Thursday, 5 November 2026

# BNZ 2026 Full Year Result

Bank of New Zealand (BNZ) released its full year result to 30 September 2026, announcing a statutory net profit of $1,157 million, down 22.8% on the prior year.

As announced in April, this was primarily driven by a one-off reduction in BNZ's capitalised software assets due to changes to its software capitalisation policy.

Excluding this one-off adjustment, net profit was $1,410 million, down 5.9% largely due to strong competition and cost increases.

BNZ continued to win market share with total lending growth up 6.8% to $118.5 billion, and total customer deposits up 4.9% to $91.4 billion.

Revenue was up 1.5% to $3,536 million, while operating expenses excluding the one-off adjustment grew 4.2% to $1,437 million driven by investment in technology, more frontline staff and inflationary pressures.

Net Interest Margin was 2.30%, down 10 basis points in a highly competitive market for both lending and deposits.

**Economy continues to strengthen**

BNZ CEO Dan Huggins says 2026 was shaped by the disruption to New Zealand's economic recovery caused by the Middle East conflict.

"Despite an uneven recovery, businesses are showing their resilience. Confidence, while fragile, has strengthened, with strong conditions in the agriculture, tourism and infrastructure sectors.

"At the same time, conditions remain challenging for some households, with higher living costs continuing to put pressure on budgets and discretionary spending.

"Against this backdrop, we have continued to support our customers, helping businesses to invest and grow and New Zealanders to buy their first or next home.

"Barring any external shocks, we expect economic growth to strengthen through 2027.

**Backing business as confidence returns**

"As New Zealand's largest business bank, we have continued to back the productive sector," says Huggins.

BNZ's total business lending increased by $2.6 billion or 5.5% to $49.5 billion.

"Small and medium businesses (SMEs) are the backbone of our economy and we're proud to have helped over 17,000 SMEs to invest and grow."

For small business, BNZ provided almost 40% of all new lending across the sector, excluding commercial real estate.

Looking to the year ahead, BNZ business customers have increased their lending limits by $4.8 billion or 8.0% year-on-year signalling growing confidence in their outlook.

**Supporting home ownership**

Home lending was up $4.9 billion or 7.7% on the prior year to $68.8 billion, with 2026 marking the fourth year in a row BNZ has consistently gained market share as more New Zealanders choose to bank with BNZ.

BNZ supported more than 7,500 customers into their first or next homes, with first home buyers making up more than half that figure.

"Buying a home is one of the biggest financial decisions anyone can make," says Huggins.

"That's why we've continued to invest in products and services like Home Loan Switch and TotalMoney to make their home ownership journey simpler while giving customers greater flexibility to pay down their home loan sooner."

Over the past financial year, BNZ's TotalMoney customers saved more than $160 million in interest by offsetting their home loans.

BNZ customers who used BNZ's flexible repayment options to make lump sum payments during FY26 are projected to collectively save more than $700 million in interest over the life of their home loans.

**Improving the banking experience for our customers**

"We're committed to making it simpler and easier for customers to bank with BNZ whether they choose to connect with us online or in person," says Huggins

"We have continued to upgrade our branches around New Zealand and invest in our systems and frontline staff as we strive to improve the banking experience for our customers."

BNZ customers are recognising this investment, as BNZ has again been ranked first among the country's five largest banks for Consumer Net Promoter Score.

BNZ has also received several Canstar awards, including Bank of the Year - Home Loans, Most Satisfied Customers - Home Loans, Bank of the Year - Business Bank Accounts and Bank of the Year - Small Business.

“2026 marks 165 years of BNZ supporting our customers and the New Zealand economy. We thank our customers for their continued support and our people for their commitment to delivering for them every day,” says Huggins.

**ENDS**

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*An unaudited summary of financial information for the 12 months ended 30 September 2026 follows:*

## BNZ Banking Group

| Income Statement Summary (NZ$m) | Sep 26 | Sep 25 | Sep 26 v Sep 25 % |
|---|---|---|---|
| Net interest income | **3,048** | 3,040 | 0.3 |
| Gains less losses on financial instruments | **180** | 146 | 23.3 |
| Other operating income | **308** | 298 | 3.4 |
| **Total operating income** | **3,536** | 3,484 | 1.5 |
| Operating expenses | **(1,789)** | (1,379) | 29.7 |
| **Underlying profit** | **1,747** | 2,105 | (17.0) |
| Credit impairment write back / (charge) | **(138)** | (27) | Large |
| **Total operating profit before income tax expense** | **1,609** | 2,078 | (22.6) |
| Income tax expense on operating profit | **(452)** | (579) | (21.9) |
| **Net profit for the period**[1] | **1,157** | 1,499 | (22.8) |

| Reconciling items to statutory net profit (BNZ Banking Group) | Sep 26 | Sep 25 | Sep 26 v Sep 25 % |
|---|---|---|---|
| Cash earnings[2] (NAB NZ Banking Reporting Segment) | **1,381** | 1,485 | (7.0) |
| Structural differences between NAB NZ Banking Reporting Segment and BNZ Banking Group[3] | **(219)** | 36 | Large |
| **Cash earnings (BNZ Banking Group)** | **1,162** | 1,521 | (23.6) |
| Fair value movements, hedging gains/(losses), and other reconciling items[4] | **(5)** | (22) | (77.3) |
| **Net profit for the period**[1] | **1,157** | 1,499 | (22.8) |

| BNZ Banking Group Balance Sheet Summary (NZ$bn) | | | |
|---|---|---|---|
| Loans and advances to customers | **118.5** | 111.0 | 6.8 |
| Total assets | **148.7** | 135.6 | 9.7 |
| Deposits and other borrowings | **99.3** | 90.6 | 9.6 |
| Total liabilities | **134.9** | 121.8 | 10.8 |
| Total shareholders' equity | **13.8** | 13.9 | (0.7) |

| Performance Measures | | | |
|---|---|---|---|
| Net interest margin | **2.30%** | 2.40% | (10 bps) |
| Cost to income ratio | **50.6%** | 39.6% | 1100 bps |

1. Statutory net profit has been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP") It complies with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards.

2. Cash earnings is a non-IFRS key financial performance measure used by BNZ for its internal management reporting as it better reflects what BNZ considers to be underlying performance. Cash earnings is not a statutory financial measure, is not presented in accordance with NZ GAAP and is not audited or reviewed in accordance with International Standards on Auditing (New Zealand).

3. NAB NZ Banking Reporting Segment consists of Partnership Banking, servicing retail, business and private customers; Corporate and Institutional Banking, servicing corporate and institutional customers, and the Markets operations in New Zealand. It also includes National Australia Bank's investment in FirstCape, and the impact of distributions to non-controlling interests.

4. Unrealised fair value gains or losses on economic hedges that do not qualify for hedge accounting and hedge ineffectiveness causes volatility in statutory profit, which is excluded from cash earnings as it is income neutral over the full term of transactions. This arises from fair value movements relating to trading derivatives for risk management purposes; fair value movements relating to assets; liabilities and derivatives designated in hedge relationships; and fair value movements relating to asset and liabilities designated at fair value.