Westpac Banking Corporation
Level 18, 275 Kent Street
Sydney, NSW, 2000

ASX RELEASE

5 May 2026

Westpac New Zealand Limited Disclosure Statement

Westpac Banking Corporation ("Westpac") today provides the attached Westpac New Zealand Limited Disclosure Statement for the six months ended 31 March 2026.

For further information:

Hayden Cooper
Group Head of Media Relations
0402 393 619

Justin McCarthy
General Manager, Investor Relations
0422 800 321

This document has been authorised for release by Tim Hartin, Company Secretary.

WESTPAC NEW ZEALAND LIMITED

Disclosure Statement.

For the six months ended 31 March 2026.

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Contents

Glossary of terms

Certain information contained in this Disclosure Statement is required by the Order.

In this Disclosure Statement, reference is made to:

- Westpac New Zealand Limited (otherwise referred to as the '**Bank**');
- Westpac New Zealand Limited and its controlled entities (otherwise referred to as the '**Banking Group**'). Controlled entities of the Bank are set out in Note 22 to the financial statements included in the Disclosure Statement for the year ended 30 September 2025 and any changes (if any) to the Banking Group since 30 September 2025 are included in Note 10;
- Westpac Banking Corporation (otherwise referred to as the '**Ultimate Parent Bank**');
- Ultimate Parent Bank and its controlled entities (otherwise referred to as the '**Ultimate Parent Bank Group**'); and
- New Zealand Branch of the Ultimate Parent Bank (otherwise referred to as the '**NZ Branch**').

Words and phrases not defined in this Disclosure Statement, but defined by the Order, have the meaning given by the Order when used in this Disclosure Statement.

The Disclosure Statement also uses the following terms as defined below.

ANZSIC	Australian and New Zealand Standard Industrial Classification
APRA	Australian Prudential Regulation Authority
AT1	Additional Tier 1 capital
BPR	Banking Prudential Requirements
CAP	Collectively assessed provisions
CB Programme	The Bank's Global Covered Bond Programme
EAD	Exposure at default
ECL	Expected credit losses
Financial statements	Condensed consolidated interim financial statements
FVIS	Fair value through income statement
FX	Foreign exchange
GDP	Gross domestic product
IAP	Individually assessed provisions
Internal PPS	Perpetual preference shares issued to the NZ Branch
IRB	Internal ratings-based
LGD	Loss given default
LVR	Loan-to-value ratio
NZ IFRS	New Zealand equivalents to International Financial Reporting Standards
NZX	NZX Limited
Order	Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended)
PD	Probability of default
PPS	Perpetual preference shares
Reserve Bank	Reserve Bank of New Zealand
RMBS	Residential mortgage-backed securities
RWAs	Risk weighted assets/risk weighted exposures
SPV	Special purpose vehicle
WSNZL	Westpac Securities NZ Limited

Directors' statement

Each Director of the Bank believes, after due enquiry, that, as at the date on which this Disclosure Statement is signed, the Disclosure Statement:

(a) contains all the information that is required by the Order; and

(b) is not false or misleading.

Each Director of the Bank believes, after due enquiry, that over the six months ended 31 March 2026:

(a) the Bank has complied in all material respects with each condition of registration that applied during that period;

(b) credit exposures to connected persons were not contrary to the interests of the Banking Group; and

(c) the Bank 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.

This Disclosure Statement has been signed by all the Directors:

Philippa Greenwood	Catherine McGrath
Debra Birch	Nathan Goonan
David Green	Robert Hamilton
David Havercroft	Ian Samuel Knowles

Dated this 4th day of May 2026

Income statement for the six months ended 31 March 2026

$ millions	Note	THE BANKING GROUP Six Months Ended 31 Mar 26 Unaudited	Six Months Ended 31 Mar 25 Unaudited
Interest income:			
Calculated using the effective interest method	2	**2,925**	3,588
Other	2	**45**	57
Total interest income		**2,970**	3,645
Interest expense	2	**(1,583)**	(2,218)
Net interest income		**1,387**	1,427
Non-interest income			
Net fees and commissions	3	**117**	115
Other	3	**4**	6
Total non-interest income		**121**	121
Net operating income		**1,508**	1,548
Operating expenses	4	**(755)**	(730)
Impairment (charges)/benefits	5	**(37)**	(33)
Profit before income tax expense		**716**	785
Income tax expense		**(201)**	(220)
Profit after income tax expense		**515**	565

The above income statement should be read in conjunction with the accompanying notes.

Statement of comprehensive income for the six months ended 31 March 2026

$ millions	THE BANKING GROUP Six Months Ended 31 Mar 26 Unaudited	Six Months Ended 31 Mar 25 Unaudited
Profit after income tax expense	**515**	565
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Gains/(losses) recognised in equity on:		
Investment securities	**18**	25
Cash flow hedging instruments	**142**	(12)
Cost of hedging	**(33)**	-
Transferred to income statement:		
Cash flow hedging instruments	**(30)**	(4)
Cost of hedging	**(1)**	-
Income tax on items taken to or transferred from equity:		
Investment securities	**(5)**	(7)
Cash flow hedging instruments	**(31)**	4
Cost of hedging	**9**	-
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit obligation recognised in equity (net of tax)	**1**	1
Net other comprehensive income/(expense) (net of tax)	**70**	7
Total comprehensive income	**585**	572

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Balance sheet as at 31 March 2026

		THE BANKING GROUP	
$ millions	Note	**31 Mar 26 Unaudited**	30 Sep 25 Audited
Assets			
Cash and balances with central banks		**4,852**	6,091
Collateral paid		**154**	32
Trading securities and financial assets measured at FVIS		**2,501**	2,353
Derivative financial instruments		**1,218**	1,057
Investment securities		**8,604**	8,206
Loans	6,7	**109,015**	106,328
Other financial assets		**398**	389
Due from related entities		**1,615**	2,086
Property and equipment		**443**	472
Deferred tax assets		**166**	181
Intangible assets		**870**	901
Other assets		**163**	176
Total assets		**129,999**	128,272
Liabilities			
Collateral received		**1,090**	936
Deposits and other borrowings	8	**85,473**	82,832
Other financial liabilities		**752**	2,513
Derivative financial instruments		**105**	153
Due to related entities		**1,501**	1,766
Debt issues	9	**27,496**	26,406
Current tax liabilities		**27**	98
Provisions		**146**	195
Other liabilities		**286**	320
Loan capital		**1,709**	1,726
Total liabilities		**118,585**	116,945
Net assets		**11,414**	11,327
Shareholders' equity			
Ordinary share capital		**7,300**	7,300
Perpetual preference shares		**1,369**	1,369
Reserves		**3**	(66)
Retained profits		**2,742**	2,724
Total shareholders' equity		**11,414**	11,327

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity for the six months ended 31 March 2026

		THE BANKING GROUP						
				Reserves				
$ millions	Note	Ordinary Share Capital	PPS	Investment Securities Reserve	Cash Flow Hedge Reserve	Cost of Hedging Reserve	Retained Profits	Total Shareholders' Equity
As at 30 September 2024 (Audited)		7,300	1,369	(115)	53	-	2,270	10,877
Six months ended 31 March 2025 (Unaudited)								
Profit after income tax expense		-	-	-	-	-	565	565
Net other comprehensive income/(expense)		-	-	18	(12)	-	1	7
Total comprehensive income/(expense)		-	-	18	(12)	-	566	572
Transactions with equity holders:								
Dividends paid on ordinary shares	10	-	-	-	-	-	(328)	(328)
Dividends paid on PPS		-	-	-	-	-	(41)	(41)
Supplementary dividends paid on PPS		-	-	-	-	-	(5)	(5)
Tax credit on supplementary dividends		-	-	-	-	-	5	5
As at 31 March 2025 (Unaudited)		7,300	1,369	(97)	41	-	2,467	11,080
As at 30 September 2025 (Audited)		**7,300**	**1,369**	**(54)**	**(12)**	**-**	**2,724**	**11,327**
Six months ended 31 March 2026 (Unaudited)								
Profit after income tax expense		**-**	**-**	**-**	**-**	**-**	**515**	**515**
Net other comprehensive income/(expense)		**-**	**-**	**13**	**81**	**(25)**	**1**	**70**
Total comprehensive income/(expense)		**-**	**-**	**13**	**81**	**(25)**	**516**	**585**
Transactions with equity holders:								
Dividends paid on ordinary shares	10	**-**	**-**	**-**	**-**	**-**	**(464)**	**(464)**
Dividends paid on PPS		**-**	**-**	**-**	**-**	**-**	**(34)**	**(34)**
Supplementary dividends paid on PPS		**-**	**-**	**-**	**-**	**-**	**(4)**	**(4)**
Tax credit on supplementary dividends		**-**	**-**	**-**	**-**	**-**	**4**	**4**
As at 31 March 2026 (Unaudited)		**7,300**	**1,369**	**(41)**	**69**	**(25)**	**2,742**	**11,414**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows for the six months ended 31 March 2026

		THE BANKING GROUP	
$ millions	Note	**Six Months Ended 31 Mar 26 Unaudited**	Six Months Ended 31 Mar 25 Unaudited
Cash flows from operating activities			
Interest received		**2,947**	3,571
Interest paid		**(1,719)**	(2,252)
Non-interest income received		**107**	87
Operating expenses paid		**(641)**	(639)
Income tax paid		**(281)**	(357)
Cash flows from operating activities before changes in operating assets and liabilities		**413**	410
Net (increase)/decrease in:			
Collateral paid		**(122)**	58
Trading securities and financial assets measured at FVIS		**(155)**	(410)
Loans		**(2,879)**	(1,119)
Other financial assets		**(27)**	60
Due from related entities		**-**	12
Other assets		**6**	-
Net increase/(decrease) in:			
Collateral received		**154**	565
Deposits and other borrowings		**2,624**	1,446
Other financial liabilities		**(1,626)**	4
Due to related entities		**(41)**	(66)
Other liabilities		**(6)**	7
Net movement in external and related entity derivative financial instruments		**578**	386
Net cash provided by/(used in) operating activities		**(1,081)**	1,353
Cash flows from investing activities			
Proceeds from investment securities		**-**	10
Purchase of investment securities		**(533)**	(522)
Purchase of intangible assets		**(50)**	(44)
Purchase of property and equipment		**(30)**	(46)
Net cash provided by/(used in) investing activities		**(613)**	(602)
Cash flows from financing activities			
Proceeds from debt issues		**6,779**	2,759
Repayments of debt issues		**(5,809)**	(4,256)
Payments for the principal portion of lease liabilities		**(20)**	(32)
Dividends paid on ordinary shares	10	**(464)**	(328)
Dividends paid on PPS		**(38)**	(46)
Net movement in due to related entities		**53**	22
Net cash provided by/(used in) financing activities		**501**	(1,881)
Net increase/(decrease) in cash and cash equivalents		**(1,193)**	(1,130)
Cash and cash equivalents at the beginning of the period		**6,831**	8,243
Effect of exchange rate changes on cash and cash equivalents		**17**	44
Cash and cash equivalents at the end of the period		**5,655**	7,157
Cash and cash equivalents at the end of the period comprise:			
Cash on hand		**550**	185
Balances with central banks		**4,302**	6,339
Total cash and balances with central banks		**4,852**	6,524
Amounts due from related entities classified as cash and cash equivalents		**803**	629
Interbank lending classified as cash and cash equivalents		**-**	4
Cash and cash equivalents at the end of the period		**5,655**	7,157

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

Note 1 Financial statements preparation

These financial statements have been prepared in accordance with the Order and Generally Accepted Accounting Practice, as appropriate for for-profit entities, and the New Zealand equivalent to International Accounting Standard 34 *Interim Financial Reporting*. They also comply with International Accounting Standard 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board. These financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, they should be read in conjunction with the annual financial statements included in the Disclosure Statement for the year ended 30 September 2025.

The financial statements were authorised for issue by the Board of Directors of the Bank on 4 May 2026.

Accounting policies

The accounting policies adopted in the preparation of these financial statements are consistent with those in the annual financial statements for the year ended 30 September 2025, except for certain hedge accounting changes as outlined below. The going concern concept has been applied.

Effective 1 October 2025, the Banking Group adopted the hedge accounting requirements of NZ IFRS 9 *Financial instruments*. As permitted by NZ IFRS 9, the adoption of these requirements is considered a change in accounting policy for the Banking Group and is applied prospectively. As the accounting for macro hedging activities of interest rate risk is not explicitly addressed in NZ IFRS 9, the Banking Group will continue to apply NZ IAS 39 *Financial Instruments: Recognition and Measurement* hedge accounting principles for its portfolio-level fair value hedging of retail products.

NZ IFRS 9 simplifies hedge accounting by more closely aligning hedge relationships with the Banking Group's risk management strategies and allows a broader range of hedged items and hedging instruments to be designated. Certain cost-of-hedging elements may now be deferred in other comprehensive income (OCI) in a cost of hedging reserve (COHR). In addition, the hedge effectiveness testing is less prescriptive. Whereas NZ IAS 39 requires hedge effectiveness to be within a range of 80%–125% or otherwise hedge accounting is discontinued, NZ IFRS 9 instead requires a qualitative assessment of whether an economic relationship exists between the hedged item and the hedging instrument and also permits rebalancing for hedge relationships where effectiveness levels have changed.

All the Banking Group's existing hedge accounting relationships previously designated under NZ IAS 39 continued to qualify for hedge accounting under NZ IFRS 9 and comparative information has not been restated. Under NZ IFRS 9, costs of hedging (cross-currency basis spreads) are being reflected in a new COHR within OCI. The balance of the COHR as at 31 March 2026 is $(25) million (30 September 2025: Nil).

All amounts in these financial statements are presented in New Zealand dollars and have been rounded to the nearest million dollars unless otherwise stated.

Comparative information has been revised where appropriate to conform to changes in presentation in the current year and to enhance comparability. Where there has been a material restatement of comparative information, the nature of, and the reason for, the restatement is disclosed in these financial statements.

Critical accounting assumptions and estimates

In preparing the interim financial statements, the application of the Banking Group's accounting policies requires the use of judgement, assumptions and estimates. The areas of judgement, assumptions and estimates in these financial statements, including the key sources of estimation uncertainty, are consistent with those in the Disclosure Statement for the year ended 30 September 2025. Recent geopolitical developments have led to a higher than usual degree of uncertainty with the assumptions and estimates used to determine the provision for ECL. Actual outcomes may differ significantly from the assumptions used. Details of the specific judgements in relation to the calculation of the provision for ECL including overlays are included in Note 7.

