**Media Release**
**2 November 2026**

**Westpac NZ 2026 Full Year Financial Results Media Release**

Westpac New Zealand (Westpac NZ)[i] has reported a $1,087m net profit for the 12 months ended 30 September 2026 - down 9% compared to 2025 - while growing in key segments in a highly competitive market.

Westpac grew lending 5% and deposits 4%. Net interest margin fell to 2.23%, from 2.32% in 2025, reflecting intense competition, particularly for new home lending, and the declining interest rate cycle in 2025. Higher impairment provisions and expenses also contributed to a lower profit.

The bank grew faster than market in medium and large business lending and household deposits, helping the economy to grow and consumers to save.

“This result shows we’re supporting our customers by growing our lending and investing strongly in our people, products and systems,” Westpac NZ CEO Catherine McGrath says.

“We’re focused on delivering customer value such as cutting lending application turnaround times, launching innovative money-management tools like Split, and reducing customer losses to fraud and scams by 9%.”

**Working together with Kiwi businesses**

Westpac is helping drive economic growth, with lending to medium and large business customers growing faster than the market average in 2026.

“SMEs are the engine room of the economy and we’re backing them to succeed. We’ve lent $86m out of our $100m commitment for start-ups and delivered a new programme helping women-led businesses. More than 25,000 businesses are now on the new Westpac One Business platform,” Ms McGrath says.

“In a fast-changing world, businesses need to stay future-fit, whether by pursuing growth or investing in productivity and better customer service. Our business bankers are there to provide the insights and advice they need.”

**Investing in people and solutions**

Expenses rose 4% year-on-year, partly reflecting ongoing investment in technology and tools to help Westpac’s teams deliver better service, Ms McGrath says.

“Our people will always be our greatest strength. New technology can help them have more and better customer conversations - that’s why we’re investing in both.

“The result has been 55,000 hours freed up for bankers to help customers, small business onboarding times reduced from an average of three weeks to just 24 hours, and the majority of home loan applications processed the same or next day.”

Other customer improvements and milestones include:

- Launching Westpac's *Rewards Hub* featuring personalised cashback offers available to more than 200,000 credit card customers, with more than 12,000 offers activated in the first 10 weeks;
- Mobile banking vans and community bankers serving 20 towns and neighbourhoods including some that have no other banking presence beyond ATMs, such as Waipu, Lyttelton and Riverton;
- 1 in 8 active Westpac One users making use of open banking in the last 90 days;
- Westpac Chopper Appeal raising a record $1.98m for the nationwide network of rescue helicopters.

**Supporting New Zealanders to save**

While 2026 has been a tough year for many, Westpac NZ customers have built savings buffers over the past year as the economy has started to recover. The median home loan customer is nearly 11 months ahead on fixed repayments, while the average retail customer savings account balance grew by 10% over the year.

"We made the decision to hold our Notice Saver rate at 3.00% p.a. even as the OCR continued falling through late 2025 and total balances in that product have risen dramatically, with nearly 10,000 new Notice Saver accounts opened," Ms McGrath says.

Westpac's investment arm, BT Funds Management NZ[ii], surpassed $15b in funds under management. New members can now apply for a KiwiSaver or Managed Fund account online in five minutes thanks to investment in digital improvements.

**Key financials**

(All comparisons are excluding notables, and are for the 12 months ended 30 September 2026 versus the 12 months ended 30 September 2025)

- Pre-provision profit of $1,542m, down 5%.
- Net profit of $1,087m, down 9%.
- Net operating income of $3,074m, flat.
- Net interest margin 2.23%, down 9 basis points.
- Operating expenses of $1,532m, up 4%.
- Net impairment charge of $33m, compared with an impairment benefit of $44m in the previous period.
- Home lending up 4% to $74.5b, Business lending up 6% to $36.3b, Deposits up 4% to $84.4b.

**Economic upturn ahead**

Westpac's economists are predicting 2.7% GDP growth in 2027, off the back of strong Agri and tourism activity.

