9 November 2026

Market Announcements Office
ASX Limited
Exchange Place
Level 27
39 Martin Place
SYDNEY NSW 2000

ANZ Bank New Zealand Limited
Registered Bank Disclosure Statement

Australia and New Zealand Banking Group Limited (**ANZ**) today released ANZ Bank New Zealand Limited's Registered Bank Disclosure Statement for the year ended 30 September 2026.

It has been approved for distribution by ANZ's Continuous Disclosure Committee.

Yours faithfully

Simon Pordage
Company Secretary
Australia and New Zealand Banking Group Limited

ANZ Bank New Zealand Limited

Annual Report and Registered Bank Disclosure Statement
For the year ended 30 September 2026

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Annual Report

For the year ended 30 September 2026

Pursuant to section 211(3) of the Companies Act 1993, the shareholder of the Bank has agreed that the Annual Report of the Banking Group need not comply with any of the paragraphs (a), and (e) to (j) of subsection (1) and subsection (2) of section 211.

Accordingly, there is no information to be provided in this Annual Report other than the financial statements for the year ended 30 September 2026 and the assurance report on those financial statements.

The Bank is a climate reporting entity and is required to annually prepare group climate statements under the Financial Markets Conduct Act 2013 and the Aotearoa New Zealand Climate Standards. The Banking Group's climate statement for the financial year ending 30 September 2026 will be accessible at the website **anz.co.nz/about-us/corporate-responsibility/environment/** no later than 31 January 2027.

For and on behalf of the Board of Directors:

Scott St John
Chair
6 November 2026

Ben Kelleher
Executive Director
6 November 2026

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

RBNZ means the Reserve Bank of New Zealand.

APRA means the Australian Prudential Regulation Authority.

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.

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Income Statement

For the year ended 30 September	Note	2026 NZ$m	2025 NZ$m
Interest income		9,037	10,532
Interest expense		(4,281)	(5,880)
Net interest income		4,756	4,652
Net fee and commission income		513	483
Other income		286	419
Operating income	2	5,555	5,554
Operating expenses	3	(1,997)	(1,812)
Profit before credit impairment and income tax		3,558	3,742
Credit impairment release/(charge)	12	(42)	25
Profit before income tax		3,516	3,767
Income tax expense	4	(983)	(1,053)
Profit for the year		2,533	2,714

Statement of Comprehensive Income

For the year ended 30 September	2026 NZ$m	2025 NZ$m
Profit for the year	2,533	2,714
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Actuarial gain on defined benefit schemes	5	18
Income tax attributable to the above item	(1)	(5)
Items that may be reclassified subsequently to profit or loss		
Reserve movements:		
Unrealised gains recognised directly in equity	43	149
Realised gains transferred to the income statement	(11)	(4)
Income tax attributable to the above items	(9)	(40)
Total comprehensive income for the year	2,560	2,832

The notes appearing on pages 8 to 67 form an integral part of these financial statements.

Balance Sheet

As at 30 September	Note	2026 NZ$m	2025 NZ$m
Assets			
Cash and cash equivalents	7	**13,131**	9,386
Settlement balances receivable		**817**	1,620
Collateral paid		**859**	1,114
Trading securities	8	**6,805**	6,348
Derivative financial instruments	9	**11,049**	11,449
Investment securities	10	**17,718**	16,458
Net loans and advances	11	**163,915**	158,683
Deferred tax assets	4	**479**	392
Goodwill and other intangible assets	18	**3,118**	3,100
Premises and equipment		**384**	324
Other assets		**1,185**	1,115
Total assets		**219,460**	209,989
Liabilities			
Settlement balances payable		**6,043**	4,614
Collateral received		**1,649**	1,725
Deposits and other borrowings	13	**160,724**	153,282
Derivative financial instruments	9	**10,220**	10,408
Current tax liabilities		**310**	357
Payables and other liabilities		**1,623**	1,559
Employee entitlements		**118**	122
Other provisions	19	**366**	225
Debt issuances	14	**17,651**	17,799
Total liabilities		**198,704**	190,091
Net assets		**20,756**	19,898
Shareholders' equity			
Share capital	20	**17,680**	17,680
Reserves	20	**152**	129
Retained earnings	20	**2,924**	2,089
Total shareholders' equity	20	**20,756**	19,898

The notes appearing on pages 8 to 67 form an integral part of these financial statements.

For and on behalf of the Board of Directors:

Scott St John
Chair
6 November 2026

Ben Kelleher
Executive Director
6 November 2026

Cash Flow Statement

For the year ended 30 September	2026 NZ$m	2025 NZ$m
Profit for the year	**2,533**	2,714
Adjustments to reconcile to net cash provided by/(used in) operating activities:		
Depreciation and amortisation	**100**	103
Impairment of premises and equipment and lease remeasurements	**1**	5
Net derivatives/foreign exchange adjustment	**509**	(842)
Other non-cash movements	**8**	(171)
Net (increase)/decrease in operating assets:		
Collateral paid	**255**	(73)
Trading securities	**(457)**	(772)
Net loans and advances	**(5,232)**	(7,017)
Other assets	**646**	(801)
Net increase/(decrease) in operating liabilities:		
Deposits and other borrowings (excluding items included in financing activities)	**8,607**	12,200
Settlement balances payable	**1,429**	(753)
Collateral received	**(76)**	1,200
Other liabilities	**136**	(745)
Total adjustments	**5,926**	2,334
Net cash provided by operating activities[1]	**8,459**	5,048
Cash flows from investing activities		
Investment securities:		
Purchases	**(6,417)**	(4,839)
Proceeds from sale or maturity	**4,510**	2,212
Other assets	**(112)**	(48)
Net cash used in investing activities	**(2,019)**	(2,675)
Cash flows from financing activities		
Deposits and other borrowings[2]	**(1,165)**	(1,563)
Debt issuances:[3]		
Issue proceeds	**4,074**	1,689
Redemptions	**(3,853)**	(2,955)
Repayment of lease liabilities	**(49)**	(48)
Dividends paid	**(1,702)**	(1,744)
Net cash used in financing activities	**(2,695)**	(4,621)
Net change in cash and cash equivalents	**3,745**	(2,248)
Cash and cash equivalents at beginning of year	**9,386**	11,634
Cash and cash equivalents at end of year	**13,131**	9,386

1. Net cash provided by operating activities includes interest received of NZ$8,924 million (2025: NZ$10,539 million), interest paid of NZ$4,504 million (2025: NZ$6,182 million) and income taxes paid of NZ$1,127 million (2025: NZ$994 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$165 million (2025: NZ$63 million) and NZ$1,000 million under the Funding for Lending Programme (2025: NZ$1,500 million).
3. Movement in debt issuances (Note 14 Debt issuances) also includes a NZ$221 million decrease (2025: NZ$1,362 million increase) from the effect of foreign exchange rates, a NZ$161 million decrease (2025: NZ$91 million increase) from changes in fair value hedging instruments and a NZ$13 million increase (2025: NZ$11 million decrease) from other changes.

The notes appearing on pages 8 to 67 form an integral part of these 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 2024	17,680	24	1,106	18,810
Profit or loss for the year	-	-	2,714	2,714
Other comprehensive income for the year	-	105	13	118
Total comprehensive income for the year	-	105	2,727	2,832
Transactions with equity holders in their capacity as equity owners:				
Ordinary shares dividends paid	-	-	(1,650)	(1,650)
Perpetual preference shares dividends paid	-	-	(94)	(94)
As at 30 September 2025	17,680	129	2,089	19,898
Profit or loss for the year	-	-	2,533	2,533
Other comprehensive income for the year	-	23	4	27
Total comprehensive income for the year	-	23	2,537	2,560
Transactions with equity holders in their capacity as equity owners:				
Ordinary shares dividends paid	-	-	(1,610)	(1,610)
Perpetual preference shares dividends paid	-	-	(92)	(92)
As at 30 September 2026	17,680	152	2,924	20,756

The notes appearing on pages 8 to 67 form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

1. About our financial statements

General information

These are the consolidated financial statements for ANZ Bank New Zealand Limited (the Bank) and its controlled entities (together, the Banking Group) for the year ended 30 September 2026. The Bank is incorporated and domiciled in New Zealand. The address of the Bank's registered office and its principal place of business is Ground Floor, ANZ Centre, 23-29 Albert Street, Auckland, New Zealand.

On 6 November 2026, the Directors resolved to authorise the issue of these financial statements.

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

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

This section of the financial statements:

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

Basis of preparation

These financial statements are general purpose (Tier 1) financial statements prepared by a 'for profit' entity, in accordance with the requirements of the Financial Markets Conduct Act 2013. These financial statements comply with:

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

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

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

Basis of measurement and presentation

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

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

Basis of consolidation

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

Foreign currency translation

Transactions and balances

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

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

1. About our financial statements (continued)

Fiduciary activities

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

Key judgements and estimates

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

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

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

The Banking Group has made various accounting estimates in these financial statements based on forecasts of economic conditions which reflect expectations and assumptions used at 30 September 2026 about future events considered reasonable in the circumstances. Thus, there is a considerable degree of judgement involved in preparing these estimates. Actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of these differences may significantly impact accounting estimates included in these financial statements. The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses and recoverable amounts of non-financial assets.

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

Accounting standards adopted in the period

There were no new accounting standards or interpretations adopted in 2026 that had a significant effect on the Banking Group.

Accounting policies have been consistently applied to all periods presented, unless otherwise noted.

Accounting standards not early adopted

A number of new standards, amendments to standards and interpretations have been published but are not mandatory for the financial statements for the year ended 30 September 2026 and have not been applied by the Banking Group in preparing these financial statements. Further details of these are set out below.

NZ IFRS 18 *Presentation and Disclosure in Financial Statements*

NZ IFRS 18 *Presentation and Disclosure in Financial Statements* (NZ IFRS 18) updates and replaces requirements for the presentation and disclosure of information in financial statements. Adopting the requirements in the financial year beginning 1 October 2027 will not impact the measurements applied in the financial statements and will have no impact on net profit after tax or net assets. Based on the continuing assessment of the adoption impact:

- the Banking Group has determined that it has specified main business activities of providing financing to customers and investing in assets, which will determine the classification of income and expenses into the new mandatory income statement categories of operating, investing, financing and income tax. A substantial proportion of the Banking Group's pre-tax net income will be classified in the operating category;
- in the Income Statement, the Banking Group will present a new subtotal of Operating Profit that will include credit impairment losses but exclude income and expense from other investing and financing activities. The Banking Group will present additional information about the components of operating expenses on the face of the Income Statement; and
- in the Cash Flow Statement, the opening position for the reconciliation of cash flows from operating activities will be the new measure of Operating Profit, instead of profit for the year.

The Banking Group continues to assess the impact of adopting NZ IFRS 18 and further impacts may be identified.

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

In June 2024, the XRB issued *Amendments to the Classification and Measurement of Financial Instruments* which amends requirements related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance and similar features. Adoption of these amendments in the financial year beginning 1 October 2026 will not have a material impact on the Banking Group, because the Banking Group's existing accounting policies are aligned to the amended requirements.

Nature dependent electricity contracts

In May 2025, the XRB issued *Amendments to NZ IFRS 9 Financial Instruments and NZ IFRS 7 Financial Instruments: Disclosures – Contracts Referencing Nature Dependent Electricity* which enhances guidance on the application of the 'own use' exemption on nature dependent power purchase agreements (PPAs) and hedge accounting requirements for PPAs that are classified as derivative financial instruments. The amendments also introduce new disclosure requirements for certain PPAs. Adoption of these amendments in the financial year beginning 1 October 2026 will not have a material impact on the Banking Group, as the Banking Group does not undertake significant PPA transactions.

Other amendments

Other new accounting standards and amendments to existing standards that have not been adopted in 2026 are not likely to result in a material impact to the Banking Group's financial statements.

2. Operating income

	2026 NZ$m	2025 NZ$m
Net interest income		
Interest income by type of financial asset		
Financial assets at amortised cost	8,051	9,707
Trading securities	254	231
Investment securities	649	542
Financial assets at FVTPL	83	52
Interest income	9,037	10,532
Interest expense by type of financial liability		
Financial liabilities at amortised cost	(4,100)	(5,709)
Financial liabilities designated at FVTPL	(181)	(171)
Interest expense	(4,281)	(5,880)
Net interest income	4,756	4,652
Other operating income		
Fee and commission income		
Lending fees	23	21
Non-lending fees	718	713
Commissions	28	28
Funds management income	256	244
Fee and commission income	1,025	1,006
Fee and commission expense	(512)	(523)
Net fee and commission income	513	483
Other income		
Net foreign exchange earnings and other financial instruments income[1]	252	408
Insurance proceeds	15	-
Other	19	11
Other income	286	419
Other operating income	799	902
Operating income	5,555	5,554

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

2. Operating income (continued)

Recognition and measurement

Net interest income

Interest income and expense

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

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

Other operating income

Fee and commission income

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

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

Net foreign exchange earnings and other financial instruments income

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

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

3. Operating expenses

	2026 NZ$m	2025 NZ$m
Personnel		
Salaries and related costs	1,028	1,025
Superannuation costs	32	30
Other	54	49
Personnel	1,114	1,104
Premises		
Rent	21	20
Depreciation	69	71
Other	32	46
Premises	122	137
Technology		
Depreciation and amortisation	31	32
Subscription licences and outsourced services	264	214
Other	31	29
Technology	326	275
Other		
Advertising and public relations	42	43
Professional fees	52	68
Freight, stationery, postage and communication	57	50
Non-lending losses, frauds and forgeries[1]	137	19
Charges from ANZ Group	105	82
Other	42	34
Other	435	296
Operating expenses	1,997	1,812

1. Includes a NZ$125 million provision reflecting the Bank's estimate of its maximum potential liability arising from the May 2026 High Court summary judgment in respect of the representative proceeding described in Note 26 Commitments and contingent liabilities (2025: nil).

Recognition and measurement

Operating expenses

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

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

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

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

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

4. Income tax

Income tax expense

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

	2026 NZ$m	2025 NZ$m
Profit before income tax	**3,516**	3,767
Prima facie income tax expense at 28%	**984**	1,055
Tax effect of permanent differences:		
Tax provisions no longer required	**-**	(1)
Non-assessable income and non-deductible expenditure	**(1)**	-
Income tax over provided in previous years	**-**	(1)
Income tax expense	**983**	1,053
Current tax expense	**1,049**	1,054
Adjustments recognised in the current year in relation to the current tax of prior years	**(2)**	(13)
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	**(64)**	12
Income tax expense	**983**	1,053
Effective tax rate	**28.0%**	28.0%

Deferred tax assets and liabilities

	2026 NZ$m	2025 NZ$m
Deferred tax assets balances comprise temporary differences attributable to:		
Amounts recognised in the Income Statement:		
Collectively assessed allowances for expected credit losses	**198**	206
Individually assessed allowances for expected credit losses	**25**	19
Provision for employee entitlements	**64**	56
Other provisions	**53**	21
Software	**154**	132
Fixed assets	**2**	-
Lease liabilities	**67**	62
Other	**14**	11
Total	**577**	507
Total deferred tax assets (before set-off)	**577**	507
Set-off of deferred tax balances pursuant to set-off provisions	**(98)**	(115)
Net deferred tax assets	**479**	392

	2026 NZ$m	2025 NZ$m
Deferred tax liabilities balances comprise temporary differences attributable to:		
Amounts recognised in the Income Statement:		
Right of use assets	**53**	48
Other	**14**	12
Total	**67**	60
Amounts recognised directly in Other comprehensive income:		
Cash flow hedge reserve	**31**	55
Total	**31**	55
Total deferred tax liabilities (before set-off)	**98**	115
Set-off of deferred tax balances pursuant to set-off provisions	**(98)**	(115)
Net deferred tax liabilities	**-**	-

4. Income tax (continued)

Recognition and measurement

Income tax expense

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

Current tax expense

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

Deferred tax assets and liabilities

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

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

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

The Banking Group does not recognise or disclose any deferred taxes arising from tax legislation enacted to implement the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development.

Key judgements and estimates

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

5. Dividends

Ordinary share dividends

Dividends are recognised with a corresponding reduction of retained earnings on the dividend payment date.

Dividends	Amount per share	Total dividend NZ$m
Financial Year 2025		
Dividend paid in March 2025	6.5 cents	700
Dividend paid in September 2025	8.8 cents	950
Dividends paid during the year ended 30 September 2025		1,650
Financial Year 2026		
Dividend paid in March 2026	9.9 cents	1,060
Dividend paid in September 2026	5.1 cents	550
Dividends paid during the year ended 30 September 2026		1,610

Imputation credit account

	Banking Group		Bank[1]	
	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m
Imputation credits available as at 30 September	10,556	9,756	1,541	1,168

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

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

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

6. Segment reporting

Description of segments

The 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 (CEO).

Personal

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

Business & Agri

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

Institutional

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

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

During 2026, the Banking Group made the following change to better align its segment reporting with how the Banking Group manages customer relationships, allocates resources and measures segment performance. This change has no impact on the Banking Group's profit, net assets or capital position.

Better aligning segment reporting to customer relationship management

A share of Markets' Foreign Exchange and Payments & Cash Management revenues generated from customers, previously reported in the Institutional segment, will now be recognised in the respective Personal and Business & Agri segments.

Prior period comparatives have been restated for this change with no impact to the Banking Group's results.

	Personal		Business & Agri		Institutional		Other		Total	
Year ended 30 September	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m
Net interest income	2,640	2,574	954	960	802	763	360	355	4,756	4,652
Net fee and commission income										
- Lending fees	10	9	-	-	13	12	-	-	23	21
- Non-lending fees	464	454	203	212	53	49	(2)	(2)	718	713
- Commissions	27	27	-	-	1	1	-	-	28	28
- Funds management income	256	244	-	-	-	-	-	-	256	244
- Fee and commission expense	(354)	(355)	(158)	(168)	-	-	-	-	(512)	(523)
Net fee and commission income	403	379	45	44	67	62	(2)	(2)	513	483
Other income	29	31	20	17	150	158	87	213	286	419
Other operating income	432	410	65	61	217	220	85	211	799	902
Operating income	3,072	2,984	1,019	1,021	1,019	983	445	566	5,555	5,554
Operating expenses	(1,275)	(1,249)	(318)	(303)	(248)	(256)	(156)	(4)	(1,997)	(1,812)
Profit before credit impairment and income tax	1,797	1,735	701	718	771	727	289	562	3,558	3,742
Credit impairment release/(charge)	(46)	(10)	20	30	(16)	5	-	-	(42)	25
Profit before income tax	1,751	1,725	721	748	755	732	289	562	3,516	3,767
Income tax expense	(491)	(483)	(202)	(210)	(212)	(206)	(78)	(154)	(983)	(1,053)
Profit after income tax	1,260	1,242	519	538	543	526	211	408	2,533	2,714
Financial position										
Goodwill	1,042	1,042	695	695	1,269	1,269	-	-	3,006	3,006
Net loans and advances	120,482	115,317	25,533	24,324	17,900	19,042	-	-	163,915	158,683
Customer deposits	100,590	96,544	19,800	19,068	28,593	27,930	-	-	148,983	143,542

6. Segment reporting (continued)

Operating segments

Other segment

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

For the year ended 30 September	2026 NZ$m	2025 NZ$m
Personal and Business & Agri central functions[1]	(86)	-
Group Centre	251	254
Economic hedges	46	154
Total	211	408

1. Includes the post-tax impact of the provision reflecting the Bank's estimate of its maximum potential liability arising from the May 2026 High Court summary judgment in respect of the representative proceeding described in Note 26 Commitments and contingent liabilities (2025: nil).

Financial assets

Outlined below is a description of how we classify and measure financial assets relevant to Notes 7 to 12.

Classification and measurement

Financial assets - general

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

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

The resultant financial asset classifications are as follows:

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

Fair value option for financial assets

A financial asset may be irrevocably designated on initial recognition:

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

7. Cash and cash equivalents

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

	2026 NZ$m	2025 NZ$m
Coins, notes and cash at bank	345	130
Reverse repurchase agreements	6,165	2,026
Balances with central banks	6,169	6,949
Balances with other banks and other cash equivalents	452	281
Cash and cash equivalents	13,131	9,386

8. Trading securities

	2026 NZ$m	2025 NZ$m
Government securities	5,833	5,520
Corporate and financial institution securities	972	828
Trading securities	6,805	6,348

Recognition and measurement

Trading securities are financial instruments we either:

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

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

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

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

Key judgements and estimates

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

9. Derivative financial instruments

Fair value	Assets 2026 NZ$m	Liabilities 2026 NZ$m	Assets 2025 NZ$m	Liabilities 2025 NZ$m
Derivative financial instruments - held for trading	11,039	(10,210)	11,435	(10,390)
Derivative financial instruments - designated in hedging relationships	10	(10)	14	(18)
Derivative financial instruments	**11,049**	**(10,220)**	11,449	(10,408)

Features

Derivative financial instruments are contracts:

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

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

Purpose

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

Trading	Derivatives held in order to: • meet customer needs for managing their own risks. • manage risks in the Banking Group that are not in a designated hedge accounting relationship (some elements of balance sheet management). • undertake market making and positioning activities to generate profits from short-term fluctuations in prices or margins.
Designated in hedging relationships	Derivatives designated into hedge accounting relationships in order to minimise profit or loss volatility by matching movements in underlying positions relating to: • hedges of the Banking Group's exposures to interest rate risk and currency risk. • hedges of other exposures relating to non-trading positions.

Types

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

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

Risks managed

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

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

9. Derivative financial instruments (continued)

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

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

Derivative financial instruments – held for trading

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

Fair value	Assets 2026 NZ$m	Liabilities 2026 NZ$m	Assets 2025 NZ$m	Liabilities 2025 NZ$m
Interest rate contracts				
Forward rate agreements	-	(1)	5	(4)
Futures contracts	37	(2)	2	(43)
Swap agreements	4,304	(4,371)	5,163	(5,032)
Options	1	(2)	2	(1)
Total	4,342	(4,376)	5,172	(5,080)
Foreign exchange contracts				
Spot and forward contracts	2,059	(1,490)	1,770	(1,471)
Swap agreements	4,546	(4,260)	4,431	(3,776)
Options	26	(27)	15	(14)
Total	6,631	(5,777)	6,216	(5,261)
Commodity contracts and credit default swaps	66	(57)	47	(49)
Derivative financial instruments - held for trading[1]	11,039	(10,210)	11,435	(10,390)

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

Derivative financial instruments – designated in hedging relationships

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

The Banking Group uses two types of hedge accounting relationships:

	Fair value hedge	Cash flow hedge
Objective of this hedging arrangement	To hedge our exposure to changes to the fair value of a recognised asset or liability or unrecognised firm commitment caused by interest rate or foreign currency movements.	To hedge our exposure to variability in cash flows of a recognised asset or liability, a firm commitment or a highly probable forecast transaction caused by interest rate, foreign currency and other price movements.
Recognition of effective hedge portion	The following are recognised in profit or loss at the same time: • all changes in the fair value of the underlying item relating to the hedged risk; and • the change in the fair value of the derivatives.	We recognise the effective portion of changes in the fair value of derivatives designated as a cash flow hedge in the cash flow hedge reserve.
Recognition of ineffective hedge portion	Recognised immediately in Other operating income.	
If a hedging instrument expires, or is sold, terminated, or exercised; or no longer qualifies for hedge accounting	When we recognise the hedged item in profit or loss, we recognise the related unamortised fair value hedge adjustment in profit or loss. This may occur over time if the hedged item is amortised to profit or loss as part of the effective yield over the period to maturity.	Only when we recognise the hedged item in profit or loss is the amount previously deferred in the cash flow hedge reserve transferred to profit or loss.
Hedged item sold or repaid	We recognise the unamortised fair value hedge adjustment immediately in profit or loss.	Amounts accumulated in equity are transferred immediately to profit or loss.

9. Derivative financial instruments (continued)

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

	2026			2025		
	Nominal amount NZ$m	Assets NZ$m	Liabilities NZ$m	Nominal amount NZ$m	Assets NZ$m	Liabilities NZ$m
Fair value hedges						
Interest rate swap agreements	32,036	5	(4)	30,979	2	(11)
Cash flow hedges						
Interest rate swap agreements	32,613	5	(6)	27,754	12	(7)
Derivative financial instruments - designated in hedging relationships	64,649	10	(10)	58,733	14	(18)

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

Nominal amount	Average rate	Less than 3 months NZ$m	3 to 12 months NZ$m	1 to 5 years NZ$m	After 5 years NZ$m	Total NZ$m
As at 30 September 2026						
Fair value hedges						
Interest rate	2.68%	197	2,164	20,489	9,186	32,036
Cash flow hedges						
Interest rate	3.44%	3,968	6,709	20,578	1,358	32,613
As at 30 September 2025						
Fair value hedges						
Interest rate	2.28%	-	2,001	19,500	9,478	30,979
Cash flow hedges						
Interest rate	3.97%	6,128	8,044	12,849	733	27,754

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

	Ineffectiveness							
	Change in value of hedging instrument[2]		Change in value of hedged item		Hedge ineffectiveness recognised in profit or loss[3]		Amount reclassified from the cash flow hedge reserve to profit or loss[4]	
	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m
Fair value hedges[1]								
Interest rate	602	(1,291)	(602)	1,293	-	2	-	-
Cash flow hedges[1]								
Interest rate	(68)	126	72	(126)	4	-	(11)	(3)

1. All hedging instruments are classified as derivative financial instruments.
2. Changes in value of hedging instruments is before any adjustments for Settle to Market clearing arrangements.
3. Recognised in Other operating income.
4. Recognised in Net interest income and Other operating income.

