S&P Global Ratings

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Australia and New Zealand Banking Group Ltd.

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Table Of Contents

Table Of Contents (cont.)

Australia and New Zealand Banking Group Ltd.

Ratings Score Snapshot

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

SACP: a → **Support: +2** → **Additional factors: 0**

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

ALAC support	0
GRE support	0
Group support	0
Sovereign support	+2

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

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

Credit Highlights

Key strengths	Key risks
Strong market position in the Australia and New Zealand retail and commercial banking sectors.	Dependence on domestic and offshore wholesale borrowing.
Strong capitalization.	Exposed to risks from high household debt and house prices.
Highly likely to receive timely financial support from the Australian government, if needed.	

Australia and New Zealand Banking Group Ltd. (ANZ) should be able to maintain its earnings profile. Support will come from the bank's strong market position and focus on low-risk retail and commercial banking in Australia and New Zealand. Despite rapid increases in consumer prices and interest rates, the economies of both countries have a solid outlook. Unemployment should remain low.

ANZ Group Holdings Ltd. is the non-operating holding company (NOHC) of the consolidated ANZ Group. The banking subgroup drives ANZ Group's stand-alone credit profile (SACP). This is because it forms the predominant part of the ANZ Group.

ANZ's capitalization will remain a strength to its credit profile. Credit losses should remain low and close to pre-pandemic levels in the next two years.

In our view, the dependence of ANZ and other major Australian banks on domestic and offshore wholesale funding remains a weakness. This is notwithstanding improvements in the past 10 years across the banking system.

We consider that ANZ's creditworthiness benefits from a highly likelihood that the Australian government will provide timely financial support to the bank, if needed.

Outlook

The outlook on ANZ is stable. We see limited downside to economic risks facing Australian banks in the next two years, including when stronger credit and house price growth resumes on the back of resurgent immigration and limited housing supply.

We forecast ANZ's credit losses will remain low and close to pre-pandemic levels at about 15 basis points of customer loans. Consequently, we expect ANZ's earnings to remain sound, supported by rising interest rates. The bank is likely to maintain a strong risk-adjusted capital (RAC) ratio between 10.8% and 11.3%.

Upside scenario

We see an upside to our ratings on hybrids issued by ANZ Bank and the SACPs of all Australian banks. This reflects a one-in-three likelihood that Australian banks will face reduced risks in the next two years. This could occur if we see a reduction in the industry's risk appetite or a lower possibility of significant regulatory lapses--for example due to the simplification of business models of the larger Australian banks. Industry risks could also reduce if we believe the financial sector's net external liabilities are likely to remain well below 20% of domestic customer loans.

In any of the above scenarios, we expect to:

- Revise ANZ's SACP by one notch to 'a+' from 'a'.
- Maintain our 'AA-' long-term issuer credit rating on ANZ, reducing the uplift in our issuer credit rating on ANZ above the bank's SACP to one notch from two notches. This uplift reflects our assessment of the likelihood of extraordinary support from the Australian sovereign.
- Raise by one notch our rating on each of the Tier-1 and Tier-2 regulatory capital instruments issued by ANZ Bank and its subsidiaries, in line with the revision in the bank's SACP.

Downside scenario

The ratings on ANZ have substantial headroom on the downside. Downgrade scenarios are highly unlikely, but include a:

- Two-notch deterioration in the bank's SACP, or;
- One-notch downgrade of Australia (AAA/Stable/A-1+), which would reduce the uplift in our rating on ANZ above its SACP. The uplift reflects likely government support for the bank, if needed.

Key Metrics

Australia and New Zealand Banking Group Ltd.--Key ratios and forecasts					
	--Fiscal year ended Sep. 30 --				
(%)	**2021a**	**2022a**	**2023f**	**2024f**	**2025f**
Growth in operating revenue	-4.3	9.0	11.5-14.0	6.7-8.2	6.7-8.2
Growth in customer loans	1.9	6.7	4.5-5.5	13.5-16.5	5.0-6.1
Growth in total assets	-6.1	10.9	4.6-5.6	13.5-16.5	4.9-6.0
Net interest income/average earning assets (NIM)	1.8	1.8	1.9-2.1	1.9-2.1	1.9-2.1
Cost to income ratio	50.5	49.2	46.8-49.2	45.8-48.2	44.8-47.1
Return on average common equity	9.9	11.0	10.1-11.2	10.6-11.7	11.1-12.3
Return on assets	0.6	0.7	0.6-0.7	0.6-0.7	0.6-0.7
New loan loss provisions/average customer loans	-0.1	0.0	0.1-0.2	0.2-0.2	0.1-0.2
Gross nonperforming assets/customer loans	0.8	0.6	0.7-0.7	0.6-0.7	0.6-0.6
Net charge-offs/average customer loans	0.1	0.0	0.2-0.2	0.2-0.2	0.2-0.2
Risk-adjusted capital ratio	11.5	11.6	11.1-11.7	10.5-11.1	10.5-11.0

