DBP Annuitants Scheme

On behalf of the Board of Trustees of the National Provident Fund, set out below is a report on the performance and activities of your Scheme for the year ended 31 March 2026. Further information on the National Provident Fund's activities, and commentary on investment markets, is set out in the Chair's letter.

Your Scheme

CROWN GUARANTEE

The DBP Annuitants Scheme is a defined benefit scheme. The benefits payable by your Scheme are guaranteed by the Crown.

The Scheme's funding position is set out in a table in this report. The numbers in the table show the net assets are insufficient to meet the Scheme's current and future obligations to pay pensions.

The net assets available to pay the benefits of the Scheme were exhausted in May 2009, after a provision was made for future operating expenses. However, members should not be concerned as the benefits payable by your Scheme are guaranteed by the Crown.

A call was made under the Crown guarantee in May 2009 and the first payment from the Crown, to fund the pension benefits payable by the Scheme, was received on 27 May 2009. The Crown has been meeting the cost of paying pension benefits from the Scheme as they fall due since May 2009 and continues to do so, after allowing for transfers in from the DBP Contributors Scheme.

The Board provides information to the Crown on an annual basis on the financial position of the Scheme and the Crown has made a provision in its financial statements for the future funding of the Scheme.

Annual Report for the year ended 31 March 2026

SUMMARY FINANCIAL STATEMENTS

The summary financial statements included in this Annual Report have been extracted from the full financial statements for the year ended 31 March 2026.

The summary financial statements cannot be expected to provide as complete an understanding as the full financial statements.

Members are welcome to view the full financial statements on our website – www.npf.co.nz/members/schemes – or contact the Scheme administrator, Datacom (see details on back page), for a free copy of the Scheme's full financial statements.

INVESTMENT PERFORMANCE

The asset class returns for the year (after investment manager fees, but before tax and other expenses) and the comparative performance of the benchmark indices are shown in the table below.

Asset Class	Return	Index
Fixed interest (global)	2.49%	1.93%
New Zealand fixed interest bonds	-0.85%	-0.61%

The investment return (after tax and expenses) earned by the Scheme for the year ended 31 March 2026 was 0.74% (2025: 1.19%). In dollar terms, this represents an investment gain of $1.00 million (2025 investment gain: $1.10 million).

See the comparison over the page for the key statistics of your Scheme over the last 10 years. For an overview of the financial performance of the Scheme, refer to the tables on the following pages.

FUNDING POSITION

The Actuary has advised the funding level of the Scheme, as at 31 March, was:

	2026 ($000)	2025 ($000)
Net assets	48,649	40,720
Actuarial Liabilities	(622,626)	(652,758)
Funding level*	7.8%	6.2%

* The funding level has been calculated using the year on year risk free forward rates determined according to the methodology prescribed by the Treasury for Crown financial reporting purposes.

WHO INVESTS YOUR MONEY

New Zealand Fixed Interest Bond Manager

Amova Asset Management NZ Limited (appointed 28 November 2025)

Fixed Interest Managers

Brandywine Global Investment Management, LLC (terminated 7 January 2026)

Pacific Investment Management Company LLC

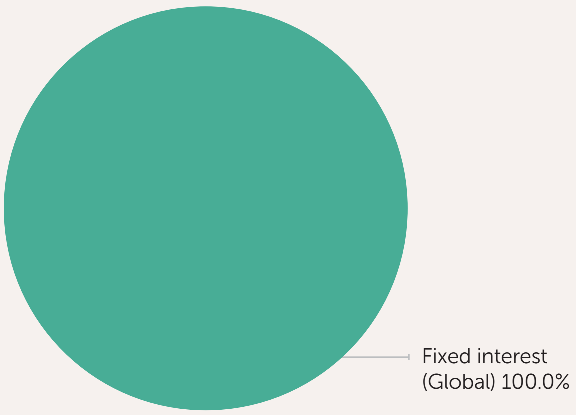
PGIM, Inc

Russell Investment Management Limited (appointed as transition manager 20 November 2025, terminated 6 March 2026)

