

Kiwibank Investor Update

November 2024

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Important information



This presentation has been prepared by Kiwibank Limited (“**Kiwibank**”). Any offer of notes (“**Notes**”) by Kiwibank to retail investors will be made under the limited disclosure document dated 7 October 2024 (“**LDD**”) for Kiwibank’s Medium Term Note Programme, which has been lodged in accordance with the Financial Markets Conduct Act 2013 (“**FMCA**”). The LDD is available through www.disclose-register.companiesoffice.govt.nz/ (offer number OFR12714) and must be given to investors before they decide to acquire any Notes. No applications will be accepted or money received unless the applicant has been given the LDD.

This presentation provides information in summary form only and is not intended to be complete. The information in this presentation has been obtained from sources which Kiwibank believes to be reliable and accurate at the date of preparation, but its accuracy, correctness and completeness cannot be guaranteed.

The information in this presentation does not constitute financial product advice, investment advice or any recommendation by Kiwibank or any arranger or lead manager (“**Joint Lead Managers**”) on any offer of Notes or any of their respective directors, officers, employees, affiliates, agents or advisers to subscribe for, or purchase, any Notes. No Joint Lead Manager nor any of their respective directors, officers, employees, affiliates or agents have independently verified the information contained in this presentation.

No action has been or will be taken by Kiwibank which would permit a public offering of the Notes, or possession or distribution of this presentation, the LDD or any other offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

The Notes may only be offered for sale or sold in conformity with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. No product disclosure statement, information memorandum, prospectus, circular, advertisement or other offering material in respect of any Notes may be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations.

The information contained in this presentation is for general reference only and is provided on an "as is" basis without warranty of any kind and may be changed at any time without prior notice.

People reading this presentation should consult their own legal, tax, accountancy and other professional advisers before making any investment in or decision to purchase any securities or financial products. Each prospective investor should consider carefully whether the securities and products are suitable for it in the light of its circumstances and financial position.

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Financial data in this presentation is as at 30 June 2024 unless otherwise indicated.

Information contained in or otherwise accessible through the websites mentioned in this presentation do not form part of the presentation unless we specifically state that the information is incorporated by reference and thereby forms part of the presentation.

New Zealand International Financial Reporting Standards (“**NZ IFRS**”)/New Zealand generally accepted accounting principles (“**NZ GAAP**”) financial measures: Kiwibank reports and describes in this presentation certain non-NZ GAAP financial measures. Non-NZ GAAP financial measures are not calculated in accordance with NZ IFRS. Non-NZ GAAP financial measures should be considered in addition to, and not as substitutes for or superior to, financial measures of financial performance or financial position prepared in accordance with NZ IFRS.

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About Kiwibank



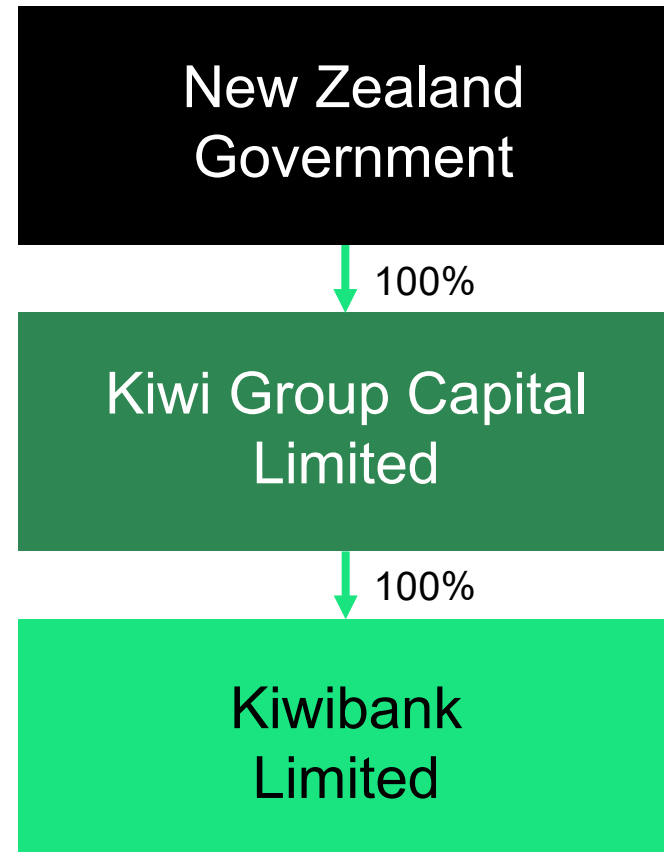
Kiwibank is the largest New Zealand-owned bank, with over one million customers.

Kiwibank's founding vision remains as relevant today as it has ever been - for New Zealand to have a real, relevant and credible alternative to the offshore-owned banks.

Kiwibank – who we are



- We are a purpose-led bank
- We are proud to be a B Corp certified company¹
- We are the largest New Zealand-owned bank, with \$37b in total assets²
- Full-service nationwide bank targeting personal and business banking customers
- Kiwibank's parent, Kiwi Group Capital Limited, is 100% owned by the New Zealand Government³



¹ Certified B Corporations are committed to considering the impact of their decisions on workers, customers, suppliers, community, and the environment

Further information available at: <https://www.bcorporation.net/en-us/certification/>

² Per Kiwibank's Disclosure Statement for the year ended 30 June 2024

³ Any Notes will not be guaranteed by the New Zealand Government or any other person. Any Notes will not be protected deposits of Kiwibank for the purposes of the Deposit Takers Act 2023

