

Bank of New Zealand

Supplemental Information

For the year ended September 30, 2025



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Presentation of Information

Basis of Presentation

Bank of New Zealand's financial reporting group consists of Bank of New Zealand ("BNZ"), all of its wholly owned entities and other entities consolidated for financial reporting purposes (together, the "Banking Group"). The consolidated financial statements of the Banking Group are prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"), the New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS"), International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB").

Certain differences exist between Generally Accepted Accounting Principles applicable in the United States of America ("US GAAP") and NZ GAAP, NZ IFRS, IFRS and interpretations adopted by the IASB which might be material to the financial information presented in this document. The Banking Group has not prepared a reconciliation of its consolidated financial statements and related notes to the financial statements between NZ GAAP, NZ IFRS and US GAAP. In making an investment decision, investors must rely upon their own examination of the Banking Group and the terms of the offering. Potential investors should consult their own professional advisors for an understanding of these differences, and whether or not they affect the financial information presented in this document.

Information disclosed in this document is based on the Banking Group. It is different from the information disclosed under the New Zealand Banking segment ("NZ Banking") in the Annual Report and Full Year Results of National Australia Bank Limited ("NAB"), the Banking Group's ultimate parent. In those documents, NZ Banking results are presented on a cash earnings basis (a non-IFRS key performance measure) and includes other New Zealand based NAB operations that do not form part of the Banking Group.

The consolidated full year financial statements of the Banking Group are audited by an external auditor in accordance with International Standards on Auditing (New Zealand), which differ from those applicable in the United States.

Certain comparative balances in this document have been reclassified to align with the presentation used in the current financial year. These reclassifications have no material impact on the Banking Group's overall financial performance or financial position for the prior periods.

Certain Definitions

The Banking Group's financial year ends on September 30. The financial year ended September 30, 2025, is referred to as 2025 and other financial years are referred to in a corresponding manner.

Some information in this document has been derived from the consolidated financial statements of the Banking Group. Where certain items are not shown in the Banking Group's consolidated financial statements, they have been prepared for the purpose of this document. Accordingly, this information should be read in conjunction with and is qualified in its entirety by reference to the Banking Group's audited consolidated financial statements, which are included in the Disclosure Statement for the year ended September 30, 2025. In addition, in connection with an offer of notes by BNZ, under BNZ's Rule 144A sub-program which is associated with its US\$100,000,000,000 Global Medium Term Note Program, this information should be read in conjunction with the offering circular, as supplemented by the offering circular supplement (including the documents incorporated by reference into the offering circular supplement), for such notes, including the consolidated financial statements of the Banking Group contained in the Disclosure Statements incorporated therein.

In this document, unless the context otherwise requires:

- references to "Banking Group" are to Bank of New Zealand's financial reporting group, which consists of Bank of New Zealand, all of its wholly owned entities and other entities consolidated for financial reporting purposes;
- references to "BNZ" or the "Bank" are to Bank of New Zealand;
- references to "Disclosure Statements" are to the disclosure statements the Banking Group prepared for the relevant period in compliance with Reserve Bank of New Zealand requirements, which contain consolidated financial statements of BNZ for the periods specified and have been published and filed with the Commission de Surveillance du Secteur Financier (the "CSSF");
- references to "OIC" are to the New Zealand Registered Bank Disclosure Statement (New Zealand Incorporated Registered Banks) Order 2014 (as amended);
- references to "RBNZ" are to the Reserve Bank of New Zealand;
- references to "US\$" are to the lawful currency of the United States;
- references to "wholly owned" are to an entity when a parent company holds 100% of the voting securities of the entity; and
- references to "\$", "New Zealand dollars", "NZD", "NZ\$" or "NZ dollars" are to the lawful currency of New Zealand.

Currency of Presentation

All currency amounts are expressed in New Zealand dollars unless otherwise stated. All amounts have been rounded to the nearest million dollars, except where otherwise indicated.

Average Balance Sheet and Related Interest

The following tables show the major categories of interest earning assets and interest bearing liabilities, together with their respective interest rates earned or incurred by the Banking Group. Averages are predominantly daily averages.

