funding facility for New Zealand banks at a floating rate of the New Zealand Official Cash Rate (OCR).

As at 30 September 2025, the Bank had NZ\$165 million drawn under the TLF (2024: NZ\$228 million) and NZ\$1,000 million drawn under the FLP (2024: NZ\$2,500 million). These amounts are included in securities sold under repurchase agreements in Note 13 Deposits and other borrowings.

Liquidity crisis contingency planning

The Banking Group maintains a liquidity crisis contingency plan to define an approach for analysing and responding to a liquidity-threatening event. The framework includes:

- the establishment of crisis severity/stress levels;
- clearly assigned crisis roles and responsibilities;
- early warning signals indicative of an approaching crisis, and mechanisms to monitor and report these signals;
- action plans, and courses of action for altering asset and liability behaviour;
- procedures for crisis management reporting, and covering cash-flow shortfalls; and
- the approach to internal and external communications.

Funding position

The ANZ Holdings Group actively uses balance sheet disciplines to prudently manage the funding mix. The Banking Group employs funding metrics to ensure that an appropriate proportion of its assets are funded from stable sources, including customer liabilities, longer-dated wholesale debt (with remaining term exceeding one year) and equity.

	2025 NZ\$m	2024 NZ\$m
Funding composition		
Customer deposits	143,542	136,163
<i>Wholesale funding</i>		
Debt issuances	18,704	18,487
Certificates of deposit	882	1,174
Commercial paper	4,165	1,419
Other borrowings	6,297	5,527
Total wholesale funding	30,048	26,607
Total deposits and wholesale funding	173,590	162,770

15. Financial risk management (continued)

Liquidity and funding risk (continued)

Analysis of funding liabilities by industry is based on ANZSIC codes. The significant categories shown are the level one NZSIOC.

	2025 NZ\$m	2024 NZ\$m
Customer deposits by industry - New Zealand residents		
Agriculture, forestry and fishing	4,595	3,949
Mining	222	313
Manufacturing	2,967	3,091
Construction	3,195	2,911
Wholesale trade	2,389	2,326
Retail trade and accommodation	2,312	2,195
Transport, postal and warehousing	1,616	1,530
Financial and insurance services	15,591	13,773
Rental, hiring and real estate services	3,697	3,441
Professional, scientific, technical, administrative and support services	6,803	6,750
Public administration and safety	1,428	1,855
Health care and social assistance	1,685	1,587
Arts, recreation and other services	2,507	2,466
Households	80,832	77,164
All other New Zealand residents ¹	2,662	2,577
Subtotal	132,501	125,928
Customer deposits by industry - overseas		
Households	10,260	9,488
All other non-New Zealand residents	781	747
Subtotal	11,041	10,235
Total customer deposits	143,542	136,163
Wholesale funding (financial and insurance services industry)		
New Zealand	7,381	6,419
Overseas	22,667	20,188
Total wholesale funding	30,048	26,607
Total deposits and wholesale funding	173,590	162,770
Concentrations of funding by geography		
New Zealand	139,882	132,347
Australia	4,461	4,205
United States	12,983	11,156
Europe	8,158	7,747
Other countries	8,106	7,315
Total deposits and wholesale funding	173,590	162,770

¹ Other includes electricity, gas, water and waste services; information media and telecommunications; and education and training.

15. Financial risk management (continued)

Liquidity and funding risk (continued)

Residual contractual maturity analysis of the ANZ Holdings Group's financial liabilities

The tables below provide residual contractual maturity analysis of financial liabilities at 30 September 2025 and 30 September 2024 within relevant maturity groupings. All outstanding debt issuances are profiled on the earliest date on which the ANZ Holdings Group may pay. The amounts represent principal and interest cash flows – so they may differ from equivalent amounts reported on the Balance Sheet.

It should be noted that this is not how the ANZ Holdings Group manages its liquidity risk. The management of this risk is detailed on page 42.

As at 30 September 2025	On demand NZ\$m	Less than 3 months NZ\$m	3 to 12 months NZ\$m	1 to 5 years NZ\$m	After 5 years NZ\$m	Total NZ\$m
Settlement balances payable	3,403	1,232	-	-	-	4,635
Collateral received	-	1,725	-	-	-	1,725
Deposits and other borrowings	82,737	34,983	31,693	6,409	9,431	165,253
Derivative financial liabilities (trading)	-	10,333	-	-	-	10,333
Debt issuances ¹	-	31	4,824	15,001	926	20,782
Lease liabilities	-	14	41	137	42	234
Other financial liabilities	-	26	10	87	180	303
Derivative financial instruments (balance sheet management)						
- gross inflows	-	(548)	3,100	7,287	819	10,658
- gross outflows	-	854	(3,220)	(7,456)	(870)	(10,692)

As at 30 September 2024

Settlement balances payable	3,772	1,620	-	-	-	5,392
Collateral received	-	525	-	-	-	525
Deposits and other borrowings	76,860	25,452	36,771	6,935	9,739	155,757
Derivative financial liabilities (trading)	-	11,109	-	-	-	11,109
Debt issuances ^{1,2}	-	405	3,332	14,949	2,142	20,828
Lease liabilities	-	14	41	156	46	257
Other financial liabilities	-	454	32	152	296	934
Derivative financial instruments (balance sheet management) ²						
- gross inflows	-	(540)	7,194	4,307	1,203	12,164
- gross outflows	-	809	(7,365)	(4,345)	(1,096)	(11,997)

¹ Any callable wholesale debt instruments have been included at their next call date. Refer to Note 14 Debt issuances for subordinated debt call dates.

² Comparative amounts have been adjusted to be consistent with the current period's presentation.

At 30 September 2025, NZ\$30,250 million (2024: NZ\$28,647 million) of its credit related commitments and contingent liabilities mature in less than 1 year, based on the earliest date on which the ANZ Holdings Group may be required to pay.

16. Fair value of financial assets and financial liabilities

Classification of financial assets and financial liabilities

The ANZ Holdings Group recognises and measures financial instruments at either fair value or amortised cost, with a significant number of financial instruments on the Balance Sheet at fair value.

Fair value is the best estimate of the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The following tables set out the classification of financial assets and liabilities according to their measurement bases together with their carrying amounts as recognised on the Balance Sheet.

	Note	2025			2024		
		At amortised cost NZ\$m	At fair value NZ\$m	Total NZ\$m	At amortised cost NZ\$m	At fair value NZ\$m	Total NZ\$m
Financial assets							
Cash and cash equivalents ¹	7	7,760	1,626	9,386	10,590	1,044	11,634
Settlement balances receivable		1,620	-	1,620	574	-	574
Collateral paid		1,114	-	1,114	1,041	-	1,041
Trading securities	8	-	6,348	6,348	-	5,576	5,576
Derivative financial instruments	9	-	11,449	11,449	-	10,177	10,177
Investment securities	10	-	16,458	16,458	-	13,295	13,295
Net loans and advances	11	157,722	961	158,683	151,666	-	151,666
Other financial assets		860	-	860	1,113	-	1,113
Total		169,076	36,842	205,918	164,984	30,092	195,076
Financial liabilities							
Settlement balances payable		4,614	-	4,614	5,367	-	5,367
Collateral received		1,725	-	1,725	525	-	525
Deposits and other borrowings	13	147,366	7,520	154,886	141,842	2,441	144,283
Derivative financial instruments	9	-	10,365	10,365	-	11,179	11,179
Debt issuances	14	18,704	-	18,704	18,487	-	18,487
Other financial liabilities		1,101	195	1,296	1,744	372	2,116
Total		173,510	18,080	191,590	167,965	13,992	181,957

¹ Comparative amounts have been adjusted to reflect the classification of certain reverse repurchase agreements included in cash and cash equivalents.

Financial assets and financial liabilities measured at fair value

The fair valuation of financial assets and financial liabilities is generally determined at the individual instrument level.