Our strategy



PURPOSE

Kiwi Making
Kiwi Better Off

GOAL

To be Customers'
1st Choice

OUR OFFER

Simple
Easy
Accessible
Expertise

BETTER BANK

Sustainable Growth
Impact
Trusted
Empowered

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

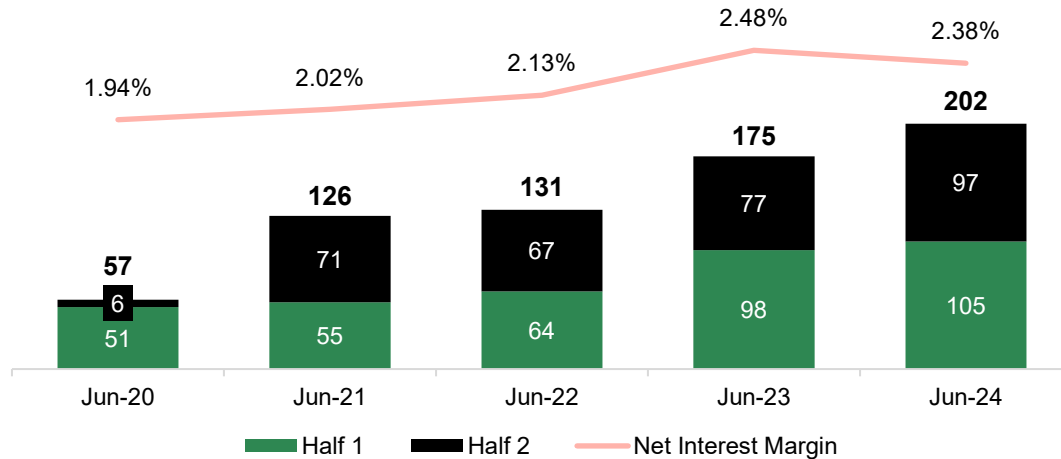


Financial Results

Profit underpinned by net interest income



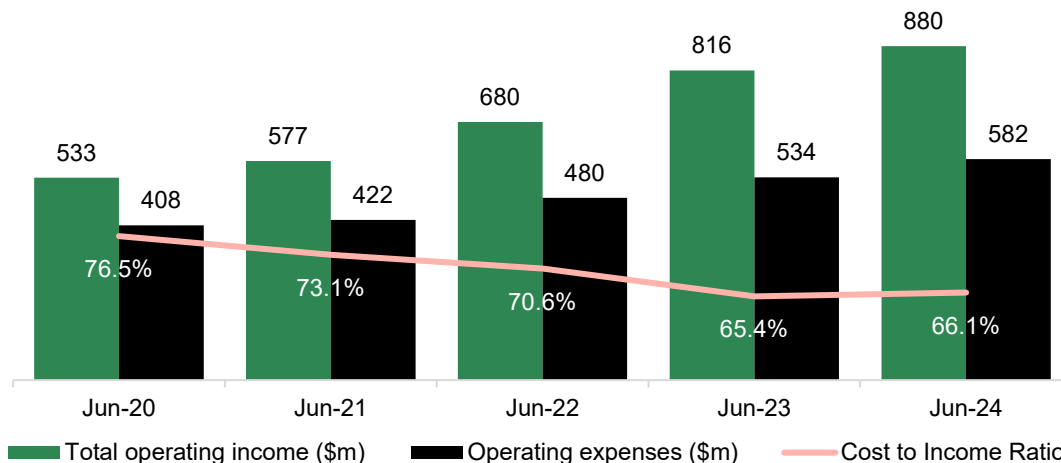
Net Profit after Tax (\$m) and Net Interest Margin¹



A record full year profit for the bank

- Net profit after tax of \$202m, a 15% increase from the prior year
- Higher net interest income was driven by net lending growth of \$2.8b or 9%, well above system growth (see page 10)
- Investment in technology remains a strategic priority to materially improve scalability for future growth

Cost to Income Ratio²



Non-financial highlights

- Named the number one bank in Kantar's 2024 Corporate Reputation Index, the only bank in the top 20 companies³
- More than 62,000 students used Banqer, a financial education platform, in the 2023 calendar year, bringing the total to more than 350,000 since 2016
- 29% reduction in measured operational carbon emissions since baseline year (year ended 30 June 2021)
- Developed our first Climate Statement

Sourced from Kiwibank's Disclosure Statements

¹ Net Interest Margin = net interest income divided by average total interest and discount-bearing assets

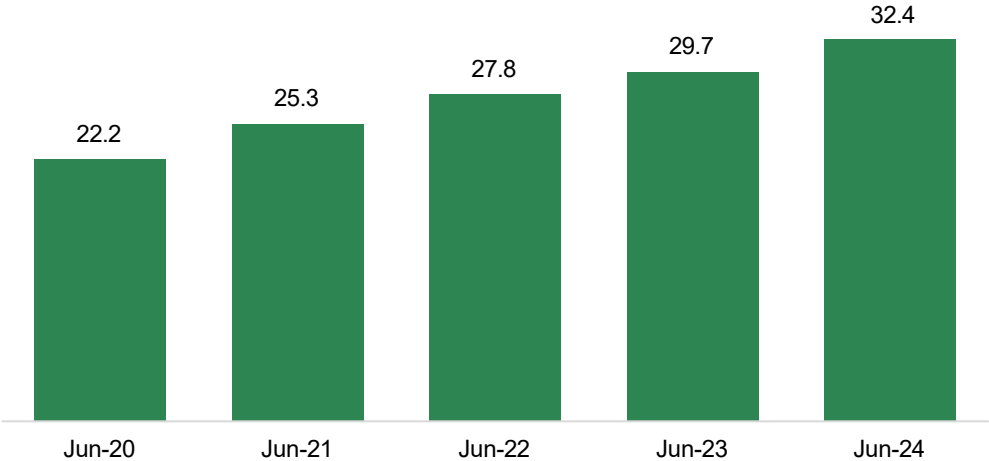
² Cost to Income ratio = operating expenses divided by total operating income

³ Kantar Corporate Reputation Index 2024: <https://www.kantarnewzealand.com/corporate-reputation-index-2024>

