



Bank of New Zealand Disclosure Statement

For the six months ended 31 March 2026

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Disclosure Statement

For the six months ended 31 March 2026

This Disclosure Statement has been issued by Bank of New Zealand for the six months ended 31 March 2026 in accordance with the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the "Order").

In this Disclosure Statement, unless the context otherwise requires:

- The name of the Registered Bank is Bank of New Zealand (referred to either by its full name, "BNZ" or as the "Bank");
- The "Banking Group" means Bank of New Zealand's financial reporting group, which consists of Bank of New Zealand, all of its wholly owned entities and other entities consolidated for financial reporting purposes;
- The ultimate parent bank, and ultimate holding company, of Bank of New Zealand is National Australia Bank Limited. References in this document to "NAB" are references to National Australia Bank Limited's financial reporting group, which consists of National Australia Bank Limited, all of its wholly owned entities and other entities consolidated for financial reporting purposes; and
- Words and phrases defined by the Order have the same meanings when used in this Disclosure Statement.

Glossary

ANZSIC

Australian and New Zealand Standard Industrial Classification.

APS

Prudential Standards issued by APRA.

APS 330

APS 330: *Public Disclosure*.

APRA

Australian Prudential Regulation Authority.

AT1

Additional Tier 1.

AUSTRAC

Australian Transaction Reports and Analysis Centre.

BPR

Banking Prudential Requirements.

CET1

Common Equity Tier 1.

CSA

Credit Support Annex.

CVA

Credit valuation adjustment.

EAD

Exposure at default.

ECL

Expected credit losses.

FVTOCI

Fair value through other comprehensive income.

ICAAP

Internal Capital Adequacy Assessment Process.

IRB

Internal ratings based.

ISDA

International Swaps and Derivatives Association.

LAC

Loss Absorbing Capacity.

LGD

Loss given default.

LVR

Loan-to-valuation ratio.

NZ IAS

New Zealand Equivalents to International Accounting Standards.

NZ IAS 32

NZ IAS 32 *Financial Instruments: Presentation*.

NZ IFRS

New Zealand Equivalents to International Financial Reporting Standards.

OCR

Official Cash Rate.

PCR

Prudential capital ratio.

PD

Probability of default.

PPS

Perpetual preference shares.

QCCP

Qualifying Central Counterparties.

RBNZ

Reserve Bank of New Zealand.

RMBS

Residential Mortgage-Backed Securities.

RWA

Risk-weighted assets.

TLF

Term Lending Facility.

Interim Financial Statements

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Income Statement

For the six months ended 31 March 2026

Dollars in Millions	Note	Banking Group		
		Unaudited 6 Months 31/3/26	Audited 12 Months 30/9/25	Unaudited 6 Months 31/3/25
Interest income				
Effective interest income ¹		2,929	6,844	3,575
Fair value through profit or loss		161	427	253
Interest expense		(1,565)	(4,231)	(2,333)
Net interest income		1,525	3,040	1,495
Gains less losses on financial instruments ¹	2	79	146	87
Other operating income	3	156	298	165
Total operating income		1,760	3,484	1,747
Operating expenses ²		(1,053)	(1,379)	(672)
Total operating profit before credit impairment (charge)/write-back and income tax expense		707	2,105	1,075
Credit impairment (charge)/write-back	5	(19)	(27)	28
Total operating profit before income tax expense		688	2,078	1,103
Income tax expense on operating profit		(194)	(579)	(308)
Net profit for the period		494	1,499	795

¹Comparative balances have been restated to align to the presentation used in the current period. Refer to Note 2 *Gains Less Losses on Financial Instruments* for further information.

²Current period amount reflects the effect of accelerated amortisation of software assets. Refer to Note 1 *About the Financial Statements* for further information.

The accounting policies and other notes form part of, and should be read in conjunction with, these interim financial statements.

Statement of Comprehensive Income

For the six months ended 31 March 2026

Dollars in Millions	Banking Group		
	Unaudited 6 Months 31/3/26	Audited 12 Months 30/9/25	Unaudited 6 Months 31/3/25
Net profit for the period	494	1,499	795
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss			
Credit risk adjustments on financial liabilities designated at fair value through profit or loss	15	(2)	7
Tax on items transferred directly to equity	(4)	1	(2)
	11	(1)	5
Items that may be reclassified subsequently to profit or loss			
Movement in cash flow hedge reserve	(148)	169	26
Movement in cost of hedging reserve	12	9	4
Movement in FVTOCI reserve	19	3	2
Tax on items transferred directly to equity	33	(51)	(9)
	(84)	130	23
Total other comprehensive income/(expense)	(73)	129	28
Total comprehensive income for the period	421	1,628	823

The accounting policies and other notes form part of, and should be read in conjunction with, these interim financial statements.

Balance Sheet

As at 31 March 2026

Dollars in Millions	Note	Banking Group		
		Unaudited 31/3/26	Audited 30/9/25	Unaudited 31/3/25
Assets				
Cash and liquid assets		5,974	5,987	5,212
Due from central banks and other institutions		1,137	160	153
Collateral paid		900	530	709
Trading assets		12,107	8,927	11,650
Derivative financial instruments		4,845	3,742	3,193
Investments in debt instruments		3,021	2,555	1,190
Loans and advances to customers	4	113,591	111,027	108,502
Current tax assets		6	-	-
Other assets		696	1,036	1,004
Deferred tax		463	352	318
Property, plant and equipment		598	605	608
Intangible assets		390	682	609
Total assets		143,728	135,603	133,148
Liabilities				
Due to central banks and other institutions		1,691	3,642	4,377
Collateral received		1,613	1,015	1,224
Trading liabilities		2,232	255	397
Deposits and other borrowings	6	97,475	90,642	87,591
Derivative financial instruments		3,265	2,258	2,345
Current tax liabilities		-	230	96
Other liabilities		1,757	1,969	2,165
Bonds and notes		20,569	20,305	19,880
Subordinated debt		1,439	1,434	1,440
Total liabilities		130,041	121,750	119,515
Net assets		13,687	13,853	13,633
Shareholders' equity				
Contributed equity – ordinary shares	7	10,956	9,956	9,956
Contributed equity – perpetual preference shares	7	825	825	825
Reserves		73	157	50
Retained profits		1,833	2,915	2,802
Total shareholders' equity		13,687	13,853	13,633

The accounting policies and other notes form part of, and should be read in conjunction with, these interim financial statements.

Cash Flow Statement

For the six months ended 31 March 2026

Dollars in Millions	Banking Group		
	Unaudited 6 Months 31/3/26	Audited 12 Months 30/9/25	Unaudited 6 Months 31/3/25
Cash flows from operating activities			
Interest received ¹	3,157	7,414	3,897
Interest paid	(1,792)	(4,407)	(2,389)
Net trading income received ¹	185	331	202
Other income received	170	342	186
Personnel expenses	(397)	(731)	(391)
Other operating expenses	(352)	(645)	(311)
Taxes and subvention payments	(512)	(600)	(389)
Net cash flows from operating activities before changes in operating assets and liabilities	459	1,704	805
Changes in operating assets and liabilities arising from cash flow movements			
Net (increase)/decrease in:			
Due from central banks and other institutions	(977)	(88)	(81)
Collateral paid	(328)	634	384
Loans and advances to customers	(2,541)	(4,927)	(2,358)
Other assets	343	481	546
Net increase/(decrease) in:			
Due to central banks and other institutions	(19)	42	45
Collateral received	634	(49)	157
Deposits and other borrowings	6,900	6,395	3,331
Other liabilities	(13)	(686)	(589)
Net movement in trading assets and trading liabilities	(1,343)	2,008	(615)
Net movement in derivative financial instruments	(368)	335	405
Net change in operating assets and liabilities	2,288	4,145	1,225
Net cash flows from operating activities	2,747	5,849	2,030
Cash flows from investing activities			
Acquisition of controlled entities	-	(29)	(29)
Proceeds from sale or maturity of investments in debt instruments	62	133	85
Purchase of investments in debt instruments	(588)	(2,598)	(1,253)
Purchase of property, plant and equipment	(31)	(47)	(23)
Development and acquisition of intangible assets	(121)	(246)	(100)
Net cash flows from investing activities	(678)	(2,787)	(1,320)
Cash flows from financing activities			
Proceeds from issue of bonds and notes	1,749	2,483	1,052
Repayment of bonds and notes	(1,282)	(3,711)	(2,049)
Proceeds from issue of subordinated debt	-	884	884
Ordinary dividend	(565)	(1,060)	(496)
Perpetual preference shares distribution	(22)	(43)	(22)
Payment of lease liabilities	(29)	(60)	(31)
Proceeds from repurchase agreements under RBNZ funding facilities	655	3,234	1,732
Repayment of repurchase agreements under RBNZ funding facilities	(2,453)	(4,573)	(2,604)
Net cash flows from financing activities	(1,947)	(2,846)	(1,534)
Net movement in cash and cash equivalents	122	216	(824)
Cash and cash equivalents at beginning of period	4,770	4,554	4,554
Cash and cash equivalents at end of period	4,892	4,770	3,730
Cash and cash equivalents at end of period comprised:			
Cash and liquid assets	5,974	5,987	5,212
Due to central banks and other institutions classified as cash and cash equivalents	(1,082)	(1,217)	(1,482)
Total cash and cash equivalents	4,892	4,770	3,730

¹ Comparative balances have been restated to align to the presentation used in the current period. Refer to Note 1 *About the Financial Statements* and Note 2 *Gains Less Losses on Financial Instruments* for further information.

The accounting policies and other notes form part of, and should be read in conjunction with, these interim financial statements.

Notes to the Interim Financial Statements

For the six months ended 31 March 2026

Note 1 About the Financial Statements

Basis of preparation

These condensed interim financial statements are general purpose financial reports prepared in accordance with New Zealand Generally Accepted Accounting Practice as appropriate for profit oriented entities, the requirements of IAS 34 *Interim Financial Reporting*, NZ IAS 34 *Interim Financial Reporting* and the Order, and should be read in conjunction with the Disclosure Statement for the year ended 30 September 2025.

Certain comparative balances have been restated to align with the presentation used in the current reporting period. These are footnoted in the relevant notes to the interim financial statements. These restatements have no impact on the overall financial performance or financial position for the comparative periods.

Changes in accounting policies and disclosures

Accounting policies used in the preparation of these condensed interim financial statements are consistent with the accounting policies used in the preparation of the Disclosure Statement for the year ended 30 September 2025.

Critical accounting assumptions and estimates

The preparation of these condensed interim financial statements requires the use of certain critical accounting estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and the disclosure of contingent liabilities. Unless explicitly stated, there have been no significant changes to the accounting estimates, judgements and assumptions used in preparing these condensed interim financial statements compared to those applied in the preparation of the Disclosure Statement for the year ended 30 September 2025.

Accelerated amortisation of software assets

Following a review of its software capitalisation policy, the Banking Group has revised the estimated useful life of its capitalised software assets from three to ten years down to three to five years and made changes in the application of the software capitalisation policy. These changes are expected to better align the Banking Group's accounting policies with a rapidly evolving technology environment, where the time that software is expected to generate economic benefits is shortening. As a result, amortisation for the six months ended 31 March 2026 increased by \$352 million, presented within Operating expenses with a corresponding reduction in the carrying value of capitalised software recognised within Intangible assets on the balance sheet.

Other updates

In December 2025, the RBNZ announced its decisions following its 2025 review of key capital settings. The RBNZ will require all Group 1 deposit takers (including BNZ) to have a CET1 capital ratio of 12% and a Total capital ratio of 15% (each including a 6% prudential capital buffer ratio) with up to 3% of the Total capital ratio requirement in the form of Tier 2 capital, and an additional 6% of RWA in the form of LAC instruments. In addition, the new settings will introduce more granular risk weights under the RBNZ standardised methodology (with a target date of 1 October 2026), require Tier 2 and LAC instruments to be issued to BNZ's ultimate parent bank (and to include conversion to equity or write-off provisions), and remove AT1 capital from the regulatory capital stack, with recognition of existing AT1 instruments to be phased out (refer to Note 7 *Contributed Equity* for further information). Consultation on the requirements for the new Tier 2 and LAC instruments is expected in 2026 and 2027. The timeline for transition to the new settings for Tier 2, LAC and AT1 instruments is yet to be confirmed by the RBNZ. The final decisions on these settings will be incorporated into the capital standard under the Deposit Takers Act 2023 scheduled to take effect in December 2028.

Significant changes to Australia's Anti-Money Laundering and Counter-Terrorism Financing ("AML/CTF") laws came into effect on 31 March 2026, including additional obligations that now apply to the Banking Group under Australian law when services are provided in overseas jurisdictions. As recognised by AUSTRAC in its public guidance of 18 December 2025, these changes require substantial changes to systems and processes. Given the scale and complexity of these changes, NAB's AML/CTF reporting group, which includes the Banking Group, is not yet fully compliant with the new laws. Consistent with AUSTRAC's guidance, NAB has developed a multi-year implementation plan to achieve compliance across NAB's AML/CTF reporting group. In the interim, the Banking Group continues to apply its existing controls to manage and mitigate risk. There is a possibility that aspects of NAB's implementation plan may not align with AUSTRAC's expectations, or that implementation may be delayed or may not deliver the intended compliance outcomes, and that the Banking Group, as a member of NAB's AML/CTF reporting group, may be subject to regulatory scrutiny or enforcement action as a result.