Amendments to Accounting Standards effective this period

Except for certain hedge accounting changes as outlined above, no new accounting standards have been adopted by the Banking Group for the six months ended 31 March 2026. There have been no amendments to existing accounting standards that have had a material impact on the Banking Group.

Notes to the financial statements

Note 2 Net interest income

$ millions	THE BANKING GROUP **Six Months Ended 31 Mar 26 Unaudited**	 Six Months Ended 31 Mar 25 Unaudited
Interest income		
Calculated using the effective interest method		
Cash and balances with central banks	**74**	184
Collateral paid	**1**	-
Investment securities	**161**	140
Loans	**2,689**	3,259
Due from related entities	**-**	5
Total interest income calculated using the effective interest method	**2,925**	3,588
Other		
Trading securities and financial assets measured at FVIS	**45**	57
Total other	**45**	57
Total interest income	**2,970**	3,645
Interest expense		
Calculated using the effective interest method		
Collateral received	**18**	13
Deposits and other borrowings	**903**	1,475
Due to related entities	**8**	16
Debt issues	**381**	279
Loan capital	**56**	61
Other financial liabilities	**9**	69
Total interest expense calculated using the effective interest method	**1,375**	1,913
Other		
Deposits and other borrowings	**27**	46
Due to related entities	**1**	9
Debt issues	**73**	87
Other interest expense[1]	**107**	163
Total other	**208**	305
Total interest expense	**1,583**	2,218
Net interest income	**1,387**	1,427

[1] Includes the net impact of Treasury's interest rate and liquidity management activities.

Notes to the financial statements

Note 3 Non-interest income

$ millions	THE BANKING GROUP Six Months Ended 31 Mar 26 Unaudited	Six Months Ended 31 Mar 25 Unaudited
Net fees and commissions		
Facility fees	**25**	23
Transaction fees and commissions	**123**	122
Other non-risk fee income	**10**	10
Fees and commissions income	**158**	155
Credit card loyalty programmes	**(16)**	(16)
Transaction fees and commissions related expenses	**(25)**	(24)
Fees and commissions expenses	**(41)**	(40)
Net fees and commissions	**117**	115
Other		
Net ineffectiveness on qualifying hedges	**(1)**	(1)
Other	**5**	7
Total other	**4**	6
Total non-interest income	**121**	121

Note 4 Operating expenses

$ millions	THE BANKING GROUP Six Months Ended 31 Mar 26 Unaudited	Six Months Ended 31 Mar 25 Unaudited
Staff expenses	**382**	372
Lease expenses	**9**	10
Depreciation	**54**	59
Technology services and telecommunications	**142**	135
Purchased services	**22**	26
Software amortisation	**81**	67
Related entities - management fees	**5**	5
Other[1]	**60**	56
Total operating expenses	**755**	730

[1] 'Other' includes expenses such as advertising, property related costs, postage and freight and non-lending losses.

Notes to the financial statements

Note 5 Impairment charges/(benefits)

	THE BANKING GROUP	
$ millions	**Six Months Ended 31 Mar 26 Unaudited**	Six Months Ended 31 Mar 25 Unaudited
Provisions raised/(released):		
Performing	**24**	5
Non-performing	**10**	24
Bad debts written off/(recovered) directly to the income statement	**3**	4
Impairment charges/(benefits)	**37**	33
of which relates to:		
Loans and credit commitments	**37**	33
Impairment charges/(benefits)	**37**	33

Impairment charges/(benefits) on all other financial assets are not material to the Banking Group.

Note 6 Loans

	THE BANKING GROUP	
$ millions	**31 Mar 26 Unaudited**	30 Sep 25 Audited
Residential mortgages	**73,351**	71,318
Other retail	**2,597**	2,578
Corporate	**33,322**	32,646
Other	**215**	230
Total gross loans	**109,485**	106,772
Provision for ECL on loans (refer to Note 7)	**(470)**	(444)
Total net loans	**109,015**	106,328

As at 31 March 2026, $7,537 million of residential mortgages, accrued interest (representing accrued interest on the outstanding residential mortgages) and cash (representing collections of principal and interest from the underlying residential mortgages) were used by the Banking Group to secure the obligations of WSNZL under the CB Programme (30 September 2025: $7,539 million).

In addition, $18 million of residential mortgages and accrued interest have been pledged as collateral as part of the repurchase agreements with the Reserve Bank, under the Term Lending Facility (30 September 2025: $1,532 million under the Term Lending Facility and Funding for Lending Programme (which was fully repaid during the period ended 31 March 2026)).

The pledged assets were not derecognised from the Banking Group's balance sheet in accordance with the accounting policies outlined in Note 1 Financial statements preparation included in the Disclosure Statement for the year ended 30 September 2025. As at 31 March 2026, the New Zealand dollar equivalent of bonds issued by WSNZL under the CB Programme was $5,020 million (30 September 2025: $6,613 million) and the cash value of the repurchase agreements with the Reserve Bank was $15 million (30 September 2025: $1,134 million).

Note 7 Provision for expected credit losses

Loans and credit commitments

Movements in components of loss allowance

The reconciliation of the provision for ECL for loans and credit commitments has been determined by an aggregation of monthly movements over the period. The key line items in the reconciliation represent the following:

- “Transfers between stages” represents transfers between Stage 1, Stage 2 and Stage 3 prior to remeasurement of the provision for ECL.
- “New facilities originated” represents new accounts originated during the period.
- “Facilities derecognised” represents loans derecognised due to final repayments during the period.
- “Other charges/(credits) to the income statement” represents the impact on the provision for ECL due to changes in credit quality during the period (including transfers between stages), changes in portfolio overlays, changes in key economic assumptions and partial repayments and additional drawdowns on existing facilities over the period.
- "Amounts written off" represents a reduction in the provision for ECL as a result of derecognition of exposures where there is no reasonable expectation of full recovery.

Notes to the financial statements

Note 7 Provision for expected credit losses (continued)

The following table reconciles the provision for ECL on loans and credit commitments for the Banking Group.

	THE BANKING GROUP				
	31 Mar 26 Unaudited				
	Performing		Non-performing		
	Stage 1	Stage 2	Stage 3	Stage 3	
$ millions	CAP	CAP	CAP	IAP	Total
Provision for ECL on loans and credit commitments as at 30 September 2025	**85**	**248**	**92**	**66**	**491**
Transfers to Stage 1	59	(58)	(1)	-	-
Transfers to Stage 2	(8)	48	(38)	(2)	-
Transfers to Stage 3 CAP	-	(20)	22	(2)	-
Transfers to Stage 3 IAP	-	(1)	(9)	10	-
Reversals of previously recognised impairment charges	-	-	-	(13)	(13)
New facilities originated	18	-	-	-	18
Facilities derecognised	(7)	(37)	(16)	-	(60)
Changes in CAP due to amounts written off	-	-	(12)	-	(12)
Other charges/(credits) to the income statement	(54)	84	51	20	101
Total charges/(credits) to the income statement for ECL	**8**	**16**	**(3)**	**13**	**34**
Amounts written off from IAP	-	-	-	(8)	(8)
Total provision for ECL on loans and credit commitments as at 31 March 2026	**93**	**264**	**89**	**71**	**517**
Presented as:					
Provision for ECL on loans (refer to Note 6)	79	233	89	69	470
Provision for ECL on credit commitments[1]	14	31	-	2	47
Total provision for ECL on loans and credit commitments as at 31 March 2026	**93**	**264**	**89**	**71**	**517**

[1] Includes provision for ECL on related entity credit commitments of $6 million classified as Due to Related Entities in the Balance Sheet.

The following table provides further details of the provision for ECL by types of exposure and stage:

	THE BANKING GROUP									
	31 Mar 26 Unaudited					30 Sep 25 Audited				
	Performing		Non-performing			Performing		Non-performing		
	Stage 1	Stage 2	Stage 3	Stage 3		Stage 1	Stage 2	Stage 3	Stage 3	
$ millions	CAP	CAP	CAP	IAP	Total	CAP	CAP	CAP	IAP	Total
Provision for ECL on loans and credit commitments										
Residential mortgages	44	129	61	30	264	39	104	57	31	231
Other retail	15	36	11	3	65	13	34	10	2	59
Corporate	34	99	17	38	188	33	110	25	33	201
Total provision for ECL on loans and credit commitments	**93**	**264**	**89**	**71**	**517**	85	248	92	66	491

Note 7 Provision for expected credit losses (continued)

Impact of overlays on the provision for ECL on loans and credit commitments

The following table attributes the provision for ECL on loans and credit commitments between individually assessed and collectively assessed provisions. Collectively assessed provisions are disaggregated into the modelled ECL provision and portfolio overlays.

Portfolio overlays are used to capture areas of potential risks and uncertainties that are not captured in the underlying modelled ECL.

	THE BANKING GROUP	
$ millions	**31 Mar 26 Unaudited**	30 Sep 25 Audited
Individually assessed provisions for ECL on loans and credit commitments	**71**	66
Modelled provision for ECL on loans and credit commitments (a)	**453**	452
Overlays (b)	**(7)**	(27)
Total provision for ECL on loans and credit commitments	**517**	491

Details of changes related to forward-looking economic inputs and portfolio overlays, based on reasonable and supportable information up to the date of this disclosure statement, are provided below.

(a) Modelled provision for ECL on loans and credit commitments

The modelled provision for ECL on loans and credit commitments is a probability weighted estimate based on three scenarios which together represent the Banking Group's view of the forward-looking distribution of potential loss outcomes. The changes in provisions as a result of changes in modelled ECL are reflected through the "Other charges/(credits) to the income statement" line in the "Movements in components of loss allowance" table. Overlays are used to capture potential risks and uncertainties that are not captured in the underlying modelled ECL.

The base case scenario uses the latest Westpac Economics forecast. Certain data points from this forecast are shown below:

Key economic assumptions for base case scenario	**31 Mar 26 Unaudited**	30 Sep 25 Audited
Annual GDP	Forecast growth of 1.9% for calendar year 2026 and 3.9% for calendar year 2027.	Forecast growth of 1.7% for calendar year 2025 and 3.1% for calendar year 2026.
Residential property prices	Forecast annual price contraction of 0.9% for calendar year 2026 and forecast annual price appreciation of 2.0% for calendar year 2027.	Forecast annual price appreciation of 0.6% for calendar year 2025 and 5.4% for calendar year 2026.
Cash rate	Forecast cash rate of 2.50% at December 2026 and 4.00% at December 2027.	Forecast cash rate of 2.25% at December 2025 and 2.50% at December 2026.
Unemployment rate	Forecast rate of 5.4% at December 2026 and 4.6% at December 2027.	Forecast rate of 5.3% at December 2025 and 4.6% at December 2026.

The downside scenario is an economic downturn scenario with ECL higher than the base case. This scenario assumes a recession with a combination of negative GDP growth, declines in residential property prices and an increase in the unemployment rate, which simultaneously impact ECL across all portfolios from the reporting date. The assumptions used in this scenario and relativities to the base case are monitored having regard to the emerging economic conditions and updated where necessary. The upside scenario represents a modest economic improvement to the base case.

The following sensitivity table shows the reported provision for ECL on loans and credit commitments based on the probability weighted scenarios and what the provision for ECL on loans and credit commitments would be assuming a 100% weighting is applied to the base case scenario and to the downside scenario (with all other assumptions held constant).

	THE BANKING GROUP	
$ millions	**31 Mar 26 Unaudited**	30 Sep 25 Audited
Reported probability-weighted ECL	**517**	491
100% base case ECL	**303**	286
100% downside ECL	**781**	744

Note 7 Provision for expected credit losses (continued)

If 1% of the Stage 1 gross exposure from loans and credit commitments (calculated on a 12 month ECL) were transferred to Stage 2 (calculated on a lifetime ECL) the provision for ECL on loans and credit commitments would increase by $21 million (30 September 2025: $17 million). If 1% of Stage 2 loans and credit commitments (calculated on a lifetime ECL) were transferred to Stage 1 (calculated on a 12 month ECL), the provision for ECL on loans and credit commitments would decrease by $3 million (30 September 2025: $2 million) for the Banking Group. These estimates apply the average modelled provision coverage ratio by stage to the transfer of loans and credit commitments.

The following table discloses the macroeconomic scenario weightings applied by the Banking Group as at 31 March 2026 and 30 September 2025.

	THE BANKING GROUP	
Scenario weightings (%)	**31 Mar 26 Unaudited**	30 Sep 25 Audited
Upside	**5.0**	5.0
Base	**50.0**	50.0
Downside	**45.0**	45.0

(b) Portfolio overlays

Portfolio overlays are used to address areas of risk, including significant uncertainties that are not captured in the underlying modelled ECL. These risks may result in under or over estimation of the modelled provision for ECL. Determination of portfolio overlays requires expert judgement and is thoroughly documented and subject to comprehensive internal governance and oversight. Portfolio overlays are continually reassessed and if the risk is judged to have changed (increased or decreased), or is subsequently captured in the modelled ECL, the portfolio overlays will be released or remeasured.

The Banking Group's total portfolio overlays as at 31 March 2026 were $(7) million (30 September 2025: $(27) million).

Impact of changes in gross carrying amount on the provision for ECL

- Stage 1 gross carrying amount had a net increase of $3.8 billion (30 September 2025: increased by $12.3 billion), primarily driven by new lending and underlying portfolio movement from residential mortgages and corporate lending, partially offset by repayments. The Stage 1 ECL increase is in line with the increase in exposures, primarily driven by underlying portfolio movements and a more conservative economic outlook.
- Stage 2 gross carrying amount decreased by $1.0 billion (30 September 2025: decreased by $8.2 billion), primarily driven by the movement of exposures to Stage 1 from residential mortgages and corporate lending along with repayments. The Stage 2 ECL increase is primarily from management overlay, along with an impact from a weaker economic outlook, partially offset by underlying portfolio movements.
- Stage 3 gross carrying amount decreased by $0.04 billion (30 September 2025: increased by $0.1 billion), reflecting gross movements of exposures between Stage 3 and Stage 2, along with repayments, resulting in a small net reduction over the period. The increase in Stage 3 ECL is largely driven by new IAPs.

Refer to Note iii. Asset quality of the Registered bank disclosures for further details.