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

Anchor: Resilient Economy, Conservative Regulations, And Low Risk Appetite Mitigate Housing And Funding Risks

The starting point for our ratings on ANZ--similar to all other banks operating predominantly in Australia--reflects our assessment of Australia's macro environment. This is because ANZ has about 60% of credit exposure to its Australian home market and 17% to New Zealand, with the balance to Asia-Pacific, Europe, and North America. We expect the geographic composition of its banking operations to be largely unchanged over the next two years.

Australia has a wealthy, open, and resilient economy that has performed relatively well following economic downcycles and external shocks. While house prices in Australia appear to have bottomed out following an orderly correction over the past year, risks to the downside remain in the short-term. Credit losses over the next two years should remain low even as rate hikes erode debt serviceability for highly leveraged borrowers. Nevertheless, banks in Australia remain exposed to an elevated risk of a jump in credit losses due to high household debt, rising interest rates, and uncertain economic conditions.

We consider Australia's prudential regulatory standards to be conservative. We believe the country's banking industry structure supports stability: a small number of strong retail and commercial banks dominate the sector. Bank earnings should remain sound on the back of low credit losses and solid interest margins. Notwithstanding an improving trend in funding structure, a material dependence on external borrowing exposes Australian banks to a disruption in access to funding if there is a dislocation in international financial markets.

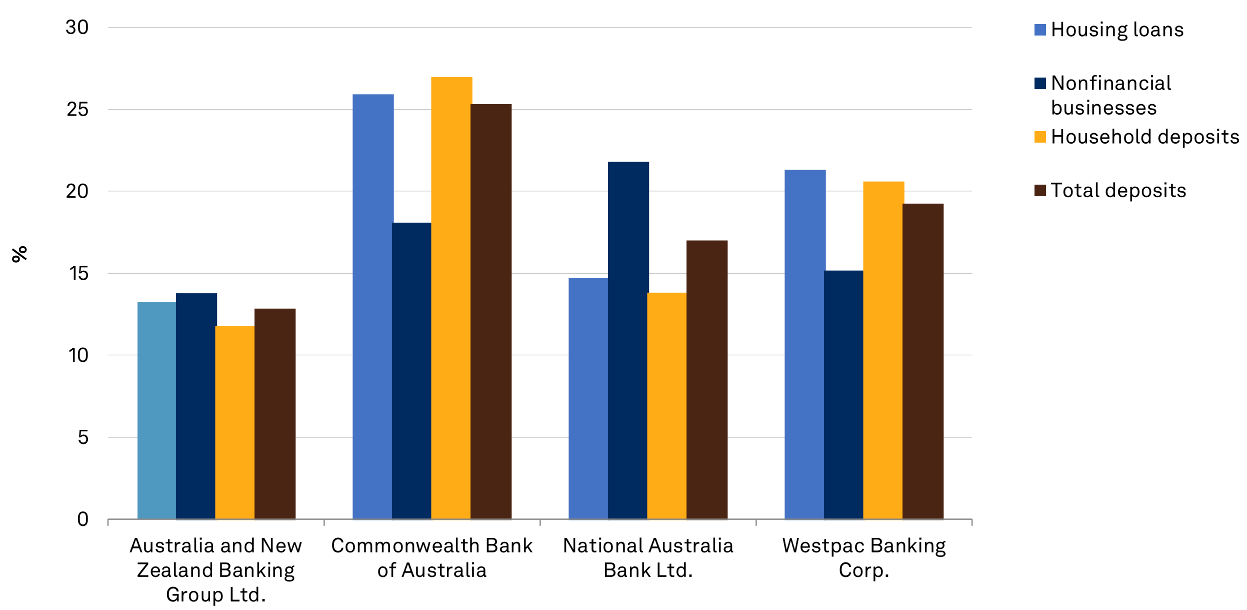
Business Position: Strong Market Share, Strong Franchise, And Good Management Support Earnings Stability

ANZ's strong position in retail and commercial banking in Australia and New Zealand should continue to support its credit profile. This includes a strong market position in both residential home loans and retail deposits.

As of June 30, 2023, the bank had market shares of about 13% for residential mortgages (ranked fourth) and 13% for customer deposits (ranked fourth) in Australia. (See chart 1.)

