

ASX Release

Level 18, 275 Kent Street
Sydney, NSW, 2000

12 May 2025

Westpac Banking Corporation – New Zealand Banking Group Disclosure Statement

Westpac Banking Corporation (“Westpac”) today provides the attached Westpac New Zealand Banking Group Disclosure Statement for the six months ended 31 March 2025.

For further information:

Hayden Cooper
Group Head of Media Relations
0402 393 619

Justin McCarthy
General Manager, Investor Relations
0422 800 321

This document has been authorised for release by Tim Hartin, Company Secretary.



WESTPAC BANKING CORPORATION – NEW ZEALAND BANKING GROUP

Disclosure Statement.

For the six months ended 31 March 2025.



This page has been intentionally left blank

Contents

Glossary of terms			4
Directors' and the Chief Executive Officer, NZ Branch's statement			5
Financial statements			
Income statement	6	Note 6 Loans	13
Statement of comprehensive income	6	Note 7 Provision for expected credit losses	13
Balance sheet	7	Note 8 Deposits and other borrowings	16
Statement of changes in equity	8	Note 9 Debt issues	17
Statement of cash flows	9	Note 10 Related entities	17
Note 1 Financial statements preparation	10	Note 11 Fair values of financial assets and financial liabilities	17
Note 2 Net interest income	11	Note 12 Credit related commitments, contingent assets and contingent liabilities	20
Note 3 Non-interest income	12		
Note 4 Operating expenses	12	Note 13 Segment reporting	21
Note 5 Impairment charges/(benefits)	13		
Registered bank disclosures			
i. General information	23	iv. Credit and market risk exposures and capital adequacy	33
ii. Additional financial disclosures	25	v. Insurance business	34
iii. Asset quality	32	vi. Risk management policies	34
Conditions of Registration			35
Independent auditor's review report			36
Independent assurance report			38

Glossary of terms

Certain information contained in this Disclosure Statement is required by the Order.

In this Disclosure Statement, reference is made to:

- **Overseas Bank** - refers to Westpac Banking Corporation;
- **Overseas Banking Group** - refers to the Overseas Bank and all other entities included in the Overseas Bank's group for the purposes of public reporting of the group financial statements in Australia;
- **NZ Branch** - refers to the New Zealand business (as defined in the Order) of the Overseas Bank;
- **Westpac New Zealand** - refers to Westpac New Zealand Limited; and
- **NZ Banking Group** - refers to the financial reporting group (as defined in the Order) of the Overseas Bank. Controlled entities of the NZ Banking Group are set out in Note 23 to the financial statements included in the Disclosure Statement for the year ended 30 September 2024 and changes (if any) to the NZ Banking Group since 30 September 2024 are included in Note 10;

Words and phrases not defined in this Disclosure Statement, but defined by the Order, have the meaning given by the Order when used in this Disclosure Statement.

The Disclosure Statement also uses the following terms as defined below.

ANZSIC	Australian and New Zealand Standard Industrial Classification	GDP	Gross domestic product
APRA	Australian Prudential Regulation Authority	IAP	Individually assessed provisions
ATI	Additional Tier 1 capital	IRB	Internal ratings-based
BPR	Banking Prudential Requirement	IRRBB	Interest rate risk in the banking book
CAP	Collectively assessed provisions	LVR	Loan-to-value ratio
CB Programme	Westpac New Zealand's Global Covered Bond Programme	NCI	Non-controlling interests
CCCFA	Credit Contracts and Consumer Finance Act 2003	NZ IFRS	New Zealand equivalents to International Financial Reporting Standards
ECL	Expected credit losses	Order	Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended)
Financial statements	Condensed consolidated interim financial statements	PPS	Perpetual preference shares
FVIS	Fair value through income statement	Reserve Bank	Reserve Bank of New Zealand
FVOCI	Fair value through other comprehensive income	WSNZL	Westpac Securities NZ Limited
FX	Foreign exchange		

Directors' and the Chief Executive Officer, NZ Branch's statement

Each Director of the Overseas Bank and the Chief Executive Officer, NZ Branch, believes, after due enquiry, that, as at the date on which this Disclosure Statement is signed, the Disclosure Statement:

- (a) contains all information that is required by the Order; and
- (b) is not false or misleading.

Each Director of the Overseas Bank and the Chief Executive Officer, NZ Branch, believes, after due enquiry, that, over the six months ended 31 March 2025:

- (a) the Overseas Bank has complied in all material respects with each condition of registration that applied during that period; and
- (b) the NZ Branch and other members of the NZ Banking Group had systems in place to monitor and control adequately the material risks of relevant members of the NZ Banking Group, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk and other business risks, and that those systems were being properly applied. For this purpose, a relevant member of the NZ Banking Group means a member of the NZ Banking Group that is not a member of Westpac New Zealand's Banking Group, as defined in Westpac New Zealand's Disclosure Statement for the six months ended 31 March 2025.

The Disclosure Statement has been signed on behalf of all of the Directors by Catherine McGrath, Chief Executive Officer, Westpac New Zealand, and by Christopher Leuschke as Chief Executive Officer, NZ Branch.



Catherine McGrath



Christopher Leuschke

Dated this 12th day of May 2025

Income statement

for the six months ended 31 March 2025

	Note	NZ BANKING GROUP	
		Six Months Ended 31 Mar 25 Unaudited	Six Months Ended 31 Mar 24 Unaudited
\$ millions			
Interest income:			
Calculated using the effective interest method	2	3,631	3,685
Other	2	125	133
Total interest income	2	3,756	3,818
Interest expense	2	(2,337)	(2,383)
Net interest income		1,419	1,435
Non-interest income			
Net fees and commissions	3	92	95
Net wealth management	3	23	20
Trading	3	68	33
Other	3	8	(3)
Total non-interest income		191	145
Net operating income		1,610	1,580
Operating expenses	4	(766)	(725)
Impairment (charges)/benefits	5	(33)	(23)
Profit before income tax expense		811	832
Income tax expense		(227)	(234)
Profit after income tax expense		584	598
Net profit attributable to NCI		(10)	-
Net profit attributable to the owners of the Overseas Bank		574	598

The above income statement should be read in conjunction with the accompanying notes.

Statement of comprehensive income

for the six months ended 31 March 2025

	NZ BANKING GROUP	
	Six Months Ended 31 Mar 25 Unaudited	Six Months Ended 31 Mar 24 Unaudited
\$ millions		
Profit after income tax expense	584	598
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Gains/(losses) recognised in equity on:		
Investment securities	25	149
Cash flow hedging instruments	(14)	(239)
Transferred to income statement:		
Cash flow hedging instruments	11	(43)
Income tax on items taken to or transferred from equity:		
Investment securities	(7)	(42)
Cash flow hedging instruments	1	79
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit obligation recognised in equity (net of tax)	1	-
Net other comprehensive income/(expense) (net of tax)	17	(96)
Total comprehensive income	601	502
Attributable to:		
Owners of the Overseas Bank	591	502
NCI	10	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Balance sheet

as at 31 March 2025

\$ millions	Note	NZ BANKING GROUP	
		31 Mar 25 Unaudited	30 Sep 24 Audited
Assets			
Cash and balances with central banks		6,660	7,553
Collateral paid		137	244
Trading securities and financial assets measured at FVIS		5,987	5,723
Derivative financial instruments		5,161	3,643
Investment securities		8,164	7,535
Loans	6,7	103,614	102,463
Other financial assets		727	1,117
Due from related entities		3,051	3,429
Property and equipment		431	449
Deferred tax assets		200	198
Intangible assets		964	987
Other assets		182	160
Total assets		135,278	133,501
Liabilities			
Collateral received		1,163	198
Deposits and other borrowings	8	83,026	81,539
Other financial liabilities		5,469	5,435
Derivative financial instruments		3,643	5,932
Due to related entities		4,136	3,237
Debt issues	9	22,014	21,619
Current tax liabilities		22	160
Provisions		187	228
Other liabilities		333	366
Loan capital		3,308	3,093
Total liabilities		123,301	121,807
Net assets		11,977	11,694
Head office account			
Branch capital		1,300	1,300
Retained profits		1,672	1,598
Total head office account		2,972	2,898
NZ Banking Group equity			
Share capital		6,045	6,045
Reserves		(48)	(64)
Retained profits		2,639	2,446
Total NZ Banking Group equity		8,636	8,427
Total equity attributable to owners of the Overseas Bank			
NCI		369	369
Total shareholders' equity and NCI		11,977	11,694

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity for the six months ended 31 March 2025

NZ BANKING GROUP

\$ millions	NZ Branch Head Office Account		Other Members of the NZ Banking Group			Total equity attributable to the owners of the Overseas Bank	NCI	Total shareholders' equity and NCI
	Branch Capital	Retained Profits	Share Capital	Reserve	Retained Profits			
As at 30 September 2023 (Audited)	1,300	1,472	6,045	94	1,918	10,829	-	10,829
Six months ended 31 March 2024 (Unaudited)								
Profit after income tax expense	-	82	-	-	516	598	-	598
Net gains/(losses) from changes in fair value	-	-	-	(90)	-	(90)	-	(90)
Income tax effect	-	-	-	25	-	25	-	25
Transferred to income statement	-	-	-	(43)	-	(43)	-	(43)
Income tax effect	-	-	-	12	-	12	-	12
Total comprehensive income/(expense)	-	82	-	(96)	516	502	-	502
Transactions with equity holders:								
Dividends paid on ordinary shares (Note 10)	-	-	-	-	(290)	(290)	-	(290)
As at 31 March 2024 (Unaudited)	1,300	1,554	6,045	(2)	2,144	11,041	-	11,041
As at 30 September 2024 (Audited)	1,300	1,598	6,045	(64)	2,446	11,325	369	11,694
Six months ended 31 March 2025 (Unaudited)								
Profit after income tax expense	-	74	-	-	500	574	10	584
Net gains/(losses) from changes in fair value	-	-	-	11	-	11	-	11
Income tax effect	-	-	-	(3)	-	(3)	-	(3)
Transferred to income statement	-	-	-	11	-	11	-	11
Income tax effect	-	-	-	(3)	-	(3)	-	(3)
Remeasurement of defined benefit obligations	-	-	-	-	1	1	-	1
Income tax effect	-	-	-	-	-	-	-	-
Total comprehensive income/(expense)	-	74	-	16	501	591	10	601
Transactions with equity holders:								
Dividends paid on ordinary shares (Note 10)	-	-	-	-	(308)	(308)	-	(308)
Dividends paid on PPS	-	-	-	-	-	-	(10)	(10)
As at 31 March 2025 (Unaudited)	1,300	1,672	6,045	(48)	2,639	11,608	369	11,977