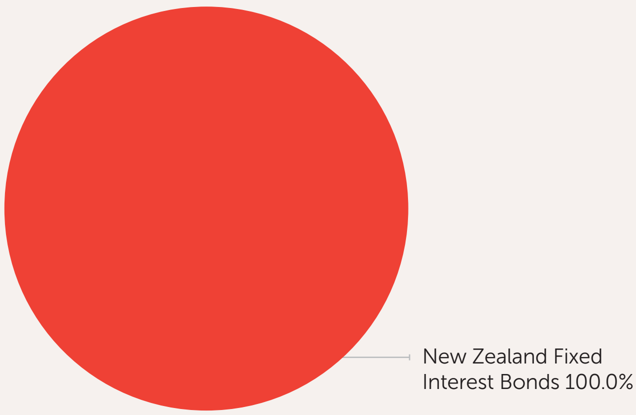
HOW YOUR MONEY IS INVESTED

The Scheme's asset allocation strategy is set by the Board and reviewed regularly. In December 2025 the Scheme's asset allocation was changed from 100% global fixed interest to 100% New Zealand fixed interest bonds. The pie charts show the Scheme's asset allocation strategy as at 31 March 2025 and 31 March 2026.

Asset Allocation Strategy as at 31 March 2025



Asset Allocation Strategy as at 31 March 2026



The Board's Statement of Investment Policies, Standards and Procedures (SIPSP) is reviewed regularly by the Board. During the year the SIPSP was updated and there were no significant changes to the SIPSP relating to the Scheme other than the changes to asset allocations detailed above. See our website, www.npf.co.nz, for more information about your Scheme, including the Board's SIPSP and the Scheme Trust Deed.

SUMMARY STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2026

This is a summary of the Scheme's income and expenses, membership contributions and payments during the year.

	2026 ($000)	2025 ($000)
Investment income	1,005	1,125
Less operating expenses	(840)	(820)
Net income before tax and membership activities	165	305
Add income tax credit	166	170
Net income after tax and before membership activities	331	475
Crown contributions	78,000	73,200
Transfers from the DBP Contributors Scheme	2,627	3,813
Less pension payments	(73,029)	(76,245)
Net membership activities	7,598	768
Increase in net assets for the year	7,929	1,243
Net assets available to pay benefits at beginning of year	40,720	39,477
Net assets available to pay benefits at end of year	48,649	40,720

SUMMARY STATEMENT OF NET ASSETS AS AT 31 MARCH 2026

This is a summary of the Scheme's assets and liabilities, as at 31 March 2026.

Assets include the Scheme's investments in New Zealand fixed interest bonds plus what the Scheme had in the bank and was owed by others.

Liabilities are what the Scheme owed to others.

Net assets is the money available to pay future entitlements.

	2026 ($000)	2025 ($000)
Investment assets		
Fixed Interest Unit Fund	-	34,830
New Zealand Fixed Interest Bond Unit Fund	35,970	-
Total investment assets	35,970	34,830
Other assets	12,711	5,922
Total assets	48,681	40,752
Less liabilities	(32)	(32)
Net assets available to pay benefits	48,649	40,720

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

This is a summary of the cash flows through the Scheme during the year.

Cash was received from:

- operating activities (being contributions less benefit and transfer payments and operating expenses); and
- investing activities.

The difference between the two cash flows is recorded as an increase or decrease in cash held.

	2026 ($000)	2025 ($000)
Opening cash brought forward	5,468	5,286
Net cash flows from operating activities	7,343	189
Net cash flows from investing activities	(382)	(7)
Net increase in cash held	6,961	182
Closing cash carried forward	12,429	5,468

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

The summary financial statements:

- have been extracted from the full financial statements which were:
  - prepared in accordance with, and comply with, the New Zealand Equivalents to International Financial Reporting Standards;
  - authorised for issue by the Board on 26 June 2026; and
  - audited and received an unmodified opinion;
- cannot be expected to provide as complete an understanding as provided by the full financial statements;
- are reported in New Zealand dollars, rounded to the nearest thousand;
- are for a profit oriented entity; and
- comply with Financial Reporting Standard 43: Summary Financial Statements.

SUBSEQUENT EVENTS

There were no material events subsequent to balance date requiring amendments to these financial statements.

TRUSTEE'S REPORT

For the year ended 31 March 2026

The Board of Trustees of the National Provident Fund, as trustee of the Scheme, provides members with the following information in respect of the Scheme.

MEMBERSHIP

Changes in the Scheme membership numbers during the year were as follows:

	Pensioners
Opening membership as at 1 April 2025	3,332
Transfers in from the DBP Contributors Scheme	3
Pensioner change of beneficiary	69
Deaths	(321)
Closing membership as at 31 March 2026	3,083

Under the terms of the Scheme Trust Deed, contributions are not required to be made to the Scheme.

The Board certifies that, to the best of its knowledge, all benefits required to be paid from the Scheme were paid in accordance with the terms of the Scheme Trust Deed.