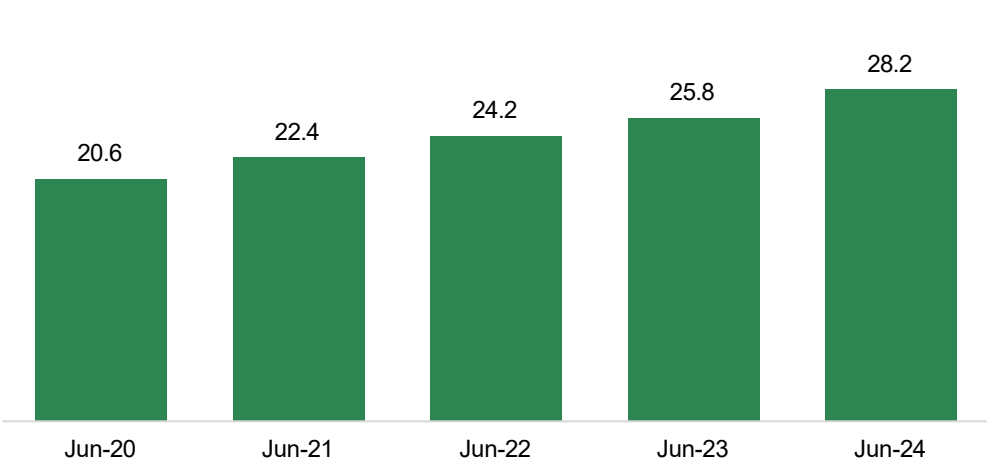
More Kiwi backing Kiwibank



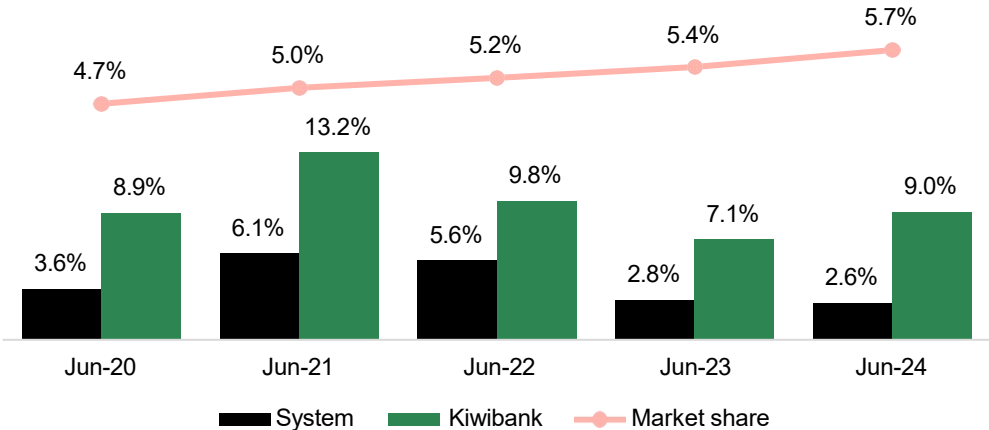
Loans and Advances (\$b)¹



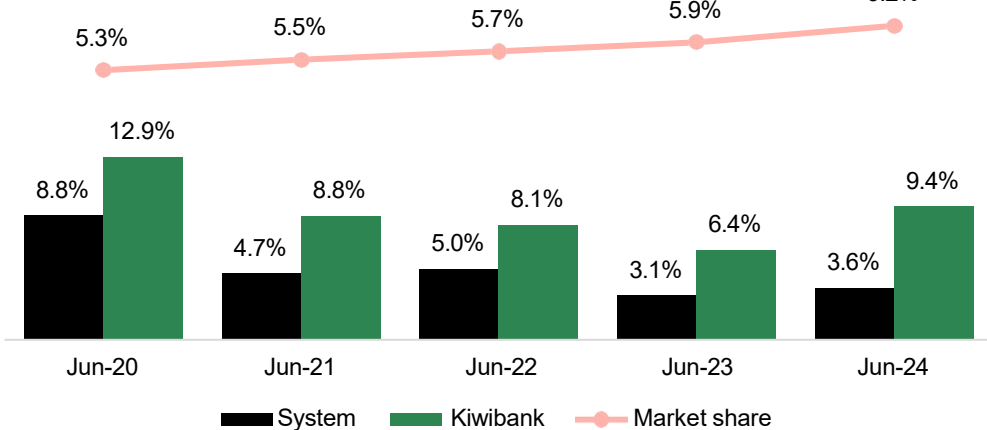
Deposits (\$b)¹



Lending Growth vs System^{2,3}



Deposit Growth vs System³



¹ Sourced from Kiwibank's Disclosure Statements

² Lending growth figures are calculated based on gross loans and advances excluding direct transaction costs, and so will differ from loans and advances per the Disclosure Statement

³ System figures are based on Reserve Bank statistical series for registered banks (loans – S31 series; deposits – S40 series). Market share is Kiwibank's total divided by System total at period end

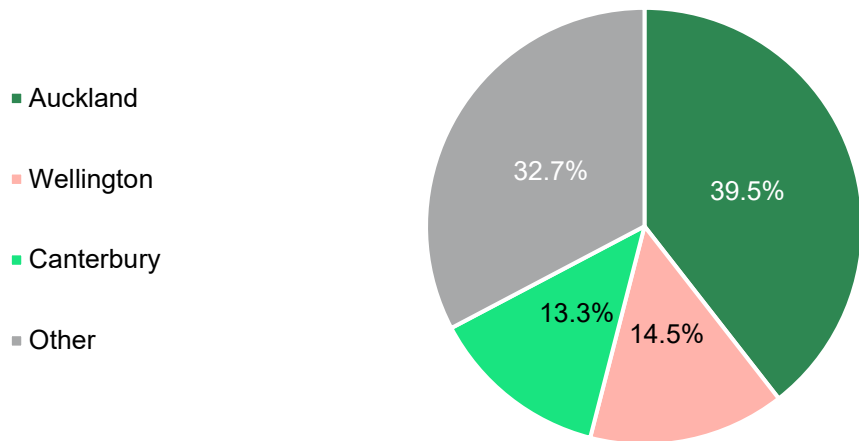


Loan Portfolio and Asset Quality

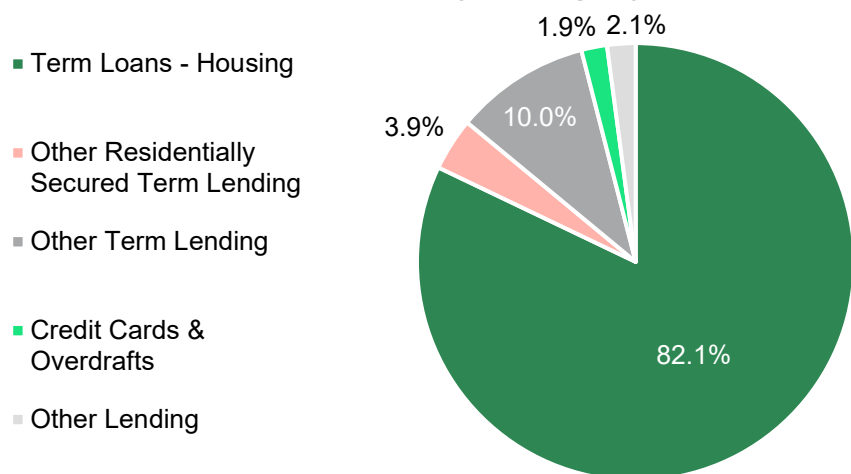
Lending portfolio



Total Loans by Region



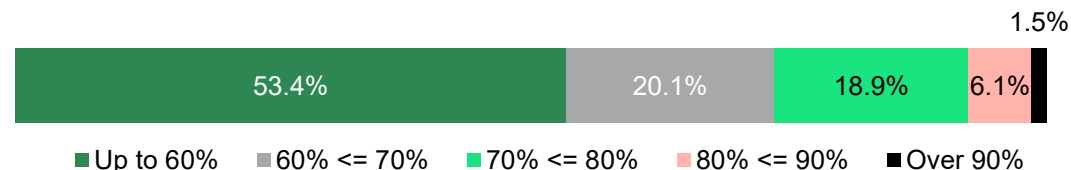
Total Loans by Category



- Kiwibank is primarily a retail mortgage bank
- 8% share of mortgage market¹
- We also provide business lending to SMEs, commercial and corporate clients
- Institutional and agricultural lending are not part of our core business proposition