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

for the six months ended 31 March 2025

		NZ BANKING GROUP	
		Six Months Ended 31 Mar 25 Unaudited	Six Months Ended 31 Mar 24 Unaudited
\$ millions	Note		
Cash flows from operating activities			
Interest received		3,674	3,811
Interest paid		(2,340)	(2,274)
Non-interest income received		(11)	246
Operating expenses paid		(682)	(669)
Income tax paid		(368)	(352)
Cash flows from operating activities before changes in operating assets and liabilities		273	762
Net (increase)/decrease in:			
Collateral paid		107	6
Trading securities and financial assets measured at FVIS		(102)	214
Loans		(1,228)	(1,317)
Other financial assets		61	7
Due from related entities ¹		4	(3)
Net increase/(decrease) in:			
Collateral received		965	(116)
Deposits and other borrowings		1,446	(742)
Other financial liabilities		240	251
Due to related entities		(1)	(47)
Other liabilities		6	17
Net movement in external and related entity derivative financial instruments ¹		930	(152)
Net cash provided by/(used in) operating activities		2,701	(1,120)
Cash flows from investing activities			
Proceeds from investment securities		10	358
Purchase of investment securities		(522)	(591)
Purchase of intangible assets		(44)	(50)
Purchase of property and equipment		(46)	(22)
Net cash provided by/(used in) investing activities		(602)	(305)
Cash flows from financing activities			
Proceeds from debt issues		2,759	3,901
Repayments of debt issues		(4,231)	(3,083)
Payments for the principal portion of lease liabilities		(32)	(21)
Maturities, repayments, buy-backs and reduction of loan capital		6	-
Dividends paid on ordinary shares	10	(308)	(290)
Dividends paid on PPS		(10)	-
Net movement in due to related entities		30	598
Net cash provided by/(used in) financing activities		(1,786)	1,105
Net increase/(decrease) in cash and cash equivalents		313	(320)
Cash and cash equivalents at the beginning of the period ¹		8,261	12,043
Effect of exchange rate changes on cash and cash equivalents ¹		103	(3)
Cash and cash equivalents at the end of the period¹		8,677	11,720
Cash and cash equivalents at the end of the period comprise:			
Cash on hand		205	310
Balances with central banks		6,455	9,044
Total cash and balances with central banks		6,660	9,354
Amounts due from related entities classified as cash and cash equivalents ¹		2,013	2,366
Cash and cash equivalents at the end of the period		8,677	11,720

¹ Comparatives have been revised to align to the current period presentation of cash due from related entities as cash and cash equivalents, resulting in a \$348 million decrease in net decrease in due from related entities, a \$2,714 million increase in cash and cash equivalents at the beginning of the period, and a \$2,366 million increase in cash and cash equivalents at the end of the period. Comparatives have also been revised to present the impact of foreign exchange on cash and cash equivalents, resulting in a \$13 million increase in net movement in external and related entity derivative financial instruments, a \$10 million increase in net decrease in deposits and other borrowings and a corresponding \$3 million decrease in effect of exchange rate changes on cash and cash equivalents.

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

Note 1 Financial statements preparation

These financial statements have been prepared in accordance with the Order and Generally Accepted Accounting Practice, as appropriate for for-profit entities, and the New Zealand equivalent to International Accounting Standard 34 *Interim Financial Reporting*. They also comply with International Accounting Standard 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board. These financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, they should be read in conjunction with the annual financial statements included in the Disclosure Statement for the year ended 30 September 2024.

The financial statements were authorised for issue by the Board of Directors of the Overseas Bank on 12 May 2025.

Accounting policies

The accounting policies adopted in the preparation of these financial statements are consistent with those in the annual financial statements for the year ended 30 September 2024. The going concern concept has been applied.

All amounts in these financial statements are presented in New Zealand dollars and have been rounded to the nearest million dollars unless otherwise stated.

Comparative information has been revised where appropriate to enhance comparability. Where there has been a material restatement of comparative information, the nature of, and the reason for, the restatement is disclosed in these financial statements.

Critical accounting assumptions and estimates

In preparing these financial statements, the application of the NZ Banking Group's accounting policies requires the use of judgement, assumptions and estimates.

The areas of judgement, estimates and assumptions in these financial statements, including the key sources of estimation uncertainty, are consistent with those in the Disclosure Statement for the year ended 30 September 2024 with the exception of the below.

Geopolitical developments in the lead up to and following 31 March 2025, including in relation to international trade and tariff policies, have led to heightened uncertainty as to future economic forecasts and potential impact on the NZ Banking Group and its customers. Responding to this heightened uncertainty, the NZ Banking Group has increased the weighting of the downside scenario used in the estimate of ECL from 42.5% to 45%. Notwithstanding this change, estimates of ECL are subject to a higher than usual level of uncertainty. Further details on specific judgements in relation to the calculation of the provision for ECL, including overlays, are included in Note 7.

Amendments to Accounting Standards effective this period

No new accounting standards have been adopted by the NZ Banking Group for the six months ended 31 March 2025. There have been no amendments to existing accounting standards that have had a material impact on the NZ Banking Group.

Notes to the financial statements

Note 2 Net interest income

	NZ BANKING GROUP	
	Six Months Ended 31 Mar 25 Unaudited	Six Months Ended 31 Mar 24 Unaudited
\$ millions		
Interest income		
Calculated using the effective interest method		
Cash and balances with central banks	184	270
Collateral paid	2	2
Investment securities	140	99
Loans	3,272	3,244
Due from related entities	33	70
Total interest income calculated using the effective interest method	3,631	3,685
Other		
Trading securities and financial assets measured at FVIS	125	133
Total other	125	133
Total interest income	3,756	3,818
Interest expense		
Calculated using the effective interest method		
Collateral received	22	13
Deposits and other borrowings	1,475	1,653
Due to related entities	29	55
Debt issues	279	185
Loan capital	95	92
Other financial liabilities	68	139
Total interest expense calculated using the effective interest method	1,968	2,137
Other		
Deposits and other borrowings	46	82
Debt issues	87	43
Other interest expense ¹	236	121
Total other	369	246
Total interest expense	2,337	2,383
Net interest income	1,419	1,435

¹ Includes the net impact of Treasury's interest rate and liquidity management activities.

Notes to the financial statements

Note 3 Non-interest income

\$ millions	NZ BANKING GROUP	
	Six Months Ended 31 Mar 25 Unaudited	Six Months Ended 31 Mar 24 Unaudited
	Net fees and commissions	
Facility fees	25	24
Transaction fees and commissions	96	98
Other non-risk fee income	11	9
Fees and commissions income	132	131
Credit card loyalty programmes	(16)	(17)
Transaction fees and commissions related expenses	(24)	(19)
Fees and commissions expenses	(40)	(36)
Net fees and commissions	92	95
Net wealth management	23	20
Trading	68	33
Other		
Net ineffectiveness on qualifying hedges	(1)	(7)
Other	9	4
Total other	8	(3)
Total non-interest income	191	145

Note 4 Operating expenses

\$ millions	NZ BANKING GROUP	
	Six Months Ended 31 Mar 25 Unaudited	Six Months Ended 31 Mar 24 Unaudited
	Staff expenses	390
Lease expenses	11	11
Depreciation	59	46
Technology services and telecommunications	136	136
Purchased services	34	30
Software amortisation	67	54
Related entities - management fees	8	6
Other ¹	61	60
Total operating expenses	766	725

¹ 'Other' includes expenses such as advertising, property related costs, postage and freight and non-lending losses.

Notes to the financial statements

Note 5 Impairment charges/(benefits)

\$ millions	NZ BANKING GROUP	
	Six Months Ended	Six Months Ended
	31 Mar 25 Unaudited	31 Mar 24 Unaudited
Provisions raised/(released):		
Performing	5	(24)
Non-performing	24	41
Bad debts written off/(recovered) directly to the income statement	4	6
Impairment charges/(benefits)	33	23
<i>of which relates to:</i>		
Loans and credit commitments	33	23
Impairment charges/(benefits)	33	23

Impairment charges/(benefits) on all other financial assets are not material to the NZ Banking Group.

Note 6 Loans

\$ millions	NZ BANKING GROUP	
	31 Mar 25 Unaudited	30 Sep 24 Audited
Residential mortgages	69,515	68,011
Other retail	2,576	2,563
Corporate	31,852	32,098
Other	204	293
Total gross loans	104,147	102,965
Provision for ECL on loans (refer to Note 7)	(533)	(502)
Total net loans	103,614	102,463

As at 31 March 2025, \$7,546 million of residential mortgages, accrued interest (representing accrued interest on the outstanding residential mortgages) and cash (representing collections of principal and interest from the underlying residential mortgages) were used by the NZ Banking Group to secure the obligations of WSNZL under the CB Programme (30 September 2024: \$7,545 million). In addition, \$4,058 million of residential mortgages and accrued interest have been pledged as collateral as part of the repurchase agreements with the Reserve Bank, under the Funding for Lending Programme and Term Lending Facility (30 September 2024: \$4,039 million). These pledged assets were not derecognised from the NZ Banking Group's balance sheet in accordance with the accounting policies outlined in Note 1 Financial statements preparation included in the Disclosure Statement for the year ended 30 September 2024. As at 31 March 2025, the New Zealand dollar equivalent of bonds issued by WSNZL under the CB Programme was \$4,750 million (30 September 2024: \$4,353 million) and the cash value of the repurchase agreements with the Reserve Bank was \$3,014 million (30 September 2024: \$3,023 million).

Note 7 Provision for expected credit losses

Loans and credit commitments

Movements in components of loss allowance

The reconciliation of the provision for ECL for loans and credit commitments has been determined by an aggregation of monthly movements over the period. The key line items in the reconciliation represent the following:

- "Transfers between stages" lines represent transfers between Stage 1, Stage 2 and Stage 3 prior to remeasurement of the provision for ECL.
- "New facilities originated" line represents new accounts originated during the period.
- "Facilities derecognised" line represents loans derecognised due to final repayments during the period.
- "Other charges/(credits) to the income statement" line represents the impact on the provision for ECL due to changes in credit quality during the period (including transfers between stages), changes in portfolio overlays, changes in key economic assumptions and partial repayments and additional drawdowns on existing facilities over the period.
- Amounts written off represent a reduction in the provision for ECL as a result of derecognition of exposures where there is no reasonable expectation of full recovery.