9. Derivative financial instruments (continued)

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

			Carrying amount		Accumulated fair value hedge adjustments on the hedged item	
	Balance Sheet presentation	Hedged risk	Assets NZ$m	Liabilities NZ$m	Assets NZ$m	Liabilities NZ$m
As at 30 September 2026						
Fixed rate debt issuance	Debt issuances	Interest rate	-	(15,237)	-	482
Fixed rate investment securities at FVOCI[1]	Investment securities	Interest rate	16,871	-	(343)	-
Total			16,871	(15,237)	(343)	482
As at 30 September 2025						
Fixed rate debt issuance	Debt issuances	Interest rate	-	(15,456)	-	321
Fixed rate investment securities at FVOCI[1]	Investment securities	Interest rate	15,576	-	420	-
Total			15,576	(15,456)	420	321

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

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

		Continuing hedges		Discontinued hedges	
	Hedged risk	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m
Floating rate loans and advances	Interest rate	(10)	269	17	17
Floating rate customer deposits	Interest rate	104	(91)	-	-

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

9. Derivative financial instruments (continued)

Recognition and measurement

Recognition	Initially and at each reporting date, we recognise all derivatives at fair value. If the fair value of a derivative is positive, then we carry it as an asset, but if its value is negative, then we carry it as a liability. Valuation adjustments are integral in determining the fair value of derivatives. This includes: • a credit valuation adjustment to reflect the counterparty risk and/or event of default; and • a funding valuation adjustment to account for funding costs and benefits in the derivatives portfolio.
Derecognition of assets and liabilities	We remove derivative assets from our Balance Sheet when the contracts expire or we have transferred substantially all the risks and rewards of ownership. We remove derivative liabilities from our Balance Sheet when the Banking Group's contractual obligations are discharged, cancelled or expired. With respect to derivatives cleared through a central clearing counterparty or exchange, derivative assets or liabilities may be derecognised in accordance with the principle above when collateral is settled, depending on the legal arrangements in place for each instrument.
Impact on the Income Statement	The recognition of gains or losses on derivative financial instruments depends on whether the derivative is held for trading or is designated in a hedge accounting relationship. For derivative financial instruments held for trading, gains or losses from changes in the fair value are recognised in profit or loss. For an instrument designated in a hedge accounting relationship, the recognition of gains or losses depends on the nature of the item being hedged. Refer to the table on page 19 for details of the recognition approach applied for each type of hedge accounting relationship. Sources of hedge accounting ineffectiveness may arise from differences in the interest rate reference rate, margins, or rate set differences and differences in discounting between the hedged items and the hedging instruments.
Hedge effectiveness	To qualify for hedge accounting under NZ IAS 39, a hedge relationship is expected to be highly effective. A hedge relationship is highly effective only if the following conditions are met: • the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated (prospective effectiveness); and • the actual results of the hedge are within the range of 80-125% (retrospective effectiveness). The Banking Group monitors hedge effectiveness on a regular basis but at a minimum at each reporting date.

Key judgements and estimates

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

10. Investment securities

	2026 NZ$m	2025 NZ$m
Investment securities measured at FVOCI		
Debt securities	17,712	16,452
Equity securities	6	6
Total	17,718	16,458

The maturity profile of investment securities is as follows:

As at 30 September 2026	Less than 3 months NZ$m	3 to 12 months NZ$m	1 to 5 years NZ$m	After 5 years NZ$m	No maturity NZ$m	Total NZ$m
Government securities	665	1,359	7,944	7,182	-	17,150
Corporate and financial institution securities	3	34	519	6	-	562
Equity securities	-	-	-	-	6	6
Total	668	1,393	8,463	7,188	6	17,718
As at 30 September 2025						
Government securities	176	271	11,168	4,460	-	16,075
Corporate and financial institution securities	1	-	363	13	-	377
Equity securities	-	-	-	-	6	6
Total	177	271	11,531	4,473	6	16,458

Recognition and measurement

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

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

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

Key judgements and estimates

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

11. Net loans and advances

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

	2026 NZ$m	2025 NZ$m
Overdrafts	1,243	1,149
Credit cards	1,235	1,230
Term loans - housing	120,947	115,835
Term loans - non-housing[1]	40,382	40,524
Gross subtotal	163,807	158,738
Unearned income[2]	(27)	(26)
Capitalised brokerage and other origination costs[2]	793	639
Gross loans and advances	164,573	159,351
Allowance for expected credit losses (refer to Note 12)	(658)	(668)
Net loans and advances	163,915	158,683
Residual contractual maturity:		
Within one year	17,546	19,371
More than one year	146,369	139,312
Net loans and advances	163,915	158,683
Carried on Balance Sheet at:		
Amortised cost	162,883	157,722
Fair value through profit or loss	1,032	961
Net loans and advances	163,915	158,683

1. Includes reverse repurchase agreements (with 90 days or more to maturity) designated at FVTPL of NZ$1,032 million (2025: NZ$961 million).
2. Amortised over the expected life of the loan.

The Bank has sold residential mortgages to the NZ Branch with a net carrying value of NZ$245 million as at 30 September 2026 (2025: NZ$281 million). These assets qualify for derecognition as the Bank does not retain a continuing involvement in the transferred assets.

Recognition and measurement

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

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

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

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

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

12. Allowance for expected credit losses

	2026			2025		
	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	572	86	658	604	64	668
Off-balance sheet commitments	135	4	139	130	4	134
Total	707	90	797	734	68	802

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

Net loans and advances - at amortised cost
Allowance for ECL is included in Net loans and advances.

			Stage 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	58	(58)	(2)	2	-
New and increased provisions (net of releases)	(57)	8	(6)	94	39
Write-backs	-	-	-	(53)	(53)
Bad debts written-off (excluding recoveries)	-	-	-	(47)	(47)
Discount unwind reversal	-	-	-	4	4
As at 30 September 2025	188	320	96	64	668
Transfer between stages	59	(57)	(4)	2	-
New and increased provisions (net of releases)	(9)	(22)	1	123	93
Write-backs	-	-	-	(46)	(46)
Bad debts written-off (excluding recoveries)	-	-	-	(52)	(52)
Discount unwind	-	-	-	(5)	(5)
As at 30 September 2026	238	241	93	86	658

Off-balance sheet commitments - undrawn and contingent facilities
Allowance for ECL is included in Other provisions.

As at 1 October 2024	74	56	3	3	136
Transfer between stages	5	(5)	-	-	-
New and increased provisions (net of releases)	(9)	6	-	1	(2)
As at 30 September 2025	70	57	3	4	134
Transfer between stages	8	(7)	-	(1)	-
New and increased provisions (net of releases)	12	(7)	(1)	1	5
As at 30 September 2026	90	43	2	4	139

The collectively assessed allowance for ECL decreased by NZ$27 million attributable to: releases of NZ$44 million in management temporary adjustments as risks were increasingly captured through modelled ECL or individual provisions, and NZ$21 million from favourable portfolio mix changes, partially offset by a NZ$38 million increase due to a less favourable economic outlook, including scenario weight changes.

Credit impairment charge – Income Statement

Credit impairment charge/(release) analysis

	2026 NZ$m	2025 NZ$m
New and increased provisions (net of releases)[1]		
- Collectively assessed	(27)	(60)
- Individually assessed	125	97
Write-backs	(46)	(53)
Recoveries of amounts previously written-off	(10)	(9)
Total credit impairment charge/(release)	42	(25)

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

12. Allowance for expected credit losses (continued)

Recognition and measurement

Expected credit loss model

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

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

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

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

Measurement of expected credit loss

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

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

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

Expected life

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

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

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

Definition of default, credit impaired and write-offs

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

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

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

Modified financial assets

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

12. Allowance for expected credit losses (continued)

Recognition and measurement

Significant increase in credit risk

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

i. Internal credit rating grade

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

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

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

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

ii. Backstop criteria

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

Forward-looking information

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

i. Base case scenario

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

ii. Upside scenario

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

iii. Downside and iv. Severe downside scenario

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

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

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

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

12. Allowance for expected credit losses (continued)

Key judgements and estimates

Collectively assessed allowance for expected credit losses

For collectively assessed ECL, exposures are grouped based on shared credit risk characteristics, including product and portfolio type. 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 following table summarises the key judgements and assumptions in relation to the model inputs and the interdependencies between those inputs, and highlights significant changes during the current period. The judgements and associated assumptions have been made within the context of the uncertainty as to how various factors might impact the global economy and reflect historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. The Banking Group's ECL estimates are inherently uncertain and, as a result, actual results will likely differ from these estimates.

Judgement/Assumption	Description	Considerations for the year ended 30 September 2026
Determining when a SICR has occurred or reversed	In the measurement of ECL, judgement is involved in determining whether there has been a SICR since initial recognition of a loan, which would result in it moving from Stage 1 to Stage 2. This is a key area of judgement since transition from Stage 1 to Stage 2 increases the ECL from an allowance based on the PD in the next 12 months, to an allowance for lifetime ECL. Subsequent decreases in credit risk resulting in transition from Stage 2 to Stage 1 may similarly result in significant changes in the ECL allowance. The setting of precise SICR trigger points requires judgement which may have a material impact upon the size of the ECL allowance. The Banking Group monitors the effectiveness of SICR criteria on an ongoing basis.	The determination of SICR was consistent with prior period.
Measuring both 12-month and lifetime expected credit losses	The PD, LGD and EAD factors used in determining ECL are point-in-time measures reflecting the relevant forward-looking information determined by management. Judgement is involved in determining which forward-looking information is relevant for particular lending portfolios and for determining each portfolio's point-in-time sensitivity. In addition, judgement is required where behavioural characteristics are applied in estimating the lifetime of a facility which is used in measuring ECL.	The PD, LGD and EAD models are subject to the Banking Group's model risk policy that stipulates periodic model monitoring and re-validation, and defines approval procedures and authorities according to model materiality. There were no material changes to the policy.
Base case economic forecast	The Banking Group derives a forward-looking 'base case' economic scenario which reflects our view of future macroeconomic conditions.	There have been no changes to the types of forward-looking variables (key economic drivers) used as model inputs. The base case assumptions have been updated to reflect a gradual moderation in inflation. Growth is expected to remain subdued in the near term due to higher interest rates, elevated energy costs and global uncertainty. Growth is expected to recover gradually, supported by strong export incomes and a weaker exchange rate. Housing market conditions remain soft. The expected outcomes of key economic drivers for the base case scenario at 30 September 2026 are described in the section on page 29 under the heading 'Base case economic forecast assumptions'.

12. Allowance for expected credit losses (continued)

Key judgements and estimates

Judgement/Assumption	Description	Considerations for the year ended 30 September 2026
Downside and severe downside scenarios	The Banking Group produces downside and severe downside scenarios for ECL measurement purposes.	The severe downside scenario assumptions have been updated to reflect a deterioration in global economic conditions, characterised by higher inflation, weaker growth and tighter financial conditions than assumed in the base case. Economic activity is expected to contract, unemployment to rise materially and asset prices to decline. Housing and commercial property prices experience significant corrections while restrictive monetary policy settings weigh on household spending and business investment. These assumptions reflect a scenario in which heightened geopolitical tensions, disruptions to global energy supply and broader supply chain pressures result in a sustained deterioration in the global economic outlook. Similar assumptions are also used in the downside scenario, but with lesser impacts.
Probability weighting of each economic scenario (base case, upside, downside and severe downside scenarios)	Probability weighting of each economic scenario is determined by management considering the risks and uncertainties surrounding the base case economic scenario at each measurement date. 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.	Probability weightings have been updated, with additional weight applied to the severe downside scenario relative to the prior year, reflecting our assessment of the continuing downside risks in local and global economies, and uncertainties related to foreign policies. The probability weightings for current and prior periods are as detailed in the section on page 30 under the heading 'Probability weightings'.
Management temporary adjustments	Management temporary adjustments to the ECL allowance are used in circumstances where it is judged that our existing inputs, assumptions and model techniques do not capture all the risk factors relevant to our lending portfolios. Emerging local or global macroeconomic, microeconomic or political events, and natural disasters that are not incorporated into our current parameters, risk ratings, or forward-looking information are examples of such circumstances.	Management have continued to apply adjustments to accommodate risks associated with higher inflation and interest rates experienced over the last few years. Management overlays have been made for risks particular to property lending. The total amount of adjustments has decreased from the prior year as these risks are now more appropriately reflected in modelled ECL and, where applicable, individual provisions. Management temporary adjustments total NZ$8 million (2025: NZ$52 million). Management has considered and concluded no temporary adjustment is required at 30 September 2026 to the ECL in relation to climate or weather related events during the period.

Base case economic forecast assumptions

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

The economic drivers of the base case economic forecasts, reflective of the Banking Group's view of future macroeconomic conditions used at 30 September 2026 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.

	Calendar year		
	2026	2027	2028
New Zealand			
GDP (annual average % change)	1.7	2.6	2.8
Unemployment rate (annual average as a %)	5.6	5.4	5.0
Residential property prices (annual % change)	(1.0)	2.0	4.0
Consumer price index (annual average % change)	3.6	2.0	2.0

12. Allowance for expected credit losses (continued)

Key judgements and estimates

Probability weightings

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

The assigned probability weightings are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The 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:

	2026	2025
Base	50.00%	50.00%
Upside	3.60%	3.75%
Downside	32.40%	33.75%
Severe downside	14.00%	12.50%

ECL - Sensitivity analysis

Given current economic uncertainties and the judgement applied to factors used in determining the expected default of borrowers in future periods, expected credit losses reported by the 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 30 September 2026. The totals for each scenario are approximate levels of ECL assuming 100% weighting was applied to that scenario, applying scenario specific management temporary adjustments where appropriate, and holding all other management temporary adjustments constant:

	Total NZ$m	Impact on total[1] NZ$m
Collectively assessed ECL as at 30 September 2026 (refer to page 25)	707	-
If 1% of Stage 1 facilities were included in Stage 2	714	7
If 1% of Stage 2 facilities were included in Stage 1	706	(1)
100% upside scenario	252	(455)
100% base scenario	340	(367)
100% downside scenario	874	167
100% severe downside scenario	1,688	981

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

Individually assessed allowance for expected credit losses

In estimating individually assessed ECL, the 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 financial statements.

Financial liabilities

Outlined below is a description of how we classify and measure financial liabilities relevant to Notes 13 and 14.

Classification and measurement

Financial liabilities

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

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

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

13. Deposits and other borrowings

	2026 NZ$m	2025 NZ$m
Term deposits	63,182	60,808
On demand and short term deposits	65,424	65,405
Deposits not bearing interest	20,377	17,329
Total customer deposits	148,983	143,542
Certificates of deposit	2,097	882
Commercial paper	4,215	4,165
Securities sold under repurchase agreements	5,267	4,520
Deposits from Immediate Parent Company and NZ Branch	162	173
Deposits and other borrowings	160,724	153,282
Residual contractual maturity:		
Within one year	152,970	147,892
More than one year	7,754	5,390
Deposits and other borrowings	160,724	153,282
Carried on Balance Sheet at:		
Amortised cost	151,276	145,762
Fair value through profit or loss	9,448	7,520
Deposits and other borrowings	160,724	153,282

Recognition and measurement

For deposits and other borrowings that:

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

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

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

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

14. Debt issuances

The 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.

	2026 NZ$m	2025 NZ$m
Senior debt	12,940	12,020
Covered bonds	2,973	2,510
Total unsubordinated debt	15,913	14,530
Subordinated debt		
- Additional tier 1 capital	-	938
- Tier 2 capital	1,738	2,331
Total subordinated debt	1,738	3,269
Total debt issued	17,651	17,799
Residual contractual maturity:		
Within one year	4,682	4,245
More than one year	12,969	13,554
Total debt issued	17,651	17,799

Total debt issued by currency

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

		2026 NZ$m	2025 NZ$m
EUR	Euro	7,318	6,902
NZD	New Zealand dollars	1,248	2,773
USD	United States dollars	9,085	8,124
Total debt issued		17,651	17,799

The Bank has guaranteed the payment of interest and principal of covered bonds issued by its subsidiary ANZ New Zealand (Int'l) Limited. This obligation is guaranteed by ANZNZ Covered Bond Trust Limited (the Covered Bond Guarantor), solely in its capacity as trustee of ANZNZ Covered Bond Trust (the Covered Bond Trust). The Covered Bond Trust is a member of the 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 63 for the carrying amount of assets transferred to the ANZ Covered Bond Trust pledged as security for covered bonds.

Subordinated debt

All subordinated debt is issued by the Bank and qualifies as regulatory capital for the Banking Group. Each subordinated debt instrument is classified as either additional tier 1 capital or tier 2 capital for RBNZ's capital adequacy purposes depending on the terms and conditions of the instruments.

Additional tier 1 capital

The Bank redeemed all of the NZ$938 million additional tier 1 capital subordinated debt on its optional redemption date in June 2026.

14. Debt issuances (continued)

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 prior written approval from RBNZ.

The table below shows the tier 2 capital subordinated notes on issue:

Currency	Face value	Issue date	Maturity	Next optional call date - subject to RBNZ's approval	Interest rate	Interest reset date	Credit rating[3]	2026 NZ$m	2025 NZ$m
NZD	600m	Sep 2021	Sep 2031	Sep 2026[2]	2.999%	Sep 2026	n/a	-	598
USD	500m	Aug 2022	Aug 2032	Aug 2027	5.548%	Aug 2027	A	870	849
USD	500m	Jul 2024	Jul 2034	Jul 2029	5.898%	Jul 2029	A	868	884
Total tier 2 capital[1]								1,738	2,331

1. Carrying amounts are net of issuance costs and, where applicable, include fair value hedge accounting adjustments.
2. Redeemed in full on an optional call date during 2026.
3. Credit rating assigned by S&P Global Ratings as at 30 September 2026.

Recognition and measurement

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

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

15. Financial risk management

Risk management framework and model

Introduction

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

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

Material financial risks	Key sections applicable to this risk
Credit risk The risk of financial loss resulting from: • a counterparty failing to fulfil its obligations; or • a decrease in credit quality of a counterparty resulting in a financial loss.	• Credit risk overview, management and control responsibilities • Maximum exposure to credit risk • Credit quality • Concentrations of credit risk • Collateral management
Market risk The risk to the Banking Group's earnings arising from: • changes in interest rates, foreign exchange rates, credit spreads, volatility and correlations; or • fluctuations in bond, commodity or equity prices.	• Market risk overview, management and control responsibilities • Measurement of market risk • Traded and non-traded market risk • Foreign currency risk – structural exposure
Liquidity and funding risk The risk that the Banking Group is unable to meet its payment obligations as they fall due, including: • repaying depositors or maturing wholesale debt; or • the Banking Group having insufficient capacity to fund increases in assets.	• Liquidity risk overview, management and control responsibilities • Key areas of measurement for liquidity risk • Liquidity portfolio management • Funding position • Residual contractual maturity analysis of the Banking Group's liabilities

Overview

An overview of our risk management framework

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

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

The Board approves the strategic objectives of the Banking Group including:

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

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

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

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

Internal Audit Function

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

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

15. Financial risk management (continued)

Credit risk

Credit risk overview, management and control responsibilities

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

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

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

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

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

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

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

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

Large and more complex lending	Retail and some small business lending
Rating models provide a consistent and structured assessment, with judgement required around the use of out-of-model factors. We handle credit approval on a dual approval basis, jointly with the business writer and an independent credit officer.	Automated assessment of credit applications using a combination of scoring (application and behavioural), policy rules and external credit reporting information. If the application does not meet the automated assessment criteria, then it is subject to manual assessment.

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

15. Financial risk management (continued)

Credit risk (continued)

Maximum exposure to credit risk

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

For undrawn facilities, this maximum exposure to credit risk is the full amount of the committed facilities. For contingent exposures, the maximum exposure to credit risk is the maximum amount the 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	
	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m
On-balance sheet positions						
Net loans and advances	**163,915**	158,683	**-**	-	**163,915**	158,683
Other financial assets:						
Cash and cash equivalents	**13,131**	9,386	**133**	130	**12,998**	9,256
Settlement balances receivable	**817**	1,620	**-**	-	**817**	1,620
Collateral paid	**859**	1,114	**-**	-	**859**	1,114
Trading securities	**6,805**	6,348	**-**	-	**6,805**	6,348
Derivative financial instruments	**11,049**	11,449	**-**	-	**11,049**	11,449
Investment securities	**17,718**	16,458	**-**	-	**17,718**	16,458
Other financial assets[2]	**897**	860	**-**	-	**897**	860
Total other financial assets	**51,276**	47,235	**133**	130	**51,143**	47,105
Subtotal	**215,191**	205,918	**133**	130	**215,058**	205,788
Off-balance sheet positions						
Undrawn and contingent facilities[3]	**32,346**	30,116	**-**	-	**32,346**	30,116
Total	**247,537**	236,034	**133**	130	**247,404**	235,904

1. Coins, notes and cash at bank within cash and cash equivalents were excluded as they do not have credit risk exposure.
2. Other financial assets mainly comprise accrued interest and acceptances.
3. Undrawn and contingent facilities include guarantees, letters of credit and performance related contingencies, net of collectively assessed and individually assessed allowance for expected credit losses.

