News Release

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Iwi businesses outperform through tough times

New data from ANZ NZ shows that iwi and hapu-owned commercial entities emerged from the economic downturn in good shape, performing better, on a return on assets basis, than many of the country's largest listed companies[1] in the 2023-2024 financial year.

This was underpinned by iwi businesses moving more of their funds into direct investments, co-investments and 'private equity' style ventures and have seen their previous year's median Overall Return on Assets double.

"We've seen their various strategies of diversification evolve and be implemented. And it's great to see the continuing strength and resilience of iwi through challenging times," said David Harrison, ANZ NZ's Head of Māori Relationships.

"Iwi/hapū are significant contributors to the Māori economy and Aotearoa's economic growth agenda and this growth is part of a much wider trend we're seeing as Te Ōhanga Māori continues to develop rapidly."

"When the Māori economy grows, it strengthens the whole New Zealand economy — laying the groundwork for long-term sustainability and shared prosperity," said Harrison.

The results come from ANZ's annual Te Tirohanga Whānui - *Iwi Investment Insights* report, released to iwi February. A long-running collaborative research, now with 10 years of data, involving 38 iwi/hapu entities managing treaty settlement assets, designed to help guide and inform iwi investment decisionmakers.

"We saw a widening and an increase in the number of income streams of many iwi/hapū commercial portfolios," said Harrison.

"Along with the general stabilising in asset values, these were a welcome shift and if they continue, they will help push iwi operating returns higher this year."

"While the economy has remained soft during 2025 many of the primary sectors have performed well and the reduction in interest rates has provided relief for borrowers."

The report finds that debt has continued to be used by iwi and hapu-owned commercial entities to help fund new acquisitions, developments and investments.

"It's been a measured and considered approach. Overall debt-to-total-assets levels have remained stable, and while debt-to-earnings ratios have increased over time, they are within the ranges we'd expect, given the underlying sectors of these investments," said Harrison.

Median results across the overall group of 38 iwi/hapū achieved in the 2023-2024 financial year.

4.1% - Growth in Assets
Assets values stablised as the widespread write downs in value seen last year were not repeated.

4.0% - Operating Return on Assets (ROA)
Driven up by income growth. Half of iwi delivered double digit growth in operating revenues.

5.1% - Overall Return on Assets
Positive revaluations of assets coupled with stronger earnings led to stronger overall returns.

8.0x - Debt to Operating Earnings ratio
Debt continues to increase, to fund new investments, but in a measured approach.

Key findings of ANZ's *Iwi Investment Insights* include:

- After several years of strong balance sheet growth—driven by asset revaluations—2022-2023 delivered a correction, with the value of many assets being written down.
- 2023-2024 saw this turn around, with a modest growth in asset values—the median being 4.1%. Most noticeable was the changing mix of assets with cash and managed funds being gradual reallocated into direct investments, co-investments and 'private equity' style ventures.
- This shift in asset allocation appears to be having an impact. Operating earnings are increasing, and—despite a general trend of increasing expenses—these earnings are growing faster than asset values. This has driven the median Operating Return on Assets up for the 2nd straight year—to 4.0%.
- Gains from the revaluation of assets contributed positively too, increasing the median Overall Return on Assets for iwi businesses to 5.1%—almost double last year's result and well above the 3.8% median achieved by New Zealand's largest listed companies[1]
- Debt continues to be used to help fund new acquisitions, developments and investments, with median debt to total assets remaining stable at ~12%. In general, iwi debt is well-covered by the value of assets. Interestingly, the level of debt compared to earnings (median Debt to Operating Earnings (before interest and tax)) has been on an upwards trend since 2016 from ~3.0x to almost ~8.0x in 2024. During this time the number of iwi with debt has doubled, as has the combined quantum of debt across the iwi cohort.

ANZ New Zealand has strong, long-term relationships with many iwi, hapū and whānau businesses.

ANZ's dedicated Māori business team works closely with customers, offering expert insights, guided by 'Tākiri-ā-Rangi', its Te Ao Māori Strategy out to 2040, which sets out ANZ's long-term commitment to work with Māori to help build a better future.

1. NZ's largest listed companies are defined as NZX listed companies with assets >$900m (excluding banks and financial institutions). Source S&P Capital IQ.

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