ANZ Bank New Zealand Limited

Registered Bank Disclosure Statement
For the six months ended 31 March 2025

Contents

Glossary

In this Registered Bank Disclosure Statement (Disclosure Statement) unless the context otherwise requires:

Bank means ANZ Bank New Zealand Limited.

Banking Group, We or Our means the Bank and all its controlled entities.

Immediate Parent Company means ANZ Holdings (New Zealand) Limited.

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 means Australia and New Zealand Banking Group Limited.

Overseas Banking Group means the worldwide operations of the Ultimate Parent Bank including its controlled entities.

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.

ANZBGL New Zealand means the New Zealand business of the Overseas Banking Group.

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

Registered Office is Ground Floor, ANZ Centre, 23-29 Albert Street, Auckland, New Zealand, which is also the Bank's address for service.

RBNZ means the Reserve Bank of New Zealand.

APRA means the Australian Prudential Regulation Authority.

the Order means the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014.

Any term or expression which is defined in, or in the manner prescribed by, the Order shall have the meaning given in or prescribed by the Order.

Interim Financial Statements

Contents

Income Statement

For the six months ended 31 March	Note	2025 NZ$m	2024 NZ$m
Interest income		5,534	5,909
Interest expense		(3,247)	(3,733)
Net interest income		2,287	2,176
Other operating income	2	496	225
Operating income		2,783	2,401
Operating expenses		(893)	(858)
Profit before credit impairment and income tax		1,890	1,543
Credit impairment release/(charge)	5	5	(33)
Profit before income tax		1,895	1,510
Income tax expense		(530)	(428)
Profit for the period		1,365	1,082

Statement of Comprehensive Income

For the six months ended 31 March	2025 NZ$m	2024 NZ$m
Profit for the period	1,365	1,082
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss	11	4
Items that may be reclassified subsequently to profit or loss		
Reserve movements:		
Unrealised gains recognised directly in equity	8	48
Realised gains transferred to the income statement	(2)	(3)
Income tax attributable to the above items	(5)	(14)
Total comprehensive income for the period	1,377	1,117

The notes appearing on pages 8 to 21 form an integral part of these interim financial statements.

Balance Sheet

As at	Note	31 Mar 25 NZ$m	30 Sep 24 NZ$m
Assets			
Cash and cash equivalents		11,145	11,634
Settlement balances receivable		687	574
Collateral paid		742	1,041
Trading securities		5,774	5,576
Derivative financial instruments		8,874	10,181
Investment securities		14,882	13,295
Net loans and advances	4	153,644	151,666
Deferred tax assets		403	418
Goodwill and other intangible assets		3,097	3,094
Premises and equipment		319	363
Other assets		1,326	1,334
Total assets		200,893	199,176
Liabilities			
Settlement balances payable		3,408	5,367
Collateral received		951	525
Deposits and other borrowings	6	148,618	142,645
Derivative financial instruments		8,323	11,179
Current tax liabilities		141	279
Payables and other liabilities		1,884	2,415
Employee entitlements		116	121
Other provisions		210	212
Debt issuances	7	17,799	17,623
Total liabilities		181,450	180,366
Net assets		19,443	18,810
Shareholders' equity			
Share capital	10	17,680	17,680
Reserves	10	28	24
Retained earnings	10	1,735	1,106
Total shareholders' equity		19,443	18,810

The notes appearing on pages 8 to 21 form an integral part of these interim financial statements.

Cash Flow Statement

For the six months ended 31 March	2025 NZ$m	2024 NZ$m
Profit after income tax	1,365	1,082
Adjustments to reconcile to net cash provided by/(used in) operating activities:		
Depreciation and amortisation	51	55
Loss on sale and impairment of premises and equipment and lease remeasurements	-	1
Net derivatives/foreign exchange adjustment	(434)	(253)
Other non-cash movements	(62)	(12)
Net (increase)/decrease in operating assets:		
Collateral paid	299	92
Trading securities	(198)	138
Net loans and advances	(1,978)	(1,565)
Other assets	(90)	(353)
Net increase/(decrease) in operating liabilities:		
Deposits and other borrowings (excluding items included in financing activities)	6,507	3,530
Settlement balances payable	(1,959)	656
Collateral received	426	(497)
Other liabilities	(642)	439
Total adjustments	1,920	2,231
Net cash provided by operating activities[1]	3,285	3,313
Cash flows from investing activities		
Investment securities:		
Purchases	(2,594)	(1,495)
Proceeds from sale or maturity	1,090	1,320
Other assets	(20)	(19)
Net cash used in investing activities	(1,524)	(194)
Cash flows from financing activities		
Deposits and other borrowings[2]	(534)	(29)
Debt issuances:[3]		
Issue proceeds	1,689	887
Redemptions	(2,636)	(3,250)
Proceeds from issue of perpetual preference shares	-	271
Repayment of lease liabilities	(25)	(25)
Dividends paid	(744)	(1,149)
Net cash used in financing activities	(2,250)	(3,295)
Net change in cash and cash equivalents	(489)	(176)
Cash and cash equivalents at beginning of period	11,634	13,094
Cash and cash equivalents at end of period	11,145	12,918

1. Net cash provided by operating activities includes income taxes paid of NZ$658 million (March 2024: NZ$533 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$34 million (March 2024: NZ$29 million) and NZ$500 million under the Funding for Lending Programme (March 2024: nil).
3. Movement in debt issuances (Note 7 Debt issuances) also includes a NZ$1,159 million increase (March 2024: NZ$20 million decrease) from the effect of foreign exchange rates, a NZ$35 million decrease (March 2024: NZ$350 million increase) from changes in fair value hedging instruments and a NZ$1 million decrease from other changes (March 2024: nil).

The notes appearing on pages 8 to 21 form an integral part of these interim financial statements.

Statement of Changes in Equity

	Share capital NZ$m	Reserves NZ$m	Retained earnings NZ$m	Total shareholders' equity NZ$m
As at 1 October 2023	12,438	(93)	6,076	18,421
Profit or loss for the period	-	-	1,082	1,082
Other comprehensive income for the period	-	32	3	35
Total comprehensive income for the period	-	32	1,085	1,117
Transactions with equity holders in their capacity as equity owners:				
Ordinary shares dividend paid	-	-	(1,125)	(1,125)
Perpetual preference shares issued (net of issue costs)	275	-	(4)	271
Perpetual preference shares dividends paid	-	-	(24)	(24)
As at 31 March 2024	12,713	(61)	6,008	18,660
As at 1 October 2024	17,680	24	1,106	18,810
Profit or loss for the period	-	-	1,365	1,365
Other comprehensive income for the period	-	4	8	12
Total comprehensive income for the period	-	4	1,373	1,377
Transactions with equity holders in their capacity as equity owners:				
Ordinary shares dividend paid	-	-	(700)	(700)
Perpetual preference shares dividends paid	-	-	(44)	(44)
As at 31 March 2025	17,680	28	1,735	19,443

The notes appearing on pages 8 to 21 form an integral part of these interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

1. About our interim financial statements

These condensed consolidated interim financial statements for the Banking Group have been prepared in accordance with the requirements of the Order and should be read in conjunction with the Banking Group's financial statements for the year ended 30 September 2024.

On 7 May 2025, the Directors resolved to authorise the issue of these interim financial statements.

Basis of preparation

These condensed consolidated interim financial statements comply with:

- New Zealand Generally Accepted Accounting Practice (NZ GAAP), as defined in the Financial Reporting Act 2013;
- NZ IAS 34 *Interim Financial Reporting* and other applicable Financial Reporting Standards, as appropriate for publicly accountable for-profit entities; and
- IAS 34 *Interim Financial Reporting*.

These condensed consolidated interim financial statements comprise the interim financial statements of the Bank and its subsidiaries.

We present the condensed consolidated interim financial statements of the Banking Group in New Zealand dollars and have rounded values to the nearest million dollars (NZ$m), unless otherwise stated.

The accounting policies adopted by the Banking Group are consistent with those adopted and disclosed in the previous full year financial statements.

Basis of measurement and presentation

The financial information has been prepared in accordance with the historical cost basis - except for 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).

Key judgements and estimates

In the process of applying the Banking Group's accounting policies, management has made a number of judgements and applied estimates and assumptions about past and future events. Discussion of the critical accounting estimates and judgements, which include complex or subjective decisions or assessments, are provided in the previous full year financial statements. Such estimates and judgements are reviewed on an ongoing basis.

The global economy continues to face challenges associated with inflation and interest rate uncertainties, 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 interim financial statements.

The Banking Group made various accounting estimates in these interim financial statements based on forecasts of economic conditions which reflect expectations and assumptions at 31 March 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 interim 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.

In light of the uncertainties above the assumptions and judgements made in relation to significant accounting estimates are discussed further in the relevant notes in these interim financial statements and/or in the relevant notes in the previous full year financial statements. Readers should consider these disclosures in light of the uncertainties described above.

2. Other operating income

For the six months ended 31 March	2025 NZ$m	2024 NZ$m
Fee and commission income		
Lending fees	10	10
Non-lending fees	361	370
Commissions	14	14
Funds management income	122	122
Fee and commission income	507	516
Fee and commission expense	(264)	(261)
Net fee and commission income	243	255
Other income		
Net trading gains	99	122
Gain on sale of investment securities designated at FVOCI	2	1
Fair value gain/(loss) on hedging activities and financial liabilities designated at fair value	148	(160)
Net foreign exchange earnings and other financial instruments income	249	(37)
Adjustment to gain on sale of UDC Finance Ltd	-	2
Other	4	5
Other income	253	(30)
Other operating income	496	225

3. Segment reporting

Description of segments

The Banking 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.

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, medium and large enterprises, the agricultural business segment, government and government related entities.