Notes to the financial statements

Note 7 Provision for expected credit losses (continued)

The following table reconciles the provision for ECL on loans and credit commitments for the NZ Banking Group.

NZ BANKING GROUP					
31 Mar 25					
Unaudited					
\$ millions	Performing		Non-performing		Total
	Stage 1	Stage 2	Stage 3	Stage 3	
	CAP	CAP	CAP	IAP	
Provision for ECL on loans and credit commitments as at 30 September 2024	76	325	82	72	555
Transfers to Stage 1	76	(75)	(1)	-	-
Transfers to Stage 2	(8)	34	(26)	-	-
Transfers to Stage 3 CAP	-	(31)	32	(1)	-
Transfers to Stage 3 IAP	-	-	(9)	9	-
Reversals of previously recognised impairment charges	-	-	-	(21)	(21)
New facilities originated	13	-	-	-	13
Facilities derecognised	(5)	(18)	(21)	-	(44)
Changes in CAP due to amounts written off	-	-	(11)	-	(11)
Other charges/(credits) to the income statement	(63)	82	53	20	92
Total charges/(credits) to the income statement for ECL	13	(8)	17	7	29
Amounts written off from IAP	-	-	-	(4)	(4)
Total provision for ECL on loans and credit commitments as at 31 March 2025	89	317	99	75	580
<i>Presented as:</i>					
Provision for ECL on loans (refer to Note 6)	76	289	99	69	533
Provision for ECL on credit commitments	13	28	-	6	47
Total provision for ECL on loans and credit commitments as at 31 March 2025	89	317	99	75	580

The following table provides further details of the provision for ECL by types of exposure and stage:

NZ BANKING GROUP											
\$ millions	31 Mar 25					Total	30 Sep 24				Total
	Unaudited						Audited				
	Performing		Non-performing				Performing		Non-performing		
	Stage 1	Stage 2	Stage 3	Stage 3	Stage 1		Stage 2	Stage 3	Stage 3		
	CAP	CAP	CAP	IAP		CAP	CAP	CAP	IAP		
Provision for ECL on loans and credit commitments											
Residential mortgages	41	158	58	27	284	33	159	49	21	262	
Other retail	13	37	12	3	65	12	37	11	4	64	
Corporate	35	122	29	45	231	31	129	22	47	229	
Total provision for ECL on loans and credit commitments	89	317	99	75	580	76	325	82	72	555	

Notes to the financial statements

Note 7 Provision for expected credit losses (continued)

Impact of overlays on the provision for ECL on loans and credit commitments

The following table attributes the provision for ECL on loans and credit commitments between modelled ECL and portfolio overlays.

Portfolio overlays are used to capture areas of potential risks and uncertainties that are not captured in the underlying modelled ECL. These risks may result in under or overestimation of the modelled provision for ECL.

\$ millions	NZ BANKING GROUP	
	31 Mar 25 Unaudited	30 Sep 24 Audited
Modelled provision for ECL on loans and credit commitments (a)	613	588
Overlays (b)	(33)	(33)
Total provision for ECL on loans and credit commitments	580	555

Details of changes related to forward-looking economic inputs and portfolio overlays, based on reasonable and supportable information up to the date of this disclosure statement, are provided below.

(a) Modelled provision for ECL on loans and credit commitments

The modelled provision for ECL on loans and credit commitments is a probability weighted estimate based on three scenarios which together represent the NZ Banking Group's view of the forward-looking distribution of potential loss outcomes. The changes in provisions as a result of changes in modelled ECL are reflected through the "Other charges/(credits) to the income statement" line in the "Movements in components of loss allowance" table. Overlays are used to capture potential risks and uncertainties that are not captured in the underlying modelled ECL. These risks may result in under or overestimation of the modelled provision for ECL.

The base case scenario uses the latest Westpac Economics forecast. Certain data points from this forecast are shown below:

Key economic assumptions for base case scenario	31 Mar 25 Unaudited	30 Sep 24 Audited
Annual GDP	Forecast growth of 2.5% for calendar year 2025 and 3.0% for calendar year 2026.	Forecast growth of 0.1% for calendar year 2024 and 2.0% for calendar year 2025.
Residential property prices	Forecast annual price appreciation of +7.2% for calendar year 2025 and +5.1% for calendar year 2026.	Forecast annual price appreciation of +0.7% for calendar year 2024 and +6.4% for calendar year 2025.
Cash rate	Forecast cash rate of 3.25% at December 2025 and 3.75% at December 2026.	Forecast cash rate of 4.75% at December 2024 and 3.75% at December 2025.
Unemployment rate	Forecast rate of 5.3% at December 2025 and 4.6% at December 2026.	Forecast rate of 5.3% at December 2024 and 5.6% at December 2025.

The downside scenario is an economic downturn scenario with ECL higher than the base case. This scenario assumes a recession with a combination of negative GDP growth, declines in residential property prices and an increase in the unemployment rate, which simultaneously impact ECL across all portfolios from the reporting date. The assumptions used in this scenario and relativities to the base case will be monitored having regard to the emerging economic conditions and updated where necessary. The upside scenario represents a modest economic improvement to the base case.

The following sensitivity table shows the reported provision for ECL on loans and credit commitments based on the probability weighted scenarios and what the provision for ECL on loans and credit commitments would be assuming a 100% weighting is applied to the base case scenario and to the downside scenario (with all other assumptions held constant).

\$ millions	NZ BANKING GROUP	
	31 Mar 25 Unaudited	30 Sep 24 Audited
Reported probability-weighted ECL	580	555
100% base case ECL	332	341
100% downside ECL	889	850

Notes to the financial statements

Note 7 Provision for expected credit losses (continued)

If 1% of the stage 1 gross exposure from loans and credit commitments (calculated on a 12 month ECL) were transferred to stage 2 (calculated on a lifetime ECL) the provision for ECL on loans and credit commitments would increase by \$17 million (30 September 2024: \$14 million) based on applying the average provision coverage ratios by stage to the movement in the gross exposure by stage.

The following table discloses the macroeconomic scenario weightings applied by the NZ Banking Group as at 31 March 2025 and 30 September 2024. In March 2025, the downside scenario weighting was increased by 2.5% and the base case scenario weighting decreased by the same value, reflecting greater uncertainty in international trading relations and geopolitical instability.

Macroeconomic scenario weightings (%)	NZ BANKING GROUP	
	31 Mar 25 Unaudited	30 Sep 24 Audited
Upside	5.0	5.0
Base	50.0	52.5
Downside	45.0	42.5

(b) Portfolio overlays

Portfolio overlays are used to address areas of risk, including significant uncertainties that are not captured in the underlying modelled ECL. These risks may result in under or overestimation of the modelled provision for ECL. Determination of portfolio overlays requires expert judgement and is thoroughly documented and subject to comprehensive internal governance and oversight. Portfolio overlays are continually reassessed and if the risk is judged to have changed (increased or decreased), or is subsequently captured in the modelled ECL, the portfolio overlays will be released or remeasured.

The NZ Banking Group's total portfolio overlays as at 31 March 2025 were \$(33) million (30 September 2024: \$(33) million), held on the provision for ECL for residential mortgages to adjust for observed conservatism in the modelled outcome identified through model monitoring.

Impact of changes in gross carrying amount on the provision for ECL

- Stage 1 gross carrying amount had a net increase of \$4.9 billion (30 September 2024: increased by \$3.5 billion), primarily driven by new lending, and underlying portfolio movement from residential mortgages and corporate lending during the period, partially offset by repayments. The Stage 1 ECL increase is primarily driven by underlying portfolio movements and new lending with an increase in downside scenario weightings.
- Stage 2 gross carrying amount decreased by \$3.9 billion (30 September 2024: decreased by \$0.9 billion), primarily driven by repayments, and underlying portfolio movement from residential mortgages and corporate lending. The Stage 2 ECL decrease is driven by underlying portfolio movements, partially offset by the increase in downside scenario weightings from residential mortgages and corporate lending.
- Stage 3 gross carrying amount increased by \$0.1 billion (30 September 2024: increased by \$0.2 billion), driven by increases in 90 days past due exposures from the residential mortgages lending and customer downgrades in corporate lending, partially offset by repayments and releases due to write-offs from the other retail lending. The Stage 3 ECL increases are in line with the increase in Stage 3 exposures.

Refer to Note iii. Asset quality of the Registered bank disclosures for further details.

Note 8 Deposits and other borrowings

\$ millions	NZ BANKING GROUP	
	31 Mar 25 Unaudited	30 Sep 24 Audited
Certificates of deposit	2,076	1,863
Non-interest bearing, repayable at call	12,028	11,196
Other interest bearing:		
At call	30,086	29,028
Term	38,836	39,452
Total deposits and other borrowings	83,026	81,539
Deposits at fair value	2,076	1,863
Deposits at amortised cost	80,950	79,676
Total deposits and other borrowings	83,026	81,539

Notes to the financial statements

Note 9 Debt issues

\$ millions	NZ BANKING GROUP	
	31 Mar 25 Unaudited	30 Sep 24 Audited
Short-term debt		
Commercial paper	2,589	3,726
Total short-term debt	2,589	3,726
Long-term debt		
Non-domestic medium-term notes	11,198	9,795
Covered bonds	4,692	4,310
Domestic medium-term notes	3,535	3,788
Total long-term debt	19,425	17,893
Total debt issues	22,014	21,619
Debt issues at fair value	2,589	3,726
Debt issues at amortised cost	19,425	17,893
Total debt issues	22,014	21,619

Note 10 Related entities

Controlled entities of the NZ Banking Group are set out in Note 23 to the financial statements included in the Disclosure Statement for the year ended 30 September 2024.

On 20 February 2025, Westpac New Zealand Group Limited declared and paid a cash dividend of \$308 million to Westpac Overseas Holdings No.2 Pty Limited with imputation credits of \$120 million attached (31 March 2024: \$284 million dividend with \$110 million imputation credits attached).

There were no dividends paid by BT Financial Group (NZ) Limited to Westpac Equity Holdings Pty Limited during the six months ended 31 March 2025 (31 March 2024: \$6 million with \$2 million imputation credits attached).

