Bank of New Zealand

Supplemental Information

For the year ended September 30, 2026

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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 include 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, 2026 is referred to as 2026 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, 2026. 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" 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								
Dollars in Millions	**Average Balance Sep 2026**	**Interest Sep 2026**	**Average Rate (% p.a.) Sep 2026**	Average Balance Sep 2025	Interest Sep 2025	Average Rate (% p.a.) Sep 2025	Average Balance Sep 2024	Interest Sep 2024	Average Rate (% p.a.) Sep 2024
Average interest earning assets									
Cash and due from central banks and other institutions	**6,469**	**175**	**2.7%**	7,769	306	3.9%	9,134	501	5.5%
Trading assets	**10,767**	**334**	**3.1%**	10,660	427	4.0%	10,640	458	4.3%
Investments in debt instruments[1]	**3,196**	**98**	**3.1%**	1,238	51	4.1%	1	-	5.5%
Loans and advances to customers[2]	**111,418**	**5,612**	**5.0%**	106,099	6,440	6.1%	102,149	7,137	7.0%
Other interest earning assets[3]	**656**	**28**	**N/A**	766	47	N/A	806	84	N/A
Total average interest earning assets and interest income [2]	**132,506**	**6,247**	**4.7%**	126,532	7,271	5.7%	122,730	8,180	6.7%
Total average non-interest earning assets	**9,826**			9,553			9,160		
Allowance for expected credit losses and credit risk adjustments	**(1,014)**			(1,012)			(964)		
Total average assets	**141,318**			135,073			130,926		
Average interest bearing liabilities									
Due to central banks and other institutions	**1,825**	**15**	**0.8%**	4,641	101	2.2%	5,318	180	3.4%
Deposits and other borrowings[4]	**80,018**	**2,301**	**2.9%**	73,987	3,042	4.1%	68,391	3,551	5.2%
Bonds and notes	**21,641**	**727**	**3.4%**	20,339	936	4.6%	21,095	1,366	6.5%
Subordinated notes due to external investors	**870**	**39**	**4.5%**	598	32	5.4%	-	-	0.0%
Other interest bearing liabilities[5]	**2,990**	**117**	**N/A**	2,626	120	N/A	3,386	174	N/A
Total average interest bearing liabilities and interest expense	**107,344**	**3,199**	**3.0%**	102,191	4,231	4.1%	98,190	5,271	5.4%
Total average non-interest bearing liabilities	**20,082**			19,317			19,963		
Total average liabilities	**127,426**			121,508			118,153		

[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.

[2] Comparative balances for September 30, 2025 have been restated to align with the presentation used in the current period.

[3] 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.

[4] Comparative balances for 2024 have been restated to align with the presentation used in the current period.

[5] 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, lease liabilities 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 bearing liabilities.

	Banking Group		
	2026	2025	2024
Net yield on interest earning assets			
Net yield on interest earning assets[1, 2]	**2.30%**	2.40%	2.37%

[1] Net interest income divided by total average interest earning assets.

[2] Comparative balances for September 30, 2025 have been restated to align with the presentation used in the current period.

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.

	Banking Group					
	Increase/(Decrease) due to			Increase/(Decrease) due to		
Dollars in Millions	Change in Average Volume 2026	Change in Average Rate 2026	Total 2026	Change in Average Volume 2025	Change in Average Rate 2025	Total 2025
Interest earning assets						
Cash and due from central banks and other institutions	**(35)**	**(96)**	**(131)**	(54)	(141)	(195)
Trading assets	**3**	**(96)**	**(93)**	1	(32)	(31)
Investments in debt instruments	**60**	**(13)**	**47**	51	-	51
Loans and advances to customers[1]	**268**	**(1,096)**	**(828)**	240	(937)	(697)
Other interest earning assets[2]	**(19)**	**N/A**	**(19)**	(37)	N/A	(37)
Change in interest income[1]	**277**	**(1,301)**	**(1,024)**	201	(1,110)	(909)
Interest bearing liabilities						
Due to central banks and other institutions	**(23)**	**(63)**	**(86)**	(15)	(64)	(79)
Deposits and other borrowings	**173**	**(914)**	**(741)**	230	(739)	(509)
Bonds and notes	**44**	**(253)**	**(209)**	(35)	(395)	(430)
Subordinated notes due to external investors	**12**	**(5)**	**7**	32	-	32
Other interest bearing liabilities[2]	**(3)**	**N/A**	**(3)**	(54)	N/A	(54)
Change in interest expense	**203**	**(1,235)**	**(1,032)**	158	(1,198)	(1,040)
Change in net interest income/(expense)[1]	**74**	**(66)**	**8**	43	88	131