Residential Mortgage Portfolio	Jun-23	Jun-24
Total residential mortgage portfolio	\$25.4b	\$28.0b
Fixed / floating	92% / 8%	91% / 9%
Average customer balance (drawn)	\$354k	\$373k
Interest only / revolving	16.50%	17.26%
LVR > 80%	6.50%	7.57%

Residential Mortgages – Regulatory LVR² Profile



¹ Based on Reserve Bank statistics (S31), registered banks total housing loans as at 30 June 2024: <https://www.rbnz.govt.nz/statistics/series/registered-banks/banks-assets-loans-by-purpose>

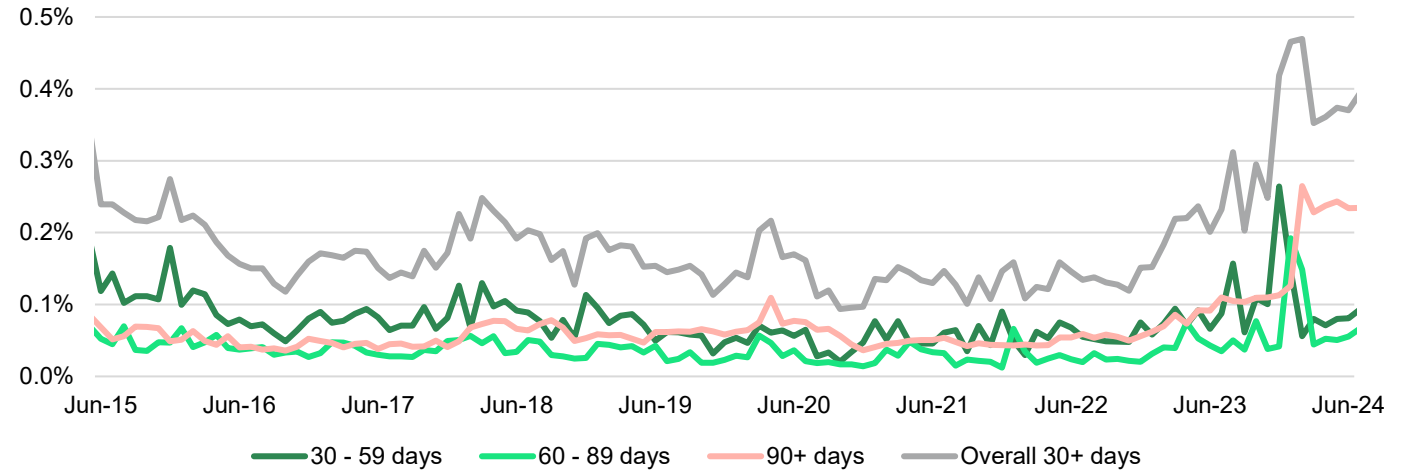
² Regulatory Loan-to-Valuation Ratios (LVR) are calculated in compliance with Reserve Bank requirements

Asset quality

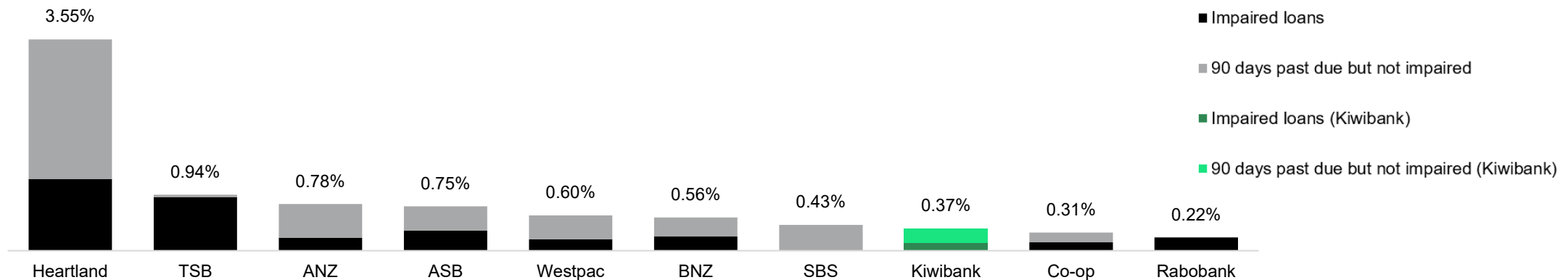


- Kiwibank mortgage arrears and impairments remain amongst the lowest in the industry¹
- Payment support options are available to assist home loan customers who may struggle with higher interest rates

Loans Past Due but not Impaired (% of Total Kiwibank Loans)



Non-performing Loans (% of Total Loans)¹



¹ Compared to locally incorporated banks with over \$3b total loans. Source is Reserve Bank Financial Strength Dashboard as at 30 June 2024: <https://bankdashboard.rbnz.govt.nz/asset-quality>

