



# Kiwibank Results

For the half year ended 31 December 2024

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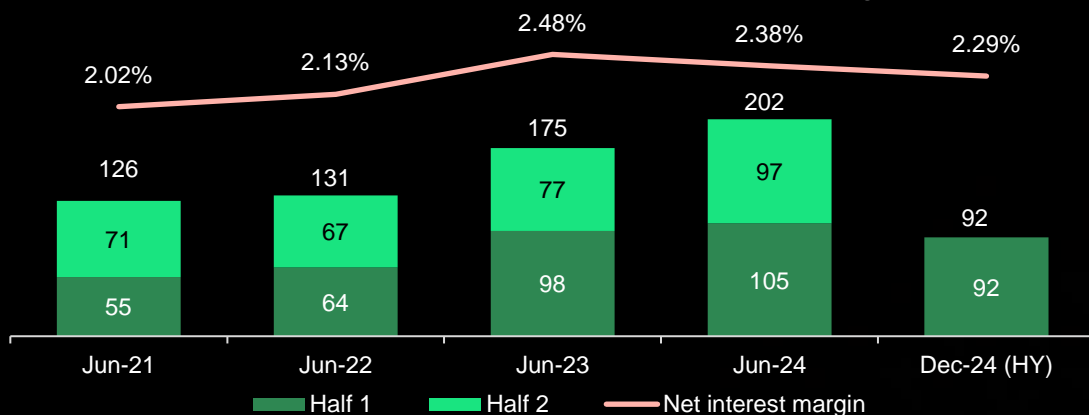


# Financial Results

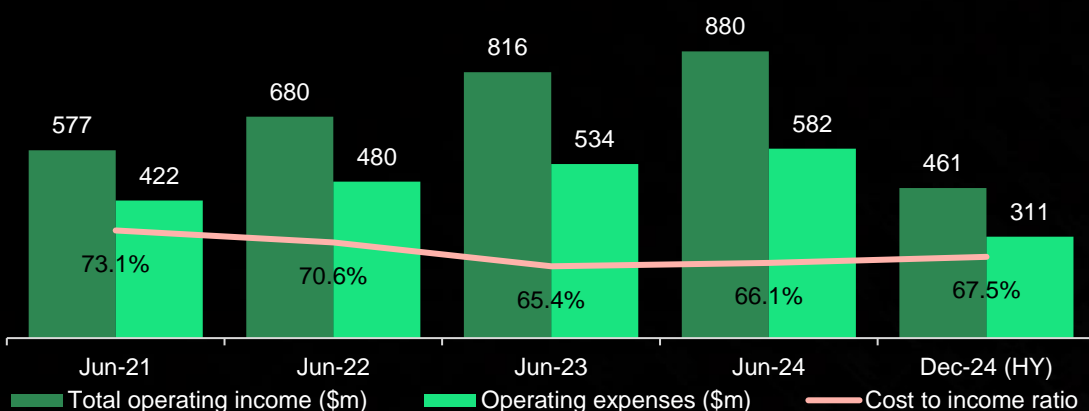
# Financial performance snapshot



Profit After Tax (\$m) and Net Interest Margin<sup>1</sup>



Cost to Income Ratio<sup>2</sup>



## Financial Performance vs Prior Comparative Period<sup>3</sup>

Net interest income	<b>\$430m</b>	▲ 3%
Net interest margin <sup>1</sup>	<b>2.29%</b>	▼ 18 bps
Total operating income	<b>\$461m</b>	▲ 3%
Cost to income ratio <sup>2</sup>	<b>67.5%</b>	▲ 362 bps
Credit impairment charge	<b>\$21m</b>	▲ 29%
Profit after tax	<b>\$92m</b>	▼ 12%

Sourced from Kiwibank's Disclosure Statements and management information

<sup>1</sup> Net interest margin = net interest income divided by average total interest and discount-bearing assets (annualised for half-year)

<sup>2</sup> Cost to income ratio = operating expenses divided by total operating income

