

# Quarterly Ongoing Disclosure

as at 31 December 2025

This disclosure statement is prepared in accordance with the *Financial Market Conduct Regulations 2014*.

Nelson Building Society (NBS) is required by law and its *Trust Deed* to meet certain financial requirements. The tables below show how NBS is currently meeting those requirements. These are minimum requirements. Meeting them does not mean that NBS is safe. The section on specific risks relating to NBS' creditworthiness sets out risk factors that could cause its financial position to deteriorate<sup>1</sup>. The information further below provides a breakdown of how the figures in the tables are calculated.

The full financial statements for NBS are available on the offer register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz)

This document should be read in conjunction with NBS' *Product Disclosure Statement (PDS)*.

References in this statement to the 2010 Regulations mean the *Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010*.

<sup>1</sup> See Section Six of the PDS for the specific risks.

## 1. Key Ratios

Capital Ratio	31/12/2025
NBS' capital ratio calculated in accordance with the 2010 Regulations	14.33%
Minimum capital ratio required by the <i>Trust Deed</i>	8%
Minimum capital ratio required by regulation 8(2) of the 2010 Regulations	8%

The capital ratio is a measure of the extent to which NBS is able to absorb losses without becoming insolvent. The lower the capital ratio, the fewer financial assets NBS has to absorb unexpected losses arising out of its business activities.

As at 31 December 2025, all Perpetual non-cumulative Preference Shares have full voting rights, as such their contribution towards NBS' capital is unrestricted.

## Related Party Ratio

Aggregate exposures to related parties calculated in accordance with the 2010 Regulations	1.79% of capital, or \$1,777,000
Maximum limit on aggregate exposures to related parties allowed by the <i>Trust Deed</i>	15%
Maximum limit on aggregate exposures to related parties allowed by regulation 23(3)(b) of the 2010 Regulations	15%

Related party exposures are financial exposures that NBS has to related parties. A related party is an entity that is related to NBS through common control or some other connection that may give the party influence over NBS (or NBS over the related party). These related parties include NBS directors and senior officers and their relatives.

## Liquidity Ratio

### Three month mismatch ratio

Total liquid assets calculated in accordance with the <i>Trust Deed</i>	180,226,542		
Three month deficit calculated in accordance with the <i>Trust Deed</i>	114,398,864		
Minimum liquidity requirement stipulated by the <i>Trust Deed</i> (being 115% of the three month deficit calculated in accordance with the <i>Trust Deed</i> )	131,558,694		
Surplus (deficit) of liquid assets above minimum requirements under the <i>Trust Deed</i>	48,667,848		
Liquidity calculated in accordance with Clause 7.2(b)(iii) of the <i>Trust Deed</i> for proceeding three months	263%	212%	208%

Minimum liquidity requirements required under the *Trust Deed*

Total liquid assets will not be less than 115% of the deficit (expressed as a positive number) arising from:

- i) aggregate amount receivable by NBS in cash by way of principal and interest on all moneys due to NBS (excluding principal moneys from liquid assets) during the next three months, less
- ii) the total amount payable by NBS in cash by way of:
  - a) 40% of principal moneys of debt securities payable during the next three months, and
  - b) 40% of committed undrawn lending facilities

Liquidity requirements help to ensure that NBS has sufficient realisable assets on hand to pay its debts as they become due in the ordinary course of business. Failure to comply with liquidity requirements may mean that NBS is unable to repay investors on time, and may indicate other financial problems in its business.

## 2. Selected Financial Information

As at and for the 3 months ended 31 December 2025

This section on NBS' financial information provides information referred to under Section Five of NBS' *Product Disclosure Statement*.

Total assets*	1,065,180,185
Total liabilities*	962,887,005
Net profit (loss) after tax*	722,049
Net cash flows from operating activities*	(19,673,462)
Cash and cash equivalents*	158,259,694
Capital as calculated in accordance with the 2010 Regulations	99,369,000

\* As determined in accordance with *Generally Accepted Accounting Practice (GAAP)*.