Institutional

The Institutional division services governments, 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 Banking 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

	Personal		Business & Agri		Institutional		Other		Total	
For the six months ended 31 March	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	1,271	1,169	478	515	373	375	165	117	2,287	2,176
Net fee and commission income										
- Lending fees	4	4	-	-	6	6	-	-	10	10
- Non-lending fees	227	228	114	118	24	26	(4)	(2)	361	370
- Commissions	13	13	-	-	-	-	1	1	14	14
- Funds management income	122	122	-	-	-	-	-	-	122	122
- Fee and commission expense	(173)	(168)	(91)	(93)	-	-	-	-	(264)	(261)
Net fee and commission income	193	199	23	25	30	32	(3)	(1)	243	255
Other income	-	-	(1)	-	107	130	147	(160)	253	(30)
Other operating income	193	199	22	25	137	162	144	(161)	496	225
Operating income	1,464	1,368	500	540	510	537	309	(44)	2,783	2,401
Operating expenses	(607)	(590)	(146)	(134)	(127)	(122)	(13)	(12)	(893)	(858)
Profit before credit impairment and income tax	857	778	354	406	383	415	296	(56)	1,890	1,543
Credit impairment release/(charge)	(20)	(22)	25	18	-	(29)	-	-	5	(33)
Profit/(loss) before income tax	837	756	379	424	383	386	296	(56)	1,895	1,510
Income tax benefit/(expense)	(235)	(212)	(106)	(119)	(107)	(109)	(82)	12	(530)	(428)
Profit/(loss) after income tax	602	544	273	305	276	277	214	(44)	1,365	1,082

3. Segment reporting (continued)

Operating segments (continued)

	Personal		Business & Agri		Institutional		Other		Total	
As at	31 Mar 25 NZ$m	30 Sep 24 NZ$m	31 Mar 25 NZ$m	30 Sep 24 NZ$m	31 Mar 25 NZ$m	30 Sep 24 NZ$m	31 Mar 25 NZ$m	30 Sep 24 NZ$m	31 Mar 25 NZ$m	30 Sep 24 NZ$m
Financial position										
Goodwill	1,042	1,042	695	695	1,269	1,269	-	-	3,006	3,006
Net loans and advances	112,550	110,149	23,636	23,952	17,458	17,565	-	-	153,644	151,666
Customer deposits	94,401	91,814	19,183	17,996	27,312	26,353	-	-	140,896	136,163

Other segment

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

For the six months ended 31 March	2025 NZ$m	2024 NZ$m
Personal and Business & Agri central functions	(2)	2
Group Centre	109	70
Economic hedges	107	(116)
Total	214	(44)

4. Net loans and advances

	31 Mar 25 NZ$m	30 Sep 24 NZ$m
Overdrafts	1,113	1,091
Credit cards	1,238	1,243
Term loans - housing	113,128	110,807
Term loans - non-housing[1]	38,336	38,755
Gross subtotal	153,815	151,896
Unearned income	(25)	(21)
Capitalised brokerage and other origination costs	566	516
Gross loans and advances	154,356	152,391
Allowance for expected credit losses (refer to Note 5)	(712)	(725)
Net loans and advances	153,644	151,666

1. Includes reverse repurchase agreements (with 90 days or more to maturity) designated at FVTPL of NZ$316 million (September 2024: nil).

The Bank has sold residential mortgages to the NZ Branch with a net carrying value of NZ$268 million as at 31 March 2025 (September 2024: NZ$298 million). These assets qualify for derecognition as the Bank does not retain a continuing involvement in the transferred assets.

5. Allowance for expected credit losses

This note should be read in conjunction with the estimates, assumptions and judgements included in Note 1 About our interim financial statements.

	31 Mar 25			30 Sep 24		
	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	651	61	712	661	64	725
Off-balance sheet commitments	124	2	126	133	3	136
Total	775	63	838	794	67	861

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

Net loans and advances - at amortised cost

Allowance for ECL is included in Net loans and advances.

			Stage 3		
	Stage 1 NZ$m	Stage 2 NZ$m	Collectively assessed NZ$m	Individually assessed NZ$m	Total NZ$m
As at 1 October 2024	187	370	104	64	725
Transfer between stages	56	(57)	-	1	-
New and increased provisions (net of releases)	(78)	69	-	38	29
Write-backs	-	-	-	(20)	(20)
Bad debts written-off (excluding recoveries)	-	-	-	(23)	(23)
Discount unwind reversal	-	-	-	1	1
As at 31 March 2025	165	382	104	61	712

Off-balance sheet commitments - undrawn and contingent facilities

Allowance for ECL is included in Other provisions.

			Stage 3		
	Stage 1 NZ$m	Stage 2 NZ$m	Collectively assessed NZ$m	Individually assessed NZ$m	Total NZ$m
As at 1 October 2024	74	56	3	3	136
Transfer between stages	5	(5)	-	-	-
New and increased provisions (net of releases)	(10)	1	-	(1)	(10)
As at 31 March 2025	69	52	3	2	126

Credit impairment charge – income statement

Credit impairment charge analysis

For the six months ended 31 March	2025 NZ$m	2024 NZ$m
New and increased provisions (net of releases)[1]		
- Collectively assessed	(19)	30
- Individually assessed	38	40
Write-backs	(20)	(31)
Recoveries of amounts previously written-off	(4)	(6)
Total credit impairment charge/(release)	(5)	33

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

5. Allowance for expected credit losses (continued)

Key judgements and estimates

Collectively assessed allowance for ECL

The collectively assessed allowance for ECL decreased by NZ$19 million, attributable to NZ$49 million from an improvement in base case economic assumptions, partially offset by a NZ$24 million net increase in management temporary adjustments for increased uncertainty and economic volatility and NZ$6 million from a deterioration in credit risk profile and other portfolio changes.

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

The key judgements and assumptions in estimating collectively assessed ECL are presented below.

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 our view of future macroeconomic conditions used at 31 March 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.

	Actual calendar year	Forecast calendar year	
	2024	2025	2026
New Zealand			
GDP (annual % change)	-0.5	1.0	3.1
Unemployment rate (annual average)	4.7	5.2	4.7
Residential property prices (annual % change)	-1.1	6.0	5.0
Consumer price index (annual average % change)	2.9	2.6	1.9

The base case economic forecasts have been updated to reflect economic recovery and a return to growth, and house prices are expected to increase following a period of stabilisation.

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.

Scenario weightings remain the same as those applied in September 2024.

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 Banking Group considers these weightings to provide estimates of the possible loss outcomes and taking into account short and long term inter-relationships within the Banking Group's credit portfolios. The weightings applied are set out below:

	31 Mar 25	30 Sep 24
Base	50.0%	50.0%
Upside	3.75%	3.75%
Downside	33.75%	33.75%
Severe downside	12.5%	12.5%

5. Allowance for expected credit losses (continued)

Key judgements and estimates (continued)

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 Banking 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 31 March 2025:

	ECL NZ$m	Impact on ECL NZ$m
If 1% of Stage 1 facilities were included in Stage 2	783	8
If 1% of Stage 2 facilities were included in Stage 1	774	(1)
100% upside scenario	282	(493)
100% base scenario	369	(406)
100% downside scenario	722	(53)
100% severe downside scenario	1,917	1,142

Individually assessed allowance for ECL

In estimating individually assessed ECL, the Banking 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 interim financial statements.

6. Deposits and other borrowings

	31 Mar 25 NZ$m	30 Sep 24 NZ$m
Term deposits	59,881	59,308
On demand and short term deposits	64,070	60,983
Deposits not bearing interest	16,945	15,872
Total customer deposits	140,896	136,163
Certificates of deposit	1,334	1,174
Commercial paper	2,124	1,419
Securities sold under repurchase agreements	4,115	3,750
Deposits from Immediate Parent Company and NZ Branch	149	139
Deposits and other borrowings	148,618	142,645

7. Debt issuances

The Banking 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.

	31 Mar 25 NZ$m	30 Sep 24 NZ$m
Senior debt	12,172	12,349
Covered bonds	2,347	2,156
Total unsubordinated debt	14,519	14,505
Subordinated debt		
- Additional Tier 1 capital	938	938
- Tier 2 capital	2,342	2,180
Total subordinated debt	3,280	3,118
Total debt issued	17,799	17,623

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 ANZNZ Covered Bond Trust is a member of the Banking Group. The Covered Bond Guarantor is not a member of the Banking 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 26 for the amount of assets of the ANZNZ Covered Bond Trust pledged as security for covered bonds.

8. Credit risk

This note should be read in conjunction with the estimates, assumptions and judgements included in Note 1 About our interim financial statements and Note 5 Allowance for expected credit losses.

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 Banking 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	
	31 Mar 25 NZ$m	30 Sep 24 NZ$m	31 Mar 25 NZ$m	30 Sep 24 NZ$m	31 Mar 25 NZ$m	30 Sep 24 NZ$m
On-balance sheet positions						
Net loans and advances	153,644	151,666	-	-	153,644	151,666
Other financial assets:						
Cash and cash equivalents	11,145	11,634	122	130	11,023	11,504
Settlement balances receivable	687	574	-	-	687	574
Collateral paid	742	1,041	-	-	742	1,041
Trading securities	5,774	5,576	-	-	5,774	5,576
Derivative financial instruments	8,874	10,181	-	-	8,874	10,181
Investment securities	14,882	13,295	-	-	14,882	13,295
Other financial assets[2]	1,076	1,113	-	-	1,076	1,113
Total other financial assets	43,180	43,414	122	130	43,058	43,284
Subtotal	196,824	195,080	122	130	196,702	194,950
Off-balance sheet positions						
Undrawn and contingent facilities[3]	31,234	28,511	-	-	31,234	28,511
Total	228,058	223,591	122	130	227,936	223,461

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.

Credit quality

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

Credit quality description	Internal CCR	The Banking Group customer requirements	Moody's Rating	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

8. Credit risk (continued)

Net loans and advances

As at 31 March 2025	Stage 1 NZ$m	Stage 2 NZ$m	Stage 3 Collectively assessed NZ$m	Stage 3 Individually assessed NZ$m	Total NZ$m
Strong	76,044	1,341	-	-	77,385
Satisfactory	59,964	5,939	-	-	65,903
Weak	5,312	3,112	-	-	8,424
Defaulted	-	-	1,445	342	1,787
Gross loans and advances at amortised cost	141,320	10,392	1,445	342	153,499
Allowance for ECL	(165)	(382)	(104)	(61)	(712)
Net loans and advances at amortised cost	141,155	10,010	1,341	281	152,787
Coverage ratio	0.12%	3.68%	7.20%	17.84%	0.46%
Loans and advances at FVTPL					316
Unearned income					(25)
Capitalised brokerage and other origination costs					566
Net carrying amount					153,644
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

Off-balance sheet commitments - undrawn and contingent facilities

As at 31 March 2025	Stage 1 NZ$m	Stage 2 NZ$m	Stage 3 Collectively assessed NZ$m	Stage 3 Individually assessed NZ$m	Total NZ$m
Strong	25,271	196	-	-	25,467
Satisfactory	4,139	1,214	-	-	5,353
Weak	216	291	-	-	507
Defaulted	-	-	18	15	33
Gross undrawn and contingent facilities	29,626	1,701	18	15	31,360
Allowance for ECL included in Other provisions	(69)	(52)	(3)	(2)	(126)
Net undrawn and contingent facilities	29,557	1,649	15	13	31,234
Coverage ratio	0.23%	3.06%	16.67%	13.33%	0.40%
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	(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%

9. Fair value of financial assets and financial liabilities

Classification of financial assets and financial liabilities

The Banking 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.

		31 Mar 25			30 Sep 24		
	Note	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]		9,771	1,374	11,145	10,590	1,044	11,634
Settlement balances receivable		687	-	687	574	-	574
Collateral paid		742	-	742	1,041	-	1,041
Trading securities		-	5,774	5,774	-	5,576	5,576
Derivative financial instruments		-	8,874	8,874	-	10,181	10,181
Investment securities		-	14,882	14,882	-	13,295	13,295
Net loans and advances	4	153,328	316	153,644	151,666	-	151,666
Other financial assets		1,076	-	1,076	1,113	-	1,113
Total		165,604	31,220	196,824	164,984	30,096	195,080
Financial liabilities							
Settlement balances payable		3,408	-	3,408	5,367	-	5,367
Collateral received		951	-	951	525	-	525
Deposits and other borrowings	6	144,573	4,045	148,618	140,204	2,441	142,645
Derivative financial instruments		-	8,323	8,323	-	11,179	11,179
Debt issuances	7	17,799	-	17,799	17,623	-	17,623
Other financial liabilities		1,217	353	1,570	1,692	372	2,064
Total		167,948	12,721	180,669	165,411	13,992	179,403

1. Comparative amounts have been adjusted to reflect the classification of certain securities purchased under agreements to resell in less than 90 days 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 Banking 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 Banking 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 Banking Group designates certain 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: - 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	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.
Other financial instruments held for trading: - Securities sold short	Valuation techniques are used that incorporate observable market inputs for financial instruments with similar credit risk, maturity and yield characteristics.
Financial instruments classified as: - Trading securities - Investment securities	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.