15. Financial risk management (continued)

Credit risk (continued)

Credit quality

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

Net loans and advances

As at 30 September 2026	Stage 1 NZ$m	Stage 2 NZ$m	Stage 3 Collectively assessed NZ$m	Stage 3 Individually assessed NZ$m	Total NZ$m
Strong	84,187	1,540	-	-	85,727
Satisfactory	62,514	5,339	-	-	67,853
Weak	5,233	2,418	-	-	7,651
Defaulted	-	-	1,136	408	1,544
Gross loans and advances at amortised cost	151,934	9,297	1,136	408	162,775
Allowance for ECL	(238)	(241)	(93)	(86)	(658)
Net loans and advances at amortised cost	151,696	9,056	1,043	322	162,117
Loans and advances at FVTPL					1,032
Unearned income					(27)
Capitalised brokerage and other origination costs					793
Net carrying amount					163,915

As at 30 September 2025					
Strong	79,659	1,315	-	-	80,974
Satisfactory	61,298	5,568	-	-	66,866
Weak	5,283	3,045	-	-	8,328
Defaulted	-	-	1,240	369	1,609
Gross loans and advances at amortised cost	146,240	9,928	1,240	369	157,777
Allowance for ECL	(188)	(320)	(96)	(64)	(668)
Net loans and advances at amortised cost	146,052	9,608	1,144	305	157,109
Loans and advances at FVTPL					961
Unearned income					(26)
Capitalised brokerage and other origination costs					639
Net carrying amount					158,683

15. Financial risk management (continued)

Credit risk (continued)

Off-balance sheet commitments - undrawn and contingent facilities

As at 30 September 2026	Stage 1 NZ$m	Stage 2 NZ$m	Stage 3 Collectively assessed NZ$m	Stage 3 Individually assessed NZ$m	Total NZ$m
Strong	26,378	205	-	-	26,583
Satisfactory	4,575	774	-	-	5,349
Weak	227	297	-	-	524
Defaulted	-	-	13	16	29
Gross undrawn and contingent facilities	31,180	1,276	13	16	32,485
Allowance for ECL included in Other provisions (refer to Note 19)	(90)	(43)	(2)	(4)	(139)
Net undrawn and contingent facilities	31,090	1,233	11	12	32,346

As at 30 September 2025					
Strong	24,065	254	-	-	24,319
Satisfactory	4,169	1,097	-	-	5,266
Weak	223	403	-	-	626
Defaulted	-	-	16	23	39
Gross undrawn and contingent facilities	28,457	1,754	16	23	30,250
Allowance for ECL included in Other provisions (refer to Note 19)	(70)	(57)	(3)	(4)	(134)
Net undrawn and contingent facilities	28,387	1,697	13	19	30,116

Other financial assets

	2026 NZ$m	2025 NZ$m
Strong	49,836	47,019
Satisfactory	1,304	76
Weak	3	10
Defaulted	-	-
Total carrying amount	51,143	47,105

15. Financial risk management (continued)

Credit risk (continued)

Concentrations of credit risk

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

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

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

	Loans and advances		Other financial assets		Off-balance sheet credit related commitments		Total	
	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m
New Zealand residents								
Agriculture	**15,932**	15,517	**62**	70	**1,119**	1,055	**17,113**	16,642
Forestry and fishing, agriculture services	**553**	557	**6**	5	**124**	102	**683**	664
Mining	**26**	83	**17**	1	**191**	80	**234**	164
Manufacturing	**2,232**	2,347	**300**	184	**2,145**	2,182	**4,677**	4,713
Electricity, gas, water and waste services	**1,082**	1,263	**184**	298	**1,865**	2,018	**3,131**	3,579
Construction	**1,253**	1,093	**5**	5	**1,379**	970	**2,637**	2,068
Wholesale trade	**1,536**	1,433	**58**	70	**1,414**	1,476	**3,008**	2,979
Retail trade and accommodation	**2,906**	2,638	**19**	13	**816**	770	**3,741**	3,421
Transport, postal and warehousing	**778**	1,060	**11**	40	**1,016**	853	**1,805**	1,953
Finance and insurance services	**2,356**	2,309	**11,308**	12,356	**2,185**	1,272	**15,849**	15,937
Rental, hiring & real estate services	**39,080**	38,125	**1,272**	1,916	**1,924**	1,772	**42,276**	41,813
Professional, scientific, technical, administrative and support services	**1,144**	1,046	**23**	21	**616**	616	**1,783**	1,683
Public administration and safety	**202**	181	**16,503**	15,196	**824**	721	**17,529**	16,098
Health care and social assistance	**901**	886	**4**	11	**360**	338	**1,265**	1,235
Households	**90,354**	86,779	**337**	356	**15,098**	14,400	**105,789**	101,535
All other New Zealand residents[1]	**1,219**	1,172	**57**	71	**1,106**	1,338	**2,382**	2,581
Subtotal	**161,554**	156,489	**30,166**	30,613	**32,182**	29,963	**223,902**	217,065
Overseas								
Finance and insurance services	**62**	61	**20,549**	16,259	**303**	287	**20,914**	16,607
Households	**1,573**	1,550	**6**	6	**-**	-	**1,579**	1,556
All other non-New Zealand residents	**618**	638	**422**	227	**-**	-	**1,040**	865
Subtotal	**2,253**	2,249	**20,977**	16,492	**303**	287	**23,533**	19,028
Gross subtotal	**163,807**	158,738	**51,143**	47,105	**32,485**	30,250	**247,435**	236,093
Allowance for ECL	**(658)**	(668)	**-**	-	**(139)**	(134)	**(797)**	(802)
Subtotal	**163,149**	158,070	**51,143**	47,105	**32,346**	30,116	**246,638**	235,291
Unearned income	**(27)**	(26)	**-**	-	**-**	-	**(27)**	(26)
Capitalised brokerage and other origination costs	**793**	639	**-**	-	**-**	-	**793**	639
Maximum exposure to credit risk	**163,915**	158,683	**51,143**	47,105	**32,346**	30,116	**247,404**	235,904

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

15. Financial risk management (continued)

Credit risk (continued)

Collateral management

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

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

Net loans and advances	
Loans – housing and personal	Housing loans are secured by mortgage(s) over property and additional security may take the form of guarantees and deposits. Personal lending (including credit cards and overdrafts) is predominantly unsecured. If we take security, then it is restricted to eligible vehicles, motor homes and other assets.
Loans – business	Business loans may be secured, partially secured or unsecured. Typically, we take security by way of a mortgage over property and/or a charge over the business or other assets. If appropriate, we may take other security to mitigate the credit risk, such as guarantees, standby letters of credit or derivative protection.
Other financial assets	
Trading securities, investment securities, derivatives and other financial assets	For trading securities, we do not seek collateral directly from the issuer or counterparty. However, the collateral may be implicit in the terms of the instrument (for example, with an asset-backed security). The terms of debt securities may include collateralisation. For derivatives we will have large individual exposures to single name counterparties such as central clearing houses, financial institutions, and other institutional clients. Open derivative positions with these counterparties are aggregated and cash collateral (or other forms of eligible collateral) is exchanged daily through the respective Credit Support Annex (CSA) agreements. The collateral is provided by the counterparty when their position is out of the money (or provided to the counterparty by the Banking Group when our position is out of the money). Credit risk will remain where the full amount of the derivative exposure is not covered by any collateral.
Off-balance sheet positions	
Undrawn and contingent facilities	Collateral for off-balance sheet positions is mainly held against undrawn facilities, and they are typically performance bonds or guarantees. Undrawn facilities that are secured include housing loans secured by mortgages over residential property and business lending secured by commercial real estate and/or charges over business assets.

The table below shows the estimated value of collateral we hold and the net unsecured portion of credit exposures:

	Maximum exposure to credit risk		Total value of collateral[1]		Unsecured portion of credit exposure	
	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m
Net loans and advances	**163,915**	158,683	**154,753**	149,636	**9,162**	9,047
Other financial assets	**51,143**	47,105	**9,207**	5,985	**41,936**	41,120
Off-balance sheet positions	**32,346**	30,116	**18,466**	17,260	**13,880**	12,856
Total	**247,404**	235,904	**182,426**	172,881	**64,978**	63,023

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

15. Financial risk management (continued)

Market risk

Market risk overview, management and control responsibilities

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

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

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

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

Traded market risk	Non-traded market risk
Risk of loss from changes in the value of financial instruments due to movements in price factors for both physical and derivative trading positions. Principal risk categories monitored are: • Currency risk – potential loss arising from changes in foreign exchange rates or their implied volatilities. • Interest rate risk – potential loss from changes in market interest rates or their implied volatilities. • Credit spread risk – potential loss arising from a movement in margin or spread relative to a benchmark. • Commodity risk – potential loss arising from changes in commodity prices or their implied volatilities.	Risk of loss associated with the management of non-traded interest rate risk, liquidity risk and foreign exchange exposures. This includes interest rate risk in the banking book. This risk of loss arises from adverse changes in the overall and relative level of interest rates for different tenors, differences in the actual versus expected net interest margin, and the potential valuation risk associated with embedded options in financial instruments and bank products.

Measurement of market risk

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

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

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

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

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

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

15. Financial risk management (continued)

Market risk (continued)

Traded and non-traded market risk

Traded market risk

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

	2026				2025			
	As at NZ$m	High for year NZ$m	Low for year NZ$m	Average for year NZ$m	As at NZ$m	High for year NZ$m	Low for year NZ$m	Average for year NZ$m
Traded value at risk 99% confidence								
Foreign exchange	0.5	1.0	0.2	0.5	0.6	1.7	0.2	0.5
Interest rate	0.9	2.4	0.5	1.0	0.9	2.7	0.6	1.2
Credit	0.3	0.7	0.2	0.3	0.5	0.9	0.1	0.4
Diversification benefit[1]	(0.6)	n/a	n/a	(0.7)	(0.5)	n/a	n/a	(0.8)
Total VaR	1.1	2.7	0.6	1.1	1.5	4.1	0.6	1.3

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

Non-traded market risk

Balance sheet risk management

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

Interest rate risk management

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

	2026				2025			
	As at NZ$m	High for year NZ$m	Low for year NZ$m	Average for year NZ$m	As at NZ$m	High for year NZ$m	Low for year NZ$m	Average for year NZ$m
Non-traded value at risk 99% confidence								
Total VaR	34.1	34.1	23.3	27.6	26.8	30.1	21.9	26.0

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

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

	2026	2025
Impact of 1% rate shock on the next 12 months' net interest income		
As at period end	0.3%	0.3%
Maximum exposure	1.4%	0.6%
Minimum exposure	0.2%	-0.4%
Average exposure (in absolute terms)	0.6%	0.0%

Foreign currency risk – structural exposures

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

15. Financial risk management (continued)

Liquidity and funding risk

Liquidity risk overview, management and control responsibilities

Liquidity risk is the risk that the Banking Group:

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

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

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

Key areas of measurement for liquidity and funding risk

Supervision and regulation

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

Scenario modelling

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

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

As at 30 September 2026, the Banking Group was operating above the required minimums for the modelled scenarios.

Structural balance sheet metrics

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

Wholesale funding

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

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

Funding capacity and debt issuance planning

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

15. Financial risk management (continued)

Liquidity and funding risk (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.

	2026 NZ$m	2025 NZ$m
Central and local government bonds	15,187	14,487
Government treasury bills	531	111
Certificates of deposit	684	537
Other bonds	7,797	7,543
Securities held to support liquidity risk management	24,199	22,678
Cash and balances with central banks	6,489	7,270
Assets held to support liquidity risk management	**30,688**	29,948

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$12,466 million at 30 September 2026 (2025: NZ$11,441 million).

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

As at 30 September 2026, the Bank had fully repaid the amounts previously drawn under the TLF (2025: NZ$165 million drawn) and the FLP (2025: NZ$1,000 million drawn). These amounts were included in securities sold under repurchase agreements in Note 13 Deposits and other borrowings.

Liquidity crisis contingency planning

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

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

Funding position

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

	2026 NZ$m	2025 NZ$m
Funding composition		
Customer deposits	148,983	143,542
Wholesale funding		
Debt issuances	17,651	17,799
Certificates of deposit	2,097	882
Commercial paper	4,215	4,165
Other borrowings	5,429	4,693
Total wholesale funding	29,392	27,539
Total deposits and wholesale funding	178,375	171,081

15. Financial risk management (continued)

Liquidity and funding risk (continued)

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

	2026 NZ$m	2025 NZ$m
Customer deposits by industry - New Zealand residents		
Agriculture, forestry and fishing	5,187	4,595
Mining	283	222
Manufacturing	2,988	2,967
Construction	3,414	3,195
Wholesale trade	2,506	2,389
Retail trade and accommodation	2,530	2,312
Transport, postal and warehousing	1,343	1,616
Financial and insurance services	15,036	15,591
Rental, hiring and real estate services	3,982	3,697
Professional, scientific, technical, administrative and support services	7,180	6,803
Public administration and safety	1,550	1,428
Health care and social assistance	1,727	1,685
Arts, recreation and other services	2,408	2,507
Households	84,062	80,832
All other New Zealand residents[1]	3,347	2,662
Subtotal	137,543	132,501
Customer deposits by industry - overseas		
Households	10,725	10,260
All other non-New Zealand residents	715	781
Subtotal	11,440	11,041
Total customer deposits	148,983	143,542
Wholesale funding (financial and insurance services industry)		
New Zealand	7,968	7,543
Overseas	21,424	19,996
Total wholesale funding	29,392	27,539
Total deposits and wholesale funding	178,375	171,081
Concentrations of funding by geography		
New Zealand	145,511	140,044
Australia	1,997	1,790
United States	14,025	12,983
Europe	8,670	8,158
Other countries	8,172	8,106
Total deposits and wholesale funding	178,375	171,081

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

15. Financial risk management (continued)

Liquidity and funding risk (continued)

Residual contractual maturity analysis of the Banking Group's financial liabilities

The tables below provide residual contractual maturity analysis of financial liabilities at 30 September 2026 and 30 September 2025 within relevant maturity groupings. All outstanding debt issuances are profiled on the earliest date on which the Banking Group may pay. The amounts represent principal and interest cash flows – so they may differ from equivalent amounts reported on the Balance Sheet.

It should be noted that this is not how the Banking Group manages its liquidity risk. The management of this risk is detailed on page 43.

As at 30 September 2026	On demand NZ$m	Less than 3 months NZ$m	3 to 12 months NZ$m	1 to 5 years NZ$m	After 5 years NZ$m	Total NZ$m
Settlement balances payable	3,432	2,632	-	-	-	6,064
Collateral received	-	1,649	-	-	-	1,649
Deposits and other borrowings	85,804	34,636	33,721	8,476	-	162,637
Derivative financial liabilities (trading)	-	10,146	-	-	-	10,146
Debt issuances[1]	-	18	5,354	14,189	-	19,561
Lease liabilities	-	16	47	145	46	254
Other financial liabilities	-	201	45	177	254	677
Derivative financial instruments (balance sheet management)						
- gross inflows	-	34	3,815	9,439	999	14,287
- gross outflows	-	(259)	(3,963)	(9,818)	(1,174)	(15,214)

As at 30 September 2025						
Settlement balances payable	3,403	1,232	-	-	-	4,635
Collateral received	-	1,725	-	-	-	1,725
Deposits and other borrowings	82,737	34,918	31,628	5,957	-	155,240
Derivative financial liabilities (trading)	-	10,333	-	-	-	10,333
Debt issuances[1]	-	15	4,779	14,764	-	19,558
Lease liabilities	-	14	41	137	42	234
Other financial liabilities	-	26	10	87	180	303
Derivative financial instruments (balance sheet management)						
- gross inflows	-	(548)	3,100	7,287	819	10,658
- gross outflows	-	854	(3,220)	(7,456)	(870)	(10,692)

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

At 30 September 2026, NZ$32,485 million (2025: NZ$30,250 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.

16. 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.

		2026			2025		
	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	7	8,099	5,032	13,131	7,760	1,626	9,386
Settlement balances receivable		817	-	817	1,620	-	1,620
Collateral paid		859	-	859	1,114	-	1,114
Trading securities	8	-	6,805	6,805	-	6,348	6,348
Derivative financial instruments	9	-	11,049	11,049	-	11,449	11,449
Investment securities	10	-	17,718	17,718	-	16,458	16,458
Net loans and advances	11	162,883	1,032	163,915	157,722	961	158,683
Other financial assets		897	-	897	860	-	860
Total		173,555	41,636	215,191	169,076	36,842	205,918
Financial liabilities							
Settlement balances payable		6,043	-	6,043	4,614	-	4,614
Collateral received		1,649	-	1,649	1,725	-	1,725
Deposits and other borrowings	13	151,276	9,448	160,724	145,762	7,520	153,282
Derivative financial instruments	9	-	10,220	10,220	-	10,408	10,408
Debt issuances	14	17,651	-	17,651	17,799	-	17,799
Other financial liabilities		928	361	1,289	1,033	195	1,228
Total		177,547	20,029	197,576	170,933	18,123	189,056

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

Fair value approach and valuation techniques

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

Asset or liability	Fair value approach
Financial instruments classified as: - Derivative financial assets and financial liabilities (including trading and non-trading) - Repurchase agreements less than 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.

16. 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	
	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m
Financial assets								
Cash and cash equivalents	-	-	5,032	1,626	-	-	5,032	1,626
Trading securities[1]	4,807	5,169	1,998	1,179	-	-	6,805	6,348
Derivative financial instruments	37	2	11,012	11,445	-	2	11,049	11,449
Investment securities[1]	15,425	14,370	2,287	2,082	6	6	17,718	16,458
Net loans and advances	-	-	1,032	961	-	-	1,032	961
Total	20,269	19,541	21,361	17,293	6	8	41,636	36,842
Financial liabilities								
Deposits and other borrowings	-	-	9,448	7,520	-	-	9,448	7,520
Derivative financial instruments	2	43	10,218	10,365	-	-	10,220	10,408
Other financial liabilities	343	195	18	-	-	-	361	195
Total	345	238	19,684	17,885	-	-	20,029	18,123

1. During 2026, no assets were transferred from Level 1 to Level 2 (2025: NZ$434 million of assets were transferred from Level 1 to Level 2) and NZ$1,150 million of assets were transferred from Level 2 to Level 1 for the Banking Group (2025: NZ$127 million transferred from Level 2 to Level 1) due to a change in the observability of market price and/or valuation inputs. There were no other material transfers between Level 1, Level 2 and Level 3 during the year. Transfers into and out of levels are measured at the beginning of the reporting period in which the transfer occurred.

Financial assets and financial liabilities not measured at fair value

The financial assets and financial liabilities listed below are measured at amortised cost on the 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.

			Categorised into fair value hierarchy							
	At amortised cost		Quoted price in active markets (Level 1)		Using observable inputs (Level 2)		Using unobservable inputs (Level 3)		Total fair value	
	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m
Financial assets										
Net loans and advances	162,883	157,722	-	-	95	82	162,558	158,282	162,653	158,364
Total	162,883	157,722	-	-	95	82	162,558	158,282	162,653	158,364
Financial liabilities										
Deposits and other borrowings	151,276	145,762	-	-	151,229	145,971	-	-	151,229	145,971
Debt issuances	17,651	17,799	1,254	1,897	16,543	16,162	-	-	17,797	18,059
Total	168,927	163,561	1,254	1,897	167,772	162,133	-	-	169,026	164,030

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

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

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

Key judgements and estimates

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

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

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

17. Offsetting

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

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

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

			Amount subject to master netting agreement or similar			
As at 30 September 2026	Total amounts recognised in the Balance Sheet NZ$m	Amounts not subject to master netting agreement or similar NZ$m	Total NZ$m	Financial instruments[5] NZ$m	Financial collateral (received)/ pledged[5] NZ$m	Net amount NZ$m
Derivative financial assets[1]	11,049	(247)	10,802	(8,657)	(1,618)	527
Reverse repurchase agreements[2]						
- at amortised cost	1,133	-	1,133	-	(1,133)	-
- at FVTPL	6,064	-	6,064	-	(6,064)	-
Total financial assets	18,246	(247)	17,999	(8,657)	(8,815)	527
Derivative financial liabilities[1]	(10,220)	243	(9,977)	8,657	513	(807)
Repurchase agreements[3]						
- at amortised cost	(34)	-	(34)	-	34	-
- at FVTPL	(5,233)	-	(5,233)	-	5,233	-
Total financial liabilities	(15,487)	243	(15,244)	8,657	5,780	(807)
As at 30 September 2025						
Derivative financial assets[1,4]	11,449	(333)	11,116	(8,674)	(1,661)	781
Reverse repurchase agreements[2]						
- at amortised cost[4]	400	-	400	-	(400)	-
- at FVTPL[4]	2,587	-	2,587	-	(2,587)	-
Total financial assets	14,436	(333)	14,103	(8,674)	(4,648)	781
Derivative financial liabilities[1,4]	(10,408)	103	(10,305)	8,674	752	(879)
Repurchase agreements[3]						
- at amortised cost	(1,165)	-	(1,165)	-	1,165	-
- at FVTPL	(3,355)	-	(3,355)	-	3,355	-
Total financial liabilities	(14,928)	103	(14,825)	8,674	5,272	(879)

1. Derivative assets and liabilities recognised in the Balance Sheet reflect the impact of certain central clearing collateral arrangements, whereby collateral that qualifies as legal settlement has reduced the carrying value of those associated derivative balances.
2. Reverse repurchase agreements:
   - with less than 90 days to maturity are presented in the Balance Sheet within Cash and cash equivalents; or
   - with 90 days or more to maturity are presented in the Balance Sheet within Net loans and advances.
3. Repurchase agreements are presented on the Balance Sheet within Deposits and other borrowings.
4. Comparative amounts have been adjusted to be consistent with the current period's presentation.
5. The amount of financial instruments and financial collateral disclosed is limited to the net balance sheet exposure of the relevant financial assets or liabilities, and any over-collateralisation is excluded from the tables.

18. Goodwill and other intangible assets

	2026 NZ$m	2025 NZ$m
Goodwill	3,006	3,006
Software	45	27
Management rights	67	67
Goodwill and other intangible assets	3,118	3,100

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

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

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

	Goodwill		Management rights	
Cash generating unit	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m
Personal	980	980	-	-
Funds Management	62	62	67	67
Personal segment	1,042	1,042	67	67
Business & Agri	695	695	-	-
Institutional	1,269	1,269	-	-
Total	3,006	3,006	67	67

Goodwill was assessed for indicators of impairment as at 30 September 2026, taking into account the results of the February 2026 impairment test and associated sensitivity and scenario analysis performed and the forecast impact of recent economic events. There were no indicators of impairment therefore, in accordance with NZ IAS 36 *Impairment of Assets*, no further impairment test was required.

The following information is for the annual goodwill impairment test, and reflects the CGUs and goodwill allocations as at 28 February 2026.

Annual goodwill impairment test

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

18. Goodwill and other intangible assets (continued)

Value-in-use

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

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

Input / assumption	Values applied in 28 February 2026 impairment test
Forecast period and projections	To 30 September 2030 – a forecast period was used to cover the implementation of RBNZ's increased capital requirements over the transition period ending on 1 July 2030.
Revenue growth over forecast period	Comprises impacts of net interest margin and volume growth, arising from planned responses to known regulatory and economic forecasts. Average annual forecast revenue growth rates are shown below.
Credit impairment over forecast period	Varies by CGU, based on ECL modelling for 2026 and 2027, before returning to long run experience levels for 2028 to 2030. Long run experience levels are based on the Banking Group's bad debts written off, net of recoveries, since 2004 of 0.12% of gross loans and advances. Credit impairment for each CGU as a percentage of forecast gross loans and advances for 2028 to 2030 is shown below.
Terminal growth rate	2.0% - based on 2027 forecast inflation from RBNZ's February 2026 Monetary Policy Statement.
Discount rate	Post tax: 11.5% (February 2025: 11.1%). The main variables in the calculation of the discount rate used are the risk-free rate, beta and the market risk premium. The risk-free rate was the average traded 10-year New Zealand government bond yield as at 28 February 2026 of 4.5%. The market risk premium was estimated using observed historic rates of return for the New Zealand stock exchange and 10-year government bonds. Beta was consistent with observable measures applied in the regional banking sector.

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

	Revenue growth		Credit impairment		Pre-tax discount rate	
Cash generating unit	28 Feb 26	28 Feb 25	28 Feb 26	28 Feb 25	28 Feb 26	28 Feb 25
Personal	**4.3%**	3.6%	**0.02%**	0.02%	**24.6%**	29.0%
Funds Management	**6.2%**	1.4%	**n/a**	n/a	**22.8%**	26.5%
Business & Agri	**3.8%**	2.4%	**0.07%**	0.12%	**24.2%**	29.8%
Institutional	**2.1%**	1.6%	**0.08%**	0.05%	**24.3%**	29.4%

We performed stress tests for key sensitivities in each CGU. For Institutional, a 184 basis point decrease in the average annual growth over the forecast period to 0.2% would be required to reduce the CGU's recoverable amount to nil. A change, considered to be reasonably possible by management, in key assumptions would not cause the carrying amounts of any CGU to exceed its recoverable amount.

18. Goodwill and other intangible assets (continued)

Recognition and measurement

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

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

18. Goodwill and other intangible assets (continued)

Key judgements and estimates

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

Goodwill

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

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

Software and other intangible assets

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

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

19. Other provisions

	2026 NZ$m	2025 NZ$m
ECL allowance on undrawn and contingent facilities[1]	139	134
Customer remediation	33	39
Restructuring costs	32	15
Non-lending losses, frauds and forgeries	138	14
Other	24	23
Total other provisions	366	225

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

	Customer remediation NZ$m	Restructuring costs NZ$m	Non-lending losses, frauds and forgeries NZ$m	Other NZ$m
Balance at 1 October 2025	39	15	14	23
New and increased provisions made during the year	3	46	127	1
Provisions used during the year	(7)	(23)	(3)	-
Unused amounts reversed during the year	(2)	(6)	-	-
Balance at 30 September 2026	33	32	138	24

Customer remediation

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

Restructuring costs

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

Non-lending losses, frauds and forgeries

Non-lending losses include losses arising from certain legal actions and losses arising from forgeries, frauds and the correction of operational issues. The amounts recognised are the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties that surround the events and circumstances that affect the provision.

Other

Other provisions comprise various other provisions including losses arising from operational issues, make-good provisions associated with leased premises, and warranties and indemnities provided in connection with various disposals of businesses and assets.

Recognition and measurement

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

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

Key judgements and estimates

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

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

20. Shareholders' equity

Shareholders' equity

	2026 NZ$m	2025 NZ$m
Share capital	17,680	17,680
Reserves		
FVOCI reserve	72	(11)
Cash flow hedge reserve	80	140
Total reserves	152	129
Retained earnings	2,924	2,089
Total shareholders' equity	20,756	19,898

Share capital

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

	2026		2025	
	Number of shares	NZ$m	Number of shares	NZ$m
Ordinary shares	10,745,755,498	15,988	10,745,755,498	15,988
Perpetual preference shares	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 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 additional tier 1 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 30 September 2026, 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 and including the first optional redemption date), or at any time following the occurrence of a tax event or regulatory event, subject to prior written approval of RBNZ and certain other conditions being met.

RBNZ reviewed its key capital requirements in 2025 and has stated that regulatory capital recognition of instruments that qualify as additional tier 1 capital will be fully phased out.

The Bank has determined that a regulatory event has occurred in respect of the PPS. The occurrence of a regulatory event means that the Bank may choose to redeem the PPS at its discretion, subject to certain conditions including prior written approval of RBNZ. As at 6 November 2026, no decision has been made on whether the Bank will redeem the PPS.

20. Shareholders' equity (continued)

Recognition and measurement

Ordinary shares

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

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

Perpetual preference shares

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

In the event of liquidation, holders of perpetual preference shares are entitled to available subscribed capital per share, pari passu with all holders of existing perpetual preference shares and additional tier 1 capital instruments but in priority to all holders of ordinary shares. They have no entitlement to participate in further distribution of profits or assets.

Reserves:

Cash flow hedge reserve

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

FVOCI reserve

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

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

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

21. Capital management

Capital management strategy

The Banking Group's core capital objectives are to:

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

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

The Banking Group has minimum and trigger levels for common equity tier 1, tier 1 and total capital that ensure sufficient capital is maintained to:

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

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

Throughout the year, the Banking Group maintained compliance with RBNZ's minimum capital ratios.

