

Media Release

Thursday 22 February 2024

Kiwibank half-year results for the six months to 31 December 2023

Kiwibank today announced a net profit after tax of \$105m for the six months to 31 December 2023, up 7% on the prior half.

Chief Executive Steve Jurkovich said being 100% fully New Zealand owned meant every New Zealander is part of the bank's improved result – and how it is delivering on its purpose to make Kiwi better off.

“Being New Zealand-owned means all our earnings stay right here in Aotearoa New Zealand. This allows us to invest in building a better bank so we can be even more competitive, while at the same time delivering on our goals to make tamariki, Kiwi, and Kiwi businesses better off.”

Mr Jurkovich said the bank achieved net lending growth of \$1.3b during the half, with home lending growing 2.7 times faster than the market.

“This improved performance was driven by competitive pricing across key home lending rates, and a continued focus on growing our relationship with advisers.

“This resulted in strong interest for customers looking to switch to Kiwibank, and a big increase in the number of first home buyers choosing Kiwibank to achieve their home ownership goals.”

Mr Jurkovich said business lending remained flat as businesses continued to take a cautious approach to borrowing in the current economic and geo-political environment.

“The overall business lending market has contracted so in relative terms we can be pleased that we have helped more Kiwi businesses than ever.”

Other highlights from the half included:

- The introduction of Apple Pay for Kiwibank customers with an eligible Visa debit or credit card.
- The launch of Business Thrive HQ on the Kiwibank website – a knowledge centre with tips and tools to assist businesses achieve their goals.

- The extension of Kiwibank's highly successful partnership with Banqer which will provide even more Kiwi with access to quality financial education in schools.
- Kiwibank named the Grand Effie winner at the 2023 Aotearoa Effie Awards, which celebrate the most effective advertising campaigns in New Zealand during the past year.
- Ongoing customer care support provided to customers experiencing financial difficulty.
- Continued investment in people and technology to combat fraud and scams, as well as providing education to customers on how to stay safe. A number of industry initiatives were also announced during the half.

Looking ahead, Mr Jurkovich said the question on everyone's minds was when the Reserve Bank would start to cut the official cash rate, and what that would mean for their interest rates.

"The RBNZ remains focused on domestic inflation and while we believe enough has been done to get inflation back to more normal levels, it looks like rate cuts are becoming a more distant possibility."

Income statement for the six months ended 31 December 2023

\$ millions	Unaudited	Unaudited
For the six months ended	31 Dec 23	31 Dec 22
Interest income	935	628
Interest expense	(504)	(242)
Net interest income	431	386
Net gains on financial instruments	-	7
Other operating income	17	22
Total operating income	448	415
Operating expenses	(286)	(263)
Profit before credit impairment and tax	162	152
Credit impairment losses	(15)	(12)
Profit before tax	147	140
Income tax expense	(42)	(42)
Profit after tax	105	98

Contacts

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About Kiwibank

Kiwibank is a purpose-led organisation that has modern, Kiwi values at heart and keeps Kiwi money where it belongs – right here in New Zealand. As a Kiwi bank, with more than a million customers, our trusted experts are focused on supporting Kiwi with their home ownership aspirations and backing local business ambitions, so together we can thrive here in Aotearoa and on the world stage. Kiwibank is the #1 bank in Kantar's 2023 Corporate Reputation Index and the only bank in the top 20. To find out more about Kiwibank visit www.kiwibank.co.nz.