The Board based on the advice of the Actuary certifies that, as at 31 March 2026, the net market value of the Scheme's assets was less than the total value of the vested benefits of the Scheme.

FEES

Scheme administration fees are apportioned on fee per member and fee per transaction bases and are charged to the Scheme as a whole. As at 1 April 2025 and 2026 the scheme administration fees were increased for inflation.

The Board certifies it is satisfied the increase in the administration fees for the Scheme is not unreasonable. The Board is satisfied the total management fees charged to the Scheme are not unreasonable.

TRUST DEED AMENDMENT

The Scheme Trust Deed has not been amended during the financial year.

INDEPENDENT AUDITOR'S REPORT

To the members of DBP Annuitants Scheme

The Auditor-General is the auditor of DBP Annuitants Scheme (the Scheme). The Auditor-General has appointed me, Pam Thompson, using the staff and resources of Deloitte Limited, to carry out the audit of the summary financial statements of the Scheme on his behalf.

OPINION

The summary financial statements of the Scheme that comprise the summary statement of net assets as at 31 March 2026, the summary statement of changes in net assets, and the summary statement of cash flows for the year ended on that date, and related notes, are derived from the full financial statements for the year ended 31 March 2026 that we have audited.

In our opinion, the summary financial statements are consistent, in all material respects, with the full financial statements for the year ended 31 March 2026, in accordance with FRS-43: Summary Financial Statements issued by the New Zealand Accounting Standards Board.

SUMMARY FINANCIAL STATEMENTS

The summary financial statements do not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the full financial statements and the auditor's report thereon.

The summary financial statements do not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full financial statements.

THE FULL FINANCIAL STATEMENTS AND OUR AUDIT REPORT THEREON

We expressed an unmodified audit opinion on the full financial statements for the year ended 31 March 2026 in our auditor's report dated 26 June 2026. That report also includes the communication of key audit matters.

BOARD OF TRUSTEES' RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

The Board of Trustees is responsible on behalf of the Scheme for the preparation of the summary financial statements in accordance with FRS-43: Summary Financial Statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the full audited financial statements of the Scheme, based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

We did not evaluate the security and controls over the electronic publication of the summary financial statements.

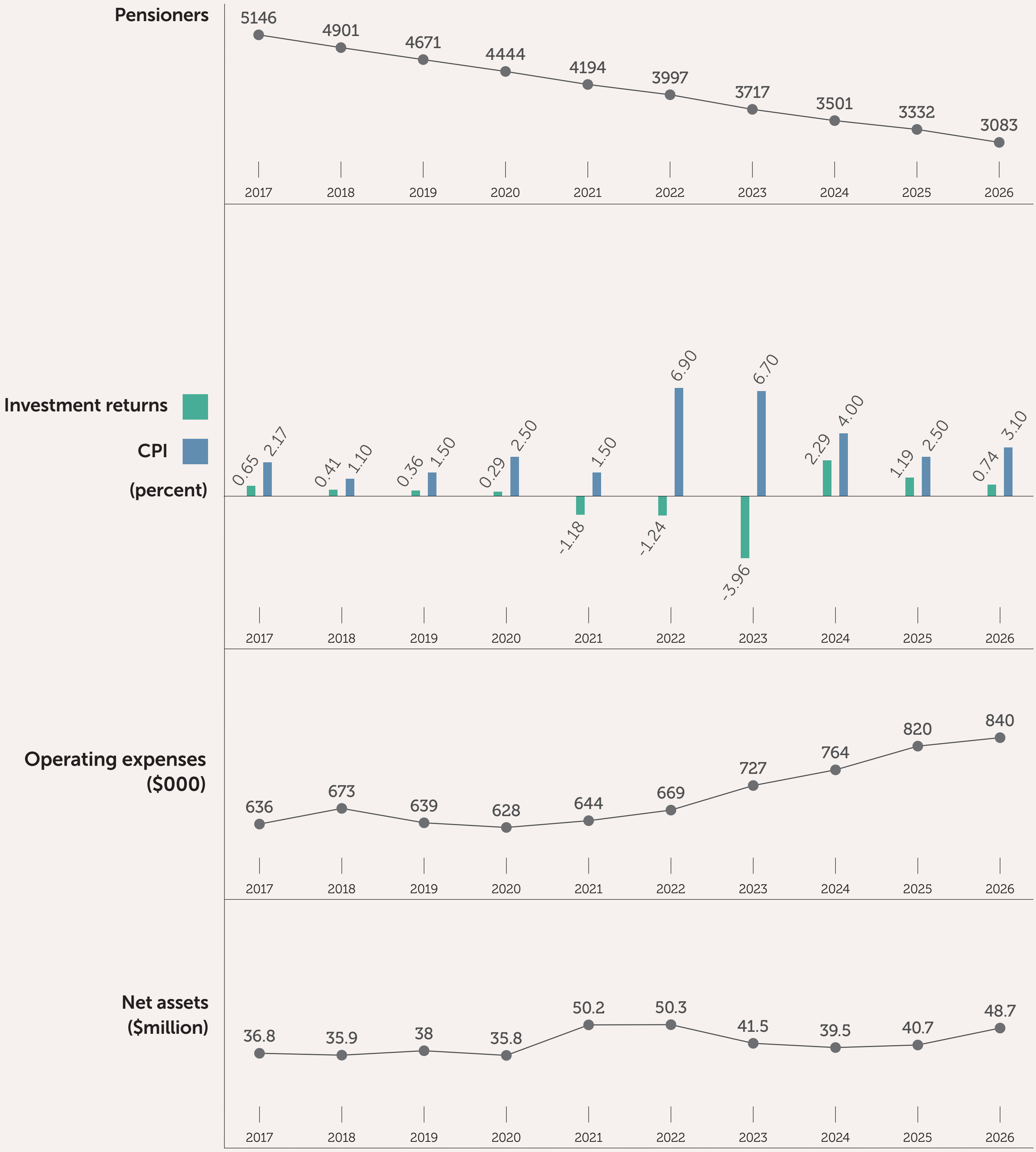
Other than the audit and an assurance engagement for the register of members, we have no relationship with, or interests in, the Scheme.

