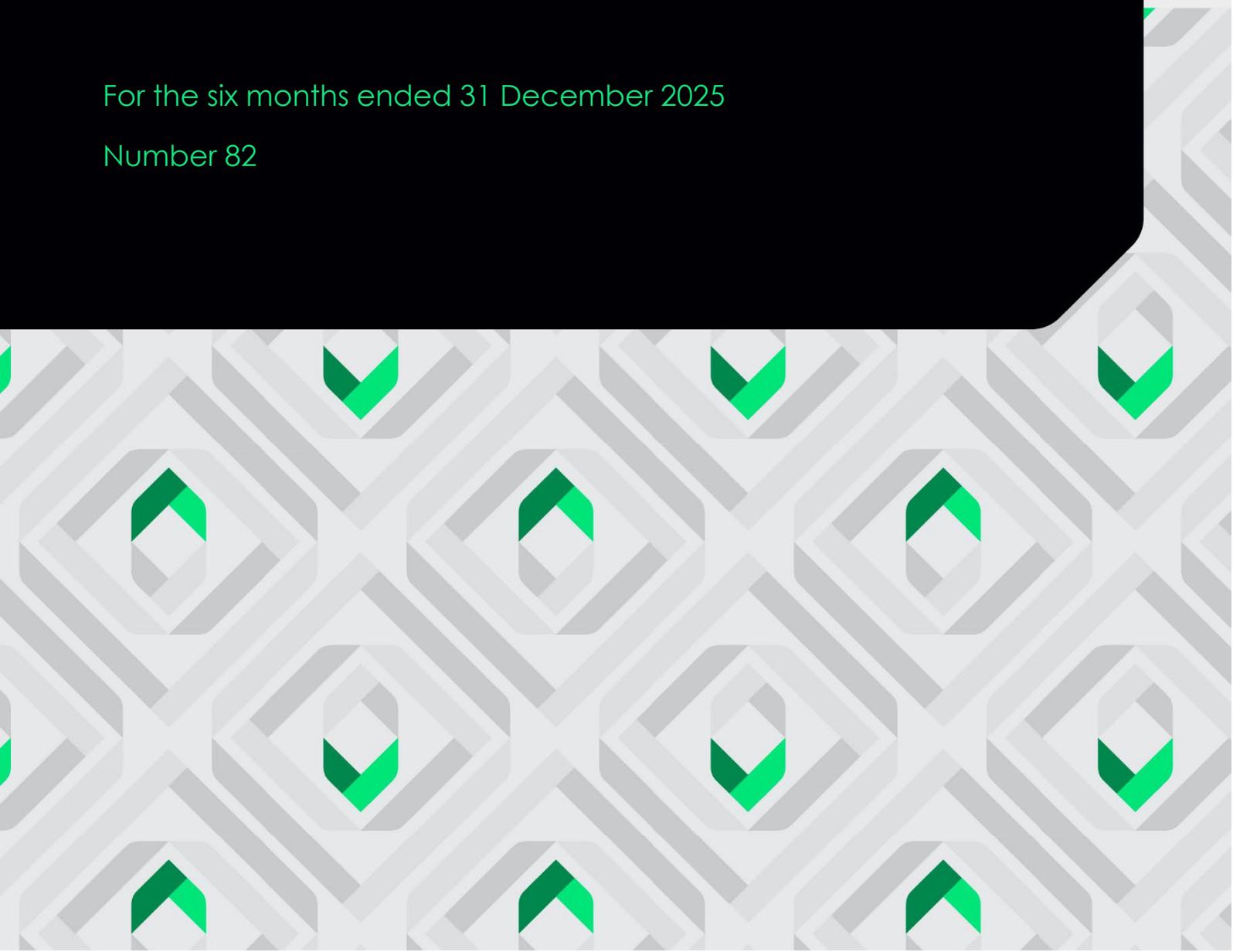




Registered Bank Disclosure Statement

For the six months ended 31 December 2025

Number 82



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General matters

Details of incorporation

Kiwibank Limited ('**Kiwibank**' or the '**Bank**') is a company domiciled in New Zealand and was incorporated in New Zealand under the Companies Act 1993 on 4 May 2001. On 29 November 2001, the Bank was registered as a bank under the Reserve Bank of New Zealand Act 1989 (now the Banking (Prudential Supervision) Act 1989) and was required to comply with the conditions of registration as imposed by the Reserve Bank of New Zealand ('**RBNZ**') from that date onwards.

This Disclosure Statement has been issued by Kiwibank for the six months ended 31 December 2025, in accordance with the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the '**Order**'). Words and phrases defined by the Order have the same meanings used in this Disclosure Statement.

In this Disclosure Statement, '**Banking Group**' means Kiwibank's financial reporting group, which consists of Kiwibank, all its wholly owned entities, and all other entities consolidated for financial reporting purposes.

Registered office and address for service

Kiwibank's registered office and address for service is: Kiwibank Limited, Level 9, 20 Customhouse Quay, Wellington 6011, New Zealand.

Guarantees

The material obligations of the Bank that are guaranteed as at the date the Board approved this Disclosure Statement are set out below.

Covered Bond Guarantee

Certain debt securities ('**Covered Bonds**') issued by the Bank are guaranteed by Kiwi Covered Bond Trustee Limited (the '**Covered Bond Guarantor**'), solely in its capacity as Trustee of Kiwi Covered Bond Trust. No material conditions apply to the Covered Bond Guarantee other than non-performance by Kiwibank. There are no material legislative or regulatory restrictions in New Zealand which would have the effect of subordinating the claims under the guarantee of any creditors of the Banking Group on the assets of the Covered Bond Guarantor, to other claims on the Covered Bond Guarantor, in a winding up of the Covered Bond Guarantor. The Covered Bond Guarantee will remain in force until all monies payable under the Covered Bond Guarantee have been paid.

The Covered Bond Guarantee is limited to the payment of interest and the principal of Covered Bonds, and such guarantee is secured over a pool of assets. There are no other limits on the obligations guaranteed. The carrying amount of the Kiwi Covered Bond Trust pool as at 31 December 2025 was \$1,400m (30 June 2025: \$1,400m).

The Covered Bond Guarantor's address for service is Level 16, SAP Tower, 151 Queen Street, Auckland 1010, New Zealand. The Covered Bond Guarantor is not a member of the Banking Group and has no applicable credit rating. The Covered Bonds have been assigned a long-term rating of Aaa and AAA by Moody's and Fitch respectively. There has been no change in the ratings over the past two years.

Pending proceedings or arbitration

The Board is not aware of any pending legal proceedings or arbitration concerning Kiwibank or any member of the Banking Group, whether in New Zealand or elsewhere, that may have a material adverse effect on Kiwibank or the Banking Group.

Credit ratings

The Bank has the following credit ratings applicable to its long-term senior unsecured obligations payable in New Zealand dollars at the date the directors signed this Disclosure Statement.

Rating Agency	Current Credit Rating	Rating Outlook
Moody's Investors Service (' Moody's ')	A1	Stable
Fitch Ratings (' Fitch ')	AA	Stable

General matters continued

Conditions of registration

Changes to conditions of registration

The RBNZ issued revisions to the conditions of registration for Kiwibank effective on and after 1 July 2025, to implement changes to the Prudential Capital Buffer ('PCB') ratio requirement in line with decisions announced by the RBNZ in the 2019 Capital Review. The revisions were as follows:

- An increase in the PCB ratio requirement to 3.5% (up from 2.5%); and
- Updates to the PCB ratio bands included in the CET1 dividend restriction condition of registration to reflect the impact of this increase.

The RBNZ issued revisions to the conditions of registration for Kiwibank effective on and after 1 December 2025. The loan-to-value ratio ('LVR') conditions were revised as follows (for a LVR measurement period ending on or after 28 February 2026):

- For owner occupiers, the limit on the share of new lending allowed with an LVR above 80% was increased to 25% (up from 20%); and
- For investors, the limit on the share of new lending allowed with an LVR above 70% was increased to 10% (up from 5%).

There have been no other changes to the Bank's conditions of registration from those which were in force on 30 June 2025.

Non-compliance with conditions of registration

There were no cases where Kiwibank has not complied in a material respect with a condition of registration during the period.

Directorate

Scott John Pickering ceased to be a director of Kiwibank Limited, effective from 30 September 2025.

Jonathan Peter Hartley ceased to be a director of Kiwibank Limited, effective from 29 November 2025.

Susan Ruth Peterson was appointed as an independent director and the Chair of Kiwibank Limited, effective from 30 November 2025.

Responsible persons

Susan Ruth Peterson and Mary Jane Daly have been authorised in writing to sign this Disclosure Statement in accordance with Section 82 of the Banking (Prudential Supervision) Act 1989, on behalf of the directors, being:

Susan Ruth Peterson	Mary Jane Daly
Kevin Mark Malloy	Kate Louise Jorgensen
Ian Cameron Blair	Anna Valerie Curzon
Jonathan Keith Macdonald	

Auditor

The Auditor-General is the auditor of the Bank and the Banking Group. The Auditor-General has appointed Callum Dixon, using the staff and resources of PricewaterhouseCoopers, to perform the review of the interim financial statements of the Banking Group and a limited assurance engagement in respect of the Bank's compliance with the information required on capital adequacy and regulatory liquidity requirements included in the Disclosure Statement on his behalf. Callum Dixon's address for service is: PricewaterhouseCoopers, PwC Centre, 10 Waterloo Quay, Wellington 6011, New Zealand.

Other material matters

Depositor Compensation Scheme

The Depositor Compensation Scheme ('DCS') came into effect on 1 July 2025 (under The Deposit Takers Act 2023). The DCS provides eligible depositors with confidence that their deposits, in the event of a deposit taker failure, are eligible for compensation of up to \$100,000 per depositor, per deposit taker. DCS is a government backed scheme funded by deposit takers and administered by the RBNZ. For more information about the scheme, please refer to RBNZ's internet site at www.rbnz.govt.nz/dcs.

The Board is of the opinion that there are no other matters relating to the business or affairs of Kiwibank or the Banking Group which are not contained elsewhere in this Disclosure Statement that would, if disclosed, materially affect the decision of a person to subscribe for debt securities of which Kiwibank or any member of the Banking Group is the issuer.