Notes to the Interim Financial Statements

Income Statement Notes

Note 2 Gains Less Losses on Financial Instruments

Dollars in Millions	Banking Group		
	Unaudited 6 Months 31/3/26	Audited 12 Months 30/9/25	Unaudited 6 Months 31/3/25
Trading gains less losses on financial instruments ¹	69	163	95
Net gain/(loss) attributable to assets, liabilities and derivatives designated in hedge relationships	(2)	5	4
Net gain/(loss) in the fair value of derivatives used for hedging purposes not designated in hedge relationships	12	(32)	(19)
Net gain/(loss) in the fair value of financial liabilities designated at fair value through profit or loss and related derivatives (refer to table below) ²	-	10	7
Total gains less losses on financial instruments	79	146	87

Net gain/(loss) in the fair value of financial liabilities designated at fair value through profit or loss and related derivatives includes:

Gain/(loss) attributable to derivatives used for hedging of financial liabilities designated at fair value through profit or loss	(80)	107	41
Gain/(loss) in the fair value of financial liabilities designated at fair value through profit or loss	80	(97)	(34)

¹ Comparative balances have been restated to reflect a reclassification of certain derivative interest from Interest income to Trading gains less losses on financial instruments, consistent with the nature of the underlying transactions.

² All foreign currency gains/(losses) are excluded from this category. Due to the Banking Group's practice of managing all foreign exchange risk centrally, all foreign currency gains/(losses) are included within Trading gains less losses on financial instruments above.

Note 3 Other Operating Income

Dollars in Millions	Banking Group		
	Unaudited 6 Months 31/3/26	Audited 12 Months 30/9/25	Unaudited 6 Months 31/3/25
Fees and commissions			
Money transfer fees ³	34	46	27
Fees earned on financial assets and liabilities	107	210	109
Other fees and commissions income	24	52	28
Total fees and commissions income	165	308	164
Fees and commissions expense ^{3,4}	(10)	(13)	(1)
Net fees and commissions income	155	295	163
Other income	1	3	2
Total other operating income	156	298	165

³ Comparative balances have been restated to align to the presentation used in the current period.

⁴ Expenses directly attributable and incremental to fees and commissions income.

Notes to the Interim Financial Statements

Asset Notes

Note 4 Loans and Advances to Customers

Dollars in Millions	Banking Group		
	Unaudited 31/3/26	Audited 30/9/25	Unaudited 31/3/25
Overdrafts	2,252	2,229	2,392
Credit card outstandings	709	761	776
Housing loans	66,203	63,944	62,140
Other term lending	44,286	44,069	43,068
Other lending	682	630	742
Total gross loans and advances to customers	114,132	111,633	109,118
Deduct:			
Allowance for expected credit losses	995	998	975
Deferred and other unearned future income and expenses	(240)	(185)	(157)
Capitalised brokerage costs	(214)	(207)	(202)
Total deductions	541	606	616
Total net loans and advances to customers	113,591	111,027	108,502

Note 5 Allowance for Expected Credit Losses

ECLs are derived from unbiased and probability-weighted estimates of expected loss. The measurement of ECL and assessment of significant increase in credit risk considers information about current conditions, past events, as well as reasonable and supportable forecasts of future economic conditions.

The Banking Group's ECL measurement is derived from a probability weighted average of three distinct scenarios (base case, upside and downside) in addition to forward-looking adjustments for emerging risk at an industry, geography or segment level. The probability of each scenario is determined by considering relevant macro-economic outlooks and their likely impact on the Banking Group's credit portfolios.

Key judgements and estimates

- In determining ECL, management judgement is applied, using objective, reasonable and supportable information about current and forecast economic conditions and granular probability of default and loss given default assumptions.
- Macro-economic factors taken into consideration include, but are not limited to, unemployment, interest rates, gross domestic product, inflation, commercial and residential property prices, and require an evaluation of both the current and forecast direction of the macro-economic cycle.
- When determining whether the risk of default has increased significantly since initial recognition, both quantitative and qualitative information is considered, including expert credit assessment, forward-looking information and analysis based on the Banking Group's historical loss experience.

Movement in allowance for expected credit losses in net loans and advances to customers

The total allowance for ECL decreased by \$3 million compared to the balance as at 30 September 2025. This reduction reflects an improvement in corporate asset quality, partially offset by a decline in other retail asset quality, and growth in the residential mortgage portfolio. Corporate ECL decreased by \$12 million, comprising a \$28 million reduction in the collectively assessed allowance, partially offset by a \$16 million increase in the individually assessed allowance. The increase in individually assessed allowance primarily relates to exposures in the agribusiness, construction, and manufacturing sectors, while the reduction in collectively assessed allowance reflects improved baseline conditions. Other retail ECL increased by \$6 million, reflecting a decline in customer asset quality. Residential mortgage lending ECL increased by \$3 million, consistent with portfolio growth over the period, partially offset by improvement in customer quality. The \$3 million decrease in total allowance for ECL reflects the combined effect of \$23 million of write-offs, partially offset by a \$19 million credit impairment charge recognised in the income statement, and \$2 million of recoveries.

Notes to the Interim Financial Statements

Note 5 Allowance for Expected Credit Losses *continued*

For a detailed movement breakdown of gross loans and advances to customers in Residential mortgage lending, Other retail exposures and Corporate exposures, refer to Schedule 7 *Asset Quality*.

The following tables provide a reconciliation from the opening balance to the closing balance of allowance for ECL and shows the movement in opening balance where loans and advances to customers have transferred between ECL stages and subsequent remeasurement of the allowance for ECL during the period. For a detailed movement breakdown of ECL in Residential mortgage lending, Other retail exposures and Corporate exposures, refer to Schedule 7 *Asset Quality*.

Dollars in Millions	Banking Group				Total
	Unaudited (31/3/26)			Individually assessed allowance	
	Collectively assessed allowance				
	Stage 1	Stage 2	Stage 3	Stage 3	
Movement in Allowance for ECL					
Balance at beginning of period	152	545	99	202	998
Transfers	44	(47)	(10)	13	-
Charge/(credit) to income statement due to new and increased provisions (net of releases) ¹	(62)	45	9	27	19
Amounts written off	-	-	-	(23)	(23)
Recovery of amounts written off	-	-	-	2	2
Discount unwind ²	-	-	-	(1)	(1)
Total balance at end of period ³	134	543	98	220	995
	Audited (30/9/25)				
Balance at beginning of period	106	701	90	127	1,024
Transfers	91	(126)	1	34	-
Charge/(credit) to income statement due to new and increased provisions (net of releases) ¹	(45)	(30)	8	94	27
Amounts written off	-	-	-	(59)	(59)
Recovery of amounts written off	-	-	-	6	6
Discount unwind ²	-	-	-	-	-
Total balance at end of period ³	152	545	99	202	998
	Unaudited (31/3/25)				
Balance at beginning of period	106	701	90	127	1,024
Transfers	40	(48)	(2)	10	-
Charge/(credit) to income statement due to new and increased provisions (net of releases) ¹	(68)	(4)	19	25	(28)
Amounts written off	-	-	-	(24)	(24)
Recovery of amounts written off	-	-	-	3	3
Discount unwind ²	-	-	-	-	-
Total balance at end of period ³	78	649	107	141	975

¹ Recognised as credit impairment charge/(write-back) in the income statement.

² The impairment loss on an impaired asset is calculated as the difference between the asset's carrying amount and the estimated future cash flows discounted to its present value using the original effective interest rate for the asset. This discount unwinds through interest income over the period the asset is held.

³ Included in the total allowance for ECL as at 31 March 2026 was \$141 million (30 September 2025: \$143 million, 31 March 2025: \$121 million) relating to off-balance sheet credit exposures.

Notes to the Interim Financial Statements

Note 5 Allowance for Expected Credit Losses *continued*

ECL scenario analysis

The Banking Group's forecasts assume the following key macro-economic variables used in the upside, base case and downside scenario as at 31 March 2026.

	Upside (%) Unaudited			Base case (%) Unaudited			Downside (%) Unaudited		
	FY 2026	FY 2027	FY 2028	FY 2026	FY 2027	FY 2028	FY 2026	FY 2027	FY 2028
Macro-economic indicators¹									
Gross domestic product change year on year	3.9	2.6	2.8	2.8	2.2	2.5	(2.3)	0.6	2.8
Unemployment	4.8	4.5	4.5	4.9	4.7	4.5	7.9	10.3	9.8
House price change year on year	7.6	7.5	6.8	1.1	3.3	5.4	(26.1)	(13.2)	1.3

¹Macro-economic indicators for upside and base case represent annual change from September to September, and downside indicators represent annual change from March to March.

The probability weighted ECL is a blended outcome taking into consideration the respective scenarios applied across each of the Banking Group's major loan portfolios. The following table shows the probability weighting of scenarios.

	Upside (%) Unaudited		Base case (%) Unaudited		Downside (%) Unaudited	
	HY 2026	FY 2025	HY 2026	FY 2025	HY 2026	FY 2025
Macro-economic scenario weightings						
Retail	2.5	2.5	52.5	52.5	45.0	45.0
Non-Retail	2.5	2.5	52.5	52.5	45.0	45.0

Sensitivity analysis

The following table shows the reported total allowance for ECL based on the probability weighting of scenarios, with the sensitivity range reflecting the ECL impacts assuming a 100% weighting is applied to the upside scenario, base case scenario or the downside scenario (with all other assumptions held constant).

Dollars in Millions	Banking Group		
	Unaudited 31/3/26	Unaudited 30/9/25	Unaudited 31/3/25
Reported probability weighted ECL	995	998	975
100% upside ECL	579	571	553
100% base case ECL	585	593	606
100% downside ECL	1,497	1,493	1,477

Notes to the Interim Financial Statements

Liability Notes

Note 6 Deposits and Other Borrowings

Dollars in Millions	Banking Group		
	Unaudited 31/3/26	Audited 30/9/25	Unaudited 31/3/25
Deposits not bearing interest	16,587	14,974	15,173
On-demand and short-term deposits bearing interest	33,599	33,343	31,262
Term deposits	39,692	38,760	38,975
Total customer deposits	89,878	87,077	85,410
Certificates of deposit	1,381	909	783
Commercial paper	6,216	2,656	1,398
Total deposits and other borrowings	97,475	90,642	87,591

Shareholders' Equity Note

Note 7 Contributed Equity

Number of shares in Millions	Banking Group		
	Unaudited 31/3/26	Audited 30/9/25	Unaudited 31/3/25
Issued and fully paid shares			
Ordinary shares - balance at beginning of period	10,839	10,839	10,839
Ordinary shares - issued during the period	1,000	-	-
Ordinary shares - balance at end of period	11,839	10,839	10,839
Perpetual preference shares - balance at beginning of period	825	825	825
Perpetual preference shares - balance at end of period	825	825	825
Total issued and fully paid shares	12,664	11,664	11,664

The issued and fully paid ordinary shares are included in CET1 capital of the Banking Group and the Registered Bank. The issued and fully paid PPS are included in AT1 capital of the Banking Group and the Registered Bank (refer to Schedule 11 *Capital Adequacy under the Internal Models Based Approach, and Regulatory Liquidity Ratios*).

Ordinary shares

The ordinary shares do not have a par value. All ordinary shares have equal voting rights and share equally in dividends and any distribution of the surplus assets of the Bank in the event of liquidation.

On 18 December 2025, the Bank paid a dividend of \$1,000 million and issued 1,000 million ordinary shares to National Australia Group (NZ) Limited at a subscription price of \$1.00 per share under a dividend reinvestment plan. This resulted in the number of the Bank's ordinary shares increasing from 10,838,747,499 to 11,838,747,499 and the Bank's ordinary share capital increasing by \$1,000 million.

Perpetual preference shares

The Bank issued two classes of PPS on 14 June 2023 ("PPS 1") and 21 August 2024 ("PPS 2"), which qualify as AT1 capital under the current RBNZ capital settings. In December 2025, the RBNZ announced its decisions following its review of key capital settings, which included that AT1 capital will be removed from the regulatory capital stack and that the recognition of existing AT1 capital instruments will be phased out. The BNZ Board has determined that these changes constitute a "Regulatory Event" under the terms of PPS 1 and PPS 2. The occurrence of a Regulatory Event provides BNZ with an option to redeem PPS 1 and/or PPS 2 prior to the first scheduled optional redemption date of each instrument, subject to certain conditions, including RBNZ approval. As at the date of this Disclosure Statement, no decision has been made by BNZ to redeem either PPS 1 or PPS 2.

Notes to the Interim Financial Statements

Other Notes

Note 8 Segment Analysis

Operating segments

An operating segment is a component of an entity engaging in business activities and whose operating results are regularly reviewed by the entity's chief operating decision maker. For each operating segment identified by the Banking Group, financial information is regularly reported to the Bank's Executive Team for the purposes of performance assessment and resource allocation.

The Banking Group's business is organised into two major reportable and operating segments: Partnership Banking, and Corporate and Institutional Banking. Partnership Banking provides financial products and services to retail, small and medium businesses (including agribusiness) and private customers. Corporate and Institutional Banking provides financial products and services to large corporate and institutional customers (including property and agribusiness), and it also includes the Banking Group's market trading, market sales and market activities providing risk management services to customers.

Revenues and expenses directly associated with each operating segment are included in determining their result. Transactions between operating segments are based on agreed recharges between segments. Segment revenue represents revenue directly attributable to a segment and a portion of the Banking Group's revenue that can be allocated to a segment on a reasonable basis. Segment revenue includes Net interest income and Other income, and includes transfer pricing adjustments to reflect inter-segment funding arrangements. Segment expenses represent expenses directly attributable to a segment, such as directly attributable personnel cost.

Included within the 'Other' category in the following table are business activities that are not separately reportable segments, including corporate functions enabling units that support all businesses, e.g. treasury, technology and operations, data, digital and analytics; accounting differences between management and statutory financial reporting; and elimination entries on consolidation of the results of the Banking Group's controlled entities in the preparation of the consolidated financial statements of the Banking Group.