	Banking Group								
	Average Balance	Interest	Average Rate (% p.a.)	Average Balance	Interest	Average Rate (% p.a.)	Average Balance	Interest	Average Rate (% p.a.)
Dollars in Millions	Sep 2025	Sep 2025	Sep 2025	Sep 2024	Sep 2024	Sep 2024	Sep 2023	Sep 2023	Sep 2023
Average interest earning assets									
Cash and due from central banks and other institutions	7,769	306	3.9%	9,134	501	5.5%	12,475	596	4.8%
Trading assets	10,660	427	4.0%	10,640	458	4.3%	7,875	292	3.7%
Investments in debt instruments ¹	1,238	51	4.1%	1	-	5.5%	-	-	0.0%
Loans and advances to customers	106,099	6,477	6.1%	102,149	7,137	7.0%	98,922	6,104	6.2%
Other interest earning assets ²	766	47	N/A	806	84	N/A	1,255	92	N/A
Total average interest earning assets and interest income	126,532	7,308	5.8%	122,730	8,180	6.7%	120,527	7,084	5.9%
Total average non-interest earning assets	9,553			9,160			10,592		
Allowance for expected credit losses and credit risk adjustments	(1,012)			(964)			(858)		
Total average assets	135,073			130,926			130,261		
Average interest bearing liabilities									
Due to central banks and other institutions	4,641	101	2.2%	5,318	180	3.4%	7,439	241	3.2%
Deposits and other borrowings ³	73,987	3,042	4.1%	68,391	3,551	5.2%	63,801	2,563	4.0%
Bonds and notes	20,339	936	4.6%	21,095	1,366	6.5%	19,947	1,139	5.7%
Subordinated notes due to external investors	598	32	5.4%	-	-	0.0%	-	-	0.0%
Other interest bearing liabilities ⁴	2,626	120	N/A	3,386	174	N/A	4,109	244	N/A
Total average interest bearing liabilities and interest expense ³	102,191	4,231	4.1%	98,190	5,271	5.4%	95,296	4,187	4.4%
Total average non-interest bearing liabilities ³	19,317			19,963			23,881		
Total average liabilities	121,508			118,153			119,177		

¹ During the last quarter of the year ended September 30, 2024, the Banking Group commenced the measurement of certain debt securities within its liquidity portfolio at fair value through other comprehensive income. Refer to "Investment Portfolio" on page 5 for further information.

² Includes collateral paid and sub-lease receivable under NZ IFRS 16 Leases for the purposes of the calculation. Under the OIC, sub-lease receivable is classified as non-interest earning in BNZ's Disclosure Statements for the respective periods. The average rate is not disclosed due to the residual nature of other interest earning assets.

³ Comparative balances have been restated to align with the presentation used in the current period.

⁴ Includes subordinated notes to related entity, trading liabilities and collateral received. Includes lease liabilities under NZ IFRS 16 Leases for the purposes of the calculation. Under the OIC, these are classified as non-interest bearing in BNZ's Disclosure Statements for the respective periods. The average rate is not disclosed due to the residual nature of other interest earning liabilities.

	Banking Group		
	2025	2024	2023
Net yield on interest earning assets			
Net yield on interest earning assets ⁵	2.43%	2.37%	2.40%

⁵ Net interest income divided by total average interest earning assets.

Average Balance Sheet and Related Interest

Volume and Rate Analysis

The following table attributes variances in interest income and interest expense to changes in volume and rate. Volume and rate variances have been calculated on the movement in average balances and the change in the interest rates on average interest earning assets and average interest bearing liabilities.

Dollars in Millions	Banking Group					
	Increase/(Decrease) due to		Total	Increase/(Decrease) due to		Total
	Change in Average Volume	Change in Average Rate		Change in Average Volume	Change in Average Rate	
	2025	2025	2025	2024	2024	2024
Interest earning assets						
Cash and due from central banks and other institutions	(54)	(141)	(195)	(183)	88	(95)
Trading assets	1	(32)	(31)	119	47	166
Investments in debt instruments	51	-	51	-	-	-
Loans and advances to customers	241	(901)	(660)	225	808	1,033
Other interest earning assets ¹	(37)	N/A	(37)	(8)	N/A	(8)
Change in interest income	202	(1,074)	(872)	153	943	1,096
Interest bearing liabilities						
Due to central banks and other institutions	(15)	(64)	(79)	(72)	11	(61)
Deposits and other borrowings ²	230	(739)	(509)	238	750	988
Bonds and notes	(35)	(395)	(430)	74	153	227
Subordinated notes due to external investors	32	-	32	-	-	-
Other interest bearing liabilities ¹	(54)	N/A	(54)	(70)	N/A	(70)
Change in interest expense ²	158	(1,198)	(1,040)	170	914	1,084
Change in net interest income/(expense) ²	44	124	168	(17)	29	12

¹ The increase/(decrease) due to change in average rate is not disclosed due to the residual nature of other interest earning assets and liabilities, which comprise a broad range of instruments.