Directors' statement

The directors of Kiwibank state that each director believes, after due inquiry, that:

As at the date on which the Disclosure Statement is signed:

- i) the Disclosure Statement contains all the information that is required by the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended); and
- ii) the Disclosure Statement is not false or misleading.

During the six months ended 31 December 2025:

- i) Kiwibank has complied in all material respects with each condition of registration that applied during the period;
- ii) credit exposures to connected persons were not contrary to the interests of the Banking Group; and
- iii) Kiwibank had systems in place to monitor and control adequately the Banking Group's material risks, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, operational risk and other business risks, and that those systems were being properly applied.

This Disclosure Statement is dated 25 February 2026 and has been signed by Susan Ruth Peterson and Mary Jane Daly as Directors and as responsible persons on behalf of all other directors.



Susan Ruth Peterson

Chair



Mary Jane Daly

Director

Interim financial statements

Income statement

\$ millions		Unaudited	Unaudited
For the six months ended	Note	31 Dec 25	31 Dec 24
Interest income:			
Calculated using the effective interest method		1,090	1,169
Other		4	5
Total interest income		1,094	1,174
Interest expense		(648)	(744)
Net interest income		446	430
Net gains on financial instruments	2	9	6
Other operating income	3	23	25
Total operating income		478	461
Operating expenses		(329)	(311)
Profit before credit impairment and tax		149	150
Credit impairment charge	4	(5)	(21)
Profit before tax		144	129
Income tax expense		(41)	(37)
Profit after tax		103	92

Statement of comprehensive income

\$ millions		Unaudited	Unaudited
For the six months ended		31 Dec 25	31 Dec 24
Profit after tax		103	92
Other comprehensive income, net of tax			
Items that may subsequently be reclassified to profit or loss:			
- Net change in fair value reserve		8	43
- Net change in cash flow hedge reserve		8	(56)
Other comprehensive income, net of tax		16	(13)
Total comprehensive income		119	79

The statements should be read in conjunction with the notes to these interim financial statements.

Interim financial statements continued

Statement of changes in equity

\$ millions	Ordinary shares	Retained earnings	Fair value reserve	Cash flow hedge reserve	Perpetual preference shares	Total equity
Unaudited for the six months ended 31 December 2024						
Balance at 1 July 2024	962	1,419	(21)	15	246	2,621
Profit after tax	-	92	-	-	-	92
Other comprehensive income, net of tax	-	-	43	(56)	-	(13)
Total comprehensive income	-	92	43	(56)	-	79
Transactions with equity holders:						
Perpetual preference shares issued	-	-	-	-	271	271
Perpetual preference share distributions paid	-	(4)	-	-	-	(4)
Balance at 31 December 2024	962	1,507	22	(41)	517	2,967
Unaudited for the six months ended 31 December 2025						
Balance at 1 July 2025	962	1,594	26	(20)	517	3,079
Profit after tax	-	103	-	-	-	103
Other comprehensive income, net of tax	-	-	8	8	-	16
Total comprehensive income	-	103	8	8	-	119
Transactions with equity holders:						
Perpetual preference shares issued	-	-	-	-	-	-
Perpetual preference share distributions paid	-	(12)	-	-	-	(12)
Balance at 31 December 2025	962	1,685	34	(12)	517	3,186

The statements should be read in conjunction with the notes to these interim financial statements.

Interim financial statements continued

Balance sheet

\$ millions	Note	Unaudited 31 Dec 25	Audited 30 June 25
Assets			
Cash and cash equivalents		1,513	1,058
Due from other financial institutions		89	129
Investment securities		3,138	3,055
Derivative financial instruments		437	296
Loans and advances	5	37,620	35,840
Deferred tax assets		94	87
Premises and equipment		123	120
Intangible assets		6	10
Other assets		54	65
Total assets		43,074	40,660
<i>Total interest earning and discount bearing assets</i>		42,143	39,905
Liabilities			
Due to other financial institutions		210	437
Deposits	10	31,780	30,337
Derivative financial instruments		263	324
Debt securities issued	11	6,709	5,693
Other liabilities		326	313
Subordinated debt	12	600	477
Total liabilities		39,888	37,581
<i>Total interest and discount bearing liabilities</i>		34,417	32,541
Net assets		3,186	3,079
Equity			
Ordinary shares		962	962
Perpetual preference shares		517	517
Retained earnings		1,685	1,594
Reserves		22	6
Total equity		3,186	3,079

The Board of Directors of Kiwibank Limited authorised these interim financial statements for issue on 25 February 2026.



Susan Ruth Peterson



Mary Jane Daly

The statements should be read in conjunction with the notes to these interim financial statements.

Interim financial statements continued

Cash flow statement

\$ millions	Unaudited	Unaudited
For the six months ended	31 Dec 25	31 Dec 24
Cash flows from operating activities		
Interest received	1,108	1,177
Interest paid	(618)	(686)
Fees, commission and other income received	62	48
Fees and commission expense paid	(24)	(26)
Operating expenses paid	(325)	(309)
Income tax paid	(56)	(35)
Net cash flows from operating activities before changes in operating assets and liabilities	147	169
Net changes in operating assets and liabilities		
Due from other financial institutions	40	(57)
Investment securities	(71)	(239)
Loans and advances	(1,798)	(1,990)
Due to other financial institutions	68	(13)
Deposits	1,444	1,757
Net cash flows from operating activities	(170)	(373)
Cash flows from investing activities		
Purchase of premises and equipment	(4)	(5)
Net cash flows from investing activities	(4)	(5)
Cash flows from financing activities		
Repayment of repurchase agreements	(294)	(508)
Issue of debt securities	2,456	1,915
Redemption of debt securities	(1,641)	(1,022)
Payment of principal portion of lease liabilities	(8)	(8)
Issue of subordinated debt	400	-
Redemption of subordinated debt	(275)	-
Issue of perpetual preference shares	-	271
Perpetual preference share distributions paid	(12)	(4)
Net cash flows from financing activities	626	644
Increase in cash and cash equivalents	452	266
Cash and cash equivalents at beginning of the period	1,058	1,005
Effects of exchange rate changes on cash and cash equivalents	3	3
Cash and cash equivalents at end of the period	1,513	1,274

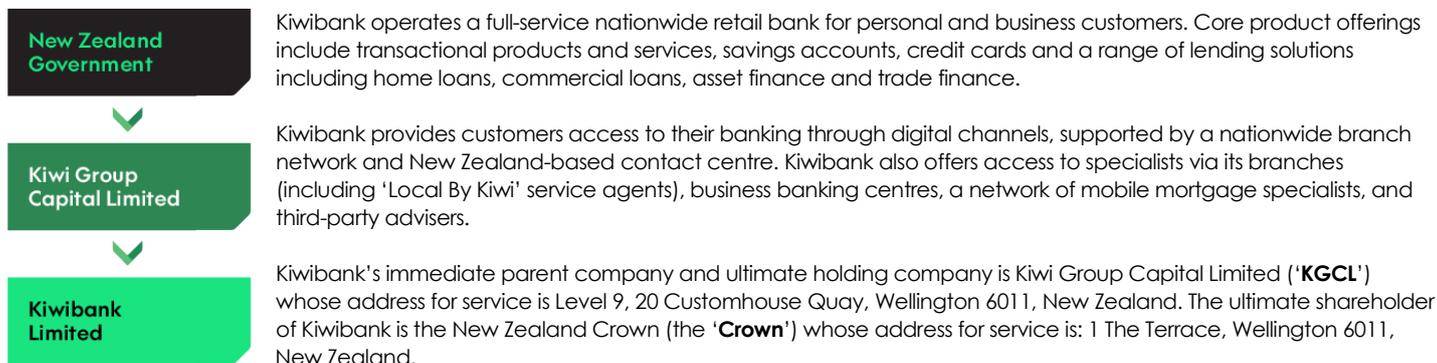
The statements should be read in conjunction with the notes to these interim financial statements.

Notes to the interim financial statements

1. About these interim financial statements

1.1 Reporting Entity

These condensed consolidated interim financial statements ('**interim financial statements**') are presented for the '**Banking Group**', which consists of Kiwibank Limited ('**Kiwibank**' or the '**Bank**'), all its wholly owned entities and all other entities consolidated for financial reporting purposes. Kiwibank is a for-profit entity incorporated and domiciled in New Zealand under the Companies Act 1993 and is registered as a bank under the Banking (Prudential Supervision) Act 1989 (previously the Reserve Bank of New Zealand Act 1989). The principal activity of the Banking Group is the provision of banking products and services to individuals and business customers.



1.2 Basis of preparation

These interim financial statements are for the Banking Group for the six months ended 31 December 2025 and have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand, as appropriate for for-profit entities. They comply with NZ IAS 34 *Interim Financial Reporting*, IAS 34 *Interim Financial Reporting* and the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the '**Order**'). The interim financial statements have been reviewed, not audited. These interim financial statements should be read in conjunction with the Banking Group's financial statements for the year ended 30 June 2025.

The Banking Group's interim financial statements are presented in New Zealand dollars, which is the Bank's functional and presentation currency. All amounts are expressed in millions of New Zealand dollars, and have rounded values to the nearest million dollars, unless otherwise stated.

Measurement base

These interim financial statements are based on the general principles of historical cost accounting, modified by the application of fair value measurements for financial instruments held at fair value through other comprehensive income and financial instruments held at fair value through profit or loss. The carrying amounts of recognised assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortised cost, are adjusted to recognise changes in fair value attributable to the risks that are being hedged.

1.3 Critical accounting judgements, estimates and assumptions

The preparation of these interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and amounts reported. Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to accounting estimates are recognised in the year in which the estimate is revised. Actual amounts may differ from those estimates.

Provision for expected credit losses

The Banking Group considers the measurement of the provision for expected credit losses ('**ECL**') on loans and advances and credit commitments as an area that requires significant management judgement and estimation. When measuring the provision for ECL, management makes several key judgements and assumptions, including but not limited to the following components:

- modelling inputs – probability of default, loss-given default and exposure at default;
- the criteria under which exposures move between the stages of the three-stage approach applied to measuring the provision for ECL;
- the macroeconomic inputs used within each of the economic scenarios;
- the weightings given to each economic scenario; and
- any model overlays required to adjust modelled outcomes due to potential loss events from emerging risks where those risk parameters have not yet been incorporated into the ECL models.