Regulatory environment

As the Bank is a registered bank in New Zealand, it is primarily regulated by RBNZ under the Banking (Prudential Supervision) Act 1989. The Bank must comply with the minimum regulatory capital requirements, capital ratios and specific reporting levels that RBNZ sets. RBNZ requirements applicable as at 30 September 2026 are summarised below:

	Regulatory capital definition	Minimum capital ratios
Common equity tier 1 (CET1) capital	Comprises ordinary share capital, retained earnings, and certain accounting reserves. Some amounts (e.g. the value of goodwill) must be deducted to determine the final value of CET1 capital.	CET1 capital divided by total risk weighted assets must be at least 4.5%.
Tier 1 capital	CET1 capital plus additional tier 1 instruments that comprise high-quality capital and must: • provide a permanent and unrestricted commitment of funds; • be freely available to absorb losses; and provide for fully discretionary capital distributions.	Tier 1 capital divided by total risk weighted assets must be at least 7.0%.
Total capital	Tier 1 plus tier 2 capital. Tier 2 instruments include some subordinated instruments and accounting reserves that are not included in tier 1 capital. Some amounts are deducted in determining the value of tier 2 instruments.	Total capital divided by total risk weighted assets must be at least 9.0%.
Capital buffer	The Capital buffer is actual CET1 capital in excess of any of the minimum capital requirements imposed on the Bank.	Capital buffer divided by total risk weighted assets should be at least 5.5%.

	Reporting levels
Solo consolidated	The registered bank plus subsidiaries which are funded exclusively and wholly owned by the registered bank.
Banking Group	The registered bank's consolidated group.

The Bank measures capital adequacy and reports to RBNZ on a Banking Group basis monthly, and measures capital adequacy on a Solo consolidated basis quarterly. Banking Group and Solo consolidated capital ratios are reported publicly in six-monthly disclosure statements.

21. Capital management (continued)

Capital adequacy

The following table provides details of the Banking Group's capital adequacy ratios at 30 September:

Unaudited	2026 NZ$m	2025 NZ$m
Qualifying capital		
Tier 1		
Shareholders' equity	**20,756**	19,898
Perpetual preference shares and other adjustments to shareholders' equity[1]	**(1,712)**	(1,712)
Gross common equity tier 1 capital	**19,044**	18,186
Deductions	**(3,942)**	(3,895)
Common equity tier 1 capital	**15,102**	14,291
Additional tier 1 capital	**1,692**	2,630
Tier 1 capital	**16,794**	16,921
Tier 2 capital	**1,769**	2,325
Total capital	**18,563**	19,246
Capital adequacy ratios		
Common equity tier 1	**13.1%**	12.9%
Tier 1	**14.6%**	15.3%
Tier 2	**1.5%**	2.1%
Total	**16.1%**	17.4%
Prudential capital buffer ratio	**7.1%**	8.3%
Risk weighted assets	**115,282**	110,408

1. Includes a deduction for dividends on additional tier 1 capital instruments approved by the Bank's board, but not yet paid as at 30 September 2026, as required by BPR110 *Capital Definitions*.

22. Controlled entities

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

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

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

Recognition and measurement

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

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

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

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

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

All transactions between the Banking Group entities are eliminated on consolidation.

23. Structured entities

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

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

The Banking Group's involvement with SEs is as follows:

Type	Details
Securitisation	The Banking Group uses the Kingfisher NZ Trust 2008-1 (the Kingfisher Trust) to securitise residential mortgages that it has originated, in order to diversify sources of funding for liquidity management. The Kingfisher Trust is an internal securitisation (bankruptcy remote) vehicle created for the purpose of structuring assets that are eligible for repurchase under agreements with RBNZ (these are known as 'Repo eligible'). The Banking Group is exposed to variable returns from its involvement with the Kingfisher Trust and has the ability to affect those returns through its power over the Kingfisher Trust's activities. The Kingfisher Trust is therefore consolidated. As at 30 September 2025, the Banking Group had entered into repurchase agreements with RBNZ in relation to the TLF and FLP. The outstanding balances under these repurchase agreements were fully repaid during the year. Additionally, the Banking Group may acquire interests in securitisation vehicles set up by third parties through providing lending facilities to, or holding securities issued by, such entities.
ANZNZ Covered Bond Trust (the Covered Bond Trust)	Substantially all of the assets of the Covered Bond Trust are made up of certain housing loans and related securities originated by the Bank which are security for the guarantee by ANZNZ Covered Bond Trust Limited as trustee of the Covered Bond Trust of issuances of covered bonds by the Bank, or its wholly owned subsidiary ANZ New Zealand (Int'l) Limited, from time to time. The assets of the Covered Bond Trust are not available to creditors of the Bank, although the Bank (or its liquidator or statutory manager) may have a claim against the residual assets of the Covered Bond Trust (if any) after all priority ranking creditors of the Covered Bond Trust have been satisfied. The Banking Group is exposed to variable returns from its involvement with the Covered Bond Trust and has the ability to affect those returns through its power over the Covered Bond Trust's activities. The Covered Bond Trust is therefore consolidated.
Structured finance arrangements	The Banking Group is involved with SEs established: • in connection with structured lending transactions to facilitate debt syndication and/or to ring-fence collateral; and • to own assets that are leased to customers in structured leasing transactions. The Banking Group may provide risk management products (derivatives) to the SE. In all instances, the Banking Group does not control these SEs. Further, the Banking Group's involvement does not establish more than a passive interest in decisions about the relevant activities of the SE, and accordingly we do not consider that interest disclosable.
Funds management activities	The Banking Group is the scheme manager for a number of Managed Investment Schemes (MIS). These MIS include the ANZ and OneAnswer branded KiwiSaver, and retail schemes. These MIS are financed through the issue of units to investors and the Banking Group considers them to be SEs. The Banking Group's interests in these MIS are limited to receiving fees for services or providing risk management products (derivatives). These interests do not create significant exposures to the MIS that would allow the Banking Group to control the funds. Therefore, these MIS are not consolidated.

23. Structured entities (continued)

Consolidated structured entities

Financial or other support provided to consolidated SEs

The Bank provides lending facilities, derivatives and commitments to the Kingfisher Trust and the Covered Bond Trust and/or holds debt instruments that they have issued. The Bank did not provide any non-contractual support to consolidated SEs during the year (2025: nil).

Unconsolidated structured entities

The Banking Group's interest in unconsolidated SEs

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

For the purpose of disclosing interests in unconsolidated SEs:

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

The Banking Group earned funds management fees of NZ$219 million (2025: NZ$207 million) during the year. As at 30 September 2026, the Banking Group had total funds under management of NZ$44.2 billion (2025: NZ$41.9 billion) of which NZ$27.6 billion (2025: NZ$26.8 billion) related to its MIS, with the largest individual fund being approximately NZ$5.5 billion (2025: NZ$5.4 billion).

The Banking Group did not provide any non-contractual support to unconsolidated SEs during the year (2025: nil): nor does it have any current intention to provide financial or other support to unconsolidated SEs.

Sponsored unconsolidated structured entities

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

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

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

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

Key judgements and estimates

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

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

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

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

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

Covered bonds

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

Repurchase agreements

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

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

	Covered bonds		Repurchase agreements	
	2026 NZ$m	2025 NZ$m	2026 NZ$m	2025 NZ$m
Current carrying amount of assets transferred	9,900	9,995	5,256	4,947
Carrying amount of associated liabilities	2,973	2,510	5,267	4,520

Collateral accepted as security for assets

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

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

	2026 NZ$m	2025 NZ$m
Fair value of assets which can be sold or repledged[1]	7,208	3,031
Fair value of assets sold or repledged[1]	858	911

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

25. Related party disclosures

Key management personnel and their related parties

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

Key management personnel compensation[1]	2026 NZ$000	2025 NZ$000
Salaries and short-term employee benefits	14,272	13,736
Post-employment benefits	415	612
Other long-term benefits[2]	61	77
Termination benefits	60	-
Share-based payments	3,657	3,783
Total	18,465	18,208

1. Includes former disclosed KMPs until the end of their employment, and close family members of KMP employed by the Banking Group.
2. Comprises long service leave accrued during the year.

Transactions and balances with key management personnel and their related parties[1]	2026 NZ$m	2025 NZ$m
Secured loans and advances	20	12
Unsecured loans and advances	3	-
Credit related commitments (undrawn loan facilities)	4	3
Interest income	1	1
Allowance for expected credit losses	1	-
Customer deposits[2]	13	8
Payables and other liabilities (share-based payments liability)	4	3

1. Includes KMP, close family members of KMP and entities that are controlled or jointly controlled by KMP or their close family members, of the Banking Group and its parent companies.
2. Includes holdings of units in the ANZ PIE Fund (a sponsored unconsolidated structured entity) which are invested solely in deposits of the Bank.

Loans made to KMP and their related parties are made in the ordinary course of business on normal commercial terms and conditions no more favourable than those given to other employees or customers, including the term of the loan, security required and the interest rate. No amounts have been written off or forgiven, or individually assessed allowances for expected credit losses raised in respect of these balances (2025: nil).

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

- Aggregate amounts for each of unsecured loans and advances, interest expense, fee income, debt issuances and collectively assessed credit impairment charge and allowance for expected credit losses were less than NZ$1 million for both years presented.
- KMP and their related parties also hold units in other MIS managed by the Banking Group. Transactions and balances in respect of these MIS holdings are not disclosed because those MIS are unconsolidated structured entities and not included in the financial statements of the Banking Group.
- Some KMP pay the Banking Group for the use of carparks in premises owned or leased by the Banking Group. These amounts were less than NZ$0.1 million (2025: less than NZ$0.1 million).

25. Related party disclosures (continued)

Transactions with other members of the ANZ Group and associates

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

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

Transactions	2026 NZ$m	2025 NZ$m
Immediate Parent Company		
Interest expense	2	3
Dividends paid	1,659	1,701
Ultimate Parent Bank and other ANZ Group subsidiaries		
Interest income	39	12
Interest expense	93	117
Other operating income	38	13
Operating expenses	107	84
Mortgages sold to the NZ Branch	58	65
Mortgages repurchased from the NZ Branch	40	22
Associates		
Operating expenses	3	3

Outstanding balances	2026 NZ$m	2025 NZ$m
Ultimate Parent Bank and other ANZ Group subsidiaries		
Cash and cash equivalents	2,993	443
Collateral paid	-	1
Derivative financial instruments	7,880	8,209
Other assets	68	55
Total due from related parties	10,941	8,708
Immediate Parent Company		
Deposits and other borrowings	151	161
Derivative financial instruments	131	42
Ultimate Parent Bank and other ANZ Group subsidiaries		
Settlement balances payable	831	38
Collateral received	522	775
Deposits and other borrowings	90	67
Derivative financial instruments	7,405	7,431
Payables and other liabilities	25	36
Debt issuances	11	938
Associates		
Deposits and other borrowings	2	1
Total due to related parties	9,168	9,489

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

	2026 NZ$m	2025 NZ$m
Financial guarantees provided by the Ultimate Parent Bank and other ANZ Group subsidiaries	260	166
Financial guarantees provided to the Ultimate Parent Bank and other ANZ Group subsidiaries	303	287
Performance related contingent liabilities to the Ultimate Parent Bank and other ANZ Group subsidiaries	41	56
Undrawn facilities provided to associates	1	1

26. Commitments and contingent liabilities

Credit related commitments and contingencies

	2026 NZ$m	2025 NZ$m
Contract amount of:		
Undrawn facilities	29,503	26,964
Guarantees and letters of credit	1,180	1,427
Performance related contingencies	1,802	1,859
Total	32,485	30,250

Undrawn facilities

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

Guarantees, letters of credit and performance related contingencies

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

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

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

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

Other contingent liabilities

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

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

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.

Warranties and indemnities

The Banking Group 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.

Pending proceedings

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. In May 2026, the High Court granted summary judgment against the Bank in favour of the representative plaintiffs. The Bank's estimate of the maximum potential liability arising from this decision is NZ$125 million. The Bank has filed an appeal against the decision in the Court of Appeal and the representative plaintiffs have cross-appealed. The substantive proceedings have been stayed pending determination of the appeal.

27. Auditor fees

	2026 NZ$000	2025 NZ$000
KPMG		
Audit or review of the financial statements[1]	2,638	2,422
Audit or review related services:		
- Assurance engagements[2]	54	29
- Agreed upon procedures engagements[3]	93	93
- Other non-assurance engagements[4]	124	124
Total audit or review related services	271	246
Other assurance services and other agreed upon procedures engagements[5]	790	468
Total fees relating to the Banking Group	3,699	3,136
Fees relating to unconsolidated SEs managed by the Banking Group		
Audit or review of the financial statements	886	1,058
Audit or review related services[6]	163	185
Other assurance services and other agreed upon procedures engagements[5]	-	241
Total fees relating to unconsolidated SEs managed by the Banking Group	1,049	1,484
Total KPMG fees	4,748	4,620

1. Includes fees relating to the audit of the annual disclosure statements, review of the interim disclosure statements and the audit of the Bank's subsidiaries' annual financial statements.
2. Includes fees relating to trust deed compliance, internal control reviews and other regulatory reporting assurance.
3. Includes fees relating to other SEs, registry reviews and other services.
4. Includes fees relating to treasury funding programmes and offer document reviews.
5. Includes assurance engagement fees relating to greenhouse gas statements, other sustainability reports, and regulatory reporting.
6. Includes assurance engagement fees relating to internal control and registry reviews.



Independent Auditor's Report

To the shareholder of ANZ Bank New Zealand Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of ANZ Bank New Zealand Limited (the Bank) and its subsidiaries (the Banking Group) on pages 4 to 67 which comprise:

- the consolidated balance sheet as at 30 September 2026;
- the consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the Banking Group's financial position as at 30 September 2026 and its financial performance and cash flows for the year ended on that date; and
- comply with New Zealand Generally Accepted Accounting Practice, which in this instance means New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board and International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

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

We are independent of the Banking Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for *Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Our firm has provided services to the Banking Group in relation to review of regulatory returns, internal controls reports, prospectus assurance or reviews, agreed upon procedures engagements and other assurance engagements. Subject to certain restrictions, partners and employees of our firm may also deal with the 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.

Key Audit Matters

The **Key Audit Matters** we identified are:

- Allowance for expected credit losses
- Valuation of financial instruments
- Information technology systems and controls

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholder as a body may better understand the process by which we arrived at our audit opinion.

Our procedures were undertaken in the context of and solely for the purpose of our audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

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Key Audit Matters (continued)

Allowance for expected credit losses ($797 million)

Refer to Note 12 of the consolidated financial statements.

The Key Audit Matter

Allowance for expected credit losses (ECL) is a key audit matter due to the significance of the loans and advances balance to the consolidated financial statements and the inherent complexity of the Banking Group's Expected Credit Loss models (ECL models) used to measure ECL allowances. These models are reliant on data and a number of estimates including impacts of multiple economic scenarios, and other assumptions such as defining a Significant Increase in Credit Risk (SICR).

NZ IFRS 9 requires the Banking Group to measure ECL on a forward-looking basis reflecting a range of future economic conditions, of which GDP and unemployment levels are considered key assumptions. Post-model adjustments to the ECL results are also made by the Banking Group to address known ECL model limitations or emerging trends in the loan portfolios. We exercise significant judgement in challenging both the economic scenarios used and the judgemental post-model adjustments that the Banking Group applies to the ECL results.

The Banking Group's criteria selected to identify a SICR, such as a decrease in customer credit rating (CCR), are key areas of judgement within the Banking Group's ECL methodology as these criteria determine if a forward-looking 12 month or lifetime allowance is recorded.

How the matter was addressed in our audit

Our audit procedures for the allowance for ECL and disclosures included assessing the Banking Group's significant accounting policies against the requirements of the accounting standard. Credit risk and economic specialists were used in ECL audit procedures as a core part of our audit team.

We tested key controls in relation to:

- The Banking Group's ECL model governance and validation processes which involved assessment of model performance;
- The Banking Group's assessment and approval of the forward-looking macro-economic assumptions and scenario weightings through challenge applied by the Banking Group's internal governance processes;
- Reconciliation of the data used in the ECL calculation process to gross balances recorded within the general ledger as well as source systems;
- Counterparty risk grading for wholesale loans (larger customer exposures are monitored individually), a key input into the SICR assumption. This included;
  - Testing the approval of new lending facilities against the Banking Group's lending policies,
  - Re-performing credit assessments for a sample of wholesale loans. For each loan sampled, we challenged the Banking Group's CCR and Security Indicator. To do this, we reviewed the information on the Banking Group's loan file, understood the facts and circumstances of the case with the relationship manager, and performed our own assessment of CCR and Security Indicator; and
- IT system controls which record retail loans lending arrears, group exposures into delinquency buckets and recalculate individual allowances. We tested automated calculation and change management controls and evaluated the oversight of the portfolios, with a focus on controls over delinquency monitoring.

We tested relevant General Information Technology Controls over the key IT applications used by the Banking Group in measuring ECL allowances, as detailed in the IT Systems and Controls key audit matter below.

In addition to controls testing, our procedures included:

- For a sample of wholesale loans controlled by the Banking Group's specialist workout and recovery team, who assessed them as higher risk or impaired, we reviewed the assessment of loan recoverability as part of our risk assessment procedures over the credit allowance;
- Obtaining an understanding of the Banking Group's processes to determine ECL allowances, evaluating the Banking Group's ECL model methodologies against established market practices and criteria in the accounting standards;
- Working with our credit risk specialists, we assessed the accuracy of the Banking Group's ECL model estimates by re-performing, for a sample of loans, the ECL allowance using our independently driven calculation tools and comparing this to the amount recorded by the Banking Group;
- Working with our economic specialists, we challenged the Banking Group's forward-looking macro-economic assumptions and scenarios incorporated in the Banking Group's ECL models. We compared the Banking Group's forecast GDP and unemployment rates to relevant publicly available macro-economic information, and considered other known variables and information obtained through our other audit procedures to identify contradictory indicators;
- Testing the implementation of the Banking Group's SICR methodology by re-performing the staging calculation for a sample of loans taking into consideration movements in the CCR from loan origination and comparing our expectation to actual staging applied on an individual account level in the Banking Group's ECL model; and
- Assessing the accuracy of the data used in the ECL models by confirming a sample of data fields such as account balance and CCR to relevant source systems.

We also challenged key assumptions in the components of the Banking Group's post-model adjustments. This included:

- Assessing the requirement for post-model adjustments considering the Banking Group's ECL model and data deficiencies identified by the Banking Group's ECL model validation processes;
- Comparing underlying data used in concentration risk and economic cycle allowances to underlying loan portfolio characteristics of recent loss experience, current market conditions and specific risks inherent in the Banking Group's loan portfolios;
- Assessing certain post-model adjustments identified against internal and external information;
- Assessing the completeness of post-model adjustments by checking the consistency of risks we identified in the portfolios against the Banking Group's assessment; and
- We assessed the appropriateness of the Banking Group's disclosures in the consolidated financial statements using our understanding obtained from our testing and against the requirements of NZ IFRS.

Key Audit Matters (continued)

Valuation of financial instruments

Fair value of Level 2 financial instruments in asset positions $21,361 million, in liability positions $19,684 million

Refer to Note 16 of the consolidated financial statements.

The Key Audit Matter

The fair value of the Banking Group's Level 2 financial instruments is determined by the Banking Group through the application of valuation techniques which often involve the exercise of judgement and the use of assumption and estimates.

The valuation of Level 2 financial instruments held at fair value is a key audit matter due to the complexity associated with the valuation methodology and models of certain more complex Level 2 financial instruments including fair value adjustments (FVAs) leading to an increase in subjectivity and estimation uncertainty. Level 2 financial instruments represent 51% of the Banking Group's financial assets carried at fair value and 98% of the Banking Group's financial liabilities carried at fair value.

How the matter was addressed in our audit

Our audit procedures for the valuation of financial instruments held at fair value included:

Performing an assessment of the population of financial instruments held at fair value to identify portfolios that have a higher risk of misstatement arising from significant judgment over valuation either due to unobservable inputs or complex models.

We tested the design and operating effectiveness of key controls relating specifically to these financial instruments, including:

- Independent Price Verification (IPV), including completeness of portfolios and valuation inputs subject to IPV;
- Model validation at inception and periodically, including assessment of model limitation and assumptions;
- Review and challenge of daily profit and loss by a control function;
- Collateral management process, including review of margin reconciliations with clearing houses; and
- Review and approval of FVAs, including exit price and portfolio level adjustments.

In relation to the valuation of Level 2 financial instruments, with the assistance of our valuation specialists:

- Assessing the reasonableness of key inputs and assumptions using comparable data in the market and available alternatives;
- Comparing the Banking Group's valuation methodology to industry practice and the criteria in the accounting standards; and
- Independently revaluing a selection of financial instruments and FVAs. This involved sourcing independent inputs from comparable data in the market and available alternatives. We challenged and assessed any differences.

We assessed the Banking Group's consolidated financial statement disclosures, including key judgements and assumptions using our understanding obtained from our testing and against NZ IFRS.

Information technology (IT) systems and controls

The Key Audit Matter

As a major New Zealand bank, the Banking Group's businesses utilise a large number of complex, interdependent IT systems to process and record a high volume of transactions. Controls over access and changes to IT systems are critical to the recording of financial information and the preparation of financial statements which provides a true and fair view of the Banking Group's financial position and performance. The IT systems and controls, as they impact the financial recording and reporting of transactions, is a key audit matter and our audit approach could significantly differ depending on the effective operation of the Banking Group's IT controls.

How the matter was addressed in our audit

We tested the control environment for key IT applications used in processing significant transactions and recording balances in the general ledger. We also tested automated controls embedded within these systems which support the effective operation of technology-enabled business processes. Our IT specialists were used throughout the engagement as a core part of our audit team.

Our audit procedures included:

- Assessing the governance and higher-level controls in place across the IT environment, including the approach to the Banking Group policy design, review and awareness;
- Design and operating effectiveness testing of controls across the User Access Management Lifecycle, including how users are on-boarded, reviewed, and removed on a timely basis from critical IT applications and supporting infrastructure. We also examined how privileged roles and functions are managed across each IT application and the supporting infrastructure;
- Design and operating effectiveness testing of controls in place over change management, including how changes are initiated, documented, approved, tested and authorised prior to migration into the production environment of critical IT applications. We also assessed the appropriateness of users with access to make changes to IT applications across the Banking Group;
- Design and operating effectiveness testing of controls used by the Banking Group's technology teams to schedule system jobs and monitor system integrity;
- Design and operating effectiveness testing of controls related to significant IT application programs per the ANZ Delivery Framework; and
- Design and operating effectiveness testing of automated business process controls including those that enforce segregation of duties between conflicting roles within IT applications, configurations in place to perform calculations, mappings, and flagging of financial transactions, automated reconciliation controls (both between systems, and intra-system) and data integrity of critical system reporting used by us in our audit to select samples and analysis data used by management to generate financial reporting.

Other information

The Directors, on behalf of the Banking Group, are responsible for the other information. The other information comprises the Banking Group's general disclosures in section B1 required to be included in the Banking Group's Disclosure Statement in accordance with schedule 2 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (Order) and the information relating to capital adequacy and regulatory liquidity requirements disclosed in accordance with schedule 11 of the Order in section B4 but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon as part of the engagement to audit the Registered Bank and Banking Group consolidated financial statements. We have performed an assurance engagement on the Capital Adequacy and Regulatory Liquidity Requirements that forms part of the other information and provided a separate assurance conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated.

If, based on the work we have performed, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

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

Responsibilities of Directors for the consolidated financial statements

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

- the preparation and fair presentation of the consolidated financial statements in accordance with Clause 24 of the Order;
- implementing the necessary internal control to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; and
- assessing the ability of the Banking Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

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

Our objective is:

- to obtain reasonable assurance about whether the consolidated financial statements prepared in accordance with Clause 24 of the Order as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Brent Manning.

For and on behalf of:

KPMG

KPMG
Wellington

6 November 2026

Registered Bank Disclosures

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

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B1. General disclosures (unaudited)

Details of ultimate parent bank and ultimate non-bank holding company

The ultimate parent bank of the Bank is Australia and New Zealand Banking Group Limited (Ultimate Parent Bank). The address for service of the Ultimate Parent Bank is ANZ Centre, Melbourne, Level 9, 833 Collins Street, Docklands, Victoria 3008, Australia.

The ultimate non-bank holding company is ANZ Group Holdings Limited. The address for service is ANZ Centre, Melbourne, Level 9, 833 Collins Street, Docklands, Victoria 3008, Australia.

Restrictions on the Ultimate Parent Bank's ability to provide financial support

Effect of APRA's Prudential Standards

The ANZ Group is subject to extensive prudential regulation by APRA. APRA's current or future requirements may have an adverse effect on the Bank's business, results of operations, liquidity, capital resources or financial condition.

APRA's Prudential Standard APS 222 Associations with Related Entities (APS 222) sets minimum requirements for authorised deposit-taking institutions (ADIs) in Australia, including the Ultimate Parent Bank. The key requirements of APS 222 are that: an ADI must have a board-approved policy that governs its associations and dealings with its related entities; identify, monitor, manage and control potential contagion risk between the ADI and its related entities and step-in risk entities; meet minimum requirements with respect to dealings with related entities and step-in risk entities which may give rise to prudential concerns; and maintain exposures to related entities within limits.

