

Bank of New Zealand

Supplemental Information

For the year ended September 30, 2024



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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 accounting principles generally accepted 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).

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, 2024, is referred to as 2024 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, 2024. 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.

Dollars in Millions	Banking Group								
	Average Balance	Interest	Average Rate (% p.a.)	Average Balance	Interest	Average Rate (% p.a.)	Average Balance	Interest	Average Rate (% p.a.)
	Sep 2024	Sep 2024	Sep 2024	Sep 2023	Sep 2023	Sep 2023	Sep 2022	Sep 2022	Sep 2022
Average interest earning assets									
Cash and due from central banks and other institutions ¹	9,134	501	5.5%	12,475	596	4.8%	12,137	178	1.5%
Trading assets ¹	10,640	458	4.3%	7,875	292	3.7%	7,440	98	1.3%
Investments in debt instruments ²	1	-	5.5%	-	-	0.0%	-	-	0.0%
Loans and advances to customers ¹	102,149	7,137	7.0%	98,922	6,104	6.2%	95,820	3,623	3.8%
Other interest earning assets ^{1,3}	806	84	N/A	1,255	92	N/A	1,137	17	N/A
Total average interest earning assets and interest income	122,730	8,180	6.7%	120,527	7,084	5.9%	116,534	3,916	3.4%
Total average non-interest earning assets	9,160			10,592			10,162		
Allowance for expected credit losses and credit risk adjustments	(964)			(858)			(776)		
Total average assets	130,926			130,261			125,920		
Average interest bearing liabilities									
Due to central banks and other institutions ¹	5,318	180	3.4%	7,439	241	3.2%	5,974	57	1.0%
Deposits and other borrowings	70,246	3,551	5.1%	66,042	2,563	3.9%	67,303	762	1.1%
Bonds and notes	21,095	1,366	6.5%	19,947	1,139	5.7%	18,671	483	2.6%
Subordinated notes due to external investors	-	-	0.0%	-	-	0.0%	-	-	0.0%
Other interest bearing liabilities ^{1,4}	3,386	174	N/A	4,109	244	N/A	4,012	110	N/A
Total average interest bearing liabilities and interest expense	100,045	5,271	5.3%	97,537	4,187	4.3%	95,960	1,412	1.5%
Total average non-interest bearing liabilities	18,108			21,640			19,515		
Total average liabilities	118,153			119,177			115,475		

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

² 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.

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.

⁴ Includes subordinated debt, 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.

	Banking Group		
	2024	2023	2022
Net yield on interest earning assets			
Net yield on interest earning assets ⁵	2.37%	2.40%	2.15%

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			Increase/(Decrease) due to		Total 2023
	Change in Average Volume 2024	Change in Average Rate 2024	Total 2024	Change in Average Volume 2023	Change in Average Rate 2023	
Interest earning assets						
Cash and due from central banks and other institutions ¹	(183)	88	(95)	16	402	418
Trading assets ¹	119	47	166	16	178	194
Investments in debt instruments	-	-	-	-	-	-
Loans and advances to customers ¹	225	808	1,033	191	2,290	2,481
Other interest earning assets ¹	(8)	-	(8)	75	-	75
Change in interest income ¹	153	943	1,096	298	2,870	3,168
Interest bearing liabilities						
Due to central banks and other institutions ¹	(72)	11	(61)	47	137	184
Deposits and other borrowings	213	775	988	(49)	1,850	1,801
Bonds and notes	74	153	227	73	583	656
Other interest bearing liabilities ¹	(70)	-	(70)	134	-	134
Change in interest expense ¹	145	939	1,084	205	2,570	2,775
Change in net interest income/(expense) ¹	8	4	12	93	300	393

¹ 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 8 Trading Assets and Note 9 Investments in Debt Instruments of the Disclosure Statement for the year ended September 30, 2024.

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 (2024)				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	-	4	-	-	4	5.8%
Semi-government bonds, notes and securities	-	5	-	-	5	4.9%
Total investments in debt instruments	-	9	-	-	9	5.5%

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		
	2024	2023	2022
Agriculture	14,600	14,355	14,158
Forestry and fishing	1,170	1,062	976
Mining	237	214	285
Manufacturing	3,555	3,528	3,418
Electricity, gas and water	623	512	533
Construction	1,611	1,571	1,316
Wholesale and retail trade	4,854	4,455	4,248
Accommodation, restaurants, culture and recreation	1,757	1,552	1,555
Transport and storage	2,038	1,922	1,914
Communications	492	392	332
Financial, investment and insurance ¹	2,726	2,223	3,069
Property, business and personal services	10,021	9,840	10,542
Government, education, health and community services	2,236	2,296	2,099
Real estate - housing loans	60,102	57,746	54,823
Personal lending	781	800	836
Total gross loans and advances to customers	106,803	102,468	100,104
Deduct:			
Individually assessed allowance for credit impairment and credit risk adjustments on individual financial assets ²	127	77	92
Collectively assessed allowance for credit impairment and credit risk adjustments on groups of financial assets ²	897	855	720
Deferred and other unearned future income	(134)	(88)	(53)
Capitalized brokerage costs	(194)	(168)	(43)
Fair value hedge adjustments on housing loans	6	14	30
Total deductions	702	690	746
Total net loans and advances to customers	106,101	101,778	99,358

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

² During the year ended September 30, 2024, the Banking Group commenced the classification of certain loans and advances to customers previously measured at fair value through profit or loss as financial assets measured at amortized cost.