Chart 1

The four major banks dominate the Australian banking system
Market shares based on domestic loan and deposit positions as of June 30, 2023



Source: Australian Prudential Regulation Authority Monthly ADI Statistics

The group should benefit from a renewed focus on its Australia and New Zealand core banking activities. ANZ's announced acquisition of Suncorp-Metway Ltd. (SML) in July 2022, should it proceed, will further enhance its competitive position. However, on Aug. 4, 2023, the Australian Competition and Consumer Commission decided not to grant authorization for the merger. ANZ Group will seek an independent decision through the Australian Competition Tribunal. Should approval be granted, ANZ Group is set to complete the acquisition in 2024, subject to further regulatory approvals.

ANZ will likely retain its strong market position in New Zealand. The bank is by far the largest bank in New Zealand with a market share of about 30% in housing lending as of March 31, 2023. This is substantially higher than that of its next biggest rival, ASB Bank Ltd., which has a 22% share.

Australian banks are well-placed to compete against new tech-enabled market entrants with their dominant market positions and significant technology investments. Digital transformation is one of ANZ group's key strategic initiatives. We believe the group's NOHC structure will allow it to make investments in technology without exposing the bank to unnecessary risks.

ANZ has a diverse earnings mix to sustain its strong and stable earnings over the next two years. The bank is diversified across sectors, geographies, and business lines, including corporate, institutional, and retail banking.

Capital And Earnings: Strong Risk-Adjusted Capitalization To Stay Despite Acquisitions

ANZ will likely maintain a strong RAC ratio in the 10.8%-11.3% range over the next two years. Our forecast includes the group's proposed acquisition of SML. We expect that our RAC ratio for ANZ will remain in the forecasted range, regardless of whether its acquisition of SML proceeds.

ANZ's capital is likely to remain a strength for the ratings. This is because the bank funded the A$4.9 billion acquisition with A$3.5 billion of common equity raised in August 2022.

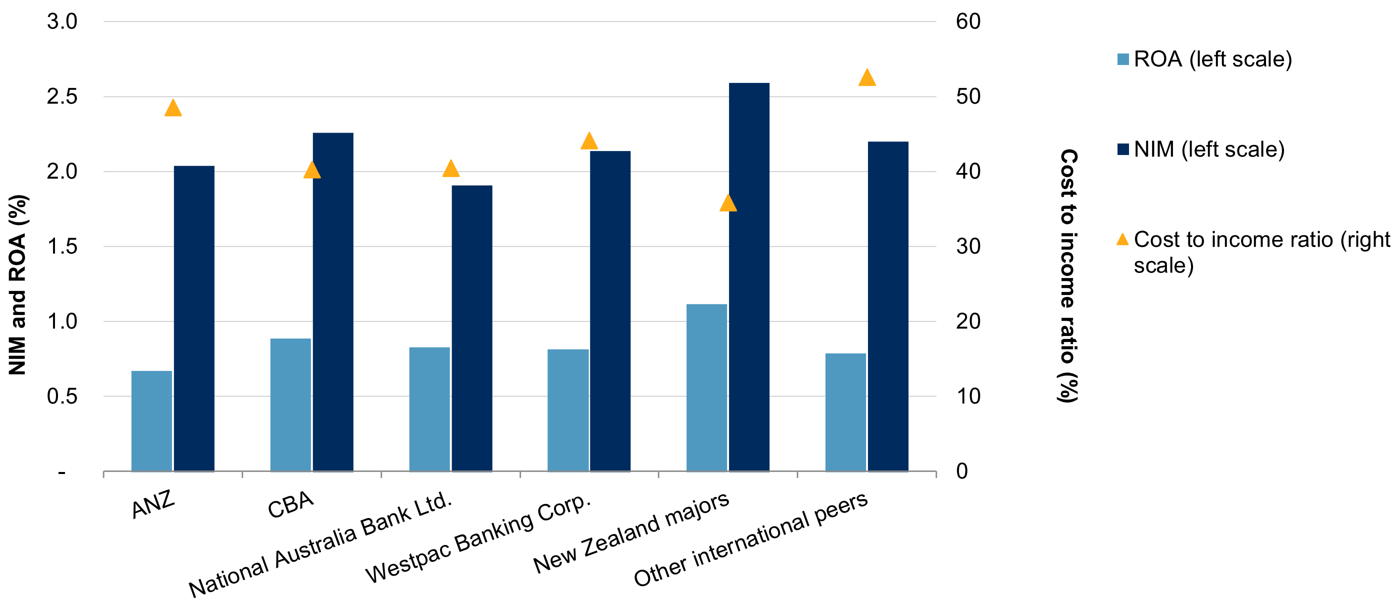
ANZ should have broadly similar loan growth as the industry over the next two years, at about 5%, excluding the impact of the proposed acquisition of SML. There are early signs that the bank's franchise strength is recovering. While interest margins at Australian banks, including ANZ, benefited from rising interest rates, we believe that net interest margins (NIM) have peaked.