Note 8 Deposits and other borrowings

	THE BANKING GROUP	
$ millions	**31 Mar 26 Unaudited**	30 Sep 25 Audited
Certificates of deposit	**1,729**	1,812
Non-interest bearing, repayable at call	**13,409**	12,174
Other interest bearing:		
At call	**30,273**	30,019
Term	**40,062**	38,827
Total deposits and other borrowings	**85,473**	82,832

Note 9 Debt issues

	THE BANKING GROUP	
$ millions	**31 Mar 26 Unaudited**	30 Sep 25 Audited
Short-term debt:		
Commercial paper	**3,985**	2,746
Total short-term debt	**3,985**	2,746
Long-term debt:		
Non-domestic medium-term notes	**14,781**	13,577
Covered bonds	**4,934**	6,553
Domestic medium-term notes	**3,796**	3,530
Total long-term debt	**23,511**	23,660
Total debt issues	**27,496**	26,406

Note 10 Related entities

Controlled entities of the Bank are set out in Note 22 to the financial statements included in the Disclosure Statement for the year ended 30 September 2025.

On 18 February 2026, the Bank declared and paid a cash dividend of $464 million to its immediate parent company, Westpac New Zealand Group Limited, with imputation credits of $180 million attached (31 March 2025: $328 million dividend with $128 million imputation credits attached).

On 22 December 2025 and 23 March 2026, the Bank paid quarterly AT1 PPS distributions on the Internal PPS of $14 million (including supplementary dividends of $2 million) and $14 million (including supplementary dividends of $2 million) to the NZ Branch, with imputation credits of $3 million and $2 million, respectively (31 March 2025: $19 million distribution on 23 December 2024 (including supplementary dividends of $3 million) and $17 million distribution on 21 March 2025 (including supplementary dividends of $3 million) with $3 million and $3 million imputation credits attached, respectively).

Note 11 Fair values of financial assets and financial liabilities

Fair Valuation Control Framework

The Banking Group uses a Fair Valuation Control Framework where the fair value is either determined or validated by a function independent of the transaction. This framework formalises the policies and procedures used to achieve compliance with relevant accounting, industry and regulatory standards. The framework includes specific controls relating to:

- the revaluation of financial instruments;
- independent price verification;
- fair value adjustments; and
- financial reporting.

A key element of the framework is the Revaluation Committee, comprising senior valuation specialists from within the Ultimate Parent Bank Group. The Revaluation Committee reviews the application of the agreed policies and procedures to assess that a fair value measurement basis has been applied.

The method of determining fair value differs depending on the information available.

Fair value hierarchy

A financial instrument's categorisation within the valuation hierarchy is based on the lowest level input that is significant to the fair value measurement.

The Banking Group categorises all fair value instruments according to the hierarchy described below.

Valuation techniques

The Banking Group applies market accepted valuation techniques in determining the fair valuation of over-the-counter derivatives. This includes credit valuation adjustments and funding valuation adjustments, which incorporate credit risk and funding costs and benefits that arise in relation to uncollateralised derivative positions, respectively.

The specific valuation techniques, the observability of the inputs used in valuation models and the subsequent classification for each significant product category are outlined as follows:

Note 11 Fair values of financial assets and financial liabilities (continued)

Financial instruments measured at fair value

Level 1 instruments

The fair value of financial instruments traded in active markets is based on recent unadjusted quoted prices. These prices are based on actual arm's length basis transactions.

The valuations of Level 1 instruments require little or no management judgement.

Instrument	Balance sheet category	Includes	Valuation
Debt instruments	Trading securities and financial assets measured at FVIS Investment securities	New Zealand Government bonds	These instruments are traded in liquid, active markets where prices are readily observable. No modelling or assumptions are used in the valuation.

Level 2 instruments

The fair value for financial instruments that are not actively traded is determined using valuation techniques which maximise the use of observable market prices. Valuation techniques include:

- the use of market standard discounting methodologies;
- option pricing models; and
- other valuation techniques widely used and accepted by market participants.

Instrument	Balance sheet category	Includes	Valuation
Interest rate products	Derivative financial instruments Due from related entities Due to related entities	Interest rate swaps, forwards and options – derivative financial instruments	Industry standard valuation models are used to calculate the expected future value of payments by product, which is discounted back to a present value. The model's interest rate inputs are benchmark interest rates and active broker quoted interest rates in the swap, bond and futures markets. Interest rate volatilities are sourced from brokers and consensus data providers. If consensus prices are not available, these are classified as Level 3 instruments.
FX products	Derivative financial instruments Due from related entities Due to related entities	FX swaps – derivative financial instruments	Derived from market observable inputs or consensus pricing providers using industry standard models. If consensus prices are not available, these are classified as Level 3 instruments.
Non-asset backed debt instruments	Trading securities and financial assets measured at FVIS Investment securities Due from related entities Due to related entities	Local authority and NZ public securities, other bank issued certificates of deposit, commercial paper, other government securities, off-shore securities and corporate bonds Repurchase agreements and reverse repurchase agreements over non-asset backed debt securities	Valued using observable market prices which are sourced from independent pricing services, broker quotes or inter-dealer prices. If prices are not available from these sources, these are classified as Level 3 instruments.
Deposits and other borrowings at fair value	Deposits and other borrowings	Certificates of deposit	Discounted cash flow using market rates offered for deposits of similar remaining maturities.
Debt issues at fair value	Debt issues	Commercial paper	Discounted cash flows, using a discount rate which reflects the terms of the instrument and the timing of cash flows adjusted for market observable changes in the Banking Group's implied creditworthiness.

Level 3 instruments

Financial instruments valued where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data due to illiquidity or complexity of the product.

As at 31 March 2026, the Banking Group has no financial instruments valued under this category (30 September 2025: nil).

Note 11 Fair values of financial assets and financial liabilities (continued)

The following table summarises the attribution of financial instruments measured at fair value to the fair value hierarchy:

	THE BANKING GROUP							
	31 Mar 26 Unaudited				30 Sep 25 Audited			
$ millions	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value on a recurring basis								
Trading securities and financial assets measured at FVIS	**270**	**2,231**	**-**	**2,501**	267	2,086	-	2,353
Derivative financial instruments	**-**	**1,218**	**-**	**1,218**	-	1,057	-	1,057
Investment securities	**4,312**	**4,292**	**-**	**8,604**	3,930	4,276	-	8,206
Due from related entities	**-**	**800**	**-**	**800**	-	1,354	-	1,354
Total financial assets measured at fair value	**4,582**	**8,541**	**-**	**13,123**	4,197	8,773	-	12,970
Financial liabilities measured at fair value on a recurring basis								
Deposits and other borrowings at fair value	**-**	**1,729**	**-**	**1,729**	-	1,812	-	1,812
Other financial liabilities	**-**	**-**	**-**	**-**	-	550	-	550
Derivative financial instruments	**-**	**105**	**-**	**105**	-	153	-	153
Due to related entities	**-**	**353**	**-**	**353**	-	767	-	767
Debt issues at fair value	**-**	**3,985**	**-**	**3,985**	-	2,746	-	2,746
Total financial liabilities measured at fair value	**-**	**6,172**	**-**	**6,172**	-	6,028	-	6,028

Analysis of movements between fair value hierarchy levels

The Banking Group considers transfers between levels, if any, to have occurred at the end of the reporting period. During the period, there were no material transfers between levels of the fair value hierarchy.

Financial instruments not measured at fair value

The following table summarises the estimated fair value of the Banking Group's financial instruments not measured at fair value:

	THE BANKING GROUP			
	31 Mar 26 Unaudited		30 Sep 25 Audited	
$ millions	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial assets not measured at fair value				
Cash and balances with central banks	**4,852**	**4,852**	6,091	6,091
Collateral paid	**154**	**154**	32	32
Loans	**109,015**	**108,941**	106,328	106,619
Other financial assets	**398**	**398**	389	389
Due from related entities	**815**	**815**	732	732
Total financial assets not measured at fair value	**115,234**	**115,160**	113,572	113,863
Financial liabilities not measured at fair value				
Collateral received	**1,090**	**1,090**	936	936
Deposits and other borrowings	**83,744**	**83,786**	81,020	81,101
Other financial liabilities	**752**	**752**	1,963	1,963
Due to related entities	**1,148**	**1,148**	999	999
Debt issues[1]	**23,511**	**23,664**	23,660	23,825
Loan capital[1]	**1,709**	**1,765**	1,726	1,799
Total financial liabilities not measured at fair value	**111,954**	**112,205**	110,304	110,623

[1] The estimated fair value of debt issues and loan capital includes the impact of changes in the Banking Group's credit spreads since origination.

A detailed description of how fair value is derived for financial instruments not measured at fair value is disclosed in Note 24 of the financial statements included in the Disclosure Statement for the year ended 30 September 2025.

Note 12 Credit related commitments, contingent assets and contingent liabilities

	THE BANKING GROUP	
$ millions	31 Mar 26 Unaudited	30 Sep 25 Audited
Letters of credit and guarantees[1,2]	**1,799**	1,796
Commitments to extend credit[3]	**28,835**	28,325
Total undrawn credit commitments[4]	**30,634**	30,121

[1] Standby letters of credit and guarantees are undertakings to pay, against presentation of documents, an obligation in the event of a default by a customer. Guarantees are unconditional undertakings given to support the obligations of a customer to third parties. The Banking Group may hold cash as collateral for certain guarantees issued.

[2] Letters of credit and guarantees includes the value of exposures guaranteed by the Bank to NZ Branch.

[3] Commitments to extend credit include all obligations on the part of the Banking Group to provide credit facilities. As facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements.

[4] In addition to the commitments disclosed above, there is $2,972 million (30 September 2025: $1,478 million) of exposure to credit risk primarily relating to credit exposures offered and accepted but still revocable, which represent part of the Banking Group's maximum exposure to credit risk.

Contingent assets

The Banking Group enters into various arrangements with customers that constitute contingent assets. If a specified contingent event occurs, these commitments will be called upon and recognised on the balance sheet as loans.

Contingent liabilities

The Banking Group has contingent risks and liabilities arising from the conduct of its business, including: actual and potential disputes, claims, legal proceedings, investigations, inquiries and reviews (formal and informal) carried out by regulatory authorities; and internal investigations and reviews.

The scope of reviews (internal and external), investigations and inquiries can be wide-ranging and can result in litigation (including class action proceedings and enforcement proceedings), fines and penalties, customer remediation and/or other sanctions and reputational damage.

All potential claims and other liabilities are assessed on a case-by-case basis. A provision will be recognised where the Banking Group has conducted an assessment which determines the likelihood of loss as probable and where its potential loss can be reliably estimated. A contingent liability exists in respect of actual or potential claims where the likely loss is not assessed as probable, where the law is uncertain or, in rare circumstances, where the outflow of resources cannot be reliably estimated.

Note 13 Segment reporting

The Banking Group's segment reporting incorporates Consumer Banking and Wealth and Institutional and Business Banking sectors within New Zealand. On this basis, no geographical segment reporting is provided.

The operating segment results have been presented on a management reporting basis and consequently internal charges and transfer pricing adjustments have been reflected in the performance of each operating segment. Intersegment pricing is determined on a cost recovery basis.

The Banking Group does not rely on any single major customer for its revenue base.

Segment comparative information for the six months ended 31 March 2025 and as at 30 September 2025 has been revised to align to the current period's basis for reporting, and is consistent with the information provided internally to the Banking Group's chief operating decision-maker. This includes changes in the segmentation classification for small to medium enterprise customers.

The Banking Group's operating segments are defined by the customers they serve and the services they provide. The Banking Group has identified the following main operating segments:

- Consumer Banking and Wealth provides financial services for individuals and small to medium enterprise; and
- Institutional and Business Banking provides a broad range of financial services for corporate, property finance, agricultural, institutional and government customers.

Other primarily represents:

- business units that do not meet the definition of a reportable operating segment under NZ IFRS 8 *Operating Segments*;
- elimination entries on consolidation of the results, assets and liabilities of the Banking Group's controlled entities in the preparation of the consolidated financial statements of the Banking Group; and
- results of certain business units excluded for management reporting purposes, but included within the consolidated financial statements of the Banking Group for statutory financial reporting purposes.

	THE BANKING GROUP							
$ millions	**Consumer Banking and Wealth**		**Institutional and Business Banking**		**Other**		**Total**	
Six months ended 31 March (Unaudited)	**2026**	2025 (Revised)	**2026**	2025 (Revised)	**2026**	2025	**2026**	2025
Net interest income	**810**	784	**562**	546	**15**	97	**1,387**	1,427
Net fees and commissions								
Facility fees	**14**	15	**10**	7	**1**	1	**25**	23
Transaction fees and commissions	**93**	89	**29**	34	**1**	(1)	**123**	122
Other non-risk fee income	**3**	3	**5**	5	**2**	2	**10**	10
Fees and commissions income	**110**	107	**44**	46	**4**	2	**158**	155
Fees and commissions expenses	**(41)**	(40)	**-**	-	**-**	-	**(41)**	(40)
Net fees and commissions	**69**	67	**44**	46	**4**	2	**117**	115
Other non-interest income	**-**	-	**-**	-	**4**	6	**4**	6
Total non-interest income	**69**	67	**44**	46	**8**	8	**121**	121
Net operating income	**879**	851	**606**	592	**23**	105	**1,508**	1,548
Operating expenses	**(528)**	(494)	**(219)**	(206)	**(8)**	(30)	**(755)**	(730)
Impairment (charges)/benefits	**(49)**	(28)	**12**	(5)	**-**	-	**(37)**	(33)
Profit before income tax expense	**302**	329	**399**	381	**15**	75	**716**	785
Income tax expense	**(85)**	(92)	**(112)**	(108)	**(4)**	(20)	**(201)**	(220)
Profit after income tax expense	**217**	237	**287**	273	**11**	55	**515**	565

$ millions	**31 Mar 26 Unaudited**	30 Sep 25 Audited (Revised)	**31 Mar 26 Unaudited**	30 Sep 25 Audited (Revised)	**31 Mar 26 Unaudited**	30 Sep 25 Audited	**31 Mar 26 Unaudited**	30 Sep 25 Audited
Balance sheet								
Total gross loans	**73,026**	70,790	**36,351**	35,732	**108**	250	**109,485**	106,772
Total deposits and other borrowings	**55,764**	54,578	**27,980**	26,442	**1,729**	1,812	**85,473**	82,832

Registered bank disclosures

Unaudited

This section contains the additional disclosures required by the Order.

i. General information

Guarantee arrangements

No material obligations of the Bank are guaranteed as at the date the Directors signed this Disclosure Statement.