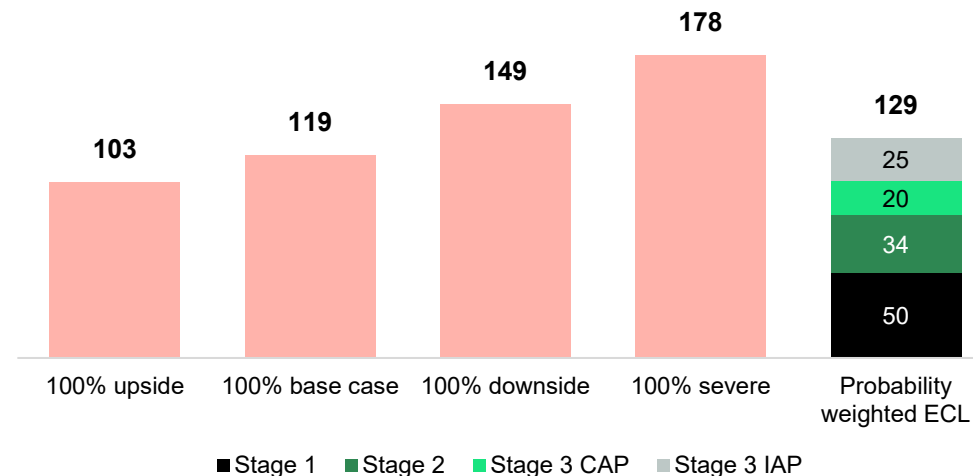
Credit Impairment Provisions



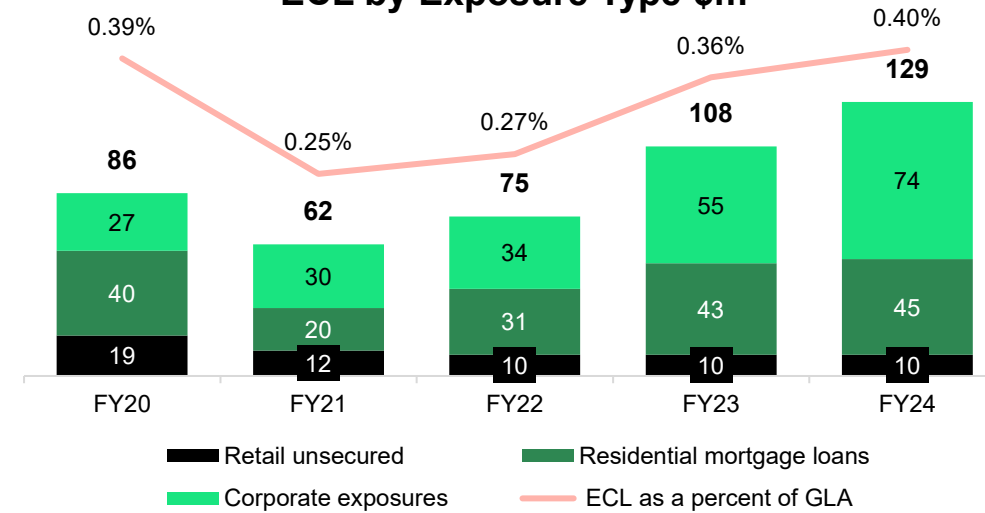
- Credit provisions have trended upwards due to asset growth and increased business customer risk
- Expected Credit Losses (ECL) are an estimate of forward-looking losses based on a probability weighted view of four different economic scenarios
- The severe stress scenario is based on the scenarios that were used in RBNZ's 2022 industry stress test
- The weightings applied to each scenario have been adjusted since FY23 to reflect the potential upside due to strong migration and monetary policy potentially loosening in late 2024 or early 2025

Economic Scenario Weightings Applied	FY23	FY24
Central/Base Case	45%	50%
Upside	10%	15%
Downside	35%	25%
Severe Stress	10%	10%

ECL by Stage & Economic Scenario \$m



ECL by Exposure Type \$m



Sourced from Kiwibank's Disclosure Statements

ECL: Expected Credit Losses

GLA: Gross Loans and Advances

Stage 1 exposures: performing; Stage 2 exposures: credit quality deteriorated; Stage 3 exposures: credit impaired