We believe ANZ's credit losses will remain low, at about 15 bps of customer loans. As such, the bank should maintain sound earnings.

The group's profitability will likely remain very good by international standards. It had a return on assets of 0.7% for the half-year to March 31, 2023, slightly lower than its Australian and international peers (see chart 2).

Chart 2

Profitability of Australian major banks is comparable to global peers
ROA measured as core earnings to average adjusted assets, NIM measured as net interest income to average earning assets



As of most recent year to-date numbers. ROA--Return on assets. NIM--Net interest margins. ANZ--Australia and New Zealand Banking Group Ltd. CBA--Commonwealth Bank of Australia. Source: S&P Global Ratings.

ANZ's common equity tier 1 (CET1) ratio was 13.2% as of March 31, 2023, well above Australian Prudential Regulation Authority's regulatory capital requirement of 10.25%. This requirement includes a domestic systemically important bank buffer (D-SIB) and countercyclical capital buffer of 1.0% each, and capital conservation buffer of 3.75%. In our view ANZ will manage its CET1 ratio above 11.5%.

We do not anticipate any significant change to ANZ's reliance on hybrid capital instruments. Along with Australia's other major banks, ANZ's reliance on such instruments is higher than international peers.

ANZ's common share capital and retained earnings form about 89% of its total adjusted capital. Following the divestment of noncore banking assets, the bank does not have many other assets left that it is able and willing to readily sell, in our view.

Risk Position: Credit Losses To Remain Low And Close To Pre-Pandemic Levels

Credit losses should remain low and close to pre-pandemic levels over the next two years, at about 15 bps of customer loans. These forecasts are in line with our expectations for the Australian banking system.

Solid economic growth and low unemployment in Australia should cushion the blow of rate hikes on the ability of highly-leveraged borrowers to service their debt. A significant weakening in consumer and business confidence, a consumer pull-back in discretionary spending, or a rapid fall in house prices could push credit losses significantly higher than our base case.

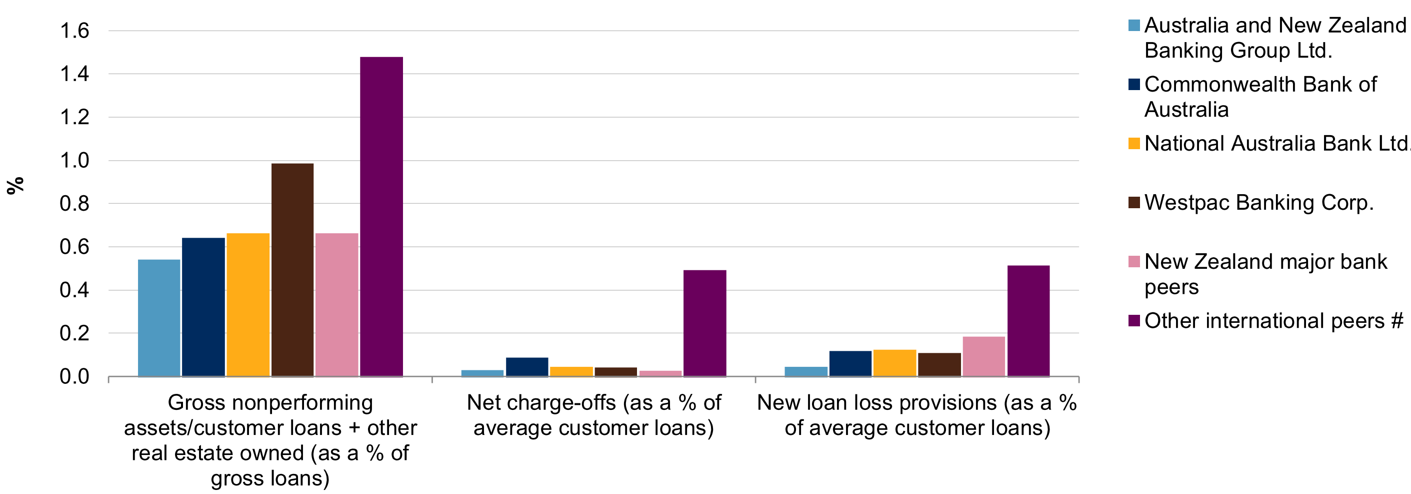
ANZ will be able to manage integration risks from the proposed SML acquisition. The group has been cautious in its approach to integration. It plans to run SML independently for three years. This will give ANZ time to migrate SML to its new ANZPlus digital banking platform once this is up and running.