Neither Westpac New Zealand Group Limited nor the Ultimate Parent Bank guarantees any of the obligations of the Bank or any member of the Banking Group.

Changes to the Board of Directors

There have been three changes to the Board of Directors of the Bank since 30 September 2025. Michael Rowland, a Non-Executive Director of the Bank, retired from the Board effective 8 October 2025. Christine Parker, a Non-Executive Director of the Bank, retired from the Board effective 4 November 2025. Nathan Goonan was appointed as a Non-Executive Director of the Bank effective 24 November 2025.

Auditor

KPMG

18 Viaduct Harbour Avenue

Auckland, New Zealand

Pending proceedings or arbitration

No pending legal proceedings or arbitration concerning any member of the Banking Group is expected to have a material adverse effect on the Bank or the Banking Group.

Credit ratings

The Bank has the following credit ratings with respect to its long-term senior unsecured obligations, including obligations payable in New Zealand in New Zealand dollars, as at the date the Directors signed this Disclosure Statement:

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

Other material matters

Reserve Bank review of overseas bank branches

On 30 October 2025, the Reserve Bank released the exposure draft of the Incorporation outside New Zealand Standard (IoNZ Standard) under the Deposit Takers Act 2023. The proposed IoNZ Standard will require that overseas bank branches only conduct business with wholesale clients; the total size of an overseas bank's branch not exceed NZ$15 billion in total assets; the New Zealand business be less than 50% of its total business; and dual-operating branches (such as the NZ Branch) only conduct business with “large corporate or institutional clients" (LCIC).

The IoNZ Standard proposes that LCIC includes (broadly) those with consolidated annual turnover of over NZ$50 million or total assets of over NZ$75 million and funds management entities and custodians with total assets under management of over NZ$250 million. The implementation date is expected to be 1 December 2028.

The NZ Branch currently provides financial markets, trade finance and international payment products and services to customers referred by the Bank. We expect the Reserve Bank’s IoNZ Standard will require changes to the activities the NZ Branch undertakes and as a result, the Bank may also make changes to the scope of the activities it undertakes.

Reserve Bank capital review

On 17 December 2025, the Reserve Bank announced its decisions relating to its review of key capital settings for deposit takers (2025 Capital Review). Once implemented, the updated settings for Group 1 deposit takers (including the Bank) will:

- remove AT1 from the capital stack and phase out the recognition of existing AT1 instruments.
- require the deposit taker to have a Common Equity Tier 1 (CET1) capital ratio of 12% (including a 6% prudential capital buffer (PCB) ratio).
- require the deposit taker to have a total capital ratio of 15% (including a 6% PCB ratio). Up to 3% of the total capital ratio requirement can consist of subordinated debt eligible as Tier 2 capital to be issued to the Australian parent bank.
- require the deposit taker to have an additional 6% of RWAs of Loss Absorbing Capacity (LAC) instruments to be issued to the Australian parent bank, bringing the total requirement including LAC to 21%.
- introduce more granular and lower standardised risk weights for certain asset classes.

The new Tier 2 and LAC instruments will include conversion to equity or write-off provisions.

i. General information (continued)

On 27 February 2026, the Reserve Bank released further information relating to the 2025 Capital Review, including further information on indicative transition timelines and confirmation it will continue to consider applications for redemption of AT1 instruments, subject to the relevant prudential requirements being satisfied.

On 13 April 2026, the Reserve Bank published an exposure draft consultation to update the BPRs for some of the decisions made as part of the 2025 Capital Review. For Group 1 deposit takers (including the Bank) these draft BPRs propose, as an interim measure, permitting the issuance of Tier 2 instruments with a shorter maturity date or earlier redemption date than is permitted under the current settings. Additionally, a separate amortisation table for Tier 2 instruments issued with a maturity date of less than 5 years has been proposed.

The Reserve Bank has also indicated it intends to consult during 2026 on the new Tier 2 and LAC instrument design and related implementation timelines.

Australian Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Reforms

In 2024, the Australian Parliament enacted the *Anti-Money Laundering and Counter-Terrorism Financing Amendment Act 2024* (Cth), introducing major reforms to the AML/CTF regime. A substantial number of reforms took effect from 31 March 2026. The reforms include the extension of a number of provisions (including customer due diligence obligations) that apply to the Ultimate Parent Bank's permanent offshore establishments, including the Bank and certain other members of the Banking Group. In response, the Ultimate Parent Bank and the relevant members of the Banking Group are updating their policies, procedures, systems and controls, and are taking steps to address compliance gaps. Full implementation will require a multi-year implementation plan, including complex technology upgrades to customer due diligence, expanding transaction monitoring and reporting infrastructure. Timing and delivery challenges are an industry wide issue. In recognition of these challenges, the AML/CTF Transitional Rules (Transitional Rules) commenced alongside the new regime, providing legislative transitional arrangements for a limited subset of obligations applicable to existing reporting entities, including deferred commencement of certain requirements, subject to specified conditions. These Transitional Rules do not, however, apply to the Banking Group. Given the scale of changes required, the Banking Group has not completed implementation of all new requirements as at 31 March 2026.

Australian Transaction Reports and Analysis Centre (AUSTRAC) has also published its regulatory expectations, noting that it does not expect immediate compliance, provided reporting entities continue to effectively identify, mitigate and manage money laundering and terrorism financing risk and show sustained effort and reasonable progress against their implementation plans. During this period, AUSTRAC expects existing AML/CTF controls to continue to operate.

The Ultimate Parent Bank has developed, and continues to refine, a phased implementation plan, that addresses both obligations subject to transitional arrangements and broader reforms not covered by the Transitional Rules, including those applicable to its permanent offshore establishments. The Ultimate Parent Bank will continue to engage with AUSTRAC to support a phased implementation approach.

Depositor Compensation Scheme

The Depositor Compensation Scheme (DCS) took effect from 1 July 2025. If a licensed deposit taker (including the Bank) fails, the DCS will protect eligible depositors with money held in DCS-protected accounts up to $100,000 per depositor, per deposit taker. Most transaction, savings, notice, term deposit and PIE accounts are protected accounts. The DCS is administered by the Reserve Bank. For more information about the scheme, please refer to the Reserve Bank's website.

ii. Additional financial disclosures

Additional information on balance sheet

	THE BANKING GROUP	
$ millions	31 Mar 26 Unaudited	30 Sep 25 Audited
Interest earning and discount bearing assets	**124,044**	122,187
Interest and discount bearing liabilities	**103,768**	102,713
Total amounts due from related entities	**1,615**	2,086
Total amounts due to related entities	**1,501**	1,766

Financial assets pledged as collateral

The Banking Group is required to provide collateral to other financial institutions, as part of standard terms, to secure liabilities. In addition to assets supporting the CB Programme disclosed in Note 6, the carrying value of these financial assets pledged as collateral is:

	THE BANKING GROUP	
$ millions	31 Mar 26 Unaudited	30 Sep 25 Audited
Cash	**154**	32
Securities pledged as collateral for derivative contracts:		
Investment securities	**273**	265
Securities pledged under repurchase agreements:		
Trading securities and financial assets measured at FVIS[1]	**40**	217
Investment securities[2]	**-**	550
Residential mortgage-backed securities[3]	**18**	1,532
Total amount pledged to secure liabilities (excluding CB Programme)	**485**	2,596

[1] As at 31 March 2026, $40 million of trading securities were pledged as collateral to the NZ Branch, with the repurchase amount recorded within due to related entities on the balance sheet (30 September 2025: $217 million).

[2] As at 31 March 2026, no investment securities were pledged as collateral to the NZ Branch or third parties (30 September 2025: $550 million investment securities were pledged to third parties, with the repurchase amount recorded within other financial liabilities on the balance sheet).

[3] The Banking Group has undertaken repurchase agreements with the Reserve Bank, under the Funding for Lending Programme and Term Lending Facility, using RMBS. During the period ended 31 March 2026, the Funding for Lending Programme facility was fully repaid, with no balance outstanding as at 31 March 2026 (30 September 2025: $1,110 million recorded within other financial liabilities on the balance sheet, with underlying securities to the value of $1,503 million provided under the arrangement). For the Term Lending Facility, the repurchase cash amount at 31 March 2026 is $15 million (30 September 2025: $24 million), which is recorded within other financial liabilities on the balance sheet, with underlying securities to the value of $18 million provided under the arrangement (30 September 2025: $29 million).

ii. Additional financial disclosures (continued)

Additional information on concentrations of credit risk

The maximum exposure to credit risk (excluding collateral received) is represented by the carrying amount of on-balance sheet financial assets and undrawn credit commitments as set out in the following table.

	THE BANKING GROUP
$ millions	**31 Mar 26**
Financial assets	
Cash and balances with central banks	4,852
Collateral paid	154
Trading securities and financial assets measured at FVIS	2,501
Derivative financial instruments	1,218
Investment securities	8,604
Gross loans	109,485
Other financial assets	398
Due from related entities	1,615
Total financial assets	**128,827**
Undrawn credit commitments	
Letters of credit and guarantees	1,799
Commitments to extend credit	28,835
Total undrawn credit commitments[1]	**30,634**
Total maximum credit risk exposure	**159,461**

[1] In addition to the commitments disclosed above, there is $2,972 million (30 September 2025: $1,478 million) of exposure to credit risk primarily relating to credit exposures offered and accepted but still revocable, which represent part of the Banking Group's maximum exposure to credit risk.

Concentration of credit exposures

	THE BANKING GROUP	
	On-balance sheet	Off-balance sheet
$ millions	**31 Mar 26**	**31 Mar 26**
Analysis of credit exposures by geographical areas		
New Zealand	123,670	30,064
Overseas	5,157	570
Total credit exposures	**128,827**	**30,634**
Analysis of credit exposures by industry sector		
Accommodation, cafes and restaurants	443	113
Agriculture	8,631	612
Construction	584	641
Finance and insurance	8,765	2,090
Forestry and fishing, agriculture support services	345	94
Government, administration and defence	13,170	768
Manufacturing	1,765	1,710
Mining	109	146
Property	9,795	1,448
Property services and business services	1,233	589
Services	2,135	1,168
Trade	2,056	2,336
Transport and storage	603	713
Utilities	2,652	2,336
Retail lending	74,728	15,870
Subtotal	**127,014**	**30,634**
Due from related entities	1,615	-
Other financial assets	198	-
Total credit exposures	**128,827**	**30,634**

ANZSIC has been used as the basis for disclosing industry sectors.

ii. Additional financial disclosures (continued)

Additional information on concentrations of funding

	THE BANKING GROUP
$ millions	**31 Mar 26**
Funding consists of	
Collateral received	**1,090**
Deposits and other borrowings	**85,473**
Other financial liabilities[1]	**22**
Due to related entities[2]	**1,106**
Debt issues[3]	**27,496**
Loan capital	**1,709**
Total funding	**116,896**
Analysis of funding by geographical areas[3]	
New Zealand	**87,722**
Overseas	**29,174**
Total funding	**116,896**
Analysis of funding by industry sector	
Accommodation, cafes and restaurants	**334**
Agriculture, forestry and fishing	**1,728**
Construction	**1,934**
Finance and insurance	**40,506**
Government, administration and defence	**3,270**
Manufacturing	**2,011**
Mining	**49**
Property services and business services	**7,725**
Services	**5,979**
Trade	**1,643**
Transport and storage	**615**
Utilities	**1,124**
Households	**44,325**
Other[4]	**4,547**
Subtotal	**115,790**
Due to related entities[2]	**1,106**
Total funding	**116,896**

[1] Other financial liabilities, as presented above, are in respect of repurchase agreements and interbank placements.

[2] Amounts due to related entities, as presented above, are in respect of deposits and borrowings and repurchase agreements, and exclude amounts which relate to derivative financial instruments and other liabilities.

[3] The geographic region used for debt issues is based on the nature of the debt programmes. The nature of the debt programmes is used as a proxy for the location of the original purchaser.

[4] Includes deposits from non-residents.

ANZSIC has been used as the basis for disclosing industry sectors.

ii. Additional financial disclosures (continued)

Additional information on interest rate sensitivity

The following table presents a breakdown of the earlier of the contractual repricing or maturity dates of the Banking Group's net asset position as at 31 March 2026. The Banking Group uses this contractual repricing information as a base, which is then altered to take account of customer behaviour to manage its interest rate risk.

	THE BANKING GROUP						
	31 Mar 26						
$ millions	Up to 3 Months	Over 3 Months and Up to 6 Months	Over 6 Months and Up to 1 Year	Over 1 Year and Up to 2 Years	Over 2 Years	Non-interest Bearing	Total
Financial assets							
Cash and balances with central banks	4,302	-	-	-	-	550	4,852
Collateral paid	154	-	-	-	-	-	154
Trading securities and financial assets measured at FVIS	1,958	323	79	141	-	-	2,501
Derivative financial instruments	-	-	-	-	-	1,218	1,218
Investment securities	701	82	600	1,263	5,958	-	8,604
Loans	53,096	11,431	17,537	18,049	7,567	1,335	109,015
Other financial assets	-	-	-	-	-	398	398
Due from related entities	803	-	-	-	-	812	1,615
Total financial assets	61,014	11,836	18,216	19,453	13,525	4,313	128,357
Non-financial assets							1,642
Total assets							129,999
Financial liabilities							
Collateral received	1,090	-	-	-	-	-	1,090
Deposits and other borrowings	49,033	12,479	7,445	1,904	1,203	13,409	85,473
Other financial liabilities	-	15	-	-	-	737	752
Derivative financial instruments	-	-	-	-	-	105	105
Due to related entities	1,012	9	2	-	84	394	1,501
Debt issues	4,085	1,444	5,216	3,690	13,358	(297)	27,496
Loan capital	499	-	-	600	600	10	1,709
Total financial liabilities	55,719	13,947	12,663	6,194	15,245	14,358	118,126
Non-financial liabilities							459
Total liabilities							118,585
On-balance sheet interest rate repricing gap	5,295	(2,111)	5,553	13,259	(1,720)		
Net derivative notional principals							
Net interest rate contracts (notional):							
Receivable/(payable)	8,253	(964)	(2,090)	(10,658)	5,459		
Net interest rate repricing gap	13,548	(3,075)	3,463	2,601	3,739		

Additional information on liquidity risk

Contractual maturity of financial liabilities

The following table presents cash flows associated with financial liabilities, payable at the balance sheet date, by remaining contractual maturity. The amounts disclosed in the table are the future contractual undiscounted cash flows, whereas the Banking Group manages inherent liquidity risk based on expected cash flows.