These judgements and assumptions are reviewed and assessed at least half-yearly or when underlying economic conditions materially change. Refer to 'Provision for expected credit losses' (Note 6) for details of key judgements and assumptions

1.4 Accounting policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Banking Group's annual financial statements for the year ended 30 June 2025.

Notes to the interim financial statements continued

1. About these interim financial statements continued

1.5 New and amended standards and interpretations

In the current year, the Banking Group applied new standards, amendments to standards and interpretations that are effective for its annual reporting period commencing 1 July 2025. Their adoption has not had any material impact on the disclosures or amounts reported in these interim financial statements. No new standards, amendments to standards or interpretations that are not yet effective have been early adopted by the Banking Group in these interim financial statements.

2. Net gains on financial instruments

\$ millions	Unaudited	Unaudited
For the six months ended	31 Dec 25	31 Dec 24
Cumulative gains transferred from cash flow hedge reserve	148	42
Net foreign exchange losses	(148)	(38)
Other	9	2
Total net gains on financial instruments	9	6

The Banking Group de-designates interest rate swaps in cash flow hedge relationships to manage hedge capacity. Interest paid or received under the de-designated interest rate swaps is recorded in interest expense.

Amortisation of the interest rate swap values recognised in the cash flow hedge reserve before de-designation of (\$8m) was recognised in cumulative gains transferred from cash flow hedge reserve (six months ended 31 December 2024: nil). Changes in interest rate swap values after de-designation of \$8m were recognised in other (six months ended 31 December 2024: nil).

Net ineffectiveness on qualifying cash flow hedges and qualifying fair value hedges was insignificant (six months ended 31 December 2024: insignificant).

3. Other operating income

\$ millions	Unaudited	Unaudited
For the six months ended	31 Dec 25	31 Dec 24
Transactional account and other services	15	16
Card services	29	30
Lending services	3	5
Fees and commission income	47	51
Fees and commission expense	(25)	(26)
Net fees and commission income	22	25
Other income	1	-
Total other operating income	23	25

4. Credit impairment charge

\$ millions	Unaudited	Unaudited
For the six months ended	31 Dec 25	31 Dec 24
Credited/(charged) to the income statement for collectively assessed provision for ECL	2	(7)
Charged to the income statement for individually assessed provision for ECL	(7)	(11)
Bad debts written off directly to the income statement	(2)	(4)
Recovery of amounts previously written off	2	1
Total credit impairment charge	(5)	(21)

Notes to the interim financial statements continued

5. Loans and advances

\$ millions	Unaudited	Audited
	31 Dec 25	30 June 25
Overdrafts	255	252
Credit cards	307	339
Term loans – housing ¹	30,695	29,154
Other term lending	5,606	5,403
Other lending	885	816
Gross loans and advances	37,748	35,964
Provision for ECL	(128)	(124)
Net loans and advances	37,620	35,840

Reconciliation of mortgage-related amounts – On-balance sheet exposures

\$ millions	Unaudited
	31 Dec 25
Term loans - housing¹ per 'Loans and advances' (note 5)	30,695
Other term lending (residentially secured)	1,641
Residential mortgage loans per 'Asset quality' (note 7)	32,336
Provision for ECL	(40)
Deferred acquisition costs	(300)
Total on-balance sheet residential mortgage loans (see 'Capital adequacy and regulatory liquidity ratios')	31,996

¹Term loans – housing¹ includes loans secured over residential property for owner-occupier and investment purposes.

6. Provision for expected credit losses

Modelled provision for ECL on loans and advances and credit commitments

Key inputs and assumptions

The modelled provision for ECL includes an estimate of forward-looking losses based on the Banking Group's view of four different economic scenarios. Kiwibank's assumptions around the macroeconomic factors used within each scenario and the weighting applied to each scenario are key judgements applied to the ECL models. The Banking Group has adjusted the macroeconomic variables used in the ECL model based on current internal macroeconomic forecasts.

The Banking Group's four macroeconomic scenarios have been updated for the six months ended 31 December 2025 as follows:

- **Central scenario:** the Banking Group's base case scenario anticipates a stronger cyclical rebound in the New Zealand economy during 2026, with GDP growth of 2.9% and subsequently 3.1% in 2027. This recovery is driven by significant monetary policy easing by the RBNZ, with the Official Cash Rate (OCR) expected to stabilise at 2.25%. Unemployment, currently at 5.3%, is forecast to improve gradually. Housing market activity is expected to lift in the financial year 2026, with house prices rising around 1.8%. Inflation, which recently spiked to 3.1%, is expected to return to 2% next financial year as spare capacity persists.
- **Upside scenario:** this scenario projects a faster domestic recovery with improved confidence driving investment and household spending. Employment growth rebounds in 2026, accelerating a fall in the unemployment rate. The housing market strengthens, with annual price gains of 6-8% per annum from financial year 2027. Inflation remaining above the upper end of the RBNZ's target band as the output gap turns positive, prompting an earlier tightening cycle and OCR rising above neutral (3%).
- **Downside scenario:** this scenario assumes heightened trade disruption and a deeper slowdown in global economic growth pushing New Zealand back into a possible recession. Unemployment rises to 6%, and house prices continue to decline through 2027. A wider negative output gap drives inflation down to 1%, necessitating deeper OCR cuts as inflation risks undershoot the target.
- **Severe stress scenario:** this scenario is based on the severe economic stress test scenario used in the RBNZ '2025 Bank Solvency Stress Test'. It assumes a prolonged economic contraction, with GDP shrinking by approximately 5.5% over three years due to a severe global trade shock and geopolitical tensions. Unemployment peaks at 10.6%, significantly above historical norms and house prices fall sharply by 37%.

Notes to the interim financial statements continued

6. Provision for expected credit losses continued

The Banking Group forecasts assume the following key macroeconomic variables used in the central scenario:

Unaudited at 31 Dec 25	Forecast financial year		
	2026	2027	2028
Central scenario			
GDP (annual % change)	2.9%	3.1%	2.9%
Unemployment rate (annual average)	5.1%	4.7%	4.4%
House price index (annual % change)	1.8%	3.6%	2.3%
Consumer price index (annual % change)	2.1%	2.0%	2.0%
90-day bank bill rate	2.4%	2.9%	3.4%

The scenario weightings applied in the calculation of ECL are in the table below. They remained unchanged from 30 June 2025.

Scenario weighting applied	Unaudited 31 Dec 25	Audited 30 June 25
Central	50%	50%
Upside	10%	10%
Downside	30%	30%
Severe stress	10%	10%

Management overlays

Overlays are applied by management when the current inputs, assumptions, and modelling techniques do not capture all material risk factors relevant to the Banking Group's lending portfolios. Overlays are reviewed at least half-yearly and follow internal governance procedures. There have been no significant changes to the methods used in determining the overlays applied as of 31 December 2025, compared to those used for 30 June 2025.

Other overlays are applied to reflect risks that are not yet incorporated into ECL models (for example due to limited loss histories, model limitations or emerging risks). These are expected to be maintained until the current limitations can be incorporated into future ECL models. The amounts at 31 December 2025 were nil on the retail unsecured portfolio (30 June 2025: nil), \$2m on the residential mortgage portfolio (30 June 2025: \$3m) and \$5m on the corporate portfolio (30 June 2025: \$6m). Management have considered and concluded that no overlay is required for climate risk or adverse weather events (30 June 2025: no overlay).

Sensitivity of modelled ECL to key judgements and assumptions

The underlying assumptions and weightings applied to each scenario may vary significantly from the actual track of the economy. Other events, including those with a low likelihood but a high impact on the economy and on expected credit losses, might also occur over the forecast period so that the actual economy might perform differently to the scenarios modelled. Those variances will result in an understatement or overstatement of the provision for ECL. Given this uncertainty, and as the impact of judgements is significant, a sensitivity analysis is included below.

The following table outlines the sensitivity of the collectively assessed provision for ECL to changes in credit risk using the significant increase in credit risk ('SICR') assessment and scenario weightings used to determine ECL as at 31 December 2025. The sensitivity analysis includes applying a 100% weighting to each scenario and adjusting some model overlays to reflect those scenario conditions while holding all other modelling factors constant.

\$ millions	Unaudited at 31 Dec 25	
	Total ECL	Impact
Sensitivity to SICR assessment		
If 1% of stage 1 exposure transitions to stage 2	144	8
If 1% of stage 2 exposure transitions to stage 1	136	-
Sensitivity to scenario weighting		
Reported probability weighted ECL	136	
100% upside scenario ECL	127	(9)
100% central scenario ECL	133	(3)
100% downside scenario ECL	141	5
100% severe stress ECL	151	15

Notes to the interim financial statements continued

6. Provision for expected credit losses continued

The sensitivity outlined above represents the Banking Group's best estimate of the range of reasonably plausible outcomes but, due to economic uncertainty, the actual range might be significantly greater.

Definitions

Movement in provision for ECL and gross carrying amounts

The tables on the following pages summarise the movement in the total provision for ECL and for each category of loans and advances, being retail unsecured lending, residential mortgage loans, and corporate exposures.

The movement tables are presented on the following basis:

- *Transfers between stages* show the net impact of the transfers between Stage 1, Stage 2 and Stage 3, prior to remeasurement.
- *Net remeasurement of ECL* includes the subsequent increase or decrease of the provision for ECL for transferred amounts and the impact of changes in credit quality of existing lending.
- *Additions* are amounts from new commitments and facilities drawn during the period.
- *Deletions* are amounts repaid or closed and commitments utilised or closed during the period.
- *Other changes* include model or management overlay changes.