"The South Island economy is thriving, and over the next year that should start flowing from the regions into the national economy more broadly," Ms McGrath says.

"The housing market remains subdued, and may only grow modestly over the next year, but the upside is first home buyers are getting more of a look-in. We helped nearly 7,000 Kiwi families get on the housing ladder this year – up 9% on last year.

"It feels like economists have been saying this for a while now but we think there are better times ahead. Obviously, external volatility could still have a material impact on that outlook."

**Initiatives to support resilience**

Westpac survey and banking data shows that while customers are feeling the strain of higher costs from inflation driven by the Middle East conflict, the majority are coping well, with the bank's proactive support.

"We contacted 15,000 business customers in the months after the conflict began, helping them understand and manage its impacts," Ms McGrath says**.**

"Business stress is lower than 12 months ago, partly thanks to the Fonterra payout for dairy farmers. Household customer stress is flat and below the historical average. However, higher unemployment has driven a small increase in hardship applications, and we have specialist teams providing tailored support to help households keep their finances on track.

"Through our *Greater Choices* interest-free home loan top-up, we've helped more than 2,300 homeowners add features like solar panels and insulation to become more energy resilient since the conflict started.

"Longer-term, we're working to give customers the tools and advice they need to build their resilience and cope with uncertainty. Our new general insurance partnership with Tower, for instance, has allowed our customers to get home insurance quotes with Westpac containing detailed information about the natural hazards risks on their property. This has resulted in lower premiums for many.

"New Zealanders want faster, easier banking with better insight and experiences that are tailored to their needs. They also want a trusted partner who will stand alongside them with lending support or advice. Expectations are high and we'll continue competing hard and delivering next year and beyond."

**ENDS**

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# Westpac NZ Summary Financials

| Summary Profit & Loss excluding Notable items [1]<br>NZ$ millions | Year Ended 30 Sep 26 | Year Ended 30 Sep 25 | % Movement |
|---|---|---|---|
| Net interest income | **2,806** | 2,819 | (0%) |
| Non-interest income | **268** | 270 | (1%) |
| **Net operating income** | **3,074** | 3,089 | (0%) |
| Operating expenses | **(1,532)** | (1,471) | 4% |
| **Pre-provision profit** | **1,542** | 1,618 | (5%) |
| Impairment (charges)/benefits | **(33)** | 44 | large |
| **Profit before income tax expense** | **1,509** | 1,662 | (9%) |
| Taxation | **(422)** | (465) | (9%) |
| **Net profit** | **1,087** | 1,197 | (9%) |
| | | | |
| **Net interest margin (%)[2]** | **2.23%** | 2.32% | (9 bps) |
| | | | |
| **Reconciliation of Westpac NZ to WNZL Banking Group net profit** | | | |
| Net profit of Westpac NZ | **1,087** | 1,197 | (9%) |
| Impact of Notable items[1] | **4** | (4) | large |
| Structural differences between Westpac NZ and WNZL Banking Group[3] | **(10)** | (11) | (9%) |
| Intergroup funding, notional charges and other reconciling items[4] | **(65)** | 25 | large |
| Taxation | **20** | (4) | large |
| **Net profit of WNZL Banking Group[5]** | **1,036** | 1,203 | (14%) |

| Summary Balance Sheet<br>NZ$ billions | 30 Sep 26 | 30 Sep 25 | % Movement |
|---|---|---|---|
| **Total deposits[6]** | **84.4** | 81.0 | 4% |
| | | | |
| **Net loans** | **111.5** | 106.3 | 5% |
| Mortgages | **74.5** | 71.3 | 4% |
| Business | **36.3** | 34.2 | 6% |
| Other | **1.2** | 1.2 | 2% |
| Provisions | **(0.5)** | (0.4) | 25% |
| | | | |
| **Deposit to loan ratio** | **75.7%** | 76.2% | (50 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.

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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 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] The PDSs for the Westpac KiwiSaver Scheme and Westpac Active Series are available at westpac.co.nz. BT Funds Management (NZ) Limited is the issuer."