If the ANZ Holdings Group holds offsetting risk positions, then the portfolio exception in NZ IFRS 13 *Fair Value Measurement* (NZ IFRS 13) is used to measure the fair value of such groups of financial assets and financial liabilities. The ANZ Holdings Group measures the portfolio based on the price that would be received to sell a net long position (an asset) for a particular risk exposure, or to transfer a net short position (a liability) for a particular risk exposure.

Fair value designation

The ANZ Holdings Group designates certain Net loans and advances and Deposits and other borrowings as FVTPL where they are managed on a fair value basis to align the measurement with how the financial instruments are managed.

Fair value approach and valuation techniques

We use valuation techniques to estimate the fair value of assets and liabilities for recognition, measurement and disclosure purposes where no quoted price in an active market exists for that asset or liability. This includes the following:

Asset or liability	Fair value approach
Financial instruments classified as:	Discounted cash flow (DCF) techniques are used whereby contractual future cash flows of the instrument are discounted using wholesale market interest rates, or market borrowing rates for debt or loans with similar maturities or yield curves appropriate for the remaining term to maturity.
- Derivative financial assets and financial liabilities (including trading and non-trading)	
- Repurchase agreements <90 days	
- Net loans and advances	
- Deposits and other borrowings	
- Debt issuances	
Other financial instruments held for trading:	Valuation techniques are used that incorporate observable market inputs for financial instruments with similar credit risk, maturity and yield characteristics.
- Securities sold short	
Financial instruments classified as:	Valuation techniques use comparable multiples (such as price-to-book ratios) or DCF techniques incorporating, to the extent possible, observable inputs from instruments with similar characteristics.
- Trading securities	
- Investment securities	

There were no significant changes to valuation approaches during the current or prior periods.

16. Fair value of financial assets and financial liabilities (continued)

Fair value hierarchy

The ANZ Holdings Group categorises financial assets and financial liabilities carried at fair value into a fair value hierarchy as required by NZ IFRS 13 based on the observability of inputs used to measure the fair value:

- Level 1 – valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuations using inputs other than quoted prices included within Level 1 that are observable for a similar asset or liability, either directly or indirectly; and
- Level 3 – valuations where significant unobservable inputs are used to measure the fair value of the asset or liability.

The following table presents assets and liabilities carried at fair value in accordance with the fair value hierarchy:

	Fair value measurements							
	Quoted price in active markets (Level 1)		Using observable inputs (Level 2)		Using unobservable inputs (Level 3)		Total	
	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m
Financial assets								
Cash and cash equivalents ¹	-	-	1,626	1,044	-	-	1,626	1,044
Trading securities ²	5,169	4,653	1,179	923	-	-	6,348	5,576
Derivative financial instruments	2	3	11,445	10,173	2	1	11,449	10,177
Investment securities ²	14,370	12,184	2,082	1,106	6	5	16,458	13,295
Net loans and advances	-	-	961	-	-	-	961	-
Total	19,541	16,840	17,293	13,246	8	6	36,842	30,092
Financial liabilities								
Deposits and other borrowings	-	-	7,520	2,441	-	-	7,520	2,441
Derivative financial instruments	43	70	10,322	11,108	-	1	10,365	11,179
Other financial liabilities	195	358	-	14	-	-	195	372
Total	238	428	17,842	13,563	-	1	18,080	13,992

¹ Comparative amounts have been adjusted to reflect the classification of certain reverse repurchase agreements included in cash and cash equivalents.

² During 2025, NZ\$434 million of assets were transferred from Level 1 to Level 2 (2024: no assets were transferred from Level 1 to Level 2) and NZ\$127 million of assets were transferred from Level 2 to Level 1 for the ANZ Holdings Group (2024: NZ\$2,390 million transferred from Level 2 to Level 1) due to a change in the observability of market price and/or valuation inputs. There were no other material transfers between Level 1, Level 2 and Level 3 during the year. Transfers into and out of levels are measured at the beginning of the reporting period in which the transfer occurred.

Financial assets and financial liabilities not measured at fair value

The financial assets and financial liabilities listed below are measured at amortised cost on the ANZ Holdings Group's balance sheet. While this is the value at which we expect the assets will be realised and the liabilities settled, the ANZ Holdings Group provides an estimate of the fair value of the financial assets and financial liabilities at balance date in the table below.

Fair values of financial asset and financial liabilities carried at amortised cost not included in the table below approximate their carrying values. These financial assets and financial liabilities are either short term in nature or are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

	Categorised into fair value hierarchy									
	At amortised cost		Quoted price in active markets (Level 1)		Using observable inputs (Level 2)		Using unobservable inputs (Level 3)		Total fair value	
			2025	2024	2025	2024	2025	2024		
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	NZ\$m	NZ\$m	NZ\$m	NZ\$m	NZ\$m	NZ\$m	NZ\$m	NZ\$m	NZ\$m	NZ\$m
Financial assets										
Net loans and advances	157,722	151,666	-	-	82	69	158,282	151,973	158,364	152,042
Total	157,722	151,666	-	-	82	69	158,282	151,973	158,364	152,042
Financial liabilities										
Deposits and other borrowings	147,366	141,842	-	-	147,644	142,049	-	-	147,644	142,049
Debt issuances ¹	18,704	18,487	1,897	1,094	17,116	17,604	-	-	19,013	18,698
Total	166,070	160,329	1,897	1,094	164,760	159,653	-	-	166,657	160,747

¹ Comparative amounts have been adjusted to be consistent with the current period's presentation.

16. Fair value of financial assets and financial liabilities (continued)

The following table sets out the ANZ Holdings Group's basis of estimating the fair values of financial assets and liabilities carried at amortised cost where the carrying value is not typically a reasonable approximation of fair value.

Financial asset and liability	Fair value approach
Net loans and advances to banks	Discounted cash flows using prevailing market rates for loans with similar credit quality.
Net loans and advances to customers	Present value of future cash flows, discounted using a curve that incorporates changes in wholesale market rates, the ANZ Holdings Group's cost of wholesale funding and the customer margin, as appropriate.
Deposit liability without a specified maturity or at call	The amount payable on demand at the reporting date. We do not adjust the fair value for any value we expect the ANZ Holdings Group to derive from retaining the deposit for a future period.
Interest bearing fixed maturity deposits and other borrowings and acceptances with quoted market rates	Market borrowing rates of interest for debt with a similar maturity are used to discount contractual cash flows to derive the fair value.
Debt issuances	Calculated based on quoted market prices or observable inputs as applicable. If quoted market prices are not available, we use a discounted cash flow model using a yield curve appropriate for the remaining term to maturity of the debt instrument. The fair value reflects adjustments to credit spreads applicable to the ANZ Holdings Group for that instrument.

Key judgements and estimates



A significant portion of financial instruments are carried on the Balance Sheet at fair value. The ANZ Holdings Group therefore regularly evaluates the key valuation assumptions used in the determination of the fair valuation of financial instruments incorporated within the financial statements, as this can involve a high degree of judgement and estimation in determining the carrying values at the balance sheet date.

In determining the fair valuation of financial instruments, the ANZ Holdings Group has considered the impact of related economic and market conditions on fair value measurement assumptions and the appropriateness of valuation inputs in these estimates, notably valuation adjustments, as well as the impact of these matters on the classification of financial instruments in the fair value hierarchy.

Most of the valuation models the ANZ Holdings Group uses employ only observable market data as inputs. For certain financial instruments, we may use data that is not readily observable in current markets. If we use unobservable market data, then we need to exercise more judgement to determine fair value depending on the significance of the unobservable input to the overall valuation. Generally, we derive unobservable inputs from other relevant market data and compare them to observed transaction prices where available. When establishing the fair value of a financial instrument using a valuation technique, the ANZ Holdings Group also considers any required valuation adjustments in determining the fair value. We may apply adjustments (such as credit valuation adjustments and funding valuation adjustments – refer to Note 9 Derivative financial instruments) to reflect the ANZ Holdings Group's assessment of factors that market participants would consider in determining fair value of a particular financial instrument.