Movement in provision for ECL – total exposures

\$ millions	Unaudited at 31 Dec 25				
	Stage 1	Stage 2	Stage 3		Total
	Collectively assessed	Collectively assessed	Collectively assessed	Individually assessed	
Opening balance at 1 July 25	31	41	30	30	132
Transfers between stages	7	(6)	(6)	5	-
Net remeasurement of ECL	(6)	6	3	3	6
Additions and deletions	6	3	(3)	1	7
Other changes	(2)	1	(5)	2	(4)
Write-back of provision no longer required	-	-	-	(4)	(4)
Total credit impairment charge	5	4	(11)	7	5
Amounts written off	-	(1)	-	-	(1)
Total provision for ECL	36	44	19	37	136
Provision on loans and advances	30	43	19	36	128
Provision on undrawn commitments	6	1	-	1	8
Total provision for ECL	36	44	19	37	136

Impact of changes in gross carrying amount and credit commitments on ECL

Opening balance at 1 July 25	34,118	1,675	125	46	35,964
Net transfers between stages	(162)	129	15	18	-
Additions	6,898	158	8	5	7,069
Deletions	(4,874)	(367)	(27)	(14)	(5,282)
Amounts written off	-	(3)	-	-	(3)
Gross carrying amount	35,980	1,592	121	55	37,748
Off-balance sheet credit commitments at 1 July 25	4,583	98	2	1	4,684
Net transfers between stages	(6)	4	2	-	-
Additions	1,829	32	1	-	1,862
Deletions	(1,328)	(30)	(1)	-	(1,359)
Off-balance sheet credit commitments	5,078	104	4	1	5,187

Notes to the interim financial statements continued

6. Provision for expected credit losses continued

Movement in provision for ECL – retail unsecured lending

\$ millions	Unaudited at 31 Dec 25				Total
	Stage 1	Stage 2	Stage 3		
	Collectively assessed	Collectively assessed	Collectively assessed	Individually assessed	
Opening balance at 1 July 25	4	2	1	-	7
Transfers between stages	1	(1)	-	-	-
Net remeasurement of ECL	(1)	2	-	-	1
Total credit impairment charge	-	1	-	-	1
Amounts written off	-	(1)	-	-	(1)
Total provision for ECL	4	2	1	-	7
Provision on loans and advances	3	2	1	-	6
Provision on undrawn commitments	1	-	-	-	1
Total provision for ECL	4	2	1	-	7

Impact of changes in gross carrying amount and credit commitments on ECL

Opening balance at 1 July 25	303	76	1	1	381
Additions	83	13	-	-	96
Deletions	(113)	(11)	-	(1)	(125)
Amounts written off	-	(3)	-	-	(3)
Gross carrying amount	273	75	1	-	349
Off-balance sheet credit commitments at 1 July 25	815	23	-	-	838
Net transfers between stages	(2)	2	-	-	-
Additions	96	6	-	-	102
Deletions	(165)	(9)	-	-	(174)
Off-balance sheet credit commitments	744	22	-	-	766

The provision for ECL on retail unsecured lending remained stable for the six months ended 31 December 2025 reflecting:

- remeasurement of ECL due to exposures migrating to higher risk grades (+\$1m); and
- \$3m of gross balances that were written off (-\$1m).

Notes to the interim financial statements continued

6. Provision for expected credit losses continued

Movement in provision for ECL – residential mortgage loans

\$ millions	Unaudited at 31 Dec 25				Total
	Stage 1	Stage 2	Stage 3		
	Collectively assessed	Collectively assessed	Collectively assessed	Individually assessed	
Opening balance at 1 July 25	8	15	7	9	39
Transfers between stages	3	(3)	-	-	-
Net remeasurement of ECL	(3)	4	-	1	2
Additions and deletions	1	-	(2)	1	-
Other changes	(2)	1	-	-	(1)
Total credit impairment charge	(1)	2	(2)	2	1
Total provision for ECL	7	17	5	11	40
Provision on loans and advances	7	17	5	11	40
Provision on undrawn commitments	-	-	-	-	-
Total provision for ECL	7	17	5	11	40

Impact of changes in gross carrying amount and credit commitments on ECL

Opening balance at 1 July 25	29,601	1,022	55	19	30,697
Net transfers between stages	(145)	129	11	5	-
Additions	5,373	50	1	3	5,427
Deletions	(3,610)	(155)	(21)	(2)	(3,788)
Gross carrying amount	31,219	1,046	46	25	32,336
Off-balance sheet credit commitments at 1 July 25	2,656	31	-	-	2,687
Net transfers between stages	(3)	3	-	-	-
Additions	1,003	6	-	-	1,009
Deletions	(672)	(9)	-	-	(681)
Off-balance sheet credit commitments	2,984	31	-	-	3,015

The increase of \$1m in provision for ECL on residential mortgage loans for the six months ended 31 December 2025 reflects:

- remeasurement of ECL due to the periodic refresh of risk parameters and macroeconomic forecasts, fully offset by portfolio changes and exposures migrating to higher risk grades;
- a decrease in management overlays (-\$1m); and
- an increase in individually assessed provisions (+\$2m).

Reconciliation of mortgage-related amounts – off-balance sheet exposures

\$ millions	Unaudited 31 Dec 25
Gross residential mortgages per 'Provision for expected credit losses' (note 6)	3,015
Adjustment for off-balance sheet credit conversion factor	(2,145)
Residential mortgages total off-balance sheet exposures (per 'Capital adequacy and regulatory liquidity ratios' section)	870

Notes to the interim financial statements continued

6. Provision for expected credit losses continued

Movement in provision for ECL – corporate exposures

\$ millions	Unaudited at 31 Dec 25				Total
	Stage 1	Stage 2	Stage 3		
	Collectively assessed	Collectively assessed	Collectively assessed	Individually assessed	
Opening balance at 1 July 25	19	24	22	21	86
Transfers between stages	3	(2)	(6)	5	-
Net remeasurement of ECL	(2)	-	3	2	3
Additions and deletions	5	3	(1)	-	7
Other changes	-	-	(5)	2	(3)
Write-back of provision no longer required	-	-	-	(4)	(4)
Total credit impairment charge	6	1	(9)	5	3
Total provision for ECL	25	25	13	26	89
Provision on loans and advances	20	24	13	25	82
Provision on undrawn commitments	5	1	-	1	7
Total provision for ECL	25	25	13	26	89

Impact of changes in gross carrying amount and credit commitments on ECL

Opening balance at 1 July 25	4,214	577	69	26	4,886
Net transfers between stages	(17)	-	4	13	-
Additions	1,442	95	7	2	1,546
Deletions	(1,151)	(201)	(6)	(11)	(1,369)
Gross carrying amount	4,488	471	74	30	5,063
Off-balance sheet credit commitments at 1 July 25	1,112	44	2	1	1,159
Net transfers between stages	(1)	(1)	2	-	-
Additions	730	20	1	-	751
Deletions	(491)	(12)	(1)	-	(504)
Off-balance sheet credit commitments	1,350	51	4	1	1,406

The increase of \$3m in the provision for ECL on corporate exposures for the six months ended 31 December 2025 reflects:

- remeasurement of ECL due to asset growth, exposures migrating to higher risk grades and model changes (+\$3m);
- changes in macroeconomic scenarios and management overlays (-\$5m); and
- a net increase in individually assessed provisions (+\$9m) offset by balances that were written back (-\$4m).

Notes to the interim financial statements continued

7. Asset quality

Summary of lending

\$ millions	Unaudited at 31 Dec 25			Total
	Retail unsecured lending	Residential mortgage loans	Corporate exposures	
Neither past due nor impaired	337	32,078	4,927	37,342
Past due but not individually impaired	12	233	106	351
Individually impaired	-	25	30	55
Gross loans and advances	349	32,336	5,063	37,748
Provision for ECL	(6)	(40)	(82)	(128)
Net loans and advances	343	32,296	4,981	37,620

Loans and advances past due but not individually impaired

\$ millions	Unaudited at 31 Dec 25			Total
	Retail unsecured lending	Residential mortgage loans	Corporate exposures	
Past due less than 30 days	9	119	17	145
Past due 30 - 59 days	2	49	25	76
Past due 60 - 89 days	1	23	11	35
Past due 90 days or greater	-	42	53	95
Total loans and advances past due but not individually impaired	12	233	106	351

Other asset quality information

\$ millions	Unaudited at 31 Dec 25			Total
	Retail unsecured lending	Residential mortgage loans	Corporate exposures	
Undrawn lending commitments to counterparties with individually impaired assets	-	-	1	1
Other assets under administration	-	2	9	11

Notes to the interim financial statements continued

8. Concentration of credit risk

Credit risk is concentrated when a number of customers are engaged in similar activities or have similar economic characteristics and therefore may be similarly impacted by changes in economic or other conditions. The Banking Group monitors its credit portfolio to allow it to manage concentrations and rebalance the portfolio as required.

Analysis of financial assets by industry sector is presented in the table below and is based on Australian and New Zealand Standard Industrial Classification ('ANZSIC').

\$ millions	Unaudited at 31 Dec 25		
	On-balance sheet financial assets	Off-balance sheet financial assets	Maximum exposure to credit risk
New Zealand			
Agriculture	45	3	48
Food and other manufacturing	611	151	762
Electricity, gas and water	120	65	185
Construction	858	347	1,205
Retail and wholesale trade	416	178	594
Transport and storage	366	54	420
Communications	61	12	73
Finance, investment and insurance	615	262	877
Property and business services	3,533	344	3,877
Professional, scientific and technical services	130	47	177
Government, local authorities and services	3,396	4	3,400
Education	37	7	44
Personal and other services	145	45	190
Health and community services	291	44	335
Households	30,785	3,616	34,401
Overseas			
Finance, investment and insurance	1,532	8	1,540
Total credit exposure	42,941	5,187	48,128
Less provision for ECL	(128)	(8)	(136)
Total financial assets	42,813	5,179	47,992

Notes to the interim financial statements continued

8. Concentration of credit risk continued

Maximum exposure to credit risk – by financial asset

The table below represents the maximum net credit risk exposure of the Banking Group by asset type. The exposures set out are based on net carrying amounts as reported in the balance sheet.

\$ millions	Unaudited at 31 Dec 25		
	On-balance sheet financial assets	Off-balance sheet financial assets	Maximum exposure to credit risk
Cash and cash equivalents	1,513	-	1,513
Due from other financial institutions	89	-	89
Investment securities	3,138	-	3,138
Derivative financial instruments	437	-	437
Loans and advances	37,748	5,187	42,935
Other financial assets	16	-	16
Subtotal	42,941	5,187	48,128
Less provision for ECL	(128)	(8)	(136)
Total	42,813	5,179	47,992

The exposure of the Banking Group derived from loans and advances to retail and corporate customers is 89% of the total maximum exposure (30 June 2025: 90%).

Collateral management on loans and advances

The Banking Group holds financial charges over borrowers' specific assets and is able to enforce the collateral in satisfying the debt in the event borrowers fail to meet contractual obligations. Fully secured exposures are those that have security cover greater than or equal to 100%, partially secured exposures are those that have security cover of 40.0% to 99.9% and unsecured exposures are those that have security cover of less than 40.0%.