Cash flows associated with these financial liabilities include both principal payments as well as fixed or variable interest payments incorporated into the relevant coupon period. Principal payments reflect the earliest contractual maturity date. Derivative financial instruments designated in hedge accounting relationships and used as economic hedges are expected to be held for their remaining contractual lives, and reflect gross cash flows over the remaining contractual term.

Trading derivatives that are considered economic hedges are included as 'held for hedging purposes' in the following table. Derivatives held for trading, which excludes economic hedges, and certain liabilities classified in "Other financial liabilities" which are measured at FVIS are not managed for liquidity purposes on the basis of their contractual maturity, and accordingly these liabilities are presented in the up to 1 month column. Only the liabilities that the Banking Group manages based on their contractual maturity are presented on a contractual undiscounted basis in the following table.

ii. Additional financial disclosures (continued)

	THE BANKING GROUP						
	31 Mar 26						
$ millions	On Demand	Up to 1 Month	Over 1 Month and Up to 3 Months	Over 3 Months and Up to 1 Year	Over 1 and Up to 5 Years	Over 5 Years	Total
Financial liabilities							
Collateral received	-	1,090	-	-	-	-	1,090
Deposits and other borrowings	45,239	5,631	11,888	20,368	3,309	-	86,435
Other financial liabilities	69	91	5	143	-	-	308
Derivative financial instruments:							
Held for hedging purposes (net settled)	-	1	34	(1)	78	(3)	109
Due to related entities:							
Non-derivative balances	1,025	40	26	4	93	-	1,188
Derivative financial instruments:							
Held for hedging purposes (net settled)	-	17	128	102	51	-	298
Held for hedging purposes (gross settled):							
Cash outflow	-	1	477	878	-	-	1,356
Cash inflow	-	(3)	(470)	(867)	-	-	(1,340)
Debt issues	-	83	939	9,305	19,671	407	30,405
Loan capital	-	-	19	58	230	1,873	2,180
Total undiscounted financial liabilities	46,333	6,951	13,046	29,990	23,432	2,277	122,029
Total contingent liabilities and commitments							
Letters of credit and guarantees	1,799	-	-	-	-	-	1,799
Commitments to extend credit	28,835	-	-	-	-	-	28,835
Total undiscounted contingent liabilities and commitments	30,634	-	-	-	-	-	30,634

Liquid assets

The following table shows the Banking Group's qualifying liquid assets held for the purpose of managing liquidity risk. These assets are eligible for repurchase agreements with the Reserve Bank and are held in cash, government, local government and highly rated investment grade securities. The level of liquid asset holdings is reviewed frequently and is consistent with regulatory, balance sheet and market condition requirements.

	THE BANKING GROUP
$ millions	31 Mar 26
Cash and balances with central banks	4,852
Supranational securities	1,995
NZ Government securities	5,332
NZ public securities	2,278
NZ corporate securities	1,473
Total on-balance sheet liquid assets	15,930

In addition, the Banking Group has $8,951 million (30 September 2025: $7,679 million) of own originated loans that are self-securitised via the Bank's internal residential mortgage-backed securitisation programme. The AAA rated internal RMBS held are eligible for repurchase agreements with the Reserve Bank under certain circumstances.

Registered bank disclosures

Unaudited

ii. Additional financial disclosures (continued)

Reconciliation of mortgage-related amounts

The following table provides the Banking Group's reconciliation between any amounts disclosed in this Disclosure Statement that relate to mortgages on residential property.

	THE BANKING GROUP
$ millions	**31 Mar 26**
Residential mortgages - total gross loans (as disclosed in Note 6 and Note iii. Asset quality of the Registered bank disclosures)	**73,351**
Reconciling items:	
Unamortised deferred fees and expenses	**(555)**
Fair value hedge adjustments	**4**
EAD for undrawn commitments and other off-balance sheet exposures	**10,234**
Residential mortgages by LVR (as disclosed in Additional mortgage information in Note iv. Capital adequacy and regulatory liquidity ratios of the Registered bank disclosures)	**83,034**
Accrued interest receivable	**103**
Partial write-offs	**3**
Residential mortgages - EAD (as disclosed in Credit risk exposures by asset class in Note iv. Capital adequacy and regulatory liquidity ratios of the Registered bank disclosures)	**83,140**

iii. Asset quality

Past due assets

	THE BANKING GROUP			
	31 Mar 26			
$ millions	**Residential Mortgages**	**Other Retail**	**Corporate**	**Total**
Past due but not individually impaired assets				
Less than 30 days past due	**1,072**	**64**	**142**	**1,278**
At least 30 days but less than 60 days past due	**196**	**12**	**61**	**269**
At least 60 days but less than 90 days past due	**116**	**8**	**6**	**130**
At least 90 days past due	**284**	**19**	**46**	**349**
Total past due but not individually impaired assets	**1,668**	**103**	**255**	**2,026**

iii. Asset quality (continued)

Movements in components of loss allowance

Refer to Note 7 Provision for expected credit losses for movements in the components for loss allowance on loans and credit commitments for total exposure. The provision for ECL on loans and credit commitments can be further disaggregated into the following types of credit exposures:

	THE BANKING GROUP				
	Performing		Non-performing		
	Stage 1	Stage 2	Stage 3	Stage 3	
$ millions	CAP	CAP	CAP	IAP	Total
Residential mortgages					
Provision for ECL as at 30 September 2025	39	104	57	31	231
Transfers to Stage 1	28	(28)	-	-	-
Transfers to Stage 2	(3)	29	(24)	(2)	-
Transfers to Stage 3 CAP	-	(10)	12	(2)	-
Transfers to Stage 3 IAP	-	-	(9)	9	-
Reversals of previously recognised impairment charges	-	-	-	(7)	(7)
New facilities originated	8	-	-	-	8
Facilities derecognised	(3)	(8)	(14)	-	(25)
Changes in CAP due to amounts written off	-	-	(1)	-	(1)
Other charges/(credits) to the income statement	(25)	42	40	6	63
Total charges/(credits) to the income statement for ECL	5	25	4	4	38
Amounts written off from IAP	-	-	-	(5)	(5)
Total provision for ECL on loans and credit commitments as at 31 March 2026	44	129	61	30	264
Other retail					
Provision for ECL as at 30 September 2025	13	34	10	2	59
Transfers to Stage 1	25	(24)	(1)	-	-
Transfers to Stage 2	(3)	5	(2)	-	-
Transfers to Stage 3 CAP	-	(7)	7	-	-
Transfers to Stage 3 IAP	-	-	-	-	-
Reversals of previously recognised impairment charges	-	-	-	-	-
New facilities originated	4	-	-	-	4
Facilities derecognised	(2)	(3)	(1)	-	(6)
Changes in CAP due to amounts written off	-	-	(10)	-	(10)
Other charges/(credits) to the income statement	(22)	31	8	2	19
Total charges/(credits) to the income statement for ECL	2	2	1	2	7
Amounts written off from IAP	-	-	-	(1)	(1)
Total provision for ECL on loans and credit commitments as at 31 March 2026	15	36	11	3	65
Corporate					
Provision for ECL as at 30 September 2025	33	110	25	33	201
Transfers to Stage 1	6	(6)	-	-	-
Transfers to Stage 2	(2)	14	(12)	-	-
Transfers to Stage 3 CAP	-	(3)	3	-	-
Transfers to Stage 3 IAP	-	(1)	-	1	-
Reversals of previously recognised impairment charges	-	-	-	(6)	(6)
New facilities originated	6	-	-	-	6
Facilities derecognised	(2)	(26)	(1)	-	(29)
Changes in CAP due to amounts written off	-	-	(1)	-	(1)
Other charges/(credits) to the income statement	(7)	11	3	12	19
Total charges/(credits) to the income statement for ECL	1	(11)	(8)	7	(11)
Amounts written off from IAP	-	-	-	(2)	(2)
Total provision for ECL on loans and credit commitments as at 31 March 2026	34	99	17	38	188

The above movements in components of loss allowance table does not include 'Loans - Other' credit exposures on the basis that the provision for ECL is nil.

iii. Asset quality (continued)

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

Refer to Note 7 Provision for expected credit losses for the impacts of changes in gross financial assets on loss allowances. The following table explains how changes in gross carrying amounts of loans during the period have contributed to changes in the provision for ECL on loans.

	THE BANKING GROUP				
	Performing		Non-performing		
	Stage 1	Stage 2	Stage 3	Stage 3	
$ millions	CAP	CAP	CAP	IAP	Total
Total gross carrying amount as at 30 September 2025	**91,922**	**13,788**	**850**	**212**	**106,772**
Transfers:					
Transfers to Stage 1	4,339	(4,336)	(3)	-	-
Transfers to Stage 2	(4,929)	5,183	(245)	(9)	-
Transfers to Stage 3 CAP	(39)	(348)	402	(15)	-
Transfers to Stage 3 IAP	(1)	(12)	(61)	74	-
Net further lending/(repayment)	(2,687)	(343)	(17)	(20)	(3,067)
New facilities originated	12,357	-	-	-	12,357
Facilities derecognised	(5,278)	(1,150)	(111)	(18)	(6,557)
Amounts written off	-	-	(12)	(8)	(20)
Total gross carrying amount as at 31 March 2026	**95,684**	**12,782**	**803**	**216**	**109,485**
Provision for ECL as at 31 March 2026	(79)	(233)	(89)	(69)	(470)
Total net carrying amount as at 31 March 2026	**95,605**	**12,549**	**714**	**147**	**109,015**

iii. Asset quality (continued)

Impacts of changes in gross financial assets on loss allowances – by types of credit exposure

The gross carrying amounts of loans can be further disaggregated into the following types of credit exposures:

	THE BANKING GROUP				
	Performing		Non-performing		
	Stage 1	Stage 2	Stage 3	Stage 3	
$ millions	**CAP**	**CAP**	**CAP**	**IAP**	**Total**
Residential mortgages					
Total gross carrying amount as at 30 September 2025	**62,476**	**8,045**	**679**	**118**	**71,318**
Transfers:					
Transfers to Stage 1	2,780	(2,780)	-	-	-
Transfers to Stage 2	(3,697)	3,886	(180)	(9)	-
Transfers to Stage 3 CAP	(36)	(290)	340	(14)	-
Transfers to Stage 3 IAP	(1)	(10)	(59)	70	-
Net further lending/(repayment)	(1,981)	(209)	(13)	(18)	(2,221)
New facilities originated	9,156	-	-	-	9,156
Facilities derecognised	(4,091)	(696)	(97)	(12)	(4,896)
Amounts written off	-	-	(1)	(5)	(6)
Total gross carrying amount as at 31 March 2026	**64,606**	**7,946**	**669**	**130**	**73,351**
Provision for ECL as at 31 March 2026	(40)	(121)	(61)	(30)	(252)
Total net carrying amount as at 31 March 2026	**64,566**	**7,825**	**608**	**100**	**73,099**
Other retail					
Total gross carrying amount as at 30 September 2025	**1,965**	**559**	**50**	**4**	**2,578**
Transfers:					
Transfers to Stage 1	405	(402)	(3)	-	-
Transfers to Stage 2	(402)	407	(5)	-	-
Transfers to Stage 3 CAP	(3)	(30)	34	(1)	-
Transfers to Stage 3 IAP	-	-	(2)	2	-
Net further lending/(repayment)	(122)	27	(5)	2	(98)
New facilities originated	307	-	-	-	307
Facilities derecognised	(132)	(35)	(12)	-	(179)
Amounts written off	-	-	(10)	(1)	(11)
Total gross carrying amount as at 31 March 2026	**2,018**	**526**	**47**	**6**	**2,597**
Provision for ECL as at 31 March 2026	(11)	(30)	(11)	(3)	(55)
Total net carrying amount as at 31 March 2026	**2,007**	**496**	**36**	**3**	**2,542**
Corporate					
Total gross carrying amount as at 30 September 2025	**27,282**	**5,153**	**121**	**90**	**32,646**
Transfers:					
Transfers to Stage 1	1,154	(1,154)	-	-	-
Transfers to Stage 2	(830)	890	(60)	-	-
Transfers to Stage 3 CAP	-	(28)	28	-	-
Transfers to Stage 3 IAP	-	(2)	-	2	-
Net further lending/(repayment)	(594)	(130)	1	(4)	(727)
New facilities originated	2,888	-	-	-	2,888
Facilities derecognised	(1,055)	(419)	(2)	(6)	(1,482)
Amounts written off	-	-	(1)	(2)	(3)
Total gross carrying amount as at 31 March 2026	**28,845**	**4,310**	**87**	**80**	**33,322**
Provision for ECL as at 31 March 2026	(28)	(82)	(17)	(36)	(163)
Total net carrying amount as at 31 March 2026	**28,817**	**4,228**	**70**	**44**	**33,159**

The above gross carrying amount table does not include 'Other' credit exposures (refer to Note 6) on the basis that the provision for ECL is nil.

iii. Asset quality (continued)

Other asset quality information

	THE BANKING GROUP				
	31 Mar 26				
$ millions	Residential Mortgages	Other Retail	Corporate	Other	Total
Undrawn commitments with individually impaired counterparties	-	1	4	-	5
Other assets under administration	-	-	-	-	-

iv. Capital adequacy and regulatory liquidity ratios

The information regarding capital adequacy contained in this note has been derived in accordance with the Bank's Conditions of Registration which relate to capital adequacy and the Reserve Bank BPR.

The Banking Group maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Banking Group's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision and adopted by the Reserve Bank in supervising the Banking Group.

The Banking Group's capital summary as at 31 March 2026

	THE BANKING GROUP
$ millions	31 Mar 26
Tier 1 capital	
Common Equity Tier 1 capital	
Paid-up ordinary shares issued by the Bank plus related share premium	7,300
Retained earnings (net of appropriations)	2,742
Accumulated other comprehensive income and other disclosed reserves[1]	3
Less deductions from Common Equity Tier 1 capital	
Goodwill	(477)
Other intangible assets[2]	(409)
Cash flow hedge reserve	(69)
Deferred tax asset deduction	(166)
Expected loss excess over eligible allowance	(51)
Total Common Equity Tier 1 capital	8,873
Additional Tier 1 capital	
Additional Tier 1 loan capital[3]	500
PPS[4]	1,375
Total Additional Tier 1 capital	1,875
Total Tier 1 capital	10,748
Tier 2 capital	
Tier 2 capital instruments[3]	1,200
Revaluation reserves	-
Eligible impairment allowance in excess of expected loss	-
Total Tier 2 capital	1,200
Total capital	11,948

[1] Accumulated other comprehensive income and other disclosed reserves consist of investment securities, cash flow hedge and cost of hedging reserves disclosed as reserves on the balance sheet.

