

## Media Release

27 February 2025

### Kiwibank announces HY25 results

#### HY25 financial highlights:

- Kiwibank today announced a net profit after tax of \$92 million for the six months to 31 December 2024, down 12% on the prior half.
- Strong balance sheet growth was offset by a lower Net Interest Margin in a challenging economic environment. Additionally, Kiwibank increased its investment in its transformation programme to better serve future customer needs and to further accelerate growth.
- Kiwibank continues to experience faster than market lending and deposit growth as more Kiwi choose Kiwibank:
  - Kiwibank achieved net lending growth of \$2 billion growing its lending book by 6% to \$34.4 billion.
    - Home lending grew 2.1 times faster than the market and business lending more than 6 times faster than the market.
  - Deposits increased \$1.8 billion growing the Kiwibank deposit book by 6% to \$30 billion (1.6 times faster than market growth).

#### Chief Executive commentary:

Kiwibank Chief Executive Steve Jurkovich says:

“Over the past six months, we supported Kiwi through challenges from economic downturns to high interest rates and a subdued housing market.

“Both home and business lending grew faster than the market and deposits increased over the period. This growth underscores our commitment to driving competition that benefits everyday Kiwi and contributing to a productive economy by helping businesses to thrive.

“To support our faster than market growth we made significant investments in products, services, and technology to enhance the experience for our customers.

“This included our transformation programme, which is delivering more scalable and modern systems and ways of working, ultimately driving competition and growth.

“Another area of substantial investment was the proactive measures Kiwibank took to protect customers as part of our ongoing commitment to enhance fraud prevention capabilities. Key initiatives included expanding and developing our specialist fraud team, who are dedicated to improving the detection and prevention of fraud attempts. Additionally, in HY25, Kiwibank became one of the first banks in New Zealand to roll out the Confirmation of Payee service.

"We also continued to invest extensively in our branches, including branch relocations and branch refurbishments in Papanui, Hornby, Riccarton and New Plymouth, as well as prior changes to the Queensgate, Glenfield, St Lukes, Botany and New Lynn branches.

"Looking ahead, we expect retail and business confidence to begin to return as factors such as lower interest rates provide relief and stimulus.

"As a Purpose-led bank, we are proud to continue building a stronger asset for New Zealand with all our earnings staying right here."

### **HY25 non-financial highlights:**

#### *Easing the burden on households and businesses*

Prior to the Reserve Bank's Official Cash Rate (OCR) announcement in October, Kiwibank had been calling for a 50-basis point (0.50%) cut to provide much-needed relief for borrowers. Ahead of the OCR announcement, Kiwibank proactively reduced its variable loan rates by 0.50%.

#### *Helping Kiwi get 'On The Ladder'*

Navigating the path to homeownership can be daunting and for some customers traditional pathways to homeownership may not be feasible. Kiwibank launched *On The Ladder*, a series sharing inspiring real-life stories of Kiwi turning their dreams of homeownership into reality, including exploring co-ownership and different buying models.

#### *Keeping Kiwi safer online*

Kiwibank's fraud prevention campaign, 'ScamSpotter,' included a scam challenge designed to help Kiwi protect themselves and encourage safe online habits. The creative idea – "Is it really real?" – adopted the behavioural change concept of provoking doubt or scepticism to influence action. The series achieved market-leading engagement with many customers saying the tools helped them to avoid future scams.

### **Economic outlook**

Mr Jurkovich said the RBNZ's expected decision to cut the OCR last week is positive for homeowners and businesses.

"The OCR track signals more cuts to come which are needed for Kiwi households and businesses looking to borrow and to create momentum in the economy.

"While inflation is forecast to be volatile with an upward bias in the near-term, primarily due to the highly uncertain global environment, the second half of 2025 should see growth gather pace, including a rebound in employment demand."

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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 2024 Corporate Reputation Index and the only bank in the top 20. To find out more about Kiwibank visit [www.kiwibank.co.nz](http://www.kiwibank.co.nz).