NBS
Banking for life

Quarterly Ongoing Disclosure

as at 30 June 2026

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[1]. 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

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*.

[1] See Section Six of the PDS for the specific risks.

1. Key Ratios

Capital Ratio	30/06/2026
NBS' capital ratio calculated in accordance with the 2010 Regulations	13.54%
Minimum capital ratio required by the *Trust Deed*	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 30 June 2026, 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	1.40% of capital, or $1.386M
Maximum limit on aggregate exposures to related parties allowed by the *Trust Deed*	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			**($M)**
Total liquid assets calculated in accordance with the *Trust Deed*			154.3
Three month deficit calculated in accordance with the *Trust Deed*			76.0
Minimum liquidity requirement stipulated by the *Trust Deed* (being 115% of the three month deficit calculated in accordance with the *Trust Deed*)			87.4
Surplus (deficit) of liquid assets above minimum requirements under the *Trust Deed*			66.9
Liquidity calculated in accordance with Clause 7.2(b)(iii) of the *Trust Deed* for proceeding three months	229%	271%	215%
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 30 June 2026

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

	($M)
Total assets*	1,056.0
Total liabilities*	954.2
Net profit (loss) after tax*	1.4
Net cash flows from operating activities*	(19.7)
Cash and cash equivalents*	127.8
Capital as calculated in accordance with the 2010 Regulations	98.9

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

3. How the Key Ratios have Been Calculated

At 30 June 2026

1. Capital Ratio

Capital				($M)
Retained earnings				51.2
Fully paid perpetual preference shares				49.6
Reserves				1.0
Total capital				**101.8**
Regulatory deductions from capital				
Intangibles/deferred tax				2.9
Perpetual preference shares in excess of regulatory limit				-
Net regulatory capital			(E)	**98.9**

Exposures			($M)	($M)
	LVR	Risk Weighting	Value	Risk Weighted Exposures
Agriculture/farming				
Secured by 1st mortgage over rural land & buildings	<=70%	100%	46.3	46.3
Secured by 1st mortgage over rural land & buildings	>70% to <=100%	150%	9.7	14.5
			56.0	**60.8**
Property development				
Secured by 1st mortgage over land & buildings	<=60%	150%	34.3	51.5
Secured by 1st mortgage over land & buildings	>60% to <=100%	200%	8.0	16.0
			42.3	**67.5**
Other property (primary/commercial/industrial/retail property)				
Secured by 1st mortgage over land & buildings	<=70%	100%	113.4	113.4
Secured by 1st mortgage over land & buildings	>70% to <=100%	150%	4.8	7.2
Other mortgage security over land & buildings	Any	200%	20.3	40.6
			138.5	**161.2**
Residential mortgages (owner occupied and investment)				
Secured by 1st mortgage over land & buildings	<=70%	35%	473.7	165.8
Secured by 1st mortgage over land & buildings	>70% to <=80%	50%	71.0	35.5
Secured by 1st mortgage over land & buildings	>80% to <=90%	100%	8.0	8.0
Secured by 1st mortgage over land & buildings	>90% to <=100%	125%	0.7	0.9
Secured by 1st mortgage over land & buildings	>100%	150%	0.3	0.5
Mortgage insured by Kāinga Ora	Any	20%	18.3	3.7
			572.0	**214.4**
Consumer loans - to individuals with loan balances less than $40,000				
Secured by a PPSR charge over a motor vehicle/boat	Any	100%	1.6	1.6
Secured by a PPSR charge over any other asset	Any	100%	0.7	0.7
Unsecured	Any	150%	0.4	0.6
			2.7	**2.9**
All other loans				
Secured by a PPSR charge over a motor vehicle/boat	<=70%	100%	0.4	0.4
Secured by a PPSR charge over a motor vehicle/boat	>70%	150%	1.9	2.9
Secured by a PPSR charge over an asset not a motor vehicle/boat	Any	150%	6.9	10.4
Other security	Any	200%	0.1	0.2
Unsecured	Any	200%	0.2	0.3
			9.5	**14.2**
Total net loan book (after provisions, deductions and deposit set-offs)			**821.0**	**521.0**
Value of qualifying deposits used as set off against loans			2.2	-

Cash	0%	2.3	-
New Zealand registered bank deposits and securities	20%	221.2	44.2
Trade and receivables	350%	-	-
Operating leases	175%	1.1	1.9
Fixed assets	350%	4.2	14.7
Intangibles	0%	2.8	-
All other assets	350%	1.2	4.2
Off balance sheet items			1.0
Total assets		(A) **1,056.0**	(B) **587.0**
Market and operational risk requirement	(A+B)/2 x 0.175		(C) **143.8**
Total exposures	B+C		(D) **730.8**
Capital ratio as at 30 June 2026	E/D		**13.54%**

2. Related Party Ratio

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Regulatory capital	(A)	98,900,000
Related party exposures	(B)	1,386,000
Related party exposures as a % of capital	C=B/A	1.40%

3. Liquidity Compliance

		July through September 2026 ($M)
Total liquid assets	(A)	154.3
Total of expected inflows	sum B=M	37.9
Total of principal of securities payable	sum C=N	166.4
Total committed undrawn lending facilities	G	118.3
40% of principal moneys due and 40% of committed undrawn lending facilities	(N+G) x 40%=O	113.9
Three month deficit	M-O=P	76.0
Minimum liquidity requirement (being 115% of the three month deficit)	Q=P x 115%	87.4
Surplus of liquid assets above the minimum requirements	R=A-Q	66.9

		Jul 2026 ($M)	Aug 2026 ($M)	Sept 2026 ($M)
Total liquid assets	(A)	**154.3**	**154.3**	**154.3**
Plus:				
All expected inflows due within each month	(B)	8.8	19.5	9.6
Less:				
Principal of the securities payable during the next three months	(C)	50.0	54.6	61.8
40% of term deposits due within each month	D=C x 40%	**20.0**	**21.8**	**24.7**
Committed undrawn lending facilities				
Flexible facilities	(E)	58.3	58.3	58.3
Loans approved but undrawn	(F)	60.0	60.0	60.0
	G=E+F	**118.3**	**118.3**	**118.3**
40% of committed undrawn lending facilities	H=G x 40%	**47.3**	**47.3**	**47.3**
Mismatch dollar amount	I=B-D-H	(58.5)	(49.6)	(62.4)
115%	J=I x 115%	(67.3)	(57.0)	(71.8)
Available liquidity	K=A-J	87.0	97.3	82.5
Liquidity as a % of deficit	L=A/J	229%	271%	215%

Basis of preparation:

The ratios are calculated in accordance with the 2010 Regulations. The calculations are based on unaudited book values as at 30 June 2026.