



Media Release

5 May 2025

Westpac NZ posts resilient half-year result

Westpac New Zealand (Westpac NZ)ⁱ has reported a net profit of \$525m for the six months ended 31 March 2025, positioning it well to support New Zealand's economic recovery.

Net profit was up 10% on the prior corresponding period, with operating income up 8%, offset by a 6% increase in expenses as the bank invested strongly in new technology and digital capability.

However, net profit was down 9% compared to the six months ended 30 September 2024, reflecting higher impairments and operating costs than the previous six months.

Home lending grew 3% and business lending grew 1%, with deposits up 3% on the prior corresponding period in what continues to be a highly competitive environment.

"We're the smallest of the four largest banks. We're not satisfied with that position and we are competing hard to grow," Westpac NZ Chief Executive Catherine McGrath says.

"That means offering points of difference, through competitive pricing and innovative products and services, while also helping drive action on issues that matter to New Zealanders like fighting fraud and scams, getting more families into their own homes and boosting financial inclusion.

"While the global economic outlook is mixed, this financial result positions us well to support the economy's growth over the second half of the year."

Growth mindset

Westpac's lending to corporate and small business segments grew faster than the market for the half, building on strong growth in the previous financial year.

"We need small and medium businesses thriving to help build economic momentum and we have a real focus to support them. We've cut some variable business lending rates by 2.10% since last July – more than the 2.00% the OCR has fallen in that time – to encourage them to invest and grow," Ms McGrath says.

"We estimate farmers and growers are saving an average of around \$46,500 a year each in interest costs due to interest rate falls since last July. Our Agri bankers increased their proactive calls and outreach by 12% on the previous year, to help them manage issues like on-farm inflation and plan for the future.

"We helped first home buyers purchase 3,463 new homes over the last six months – a 12% increase on the same time last year - and we're also driving the growth of social and affordable housing by providing \$334m of new lending to help more families into affordable homes."

Competitive products and services

With uncertainty in the economy and living costs still elevated, Ms McGrath says customers are looking for help managing their money, as well as products and banking experiences that make their lives easier.

“In January we launched a special 11.95% personal loan debt consolidation campaignⁱⁱ, helping customers manage more than \$14m of debt more effectively at a time of year when financial strain is often high,” Ms McGrath says.

“As branch usage declines, we’re exploring other ways to meet community needs. This month we’re launching our first mobile community banker service – a van that will travel between Invercargill, Te Anau and Winton to help Southlanders do their bankingⁱⁱⁱ. We’re also continuing our community banker model in Wairoa following a successful trial there.”

In April the bank began piloting a new “basic” bank account^{iv}, which was one of the recommendations of the Commerce Commission’s Market Study into Personal Banking Services.

“The basic bank account will be a transactional bank account with simplified functionality, helping people who otherwise may not have been eligible for a standard bank account to receive work or benefit payments, pay bills or do many other day-to-day tasks we take for granted.

“A bank account is essentially a passport to the economy and should be available to as many people as possible. We’re keen to work with other financial providers on basic bank accounts to reduce exclusion across the industry.”

Taking the fight to financial criminals

Fraud and scams continue to be a top concern for customers. Westpac’s ongoing investment to help keep customers safe through new technology such as biometric software has led to an 11% increase in fraud prevention compared to the same time last year, helping reduce customer losses to fraud and scams by 14%. For every \$10 of known fraud and scams that touched Westpac’s systems in the last six months, the bank prevented, recovered or reimbursed \$9.

In March Westpac rolled out digital credit and debit cards for customers with dynamic security codes^v, reducing the chance of fraudulent activity on their card if their details were stolen.

“We’re the first New Zealand bank to offer a dynamic security code feature alongside instant issuance for debit cards,” Ms McGrath says.

“That means a customer who gets a new or replacement debit card can start spending online straight away, and they can spend with confidence knowing we’re working round the clock to keep their money safe.

“We’re making progress as an industry, and are pleased to see other parts of the ecosystem stepping up, such as Google rolling out financial services verification to crack down on fake investment ads. However, we’re concerned that other social media and tech companies’ continued lack of action is putting New Zealanders’ money at risk.

“There’s a lot more they could be doing to clamp down on financial crime, such as rolling out their own financial services verification process, as well as cracking down on fake profiles and regulating social media marketplaces to protect buyers and sellers.

“We’re investing to improve our systems and processes all the time, but banks are only the ‘offramp’ to a successful scam. Social media and online platforms are a major ‘onramp’ and we want to work with them to stop fraud and scams at their source.”

Key financials

(All comparisons are for the 6 months ended 31 March 2025 versus the same period last year)

- Pre-provision profit of \$763 million, up 11% (up 10% excluding Notable Items).
- Net profit of \$525 million, up 10% (up 9% excluding Notable Items).
- Net operating income of \$1,497 million, up 8% (up 8% excluding Notable Items).
- Operating expenses of \$734 million, up 6% (up 6% excluding Notable Items).
- Net impairment charge of \$33 million, compared with an impairment charge of \$23 million in the previous period.
- Net interest margin 2.26%, up 15 basis points excluding Notable Items.
- Home lending up 3% to \$69.5 billion, Business lending up 1% to \$33.0 billion, Deposits up 3% to \$80.9 billion.