CAP: Collectively Assessed Provisions; IAP: Individually Assessed Provisions

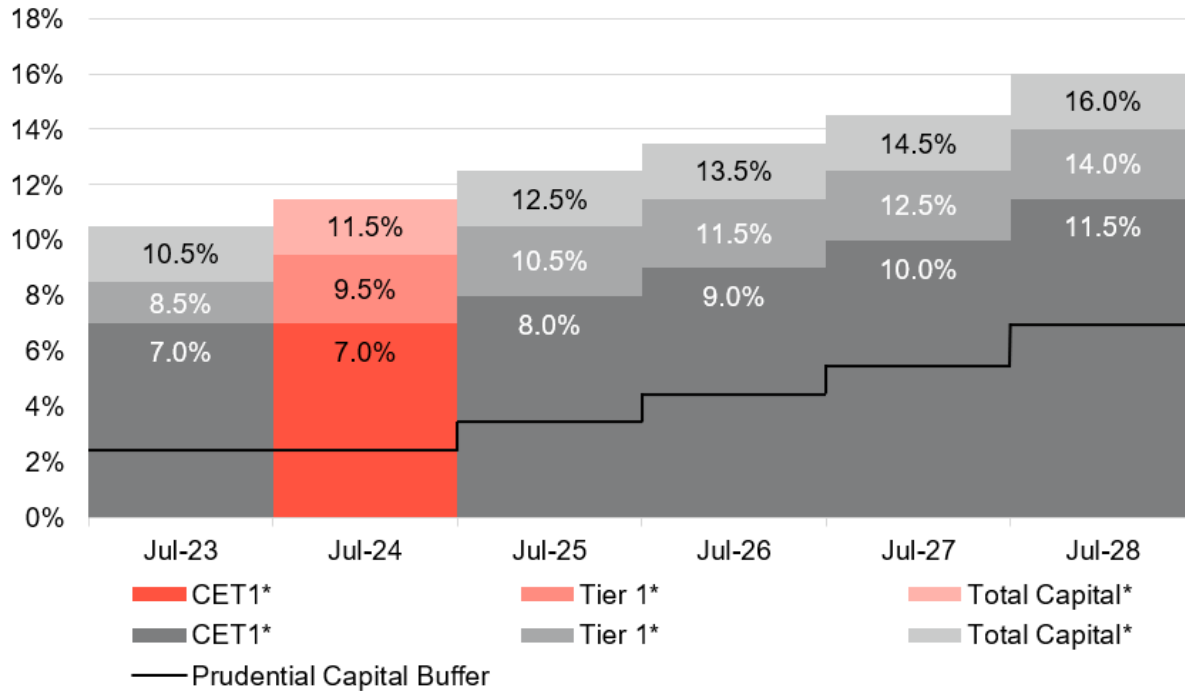


Capital, Funding and Liquidity

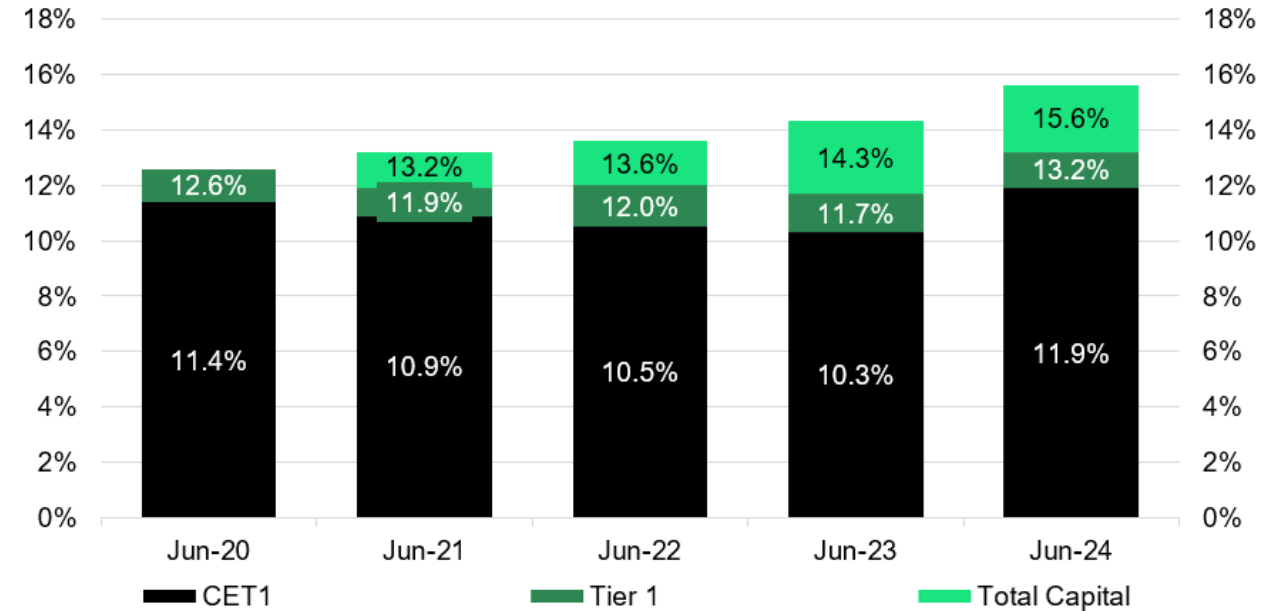
Capital profile



Reserve Bank Minimum Capital Requirements*



Kiwibank Capital Ratios



- Kiwibank received a \$225m capital injection from Kiwi Group Capital Limited on 31 July 2023 which increased capital ratios by 1.3% at that time
- On 24 October 2024, Kiwibank issued \$275m of perpetual preference shares qualifying as Additional Tier 1 Capital. This increased Tier 1 and Total Capital ratios by 1.3% at that time (not shown above)

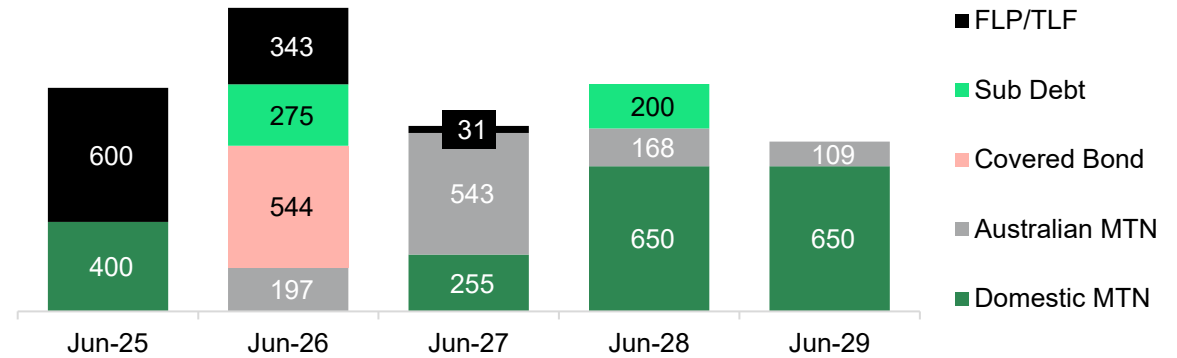
* Includes prudential capital buffer ratio
 Capital ratios are expressed as a percentage of Risk-Weighted-Assets (RWA), sourced from Kiwibank's Disclosure Statements
 CET1: Common Equity Tier 1 Capital

Funding profile

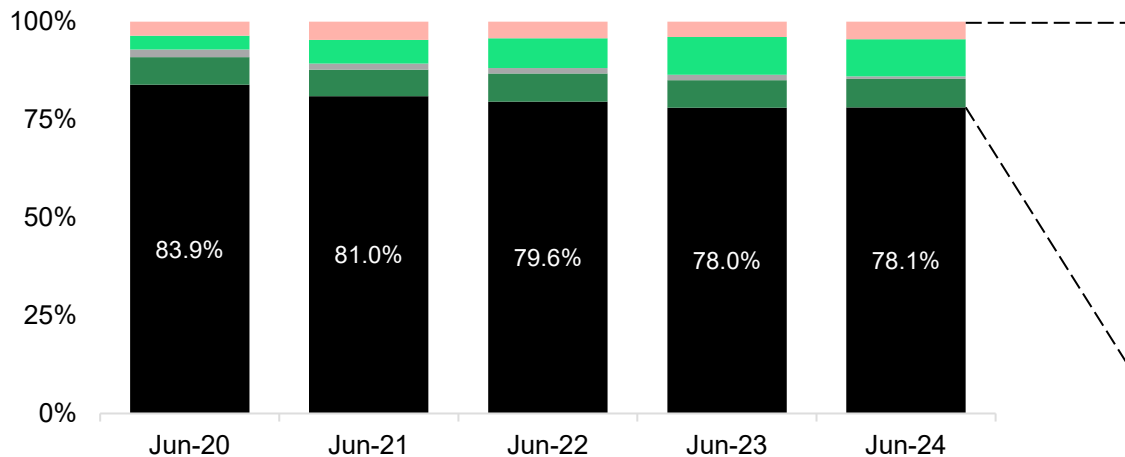


- Kiwibank maintains a diversified range of funding sources, both domestic and offshore covering short and long-term
- Weighted average remaining term to maturity is 2.2 years¹

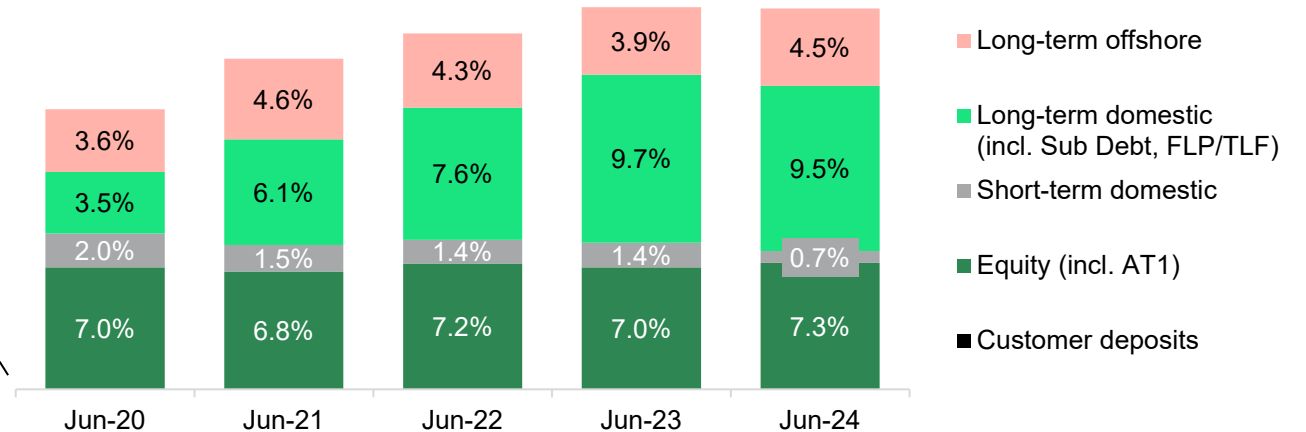
Term Funding Maturity Profile by Type¹ (\$m)