The collateral held for mitigating credit risk for the Banking Group's lending portfolios is outlined below.

\$ millions	Unaudited at 31 Dec 2025				Audited at June 2025			
	Maximum exposure to credit risk	Fully secured	Partially secured	Unsecured	Maximum exposure to credit risk	Fully secured	Partially secured	Unsecured
Retail unsecured lending ¹	1,115	-	-	100.0%	1,219	-	-	100.0%
Residential mortgage loans ²	35,351	99.4%	0.6%	-	33,384	99.6%	0.4%	-
Corporate exposures ³	6,469	52.9%	13.4%	33.7%	6,045	53.4%	14.6%	32.0%
Total	42,935				40,648			

¹ Retail unsecured lending includes credit cards and overdrafts and is an unsecured portfolio.

² Residential mortgages are secured by a charge over borrowers' residential property. Additional security can also include a charge over deposits and guarantees from borrowers' related parties.

³ Certain corporate exposures are secured by way of a charge over property; a charge over business assets, other assets or deposits; or guarantees from borrowers' related parties.

Collateral on credit impaired assets

As at 31 December 2025, 46.9% of the Banking Group's impaired gross loans were fully secured, 41.6% were partially secured and 11.5% were unsecured (30 June 2025: 47.6% fully secured, 37.8% partially secured and 14.5% unsecured).

Notes to the interim financial statements continued

9. Concentration of credit exposures to counterparties

Credit exposure to individual counterparties

Credit exposure concentrations to individual counterparties at the reporting date are disclosed based on actual credit exposures. Peak end-of-day aggregate credit exposures ('**Peak**') are calculated based on the maximum end-of-day aggregate amount of actual credit exposures over the six-month period (gross of set-offs) divided by the Banking Group's common equity tier 1 capital ('**CET1 capital**') at the end of the reporting period.

The individual counterparty exposures included in the following table exclude exposures to:

- connected persons;
- the central government or central bank of any country with a long-term credit rating of A- or A3 or above, or its equivalent; and
- any supranational or quasi-sovereign agency with a long-term credit rating of A- or A3 or above, or its equivalent.

Unaudited for the six months ended	Exposure to banks		Exposure to non-banks	
	31 Dec 25	Peak ¹	31 Dec 25	Peak ¹
Total number of exposures that are greater than 10% of CET1 capital	-	-	1	2
with a long-term credit rating of A- or A3 or above, or its equivalent	-	-	1	2
- 10% to less than 15% of CET1 capital	-	-	1	2
- 15% to less than 20% of CET1 capital	-	-	-	-
with a long-term credit rating of at least BBB- or Baa3, or its equivalent, and at most BBB+ or Baa1, or its equivalent	-	-	-	-

¹ Peak end-of-day over six months to 31 December 2025.

10. Deposits

\$ millions	Unaudited	Audited
	31 Dec 25	30 June 25
Deposits not bearing interest	4,613	4,122
On demand deposits	7,690	7,602
Term deposits	19,477	18,613
Total deposits from customers	31,780	30,337

The Kiwibank PIE Unit Trust (the '**PIE Unit Trust**'), operates three funds: the PIE Term Deposit Fund, the Notice Saver Fund and PIE Online Call Fund. A subsidiary of Kiwibank (Kiwibank Investment Management Limited) is the issuer and manager (the '**Manager**'), Public Trust is the Supervisor and Kiwibank is the promoter of the Trust. Units in the Trust do not directly represent deposits or liabilities of Kiwibank; however, the PIE Unit Trust is invested exclusively in term and on demand deposits bearing interest with Kiwibank.

As at 31 December 2025, \$7,072m of the PIE Unit Trust's funds were invested in Kiwibank products or securities (30 June 2025: \$7,293m). Kiwibank guarantees the payment obligations of the Manager and any amounts owing to Unit holders under the Trust Deed in respect of their units. Kiwibank agrees to pay to Unit holders any shortfall between the amount they may receive on redeeming their units or in the winding up of the Trust and the balance of their unit accounts.

11. Debt securities issued

\$ millions	Unaudited	Audited
	31 Dec 25	30 June 25
Short-term debt		
Certificates of deposit	319	170
Commercial paper	934	690
Long-term debt		
Medium term notes	4,771	3,634
Covered bonds	656	1,156
Fair value hedge adjustments	29	43
Total debt securities issued	6,709	5,693

Notes to the interim financial statements continued

11. Debt securities issued continued

The Banking Group has not issued any covered bonds during the six months ended 31 December 2025 (year ended 30 June 2025: issued CHF 300m (NZD \$618m) of covered bonds). The Banking Group redeemed AUD 500m (NZD \$544m) of maturing covered bonds during the six months ended 31 December 2025 (year ended 30 June 2025: nil). There have been no defaults of principal, interest or other breaches with respect to debt securities issued during the six months ended 31 December 2025 (year ended 30 June 2025: no defaults).

12. Subordinated debt

\$ millions	Unaudited	Audited
	31 Dec 25	30 June 25
Subordinated notes	596	475
Fair value hedge adjustments	4	2
Total subordinated debt	600	477

During the six months ended 31 December 2025, the Banking Group issued \$400m of subordinated notes (30 June 2025: nil) and redeemed \$275m of subordinated notes (30 June 2025: nil). There have been no defaults of principal, interest or other breaches with respect to subordinated debt during the six months ended 31 December 2025 (year ended 30 June 2025: no defaults).

As at 31 December 2025, \$594m of subordinated debt qualified as Tier 2 capital for Capital Adequacy calculation purposes (30 June 2025: \$473m).

The subordinated debt instruments on issue are subordinate to all other general liabilities of the Banking Group but rank ahead of ordinary and perpetual preference shares and are denominated in New Zealand dollars.

The key terms and conditions of the subordinated debt instruments on issue are as follows:

Instrument	Issue date	Amount (\$m)	Coupon rate	Next reset date	Maturity date
Subordinated notes	12 May 2023	200	6.40% p.a.	12 May 2028	12 May 2033
Subordinated notes	12 December 2025	400	4.93% p.a.	12 March 2031	12 March 2036

Interest is paid quarterly in arrears.

13. Concentration of funding

The Banking Group aims to maintain a mix of retail and wholesale funding to manage liquidity and funding risk. Sources of funding are regularly reviewed to maintain a wide diversification of product, term, geography and currency.

\$ millions	Note	Unaudited
		31 Dec 25
Total funding comprises:		
Due to other financial institutions		210
Deposits	10	31,780
Debt securities issued	11	6,709
Subordinated debt	12	600
Total funding		39,299

Notes to the interim financial statements continued

13. Concentration of funding continued

Concentrations of funding arise where the Banking Group is funded by industries of a similar nature or geographies. Analysis of funding by industry sector is presented in the table below and is based on **ANZSIC**.

\$ millions	Unaudited 31 Dec 25
Deposits from customers by industry - New Zealand	
Agriculture	47
Food and other manufacturing	236
Electricity, gas and water	36
Construction	482
Retail and wholesale trade	351
Transport and storage	118
Communications	378
Finance, investment and insurance	2,105
Property and business services	572
Professional, scientific and technical services	403
Government, local authorities and services	829
Education	255
Personal and other services	368
Health and community services	611
Households	24,405
Total deposits from customers by industry – New Zealand	31,196
Deposits from customers by industry - Overseas	
Finance, investment and insurance	132
Households	452
Total deposits from customers by industry – Overseas	584
Total deposits from customers	31,780
Wholesale funding by geography	
New Zealand	4,003
Overseas	3,516
Total wholesale funding	7,519
Total funding	39,299

14. Financial instruments

Fair value hierarchy and measurement

Assets and liabilities carried at fair value have been classified into three levels based on the observability of inputs used to measure the fair values. The three levels of the fair value hierarchy are defined as follows:

Level 1 – Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Valuations are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3 – Valuations where at least one input which could have a significant effect on the instrument's valuation is not based on observable market data.

There have been no transfers between levels 1 and 2 during the six months ended 31 December 2025 (six months ended 31 December 2024: no transfers). There were also no transfers into/out of level 3 during the six months ended 31 December 2025 (six months ended 31 December 2024: no transfers).

Notes to the interim financial statements continued

14. Financial instruments continued

Financial assets and financial liabilities carried at fair value

The fair values of assets and liabilities carried at fair value were determined by the application of the following methods and assumptions.

Investment securities

Estimates of fair value for investment securities are based on quoted market prices (mid-price) or determined using market-accepted valuation models as appropriate, including discounted cash flow models with inputs including an interest rate yield curve developed from quoted rates and market-observable credit spreads.

Derivative financial instruments

Where the Banking Group's derivative financial assets and derivative financial liabilities are not traded on an exchange, they are valued using valuation techniques, including discounted cash flow models and option pricing models, as appropriate. The models make maximum use of market observable inputs, including interest rate yield curves and foreign exchange ('FX') rates.

The table below presents financial assets and financial liabilities carried at fair value in accordance with their fair value hierarchy:

\$ millions	Unaudited at 31 Dec 25				Audited at 30 June 25			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value								
Investment securities	1,309	1,829	-	3,138	1,046	2,009	-	3,055
Derivative financial assets		437	-	437	-	296	-	296
Financial liabilities at fair value								
Derivative financial liabilities	-	263	-	263	-	324	-	324

Financial assets and liabilities measured at amortised cost

The following table compares the carrying amounts (as presented in the Banking Group's balance sheet) with the estimated fair values of financial instruments not measured at fair value. The fair values presented in the tables are at a specific date and may be significantly different from the amounts which will be paid or received on the maturity or settlement date.

\$ millions	Unaudited at 31 Dec 25		Audited at 30 June 25	
	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
Financial assets				
Loans and advances		37,620	35,840	35,916
Financial liabilities				
Deposits		31,780	30,337	30,379
Debt securities issued		6,709	5,693	5,732
Subordinated debt		600	477	477

The carrying amounts of the following financial instruments are a reasonable approximation of fair value because, for example, they are short term in nature or reprice to current market rates frequently: cash and cash equivalents, due from other financial institutions, other financial assets, due to other financial institutions and other financial liabilities. No fair value disclosures are required for lease liabilities.