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

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

Fair value hierarchy

The Banking 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	
	31 Mar 25 NZ$m	30 Sep 24 NZ$m	31 Mar 25 NZ$m	30 Sep 24 NZ$m	31 Mar 25 NZ$m	30 Sep 24 NZ$m	31 Mar 25 NZ$m	30 Sep 24 NZ$m
Financial assets								
Cash and cash equivalents[1]	-	-	1,374	1,044	-	-	1,374	1,044
Trading securities[2]	4,506	4,653	1,268	923	-	-	5,774	5,576
Derivative financial instruments	4	3	8,869	10,177	1	1	8,874	10,181
Investment securities[2]	12,330	12,184	2,547	1,106	5	5	14,882	13,295
Net loans and advances	-	-	316	-	-	-	316	-
Total	16,840	16,840	14,374	13,250	6	6	31,220	30,096
Financial liabilities								
Deposits and other borrowings	-	-	4,045	2,441	-	-	4,045	2,441
Derivative financial instruments	10	70	8,313	11,108	-	1	8,323	11,179
Other financial liabilities	321	358	32	14	-	-	353	372
Total	331	428	12,390	13,563	-	1	12,721	13,992

1. Comparative amounts have been adjusted to reflect the classification of certain securities purchased under agreements to resell in less than 90 days included in cash and cash equivalents.
2. During the six months ended 31 March 2025, NZ$1,013 million of assets were transferred from Level 1 to Level 2 (September 2024: no assets were transferred from Level 1 to Level 2) and $128 million of assets were transferred from Level 2 to Level 1 for the Banking Group (September 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 period. 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 Banking Group's balance sheet. While this is the value at which we expect the assets will be realised and the liabilities settled, the Banking 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.

	Carrying amount in the balance sheet						Fair value	
	31 Mar 25			30 Sep 24			31 Mar 25	30 Sep 24
	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	Total NZ$m	Total NZ$m
Financial assets								
Net loans and advances	153,328	316	153,644	151,666	-	151,666	154,140	152,042
Total	153,328	316	153,644	151,666	-	151,666	154,140	152,042
Financial liabilities								
Deposits and other borrowings	144,573	4,045	148,618	140,204	2,441	142,645	148,754	142,823
Debt issuances	17,799	-	17,799	17,623	-	17,623	18,015	17,811
Total	162,372	4,045	166,417	157,827	2,441	160,268	166,769	160,634

10. Shareholders' equity

Shareholders' equity

	31 Mar 25 NZ$m	30 Sep 24 NZ$m
Share capital	17,680	17,680
Reserves		
FVOCI reserve	(33)	(28)
Cash flow hedge reserve	61	52
Total reserves	28	24
Retained earnings	1,735	1,106
Total shareholders' equity	19,443	18,810

Share capital

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

	31 Mar 25		30 Sep 24	
	Number of shares	NZ$m	Number of shares	NZ$m
Ordinary shares				
Balance at start of period	10,745,755,498	15,988	6,345,755,498	11,588
Ordinary shares issued during the period	-	-	4,400,000,000	4,400
Total ordinary shares at end of period	10,745,755,498	15,988	10,745,755,498	15,988
Perpetual preference shares				
Balance at start of period	1,691,720,000	1,692	850,000,000	850
Perpetual preference shares issued during the period	-	-	1,141,720,000	1,142
Perpetual preference shares redeemed during the period	-	-	(300,000,000)	(300)
Total perpetual preference shares at end of period	1,691,720,000	1,692	1,691,720,000	1,692
Total share capital	12,437,475,498	17,680	12,437,475,498	17,680

Perpetual preference shares

Perpetual preference shares (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, additional tier 1 (AT1) capital notes 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 three classes of PPS: PPS issued in 2022 and 2024 that are quoted on the NZX Debt Market (Quoted PPS), and PPS issued to the Immediate Parent Company in 2024 (2024 PPS).

PPS qualify as AT1 capital for RBNZ's capital adequacy purposes.

The key terms of the PPS are as follows:

	2022 Quoted PPS	2024 Quoted PPS	2024 PPS
Issue date	18 July 2022	19 March 2024	18 September 2024
Issue amount	NZ$550 million	NZ$275 million	NZ$867 million
First optional redemption date	18 July 2028	19 March 2030	18 October 2030
Final maturity date	Perpetual	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).	Floating rate equal to the New Zealand 3-month bank bill rate plus 3.03%.

As at 31 March 2025, the Quoted 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 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.

11. Commitments and contingent liabilities

Credit related commitments and contingencies

	31 Mar 25 NZ$m	30 Sep 24 NZ$m
Contract amount of:		
Undrawn facilities	28,447	25,759
Guarantees and letters of credit	1,319	1,232
Performance related contingencies	1,594	1,656
Total	31,360	28,647

The Banking Group guarantees the performance of customers by issuing standby letters of credit and guarantees to third parties, including its Ultimate Parent Bank. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers, therefore these transactions are subjected to the same credit origination, portfolio management and collateral requirements for customers applying for loans. As the facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements.

Other contingent liabilities

There are outstanding court proceedings, claims and possible claims for and against the Banking Group. Where relevant, expert legal advice has been obtained and, in the light of such advice, 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 Banking Group.

Regulatory and customer exposures

The Banking 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 Banking Group also receives notices and requests for information from its regulators from time to time as part of both industry-wide and Banking Group-specific reviews and makes disclosures to its regulators at its own instigation.

The nature of these interactions can be wide ranging and, for example, may relate to matters including 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. 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. The Bank applied to the Supreme Court for leave to appeal the Court of Appeal's decision as it relates to common fund orders, but the Supreme Court declined to hear arguments on the issue. The matter has been referred back to the High Court. The parties are in discussion regarding notification of the claim to class members and next steps.

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.

Independent Auditor's Review Report

To the shareholder of ANZ Bank New Zealand Limited

Report on the condensed consolidated interim financial statements

Conclusion

We have completed a review of the accompanying condensed consolidated interim financial statements (interim financial statements) which comprises:

- the consolidated balance sheet as at 31 March 2025;
- the consolidated income statement, statement of comprehensive income, changes in equity and cash flows for the six month period then ended; and
- notes, including a summary of material accounting policies and other explanatory information.

Based on our review of the interim financial statements of ANZ Bank New Zealand Limited (the Bank) and its subsidiaries (together, the Banking Group) on pages 4 to 21, nothing has come to our attention that causes us to believe that the interim financial statements have not been prepared, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting* (NZ IAS 34) and IAS 34 *Interim Financial Reporting* (IAS 34).

Basis for conclusion

We conducted our review of the interim financial statements in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's Responsibilities* section of our report.

We are independent of the Banking Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual disclosure statement and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Our firm has provided other services to the Banking Group in relation to reviews 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 Banking Group on normal terms within the ordinary course of trading activities of the business of the Banking Group. These matters have not impaired our independence as auditor of the Banking Group. The firm has no other relationship with, or interest in, the Banking Group.

Use of this review report

This review report is made solely to the shareholder of the Bank. Our review work has been undertaken so that we might state to the shareholder of the Bank those matters we are required to state to them in this review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholder of the Bank for our review work, this review report, or any of the conclusions we have formed.

Responsibilities of Directors

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

- the preparation and fair presentation of the Banking Group interim financial statements in accordance with NZ IAS 34 and IAS 34; and
- implementing necessary internal control to enable the preparation of interim financial statements that are fairly presented and free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express a conclusion on the interim financial statements based on our review.

NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements do not present fairly and comply with NZ IAS 34 and IAS 34, in all material respects, the Banking Group's financial position as at 31 March 2025 and its financial performance and cash flows for the six months ended on that date.

A review of the interim financial statements prepared in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on the interim financial statements.

The engagement partner on the review resulting in this independent auditor's review report is Jamie Munro.

For and on behalf of:

KPMG

KPMG
Auckland

7 May 2025

This page has been left blank intentionally

Registered Bank Disclosures

This section contains the disclosures required by the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014.

B1. General disclosures

Guarantees

No material obligations of the Bank are guaranteed as at 7 May 2025.

Changes in the Bank's Board of Directors

As at 7 May 2025, there have been changes to the Directors of the Bank since 30 September 2024, the balance date of the last full year disclosure statement. These changes were:

- Shayne Elliott retired as a non-executive director on 12 February 2025;
- Carolyn Steele was appointed as an independent non-executive director on 1 April 2025; and
- Alison Gerry retired as an independent non-executive director on 1 April 2025.

Auditors

KPMG, 18 Viaduct Harbour Avenue, Auckland, New Zealand.

Conditions of registration

There have been no changes to the Bank's conditions of registration since 30 September 2024, the balance date of the last full year disclosure statement.

Other matters relevant to the conditions of registration

There are other matters currently under review where there may be more than one valid interpretation of the respective policy wording or requirement. Where there may be some uncertainty about the interpretation the Bank has applied, where appropriate it has sought guidance from, and will be liaising with, RBNZ. In addition, there are some matters where an assessment of materiality has not been completed prior to approval of this Disclosure Statement. Where that is the case, the Bank will complete materiality assessments as soon as practicable and will liaise with RBNZ in accordance with the Bank's usual breach reporting processes.

Pending proceedings or arbitration

A description of any pending legal proceedings or arbitration concerning any member of the Banking Group that may have a material adverse effect on the Bank or the Banking Group is included in Note 11 Commitments and contingent liabilities.

Credit rating

The Bank has credit ratings that apply to its long-term senior unsecured obligations payable in New Zealand in New Zealand dollars.

As at 7 May 2025, the Bank's credit ratings are:

Rating agency	Credit rating	Qualification
S&P Global Ratings	AA-	Outlook Stable
Fitch Ratings	A+	Outlook Stable
Moody's Investors Service	A1	Outlook Stable

Other material matters

RBNZ capital requirements

RBNZ has revised the capital adequacy requirements applying to New Zealand locally incorporated registered banks. As a result, the Banking Group is materially increasing the level of capital it holds over the transition period from October 2021 to July 2028. In March 2025, RBNZ announced that it intends to conduct a reassessment of key capital settings, with any changes expected to be advised ahead of next year's (1 July 2026) scheduled increase. Whilst the outcomes of the future assessment are unknown, at this stage the existing key requirements for the Banking Group still being implemented are:

- The Banking Group's total capital requirement will progressively increase to 18% of risk weighted assets (RWA), including tier 1 capital of at least 16% of RWA. Up to 2.5% of the tier 1 capital requirement can be made up of additional tier 1 (AT1) capital, with the remainder of the tier 1 requirement made up of common equity tier 1 (CET1) capital. AT1 capital must consist of perpetual preference shares, which may be redeemable. The total capital requirement can also include tier 2 capital of up to 2% of RWA. Tier 2 capital must consist of long-term subordinated debt.
- The capital requirement will include a CET1 prudential capital buffer of 9% of RWA. This will include: a 2% domestic systemically important bank capital buffer; a 1.5% 'early-set' counter-cyclical capital buffer, which can be temporarily reduced to 0% following a financial crisis, or temporarily increased; and a 5.5% capital conservation buffer.
- Contingent capital instruments will no longer be treated as eligible regulatory capital. As at 31 March 2025, the Bank had NZ$938 million of AT1 instruments that will progressively lose eligible regulatory capital treatment over the transition period to July 2028.