² Comparative balances have been restated to align with the presentation used in the current period.

Investment Portfolio

For details of the Banking Group’s investment portfolio, refer to Note 10 Investments in Debt Instruments of the Disclosure Statement for the year ended September 30, 2025.

Maturities

The following table shows the contractual maturity and weighted average yield of the Banking Group's investments in debt instruments.

Dollars in Millions	Banking Group (2025)				Total	Average Rate (% p.a.) ¹
	Up to 1 Year	Over 1 Year and up to 5 Years	Over 5 Years and up to 10 Years	Over 10 Years		
Investments in debt instruments						
Government bonds, notes and securities	-	705	1,019	20	1,744	4.1%
Semi-government bonds, notes and securities	52	507	252	-	811	4.2%
Total investments in debt instruments	52	1,212	1,271	20	2,555	4.1%

¹ For the purposes of this table, average rate is calculated as interest income divided by average volume.

Loan Portfolio

Loan Portfolio by Industry

The following table shows the Banking Group's portfolio of net loans and advances to customers by the customer's industry sector.

Dollars in Millions	Banking Group		
	2025	2024	2023
Agriculture	14,358	14,600	14,355
Forestry and fishing	1,093	1,170	1,062
Mining	165	237	214
Manufacturing	3,739	3,555	3,528
Electricity, gas and water	765	623	512
Construction	1,708	1,611	1,571
Wholesale and retail trade	4,896	4,854	4,455
Accommodation, restaurants, culture and recreation	1,920	1,757	1,552
Transport and storage	2,099	2,038	1,922
Communications	396	492	392
Financial, investment and insurance	2,999	2,726	2,223
Property, business and personal services	10,683	10,021	9,840
Government, education, health and community services	2,114	2,236	2,296
Real estate - housing loans	63,944	60,102	57,746
Personal lending	754	781	800
Total gross loans and advances to customers	111,633	106,803	102,468
Deduct:			
Individually assessed allowance for credit impairment and credit risk adjustments on individual financial assets	202	127	77
Collectively assessed allowance for credit impairment and credit risk adjustments on groups of financial assets	796	897	855
Deferred and other unearned future income	(185)	(134)	(88)
Capitalized brokerage costs	(207)	(194)	(168)
Fair value hedge adjustments on housing loans	-	6	14
Total deductions	606	702	690
Total net loans and advances to customers	111,027	106,101	101,778

Maturity Profile on Gross Loans and Advances to Customers

The following table shows the Banking Group's contractual maturity distribution of gross loans and advances to customers.

Dollars in Millions	Banking Group (2025)			
	Up to 1 Year	Over 1 Year and up to 5 Years	Over 5 Years	Total
Agriculture	8,505	5,644	209	14,358
Forestry and fishing	864	227	2	1,093
Mining	121	42	2	165
Manufacturing	2,654	1,047	38	3,739
Electricity, gas and water	655	108	2	765
Construction	976	656	76	1,708
Wholesale and retail trade	3,248	1,580	68	4,896
Accommodation, restaurants, culture and recreation	988	904	28	1,920
Transport and storage	1,477	602	20	2,099
Communications	349	45	2	396
Financial, investment and insurance	2,827	168	4	2,999
Property, business and personal services	6,986	3,563	134	10,683
Government, education, health and community services	1,438	651	25	2,114
Real estate - housing loans	1,255	1,202	61,487	63,944
Personal lending	753	1	-	754
Total gross loans and advances to customers	33,096	16,440	62,097	111,633

Loan Portfolio

Sensitivities of Loans to Changes in Interest Rates

The following table shows the type of interest rate applicable to the Banking Group's contractual maturity distribution of loans and advances to customers.

Dollars in Millions	Banking Group (2025)			Total
	Up to 1 Year	Over 1 Year and up to 5 Years	Over 5 Years	
Variable interest rates	25,802	11,434	8,294	45,530
Fixed interest rates	7,294	5,006	53,803	66,103
Total gross loans and advances to customers	33,096	16,440	62,097	111,633

Risk Elements

The Banking Group continuously monitors its credit risk to counterparties through the examination of key risk indicators such as days past due, utilization, and behavioral scoring. In addition, the Strategic Business Services unit has specific responsibility for the management of accounts classified as categorized assets. These processes enable credit impairments to be identified at the earliest possible time. Credit impairment allowance is raised based on an expected credit loss model in line with the requirements of NZ IFRS 9 *Financial Instruments*. Recoverable amounts for impaired assets take into account the current market value of collateral held and the realizability of securities. The changes in value of financial assets designated at fair value through profit or loss that are attributable to changes in credit risk have been calculated using a statistical-based calculation that estimates expected losses attributable to adverse movement in credit risks.