Financial assets pledged as collateral for liabilities

Collateral paid is recognised within due from other financial institutions and is the collateral pledged by Kiwibank in respect of its credit support annex obligations to derivative counterparties. As at 31 December 2025, \$89m was pledged as collateral for liabilities (30 June 2025: \$129m).

As at 31 December 2025, \$24m of residential mortgage-backed securities have been pledged as approved eligible collateral in relation to the RBNZ's Term Lending Facility (30 June 2025: \$35m) and none in relation to the RBNZ's Funding for Lending Programme (30 June 2025: \$386m).

The covered bonds issued by the Banking Group are guaranteed by Kiwi Covered Bond Trustee Limited, solely in its capacity as Trustee of Kiwi Covered Bond Trust and are secured over a pool of assets recognised within loans and advances. As at 31 December 2025, \$1,400m of assets were pledged as collateral (30 June 2025: \$1,400m).

Notes to the interim financial statements continued

15. Related entities

The table below shows balances outstanding at the reporting date with related entities. No individually assessed provision for ECL has been recognised for loans issued to or receivables due from related entities. All outstanding balances are unsecured.

\$ millions	Unaudited	Audited
	31 Dec 25	30 June 25
Included in deposits	10	13
Included in other liabilities	47	45
Total due to related entities	57	58

16. Insurance business

The Banking Group does not conduct any insurance business. However, the Bank markets and distributes insurance products for the following entities: Tower Insurance Limited, nib nz insurance Limited and the Ando Insurance Group. None of these are related to the Banking Group.

17. Segment analysis

There have been no changes to the Banking Group's segmental reporting since 30 June 2025. The Banking Group continues to operate and report as a single segment business consistent with the internal reporting provided to the chief operating decision-maker.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Banking Group's total revenue (six months ended 31 December 2024: nil).

18. Risk management

There have been no material changes to the Banking Group's policies for managing risk, or material exposures to new categories of risk since 30 June 2025.

19. Liquidity

The Banking Group holds a diversified portfolio of high-quality liquid securities to support its management of liquidity risk. The size of the Banking Group's liquidity portfolio is based on the amount required to meet its internal and regulatory liquidity requirements.

The Banking Group also holds unencumbered internal residential mortgage-backed securities which would entitle the Banking Group to enter into repurchase transactions. Residential mortgage-backed securities disclosed below are available to be utilised for liquidity purposes.

The table below provides details of liquid assets held by the Banking Group for the purpose of managing liquidity risk.

\$ millions	Unaudited	Audited
	31 Dec 25	30 June 25
Cash and cash equivalents	1,469	1,010
Government securities	1,434	1,235
Local authority and Supranational securities	1,360	1,400
Other securities	344	420
Residential mortgage-backed securities	4,056	3,660
Total liquidity portfolio	8,663	7,725

Notes to the interim financial statements continued

19. Liquidity continued

Maturity analysis of financial liabilities

The following table presents the Banking Group's cash flows for financial liabilities by remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows and include principal and future interest cash flows, therefore may not agree to the carrying amounts reported in the balance sheet. The Banking Group does not manage liquidity risk based on the information provided below.

Unaudited at 31 Dec 25							
\$ millions	On demand	Up to 3 months	3 to 12 months	Between 1 & 5 years	More than 5 years	Gross nominal inflow/outflow	Carrying amount
Non-derivative cash flows							
Due to other financial institutions	(4)	(186)	(20)	-	-	(210)	(210)
Deposits	(12,368)	(9,663)	(8,764)	(1,314)	-	(32,109)	(31,780)
Debt securities issued	-	(819)	(1,156)	(4,958)	(461)	(7,394)	(6,709)
Lease liabilities	-	(5)	(14)	(54)	(28)	(101)	(90)
Other financial liabilities	-	(51)	(20)	(55)	(2)	(128)	(128)
Subordinated debt	-	(8)	(24)	(130)	(754)	(916)	(600)
Total	(12,372)	(10,732)	(9,998)	(6,511)	(1,245)	(40,858)	(39,517)
Derivative cash flows							
Net settled	-	(54)	(122)	(58)	(4)	(238)	
Gross settled - inflows	-	391	686	128	-	1,205	
Gross settled - outflows	-	(401)	(701)	(130)	-	(1,232)	
Total	-	(64)	(137)	(60)	(4)	(265)	
Off-balance sheet cash flows							
Letters of credit and performance-related contingencies	(240)	-	-	-	-	(240)	
Loan commitments	(4,947)	-	-	-	-	(4,947)	
Total	(5,187)	-	-	-	-	(5,187)	

Notes to the interim financial statements continued

20. Interest repricing

The following table presents a breakdown of the Banking Group's financial assets, financial liabilities and off-balance sheet financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The Banking Group does not manage its interest rate risk based on the information below.

\$ millions	Unaudited at 31 Dec 25						
	Total	Non-interest bearing	Up to 3 months	3 to 6 months	6 months to 1 year	Between 1 & 2 years	Over 2 years
Financial assets							
Cash and cash equivalents	1,513	8	1,505	-	-	-	-
Due from other financial institutions	89	-	89	-	-	-	-
Investment securities	3,138	-	332	348	272	644	1,542
Derivative financial instruments	437	437	-	-	-	-	-
Loans and advances	37,620	209	12,545	7,391	9,024	6,769	1,682
Other financial assets	16	16	-	-	-	-	-
Total financial assets	42,813	670	14,471	7,739	9,296	7,413	3,224
Financial liabilities							
Due to other financial institutions	(210)	(4)	(186)	-	(20)	-	-
Deposits	(31,780)	(4,878)	(17,227)	(5,579)	(2,924)	(572)	(600)
Derivative financial instruments	(263)	(263)	-	-	-	-	-
Debt securities issued	(6,709)	-	(2,415)	(703)	(256)	(1,046)	(2,289)
Other financial liabilities	(218)	(218)	-	-	-	-	-
Subordinated debt	(600)	-	-	-	-	-	(600)
Total financial liabilities	(39,780)	(5,363)	(19,828)	(6,282)	(3,200)	(1,618)	(3,489)
On-balance sheet gap			(5,357)	1,457	6,096	5,795	(265)
Net derivative notional principals			8,657	(2,043)	(5,293)	(5,017)	3,915
Net effective interest rate gap			3,300	(586)	803	778	3,650

21. Capital expenditure commitments

Capital expenditure commitments contracted for as at 31 December 2025 (but not provided for in these interim financial statements) was \$1m (30 June 2025: \$1m). All capital expenditure commitments are due to be settled within the next 12 months.

22. Contingent liabilities and credit commitments

Undrawn credit commitments at the reporting date are as follows:

\$ millions	Unaudited	Audited
	31 Dec 25	30 June 25
Letters of credit and performance related contingencies	240	202
Undrawn credit facilities	4,947	4,482
Total undrawn credit commitments	5,187	4,684

There are no pending legal proceedings or arbitration concerning Kiwibank or any member of the Banking Group, which may have a material adverse effect on Kiwibank or the Banking Group.

23. Events after the reporting period

There have been no material events that occurred after the reporting period which require adjustment or additional disclosure in these interim financial statements.

Capital adequacy and regulatory liquidity ratios

Unaudited

RBNZ Capital Adequacy Framework

The Banking Group is subject to regulation by the Reserve Bank of New Zealand ('RBNZ'). Following an internationally agreed framework (commonly known as Basel III) the RBNZ sets minimum regulatory capital requirements for registered banks in New Zealand. Basel III consists of three pillars – Pillar I covers the capital requirements for operational, market, and credit risks. Pillar II covers all other material risks that are not already included in Pillar I. Pillar III relates to market disclosure.

In accordance with its conditions of registration, Kiwibank applies the 'standardised approach' under RBNZ's Banking Prudential Requirements ('BPR') for estimating adequate prudential capital and calculating regulatory capital requirements. Regulatory capital adequacy ratios are calculated by expressing capital as a percentage of risk-weighted exposures. In addition, there are increasing constraints on capital distributions if a bank's Prudential Capital Buffer ratio falls below the Buffer Trigger ratio.

Capital management policies

Kiwibank's Board has ultimate responsibility for capital adequacy and approves the Banking Group's capital policy, the results of the Internal Capital Adequacy Assessment Process ('ICAAP') and sets minimum internal capital levels and limits. The Board and Senior management actively monitor the Banking Group's reported actual and forecast capital ratios against these limits.

Refer to Note 30 (Risk Management) to the financial statements included in the Banking Group's Disclosure Statement for the year ended 30 June 2025, for further details.

Qualifying capital

RBNZ BPR10 *Capital definitions* provides guidance on which categories of capital may be used in calculating capital adequacy ratios. Total regulatory capital is divided into Tier 1 and Tier 2 capital. Tier 1 capital is divided into Common Equity Tier 1 ('CET1') capital and Additional Tier 1 capital ('AT1'). Tier 1 capital is permanently and freely available to absorb losses without the bank being obliged to cease trading, while Tier 2 capital generally only absorbs losses in a winding up.

The following table shows the qualifying capital for the Banking Group.

\$ millions	The Banking Group 31 Dec 25
Common Equity Tier 1 capital	
Paid up ordinary shares issued	962
Retained earnings (net of appropriations)	1,685
Accumulated other comprehensive income and other disclosed reserves ¹	22
Less deductions from Common Equity Tier 1 capital	
Intangible assets	(6)
Cash flow hedge reserve	12
Deferred tax assets	(94)
Total Common Equity Tier 1 capital	2,581
Additional Tier 1 capital	
Perpetual preference shares ²	517
Total Additional Tier 1 capital	517
Total Tier 1 capital	3,098
Tier 2 capital	
Subordinated notes ³	594
Total Tier 2 capital	594
Total capital	3,692

¹ Includes fair value reserve of \$34m and cash flow hedge reserve of \$(12m).

² Perpetual preference shares issued by Kiwibank Limited are classified as equity of the Banking Group under generally accepted accounting practice.

³ Subordinated notes are classified as a liability of the Banking Group under generally accepted accounting practice.

Capital adequacy and regulatory liquidity ratios

Capital structure

Ordinary shares – CET 1 capital

The ordinary shares issued by the Bank are fully paid. All ordinary shares have equal voting rights and share equally in dividends and any distribution of surplus assets of the Bank in the event of liquidation.

Retained earnings – CET 1 capital

Retained earnings is the accumulated profit or loss that has been retained by the Banking Group.