17. Offsetting

We offset financial assets and financial liabilities in the balance sheet (in accordance with NZ IAS 32 *Financial Instruments: Presentation*) when there is:

- a current legally enforceable right to set off the recognised amounts in all circumstances; and
- an intention to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously.

The following table identifies financial assets and financial liabilities which have not been offset but are subject to enforceable master netting agreements (or similar arrangements) and the related amounts not offset in the Balance Sheet. We have not taken into account the effect of over collateralisation.

	Amount subject to master netting agreement or similar					
	Total amounts recognised in the Balance Sheet NZ\$m	Amounts not subject to master netting agreement or similar NZ\$m	Total NZ\$m	Financial instruments ⁵ NZ\$m	Financial collateral (received)/pledged ⁵ NZ\$m	Net amount NZ\$m
As at 30 September 2025						
Derivative financial assets ¹	11,449	(1,526)	9,923	(8,144)	(717)	1,062
Reverse repurchase agreements ²						
- at amortised cost	1,361	-	1,361	-	(1,361)	-
- at FVTPL	1,626	-	1,626	-	(1,626)	-
Total financial assets	14,436	(1,526)	12,910	(8,144)	(3,704)	1,062
Derivative financial liabilities ¹	(10,365)	1,076	(9,289)	8,144	434	(711)
Repurchase agreements ³						
- at amortised cost	(1,165)	-	(1,165)	-	1,165	-
- at FVTPL	(3,355)	-	(3,355)	-	3,355	-
Total financial liabilities	(14,885)	1,076	(13,809)	8,144	4,954	(711)
As at 30 September 2024						
Derivative financial assets ¹	10,177	(1,600)	8,577	(8,260)	(72)	245
Reverse repurchase agreements ^{2,4}						
- at amortised cost	718	-	718	-	(718)	-
- at FVTPL	1,044	-	1,044	-	(1,044)	-
Total financial assets	11,939	(1,600)	10,339	(8,260)	(1,834)	245
Derivative financial liabilities ¹	(11,179)	1,858	(9,321)	8,260	331	(730)
Repurchase agreements ^{3,4}						
- at amortised cost	(2,728)	-	(2,728)	-	2,728	-
- at FVTPL	(1,022)	-	(1,022)	-	1,022	-
Total financial liabilities	(14,929)	1,858	(13,071)	8,260	4,081	(730)

¹ Derivative assets and liabilities recognised in the Balance Sheet reflect the impact of certain central clearing collateral arrangements, whereby collateral that qualifies as legal settlement has reduced the carrying value of those associated derivative balances.

² Reverse repurchase agreements:

- with less than 90 days to maturity are presented in the Balance Sheet within Cash and cash equivalents; or
- with 90 days or more to maturity are presented in the Balance Sheet within Net loans and advances.

³ Repurchase agreements are presented on the Balance Sheet within Deposits and other borrowings.

⁴ Comparative amounts have been adjusted to be consistent with the current period's presentation.

⁵ The amount of financial instruments and financial collateral disclosed is limited to the net balance sheet exposure of the relevant financial assets or liabilities, and any over-collateralisation is excluded from the tables.

18. Goodwill and other intangible assets

	2025 NZ\$m	2024 NZ\$m
Goodwill	3,006	3,006
Software	27	19
Management rights	67	69
Goodwill and other intangible assets	3,100	3,094

Goodwill and other intangible assets allocated to cash-generating units (CGUs)

Goodwill arose on the acquisition of the NBNZ Holdings Limited group on 1 December 2003, and the carrying amount reflects amortisation recognised before the application of NZ IFRS from 1 October 2004 and subsequent business disposals. Funds management rights, assessed as having indefinite useful lives, arose on the acquisition of the ING Holdings (NZ) Limited (now ANZ New Zealand Investments Holdings Limited) group on 30 November 2009.

Goodwill and funds management rights are allocated to CGUs as follows:

Cash generating unit	Goodwill		Management rights	
	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m
Personal	980	980	-	-
Funds Management	62	62	67	69
Personal segment	1,042	1,042	67	69
Business & Agri	695	695	-	-
Institutional	1,269	1,269	-	-
Total	3,006	3,006	67	69

Goodwill was assessed for indicators of impairment as at 30 September 2025, taking into account the results of the February 2025 impairment test and associated sensitivity and scenario analysis performed and the forecast impact of recent economic events. There were no indicators of impairment therefore, in accordance with NZ IAS 36 *Impairment of Assets*, no further impairment test was required.

The following information is for the annual goodwill impairment test, and reflects the CGUs and goodwill allocations as at 28 February 2025.

Annual goodwill impairment test

The annual impairment test is performed as at the end of February each year. Goodwill is considered to be impaired if the carrying amount of the relevant CGU exceeds its recoverable amount. The recoverable amount of a CGU is the higher of its fair value less costs of disposal (FVLCD) and its value-in-use (VIU). We use a VIU approach to estimate the recoverable amount of the CGU to which each goodwill component is allocated. Based on this assessment no impairment was identified for any CGU, and therefore a FVLCD calculation was not required.

18. Goodwill and other intangible assets (continued)

Value-in-use

These calculations use cash flow projections based on a number of financial budgets within each CGU covering an initial forecast period. These projections also incorporate economic assumptions including GDP, inflation, unemployment, residential and commercial property prices, and the implementation of RBNZ's increased capital requirements. Cash flows beyond the forecast period are extrapolated using the terminal growth rate. These cash flow projections are discounted using a discount rate derived using a capital asset pricing model.

Future changes in the assumptions upon which the calculation is based may materially impact this assessment, resulting in the potential impairment of part or all of the goodwill balances.

Values applied in 28 February 2025 impairment test

Forecast period and projections	To 30 September 2028 – a forecast period was used to cover the implementation of RBNZ's increased capital requirements over the transition period ending on 1 July 2028.
Revenue growth over forecast period	Comprises impacts of net interest margin and volume growth, arising from planned responses to known regulatory and economic forecasts. Average annual forecast revenue growth rates are shown below.
Credit impairment over forecast period	Varies by CGU, based on ECL modelling for 2025 and 2026, before returning to long run experience levels for 2027 to 2028. Long run experience levels are based on the ANZ Holdings Group's bad debts written off, net of recoveries, since 2004 of 0.13% of gross loans and advances. Credit impairment for each CGU as a percentage of forecast gross loans and advances for 2027 to 2028 is shown below.
Terminal growth rate	2.0% - based on 2026 forecast inflation from RBNZ's February 2025 Monetary Policy Statement.
Discount rate	Post tax: 11.1% (February 2024: 11.7%). The main variables in the calculation of the discount rate used are the risk free rate, beta and the market risk premium. The risk-free rate was the average traded 10-year New Zealand government bond yield as at 28 February 2025 of 4.6%. The market risk premium was estimated using observed historic rates of return for the New Zealand stock exchange and 10-year government bonds. Beta was consistent with observable measures applied in the regional banking sector.

The values of the average revenue growth, credit impairment as a percentage of forecast gross loans and advances, and pre-tax discount rates assumptions by CGU are shown in the table below. The implied pre-tax discount rates are significantly higher than the post-tax discount rate above because regulatory capital retention over the forecast period is not tax effected.