Note 11 Fair values of financial assets and financial liabilities

Fair Valuation Control Framework

The NZ Banking Group uses a Fair Valuation Control Framework where the fair value is either determined or validated by a function independent of the transaction. This framework formalises the policies and procedures used to achieve compliance with relevant accounting, industry and regulatory standards. The framework includes specific controls relating to:

- the revaluation of financial instruments;
- independent price verification;
- fair value adjustments; and
- financial reporting.

A key element of the framework is the Revaluation Committee, comprising senior valuation specialists from within the Overseas Banking Group. The Revaluation Committee reviews the application of the agreed policies and procedures to assess that a fair value measurement basis has been applied.

The method of determining fair value differs depending on the information available.

Fair value hierarchy

A financial instrument's categorisation within the valuation hierarchy is based on the lowest level input that is significant to the fair value measurement.

The NZ Banking Group categorises all fair value instruments according to the hierarchy described below.

Valuation techniques

The NZ Banking Group applies market accepted valuation techniques in determining the fair valuation of over-the-counter derivatives. This includes credit valuation adjustments and funding valuation adjustments, which incorporate credit risk and funding costs and benefits that arise in relation to uncollateralised derivative positions, respectively.

The specific valuation techniques, the observability of the inputs used in valuation models and the subsequent classification for each significant product category are outlined as follows:

Notes to the financial statements

Note 11 Fair values of financial assets and financial liabilities (continued)

Financial instruments measured at fair value

Level 1 instruments

The fair value of financial instruments traded in active markets is based on recent unadjusted quoted prices. These prices are based on actual arm's length basis transactions.

The valuations of Level 1 instruments require little or no management judgement.

Instrument	Balance sheet category	Includes	Valuation
Exchange traded products	Derivative financial instruments	Exchange traded interest rate futures -	These instruments are traded in liquid, active markets where prices are readily observable. No modelling or assumptions are used in the valuation.
	Due from related entities	derivative financial instruments	
	Due to related entities		
FX products	Derivative financial instruments	FX spot contracts	
Debt instruments	Trading securities and financial assets measured at FVIS	New Zealand Government bonds	
	Investment securities		
	Other financial liabilities		

Level 2 instruments

The fair value for financial instruments that are not actively traded is determined using valuation techniques which maximise the use of observable market prices. Valuation techniques include:

- the use of market standard discounting methodologies;
- option pricing models; and
- other valuation techniques widely used and accepted by market participants.

Instrument	Balance sheet category	Includes	Valuation
Interest rate products	Derivative financial instruments	Interest rate swaps, forwards and options – derivative financial instruments	Industry standard valuation models are used to calculate the expected future value of payments by product, which is discounted back to a present value. The model's interest rate inputs are benchmark interest rates and active broker quoted interest rates in the swap, bond and futures markets. Interest rate volatilities are sourced from brokers and consensus data providers. If consensus prices are not available, these are classified as Level 3 instruments.
	Due from related entities		
	Due to related entities		
FX products	Derivative financial instruments	FX swaps and FX forward contracts – derivative financial instruments	Derived from market observable inputs or consensus pricing providers using industry standard models. If consensus prices are not available, these are classified as Level 3 instruments.
	Due from related entities		
	Due to related entities		
Non-asset backed debt instruments	Trading securities and financial assets measured at FVIS	Local authority and NZ public securities, other bank issued certificates of deposit, commercial paper, other government securities, off-shore securities and corporate bonds Repurchase agreements and reverse repurchase agreements over non-asset backed debt securities	Valued using observable market prices which are sourced from independent pricing services, broker quotes or inter-dealer prices. If prices are not available from these sources, these are classified as Level 3 instruments.
	Investment securities		
	Other financial liabilities		

Notes to the financial statements

Note 11 Fair values of financial assets and financial liabilities (continued)

Instrument	Balance sheet category	Includes	Valuation
Deposits and other borrowings at fair value	Deposits and other borrowings	Certificates of deposit	Discounted cash flow using market rates offered for deposits of similar remaining maturities.
Debt issues at fair value	Debt issues	Commercial paper	Discounted cash flows, using a discount rate which reflects the terms of the instrument and the timing of cash flows adjusted for market observable changes in the NZ Banking Group's implied creditworthiness.

Level 3 instruments

Financial instruments valued where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data due to illiquidity or complexity of the product.

Balances within this category of the fair value hierarchy are not considered material to the total derivative financial instruments balances.

The following table summarises the attribution of financial instruments measured at fair value to the fair value hierarchy:

\$ millions	NZ BANKING GROUP							
	31 Mar 25 Unaudited				30 Sep 24 Audited			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value on a recurring basis								
Trading securities and financial assets measured at FVIS	1,800	4,187	-	5,987	1,496	4,225	2	5,723
Derivative financial instruments	-	5,161	-	5,161	1	3,642	-	3,643
Investment securities	3,620	4,544	-	8,164	3,211	4,324	-	7,535
Due from related entities	-	1,037	-	1,037	-	2,716	-	2,716
Total financial assets measured at fair value	5,420	14,929	-	20,349	4,708	14,907	2	19,617
Financial liabilities measured at fair value on a recurring basis								
Deposits and other borrowings at fair value	-	2,076	-	2,076	-	1,863	-	1,863
Other financial liabilities	82	612	-	694	250	211	-	461
Derivative financial instruments	-	3,642	1	3,643	1	5,930	1	5,932
Due to related entities	-	2,907	-	2,907	-	2,055	-	2,055
Debt issues at fair value	-	2,589	-	2,589	-	3,726	-	3,726
Total financial liabilities measured at fair value	82	11,826	1	11,909	251	13,785	1	14,037

Sensitivities to reasonably possible changes in non-market valuation assumptions would not have a material impact on the NZ Banking Group's reported results (30 September 2024: no material impact).

Analysis of movements between fair value hierarchy levels

The NZ Banking Group considers transfers between levels, if any, to have occurred at the end of the reporting period. During the period, there were no material transfers between levels of the fair value hierarchy.

Notes to the financial statements

Note 11 Fair values of financial assets and financial liabilities (continued)

Financial instruments not measured at fair value

The following table summarises the estimated fair value of the NZ Banking Group's financial instruments not measured at fair value:

\$ millions	NZ BANKING GROUP			
	31 Mar 25		30 Sep 24	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets not measured at fair value				
Cash and balances with central banks	6,660	6,660	7,553	7,553
Collateral paid	137	137	244	244
Loans	103,614	103,795	102,463	102,474
Other financial assets	727	727	1,117	1,117
Due from related entities	2,014	2,014	713	713
Total financial assets not measured at fair value	113,152	113,333	112,090	112,101
Financial liabilities not measured at fair value				
Collateral received	1,163	1,163	198	198
Deposits and other borrowings	80,950	81,059	79,676	79,779
Other financial liabilities	4,775	4,775	4,974	4,973
Due to related entities	1,229	1,229	1,182	1,182
Debt issues ¹	19,425	19,549	17,893	17,988
Loan capital	3,308	3,409	3,093	3,208
Total financial liabilities not measured at fair value	110,850	111,184	107,016	107,328

¹ The estimated fair value of debt issues includes the impact of changes in the NZ Banking Group's credit spreads since origination.

A detailed description of how fair value is derived for financial instruments not measured at fair value is disclosed in Note 25 of the financial statements included in the Disclosure Statement for the year ended 30 September 2024.

Note 12 Credit related commitments, contingent assets and contingent liabilities

\$ millions	NZ BANKING GROUP	
	31 Mar 25 Unaudited	30 Sep 24 Audited
Letters of credit and guarantees	1,145	1,171
Commitments to extend credit	27,868	27,191
Total undrawn credit commitments	29,013	28,362

Contingent assets

The NZ Banking Group enters into various arrangements with customers that constitute contingent assets. If a specified contingent event occurs, these commitments will be called upon and recognised on the balance sheet as loans.

Contingent liabilities

The NZ Banking Group has contingent risks and liabilities arising from the conduct of its business, including: actual and potential disputes, claims and legal proceedings; investigations, inquiries and reviews (formal and informal) carried out by regulatory authorities (including into the NZ Banking Group's processes for some products relating to the requirements of the CCCFA); and internal investigations and reviews.

The scope of reviews (internal and external), investigations and inquiries, including those relating to the requirements of the CCCFA, can be wide-ranging and can result in litigation (including class action proceedings and enforcement proceedings), fines and penalties, customer remediation and/or other sanctions and reputational damage.

All potential claims and other liabilities are assessed on a case-by-case basis. A provision will be recognised where the NZ Banking Group has conducted an assessment which determines the likelihood of loss as probable and where its potential loss can be reliably estimated. A contingent liability exists in respect of actual or potential claims where the likely loss is not assessed as probable, where the law is uncertain or, in rare circumstances, where the outflow of resources cannot be reliably estimated.

Notes to the financial statements

Note 13 Segment reporting

The NZ Banking Group operates predominantly in the Consumer Banking and Wealth, Institutional and Business Banking and Financial Markets, International Trade and Payments sectors within New Zealand. On this basis, no geographical segment reporting is provided.

The operating segment results have been presented on a management reporting basis and consequently internal charges and transfer pricing adjustments have been reflected in the performance of each operating segment. Intersegment pricing is determined on a cost recovery basis.

The NZ Banking Group does not rely on any single major customer for its revenue base.

Segment comparative information for the six months ended 31 March 2024 has been revised to align to the current period's basis for reporting, and is consistent with the information provided internally to the NZ Banking Group's chief operating decision-maker.

The NZ Banking Group's operating segments are defined by the customers they serve and the services they provide. The NZ Banking Group has identified the following main operating segments:

- Consumer Banking and Wealth provides financial services predominantly for individuals;
- Institutional and Business Banking provides a broad range of financial services for small to medium enterprise, corporate, property finance, agricultural, institutional and government customers; and
- Financial Markets provides foreign exchange, interest rate derivatives, fixed interest and debt securities, commodities, carbon and energy capabilities. International Trade and Payments provide international trade solutions, payments products and services to consumer, business and institutional customers.

Other primarily represents:

- business units that do not meet the definition of a reportable operating segment under NZ IFRS 8 *Operating Segments*;
- elimination entries on consolidation/aggregation of the results, assets and liabilities of the NZ Banking Group's controlled entities in the preparation of the aggregated financial statements of the NZ Banking Group; and
- results of certain business units excluded for management reporting purposes, but included within the aggregated financial statements of the NZ Banking Group for statutory financial reporting purposes.