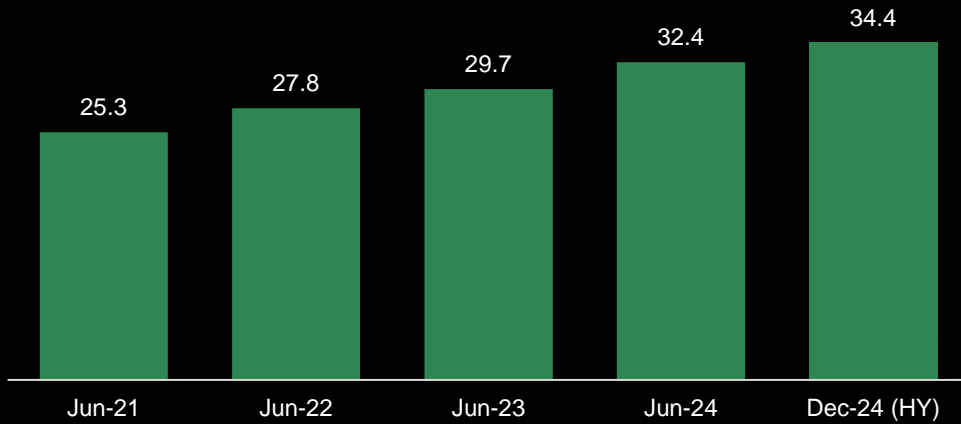
<sup>3</sup> Prior comparative period is the six months ended 31 December 2023, as restated in the 31 December 2024 Disclosure Statement where applicable



