



**Media Release**

**3 November 2025**

**Westpac NZ grows key segments in resilient full-year result**

Westpac New Zealand (Westpac NZ)<sup>i</sup> has reported an 8% increase in pre-provision profit for the 12 months ended 30 September 2025, as it grew lending and deposits in a highly competitive market.

Net profit was \$1,197 million, a 13% rise on the 2024 financial year, partly due to a \$71m swing in impairment provisions as customers coped better than expected in tough economic conditions.

Other factors contributing to the result were revenue growth from increased lending to households and businesses, and more efficient funding of the bank from household deposits. Net operating income rose 8%, offset by a 7% rise in expenses.

Amid strong competition, Westpac grew home lending by 5% and business lending by 2%, while growing household deposits by 6% on the 2024 financial year.

“This result positions us well to support customers through what we think will be an economic upturn over the coming year, and we are investing heavily in our business to deliver better services for customers and communities,” Westpac NZ Chief Executive Catherine McGrath says.

“Examples of that investment include improving digital services and expanding our points of presence around New Zealand through innovative new face to face community banking initiatives. We’ve also introduced a range of new tools that have helped increase our fraud prevention rates by 27% over the past year<sup>ii</sup>.

“Our focus on growth in key customer segments has helped drive our result. For example, we’ve increased our lending to small and medium businesses nearly five times faster than the market, highlighted by \$770m of new business lending in the September quarter – one of our strongest ever quarters of growth.

“These are the businesses that, with the right financial support and guidance, create jobs and growth.

“We continue to support New Zealanders’ home ownership aspirations and recently became the first bank to offer sub-5% p.a. special home loan rates on all terms from 6 months to 5 years. We’ve also competed hard to support savers by not passing on some of the recent official cash rate cuts, such as holding our 32-day Notice Saver interest rate unchanged at 3.00% p.a.

“We know the economy has struggled through most of 2025 and households and businesses are still grappling with high costs, however our data suggests some of those pressures are now easing.”

**New ways of banking in communities**

“While the use of digital banking continues to grow, we know that many customers prefer meeting with our team members face to face for important moments and decisions, so we are increasing the locations where customers can talk to a Westpac banker,” Ms McGrath says.

“We already have the joint-biggest branch network of the four largest banks, and are building on that by extending branch hours and expanding innovative community banking initiatives that will increase face to face banking options.”

These initiatives include:

- Launching **community banking vans** in more regions, offering a range of non-cash services including opening accounts, loan applications and general support with using online channels. The first van is in service in Southland, with two more to be deployed in Northland and Canterbury in the coming months, and a fourth van on the way later in 2026.
- Trialling **community banker sites**, which also offer non-cash services at community sites like local libraries and shared spaces. Following a successful launch in Wairoa, four more sites are now being trialled in Manurewa, Mosgiel, and Woolston and Redcliffs in Christchurch.
- **Extending branch opening hours** to give customers more flexibility about when they can visit. All branches will operate from 9.30am to 4.30pm on days that they’re open, meaning the network will be open a total of 340 extra hours a week.

“We’re also investing strongly to improve our digital offering – for example, customers refixing their home loans online through Westpac One digital banking increased by more than 50% in the last six months compared to the same period last year, creating a faster and easier experience while freeing up our bankers to have more conversations with customers,” Ms McGrath says.

### **Fraud and scam busting**

Westpac continues to enhance its financial crime-fighting technology, increasing its fraud prevention rates by 27% over the past year.

“We’re doing a better job than ever of protecting customers and helping them protect themselves. This year we’ve rolled out dynamic CVC for our debit and credit cards, reducing card fraud incidents by 66% among customers using it over the last three months. We have also saved customers more than \$31m of unwanted payments in the last 18 months by blocking online ‘subscription traps’ merchants,” Ms McGrath says.

“These sit alongside a range of other measures designed to protect customers such as biometric and behavioural analysis, and Confirmation of Payee.

“There’s much more to do individually, across the banking industry and across other industries to keep customers safe, and the Government’s Anti-Scam Alliance is a step in the right direction.

“We’re glad to have big tech platforms in the tent, alongside banks, telcos and government agencies. However, Google and Meta’s efforts to fight financial crime have been piecemeal to date. We’re asking them to do much more – for instance, cracking down on fake ads.

“We all need to be pushing back as hard as we can against financial criminals to protect New Zealanders, and big tech have a key role to play.”

### **Building back buffers**

Ms McGrath says the bank is seeing the benefit of lower interest rates flow through to household finances, with customers starting to rebuild loan buffers and confidence.

“In the last week of October, our customers were rolling off an average fixed home loan rate 5.95% p.a. A customer with a \$300,000 loan on a 15-year term rolling off that rate onto our current one-year special of 4.49% p.a. would have an extra \$230 a month in their back pocket.