Notes to the financial statements

Note 13 Segment reporting (continued)

	NZ BANKING GROUP				
\$ millions	Consumer Banking and Wealth	Institutional and Business Banking	Financial Markets, International Trade and Payments	Other	Total
Six months ended 31 March 2025 (Unaudited)					
Net interest income	675	655	15	74	1,419
Net fees and commissions					
Facility fees	13	9	2	1	25
Transaction fees and commissions	82	41	(1)	(26)	96
Other non-risk fee income	2	6	4	(1)	11
Fees and commissions income	97	56	5	(26)	132
Fees and commissions expenses	(40)	-	-	-	(40)
Net fees and commissions	57	56	5	(26)	92
Other non-interest income	-	-	28	71	99
Total non-interest income	57	56	33	45	191
Net operating income	732	711	48	119	1,610
Operating expenses	(437)	(263)	(18)	(48)	(766)
Impairment (charges)/benefits	(26)	(7)	-	-	(33)
Profit before income tax expense	269	441	30	71	811
Income tax expense	(75)	(125)	(8)	(19)	(227)
Profit after income tax expense	194	316	22	52	584
Net profit attributable to NCI	-	-	-	(10)	(10)
Net profit attributable to the owners of the Overseas Bank	194	316	22	42	574
Six months ended 31 March 2024 (Unaudited) (Revised)					
Net interest income	597	636	22	180	1,435
Net fees and commissions					
Facility fees	12	9	2	1	24
Transaction fees and commissions	82	39	(2)	(21)	98
Other non-risk fee income	2	7	5	(5)	9
Fees and commissions income	96	55	5	(25)	131
Fees and commissions expenses	(36)	-	-	-	(36)
Net fees and commissions	60	55	5	(25)	95
Other non-interest income	-	-	43	7	50
Total non-interest income	60	55	48	(18)	145
Net operating income	657	691	70	162	1,580
Operating expenses	(406)	(260)	(16)	(43)	(725)
Impairment (charges)/benefits	(22)	(1)	-	-	(23)
Profit before income tax expense	229	430	54	119	832
Income tax expense	(64)	(119)	(15)	(36)	(234)
Profit after income tax expense	165	311	39	83	598
Net profit attributable to NCI	-	-	-	-	-
Net profit attributable to the owners of the Overseas Bank	165	311	39	83	598
As at 31 March 2025 (Unaudited)					
Total gross loans	63,684	39,816	443	204	104,147
Total deposits and other borrowings	47,796	33,154	-	2,076	83,026
As at 30 September 2024 (Audited)					
Total gross loans	62,190	40,217	334	224	102,965
Total deposits and other borrowings	46,616	33,060	-	1,863	81,539

Registered bank disclosures

Unaudited

This section contains the additional disclosures required by the Order.

i. General information

Guarantee arrangements

No material obligations of the Overseas Bank that relate to the NZ Branch are guaranteed as at the date the Directors and the Chief Executive Officer, NZ Branch signed this Disclosure Statement.

Directors

The Directors of the Overseas Bank at the time this Disclosure Statement was signed were:

Steven Gregg, BCom – Chairman

Anthony Miller, LLB (Hons), BA – Managing Director & Chief Executive Officer

Tim Burroughs, MA (Hons), B Psy (Hons), FCA, FAICD

Nerida Caesar, BCom, MBA, GAICD

David Cohen, BA LLB, FAPI

Debra Hazelton, BA (Hons), MCom, GAICD

Andy Maguire, BA, BAI

Peter Nash, BCom, FCA, F Fin

Margaret (Margie) Seale, BA, FAICD

Michael Ullmer AO, BSc, FAICD, FCA, SF Fin

Changes to Directorate

There have been changes in the composition of the Board of Directors of the Overseas Bank since 30 September 2024, as follows:

- Nora Scheinkestel, a Non-executive Director of the Overseas Bank retired from the Board on 6 November 2024.
- Audette Exel AO, a Non-executive Director of the Overseas Bank retired from the Board on 13 December 2024.
- Peter King retired as Managing Director & Chief Executive Officer of the Overseas Bank on 15 December 2024.
- Anthony Miller succeeded Peter King as Managing Director & Chief Executive Officer of the Overseas Bank, with his appointment effective on 16 December 2024.
- Debra Hazelton was appointed as a Non-executive Director of the Overseas Bank on 4 March 2025.
- David Cohen was appointed as a Non-executive Director of the Overseas Bank on 1 April 2025.

Chief Executive Officer, NZ Branch

Christopher Leuschke, BCom

Responsible person

All the Directors named above have authorised in writing Catherine McGrath, Chief Executive Officer, Westpac New Zealand to sign this Disclosure Statement on the Directors' behalf in accordance with section 82 of the Banking (Prudential Supervision) Act 1989.

Auditor

KPMG

18 Viaduct Harbour Avenue

Auckland, New Zealand

Credit ratings

The Overseas Bank has the following credit ratings with respect to its long-term senior unsecured obligations, including obligations payable in New Zealand in New Zealand dollars, as at the date the Directors and the Chief Executive Officer, NZ Branch signed this Disclosure Statement:

Rating Agency	Current Credit Rating	Rating Outlook
Fitch Ratings	AA-	Stable
Moody's Investors Services	Aa2	Stable
S&P Global Ratings	AA-	Stable

Registered bank disclosures

Unaudited

i. General information (continued)

Other material matters

Technology programme

Westpac New Zealand has committed to the Reserve Bank, APRA and Financial Markets Authority to address various technology issues. Material progress has been made in addressing these technology issues including improving system resilience. Westpac New Zealand is undertaking further work to meet its expectations and those of the regulators.

Reserve Bank review of overseas bank branches

On 21 August 2024, the Reserve Bank released the proposed Branch Standard under the Deposit Takers Act 2023 which will implement decisions made as part of the review of its policy for branches of overseas banks. The proposed Branch Standard will require that overseas bank branches only conduct business with wholesale clients; the total size of an overseas bank's branch cannot exceed NZ\$15 billion in total assets; and dual-operating branches (such as the NZ Branch) only conduct business with "large" corporate and institutional clients.

It is proposed that "large" means those with consolidated annual turnover of over NZ\$50 million, total assets of over NZ\$75 million or total assets under management of over NZ\$1 billion (for funds management entities only). The implementation date is expected to be in July 2028.

The NZ Branch currently provides financial markets, trade finance and international payment products and services to customers referred by Westpac New Zealand. We expect the Reserve Bank's Branch Standard will require changes to the activities the NZ Branch undertakes and as a result, Westpac New Zealand may also make changes to the scope of activities it undertakes.

Overseas Bank and APRA enforceable undertaking on risk governance remediation, Integrated Plan and CORE program

Following completion of the Integrated Plan (IP), as committed, in December 2023 (required under the enforceable undertaking entered into with APRA in December 2020 in relation to the Overseas Bank's risk governance remediation), the Overseas Bank continued to focus on the sustainability and effectiveness of the IP uplifts via a transition phase. On 31 December 2024, the Overseas Bank completed the transition phase, as confirmed by Promontory Australia (as Independent Reviewer) in February 2025.

Reserve Bank review of capital settings for deposit takers

On 31 March 2025, the Reserve Bank announced that it intends to conduct a review of the capital settings applicable to New Zealand incorporated deposit takers (including Westpac New Zealand). The planned Prudential Capital Buffer increase of 1% will proceed on 1 July 2025, with the review to be conducted to allow for any changes to be signalled prior to the next capital requirement increase scheduled for 1 July 2026. The review will include:

- An assessment of how New Zealand's capital settings compare internationally
- A reassessment of the appropriate risk appetite for capital settings in New Zealand
- Reviewing the degree of proportionality in the framework and considering changes
- Considering the balance between going concern and gone concern capital and the role of AT1 capital.

APRA announcement to phase out Additional Tier 1 Capital as eligible bank capital

On 9 December 2024, APRA confirmed it will phase out AT1 capital instruments from the bank prudential framework. Under APRA's proposed approach, large internationally active banks such as the Overseas Bank will replace 1.5% AT1 capital with 1.25% Tier 2 capital and 0.25% CET1 capital which would see the total CET1 requirement, including regulatory buffers, increase from 10.25% to 10.50%.

APRA intends to finalise changes to prudential standards before the end of 2025, with the updated framework to come into effect from 1 January 2027. In addition, from this date, existing AT1 capital instruments would be eligible to be included as Tier 2 capital, until their first scheduled call date. All existing AT1 capital instruments issued by an Australian bank would reach their first scheduled call date by 2032 at the latest.

Registered bank disclosures

Unaudited

i. General information (continued)

Australian Transaction Reports and Analysis Centre (AUSTRAC) related class action against Overseas Bank

The Overseas Bank is defending a class action proceeding which was commenced in December 2019 in the Federal Court of Australia on behalf of certain investors who acquired an interest in the Overseas Bank's securities between 16 December 2013 and 19 November 2019. The proceeding involves allegations relating to market disclosure issues connected to the Overseas Bank's monitoring of financial crime over the relevant period and matters which were the subject of the AUSTRAC civil proceedings. The damages sought on behalf of members of the class have not yet been specified. However, in the course of a procedural hearing in August 2022, the applicant indicated that a preliminary estimate of the losses that may be alleged in respect of a subset of potential group members exceeded AUD\$1 billion. While it remains unclear how the applicant will ultimately formulate their estimate of alleged damages claimed on behalf of group members, it is possible that the claim may be higher (or lower) than the amount referred to above. Given the time period and the nature of the claims alleged to be in question, along with the reduction in the Overseas Bank's market capitalisation at the time of the commencement of the AUSTRAC civil proceedings, it is likely that any total alleged damages (when, and if, ultimately articulated by the applicant) will be significant. The Overseas Bank continues to deny both that its disclosure was inappropriate and, as such, that any group member has incurred damage. The matter has not yet been set down for a hearing.

Disclosure statements of the NZ Banking Group and the financial statements of the Overseas Bank and the Overseas Banking Group

Disclosure Statements of the NZ Banking Group for the last five years are available, free of charge, at the internet address www.westpac.co.nz. A printed copy will also be made available, free of charge, upon request.