Cash generating unit	Revenue growth		Credit impairment		Pre-tax discount rate	
	28 Feb 25	29 Feb 24	28 Feb 25	29 Feb 24	28 Feb 25	29 Feb 24
Personal	3.6%	4.6%	0.02%	0.04%	29.0%	25.3%
Funds Management	1.4%	4.4%	n/a	n/a	26.5%	23.5%
Business & Agri	2.4%	2.8%	0.12%	0.11%	29.8%	25.4%
Institutional	1.6%	1.8%	0.05%	0.12%	29.4%	25.5%

We performed stress tests for key sensitivities in each CGU. For Institutional, a 140 basis point decrease in the average annual growth over the forecast period to 0.2% would be required to reduce the CGU's recoverable amount to nil. A change, considered to be reasonably possible by management, in key assumptions would not cause the carrying amounts of any CGU to exceed its recoverable amount.

18. Goodwill and other intangible assets (continued)

Recognition and measurement



The table below details how we recognise and measure different intangible assets:

	Goodwill	Software	Other Intangibles
Definition	Excess amount the ANZ Holdings Group has paid in acquiring a business over the fair value of the identifiable assets and liabilities acquired.	<p>Purchased software owned by the ANZ Holdings Group is capitalised.</p> <p>Internal and external costs incurred in building software and computer systems costing greater than NZ\$20 million are capitalised as assets. Those less than NZ\$20 million are expensed in the year in which the costs are incurred.</p> <p>Costs incurred in planning or evaluating software proposals or in maintaining systems after implementation are not capitalised.</p>	Management fee rights arising from acquisition of funds management business.
Carrying value	<p>Cost less any accumulated impairment losses.</p> <p>Allocated to the CGU to which the acquisition relates.</p>	<p>Initially, measured at cost or if acquired in a business combination at the acquisition date, fair value.</p> <p>Subsequently, carried at cost less accumulated amortisation and impairment losses.</p>	<p>Initially, measured at fair value at acquisition.</p> <p>Subsequently, carried at cost less accumulated impairment losses.</p>
Useful life	<p>Indefinite.</p> <p>Goodwill is reviewed for impairment at least annually or when there is an indication of impairment.</p>	<p>Except for major core infrastructure, amortised over periods between 2-5 years; however major core infrastructure may be amortised over 7 years subject to approval by the Audit Committee.</p> <p>Purchased software is amortised over 2 years unless it is considered integral to other assets with a longer useful life.</p>	Management fee rights with an indefinite life are reviewed for impairment at least annually or when there is an indication of impairment.
Amortisation method	Not applicable.	Straight-line method.	Not applicable.

18. Goodwill and other intangible assets (continued)

Key judgements and estimates



Management judgement is used to assess the recoverable value of goodwill and other intangible assets, and the useful economic life of an asset, or whether an asset has an indefinite life. We reassess the recoverability of the carrying value at each reporting date.

Goodwill

A number of key judgements are required in the determination of whether or not a goodwill balance is impaired including:

- the level at which goodwill is allocated – consistent with prior periods the CGUs to which goodwill is allocated are the ANZ Holdings Group's revenue generating segments that benefit from relevant historical business combinations generating goodwill.
- determination of the carrying amount of each CGU which includes an allocation, on a reasonable and consistent basis, of corporate assets and liabilities that are not directly attributable to the CGUs to which goodwill is allocated.
- assessment of the recoverable amount of each CGU used to determine whether the carrying amount of goodwill is supported and is based on judgements including the selection of the model and key assumptions used to calculate the recoverable amount.

Software and other intangible assets

At each reporting date, software and other intangible assets are assessed for indicators of impairment and, where such indicators are identified, an impairment test is performed. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the carrying amount of the asset is written down immediately. Those assets not yet ready for use are tested for impairment annually.

In addition, the expected useful lives of intangible assets are assessed at each reporting date. The assessment requires management judgement, and in relation to our software assets, a number of factors can influence the expected useful lives. These factors include changes to business strategy, significant divestments and the pace of technological change.

19. Other provisions

	2025 NZ\$m	2024 NZ\$m
ECL allowance on undrawn and contingent facilities ¹	134	136
Customer remediation	39	24
Restructuring costs	15	8
Leasehold make good	21	22
Other	16	22
Total other provisions	225	212

¹ Refer to Note 12 Allowance for expected credit losses for movement analysis.

	Customer remediation NZ\$m	Restructuring costs NZ\$m	Leasehold make good NZ\$m	Other NZ\$m
Balance at 1 October 2024	24	8	22	22
New and increased provisions made during the year	27	15	1	5
Provisions used during the year	(12)	(8)	(1)	(7)
Unused amounts reversed during the year	-	-	(1)	(4)
Balance at 30 September 2025	39	15	21	16

Customer remediation

Customer remediation includes provisions for expected refunds to customers and other counterparties, and related customer, counterparty and regulatory claims, penalties and litigation costs and outcomes.

Restructuring costs

Provisions for restructuring costs arise from activities related to material changes in the scope of business undertaken by the ANZ Holdings Group or the manner in which that business is undertaken and include employee termination benefits. Costs relating to on-going activities are not provided for and are expensed as incurred.

Leasehold make good

Provisions associated with leased premises where, at the end of a lease, the ANZ Holdings Group is required to remove any fixtures and fittings installed in the leased property. This obligation arises immediately upon installation. Estimated make good costs are added to the right of use asset (within premises and equipment) upon installation and amortised over the lease term.

Other

Other provisions comprise various other provisions including losses arising from other legal action, operational issues, and warranties and indemnities provided in connection with various disposals of businesses and assets.

Recognition and measurement



The ANZ Holdings Group recognises provisions when there is a present obligation arising from a past event, an outflow of economic resources is probable, and the amount of the provision can be measured reliably.

The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the timing and amount of the obligation. Where a provision is measured using the estimated cash flows required to settle the present obligation, its carrying amount is the present value of those cash flows.

Key judgements and estimates



The ANZ Holdings Group holds provisions for various obligations including customer remediation, restructuring costs, leasehold make good and litigation related claims. These provisions involve judgements regarding the timing and outcome of future events, including estimates of expenditure required to satisfy such obligations. Where relevant, expert legal advice has been obtained and, in light of such advice, provisions and/or disclosures as deemed appropriate have been made.

In relation to customer remediation, determining the amount of the provisions, which represent management's best estimate of the cost of settling the identified matters, requires the exercise of significant judgement. It will often be necessary to form a view on a number of different assumptions, including the number of impacted customers, the average refund per customer, and the implications of regulatory exposures and customer claims having regard to their specific facts and circumstances. There is a heightened level of estimation uncertainty where the customer remediation provision relates to a legal proceeding or matter. The appropriateness of the underlying assumptions is reviewed on a regular basis against actual experience and other relevant evidence including expert legal advice, and adjustments are made to the provisions where appropriate.

20. Shareholders' equity

Shareholders' equity

	2025 NZ\$m	2024 NZ\$m
Share capital	14,544	14,544
Reserves		
FVOCI reserve	(11)	(28)
Cash flow hedge reserve	140	52
Total reserves	129	24
Retained earnings	1,905	882
Equity attributable to the shareholder of the Company	16,578	15,450
Non-controlling interests	825	825
Total shareholders' equity	17,403	16,275

Share capital

The table below details the movement in shares and share capital for the period.

	2025		2024	
	Number of shares	NZ\$m	Number of shares	NZ\$m
Ordinary shares	378,155,112	1,450	378,155,112	1,450
Redeemable preference shares				
Balance at start of year	11,527,618,950	13,094	8,354,563,940	9,594
Redeemable preference shares issued during the year	-	-	3,173,100,000	3,500
Uncalled redeemable preference shares redeemed during the year	-	-	(44,990)	-
Total redeemable preference shares at end of year	11,527,618,950	13,094	11,527,618,950	13,094
Total share capital	11,905,774,062	14,544	11,905,774,062	14,544

Redeemable preference shares

All redeemable preference shares (RPS) were issued by ANZ Holdings (New Zealand) Limited to the Immediate Parent Company. RPS are redeemable by ANZ Holdings (New Zealand) Limited providing notice in writing to holders of the redeemable preference shares. Dividends are payable at the discretion of the Directors of ANZ Holdings (New Zealand) Limited and are non-cumulative.