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

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, 2026.

Maturities

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

	Banking Group (2026)					
Dollars in Millions	Up to 1 Year	Over 1 Year and up to 5 Years	Over 5 Years and up to 10 Years	Over 10 Years	Total	Average Rate (% p.a.)[1]
Investments in debt instruments						
Government bonds, notes and securities	-	1,306	1,370	79	2,755	3.1%
Semi-government bonds, notes and securities	93	762	285	-	1,140	3.0%
Total investments in debt instruments	93	2,068	1,655	79	3,895	3.1%

[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.

	Banking Group		
Dollars in Millions	**2026**	2025	2024
Agriculture	**14,908**	14,358	14,600
Forestry and fishing	**901**	1,093	1,170
Mining	**98**	165	237
Manufacturing	**3,470**	3,739	3,555
Electricity, gas and water	**564**	765	623
Construction	**1,810**	1,708	1,611
Wholesale and retail trade	**5,349**	4,896	4,854
Accommodation, restaurants, culture and recreation	**2,267**	1,920	1,757
Transport and storage	**2,190**	2,099	2,038
Communications	**429**	396	492
Financial, investment and insurance	**3,468**	2,999	2,726
Property, business and personal services	**11,796**	10,683	10,021
Government, education, health and community services	**2,340**	2,114	2,236
Real estate - housing loans	**68,763**	63,944	60,102
Personal lending	**704**	754	781
Total gross loans and advances to customers	**119,057**	111,633	106,803
Deduct:			
Individually assessed allowance for credit impairment and credit risk adjustments on individual financial assets	**233**	202	127
Collectively assessed allowance for credit impairment and credit risk adjustments on groups of financial assets	**832**	796	897
Deferred and other unearned future income	**(270)**	(185)	(134)
Capitalized brokerage costs	**(233)**	(207)	(194)
Fair value hedge adjustments on housing loans	**-**	-	6
Total deductions	**562**	606	702
Total net loans and advances to customers	**118,495**	111,027	106,101

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.

	Banking Group (2026)			
Dollars in Millions	Up to 1 Year	Over 1 Year and up to 5 Years	Over 5 Years	Total
Agriculture	**8,471**	**6,317**	**120**	**14,908**
Forestry and fishing	**679**	**220**	**2**	**901**
Mining	**74**	**23**	**1**	**98**
Manufacturing	**2,249**	**1,197**	**24**	**3,470**
Electricity, gas and water	**529**	**33**	**2**	**564**
Construction	**1,069**	**685**	**56**	**1,810**
Wholesale and retail trade	**3,143**	**2,161**	**45**	**5,349**
Accommodation, restaurants, culture and recreation	**1,158**	**1,091**	**18**	**2,267**
Transport and storage	**1,542**	**637**	**11**	**2,190**
Communications	**371**	**56**	**2**	**429**
Financial, investment and insurance	**3,226**	**240**	**2**	**3,468**
Property, business and personal services	**8,280**	**3,426**	**90**	**11,796**
Government, education, health and community services	**1,608**	**716**	**16**	**2,340**
Real estate - housing loans	**1,361**	**1,236**	**66,166**	**68,763**
Personal lending	**703**	**1**	**-**	**704**
Total gross loans and advances to customers	**34,463**	**18,039**	**66,555**	**119,057**

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.