B2. Additional financial disclosures

Additional information on the balance sheet

As at 31 March 2025	NZ$m
Total interest earning and discount bearing assets	186,072
Total interest and discount bearing liabilities	152,765
Total amounts due from related entities	6,228
Total amounts due to related entities	7,781

Assets charged as security for liabilities

The following disclosure excludes the amounts presented as collateral paid and received on the balance sheet that relate to derivative liabilities and derivative assets respectively. The terms and conditions of those collateral agreements are included in the standard Credit Support Annex that forms part of the International Swaps and Derivatives Association Master Agreement under which most of our derivatives are executed.

Assets charged as security for liabilities include the following types of instruments:

- securities provided as collateral for repurchase transactions. These transactions are governed by standard industry agreements;
- specified residential mortgages provided as security for notes and bonds issued to investors as part of the Banking Group's covered bond programmes; and
- collateral provided to RBNZ under the Term Lending Facility and Funding for Lending Programme.

The carrying amounts of assets pledged as security are as follows:

As at 31 March 2025	NZ$m
Securities sold under agreements to repurchase	1,311
Residential mortgages pledged as security for repurchase agreements with RBNZ	2,955
Total assets of the ANZNZ Covered Bond Trust pledged as security for covered bonds	9,229

Additional information on the income statement

The amounts of net trading gains or losses and other fair value adjustments are included in Note 2 Other operating income. The Banking Group does not have any material credit risk adjustments on financial assets designated at FVTPL. Other operating income for the purposes of the Order comprises net fee and commission income, and all other items of other income (all in Note 2 Other operating income).

B2. Additional financial disclosures (continued)

Additional information on concentrations of credit risk

Analysis of financial assets by industry 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 as required by the Order.

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

As at 31 March 2025	Loans and advances NZ$m	Other financial assets NZ$m	Off-balance sheet credit related commitments NZ$m	Total NZ$m
New Zealand residents				
Agriculture	14,981	78	1,185	16,244
Forestry and fishing, agriculture services	515	6	104	625
Mining	99	2	211	312
Manufacturing	2,429	253	1,773	4,455
Electricity, gas, water and waste services	670	197	3,681	4,548
Construction	1,019	5	961	1,985
Wholesale trade	1,581	72	1,382	3,035
Retail trade and accommodation	2,793	15	703	3,511
Transport, postal and warehousing	1,066	32	667	1,765
Finance and insurance services	1,223	13,643	1,327	16,193
Rental, hiring & real estate services	36,952	1,929	1,970	40,851
Professional, scientific, technical, administrative and support services	1,100	15	533	1,648
Public administration and safety	239	13,314	883	14,436
Health care and social assistance	927	7	235	1,169
Households	84,854	406	14,049	99,309
All other New Zealand residents[1]	1,185	81	1,422	2,688
Subtotal	151,633	30,055	31,086	212,774
Overseas				
Finance and insurance services	50	12,985	274	13,309
Households	1,538	7	-	1,545
All other non-New Zealand residents	594	11	-	605
Subtotal	2,182	13,003	274	15,459
Gross subtotal	153,815	43,058	31,360	228,233
Allowance for ECL	(712)	-	(126)	(838)
Subtotal	153,103	43,058	31,234	227,395
Unearned income	(25)	-	-	(25)
Capitalised brokerage and other origination costs	566	-	-	566
Maximum exposure to credit risk	153,644	43,058	31,234	227,936

1. All other New Zealand residents includes exposures to information media and telecommunications, education and training; arts and recreation services; and other services.

B2. Additional financial disclosures (continued)

Additional information on concentrations of funding

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

As at 31 March 2025	NZ$m
Funding composition	
Customer deposits	140,896
Wholesale funding	
Debt issuances	17,799
Certificates of deposit and commercial paper	3,458
Other borrowings	4,264
Total wholesale funding	25,521
Total deposits and wholesale funding	166,417
Customer deposits by industry - New Zealand residents	
Agriculture, forestry and fishing	4,694
Mining	309
Manufacturing	2,960
Construction	3,223
Wholesale trade	2,324
Retail trade and accommodation	2,406
Transport, postal and warehousing	1,540
Financial and insurance services	14,000
Rental, hiring and real estate services	3,771
Professional, scientific, technical, administrative and support services	7,018
Public administration and safety	1,805
Health care and social assistance	1,524
Arts, recreation and other services	2,330
Households	78,968
All other New Zealand residents[1]	3,034
Subtotal	129,906
Customer deposits by industry - overseas	
Households	9,979
All other non-New Zealand residents	1,011
Subtotal	10,990
Total customer deposits	140,896
Wholesale funding (financial and insurance services industry)	
New Zealand	7,118
Overseas	18,403
Total wholesale funding	25,521
Total deposits and wholesale funding	166,417
Concentrations of funding by geography	
New Zealand	137,024
Australia	2,186
United States	10,940
Europe	8,435
Other countries	7,832
Total deposits and wholesale funding	166,417

1. All other New Zealand residents includes electricity, gas, water and waste services; information media and telecommunications; and education and training.

B2. Additional financial disclosures (continued)

Additional information on interest rate sensitivity

The following table represents the interest rate sensitivity of the Banking Group's assets, liabilities and off-balance sheet instruments by showing the periods in which these instruments may reprice, that is, when interest rates applicable to each asset or liability can be changed.

As at 31 March 2025	Total NZ$m	Up to 3 months NZ$m	Over 3 to 6 months NZ$m	Over 6 to 12 months NZ$m	Over 1 to 2 years NZ$m	Over 2 years NZ$m	Not bearing interest[1] NZ$m
Assets							
Cash and cash equivalents	11,145	10,925	-	-	-	-	220
Settlement balances receivable	687	-	-	-	-	-	687
Collateral paid	742	742	-	-	-	-	-
Trading securities	5,774	314	413	293	1,139	3,615	-
Derivative financial instruments	8,874	-	-	-	-	-	8,874
Investment securities	14,882	-	-	98	1,424	13,355	5
Net loans and advances	153,644	74,736	21,271	36,853	17,150	3,744	(110)
Other financial assets	1,076	-	-	-	-	-	1,076
Total financial assets	196,824	86,717	21,684	37,244	19,713	20,714	10,752
Liabilities							
Settlement balances payable	3,408	1,797	-	-	-	-	1,611
Collateral received	951	951	-	-	-	-	-
Deposits and other borrowings	148,618	95,008	18,923	13,447	2,044	2,252	16,944
Derivative financial instruments	8,323	-	-	-	-	-	8,323
Debt issuances	17,799	938	428	-	4,593	11,840	-
Lease liabilities	191	12	12	22	40	105	-
Other financial liabilities	1,379	353	-	-	-	-	1,026
Total financial liabilities	180,669	99,059	19,363	13,469	6,677	14,197	27,904
Hedging instruments	-	6,873	2,516	(12,601)	(2,773)	5,985	-
Interest sensitivity gap	16,155	(5,469)	4,837	11,174	10,263	12,502	(17,152)

1 Excludes non-coupon bearing discounted financial assets and financial liabilities which are shown as repricing on their maturity date.

Additional information on liquidity risk

Maturity analysis of financial liabilities

The table below provides residual contractual maturity analysis of financial liabilities at 31 March 2025 within relevant maturity groupings. All outstanding debt issuances are profiled on the earliest date on which the Banking Group may be required to pay. The amounts represent principal and interest cash flows – so they may differ from equivalent amounts reported on the balance sheet.

As at 31 March 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	2,662	770	-	-	-	3,432
Collateral received	-	951	-	-	-	951
Deposits and other borrowings	81,018	31,189	33,935	4,793	3	150,938
Derivative financial liabilities (trading)	-	8,277	-	-	-	8,277
Debt issuances[1]	-	13	943	18,951	-	19,907
Lease liabilities	-	14	39	124	41	218
Other financial liabilities	-	125	6	157	288	576
Derivative financial instruments (balance sheet management)						
- gross inflows	-	1,458	3,604	7,907	922	13,891
- gross outflows	-	(1,552)	(3,686)	(8,156)	(923)	(14,317)

1 Any callable wholesale debt instruments have been included at their next call date.

At 31 March 2025, NZ$31,360 million of its credit related commitments and contingent liabilities mature in less than 1 year, based on the earliest date on which the Banking Group may be required to pay.

B2. Additional financial disclosures (continued)

Liquidity portfolio management

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

As at 31 March 2025	NZ$m
Central and local government bonds	11,804
Government treasury bills	621
Certificates of deposit	172
Other bonds	7,650
Securities eligible to be accepted as collateral in repurchase transactions	20,247
Cash and balances with central banks	9,601
Total liquidity portfolio	**29,848**

Assets held in the Banking 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$11,137 million at 31 March 2025 (September 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 31 March 2025, the Bank had drawn NZ$194 million (September 2024: NZ$228 million) under the TLF and NZ$2,000 million under the FLP (September 2024: NZ$2,500 million). These amounts are included in securities sold under repurchase agreements in Note 6 Deposits and other borrowings.

Reconciliation of mortgage related amounts

As at 31 March 2025	Note	NZ$m
Term loans - housing[1]	4	113,128
Less: housing loans made to corporate customers		(1,408)
Add: unsettled re-purchases of mortgages from the NZ Branch		2
On-balance sheet residential mortgage exposures subject to the IRB approach (per asset quality and LVR analysis)	B3, B4	111,722
Add: off-balance sheet residential mortgage exposures subject to the IRB approach (per asset quality and LVR analysis)	B3, B4	9,964
Total residential mortgage exposures subject to the IRB approach (per LVR analysis)	B4	121,686

1. Term loans – housing includes loans secured over residential property for owner-occupier, residential property investment and business purposes.

B3. Asset quality

This section should be read in conjunction with the estimates, assumptions and judgements included in Note 1 About our interim financial statements, Note 5 Allowance for expected credit losses and Note 8 Credit risk.