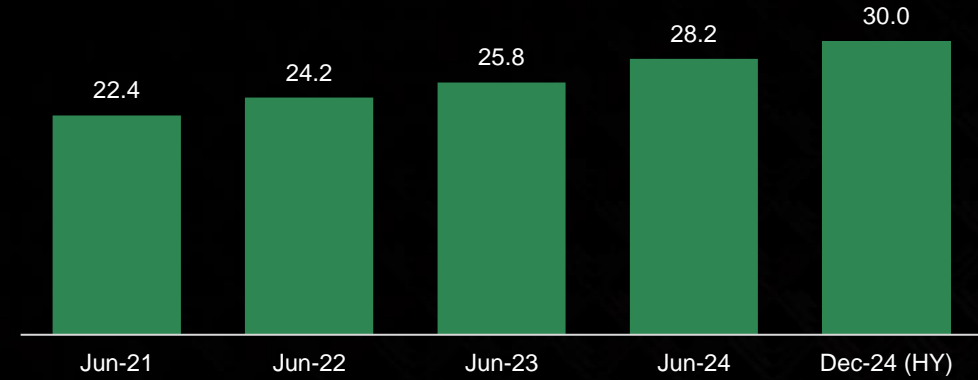
# More Kiwi backing Kiwibank



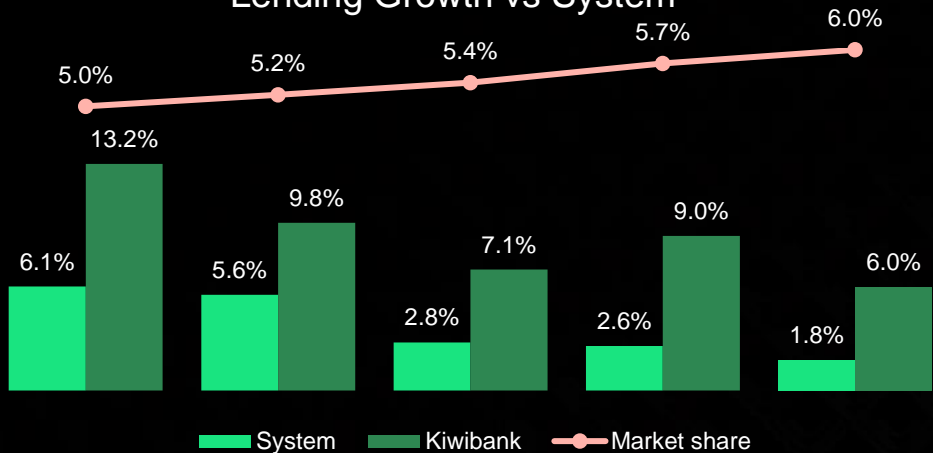
Loans and Advances (\$b)<sup>1</sup>



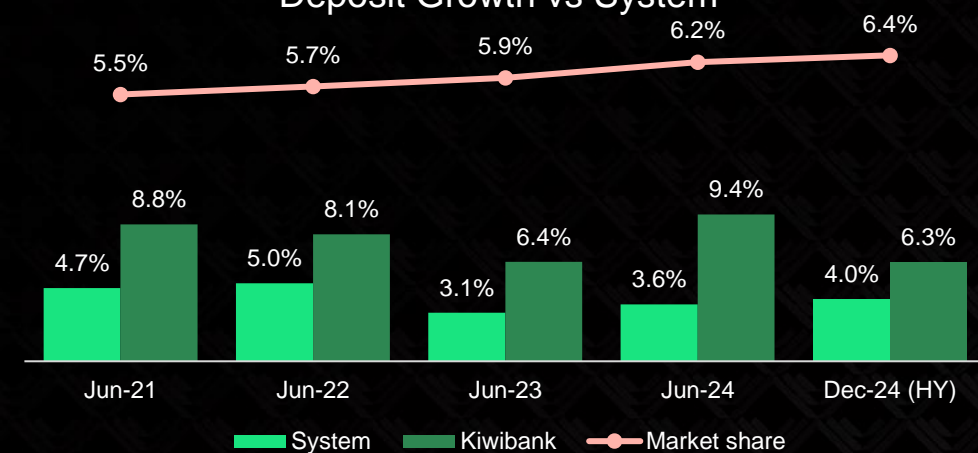
Deposits (\$b)<sup>1</sup>



Lending Growth vs System<sup>2,3</sup>



Deposit Growth vs System<sup>3</sup>



<sup>1</sup> Sourced from Kiwibank's Disclosure Statements

<sup>2</sup> Lending growth figures are calculated based on gross loans and advances excluding direct transaction costs, and so will differ from loans and advances per the Disclosure Statement

<sup>3</sup> System figures are based on Reserve Bank statistical series for registered banks (loans – S31 series; deposits – S40 series). Market share is Kiwibank's total divided by System total at period end

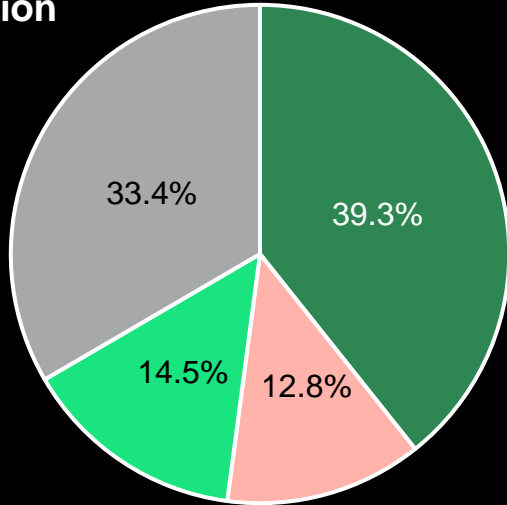


# Loan Portfolio and Asset Quality

# Lending portfolio

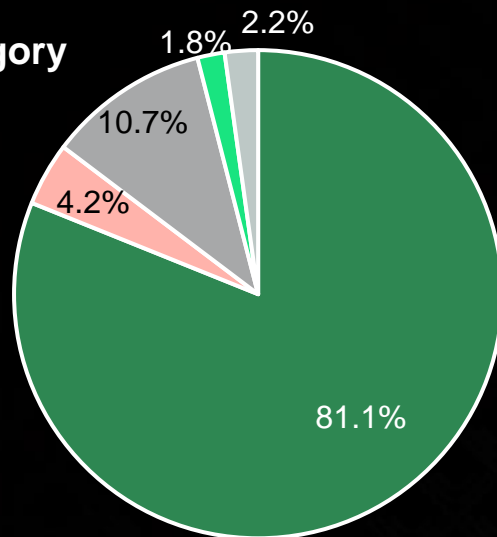
## Total Loans by Region

- Auckland
- Wellington
- Canterbury
- Other



## Total Loans by Category

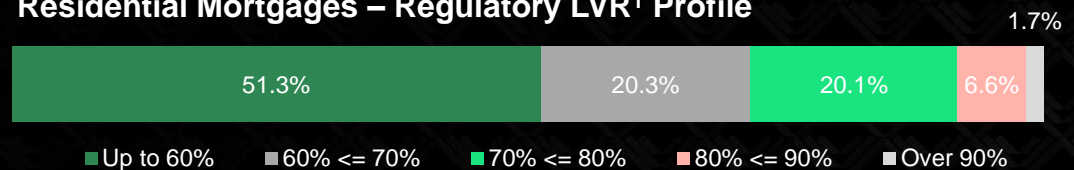
- Term Loans - Housing
- Other Residentially Secured Term Lending
- Other Term Lending
- Credit Cards & Overdrafts
- Other Lending



- Key focus areas are the retail mortgage and business lending markets
- Business lending to SMEs, commercial and corporate clients
- Institutional and agricultural lending are not part of our core business proposition

Residential Mortgage Portfolio	Jun-24	Dec-24
Total residential mortgage portfolio	\$28.0b	<b>\$29.5b</b>
Fixed / floating	91% / 9%	<b>88% / 12%</b>
Average customer balance (drawn)	\$373k	<b>\$384k</b>
Interest only / revolving	17.26%	<b>17.06%</b>
LVR > 80%	7.57%	<b>8.30%</b>