	Banking Group (2026)			
Dollars in Millions	Up to 1 Year	Over 1 Year and up to 5 Years	Over 5 Years	Total
Variable interest rates	**28,547**	**11,931**	**6,805**	**47,283**
Fixed interest rates	**5,916**	**6,108**	**59,750**	**71,774**
Total gross loans and advances to customers	**34,463**	**18,039**	**66,555**	**119,057**

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.

	Banking Group		
Dollars in Millions	**2026**	2025	2024
Gross impaired assets [1]			
Balance at beginning of year	**452**	313	144
Amounts written off	**(65)**	(59)	(51)
Loans newly classified into impaired assets categories during the year	**393**	468	440
Loans recovered or reclassified as non-impaired assets during the year	**(329)**	(270)	(220)
Total gross impaired assets balance at end of year	**451**	452	313
Deduct: Individually assessed allowance for credit impairment and credit risk adjustments on individual financial assets	**233**	202	127
Total net impaired assets	**218**	250	186

[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.

	Banking Group		
Dollars in Millions	**2026**	2025	2024
Total 90+ days past due non-impaired assets	**290**	290	252

Additional Information on Impaired Assets

The following table shows additional information on impaired assets.

	Banking Group		
Dollars in Millions	**2026**	2025	2024
Fair value of security [1]	**218**	250	186

[1] 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, 2026, included within the Banking Group's loans and advances to customers were potential problem loans of $30 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.

	Banking Group		
Dollars in Millions	**2026**	2025	2024
Individually assessed allowance for ECL and credit risk adjustments on individual financial assets			
Balance at beginning of year	**202**	127	77
Charge to income statement	**102**	128	98
Amounts written off	**(65)**	(59)	(51)
Recovery of amounts written off	**5**	6	6
Discount unwind	**(11)**	-	(3)
Balance at end of year	**233**	202	127
Collectively assessed allowance for ECL and credit risk adjustments on groups of financial assets			
Balance at beginning of year	**796**	897	855
Charge/(credit) to income statement	**36**	(101)	42
Balance at end of year	**832**	796	897
Total allowance for ECL and credit risk adjustments on financial assets	**1,065**	998	1,024

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.

	Banking Group (2026)						
	Collectively assessed allowance						Percentage of Loans in Each Category to Gross Loans and Advances
Dollars in Millions	Stage 1	Stage 2	Stage 3	Individually assessed allowance Stage 3	Credit Risk Adjustment on Financial Assets	Total	(%)
Agriculture	**7**	**62**	**17**	**40**	**-**	**126**	**12.5**
Forestry and fishing	**1**	**15**	**-**	**-**	**-**	**16**	**0.8**
Mining	**1**	**1**	**-**	**-**	**-**	**2**	**0.1**
Manufacturing	**8**	**104**	**8**	**84**	**-**	**204**	**2.9**
Electricity, gas and water	**4**	**3**	**-**	**3**	**-**	**10**	**0.5**
Construction	**7**	**36**	**10**	**8**	**-**	**61**	**1.5**
Wholesale and retail trade	**14**	**127**	**5**	**6**	**-**	**152**	**4.5**
Accommodation, restaurants, culture and recreation	**4**	**18**	**2**	**1**	**-**	**25**	**1.9**
Transport and storage	**4**	**20**	**3**	**21**	**-**	**48**	**1.8**
Communications	**2**	**8**	**-**	**-**	**-**	**10**	**0.4**
Financial, investment and insurance	**3**	**8**	**-**	**6**	**-**	**17**	**2.9**
Property, business and personal services	**18**	**102**	**5**	**46**	**-**	**171**	**9.9**
Government, education, health and community services	**8**	**14**	**-**	**-**	**-**	**22**	**2.0**
Real estate - housing loans	**71**	**35**	**52**	**18**	**-**	**176**	**57.7**
Personal lending	**8**	**15**	**2**	**-**	**-**	**25**	**0.6**
Total allowance for ECL and credit risk adjustments on financial assets	**160**	**568**	**104**	**233**	**-**	**1,065**	**100.0**