# 3. How the Key Ratios have Been Calculated

At 31 December 2025

## 1. Capital Ratio

<b>Capital</b>				<b>(\$M)</b>	
Retained earnings				51.653	
Fully paid perpetual preference shares				49.621	
Reserves				1.019	
<b>Total capital</b>				<b>102.293</b>	
Regulatory deductions from capital					
Intangibles/deferred tax				2.924	
Perpetual preference shares in excess of regulatory limit				-	
<b>Net regulatory capital</b>				<b>(E) 99.369</b>	
<b>Exposures</b>			<b>(\$M)</b>	<b>(\$M)</b>	
	<b>LVR</b>	<b>Risk Weighting</b>	<b>Value</b>	<b>Risk Weighted Exposures</b>	
<b>Agriculture/farming</b>					
Secured by 1st mortgage over rural land & buildings	<=70%	100%	53.968	53.968	
Secured by 1st mortgage over rural land & buildings	>70% to <=100%	150%	4.897	7.345	
			<b>58.865</b>	<b>61.313</b>	
<b>Property development</b>					
Secured by 1st mortgage over land & buildings	<=60%	150%	33.607	50.410	
Secured by 1st mortgage over land & buildings	>60% to <=100%	200%	-	-	
			<b>33.607</b>	<b>50.410</b>	
<b>Other property (primary/commercial/industrial/retail property)</b>					
Secured by 1st mortgage over land & buildings	<=70%	100%	100.755	100.755	
Secured by 1st mortgage over land & buildings	>70% to <=100%	150%	25.151	37.726	
			<b>125.906</b>	<b>138.481</b>	
<b>Residential mortgages (owner occupied and investment)</b>					
Secured by 1st mortgage over land & buildings	<=70%	35%	476.436	166.753	
Secured by 1st mortgage over land & buildings	>70% to <=80%	50%	73.672	36.836	
Secured by 1st mortgage over land & buildings	>80% to <=90%	100%	6.259	6.259	
Secured by 1st mortgage over land & buildings	>90% to <=100%	125%	-	-	
Secured by 1st mortgage over land & buildings	>100%	150%	-	-	
Mortgage insured by Kāinga Ora	Any	20%	11.579	2.316	
			<b>567.946</b>	<b>212.164</b>	
<b>Consumer loans - to individuals with loan balances less than \$40,000</b>					
Secured by a PPSR charge over a motor vehicle/boat	Any	100%	4.666	4.666	
Secured by a PPSR charge over any other asset	Any	100%	0.804	0.804	
Unsecured	Any	150%	0.415	0.623	
			<b>5.885</b>	<b>6.093</b>	
<b>All other loans</b>					
Secured by a PPSR charge over a motor vehicle/boat	<=70%	100%	0.891	0.891	
Secured by a PPSR charge over a motor vehicle/boat	>70%	150%	2.040	3.060	
Secured by a PPSR charge over an asset not a motor vehicle/boat	Any	150%	4.027	6.041	
Other security	Any	200%	0.121	0.242	
Unsecured	Any	200%	0.244	0.488	
			<b>7.323</b>	<b>10.722</b>	
<b>Total net loan book (after provisions, deductions and deposit set-offs)</b>			<b>799.532</b>	<b>479.183</b>	
Value of qualifying deposits used as set off against loans			2.409	-	
Cash			2.751	-	

New Zealand registered bank deposits and securities	20%	250.912	50.182
Trade and receivables	350%	0.198	0.693
Operating leases	175%	1.190	2.083
Fixed assets	350%	4.224	14.784
Intangibles	0%	2.924	-
All other assets	350%	1.040	3.640
Off balance sheet items			1.179
<b>Total assets</b>		<b>(A) 1,065.180</b>	<b>(B) 551.744</b>
<b>Market and operational risk requirement</b>	<b>(A+B)/2 x 0.175</b>		<b>(C) 141.481</b>
<b>Total exposures</b>	<b>B+C</b>		<b>(D) 693.225</b>
<b>Capital ratio as at 31 December 2025</b>	<b>E/D</b>		<b>14.33%</b>

## 2. Related Party Ratio

Regulatory capital	(A)	99,369,000
Related party exposures	(B)	1,777,000
Related party exposures as a % of capital	C=B/A	1.79%

## 3. Liquidity Compliance

		January through March 2026		
Total liquid assets	(A)	180,226,542		
Total of expected inflows	sum B=M	33,744,714		
Total of principal of securities payable	sum C=N	252,280,800		
Total committed undrawn lending facilities	G	118,078,146		
40% of principal moneys due and 40% of committed undrawn lending facilities	(N+G) x 40%=O	148,143,578		
Three month deficit	M-O=P	114,398,864		
Minimum liquidity requirement (being 115% of the three month deficit)	Q=P x 115%	131,558,694		
Surplus of liquid assets above the minimum requirements	R=A-Q	48,667,848		
		<b>Jan 2026</b>	<b>Feb 2026</b>	<b>Mar 2026</b>
<b>Total liquid assets</b>	<b>(A)</b>	<b>180,226,542</b>	<b>180,226,542</b>	<b>180,226,542</b>
<b>Plus:</b>				
All expected inflows due within each month	(B)	14,994,510	9,364,909	9,385,295
<b>Less:</b>				
Principal of the securities payable during the next three months	(C)	68,653,393	90,199,381	93,428,026
<b>40% of term deposits due within each month</b>	<b>D=C x 40%</b>	<b>27,461,357</b>	<b>36,079,752</b>	<b>37,371,210</b>
<b>Committed undrawn lending facilities</b>				
Flexible facilities	(E)	64,294,006	64,294,006	64,294,006
Loans approved but undrawn	(F)	53,784,140	53,784,140	53,784,140
	<b>G=E+F</b>	<b>118,078,146</b>	<b>118,078,146</b>	<b>118,078,146</b>
<b>40% of committed undrawn lending facilities</b>	<b>H=G x 40%</b>	<b>47,231,258</b>	<b>47,231,258</b>	<b>47,231,258</b>
Mismatch dollar amount	I=B-D-H	(59,698,105)	(73,946,101)	(75,217,173)
115%	J=I x 115%	(68,652,821)	(85,038,016)	(86,499,749)
Available liquidity	K=A-J	111,573,721	95,188,526	93,726,793
Liquidity as a % of deficit	L=A/J	263%	212%	208%

### Basis of preparation:

The ratios are calculated in accordance with the 2010 Regulations.  
The calculations are based on unaudited book values as at 31 December 2025.