Dollars in Millions	Banking Group				Total Banking Group
	Partnership Banking	Corporate and Institutional Banking	Total Reportable Segments	Other	
Net interest income	1,122	339	1,461	64	1,525
Other income/(expense) ¹	80	164	244	(9)	235
Total operating income	1,202	503	1,705	55	1,760
Operating expenses	(137)	(35)	(172)	(881)	(1,053)
Total operating profit/(loss) before credit impairment charge and income tax expense	1,065	468	1,533	(826)	707
Credit impairment (charge)/write-back	(39)	45	6	(25)	(19)
Total operating profit/(loss) before income tax expense	1,026	513	1,539	(851)	688
Income tax (expense)/benefit on operating profit	(288)	(144)	(432)	238	(194)
Net profit/(loss) for the period	738	369	1,107	(613)	494
Lending assets	88,733	24,541	113,274	317	113,591
Deposit liabilities	72,476	16,449	88,925	953	89,878

¹ Other income/(expense) includes Gains less losses on financial instruments and Other operating income.

Notes to the Interim Financial Statements

Note 8 Segment Analysis *continued*

Dollars in Millions	Banking Group				Total Banking Group
	Partnership Banking	Corporate and Institutional Banking	Total Reportable Segments	Other	
	Audited 12 Months (30/9/25)				
Net interest income ¹	2,165	722	2,887	153	3,040
Other income/(expense) ^{1,2}	128	326	454	(10)	444
Total operating income	2,293	1,048	3,341	143	3,484
Operating expenses	(261)	(71)	(332)	(1,047)	(1,379)
Total operating profit/(loss) before credit impairment charge and income tax expense	2,032	977	3,009	(904)	2,105
Credit impairment (charge)/write-back	(99)	(85)	(184)	157	(27)
Total operating profit/(loss) before income tax expense	1,933	892	2,825	(747)	2,078
Income tax (expense)/benefit on operating profit	(542)	(250)	(792)	213	(579)
Net profit/(loss) for the period	1,391	642	2,033	(534)	1,499
Lending assets	86,068	24,668	110,736	291	111,027
Deposit liabilities	69,783	16,478	86,261	816	87,077
	Unaudited 6 Months (31/3/25)				
Net interest income ¹	1,048	363	1,411	84	1,495
Other income/(expense) ^{1,2}	65	167	232	20	252
Total operating income	1,113	530	1,643	104	1,747
Operating expenses	(126)	(34)	(160)	(512)	(672)
Total operating profit/(loss) before credit impairment charge and income tax expense	987	496	1,483	(408)	1,075
Credit impairment (charge)/write-back	(78)	(48)	(126)	154	28
Total operating profit/(loss) before income tax expense	909	448	1,357	(254)	1,103
Income tax (expense)/benefit on operating profit	(254)	(125)	(379)	71	(308)
Net profit/(loss) for the period	655	323	978	(183)	795
Lending assets	83,524	24,730	108,254	248	108,502
Deposit liabilities	68,402	15,952	84,354	1,056	85,410

¹ Comparative balances have been restated to align with the presentation used in the current period.

² Other income/(expense) includes Gains less losses on financial instruments and Other operating income.

Notes to the Interim Financial Statements

Note 9 Fair Value of Financial Instruments

For the purposes of this note, carrying amount refers to amounts reflected on the balance sheet.

Hierarchy for fair value measurements

The following tables present a three-level fair value hierarchy of the Banking Group's financial instruments.

The three levels in the hierarchy are based on the valuation methods and assumptions used in determining the fair values of financial instruments. The levels are as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Management uses its judgement in selecting an appropriate valuation technique for financial instruments which are not quoted in an active market.

The Banking Group considers transfers between levels of the fair value hierarchy, if any, to have occurred at the beginning of the respective reporting period. There were no transfers between any of the levels in the six months ended 31 March 2026 (year ended 30 September 2025: nil; six months ended 31 March 2025: nil).

Financial instruments at fair value

Dollars in Millions	Banking Group			
	Fair Value Total	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
	Unaudited (31/3/26)			
Financial assets				
Trading assets	12,107	3,850	8,257	-
Derivative financial instruments	4,845	-	4,845	-
Investments in debt instruments	3,021	2,146	875	-
Financial liabilities				
Trading liabilities	2,232	99	2,133	-
Deposits and other borrowings	7,597	-	7,597	-
Derivative financial instruments	3,265	-	3,265	-
Bonds and notes	5,427	-	5,427	-
	Audited (30/9/25)			
Financial assets				
Trading assets	8,927	3,213	5,714	-
Derivative financial instruments	3,742	-	3,742	-
Investments in debt instruments	2,555	1,744	811	-
Financial liabilities				
Trading liabilities	255	58	197	-
Deposits and other borrowings	3,565	-	3,565	-
Derivative financial instruments	2,258	-	2,258	-
Bonds and notes	4,801	-	4,801	-
	Unaudited (31/3/25)			
Financial assets				
Trading assets	11,650	3,281	8,369	-
Derivative financial instruments	3,193	-	3,193	-
Investments in debt instruments	1,190	693	497	-
Financial liabilities				
Trading liabilities	397	57	340	-
Deposits and other borrowings	2,181	-	2,181	-
Derivative financial instruments	2,345	-	2,345	-
Bonds and notes	6,359	-	6,359	-

Notes to the Interim Financial Statements

Note 9 Fair Value of Financial Instruments *continued*

Financial instruments at amortised cost¹

Dollars in Millions	Banking Group				
	Carrying Amount	Fair Value Total	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Unaudited (31/3/26)					
Financial assets					
Loans and advances to customers	113,591	113,102	-	2,252	110,850
Financial liabilities					
Deposits and other borrowings	89,878	89,879	-	89,879	-
Bonds and notes	15,142	15,251	-	15,251	-
Subordinated debt	1,439	1,446	-	1,446	-
Audited (30/9/25)					
Financial assets					
Loans and advances to customers	111,027	111,015	-	2,229	108,786
Financial liabilities					
Deposits and other borrowings	87,077	87,190	-	87,190	-
Bonds and notes	15,504	15,598	-	15,598	-
Subordinated debt	1,434	1,436	-	1,436	-
Unaudited (31/3/25)					
Financial assets					
Loans and advances to customers	108,502	108,324	-	2,392	105,932
Financial liabilities					
Deposits and other borrowings	85,410	85,481	-	85,481	-
Bonds and notes	13,521	13,579	-	13,579	-
Subordinated debt	1,440	1,441	-	1,441	-

¹ Fair values for financial assets and liabilities at amortised cost, where the carrying amount is not considered a close approximation of fair value.

The fair value estimates are based on the following methodologies and assumptions:

Trading assets and Trading liabilities

Trading assets include treasury bills, bank bills and bonds, promissory notes, government and other securities, reverse repurchase agreements, and other trading assets. Trading liabilities include short sales of securities, repurchase agreements, and other trading liabilities. The fair values are based on quoted closing market prices at the reporting date. Where quoted market prices are not available, the Banking Group obtains the fair value by means of discounted cash flows and other valuation techniques based on observable market prices. These techniques address factors such as interest rates, credit risk and liquidity.

Derivative financial instruments

The fair values of trading and hedging derivatives, including foreign exchange contracts, interest rate swaps, interest rate and currency option contracts, and currency swaps, are obtained from observable market prices as at the reporting date, discounted cash flow models or option pricing models as appropriate.

Investments in debt instruments

Investments in debt instruments include government and semi-government bonds. The fair values are based on quoted closing market prices at the reporting date. Where quoted market prices are not available, the Banking Group obtains the fair value by means of discounted cash flows and other valuation techniques based on observable market prices. These techniques address factors such as interest rates, credit risk and liquidity.

Loans and advances to customers

The carrying amount of loans and advances is net of allowance for ECL, capitalised brokerage costs, and unearned and deferred income and expenses. Floating rate loans to customers generally reprice within six months, therefore, their fair value is assumed to equate to their carrying amount. For fixed rate loans, the fair value is estimated by discounting the expected future cash flows based on the maturity of the loans and advances, using current market interest rates. The fair value of loans and advances reflects the movement in observable market interest rates since origination.

Deposits and other borrowings

With respect to customer deposits, the carrying amounts of non-interest-bearing, call and variable rate deposits and fixed rate deposits maturing within six months approximate their fair value. For other fixed rate term deposits, the fair value is estimated by discounting the cash flows based on the maturity of the deposit, using current market interest rates.

With respect to certificates of deposit and commercial paper, these liabilities are primarily short-term in nature. The carrying amounts have been determined using discounted cash flow models based on observable market prices.

Bonds and notes/Subordinated debt

The fair values of bonds, notes and subordinated debt are calculated based on a discounted cash flow model using a yield curve appropriate to the remaining maturity of the instruments. Where available, fair values are based on observable market prices as at the reporting date, otherwise alternative observable market data is used. The fair values include a calculation of the Banking Group's own credit risk based on observable market data.

Notes to the Interim Financial Statements

Note 10 Contingent Liabilities and Other Commitments

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Where loss is probable and can be reliably measured, provisions have been made. Contingent liabilities are not recognised on the balance sheet, but are disclosed unless the likelihood of payment is remote.

The Banking Group is exposed to contingent risks and liabilities arising from conduct of its business, including:

- actual and potential disputes, claims and legal proceedings;
- investigations into past conduct, including actual and potential regulatory breaches, carried out by regulatory authorities;
- internal investigations and reviews into past conduct, including actual and potential regulatory breaches, carried out by or on behalf of the Banking Group; and
- contracts that involve giving contingent commitments such as warranties, indemnities or guarantees.

The Banking Group has provided warranties, indemnities and other commitments in favour of third parties in connection with acquisitions and divestments of businesses, assets and other transactions. The Banking Group is potentially exposed to claims under those warranties, indemnities and commitments, some of which are currently active. The potential outcome and total costs associated with these exposures remain uncertain.

The Banking Group has received information requests from regulators as part of both industry and bank-specific reviews being undertaken, and the Banking Group has also initiated contact with regulators on compliance-related matters. The scope of reviews, inquiries and investigations can be wide-ranging and may relate to, or have related in recent years to, a range of matters, including anti-money laundering and countering financing of terrorism compliance issues. These matters can result in enforcement proceedings, fines and other financial penalties, as well as customer remediation programmes.

There are contingent liabilities in respect of all such matters. Such matters are often highly complex and uncertain. Where appropriate, provisions have been made. The aggregate potential liability of the Banking Group in relation to these matters cannot be accurately assessed.

Bank guarantees, letters of credit and credit related commitments arising in respect of the Banking Group's operations were:

Dollars in Millions	Banking Group		
	Unaudited 31/3/26	Audited 30/9/25	Unaudited 31/3/25
Bank guarantees and letters of credit			
Bank guarantees	524	517	503
Standby letters of credit	364	275	267
Documentary letters of credit	136	95	85
Performance related contingencies	834	894	1,421
Total bank guarantees and letters of credit	1,858	1,781	2,276
Credit related commitments			
Revocable commitments to extend credit	7,237	6,272	6,415
Irrevocable commitments to extend credit	17,121	16,634	15,177
Total credit related commitments	24,358	22,906	21,592
Total bank guarantees, letters of credit and credit related commitments	26,216	24,687	23,868

Registered Bank Disclosures

For the six months ended 31 March 2026

Disclosure Requirements for Registered Banks

The following disclosures are in accordance with the Order as required for the half year accounting period. References to Schedules 3, 5, 7, 11, 13, 16 and 18 are in relation to those in the Order.

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Registered Bank Disclosures

Schedule 3 Information to be Included in Disclosure Statement

Guarantees

Covered Bond Guarantee

Certain debt securities (“Covered Bonds”) issued by the Bank are guaranteed by CBG Trustee Company Limited, as trustee of the BNZ Covered Bond Trust (the “Covered Bond Guarantor”). The Covered Bond Guarantor has guaranteed the payment of all interest and principal under the Covered Bonds pursuant to a guarantee which is secured over a pool of assets. The amount of the guarantee is limited to the assets of the BNZ Covered Bond Trust. The Covered Bond Guarantor’s address for service is Level 16, SAP Tower, 151 Queen Street, Auckland 1010, New Zealand.

The Covered Bond Guarantor is not a member of the Banking Group and has no credit ratings applicable to any senior unsecured obligations payable in New Zealand dollars. The Covered Bonds have been assigned a long term credit rating of Aaa and AAA from Moody’s Investors Service Pty Limited and Fitch Australia Pty Limited, respectively. Refer to Schedule 5 *Additional Financial Disclosures* for further information. Further details about the above guarantee can be obtained by referring to the Bank’s Disclosure Statement for the year ended 30 September 2025 which is available at www.bnz.co.nz.

Other material obligations of the Bank are not guaranteed.

Changes in Registered Bank’s Board of Directors

There have been no changes in the composition of the Bank’s Board of Directors since 30 September 2025.

Responsible Persons

Mr. Warwick Ean Hunt, MNZM, FKC Independent Non-Executive Director, Chair, and Mr. Daniel James Huggins, Executive Director, have been authorised in writing to sign this Disclosure Statement in accordance with section 82 of the Banking (Prudential Supervision) Act 1989, on behalf of the other Directors, being:

Godfrey Lester Boyce
Barbara Joan Chapman
Emma Elaine Gray
Kevin John Kenrick
Linley Ann Wood

Auditor

The auditor whose report is referred to in this Disclosure Statement is Ernst & Young. Ernst & Young’s address for service is Level 9, EY Building, 2 Takutai Square, Britomart, Auckland 1010, New Zealand.