ANZ will maintain a conservative risk appetite, in our view. The bank appears to have a moderate growth appetite that is broadly in line with system trends. It also does not have a significant amount of additional risk for than what we already consider in our capital and earnings assessment.

ANZ will maintain conservative lending and underwriting standards, similar to the other Australian major banks. The bank's loan-loss provisions and nonperforming assets have remained low broadly comparable to its Australian major banking peers (see chart 3). Australian banks have benefited from good underwriting and a long run of benign economic conditions.

Chart 3

Strong asset quality relative to international peers

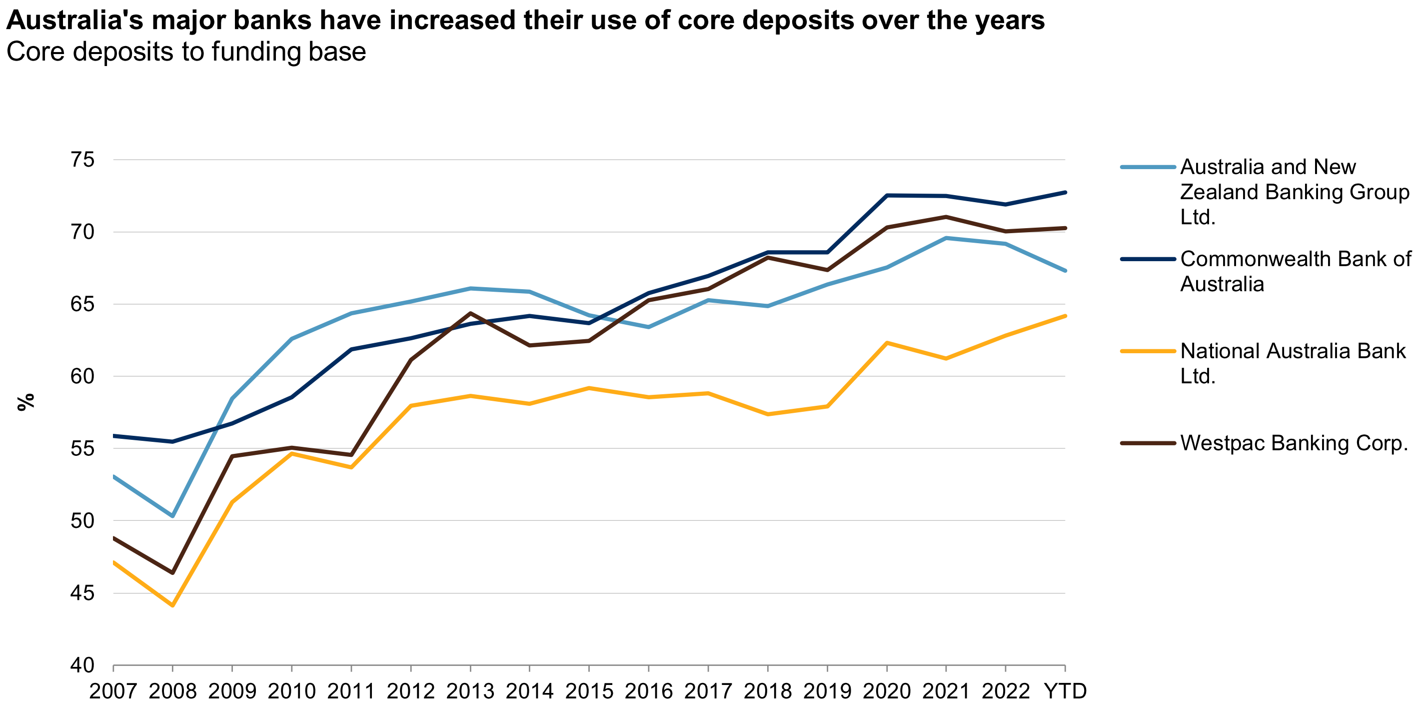


As of most recent year to date numbers. Source: S&P Global Ratings.

Funding And Liquidity: Structural Funding Risks Receding

ANZ adequately manages its funding and liquidity risks, in our view. This is notwithstanding structural funding weaknesses inherent to the Australian banking system. We believe the industry's funding profile has been improving in the past 10 years. Growing systemwide customer deposits and falling offshore borrowing as a proportion of domestic customer loans support the improvement (see chart 4).