There are nine classes of RPS, relating to issues in 1988, 2005, 2007, 2008, 2009, 2014, 2015, 2018 and 2024. ANZ Holdings (New Zealand) Limited did not pay any dividends on RPS during the years ended 30 September 2025 and 30 September 2024.

Non-controlling interests

The Bank has issued perpetual preference shares (PPS). PPS are considered non-controlling interests to the ANZ Holdings Group.

	Profit attributable to non-controlling interest		Equity attributable to non-controlling interest		Dividend paid to non-controlling interests	
	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m
Perpetual preference shares	43	35	825	825	43	35
Total	43	35	825	825	43	35

PPS do not carry any voting rights. They are classified as equity instruments as there is no contractual obligation for the Bank to either deliver cash or another financial instrument or to exchange financial instruments on a potentially unfavourable basis.

In the event of liquidation, holders of PPS are entitled to an amount equal to the issue price of the PPS. Holders of PPS rank behind the claims of all depositors and other creditors of the Bank (other than creditors that rank equally with the PPS), equally with the rights of other holders of PPS and other equal ranking securities and obligations, and in priority to the rights of holders of ordinary shares.

Holders of PPS are entitled to receive dividends that are discretionary, non-cumulative and subject to conditions. If a PPS dividend is not paid, there are certain restrictions on the ability of the Bank to pay a dividend on its ordinary shares. Holders of the PPS have no other rights to participate in the profits or property of the Bank.

Holders of PPS have no right to require that the PPS be redeemed.

The Bank has two classes of PPS that are quoted on the NZX Debt Market: PPS issued in 2022 and PPS issued in 2024.

20. Shareholders' equity (continued)

The key terms of the PPS are as follows:

	2022 PPS	2024 PPS
Issue date	18 July 2022	19 March 2024
Issue amount	NZ\$550 million	NZ\$275 million
First optional redemption date	18 July 2028	19 March 2030
Final maturity date	Perpetual	Perpetual
Dividend amount	6.95% per annum until 18 July 2028 (after which it changes to a floating rate equal to the New Zealand 3-month bank bill rate plus 3.25%), multiplied by one minus the New Zealand company tax rate (where the PPS dividend is fully imputed).	7.60% per annum until 19 March 2030 (after which it changes to a floating rate equal to the New Zealand 3-month bank bill rate plus 3.25%), multiplied by one minus the New Zealand company tax rate (where the PPS dividend is fully imputed).

As at 30 September 2025, the PPS carried a BBB+ credit rating from S&P Global Ratings.

The Bank may, at its option, redeem a class of PPS on an optional redemption date (being each scheduled quarterly dividend payment date from and including the first optional redemption date), or at any time following the occurrence of a tax event or regulatory event, subject to prior written approval of RBNZ and certain other conditions being met.

Recognition and measurement



Ordinary shares

Ordinary shares have no par value. They entitle holders to receive dividends, or proceeds available on winding up of the Company, in proportion to the number of fully paid ordinary shares held. They are recognised at the amount paid per ordinary share net of directly attributable costs. Every holder of fully paid ordinary shares present at a meeting of the Company in person, or by proxy, is entitled to:

- on a show of hands, one vote; and
- on a poll, one vote, for each share held.

Redeemable preference shares

RPS do not carry any voting rights. They are wholly classified as equity instruments as there is no contractual obligation for the Company to either deliver cash or another financial instrument or to exchange financial instruments on a potentially unfavourable basis.

In the event of liquidation of the Company, holders of RPS are entitled to available subscribed capital per share, pari passu with all holders of existing RPS but in priority to all holders of ordinary shares. They have no entitlement to participate in further distribution of profits or assets.

Reserves:

Cash flow hedge reserve

Includes fair value gains and losses associated with the effective portion of designated cash flow hedging instruments together with any tax effect.

FVOCI reserve

Includes changes in the fair value of certain debt securities and equity securities included within Investment Securities together with any tax effect.

In respect of debt securities classified as measured at FVOCI, the FVOCI reserve records accumulated changes in fair value arising subsequent to initial recognition, except for those relating to allowance for ECL, interest income and foreign currency exchange gains and losses which are recognised in profit or loss. As debt securities at FVOCI are recorded at fair value, the balance of the FVOCI reserve is net of the ECL allowance associated with such assets. When a debt security measured at FVOCI is derecognised, the cumulative gain or loss recognised in the FVOCI reserve in respect of that security is reclassified to profit or loss and presented in Other operating income.

In respect of the equity securities classified as measured at FVOCI, the FVOCI reserve records accumulated changes in fair value arising subsequent to initial recognition (including any related foreign exchange gains or losses). When an equity security measured at FVOCI is derecognised, the cumulative gain or loss recognised in the FVOCI reserve in respect of that security is not recycled to profit or loss.

Non-controlling interests

Share in the net assets of controlled entities attributable to equity interests which the ANZ Holdings Group does not own directly or indirectly. The equity interest comprises PPS issued by the Bank.

PPS do not carry any voting rights. They are wholly classified as equity instruments as there is no contractual obligation for the Bank to either deliver cash or another financial instrument or to exchange financial instruments on a potentially unfavourable basis.

In the event of liquidation, holders of PPS are entitled to available subscribed capital per share, pari passu with other equally ranking subordinated debt issued by the Bank but in priority to all holders of ordinary shares issued by the Bank. They have no entitlement to participate in further distribution of profits or assets.

21. Capital management

Capital management strategy

The ANZ Holdings Group's core capital objectives are to:

- protect the interests of depositors, creditors and shareholders;
- ensure the safety and soundness of the ANZ Holdings Group's capital position; and
- ensure that the capital base supports the ANZ Holdings Group's risk appetite, and strategic business objectives, in an efficient and effective manner.

The Bank has regulatory capital requirements and holds, and manages, most of the Banking Group's capital position. The Bank's Board holds ultimate responsibility for ensuring that capital adequacy of the Banking Group is maintained. This includes: setting, monitoring and obtaining assurance for the Banking Group's Internal Capital Adequacy Assessment Process (ICAAP) policy and framework; standardised risk definitions for all material risks; materiality thresholds; capital adequacy targets; internal risk capital principles; and risk appetite.

The Banking Group has minimum and trigger levels for capital that ensure sufficient capital is maintained to:

- meet minimum prudential requirements imposed by the Bank's regulators;
- ensure consistency with the Banking Group's overall risk profile and financial positions, taking into account its strategic focus and business plan; and
- support the internal risk capital requirements of the business.

ALCO is responsible for developing, implementing and maintaining the Banking Group's ICAAP framework, including ongoing monitoring, reporting and compliance. The Banking Group's ICAAP is subject to independent and periodic review.

Managed capital

The Banking Group is subject to its own regulatory capital requirements as administered by RBNZ. The following table provides details of the capital of the ANZ Holdings Group which is managed outside the Banking Group.

	2025 NZ\$m	2024 NZ\$m
ANZ Holdings Group shareholders' equity	17,403	16,275
Subordinated debt issued by ANZ Holdings (New Zealand) Limited used to purchase PPS issued by the Bank	905	864
Borrowings from the Immediate Parent Company used to purchase ordinary shares issued by the Bank	1,766	1,766
less: Banking Group shareholders' equity	(19,898)	(18,810)
Capital of ANZ Holdings Group managed outside the Banking Group	176	95
Total assets of ANZ Holdings Group held outside the Banking Group	3	3
Ratio	5866.7%	3166.7%

22. Controlled entities

The following table lists the subsidiaries of the ANZ Holdings Group. All subsidiaries are 100% owned and incorporated in New Zealand unless stated otherwise.

