



Media Release
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Westpac NZ half year results: Westpac NZ strongly positioned to help customers through challenging times

Westpac New Zealand (Westpac NZ)ⁱ has reported a 4% increase in net profit for the 6 months ended 31 March 2026 compared to the same period last year, and is well-placed to support households and businesses through current economic uncertainty.

Net profit was \$545m, down 19% compared to the previous six months, due to higher impairment provisions in the face of worsening economic conditions and margin compression as the bank responded to official cash rate reductions.

Westpac's net interest margin to 31 March was 2.29%, up 0.03% on the prior corresponding period but down 0.10% on the previous six months.

Westpac NZ CEO Catherine McGrath says the bank increased total lending by 6% and deposits by 3% compared to the same period last year, in the face of strong competition.

"We've grown faster than the market in home and small-to-medium business lending as we compete hard to help more customers into their own homes, grow their businesses and support New Zealand's economic recovery," Ms McGrath says.

"Nearly 6,000 customers opened a Notice Saver account with us over the last six months, attracted by the 3.00% p.a. rate that we've held unchanged through the last three OCR cuts. Our Westpac KiwiSaver funds are also producing strong returns, with six out of eight in the top quartile among peers for the 12 months to 31 March, and all funds above their peer median over the last two years.

"More broadly, before the conflict in the Middle East, New Zealand's economy had been slowly gathering momentum. While the conflict is set to push GDP growth backwards in the near term, we think the economy will pick up again when there is a resolution to the conflict and oil prices then gradually ease.

"We know the last couple of months have been unsettling for households and businesses exposed to higher costs, especially in the transport, manufacturing and agriculture sector, as well as those who rely on cars.

"We're proactively contacting businesses most exposed to higher fuel costs and are helping them manage the impact. Longer term, we've provided more than \$5b of discounted lending since 2023 through our Sustainable Business and Sustainable Farm Loans to help businesses make a range of improvements, including to their energy resilience.

"We've lent more than \$300m interest-free since 2020 to help customers reduce their energy costs through our Greater Choices home loan top up, as well as offering competitive debt consolidation options for customers struggling with multiple loans, and spending and savings advice through our free nationwide *Managing Your Money* workshops.

“Kiwis have shown themselves to be resilient and adaptable to events beyond their control in recent years, and the current situation is no exception. We’re here to help them through those setbacks and committed to working together to set them up for future success.”

Business growth continues

Westpac has consistently grown its lending to small and medium-sized businesses faster than the market over the past two years.

“These are the businesses who are driving growth and job creation, and to help them do even more we’re addressing two regular pain points we hear from them – ease of banking and access to funding,” Ms McGrath says.

“About 40% of our SME customers are already on our Westpac One for Business platform – the first brand new large-scale business banking platform in New Zealand in five years – and the rest will be on the new platform within the next six months.

“In October we made a \$100m lending commitment to help businesses start up or scale upⁱⁱ, of which we’ve lent more than \$33m to date. We’re also reaching out to small businesses we’ve identified through our credit process as having more ‘headroom’ to borrow without needing to go through a full application – providing easier funding when they need it, with less red tape.

“At the same time, many businesses are deferring their growth plans, focusing instead on adapting to the changing global picture.

“Our message to them has been to control the things they can control, like managing cashflow and moving from a just-in-time to just-in-case supply chain model, and be up front with customers about what they can’t control and why it might mean they have to pass on some of their higher costs.”

Better customer experiences

Operating expenses for the half rose by 4% compared to the same period last year, as Westpac continued to invest in making customers’ banking experiences faster and easier. Customer highlights included:

- Rolling out community banking vans to 15 towns and suburbs across Northland, Southland and Canterbury;
- Processing home lending applications through Westpac’s nationwide home loan experts and online channel on average within a day;
- Reducing customer losses to fraud and scams by 15% compared to the same time last year, despite the ongoing lack of action from big tech platforms to stop financial crime at its source.

“We’re also investing in new technology such as AI, in ways that help bankers have better and more informed conversations with customers,” Ms McGrath says.

“Last month we became the first New Zealand bank to use a Microsoft platform with built-in AI that enables front line teams to spend more time helping customers with their needs and less time on admin.”

More Kiwis on the ladder

A flat housing market and relatively low interest rates have created better opportunities to get on the housing ladder. Westpac financed 3,121 first home purchases in the last six months.

“Owning a home brings with it a range of benefits beyond just the roof over your head. We have the widest range of support options for first home buyers – from Kāinga Ora-backed First Home Loans to innovative shared equity options - and have recently passed our target set in 2024 to increase lending to affordable housing by \$1b.

“Just as importantly, those options are backed by a network of home lending experts around the country who know their local markets and are there with customers through the full journey.”

Key financials

(All comparisons are for the 6 months ended 31 March 2026 versus the 6 months ended 31 March 2025)

- Pre-provision profit of \$795 million, up 4%.
- Net profit of \$545 million, up 4%.
- Net operating income of \$1,555 million, up 4%.
- Operating expenses of \$760 million, up 4%.
- Net impairment charge of \$37 million, compared with an impairment charge of \$33 million in the same period last year.
- Net interest margin 2.29%, up 3 basis points.
- Home lending up 5% to \$73.3 billion, Business lending up 6% to \$35.0 billion, Deposits up 3% to \$83.7 billion.

