Kiwibank Full Year Results

As at 30 June 2023

This is Kiwi.

What this means.

PURPOSE

Kiwi Making Kiwi Better Off

1. Making our Tamariki better off | Access to financial education
2. Making Kiwi better off | Taking action to secure their financial future
3. Making Aotearoa better off | Delivering sustainable finance to improve Kiwi businesses

GOAL

To be Customers' 1st Choice

1. More Kiwi and Kiwi businesses prefer us for their banking needs
2. More Kiwi choose us for their Home Lending and Business needs

OUR OFFER

Simple — It's simple for our customers to bank with us | We communicate clearly and offer simple solutions

Easy — It's easy for our customers to get things done with us | We deal with our customers' needs quickly, first time

Accessible — Our customers can bank with us where and when they need us | We enable customers to choose us more often

Expertise — Our customers trust our expertise | We have the expertise to help make Kiwi better off

BETTER BANK

Sustainable growth — We are financially sustainable as we grow

Impact — We are a leading purpose-led employer that has impact in our communities

Trusted — We are a trusted bank – we deliver good customer outcome every time

Empowered — We take ownership and act quickly for our customers

This is us.
NGĀ KAUWAKA

Ka Tīmata i a Tātou
A *Place* to *Belong*

Me Māia
Rise to the *Challenge*

Tapatahi
Better Together

Ngā Kiritaki
Customer at the *Heart*

The impact we made: Sustainability highlights

Reduced our carbon emissions by 9%
from our 2021 base year

57,142 students used Banqer, a financial educational platform, this year

Improved accessibility features of our cards to make them user friendly for all Kiwi

First NZ bank to offer CoGo carbon management tool to business customers

Lent more than $46m in sustainable finance to Kiwi businesses

Developed a financial wellbeing programme for our people

Improved company culture by 8 points putting us in top 25% of companies globally[1]

Supported 1,242 customers impacted by cyclone and flooding events

Donated more than 1,000 IT items to community groups

[1] *As measured by Glint Inc.*

Strong revenue result underpins performance

FY23 Financial Highlights

NZ$1.9B NEW CUSTOMER LENDING
(NZ$2.5b FY22)

NZ$1.5B GROWTH IN CUSTOMER DEPOSITS
(NZ$1.8b FY22)

NZ$175M
PROFIT AFTER TAXATION
(NZ$131m FY22)

NZ$816M
TOTAL OPERATING INCOME
(NZ$680m FY22)

2.48%
NET INTEREST MARGIN[1]
(2.13% FY22)

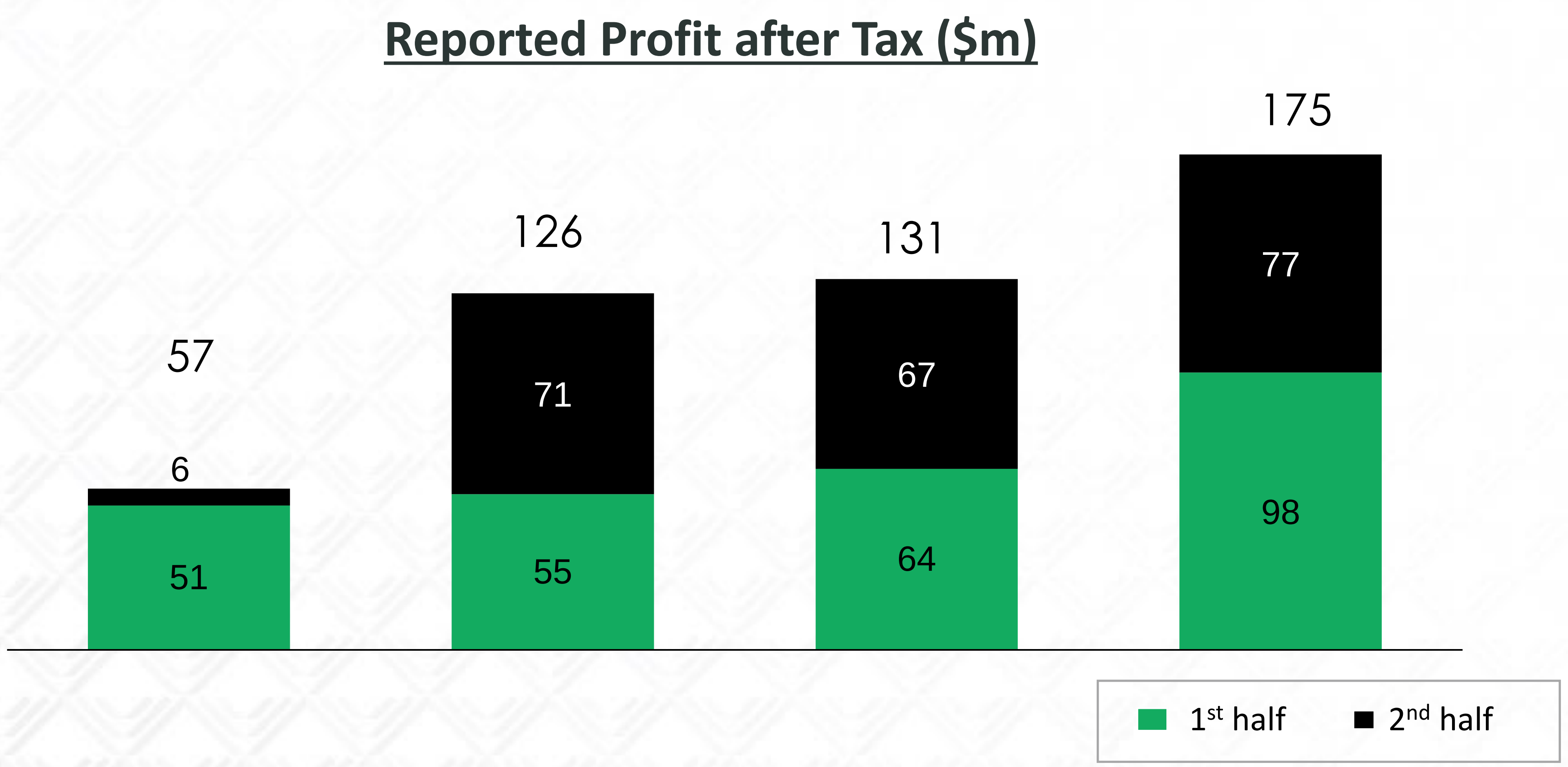
65.5%
COST TO INCOME (CTI)[2]
(70.6% FY22)