Impaired Assets

The following table shows the Banking Group's impaired assets.

Dollars in Millions	Banking Group		
	2025	2024	2023
Gross impaired assets¹			
Balance at beginning of year	313	144	167
Amounts written off	(59)	(51)	(39)
Loans newly classified into impaired assets categories during the year	468	440	198
Loans recovered or reclassified as non-impaired assets during the year	(270)	(220)	(182)
Total gross impaired assets balance at end of year	452	313	144
Deduct: Individually assessed allowance for credit impairment and credit risk adjustments on individual financial assets	202	127	77
Total net impaired assets	250	186	67

¹ Gross amounts are shown before taking into account any collateral held or other credit enhancements.

Past Due Assets Not Impaired

The following table shows the Banking Group's 90 days or more past due non-impaired assets.

Dollars in Millions	Banking Group		
	2025	2024	2023
Total 90+ days past due non-impaired assets	290	252	364

Additional Information on Impaired Assets

The following table shows additional information on impaired assets.

Dollars in Millions	Banking Group		
	2025	2024	2023
Fair value of security ²	250	186	67

² For the purposes of this disclosure, where security held is valued at more than the corresponding credit exposure, coverage is capped at the value of the credit exposure.

Potential problem loans are those loans which are not impaired or past due, where the customer is in receivership, liquidation, statutory management or any other form of administration in New Zealand, or is in an equivalent form of voluntary or involuntary administration in an overseas jurisdiction. As at September 30, 2025, included within the Banking Group's loans and advances to customers were potential problem loans of \$12 million.

Summary of Loan Loss Experience

Allowance for Expected Credit Losses and Credit Risk Adjustments on Financial Assets

The following table shows the reconciliation of movements in the Banking Group's allowance for expected credit losses ("ECL") and credit risk adjustments on financial assets.

Dollars in Millions	Banking Group		
	2025	2024	2023
Individually assessed allowance for ECL and credit risk adjustments on individual financial assets			
Balance at beginning of year	127	77	92
Charge to income statement	128	98	18
Amounts written off	(59)	(51)	(39)
Recovery of amounts written off	6	6	7
Discount unwind	-	(3)	(1)
Balance at end of year	202	127	77
Collectively assessed allowance for ECL and credit risk adjustments on groups of financial assets			
Balance at beginning of year	897	855	720
Charge/(credit) to income statement	(101)	42	135
Balance at end of year	796	897	855
Total allowance for ECL and credit risk adjustments on financial assets	998	1,024	932

Allowance for Expected Credit Losses and Credit Risk Adjustments on Financial Assets by Industry

The following table shows the Banking Group's allowance for ECL and credit risk adjustments on financial assets by the customer's industry sector.

Dollars in Millions	Banking Group (2025)						Percentage of Loans in Each Category to Gross Loans and Advances (%)
	Stage 1	Collectively assessed allowance Stage 2	Stage 3	Individually assessed allowance Stage 3	Credit Risk Adjustment on Financial Assets	Total	
Agriculture	9	80	17	49	-	155	12.9
Forestry and fishing	2	11	1	2	-	16	1.0
Mining	1	3	-	-	-	4	0.1
Manufacturing	8	137	6	56	-	207	3.3
Electricity, gas and water	4	4	-	-	-	8	0.7
Construction	4	29	2	11	-	46	1.5
Wholesale and retail trade	14	91	7	7	-	119	4.4
Accommodation, restaurants, culture and recreation	4	15	2	1	-	22	1.7
Transport and storage	4	18	3	16	-	41	1.9
Communications	1	6	-	-	-	7	0.4
Financial, investment and insurance	4	6	-	5	-	15	2.7
Property, business and personal services	17	84	6	41	-	148	9.6
Government, education, health and community services	5	21	-	1	-	27	1.9
Real estate - housing loans	68	30	53	13	-	164	57.2
Personal lending	7	10	2	-	-	19	0.7
Total allowance for ECL	152	545	99	202	-	998	100.0

Summary of Loan Loss Experience

Allowance for Expected Credit Losses and Credit Risk Adjustments on Financial Assets by Industry *continued*

Banking Group (2024)