Accumulated other comprehensive income and other disclosed reserves

This consists of the fair value reserve and cash flow hedge reserve, disclosed as reserves on the balance sheet.

- Fair value reserve comprises the cumulative net change in the fair value of investment securities until the investment is derecognised or impaired. This is included in CET1 capital.
- The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of designated cash flow hedging instruments related to hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecast transaction. The cash flow hedge reserve is not eligible for inclusion in capital under BPR110 *Capital Definitions*.

Perpetual preference shares – AT1 capital

The perpetual preference shares ('PPS') are fully paid and do not carry any voting rights. They are classified as equity instruments as there is no contractual obligation for the Bank to either deliver cash or another financial instrument to holders. The PPS have no fixed maturity date and holders have no right to require that the PPS be redeemed.

Distributions are discretionary, non-cumulative and paid quarterly in arrears. Distributions are subject to the Bank being solvent on the payment date and immediately after making the payment. If for any reason a distribution on the PPS has not been paid in full, Kiwibank must not make any distributions or payments on or issue any bonus securities in respect of its ordinary shares or any other preference shares or other securities that rank equally with the PPS.

In the event of liquidation, holders of PPS rank behind the claims of all depositors and other creditors of Kiwibank (including holders of Tier 2 capital instruments), equally with other PPS holders and ahead of holders of ordinary shares.

The PPS are quoted on the NZX Debt Market and key terms are as follows:

	FY 22 PPS issue	FY 25 PPS issue
Issue date	2 November 2021	24 October 2024
Issue amount (NZD)	\$250 million	\$275 million
First optional redemption	2 November 2026	24 April 2030
Distribution rate	4.93% per annum until 2 November 2026 (after which it will be at a rate equal to NZ 5-year swap rate plus 2.60%)	7.38% per annum until 24 April 2030 (after which it will be at a rate equal to NZ 3-month bank bill rate plus 3.70%)
Distribution rate reset date	2 November 2026 (and 5 yearly intervals after that date)	24 April 2030 (and quarterly intervals after that date)

Subordinated notes – Tier 2 capital

The subordinated notes are fully paid and have no voting rights. The notes have a fixed maturity date and holders have no right to require early repayment. Interest payments are subject to the Bank being solvent on the payment date and immediately after making the payment. Unpaid interest will accumulate and will be paid at the earlier of when the Bank is solvent again or at maturity. In the event of liquidation, holders of subordinated notes rank behind the claims of all depositors and other creditors of Kiwibank, equally with other subordinated notes holders and ahead of holders of PPS and ordinary shares.

The subordinated notes are quoted on the NZX Debt Market and key terms are as follows:

	FY 23 Subordinated debt issue	FY 26 Subordinated debt issue
Issue date	12 May 2023	12 December 2025
Issue amount (NZD face value)	\$200 million	\$400 million
Final maturity date	12 May 2033	12 March 2036
Early repayment option	12 May 2028 (or on any interest payment date thereafter)	12 March 2031 (or on any interest payment date thereafter)
Interest rate	6.40% per annum until 12 May 2028 (after which it will be at a rate equal to NZ 5-year swap rate plus 2.20%)	4.93% per annum until 12 March 2031 (after which it will be at a rate equal to NZ 3- month bank bill rate plus 1.45%)

Capital adequacy and regulatory liquidity ratios

Regulatory capital ratios

The following table shows the capital adequacy ratios, minimum capital ratio requirements and conservation buffers for the Banking Group. Kiwibank Limited solo capital ratios are the same as those disclosed for the Banking Group.

	The Banking Group			
	Minimum ratio requirement	31 Dec 25	Minimum ratio requirement	31 Dec 24
Capital adequacy ratios				
Common Equity Tier 1 capital ratio	4.5%	11.5%	4.5%	11.5%
Tier 1 capital ratio	7.0%	13.8%	7.0%	14.0%
Total capital ratio	9.0%	16.5%	9.0%	16.3%
Prudential Capital Buffer ratio		6.8%		7.0%
Buffer Trigger ratio		3.5%		2.5%

Regulatory minimum capital requirements for material risks (Pillar I)

The Bank's minimum capital requirements are outlined in the BPR documents set out in the conditions of registration. Throughout the period, Kiwibank and the Banking Group complied with both regulatory and internal capital adequacy requirements.

Pillar I specifies how banks should determine the capital requirements they should meet for identified material risks. These requirements take the form of minimum capital ratios. These ratios are calculated by expressing capital as a percentage of risk-weighted exposures.

Risk-weighted exposures are derived by assigning risk-weight percentages to certain material risk categories of exposures. These material risks are (a) operational risk, (b) market risk and (c) credit risk. The following pages summarise the capital requirements of each material risk for the six months ended 31 December 2025. The table below summarises the total capital requirements for the Banking Group.

\$ millions	31 Dec 25		
	Total exposure after credit risk mitigation	Risk weighted exposure or implied risk weighted exposure	Total capital requirement
Total credit risk plus equity	49,677	18,986	1,709
Operational risk	n/a	2,453	221
Market risk	n/a	988	89
Total Pillar I risk		22,427	2,019

(a) Operational risk capital requirement

Operational risk is the risk of loss, resulting from inadequate or failed internal processes (including legal risks), people and systems and from external events. The total operational risk capital requirement is computed in accordance with RBNZ BPR150 *Standardised Operational Risk*.

As at 31 December 2025, the Banking Group had an implied risk weighted exposure of \$2,453m and a total operational risk capital requirement of \$196m. The implied risk weighted exposure is equal to 12.5 times the total operational risk capital requirement in accordance with RBNZ BPR100 *Capital Adequacy*. The total capital requirement for operational risk calculated at 9% of implied risk weighted exposure is presented in the table above.

(b) Market risk capital requirement

Market risk is the vulnerability of earnings to movements in interest rates, equity prices and currency volatility. The aggregate capital charge has been calculated in accordance with RBNZ BPR140 *Market Risk*. Implied risk weighted exposures are equal to 12.5 times the aggregate capital charge in accordance with RBNZ BPR100 *Capital Adequacy*. The peak end-of-day aggregate capital charges are the maximum over the period at the close of each business day.

\$ millions	31 Dec 25			
	Implied risk weighted exposure		Aggregate capital charge	
	End of period	Peak	End of period	Peak
Interest rate risk	902	953	72	76
Foreign currency risk	86	114	7	9
Equity risk	-	-	-	-

Capital adequacy and regulatory liquidity ratios

Regulatory minimum capital requirements for material risks (Pillar I) continued

(c) Credit risk capital requirement

Credit risk is the vulnerability of lending and investment portfolios to systemic counterparty default. The risk-based capital allocation is computed in accordance with RBNZ BPR130 *Credit Risk RWAs Overview*, RBNZ BPR131 *Standardised Credit Risk RWAs*, RBNZ BPR132 *Credit Risk Mitigation* and BPR160 *Insurance, Securitisation, and Loan Transfers*.

On-balance sheet exposures

The following table shows the calculation of risk weighted exposures for on-balance sheet exposures for the Banking Group.

\$ millions	31 Dec 25		
	Total exposure after credit risk mitigation	Risk weight	Risk weighted exposure
Cash and gold bullion	8	0%	-
Sovereigns and central banks	2,866	0%	-
Multilateral development banks and other international organisations	860	0%	-
	51	20%	10
Public sector entities	424	20%	85
Banks	192	20%	38
	151	50%	75
Corporate	162	20%	32
	4,931	100%	4,931
Residential mortgages not past due			
Non-property investment residential mortgage loans	1,564	20%	313
	17,550	35%	6,142
	1,730	50%	865
	32	75%	24
	76	100%	76
Property investment residential mortgage loans	10,877	40%	4,351
	87	70%	61
	23	90%	20
	7	100%	7
Past due residential mortgages			
Past due but not impaired	1	35%	-
	1	50%	1
	35	100%	35
Past due and impaired	1	35%	-
	1	50%	-
	11	100%	11
Other past due assets			
Past due but not impaired	7	100%	7
	37	150%	56
Past due and impaired	4	100%	4
	-	150%	-
Other assets	18	20%	4
	782	100%	782
All other equity holdings (not deducted from capital)	-	400%	2
Non risk-weighted assets	537	0%	-
Total on-balance sheet exposures	43,026		17,932

Capital adequacy and regulatory liquidity ratios

Regulatory minimum capital requirements for material risks (Pillar I) continued

(c) Credit risk capital requirement continued

Off-balance sheet exposures and counterparty credit risk

The following table shows the calculation of risk weighted exposures for off-balance sheet exposures for the Banking Group. Total exposure amounts are net of provision for ECL.

\$ millions	31 Dec 25				
	Total exposure	Credit conversion factor	Credit equivalent amount	Average risk weight	Risk weighted exposure
Direct credit substitute	153	100%	153	100%	153
Performance-related contingency	84	50%	42	100%	42
Other commitments where original maturity is more than one year	1,692	50%	846	64%	541
Other commitments where original maturity is less than or equal to one year	1,913	20%	383	37%	142
Other commitments that cancel automatically when the creditworthiness of the counterparty deteriorates or that can be cancelled unconditionally at any time without prior notice	1,337	0%	-	0%	-
Counterparty credit risk: ¹					
(a) Foreign exchange contracts	5,284	n/a	186	48%	89
(b) Interest rate contracts	43,095	n/a	42	14%	6
(c) Other – CVA	-	n/a	-	n/a	80
(d) Other – CCP initial margin	48	n/a	-	2%	1
Total off-balance sheet exposures	53,606		1,652		1,054

¹ The credit equivalent amount for counterparty credit risk exposures was calculated using the current exposure method and is a net exposure amount i.e., after credit risk mitigation.

Exposures arising from trades settled on Qualifying Central Counterparties (QCCP)

\$ millions	31 Dec 25		
	Trade exposure or collateral amount	Average risk weight	Risk weighted exposures
Bank as QCCP clearing member, clearing own trades	-	-	-
Collateral posted for clearing own trades	-	-	-
Bank as client of QCCP member, clearing trades through that member	32	2%	1
Collateral posted for clearing via member bank	48	2%	1
Total	80		2

Capital adequacy and regulatory liquidity ratios

Regulatory minimum capital requirements for material risks (Pillar I) continued

(c) Credit risk capital requirement continued

Credit risk mitigation

The Banking Group uses the comprehensive method to measure the mitigating effects of collateral.