[2] Includes capitalised transaction costs on PPS, loan capital and debt issues.

[3] Classified as a liability under Generally Accepted Accounting Practice and excludes capitalised transaction costs. Additional Tier 1 loan capital and Tier 2 capital instruments are itemised on page 35 and 36. Further details on convertibility for Additional Tier 1 loan capital are noted in the 'Conversion' section.

[4] Classified as equity under Generally Accepted Accounting Practice and excludes transaction costs. AT1 PPS are itemised on page 34.

iv. Capital adequacy and regulatory liquidity ratios (continued)

Capital structure

Ordinary shares

In accordance with BPR110 Capital definitions, ordinary share capital is classified as Common Equity Tier 1 capital.

The ordinary shares have no par value. Subject to the constitution of the Bank, each ordinary share of the Bank carries the right to one vote on a poll at meetings of shareholders, the right to an equal share in dividends authorised by the Board and the right to an equal share in the distribution of the surplus assets of the Bank in the event of liquidation.

AT1 Perpetual preference shares (AT1 PPS)

On 21 December 2023, the Bank issued two classes of AT1 PPS to the NZ Branch, totalling $1,000 million ('**Internal PPS**').

On 13 September 2024, the Bank issued $375 million of AT1 PPS, which are quoted on the NZX Debt Market ('**Quoted PPS**').

The AT1 PPS qualify as AT1 under the Reserve Bank's capital adequacy framework. The AT1 PPS are classified as equity instruments as there is no contractual obligation for the Banking Group to either deliver cash or another financial instrument or to exchange financial instruments on a potentially unfavourable basis.

A summary of the key terms and features of each class of AT1 PPS is provided below:

$	Issue date	Counterparty	AT1 PPS distribution rate	Optional redemption date
Internal PPS				
NZ$500 million	21 December 2023	NZ Branch	NZ 3 month bank bill rate + 3.9723% p.a.	21 December 2028 and each quarterly scheduled distribution payment date after that date
NZ$500 million	21 December 2023	NZ Branch	NZ 3 month bank bill rate + 4.0219% p.a.	21 December 2029 and each quarterly scheduled distribution payment date after that date
Quoted PPS				
NZ$375 million	13 September 2024	External	Fixed at 7.10% p.a. until 13 September 2029 (when it resets to a floating rate equal to the NZ 3 month bank bill rate + 3.50% p.a.)	13 September 2029 and each quarterly scheduled distribution payment date after that date

Ranking and rights in liquidation

The AT1 PPS were issued by the Bank and, in a liquidation of the Bank, rank equally amongst themselves and the Bank's AT1 notes, are subordinated to the claims of depositors and other creditors of the Bank (including holders of Tier 2 loan capital), and rank ahead of the Bank's ordinary shares. The AT1 PPS do not carry any voting rights.

AT1 PPS distributions payable

Quarterly AT1 PPS distributions are payable at the absolute discretion of the Bank. In addition, AT1 PPS distributions will only be paid if the Bank is solvent on the payment date and remains solvent immediately after such payment is made and the payment will not result in a breach of the Bank's conditions of registration as at the time of the payment.

AT1 PPS distributions are non-cumulative. In respect of a class of AT1 PPS, if an AT1 PPS distribution is not paid in full, the Bank may not determine or pay any dividends on its ordinary shares or undertake a discretionary buy-back or capital reduction of the Bank's ordinary shares until a subsequent AT1 PPS distribution is paid in full on that class (except in limited circumstances).

Redemption

The Bank may elect to redeem all or some of each class of the Internal PPS, or all of the Quoted PPS, on a related optional redemption date or at any time for certain tax or regulatory reasons. Redemption is subject to certain conditions, including the Reserve Bank's prior written approval and the Bank remaining solvent immediately after the redemption. Holders have no right to require redemption.

On 17 December 2025 the Bank determined that a regulatory event had occurred in relation to the Quoted PPS, following the release by the Reserve Bank of its 2025 Capital Review decisions. No decision has been made by the Bank to redeem the Quoted PPS.

Conversion

The AT1 PPS have no conversion or exchange options and no non-viability triggers.

iv. Capital adequacy and regulatory liquidity ratios (continued)

Additional Tier 1 loan capital (AT1 notes)

A summary of the key terms and features of the AT1 notes is provided below:

$	Issue date	Counterparty	Interest rate	Optional redemption date
NZ$500 million notes	22 September 2017	NZ Branch	NZ 90 day bank bill rate + 3.9594% p.a.	21 September 2027 and every fifth anniversary thereafter

Ranking and rights in liquidation

The AT1 notes were issued by the Bank and, in a liquidation of the Bank, rank equally amongst themselves and the Bank's AT1 PPS, are subordinated to the claims of depositors and senior or less subordinated creditors of the Bank, and rank ahead of the Bank's ordinary shares.

Transitional phase-out schedule

In accordance with BPR110 Capital definitions, the Bank's AT1 notes are subject to a transitional phase-out from 1 January 2022 until 1 July 2028, with the maximum eligible amount declining by 12.5% each year, and completely phased out from 1 July 2028. The base amount was fixed at the total nominal amount of the Bank's AT1 notes outstanding as at 30 September 2021, being $1,500 million. The total value able to be recognised as AT1 is set out in BPR110 Capital definitions, with the lower of the outstanding amount or 37.5% of the base amount able to be recognised between 1 January 2026 and 31 December 2026 in line with the phase-out schedule. On 21 December 2023, the Bank exercised its option, for regulatory reasons, to redeem $1,000 million of the AT1 notes for their face value, as approved by the Reserve Bank. As at 31 March 2026, the remaining outstanding amount of $500 million is fully recognised as AT1 in accordance with the transitional phase-out schedule.

Interest payable

Quarterly interest payments on the AT1 notes are payable at the absolute discretion of the Bank and will only be paid if the payment conditions are satisfied, including that the interest payment will not result in the Bank becoming insolvent immediately following the interest payment; not result in a breach of the Reserve Bank's BPR; and the payment date not falling on the date of a capital trigger event or non-viability trigger event. Interest payments are non-cumulative. If interest is not paid in full, the Bank may not determine or pay any dividends on its ordinary shares or undertake a discretionary buy back or capital reduction of the Bank's ordinary shares (except in limited circumstances).

Redemption

The Bank may elect to redeem all or some of the AT1 notes for their face value on 21 September 2027 and every fifth anniversary thereafter, subject to the Reserve Bank's prior written approval. Early redemption of all or some of the AT1 notes for certain tax or regulatory reasons is permitted subject to the Reserve Bank's prior written approval.

Conversion

If a capital trigger event or non-viability trigger event occurs, the Bank must convert some or all of the AT1 notes into a variable number of ordinary shares issued by the Bank (calculated with reference to the net assets of the Bank and the total number of ordinary shares on issue at the conversion date) that is sufficient, in the case of a capital trigger event, to return the Bank's Common Equity Tier 1 capital ratio to above 5.125% as determined by the Bank in consultation with the Reserve Bank; or, in the case of a non-viability trigger event, to satisfy the direction of the Reserve Bank or the decision of the statutory manager of the Bank. A capital trigger event occurs when the Bank determines, or the Reserve Bank notifies in writing that it believes, the Bank's Common Equity Tier 1 capital ratio is equal to or less than 5.125%. A non-viability trigger event occurs when the Reserve Bank or the statutory manager (appointed pursuant to section 117 of the Banking (Prudential Supervision) Act 1989) directs the Bank to convert or write off all or some of its AT1 notes.

If conversion of the AT1 notes does not occur within five business days of a capital trigger event or a non-viability trigger event, holders' rights in relation to the AT1 notes will be immediately and irrevocably terminated.

The Bank is able to elect to convert all the AT1 notes for certain tax or regulatory reasons (or in certain other circumstances).

iv. Capital adequacy and regulatory liquidity ratios (continued)

Tier 2 loan capital

A summary of the key terms and features of the subordinated notes is provided below:

$	Issue date	Interest rate	Maturity date	Optional redemption date
NZ$600 million notes	16 September 2022	Fixed at 6.19% until 16 September 2027. Resets on 16 September 2027 to a floating rate: NZ 3 month bank bill rate + 2.10% p.a.	16 September 2032	16 September 2027 and every quarterly interest payment date thereafter
NZ$600 million notes	14 August 2023	Fixed at 6.73% until 14 February 2029. Resets on 14 February 2029 to a floating rate: NZ 3 month bank bill rate + 2.00% p.a.	14 February 2034	14 February 2029 and every quarterly interest payment date thereafter

Ranking and rights in liquidation

The subordinated notes were issued by the Bank and, in a liquidation of the Bank, the 2022 and 2023 subordinated notes rank equally with each other and amongst themselves, are subordinated to the claims of depositors and senior or less subordinated creditors of the Bank, and rank ahead of the AT1 notes, AT1 PPS and the Bank's ordinary shares.

Common features of subordinated notes

Interest payable

Quarterly interest payments on the subordinated notes are subject to the Bank being solvent at the time of, and immediately following, the interest payment.

Early redemption

The Bank may elect to redeem all or some of the 2022 or 2023 subordinated notes for their face value together with accrued interest (if any) on an optional redemption date for the series specified above, subject to the Reserve Bank's prior written approval. Early redemption of all of the 2022 or 2023 subordinated notes for certain tax or regulatory reasons is permitted on an interest payment date subject to the Reserve Bank's prior written approval.

iv. Capital adequacy and regulatory liquidity ratios (continued)

Credit risk subject to the IRB approach

Credit risk exposures by asset class

The Banking Group's credit risk exposures by asset class as at 31 March 2026

Exposure-weighted PD Grade (%)	Weighted Average PD %	EAD $ millions	Exposure-weighted LGD %	Exposure-weighted Risk Weight %	RWA[1] $ millions
Residential mortgages					
Up to and including 0.10	-	-	-	-	-
Over 0.10 up to and including 0.50	0.47	36,052	14	12	5,018
Over 0.50 up to and including 1.0	0.70	29,966	22	24	8,740
Over 1.0 up to and including 2.5	1.52	15,340	26	52	9,579
Over 2.5 up to and including 10.0	3.79	980	27	93	1,099
Over 10.0 up to and including 99.99	-	-	-	-	-
Default	100.00	802	23	155	1,492
Total	1.75	83,140	20	26	25,928
Other retail					
Up to and including 0.10	0.05	739	46	7	60
Over 0.10 up to and including 0.50	0.26	1,778	40	18	379
Over 0.50 up to and including 1.0	0.78	824	41	35	350
Over 1.0 up to and including 2.5	1.82	838	54	67	671
Over 2.5 up to and including 10.0	5.06	475	62	91	521
Over 10.0 up to and including 99.99	19.10	66	67	136	107
Default	100.00	59	44	258	183
Total	2.56	4,779	46	40	2,271
Corporate					
Up to and including 0.04	0.03	5,504	41	18	1,176
Over 0.04 up to and including 0.10	0.06	2,811	44	22	753
Over 0.10 up to and including 0.40	0.22	7,577	34	34	3,134
Over 0.40 up to and including 3.0	1.10	14,933	31	60	10,782
Over 3.0 up to and including 10.0	4.78	329	30	91	359
Over 10.0 up to and including 99.99	24.82	963	34	163	1,880
Default	100.00	213	54	83	213
Total	2.02	32,330	35	47	18,297
Total credit risk exposures subject to the IRB approach		120,249			46,496

[1] RWAs includes a scalar of 1.2 as required by BPR130 Credit risk RWAs overview.

iv. Capital adequacy and regulatory liquidity ratios (continued)

The following table summarises the Banking Group's credit risk exposures by asset class arising from undrawn commitments and other off-balance sheet contingent liabilities and counterparty credit risk on derivatives and securities financing transactions. These amounts are included in the previous tables.

	THE BANKING GROUP			
	31 Mar 26			
	Undrawn commitments and other off-balance sheet contingent liabilities[1]		Counterparty credit risk on derivatives and securities financing transactions	
$ millions	**Value**	**EAD**	**Value**	**EAD**
Residential mortgages	14,145	10,234	-	-
Other retail	3,448	2,160	-	-
Corporate	12,403	6,562	3,839	106
Total	**29,996**	**18,956**	**3,839**	**106**

[1] Certain balances which are part of the guarantee with the NZ Branch are not included as off-balance sheet contingent liabilities, reflecting their treatment in RWAs calculations as components of on-balance sheet or counterparty credit risk exposure.

Additional mortgage information

Residential mortgages by LVR as at 31 March 2026

LVRs are calculated as the current exposure divided by the Banking Group's valuation of the associated residential property at origination.

The Banking Group utilises data from its loan system to obtain origination valuations. For loans originated prior to 1 January 2008, or those originated outside of the loan system, the origination valuation is not recorded in the system and is therefore, due to system limitations, not available for disclosure. For these loans, the Banking Group utilises the earliest valuation recorded as the closest available alternative to estimate an origination valuation.

Exposures for which no LVR is available have been included in the 'Exceeds 90%' category in accordance with the requirements of the Order.

	THE BANKING GROUP					
	31 Mar 26					
LVR range ($ millions)	**Does not exceed 60%**	**Exceeds 60% and not 70%**	**Exceeds 70% and not 80%**	**Exceeds 80% and not 90%**	**Exceeds 90%**	**Total**
On-balance sheet exposures	30,743	14,976	18,614	6,087	2,380	72,800
Undrawn commitments and other off-balance sheet exposures	7,805	1,126	970	172	161	10,234
Value of exposures	**38,548**	**16,102**	**19,584**	**6,259**	**2,541**	**83,034**

Specialised lending subject to the slotting approach

The Banking Group's specialised lending: Project and property finance credit risk exposures as at 31 March 2026

On-balance sheet exposures subject to the slotting approach	**Total Exposures After Credit Risk Mitigation (EAD) $ millions**	**Risk Weight %**	**RWA[1] $ millions**
Supervisory slotting grade			
Strong	5,547	70	4,660
Good	2,545	90	2,748
Satisfactory	283	115	390
Weak	44	250	133
Default	2	-	-

Off-balance sheet exposures subject to the slotting approach	**EAD $ millions**	**Average Risk Weight %**	**RWA[1] $ millions**
Undrawn commitments and other off-balance sheet exposures	1,798	79	1,697
Total specialised lending exposures subject to the slotting approach	**10,219**		**9,628**

[1] RWAs includes a scalar of 1.2 as required by BPR130 Credit risk RWAs overview.

iv. Capital adequacy and regulatory liquidity ratios (continued)

Standardised equivalents of IRB risk weighted assets

The following table shows the standardised equivalent RWAs of the IRB RWAs for each IRB exposure class, as used in the floor calculation.