Dollars in Millions	Stage 1	Collectively assessed allowance Stage 2	Stage 3	Individually assessed allowance Stage 3	Credit Risk Adjustment on Financial Assets	Total	Percentage of Loans in Each Category to Gross Loans and Advances (%)
Agriculture	9	166	20	39	-	234	13.7
Forestry and fishing	1	13	1	2	-	17	1.1
Mining	-	7	-	1	-	8	0.2
Manufacturing	5	132	1	14	-	152	3.3
Electricity, gas and water	3	1	-	-	-	4	0.6
Construction	4	25	2	1	-	32	1.5
Wholesale and retail trade	9	79	3	8	-	99	4.5
Accommodation, restaurants, culture and recreation	2	10	2	1	-	15	1.6
Transport and storage	4	28	-	-	-	32	1.9
Communications	1	7	-	-	-	8	0.5
Financial, investment and insurance	3	9	-	5	-	17	2.6
Property, business and personal services	7	117	6	42	-	172	9.4
Government, education, health and community services	2	27	1	2	-	32	2.1
Real estate - housing loans	46	64	52	12	-	174	56.3
Personal lending	10	16	2	-	-	28	0.7
Total allowance for ECL and credit risk adjustments on financial assets	106	701	90	127	-	1,024	100.0

Banking Group (2023)

Dollars in Millions	Stage 1	Collectively assessed allowance Stage 2	Stage 3	Individually assessed allowance Stage 3	Credit Risk Adjustment on Financial Assets	Total	Percentage of Loans in Each Category to Gross Loans and Advances (%)
Agriculture	8	154	95	11	-	268	14.0
Forestry and fishing	1	18	3	-	-	22	1.0
Mining	-	4	-	-	-	4	0.2
Manufacturing	5	73	2	1	3	84	3.4
Electricity, gas and water	2	4	-	-	-	6	0.5
Construction	4	24	1	1	-	30	1.5
Wholesale and retail trade	7	74	5	9	-	95	4.3
Accommodation, restaurants, culture and recreation	2	13	-	-	-	15	1.5
Transport and storage	5	23	1	6	2	37	1.9
Communications	1	5	-	-	-	6	0.4
Financial, investment and insurance	4	10	1	-	1	16	2.2
Property, business and personal services	6	93	6	46	-	151	9.6
Government, education, health and community services	3	20	4	-	-	27	2.2
Real estate - housing loans	17	102	24	2	-	145	56.5
Personal lending	6	12	7	1	-	26	0.8
Total allowance for ECL and credit risk adjustments on financial assets	71	629	149	77	6	932	100.0

Summary of Loan Loss Experience

Allowance for Expected Credit Losses and Credit Risk Adjustments on Financial Assets by Industry *continued*

	Banking Group		
Dollars in Millions	2025	2024	2023
Individually assessed allowance for ECL and credit risk adjustments on individual financial assets			
Agriculture	49	40	12
Forestry and fishing	2	2	-
Mining	-	1	-
Manufacturing	56	14	1
Construction	11	1	1
Wholesale and retail trade	7	8	9
Accommodation, restaurants, culture and recreation	1	1	-
Transport and storage	16	-	6
Financial, investment and insurance	5	5	-
Property, business and personal services	41	41	45
Government, education, health and community services	1	2	-
Real estate - housing loans	13	12	2
Personal lending	-	-	1
Total individually assessed allowance for ECL and credit risk adjustments on individual financial assets	202	127	77
Total collectively assessed allowance for ECL and credit risk adjustments on groups of financial assets	796	897	855
Total allowance for ECL and credit risk adjustments on financial assets	998	1,024	932

	Banking Group		
As a Percentage of Total Loans	2025	2024	2023
Gross loans and advances to customers			
Agriculture	12.9	13.7	14.0
Forestry and fishing	1.0	1.1	1.0
Mining	0.1	0.2	0.2
Manufacturing	3.3	3.3	3.4
Electricity, gas and water	0.7	0.6	0.5
Construction	1.5	1.5	1.5
Wholesale and retail trade	4.4	4.5	4.3
Accommodation, restaurants, culture and recreation	1.7	1.6	1.5
Transport and storage	1.9	1.9	1.9
Communications	0.4	0.5	0.4
Financial, investment and insurance	2.7	2.6	2.2
Property, business and personal services	9.6	9.4	9.6
Government, education, health and community services	1.9	2.1	2.2
Real estate - housing loans	57.2	56.3	56.5
Personal lending	0.7	0.7	0.8
Total gross loans and advances to customers	100.0	100.0	100.0

Summary of Loan Loss Experience

Net Charge-Offs to Gross Average Loans

The following table shows the details of the Banking Group's ratio of net charge-offs to gross average loans outstanding. Net charge-offs are total bad debts written off less bad debts recovered.