## Residential Mortgages – Regulatory LVR<sup>1</sup> Profile



Sourced from Kiwibank's Disclosure Statements and management information

<sup>1</sup> Regulatory Loan-to-Valuation Ratios (LVR) are calculated in compliance with Reserve Bank requirements



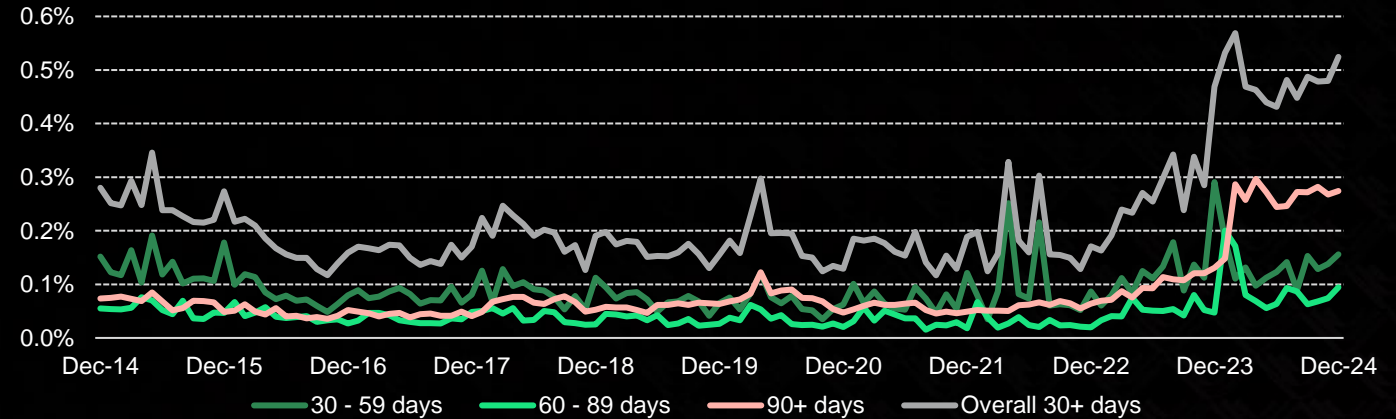


# Asset quality

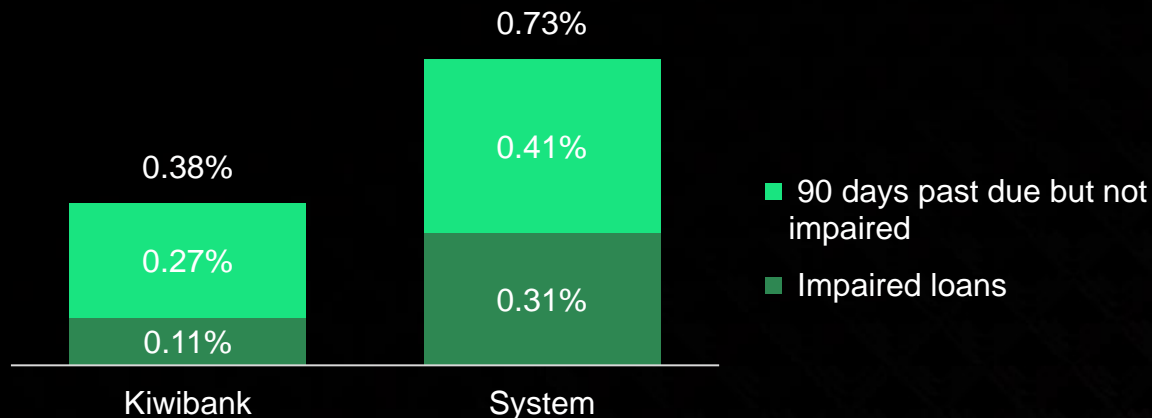


- Kiwibank arrears and impairments remain well below System average<sup>1</sup>
- Payment support options are available to assist home loan customers who may struggle with higher interest rates