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 (2024)			
	Up to 1 Year	Over 1 Year and up to 5 Years	Over 5 Years	Total
Agriculture	7,215	7,059	326	14,600
Forestry and fishing	938	225	7	1,170
Mining	195	39	3	237
Manufacturing	2,534	969	52	3,555
Electricity, gas and water	584	36	3	623
Construction	933	598	80	1,611
Wholesale and retail trade	2,938	1,833	83	4,854
Accommodation, restaurants, culture and recreation	862	851	44	1,757
Transport and storage	1,313	706	19	2,038
Communications	445	45	2	492
Financial, investment and insurance	2,551	170	5	2,726
Property, business and personal services	6,268	3,603	150	10,021
Government, education, health and community services	1,602	602	32	2,236
Real estate - housing loans	1,154	1,131	57,817	60,102
Personal lending	778	3	-	781
Total gross loans and advances to customers	30,310	17,870	58,623	106,803

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 (2024)			Total
	Up to 1 Year	Over 1 Year and up to 5 Years	Over 5 Years	
Variable interest rates	23,911	11,632	5,883	41,426
Fixed interest rates	6,399	6,238	52,740	65,377
Total gross loans and advances to customers	30,310	17,870	58,623	106,803

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		
	2024	2023	2022
Gross impaired assets¹			
Balance at beginning of year	144	167	231
Amounts written off	(51)	(39)	(68)
Loans newly classified into impaired assets categories during the year	440	198	61
Loans recovered or reclassified as non-impaired assets during the year	(220)	(182)	(57)
Total gross impaired assets balance at end of year	313	144	167
Deduct: Individually assessed allowance for credit impairment and credit risk adjustments on individual financial assets	127	77	92
Total net impaired assets	186	67	75

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		
	2024	2023	2022
Total 90+ days past due non-impaired assets	252	364	264

Additional Information on Impaired Assets

The following table shows additional information on impaired assets.

Dollars in Millions	Banking Group		
	2024	2023	2022
Fair value of security ²	186	67	75

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, 2024, included within the Banking Group's loans and advances to customers were potential problem loans of \$6 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		
	2024	2023	2022
Individually assessed allowance for ECL and credit risk adjustments on individual financial assets¹			
Balance at beginning of year	77	92	134
Charge to income statement	98	18	18
Amounts written off	(51)	(39)	(68)
Recovery of amounts written off	6	7	9
Discount unwind	(3)	(1)	(1)
Balance at end of year	127	77	92
Collectively assessed allowance for ECL and credit risk adjustments on groups of financial assets¹			
Balance at beginning of year	855	720	644
Charge/(credit) to income statement	42	135	76
Balance at end of year	897	855	720
Total allowance for ECL and credit risk adjustments on financial assets	1,024	932	812

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 (2024)					Total	Percentage of Loans in Each Category to Gross Loans and Advances (%)
	Collectively assessed allowance		Stage 3	Individually assessed allowance Stage 3	Credit Risk Adjustment on Financial Assets ¹		
	Stage 1	Stage 2					
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	106	701	90	127	-	1,024	100.0

¹ During the year ended September 30, 2024, the Banking Group commenced the classification of certain loans and advances to customers as financial assets measured at amortized cost. These were previously measured at fair value through profit or loss.

Summary of Loan Loss Experience

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

Banking Group (2023)

Dollars in Millions	Collectively assessed allowance		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 (%)
	Stage 1	Stage 2					
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

Banking Group (2022)

Dollars in Millions	Collectively assessed allowance		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 (%)
	Stage 1	Stage 2					
Agriculture	9	119	30	6	-	164	14.1
Forestry and fishing	1	16	-	-	-	17	1.0
Mining	1	1	-	-	-	2	0.3
Manufacturing	6	73	1	2	3	85	3.4
Electricity, gas and water	2	1	-	-	-	3	0.5
Construction	3	34	1	-	-	38	1.3
Wholesale and retail trade	7	67	7	5	-	86	4.2
Accommodation, restaurants, culture and recreation	2	22	1	4	-	29	1.6
Transport and storage	4	37	4	14	13	72	1.9
Communications	1	10	-	-	-	11	0.3
Financial, investment and insurance	5	10	-	-	1	16	3.1
Property, business and personal services	6	86	4	40	8	144	10.5
Government, education, health and community services	3	17	-	-	-	20	2.1
Real estate - housing loans	12	66	19	1	-	98	54.9
Personal lending	5	12	9	1	-	27	0.8
Total allowance for ECL and credit risk adjustments on financial assets	67	571	76	73	25	812	100.0