For information on assurance reports, refer to the Independent Auditor’s Review Report and Independent Assurance Report, respectively.

Conditions of Registration

Between 30 September 2025 and 31 March 2026, the RBNZ made the following changes to the Bank’s Conditions of Registration.

On 1 December 2025, the Bank’s Conditions of Registration were updated to implement the following changes to LVR restrictions:

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

Pending Proceedings or Arbitration

There are no pending proceedings or arbitrations concerning any member of the Banking Group whether in New Zealand or elsewhere, that may have a material adverse effect on the Registered Bank or the Banking Group.

Credit Rating

As at the date on which this Disclosure Statement is signed, the Bank has the following credit ratings applicable to its long term senior unsecured obligations payable in New Zealand, in New Zealand dollars.

Rating Agency	Current Credit Rating	Qualification
S&P Global Ratings Australia Pty Limited	AA-	Outlook Stable
Moody’s Investors Service Pty Limited	A1	Outlook Stable
Fitch Australia Pty Limited	A+	Outlook Stable

Other Material Matters

There are no other matters relating to the business or affairs of the Registered Bank or the Banking Group which would, if disclosed in this Disclosure Statement, materially affect the decision of a person to subscribe for debt securities of which the Registered Bank or any member of the Banking Group is the issuer.

Directors’ Statements

Refer to the Directors’ Statements for information in accordance with the Order.

Registered Bank Disclosures

Schedule 5 Additional Financial Disclosures

Additional information on statement of financial position

	Banking Group
	Unaudited
Dollars in Millions	31/3/26
Total interest earning and discount bearing assets	133,888
Total interest and discount bearing liabilities	108,381
Total amounts due from related entities	4,704
Total amounts due to related entities	2,641

Financial assets pledged as collateral for liabilities

The following table shows a breakdown of financial assets pledged as collateral for liabilities.

The table excludes collateral paid and received, as presented on the balance sheet, associated with derivative financial instruments. Derivative financial instruments are typically subject to ISDA Master Agreements, as well as relevant CSAs around collateral arrangements attached to those ISDA agreements, or derivative exchange or clearing counterparty agreements if contracts are settled via an exchange or clearing house.

	Banking Group
	Unaudited
Dollars in Millions	31/3/26
Securities sold under agreements to repurchase	1,590
RMBS sold under agreements to repurchase from central banks	286
Covered bonds	6,572
Total financial assets pledged as collateral for liabilities	8,448

Additional information on income statement

Net trading gains or losses and other fair value adjustments are disclosed in Note 2 *Gains Less Losses on Financial Instruments*. The Banking Group does not have any loans and advances to customers designated at fair value through profit or loss. All other operating income is disclosed in Note 3 *Other Operating Income*.

Registered Bank Disclosures

Schedule 5 Additional Financial Disclosures *continued*

Additional information on concentrations of credit risk

The table below presents the maximum exposure to credit risk of financial assets before taking into account any collateral held or other credit enhancements.

	Banking Group Unaudited 31/3/26
Dollars in Millions	
Maximum exposure to credit risk	
Cash and liquid assets ¹	5,614
Due from central banks and other institutions	1,137
Collateral paid	900
Trading assets	12,107
Derivative financial instruments	4,845
Investments in debt instruments	3,021
Gross loans and advances to customers	114,132
Other financial assets ²	433
Total on-balance sheet credit exposures	142,189
Off-balance sheet credit exposures ³	18,979
Total maximum exposure to credit risk	161,168

¹ Cash and liquid assets exclude coins, notes and cash at bank.

² Other financial assets include securities sold but not yet settled, accrued interest receivable and due from customers on acceptances.

³ Off-balance sheet credit exposures include bank guarantees, letters of credit and irrevocable commitments to extend credit.

The table below presents the Banking Group's concentrations of credit exposure by industry sector and geographical location. Except for derivative financial instruments, the majority of the overseas credit exposures relate to New Zealand based assets funded in New Zealand dollars for offshore customers. The concentrations of credit exposure by industry sector are based on ANZSIC codes. The concentrations of credit exposure by geographical location are based on the counterparty's tax residency.

	Banking Group Unaudited (31/3/26)		
	On-balance sheet	Off-balance sheet	Total exposure
Dollars in Millions			
Concentration by industry			
Agriculture	13,966	1,543	15,509
Forestry and fishing	1,015	287	1,302
Mining	179	84	263
Manufacturing	4,093	1,981	6,074
Electricity, gas and water	645	1,582	2,227
Construction	1,820	986	2,806
Wholesale and retail trade	5,058	1,580	6,638
Accommodation, restaurants, culture and recreation	1,958	450	2,408
Transport and storage	2,006	917	2,923
Communications	448	379	827
Financial, investment and insurance	21,651	1,902	23,553
Property, business and personal services	11,689	1,796	13,485
Government, education, health and community services	10,664	1,595	12,259
Real estate - mortgage	66,262	3,894	70,156
Personal lending	735	3	738
Total credit exposures by industry	142,189	18,979	161,168
Concentration by geography			
New Zealand	131,699	18,529	150,228
Overseas	10,490	450	10,940
Total credit exposures by geography	142,189	18,979	161,168

Registered Bank Disclosures

Schedule 5 Additional Financial Disclosures *continued*

Additional information on concentrations of funding

The Banking Group's funding is comprised of a mix of customer deposits and wholesale funding. The Banking Group manages this within risk appetite settings to ensure suitable funding of its asset base and to enable it to respond to changing market conditions and regulatory requirements.

The Banking Group's concentrations of funding are reported by industry sector and geographical location in the following table. The concentration of funding by industry sector is based on ANZSIC codes. The concentration of funding by geographical location is based on the principal market location of the funding programmes.

Dollars in Millions	Note	Banking Group Unaudited 31/3/26
Total funding comprised:		
Customer deposits	6	89,878
Wholesale funding		
Due to central banks and other institutions		1,691
Other borrowings	6	7,597
Bonds and notes		20,569
Subordinated debt		1,439
Total wholesale funding		31,296
Total funding		121,174
Concentrations by industry		
Customer deposits		
Agriculture, forestry and fishing		3,621
Mining		441
Manufacturing		2,528
Electricity, gas and water		769
Construction		1,723
Wholesale and retail trade		2,921
Accommodation, restaurants, culture and recreation		1,590
Transport and storage		1,284
Communications		368
Financial, investment and insurance		8,502
Property, business and personal services		14,640
Government, education, health and community services		4,594
Personal deposits		46,897
Total customer deposits by industry		89,878
Concentrations by geography		
Wholesale funding		
New Zealand		8,896
Overseas ¹		22,400
Total wholesale funding by geography		31,296
Total funding		121,174

¹This represents the wholesale funding programmes of BNZ-IF and the Bank from offshore markets.

Registered Bank Disclosures

Schedule 5 Additional Financial Disclosures *continued*

Additional information on interest rate sensitivity

The following table represents a breakdown of the balance sheet by repricing dates or contractual maturity, whichever is the earlier. As interest rates and yield curves change over time, the Banking Group may be exposed to a loss in earnings due to the characteristics of the assets and their corresponding liability funding. These mismatches are actively managed as part of the overall interest rate risk management process.

Dollars in Millions	Banking Group Unaudited (31/3/26)						
	Total	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
Assets							
Cash and liquid assets	5,974	5,406	-	-	-	-	568
Due from central banks and other institutions	1,137	1,136	1	-	-	-	-
Collateral paid	900	900	-	-	-	-	-
Trading assets	12,107	7,159	483	451	1,204	2,810	-
Derivative financial instruments	4,845	-	-	-	-	-	4,845
Investments in debt instruments	3,021	51	-	154	347	2,469	-
Loans and advances to customers	113,591	58,799	10,998	16,740	17,110	7,670	2,274
Other financial assets	433	-	-	-	-	-	433
Total financial assets	142,008	73,451	11,482	17,345	18,661	12,949	8,120
Liabilities							
Due to central banks and other institutions	1,691	1,398	136	41	24	41	51
Collateral received	1,613	1,613	-	-	-	-	-
Trading liabilities	2,232	2,022	16	5	-	189	-
Deposits and other borrowings	97,475	54,371	14,948	7,710	1,883	1,976	16,587
Derivative financial instruments	3,265	-	-	-	-	-	3,265
Other financial liabilities	1,418	-	-	-	-	-	1,418
Bonds and notes	20,569	2,540	-	1,289	3,634	13,106	-
Subordinated debt	1,439	550	-	-	-	889	-
Total financial liabilities	129,702	62,494	15,100	9,045	5,541	16,201	21,321
On-balance sheet sensitivity gap	12,306	10,957	(3,618)	8,300	13,120	(3,252)	(13,201)
Derivative financial instruments							
Net hedging derivative notional	-	(3,526)	4,326	(6,979)	(7,547)	13,726	-
Interest sensitivity gap - net	12,306	7,431	708	1,321	5,573	10,474	(13,201)

Registered Bank Disclosures

Additional information on liquidity risk

Maturity analysis of financial liabilities

The following table presents the Banking Group's cash flows by remaining contractual maturities for financial liabilities and derivative financial liabilities as at the reporting date.

The gross cash flows disclosed hereafter are the contractual undiscounted cash flows and include both principal and associated future interest payments and therefore will not agree to the carrying values on the balance sheet. Actual cash flows can differ significantly from contractual cash flows as a result of future actions of the Banking Group and its counterparties. Off-balance sheet exposures are excluded from the table below as contractual cash flows, if any, are contingent in nature. Irrevocable commitments to extend credit can be drawn down at any time before the commitments expire. Details of off-balance sheet exposures are included in Note 10 *Contingent Liabilities and Other Commitments*. Other financial liabilities only include balances which have contractual future cash flows.

Dollars in Millions	Banking Group Unaudited (31/3/26)					Total (Inflow)/ Outflow
	On Demand	3 Months or less	3 to 12 Months	1 to 5 Years	Over 5 Years	
Liabilities						
Due to central banks and other institutions	1,082	366	179	71	-	1,698
Collateral received	-	1,613	-	-	-	1,613
Trading liabilities	-	2,023	26	29	230	2,308
Deposits and other borrowings	49,966	21,436	23,216	3,949	314	98,881
Other financial liabilities	-	560	229	174	14	977
Lease Liabilities	-	14	40	182	464	700
Bonds and notes	-	767	3,326	17,811	628	22,532
Subordinated debt	-	5	57	286	1,630	1,978
Total	51,048	26,784	27,073	22,502	3,280	130,687
Derivative financial liabilities¹						
Derivative financial liabilities (inflow)	-	(43,398)	(14,287)	(32,447)	(5,382)	(95,514)
Derivative financial liabilities outflow	-	47,138	16,192	38,622	8,165	110,117

¹ Derivative financial liabilities include hedging and trading derivative cash flows.

Liquidity portfolio management

The table below shows net financial assets held by the Banking Group for the purpose of managing liquidity risk.

Dollars in Millions	Banking Group
	Unaudited 31/3/26
Cash and balances immediately convertible to cash ¹	6,992
Securities purchased under agreements to resell	2,098
Government bonds, notes and securities	6,011
Semi-government bonds, notes and securities	3,317
Corporate and other institutions bonds, notes and securities	1,470
Total liquidity portfolio	19,888

¹ As at 31 March 2026, included within Cash and balances immediately convertible to cash is \$1,018 million due from other institutions.

As at 31 March 2026, the Banking Group also held RMBS of \$15,000 million of which \$14,160 million is eligible to be sold to the RBNZ under agreements to repurchase. The amount of \$14,160 million is subject to a 19% reduction in value in accordance with RBNZ's Operating Rules and Guidelines. These RMBS are secured by housing loans and other assets.

In accordance with the RBNZ's Liquidity Policy (BS13/BS13A) ("BS13"), there is a limit on the amount of RMBS that can be considered as qualifying liquid assets eligible to be sold to the RBNZ under agreements to repurchase, with a maximum allowance of 5% of the Banking Group's total assets, giving a net balance of \$6,922 million.

Additional RBNZ facilities

On 26 May 2020, the RBNZ made available a TLF to offer loans for a fixed term of three years at the rate of the OCR. On 20 August 2020, the RBNZ announced it would extend the term to five years. The TLF has been closed for drawdowns since 29 July 2021. As at 31 March 2026, the Banking Group had repurchase agreements with the RBNZ with a value of \$240 million under the TLF.

Reconciliation of mortgage-related amounts

Dollars in Millions	Note	Banking Group
		Exposures at Default Unaudited 31/3/26
Loans and advances to customers - housing loans	4	66,203
Add: Partial write offs excluded under the IRB approach		1
Add: Off-balance sheet residential mortgages subject to the IRB approach		3,695
Total housing loan exposures secured by residential mortgages subject to the IRB approach		69,899

Registered Bank Disclosures

Schedule 7 Asset Quality

Movement in allowance for expected credit losses

The following table is broken down between Residential mortgage lending, Other retail exposures and Corporate exposures. The table provides a reconciliation from the opening balance to the closing balance of allowance for ECL and shows the movement in opening balance where loans and advances have transferred between ECL stages and subsequent remeasurement of the allowance for ECL during the period.