ANZ Holdings (New Zealand) Limited	Nature of business Holding company
ANZ Bank New Zealand Limited	Registered bank
ANZ Custodial Services New Zealand Limited	Custodian and nominee
ANZ Investment Services (New Zealand) Limited	Funds management
ANZ National Staff Superannuation Limited	Staff superannuation scheme trustee
ANZ New Zealand (Int'l) Limited	Finance
ANZ New Zealand Investments Holdings Limited	Holding company
ANZ New Zealand Investments Limited	Funds management
OneAnswer Nominees Limited	Wrap services provider
ANZNZ Covered Bond Trust ¹	Securitisation entity
Arawata Assets Limited	Property
Endeavour Finance Limited	Investment
Kingfisher NZ Trust 2008-1 ¹	Securitisation entity

¹ The ANZ Holdings Group does not own ANZNZ Covered Bond Trust and Kingfisher NZ Trust 2008-1. Control exists as the ANZ Holdings Group retains substantially all the risks and rewards of the operations. Details of the ANZ Holdings Group's interest in consolidated structured entities is included in Note 23 Structured entities.

Changes in controlled entities

ANZ New Zealand Investments Nominees Limited amalgamated with OneAnswer Nominees Limited on 31 August 2025.

Recognition and measurement



The ANZ Holdings Group's subsidiaries are those entities it controls through:

- being exposed to, or having rights to, variable returns from the entity; and
- being able to affect those returns through its power over the entity.

The ANZ Holdings Group assesses whether it has power over those entities by examining the ANZ Holdings Group's existing rights to direct the relevant activities of the entity.

If the ANZ Holdings Group sells or acquires subsidiaries during the year, it includes their operating results in the ANZ Holdings Group results to the date of disposal or from the date of acquisition. When the ANZ Holdings Group's control ceases, it derecognises the assets and liabilities of the subsidiary, any related non-controlling interest and other components of equity.

If the ANZ Holdings Group's ownership interest in a subsidiary changes in a way that does not result in a loss of control, then the ANZ Holdings Group accounts for that as a transaction with equity holders in their capacity as equity holders.

All transactions between the ANZ Holdings Group entities are eliminated on consolidation.

23. Structured entities

A Structured Entity (SE) is an entity that has been designed such that voting or similar rights are not the dominant factor in determining who controls the entity. SEs are generally established with restrictions on their ongoing activities in order to achieve narrow and well defined objectives.

SEs are classified as subsidiaries and consolidated when control exists. If the ANZ Holdings Group does not control a SE, then it is not consolidated. This note provides information on both consolidated and unconsolidated SEs.

The ANZ Holdings Group's involvement with SEs is as follows:

Type	Details
Securitisation	<p>The ANZ Holdings Group uses the Kingfisher NZ Trust 2008-1 (the Kingfisher Trust) to securitise residential mortgages that it has originated, in order to diversify sources of funding for liquidity management. The Kingfisher Trust is an internal securitisation (bankruptcy remote) vehicle created for the purpose of structuring assets that are eligible for repurchase under agreements with RBNZ (these are known as 'Repo eligible').</p> <p>The ANZ Holdings Group is exposed to variable returns from its involvement with the Kingfisher Trust and has the ability to affect those returns through its power over the Kingfisher Trust's activities. The Kingfisher Trust is therefore consolidated.</p> <p>As at 30 September 2025 and 30 September 2024, the ANZ Holdings Group had entered into repurchase agreements with RBNZ in relation to the TLF and FLP.</p> <p>Additionally, the ANZ Holdings Group may acquire interests in securitisation vehicles set up by third parties through providing lending facilities to, or holding securities issued by, such entities.</p>
ANZNZ Covered Bond Trust (the Covered Bond Trust)	<p>Substantially all of the assets of the Covered Bond Trust are made up of certain housing loans and related securities originated by the Bank which are security for the guarantee by ANZNZ Covered Bond Trust Limited as trustee of the Covered Bond Trust of issuances of covered bonds by the Bank, or its wholly owned subsidiary ANZ New Zealand (Int'l) Limited, from time to time. The assets of the Covered Bond Trust are not available to creditors of the Bank, although the Bank (or its liquidator or statutory manager) may have a claim against the residual assets of the Covered Bond Trust (if any) after all priority ranking creditors of the Covered Bond Trust have been satisfied.</p> <p>The ANZ Holdings Group is exposed to variable returns from its involvement with the Covered Bond Trust and has the ability to affect those returns through its power over the Covered Bond Trust's activities. The Covered Bond Trust is therefore consolidated.</p>
Structured finance arrangements	<p>The ANZ Holdings Group is involved with SEs established:</p> <ul style="list-style-type: none"> • in connection with structured lending transactions to facilitate debt syndication and/or to ring-fence collateral; and • to own assets that are leased to customers in structured leasing transactions. <p>The ANZ Holdings Group may provide risk management products (derivatives) to the SE.</p> <p>In all instances, the ANZ Holdings Group does not control these SEs. Further, the ANZ Holdings Group's involvement does not establish more than a passive interest in decisions about the relevant activities of the SE, and accordingly we do not consider that interest disclosable.</p>
Funds management activities	<p>The ANZ Holdings Group is the scheme manager for a number of Managed Investment Schemes (MIS). These MIS include the ANZ and OneAnswer branded KiwiSaver, and retail schemes. These MIS are financed through the issue of units to investors and the ANZ Holdings Group considers them to be SEs. The ANZ Holdings Group's interests in these MIS are limited to receiving fees for services or providing risk management products (derivatives). These interests do not create significant exposures to the MIS that would allow the ANZ Holdings Group to control the funds. Therefore, these MIS are not consolidated.</p>

23. Structured entities (continued)

Consolidated structured entities

Financial or other support provided to consolidated SEs

The Bank provides lending facilities, derivatives and commitments to the Kingfisher Trust and the Covered Bond Trust and/or holds debt instruments that they have issued. The Bank did not provide any non-contractual support to consolidated SEs during the year (2024: nil).

Unconsolidated structured entities

The ANZ Holdings Group's interest in unconsolidated SEs

An 'interest' in an unconsolidated SE is any form of contractual or non-contractual involvement with a SE that exposes the ANZ Holdings Group to variability of returns from the performance of that SE. These interests include, but are not limited to: holdings of debt or equity securities; derivatives that pass on risks specific to the performance of the SE; lending; loan commitments; financial guarantees; and fees from funds management activities.

For the purpose of disclosing interests in unconsolidated SEs:

- no disclosure is made if the ANZ Holdings Group's involvement is not more than a passive interest - for example: when the ANZ Holdings Group's involvement constitutes a typical customer-supplier relationship. On this basis, exposures to unconsolidated SEs that arise from lending, trading and investing activities are not considered disclosable interests - unless the design of the structured entity allows the ANZ Holdings Group to participate in decisions about the relevant activities (being those that significantly affect the entity's returns).
- 'interests' do not include derivatives intended to expose the ANZ Holdings Group to market risk (rather than performance risk specific to the SE) or derivatives through which the ANZ Holdings Group creates, rather than absorbs, variability of the unconsolidated SE (such as purchase of credit protection under a credit default swap).

The ANZ Holdings Group earned funds management fees from its MIS of NZ\$207 million (2024: NZ\$199 million) during the year. As at 30 September 2025, the ANZ Holdings Group had total funds under management of NZ\$41.9 billion (2024: NZ\$39.7 billion) of which NZ\$26.8 billion (2024: NZ\$26.0 billion) related to its MIS, with the largest individual fund being approximately NZ\$5.4 billion (2024: NZ\$5.2 billion).

The ANZ Holdings Group did not provide any non-contractual support to unconsolidated SEs during the year (2024: nil): nor does it have any current intention to provide financial or other support to unconsolidated SEs.

Sponsored unconsolidated structured entities

The ANZ Holdings Group may also sponsor unconsolidated SEs in which it has no disclosable interest.