Summary of Loan Loss Experience

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

Dollars in Millions	Banking Group		
	2024	2023	2022
Individually assessed allowance for ECL and credit risk adjustments on individual financial assets¹			
Agriculture	40	12	6
Forestry and fishing	2	-	-
Mining	1	-	-
Manufacturing	14	1	2
Construction	1	1	-
Wholesale and retail trade	8	9	5
Accommodation, restaurants, culture and recreation	1	-	4
Transport and storage	-	6	25
Financial, investment and insurance	5	-	-
Property, business and personal services	41	45	48
Government, education, health and community services	2	-	-
Real estate - housing loans	12	2	1
Personal lending	-	1	1
Total individually assessed allowance for ECL and credit risk adjustments on individual financial assets	127	77	92
Total collectively assessed allowance for ECL and credit risk adjustments on groups of financial assets ¹	897	855	720
Total allowance for ECL and credit risk adjustments on financial assets	1,024	932	812

¹During the year ended September 30, 2024, the Banking Group commenced the classification of certain loans and advances to customers as financial assets measured at amortized cost. These were previously measured at fair value through profit or loss.

As a Percentage of Total Loans	Banking Group		
	2024	2023	2022
Gross loans and advances to customers			
Agriculture	13.7	14.0	14.1
Forestry and fishing	1.1	1.0	1.0
Mining	0.2	0.2	0.3
Manufacturing	3.3	3.4	3.4
Electricity, gas and water	0.6	0.5	0.5
Construction	1.5	1.5	1.3
Wholesale and retail trade	4.5	4.3	4.2
Accommodation, restaurants, culture and recreation	1.6	1.5	1.6
Transport and storage	1.9	1.9	1.9
Communications	0.5	0.4	0.3
Financial, investment and insurance	2.6	2.2	3.1
Property, business and personal services	9.4	9.6	10.5
Government, education, health and community services	2.1	2.2	2.1
Real estate - housing loans	56.3	56.5	54.9
Personal lending	0.7	0.8	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.

As a percentage of total gross average loans	Banking Group		
	2024	2023	2022
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.

Dollars in Millions	Banking Group		
	2024	2023	2022
Agriculture	5	1	11
Manufacturing	1	1	1
Construction	2	2	3
Wholesale and retail trade	3	6	5
Accommodation, restaurants, culture and recreation	1	3	1
Transport and storage	6	-	1
Property, business and personal services	8	4	26
Real estate - housing loans	2	1	1
Personal lending	23	21	19
Total bad debts written off	51	39	68

Bad Debts Recovered

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

Dollars in Millions	Banking Group		
	2024	2023	2022
Financial, investment and insurance	-	-	1
Real estate - housing loans	-	-	1
Personal lending	6	7	7
Total bad debts recovered	6	7	9

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		
	2024	2023	2022
Term deposits	38,509	34,802	28,126
Certificates of deposit	1,500	1,587	1,661
On-demand and short-term deposits bearing interest	31,371	30,014	33,295
Deposits not bearing interest	12,404	13,686	12,784
Commercial paper	470	917	2,288
Total deposits and other borrowings	84,254	81,006	78,154

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 (2024)					Total
	Up to 3 Months	Over 3 Months and up to 6 Months	Over 6 Months and up to 1 Year	Over 1 Year		
		6 Months	1 Year	1 Year		
Term deposits	11,681	10,994	7,178	2,225		32,078
Certificates of deposit	1,348	97	55	-		1,500
Total	13,029	11,091	7,233	2,225		33,578

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	Average Rate (% p.a.) ¹	Average Balance	Average Rate (% p.a.) ¹	Average Balance	Average Rate (% p.a.) ¹
	2024	2024	2023	2023	2022	2022
Term deposits	36,807	5.81%	30,992	4.32%	25,704	1.77%
Certificates of deposit	1,155	5.58%	1,975	4.86%	2,483	1.50%
On-demand and short-term deposits bearing interest	31,423	4.14%	31,248	3.33%	35,388	0.70%
Deposits not bearing interest	13,049	0.00%	14,746	0.00%	12,960	0.00%
	82,434		78,961		76,535	

¹For 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		
	2024	2023	2022
Balance outstanding at end of year	470	917	2,288
Maximum outstanding at any month end	1,276	2,374	4,816
Approximate average amount outstanding during the year	861	1,827	3,728
Approximate weighted average rate on average amount outstanding	5.46%	4.98%	0.79%

Return on Equity and Assets

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

	Banking Group		
	2024	2023	2022
Return on assets ²	1.15%	1.16%	1.12%
Return on equity ³	11.79%	13.61%	13.54%
Dividend payout ratio ⁴	86.67%	388.87% ⁶	39.59%
Equity to assets ratio ⁵	9.76%	8.51%	8.29%

² Net profit after tax divided by total average assets.

³ Net profit after tax divided by total average equity (total average equity calculated by total average assets minus total average liabilities).

⁴ Dividend per ordinary share divided by net profit per ordinary share.

⁵ Total average equity divided by total average assets.

⁶ Includes \$5,000 million dividend on ordinary shares and equivalent share issue. Refer to Note 24 Contributed Equity in BNZ's Disclosure Statement for the year ended September 30, 2024 for further information.