Dollars in Millions	Banking Group				Total
	Unaudited (31/3/26)			Individually assessed allowance Stage 3	
	Collectively assessed allowance				
	Stage 1	Stage 2	Stage 3	Stage 3	
Movement in Allowance for ECL					
Residential mortgage lending					
Balance at beginning of period	68	30	53	13	164
Changes to the opening balance due to transfer between ECL stages:					
Transferred to 12-months ECL - collectively assessed allowance	10	(5)	(5)	-	-
Transferred to Lifetime ECL not credit impaired - collectively assessed allowance	(1)	6	(5)	-	-
Transferred to Lifetime ECL credit impaired - collectively assessed allowance	-	(7)	7	-	-
Transferred to Lifetime ECL credit impaired - individually assessed allowance	-	-	(3)	3	-
Charge/(credit) to income statement due to new and increased provisions (net of releases) ¹	(9)	12	3	1	7
Amounts written off	-	-	-	(4)	(4)
Recovery of amounts written off	-	-	-	-	-
Balance at end of period - Residential mortgage lending	68	36	50	13	167
Other retail exposures					
Balance at beginning of period	19	14	5	4	42
Changes to the opening balance due to transfer between ECL stages:					
Transferred to 12-months ECL - collectively assessed allowance	6	(5)	(1)	-	-
Transferred to Lifetime ECL not credit impaired - collectively assessed allowance	(3)	3	-	-	-
Transferred to Lifetime ECL credit impaired - collectively assessed allowance	-	(1)	1	-	-
Transferred to Lifetime ECL credit impaired - individually assessed allowance	-	-	(1)	1	-
Charge/(credit) to income statement due to new and increased provisions (net of releases) ¹	(4)	7	2	9	14
Amounts written off	-	-	-	(10)	(10)
Recovery of amounts written off	-	-	-	2	2
Balance at end of period - Other retail exposures	18	18	6	6	48
Corporate exposures					
Balance at beginning of period	65	501	41	185	792
Changes to the opening balance due to transfer between ECL stages:					
Transferred to 12-months ECL - collectively assessed allowance	43	(41)	(2)	-	-
Transferred to Lifetime ECL not credit impaired - collectively assessed allowance	(11)	15	(4)	-	-
Transferred to Lifetime ECL credit impaired - collectively assessed allowance	-	(4)	4	-	-
Transferred to Lifetime ECL credit impaired - individually assessed allowance	-	(8)	(1)	9	-
Charge/(credit) to income statement due to new and increased provisions (net of releases) ¹	(49)	26	4	17	(2)
Amounts written off	-	-	-	(9)	(9)
Recovery of amounts written off	-	-	-	-	-
Discount unwind ²	-	-	-	(1)	(1)
Balance at end of period - Corporate exposures	48	489	42	201	780
Total					
Balance at beginning of period	152	545	99	202	998
Changes to the opening balance due to transfer between ECL stages:					
Transferred to 12-months ECL - collectively assessed allowance	59	(51)	(8)	-	-
Transferred to Lifetime ECL not credit impaired - collectively assessed allowance	(15)	24	(9)	-	-
Transferred to Lifetime ECL credit impaired - collectively assessed allowance	-	(12)	12	-	-
Transferred to Lifetime ECL credit impaired - individually assessed allowance	-	(8)	(5)	13	-
Charge/(credit) to income statement due to new and increased provisions (net of releases) ¹	(62)	45	9	27	19
Amounts written off	-	-	-	(23)	(23)
Recovery of amounts written off	-	-	-	2	2
Discount unwind ²	-	-	-	(1)	(1)
Total balance at end of period	134	543	98	220	995

¹ Recognised as credit impairment charge/(write-back) in the income statement.

² The impairment loss on an impaired asset is calculated as the difference between the asset's carrying amount and the estimated future cash flows discounted to its present value using the original effective interest rate for the asset. This discount unwinds through interest income over the period the asset is held.

Registered Bank Disclosures

Schedule 7 Asset Quality *continued*

Movement in gross loans and advances to customers

The following table summarises the changes in the gross carrying amounts of loans and advances to customers at amortised cost and the changes in the Banking Group's allowance for ECL. Refer to Note 5 *Allowance for Expected Credit Losses* for further information.

Dollars in Millions	Banking Group Unaudited (31/3/26)				Total
	Collectively assessed allowance			Individually assessed allowance	
	Stage 1	Stage 2	Stage 3	Stage 3	
Movement in gross loans and advances to customers					
Residential mortgage lending					
Gross carrying amount at beginning of period	60,886	2,455	526	77	63,944
Transfers					
Transferred to collectively assessed 12-months ECL	618	(558)	(60)	-	-
Transferred to collectively assessed lifetime ECL not credit impaired	(1,957)	2,041	(71)	(13)	-
Transferred to collectively assessed lifetime ECL credit impaired	(141)	(135)	284	(8)	-
Transferred to individually assessed lifetime ECL credit impaired	(3)	(14)	(31)	48	-
Net further lending/(repayment)	(1,605)	(16)	(15)	(5)	(1,641)
Additions	9,486	-	-	-	9,486
Deletions	(5,144)	(303)	(101)	(34)	(5,582)
Amounts written off	-	-	-	(4)	(4)
Total gross carrying amount at end of period	62,140	3,470	532	61	66,203
Allowance for ECL	(68)	(36)	(50)	(13)	(167)
Total net carrying amount at end of period - Residential mortgage lending	62,072	3,434	482	48	66,036
Other retail exposures					
Gross carrying amount at beginning of period	1,717	224	24	5	1,970
Transfers					
Transferred to collectively assessed 12-months ECL	86	(86)	-	-	-
Transferred to collectively assessed lifetime ECL not credit impaired	(172)	173	(1)	-	-
Transferred to collectively assessed lifetime ECL credit impaired	(11)	(11)	22	-	-
Transferred to individually assessed lifetime ECL credit impaired	-	(2)	(3)	5	-
Net further lending/(repayment)	(95)	(26)	-	9	(112)
Additions	343	-	-	-	343
Deletions	(194)	(29)	(12)	(2)	(237)
Amounts written off	-	-	-	(10)	(10)
Total gross carrying amount at end of period	1,674	243	30	7	1,954
Allowance for ECL	(18)	(18)	(6)	(6)	(48)
Total net carrying amount at end of period - Other retail exposures	1,656	225	24	1	1,906
Corporate exposures					
Gross carrying amount at beginning of period	21,853	23,211	285	370	45,719
Transfers					
Transferred to collectively assessed 12-months ECL	2,554	(2,536)	(18)	-	-
Transferred to collectively assessed lifetime ECL not credit impaired	(7,467)	7,486	(13)	(6)	-
Transferred to collectively assessed lifetime ECL credit impaired	(85)	(83)	171	(3)	-
Transferred to individually assessed lifetime ECL credit impaired	(84)	(35)	(8)	127	-
Net further lending/(repayment)	(71)	(274)	(16)	(23)	(384)
Additions	9,693	-	-	-	9,693
Deletions	(4,598)	(4,309)	(113)	(24)	(9,044)
Amounts written off	-	-	-	(9)	(9)
Total gross carrying amount at end of period	21,795	23,460	288	432	45,975
Allowance for ECL	(48)	(489)	(42)	(201)	(780)
Total net carrying amount at end of period - Corporate exposures	21,747	22,971	246	231	45,195
Total					
Gross carrying amount at beginning of period	84,456	25,890	835	452	111,633
Transfers					
Transferred to collectively assessed 12-months ECL	3,258	(3,180)	(78)	-	-
Transferred to collectively assessed lifetime ECL not credit impaired	(9,596)	9,700	(85)	(19)	-
Transferred to collectively assessed lifetime ECL credit impaired	(237)	(229)	477	(11)	-
Transferred to individually assessed lifetime ECL credit impaired	(87)	(51)	(42)	180	-
Net further lending/(repayment)	(1,771)	(316)	(31)	(19)	(2,137)
Additions	19,522	-	-	-	19,522
Deletions	(9,936)	(4,641)	(226)	(60)	(14,863)
Amounts written off	-	-	-	(23)	(23)
Total gross carrying amount at end of period	85,609	27,173	850	500	114,132
Allowance for ECL	(134)	(543)	(98)	(220)	(995)
Total net carrying amount at end of period	85,475	26,630	752	280	113,137

Registered Bank Disclosures

Schedule 7 Asset Quality *continued*

Impact of changes in gross carrying amount on ECL

Residential mortgage lending

Residential mortgage lending gross carrying amount increased by \$2,259 million in the six months ended 31 March 2026, with associated ECL increasing by \$3 million. The movement in ECL reflects an increase in collectively assessed ECL due to portfolio growth, partially offset by improvement in customer quality.

Other retail exposures

Other retail exposures gross carrying amount decreased by \$16 million in the six months ended 31 March 2026, with associated ECL increasing by \$6 million. The movement in ECL reflects an increase in both collectively assessed and individually assessed ECL, reflecting a decline in customer asset quality.

Corporate exposures

Corporate exposures gross carrying amount increased by \$256 million in the six months ended 31 March 2026, with associated ECL decreasing by \$12 million. The movement in ECL is mainly due to a reduction in collectively assessed allowance of \$28 million, partially offset by a \$16 million increase in the individually assessed allowance. The increase in the individually assessed allowance is mainly attributed to customers in the agribusiness, construction, and manufacturing sectors. The decrease in the collectively assessed allowance is due to improved baseline conditions.

Asset quality for financial assets designated at fair value

As at 31 March 2026 the Banking Group does not have any loans and advances to customers designated at fair value through profit or loss.

Past due assets

Dollars in Millions	Banking Group Unaudited (31/3/26)			Total
	Residential Mortgage Lending	Other Retail Exposures	Corporate Exposures	
Past due assets not individually impaired				
Loans and advances to customers				
1 - 7 days past due	316	23	100	439
8 - 29 days past due	199	15	82	296
1 - 29 days past due	515	38	182	735
30 - 59 days past due	130	11	47	188
60 - 89 days past due	67	4	7	78
90+ days past due	167	14	147	328
Total past due assets not individually impaired	879	67	383	1,329

Other asset quality information

Dollars in Millions	Banking Group Unaudited (31/3/26)			Total
	Residential Mortgage Lending	Other Retail Exposures	Corporate Exposures	
Individually impaired assets - undrawn lending commitments	-	-	4	4
Other assets under administration	5	1	6	12

Registered Bank Disclosures

Schedule 11 Capital Adequacy Under the Internal Models Based Approach, and Regulatory Liquidity Ratios

Capital

The following table shows the qualifying capital for the Banking Group.

	Banking Group
	Unaudited
	31/3/26
Dollars in Millions	
Qualifying capital	
Common Equity Tier 1 capital	
Contributed equity - ordinary shares	10,956
Retained profits	1,833
Accumulated other comprehensive income and other disclosed reserves	70
Deductions from Common Equity Tier 1 capital:	
Goodwill and other intangible assets	(390)
Cash flow hedge reserve	(78)
Credit value adjustment on liabilities designated at fair value through profit or loss	22
Prepaid pension assets (net of deferred tax)	(6)
Deferred tax asset	(463)
Total expected loss less total eligible allowances for impairment	(39)
Total Common Equity Tier 1 capital	11,905
Additional Tier 1 capital	
Contributed equity - perpetual preference shares	825
Total Additional Tier 1 capital	825
Total Tier 1 capital	12,730
Tier 2 capital	
Revaluation reserves	3
Subordinated Notes due to related entity	550
Subordinated Notes due to external investors	876
Total eligible impairment allowance in excess of expected loss	237
Total Tier 2 capital	1,666
Total Tier 1 and Tier 2 qualifying capital	14,396

Capital structure

Ordinary shares

The ordinary shares do not have a par value. All ordinary shares have equal voting rights and share equally in dividends and any distribution of the surplus assets of the Bank in the event of liquidation.

Perpetual preference shares

The PPS do not create any direct or indirect contractual obligation to deliver cash or another financial instrument to holders, and as such are classified as equity instruments.

Distributions on the PPS are payable at the discretion of the Bank, are subject to conditions, and are non-cumulative. If a distribution on the PPS is not paid, there are certain restrictions on the ability of the Bank to pay a dividend on its ordinary shares.

The PPS confer no rights on a holder of a class of PPS to:

- vote at any general meeting of the Bank or participate in any other decision or resolution of the Bank's ordinary shareholders;
- participate in the issue of any other securities in the Bank or to participate in any bonus issues of securities of the Bank; or
- participate in the profits or property of the Bank, except by receiving payments on the PPS.

In a liquidation of the Bank, the PPS will rank behind the claims of depositors and other general and subordinated creditors of the Bank (except for holders of equal ranking preference shares, securities and other obligations of the Bank) but ahead of the rights of holders of the Bank's ordinary shares.

The Bank has issued two classes of PPS with an issue price of \$1.00 that are quoted on the NZX Debt Market ("Quoted PPS") on 14 June 2023 ("PPS 1") and 21 August 2024 ("PPS 2").

Registered Bank Disclosures

Schedule 11 Capital Adequacy Under the Internal Models Based Approach, and Regulatory Liquidity Ratios

continued

The key terms of the Quoted PPS are as follows:

	PPS 1	PPS 2
Issue date	14 June 2023	21 August 2024
Issue amount	\$375 million	\$450 million
First optional redemption date	14 June 2029	21 August 2030
Distribution rate	7.30% per annum until 14 June 2029, after which it will be a floating rate which will be reset quarterly to be equal to the sum of the applicable 3 month bank bill rate plus 3.00%, with PPS distributions scheduled to be paid on 14 March, 14 June, 14 September and 14 December each year.	7.28% per annum until 21 August 2030, after which it will be a floating rate which will be reset quarterly to be equal to the sum of the applicable 3 month bank bill rate plus 3.50%, with PPS distributions scheduled to be paid on 21 February, 21 May, 21 August and 21 November each year.

The PPS have no fixed maturity date and will remain on issue indefinitely if not redeemed by the Bank. The Bank may redeem a class of the PPS on the relevant optional redemption date (being each scheduled distribution payment date from the first optional redemption date) or at any time if a tax event or regulatory event occurs. Redemption is subject to certain conditions being met, including obtaining the RBNZ's approval. Holders of PPS have no right to require that the PPS be redeemed.