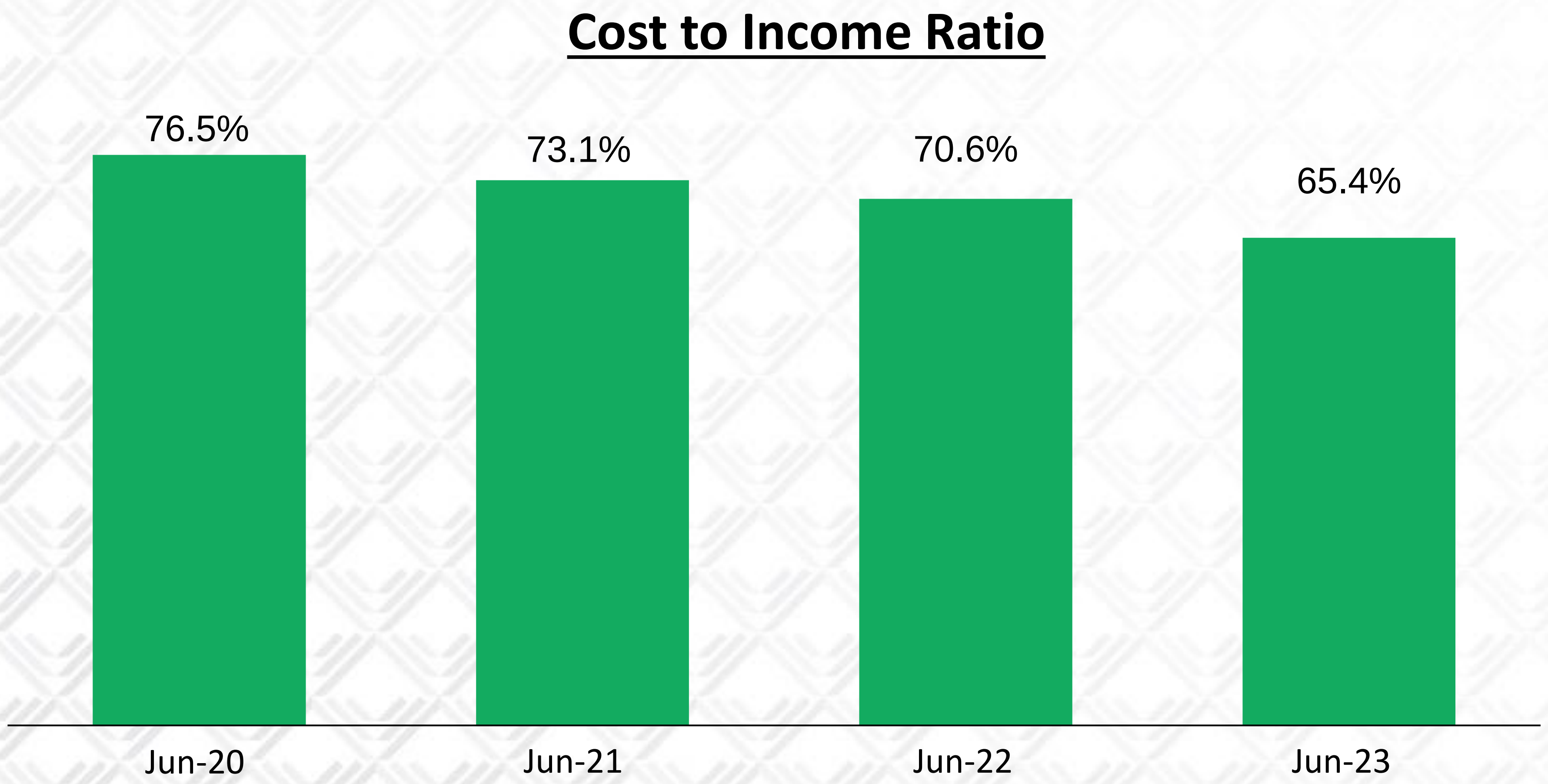
[1] Net Interest Margin (NIM) = Net interest income divided by average Total interest earning and discount bearing assets
[2] Cost to Income = Operating expenses divided by Total operating income