A mixed economic picture

Despite mixed economic indicators and uncertainty around the impact of tariffs on global trade, Westpac is predicting New Zealand's economy to grow 2.6% this year and 3% in 2026 – albeit with downside risks.

“Although the geopolitical outlook and global trade environment continues to change week to week, our economists currently think the impact of tariffs to New Zealand's economy will be manageable,” Ms McGrath says.

“Domestically, the picture is mixed. GDP growth in the December 2024 quarter was stronger than expected and many higher-frequency indicators have shown improvement, such as business confidence and housing market and manufacturing activity.

“But consumer spending has faltered recently. Economic growth is not yet broad-based, with urban areas lagging rural areas that have benefited from improving tourism and strong commodity prices, particularly in the dairy and meat sectors.

“Households have seen volatility in their KiwiSaver balances in recent weeks, which may be unsettling, but should serve as a reminder to think long term and ensure their investment goals have them on track for the retirement they want.

“While it's hard to make any firm predictions right now, uncertainty is likely to persist over the coming months. We'll continue to stand alongside our customers to help them weather the challenges and take advantage of the opportunities ahead.”

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ⁱ 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, BT Funds Management (NZ) Limited and WBC (New Zealand branch). The financial results of the Westpac New Zealand Limited Banking Group (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-offers-special-debt-consolidation-loan-as-survey-shows-new-year-financial-stress/>

iii <https://www.westpac.co.nz/about-us/media/westpac-nz-pilots-mobile-banking-services-in-southland/>

iv <https://www.westpac.co.nz/about-us/media/westpac-nz-piloting-basic-bank-account-to-improve-access-to-banking/>

v <https://www.westpac.co.nz/about-us/media/westpac-nz-unveils-new-anti-fraud-card-feature-and-shares-tips-for-safe-online-shopping/>

Westpac NZ Summary Financials

Summary Profit & Loss NZ\$ millions	Six Months Ended 31 Mar 25	Six Months Ended 30 Sep 24	Six Months Ended 31 Mar 24	Movement Mar 25 vs. Sep 24	Movement Mar 25 vs. Mar 24
Net interest income	1,365	1,332	1,258	2%	9%
Non-interest income	133	148	131	(10%)	2%
Notable Items ¹	(1)	(3)	(6)	(67%)	(83%)
Net operating income	1,497	1,477	1,383	1%	8%
Operating expenses	(734)	(674)	(695)	9%	6%
Total operating expenses	(734)	(674)	(695)	9%	6%
Pre-provision profit	763	803	688	(5%)	11%
Impairment (charges)/benefits	(33)	(4)	(23)	large	43%
Profit before income tax expense	730	799	665	(9%)	10%
Taxation	(205)	(221)	(188)	(7%)	9%
Net profit	525	578	477	(9%)	10%
Notable Items (post tax)	(1)	(1)	(5)	-	(80%)
Net interest margin (%)^{2,3}	2.26%	2.23%	2.11%	3 bps	15 bps
Reconciliation of Westpac NZ to WNZL Banking Group net profit					
Net profit of Westpac NZ	525	578	477	(9%)	10%
Structural differences between Westpac NZ and WNZL Banking Group ⁴	3	10	(8)	(70%)	large
Intergroup funding, notional charges and other reconciling items ⁵	52	112	125	(54%)	(58%)
Taxation	(15)	(36)	(32)	(58%)	(53%)
Net profit of WNZL Banking Group⁶	565	664	562	(15%)	1%

Summary Balance Sheet NZ\$ billions	31 Mar 25	30 Sep 24	31 Mar 24	Movement Mar 25 vs. Sep 24	Movement Mar 25 vs. Mar 24
Total deposits⁷	80.9	79.7	78.8	2%	3%
Net loans	103.2	102.1	100.8	1%	2%
Mortgages	69.5	68.0	67.4	2%	3%
Business	33.0	33.4	32.7	(1%)	1%
Other	1.2	1.2	1.2	-	-
Provisions	(0.5)	(0.5)	(0.5)	-	-
Deposit to loan ratio	78.4%	78.1%	78.2%	33 bps	22 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 Westpac NZ prior period net interest margin has been restated to ensure consistent presentation with the current reporting period.

³ Net interest margin is calculated by dividing net interest income excluding Notable Items by average interest-earning assets.

⁴ 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.

⁵ 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.

⁶ 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. WNZL Banking Group comprises Westpac New Zealand Limited and its controlled entities as set out in the Westpac New Zealand Limited Disclosure Statement.

⁷ Total deposits in this table refers to total customer deposits.