Movements in components of loss allowance – total

			Stage 3		
Net loans and advances at amortised cost	Stage 1 NZ$m	Stage 2 NZ$m	Collectively assessed NZ$m	Individually assessed NZ$m	Total NZ$m
As at 1 October 2024	187	370	104	64	725
Transfer between stages	56	(57)	-	1	-
New and increased provisions (net of releases)	(78)	69	-	38	29
Write-backs	-	-	-	(20)	(20)
Recoveries of amounts previously written off	-	-	-	(4)	(4)
Credit impairment charge/(release)	(22)	12	-	15	5
Bad debts written-off (excluding recoveries)	-	-	-	(23)	(23)
Add back recoveries of amounts previously written off	-	-	-	4	4
Discount unwind reversal	-	-	-	1	1
As at 31 March 2025	165	382	104	61	712
Off-balance sheet credit related commitments					
As at 1 October 2024	74	56	3	3	136
Transfer between stages	5	(5)	-	-	-
New and increased provisions (net of releases)	(10)	1	-	(1)	(10)
Credit impairment charge/(release)	(5)	(4)	-	(1)	(10)
As at 31 March 2025	69	52	3	2	126

Impacts of changes in gross financial assets on loss allowances - total

Gross loans and advances at amortised cost	Stage 1 NZ$m	Stage 2 NZ$m	Stage 3 Collectively assessed NZ$m	Stage 3 Individually assessed NZ$m	Total NZ$m
As at 1 October 2024	138,353	11,920	1,253	370	151,896
Net transfers into each stage	437	8	387	10	842
Amounts drawn from new or existing facilities	22,028	761	37	159	22,985
Additions	22,465	769	424	169	23,827
Net transfers out of each stage	(313)	(528)	-	(1)	(842)
Amounts repaid	(19,185)	(1,769)	(232)	(173)	(21,359)
Deletions	(19,498)	(2,297)	(232)	(174)	(22,201)
Amounts written off	-	-	-	(23)	(23)
As at 31 March 2025	141,320	10,392	1,445	342	153,499
Loss allowance as at 31 March 2025	165	382	104	61	712
Off-balance sheet credit related commitments					
As at 1 October 2024	27,068	1,543	26	10	28,647
Net transfers into each stage	-	208	3	2	213
New and increased facilities and drawn amounts repaid	6,713	164	2	5	6,884
Additions	6,713	372	5	7	7,097
Net transfers out of each stage	(206)	-	(7)	-	(213)
Reduced facilities and amounts drawn	(3,949)	(214)	(6)	(2)	(4,171)
Deletions	(4,155)	(214)	(13)	(2)	(4,384)
As at 31 March 2025	29,626	1,701	18	15	31,360
Loss allowance as at 31 March 2025	69	52	3	2	126

Explanation of how changes in the gross carrying amounts of gross loans and advances contributed to changes in loss allowance

Overall, loss allowances are 0.45% of gross balances as at 31 March 2025, down from 0.48% as at 30 September 2024. The NZ$23 million (2.7%) decrease in loss allowances was driven by a decrease in the proportion of gross balances in Stage 2 and changes in the forward-looking economic scenarios as described in Note 5 Allowance for expected credit losses, partially offset by an increase in management temporary adjustments.

B3. Asset quality (continued)

Movements in components of loss allowance – residential mortgages

Net loans and advances at amortised cost	Stage 1 NZ$m	Stage 2 NZ$m	Stage 3 Collectively assessed NZ$m	Stage 3 Individually assessed NZ$m	Total NZ$m
As at 1 October 2024	41	86	47	17	191
Transfer between stages	14	(19)	4	1	-
New and increased provisions (net of releases)	(15)	25	(1)	7	16
Write-backs	-	-	-	(5)	(5)
Recoveries of amounts previously written off	-	-	-	-	-
Credit impairment charge/(release)	(1)	6	3	3	11
Bad debts written-off (excluding recoveries)	-	-	-	-	-
Add back recoveries of amounts previously written off	-	-	-	-	-
Discount unwind	-	-	-	-	-
As at 31 March 2025	40	92	50	20	202

Off-balance sheet credit related commitments	Stage 1 NZ$m	Stage 2 NZ$m	Stage 3 Collectively assessed NZ$m	Stage 3 Individually assessed NZ$m	Total NZ$m
As at 1 October 2024	-	-	-	-	-
Transfer between stages	-	-	-	-	-
New and increased provisions (net of releases)	1	-	-	-	1
Credit impairment charge/(release)	1	-	-	-	1
As at 31 March 2025	1	-	-	-	1

Impacts of changes in gross financial assets on loss allowances - residential mortgages

Gross loans and advances at amortised cost	Stage 1 NZ$m	Stage 2 NZ$m	Stage 3 Collectively assessed NZ$m	Stage 3 Individually assessed NZ$m	Total NZ$m
As at 1 October 2024	103,750	4,779	833	55	109,417
Net transfers into each stage	-	-	339	9	348
Amounts drawn from new or existing facilities	15,519	257	16	42	15,834
Additions	15,519	257	355	51	16,182
Net transfers out of each stage	(294)	(54)	-	-	(348)
Amounts repaid	(12,801)	(575)	(128)	(25)	(13,529)
Deletions	(13,095)	(629)	(128)	(25)	(13,877)
Amounts written off	-	-	-	-	-
As at 31 March 2025	106,174	4,407	1,060	81	111,722
Loss allowance as at 31 March 2025	40	92	50	20	202

Off-balance sheet credit related commitments	Stage 1 NZ$m	Stage 2 NZ$m	Stage 3 Collectively assessed NZ$m	Stage 3 Individually assessed NZ$m	Total NZ$m
As at 1 October 2024	9,555	80	1	-	9,636
Net transfers into each stage	-	10	-	-	10
New and increased facilities and drawn amounts repaid	1,395	8	-	-	1,403
Additions	1,395	18	-	-	1,413
Net transfers out of each stage	(10)	-	-	-	(10)
Reduced facilities and amounts drawn	(1,064)	(11)	-	-	(1,075)
Deletions	(1,074)	(11)	-	-	(1,085)
As at 31 March 2025	9,876	87	1	-	9,964
Loss allowance as at 31 March 2025	1	-	-	-	1

Explanation of how changes in the gross carrying amounts of residential mortgages contributed to changes in loss allowance

The NZ$12 million (6.3%) increase in loss allowances on residential mortgage exposures is primarily driven by an increase in the proportion of gross balances in Stage 3 and management temporary adjustments, partially offset by changes in the forward-looking economic scenarios as described in Note 5 Allowance for expected credit losses. Overall loss allowances and individually impaired exposures remain low, reflecting that approximately 92% of on-balance sheet residential mortgage exposures have loan to valuation ratios not exceeding 80% (refer to page 40).

B3. Asset quality (continued)

Movements in components of loss allowance – other retail exposures

Net loans and advances at amortised cost	Stage 1 NZ$m	Stage 2 NZ$m	Stage 3 Collectively assessed NZ$m	Stage 3 Individually assessed NZ$m	Total NZ$m
As at 1 October 2024	2	45	15	3	65
Transfer between stages	3	(3)	-	-	-
New and increased provisions (net of releases)	(5)	3	1	22	21
Write-backs	-	-	-	(3)	(3)
Recoveries of amounts previously written off	-	-	-	(4)	(4)
Credit impairment charge/(release)	(2)	-	1	15	14
Bad debts written-off (excluding recoveries)	-	-	-	(18)	(18)
Add back recoveries of amounts previously written off	-	-	-	4	4
Discount unwind	-	-	-	-	-
As at 31 March 2025	-	45	16	4	65

Off-balance sheet credit related commitments					
As at 1 October 2024	18	6	2	-	26
Transfer between stages	2	(2)	-	-	-
New and increased provisions (net of releases)	(2)	(1)	-	-	(3)
Credit impairment charge/(release)	-	(3)	-	-	(3)
As at 31 March 2025	18	3	2	-	23

Impacts of changes in gross financial assets on loss allowances - other retail exposures

Gross loans and advances at amortised cost					
As at 1 October 2024	2,201	124	32	6	2,363
Net transfers into each stage	-	8	10	1	19
Amounts drawn from new or existing facilities	291	10	3	29	333
Additions	291	18	13	30	352
Net transfers out of each stage	(19)	-	-	-	(19)
Amounts repaid	(306)	(23)	(12)	(7)	(348)
Deletions	(325)	(23)	(12)	(7)	(367)
Amounts written off	-	-	-	(18)	(18)
As at 31 March 2025	2,167	119	33	11	2,330
Loss allowance as at 31 March 2025	-	45	16	4	65

Off-balance sheet credit related commitments					
As at 1 October 2024	4,477	27	9	-	4,513
Net transfers into each stage	-	3	3	-	6
New and increased facilities and drawn amounts repaid	183	3	1	-	187
Additions	183	6	4	-	193
Net transfers out of each stage	(6)	-	-	-	(6)
Reduced facilities and amounts drawn	(183)	(6)	(3)	-	(192)
Deletions	(189)	(6)	(3)	-	(198)
As at 31 March 2025	4,471	27	10	-	4,508
Loss allowance as at 31 March 2025	18	3	2	-	23

Explanation of how changes in the gross carrying amounts of other retail exposures contributed to changes in loss allowance

The NZ$3 million (3.3%) decrease in loss allowances is driven by changes in the forward-looking economic scenarios as described in Note 5 Allowance for expected credit losses, partially offset by an increase in management temporary adjustments.

B3. Asset quality (continued)

Movements in components of loss allowance – corporate exposures[1]

			Stage 3		
Net loans and advances at amortised cost	Stage 1 NZ$m	Stage 2 NZ$m	Collectively assessed NZ$m	Individually assessed NZ$m	Total NZ$m
As at 1 October 2024	144	239	42	44	469
Transfer between stages	39	(35)	(4)	-	-
New and increased provisions (net of releases)	(58)	41	-	9	(8)
Write-backs	-	-	-	(12)	(12)
Recoveries of amounts previously written off	-	-	-	-	-
Credit impairment charge/(release)	(19)	6	(4)	(3)	(20)
Bad debts written-off (excluding recoveries)	-	-	-	(5)	(5)
Add back recoveries of amounts previously written off	-	-	-	-	-
Discount unwind reversal	-	-	-	1	1
As at 31 March 2025	125	245	38	37	445
Off-balance sheet credit related commitments					
As at 1 October 2024	56	50	1	3	110
Transfer between stages	3	(3)	-	-	-
New and increased provisions (net of releases)	(9)	2	-	(1)	(8)
Credit impairment charge/(release)	(6)	(1)	-	(1)	(8)
As at 31 March 2025	50	49	1	2	102

Impacts of changes in gross financial assets on loss allowances - corporate exposures

Gross loans and advances at amortised cost	Stage 1 NZ$m	Stage 2 NZ$m	Stage 3 Collectively assessed NZ$m	Stage 3 Individually assessed NZ$m	Total NZ$m
As at 1 October 2024	32,402	7,017	388	309	40,116
Net transfers into each stage	437	-	38	-	475
Amounts drawn from new or existing facilities	6,218	494	18	88	6,818
Additions	6,655	494	56	88	7,293
Net transfers out of each stage	-	(474)	-	(1)	(475)
Amounts repaid	(6,078)	(1,171)	(92)	(141)	(7,482)
Deletions	(6,078)	(1,645)	(92)	(142)	(7,957)
Amounts written off	-	-	-	(5)	(5)
As at 31 March 2025	32,979	5,866	352	250	39,447
Loss allowance as at 31 March 2025	125	245	38	37	445
Off-balance sheet credit related commitments					
As at 1 October 2024	13,036	1,436	16	10	14,498
Net transfers into each stage	-	195	-	2	197
New and increased facilities and drawn amounts repaid	5,135	153	1	5	5,294
Additions	5,135	348	1	7	5,491
Net transfers out of each stage	(190)	-	(7)	-	(197)
Reduced facilities and amounts drawn	(2,702)	(197)	(3)	(2)	(2,904)
Deletions	(2,892)	(197)	(10)	(2)	(3,101)
As at 31 March 2025	15,279	1,587	7	15	16,888
Loss allowance as at 31 March 2025	50	49	1	2	102

1. Also includes all other non-retail exposure classes in net loans and advances and off-balance sheet credit related commitments to reconcile to the respective totals for the Banking Group.