Under APS 222, the Ultimate Parent Bank's ability to provide support to the Bank is subject to the following restrictions:

- the Ultimate Parent Bank must not undertake any dealings with unrelated entities for the dominant purpose of supporting the business of the Bank;
- the Ultimate Parent Bank must not provide support to, or accept support from, the Bank, unless such support is expressed clearly in legal documentation, is fixed as to time and amount, and is in accordance with the Ultimate Parent Bank's policies and the prudential requirements set out in paragraphs 13 to 17 of APS 222. These requirements include (without limitation) that the Ultimate Parent Bank must not:
  - have unlimited exposures to the Bank; or
  - agree to cross-default clauses whereby a default by the Bank on an obligation (whether financial or otherwise) triggers or is deemed to trigger a default by the Ultimate Parent Bank on its obligations;
- the Ultimate Parent Bank must satisfy APRA (upon request) that when it purchases assets from or securities or other forms of liabilities issued by the Bank, or sells assets and securities to the Bank, that these activities do not constitute the Ultimate Parent Bank providing capital support to the Bank; and
- the exposures, net of any equity exposures and capital support deducted from capital, of the Ultimate Parent Bank to the Bank must not exceed: (A) 25% on an individual exposure basis; or (B) 75% in aggregate (being exposures to all related ADIs and overseas equivalents), in each case of the Ultimate Parent Company's level 1 tier 1 capital base until 31 December 2026 and of the Ultimate Parent Bank's level 1 CET1 capital base from 1 January 2027.

The Ultimate Parent Bank's exposure to the Bank at 30 September 2026 is compliant with the APS 222 limits.

In addition, APRA has implemented restrictions on Trans-Tasman funding arrangements which require that no more than 5% of the Ultimate Parent Bank's level 1 tier 1 capital base can comprise non-equity exposures to its New Zealand banking operations (including its subsidiaries incorporated in New Zealand, such as the Banking Group and the NZ Branch) during ordinary times. This limit does not include holdings of equity or capital instruments and eligible secured contingent funding support provided to the Bank during times of financial stress.

APRA also confirmed that contingent funding support can be provided by the Ultimate Parent Bank to its New Zealand banking operations during times of financial stress on terms that are acceptable to APRA. At present, only covered bonds meet APRA's criteria for contingent funding. Such contingent support is captured within the Ultimate Parent Bank's total exposures to its New Zealand banking operations which must not exceed 50% of the Ultimate Parent Bank's level 1 tier 1 capital base.

In December 2025, APRA finalised its bank prudential standards relating to the phase out of additional tier 1 capital instruments as eligible regulatory capital, including replacing Tier 1 capital with CET1 capital for APS 222 arrangements, effective from 1 January 2027. This may impact the Ultimate Parent Bank's capacity to fund exposures within the revised CET1-based limits under APS 222 (depending on existing capacity under those metrics). With respect to Trans-Tasman funding arrangements, APRA has announced that it does not intend to additionally restrict Trans-Tasman funding arrangements following the removal of additional tier 1 capital. APRA also intends to apply a uniform approach across impacted entities for Trans-Tasman funding arrangements. APRA will discuss the specific arrangements with impacted entities.

Effect of the level 3 framework

In addition, APRA's level 3 framework as it relates to, among other things, group governance and risk exposures requires that the Ultimate Parent Bank must limit its financial and operational exposures to subsidiaries (including the Bank).

In determining the acceptable level of exposure to a subsidiary, the Board of the Ultimate Parent Bank should have regard to:

- the exposures that would be approved for third parties of broadly equivalent credit status;
- the potential impact on the Ultimate Parent Bank's capital and liquidity positions; and
- the Ultimate Parent Bank's ability to continue operating in the event of a failure by the Bank.

These requirements are not expected to place additional restrictions on the Ultimate Parent Bank's ability to provide financial or operational support to the Bank.

Other APRA powers

The Ultimate Parent Bank may not provide financial support in breach of the Australian Banking Act 1959 (the Banking Act). Under the Banking Act:

- APRA must exercise its powers and functions for the protection of an ADI's depositors in Australia and for the promotion of financial system stability in Australia; and
- in the event of an ADI becoming unable to meet its obligations or suspending payment, the assets of the ADI in Australia are to be available to meet (among others) that ADI's liabilities in Australia in relation to protected accounts that account-holders keep with the ADI in priority to all other liabilities of the ADI (that do not otherwise rank ahead of such other liabilities of the ADI in the Banking Act).

The requirements of the Banking Act and the exercise by APRA of its powers have the potential to impact the management of the liquidity of the Bank.

B1. General disclosures (unaudited) (continued)

Ultimate Parent Bank enforceable undertaking with APRA

The Ultimate Parent Bank is the subject of an enforceable undertaking with APRA where it has committed to a comprehensive programme of activity to uplift its management of non-financial risk and improve its control environment. The Bank will also deliver this uplift, where relevant. The Bank has identified areas of non-financial risk where certain control weaknesses exist, and is progressing plans to enhance those control environments, including in a way to ensure alignment with regulator expectations. Refer to page 104 for a description of the material non-financial risks to which the Banking Group is exposed.

Interests in 5% or more of voting securities of the Bank

The Immediate Parent Company holds 100% of the voting securities of the Bank. The Immediate Parent Company has the direct ability to appoint 100% of the Directors of the Bank, subject to RBNZ advising that it has no objection to the appointment in accordance with the Bank's conditions of registration. RBNZ also has the power under section 113B of the Banking (Prudential Supervision) Act 1989, after obtaining the consent of the Minister of Finance, to remove, replace, or appoint directors in certain circumstances.

Priority of creditors' claims

In the event that the Bank was put into liquidation or ceased to trade, claims of secured creditors and those creditors set out in Schedule 7 of the Companies Act 1993 would rank ahead of the claims of unsecured creditors. Customer deposits are unsecured and rank equally with other unsecured liabilities of the Bank, and such liabilities rank ahead of any subordinated instruments issued by the Bank.

Guarantees

No material obligations of the Bank are guaranteed as at 6 November 2026.

Auditors

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

Directors

Any document or communication may be sent to any Director at the Registered Office. The document or communication should be marked for the attention of that Director.

Transactions with Directors

No Director has disclosed that he/she or any immediate relative or professional associate has any dealing with the Banking Group which has been either entered into on terms other than those which would in the ordinary course of business be given to any other person of like circumstances or means or which could otherwise be reasonably likely to influence materially the exercise of the Director's duties as a Director of the Bank.

Board Audit Committee

There is a Board Audit Committee which covers audit matters. The committee has five members. Each member is a non-executive Director, and each satisfies the criteria for independence.

Policy of the Board of Directors for avoiding or dealing with conflicts of interest

In order to ensure that members of the Board are reminded of their conflict of interest disclosure obligations under the Companies Act 1993, the Board has adopted a protocol setting out the procedures for Directors to follow to disclose and manage conflicts of interest. This protocol is reviewed biennially. In addition:

- at least once in each year, Directors are requested to confirm and disclose, in terms of section 140(1) of the Companies Act 1993, any interests which they have with the Bank itself. Directors are reminded at this time of their obligation under the Companies Act 1993 to disclose promptly any transaction or proposed transaction with the Bank in which they have an interest.
- Directors are also requested to confirm and make a general disclosure of their interest in other entities in terms of section 140(2) of the Companies Act 1993.

In addition to the disclosures referred to above, Directors disclose relevant interests which they have before discussion of particular business items. Disclosures are entered into the Bank's Interests Register. The Companies Act 1993 allows a Director with an interest in a transaction to participate in discussions and to vote on all matters relating to that particular transaction. However, under the protocol the Board has adopted a guideline whereby a Director with an interest in a transaction should not be present during any discussions, and should not vote, on any matter pertaining to that particular transaction.

B1. General disclosures (unaudited) (continued)

Directors of the Bank as at 6 November 2026





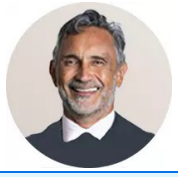
	Scott St John	Ben Kelleher
Position	Independent Non-Executive Director and Chair	Chief Executive Officer and Director
Occupation	Company Director	Chief Executive Officer New Zealand and Group Executive
Qualifications	BCom, PGDipBus, DBus (Honoris Causa), CA	MMS (Dist), BMS (Hons), GAICD
Resides	Auckland, New Zealand	Auckland, New Zealand
Other company directorships	ANZ Group Holdings Ltd, ANZ BH Pty Ltd, Australia and New Zealand Banking Group Ltd, Captain Cook Nominees Ltd, Hutton Wilson Nominees Ltd, Mercury NZ Ltd, Te Awanga Terraces Ltd	ANZ Holdings (New Zealand) Ltd







	Nagaja Sanatkumar	Craig Sims	Carolyn Steele
Position	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Occupation	Company Director	Company Director (primary occupation), and Chief Executive Officer, Craggy Range Vineyards Ltd	Company Director
Qualifications	B.Tech, MBA, MSDG, CMInstD	MBA	BMS (Hons)
Resides	Auckland, New Zealand	Havelock North, New Zealand	Auckland, New Zealand
Other company directorships	First Fibre Bidco NZ Ltd, First Fibre Midco Ltd, Imagen8 Ltd, Meridian Energy Ltd, NTS Digital Advisory Ltd, Southern Cross Healthcare Ltd, Tuatahi First Fibre Ltd, UFF Holdings Ltd	CJRA Investments Ltd, CJ Sims Trustees Ltd, Craggy Range Vineyards Ltd, Petroleum Logistics Ltd	Oriens Capital GP 2 Ltd, P.F.I. Property No. 1 Ltd, Property for Industry Ltd, Vulcan Steel Ltd





	Mark Tume	Mark Whelan
Position	Independent Non-Executive Director	Non-Executive Director
Occupation	Company Director	Group Executive, Institutional
Qualifications	BBS, PGDipBank	BCom, GradDipTax, DipAccounting, FCPA
Resides	Auckland, New Zealand	Melbourne, Australia
Other company directorships	Arc Innovations Ltd, Bluecurrent Assets NZ Ltd, Bluecurrent Holdings NZ Ltd, Bluecurrent No.2 NZ Ltd, Bluecurrent No.3 NZ Ltd, Bluecurrent NZ Ltd, Bluecurrent Services NZ Ltd, Bluecurrent Holdings (Australia) Pty Ltd, Bluecurrent Assets (Australia) Pty Ltd, Bluecurrent (Australia) Pty Ltd, Bluecurrent No.2 (Australia) Pty Ltd, Bluecurrent No.3 (Australia) Pty Ltd, Booster Group Ltd, Booster Financial Services Group Ltd, Long Board Ltd, Mariu Ltd, Precinct Properties Investments Ltd, Precinct Properties New Zealand Ltd, Welltest Ltd, Yeo Family Trustee Ltd	ANZ NBH Pty Ltd

B1. General disclosures (unaudited) (continued)

Conditions of registration

The following conditions of registration were applicable as at 30 September 2026, and came into effect on 31 July 2026.

The registration of ANZ Bank New Zealand Limited ("the bank") as a registered bank is subject to the following conditions:

1. That—

   (a) the Total capital ratio of the banking group is not less than 9%;

   (b) the Tier 1 capital ratio of the banking group is not less than 7%;

   (c) the Common Equity Tier 1 capital ratio of the banking group is not less than 4.5%;

   (d) the Total capital of the banking group is not less than $30 million.

   For the purposes of this condition of registration,—

   "Total capital ratio", "Tier 1 capital ratio", and "Common Equity Tier 1 capital ratio" have the same meaning as in Subpart B2 of BPR100: Capital Adequacy, except that in the formulae for calculating the ratios, the term "total capital requirement for operational risk" has the same meaning as in BPR150: Standardised Operational Risk;

   "Total capital" has the same meaning as in BPR110: Capital Definitions.

1A. That—

   (a) the bank has an internal capital adequacy assessment process ("ICAAP") that accords with the requirements set out in Part D of BPR100: Capital Adequacy;

   (b) under its ICAAP the bank identifies and measures its "other material risks" defined in Part D of BPR100: Capital Adequacy; and

   (c) the bank determines an internal capital allocation for each identified and measured "other material risk".

1B. That the bank must—

   (a) comply with the minimum requirements for using the IRB approach set out in BPR134: IRB Minimum System Requirements;

   (b) comply with the minimum qualitative requirements for using the AMA approach for operational risk set out in subpart B1 of BPR151: AMA Operational Risk;

   (c) follow the process in Part E of BPR120: Capital Adequacy Process Requirements for obtaining Reserve Bank approval for any changes to any IRB credit risk model;

   (d) maintain a compendium of approved models in accordance with the requirements of section E1.5 of BPR120: Capital Adequacy Process requirements.

1C. That, if the Prudential Capital Buffer (PCB) ratio of the banking group is 5.5% or less, the bank must—

   (a) according to the following table, limit the aggregate distributions of the bank's earnings, other than discretionary payments payable to holders of Additional Tier 1 capital instruments, to the percentage limit on distributions that corresponds to the banking group's PCB ratio; and

Banking group's PCB ratio	Percentage limit on distributions of the bank's earnings	Capital Buffer Response Framework stage
0% - 0.5%	0%	Stage 3
>0.5 - 3.5%	30%	Stage 2
>3.5 - 5%	60%	Stage 1
>5 - 5.5%	100%	None

   (b) comply with the Capital Buffer Response Framework requirements as set out in Part D of BPR120: Capital Adequacy Process Requirements.

   For the purposes of this condition of registration,—

   "prudential capital buffer ratio", "distributions", and "earnings" have the same meaning as in Subpart B2 of BPR100: Capital Adequacy, except that in the formula for calculating the buffer ratio, the term "total capital requirement for operational risk" has the same meaning as in BPR150: Standardised Operational Risk;

   an Additional Tier 1 capital instrument is an instrument that meets the requirements of B2.2(2)(a), (c) or (d) of BPR110: Capital Definitions.

1CA. That the bank must not make any distribution on a transitional AT1 capital instrument on or after the date on which on any conversion or write-off provision in the terms and conditions of the instrument is triggered due to either a loss absorption trigger event or a non-viability trigger event.

   For the purposes of this condition of registration, "transitional AT1 capital instrument" has the meaning given in section A2.3 of BPR110: Capital Definitions and "loss absorption trigger event" and "non-viability trigger event" have the meanings given in sub-section C2.2(3) of BPR120: Capital Adequacy Requirements.

1D. That:

   (a) the bank must not include the amount of an Additional Tier 1 capital instrument or Tier 2 capital instrument issued on or after 1 July 2021 in the calculation of its capital ratios unless it has completed the notification requirements in Part B of BPR120: Capital Adequacy Process Requirements in respect of the instrument; and

   (b) the bank meets the requirements of Part C of BPR120: Capital Adequacy Process Requirements in respect of regulatory capital instruments.

   For the purposes of this condition of registration,—

   an Additional Tier 1 capital instrument is an instrument that meets the requirements of subsection B2.2(2)(a) or (c) of BPR110: Capital Definitions;

   a Tier 2 capital instrument is an instrument that meets the requirements of subsection B3.2(2)(a) or (c) of BPR110: Capital Definitions.

B1. General disclosures (unaudited) (continued)

1E. That:

(a) despite sections C1.2(2)(c) of BPR130 and D2.1(1) of BPR132, the IRB calculation methodology to calculate RWA may be used for a credit exposure for which the bank intends to recognise the benefit of a Deed of Indemnity from the Crown and which meets the criteria in clause C1.2(1)(a) of BPR130; and

(b) for the purposes of LGD estimates for farm lending exposures covered by a Deed of Indemnity from the Crown under the North Island Weather Events Loan Guarantee Scheme, or the Gas Transition Loan Guarantee Scheme, the bank may choose to apply either the relevant minimum LGD in Table C3.2 of BPR133, or an LGD of 8.5%.

For the purposes of this condition of registration, "LGD" (loss given default) has the meaning given in BPR001: Glossary.

2. That the banking group does not conduct any non-financial activities that in aggregate are material relative to its total activities.

In this condition of registration, the meaning of "material" is based on generally accepted accounting practice.

3. That the banking group's insurance business is not greater than 1% of its total consolidated assets.

For the purposes of this condition of registration, the banking group's insurance business is the sum of the following amounts for entities in the banking group:

(a) if the business of an entity predominantly consists of insurance business and the entity is not a subsidiary of another entity in the banking group whose business predominantly consists of insurance business, the amount of the insurance business to sum is the total consolidated assets of the group headed by the entity; and

(b) if the entity conducts insurance business and its business does not predominantly consist of insurance business and the entity is not a subsidiary of another entity in the banking group whose business predominantly consists of insurance business, the amount of the insurance business to sum is the total liabilities relating to the entity's insurance business plus the equity retained by the entity to meet the solvency or financial soundness needs of its insurance business.

In determining the total amount of the banking group's insurance business—

(a) all amounts must relate to on balance sheet items only, and must comply with generally accepted accounting practice; and

(b) if products or assets of which an insurance business is comprised also contain a non-insurance component, the whole of such products or assets must be considered part of the insurance business.

For the purposes of this condition of registration,—

"insurance business" means the undertaking or assumption of liability as an insurer under a contract of insurance:

"insurer" and "contract of insurance" have the same meaning as provided in sections 6 and 7 of the Insurance (Prudential Supervision) Act 2010.

4. The bank must comply with all the requirements set out in the following document: BS8 Connected Exposures 1 October 2023.

5. That exposures to connected persons are not on more favourable terms (e.g. as relates to such matters as credit assessment, tenor, interest rates, amortisation schedules and requirement for collateral) than corresponding exposures to non-connected persons.

6. That the bank complies with the following corporate governance requirements:

(a) the board of the bank must have at least five directors;

(b) the majority of the board members must be non-executive directors;

(c) at least half of the board members must be independent directors;

(d) an alternate director,—

(i) for a non-executive director must be non-executive; and

(ii) for an independent director must be independent;

(e) at least half of the independent directors of the bank must be ordinarily resident in New Zealand;

(f) the chairperson of the board of the bank must be independent; and

(g) the bank's constitution must not include any provision permitting a director, when exercising powers or performing duties as a director, to act other than in what he or she believes is the best interests of the company (i.e. the bank).

For the purposes of this condition of registration, "non-executive" and "independent" have the same meaning as in the Reserve Bank of New Zealand document entitled "Corporate Governance" (BS14) dated July 2014.

7. That no appointment of any director, chief executive officer, or executive who reports or is accountable directly to the chief executive officer, is made in respect of the bank unless:

(a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and

(b) the Reserve Bank has advised that it has no objection to that appointment.

8. That a person must not be appointed as chairperson of the board of the bank unless:

(a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and

(b) the Reserve Bank has advised that it has no objection to that appointment.

B1. General disclosures (unaudited) (continued)

9. That the bank has a board audit committee, or other separate board committee covering audit matters, that meets the following requirements:

   (a) the mandate of the committee must include: ensuring the integrity of the bank's financial controls, reporting systems and internal audit standards;
   (b) the committee must have at least three members;
   (c) every member of the committee must be a non-executive director of the bank;
   (d) the majority of the members of the committee must be independent; and
   (e) the chairperson of the committee must be independent and must not be the chairperson of the bank.

   For the purposes of this condition of registration, "non-executive" and "independent" have the same meaning as in the Reserve Bank of New Zealand document entitled "Corporate Governance" (BS14) dated July 2014.

10. That a substantial proportion of the bank's business is conducted in and from New Zealand.

11. That the bank must comply with the Reserve Bank of New Zealand document "Outsourcing Policy" (BS11) dated September 2022.

12. That:

   (a) the business and affairs of the bank are managed by, or under the direction or supervision of, the board of the bank;
   (b) the employment contract of the chief executive officer of the bank or person in an equivalent position (together "CEO") is with the bank, and the terms and conditions of the CEO's employment agreement are determined by, and any decisions relating to the employment or termination of employment of the CEO are made by, the board of the bank; and
   (c) all staff employed by the bank shall have their remuneration determined by (or under the delegated authority of) the board or the CEO of the bank and be accountable (directly or indirectly) to the CEO of the bank.

13. That the banking group complies with the following quantitative requirements for liquidity-risk management:

   (a) the one-week mismatch ratio of the banking group is not less than zero per cent at the end of each business day;
   (b) the one-month mismatch ratio of the banking group is not less than zero per cent at the end of each business day; and
   (c) the one-year core funding ratio of the banking group is not less than 75 per cent at the end of each business day.

   For the purposes of this condition of registration, the ratios identified must be calculated in accordance with the Reserve Bank of New Zealand documents entitled "Liquidity Policy" (BS13) dated July 2022 and "Liquidity Policy Annex: Liquid Assets" (BS13A) dated July 2022.

14. That the bank has an internal framework for liquidity risk management that is adequate in the bank's view for managing the bank's liquidity risk at a prudent level, and that, in particular:

   (a) is clearly documented and communicated to all those in the organisation with responsibility for managing liquidity and liquidity risk;
   (b) identifies responsibility for approval, oversight and implementation of the framework and policies for liquidity risk management;
   (c) identifies the principal methods that the bank will use for measuring, monitoring and controlling liquidity risk; and
   (d) considers the material sources of stress that the bank might face, and prepares the bank to manage stress through a contingency funding plan.

15. That no more than 10% of total assets may be beneficially owned by a SPV.

   For the purposes of this condition,—

   "total assets" means all assets of the banking group plus any assets held by any SPV that are not included in the banking group's assets:
   "SPV" means a person—

   (a) to whom any member of the banking group has sold, assigned, or otherwise transferred any asset;
   (b) who has granted, or may grant, a security interest in its assets for the benefit of any holder of any covered bond; and
   (c) who carries on no other business except for that necessary or incidental to guarantee the obligations of any member of the banking group under a covered bond:

   "covered bond" means a debt security issued by any member of the banking group, for which repayment to holders is guaranteed by a SPV, and investors retain an unsecured claim on the issuer.

16. That—

   (a) no member of the banking group may give effect to a qualifying acquisition or business combination that meets the notification threshold, and does not meet the non-objection threshold, unless:
      (i) the bank has notified the Reserve Bank in writing of the intended acquisition or business combination and at least 10 working days have passed; and
      (ii) at the time of notifying the Reserve Bank of the intended acquisition or business combination, the bank provided the Reserve Bank with the information required under the Reserve Bank of New Zealand Banking Supervision Handbook document "Significant Acquisitions Policy" (BS15) dated December 2011; and
   (b) no member of the banking group may give effect to a qualifying acquisition or business combination that meets the non-objection threshold unless:
      (i) the bank has notified the Reserve Bank in writing of the intended acquisition or business combination;
      (ii) at the time of notifying the Reserve Bank of the intended acquisition or business combination, the bank provided the Reserve Bank with the information required under the Reserve Bank of New Zealand Banking Supervision Handbook document "Significant Acquisitions Policy" (BS15) dated December 2011; and
      (iii) the Reserve Bank has given the bank a notice of non-objection to the significant acquisition or business combination.

   For the purposes of this condition of registration, "qualifying acquisition or business combination", "notification threshold" and "non-objection threshold" have the same meaning as in the Reserve Bank of New Zealand Banking Supervision Handbook document "Significant Acquisitions Policy" (BS15) dated December 2011.

B1. General disclosures (unaudited) (continued)

17. That the bank is pre-positioned for Open Bank Resolution and in accordance with a direction from the Reserve Bank, the bank can—
    (a) close promptly at any time of the day and on any day of the week and that effective upon the appointment of the statutory manager—
        (i) all liabilities are frozen in full; and
        (ii) no further access by customers and counterparties to their accounts (deposits, liabilities or other obligations) is possible;
    (b) apply a *de minimis* to relevant customer liability accounts;
    (c) apply a partial freeze to the customer liability account balances;
    (d) reopen by no later than 9am the next business day following the appointment of a statutory manager and provide customers access to their unfrozen funds;
    (e) maintain a full freeze on liabilities not pre-positioned for open bank resolution; and
    (f) reinstate customers' access to some or all of their residual frozen funds.

    For the purposes of this condition of registration, "de minimis", "partial freeze", "customer liability account", and "frozen and unfrozen funds" have the same meaning as in the Reserve Bank of New Zealand document "Open Bank Resolution (OBR) Pre-positioning Requirements Policy" (BS17) dated June 2022.

18. That the bank has an Implementation Plan that—
    (a) is up-to-date; and
    (b) demonstrates that the bank's prepositioning for Open Bank Resolution meets the requirements set out in the Reserve Bank document: "Open Bank Resolution Pre-positioning Requirements Policy" (BS17) dated June 2022.

    For the purposes of this condition of registration, "Implementation Plan" has the same meaning as in the Reserve Bank of New Zealand document "Open Bank Resolution (OBR) Pre-positioning Requirements Policy" (BS17) dated June 2022.