Subordinated debt

The Bank has issued NZD 550 million subordinated unsecured notes to National Australia Bank Limited ("2031-Subordinated Notes") and USD 500 million subordinated unsecured notes to external investors ("2035-Subordinated Notes" and, together with the 2031-Subordinated Notes, "Subordinated Notes"). The Subordinated Notes are included in Tier 2 capital of the Banking Group and the Registered Bank.

Payments of interest, principal or any other amounts on the Subordinated Notes at any time prior to the applicable maturity date or the liquidation of the Bank are conditional on the Bank being solvent (by satisfying the solvency test in section 4 of the Companies Act 1993) on the relevant payment date and remaining solvent immediately after making the payment. If the Bank does not pay an amount on the Subordinated Notes because it has not satisfied the solvency test, the Bank must pay that amount on the first date on which it is able to make the payment and satisfy the solvency test. Interest will accrue daily (at the interest rate then applicable to the Subordinated Notes) on any interest that is not paid when scheduled as a result of the Bank not satisfying the solvency test on the relevant payment date.

Subject to certain conditions, including the approval of the RBNZ, the Bank has the option to redeem all or some of the 2031-Subordinated Notes and/or the 2035-Subordinated Notes on the relevant optional redemption date. In addition, subject to certain conditions, including the approval of the RBNZ, the Bank may redeem at any time all (but not some only) of the 2031-Subordinated Notes and/or all or some of the 2035-Subordinated Notes if a regulatory or tax event occurs.

The Subordinated Notes do not confer any right to vote in general meetings of the Bank or National Australia Bank Limited.

In a liquidation of the Bank, the claims of holders of the Subordinated Notes will rank:

- ahead of claims of holders of ordinary shares in the Bank and other subordinated securities that rank below the Subordinated Notes (such as the PPS issued to external investors);
- equally with claims of other holders of the Subordinated Notes and holders of other subordinated securities that rank equally with the Subordinated Notes; and
- behind all other claims (such as those of the Bank's secured creditors, depositors and holders of unsecured unsubordinated bonds issued by the Bank from time to time).

The key terms of the Subordinated Notes are as follows:

	2031-Subordinated Notes	2035-Subordinated Notes
Issue date	25 June 2021	28 January 2025
Issue amount	NZD 550 million	USD 500 million
Maturity date	25 June 2031	28 January 2035
Optional redemption	On any interest payment date on or after 25 June 2026 for face value together with accrued interest (if any).	On 28 January 2030 for face value together with accrued interest (if any) to (but excluding) 28 January 2030.
Interest	Reset every three months based on the prevailing three-month bank bill rate plus a margin of 1.36% per annum for the term. Interest is payable quarterly in arrear.	Fixed at 5.698% per annum up to (but excluding) 28 January 2030 ("Reset Date"). The interest rate from the Reset Date onwards will be fixed at the 5-year U.S. Treasury Rate on the second business day immediately preceding the Reset Date plus a margin of 1.300% per annum. Interest is payable semi-annually in arrear.

Reserves

Accumulated other comprehensive income and other disclosed reserves in Tier 1 capital includes the cost of hedging reserve of \$(25) million which captures changes in the fair value of hedging instruments due to currency basis and the FVTOCI reserve of \$17 million which captures changes in the fair value of investments in debt instruments and investments in equity instruments that are measured at FVTOCI.

The asset revaluation reserve of \$3 million included in Tier 2 capital relates to increments and any subsequent decrements arising from the revaluation of property, plant and equipment.

Registered Bank Disclosures

Schedule 11 Capital Adequacy Under the Internal Models Based Approach, and Regulatory Liquidity Ratios

continued

The risk-weighted asset amounts calculated using the IRB approach, presented in the following tables, include a scalar of 1.2 as required by the RBNZ in accordance with the Bank's Conditions of Registration, which is not in the risk weight percentages shown.

Credit risk subject to the IRB approach

The following tables analyse credit risk exposures by asset class split into PD bandings. The lower the PD banding the less the probability of default over the next 12 months.

Dollars in Millions	Banking Group				
	Unaudited (31/3/26)				
	Weighted Average PD (%)	Exposure at Default ¹	Exposure-Weighted LGD used for the Capital Calculation (%)	Exposure-Weighted Risk Weight (%)	Risk-Weighted Assets
Corporate					
Exposure-weighted PD grade >0 ≤ 0.1%	0.04	4,374	42	14	723
Exposure-weighted PD grade >0.1 ≤ 0.5%	0.33	16,893	31	34	6,848
Exposure-weighted PD grade >0.5 ≤ 1.5%	0.93	16,387	33	56	11,088
Exposure-weighted PD grade >1.5 ≤ 5.0%	2.43	6,673	36	79	6,332
Exposure-weighted PD grade >5.0 ≤ 99.99%	9.25	963	36	127	1,471
Default PD grade = 100%	100.00	720	44	200	1,726
Total corporate exposures	2.57	46,010	34	51	28,188
Residential mortgage					
Exposure-weighted PD grade >0 ≤ 0.1%	0.06	626	13	2	16
Exposure-weighted PD grade >0.1 ≤ 0.5%	0.31	30,934	18	11	3,958
Exposure-weighted PD grade >0.5 ≤ 1.5%	0.91	28,908	22	29	9,981
Exposure-weighted PD grade >1.5 ≤ 5.0%	2.36	6,956	25	58	4,819
Exposure-weighted PD grade >5.0 ≤ 99.99%	14.05	1,874	22	113	2,542
Default PD grade = 100%	100.00	601	23	172	1,242
Total residential mortgage exposures	1.98	69,899	20	27	22,558
Other retail²					
Exposure-weighted PD grade >0 ≤ 0.1%	0.05	679	87	12	98
Exposure-weighted PD grade >0.1 ≤ 0.5%	0.24	407	86	38	185
Exposure-weighted PD grade >0.5 ≤ 1.5%	0.91	173	86	82	170
Exposure-weighted PD grade >1.5 ≤ 5.0%	2.67	121	84	113	165
Exposure-weighted PD grade >5.0 ≤ 99.99%	11.09	46	76	132	73
Default PD grade = 100%	100.00	7	74	592	48
Total other retail exposures	1.25	1,433	86	43	739
Retail small to medium enterprises					
Exposure-weighted PD grade >0 ≤ 0.1%	-	-	-	-	-
Exposure-weighted PD grade >0.1 ≤ 0.5%	0.31	355	30	16	68
Exposure-weighted PD grade >0.5 ≤ 1.5%	0.99	404	36	36	174
Exposure-weighted PD grade >1.5 ≤ 5.0%	2.75	441	39	53	282
Exposure-weighted PD grade >5.0 ≤ 99.99%	9.18	83	42	69	68
Default PD grade = 100%	100.00	30	43	248	90
Total retail SME exposures	4.20	1,313	36	43	682
Total³					
Exposure-weighted PD grade >0 ≤ 0.1%	0.04	5,679	44	12	837
Exposure-weighted PD grade >0.1 ≤ 0.5%	0.31	48,589	23	19	11,059
Exposure-weighted PD grade >0.5 ≤ 1.5%	0.92	45,872	26	39	21,413
Exposure-weighted PD grade >1.5 ≤ 5.0%	2.41	14,191	31	68	11,598
Exposure-weighted PD grade >5.0 ≤ 99.99%	12.31	2,966	28	117	4,154
Default PD grade = 100%	100.00	1,358	35	191	3,106
Total exposures	2.23	118,655	26	37	52,167

¹ Exposure at default is pre-credit risk mitigation.

² Other retail includes credit cards, current accounts and personal overdrafts.

³ The CVA and adjustment for RWA floor have not been included in the above exposures.

Registered Bank Disclosures

Schedule 11 Capital Adequacy Under the Internal Models Based Approach, and Regulatory Liquidity Ratios

continued

The following table analyses the value and exposure at default of on-balance sheet exposures, off-balance sheet exposures and market related contracts under the IRB approach by asset class.

Dollars in Millions	Banking Group Unaudited (31/3/26)		
	Total Exposure	Exposure at Default ¹	Risk-Weighted Assets
On-balance sheet exposures			
Corporate	39,417	39,417	24,343
Residential mortgage	66,204	66,204	21,818
Other retail	723	723	499
Retail small to medium enterprises	1,230	1,230	644
Total on-balance sheet exposures	107,574	107,574	47,304
Off-balance sheet exposures			
Corporate	16,134	5,095	2,816
Residential mortgage	4,460	3,695	740
Other retail	2,172	710	240
Retail small to medium enterprises	498	83	38
Total off-balance sheet exposures	23,264	9,583	3,834
Derivatives and securities financing transactions²			
Corporate	1,498	1,498	1,029
Total derivatives and securities financing transactions	1,498	1,498	1,029
Summary³			
Corporate		46,010	28,188
Residential mortgage		69,899	22,558
Other retail		1,433	739
Retail small to medium enterprises		1,313	682
Total credit risk exposures subject to the IRB approach		118,655	52,167

¹ Exposure at default is pre-credit risk mitigation.

² Total exposure for derivatives and securities financing transactions represents exposure at default pre-credit risk mitigation.

³ The CVA and adjustment for RWA floor have not been included in the above exposures.

Additional mortgage information

The table below sets out residential mortgages wholly or partly secured by mortgages over residential properties as used to calculate the Banking Group's Pillar One capital requirement.

The LVR is calculated as the greater of the customer's current home loan limit or balance, divided by the Banking Group's valuation of the security at the last credit event for the customer. Where no LVR is available, the exposure is included in the over 90% category.

Dollars in Millions	Banking Group Unaudited (31/3/26)		
	On-balance Sheet Exposures at Default	Off-balance Sheet Exposures at Default ⁴	Total Exposures at Default
LVR Range			
0-59%	27,447	1,558	29,005
60-69%	13,981	684	14,665
70-79%	20,315	1,075	21,390
80-89%	2,694	37	2,731
Over 90%	1,767	341	2,108
Total exposures at default secured by residential mortgages	66,204	3,695	69,899

⁴ Off-balance sheet items include unutilised limits and loans approved, but not yet drawn.

Registered Bank Disclosures

Schedule 11 Capital Adequacy Under the Internal Models Based Approach, and Regulatory Liquidity Ratios

continued

Specialised lending subject to the slotting approach

The tables below show specialised lending exposures for which the supervisory slotting approach has been used and includes Project Finance, Object Finance, Commodity Finance and Income Producing Real Estate exposures.

Dollars in Millions	Banking Group Unaudited (31/3/26)		
	Total Exposure at Default after Credit Risk Mitigation	Risk Weight (%)	Risk-Weighted Assets
On-balance sheet exposures subject to the slotting approach			
Strong	3,690	70	3,099
Good	2,978	90	3,216
Satisfactory	503	115	695
Weak	116	250	347
Default	22	-	-
Total on-balance sheet exposures subject to the slotting approach	7,309	84	7,357

The categories of specialised lending above are associated with the risk weight shown. These categories broadly correspond to external credit assessments from S&P Global Ratings Australia Pty Limited rating scale: BBB- or better (Strong); BB+ or BB (Good); BB- or B+ (Satisfactory); B to C- (Weak).

Dollars in Millions	Banking Group Unaudited (31/3/26)			
	Total Exposure	Exposure at Default	Average Risk Weight (%)	Risk-Weighted Assets
Off-balance sheet exposures subject to the slotting approach				
Off-balance sheet exposures	10	11	86	11
Undrawn commitments	1,366	430	86	442
Market related contracts	1,912	22	75	20
Total off-balance sheet exposures subject to the slotting approach	3,288	463	85	473
Total exposures subject to the slotting approach		7,772	84	7,830

Registered Bank Disclosures

Schedule 11 Capital Adequacy Under the Internal Models Based Approach, and Regulatory Liquidity Ratios

continued

Credit risk exposures subject to the standardised approach

The tables below show credit risk exposures in respect of the Banking Group, for which the standardised approach has been used.

Dollars in Millions	Banking Group Unaudited (31/3/26)		
	Total Exposure at Default after Credit Risk Mitigation	Risk Weight or Average Risk Weight (%)	Risk-Weighted Assets
On-balance sheet exposures subject to the standardised approach by separate risk weight			
Cash and gold bullion	360	0	-
Sovereigns and central banks	11,976	0	-
	-	20	-
	-	50	-
	-	100	-
	-	150	-
Multilateral development banks and other international organisations	1,400	0	-
	-	20	-
	-	50	-
	-	100	-
	-	150	-
Public sector entities	1,660	20	332
	-	50	-
	-	100	-
	-	150	-
Banks	1,648	20	330
	800	50	400
	-	100	-
	-	150	-
Other on-balance sheet exposures subject to the standardised approach by average risk weight			
Corporate	4	40	2
Residential mortgage	-	0	-
Past due assets	-	0	-
Other assets ¹	1,509	91	1,372
Total on-balance sheet exposures subject to the standardised approach	19,357	13	2,436

¹ Other assets relate to all other assets (including interest receivable and accounts receivable) that are not included in the other categories in the table.

Dollars in Millions	Banking Group Unaudited (31/3/26)				
	Total Exposure or Principal Amount	Average Credit Conversion Factor (%)	Credit Equivalent Amount	Average Risk Weight (%)	Risk-Weighted Assets
Off-balance sheet exposures subject to the standardised approach					
Total off-balance sheet exposures subject to the standardised approach	601	100	601	27	162
Memo item: Undrawn commitment to the Business Growth Fund	-	-	-	-	-

Dollars in Millions	Banking Group Unaudited (31/3/26)			
	Total Exposure or Principal Amount	Credit Equivalent Amount	Average Risk Weight (%)	Risk-Weighted Assets
Counterparty credit risk for counterparties subject to the standardised approach				
Foreign exchange contracts ²	2,578	1,473	16	235
Interest rate contracts ²	697	186	17	32
Other	15	10	20	2
Total counterparty credit risk for counterparties subject to the standardised approach	3,290	1,669	16	269

² The total exposure reflects the exposure at default pre-credit risk mitigation. The credit equivalent amount reflects the exposure at default after credit risk mitigation.

