

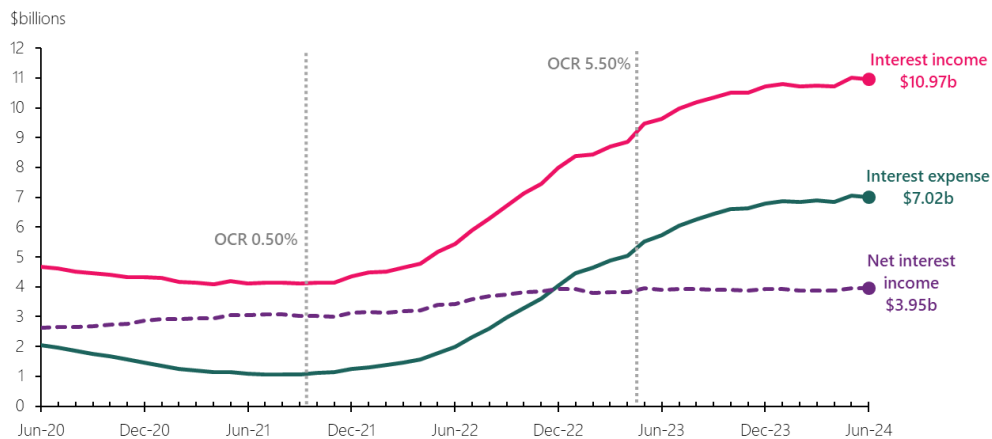
22 August 2024

## Income statement summary

### Key points for the June 2024 quarter:

- Banking sector profit after tax dropped by \$31 million to \$1.86 billion.
- The system-wide return on assets (ROA) remained at 1.1% and the return on equity (ROE) dropped to 11.8%.
- Net interest income rose by \$87 million to \$3.95 billion, and the net interest margin (NIM) increased by 5bp to 2.35%.
- Total interest income continued to increase, up by \$213 million (+2.0%) to reach almost \$11 billion. This was driven by interest income from loans which increased by \$285 million to \$9.64 billion, more than half of this was from residential mortgage fixed loans. Contribution of residential mortgage fixed loans to total interest income from loans showed an increasing trend for the last five quarters.
- Total interest expense also continued to increase, up by \$125 million (+1.8%) to just over \$7 billion. This was mostly driven by interest expense for deposits which increased by \$114 million to reach \$4.86 billion this quarter.

**NZ Banking System's Interest Income and Expense**  
3-month rolling totals



**Proportion of total interest income from loans**