	Banking Group		
As a percentage of total gross average loans	2025	2024	2023
Ratio of net charge-offs to gross average loans outstanding during the year ¹	-	-	-

¹ Net charge-offs divided by gross average interest earning loans outstanding.

Bad Debts Written Off

The following table shows bad debts written off by customer industry sector.

	Banking Group		
Dollars in Millions	2025	2024	2023
Agriculture	8	5	1
Forestry and fishing	1	-	-
Mining	1	-	-
Manufacturing	4	1	1
Construction	2	2	2
Wholesale and retail trade	5	3	6
Accommodation, restaurants, culture and recreation	1	1	3
Transport and storage	1	6	-
Property, business and personal services	1	8	4
Government, education, health and community services	5	-	-
Real estate - housing loans	8	2	1
Personal lending	22	23	21
Total bad debts written off	59	51	39

Bad Debts Written Off Subsequently Recovered

The following table shows bad debts written off subsequently recovered by customer industry sector.

	Banking Group		
Dollars in Millions	2025	2024	2023
Personal lending	6	6	7
Total bad debts written off subsequently recovered	6	6	7

Deposits and Other Borrowings

The following table shows the Banking Group's liabilities in respect to deposits and other borrowings.

Dollars in Millions	Banking Group		
	2025	2024	2023
Term deposits	38,760	38,509	34,802
Certificates of deposit	909	1,500	1,587
On-demand and short-term deposits bearing interest ¹	33,343	29,544	27,869
Deposits not bearing interest ¹	14,974	14,231	15,831
Commercial paper	2,656	470	917
Total deposits and other borrowings	90,642	84,254	81,006

¹ Comparative balances have been restated to align with the presentation used in the current period.

The following table shows the maturity profile of all certificates of deposit and term deposits issued with a value of \$100,000 or more.

Dollars in Millions	Banking Group (2025)				
	Up to 3 Months	Over 3 Months and up to 6 Months	Over 6 Months and up to 1 Year	Over 1 Year	Total
Term deposits	13,275	9,637	6,364	3,000	32,276
Certificates of deposit	755	144	10	-	909
Total	14,030	9,781	6,374	3,000	33,185

Details of average deposits and short-term borrowings are provided in the following table for the dates indicated. Averages are predominantly daily averages.

Dollars in Millions	Banking Group					
	Average Balance 2025	Average Rate (% p.a.) ³ 2025	Average Balance 2024	Average Rate (% p.a.) ³ 2024	Average Balance 2023	Average Rate (% p.a.) ³ 2023
Term deposits	39,008	5.00%	36,807	5.81%	30,992	4.32%
Certificates of deposit	1,024	4.09%	1,155	5.58%	1,975	4.86%
On-demand and short-term deposits bearing interest ²	32,533	3.05%	29,568	4.40%	29,007	3.59%
Deposits not bearing interest ²	14,452	0.00%	14,904	0.00%	16,987	0.00%
	87,017		82,434		78,961	

² Comparative balances have been restated to align with the presentation used in the current period.

³ For the purposes of this disclosure, average rate is calculated as interest expense divided by average volume.

Short-Term Borrowings

The table below shows the Banking Group's commercial paper short-term borrowings.

Dollars in Millions	Banking Group		
	2025	2024	2023
Balance outstanding at end of year	2,656	470	917
Maximum outstanding at any month end	2,656	1,276	2,374
Approximate average amount outstanding during the year	1,422	861	1,827
Approximate weighted average rate on average amount outstanding	4.21%	5.46%	4.98%

Return on Equity and Assets

The following table shows return on equity, return on assets and other ratios of the Banking Group.

	Banking Group		
	2025	2024	2023
Return on assets ⁴	1.11%	1.15%	1.16%
Return on equity ⁵	11.05%	11.79%	13.61%
Dividend payout ratio ⁶	70.72%	86.67%	388.87% ⁸
Equity to assets ratio ⁷	10.04%	9.76%	8.51%

⁴ Net profit after tax divided by total average assets.

⁵ Net profit after tax divided by total average equity (total average equity calculated by total average assets minus total average liabilities).

⁶ Dividend per ordinary share divided by net profit per ordinary share.

⁷ Total average equity divided by total average assets.

⁸ Includes \$5,000 million dividend on ordinary shares and equivalent share issue.