Funding Composition



Funding Composition: Non-Customer Deposits



¹ Excludes Additional Tier 1 Capital (AT1); maturity of subordinated debt is based on the first call date for these purposes, but there is no certainty that the debt will be redeemed at that time
 FLP/TLF: The Reserve Bank's Funding for Lending Programme and Term Lending Facility

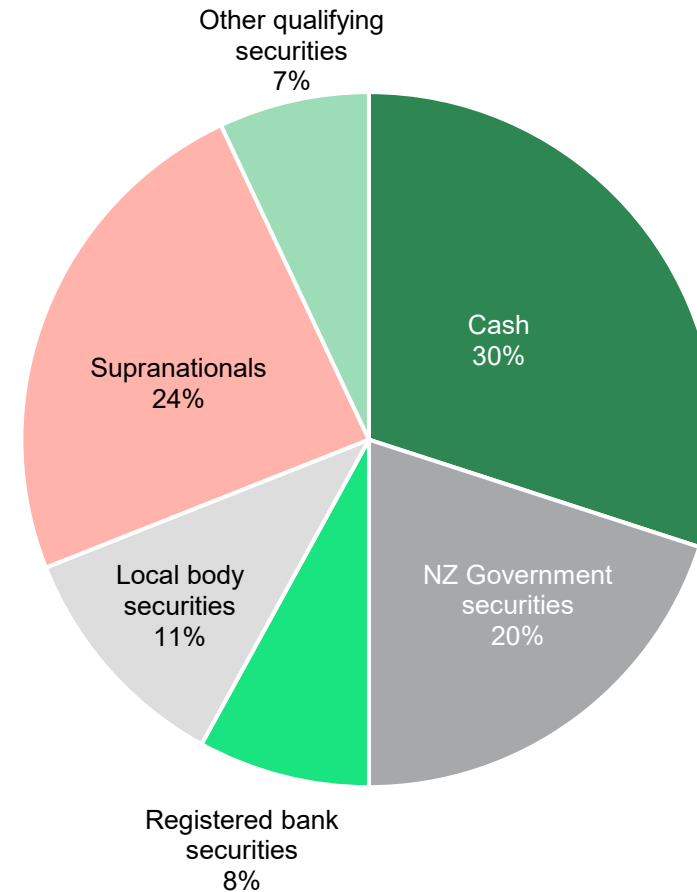
Liquidity



- Liquid asset holdings of \$3.6b
- A diversified, high-quality portfolio
- In addition, Kiwibank holds \$2.9b of unencumbered internal RMBS which is also available for liquidity purposes

Regulatory Liquidity Ratios	RBNZ Minima	31 Mar 24	30 Jun 24
Quarterly average one-week mismatch ratio	0.0%	11.0%	11.0%
Quarterly average one-month mismatch ratio	0.0%	10.9%	10.7%
Quarterly average core funding ratio	75.0%	89.7%	90.3%

Liquid Assets¹



RMBS: Residential Mortgage-Backed Securities

¹ Liquid assets are post haircut qualifying liquid assets per the Reserve Bank's liquidity policy, and therefore differ from NZ GAAP





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MEDIUM TERM NOTE PROGRAMME

Limited Disclosure Document

Kiwibank Limited
as issuer

Effective 7 October 2024

This document is a replacement limited disclosure document, replacing the Limited Disclosure Document dated 15 September 2023 for Kiwibank's Medium Term Note Programme.

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on disclose-register.companiesoffice.govt.nz. Kiwibank Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

1. Key Information Summary

What is this?

This is an offer of unsecured, unsubordinated medium term notes (“Notes”). Notes are debt securities issued by Kiwibank Limited (“Kiwibank”). You give Kiwibank money, and in return Kiwibank promises to pay you interest and repay the money at the end of the term. If Kiwibank runs into financial trouble, you might lose some or all of the money you invested.

About Kiwibank and its subsidiaries (together, the “Banking Group”)

Kiwibank is a registered bank that opened for business in 2002. Kiwibank offers a range of personal and business banking products.

Information about Kiwibank, including its financial statements (consolidated for the Banking Group), is published in disclosure statements required under the Banking (Prudential Supervision) Act 1989. Kiwibank’s disclosure statements are available at www.kiwibank.co.nz/about-us/governance/legal-documents-and-information/legal-documents/.

Purpose of this offer

The purpose of the offer of Notes is to raise funds which will be used for the general corporate purposes of Kiwibank, including making loans available to Kiwibank’s customers.

Key terms of the offer

Issuer:	Kiwibank
Description:	A retail programme for the issuance of unsecured, unsubordinated medium term notes
Series and tranches:	The Notes are issued in series and each series may be made up of one or more tranches of Notes issued on different dates. All the Notes in a series will have identical terms, except that different tranches in the series will have different issue dates, and may have different issue prices, first interest payment dates and interest commencement dates. Final terms will be prepared for each tranche of Notes, setting out the specific details of that tranche. See section 2 of this document

	(Terms of the Offer) for further details about the final terms
Issue price:	Notes are issued at an issue price which may be equal to, above or below their principal amount, as set out in the relevant final terms
Term:	The Notes will have an original term of 365 days or more, with the particular term set out in the relevant final terms
Interest rate:	Notes will bear interest at either: <ul style="list-style-type: none"> ▪ a fixed rate for the whole term of the Notes; or ▪ a floating rate calculated as a specific margin (which will apply for the whole term of the Notes) over the wholesale bank bill rate (the wholesale bank bill rate being determined at the start of each interest period). <p>The interest rate, or method by which the interest rate will be determined (and any relevant additional fallback provisions for unavailability of the wholesale bank bill rate), will be set out in the relevant final terms</p>
Interest periods:	Interest will be payable periodically in arrear on the interest payment dates, or after each interest period, set out in the relevant final terms. The first and/or last interest period of each tranche of Notes may be short or long, if so specified in the relevant final terms
Further payments, fees or charges:	By subscribing for or otherwise acquiring Notes, you agree to indemnify Kiwibank for any loss suffered by it as a result of any breach of the selling restrictions set out in section 4 of this document (Key Features of the Notes). You should also read section 6 of this document (Tax) for a description of payments relating to withholding tax, approved issuer levy and tax indemnities
Application amounts:	The minimum subscription amount is \$5,000 and multiples of \$1,000 thereafter

No guarantee

The Notes are not guaranteed by any member of the Banking Group, the Government or any other person. Kiwibank is solely responsible for the repayment of the Notes.