	THE BANKING GROUP			
	31 Mar 26			
$ millions	Exposure Under the IRB Approach	IRB RWA[1]	Equivalent Exposure Under the Standardised Approach	Standardised Equivalents of RWA
IRB Exposure Class				
Residential mortgages	**83,140**	**25,928**	**79,711**	**30,755**
Other retail	**4,779**	**2,271**	**2,727**	**2,498**
Corporate	**32,330**	**18,297**	**31,335**	**29,999**
Specialised lending subject to the slotting approach	**10,219**	**9,628**	**9,427**	**9,235**
Total	**130,468**	**56,124**	**123,200**	**72,487**

[1] IRB RWAs includes a scalar of 1.2 as required by BPR130 Credit risk RWAs overview

Credit risk exposures subject to the standardised approach

The Banking Group's credit risk exposures subject to the standardised approach as at 31 March 2026

On-balance sheet exposures by separate risk weight	Total Exposure After Credit Risk Mitigation $ millions	Risk Weight %	RWA[1] $ millions
Cash and gold bullion	**550**	**0**	**-**
Sovereigns and central banks	**9,835**	**0**	**-**
	-	**20**	**-**
	-	**50**	**-**
	-	**100**	**-**
	-	**150**	**-**
Multilateral development banks and other international organisations	**1,816**	**0**	**-**
	-	**20**	**-**
	-	**50**	**-**
	-	**100**	**-**
	-	**150**	**-**
Public sector entities	**2,006**	**20**	**401**
	-	**50**	**-**
	-	**100**	**-**
	-	**150**	**-**
Banks	**874**	**20**	**174**
	822	**50**	**411**
	-	**100**	**-**
	-	**150**	**-**

iv. Capital adequacy and regulatory liquidity ratios (continued)

Other on-balance sheet exposures by average risk weight[2]	Total Exposure After Credit Risk Mitigation $ millions	Average Risk Weight %	RWA[1] $ millions
Past due assets	6	150	10
Other assets[3]	2,008	55	1,098

Off-balance sheet exposures[2]	Total Exposure Or Principal Amount $ millions	Average Credit Conversion Factor %	Credit Equivalent Amount $ millions	Average Risk Weight %	RWA[1] $ millions
Total off-balance sheet exposures subject to the standardised approach	961	42.77	411	25	104

Counterparty credit risk for counterparties subject to the standardised approach	Total Exposure Or Principal Amount $ millions	Credit Equivalent Amount $ millions	Average Risk Weight %	RWA[1] $ millions
FX contracts	26,338	1,315	31	413
Interest rate contracts	67,170	209	25	53
Other[2]	14	30	-	-
Credit Valuation Adjustment capital charge[4]	N/A	N/A	N/A	483

Equity exposures[2]	Total Exposure $ millions	Risk Weight %	RWA[1] $ millions
Equity holdings (not deducted from capital) not included in NZX50 or overseas equivalent	3	400	12
Total credit risk exposures subject to the standardised approach	**19,885**		**3,159**

[1] RWAs includes a scalar of 1.0 as required by BPR130 Credit risk RWAs overview.

[2] The Banking Group has no exposures to be disclosed under the following categories: Undrawn commitments to the Business Growth Fund; Other corporate or residential mortgage on-balance sheet exposures subject to the standardised approach; exposures arising from trades settled on qualifying central counterparties other than as a client of a clearing member where the exposures are risk weighted as exposures to the clearing member; Equity holdings in the Business Growth Fund; Equity holdings (not deducted from capital) included in the NZX 50 or overseas equivalent index.

[3] Relate to property and equipment, other assets and related parties.

[4] The Credit Valuation Adjustment (CVA) capital charge is $39 million and the implied risk weighted exposure for CVA is $483 million.

Credit risk mitigation

The Banking Group uses a variety of techniques to reduce the credit risk arising from its lending activities (refer to Note 13.5 to the financial statements included in the Disclosure Statement for the year ended 30 September 2025 for further details). This includes the Banking Group establishing that it has direct, irrevocable and unconditional recourse to collateral and other credit enhancements through obtaining legally enforceable documentation.

Portfolios subject to the standardised approach

The following table shows the value of exposures in portfolios subject to the standardised approach which are covered by eligible financial collateral as at 31 March 2026.

iv. Capital adequacy and regulatory liquidity ratios (continued)

	THE BANKING GROUP
	31 Mar 26
$ millions	**Total value of exposures covered by eligible financial collateral (after haircutting)**
Sovereign	-
Bank	1,046
Corporate (including specialised lending)	-
Residential mortgages	-
Other	-
Total for portfolios subject to the standardised approach	**1,046**

All portfolios

The Banking Group includes the effect of credit risk mitigation through eligible guarantees within the calculation applied to LGD. Due to system limitations, the value of the guarantee is not always separately recorded, and therefore, neither the total value of exposures covered by guarantees, nor a close alternative, is available for disclosure under Clause 7 of Schedule 11 to the Order. The Banking Group does not apply any credit risk mitigation from credit derivatives as at 31 March 2026.

Impact of the Standardised Floor on Total Credit Risk RWAs

BPR130 Credit risk RWAs overview requires IRB Banks to calculate total credit risk RWAs as the sum of:

- The greater of:
  - 1.2 x total RWAs subject to the IRB treatment (as shown in the tables in the sections Credit risk subject to the IRB approach and Specialised lending subject to the slotting approach on pages 37 and 38 respectively); and
  - 0.85 x total Standardised Equivalent RWAs for each credit risk exposure subject to the IRB treatment (commonly referred to as the standardised floor); and
- 1.0 x total RWAs subject to the Standardised treatment.

The following table shows the output from these calculations, and the resulting total credit risk RWAs used in the calculation of the Bank and the Banking Group's total capital requirements and capital ratios as at 31 March 2026.

	THE BANKING GROUP	
	31 Mar 26	
	RWA	
$ millions	**Calculated for compliance purposes**	**Recalculated using the standardised approach**
Total IRB and supervisory slotting exposures[1]	56,124	72,487
Standardised floor at 85% of standardised equivalents	N/A	61,614
IRB and slotting RWAs with floor applied	61,614	N/A
RWAs for standardised exposures[2]	3,159	N/A
Total credit risk RWAs	**64,773**	**N/A**

[1] A scalar of 1.2 is applied when calculating the IRB RWAs for compliance purposes.

[2] A scalar of 1.0 is applied when calculating RWAs for standardised exposures.

iv. Capital adequacy and regulatory liquidity ratios (continued)

Operational risk

Operational risk capital requirement

The following table sets out the Banking Group's implied risk-weighted exposures under the Standardised Approach for operational risk capital in accordance with BPR150 Standardised operational risk.

	THE BANKING GROUP	
	31 Mar 26	
$ millions	Implied Risk Weighted Exposure	Total Operational Risk Capital Requirement
Standardised Approach		
Operational risk	8,260	661

Whilst the Bank has transitioned to the Standardised Approach for calculating Operational Risk capital in line with BPR150 Standardised operational risk, it continues to comply with the qualitative requirements set out in section B1 of BPR151 Advanced Measurement Approach operational risk.

Market risk

The Banking Group's aggregate market risk exposure is derived in accordance with BPR140 Market risk exposure and is calculated on a monthly basis. The end-of-period aggregate market risk exposure is calculated from the period end balance sheet information.

For each category of market risk, the Banking Group's peak end-of-day aggregate capital charge is derived by determining the maximum over the six months ended 31 March 2026 of the aggregate capital charge for that category of market risk derived in accordance with BPR140 Market risk exposure.

The following table provides a summary of the Banking Group's capital charges by risk type as at the reporting date and the peak end-of-day capital charges by risk type for the six months ended 31 March 2026:

	THE BANKING GROUP	
	31 Mar 26	
$ millions	Implied Risk Weighted Exposure	Aggregate Capital Charge
End-of-period		
Interest rate risk	2,581	207
Foreign currency risk	16	1
Equity risk	-	-
Peak end-of-day		
Interest rate risk	9,486	759
Foreign currency risk	66	5
Equity risk	-	-

Total capital requirements

Banking Group Pillar 1 Total Capital Requirement

	THE BANKING GROUP		
	31 Mar 26		
$ millions	Total Exposure After Credit Risk Mitigation	Risk Weighted Exposure or Implied Risk Weighted Exposure	Total Capital Requirement[1]
Total credit risk	143,085	64,773	5,830
Operational risk	N/A	8,260	743
Market risk	N/A	2,597	234
Total	N/A	75,630	6,807

[1] Calculated based on 9.0% Reserve Bank minimum total capital ratio requirement.

iv. Capital adequacy and regulatory liquidity ratios (continued)

Capital ratios

The following table is disclosed under the Reserve Bank's Basel III framework in accordance with Clauses 15 and 16 of Schedule 11 to the Order and represents the capital adequacy calculation based on the Reserve Bank BPR.

For the purpose of calculating the capital adequacy ratios for the Bank on a solo basis, non-SPV subsidiaries are consolidated within the Bank if they are either funded exclusively and wholly owned by the Bank, or if there is a full, unconditional and irrevocable cross guarantee between the non-SPV subsidiary and the Bank. An SPV must be consolidated with the Bank if it is either a covered bond SPV or an internal RMBS SPV.

		THE BANKING GROUP		THE BANK	
%	**Reserve Bank Minimum Ratios**	**31 Mar 26**	31 Mar 25	**31 Mar 26**	31 Mar 25
Common Equity Tier 1 capital ratio	4.5	**11.7**	12.0	**11.7**	12.0
Tier 1 capital ratio	7.0	**14.2**	14.7	**14.2**	14.7
Total capital ratio	9.0	**15.8**	16.4	**15.8**	16.4
	Buffer Trigger Ratio				
Prudential capital buffer ratio[1]	5.5	**6.8**	7.4	**N/A**	N/A

[1] The prudential capital buffer ratio increased from 4.5% to 5.5% on 1 July 2025.

Capital for other material risks

The Banking Group's internal capital adequacy assessment process identifies, reviews and measures additional material risks that must be captured within the Banking Group's capital adequacy assessment process. The additional material risks considered are those not captured by Pillar 1 regulatory capital requirements and include compliance and conduct risk, liquidity and funding risk, reputational and sustainability risk, financial crime risk, other assets risk, strategic risk and cyber risk. The internal capital adequacy assessment process also takes account of future strategic objectives, stress testing and regulatory developments.

The Banking Group's internal capital allocation for 'other material risks' is $419 million as at 31 March 2026 (31 March 2025: $315 million).

Standardised equivalent capital ratios

The following table is disclosed in accordance with Clause 17B of Schedule 11 to the Order. The Banking Group's standardised equivalent capital ratios are for disclosure purposes and do not form part of the Bank's Conditions of Registration. Refer to the Capital ratios section above for the Banking Group's capital adequacy ratios for compliance purposes.

The RWAs and capital amounts have been calculated in line with the Reserve Bank BPR standardised requirements. The capital amount has been recalculated to exclude any capital adjustments related to the expected loss provisions that only apply under the IRB approach. The credit risk RWAs of these exposures have been recalculated under the requirements of BPR131 Standardised credit risk RWAs. The credit risk RWAs that are currently calculated using the standardised methodology, market risk RWAs, and operational risk RWAs remain unchanged.

	THE BANKING GROUP		
	31 Mar 26		
	CET1 capital	**Tier 1 capital**	**Total capital**
Standardised equivalent capital amount ($ millions)	**8,924**	**10,799**	**11,999**
Standardised equivalent total RWAs ($ millions)	**86,503**	**86,503**	**86,503**
Ratio (%)	**10.3**	**12.5**	**13.9**

iv. Capital adequacy and regulatory liquidity ratios (continued)

Historical comparison with standardised capital ratios and risk weights

The following table discloses total capital ratios and average risk weights under the IRB and standardised approaches for comparative purpose:

	THE BANKING GROUP		
%	**31 Mar 26**	30 Sep 25	30 Sep 24
IRB Approach			
Total capital ratio[1]	**15.8**	16.2	16.2
Actual average risk weight for all modelled credit risk exposures[2]	**43.0**	43.0	43.4
Standardised Approach			
Total capital ratio[3]	**13.9**	14.3	14.2
Average risk weight for all modelled credit risk exposures[4]	**58.8**	58.7	59.5

[1] This represents the proportion of eligible capital the Banking Group holds against its total RWAs as calculated under its Conditions of Registration.

[2] This represents the ratio of the total RWAs for all exposures that are subject to the IRB modelling approach or the supervisory slotting approach (including any applicable scalar) to the total EAD for the modelled exposure classes.

[3] This represents the proportion of the standardised equivalent of eligible capital the Banking Group holds against its total RWAs as calculated under the Reserve Bank standardised approach.

[4] This represents the ratio of the total RWAs for all exposures that are subject to the IRB modelling approach or the supervisory slotting approach, recalculated using the standardised approach, to the total on-balance sheet and credit equivalent amounts for these exposures.

Ultimate Parent Bank Group and Ultimate Parent Bank capital adequacy

The following table represents the capital adequacy calculation for the Ultimate Parent Bank Group and Ultimate Parent Bank based on APRA's application of the Basel III capital adequacy framework.

%	**31 Mar 26**	31 Mar 25
Ultimate Parent Bank Group (excluding entities specifically excluded by APRA)[1,2]		
Common Equity Tier 1 capital ratio	**12.4**	12.2
Additional Tier 1 capital ratio	**1.9**	2.3
Tier 1 capital ratio	**14.3**	14.5
Tier 2 capital ratio	**7.2**	7.1
Total regulatory capital ratio	**21.5**	21.6
Ultimate Parent Bank (Extended Licensed Entity)[1,3]		
Common Equity Tier 1 capital ratio	**12.8**	12.5
Additional Tier 1 capital ratio	**2.0**	2.5
Tier 1 capital ratio	**14.8**	15.0
Tier 2 capital ratio	**7.9**	7.9
Total regulatory capital ratios	**22.7**	22.9

[1] The capital ratios represent information mandated by APRA. The capital ratios of the Ultimate Parent Bank Group are publicly available in the Ultimate Parent Bank Group's Pillar 3 report. This information is made available to users via the Ultimate Parent Bank's website (www.westpac.com.au).