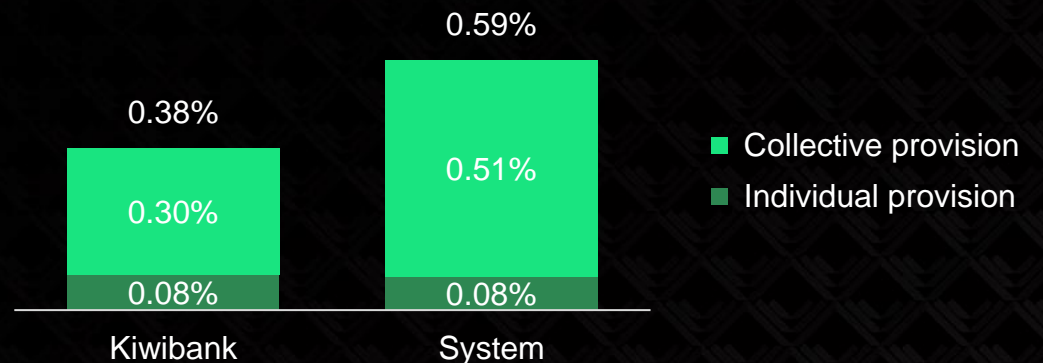
Loans Past Due but not Impaired (% GLA)



Non-performing Loans vs System<sup>1</sup> (% GLA)



Credit Impairment Provision vs System<sup>1</sup> (% GLA)



Sourced from Kiwibank's Disclosure Statements and management information

GLA: Gross Loans and Advances

<sup>1</sup> System figures are based on Reserve Bank statistical series S50: registered banks total loans as at 31 December 2024. Figures exclude credit impairment provision on undrawn commitments.

# Credit Impairment Provisions

- Credit provisions have trended upwards due to asset growth and increased business customer risk
- Expected Credit Losses (ECL) are an estimate of forward-looking losses based on a probability weighted view of four different economic scenarios
- The severe stress scenario is based on the Reserve Bank's 2022 Bank Solvency Stress Test. It assumes a prolonged contraction of the economy with house prices falling by 22% in an environment where interest rates remain elevated and unemployment peaks at 11%.

Economic Scenario Weightings Applied	Jun-24	Dec-24
Central/base case	50%	50%
Upside	15%	15%
Downside	25%	25%
Severe stress	10%	10%

Sourced from Kiwibank's Disclosure Statements

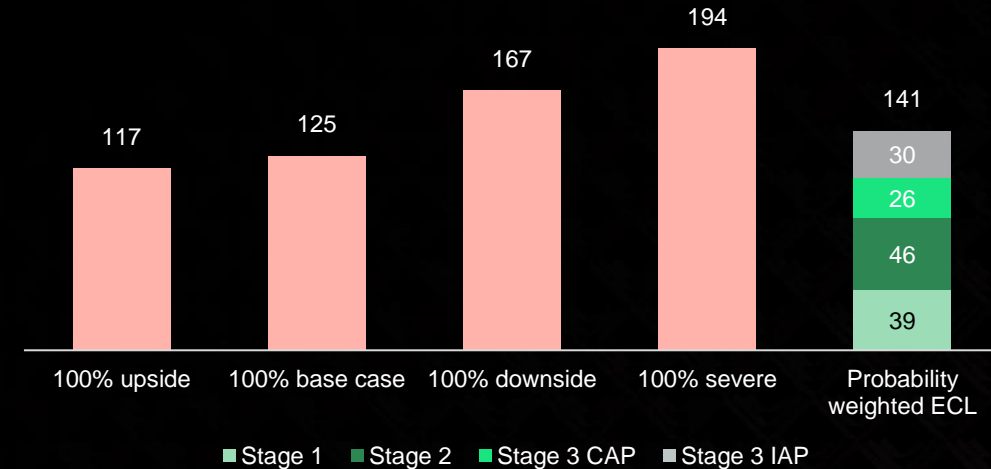
**ECL:** Expected Credit Losses. Includes credit impairment provision on undrawn commitments.

**GLA:** Gross Loans and Advances

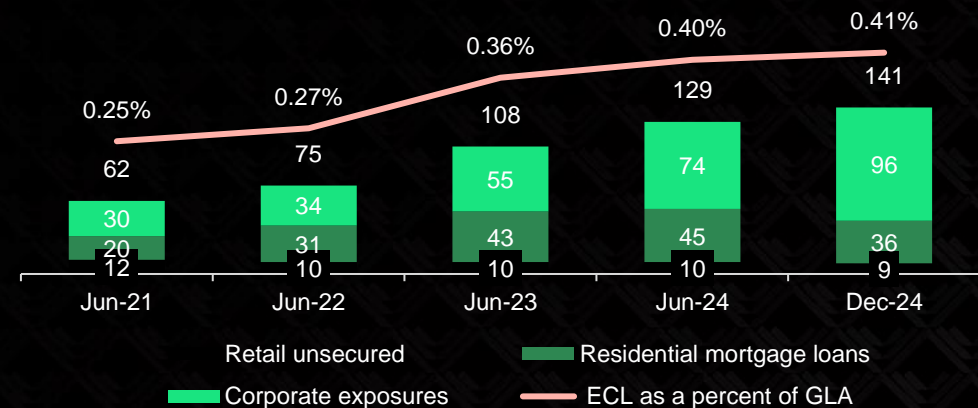
**Stage 1** exposures: performing; **Stage 2** exposures: credit quality deteriorated; **Stage 3** exposures: credit impaired