Highlights for 12 months to 30 June 2023 (FY23)

- Growth in operating income was driven by higher NIM
- Kiwibank lending growth for business and residential mortgages has continued to outperform the system with $1.9b of new lending. Lending growth was lower than FY22 as a result of the slowing market and rising interest rates
- Investment in technology remains a strategic priority to improve scalability for future growth

Profit underpinned by net interest income

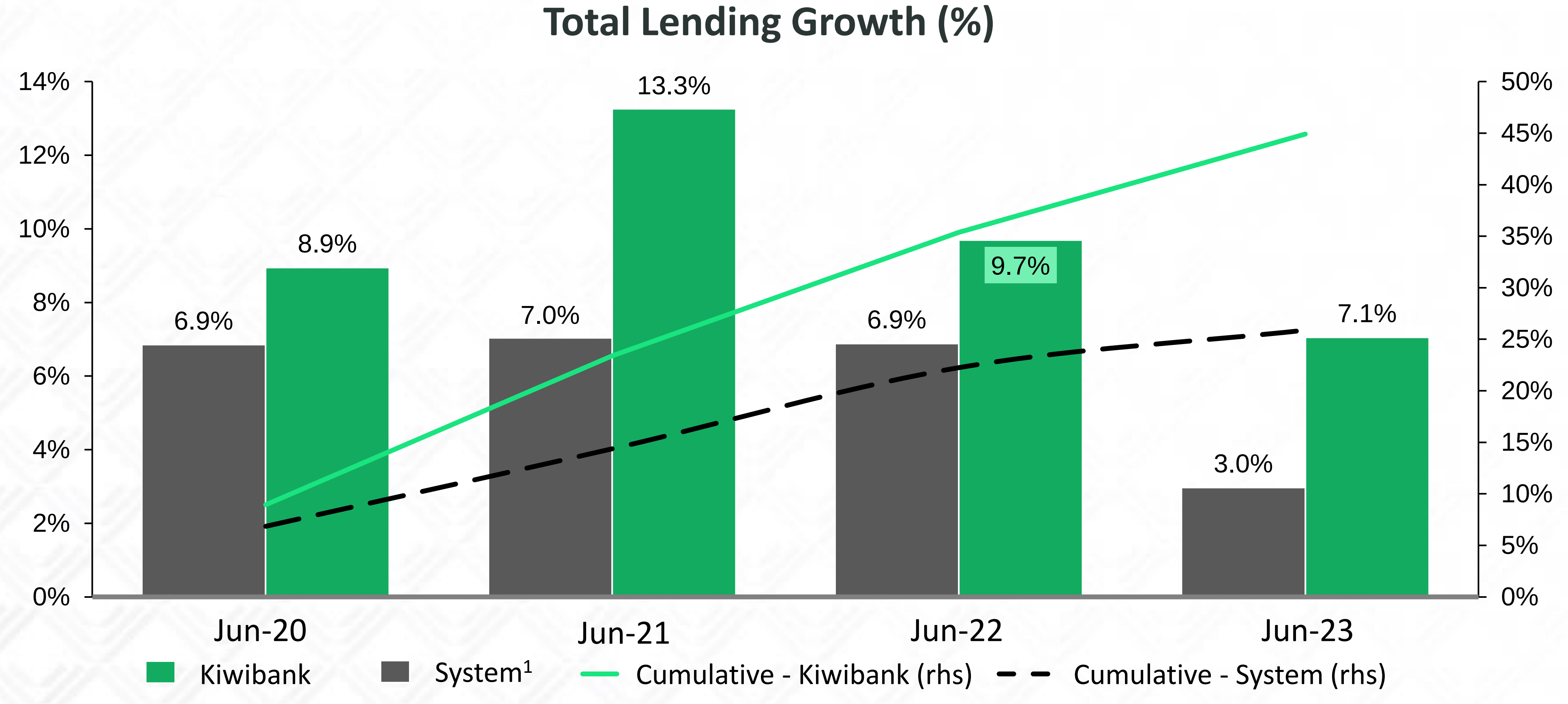


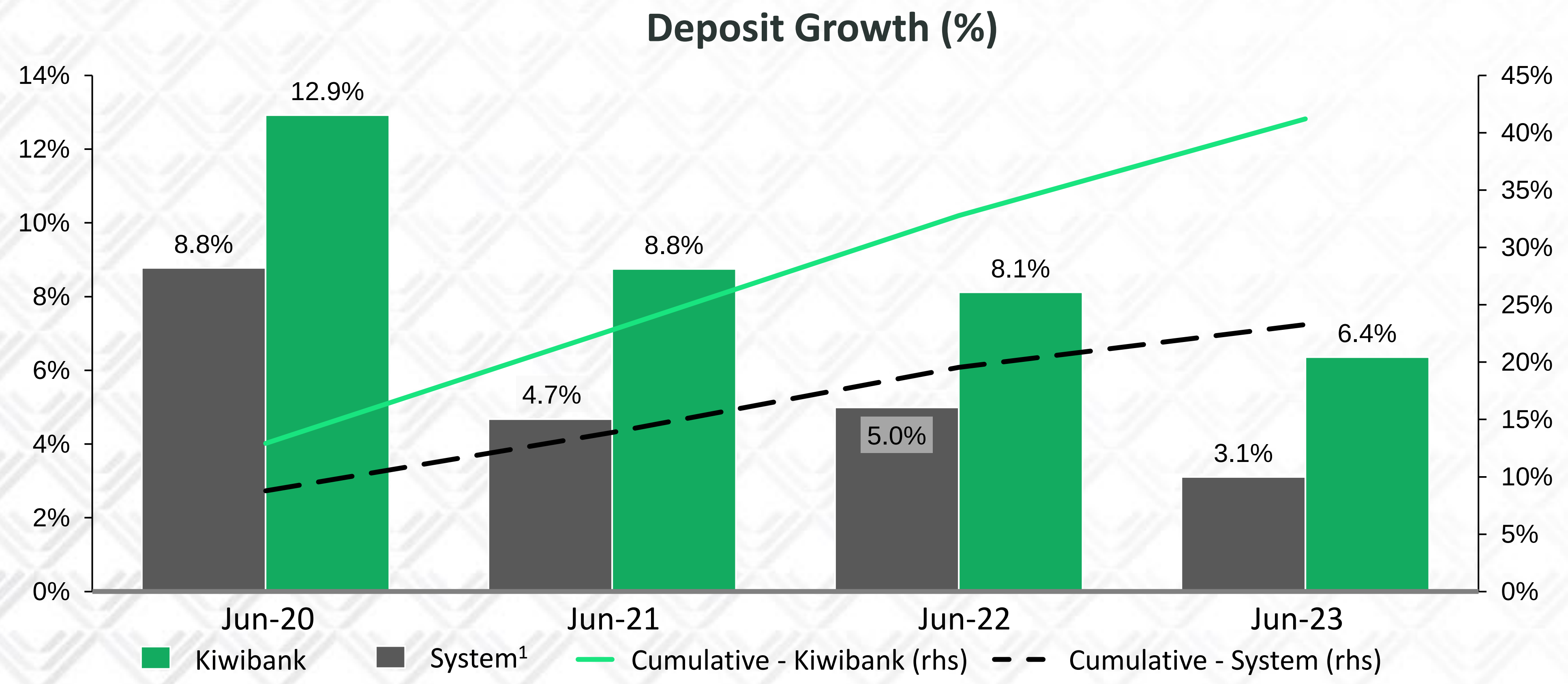


Highlights for FY23

- Profit after tax increased on prior period due to higher revenue
- Higher revenue is driven by net interest income being 26% above prior period due to strong lending growth and the rising interest rate environment
- Improvement in CTI was underpinned by higher operating income, while continuing to exercise cost discipline