[2] Ultimate Parent Bank Group (excluding entities specifically excluded by APRA regulations) comprises the consolidation of the Ultimate Parent Bank and its subsidiary entities except for those entities specifically excluded by APRA regulations for the purposes of measuring capital adequacy (Level 2). The head of the Level 2 group is the Ultimate Parent Bank.

[3] Ultimate Parent Bank (Extended Licensed Entity) comprises the Ultimate Parent Bank and its subsidiary entities that have been approved by APRA as being part of a single Extended Licensed Entity for the purposes of measuring capital adequacy (Level 1).

Under APRA's Prudential Standards, Australian authorised deposit-taking institutions, including the Ultimate Parent Bank Group and the Ultimate Parent Bank, are required to maintain minimum ratios of capital to risk weighted assets, as determined by APRA, which are at least equal to those specified under the Basel III capital framework. For the calculation of RWAs, the Ultimate Parent Bank Group and Ultimate Parent Bank are accredited by APRA to apply advanced models. The Ultimate Parent Bank Group and Ultimate Parent Bank use the Advanced IRB approach for credit risk, the Standardised Measurement Approach (SMA) for operational risk and the internal model approach for interest rate risk in the banking book for calculating regulatory capital.

iv. Capital adequacy and regulatory liquidity ratios (continued)

APRA has set a Total Common Equity Tier 1 (CET1) requirement for Domestic Systemically Important Banks (D-SIBs), including the Ultimate Parent Bank, of at least 10.25% (noting that APRA may apply higher CET1 requirements for an individual bank). This requirement includes a capital conservation buffer of 4.75% applicable to D-SIBs and a base level for the countercyclical capital buffer of 1.0% for Australian exposures which APRA may vary between 0% and 3.5%.

On 4 December 2025, APRA published the final changes to the relevant prudential and reporting standards resulting from the phase out of AT1 with an effective date of 1 January 2027. Under the revisions, large internationally active banks such as the Ultimate Parent Bank will replace 1.5% of AT1 capital with 1.25% of Tier 2 capital and 0.25% of CET1 capital. The total CET1 requirement, including regulatory buffers, will increase from 10.25% to 10.50%. There is no overall increase in total capital requirements for banks.

On implementation of these revised prudential and reporting standards, existing AT1 capital instruments would be included in the calculation of the amount of total capital, until their first scheduled call date. Existing Ultimate Parent Bank AT1 capital instruments would reach their first scheduled optional redemption dates by 2031 at the latest.

In addition, effective 1 January 2027 the minimum leverage ratio requirement will be 3.25% based on CET1 capital replacing the current requirement of 3.50% based on Tier 1 capital. APS 221 Large Exposures and APS 222 Associations with Related Entities exposure limits remain unchanged, however will be based on CET1 capital rather than Tier 1 capital.

The Ultimate Parent Bank Board has determined a target post dividend CET1 capital ratio of above 11.25% in normal operating conditions.

APRA's prudential standards are generally consistent with the International Regulatory Framework for Banks, also known as Basel III, issued by the Basel Committee on Banking Supervision, except where APRA has exercised certain discretions.

The Ultimate Parent Bank Group is required to disclose information on its capital adequacy on a quarterly basis. This information is made available to users via the Ultimate Parent Bank's website (www.westpac.com.au).

The Ultimate Parent Bank Group (excluding entities specifically excluded by APRA regulations) and Ultimate Parent Bank (Extended Licensed Entity as defined by APRA) exceeded the minimum capital adequacy requirements as specified by APRA as at 31 March 2026.

Regulatory liquidity ratios

The Bank calculates liquidity ratios in accordance with the Reserve Bank document 'Liquidity Policy'. Ratios are calculated daily and are part of the Bank's management of liquidity risk. Quarterly average ratios are produced in line with the Reserve Bank rules and guidance.

	THE BANKING GROUP	
%	**31 Mar 26**	31 Dec 25
Average for the three months ended		
One-week mismatch ratio	**8.7**	8.5
One-month mismatch ratio	**8.3**	8.1
Core funding ratio	**86.9**	86.5

v. Concentration of credit exposures to individual counterparties

The following credit exposures are based on actual credit exposures to individual counterparties and groups of closely related counterparties.

The number of individual non-bank counterparties to which the Banking Group has an aggregate credit exposure or peak end-of-day aggregate credit exposure that equals or exceeds 10% of the Banking Group's Common Equity Tier 1 capital:

	THE BANKING GROUP	
	Exposure as at 31 March 2026[1]	Peak end-of-day exposure over six months to 31 March 2026[2]
Exposures to non-bank counterparties[3]		
With a long-term credit rating of A- or A3 or above, or its equivalent		
Exceeds 10% and not 15%	2	2
With a long-term credit rating at least BBB- or Baa3, or its equivalent, and at most BBB+ or Baa1, or its equivalent		
Exceeds 10% and not 15%	-	1
Exposures to bank counterparties[4]		
With a long-term credit rating of A- or A3 or above, or its equivalent		
Exceeds 10% and not 15%	-	1

[1] There are no non-bank counterparties with an aggregate credit exposure as at 31 March 2026 that equals or exceeds 10% of the Banking Group's Common Equity Tier 1 capital and with a long-term credit rating of less than A- or A3, or its equivalent, or unrated. There are no bank counterparties with an aggregate credit exposure as at 31 March 2026 that equals or exceeds 10% of the Banking Group's Common Equity Tier 1 capital .

[2] There are no non-bank counterparties with an aggregate peak end-of-day credit exposure that equals or exceeds 10% of the Banking Group's Common Equity Tier 1 capital and with a long-term credit rating of less than BBB- or Baa3, or its equivalent, or unrated. There are no bank counterparties with an aggregate peak end-of-day credit exposure that equals or exceeds 10% of the Banking Group's Common Equity Tier 1 capital and with a long-term credit rating of less than A- or A3, or its equivalent, or unrated.

[3] A counterparty is a non-bank counterparty if it is a non-bank that is not a member of a group of closely related counterparties or it is a group of closely related counterparties of which a bank is not the parent.

[4] A counterparty is a bank counterparty if it is a bank that is not a member of a group of closely related counterparties or it is a group of closely related counterparties of which a bank is the parent.

The peak end-of-day aggregate credit exposure to each individual counterparty (which are not members of a group of closely related counterparties) or a group of closely related counterparties has been calculated by determining the maximum end-of-day aggregate amount of actual credit exposure over the six-month period ending 31 March 2026, and then dividing that amount by the Banking Group's Common Equity Tier 1 capital as at 31 March 2026.

Credit exposures to individual counterparties (not being members of a group of closely related counterparties) and to groups of closely related counterparties exclude exposures to connected persons, to the central government or central banks of any country with a long-term credit rating of A- or A3 or above, or its equivalent, or to any supranational or quasi-sovereign agency with a long-term credit rating of A- or A3 or above, or its equivalent. These calculations relate only to exposures held in the financial records of the Banking Group and were calculated net of individually assessed provisions.

vi. Insurance business

The Banking Group does not conduct any insurance business.

vii. Risk management policies

Refer to Note viii. Risk management policies of the Registered bank disclosures, Note 13 Credit risk management and Note 31 Risk management, funding and liquidity risk and market risk included in the Banking Group Disclosure Statement for the year ended 30 September 2025 for further details on the Banking Group's risk management policies.

Conditions of Registration

Changes to Conditions of Registration

On 1 December 2025, the Bank's Conditions of Registration were updated to ease residential mortgage loan-to-value ratio (LVR) restrictions as follows:

- for owner occupiers, increasing the limit on the share of new lending allowed with an LVR above 80% to 25% (up from 20%); and
- for investors, increasing the limit on the share of new lending allowed with an LVR above 70% to 10% (up from 5%).

KPMG

Independent Auditor's Review Report

To the shareholder of Westpac New Zealand Limited (the **Bank**)

Report on the consolidated interim disclosure statement

Conclusion

Within the consolidated interim disclosure statement we have completed a review of the accompanying consolidated half-year financial statements and the supplementary information (excluding supplementary information relating to General Information and Capital Adequacy and Regulatory Liquidity Ratios) (the **half-year financial statements** and **supplementary information**) which comprise:

- the consolidated half-year financial statements comprised of:
  - the balance sheet as at 31 March 2026;
  - the income statement and statements of comprehensive income, changes in equity and cash flows for the 6 month period then ended; and
  - notes, including material accounting policy information and other explanatory information (excluding the information disclosed in accordance with Schedules 3, 5, 7, 11, 13, 16 and 18 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (Order) and is included within registered bank disclosures i to vii);

  (the **half-year financial statements**).
- the supplementary information that is required to be disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of the Order (the **supplementary information**), contained within registered bank disclosures ii, iii, v, vi and vii.

Based on our review, the accompanying half-year financial statements and supplementary information of Westpac New Zealand Limited and its controlled entities (the **Banking Group**) within pages 6 to 21, 24 to 33 and 46, nothing has come to our attention that causes us to believe that:

- the half-year financial statements have not been prepared, in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34); and
- the supplementary information that is required to be disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of the Order:
  - does not present fairly, in all material respects, the matters to which it relates;
  - is not disclosed, in all material respects, in accordance with those schedules; and
  - has not been prepared, in all material respects, in accordance with any condition of registration relating to disclosure requirements imposed under section 74(4)(c) of the Banking (Prudential Supervision) Act 1989.

Basis for conclusion

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

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

Our firm has provided other services to the Banking Group in relation to regulatory compliance assurance, climate report limited assurance and agreed upon procedures. Subject to certain restrictions, partners and employees of our firm may also deal with the Banking Group on normal terms within the ordinary course of trading activities of the business of the Banking Group. These matters have not impaired our independence as auditor of the Banking Group. The firm has no other relationship with, or interest in, the Banking Group.

Use of this Independent Auditor’s Review Report

This report is made solely to the shareholder. Our review 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 review report and for no other purpose.

To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume responsibility and deny all liability to anyone other than the shareholder for our review work, this report, or any of the conclusions we have formed.

Responsibilities of directors for the consolidated interim disclosure statement

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

- the preparation and fair presentation of the Banking Group's consolidated interim disclosure statement in accordance with NZ IAS 34 and Schedules 3, 5, 7, 11, 13, 16 and 18 of the Order; and
- implementing necessary internal control to enable the preparation of a consolidated interim disclosure statement that is fairly presented and free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial statements and supplementary information

Our responsibility is to express a conclusion on the half-year financial statements and supplementary information based on our review.

NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the:

- half-year financial statements, taken as a whole, do not present fairly, in all material respects, the Banking Group’s financial position as at 31 March 2026 and its financial performance and cash flows for the 6 month period ended on that date;
- half-year financial statements, taken as a whole, do not, in all material respects, comply with NZ IAS 34; and
- the supplementary information does not fairly state, in all material respects, the matters to which it relates in accordance with Schedules 5, 7, 13, 16 and 18 of the Order.

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

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

The engagement partner on the review resulting in this independent auditor’s review report is Sonia Isaac.

For and on behalf of:

KPMG

KPMG
Auckland

4 May 2026

KPMG

Independent Limited Assurance Report

To the shareholder of Westpac New Zealand Limited (the **Bank**)

Report on the supplementary information relating to Capital Adequacy and Regulatory Liquidity Ratios

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 supplementary information relating to Capital Adequacy and Regulatory Liquidity Ratios, disclosed in registered bank disclosure iv within the consolidated interim 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 supplementary information relating Capital Adequacy and Regulatory Liquidity Ratios, as disclosed in registered bank disclosure iv within the consolidated interim disclosure statement for the period ended 31 March 2026. Our conclusion on the Capital Adequacy and Regulatory Liquidity Ratios does not extend to any other information included, or referred to, in the consolidated interim disclosure statement.

Criteria

The supplementary information relating to Capital Adequacy and Regulatory Liquidity Ratios 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 Assurance Standards Board (**Standard**). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited conclusion.

Our responsibilities under the Standard 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 supplementary information relating to Capital Adequacy and Regulatory Liquidity Ratios 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 supplementary information relating to Capital Adequacy and Regulatory Liquidity Ratios.

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 period ended 31 March 2026 does not provide assurance on whether compliance with Schedule 11 of the Order will continue in the future.

Use of this assurance Report

This report is made solely to the shareholder. Our assurance work has been undertaken so that we might state to the 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 its 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 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.

Directors' responsibility for the supplementary information relating to Capital Adequacy and Regulatory Liquidity Ratios

The Directors of the Bank are responsible for the compliance activities undertaken to meet their identified compliance requirements and disclosure of the supplementary information relating to Capital Adequacy and Regulatory Liquidity Ratios 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 supplementary information relating to Capital Adequacy and Regulatory Liquidity Ratios that is free from material misstatement and non-compliance whether due to fraud or error.

Our responsibility

We have responsibility for:

- planning and performing the engagement to obtain limited assurance about whether the supplementary information relating to Capital Adequacy and Regulatory Liquidity Ratios 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 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 judgment 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:

- obtaining an understanding of the process, models, data and internal controls implemented over the preparation of the information relating to Capital Adequacy and Regulatory Liquidity Ratios;
- performing inquiry and analytical procedures over the Capital Adequacy and Regulatory Liquidity Ratios;
- obtaining an understanding of the Bank's compliance framework and internal control environment over the information relating to Capital Adequacy and Regulatory Liquidity Ratios, including the Bank's assessment of any matters of non-compliance with the Reserve Bank of New Zealand's Prudential Requirements; and
- agreeing the information relating to Capital Adequacy and Regulatory Liquidity Ratios, extracted from the Bank's models, accounting records or other supporting documentation, to the consolidated 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 also provided other services to the Bank in relation to regulatory compliance assurance, climate report limited assurance and agreed upon procedures. Subject to certain restrictions, partners and employees of our firm may also deal with the Bank on normal terms within the ordinary course of trading activities of the business of the Bank. These matters have not impaired our independence as assurance providers of the Bank for this engagement. The firm has no other relationship with, or interest in, the Bank.

For and on behalf of:

KPMG

KPMG
Auckland

4 May 2026

TOGETHER
GREATER

Westpac New Zealand Limited.

JN17600