**CAP:** Collectively Assessed Provisions; **IAP:** Individually Assessed Provisions

ECL by Stage & Economic Scenario (\$m)



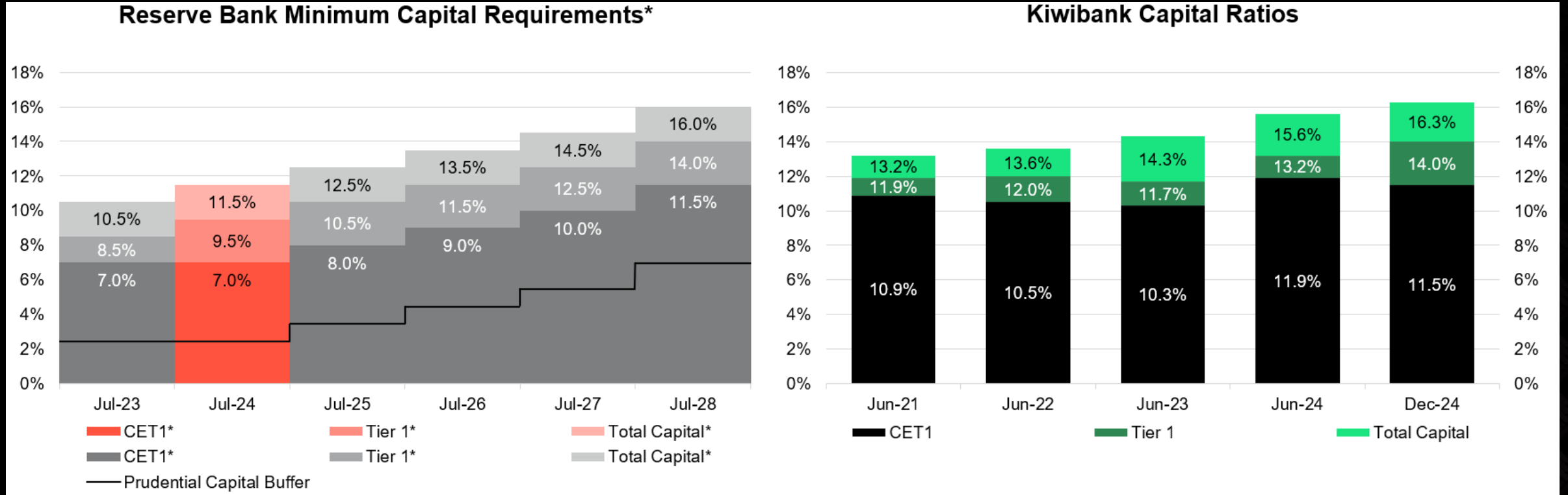
ECL by Exposure Type (\$m)





# Capital, Funding and Liquidity

# Capital profile



- Kiwibank received a \$225m capital injection from Kiwi Group Capital Limited on 31 July 2023 which increased capital ratios by 1.3% at that time
- On 24 October 2024, Kiwibank issued \$275m of perpetual preference shares qualifying as Additional Tier 1 Capital. This increased Tier 1 and Total Capital ratios by 1.3% at that time

Sourced from the Reserve Bank's Banking Prudential Requirements and Kiwibank's Disclosure Statements

\* Includes prudential capital buffer ratio

Capital ratios are expressed as a percentage of Risk-Weighted-Assets (RWA)

