



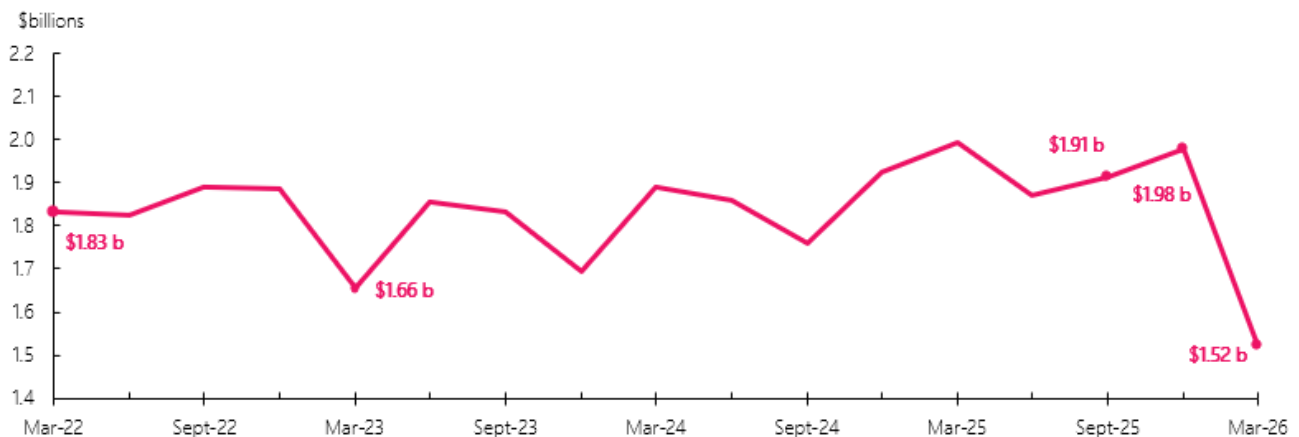
28 May 2026

Key points for the March 2026 quarter

Banking sector financial performance

- Banking sector profit after tax drops this quarter by \$455m (-23.0%) to \$1.52b.
- Total operating expenses increased by \$307m (+15.2%) to \$2.33b this quarter.
- The return on assets (ROA) for banking sector decreased by 24bp to 0.79% and the return on equity (ROE) decreased by 225bp to 9.02%.
- Net interest income decreased by \$286m (-6.8%) to reach \$3.91b. The net interest margin (NIM) decreased by 15bp to 2.17%.
- Total interest income continued to decrease this quarter, dropping by \$577m (-6.5%) to \$8.29b. This is due to the decline of interest income from total mortgages which dropped by \$268m (-5.3%) to \$4.78b, and the decline of interest income from business loans which dropped by \$155m (-6.0%) to \$2.43b.
- Total interest expense also continued to decrease this quarter, dropping by \$291m (-6.2%) to \$4.38b. This is due to the decline of interest expense for deposits which decreased by \$298m (-10.0%) to \$2.68b.

NZ Banking System's Net Profit After Tax



NZ Banking System's Interest Income and Expense