For the purposes of this disclosure, the ANZ Holdings Group considers itself the 'sponsor' of an unconsolidated SE if it is the primary party involved in the design and establishment of that SE and:

- the ANZ Holdings Group is the major user of that SE; or
- the ANZ Holdings Group's name appears in the name of that SE, or on its products; or
- the ANZ Holdings Group provides implicit or explicit guarantees of that SE's performance.

The Bank has sponsored the ANZ PIE Fund, which invests only in deposits with the Bank. The ANZ Holdings Group does not provide any implicit or explicit guarantees of the capital value or performance of investments in the ANZ PIE Fund. There was no income received from, nor assets transferred to, this entity during the year.

Key judgements and estimates



Significant judgement is required in assessing whether the ANZ Holdings Group has control over Structured Entities. Judgement is required to determine the existence of:

- power over the relevant activities (being those that significantly affect the entity's returns);
- exposure to variable returns of the entity; and
- the ability to use its power over the entity to affect the ANZ Holdings Group's returns.

24. Assets pledged, collateral accepted, and financial assets transferred

Amounts presented as collateral paid and received in the Balance Sheet relate to derivative liabilities and derivative assets respectively. The terms and conditions of those collateral agreements are included in the standard CSA that forms part of the ISDA Master Agreement under which most of the ANZ Holdings Group derivatives are executed. The following disclosures exclude these balances.

In the normal course of business, the ANZ Holdings Group enters into transactions where it pledges or transfers financial assets directly to third parties. These transfers may result in the ANZ Holdings Group fully, or partially, derecognising those financial assets – depending on the ANZ Holdings Group's exposure to the risks and rewards or control over the transferred assets. If the ANZ Holdings Group retains substantially all of the risks and rewards of a transferred asset, the transfer does not qualify for derecognition and the asset remains on the ANZ Holdings Group's balance sheet in its entirety, with a corresponding liability recognised for proceeds from the transfer.

Covered bonds

The ANZ Holdings Group operates a covered bond programme to raise funding. Refer to Note 14 Debt issuances and Note 23 Structured entities for further details. The covered bonds issued externally are included within debt issuances.

Repurchase agreements

When the ANZ Holdings Group sells securities subject to repurchase agreements under which we retain substantially all the risks and rewards of ownership, then those assets do not qualify for derecognition. An associated liability is recognised for the consideration received from the counterparty.

The table below sets out the balance of assets transferred that do not qualify for derecognition, along with the associated liabilities:

	Covered bonds		Repurchase agreements	
	2025 NZ\$m	2024 NZ\$m	2025 NZ\$m	2024 NZ\$m
Current carrying amount of assets transferred	9,995	10,563	4,947	4,327
Carrying amount of associated liabilities	2,510	2,156	4,520	3,750

Collateral accepted as security for assets

The ANZ Holdings Group has received collateral associated with various financial transactions. Under certain arrangements the ANZ Holdings Group has the right to sell, or to repledge, the collateral received. These arrangements are governed by standard industry agreements.

The fair value of collateral we have received and that which we have sold or repledged is as follows:

	2025 NZ\$m	2024 NZ\$m
Fair value of assets which can be sold or repledged	2,631	1,707
Fair value of assets sold or repledged	1,789	697

25. Related party disclosures

Key management personnel and their related parties

Key management personnel (KMP) are defined as directors and those executives having authority and responsibility for planning, directing and controlling the activities of the ANZ Holdings Group. Executive roles included in KMP are the Bank's CEO, and all executives reporting directly to the Bank's CEO. KMP compensation included within total personnel expenses in Note 3 Operating expenses is as follows:

	2025 NZ\$000	2024 NZ\$000
Key management personnel compensation¹		
Salaries and short-term employee benefits	13,736	13,318
Post-employment benefits	612	363
Other long-term benefits ²	77	76
Share-based payments	3,783	4,200
Total	18,208	17,957

¹ Includes former disclosed KMPs until the end of their employment, and close family members of KMP employed by the ANZ Holdings Group.

² Comprises long service leave accrued during the year.

	2025 NZ\$m	2024 NZ\$m
Transactions and balances with key management personnel and their related parties¹		
Secured loans and advances	12	12
Credit related commitments (undrawn loan facilities)	3	4
Interest income	1	1
Customer deposits ²	8	9
Payables and other liabilities (share-based payments liability)	3	4

¹ Includes KMP, close family members of KMP and entities that are controlled or jointly controlled by KMP or their close family members, of the ANZ Holdings Group and its parent companies.

² Includes holdings of units in the ANZ PIE Fund (a sponsored unconsolidated structured entity) which are invested solely in deposits of the Bank.

Loans made to KMP and their related parties are made in the ordinary course of business on normal commercial terms and conditions no more favourable than those given to other employees or customers, including the term of the loan, security required and the interest rate. No amounts have been written off or forgiven, or individually assessed allowances for expected credit losses raised in respect of these balances (2024: nil).

All other transactions with KMP and their related parties are made on terms and conditions no more favourable than those given to other employees or customers. These transactions generally involve the provision of financial and investment services. In addition to the amounts above:

- Aggregate amounts for each of unsecured loans and advances, interest expense, fee income, debt issuances and collectively assessed credit impairment charge and allowance for expected credit losses were less than NZ\$1 million for both years presented.
- KMP and their related parties also hold units in other MIS managed by the ANZ Holdings Group. Transactions and balances in respect of these MIS holdings are not disclosed because those MIS are unconsolidated structured entities and not included in the financial statements of the ANZ Holdings Group.
- Some KMP pay the ANZ Holdings Group for the use of carpark in premises owned or leased by the ANZ Holdings Group. These amounts were less than NZ\$0.1 million (2024: less than NZ\$0.1 million).

25. Related party disclosures (continued)

Transactions with other members of the ANZ Group and associates

The ANZ Holdings Group undertakes transactions with the Immediate Parent Company, the Ultimate Parent Bank, other members of the ANZ Group and associates.

These transactions principally consist of funding and hedging transactions, the provision of other financial and investment services, technology and process support, and compensation for share based payments made to ANZ Holdings Group employees. These transactions are conducted on an arm's length basis and on normal commercial terms.

Transactions	2025 NZ\$m	2024 NZ\$m
Immediate Parent Company		
Interest expense	131	86
Redeemable preference shares issued	-	3,500
Dividends paid	1,515	6,145
Ultimate Parent Bank and other ANZ Group subsidiaries		
Interest income	10	8
Interest expense	17	35
Other operating income	13	12
Operating expenses	84	68
Mortgages sold to the NZ Branch	65	65
Mortgages repurchased from the NZ Branch	22	23
Associates		
Operating expenses	3	3
Outstanding balances		
Ultimate Parent Bank and other ANZ Group subsidiaries		
Cash and cash equivalents	443	117
Collateral paid	1	-
Derivative financial instruments	8,209	7,452
Other assets	56	160
Total due from related parties	8,709	7,729
Immediate Parent Company		
Deposits and other borrowings	1,766	1,766
Payables and other liabilities	55	49
Ultimate Parent Bank and other ANZ Group subsidiaries		
Settlement balances payable	21	69
Collateral received	775	-
Deposits and other borrowings	67	271
Derivative financial instruments	7,431	7,473
Payables and other liabilities	53	58
Debt issuances	938	940
Associates		
Deposits and other borrowings	1	1
Total due to related parties	11,107	10,627

Balances due from / to other members of the ANZ Group and associates are unsecured. The Bank has provided guarantees and commitments to, and received guarantees from, these entities as follows:

	2025 NZ\$m	2024 NZ\$m
Financial guarantees provided by the Ultimate Parent Bank and other ANZ Group subsidiaries	166	249
Financial guarantees provided to the Ultimate Parent Bank and other ANZ Group subsidiaries	287	189
Performance related contingent liabilities to the Ultimate Parent Bank and other ANZ Group subsidiaries	56	58
Undrawn facilities provided to associates	1	1

26. Commitments and contingent liabilities

Credit related commitments and contingencies

	2025 NZ\$m	2024 NZ\$m
Contract amount of:		
Undrawn facilities	26,964	25,759
Guarantees and letters of credit	1,427	1,232
Performance related contingencies	1,859	1,656
Total	30,250	28,647

Undrawn facilities

The majority of undrawn facilities are subject to customers maintaining specific credit and other requirements or conditions. Many of these facilities are expected to be only partially used, and others may never be used at all. As such, the total of the nominal principal amounts is not necessarily representative of future liquidity risks or future cash requirements. Based on the earliest date on which the ANZ Holdings Group may be required to pay, the full amount of undrawn facilities mature within 12 months.