19. That the bank has a compendium of liabilities that—
    (a) at the product-class level lists all liabilities, indicating which are—
        (i) pre-positioned for Open Bank Resolution; and
        (ii) not pre-positioned for Open Bank Resolution;
    (b) is agreed to by the Reserve Bank; and
    (c) if the Reserve Bank's agreement is conditional, meets the Reserve Bank's conditions.

    For the purposes of this condition of registration, "compendium of liabilities", and "pre-positioned and non pre-positioned liabilities" have the same meaning as in the Reserve Bank of New Zealand document "Open Bank Resolution (OBR) Pre-positioning Requirements Policy" (BS17) dated June 2022.

20. That on an annual basis the bank tests all the component parts of its Open Bank Resolution solution that demonstrates the bank's prepositioning for Open Bank Resolution as specified in the bank's Implementation Plan.

    For the purposes of this condition of registration, "Implementation Plan" has the same meaning as in the Reserve Bank of New Zealand document "Open Bank Resolution (OBR) Pre-positioning Requirements Policy" (BS17) dated June 2022.

21. That, for a loan-to-valuation measurement period ending on or after 28 February 2026, the total of the bank's qualifying new mortgage lending amount in respect of property-investment residential mortgage loans with a loan-to-valuation ratio of more than 70%, must not exceed 10% of the total of the qualifying new mortgage lending amount in respect of property-investment residential mortgage loans arising in the loan-to-valuation measurement period.

22. That, for a loan-to-valuation measurement period ending on or after 28 February 2026, the total of the bank's qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans with a loan-to-valuation ratio of more than 80%, must not exceed 25% of the total of the qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans arising in the loan-to-valuation measurement period.

23. That, for a debt-to-income measurement period, the total of the bank's qualifying new mortgage lending amount in respect of property-investment residential mortgage loans with a debt-to-income ratio of more than 7, must not exceed 20% of the total of the qualifying new mortgage lending amount in respect of property-investment residential mortgage loans arising in the debt-to-income measurement period.

24. That, for a debt-to-income measurement period, the total of the bank's qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans with a debt-to-income ratio of more than 6, must not exceed 20% of the total of the qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans arising in the debt-to-income measurement period.

25. That the bank must not make a residential mortgage loan unless the terms and conditions of the loan contract or the terms and conditions for an associated mortgage require that a borrower obtain the registered bank's agreement before the borrower can grant to another person a charge over the residential property used as security for the loan.

B1. General disclosures (unaudited) (continued)

In these conditions of registration,—

"banking group" means ANZ Bank New Zealand Limited (as reporting entity) and all other entities included in the group as defined in section 6(1) of the Financial Markets Conduct Act 2013 for the purposes of Part 7 of that Act.

"generally accepted accounting practice" has the same meaning as in section 8 of the Financial Reporting Act 2013.

In these conditions of registration, the version dates of the Reserve Bank of New Zealand Banking Prudential Requirement (BPR) documents that are referred to in the capital adequacy conditions 1 to 1E, or are referred to in turn by those documents or by Banking Supervision Handbook (BS) documents, are—

BPR document	Version date
BPR100: Capital adequacy	1 July 2024
BPR110: Capital definitions	1 October 2023
BPR120: Capital adequacy process requirements	1 October 2023
BPR130: Credit risk RWAs overview	1 July 2024
BPR131: Standardised credit risk RWAs	1 July 2024
BPR132: Credit risk mitigation	1 July 2024
BPR133: IRB credit risk RWAs	1 July 2024
BPR134: IRB minimum system requirements	1 July 2024
BPR140: Market risk exposure	1 July 2024
BPR150: Standardised operational risk	1 July 2024
BPR151: AMA operational risk	1 July 2024
BPR160: Insurance, securitisation, and loan transfers	1 July 2024
BPR001: Glossary	1 October 2023

In conditions of registration 21 and 22,—

"loan-to-valuation ratio", "non property-investment residential mortgage loan", "property-investment residential mortgage loan", "qualifying new mortgage lending amount in respect of property-investment residential mortgage loans", and "qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans" have the same meaning as in the Reserve Bank of New Zealand document entitled "Framework for Restrictions on High-LVR Residential Mortgage Lending" (BS19) dated October 2021:

"loan-to-valuation measurement period" means a rolling period of three calendar months ending on the last day of the third calendar month.

In conditions of registration 23 and 24,—

"debt-to-income ratio", "debt-to-income measurement period", "non property-investment residential mortgage loan", "property-investment residential mortgage loan", "qualifying new mortgage lending amount in respect of property-investment residential mortgage loans", and "qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans" have the same meaning as in the Reserve Bank of New Zealand document entitled "Framework for Restrictions on High Debt-To-Income Residential Mortgage lending" (BS20) dated 3 April 2023:

"debt-to-income measurement period" means—

(a) the initial period of six calendar months from the date of this conditions of registration (1 July 2024) ending on 31 December 2024; and

(b) thereafter, a rolling period of three calendar months ending on the last day of the third calendar month, the first of which ends on 31 January 2025 and covers the months of November and December 2024 and January 2025.

In condition of registration 25,—

"residential mortgage loan" has the same meaning as in the Reserve Bank of New Zealand document entitled "Framework for Restrictions on High Debt-To-Income Residential Mortgage lending" (BS20) dated 3 April 2023.

Other matters relevant to the conditions of registration

There may be situations where a conditions of registration breach has been identified but an assessment of materiality has not been completed prior to approval of the 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.

Changes to the Bank's conditions of registration since the last disclosure statement (for the six months ended 31 March 2026)

The Bank's conditions of registration have been amended to:

- incorporate the regulatory treatment of loans under the Gas Transition Loan Guarantee Scheme (effective 31 July 2026); and
- effective 1 October 2026, increase the prudential capital buffer from 5.5% to 6% in line with RBNZ's decisions following its 2025 review of capital settings, and update references to the 1 October 2026 versions of the BPRs, including:
  - removal of the ability to issue additional tier 1 capital; and
  - changes to standardised risk weights for residential mortgage lending, small and medium enterprise lending, and exposures to community housing providers, farm lending and the Guardians of New Zealand Superannuation, for which RBNZ has provided a transitional period until 1 April 2027 for implementation.

B1. General disclosures (unaudited) (continued)

Non-compliance with conditions of registration 11: compliance with RBNZ's *Outsourcing policy* (BS11)

RBNZ has confirmed two material breaches of BS11 conditions of registration during the period. The first breach relates to specific robust back up arrangements that were not able to effectively operate in the event of a separation and in compliance with BS11, and the second reflects overall deficiencies in oversight, process and control gaps in the ongoing management of BS11. While these issues had no financial impact, they are relevant to the Bank's outsourcing and resolvability requirements as prescribed in its conditions of registration and have therefore been assessed as material. The Bank has rectified the specific breach relating to the robust back-up arrangements and is undertaking broader work to strengthen processes and controls in the ongoing management of BS11, as part of a remediation programme that will need to be completed to RBNZ's satisfaction. The Bank will keep RBNZ informed about the progress of these efforts to ensure that the necessary uplift is delivered and deficiencies are remediated.

Other material matters

RBNZ revisions to capital requirements

In 2025, RBNZ conducted a review of their key capital requirements for New Zealand banks that were being progressively implemented to July 2028 and decided to revise the capital ratio requirements, lower and increase the granularity of standardised risk weights for certain types of lending, and remove additional tier 1 capital from the capital framework. For the New Zealand systemically important banks, including the Banking Group, the revised requirements will include a minimum tier 1 capital ratio requirement of 12% and a minimum total capital ratio requirement of 15% (each including a 6% prudential capital buffer). A new loss absorbing capacity requirement of 6% will also be implemented. There will no longer be a separate minimum CET1 ratio requirement. As at 30 September 2026, the minimum capital ratios were required to be 10% for CET1, 12.5% for tier 1 and 14.5% for total capital (each including a 5.5% prudential capital buffer). The capital ratio requirements increased by 0.5% on 1 October 2026, concurrent with the changes to standardised risk weight requirements and certain transitional arrangements being implemented. The remaining capital ratio changes are not expected to be made before December 2028.

No new additional tier 1 capital issuance has been permitted since 1 October 2026 and existing additional tier 1 perpetual preference shares are expected to progressively cease to qualify as tier 1 capital from December 2029.

RBNZ is expected to continue consulting on aspects of the revised requirements, including certain transitional arrangements during the period to December 2028.

The impact of the review on the Banking Group will depend on final implementation details, business mix and balance sheet settings at the relevant time. As such, the impact of the review on the Banking Group is currently uncertain.

Credit rating

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

Fitch Ratings changed the outlook on the Bank from Stable to Positive on 10 September 2026.

As at 6 November 2026, the Bank's credit ratings are:

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

The following table describes the credit rating grades available. The descriptions are from S&P Global Ratings. Credit ratings from S&P Global Ratings and Fitch Ratings may be modified by the addition of "+" or "-" to show the relative standing within the "AA" to "B" categories. Moody's Investors Service applies numerical modifiers 1, 2, and 3 to each of the "Aa" to "Caa" classifications, with 1 indicating the higher end and 3 the lower end of the rating category.

	S&P Global Ratings	Moody's Investors Service	Fitch Ratings
Investment grade:			
Extremely strong capacity to meet financial commitments. Highest rating.	AAA	Aaa	AAA
Very strong capacity to meet financial commitments.	AA	Aa	AA
Strong ability to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances.	A	A	A
Adequate capacity to meet financial commitments, but more subject to adverse economic conditions.	BBB	Baa	BBB
Speculative grade:			
Less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions.	BB	Ba	BB
More vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments.	B	B	B
Currently vulnerable and dependent on favourable business, financial and economic conditions to meet financial commitments.	CCC	Caa	CCC
Highly vulnerable; default has not yet occurred, but is expected to be a virtual certainty.	CC to C	Ca	CC to C
Payment default on a financial commitment or breach of an imputed promise; also used when a bankruptcy petition has been filed or similar action taken.	D	C	RD & D

B1. General disclosures (unaudited) (continued)

Historical summary of financial statements

Income statement

For the year ended 30 September	2026 NZ$m	2025 NZ$m	2024 NZ$m	2023 NZ$m	2022 NZ$m
Interest income	9,037	10,532	11,914	10,215	5,811
Interest expense	(4,281)	(5,880)	(7,512)	(5,922)	(2,035)
Net interest income	4,756	4,652	4,402	4,293	3,776
Non-interest income	799	902	480	619	1,087
Operating income	5,555	5,554	4,882	4,912	4,863
Operating expenses	(1,997)	(1,812)	(1,760)	(1,663)	(1,653)
Credit impairment release/(charge)	(42)	25	(44)	(183)	(39)
Profit before income tax	3,516	3,767	3,078	3,066	3,171
Income tax expense	(983)	(1,053)	(870)	(849)	(882)
Profit after income tax	2,533	2,714	2,208	2,217	2,289

Balance sheet

As at 30 September	2026 NZ$m	2025 NZ$m	2024 NZ$m	2023 NZ$m	2022 NZ$m
Total assets	219,460	209,989	199,176	194,289	201,134
Total individually impaired assets	408	369	370	287	146
Total liabilities	198,704	190,091	180,366	175,868	183,350
Equity	20,756	19,898	18,810	18,421	17,784
Dividends paid or provided for included in Equity					
Ordinary dividends paid	1,610	1,650	7,125	1,400	1,915
Preference dividends paid	92	94	51	44	9

The amounts included in this summary have been taken from the audited financial statements of the Banking Group.

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 26 Commitments and contingent liabilities.

Other information

The depositor compensation scheme protects up to NZ$100,000 per eligible depositor per deposit taker, in the event of a deposit taker failure. It is funded by levies collected from deposit takers, including the Bank, and commenced on 1 July 2025. For more information about the scheme, please refer to RBNZ's website at **www.rbnz.govt.nz/dcs**.

B2. Additional financial disclosures

Additional information on the balance sheet

As at 30 September	2026 NZ$m	2025 NZ$m
Total interest earning and discount bearing assets	201,918	191,735
Total interest and discount bearing liabilities	163,470	158,339

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 30 September 2026	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	13,131	12,821	-	-	-	-	310
Settlement balances receivable	817	-	-	-	-	-	817
Collateral paid	859	859	-	-	-	-	-
Trading securities	6,805	657	610	973	1,339	3,226	-
Derivative financial instruments	11,049	-	-	-	-	-	11,049
Investment securities	17,718	609	90	1,317	1,402	14,294	6
Net loans and advances	163,915	63,329	21,003	34,119	34,417	10,853	194
Other financial assets	897	-	-	-	-	-	897
Total financial assets	215,191	78,275	21,703	36,409	37,158	28,373	13,273
Liabilities							
Settlement balances payable	6,043	3,239	-	-	-	-	2,804
Collateral received	1,649	1,649	-	-	-	-	-
Deposits and other borrowings	160,724	100,722	17,217	14,642	4,934	2,832	20,377
Derivative financial instruments	10,220	-	-	-	-	-	10,220
Debt issuances	17,651	1,718	1,462	2,321	4,995	7,155	-
Lease liabilities	224	13	13	27	55	116	-
Other financial liabilities	1,065	360	-	-	-	-	705
Total financial liabilities	197,576	107,701	18,692	16,990	9,984	10,103	34,106
Hedging instruments	-	2,970	7,355	9,513	(18,108)	(1,730)	-
Interest sensitivity gap	17,615	(26,456)	10,366	28,932	9,066	16,540	(20,833)

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

Reconciliation of mortgage related amounts

As at 30 September 2026	Note	NZ$m
Term loans - housing[1]	11	120,947
Less: housing loans made to corporate customers		(1,607)
On-balance sheet residential mortgage exposures subject to the IRB approach (per asset quality and LVR analysis)	B3, B4	119,340
Add: off-balance sheet residential mortgage exposures subject to the IRB approach (per asset quality and LVR analysis)	B3, B4	10,966
Total residential mortgage exposures subject to the IRB approach (per LVR analysis)	B4	130,306

[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, Note 12 and Note 15 to the financial statements.

Movements in components of loss allowance – total

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 2025	188	320	96	64	668
Transfer between stages	59	(57)	(4)	2	-
New and increased provisions (net of collective provision releases)	(9)	(22)	1	123	93
Write-backs	-	-	-	(46)	(46)
Recoveries of amounts previously written off	-	-	-	(10)	(10)
Credit impairment charge/(release)	50	(79)	(3)	69	37
Bad debts written-off (excluding recoveries)	-	-	-	(52)	(52)
Add back recoveries of amounts previously written off	-	-	-	10	10
Discount unwind	-	-	-	(5)	(5)
As at 30 September 2026	238	241	93	86	658
Off-balance sheet credit related commitments					
As at 1 October 2025	70	57	3	4	134
Transfer between stages	8	(7)	-	(1)	-
New and increased provisions (net of collective provision releases)	12	(7)	(1)	1	5
Credit impairment charge/(release)	20	(14)	(1)	-	5
As at 30 September 2026	90	43	2	4	139

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

Gross loans and advances at amortised cost					
As at 1 October 2025	146,240	9,928	1,240	369	157,777
Net transfers into each stage	592	659	208	93	1,552
Amounts drawn from new or existing facilities	45,571	2,033	84	231	47,919
Additions	46,163	2,692	292	324	49,471
Net transfers out of each stage	(895)	(658)	-	-	(1,553)
Amounts repaid	(39,574)	(2,665)	(396)	(233)	(42,868)
Deletions	(40,469)	(3,323)	(396)	(233)	(44,421)
Amounts written off	-	-	-	(52)	(52)
As at 30 September 2026	151,934	9,297	1,136	408	162,775
Loss allowance as at 30 September 2026	238	241	93	86	658
Off-balance sheet credit related commitments					
As at 1 October 2025	28,457	1,754	16	23	30,250
Net transfers into each stage	152	61	6	-	219
New and increased facilities and drawn amounts repaid	8,668	229	2	7	8,906
Additions	8,820	290	8	7	9,125
Net transfers out of each stage	(66)	(143)	-	(10)	(219)
Reduced facilities and amounts drawn	(6,031)	(625)	(11)	(4)	(6,671)
Deletions	(6,097)	(768)	(11)	(14)	(6,890)
As at 30 September 2026	31,180	1,276	13	16	32,485
Loss allowance as at 30 September 2026	90	43	2	4	139

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

Overall, loss allowances are 0.41% of gross balances as at 30 September 2026, down from 0.43% as at 30 September 2025. The NZ$5 million (0.6%) decrease in loss allowances was driven by a decrease in the proportion of gross balances in Stage 2 and a release of management temporary adjustments, offset by changes in the forward-looking economic scenarios as described in Note 12 Allowance for expected credit losses.

B3. Asset quality (continued)

Movements in components of loss allowance – total

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	187	370	104	64	725
Transfer between stages	58	(58)	(2)	2	-
New and increased provisions (net of collective provision releases)	(57)	8	(6)	94	39
Write-backs	-	-	-	(53)	(53)
Recoveries of amounts previously written off	-	-	-	(9)	(9)
Credit impairment charge/(release)	1	(50)	(8)	34	(23)
Bad debts written-off (excluding recoveries)	-	-	-	(47)	(47)
Add back recoveries of amounts previously written off	-	-	-	9	9
Discount unwind reversal	-	-	-	4	4
As at 30 September 2025	188	320	96	64	668
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 collective provision releases)	(9)	6	-	1	(2)
Credit impairment charge/(release)	(4)	1	-	1	(2)
As at 30 September 2025	70	57	3	4	134

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

Gross loans and advances at amortised cost					
As at 1 October 2024	138,353	11,920	1,253	370	151,896
Net transfers into each stage	271	8	368	168	815
Amounts drawn from new or existing facilities	42,808	1,668	71	205	44,752
Additions	43,079	1,676	439	373	45,567
Net transfers out of each stage	(219)	(573)	(23)	-	(815)
Amounts repaid	(34,973)	(3,095)	(429)	(327)	(38,824)
Deletions	(35,192)	(3,668)	(452)	(327)	(39,639)
Amounts written off	-	-	-	(47)	(47)
As at 30 September 2025	146,240	9,928	1,240	369	157,777
Loss allowance as at 30 September 2025	188	320	96	64	668
Off-balance sheet credit related commitments					
As at 1 October 2024	27,068	1,543	26	10	28,647
Net transfers into each stage	9	208	5	11	233
New and increased facilities and drawn amounts repaid	7,534	365	4	9	7,912
Additions	7,543	573	9	20	8,145
Net transfers out of each stage	(212)	(10)	(11)	-	(233)
Reduced facilities and amounts drawn	(5,942)	(352)	(8)	(7)	(6,309)
Deletions	(6,154)	(362)	(19)	(7)	(6,542)
As at 30 September 2025	28,457	1,754	16	23	30,250
Loss allowance as at 30 September 2025	70	57	3	4	134

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

Overall, loss allowances are 0.43% of gross balances as at 30 September 2025, down from 0.48% as at 30 September 2024. The NZ$59 million (6.9%) decrease in loss allowances was driven by a decrease in the proportion of gross balances in Stage 2 and a release of management temporary adjustments, partially offset by changes in the forward-looking economic scenarios.

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 2025	47	65	50	21	183
Transfer between stages	13	(10)	(3)	-	-
New and increased provisions (net of collective provision releases)	(2)	5	7	33	43
Write-backs	-	-	-	(20)	(20)
Recoveries of amounts previously written off	-	-	-	-	-
Credit impairment charge/(release)	11	(5)	4	13	23
Bad debts written-off (excluding recoveries)	-	-	-	(2)	(2)
Add back recoveries of amounts previously written off	-	-	-	-	-
Discount unwind	-	-	-	-	-
As at 30 September 2026	58	60	54	32	204
Off-balance sheet credit related commitments					
As at 1 October 2025	1	-	-	-	1
Transfer between stages	-	-	-	-	-
New and increased provisions (net of collective provision releases)	-	-	-	-	-
Credit impairment charge/(release)	-	-	-	-	-
As at 30 September 2026	1	-	-	-	1

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

Gross loans and advances at amortised cost					
As at 1 October 2025	109,088	4,148	979	97	114,312
Net transfers into each stage	-	648	149	75	872
Amounts drawn from new or existing facilities	32,617	1,000	32	80	33,729
Additions	32,617	1,648	181	155	34,601
Net transfers out of each stage	(873)	-	-	-	(873)
Amounts repaid	(27,310)	(1,034)	(260)	(94)	(28,698)
Deletions	(28,183)	(1,034)	(260)	(94)	(29,571)
Amounts written off	-	-	-	(2)	(2)
As at 30 September 2026	113,522	4,762	900	156	119,340
Loss allowance as at 30 September 2026	58	60	54	32	204
Off-balance sheet credit related commitments					
As at 1 October 2025	10,198	64	1	-	10,263
Net transfers into each stage	-	57	-	-	57
New and increased facilities and drawn amounts repaid	2,540	27	-	-	2,567
Additions	2,540	84	-	-	2,624
Net transfers out of each stage	(57)	-	-	-	(57)
Reduced facilities and amounts drawn	(1,847)	(17)	-	-	(1,864)
Deletions	(1,904)	(17)	-	-	(1,921)
As at 30 September 2026	10,834	131	1	-	10,966
Loss allowance as at 30 September 2026	1	-	-	-	1

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

The NZ$21 million (11.4%) increase in loss allowances on residential mortgage exposures is primarily driven by an increase in the proportion of gross balances in Stage 2 and 3, and changes in the forward-looking economic scenarios as described in Note 12 Allowance for expected credit losses, partially offset by a release of management temporary adjustments. Overall loss allowances and individually impaired exposures remain low, reflecting that approximately 89% of on-balance sheet residential mortgage exposures have loan to valuation ratios not exceeding 80% (refer to page 95).

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	15	(16)	-	1	-
New and increased provisions (net of collective provision releases)	(9)	(5)	3	16	5
Write-backs	-	-	-	(12)	(12)
Recoveries of amounts previously written off	-	-	-	-	-
Credit impairment charge/(release)	6	(21)	3	5	(7)
Bad debts written-off (excluding recoveries)	-	-	-	(1)	(1)
Add back recoveries of amounts previously written off	-	-	-	-	-
Discount unwind	-	-	-	-	-
As at 30 September 2025	47	65	50	21	183
Off-balance sheet credit related commitments					
As at 1 October 2024	-	-	-	-	-
Transfer between stages	-	-	-	-	-
New and increased provisions (net of collective provision releases)	1	-	-	-	1
Credit impairment charge/(release)	1	-	-	-	1
As at 30 September 2025	1	-	-	-	1

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

Gross loans and advances at amortised cost					
As at 1 October 2024	103,750	4,779	833	55	109,417
Net transfers into each stage	-	-	355	53	408
Amounts drawn from new or existing facilities	31,276	672	35	50	32,033
Additions	31,276	672	390	103	32,441
Net transfers out of each stage	(196)	(212)	-	-	(408)
Amounts repaid	(25,742)	(1,091)	(244)	(60)	(27,137)
Deletions	(25,938)	(1,303)	(244)	(60)	(27,545)
Amounts written off	-	-	-	(1)	(1)
As at 30 September 2025	109,088	4,148	979	97	114,312
Loss allowance as at 30 September 2025	47	65	50	21	183
Off-balance sheet credit related commitments					
As at 1 October 2024	9,555	80	1	-	9,636
Net transfers into each stage	9	-	1	-	10
New and increased facilities and drawn amounts repaid	2,119	14	-	-	2,133
Additions	2,128	14	1	-	2,143
Net transfers out of each stage	-	(10)	-	-	(10)
Reduced facilities and amounts drawn	(1,485)	(20)	(1)	-	(1,506)
Deletions	(1,485)	(30)	(1)	-	(1,516)
As at 30 September 2025	10,198	64	1	-	10,263
Loss allowance as at 30 September 2025	1	-	-	-	1

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

The NZ$7 million (3.7%) decrease in loss allowances on residential mortgage exposures is primarily driven by changes in the forward-looking economic scenarios and a release of management temporary adjustments, partially offset by an increase in the proportion of gross balances in Stage 3. Overall loss allowances and individually impaired exposures remain low, reflecting that approximately 91% of on-balance sheet residential mortgage exposures have loan to valuation ratios not exceeding 80%.

