Kiwibank Full Year Results

As at 30 June 2022

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

452 customers chose to block gambling websites, avoiding $6.75m on gambling spend

Supported Māori housing - made it easier access a kāinga whenua loan

Launched sustainability linked loans for SME's to recognise sustainable businesses

Supported more Kiwi in financial hardship – 219 more people have received interest free Ngā Tāngata loans

Invested in the wellbeing of our people - 4 Wellbeing Days off a year

Helped **1,853** Kiwi embrace digital banking

Supported 55,401 students to be financial savvy through Banqer

Took climate action by reducing carbon emissions by **20%** from FY21

First bank in NZ to use recycled plastic in bankcards

Began conversion of fleet to EVs

Kiwibank's commitment to sustainability recognised by winning the **INFINZ ESG Award**

Strong revenue result and cost discipline underpins performance

FY22 Financial Highlights

NZ$2.5B NEW CUSTOMER LENDING
(NZ$3.0b FY21)

NZ$1.8B GROWTH IN CUSTOMER DEPOSITS
(NZ$1.8b FY21)

NZ$131M
PROFIT AFTER TAXATION
(NZ$126m FY21)

NZ$680M
TOTAL OPERATING INCOME
(NZ$577m FY21)

2.13%
NET INTEREST MARGIN[1]
(2.03% FY21)

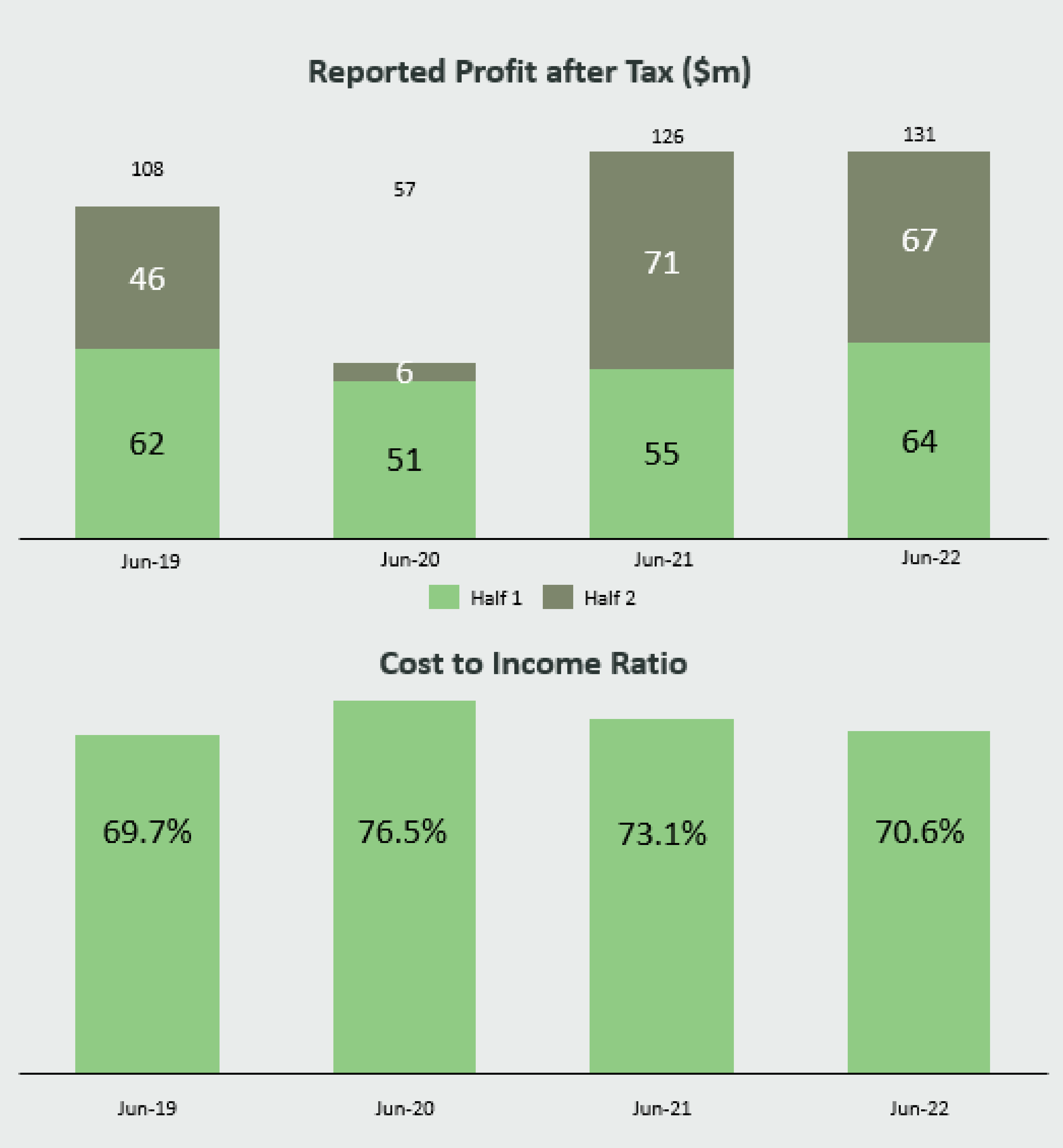
70.6%
COST TO INCOME (CTI)[2]
(73.1% FY21)