The most recently published financial statements of the Overseas Bank and the Overseas Banking Group are for the year ended 30 September 2024 and for the six months ended 31 March 2025, respectively, and can be accessed at the internet address www.westpac.com.au.

ii. Additional financial disclosures

Additional information on balance sheet

	NZ BANKING GROUP	
	31 Mar 25	30 Sep 24
\$ millions	Unaudited	Audited
Interest earning and discount bearing assets	125,295	122,945
Interest and discount bearing liabilities	102,706	100,202
Total amounts due from related entities	3,051	3,429
Total amounts due to related entities	4,136	3,237
Total liabilities of the NZ Branch, net of amounts due to related entities	7,336	8,839
Total retail deposits of the NZ Branch	-	-

Registered bank disclosures

Unaudited

ii. Additional financial disclosures (continued)

Financial assets pledged as collateral

The NZ Banking Group is required to provide collateral to other financial institutions, as part of standard terms, to secure liabilities. In addition to assets supporting the CB Programme disclosed in Note 6, the carrying value of these financial assets pledged as collateral is:

\$ millions	NZ BANKING GROUP	
	31 Mar 25 Unaudited	30 Sep 24 Audited
Cash	137	244
Securities pledged as collateral for derivative contracts:		
Investment securities	199	166
Securities pledged under repurchase agreements:		
Trading securities and financial assets measured at FVIS	461	121
Residential mortgage-backed securities ¹	4,058	4,039
Total amount pledged to secure liabilities (excluding CB Programme)	4,855	4,570

¹ As at 31 March 2025, the NZ Banking Group has undertaken repurchase agreements with the Reserve Bank, under the Funding for Lending Programme and Term Lending Facility, using residential mortgage-backed securities. For the Funding for Lending Programme, the repurchase cash amount at 31 March 2025 is \$2,981 million (30 September 2024: \$2,981 million), which is recorded within other financial liabilities on the balance sheet, with underlying securities to the value of \$4,019 million provided under the arrangement (30 September 2024: \$3,989 million). For the Term Lending Facility, the repurchase cash amount at 31 March 2025 is \$33 million (30 September 2024 million (\$42 million), which is recorded within other financial liabilities on the balance sheet, with underlying securities to the value of \$39 million provided under the arrangement (30 September 2024: \$50 million).

Additional information on concentrations of credit risk

The maximum exposure to credit risk (excluding collateral received) is represented by the carrying amount of on-balance sheet financial assets and undrawn credit commitments as set out in the following table.

\$ millions	NZ BANKING GROUP	
	31 Mar 25	
Financial assets		
Cash and balances with central banks		6,660
Collateral paid		137
Trading securities and financial assets measured at FVIS		5,987
Derivative financial instruments		5,161
Investment securities		8,164
Loans		103,614
Other financial assets		727
Due from related entities		3,051
Total financial assets		133,501
Undrawn credit commitments		
Letters of credit and guarantees		1,145
Commitments to extend credit		27,868
Total undrawn credit commitments		29,013
Total maximum credit risk exposure		162,514

Registered bank disclosures

Unaudited

ii. Additional financial disclosures (continued)

	NZ BANKING GROUP
\$ millions	31 Mar 25
Analysis of on-balance sheet credit exposures by geographical areas	
New Zealand	123,625
Overseas	10,409
Subtotal	134,034
Provision for ECL on loans	(533)
Total on-balance sheet credit exposures	133,501
Analysis of on-balance sheet credit exposures by industry sector	
Accommodation, cafes and restaurants	373
Agriculture	8,552
Construction	498
Finance and insurance	13,042
Forestry and fishing, agriculture support services	326
Government, administration and defence	16,931
Manufacturing	1,933
Mining	108
Property	9,328
Property services and business services	1,189
Services	1,866
Trade	2,564
Transport and storage	672
Utilities	2,541
Retail lending	70,883
Subtotal	130,806
Provision for ECL on loans	(533)
Due from related entities	3,051
Other financial assets	177
Total on-balance sheet credit exposures	133,501
Analysis of off-balance sheet credit exposures by geographical areas	
New Zealand	28,388
Overseas	625
Total off-balance sheet credit exposures	29,013
Analysis of off-balance sheet credit exposures by industry sector	
Accommodation, cafes and restaurants	79
Agriculture	729
Construction	659
Finance and insurance	2,069
Forestry and fishing, agriculture support services	112
Government, administration and defence	735
Manufacturing	1,389
Mining	120
Property	1,591
Property services and business services	525
Services	1,007
Trade	1,504
Transport and storage	428
Utilities	1,809
Retail lending	16,257
Total off-balance sheet credit exposures	29,013

ANZSIC has been used as the basis for disclosing industry sectors.

Registered bank disclosures

Unaudited

ii. Additional financial disclosures (continued)

Additional information on concentrations of funding

	NZ BANKING GROUP
\$ millions	31 Mar 25
Funding consists of	
Collateral received	1,163
Deposits and other borrowings	83,026
Other financial liabilities ¹	3,712
Due to related entities ²	1,214
Debt issues ³	22,014
Loan capital	3,308
Total funding	114,437
Analysis of funding by geographical areas³	
New Zealand	88,024
Overseas	26,413
Total funding	114,437
Analysis of funding by industry sector	
Accommodation, cafes and restaurants	356
Agriculture, forestry and fishing	1,665
Construction	1,926
Finance and insurance	42,086
Government, administration and defence	3,494
Manufacturing	1,657
Mining	37
Property services and business services	6,993
Services	5,459
Trade	1,580
Transport and storage	933
Utilities	812
Households	42,226
Other ⁴	3,999
Subtotal	113,223
Due to related entities ²	1,214
Total funding	114,437

¹ Other financial liabilities, as presented above, are in respect of securities sold under agreements to repurchase, securities sold short and interbank placements.

² Amounts due to related entities, as presented above, are in respect of deposits and borrowings and exclude amounts which relate to derivative financial instruments and other liabilities.

³ The geographic region used for debt issues is based on the nature of the debt programmes. The nature of the debt programmes is used as a proxy for the location of the original purchaser.

⁴ Includes deposits from non-residents.

ANZSIC has been used as the basis for disclosing industry sectors.

Registered bank disclosures

Unaudited

ii. Additional financial disclosures (continued)

Additional information on interest rate sensitivity

The following table presents a breakdown of the earlier of the contractual repricing or maturity dates of the NZ Banking Group's net asset position as at 31 March 2025. The NZ Banking Group uses this contractual repricing information as a base, which is then altered to take account of customer behaviour, to manage its interest rate risk.

NZ BANKING GROUP							
31 Mar 25							
\$ millions	Up to 3 Months	Over 3 Months and Up to 6 Months	Over 6 Months and Up to 1 Year	Over 1 Year and Up to 2 Years	Over 2 Years	Non- interest Bearing	Total
Financial assets							
Cash and balances with central banks	6,455	-	-	-	-	205	6,660
Collateral paid	137	-	-	-	-	-	137
Trading securities and financial assets measured at FVIS	3,068	978	25	869	1,047	-	5,987
Derivative financial instruments	-	-	-	-	-	5,161	5,161
Investment securities	849	71	-	1,364	5,880	-	8,164
Loans	55,121	12,935	17,858	12,265	4,359	1,076	103,614
Other financial assets	1	-	-	-	-	726	727
Due from related entities	2,013	-	-	-	-	1,038	3,051
Total financial assets	67,644	13,984	17,883	14,498	11,286	8,206	133,501
Non-financial assets							1,777
Total assets							135,278
Financial liabilities							
Collateral received	1,163	-	-	-	-	-	1,163
Deposits and other borrowings	48,903	11,615	8,414	1,101	965	12,028	83,026
Other financial liabilities	3,708	-	-	-	-	1,761	5,469
Derivative financial instruments	-	-	-	-	-	3,643	3,643
Due to related entities	1,117	-	-	1	67	2,951	4,136
Debt issues	2,690	109	4,285	4,402	10,777	(249)	22,014
Loan capital	-	-	-	-	3,389	(81)	3,308
Total financial liabilities	57,581	11,724	12,699	5,504	15,198	20,053	122,759
Non-financial liabilities							542
Total liabilities							123,301
On-balance sheet interest rate repricing gap	10,063	2,260	5,184	8,994	(3,912)		
Net derivative notional principals							
Net interest rate contracts (notional):							
Receivable/(payable)	(11,760)	1,201	10,526	(5,576)	5,609		
Net interest rate repricing gap	(1,697)	3,461	15,710	3,418	1,697		

Registered bank disclosures

Unaudited

ii. Additional financial disclosures (continued)

Additional information on liquidity risk

Contractual maturity of financial liabilities

The following table presents cash flows associated with financial liabilities, payable at the balance sheet date, by remaining contractual maturity. The amounts disclosed in the table are the future contractual undiscounted cash flows, whereas the NZ Banking Group manages inherent liquidity risk based on expected cash flows.

Cash flows associated with these financial liabilities include both principal payments as well as fixed or variable interest payments incorporated into the relevant coupon period. Principal payments reflect the earliest contractual maturity date. Derivative financial instruments designated in hedge accounting relationships and used as economic hedges are expected to be held for their remaining contractual lives, and reflect gross cash flows over the remaining contractual term.

Derivatives held for trading (excluding economic hedges) and certain liabilities classified in "Other financial liabilities" which are measured at FVIS are not managed for liquidity purposes on the basis of their contractual maturity, and accordingly these liabilities are presented in the up to 1 month column. Only the liabilities that the NZ Banking Group manages based on their contractual maturity are presented on a contractual undiscounted basis in the following table.

NZ BANKING GROUP							
31 Mar 25							
\$ millions	On Demand	Up to 1 Month	Over 1 Month and Up to 3 Months	Over 3 Months and Up to 1 Year	Over 1 and Up to 5 Years	Over 5 Years	Total
Financial liabilities							
Collateral received	-	1,163	-	-	-	-	1,163
Deposits and other borrowings	43,784	6,404	11,219	20,575	2,237	-	84,219
Other financial liabilities	653	549	1,747	1,966	89	-	5,004
Derivative financial instruments:							
Held for trading	2,584	-	-	-	-	-	2,584
Held for hedging purposes (net settled)	-	23	218	247	347	9	844
Held for hedging purposes (gross settled):							
Cash outflow	-	1,195	1,181	6,070	10,890	2,214	21,550
Cash inflow	-	(1,102)	(1,106)	(6,082)	(10,927)	(2,148)	(21,365)
Due to related entities:							
Non-derivative balances	1,161	-	-	-	68	-	1,229
Derivative financial instruments:							
Held for trading	1,541	-	-	-	-	-	1,541
Held for hedging purposes (net settled)	-	-	1	1	3	-	5
Held for hedging purposes (gross settled):							
Cash outflow	-	352	931	3,437	12,392	-	17,112
Cash inflow	-	(335)	(849)	(3,042)	(11,355)	-	(15,581)
Debt issues	-	71	964	5,679	17,076	391	24,181
Loan capital	-	-	19	58	294	3,617	3,988
Total undiscounted financial liabilities	49,723	8,320	14,325	28,909	21,114	4,083	126,474
Total contingent liabilities and commitments							
Letters of credit and guarantees	1,145	-	-	-	-	-	1,145
Commitments to extend credit	27,868	-	-	-	-	-	27,868
Total undiscounted contingent liabilities and commitments	29,013	-	-	-	-	-	29,013

Registered bank disclosures

Unaudited

ii. Additional financial disclosures (continued)

Liquid assets

The following table shows the NZ Banking Group's qualifying liquid assets held for the purpose of managing liquidity risk. These assets are eligible for repurchase agreements with the Reserve Bank and are held in cash, government, local government and highly rated investment grade securities. The level of liquid asset holdings is reviewed frequently and is consistent with regulatory, balance sheet and market condition requirements.