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 2025	3	38	14	-	55
Transfer between stages	3	(3)	-	-	-
New and increased provisions (net of collective provision releases)	9	(22)	-	41	28
Write-backs	-	-	-	(3)	(3)
Recoveries of amounts previously written off	-	-	-	(7)	(7)
Credit impairment charge/(release)	12	(25)	-	31	18
Bad debts written-off (excluding recoveries)	-	-	-	(38)	(38)
Add back recoveries of amounts previously written off	-	-	-	7	7
Discount unwind	-	-	-	-	-
As at 30 September 2026	15	13	14	-	42
Off-balance sheet credit related commitments					
As at 1 October 2025	11	5	2	-	18
Transfer between stages	2	(2)	-	-	-
New and increased provisions (net of collective provision releases)	(1)	1	-	-	-
Credit impairment charge/(release)	1	(1)	-	-	-
As at 30 September 2026	12	4	2	-	18

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

Gross loans and advances at amortised cost					
As at 1 October 2025	2,186	110	31	5	2,332
Net transfers into each stage	-	11	9	2	22
Amounts drawn from new or existing facilities	523	18	5	40	586
Additions	523	29	14	42	608
Net transfers out of each stage	(22)	-	-	-	(22)
Amounts repaid	(483)	(32)	(19)	(3)	(537)
Deletions	(505)	(32)	(19)	(3)	(559)
Amounts written off	-	-	-	(38)	(38)
As at 30 September 2026	2,204	107	26	6	2,343
Loss allowance as at 30 September 2026	15	13	14	-	42
Off-balance sheet credit related commitments					
As at 1 October 2025	4,485	28	10	-	4,523
Net transfers into each stage	-	4	5	-	9
New and increased facilities and drawn amounts repaid	327	3	1	-	331
Additions	327	7	6	-	340
Net transfers out of each stage	(9)	-	-	-	(9)
Reduced facilities and amounts drawn	(323)	(10)	(5)	-	(338)
Deletions	(332)	(10)	(5)	-	(347)
As at 30 September 2026	4,480	25	11	-	4,516
Loss allowance as at 30 September 2026	12	4	2	-	18

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

The NZ$13 million (17.8%) decrease in loss allowances primarily reflects a refinement to the model allocation for certain customers during the year and a release of management temporary adjustments, partially offset by changes in the forward-looking economic scenarios as described in Note 12 Allowance for expected credit losses.

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	4	(4)	-	-	-
New and increased provisions (net of collective provision releases)	(3)	(3)	(1)	46	39
Write-backs	-	-	-	(8)	(8)
Recoveries of amounts previously written off	-	-	-	(9)	(9)
Credit impairment charge/(release)	1	(7)	(1)	29	22
Bad debts written-off (excluding recoveries)	-	-	-	(41)	(41)
Add back recoveries of amounts previously written off	-	-	-	9	9
Discount unwind	-	-	-	-	-
As at 30 September 2025	3	38	14	-	55
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 collective provision releases)	(9)	1	-	-	(8)
Credit impairment charge/(release)	(7)	(1)	-	-	(8)
As at 30 September 2025	11	5	2	-	18

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	13	2	23
Amounts drawn from new or existing facilities	490	17	4	53	564
Additions	490	25	17	55	587
Net transfers out of each stage	(23)	-	-	-	(23)
Amounts repaid	(482)	(39)	(18)	(15)	(554)
Deletions	(505)	(39)	(18)	(15)	(577)
Amounts written off	-	-	-	(41)	(41)
As at 30 September 2025	2,186	110	31	5	2,332
Loss allowance as at 30 September 2025	3	38	14	-	55
Off-balance sheet credit related commitments					
As at 1 October 2024	4,477	27	9	-	4,513
Net transfers into each stage	-	5	4	-	9
New and increased facilities and drawn amounts repaid	308	4	1	-	313
Additions	308	9	5	-	322
Net transfers out of each stage	(9)	-	-	-	(9)
Reduced facilities and amounts drawn	(291)	(8)	(4)	-	(303)
Deletions	(300)	(8)	(4)	-	(312)
As at 30 September 2025	4,485	28	10	-	4,523
Loss allowance as at 30 September 2025	11	5	2	-	18

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

The NZ$18 million (19.8%) decrease in loss allowances is driven by changes in the forward-looking economic scenarios and a release of management temporary adjustments.

B3. Asset quality (continued)

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

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 2025	138	217	32	43	430
Transfer between stages	43	(44)	(1)	2	-
New and increased provisions (net of collective provision releases)	(16)	(5)	(6)	49	22
Write-backs	-	-	-	(23)	(23)
Recoveries of amounts previously written off	-	-	-	(3)	(3)
Credit impairment charge/(release)	27	(49)	(7)	25	(4)
Bad debts written-off (excluding recoveries)	-	-	-	(12)	(12)
Add back recoveries of amounts previously written off	-	-	-	3	3
Discount unwind	-	-	-	(5)	(5)
As at 30 September 2026	165	168	25	54	412
Off-balance sheet credit related commitments					
As at 1 October 2025	58	52	1	4	115
Transfer between stages	6	(5)	-	(1)	-
New and increased provisions (net of collective provision releases)	13	(8)	(1)	1	5
Credit impairment charge/(release)	19	(13)	(1)	-	5
As at 30 September 2026	77	39	-	4	120

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

Gross loans and advances at amortised cost					
As at 1 October 2025	34,966	5,670	230	267	41,133
Net transfers into each stage	592	-	50	16	658
Amounts drawn from new or existing facilities	12,431	1,015	47	111	13,604
Additions	13,023	1,015	97	127	14,262
Net transfers out of each stage	-	(658)	-	-	(658)
Amounts repaid	(11,781)	(1,599)	(117)	(136)	(13,633)
Deletions	(11,781)	(2,257)	(117)	(136)	(14,291)
Amounts written off	-	-	-	(12)	(12)
As at 30 September 2026	36,208	4,428	210	246	41,092
Loss allowance as at 30 September 2026	165	168	25	54	412
Off-balance sheet credit related commitments					
As at 1 October 2025	13,774	1,662	5	23	15,464
Net transfers into each stage	152	-	1	-	153
New and increased facilities and drawn amounts repaid	5,801	199	1	7	6,008
Additions	5,953	199	2	7	6,161
Net transfers out of each stage	-	(143)	-	(10)	(153)
Reduced facilities and amounts drawn	(3,861)	(598)	(6)	(4)	(4,469)
Deletions	(3,861)	(741)	(6)	(14)	(4,622)
As at 30 September 2026	15,866	1,120	1	16	17,003
Loss allowance as at 30 September 2026	77	39	-	4	120

[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 gross loans and advances contributed to changes in loss allowance

The NZ$13 million (2.4%) decrease in loss allowances is driven by a reduction in the proportion of gross balances in Stage 2 and a release of management temporary adjustments, partially offset by changes in the forward-looking economic scenarios as described in Note 12 Allowance for expected credit losses.

B3. Asset quality (continued)

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

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	144	239	42	44	469
Transfer between stages	39	(38)	(2)	1	-
New and increased provisions (net of collective provision releases)	(45)	16	(8)	32	(5)
Write-backs	-	-	-	(33)	(33)
Recoveries of amounts previously written off	-	-	-	-	-
Credit impairment charge/(release)	(6)	(22)	(10)	-	(38)
Bad debts written-off (excluding recoveries)	-	-	-	(5)	(5)
Add back recoveries of amounts previously written off	-	-	-	-	-
Discount unwind reversal	-	-	-	4	4
As at 30 September 2025	138	217	32	43	430
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 collective provision releases)	(1)	5	-	1	5
Credit impairment charge/(release)	2	2	-	1	5
As at 30 September 2025	58	52	1	4	115

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

Gross loans and advances at amortised cost					
As at 1 October 2024	32,402	7,017	388	309	40,116
Net transfers into each stage	271	-	-	113	384
Amounts drawn from new or existing facilities	11,042	979	32	102	12,155
Additions	11,313	979	32	215	12,539
Net transfers out of each stage	-	(361)	(23)	-	(384)
Amounts repaid	(8,749)	(1,965)	(167)	(252)	(11,133)
Deletions	(8,749)	(2,326)	(190)	(252)	(11,517)
Amounts written off	-	-	-	(5)	(5)
As at 30 September 2025	34,966	5,670	230	267	41,133
Loss allowance as at 30 September 2025	138	217	32	43	430
Off-balance sheet credit related commitments					
As at 1 October 2024	13,036	1,436	16	10	14,498
Net transfers into each stage	-	203	-	11	214
New and increased facilities and drawn amounts repaid	5,107	347	3	9	5,466
Additions	5,107	550	3	20	5,680
Net transfers out of each stage	(203)	-	(11)	-	(214)
Reduced facilities and amounts drawn	(4,166)	(324)	(3)	(7)	(4,500)
Deletions	(4,369)	(324)	(14)	(7)	(4,714)
As at 30 September 2025	13,774	1,662	5	23	15,464
Loss allowance as at 30 September 2025	58	52	1	4	115

[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 gross loans and advances contributed to changes in loss allowance

The NZ$34 million (5.9%) decrease in loss allowances is driven by a reduction in the proportion of gross balances in Stage 2 and Stage 3, changes in the forward-looking economic scenarios and a release of management temporary adjustments, partially offset by enhancements to model methodology.

B3. Asset quality (continued)

Past due assets and other asset quality information

Past due assets

	2026				2025			
As at 30 September	Residential mortgages NZ$m	Other retail exposures NZ$m	Non-retail exposures NZ$m	Total NZ$m	Residential mortgages NZ$m	Other retail exposures NZ$m	Non-retail exposures NZ$m	Total NZ$m
Less than 30 days past due	579	71	313	963	633	78	320	1,031
At least 30 days but less than 60 days past due	286	11	10	307	317	12	6	335
At least 60 days but less than 90 days past due	250	7	1	258	257	8	147	412
At least 90 days past due	835	18	93	946	892	21	46	959
Total past due but not individually impaired	1,950	107	417	2,474	2,099	119	519	2,737
Other asset quality information								
Undrawn facilities with individually impaired customers	-	-	16	16	-	-	23	23
Other assets under administration	3	1	-	4	4	1	-	5

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 (unaudited)

RBNZ capital ratios

	RBNZ minimum		Banking Group		Bank (Solo Consolidated)	
As at 30 September	2026	2025	2026	2025	2026	2025
Common equity tier 1 capital	**4.5%**	4.5%	**13.1%**	12.9%	**12.9%**	12.7%
Tier 1 capital	**7.0%**	7.0%	**14.6%**	15.3%	**14.4%**	15.1%
Total capital	**9.0%**	9.0%	**16.1%**	17.4%	**15.9%**	17.2%
Prudential capital buffer ratio	**5.5%**	5.5%	**7.1%**	8.3%	**n/a**	n/a

Capital

As at 30 September 2026	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]	2,904
Accumulated other comprehensive income and other disclosed reserves[2]	152
Less deductions from CET1 capital	
Goodwill and intangible assets, net of associated deferred tax liabilities	(3,118)
Deferred tax assets less deferred tax liabilities relating to temporary differences	(479)
Cash flow hedge reserve	(80)
Defined benefit superannuation plan surplus	(49)
Expected losses to the extent greater than total eligible allowances for impairment	(216)
CET1 capital	15,102
Additional tier 1 capital	
NZD 1,692m perpetual preference shares[3]	1,692
Additional tier 1 capital	1,692
Total tier 1 capital	16,794
Tier 2 capital	
USD 1,000m subordinated notes[4]	1,769
Tier 2 capital	1,769
Total capital	18,563

1. Includes a deduction for dividends on additional tier 1 capital instruments approved by the Bank's board, but not yet paid as at 30 September 2026, 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$80 million and the FVOCI reserve of NZ$72 million as at 30 September 2026.
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 (unaudited) (continued)

Total capital requirements of the Banking Group

As at 30 September 2026	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	186,235	74,008	6,661
Specialised lending exposures subject to the slotting approach	9,934	9,303	837
Exposures subject to the standardised approach	41,241	6,175	554
Output floor balancing item	n/a	4,596	414
Total credit risk	237,410	94,082	8,466
Market risk	n/a	7,870	708
Operational risk	n/a	13,330	1,200
Total	n/a	115,282	10,374

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

IRB credit exposures by exposure class and customer credit rating

As at 30 September 2026	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	76,672	9,690	55	27	3,094
3 - 4	0.36	41,739	19,367	35	40	9,384
5	1.00	14,649	12,412	31	53	7,967
6	2.28	6,938	4,977	32	74	4,403
7 - 8	15.57	2,031	1,709	36	149	3,057
Default	100.00	208	211	30	160	404
Total corporate exposures	1.63	142,237	48,366	38	49	28,309
Residential mortgages						
0 - 3	0.15	47,029	47,505	17	6	3,407
4	0.43	25,897	25,948	20	15	4,818
5	0.89	28,587	28,666	21	28	9,527
6	2.18	22,264	22,293	22	51	13,613
7 - 8	5.59	5,466	5,471	22	85	5,580
Default	100.00	1,063	1,062	23	203	2,585
Total residential mortgage exposures	1.75	130,306	130,945	20	25	39,530
Other retail						
0 - 2	0.10	474	476	77	49	282
3 - 4	0.26	4,008	4,082	78	56	2,735
5	1.07	1,022	966	77	82	949
6	2.73	579	602	84	108	778
7 - 8	8.04	740	762	87	136	1,245
Default	100.00	36	36	82	428	180
Total other retail exposures	1.94	6,859	6,924	79	74	6,169
Total credit risk exposures subject to the IRB approach	1.73	279,402	186,235	26	33	74,008

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

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

As at 30 September 2026	Total value NZ$m	Exposure at default NZ$m
Undrawn commitments and other off-balance sheet contingent liabilities		
Corporate	13,865	12,581
Residential mortgages	10,966	11,447
Other retail	4,516	4,526
Counterparty credit risk on derivatives and securities financing transactions		
Corporate	94,926	2,124
Total	124,273	30,678

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 30 September 2026	On-balance sheet NZ$m	Off-balance sheet NZ$m	Total NZ$m
LVR range			
Does not exceed 60%	53,399	7,733	61,132
Exceeds 60% and not 70%	22,495	1,366	23,861
Exceeds 70% and not 80%	30,350	1,434	31,784
Does not exceed 80%	106,244	10,533	116,777
Exceeds 80% and not 90%	11,497	322	11,819
Exceeds 90%	1,599	111	1,710
Total	119,340	10,966	130,306

Specialised lending subject to the slotting approach

As at 30 September 2026	Exposures after credit risk mitigation NZ$m	Risk weight %	Risk weighted assets NZ$m
On-balance sheet exposures			
Strong	6,124	70	5,144
Good	1,864	90	2,013
Satisfactory	311	115	429
Weak	250	250	752
Default	297	-	-
Off-balance sheet exposures by average risk weight			
Undrawn commitments and other off-balance sheet exposures	1,088	74	965
Total exposures subject to the slotting approach	9,934	78	9,303

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 (unaudited) (continued)

Credit risk exposures subject to the standardised approach

As at 30 September 2026	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			133	-	-
Sovereign and central banks - 0% risk weight			21,156	-	-
Multilateral development banks and other international organisations			4,933	-	-
Public sector entities			1,902	20	380
Banks - 20% risk weight			1,189	20	238
- 50% risk weight			1,443	50	722
- 100% risk weight			1	100	1
Equity exposures not deducted from capital					
Unlisted equity holdings			6	400	24
Other on-balance sheet exposures by average risk weight					
Corporate			78	100	78
Past due assets			-	150	1
Other assets			1,621	100	1,621
Off-balance sheet exposures by average risk weight					
Total off balance sheet exposures	1,989	61	1,215	46	553
Counterparty credit risk by average risk weight					
Foreign exchange contracts	325,138		4,105	21	867
Interest rate contracts	1,129,746		1,763	20	360
Other	3,481		55	20	11
Credit valuation adjustment					1,060
Trades settled on Qualifying Central Counterparties (QCCP) by average risk weight					
Bank as QCCP clearing member, clearing own trades			1,399	18	254
Collateral posted for clearing own trades			242	2	5
Total exposures subject to the standardised approach			41,241	15	6,175

Credit valuation adjustment

The IRB, slotting and standardised tables above include a Credit valuation adjustment (CVA) capital charge of NZ$132 million, and implied risk weighted exposures for the CVA of NZ$1,645 million.

Credit risk mitigation

As at 30 September 2026, under the IRB approach, the Banking Group had NZ$261 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 (unaudited) (continued)

Impact of the standardised floor on total credit RWAs

As at 30 September 2026	Risk weighted assets: Calculated for compliance purposes NZ$m	Risk weighted assets: Recalculated using the standardised approach NZ$m
Exposures subject to the IRB or slotting approaches[1]	83,311	103,421
Standardised floor at 85% of standardised equivalents	n/a	87,907
Output floor adjusting item	4,596	n/a
IRB and slotting RWA with floor applied	87,907	n/a
RWAs for standardised exposures	6,175	n/a
Total credit risk RWAs	94,082	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 99.

In accordance with BPR 130 *Credit Risk RWAs Overview*, IRB and Slotting RWA with the standardised floor 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 30 September 2026.

The total capital requirement for market risk exposure calculated at 9% of implied risk weighted exposure is disclosed on page 94.

As at 30 September 2026	Implied risk weighted exposure: Period end NZ$m	Implied risk weighted exposure: Peak NZ$m	Aggregate capital charge: Period end NZ$m	Aggregate capital charge: Peak NZ$m
Interest rate risk	7,819	8,432	626	675
Foreign currency risk	45	105	4	8
Equity risk	6	6	-	-

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 30 September 2026, the Banking Group had an implied risk weighted exposure of NZ$13,330 million and a total operational risk capital requirement of NZ$1,066 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 94.

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 30 September 2026, the Banking Group's internal capital allocation for other material risks is NZ$147 million (2025: NZ$143 million).

B4. Capital adequacy under the internal models based approach, and regulatory liquidity ratios (unaudited) (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 30 September	2026	2025	2026	2025
Common equity tier 1 capital	**12.0%**	12.0%	**12.6%**	12.4%
Tier 1 capital	**13.2%**	13.6%	**13.9%**	14.2%
Total capital	**20.4%**	21.0%	**22.4%**	22.8%

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 30 September 2026 and for the comparative prior periods.

The Overseas Banking Group is required to publicly disclose Pillar 3 financial information as at 30 September 2026. The Overseas Banking Group's Pillar 3 disclosure document for the quarter ended 30 September 2026, in accordance with APS 330: *Public Disclosure of Prudential Information*, discloses capital adequacy ratios and other prudential information. This document can be accessed at **anz.com/shareholder/centre/reporting/regulatory-disclosure/**.

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	30 Sep 26	30 Jun 26
Quarterly average 1-week mismatch ratio	**7.5%**	8.8%
Quarterly average 1-month mismatch ratio	**6.5%**	7.3%
Quarterly average core funding ratio	**90.6%**	91.1%

B4. Capital adequacy under the internal models based approach, and regulatory liquidity ratios (unaudited) (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 30 September	2026 %	2025 %	2024 %
Total capital ratio	16.1	17.4	17.2
Total capital ratio recalculated as if the Bank were not an IRB bank	14.4	15.5	15.4
Actual average risk weight for all modelled credit risk exposures	42.5	42.9	42.2
Standardised equivalent average risk weight for all modelled credit risk exposures	57.2	57.7	57.5

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 30 September 2026		CET 1 capital	Tier 1 capital	Total capital
Standardised equivalent capital amount	NZ$m	15,318	17,010	18,779
Standardised equivalent total RWAs	NZ$m	130,752	130,752	130,752
Ratio		11.7%	13.0%	14.4%

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 30 September 2026	Exposure NZ$m	Risk weighted assets NZ$m	Exposure NZ$m	Risk weighted assets NZ$m
Corporate	48,366	28,309	43,129	41,654
Residential mortgages	130,945	39,530	125,395	49,421
Other retail	6,924	6,169	2,773	2,788
Specialised lending subject to the slotting approach	9,934	9,303	9,409	9,558
Total	196,169	83,311	180,706	103,421

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 30 Sep 26	Peak end of day over 6 months to 30 Sep 26
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	1	1
with a long-term credit rating of A- or A3 or above, or its equivalent	1	1
- 10% to less than 15% of CET1 capital	1	1
with a long-term credit rating of at least BBB- or Baa3, or its equivalent, and at most BBB+ or Baa1, or its equivalent	-	-

B6. Credit exposures to connected persons

	Connected persons		Non-bank connected persons	
	Amount NZ$m	% of tier 1 capital	Amount NZ$m	% of tier 1 capital
As at 30 September 2026				
Gross amount, before netting	21,621	128.7%	24	0.1%
Amount netted	16,633	99.0%	-	0.0%
Aggregate credit exposure (on partial bilateral net basis)	4,988	29.7%	24	0.1%
Peak end-of day aggregate credit exposure over the year ended 30 September 2026				
Gross amount, before netting	20,214	120.4%	24	0.1%
Amount netted	13,974	83.2%	-	0.0%
Aggregate credit exposure (on partial bilateral net basis)	6,240	37.2%	24	0.1%

Credit exposures to connected persons

The information on credit exposure to connected persons has been derived in accordance with the RBNZ Banking Supervision Handbook document *Connected Exposures Policy* (BS8), is net of individual credit impairment allowances and excludes advances to connected persons of a capital nature.

Peak end-of-day aggregate exposure

Peak end-of-day aggregate credit exposure to connected persons as a ratio to tier 1 capital for the full year accounting period is derived by determining the maximum end-of-day aggregate amount of credit exposure over the accounting period and then dividing that amount by the Banking Group's tier 1 capital as at the reporting date.

Rating contingent limit

The rating-contingent limit that applied to the Banking Group as at 30 September 2026 was 60%. No limit changes have occurred over the year to 30 September 2026. Within the overall rating-contingent limit, there is a sub-limit of 15% of tier 1 capital that applies to the aggregate credit exposure to non-bank connected persons.

Additional requirements for aggregate credit exposure to connected persons

Aggregate credit exposure to connected persons has been calculated on a partial bilateral net basis. The gross amounts and amounts netted off under a bilateral netting agreement are included in the table above.

Unfunded contingent credit protection provided by connected persons

NZ$260 million of contingent exposures of the Banking Group to connected persons arose from unfunded contingent credit protection arrangements provided by any connected persons in respect of credit exposures to counterparties (excluding counterparties that are connected persons) as at 30 September 2026.

Loss allowance for credit-impaired credit exposures to connected persons

Loss allowances provided against credit exposures to connected persons was NZ$0.9 million as at 30 September 2026 (2025: nil).

B7. Insurance business, securitisation, funds management, other fiduciary activities, and marketing and distribution of insurance products

Insurance business

The Banking Group does not conduct any insurance business.

Banking Group's involvement in securitisation, funds management, other fiduciary activities, and marketing and distribution of insurance products

a) Banking Group's involvement in the establishment, marketing, or sponsorship of trust, custodial, funds management, and other fiduciary activities

Activity	Details
Custodial	As at 30 September 2026, ANZ Custodial Services New Zealand Limited is the sole custodian operated by the Banking Group. It serves as the appointed custodian for private banking's (ANZ Private) Discretionary Investment Management Service and Trading Service.
Funds management	The Banking Group provides the following funds management services: • *Managed Investment Schemes (MIS):* The Banking Group's subsidiaries ANZ New Zealand Investments Limited (ANZ Investments) and ANZ Investment Services (New Zealand) Limited (ANZIS) act as manager for a number of managed investment schemes. ANZ Investments holds an MIS Manager licence and is the issuer and manager of ANZ and OneAnswer-branded KiwiSaver and retail schemes. ANZIS is the issuer and manager of the ANZ PIE Fund. ANZ National Staff Superannuation Limited, also a subsidiary of the Banking Group, is the trustee and manager of the ANZ National Retirement Scheme, which is a restricted workplace savings scheme. • *Discretionary Investment Management Service (DIMS):* The Bank is a licensed DIMS provider. This service is offered to ANZ Private customers. • *Other investment portfolios:* ANZ Investments also manages investment portfolios for a number of schemes where the scheme manager or trustee has outsourced investment management services to ANZ Investments.
Other fiduciary activities	ANZ Investments, through its subsidiary OneAnswer Nominees Limited, offers the OneAnswer Portfolio Service. The associated administration and custody services are provided by FNZ Limited and FNZ Custodians Limited respectively (together FNZ). FNZ is not a member or related party of the Banking Group.

b) Banking Group's involvement in the origination of securitised assets, and the marketing or servicing of securitisation schemes

The Banking Group originates securitised assets in the form of residential mortgage backed securities held for potential repurchase transactions with RBNZ, and covered bonds. Refer to Note 23 Structured entities for further details about these programmes. Other than these activities, the Banking Group is not involved in the marketing or servicing of securitisation schemes.

c) Banking Group's involvement in marketing and distribution of insurance products

The Banking Group markets and distributes life insurance, other personal and business insurance products provided by or arranged through a number of insurance partners. None of these insurance partners are affiliated insurance entities or affiliated insurance groups. Our insurance partners are:

- Vero Insurance New Zealand Limited for home, contents, motor vehicle, boat, and lifestyle block insurance;
- AWP Services New Zealand Limited, trading as Allianz Partners, for premium card overseas travel insurance. Policies are underwritten by Mitsui Sumitomo Insurance Company, Limited (incorporated in Japan);
- Chubb Life Insurance New Zealand Limited for life & living, and business insurance; and
- Arthur J. Gallagher & Co (NZ) Limited for business insurance.

Arrangements to ensure no adverse impacts arising from the above activities

Arrangements have been put in place to ensure that difficulties arising from the activities in a), b) and c) above would not impact adversely on the Banking Group. The policies and procedures in place include comprehensive and prominent disclosure of information regarding products, and formal and regular review of operations and policies by management.