Pam Thompson

Pam Thompson
for Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand

16 July 2026

10 YEAR COMPARISON



Directory as at 16 July 2026

TRUSTEE

Board of Trustees of the National Provident Fund

BOARD MEMBERS

Anne Blackburn – Chair – appointed to the Board and Chair from 1 January 2026

Louise Edwards – Deputy Chair – appointed 1 July 2019 and Deputy Chair from 1 January 2026 (term as Board Chair ended 31 December 2025)

Murray Brown – appointed 1 January 2026

Sarah Park – appointed 1 February 2020

Hugh Stevens – appointed 1 January 2026

Rebekah Swan – appointed 1 January 2026

Michelle Tsui – appointed 1 July 2024

Graham Ansell – term ended 31 December 2025

Tracey Berry – term ended 31 December 2025

Lloyd Kavanagh – term ended 19 July 2025

Further information on the Board members is provided on our website – www.npf.co.nz.

MANAGEMENT

Tim Mitchell
Chief Executive

Fiona Morgan
Chief Financial Officer

Will Durham
Chief Investment Officer

Hadyn Hunt
Chief Risk Officer

Ireen Muir
General Manager – Schemes

DATACOM

ADMINISTRATION

Datacom Connect Limited is the administrator of the NPF Schemes.

CONTACT DETAILS

You are welcome to contact Datacom if you have any specific questions about the information in this report or to enquire about your Scheme membership in general. If you would like to receive a free printed copy of this report or the full financial statements in the mail please contact Datacom.

The Trust Deed and actuarial valuation is available on NPF's website (www.npf.co.nz/members/schemes/). You can also purchase a printed copy of the Trust Deed ($10) or actuarial valuation ($10) by contacting Datacom.

Please quote your identity number when contacting Datacom.

Free phone: 0800 628 776 between 8.30 am and 5.00 pm, Monday to Friday.

Phone: (04) 381 0600

Post to:

The Manager
National Provident Fund Administration
Datacom Connect Limited
P O Box 1036
WELLINGTON 6140

Email: npf@fundadmin.nz

If you would like to know more about NPF in general, or if you would like to view or download a copy of the Scheme's full financial statements, please visit our website – www.npf.co.nz.

You may contact the Board by writing to:

The Secretary
Board of Trustees of the National Provident Fund
PO Box 3390, Wellington 6140, or

Level 12, The Todd Building
95 Customhouse Quay
WELLINGTON 6011

Auditor: Pam Thompson, Deloitte Limited, on behalf of the Auditor-General

Actuary: Christine D Ormrod, PricewaterhouseCoopers Consulting (New Zealand) LP

Bank: Bank of New Zealand Limited

Custodian: JPMorgan Chase Bank, N.A.

Solicitor: DLA Piper New Zealand

There were no changes to the Actuary, Bank, Custodian or Solicitor during the year.