	NZ BANKING GROUP
\$ millions	31 Mar 25
Cash and balances with central banks	6,660
Interbank lending	4
Supranational securities	2,236
NZ Government securities	5,019
NZ public securities	2,739
NZ corporate securities	2,215
Available liquid assets	18,873

In addition, the NZ Banking Group has \$6,859 million (30 September 2024: \$8,203 million) of own originated loans that are self-securitised via Westpac New Zealand's internal residential mortgage-backed securitisation programme. The AAA rated internal residential mortgage-backed securities held are eligible for repurchase agreements with the Reserve Bank under certain circumstances.

Overseas Banking Group profitability and size

Information on the Overseas Banking Group is from the most recently published financial statements of the Overseas Banking Group for the six months ended 31 March 2025.

	31 Mar 25
Profitability	
Profit after income tax expense for the six months ended 31 March 2025 (A\$millions) ¹	3,325
Profit after income tax expense for the 12 month period to 31 March 2025 as a percentage of average total assets	0.6%

¹Profit after income tax expense represents the amount before deductions for net profit attributable to non-controlling interests.

	31 Mar 25
Total assets	
Total assets (A\$ millions)	1,098,893
Percentage change in total assets over the 12 months ended 31 March 2025	4.4%

Reconciliation of mortgage-related amounts

The following table provides the NZ Banking Group's reconciliation between any amounts disclosed in this Disclosure Statement that relate to mortgages on residential property.

	NZ BANKING GROUP
\$ millions	31 Mar 25
Residential mortgages - total gross loans (as disclosed in Note 6)	69,515
Reconciling items:	
Unamortised deferred fees and expenses	(453)
Fair value hedge adjustments	(87)
Exposure at default for undrawn commitments and other off-balance sheet exposures	9,732
Residential mortgages by LVR (as disclosed in Additional mortgage information in Note iv. Credit and market risk exposures and capital adequacy)	78,707

Registered bank disclosures

Unaudited

iii. Asset quality

Past due assets

	NZ BANKING GROUP
\$ millions	31 Mar 25
Past due but not individually impaired assets	
Less than 30 days past due	1,356
At least 30 days but less than 60 days past due	243
At least 60 days but less than 90 days past due	132
At least 90 days past due	435
Total past due but not individually impaired assets	2,166

Movements in components of loss allowance

Refer to Note 7 Provision for expected credit losses for the movements in components of loss allowance.

Impacts of changes in gross financial assets on loss allowances - total

Refer to Note 7 Provision for expected credit losses for the impacts of changes in gross financial assets on loss allowances. The following table explains how changes in gross carrying amounts of loans during the period have contributed to changes in the provision for ECL on loans.

	NZ BANKING GROUP				
	31 Mar 25				
	Unaudited				
	Performing		Non-performing		
	Stage 1	Stage 2	Stage 3	Stage 3	
\$ millions	CAP	CAP	CAP	IAP	Total
Total gross carrying amount as at 30 September 2024	79,904	22,070	800	191	102,965
Transfers:					
Transfers to Stage 1	7,238	(7,236)	(2)	-	-
Transfers to Stage 2	(5,223)	5,404	(177)	(4)	-
Transfers to Stage 3 CAP	(42)	(462)	509	(5)	-
Transfers to Stage 3 IAP	-	(7)	(56)	63	-
Net further lending/(repayment)	(1,907)	(271)	(19)	11	(2,186)
New facilities originated	9,520	-	-	-	9,520
Facilities derecognised	(4,697)	(1,281)	(131)	(28)	(6,137)
Amounts written-off	-	-	(11)	(4)	(15)
Total gross carrying amount as at 31 March 2025	84,793	18,217	913	224	104,147
Provision for ECL as at 31 March 2025	(76)	(289)	(99)	(69)	(533)
Total net carrying amount as at 31 March 2025	84,717	17,928	814	155	103,614

Other asset quality information

	NZ BANKING GROUP
\$ millions	31 Mar 25
Undrawn commitments with individually impaired counterparties	11
Other assets under administration	-

Registered bank disclosures

Unaudited

iii. Asset quality (continued)

Overseas Banking Group asset quality

Information on the Overseas Banking Group is from the most recently published financial statements of the Overseas Banking Group for the six months ended 31 March 2025.

	31 Mar 25
Total non-performing exposures ¹ (A\$ millions)	10,483
Total non-performing exposures expressed as a percentage of total assets	1.0%
Total provision for ECL on non-performing exposures ² (A\$ millions)	1,779
Total provision for ECL on non-performing exposures expressed as a percentage of total non-performing exposures	17.0%
Total collectively assessed provision for ECL ² (A\$ millions)	4,461

¹ Non-financial assets have not been acquired through the enforcement of security.

² Total provision for ECL on non-performing exposures and total collectively assessed provision for ECL both include A\$1,168 million of provision for ECL that has been calculated collectively on groups of assets which have been determined to be non-performing, but which are not individually significant.

iv. Credit and market risk exposures and capital adequacy

Additional mortgage information

Residential mortgages by LVR as at 31 March 2025

LVRs are calculated as the current exposure divided by the NZ Banking Group's valuation of the associated residential property at origination.

The NZ Banking Group utilises data from its loan system to obtain origination valuations. For loans originated prior to 1 January 2008, or those originated outside of the loan system, the origination valuation is not recorded in the system and is therefore, due to system limitations, not available for disclosure. For these loans, the NZ Banking Group utilises the earliest valuation recorded as the closest available alternative to estimate an origination valuation.

Exposures for which no LVR is available have been included in the 'Exceeds 90%' category in accordance with the requirements of the Order.

NZ BANKING GROUP						
31 Mar 25						
LVR range (\$ millions)	Does not exceed 60%	Exceeds 60% and not 70%	Exceeds 70% and not 80%	Exceeds 80% and not 90%	Exceeds 90%	Total
On-balance sheet exposures	31,509	14,530	16,084	4,938	1,914	68,975
Undrawn commitments and other off-balance sheet exposures	7,646	1,058	748	117	163	9,732
Value of exposures	39,155	15,588	16,832	5,055	2,077	78,707

Market risk

The NZ Banking Group's aggregate market risk exposure is derived in accordance with BPR140 Market risk exposure and is calculated on a six-monthly basis. The end-of-period aggregate market risk exposure is calculated from the period end balance sheet information.

For each category of market risk, the NZ Banking Group's peak end-of-day aggregate capital charge is derived in accordance with the scalar approach as referred to in BPR140 Market risk exposure. Under this approach, the end-of-period capital charge is scaled by the ratio of peak capital charge to end-of-period capital charge using the internal value-at-risk method.

The following table provides a summary of the NZ Banking Group's notional capital charges by risk type as at the reporting date and the peak end-of-day notional capital charges by risk type for the six months ended 31 March 2025:

NZ BANKING GROUP		
31 Mar 25		
\$ millions	Implied Risk Weighted Exposure	Notional Capital Charge
End-of-period		
Interest rate risk	9,877	790
Currency risk	30	2
Equity risk	-	-
Peak end-of-day		
Interest rate risk	18,801	1,504
Currency risk	30	2
Equity risk	-	-

Registered bank disclosures

Unaudited

iv. Credit and market risk exposures and capital adequacy (continued)

Overseas Banking Group and Overseas Bank capital adequacy

The following table represents the capital adequacy calculation for the Overseas Banking Group and Overseas Bank based on APRA's application of the Basel III capital adequacy framework.

%	31 Mar 25 Unaudited	31 Mar 24 Unaudited
Overseas Banking Group (excluding entities specifically excluded by APRA)^{1,2}		
Common Equity Tier 1 capital ratio	12.2	12.5
Additional Tier 1 capital ratio	2.3	2.5
Tier 1 capital ratio	14.5	15.0
Tier 2 capital ratio	7.1	6.4
Total regulatory capital ratio	21.6	21.4
Overseas Bank (Extended Licensed Entity)^{1,3}		
Common Equity Tier 1 capital ratio	12.5	12.8
Additional Tier 1 capital ratio	2.5	2.7
Tier 1 capital ratio	15.0	15.5
Tier 2 capital ratio	7.9	7.1
Total regulatory capital ratio	22.9	22.6

¹ The capital ratios represent information mandated by APRA. The capital ratios of the Overseas Banking Group are publicly available in the Overseas Banking Group's Pillar 3 report. This information is made available to users via the Overseas Bank's website (www.westpac.com.au).

² Overseas Banking Group (excluding entities specifically excluded by APRA regulations) comprises the consolidation of the Overseas Bank and its subsidiary entities except for those entities specifically excluded by APRA regulations for the purposes of measuring capital adequacy (Level 2). The head of the Level 2 group is the Overseas Bank.

³ Overseas Bank (Extended Licensed Entity) comprises the Overseas Bank and its subsidiary entities that have been approved by APRA as being part of a single Extended Licensed Entity for the purpose of measuring capital adequacy (Level 1).

Under APRA's Prudential Standards, Australian authorised deposit-taking institutions, including the Overseas Banking Group and Overseas Bank are required to maintain minimum ratios of capital to risk weighted assets, as determined by APRA which are at least equal to those specified under the Basel III capital framework. For the calculation of risk weighted assets, the Overseas Banking Group and Overseas Bank is accredited by APRA to apply advanced models. The Overseas Banking Group and Overseas Bank uses the Advanced IRB approach for credit risk, the Standardised Measurement Approach (SMA) for operational risk and the internal model approach for IRRBB for calculating regulatory capital.

