



Sam Knowles  
Kiwibank Chief Executive

# Home grown success

Kiwibank is going from strength to strength as it continues overall growth

Jenny Ruth

Kiwibank keeps growing its mortgage book but little of the growth in Kiwibank's mortgage book has been contributed by mortgage brokers.

The bank has been conducting a trial with selected brokers from the Mortgage Link group since early last year and chief executive Sam Knowles says the trial is continuing.

"We're still fine-tuning that trial. The primary issue with brokers is we have to have a relationship where we're getting good quality through them."

That means quality in terms of the tenure of loans arranged as well as quality of conversion or the number of deals Kiwibank has to look at before it secures the business.

"We're still trying to get to the point where we're comfortable on both those aspects," Knowles says.

Nevertheless, he's prepared to continue working with Mortgage Link.

"We wouldn't keep going if we didn't believe we can find a model that works."

Kiwibank grew its loan book a staggering \$869 million in the three months ended December 2008 when it accounted for 89.7% of new lending that quarter, excluding the then newly registered SBS Bank's \$1.63 billion mortgage book, Kiwibank's mortgage book growth slowed to \$587.4 million in the December 2009 quarter.

Even so, it still accounted for nearly 38% of new lending in the last quarter, well in excess of its market share.

Knowles is clearly focused on Kiwibank continuing to grow. Asked how much further the mortgage book is likely to have grown in another five years, he doesn't take long to answer about \$10 billion, or about double its current size.

"That's the level of capability we've got, what we're set up to do. We're comfortable with that situation."