Chart 4



As of most recent year to date numbers. Source: S&P Global Ratings.

We expect a modest reversal of this trend in the next two years as term funding from the Reserve Bank of Australia (RBA) matures.

ANZ's funding metrics are broadly in line with those of other Australian major banks, and banks in Sweden and Norway. These two countries have banking industry profiles similar to Australia's.

ANZ is unlikely to have difficulty refinancing its drawn term funding facility (TFF) from the RBA over the next 12 months. This is absent a dislocation in funding markets. The bank has drawn down A$20 billion under the TFF. ANZ has drawn down the least TFF among Australia's major banks. The bank will likely issue higher wholesale debt in the next two years to manage the refinance, which would bring it back to its long-term historical average.

ANZ accesses capital markets through a wide variety of programs. These include covered bonds and senior unsecured, short- and long-term programs.

Australian major banks have strong funding franchises domestically and internationally to support their funding stability. If the sector experienced a systemic funding problem, we believe a "flight to quality" would mitigate the impact on the banks.

ANZ has adequate liquidity to survive at least 12 months of funding disruption. The bank and its other Australian major peers have weaker liquidity ratios than other international peers. As of Sept. 30, 2022, it had a ratio of broad liquid assets to short-term wholesale funding of 1.2x, versus 1.3x a year earlier.

ANZ's average liquidity coverage ratio for the quarter ended March 31, 2023, was 130%. This is well in excess of the regulatory minimum of 100%.

ANZ manages its liquidity well. The bank runs specific stress tests routinely. These tests aim to identify the timeframe over which high-quality liquid assets could survive under various stress liability run-off scenarios.

Support: High Likelihood Of Timely Financial Support From Australian Government Enhances Creditworthiness

Our long-term issuer credit rating on ANZ is two notches above the SACP. We apply this uplift because we believe the bank is highly likely to receive timely financial support from the Australian government, if needed. This reflects our view that:

- ANZ is highly important to the Australian economy and financial system. The bank has a substantial share of 13% of household deposits and 13% share of residential mortgages. In our view, it plays a material role in sourcing offshore funding that supports economic activity in the country. In addition, ANZ is strongly interconnected with the three other major banks in Australia.
- The Australian government remains highly supportive of private-sector banks in the country.

Environmental, social, and governance (ESG) factors have no material influence on our credit rating analysis of ANZ.

We see ESG factors for ANZ to be broadly in line with those for industry and domestic peers. In our view, the group has a comprehensive, well-developed risk management and governance framework across its activities.

Policymakers have increasingly called for greater penalties for lapses in governance, partly on the basis that the profitable major Australian banks must meet community expectations. Continued governance failures could make ANZ and its domestic peers less attractive to equity and debt investors who are more sensitive to ESG factors, in our view.

We see environmental factors as less relevant (than social and governance factors) to the creditworthiness of ANZ. The mining sector accounts for only about 1% of total domestic lending by Australian banks. Still, the bank has indirect exposure to environmental factors. This is because it operates in an economy where the commodity sector is significant.

Evolving domestic and global environment standards and legislation as well as changing customer preferences leading to a transition toward less carbon-intensive forms of energy could weaken the broader economy and consequently, ANZ's lending portfolio.

Hybrid Ratings

We believe Australia's legal and regulatory framework could allow authorities to instigate loss absorption by the regulatory additional Tier-1 and Tier-2 securities, if needed. Therefore, we assign our 'A-' rating to ANZ's non-Basel III-compliant Tier-2 securities. This is three notches below the long-term issuer credit rating on ANZ.

Our rating reflects the following factors:

- One notch for the notes' subordinated status; and
- Two notches for government support that we include in the long-term issuer credit rating on ANZ. However, we believe the government is unlikely to extend this support to the Tier-2 capital instruments that the bank issued.

We assign 'BBB+' ratings to ANZ's Basel III-compliant Tier-2 securities. This is four notches below our long-term issuer credit rating on the bank.

For the Basel III instruments, we apply a one-notch additional deduction to reflect the contingency clause that requires the mandatory conversion of the securities into common equity on the activation of a nonviability trigger.

The issue ratings on ANZ's Basel III-compliant additional Tier-1 capital instruments (ANZ Capital Notes) are six notches below our long-term issuer credit rating on the bank. This reflects the following factors:

- One notch for the notes' subordinated status;
- Two notches for the risk of partial or untimely payment;
- One notch for a nonviability contingent capital feature that would require ANZ to convert all or a portion of the notes into ordinary shares or write them off if a nonviability trigger event occurred; and
- Two notches for government support that we include in the long-term issuer credit rating on the bank. However, we believe the government is unlikely to extend this support to the additional Tier-1 capital instruments that the bank issued.