Registered Bank Disclosures

Schedule 11 Capital Adequacy Under the Internal Models Based Approach, and Regulatory Liquidity Ratios

continued

Other counterparty credit risk exposures

Dollars in Millions	Banking Group Unaudited (31/3/26)		
	Total Exposure or Collateral Amount	Average Risk Weight (%)	Risk- Weighted Assets
Exposures arising from trades settled on QCCP			
Bank as QCCP clearing member, clearing own trades	441	2	9
Collateral posted for clearing own trades	394	38	151
Bank as client of QCCP member, clearing trades through that member	-	-	-
Collateral posted for clearing via member bank	-	-	-
Total exposures arising from trades settled on QCCP	835	19	160
Total exposures subject to the standardised approach	22,462	13	3,027

Credit risk mitigation

Dollars in Millions	Banking Group Unaudited (31/3/26)				
	Bank	Sovereign	Corporate (Including Specialised Lending)	Residential Mortgage	Other
For portfolios subject to the standardised approach:					
Total value of exposures covered by eligible financial collateral (after haircutting)	4,578	3,399	-	-	-
For all portfolios:					
Total value of exposures covered by credit derivatives or guarantees	-	-	-	-	-

Equity exposures

The table below shows the Banking Group's equity holdings.

Dollars in Millions	Banking Group Unaudited (31/3/26)		
	Exposure at Default	Risk Weight (%)	Risk- Weighted Exposures
Equity holdings in the Business Growth Fund that qualify for 250% risk weight	-	250	-
Equity holdings (not deducted from capital) included in the NZX 50 or overseas equivalent index	-	300	-
All other equity holdings (not deducted from capital)	2	400	8
Total equity exposures	2	400	8

Explanation of the standardised floor

BPR130 *Credit Risk RWAs Overview* requires IRB banks to calculate total credit risk RWA as the sum of:

- the greater of (i) total RWA calculated on all credit exposures subject to the IRB approach and the slotting approach, multiplied by a scalar of 1.2, and (ii) 85% of the total standardised-equivalent RWA for all credit exposures subject to the IRB approach and supervisory slotting approach (referred to as the standardised floor); and
- total RWA calculated on all credit and other exposures subject to the standardised approach.

The table below shows how the standardised floor applies to the calculation of total credit risk RWA.

Dollars in Millions	Banking Group Unaudited (31/3/26)	
	Risk-Weighted Assets Calculated for Compliance Purposes	Recalculated using the Standardised Approach
Impact of the standardised floor on total credit risk RWA		
Total IRB and supervisory slotting exposures	59,997	82,032
Standardised floor at 85% of standardised equivalents	N/A	69,726
IRB and slotting RWA with floor applied	69,726	N/A
RWA for standardised exposures	3,559	N/A
Total credit risk RWA	73,285	N/A

Registered Bank Disclosures

Schedule 11 Capital Adequacy Under the Internal Models Based Approach, and Regulatory Liquidity Ratios

continued

Operational risk

Dollars in Millions	Banking Group Unaudited (31/3/26)	
	Implied Risk-Weighted Exposure	Total Operational Risk Capital Requirement
Operational risk	11,125	890

The Banking Group calculated operational risk capital using the standardised approach set out in BPR150 *Standardised Operational Risk*, subject to a minimum value of \$600 million.

Market risk end-period capital charges and Market risk peak end-of-day capital charges

The table below shows market risk end of period and peak end-of-day capital charges.

Dollars in Millions	Banking Group Unaudited (31/3/26)			
	Implied Risk-Weighted Exposure End of Period	Implied Risk-Weighted Exposure Peak End-of-Day	Aggregate Capital Charge End of Period	Aggregate Capital Charge Peak End-of-Day
Interest rate risk	3,871	5,315	310	425
Foreign exchange risk	55	68	4	6
Equity risk	2	2	-	-
Total market risk	3,928	5,385	314	431

Method for deriving peak end-of-day aggregate capital charge

The aggregate market risk exposure above is derived in accordance with BPR140 *Market Risk* and the Bank's Conditions of Registration.

For each category of market risk, the Banking Group's end of period aggregate capital charge is the charge as at the end of period reported. The peak end-of-day aggregate capital charge is the maximum over the half year accounting period at the close of each business day.

Equity risk subject to a market risk capital charge as shown above relates to equities owned by the Bank.

Total capital requirements

Dollars in Millions	Banking Group Unaudited (31/3/26)			
	Total Exposure at Default after Credit Risk Mitigation	Risk-Weighted Exposure or Implied Risk-Weighted Exposure	Total Capital Requirement ¹	Minimum Capital Requirement ²
Credit risk				
Exposures subject to the IRB approach ³	118,114	52,167	4,695	4,695
Specialised lending subject to the slotting approach ³	7,772	7,830	705	705
Exposures subject to the standardised approach ³	22,462	3,027	272	272
Equity exposures ³	2	8	1	1
CVA subject to BPR	N/A	524	47	47
Adjustment for standardised RWA floor ⁴	N/A	9,729	876	876
Total credit risk	148,350	73,285	6,596	6,596
Operational risk	N/A	11,125	890	1,001
Market risk	N/A	3,928	314	354
Total	148,350	88,338	7,800	7,951

¹ The total capital requirement is calculated in accordance with the BPR.

² The minimum capital requirement is calculated based on the minimum total capital ratio requirement of 9% effective from 1 July 2024.

³ In calculating the total capital requirement, a scalar has been applied to the RWA, as required by the RBNZ in accordance with the Bank's Conditions of Registration.

⁴ The Banking Group's IRB RWA (after multiplying by the scalar) are subject to a floor equal to 85% of the value of those RWA recalculated using the standardised methodology.

Registered Bank Disclosures

Schedule 11 Capital Adequacy Under the Internal Models Based Approach, and Regulatory Liquidity Ratios

continued

Capital ratios

The table below shows the capital adequacy ratios for the Banking Group based on BPR, expressed as a percentage of total risk-weighted exposures.

	Banking Group			
	Unaudited (31/3/26)		Unaudited (31/3/25)	
	RBNZ Minimum	Ratio	RBNZ Minimum	Ratio
Common Equity Tier 1 capital ratio	4.5%	13.5%	4.5%	13.8%
Tier 1 capital ratio	7.0%	14.4%	7.0%	14.8%
Total qualifying capital ratio	9.0%	16.3%	9.0%	16.7%
Prudential capital buffer ratio	5.5%	7.3%	4.5%	7.7%

Solo capital adequacy

The table below shows the capital adequacy ratios for the Registered Bank based on BPR, expressed as a percentage of total risk-weighted exposures.

	The Registered Bank	
	Unaudited 31/3/26	Unaudited 31/3/25
Common Equity Tier 1 capital ratio	13.5%	13.8%
Tier 1 capital ratio	14.4%	14.8%
Total qualifying capital ratio	16.3%	16.7%

For the purpose of calculating capital adequacy ratios for the Registered Bank under BPR, subsidiaries are consolidated within the Registered Bank if they are either funded exclusively and wholly owned by the Registered Bank, or there is a full, unconditional and irrevocable cross guarantee between the subsidiaries and the Registered Bank.

Capital for other material risks

The Banking Group actively manages and measures all material risks affecting its operations. These risks go beyond the traditional banking risks of credit, operational and market risk. The measurement and management of all material risks is determined under the Banking Group's ICAAP and includes consideration of all other material risks, additional to those included in determining the minimum regulatory capital requirements under BPR. Other material risks assessed by the Banking Group include capital, funding and liquidity risk, strategic risk, technology and information security risk, financial crime and fraud risk, compliance risk, conduct risk, sustainability risk and reporting risk.

As at 31 March 2026, the Banking Group had an internal capital allocation for strategic risk of nil (31 March 2025: nil).

Dual reporting

The following tables set out additional information on the Banking Group's RWA and resulting capital ratios recalculated as if the Banking Group was subject to the standardised approach (standardised equivalents), alongside the actual RWA and capital ratios calculated for compliance purposes (disclosed in the preceding pages). The following standardised equivalent RWA, capital components, and capital ratios are presented for disclosure purposes only and do not affect the Banking Group's compliance with regulatory minima.

Standardised equivalents of IRB risk weighted assets

The table below summarises the Banking Group's credit risk exposures under the IRB approach and the standardised equivalents for all exposures falling within the respective IRB exposure class or supervisory slotting.

	Banking Group			
	Exposure under the IRB Approach ¹	Unaudited (31/3/26)		Standardised Equivalents of Risk-Weighted Assets
IRB Risk-Weighted Assets		Equivalent Exposure under the Standardised Approach ¹		
Dollars in Millions				
Credit risk: standardised equivalents of IRB risk weighted assets				
Corporate	45,469	28,188	45,055	43,470
Residential mortgage	69,899	22,558	68,183	29,215
Other retail	1,433	739	738	736
Retail small to medium enterprises	1,313	682	1,305	1,088
Specialised lending subject to the slotting approach	7,772	7,830	7,772	7,523
Total	125,886	59,997	123,053	82,032

¹ Exposure represents exposure at default after credit risk mitigation.

Registered Bank Disclosures

Schedule 11 Capital Adequacy Under the Internal Models Based Approach, and Regulatory Liquidity Ratios

continued

Standardised equivalent capital ratios

The table below sets out the standardised equivalent RWA, capital amounts, and capital ratios after recalculating the Banking Group's IRB credit risk exposures using the standardised approach.

Dollars in Millions	Banking Group Unaudited (31/3/26)		
	Common Equity Tier 1 capital	Tier 1 capital	Total capital
Standardised equivalent capital amount	11,944	12,769	14,198
Standardised equivalent total RWA	100,644	100,644	100,644
Ratio	11.9%	12.7%	14.1%

The standardised equivalent capital amount and the Banking Group's total capital values reported for compliance purposes differ due to the "expected loss less total eligible allowances for impairment" and "eligible impairment allowance in excess of expected loss" which only apply under the IRB approach for compliance purposes.

The standardised equivalent total RWA and the Banking Group's total RWA reported for compliance purposes differ due to the Banking Group being accredited to use, for compliance purposes, the IRB approach for certain credit exposures in accordance with BPR133 *IRB Credit Risk RWAs*, whereas for the purposes of dual reporting the RWA of those credit exposures have been recalculated using the standardised approach in accordance with BPR131 *Standardised Credit Risk RWAs*.

Historical comparison with standardised capital ratios and risk weights

The table below illustrates the difference between the total capital ratio and the total average risk weight for all modelled credit risk exposures, on an actual and standardised equivalent basis.

Dollars in Millions	Banking Group		
	Unaudited 31/3/26	Unaudited 30/9/25	Unaudited 30/9/24
Total qualifying capital ratio ¹	16.3%	16.5%	16.0%
Standardised equivalent total capital ratio ²	14.1%	14.2%	13.7%
Average risk weight for all modelled credit risk exposures ^{3,5}	47.7%	48.9%	49.6%
Standardised equivalent average risk weight for all modelled credit risk exposures ^{4,5}	66.7%	66.5%	65.8%

¹ Calculated by dividing the total qualifying capital amount by the total risk weighted exposures as required under the Banking Group's compliance obligations.

² Calculated by dividing the Banking Group's standardised equivalent capital amount by the standardised equivalent total RWA.

³ Calculated by dividing the total RWA for all modelled credit risk exposures by the EAD of those exposures as required under the Banking Group's compliance obligations.

⁴ Calculated by dividing the Banking Group's standardised equivalent total RWA for all modelled credit risk exposures by the standardised equivalent EAD of those exposures.

⁵ Comparative balances for the year ended 30 September 2024 have been restated to align with the presentation used in the current period whereby the calculation of average risk weight is based on exposure at default after credit risk mitigation.

Information about ultimate parent bank and ultimate parent banking group

The table below shows the National Australia Bank Limited capital adequacy ratios based on APRA capital adequacy standards, expressed as a percentage of total RWA.

	Ultimate Parent Banking Group		Ultimate Parent Bank	
	Unaudited 31/3/26	Unaudited 31/3/25	Unaudited 31/3/26	Unaudited 31/3/25
Common Equity Tier 1 capital ratio	11.65%	12.01%	11.53%	11.84%
Tier 1 capital ratio	13.64%	14.26%	13.70%	14.33%
Total capital ratio	20.45%	21.02%	21.07%	21.74%

The ultimate parent bank of the Banking Group is National Australia Bank Limited which reports under the Advanced Internal Ratings-Based approach for credit risk (other than for regulatory prescribed portfolios and other portfolios where the standardised approach to credit risk is applied), and the Standardised Measurement Approach to operational risk.

The ultimate parent banking group data is the Level 2 capital ratios (as published in the National Australia Bank Limited Pillar 3 report) and represents the consolidation of NAB and its subsidiary entities, other than the non-consolidated subsidiaries as outlined in the Pillar 3 report.

The ultimate parent bank capital ratios are effectively represented by the Level 1 capital ratios, which comprises National Australia Bank Limited and its subsidiary entities approved by APRA as part of the Extended Licensed Entity.

Under prudential regulations, NAB is required to hold capital above the PCR and capital conservation buffer as determined by APRA for both the Level 1 and Level 2 Groups. The PCR is prescribed on a bilateral basis, and is not publicly disclosed. National Australia Bank Limited met the minimum capital adequacy requirements set by APRA as at 31 March 2026.