Explanation of how changes in the gross carrying amounts of corporate exposures contributed to changes in loss allowance

The NZ$32 million (5.5%) decrease in loss allowances is driven by a decrease in the proportion of gross balances in Stage 2 and Stage 3, and changes in the forward-looking economic scenarios as described in Note 5 Allowance for expected credit losses, partially offset by an increase in management temporary adjustments.

B3. Asset quality (continued)

Past due assets and other asset quality information

As at 31 March 2025	Residential mortgages NZ$m	Other retail exposures NZ$m	Corporate exposures NZ$m	Total NZ$m
Past due assets				
Less than 30 days past due	675	88	450	1,213
At least 30 days but less than 60 days past due	363	13	261	637
At least 60 days but less than 90 days past due	295	8	2	305
At least 90 days past due	967	22	121	1,110
Total past due but not individually impaired	2,300	131	834	3,265
Other asset quality information				
Undrawn facilities with individually impaired customers	-	-	15	15
Other assets under administration	2	1	-	3

Asset quality for financial assets designated at fair value

The Banking Group has no financial assets designated at FVTPL where changes in fair value are attributable to the credit risk of the financial asset.

B4. Capital adequacy under the internal models based approach, and regulatory liquidity ratios

RBNZ capital ratios

	RBNZ minimum		Banking Group		Bank (Solo Consolidated)	
As at	31 Mar 25	31 Mar 24	31 Mar 25	31 Mar 24	31 Mar 25	31 Mar 24
Common equity tier 1 capital	4.5%	4.5%	12.8%	12.8%	12.6%	12.6%
Tier 1 capital	7.0%	6.0%	15.2%	14.7%	15.0%	14.5%
Total capital	9.0%	8.0%	17.4%	16.2%	17.2%	15.9%
Prudential capital buffer ratio	4.5%	4.5%	8.2%	8.2%	n/a	n/a

Capital

As at 31 March 2025	NZ$m
Tier 1 capital	
Common equity tier 1 (CET1) capital	
Paid up ordinary shares issued by the Bank	15,988
Retained earnings (net of appropriations)[1]	1,713
Accumulated other comprehensive income and other disclosed reserves[2]	28
Less deductions from CET1 capital	
Goodwill and intangible assets, net of associated deferred tax liabilities	(3,097)
Deferred tax assets less deferred tax liabilities relating to temporary differences	(424)
Cash flow hedge reserve	(61)
Defined benefit superannuation plan surplus	(36)
Expected losses to the extent greater than total eligible allowances for impairment	(387)
CET1 capital	13,724
Additional tier 1 (AT1) capital	
NZD 1,692m perpetual preference shares[3]	1,692
Transitional AT1 capital	
NZD 938m ANZ New Zealand Internal Capital Notes (ANZ NZ ICN)[4]	938
AT1 capital	2,630
Total tier 1 capital	16,354
Tier 2 capital	
NZD 600m subordinated notes[4]	600
USD 1,000m subordinated notes[4]	1,751
Tier 2 capital	2,351
Total capital	**18,705**

1. Includes a deduction for dividends on AT1 capital instruments approved by the Bank's board, but not yet paid as at 31 March 2025, as required by BPR110 *Capital Definitions*. These dividends are not recognised under NZ GAAP because the payment of the dividends remains at the Bank's discretion until payment is made.
2. Includes the cash flow hedging reserve of NZ$61 million less the FVOCI reserve of NZ$33 million as at 31 March 2025.
3. Classified as equity on the balance sheet under NZ GAAP.
4. Classified as a liability on the balance sheet under NZ GAAP.

B4. Capital adequacy under the internal models based approach, and regulatory liquidity ratios (continued)

Total capital requirements of the Banking Group

As at 31 March 2025	Total exposure after credit risk mitigation NZ$m	Risk weighted exposure or implied risk weighted exposure NZ$m	Total capital requirement NZ$m
Exposures subject to internal ratings based approach	174,490	66,210	5,959
Specialised lending exposures subject to the slotting approach	10,356	10,158	914
Exposures subject to the standardised approach	38,272	4,879	439
Output floor balancing item	n/a	7,755	698
Total credit risk	223,118	89,002	8,010
Market risk	n/a	6,194	557
Operational risk	n/a	12,209	1,099
Total	n/a	107,405	9,666

Capital structure

Ordinary shares – CET1 capital

Ordinary shares have no par value. Each fully paid ordinary share gives the holder the right to one vote on a poll at a general meeting of the Bank. Ordinary shares are recognised at the amount paid per ordinary share net of directly attributable costs. They entitle holders to receive dividends, and surplus assets available in a liquidation of the Bank, in proportion to the number of fully paid ordinary shares held.

Perpetual preference shares – AT1 capital

Perpetual preference shares (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 the PPS, AT1 capital notes 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 three classes of PPS: PPS issued in 2022 and 2024 that are quoted on the NZX Debt Market (Quoted PPS), and PPS issued to the Immediate Parent Company in 2024 (2024 PPS).

PPS qualify for AT1 capital for RBNZ's capital adequacy purposes.

The key terms of the PPS are as follows:

	2022 Quoted PPS	2024 Quoted PPS	2024 PPS
Issue date	18 July 2022	19 March 2024	18 September 2024
Issue amount	NZ$550 million	NZ$275 million	NZ$867 million
First optional redemption date	18 July 2028	19 March 2030	18 October 2030
Final maturity date	Perpetual	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).	Floating rate equal to the New Zealand 3-month bank bill rate plus 3.03%.

As at 31 March 2025, the Quoted 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 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.

B4. Capital adequacy under the internal models based approach, and regulatory liquidity ratios (continued)

AT1 capital notes

AT1 capital notes are convertible non-cumulative perpetual subordinated debt securities. Holders of AT1 capital notes do not have any right to vote in general meetings of the Bank. AT1 capital notes are classified as debt given there are circumstances beyond the Bank's control where the principal is converted into a variable number of ordinary shares of the Bank. Interest payments on AT1 capital notes are discretionary, non-cumulative and subject to conditions.

In the event of liquidation, holders of AT1 capital notes are entitled to claim an amount equal to the issue price of the AT1 capital notes. Holders of AT1 capital notes rank behind the claims of all depositors and other creditors of the Bank (other than creditors that rank equally with the AT1 capital notes), equally with the rights of holders of PPS, and other equal ranking securities and obligations, and in priority to the rights of holders of ordinary shares.

The Bank issued $938 million of AT1 capital notes to NZ Branch in 2016 (ANZ NZ ICN). The key terms of the ANZ NZ ICN notes are as follows:

The interest amount is based on a floating rate equal to the aggregate of the New Zealand 6 month bank bill rate plus 6.29% per annum.

ANZ NZ ICN notes provide the Bank with a redemption option on specified dates and a redemption or conversion to equity option in certain other circumstances. Redemption is subject to RBNZ's prior written approval. The ANZ NZ ICN notes will immediately convert into ordinary shares of the Bank if:

- the Banking Group's common equity tier 1 capital ratio is equal to or less than 5.125% - known as a Common Equity Capital Trigger Event; or
- RBNZ directs the Bank to convert or write-off the ANZ NZ ICN notes, or a statutory manager is appointed to the Bank and decides that the Bank must convert or write-off the ANZ NZ ICN notes.

RBNZ has revised its capital adequacy requirements for New Zealand banks. Under the revised requirements, the ANZ NZ ICN are subject to a progressive reduction in their regulatory capital recognition and will not be recognised from 1 July 2028. However, the ANZ NZ ICN are expected to fully contribute to the Bank's capital adequacy requirements until at least their next optional call date.

The Bank has determined that a regulatory event has occurred in respect of the ANZ NZ ICN. The occurrence of a regulatory event means that the Bank may choose to redeem the ANZ NZ ICN at its discretion, subject to certain conditions including prior written approval of RBNZ. As at 7 May 2025, no decision has been made on whether the Bank will redeem the ANZ NZ ICN.

Tier 2 capital

Tier 2 capital notes are fully paid unsecured subordinated notes. Interest payments are subject to the Bank being solvent at the time of, and immediately following, the payment. Unpaid interest accumulates, and will be paid at the earlier of when the Bank is solvent again or at maturity. The Bank may repay the notes early (the next optional call dates are specified below), or in certain other circumstances (such as a tax or regulatory event). Early repayment is subject to certain conditions, including approval from RBNZ.

Currency	Face value	Issue date	Maturity	Next optional call date - subject to RBNZ's approval	Interest rate	Interest reset date	Credit rating[2]	31 Mar 25 NZ$m
NZD	600m	Sep 2021	Sep 2031	Sep 2026	2.999%	Sep 2026	A	598
USD	500m	Aug 2022	Aug 2032	Aug 2027	5.548%	Aug 2027	A	854
USD	500m	Jul 2024	Jul 2034	Jul 2029	5.898%	Jul 2029	A	890
Total tier 2 capital[1]								2,342

1. Carrying amounts are net of issuance costs and, where applicable, fair value hedge accounting adjustments.
2. Credit rating from S&P Global Ratings as at 31 March 2025.

B4. Capital adequacy under the internal models based approach, and regulatory liquidity ratios (continued)

Credit risk subject to the Internal Ratings Based (IRB) approach

IRB credit exposures by exposure class and customer credit rating

As at 31 March 2025	Probability of default %	Total value NZ$m	Exposure at default NZ$m	Exposure-weighted LGD used for the capital calculation %	Exposure-weighted risk weight %	Risk weighted assets NZ$m
Corporate						
0 - 2	0.05	70,713	8,699	55	24	2,516
3 - 4	0.37	43,426	17,160	35	40	8,307
5	1.01	14,865	12,141	31	54	7,938
6	2.27	5,223	4,736	33	74	4,223
7 - 8	15.10	2,728	2,205	36	154	4,066
Default	100.00	304	307	32	147	541
Total corporate exposures	2.07	137,259	45,248	37	51	27,591
Residential mortgages						
0 - 3	0.15	42,298	42,755	16	6	2,899
4	0.43	24,490	24,540	18	14	4,242
5	0.89	26,830	26,907	20	25	8,171
6	2.17	21,319	21,349	20	46	11,874
7 - 8	5.72	5,610	5,615	20	78	5,247
Default	100.00	1,139	1,138	20	14	188
Total residential mortgage exposures	1.91	121,686	122,304	18	22	32,621
Other retail						
0 - 2	0.10	493	495	77	49	293
3 - 4	0.26	3,994	4,067	78	56	2,719
5	1.09	1,032	1,010	78	83	1,009
6	2.75	563	587	84	109	766
7 - 8	8.23	714	738	87	136	1,207
Default	100.00	42	41	81	8	4
Total other retail exposures	2.03	6,838	6,938	79	72	5,998
Total credit risk exposures subject to the IRB approach	1.96	265,783	174,490	26	32	66,210

IRB credit exposures include the following undrawn commitments and other off-balance sheet contingent liabilities:

As at 31 March 2025	Total value NZ$m	Exposure at default NZ$m
Undrawn commitments and other off-balance sheet contingent liabilities		
Corporate	13,870	11,606
Residential mortgages	9,964	10,421
Other retail	4,508	4,549
Counterparty credit risk on derivatives and securities financing transactions		
Corporate	91,646	1,646
Total	119,988	28,222

B4. Capital adequacy under the internal models based approach, and regulatory liquidity ratios (continued)

Additional mortgage information

As required by RBNZ, LVRs are calculated as the current exposure secured by a residential mortgage divided by the Banking Group's valuation of the security property at origination of the exposure. Off-balance sheet exposures include undrawn and partially drawn residential mortgage loans as well as commitments to lend. Commitments to lend are formal offers for housing lending which have been accepted by the customer.