“On the business side, we’ve passed through more than the 3.00% p.a. of OCR cuts on some variable lending rates since last July. Farmers and growers continue to use high commodity prices to pay down debt and are each saving an average of around \$48,600 a year in interest costs due to interest rate falls over the past year, setting them up for another productive year in 2026.

“Our data shows a higher proportion of home loan customers are at least three months ahead on their home loan repayments than six months ago, following nearly three years of decline.

“The average customer is nearly 11 months ahead on repayments, with an average ‘buffer’ of almost \$12,000. Housing arrears and the number of customers being supported by Westpac’s Financial Hardship team are also down on the 2024 financial year.

“We think all this will add up to increasing consumer and business confidence and therefore higher spending to stimulate economic activity as we head into 2026.”

### **Key financials**

*(All comparisons are excluding notables, and are for the 12 months ended 30 September 2025 versus the 12 months ended 30 September 2024)*

- Pre-provision profit of \$1,618 million, up 8%.
- Net profit of \$1,197 million, up 13%.
- Net operating income of \$3,089 million, up 8%.
- Operating expenses of \$1,471 million, up 7%.
- Net impairment benefit of \$44 million, compared with an impairment charge of \$27 million in the previous period.
- Net interest margin 2.32%, up 15 basis points.
- Home lending up 5% to \$71.3 billion, Business lending up 2% to \$34.2 billion, Deposits up 2% to \$81 billion.

### **A gradual return to growth**

Westpac NZ economists forecast economic growth of 1.2% for 2025, rising to 3.0% in 2026 and 3.4% in 2027, as the full effects of interest rate reductions flow through to households and businesses. Around 40% of all fixed rate home loans are coming up for repricing in the next six months.

“Business and consumer confidence remains subdued following the contraction of GDP in the June quarter. However, indicators suggest that the economy has returned to growth in recent months. That growth remains uneven, with strong commodity prices boosting the regions while the urban centres struggle with sluggish construction and service industries,” Ms McGrath says.

“However, the threat of tariffs and geopolitical tensions is still causing uncertainty. The good news is demand for our exports remains strong, and farmers and growers are feeling upbeat.

“Despite the economic gloom through much of 2025, we think next year will be a better year. We’ll continue to support households and businesses with competitive pricing, expert personalised guidance, and products and services that better meet their needs.”

## ENDS

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<sup>i</sup> 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.

<sup>ii</sup> Refers to the increase in fraud prevented in the 2025 financial year as a percentage of total fraud, compared to the 2024 financial year.

## Westpac NZ Summary Financials

Summary Profit & Loss excluding Notable items <sup>1</sup> NZ\$ millions	Year Ended 30 Sep 25	Year Ended 30 Sep 24	% Movement
Net interest income	2,819	2,590	9%
Non-interest income	270	279	(3%)
<b>Net operating income</b>	<b>3,089</b>	<b>2,869</b>	<b>8%</b>
Operating expenses	(1,471)	(1,389)	7%
<b>Pre-provision profit</b>	<b>1,618</b>	<b>1,500</b>	<b>8%</b>
Impairment (charges)/benefits	44	(27)	large
<b>Profit before income tax expense</b>	<b>1,662</b>	<b>1,473</b>	<b>13%</b>
Taxation	(465)	(412)	13%
<b>Net profit</b>	<b>1,197</b>	<b>1,061</b>	<b>13%</b>
Net interest margin (%) <sup>2</sup>	2.32%	2.17%	15 bps
Reconciliation of Westpac NZ to WNZL Banking Group net profit			
Net profit of Westpac NZ	1,197	1,061	13%
Impact of Notable items <sup>1</sup>	(4)	(9)	(56%)
Structural differences between Westpac NZ and WNZL Banking Group <sup>3</sup>	(11)	2	large
Intergroup funding, notional charges and other reconciling items <sup>4</sup>	25	237	(89%)
Taxation	(4)	(65)	(94%)
<b>Net profit of WNZL Banking Group<sup>5</sup></b>	<b>1,203</b>	<b>1,226</b>	<b>(2%)</b>
Summary Balance Sheet NZ\$ billions	30 Sep 25	30 Sep 24	% Movement
Total deposits <sup>6</sup>	81.0	79.7	2%
Net loans	106.3	102.1	4%
Mortgages	71.3	68.0	5%
Business	34.2	33.4	2%
Other	1.2	1.2	3%
Provisions	(0.4)	(0.5)	(20%)
<b>Deposit to loan ratio</b>	<b>76.2%</b>	<b>78.1%</b>	<b>(186 bps)</b>

<sup>1</sup> 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.

<sup>2</sup> Net interest margin is calculated by dividing net interest income by average interest-earning assets.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> Total deposits in this table refers to total customer deposits.