National Australia Bank Limited is required to publicly disclose risk management and capital adequacy information specified in APS 330. Updates are provided on a quarterly basis in accordance with the APS 330 reporting requirements.

National Australia Bank Limited's Pillar 3 report, incorporating the requirements of APS 330, can be accessed at www.nab.com.au.

Registered Bank Disclosures

Schedule 11 Capital Adequacy Under the Internal Models Based Approach, and Regulatory Liquidity Ratios

continued

Regulatory liquidity ratios

The table below shows the three-month average of the respective daily ratio values in accordance with BS13 and the Bank's Conditions of Registration relating to liquidity-risk management.

The one-week mismatch ratio is a measure of the Bank's one-week mismatch amount over its total funding, where the one-week mismatch amount represents the Bank's portfolio of primary liquid assets plus expected cash inflows minus expected cash outflows during a one-week period of stress. The Bank is required to maintain this ratio above a minimum level of zero percent on a daily basis. The one-week mismatch ratio = $100 \times (\text{one-week mismatch dollar amount} / \text{total funding})$.

The one-month mismatch ratio is a measure of the Bank's one-month mismatch amount over its total funding, where the one-month mismatch amount represents the Bank's stock of primary and secondary liquid assets plus expected cash inflows minus expected cash outflows during a one-month period of stress. The Bank must maintain this ratio above a minimum level of zero percent on a daily basis. The one-month mismatch ratio = $100 \times (\text{one-month mismatch dollar amount} / \text{total funding})$.

The one-year core funding ratio measures the extent to which loans and advances are funded by funding that is considered stable. The one-year core funding ratio = $100 \times (\text{one-year core funding dollar amount} / \text{BS13 total loans and advances})$ and must currently remain above 75 percent on a daily basis.

The Banking Group has adopted the NAB Model Risk Policy, which requires a triennial review of BNZ's risk management systems that produce the BS13 regulatory liquidity ratios. For these models BNZ alternates between internal and external parties conducting the triennial review. The reviews assess BNZ's quantitative and qualitative compliance with BS13. The last external review was completed in September 2025.

	Banking Group	
	Unaudited For the 3 months ended 31/3/26	Unaudited For the 3 months ended 31/12/25
One-week mismatch ratio	5.7%	5.9%
One-month mismatch ratio	6.0%	6.3%
One-year core funding ratio	88.2%	89.0%

Registered Bank Disclosures

Schedule 13 Concentration of Credit Exposures to Individual Counterparties

The Banking Group's disclosure of concentrations of credit exposures to individual counterparties and groups of closely related counterparties is based on actual credit exposures and excludes credit exposures to connected persons, the central government or central bank of any country with a long term credit rating of A- or A3 or above, or its equivalent, and excludes any supranational or quasi-sovereign agency with a long term credit rating of A- or A3 or above, or its equivalent. Peak credit exposures to individual counterparties are calculated using the Banking Group's end of period Common Equity Tier 1 capital.

Credit exposures to individual counterparties and groups of closely related counterparties were:

	Banking Group Unaudited (31/3/26)	
	Peak End-of-Day A- or A3 or above or its equivalent	Balance Sheet Date A- or A3 or above or its equivalent
Number of bank counterparties		
Percentage of Common Equity Tier 1 capital		
10-14%	2	-
15-19%	1	-
Number of non-bank counterparties		
Percentage of Common Equity Tier 1 capital		
10-14%	1	1
15-19%	1	-

The above has been compiled using gross exposures. No account is taken of collateral, security and/or netting agreements that do not qualify for offset in accordance with NZ IAS 32 which the Banking Group may hold in respect of the various counterparty exposures.

The Banking Group had no bank counterparties, supranational or quasi-sovereign agency with a long term credit rating below A- or A3, to whom their aggregate credit exposure, as at 31 March 2026, or peak end-of-day aggregate credit exposure, for the six months ended 31 March 2026, equalled or exceeded 10% of the Banking Group's CET1 capital.

The Banking Group had no non-bank counterparties with a long term credit rating below A- or A3, to whom their aggregate credit exposure, as at 31 March 2026, or peak end-of-day aggregate credit exposure, for the six months ended 31 March 2026, equalled or exceeded 10% of the Banking Group's CET1 Capital.

Schedule 16 Insurance Business

The Banking Group does not conduct any Insurance Business, as defined in the Bank's Conditions of Registration. The Bank's Conditions of Registration can be obtained by referring to the Bank's Disclosure Statement for the year ended 30 September 2025.

Schedule 18 Risk Management Policies

There have been no material changes to the Banking Group's policies for managing risk, or material exposures to new categories of risk, since 30 September 2025.

Directors' Statements

The Directors of Bank of New Zealand state that each Director of the Bank believes, after due enquiry, that:

1. as at the date on which this Disclosure Statement is signed:
 - (a) the Disclosure Statement contains all the information that is required by the Order; and
 - (b) the Disclosure Statement is not false or misleading; and
2. during the six months ended 31 March 2026:
 - (a) the Bank has complied in all material respects with its Conditions of Registration that applied during the 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 is dated 4th May 2026 and signed by Mr. Hunt and Mr. Huggins as Directors and as responsible persons on behalf of all the other Directors.



W E Hunt
Chair



D J Huggins
Managing Director and Chief Executive Officer



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Assurance engagements performed by Ernst & Young

Our assurance procedures in relation to Bank of New Zealand (the "Bank") and the entities it controlled at 31 March 2026 or from time to time during the period (collectively the "Banking Group") consisted of the following:

- Limited assurance engagement in relation to the condensed consolidated interim financial statements (the "Interim Financial Statements") of the Bank for the six months ended 31 March 2026 that are required by Clause 25 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the "Order") included on pages 5 to 19 of the Disclosure Statement.
- Limited assurance engagement in relation to the information required by Clause 22 of the Order to be disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of the Order which is disclosed on pages 22 to 29 and 41 (together the "Registered Bank Disclosures"). The Registered Bank Disclosures are presented for the six months ended 31 March 2026 or as at that date, as applicable.
- Limited assurance engagement in relation to the information required by Clause 22 of the Order to be disclosed in accordance with Schedule 11 of the Order which is disclosed on pages 30 to 40 (the "Capital Adequacy and Regulatory Liquidity Ratios Information"). The Capital Adequacy and Regulatory Liquidity Ratios Information is presented for the six months ended 31 March 2026 or as at that date, as applicable.

Independent Auditor's Review Report to the Shareholders of Bank of New Zealand

Report on the Interim Financial Statements and Registered Bank Disclosures

Conclusion

We have reviewed the Interim Financial Statements and Registered Bank Disclosures (as defined above). The Interim Financial Statements comprise:

- the balance sheet of the Banking Group as at 31 March 2026;
- the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six months then ended of the Banking Group; and
- explanatory information.

Based on our review nothing has come to our attention that causes us to believe that the:

- Interim Financial Statements have not been prepared, in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting* (NZ IAS 34) and International Accounting Standard 34: *Interim Financial Reporting* (IAS 34), and
- Registered Bank Disclosures that are required to be disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of the Order:
 - do not present fairly, in all material respects, the matters to which they relate; or
 - are not disclosed, in all material respects, in accordance with those schedules.

This report is made solely to the Bank's shareholders, as a body. Our review has been undertaken so that we might state to the Bank's shareholders those matters we are required to state to them in an independent auditor's review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's shareholders as a body, for our review procedures, for this report, or for the conclusions we have formed.

Basis for conclusion

We conducted our review in accordance with New Zealand Standard on Review Engagements 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 Interim Financial Statements and Registered Bank Disclosures* 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 financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Independent Auditor's Review Report



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Ernst & Young provides financial statement and registered bank disclosures audit, other assurance, pre assurance assessment for climate reporting services, and remuneration benchmarking reports to the Banking Group. Partners and employees of our firm may deal with the Banking Group on normal terms within the ordinary course of trading activities of the business of the Banking Group. We have no other relationship with, or interest in, the Banking Group.

Directors' responsibilities for the Interim Financial Statements and Registered Bank Disclosures

The directors are responsible, on behalf of the Bank, for the preparation and fair presentation of the Interim Financial Statements in accordance with Clause 25 of the Order, which requires the Interim Financial Statements to comply with NZ IAS 34, and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of Interim Financial Statements that are free from material misstatement, whether due to fraud or error.

In addition, the directors are responsible, on behalf of the Bank, for the preparation of the Registered Bank Disclosures which present fairly, in all material respects, the matters to which they relate in accordance with Schedules 3, 5, 7, 13, 16 and 18 of the Order.

Auditor's responsibilities for the review of the Interim Financial Statements and Registered Bank Disclosures

Our responsibility is to express a conclusion on the Interim Financial Statements and Registered Bank Disclosures based on our review. NZ SRE 2410 (Revised) and the Order require us to conclude whether anything has come to our attention that causes us to believe that the:

- Interim Financial Statements, taken as a whole, have not been prepared, in all material respects, in accordance with NZ IAS 34 and IAS 34; and
- Registered Bank Disclosures that are required to be disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of the Order:
 - do not present fairly, in all material respects, the matters to which they relate; or
 - are not disclosed, in all material respects, in accordance with those schedules; or
 - if applicable, has not been prepared, in all material respects, in accordance with any conditions of registration relating to disclosure requirements imposed under section 74(4)(c) of the Banking (Prudential Supervision) Act 1989.

A review in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform 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 would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Interim Financial Statements or Registered Bank Disclosures.

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

The signature 'Ernst & Young' is written in a black, cursive script.

Chartered Accountants
4 May 2026
Auckland



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Independent Assurance Report to the Shareholders of Bank of New Zealand Limited assurance report on the Capital Adequacy and Regulatory Liquidity Ratios Information

Conclusion

We have undertaken a limited assurance engagement on whether the Bank's information included in its Disclosure Statement for the six months ended 31 March 2026 as required by clause 22 of the Order (the "Capital Adequacy and Regulatory Liquidity Ratios Information") is disclosed, in all material respects, in accordance with Schedule 11 of the Order.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Capital Adequacy and Regulatory Liquidity Ratios Information for the six months ended 31 March 2026 or as at that date as applicable, is not disclosed, in all material respects, in accordance with Schedule 11 of the Order.

Basis for Conclusion

We conducted our 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.

We believe the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Directors' Responsibilities

The Directors are responsible on behalf of the Bank for:

1. Compliance with the Order, including Clause 22 which requires the Capital Adequacy and Regulatory Liquidity Ratios Information to be included in the Disclosure Statement in accordance with Schedule 11 of the Order.
2. Identification of risks that threaten compliance with Clause 22 and Schedule 11 of the Order being met, controls which will mitigate those risks and monitoring ongoing compliance.

Our Independence and Quality Management

We have complied with the independence and other requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board 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*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibilities

Our responsibility is to express a limited assurance conclusion on whether the Bank's Capital Adequacy and Regulatory Liquidity Ratios Information is disclosed in accordance with Schedule 11 of the Order. SAE 3100 (Revised) requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Bank's Capital Adequacy and Regulatory Liquidity Ratios Information is not disclosed, in all material respects, in accordance with Schedule 11 of the Order.

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 non-compliance with Schedule 11 of the Order is likely to arise.

Independent Assurance Report



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Given the circumstances of the engagement, in performing the procedures listed above we:

- Obtained an understanding of the Bank's compliance framework and internal control environment to meet the Capital Adequacy and Regulatory Liquidity Ratios Information requirements in accordance with the Reserve Bank of New Zealand's (RBNZ) prudential requirements for banks.
- Obtained an understanding of the processes, models, data and internal controls implemented over the preparation of the Capital Adequacy and Regulatory Liquidity Ratios Information.
- Agreed selected elements of the Capital Adequacy and Regulatory Liquidity Ratios Information to information extracted from the Bank's models, accounting records or other supporting documentation or, in relation to Clause 18 of Schedule 11 of the Order, publicly available information.
- Performed analytical and other procedures on the Capital Adequacy and Regulatory Liquidity Ratios Information disclosed in accordance with Schedule 11 and considered its consistency with the Interim Financial Statements of the Banking Group.
- Obtained an understanding and assessed the impact of any matters of non-compliance, advised to us or of which we otherwise became aware, with the RBNZ's prudential requirements for banks that relate to capital adequacy and regulatory liquidity ratios information and inspected relevant correspondence with RBNZ.

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 and 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. Accordingly, we do not express a reasonable assurance opinion on the compliance of the Bank's Capital Adequacy and Regulatory Liquidity Ratios Information with Schedule 11 of the Order.

Ernst & Young provides financial statement and registered bank disclosures audit, other assurance, pre assurance services for climate reporting, and remuneration benchmarking reports to the Bank. Partners and employees of our firm may deal with the Bank on normal terms within the ordinary course of trading activities of the business of the Bank. We have no other relationship with, or interest in, the Bank.

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 on the Bank's disclosure of Capital Adequacy and Regulatory Liquidity Ratios Information included in the Disclosure Statement for the six months ended 31 March 2026 or as at that date as applicable, does not provide assurance on whether compliance will continue in the future.

Restrictions on Use of Report

This report has been prepared for the Bank's shareholders, as a body, for the purpose of providing limited assurance that the Bank's Capital Adequacy and Regulatory Liquidity Ratios Information has been disclosed, in all material respects, in accordance with Schedule 11 of the Order. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's shareholders, as a body, for our limited assurance work, for this report, or for the conclusions we have formed. We acknowledge that our report will be included in the Bank's Disclosure Statement.

A stylized, handwritten-style signature of 'Ernst & Young' in black ink.

Chartered Accountants
Auckland
4 May 2026