As at 31 March 2025	On-balance sheet NZ$m	Off-balance sheet NZ$m	Total NZ$m
LVR range			
Does not exceed 60%	56,727	7,426	64,153
Exceeds 60% and not 70%	20,652	1,138	21,790
Exceeds 70% and not 80%	25,496	1,108	26,604
Does not exceed 80%	102,875	9,672	112,547
Exceeds 80% and not 90%	7,421	182	7,603
Exceeds 90%	1,426	110	1,536
Total	111,722	9,964	121,686

Specialised lending subject to the slotting approach

As at 31 March 2025	Exposures after credit risk mitigation NZ$m	Risk weight %	Risk weighted assets NZ$m
On-balance sheet exposures			
Strong	6,001	70	5,041
Good	2,394	90	2,586
Satisfactory	452	115	624
Weak	372	250	1,116
Default	322	-	-
Off-balance sheet exposures by average risk weight			
Undrawn commitments and other off-balance sheet exposures	815	81	791
Total exposures subject to the slotting approach	10,356	82	10,158

The supervisory categories of specialised lending above are associated with specific risk-weights. These categories broadly correspond to the following external credit assessments using S&P Global Ratings' rating scale, Strong: BBB- or better, Good: BB+ or BB, Satisfactory: BB- or B+ and Weak: B to C-.

B4. Capital adequacy under the internal models based approach, and regulatory liquidity ratios (continued)

Credit risk exposures subject to the standardised approach

As at 31 March 2025	Exposure or principal amount NZ$m	Average credit conversion factor %	Exposure after credit risk mitigation NZ$m	Risk weight %	Risk weighted assets NZ$m
On-balance sheet exposures by separate risk weight					
Cash and gold bullion			122	-	-
Sovereign and central banks			21,586	-	-
Multilateral development banks and other international organisations			4,755	-	-
Public sector entities			1,775	20	355
Banks - 20% risk weight			449	20	90
- 50% risk weight			828	50	414
- 100% risk weight			7	100	7
Equity exposures not deducted from capital					
Unlisted equity holdings			5	400	22
Other on-balance sheet exposures by average risk weight					
Corporate			72	100	72
Past due assets			-	150	-
Other assets			1,422	100	1,422
Off-balance sheet exposures by average risk weight					
Total off balance sheet exposures	2,179	57	1,245	44	544
Counterparty credit risk by average risk weight					
Foreign exchange contracts	322,699		3,582	20	701
Interest rate contracts	618,151		1,141	20	229
Other	2,673		33	20	7
Credit valuation adjustment					832
Trades settled on Qualifying Central Counterparties (QCCP) by average risk weight					
Bank as QCCP clearing member, clearing own trades			1,025	18	180
Collateral posted for clearing own trades			225	2	4
Total exposures subject to the standardised approach			38,272	13	4,879

Credit valuation adjustment

The IRB, slotting and standardised tables above include a Credit valuation adjustment (CVA) capital charge of NZ$108 million, and implied risk weighted exposures for the CVA of NZ$1,204 million.

Credit risk mitigation

As at 31 March 2025, under the IRB approach, the Banking Group had NZ$278 million of corporate exposures covered by guarantees where the presence of the guarantees was judged to reduce the underlying credit risk of the exposures. Information on the value of other exposures covered by financial guarantees and eligible financial collateral is not disclosed, as the effect of these guarantees and collateral on the underlying credit risk exposures is not considered to be material.

B4. Capital adequacy under the internal models based approach, and regulatory liquidity ratios (continued)

Impact of the standardised floor on total credit RWAs

	Risk weighted assets	
	Calculated for compliance purposes	Recalculated using the standardised approach
As at 31 March 2025	NZ$m	NZ$m
Exposures subject to the IRB or slotting approaches[1]	76,368	98,968
Standardised floor at 85% of standardised equivalents	n/a	84,123
Output floor adjusting item	7,755	n/a
IRB and slotting RWA with floor applied	84,123	n/a
RWAs for standardised exposures	4,879	n/a
Total credit risk RWAs	89,002	n/a

1. RWA calculated for compliance purposes includes a scalar of 1.2 as required by BPR 130 *Credit Risk RWAs Overview.*

Information about RWA recalculated using the standardised approach is in section *Standardised equivalents of IRB risk weighted assets* on page 44.

In accordance with BPR 130 *Credit Risk RWAs Overview*, IRB and slotting RWA with standardised floor applied is calculated as the greater of RWA for compliance purposes, and 85% of the total RWA for such exposures calculated using the standardised approach.

Market risk

The aggregate capital charge below has been calculated in accordance with BPR140: *Market Risk*. Implied risk weighted exposures are equal to 12.5 x aggregate capital charge in accordance with BPR100: *Capital Adequacy* and as prescribed by the Order. The peak end-of-day market risk exposures are for the six months ended 31 March 2025.

The total capital requirement for market risk exposure calculated at 9% of implied risk weighted exposure is disclosed on page 37.

	Implied risk weighted exposure		Aggregate capital charge	
	Period end	Peak	Period end	Peak
As at 31 March 2025	NZ$m	NZ$m	NZ$m	NZ$m
Interest rate risk	6,144	6,670	492	534
Foreign currency risk	45	94	4	8
Equity risk	5	5	-	-

Operational risk

As required by the Bank’s conditions of registration, the Banking Group uses the standardised approach to calculate the total operational risk capital requirement in accordance with BPR150: *Standardised Operational Risk*.

As at 31 March 2025, the Banking Group had an implied risk weighted exposure of NZ$12,209 million and a total operational risk capital requirement of NZ$977 million. The implied risk weighted exposure is equal to 12.5 x total operational risk capital requirement in accordance with BPR100: *Capital Adequacy* and as prescribed by the Order.

The total capital requirement for operational risk calculated at 9% of implied risk weighted exposure is disclosed on page 37.

Capital for other material risks

The Banking Group has an Internal Capital Adequacy Assessment Process (ICAAP) which complies with the requirements of the Bank's Conditions of Registration. The Banking Group's ICAAP identifies and measures all ‘other material risks’, which are those material risks that are not explicitly captured in the calculation of the Banking Group's tier 1 and total capital ratios. The Banking Group has identified credit concentration risk as an other material risk. As at 31 March 2025, the Banking Group's internal capital allocation for other material risks is NZ$140 million (March 2024: NZ$121 million, updated from $416 million for revised methodology).

B4. Capital adequacy under the internal models based approach, and regulatory liquidity ratios (continued)

Information about Ultimate Parent Bank and Overseas Banking Group

APRA Basel III capital ratios

	Overseas Banking Group		Ultimate Parent Bank (Extended Licensed Entity)	
As at	31 Mar 25	31 Mar 24	31 Mar 25	31 Mar 24
Common equity tier 1 capital	11.8%	13.5%	12.0%	13.3%
Tier 1 capital	13.4%	15.4%	13.9%	15.6%
Total capital	20.4%	21.9%	22.1%	23.2%

The Ultimate Parent Bank and the Overseas Banking Group are required to hold minimum capital as determined by APRA's capital framework, which is at least equal to that specified under the internationally agreed Basel III framework.

APRA has authorised the Ultimate Parent Bank and the Overseas Banking Group to use:

- the Internal Ratings Based (IRB) methodology for calculation of credit risk weighted assets. Where the Overseas Banking Group is not accredited to use the IRB methodology the Overseas Banking Group applies the standardised approach.
- the Standardised Measurement Approach (SMA) for the operational risk weighted asset equivalent.

The Overseas Banking Group exceeded the minimum capital requirements set by APRA as at 31 March 2025 and for the comparative prior periods.

The Overseas Banking Group is required to publicly disclose Pillar 3 financial information as at 31 March 2025. The Overseas Banking Group's Pillar 3 disclosure document for the quarter ended 31 March 2025, in accordance with APS 330: *Public Disclosure of Prudential Information*, discloses capital adequacy ratios and other prudential information. This document can be accessed at the website anz.com.

Regulatory liquidity ratios

RBNZ requires banks to hold minimum amounts of liquid assets to help ensure that they are effectively managing their liquidity risk. The mismatch ratio is a measure of a bank's liquid assets, adjusted for expected cash inflows and outflows during a 1-month or 1-week period of stress. It is expressed as a ratio over the bank's total funding. The Banking Group must maintain its 1-month and 1-week mismatch ratios above zero on a daily basis.

RBNZ requires banks to get a minimum amount of funding from stable sources called core funding. The minimum amount of core funding is 75% of a bank's total loans. The Banking Group must maintain its core funding ratio above the regulatory minimum on a daily basis.

For the three months ended	31 Mar 25	31 Dec 24
Quarterly average 1-week mismatch ratio	8.1%	7.9%
Quarterly average 1-month mismatch ratio	7.0%	7.2%
Quarterly average core funding ratio	90.3%	89.9%

B4. Capital adequacy under the internal models based approach, and regulatory liquidity ratios (continued)

Standardised equivalents of IRB risk weighted assets

Background

This section contains the additional information required by the Order about RWAs and the resulting capital ratios recalculated as if the Bank were subject to the standardised approach for capital adequacy.

Capital adequacy information calculated in accordance with the Bank's conditions of registration is presented in the section above.

Historical comparison with standardised capital ratios and risk weights

As at	31 Mar 25 %	30 Sep 24 %	30 Sep 23 %
Total capital ratio	17.4	17.2	15.5
Total capital ratio recalculated as if the Bank were not an IRB bank	15.6	15.4	14.4
Actual average risk weight for all modelled credit risk exposures	41.3	42.2	49.5
Standardised equivalent average risk weight for all modelled credit risk exposures	57.6	57.5	58.8

In the table above:

- Total capital ratio is the Banking Group's actual capital ratio, calculated in accordance with the Bank's conditions of registration.
- Total capital ratio recalculated as if the Bank were not an IRB bank is calculated in accordance with the standardised approach.
- Actual average risk weight for all modelled credit risk exposures is calculated as the ratio of total risk weighted assets for all exposures that are subject to the IRB modelling approach or the supervisory slotting approach, including any applicable scalar and credit risk supervisory adjustments, to total exposure at default for all such exposures.
- Standardised equivalent average risk weight for all modelled credit risk exposures is calculated as the ratio of total risk weighted assets for all exposures subject to the IRB modelling approach or the supervisory slotting approach recalculated as if the Bank was a standardised bank, to total on-balance sheet exposures and credit equivalent amounts for all such exposures, defined in accordance with the standardised risk-weighting approach in BPR131 *Standardised Credit Risk RWAs*.

Standardised equivalent capital ratios

As at 31 March 2025		CET 1 capital	Tier 1 capital	Total capital
Standardised equivalent capital amount	NZ$m	14,111	16,741	19,092
Standardised equivalent total RWAs	NZ$m	122,217	122,217	122,217
Ratio		11.5%	13.7%	15.6%

The standardised equivalent of the Banking Group capital and the Banking Group reported capital amounts are different due to 'Expected losses to the extent greater than total eligible allowances for impairment' which only applies under the IRB approach.