Guarantees, letters of credit and performance related contingencies

Guarantees, letters of credit and performance related contingencies relate to transactions that the ANZ Holdings Group has entered into as principal.

Letters of credit involve the ANZ Holdings Group issuing letters of credit guaranteeing payment in favour of an exporter. They are secured against an underlying shipment of goods or backed by a confirmatory letter of credit from another bank.

Performance related contingencies are liabilities that oblige the ANZ Holdings Group to make payments to a third party if the customer fails to fulfil its non-monetary obligations under the contract.

To reflect the risks associated with these transactions, we apply the same credit origination, portfolio management and collateral requirements that we apply to loans. The contract amount represents the maximum potential amount that we could lose if the counterparty fails to meet its financial obligations. As the facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements. Based on the earliest date on which the ANZ Holdings Group may be required to pay, the full amount of guarantees and letters of credit and performance related contingencies mature within 12 months.

Other contingent liabilities

There are outstanding court proceedings, claims and possible claims for and against the ANZ Holdings Group. Where relevant, expert legal advice has been obtained and, in the light of such advice, provisions (refer to Note 19 Other provisions) and/or disclosures as deemed appropriate have been made. In some instances we have not disclosed the estimated financial impact of the individual items either because it is not practicable to do so or because such disclosure may prejudice seriously the interests of the ANZ Holdings Group.

Regulatory and customer exposures

The ANZ Holdings Group regularly engages with its regulators. The nature of these regulatory interactions can be wide ranging and include regulatory investigations, surveillance and reviews, reportable situations, formal and informal inquiries and regulatory supervisory activities in New Zealand and globally. The ANZ Holdings Group also receives notices and requests for information from its regulators from time to time as part of both industry-wide and ANZ Holdings Group-specific reviews and makes disclosures to its regulators at its own instigation.

The ANZ Holdings Group's regulatory interactions can relate to a broad range of matters including, for example, responsible lending practices, regulated lending requirements, product suitability and distribution, interest and fees and the entitlement to charge them, customer remediation, wealth advice, insurance distribution, pricing, competition, conduct in financial markets and financial transactions, capital market transactions, anti-money laundering and counter-terrorism financing obligations, privacy obligations and information security, business continuity management, reporting and disclosure obligations and product disclosure documentation.

The possible exposures associated with the Bank's regulatory interactions may include civil enforcement actions, criminal proceedings, fines and penalties, imposition of capital or liquidity requirements, customer remediation, the requirement to conduct independent reviews, sanctions or the exercise of other regulatory powers.

There may also be exposures to customers, investors or third parties which are additional to any regulatory exposures. These could include class actions or claims for compensation or other remedies.

The outcomes and total costs associated with these possible regulatory, customer and other exposures remain uncertain.

Loan information litigation

The Bank is defending an opt-out representative proceeding where the plaintiffs are alleging breaches of disclosure requirements under consumer credit legislation in respect of variation letters sent to certain loan customers. The High Court ruled the relevant class was customers who entered into a home loan or personal loan with the Bank between 6 June 2015 and 28 May 2016 and requested a variation to that loan during that period. The class and the allegations made in the proceedings would potentially cover approximately 17,000 loan customers.

In July 2024, the Court of Appeal, among other things, confirmed the class and granted the plaintiff's application for a common fund order with immediate effect. Lawyers for the plaintiffs have notified potential class members about the class action and a summary judgment hearing has been set down in the High Court in Auckland for March 2026.

In March 2025, the Government introduced a Bill that confirms the High Court has the power to reduce or extinguish potential consequences under section 99(1A) of the Credit Contracts and Consumer Finance Act 2003 from the date of its inception in 2015. Currently, it is proposed that the retrospective law change will not apply to the claim against the Bank.

Warranties and indemnities

The Bank has provided warranties, indemnities and other commitments in various contracts for the disposal of businesses and assets and other commercial transactions, covering a range of matters and risks. It is exposed to potential claims under those warranties, indemnities and commitments, some of which are currently active. The outcomes and total costs associated with these exposures remain uncertain.

27. Auditor fees

	2025 NZ\$000	2024 NZ\$000
KPMG¹		
Audit or review of the financial statements ²	2,476	2,637
Audit or review related services:		
- Assurance engagements ³	29	132
- Agreed upon procedures engagements ⁴	93	94
- Other non-assurance engagements ⁵	124	120
Total audit or review related services	246	346
Other assurance services and other agreed upon procedures engagements ⁶	468	792
Total fees relating to the ANZ Holdings Group	3,190	3,775
Fees relating to unconsolidated SEs managed by the ANZ Holdings Group		
Audit or review of the financial statements	1,058	821
Audit or review related services ⁷	185	429
Other assurance services and other agreed upon procedures engagements ⁶	241	-
Total fees relating to unconsolidated SEs managed by the ANZ Holdings Group	1,484	1,250
Total KPMG fees	4,674	5,025

^{1.} Comparative amounts have been adjusted to be consistent with the current period's presentation of auditor fees.

^{2.} Includes fees relating to the audit of the annual disclosure statements, review of the interim disclosure statements and the audit of the Company's subsidiaries' annual financial statements.

^{3.} Includes fees relating to trust deed compliance, internal control reviews and other regulatory reporting assurance.

^{4.} Includes fees relating to other SEs, registry reviews and other services.

^{5.} Includes fees relating to treasury funding programmes and offer document reviews.

^{6.} Includes assurance engagement fees relating to greenhouse gas statements, other sustainability reports, and regulatory reporting.

^{7.} Includes assurance engagement fees relating to internal control and registry reviews.



Independent Auditor's Report

To the shareholder of ANZ Holdings (New Zealand) Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of ANZ Holdings (New Zealand) Limited (the Company) and its subsidiaries (the ANZ Holdings Group) on pages 4 to 65 which comprise:

- the consolidated balance sheet as at 30 September 2025;
- the consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects:

- ANZ Holdings Group's financial position as at 30 September 2025 and its financial performance and cash flows for the year ended on that date; and
- in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board and International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the ANZ Holdings Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has provided services to the ANZ Holdings Group in relation to review of regulatory returns, internal controls reports, prospectus assurance or reviews, agreed upon procedures engagements and other assurance engagements. Subject to certain restrictions, partners and employees of our firm may also deal with the ANZ Holdings Group on normal terms within the ordinary course of trading activities of the business of the ANZ Holdings Group. These matters have not impaired our independence as auditor of the ANZ Holdings Group. The firm has no other relationship with, or interest in, the ANZ Holdings Group.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholder of the Company. Our audit work has been undertaken so that we might state to the shareholder those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume responsibility and deny all liability to anyone other than the shareholder for our audit work, this independent auditor's report, or any of the opinions or conclusions we have formed.

Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the ANZ Holdings Group, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;
- implementing necessary internal control to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; and
- assessing the ability of the ANZ Holdings Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-7-1/>

This description forms part of our independent auditor's report.

KPMG

KPMG
Auckland

17 November 2025