Economic uncertainty

Westpac’s economists now expect 0.25% OCR hikes in September, October and December, taking the OCR to 3.00% by year end.

“Our economists now expect GDP to shrink by 0.4% in the June quarter, with unemployment and inflation to peak at 5.6% and 4.5% respectively in the middle part of this year,” Ms McGrath says.

“There are still a wide range of scenarios for how the Middle East conflict will play out, which means more uncertainty for households and businesses – many of whom are already under pressure from rising costs.

“The better news is that New Zealand went into this period of uncertainty with some economic momentum, and with stressed business lending and housing delinquency rates lower than they were a year ago.

“Many businesses have got themselves more ‘match fit’ as they’ve had to be more nimble and flexible to respond to tariff shocks and other issues.

“The same is true for our business. We have strong momentum and are well-placed to help customers not just navigate the current challenges but capitalise on what we think will be better economic conditions later this year and next.”

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Authorised by: Emma Barnett, WNZL Head of Legal, Institutional & Business Banking and Treasury
emma.barnett@westpac.co.nz

Media contact: Max Bania, WNZL Senior Manager, External Communications
max.bania@westpac.co.nz

ⁱ [ii](#) Westpac NZ is a segment of the Westpac Banking Corporation Group (Westpac Group). Westpac NZ includes, but is not limited to, Westpac New Zealand Limited and its controlled entities (WNZL Banking Group) and BT Funds Management (NZ) Limited. The financial results of the WNZL Banking Group will be available in the Westpac New Zealand Limited Disclosure Statement, with a reconciliation between the two results also provided in the Westpac NZ Summary Financials section of this media release.

ⁱⁱ <https://www.westpac.co.nz/about-us/media/westpac-nz-announces-100m-commitment-to-support-start-up-businesses/>

Westpac NZ Summary Financials

Summary Profit & Loss excluding Notable items ¹ NZ\$ millions	Six Months	Six Months	Six Months	Movement	Movement
	Ended 31 Mar 26	Ended 30 Sep 25	Ended 31 Mar 25	Mar 26 vs. Sep 25	Mar 26 vs. Mar 25
Net interest income	1,424	1,454	1,365	(2%)	4%
Non-interest income	131	137	133	(4%)	(2%)
Net operating income	1,555	1,591	1,498	(2%)	4%
Operating expenses	(760)	(737)	(734)	3%	4%
Pre-provision profit	795	854	764	(7%)	4%
Impairment (charges)/benefits	(37)	77	(33)	large	12%
Profit before income tax expense	758	931	731	(19%)	4%
Taxation	(213)	(260)	(205)	(18%)	4%
Net profit	545	671	526	(19%)	4%
Net interest margin (%)²	2.29%	2.39%	2.26%	(10 bps)	3 bps
Reconciliation of Westpac NZ to WNZL Banking Group net profit					
Net profit of Westpac NZ	545	671	526	(19%)	4%
Impact of Notable items ¹	2	(3)	(1)	large	large
Structural differences between Westpac NZ and WNZL Banking Group ³	(7)	(14)	3	(50%)	large
Intergroup funding, notional charges and other reconciling items ⁴	(37)	(27)	52	37%	large
Taxation	12	11	(15)	9%	large
Net profit of WNZL Banking Group⁵	515	638	565	(19%)	(9%)

Summary Balance Sheet NZ\$ billions	31 Mar 26	30 Sep 25	31 Mar 25	Movement	Movement
				Mar 25 vs. Sep 25	Mar 25 vs. Mar 25
Total deposits⁶	83.7	81.0	80.9	3%	3%
Net loans	109.0	106.3	103.2	3%	6%
Mortgages	73.3	71.3	69.5	3%	5%
Business	35.0	34.2	33.0	2%	6%
Other	1.2	1.2	1.2	2%	3%
Provisions	(0.5)	(0.4)	(0.5)	25%	-
Deposit to loan ratio	76.8%	76.2%	78.4%	59 bps	(160 bps)

¹ Notable Items are those that are not considered reflective of Westpac NZ's ordinary operations and include unrealised fair value gains and losses on economic hedges that do not qualify for hedge accounting, net ineffectiveness on qualifying hedges and other large items.

² Net interest margin is calculated by dividing net interest income by average interest-earning assets.

³ Relates to results of entities included in Westpac NZ which do not form part of WNZL Banking Group and results of business units excluded in Westpac NZ but included in WNZL Banking Group.

⁴ Relates to differences in treatment of intercompany borrowing and expenses between Westpac NZ and WNZL Banking Group. This also includes internal transfer pricing included in Westpac NZ but excluded from WNZL Banking Group and other reconciling items.

⁵ Net profit of WNZL Banking Group has been prepared in accordance with GAAP. It complies with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable Financial Reporting Standards.

⁶ Total deposits in this table refers to total customer deposits.