The standardised equivalent of the Banking Group total RWAs and the Banking Group reported total RWAs amounts are different due to (i) credit RWAs as the Banking Group is accredited to report under BPR133 *IRB Credit Risk RWAs* whereas credit RWAs are recalculated under BPR131 *Standardised Credit Risk RWAs* for dual reporting purposes and (ii) CVA for credit risk exposures subject to the standardised approach.

Credit risk: standardised equivalents of IRB risk weighted assets

	IRB approach		Standardised equivalent	
As at 31 March 2025	Exposure NZ$m	Risk weighted assets NZ$m	Exposure NZ$m	Risk weighted assets NZ$m
Corporate	45,248	27,591	40,243	38,532
Residential mortgages	122,304	32,621	117,096	45,713
Other retail	6,938	5,998	4,626	4,641
Specialised lending subject to the slotting approach	10,356	10,158	9,914	10,082
Total	184,846	76,368	171,879	98,968

B5. Concentration of credit exposures to individual counterparties

The Banking Group measures its concentration of credit exposures to individual counterparties at the reporting date on the basis of actual exposures. Peak end-of-day aggregate credit exposures are measured on the basis of internal limits that were not materially exceeded between the reporting date for the previous disclosure statement and the reporting date for the Disclosure Statement.

The exposure information in the table below excludes exposures to:

- connected persons (i.e. other members of the Overseas Banking Group and Directors of the Bank);
- the central government or central bank of any country with a long-term credit rating of A- or A3 or above, or its equivalent; and
- any supranational or quasi-sovereign agency with a long-term credit rating of A- or A3 or above, or its equivalent.

	As at 31 Mar 25	Peak end of day over 6 months to 31 Mar 25
Exposures to banks		
Total number of exposures to banks that are greater than 10% of CET1 capital	-	-
with a long-term credit rating of A- or A3 or above, or its equivalent	-	-
with a long-term credit rating of at least BBB- or Baa3, or its equivalent, and at most BBB+ or Baa1, or its equivalent	-	-
Exposures to non-banks		
Total number of exposures to non-banks that are greater than 10% of CET1 capital	3	3
with a long-term credit rating of A- or A3 or above, or its equivalent	2	2
- 10% to less than 15% of CET1 capital	2	2
with a long-term credit rating of at least BBB- or Baa3, or its equivalent, and at most BBB+ or Baa1, or its equivalent	-	-
with no long-term credit rating	1	1
- 10% to less than 15% of CET1 capital	1	1

B6. Insurance business

As at 31 March 2025, the Banking Group does not conduct any insurance business.

Directors' Statement

As at the date on which this Disclosure Statement is signed, after due enquiry, each Director believes that:

- The Disclosure Statement contains all the information that is required by the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014; and
- The Disclosure Statement is not false or misleading.

Over the six months ended 31 March 2025, after due enquiry, each Director believes that:

- ANZ Bank New Zealand Limited has complied in all material respects with each condition of registration that applied during that period[1];
- Credit exposures to connected persons were not contrary to the interests of the Banking Group; and
- ANZ Bank New Zealand Limited had systems in place to monitor and control adequately the Banking Group's material risks, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, operational risk and other business risks, and that those systems were being properly applied.

1. In accordance with the Order, ANZ Bank New Zealand Limited has complied in all material respects with each of its conditions of registration that applied during the period if the RBNZ has not published any information about a breach on its website, and has not notified ANZ Bank New Zealand Limited of any material breach.

This Disclosure Statement is dated, and has been signed by all Directors of the Bank on, 7 May 2025.

Gerard Florian

Nagaja Sanatkumar

Scott St John

Carolyn Steele

Mark Tume

Antonia Watson

Dame Joan Withers, DNZ

KPMG

Independent Auditor's Review Report

To the shareholder of ANZ Bank New Zealand Limited

Report on the Registered Bank Disclosures in sections B2, B3, B5 and B6 of the Disclosure Statement

Conclusion

We have completed a review of the accompanying registered bank disclosures of ANZ Bank New Zealand Limited (the Bank) and its subsidiaries (together, the Banking Group) in sections B2, B3, B5 and B6 on pages 26 to 35 and 45 of the Disclosure Statement as at and for the six months ended 31 March 2025, which comprise the information that is required to be disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the Order).

Based on our review, nothing has come to our attention that causes us to believe that the accompanying registered bank disclosures in sections B2, B3, B5 and B6 of the Disclosure Statement:

- does not present fairly, in all material respects, the matters to which they relate; or
- is not disclosed, in all material respects, in accordance with those Schedules.

Basis for conclusion

We conducted our review of the registered bank disclosures in sections B2, B3, B5 and B6 in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's Responsibilities* section of our report.

We are independent of the Banking Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual disclosure statement and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Our firm has provided services to the Banking Group in relation to reviews 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 Banking Group on normal terms within the ordinary course of trading activities of the business of the Banking Group. These matters have not impaired our independence as auditor of the Banking Group. The firm has no other relationship with, or interest in, the Banking Group.

Use of this review report

This review report is made solely to the shareholder of the Bank. Our review work has been undertaken so that we might state to the shareholder of the Bank those matters we are required to state to them in this review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholder of the Bank for our review work, this review report, or any of the conclusions we have formed.

Responsibilities of Directors

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

- the preparation and fair presentation of the Banking Group registered bank disclosures in sections B1, B2, B3, B5 and B6 of the Disclosure Statement in accordance with Schedules 3, 5, 7, 13, 16 and 18 of the Order; and
- implementing necessary internal control to enable the preparation of the registered bank disclosures in sections B1, B2, B3, B5 and B6 of the Disclosure Statement that are fairly presented and free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express a conclusion on the registered bank disclosures in sections B2, B3, B5 and B6 of the Disclosure Statement, based on our review.

NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the registered bank disclosures in sections B2, B3, B5 and B6 of the Disclosure Statement:

- does not present fairly, in all material respects, the matters to which they relate, in accordance with Schedules 5, 7, 13, 16 and 18 of the Order; or
- if applicable, have not been prepared, in all material respects, in accordance with any conditions of registration relating to disclosure requirements, imposed under section 74(4)(c) of the Banking (Prudential Supervision) Act 1989 (the Bank does not have any such conditions).

A review of the registered bank disclosures in sections B2, B3, B5 and B6 of the Disclosure Statement prepared in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on the registered bank disclosures in sections B2, B3, B5 and B6 of the Disclosure Statement.

KPMG

KPMG
Auckland
7 May 2025

Independent Limited Assurance Report

To the shareholder of ANZ Bank New Zealand Limited

Report on the information relating to Capital Adequacy and Regulatory Liquidity Requirements

Conclusion

Our limited assurance conclusion has been formed on the basis of the matters outlined in this report.

Based on our limited assurance engagement, which is not a reasonable assurance engagement or audit, nothing has come to our attention that would lead us to believe that the information relating to the Capital Adequacy and Regulatory Liquidity Requirements of ANZ Bank New Zealand Limited (the Bank) and its subsidiaries (together, the Banking Group), disclosed in section B4 on pages 36 to 44 of the Disclosure Statement, is not, in all material respects, disclosed in accordance with Schedule 11 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the Order).

Information subject to assurance

We have reviewed the information relating to the Capital Adequacy and Regulatory Liquidity Requirements, as disclosed in section B4 of the Disclosure Statement as at and for the six months ended 31 March 2025.

Criteria

The information relating to the Capital Adequacy and Regulatory Liquidity Requirements comprises the information that is required to be disclosed in accordance with Schedule 11 of the Order.

Standards we followed

We conducted our limited assurance engagement in accordance with Standard on Assurance Engagements 3100 (Revised) *Compliance Engagements* (SAE 3100 (Revised)) issued by the New Zealand Auditing and Accounting Standards Board. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited conclusion. In accordance with the SAE 3100 (Revised), we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that the information relating to Capital Adequacy and Regulatory Liquidity Requirements, is free from material misstatement and non-compliance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on the effectiveness of these controls;
- ensured that the engagement team possesses the appropriate knowledge, skills and professional competencies;
- obtained an understanding of the process, models, data and internal controls implemented over the preparation of the information relating to Capital Adequacy and Regulatory Liquidity Requirements;
- performed inquiry and analytical review procedures over the Capital Adequacy and Regulatory Liquidity Requirements;
- obtained an understanding of the Bank's compliance framework and internal control environment over the information relating to Capital Adequacy and Regulatory Liquidity Requirements, including the Bank's assessment of any matters of non-compliance with the Reserve Bank of New Zealand's Prudential Requirements; and
- agreed the information relating to Capital Adequacy and Regulatory Liquidity Requirements, extracted from the Bank's models, accounting records or other supporting documentation to the Disclosure Statement.

How to interpret limited assurance and material misstatement and non-compliance

In a limited assurance engagement, the assurance practitioner performs procedures, primarily consisting of discussion and enquiries of management and others within the entity, as appropriate, and observation and walk-throughs, and evaluates the evidence obtained. The procedures selected depend on our judgment, including identifying areas where the risk of material misstatement and non-compliance with Schedule 11 of the Order.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, within the information relating to Capital Adequacy and Regulatory Liquidity Requirements and non-compliance are considered material if, individually or in aggregate, they it could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the information relating to Capital Adequacy and Regulatory Liquidity Requirements.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error or non-compliance with compliance requirements may occur and not be detected.

A limited assurance engagement as at and for the six months ended 31 March 2025 does not provide assurance on whether compliance with Schedule 11 of the Order will continue in the future.

Use of this assurance report

Our report is made solely for the Bank's shareholder. Our assurance work has been undertaken so that we might state to the Bank's shareholder those matters we are required to state to them in the assurance report and for no other purpose.

Our report should not be regarded as suitable to be used or relied on by anyone other than the Bank and the Bank's shareholder for any purpose or in any context. Any other person who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

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 any responsibility and deny all liability to anyone other than the Bank and the Bank's shareholder for our work, for this independent assurance report, and/or for the opinions or conclusions we have reached.

Our conclusion is not modified in respect of this matter.

Responsibilities of Directors

The Directors of ANZ Bank New Zealand Limited are responsible for the disclosure of the information relating to Capital Adequacy and Regulatory Liquidity Requirements in accordance with Schedule 11 of the Order, which Directors have determined meets the disclosure requirements under the Order. This responsibility includes such internal control as the Directors determine is necessary to enable compliance and to monitor ongoing compliance and to enable the disclosure of the information relating to Capital Adequacy and Regulatory Liquidity Requirements that is free from material misstatement and non-compliance whether due to fraud or error.

Our responsibility

Our responsibility is to express a conclusion to ANZ Bank New Zealand Limited on whether anything has come to our attention that would lead us to believe that, in all material respects the information relating to Capital Adequacy and Regulatory Liquidity Requirements has not been disclosed in accordance with Schedule 11 of the Order as at and for the six months ended 31 March 2025.

Our independence and quality management

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (PES 3), which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our firm has provided services to the Banking Group in relation to reviews 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 Banking Group on normal terms within the ordinary course of trading activities of the business of the Banking Group. These matters have not impaired our independence as auditor of the Banking Group. The firm has no other relationship with, or interest in, the Banking Group.

KPMG

KPMG
Auckland
7 May 2025

anz.co.nz