[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 2022 (FY22)

- Growth in operating income was driven by a buoyant residential market in H1 and increased exposure to business customers (total net lending growth $2.5b). This was combined with higher NIM.
- Improvement in CTI was underpinned by the higher operating income noted above while exercising cost discipline.
- Investment in technology remains a strategic priority to improve scalability for future growth.

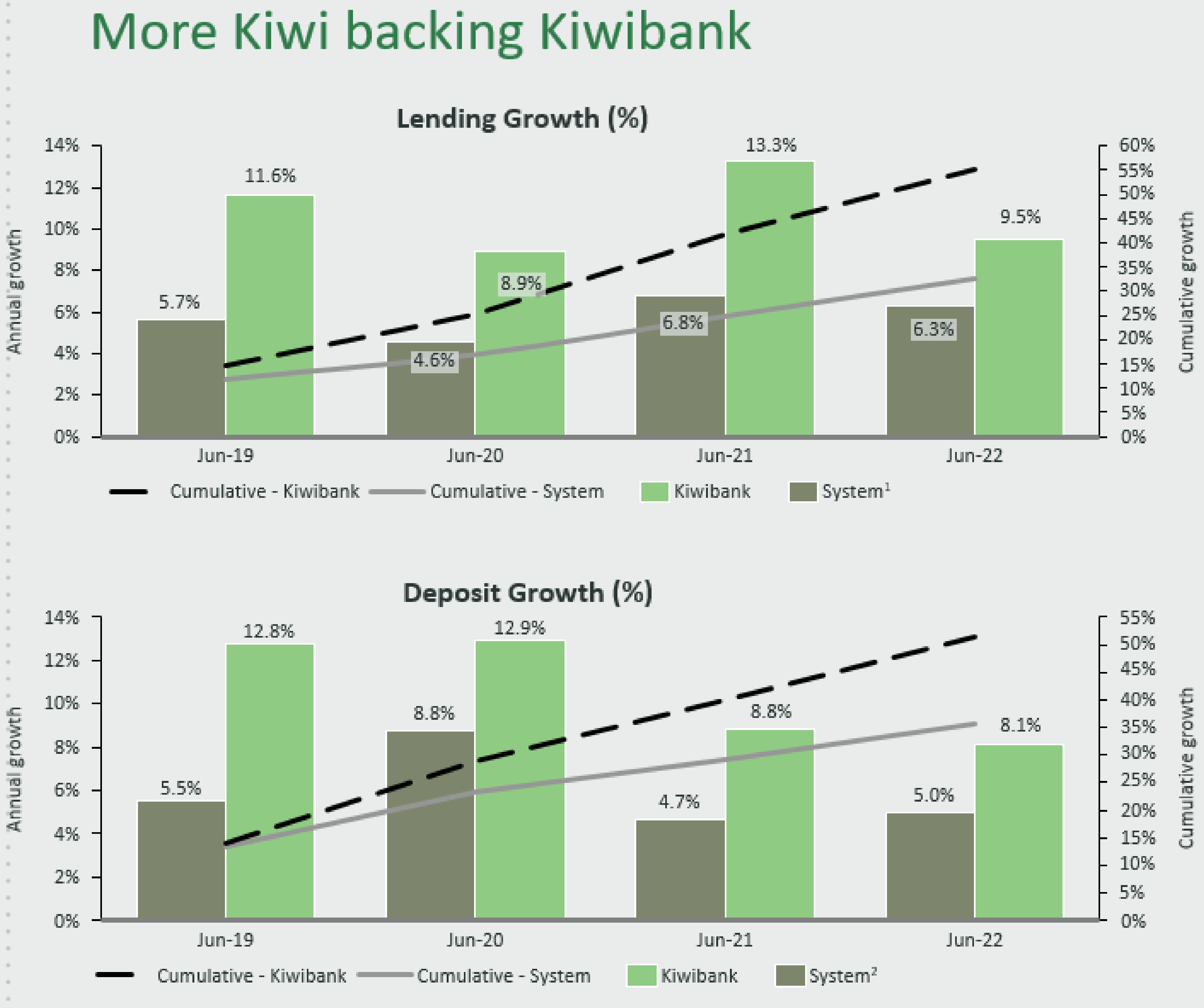
Profit underpinned by net interest income



Highlights for FY22

- Profit after tax increased on prior year due to higher revenue and a continued focus on cost discipline.
- Higher revenue was mainly driven by net interest income being 19.2% above prior year.
- Despite continuing to invest heavily in building a better bank for the future and our brand transformation, a focus on underlying cost discipline has contributed to an improved CTI on prior year.