\$ millions	31 Dec 25	
	Total value of on- and off-balance sheet exposures covered by eligible collateral (after haircutting)	Total value of on- and off-balance sheet exposures covered by guarantees or credit derivatives
Exposure class		
Bank	4,381	-
Corporate	42,574	-
Total	46,955	-

Residential mortgages by loan-to-valuation ratio ('LVR')

The LVR classification below is calculated in compliance with the Order. The off-balance sheet amounts disclosed in the table below are credit equivalent amounts disclosed net of the relevant credit conversion factor.

\$ millions	31 Dec 25		
	On-balance sheet	Off-balance sheet	Total
LVR does not exceed 80%	28,624	844	29,468
LVR exceeds 80% and not 90%	2,660	19	2,679
LVR exceeds 90%	712	7	719
Total	31,996	870	32,866

Other material risks (Pillar II)

The Basel III capital adequacy regime intends to ensure that banks have adequate capital to support all material risks inherent in their business activities. Consequently, banks are required to maintain an ICAAP for assessing overall capital adequacy in relation to their risk profile. Kiwibank's ICAAP methodology requires it to hold capital against other material risks including cyber, climate change, and external fraud risks. For these other material risks, the Bank has made an internal capital allocation of \$39m (31 December 2024: \$40m).

Regulatory liquidity ratios

The Banking Group calculates regulatory liquidity ratios in accordance with the RBNZ's BS13 *Liquidity Policy*. Ratios are calculated daily, and the quarterly averages of each daily ratio are disclosed below.

For the three months ended	The Banking Group	
	31 Dec 25	30 Sept 25
Quarterly average 1-week mismatch ratio	10.1%	11.2%
Quarterly average 1-month mismatch ratio	8.5%	9.8%
Quarterly average core funding ratio	90.7%	90.4%



Independent auditor's review report

To the shareholder of Kiwibank Limited

This report is for the Banking Group, comprising Kiwibank Limited (the Bank) and the entities it controlled as at 31 December 2025 or from time to time during the six months ended on that date.

The Auditor-General is the auditor of the Bank and the Banking Group. The Auditor-General has appointed me, Callum Dixon, using the staff and resources of PricewaterhouseCoopers, to carry out the review of the interim financial statements and the supplementary information (excluding the supplementary information relating to capital adequacy and regulatory liquidity requirements) included in the Disclosure Statement of the Banking Group, on his behalf.

Report on the review of the condensed consolidated interim Financial Statements and the Supplementary Information (excluding the information relating to capital adequacy and regulatory liquidity requirements disclosed in accordance with Schedule 9)

Our conclusion

We have reviewed the condensed consolidated interim financial statements (the Financial Statements) for the six month period ended 31 December 2025 of the Banking Group as required by clause 25 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the Order) and the supplementary information disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of the Order (the Supplementary Information), excluding the information relating to capital adequacy and regulatory liquidity requirements disclosed in accordance with Schedule 9 of the Order, contained in the half year disclosure statement (the Disclosure Statement).

The Financial Statements comprise the balance sheet as at 31 December 2025, the related income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six month period then ended and selected explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying:

- Financial Statements have not been prepared, in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34) and International Accounting Standard 34 *Interim Financial Reporting* (IAS 34); and
- Supplementary Information that is required to be disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of the Order:
 - does not present fairly, in all material respects, the matters to which it relates; or
 - is not disclosed, in all material respects, in accordance with those schedules.

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 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 Financial Statements and the Supplementary Information* section of our report.

We are independent of the Banking Group in accordance with the Auditor-General's Auditing Standards, which incorporate Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board (PES 1), as applicable to audits and reviews of public interest entities. We have also fulfilled our ethical responsibilities in accordance with PES 1.

In addition to the audit of the statutory financial statements and this review on behalf of the Auditor-General, our firm also provides other assurance and agreed-upon procedures services, which are compatible with those independence requirements. In addition, certain partners and employees of our firm may deal with the Banking Group on normal terms within the ordinary course of trading activities of the business. We have no other relationship with, or interests in, the Banking Group.

Responsibilities of the Directors for the Disclosure Statement

The Directors are responsible, on behalf of the Bank, for the preparation and fair presentation of the Financial Statements in accordance with clause 25 of the Order, NZ IAS 34 and IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the Financial Statements and the Supplementary Information that are free from material misstatement, whether due to fraud or error.

In addition, the Directors are responsible on behalf of the Bank for the preparation and fair presentation of the Disclosure Statement which includes:

- all of the information prescribed in Schedule 3 of the Order; and
- the information prescribed in Schedules 5, 7, 9, 13, 16 and 18 of the Order.

Auditor's responsibilities for the review of the Financial Statements and the Supplementary Information

Our responsibility is to express a conclusion on the Financial Statements and the Supplementary Information 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:

- Financial Statements, taken as a whole, have not been prepared, in all material respects, in accordance with NZ IAS 34 and IAS 34; and
- Supplementary Information that is required to be disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of the Order:
 - does not present fairly, in all material respects, the matters to which it relates; or
 - is not disclosed, in all material respects, in accordance with those schedules; or
 - if applicable, has not been prepared, in all material respects, in accordance with any conditions of registration relating to disclosure requirements imposed under section 74(4)(c) of the Banking (Prudential Supervision) Act 1989.

A review in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform 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 the Auditor-General's Auditing Standards and consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Financial Statements and the Supplementary Information.



Callum Dixon
On behalf of the Auditor-General
Wellington, New Zealand
25 February 2026



PricewaterhouseCoopers



Independent Assurance Report

To the shareholder of Kiwibank Limited

This report is for the Banking Group, comprising Kiwibank Limited (the Bank) and the entities it controlled as at 31 December 2025 or from time to time during the six months ended on that date.

The Auditor-General is the auditor of the Bank and the Banking Group. The Auditor-General has appointed me, Callum Dixon, using the staff and resources of PricewaterhouseCoopers, to carry out a limited assurance engagement in respect of the Bank's compliance with the information required on capital adequacy and regulatory liquidity requirements included in the Disclosure Statement of the Banking Group, on his behalf.

Limited assurance report on compliance with the information required on capital adequacy and regulatory liquidity requirements

Our conclusion

We have undertaken a limited assurance engagement on the Bank's compliance, in all material respects, with clause 22 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the Order) which requires information prescribed in Schedule 9 of the Order relating to capital adequacy and regulatory liquidity requirements to be disclosed in its half year Disclosure Statement for the six month period ended 31 December 2025 (the Disclosure Statement). The Disclosure Statement containing the information prescribed in Schedule 9 of the Order relating to capital adequacy and regulatory liquidity requirements will accompany our report, for the purpose of reporting to the shareholder.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Bank's information relating to capital adequacy and regulatory liquidity requirements, included in the Disclosure Statement in compliance with clause 22 of the Order and disclosed in the *Capital adequacy and regulatory liquidity ratios* section on pages 26 to 31 of the Disclosure Statement, is not, in all material respects, disclosed in accordance with Schedule 9 of the Order.

Basis for conclusion

We have conducted our 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.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Directors' responsibilities

The Directors are responsible on behalf of the Bank for compliance with the Order, including clause 22 of the Order which requires information relating to capital adequacy and regulatory liquidity requirements prescribed in Schedule 9 of the Order to be included in the Disclosure Statement, for the identification of risks that may threaten compliance with that clause, controls that would mitigate those risks and monitoring ongoing compliance.

Our independence and quality management

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the 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. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour; and
- quality management requirements, which incorporate the requirements of 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). PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Banking Group. In addition to this engagement and our role as the auditor of the statutory financial statements on behalf of the Auditor-General, our firm also provides review, other assurance and agreed-upon procedures services, which are compatible with those independence requirements. In addition, certain partners and employees of our firm may deal with the Banking Group on normal terms within the ordinary course of trading activities of the business. We have no other relationship with, or interests in, the Banking Group.

Assurance practitioner's responsibilities

Our responsibility is to express a limited assurance conclusion on whether the Bank's information relating to capital adequacy and regulatory liquidity requirements, included in the Disclosure Statement in compliance with clause 22 of the Order is not, in all material respects, disclosed in accordance with Schedule 9 of the Order. SAE 3100 (Revised) requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Bank's information relating to capital adequacy and regulatory liquidity requirements, included in the Disclosure Statement in compliance with clause 22 of the Order, is not, in all material respects, disclosed in accordance with Schedule 9 of the Order.

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 non-compliance with clause 22 of the Order in respect of the information relating to capital adequacy and regulatory liquidity requirements is likely to arise.

Given the circumstances of the engagement we:

- obtained an understanding of the process, models, data and internal controls implemented over the preparation of the information relating to capital adequacy and regulatory liquidity requirements;
- obtained an understanding of the Bank's compliance framework and internal control environment to ensure the information relating to capital adequacy and regulatory liquidity requirements is in compliance with the Reserve Bank of New Zealand's (the RBNZ) prudential requirements for banks;
- obtained an understanding and assessed the impact of any matters of non-compliance with the RBNZ's prudential requirements for banks that relate to capital adequacy and regulatory liquidity requirements and inspected relevant correspondence with the RBNZ;

- performed analytical and other procedures on the information relating to capital adequacy and regulatory liquidity requirements disclosed in accordance with Schedule 9 of the Order, and considered its consistency with the interim financial statements; and
- agreed the information relating to capital adequacy and regulatory liquidity requirements disclosed in accordance with Schedule 9 of the Order to information extracted from the Bank’s models, accounting records or other supporting documentation.

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 and 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. Accordingly, we do not express a reasonable assurance opinion on compliance with the compliance 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 the compliance requirements may occur and not be detected.

A limited assurance engagement on the Bank’s information relating to capital adequacy and regulatory liquidity requirements prescribed in Schedule 9 of the Order to be included in the Disclosure Statement in compliance with clause 22 of the Order does not provide assurance on whether compliance will continue in the future.

Use of report

This report has been prepared for use by the Bank’s shareholder for the purpose of establishing that these compliance requirements have been met.

Our report should not be used for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility for any reliance on this report to anyone other than the Bank and the Bank’s shareholder, or for any purpose other than that for which it was prepared.



Callum Dixon
On behalf of the Auditor-General
Wellington, New Zealand
25 February 2026



PricewaterhouseCoopers