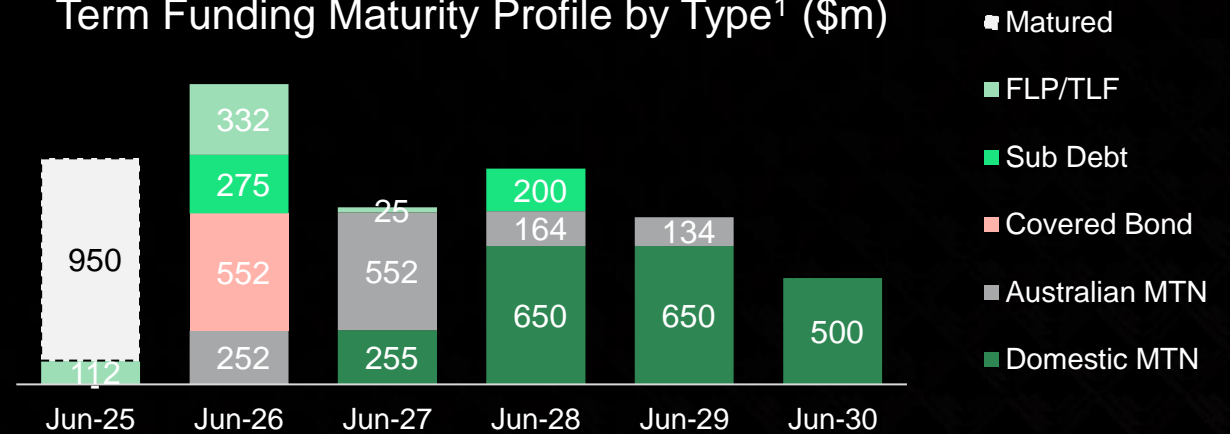
**CET1**: Common Equity Tier 1 Capital



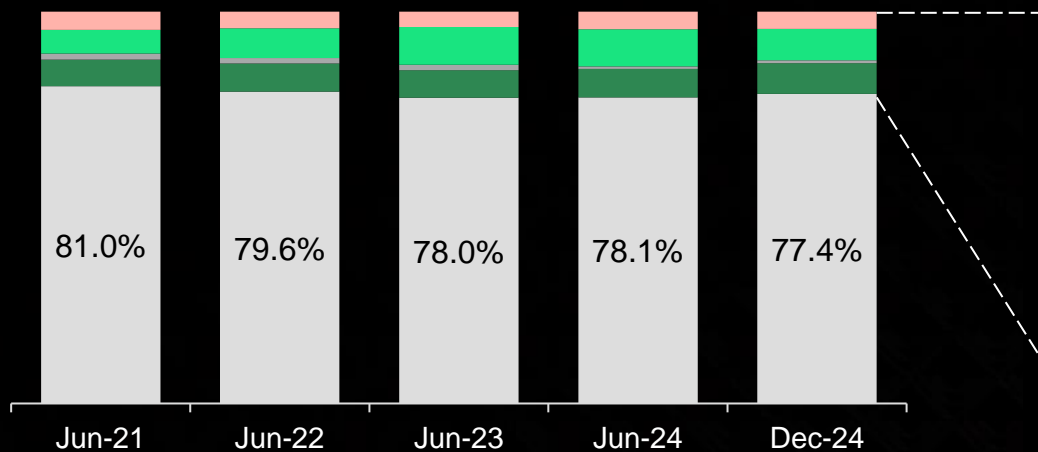
# Funding profile

- Kiwibank maintains a diversified range of funding sources, both domestic and offshore covering short and long-term
- Weighted average remaining term to maturity is 2.5 years<sup>1</sup>

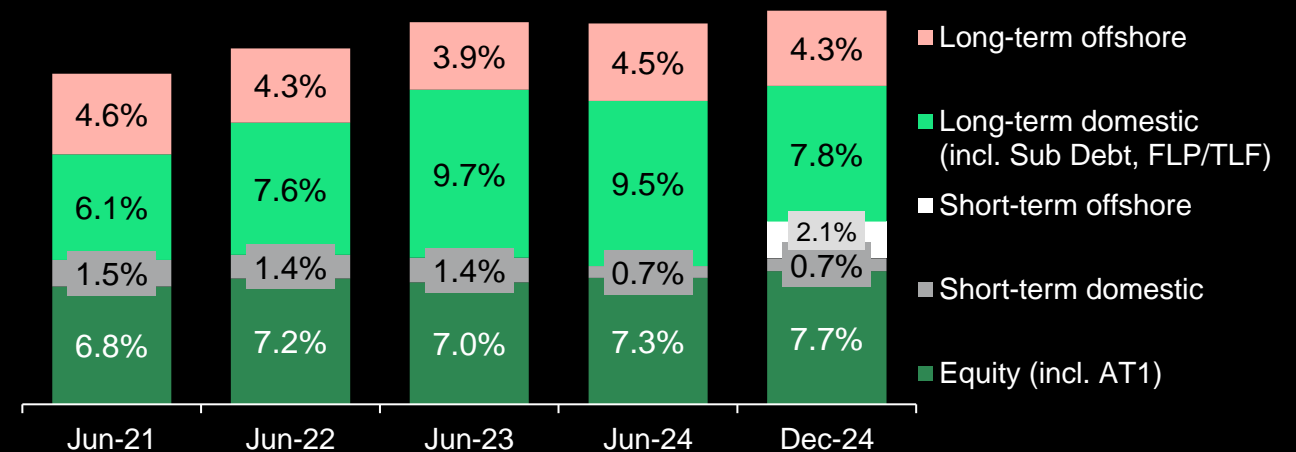
### Term Funding Maturity Profile by Type<sup>1</sup> (\$m)