Summary of Loan Loss Experience

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

Banking Group (2025)

Dollars in Millions	Collectively assessed allowance 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	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 and credit risk adjustments on financial assets	152	545	99	202	-	998	100.0

Banking Group (2024)

Dollars in Millions	Collectively assessed allowance 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

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	**2026**	2025	2024
Ratio of net charge-offs to gross average loans outstanding during the year [1]	**0.1**	-	-

[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	**2026**	2025	2024
Agriculture	**6**	8	5
Forestry and fishing	**2**	1	-
Mining	**-**	1	-
Manufacturing	**1**	4	1
Construction	**8**	2	2
Wholesale and retail trade	**9**	5	3
Accommodation, restaurants, culture and recreation	**1**	1	1
Transport and storage	**-**	1	6
Property, business and personal services	**2**	1	8
Government, education, health and community services	**1**	5	-
Real estate - housing loans	**11**	8	2
Personal lending	**24**	22	23
Total bad debts written off	**65**	59	51

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	**2026**	2025	2024
Personal lending	**5**	6	6
Total bad debts written off subsequently recovered	**5**	6	6

Deposits and Other Borrowings

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

	Banking Group		
Dollars in Millions	**2026**	2025	2024
Term deposits	**40,935**	38,760	38,509
Certificates of deposit	**1,395**	909	1,500
On-demand and short-term deposits bearing interest[1]	**34,095**	33,343	29,544
Deposits not bearing interest[1]	**16,418**	14,974	14,231
Commercial paper	**6,452**	2,656	470
Total deposits and other borrowings	**99,295**	90,642	84,254

[1] Comparative balances for 2024 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.

	Banking Group (2026)				
Dollars in Millions	**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	**12,659**	**8,977**	**8,823**	**3,757**	**34,216**
Certificates of deposit	**693**	**692**	**10**	**-**	**1,395**
Total	**13,352**	**9,669**	**8,833**	**3,757**	**35,611**

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

	Banking Group					
Dollars in Millions	**Average Balance 2026**	**Average Rate (% p.a.)[2] 2026**	Average Balance 2025	Average Rate (% p.a.)[2] 2025	Average Balance 2024	Average Rate (% p.a.)[2] 2024
Term deposits	**39,124**	**3.74%**	39,008	5.00%	36,807	5.81%
Certificates of deposit	**1,264**	**2.71%**	1,024	4.09%	1,155	5.58%
On-demand and short-term deposits bearing interest[1]	**34,554**	**1.89%**	32,533	3.05%	29,568	4.40%
Deposits not bearing interest[1]	**16,121**	**0.00%**	14,452	0.00%	14,904	0.00%
	91,063		87,017		82,434	

[1] Comparative balances for 2024 have been restated to align with the presentation used in the current period.

[2] 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.

	Banking Group		
Dollars in Millions	**2026**	2025	2024
Balance outstanding at end of year	**6,452**	2,656	470
Maximum outstanding at any month end	**6,982**	2,656	1,276
Approximate average amount outstanding during the year	**5,076**	1,422	861
Approximate weighted average rate on average amount outstanding	**2.89%**	4.21%	5.46%

Return on Equity and Assets

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

	Banking Group		
	2026	2025	2024
Return on assets[1]	**0.82%**[6]	1.11%	1.15%
Return on equity[2]	**8.33%**[6]	11.05%	11.79%
Dividend payout ratio[3]	**181.63%**[5, 6]	70.72%	86.67%
Equity to assets ratio[4]	**9.83%**[6]	10.04%	9.76%

[1] Net profit after tax divided by total average assets.

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

[3] Dividend per ordinary share divided by net profit per ordinary share.

[4] Total average equity divided by total average assets.

[5] Includes $1,000 million dividend on ordinary shares and equivalent share issue.

[6] Excluding a one-off $352 million accelerated amortization charge the return on assets, return on equity, dividend payout ratio and equity to assets ratio would have been approximately 1.00%, 9.97%, 149.13% and 9.99%, respectively.

