

Media Release

24 August 2023

Kiwibank releases full year results and 2023 Sustainability Report

Kiwibank today announced a net profit after tax of \$175 million for the 12 months to 30 June 2023, up 34% on the previous year. With 100% New Zealand ownership and all earnings being retained, New Zealanders have an asset that is growing in value which can have even more impact in the banking market.

Chief Executive Steve Jurkovich said the result was the best in the bank's history and he was proud of what had been delivered back to New Zealand.

"Our purpose is to make Kiwi better off, and this result demonstrates the continued impact we are having as the largest New Zealand-owned bank.

"Taking a purpose-led approach to everything we do is having a positive effect on our culture and the way we show up for our customers. It's great to see this being reflected in our full year and sustainability results.

"So much work goes on behind the scenes to deliver a result like this, and I'm incredibly proud of everyone at Kiwibank for their contribution over the past 12 months."

A year of supporting Kiwi in challenging conditions

Home lending growth of \$1.1 billion (or 1.5x market) was driven by a strong first half which then slowed due to cooling housing market conditions and rising interest rates.

Mr Jurkovich said the bank had taken significant action during this time to support customers struggling with the higher cost of living.

"Our teams have contacted thousands of customers to discuss the options available to them – whether that's extending loan terms, reducing payments, going interest only, or providing short-term cash injection to help get on top of their finances.

"Feedback has been overwhelmingly positive, with customers telling us they felt a sense of relief that we can provide them with meaningful support to take some of the stress out of their day-to-day lives."

Supporting more Kiwi businesses to grow and thrive

Mr Jurkovich said he was extremely pleased with the bank's business banking performance in FY23, which had grown its visibility in the market and stepped up to support Kiwi businesses when many lenders were pulling back.

"While business banking growth of \$900 million was impacted by lower business confidence and general market uncertainty, we grew faster than the market, demonstrating our commitment to the New Zealand economy."

He said the recent \$225 million capital investment into Kiwibank would allow the bank to have even greater impact by supporting more Kiwi firms to thrive.

"It's a clear show of support that recognises the performance and the potential of Kiwibank."

Taking action on scams and fraud

Mr Jurkovich acknowledged the increased levels and sophistication of scams and fraud across New Zealand and said Kiwibank was committed to protecting and supporting its customers from such criminal behaviour.

"We continue to invest in fraud detection technology as well as educating and alerting our customers when we become aware of a threat."

Mr Jurkovich said a broader, multi-industry approach across banking, telcos, and enforcement agencies was also needed to tackle the problem."

2023 Sustainability Report – delivering on purpose goals and sustainability targets

Mr Jurkovich said he was proud of the progress made over the past 12 months to deliver on the bank's purpose goals and sustainability commitments which were released today in Kiwibank's 2023 Sustainability Report.

Highlights from the report included:

- **Tamariki are better off:** supported 57,142 students with access to quality financial education through Banqer
- **Kiwi are better off:** supported 9,484 Kiwi to take action to secure their financial future
- **Aotearoa is better off:** lent more than \$46 million in sustainable finance to Kiwi businesses

- **Taking action on climate change:** achieved a 9% reduction on carbon emissions based on FY21 baseline year
- Provided financial support to 1,242 customers impacted by the North Island cyclone and flooding weather events
- Donated more than 1,000 IT devices to community groups throughout Aotearoa
- Improved the accessibility of Kiwibank's EFTPOS, credit and debit cards
- Launched a financial wellbeing programme for Kiwibank people
- Our company culture has improved by 8 points, putting us in the top 25% of companies globally surveyed by Glint

The Kiwibank sustainability approach outlines its performance each year against purpose and sustainability goals, and how it's working to make tamariki, Aotearoa and Kiwi better off. See key highlights from the 2023 report or download the sustainability report for 2023 <https://www.kiwibank.co.nz/about-us/governance/investor-centre/reports-and-presentations/>.

"We're proud that our efforts were recognised this year by being the only bank in the top 20 of the Kantar Corporate Reputation Index."

Looking ahead, Mr Jurkovich said he looked forward to putting the recent \$225 million capital investment to good use to support more Kiwi homeowners and businesses and drive more competition in the banking sector.

"By choosing Kiwibank, New Zealanders are choosing to keep more of the banking industry's returns right here, and that means we can have even more impact for Aotearoa New Zealand."

Contacts

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Income statement

For the year ended 30 June 2023

Dollars in millions	Year ended 30/06/23	Year ended 30/06/22
Net interest income	794	630
Net (losses)/gains on financial instruments	(17)	7
Other operating income	39	43
Total operating income	816	680
Operating expenses	(534)	(480)
Profit before credit impairment and taxation	282	200
Credit impairment losses	(37)	(16)
Profit before taxation	245	184
Income tax expense	(70)	(53)
Profit after taxation	175	131