### Funding Composition



### Funding Composition: Non-Customer Deposits



Sourced from management information

<sup>1</sup> Not presented in accordance with NZ GAAP. Excludes Additional Tier 1 Capital (AT1); maturity of subordinated debt is based on the first call date for these purposes, but there is no certainty that the debt will be redeemed at that time.

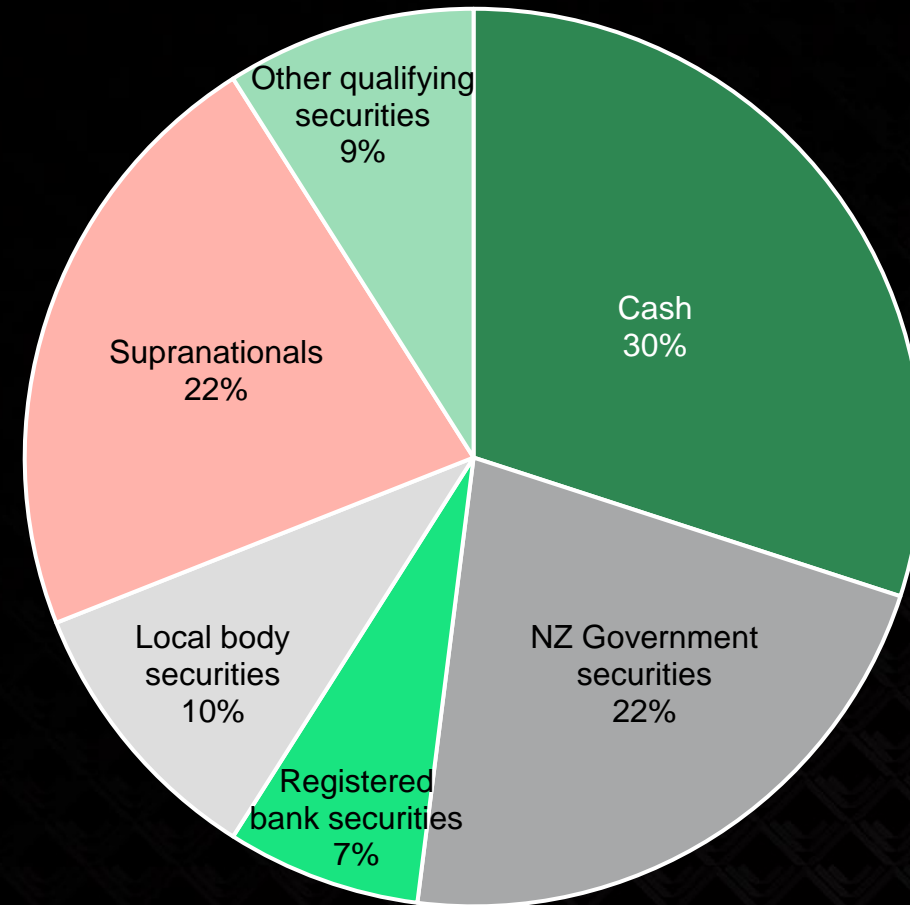
FLP/TLF: The Reserve Bank's Funding for Lending Programme and Term Lending Facility

# Liquidity

- Liquid asset holdings of \$4.2b
- A diversified, high-quality portfolio
- In addition, Kiwibank holds \$3.5b of unencumbered internal RMBS which is also available for liquidity purposes

Regulatory Liquidity Ratios	RBNZ Minima	Sep-24	Dec-24
Quarterly average one-week mismatch ratio	0.0%	11.3%	<b>10.7%</b>
Quarterly average one-month mismatch ratio	0.0%	10.3%	<b>9.9%</b>
Quarterly average core funding ratio	75.0%	90.1%	<b>89.3%</b>

## Liquid Assets<sup>1</sup>



Sourced from Kiwibank's Disclosure Statements and management information

**RMBS:** Residential Mortgage-Backed Securities

<sup>1</sup> Liquid assets are post haircut qualifying liquid assets per the Reserve Bank's liquidity policy, and therefore differ from NZ GAAP





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