More Kiwi backing Kiwibank



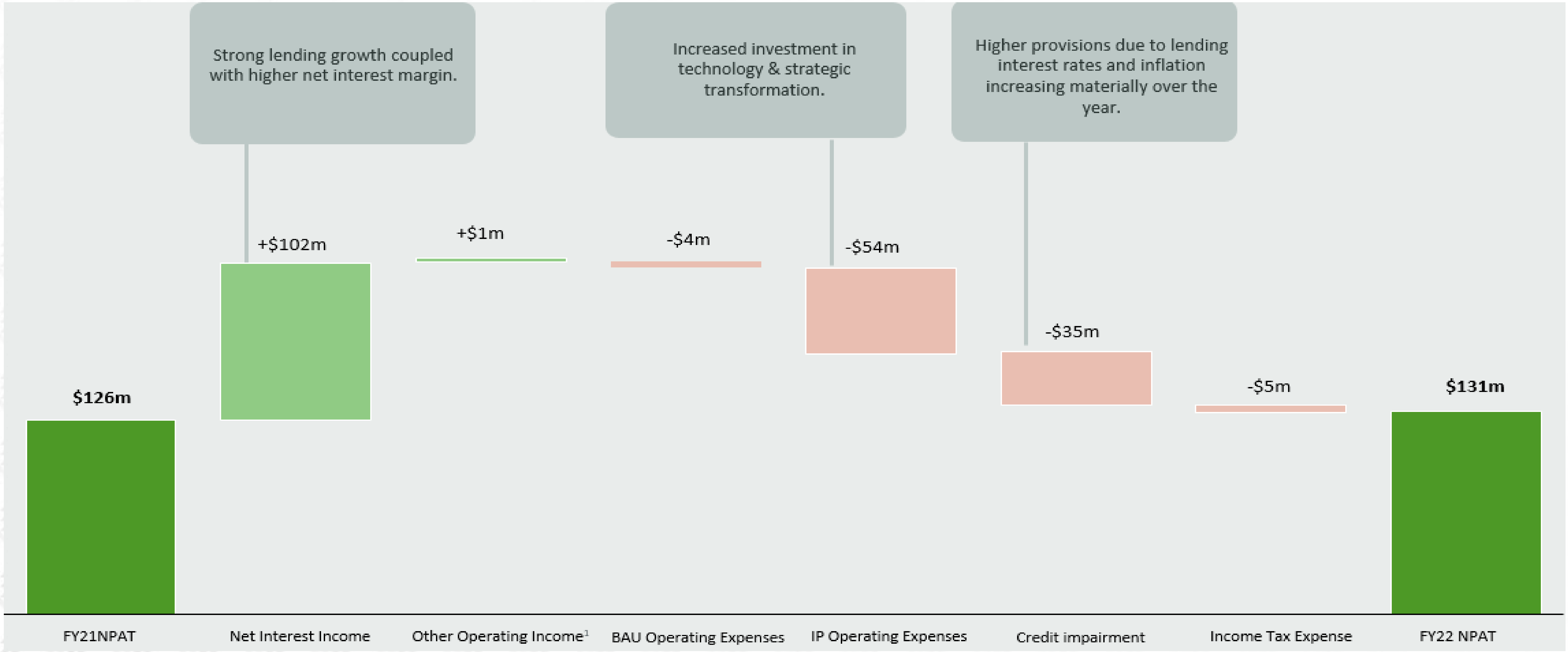
[1] Source: https://www.rbnz.govt.nz/statistics/c5

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

Key Focus Areas

- Kiwibank continues to outperform the system in lending and deposit growth.
- Kiwibank business lending was a standout in FY22, driven by SME (small and medium businesses) lending. A sustainability linked loan product for SMEs is a key focus for the business bank to drive future growth.
- Residential mortgage lending has grown by 6% in the last year, an increase of $1.8b. Kiwibank partnered with more advisers (brokers), launched Co-Own (a joint ownership home buying scheme) and new digital home loan simulation tools.

Change in reported net profit between FY21 to FY22



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

Contact

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