B7. Insurance business, securitisation, funds management, other fiduciary activities, and marketing and distribution of insurance products (continued)

Amounts represented by funds management and securitisation activities

As at 30 September	2026 NZ$m	2025 NZ$m
Funds under management:		
KiwiSaver[1]	23,888	23,025
Other managed funds[1]	3,501	3,560
ANZ PIE Fund[2]	8,489	7,292
DIMS[3]	8,119	7,808
Other investment portfolios[4]	169	168
Total funds under management	44,166	41,853
Funds under custodial arrangements	8,137	7,820
Other funds held or managed subject to fiduciary responsibilities[5]	1,594	1,978
Outstanding securitised assets originated by the Banking Group - carrying amount of covered bonds	2,973	2,510

1. Managed by ANZ Investments.
2. Managed by ANZIS and wholly invested in deposits of the Bank.
3. Managed by the Bank.
4. Comprises portfolios managed by ANZ Investments, and the ANZ National Retirement Scheme managed by ANZ National Staff Superannuation Limited.
5. Not included in funds under management.

Financial services provided to entities conducting the above activities

Financial services provided by any member of the Banking Group to entities that conduct the activities in a) or b) above are provided on arm's length terms and conditions and at fair value.

Assets purchased from entities conducting the above activities

Over the year ended 30 September 2026, any assets purchased by any member of the Banking Group from entities that conduct the activities in a), b) or c) above have been purchased on arm's length terms and conditions and at fair value.

Funding provided to entities in aggregate and individually

The peak end-of day aggregate amount of funding provided to entities that provide services relating to the Banking Group's involvement in the above activities over the year ended 30 September 2026 was NZ$0.1 million (2025: NZ$0.1 million) which was 0.0% (2025: 0.0%) of the Banking Group's tier 1 capital and 0.1% (2025: 0.1%) of the total assets of the individual entity.

Method for deriving peak end-of-day amount of funding in aggregate and individually

The peak end-of-day aggregate amount of funding is the maximum end-of-day aggregate amount of funding over the full year accounting period, divided by the Banking Group's tier 1 capital as at the balance date, and the total assets as at the balance date of the individual entity to which the Banking Group has provided funding. Where financial statements for the individual entity are not publicly available, total assets from the publicly available financial statements of the group of which the entity is a member have been used.

B8. Risk management policies

Information about risk

At the Banking Group, risk management is critical for us to deliver on our ANZ 2030 strategy. In an increasingly complex and dynamic environment, our ability to identify, assess and manage risk can help us honour our customer commitments, maintain trust, protect our stakeholders, and achieve sustainable growth.

The Banking Group's Risk Management Framework (RMF) is designed to support our strategic objectives and manage material risks including obligations to customers and relevant stakeholders. Material risks are those that could have a material impact on the Banking Group or its customers and require formal management under established risk frameworks.

The four key pillars of our RMF are the Strategic Planning Process (SPP), the Risk Management Strategy (RMS), the Risk Appetite Statement (RAS), and the Banking Group's values and culture.

The Board is responsible for establishing and overseeing the Banking Group's RMF, which is supported by the Banking Group's underlying systems, data, policies, governance, processes and controls, as well as a three lines of defence model. The Board has delegated authority to the Bank's Board Risk Committee (BRC) to provide oversight of the implementation and operation of the Banking Group's RMF. The BRC reports regularly to the Board on its activities.

The four key pillars of the Banking Group's RMF:

Strategic Planning Process (SPP)

The SPP outlines the Banking Group's approach to implementing our strategic plan, including consideration of strategic priorities, investment allocation, resource allocation, material risks, the emerging risks, external and internal environment, risk appetite and risk view.

Risk Management Strategy (RMS)

The RMS sets out the Board-approved expectations and principles for managing risk in support of the Banking Group's purpose and strategic priorities. It reinforces the idea that effective risk management is fundamental to sustainable performance, customer trust and long-term value creation. It makes it clear that managing risk is the responsibility of everyone at the Banking Group. The RMS outlines the Banking Group's approach to identifying, assessing and managing the material and emerging risks faced across the Banking Group, with reference to the relevant frameworks, policies and standards.

Risk Appetite Statement (RAS)

The RAS defines the maximum level of risk the Banking Group is willing to accept in pursuing its strategic objectives and its operating plans considering the interests of its shareholders, depositors and customers.

Values and culture

The Banking Group's culture is anchored in our values. They define what is expected, how we operate and make decisions to earn trust, deliver strong performance and manage risk responsibly. Risk culture is part of the Banking Group's overall culture. It reflects how our values, behaviours and decision-making practices shape the identification, management and escalation of risk. A strong risk culture supports fair customer outcomes, sustainable performance, effective risk management and maintaining the trust of customers, shareholders, regulators and the community.

Material risks

The Material Risks facing the Banking Group per our RMS, and how these risks are managed, are summarised below.

Each Material Risk has an associated RAS component and, where applicable, is measured by appropriate metric(s) and associated tolerance(s) representing the maximum level of risk appropriate to execute the Banking Group's strategic agenda. Metrics are reviewed at least annually. A risk appetite dashboard is prepared and reviewed by senior management monthly, and presented to the BRC at each meeting.

Risk Classification: ● Strategic Risk ● Financial Risk ● Non-Financial Risk (NFR)

Risk Type	Description	Managing the Risk
Strategic Risk	The risk that the Banking Group may make inappropriate strategic decisions, does not effectively execute the approved strategy, or does not respond effectively to changes in the operating environment or evolving external conditions.	The Banking Group manages Strategic Risk as an integral part of strategy development, planning and decision-making, with a focus on how uncertainty, change and external conditions may affect the achievement of strategic objectives.
Reputational Risk	The risk the Banking Group's behaviour or associations cause stakeholders (customers, broader community, shareholders, regulators, government bodies and political stakeholders, advocacy groups, media and employees) to hold an adverse opinion of the Banking Group which, in turn, negatively affects the Banking Group's value or operations.	The Banking Group seeks to minimise, mitigate and respond to reputational considerations in relevant policy documents and existing risk frameworks and by proactively identifying, acting upon and monitoring those risks in accordance with the relevant policies and procedures, engaging with and considering the perspectives of stakeholders.
Climate Risk	Refers to the strategic, financial and non-financial risks to the Banking Group arising from climate change, including as a result of physical impacts, transitioning to a low emissions economy, including potential litigation and/or regulatory action.	The Banking Group recognises Climate Risk as a standalone Material Risk. Climate Risk is also considered a cross-cutting risk driver that can amplify other Material Risks. Where Climate Risk increases other Material Risks, the relevant risk management frameworks operate as the primary controls. The Social and Environmental Risk Policy, the Social and Environmental Risk Standard, and the Climate Standard are the guiding documents for the management of Climate Risk alongside the Banking Group's Climate and Nature Strategy. The Policy and Standards are supported by the application of relevant tools and procedures.

B8. Risk management policies (continued)

Risk Type	Description	Managing the Risk
Capital Adequacy Risk	The risk of loss arising from the Banking Group failing to maintain the level of capital required by prudential regulators and other key stakeholders (shareholders, debt investors, depositors, rating agencies, etc.) to support the Banking Group's consolidated operations and risk appetite.	Capital management is performed through an Internal Capital Adequacy Assessment Process (ICAAP), involving detailed strategic and capital planning over a medium-term time horizon. The Capital Plan is reviewed monthly to track financial performance, economic conditions, and strategic initiatives, with regular updates to the Board.
Liquidity and Funding Risk	The risk that the Banking Group is unable to meet its payment obligations as they fall due, including: • repaying depositors or maturing wholesale debt; or • that the Banking Group has insufficient capacity to fund increases in assets.	The Liquidity and Funding Risk Framework, together with the Liquidity Framework, Liquidity Management Policy and Standard, outline the approach for identifying, measuring, monitoring and managing Liquidity Risk. A Liquidity Limit Framework is in place with liquidity limits set based on the Liquidity Stress Testing Framework.
Wholesale Credit Risk	The risk of financial loss resulting from a counterparty failing to fulfil its credit obligations, or from a decrease in credit quality of a counterparty resulting in a deterioration of value.	The Wholesale Credit Framework outlines the credit principles, policy and requirements, providing the overarching direction across the full credit life cycle.
Retail Credit Risk	The risk of financial loss resulting from a counterparty failing to fulfil its credit obligations, or from a decrease in credit quality of a counterparty resulting in a deterioration of value.	The Retail Credit Framework is top down, defined by Credit Principles, Retail Credit Policy and Retail Credit Requirements, providing the overarching direction across the full credit lifecycle.
Market Risk	The risk stems from the Banking Group's trading and balance sheet activities and is the risk to the Banking Group's earnings arising from: • changes in any interest rates, foreign exchange rates, credit spreads, volatility, and correlations; or • fluctuations in bond, commodity or equity prices.	Market Risk is managed through the Market Risk Framework, underlying policies, and an independent risk measurement and capital allocation approach.
Financial Crime and Fraud Risk	The risk of facilitating financial crime and fraud, including non-compliance with the Banking Group's policies, or regulatory expectations.	The Banking Group manages Financial Crime Risk and Fraud Risk through a comprehensive framework designed to prevent, detect and respond to money laundering and proliferation/terrorism financing, sanctions risks, bribery and corruption, and fraud.
Conduct Risk	The risk of loss or damage arising from the failure of the Banking Group, its employees or agents to appropriately consider the interests of consumers, the integrity of the financial markets, and the expectations of stakeholders in conducting business activities.	Conduct Risk is managed within the Banking Group's NFR Framework. In addition, the Banking Group applies a global, principles-based Conduct Risk Framework that establishes a values-driven, customer-centric approach to identifying, managing, and monitoring Conduct Risk across the bank.
Compliance Risk	The risk of failure to act in accordance with laws, regulations and regulatory expectations in the jurisdictions in which the Banking Group operates, leading to regulatory censure or penalties.	Compliance Risk is managed within the Banking Group's NFR Framework. The Banking Group seeks to avoid breaches of regulations, laws and industry codes and will not tolerate wilful, systemic or repeated non-compliance. Where isolated instances of non-compliance occur despite adequate controls, the Banking Group will identify, escalate, remediate and report them promptly and will use those instances to strengthen its compliance posture.
Operational Risk and Resilience Risk	The risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events that could impair the Banking Group's ability to prevent, withstand, adapt to, and recover from disruptions.	Operational Risk and Resilience is managed within the Banking Group's NFR Framework, applying a risk-based approach to the identification, assessment, management, reporting, and escalation of operational risks and related obligations. This approach promotes consistency across the organisation while accommodating specific regulatory requirements.
Technology Risk	The risk of technology system outage, including the degradation of systems, such as hardware, software and networks.	Technology Risk is managed within the Banking Group's NFR Framework. In addition, Technology Risk is managed through controls embedded across the full technology lifecycle. Technology assets are governed and maintained throughout their lifespan, technology changes are executed in a disciplined and controlled manner, operational processes ensure system availability and timely incident resolution, and continuity arrangements provide for effective recovery of technology services following disruption.
Data Risk	The risk of failing to appropriately collect, use, manage, maintain, and dispose of data. This includes all types of data, for example, customer data, employee data, and the Banking Group's proprietary data.	Data Risk is managed within the Banking Group's NFR Framework. In addition, the Enterprise Data Governance Framework sets the requirements for effective data management and drives the uplift of data capability across the organisation. The Enterprise Data Governance Framework establishes clear data ownership structures, mandates controls across the full data lifecycle, and defines processes for data management related incident and breach reporting.

B8. Risk management policies (continued)

Risk Type	Description	Managing the Risk
Information Security and Cyber Risk	The risk of information security incidents, including the loss and theft of data/information. This covers all types of data (e.g. customer, employee, and the Banking Group's proprietary data) and includes the failure to comply to rules concerning information security.	Information Security and Cyber Risk is managed within the Banking Group's NFR Framework. In addition, the Banking Group manages Information Security and Cyber Risk through a well-defined, policy-led, controls-driven framework supported by enterprise-wide capabilities and specialist security functions. The approach safeguards the confidentiality, integrity, and availability of the Banking Group's systems, data and services, thereby reducing the risk of information security incidents and supporting compliance with regulatory obligations.

Refer to Note 15 Financial risk management for the disclosures required under NZ IFRS 7 *Financial Instruments: Disclosures.*

Other material risks

Other material risks do not require the same degree of active or transactional management as the Material Risks and are managed and monitored as part of the Banking Group's business, strategic and capital management process. The maximum level of risk is set as part of the Banking Group's ICAAP.

Refer to Note 21 Capital management for more information about the Banking Group's ICAAP, and the section 'Capital for other material risks' in Note B4 for the capital held for these risks.

The Banking Group has identified credit concentration risk as an other material risk, which is not explicitly captured in the calculation of the Banking Group's tier 1 and total capital.

Capital adequacy

Refer to Note 21 Capital management for the disclosures required under NZ IAS 1 *Presentation of financial statements*.

Reviews of the Banking Group's risk management systems

Refer to Note 15 Financial risk management for details of the Internal Audit Function's reviews of the Banking Group's RMF. These reviews are not conducted by a party external to the Banking Group or the Ultimate Parent Bank.

Internal Audit Function of the Banking Group

The Banking Group has an Internal Audit Function, refer to Note 15 Financial risk management for details.

Board Audit Committee

The nature and scope of the responsibilities of the Audit Committee, to which Internal Audit reports, are to assist the Board by ensuring the integrity of the Bank's financial controls, reporting systems and internal audit standards, and providing oversight, review and, where appropriate, constructive challenge of:

- the Banking Group's financial reporting principles and policies, controls, systems and procedures;
- the effectiveness of the Banking Group's internal control and risk management framework;
- the work and internal audit standards of Internal Audit which reports directly and solely to the Chair of the Audit Committee;
- the integrity of the Banking Group's consolidated financial statements, climate related disclosures and, where applicable, the independent audit thereof, and the Banking Group's compliance with legal and regulatory requirements in relation thereto;
- any due diligence procedures;
- prudential supervision procedures and other regulatory requirements to the extent relating to financial reporting; and
- any other matters referred to it by the Board.

The Audit Committee is also responsible for:

- the appointment, annual evaluation and oversight of the external auditor (in conjunction with the Audit Committees of ANZGHL and the Ultimate Parent Bank);
- annual review of the independence, fitness and propriety, and qualifications of the external auditor;
- compensation of the external auditor; and
- where deemed appropriate, replacement of the external auditor (in conjunction with the Audit Committees of ANZGHL and the Ultimate Parent Bank).

In carrying out its responsibilities and duties, the Audit Committee will aim to seek fair customer outcomes and financial market integrity in its deliberations.

Measurement of impaired assets

Refer to Note 12 Allowance for expected credit losses and Note 15 Financial risk management for details of the Banking Group's approach to measurement of impaired assets. Further to this, impairment is assessed monthly, with individual allowances for credit impairment also updated monthly and collective allowances for credit impairment updated quarterly.

Credit risk mitigation

Refer to Note 17 Offsetting for the policies and processes for, and extent of, on-balance sheet netting. The same policies and processes apply to off-balance sheet credit related commitments. No off-balance sheet credit related commitments or guarantees meet the criteria for netting.

As an IRB bank, the Banking Group uses the comprehensive method to measure the mitigating effects of collateral.

The Banking Group assesses the integrity and ability of counterparties to meet their contractual financial obligations for repayment. The Banking Group generally takes collateral security in the form of real property or a security interest in personal property, except for major government, bank and corporate counterparties of strong financial standing. Longer term consumer finance, in the form of housing loans, is generally secured against real estate while short term revolving consumer credit is generally unsecured.

B8. Risk management policies (continued)

Additional information about credit risk

Implementation of the advanced internal ratings based approach to credit risk measurement

The Banking Group adheres to the standards of risk grading and risk quantification as set out for IRB banks in the RBNZ Banking Prudential Requirements (BPRs). Under this IRB Framework banks use their own measures for calculating the level of credit risk associated with customers and exposures, by way of the primary components of:

- Probability of Default (PD): An estimate of the level of risk of borrower default graded by way of rating models used both at loan origination and for ongoing monitoring.
- Exposure at Default (EAD): The expected facility exposure at default.
- Loss Given Default (LGD): An estimate of the potential economic loss on a credit exposure, incurred as a consequence of obligor default and expressed as a percentage of the facility's EAD. For Retail Mortgage exposures the Bank is required to apply the downturn LGDs according to loan to value (LVR) bands as set out in BPR133: *IRB Credit Risk RWAs*. For farm lending exposures the Banking Group is required to adopt RBNZ prescribed downturn LVR based LGDs, along with a minimum maturity of 2.5 years and the removal of the firm-size adjustment as set out in BPR133: *IRB Credit Risk RWAs*.

For exposures classified under Specialised Lending, the Banking Group uses slotting tables approved by RBNZ rather than internal estimates.

The exceptions to IRB treatment are Sovereign, Bank, Equity, Other, Qualifying Central Counterparty (QCCP) and two minor corporate exposure types where, due to systems constraints, determining these IRB risk estimates is not currently feasible or appropriate. Risk weights for these exposures are calculated under a separate treatment as set out in the RBNZ document BPR131: *Standardised Credit Risk RWAs*.

Internal ratings based approach

IRB asset class	Borrower type	Rating approach
Corporate	Corporation, partnerships or proprietorships that do not fit any other asset classification	IRB - Advanced
	Corporate Small to Medium Enterprises (SME) with turnover of less than NZ$50 million	IRB - Advanced
Retail Mortgages	Individuals' borrowings against residential property	IRB - Advanced
Other Retail	Other lending to individuals (including credit cards)	IRB - Advanced
	SME business borrowers	IRB - Advanced
Corporate sub-class - Specialised lending	Project finance	IRB - Slotting
	Income producing real estate	IRB - Slotting

Standardised approach

Exposure class	Exposure type	Reason for standardised approach	Future treatment
Sovereign	Crown	Required by BPRs	Standardised
	RBNZ	Required by BPRs	Standardised
	Any other sovereign and its central bank	Required by BPRs	Standardised
Bank		Required by BPRs	Standardised
Equity		Required by BPRs	Standardised
Other	All other assets not falling within any of the above classes	Required by BPRs	Standardised
Corporate	QCCP	Required by BPRs	Standardised
	Merchant card prepayment exposures	System constraints	Move to IRB
	Corporate credit cards	System constraints	Move to IRB

Controls surrounding credit risk rating systems

The term "Rating Systems" covers all of the methods, processes, controls, data collection and technology that support the assessment of credit risk, the assignment of internal credit risk ratings and the quantification of associated default and loss estimates.

All material aspects of the Rating Systems and risk estimate processes are governed by the BRC. Risk grades are an integral part of reporting to senior management and executives. Management and staff of credit risk functions, in conjunction with the relevant Retail and Wholesale Risk committees, regularly assess the performance of the rating systems, identify any areas for improvement and monitor progress on previously identified development work needed.

The Banking Group's Rating Systems are governed by a comprehensive framework of controls that operate at the business unit and support centres, and through central audit and validation processes. All policies, model designs, model reviews, methodologies, validations, responsibilities, systems and processes supporting the ratings systems are fully documented.

The Banking Group's Retail and Wholesale ratings functions work closely with the Ultimate Parent Bank's risk ratings functions, are independent of operational lending activities and are responsible for the ratings strategies and ongoing management of credit risk models within New Zealand. The annual review of models used across the Banking Group is a function undertaken by the ANZ Credit Model Validation Unit, which is also independent of credit risk operational functions and is responsible for overseeing the design, implementation and performance of all rating models in the Banking Group.

The target approach to modelling for the Banking Group is to deploy the model most suitable for the environment. At present this involves an approach to modelling that combines models developed in New Zealand and models developed by the Ultimate Parent Bank, tested and validated for use in New Zealand, as appropriate.

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 year ended 30 September 2026, after due enquiry, each Director believes that:

- Except as noted in the 'Non-compliance with conditions of registration 11: compliance with RBNZ's *Outsourcing policy* (BS11)' section on page 81, 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
- Except as noted in the 'Ultimate Parent Bank enforceable undertaking with APRA' section on page 74 and 'Non-compliance with conditions of registration 11: compliance with RBNZ's *Outsourcing policy* (BS11)' section on page 81, 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 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, 6 November 2026.

Ben Kelleher 

Nagaja Sanatkumar 

Craig Sims 

Scott St John 

Carolyn Steele 

Mark Tume 

Mark Whelan 

Independent Auditor's Report

To the shareholder of ANZ Bank New Zealand Limited

Report on the audit of the Registered Bank Disclosures in sections B2, B3, B5, B6, B7 and B8 of the Disclosure Statement

Opinion

We have audited 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, B6, B7 and B8 on pages 83 to 92 and 100 to 107 of the Disclosure Statement as at and for the year ended 30 September 2026, which comprise the information that is required to be disclosed in accordance with schedules 4, 7, 13, 14, 15 and 17 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (Order).

In our opinion, the accompanying registered bank disclosures that are required to be disclosed in accordance with schedules 4, 7, 13, 14, 15 and 17 of the Order on pages 83 to 92 and 100 to 107, in all material respects:

- presents fairly the matters to which they relate;
- are disclosed in accordance with those schedules; and
- have been prepared in accordance with any conditions of registration relating to the disclosure requirements, imposed under section 74(4)(c) of the Banking (Prudential Supervision) Act 1989 and any conditions of registration.

Basis for opinion

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

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

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

Our firm has provided services to the Banking Group in relation to review of regulatory returns, internal controls reports, prospectus assurance or reviews, agreed upon procedures engagements and other assurance engagements. Subject to certain restrictions, partners and employees of our firm may also deal with the 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.

Other information

The Directors, on behalf of the Banking Group, are responsible for the other information. The other information comprises the Banking Group's general disclosures in section B1, required to be included in the Banking Group's Disclosure Statement in accordance with schedule 2 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (Order) and the information relating to capital adequacy and regulatory liquidity requirements disclosed in accordance with schedule 11 of the Order in section B4 but does not include the registered bank disclosures in sections B2, B3, B5, B6, B7 and B8 and our auditor's report thereon.

Our opinion on the registered bank disclosures in sections B2, B3, B5, B6, B7 and B8 does not cover any other information and we do not express any form of assurance conclusion thereon as part of the engagement to audit the Registered Bank and Banking Group registered bank disclosures. We have performed an assurance engagement on the Capital Adequacy and Regulatory Liquidity Requirements that forms part of the other information and provided a separate assurance conclusion thereon that is included within the other information.

In connection with our audit of the registered bank disclosures in sections B2, B3, B5, B6, B7 and B8 our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the registered bank disclosures in sections B2, B3, B5, B6, B7 and B8 or our knowledge obtained in the audit or otherwise appears materially misstated.

If, based on the work we have performed, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

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

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Responsibilities of Directors

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

- the preparation and fair presentation of the registered bank disclosures in sections B1, B2, B3, B5, B6, B7 and B8 in accordance with Schedules 2, 4, 7, 13, 14, 15 and 17 of the Order; and
- implementing the necessary internal control to enable the preparation of the registered bank disclosures in sections B1, B2, B3, B5, B6, B7 and B8 of the Disclosure Statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our objective is:

- to obtain reasonable assurance about whether the registered bank disclosures in sections B2, B3, B5, B6, B7 and B8, (excluding the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements) in accordance with schedules 4, 7, 13, 14, 15 and 17 of the Order as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

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

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the registered bank disclosures in sections B2, B3, B5, B6, B7 and B8 of the Disclosure Statement.

For and on behalf of:



KPMG
Wellington

6 November 2026

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 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 93 to 99 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 Capital Adequacy and Regulatory Liquidity Requirements, as disclosed in section B4 of the Disclosure Statement for the six months ended 30 September 2026. Our conclusion on the Capital Adequacy and Regulatory Liquidity Requirements does not extend to any other information included, or referred to, in the Disclosure Statement

Criteria

The information relating to 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.

Our responsibilities under SAE 3100 (Revised) are further described in the *Our responsibility* section of our report.

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

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

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 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 for the six months ended 30 September 2026 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 the Directors

The Directors of ANZ Bank New Zealand Limited are responsible for the compliance activities undertaken to meet their identified compliance requirements and disclosure of the information relating to Capital Adequacy and Regulatory Liquidity Requirements in accordance with Schedule 11 of the Order. This responsibility includes such internal control as the Directors determine is necessary to enable the identification of risks that threaten the compliance requirements being met, designing and implementing controls which will mitigate those risks, 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.

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Our responsibility

We have responsibility for:

- planning and performing the engagement to obtain limited assurance about whether the information relating to Capital Adequacy and Regulatory Liquidity Requirements is free from material misstatement and non-compliance, whether due to fraud or error;
- forming an independent conclusion based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Bank's shareholder.

Our work was carried out by a multidisciplinary team, including specialists in financial risk management, who assisted with the procedures below. We remain solely responsible for the assurance conclusion.

Summary of the work we performed as the basis for our conclusion

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 judgement, including identifying areas where the risk of material misstatement and non-compliance with Schedule 11 of the Order is likely to arise.

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the compliance activities and controls implemented to meet the requirements of Schedule 11 of the Order.

In undertaking limited assurance, the procedures we primarily performed were:

- 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 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.

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.

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 review of regulatory returns, internal controls reports, prospectus assurance or reviews, agreed upon procedures engagements and other assurance engagements. Subject to certain restrictions, partners and employees of our firm may also deal with the 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
Wellington

6 November 2026

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