More Kiwi backing Kiwibank



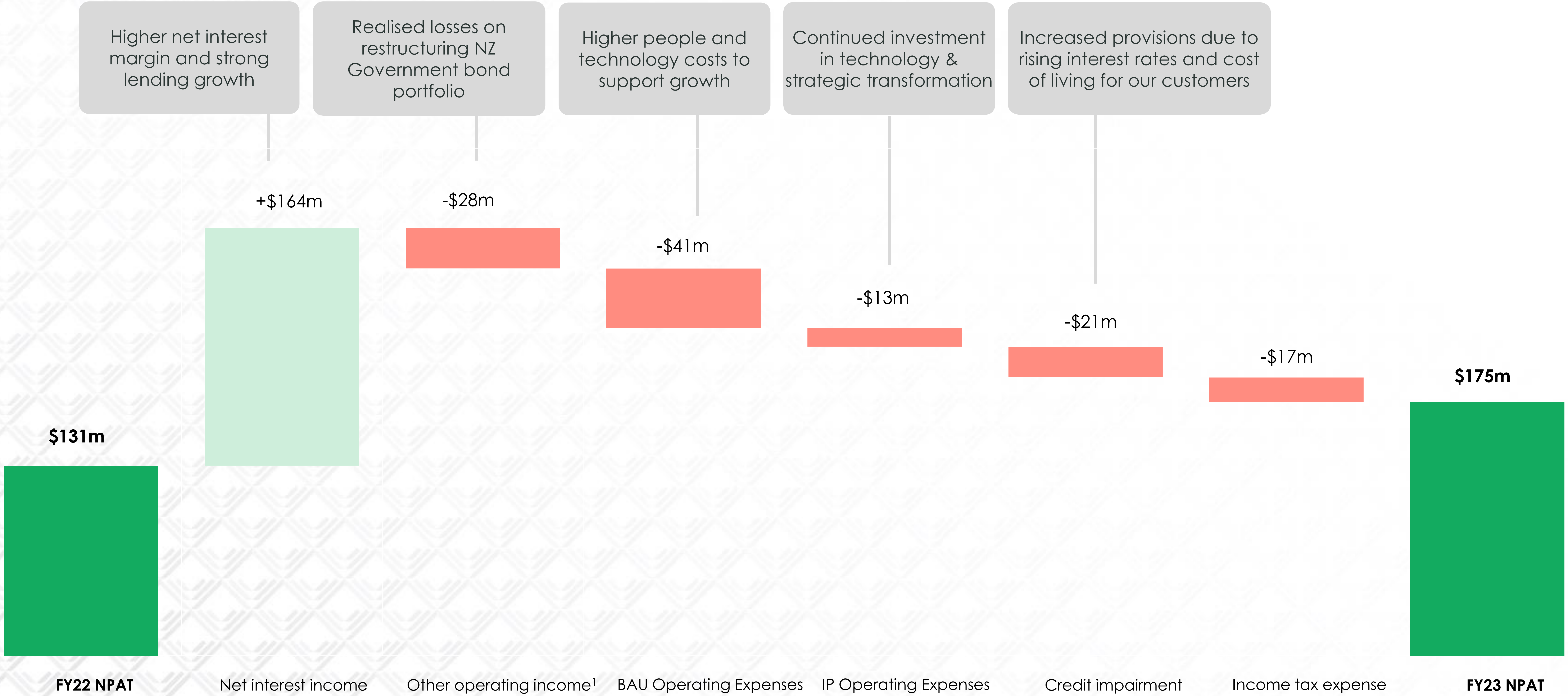


Key Focus Areas

- Kiwibank continues to outperform the system in lending and deposit growth
- Kiwibank business lending was a standout with growth of $0.9b over FY23 (9.0x system). This was achieved through raising awareness of products and services, and supporting customers through tough economic conditions
- Residential mortgage lending has grown by 5%, an increase of $1.1b (1.5x system). Kiwibank continues to grow its reach through advisers and an improving experience for customers

[1] *Source:* https://www.rbnz.govt.nz/statistics/c5
[2] *Source:* https://www.rbnz.govt.nz/statistics/s40-banks-liabilities-deposits-by-sector

Change in reported net profit between FY22 and FY23



[1] *Other Operating Income includes net gains on financial instruments*

Contact

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