Key Statistics

Table 1

Australia and New Zealand Banking Group Ltd.--Key figures

	--Year-ended Sept. 30--				
(Mil. A$)	**2023***	**2022**	**2021**	**2020**	**2019**
Adjusted assets	1,107,163.0	1,081,852.0	974,806.0	1,037,907.0	975,357.0
Customer loans (gross)	693,745.0	675,989.0	633,764.0	622,074.0	618,767.0
Adjusted common equity	61,283.0	58,474.7	52,930.8	50,667.1	47,460.0
Operating revenues	10,182.0	19,246.0	17,658.0	18,459.0	18,648.0
Noninterest expenses	4,943.0	9,478.0	8,924.0	9,222.0	8,994.0
Core earnings	3,630.0	7,077.5	6,427.0	4,291.9	6,164.9

*Data as of March 31.

Table 2

Australia and New Zealand Banking Group Ltd.--Business position

	--Year-ended Sept. 30--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Total revenues from business line (currency in millions)	10,182.0	19,553.0	17,671.0	18,459.0	18,785.0
Commercial & retail banking/total revenues from business line	84.0	92.3	97.3	98.1	96.0
Brokerage/total revenues from business line	0.0	0.0	0.0	0.0	0.0
Insurance activities/total revenues from business line	0.4	0.7	0.6	0.4	0.7
Asset management/total revenues from business line	N/A	1.3	1.6	1.5	1.4
Other revenues/total revenues from business line	15.6	5.7	0.4	(0.0)	2.0
Return on average common equity	10.5	11.0	9.9	5.9	9.9

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

Table 3

Australia and New Zealand Banking Group Ltd.--Capital and earnings

	--Year-ended Sept. 30--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Tier 1 capital ratio	15.1	14.0	14.3	13.2	13.2
S&P Global Ratings' RAC ratio before diversification	N/A	N/A	11.5	11.0	9.5
S&P Global Ratings' RAC ratio after diversification	N/A	N/A	12.5	12.0	10.4
Adjusted common equity/total adjusted capital	88.2	88.1	86.2	86.2	85.3
Net interest income/operating revenues	83.5	77.3	80.2	76.1	76.9
Fee income/operating revenues	9.2	10.2	12.1	12.6	13.8
Market-sensitive income/operating revenues	5.8	10.4	7.8	9.8	6.9
Cost to income ratio	48.5	49.2	50.5	50.0	48.2
Preprovision operating income/average assets	1.0	1.0	0.9	0.9	1.0
Core earnings/average managed assets	0.7	0.7	0.6	0.4	0.6

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

Table 4

Australia and New Zealand Banking Group Ltd.--Risk-adjusted capital framework data

(Mil. A$)	**Exposure***	**Basel III RWA**	**Average Basel III RW(%)**	**S&P Global Ratings RWA**	**Average S&P Global Ratings RW (%)**
Credit risk					
Government & central banks	296,562.6	10,984.0	3.7	8,649.8	2.9
Of which regional governments and local authorities	0.0	0.0	0.0	0.0	0.0
Institutions and CCPs	79,670.6	15,936.0	20.0	13,323.0	16.7
Corporate	396,264.8	192,096.0	48.5	316,351.5	79.8
Retail	452,492.9	134,126.0	29.6	160,801.0	35.5
Of which mortgage	412,458.7	113,814.0	27.6	125,856.1	30.5
Securitization§	14,980.0	2,424.0	16.2	2,996.0	20.0
Other assets†	9,004.0	3,876.0	43.0	16,903.2	187.7
Total credit risk	1,248,974.9	359,442.0	28.8	519,024.5	41.6

Table 4

Australia and New Zealand Banking Group Ltd.--Risk-adjusted capital framework data (cont.)					
Credit valuation adjustment					
Total credit valuation adjustment	--	3,632.0	--	4,721.6	--
Market Risk					
Equity in the banking book	0.0	0.0	0.0	0.0	0.0
Trading book market risk	--	9,282.1	--	11,817.6	--
Total market risk	--	9,282.1	--	11,817.6	--
Operational risk					
Total operational risk	--	47,931.0	--	36,713.3	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	454,718.1	--	572,276.9	100.0
Total Diversification/ Concentration Adjustments	--	--	--	(39,758.0)	(6.9)
RWA after diversification	--	454,718.1	--	532,518.9	93.1
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio before adjustments		63,558.0	14.0	66,348.7	11.6
Capital ratio after adjustments‡		63,558.0	14.0	66,348.7	12.5

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of 'Sep. 30 2022', S&P Global Ratings.