APRA has set a Total Common Equity Tier 1 (CET1) Requirement for Domestic Systemically Important Banks (D-SIBs), including the Overseas Bank of at least 10.25% (noting that APRA may apply higher CET1 requirements for an individual bank). This requirement includes a capital conservation buffer of 4.75% applicable to D-SIBs and a base level for the countercyclical capital buffer of 1.0% for Australian exposures which APRA may vary between 0% and 3.5%. From 1 January 2027, the Total CET1 Requirement will increase to 10.50%.

The Overseas Bank Board has determined that the Overseas Banking Group and Overseas Bank will target a CET1 operating capital range of between 11.0% and 11.5%, in normal operating conditions.

APRA's Prudential Standards are generally consistent with the International Regulatory Framework for Banks, also known as Basel III, issued by the Basel Committee on Banking Supervision, except where APRA has exercised certain discretions. The Overseas Banking Group is required to disclose additional detailed information on its risk management practices and capital adequacy on a quarterly basis. This information is made available to users via the Overseas Bank's website (www.westpac.com.au).

The Overseas Banking Group (excluding entities specifically excluded by APRA regulations), and the Overseas Bank (Extended Licensed Entity as defined by APRA), exceeded the minimum capital adequacy requirements as specified by APRA as at 31 March 2025.

v. Insurance business

The NZ Banking Group does not conduct any insurance business.

vi. Risk management policies

Refer to Note vi. Risk management policies of the Registered bank disclosures, Note 13 Credit risk management and Note 32 Risk management, funding and liquidity risk and market risk included in the NZ Banking Group Disclosure Statement for the year ended 30 September 2024 for further details on the NZ Banking Group's risk management policies.

Conditions of Registration

Changes to Conditions of Registration

No changes to the Overseas Bank's Conditions of Registration have occurred between the reporting date for the previous disclosure statement and the reporting date for this disclosure statement.



Independent Auditor's Review Report

To the New Zealand business of Westpac Banking Corporation (the **Branch**)

Report on the aggregated interim disclosure statement

Conclusion

Within the aggregated interim disclosure statement we have completed a review of the accompanying aggregated half-year financial statements and the supplementary information (excluding supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy) (the **financial statements and supplementary information**) which comprise:

- the aggregated half-year financial statements comprised of:
 - the balance sheet as at 31 March 2025;
 - the income statement, statements of comprehensive income, changes in equity and cash flows for the six month period then ended; and
 - notes, including material accounting policy information and other explanatory information (excluding the information disclosed in accordance with Schedules 5, 7, 12 and 14 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the **Order**) and is included within notes ii, iii, v and vi);
- the supplementary information, within notes ii, iii, v and vi of the registered bank disclosures, that is required to be disclosed in accordance with Schedules 5, 7, 12 and 14 of the Order.

Based on our review, the accompanying aggregated half-year financial statements and supplementary information of The New Zealand business of Westpac Banking Corporation and its financial reporting entities (the **NZ Banking Group**), as defined by the Order, on pages 6 to 22 and 25 to 34, nothing has come to our attention that causes us to believe that:

- the half-year financial statements have not been prepared, in all material respects, with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34); and
- the supplementary information (excluding supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements) that is required to be disclosed in accordance with Schedule 5, 7, 12 and 14 of the Order:
 - does not present fairly, in all material respects, the matters to which it relates;
 - is not disclosed, in all material respects, in accordance with those schedules; and
 - has not been prepared, in all material respects, in accordance with any condition of registration relating to disclosure requirements, imposed under section 74(4)(c) of the Banking (Prudential Supervision) Act 1989.

Basis for conclusion

We conducted our review of the aggregated interim disclosure statement in accordance with NZ SRE 2410 (Revised) Review of Financial Statements Performed by the Independent Auditor of the Entity (**NZ SRE 2410 (Revised)**). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the aggregated interim disclosure statement* section of our report.

We are independent of the NZ Banking Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual disclosure statement and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Our firm has provided other services to the NZ Banking Group in relation to review of regulatory compliance, climate report limited assurance, and agreed upon procedures. Subject to certain restrictions, partners and employees of our firm may also deal with the NZ Banking Group on normal terms within the ordinary course of trading activities of the business of the NZ Banking Group. These matters have not impaired our independence as auditor of the NZ Banking Group. The firm has no other relationship with, or interest in, the NZ Banking Group.



Other matter

The aggregated financial statements and supplementary information of the NZ Banking Group, for the period ended 31 March 2024 were reviewed, and for the year ended 30 September 2024 were audited by another auditor who expressed unmodified opinion on the financial statements and supplementary information on 13 May 2024 and 7 November 2024 respectively.

Use of this Independent Auditor's Review Report

This report is made solely to the Branch. Our review work has been undertaken so that we might state to the Branch those matters we are required to state to them in the Independent Auditor's Review Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Branch for our review work, this report, or any of the conclusions we have formed.

Responsibilities of Directors for the aggregated interim disclosure statement

The Directors on behalf of the NZ Banking Group are responsible for:

- the preparation and fair presentation of the NZ Banking Group aggregated interim disclosure statement in accordance with NZ IAS 34 and Schedules 3, 5, 7, 12 and 14 of the Order; and
- implementing necessary internal control to enable the preparation of aggregated interim disclosure statement that is fairly presented and free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the aggregated interim disclosure statement

Our responsibility is to express a conclusion on the aggregated interim disclosure statement based on our review.

NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the:

- aggregated half-year financial statements, taken as a whole, do not present fairly, in all material respects, the NZ Banking Group's financial position as at 31 March 2025 and its financial performance and cash flows for the 6 month period ended on that date;
- aggregated half-year financial statements, taken as a whole, do not, in all material respects, comply with NZ IAS 34; and
- the supplementary information does not, fairly state, in all material respects, the matters to which it relates in accordance with Schedules 5, 7, 12 and 14 of the Order.

A review of the aggregated interim disclosure statement in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on the aggregated interim disclosure statement.

The engagement partner on the review resulting in this independent auditor's review report is Sonia Isaac.

For and on behalf of:

KPMG

Auckland

12 May 2025



Independent Limited Assurance Report

To the New Zealand business of Westpac Banking Corporation (the **Branch**)

Report on the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements

Conclusion

Our limited assurance conclusion has been formed on the basis of the matters outlined in this report:

Based on our limited assurance engagement, which is not a reasonable assurance engagement or audit, nothing has come to our attention that would lead us to believe that the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements, disclosed in note iv of the registered bank disclosures within the aggregated interim disclosure statement, is not, in all material respects disclosed in accordance with Schedule 9 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the **Order**).

Information subject to assurance

We have reviewed the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy, as disclosed in note iv of the registered bank disclosures within the aggregated interim disclosure statement for the period ended 31 March 2025.

Criteria

The supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements comprises the information that is required to be disclosed in accordance with Schedule 9 of the Order.

Standards we followed

We conducted our limited assurance engagement in accordance with Standard on Assurance Engagements 3100 (Revised) Compliance Engagements (**SAE 3100 (Revised)**) issued by the New Zealand Auditing and Assurance Standards Board (**Standard**). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited conclusion. In accordance with the Standard, we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements, are free from material misstatement and non-compliance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on the effectiveness of these controls; and
- ensured that the engagement team possesses the appropriate knowledge, skills and professional competencies;
- obtained an understanding of the process, models, data and internal controls implemented over the preparation of the information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements;
- performed inquiry and analytical procedures over the Credit and Market Risk Exposures and Capital Adequacy Requirements;
- obtained an understanding of the Branch's compliance framework and internal control environment over the information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements, including the Branch's assessment of any matters of non-compliance with the Reserve Bank of New Zealand's Prudential Requirements; and



- agreed the information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements, extracted from the Branch's models, accounting records or other supporting documentation to the aggregated interim disclosure statement
-

How to interpret limited assurance and material misstatement and non-compliance

In a limited assurance engagement, the assurance practitioner performs procedures, primarily consisting of discussion and enquiries of management and others within the entity, as appropriate, and observation and walk-throughs, and evaluates the evidence obtained. The procedures selected depend on our judgement, including identifying areas where the risk of material misstatement and non-compliance with Schedule 9 of the Order.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, within the supplementary information relating to Credit and Market Risk and Capital Adequacy Requirements and non-compliance are considered material if, individually or in aggregate, could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the supplementary information relating to Credit and Market Risk and Capital Adequacy Requirements.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error or non-compliance with compliance requirements may occur and not be detected.

A limited assurance engagement for the six month period ended 31 March 2025 does not provide assurance on whether compliance with Schedule 9 of the Order will continue in the future.

Use of this assurance Report

This report is made solely for the Branch. Our assurance work has been undertaken so that we might state to the Branch those matters we are required to state to them in the assurance report and for no other purpose.

Our report should not be regarded as suitable to be used or relied on by anyone other than the Branch for any purpose or in any context. Any other person who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees accept or assume any responsibility and deny all liability to anyone other than the Branch for our work, for this independent assurance report, and/or for the opinions or conclusions we have reached.

Our conclusion is not modified in respect of this matter.

Westpac Banking Corporation – New Zealand Banking Group's responsibility for the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements

The Directors of the Branch are responsible for the disclosure of the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements in accordance with Schedule 9 of the Order, which the Directors have determined meets the needs of the Branch. This responsibility includes such internal control as the Directors determine is necessary to enable compliance and to monitor ongoing compliance and to enable the disclosure of the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements that is free from material misstatement and non-compliance whether due to fraud or error.



Our responsibility

Our responsibility is to express a conclusion to the Branch on whether anything has come to our attention that would lead us to believe that, in all material respects the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy and Requirements has not been disclosed in accordance with Schedule 9 of the Order for the six month period ended 31 March 2025.

Our independence and quality management

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) (**PES 1**) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (**PES 3**), which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our firm has also provided other services to the Branch in relation to review of regulatory compliance, climate report limited assurance and agreed upon procedures. Subject to certain restrictions, partners and employees of our firm may also deal with the Branch on normal terms within the ordinary course of trading activities of the business of the Branch. These matters have not impaired our independence as assurance providers of the Branch for this engagement. The firm has no other relationship with, or interest in, the Branch.

For and on behalf of:

KPMG

Auckland

12 May 2025

This page has been intentionally left blank



Westpac Banking Corporation.