Table 5

Australia and New Zealand Banking Group Ltd.--Risk position					
	--Year-ended Sept. 30--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Growth in customer loans	5.3	6.7	1.9	0.5	1.7
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	N/A	(7.6)	(8.3)	(9.1)
Total managed assets/adjusted common equity (x)	18.1	18.6	18.5	20.6	20.7
New loan loss provisions/average customer loans	0.0	(0.0)	(0.1)	0.4	0.1
Net charge-offs/average customer loans	0.0	0.0	0.1	0.1	0.1
Gross nonperforming assets/customer loans + other real estate owned	0.5	0.6	0.8	1.0	0.9
Loan loss reserves/gross nonperforming assets	98.5	93.1	80.4	79.0	60.8

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

Table 6

Australia and New Zealand Banking Group Ltd.--Funding and liquidity					
	--Year-ended Sept. 30--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Core deposits/funding base	67.3	69.2	69.6	67.5	66.4

Table 6

Australia and New Zealand Banking Group Ltd.--Funding and liquidity (cont.)

	--Year-ended Sept. 30--				
(%)	**2023***	**2022**	**2021**	**2020**	**2019**
Customer loans (net)/customer deposits	106.4	108.4	106.1	111.7	120.2
Long-term funding ratio	76.3	77.7	79.4	79.8	81.0
Stable funding ratio	102.2	99.7	104.0	101.5	96.7
Short-term wholesale funding/funding base	25.5	24.1	22.2	21.8	20.6
Regulatory net stable funding ratio	118.6	119.0	N/A	N/A	N/A
Broad liquid assets/short-term wholesale funding (x)	1.2	1.2	1.3	1.2	1.1
Broad liquid assets/total assets	27.2	23.2	25.1	21.3	17.1
Broad liquid assets/customer deposits	46.6	40.6	41.3	40.1	32.8
Net broad liquid assets/short-term customer deposits	8.9	6.0	9.8	8.1	1.9
Regulatory liquidity coverage ratio (LCR) (x)	129.6	129.0	N/A	N/A	N/A
Short-term wholesale funding/total wholesale funding	76.1	75.9	70.7	65.0	59.3

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

Australia and New Zealand Banking Group Ltd--Rating component scores	
Issuer Credit Rating	AA-/Stable/A-1+
SACP	a
Anchor	bbb+
Economic risk	3
Industry risk	3
Business position	Strong
Capital and earnings	Strong
Risk position	Adequate
Funding	Adequate
Liquidity	Adequate
Comparable ratings analysis	0
Support	+2
ALAC support	0
GRE support	0
Group support	0
Sovereign support	+2
Additional factors	0

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

Related Criteria

- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions , Dec. 9, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology , Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings , Oct. 10, 2021

- General Criteria: Hybrid Capital: Methodology And Assumptions , July 1, 2019
- General Criteria: Group Rating Methodology , July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology , July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings , April 7, 2017
- General Criteria: Guarantee Criteria , Oct. 21, 2016
- General Criteria: Principles Of Credit Ratings , Feb. 16, 2011

Related Research

- Banking Industry Country Risk Assessment: Australia, June 2, 2023

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Ratings Detail (As Of August 15, 2023)*	
Australia and New Zealand Banking Group Ltd.	
Issuer Credit Rating	AA-/Stable/A-1+
Certificate Of Deposit	
Foreign Currency	AA-/A-1+
Commercial Paper	
Foreign Currency	A-1+
Junior Subordinated	BBB-
Senior Unsecured	A-1+
Senior Unsecured	AA-
Subordinated	BBB+
Issuer Credit Ratings History	
07-Jun-2021	AA-/Stable/A-1+
07-Apr-2020	AA-/Negative/A-1+
09-Jul-2019	AA-/Stable/A-1+
Sovereign Rating	
Australia	AAA/Stable/A-1+
Related Entities	
ANZ Bank New Zealand Ltd.	
Issuer Credit Rating	AA-/Stable/A-1+
Certificate Of Deposit	
Local Currency	AA-/A-1+
Preference Stock	BBB
Senior Unsecured	A-1+
Senior Unsecured	AA-
Subordinated	A-

Ratings Detail (As Of August 15, 2023)*(cont.)	
Australia and New Zealand Bank (China) Co. Ltd.	
Issuer Credit Rating	A+/Stable/A-1
Australia and New Zealand Banking Group Ltd. (London Branch)	
Junior Subordinated	BBB-
Australia and New Zealand Banking Group Ltd.(New York Branch)	
Senior Unsecured	AA-

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