The Notes are not protected deposits under, and do not otherwise have the benefit of, the Depositor Compensation Scheme established under the Deposit Takers Act 2023.

How you can get your money out early

You cannot redeem the Notes before their maturity date unless there is an event of default in respect of the Notes (see section 4 of this document (Key Features of the Notes) for further details).

Kiwibank does not intend to quote these Notes on a market licensed in New Zealand but they will be able to be traded through dealers on established 'over-the-counter' markets. This means that you may be able to sell them through dealers on established 'over-the-counter' markets before the end of their term if there are interested buyers. If you sell your Notes, the price you get will vary depending on factors such as the financial condition of the Banking Group and movements in market interest rates. You may receive less than the full amount that you paid for them.

If you wish to sell your Notes on an 'over-the-counter' market, you should contact your broker or financial adviser for assistance. For any such sale of your Notes, you will be required to comply with the broker's or financial intermediary's terms, and are likely to pay brokerage fees at applicable rates.

There may not be an active trading market in the Notes. See section 5 of this document (Risks of Investing) for further details.

How the Notes rank for repayment

In a liquidation of Kiwibank, each Note gives you the right to payment of an amount equal to the principal amount of that Note plus all accrued but unpaid interest.

Your right to payment of this amount will rank:

- behind the claims of Kiwibank's secured creditors and creditors preferred by law (for example, Inland Revenue and employees).
- equally with the claims of all other unsecured unsubordinated creditors of Kiwibank (including other holders of Notes).
- ahead of the claims of Kiwibank's subordinated creditors (including subordinated bondholders) and shareholders.

You should also read section 4 of this document (Key Features of the Notes).

No security

The Notes are not secured against any asset of any member of the Banking Group, the Government or any other person.

Key risks affecting this investment

Investments in debt securities have risks. A key risk is that Kiwibank does not meet its commitments to repay you or pay you interest (credit risk). Section 5 of this document (Risks of Investing) discusses the main factors that give rise to the risk. You should consider if the credit risk of these debt securities is suitable for you.

The interest rate for these Notes should also reflect the degree of credit risk. In general, higher returns are demanded by investors from businesses with higher risk of defaulting on their commitments. You need to decide whether the offer is fair.

Kiwibank considers that the most significant risk factors are:

- *Credit risk*, which is the risk of financial loss where a customer or counterparty fails to meet their contractual payment obligations. This risk may increase as a result of deteriorating economic conditions, external events, or climate change.
- *Liquidity and funding risk*, which is the risk that Kiwibank cannot meet its financial and transactional cash-flow obligations as they fall due and the risk of loss of access to funding channels.
- *Operational risk*, which is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This risk may arise from disruption to Kiwibank's information technology systems and infrastructure, fraud, and external events such as extreme weather, natural disasters, communicable disease outbreaks, pandemics and biological hazards.
- *Compliance risk*, which is the risk of failing to understand and comply with relevant laws, regulations, licence conditions, supervisory requirements, self-regulatory industry codes of conduct and voluntary initiatives. Any such failure may result in regulatory enforcement, proceedings brought by customers, and harm to Kiwibank's reputation, ability to do business and future prospects.
- *Strategic delivery risk*, which is the risk that Kiwibank fails to execute its chosen business plan or strategy effectively or in a timely manner. This may have an adverse impact on

Kiwibank's business, financial results, access to capital and competitive position.

If one or more of these risks eventuate, either individually or in combination, the financial position and performance of Kiwibank may be adversely affected which may in turn:

- increase the risk that Kiwibank does not meet its commitments to repay you or pay you interest on the Notes; and/or
- adversely affect the market price and/or liquidity of the Notes.

This summary does not cover all of the risks of investing in the Notes. You should also read section 5 of this document (Risks of Investing) and section 4 of this document (Key Features of the Notes).

What is the Notes' credit rating?

A credit rating is an independent opinion of the capability and willingness of an entity to repay its debts (in other words, its creditworthiness). It is not a guarantee that the financial product being offered is a safe investment. A credit rating should be considered alongside all other relevant information when making an investment decision.

The programme under which the Notes are offered has been rated by Moody's Investors Service Pty Limited ("**Moody's**") and Fitch Ratings Limited ("**Fitch**"). Moody's gives ratings from Aaa to Ca, excluding ratings attached to entities in default. Fitch gives credit ratings from AAA to C, excluding ratings attached to entities in default.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Current credit ratings of the programme under which the Notes are offered

As set out in the tables below, at the date of this document the programme is rated A1 by Moody's and AA by Fitch.

Moody's	
Rating ¹	Summary description
	<i>Credit risk:</i>
Aaa	Minimal
Aa	Very Low
A	Low Moody's has given the programme a rating of A1
Baa	Moderate
Ba	Substantial
B	High
Caa	Very high
Ca	Likely in, or very near, default

Note 1: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Fitch	
Rating ²	Summary description
AAA	Highest credit quality
AA	Very high credit quality Fitch has given the programme a rating of AA
A	High credit quality
BBB	Good credit quality
BB	Speculative
B	Highly speculative
CCC	Substantial credit risk
CC	Very high levels of credit risk
C	Near default

Note 2: The modifiers "+" or "-" may be appended to a Fitch rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' obligation rating category, or to corporate finance obligation ratings in the categories below 'CCC'.

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2. Terms of the Offer

Issuer:	Kiwibank Limited (“ Kiwibank ”)
Description:	A retail programme for the issuance of unsecured, unsubordinated medium term notes (“ Notes ”)
Currency:	The Notes will be denominated in New Zealand dollars
Programme Limit:	The combined limit for this programme and Kiwibank’s wholesale debt issuance programme is \$3,000,000,000, as varied from time to time by Kiwibank
Dealers:	Kiwibank may appoint dealers from time to time at its discretion
Note Deed Poll and conditions of the Notes:	<p>The Notes are constituted and issued under the following documents:</p> <ul style="list-style-type: none"> ▪ a note deed poll dated 30 August 2019, as amended from time to time (“Note Deed Poll”). The Note Deed Poll is a contract binding on both Kiwibank and holders, and the general terms and conditions of the Notes are appended to it; and ▪ final terms in respect of each tranche of Notes. The final terms modify the general terms and conditions appended to the Note Deed Poll, with details for that specific tranche (including whether interest is fixed or floating and the issue date, issue price, maturity date, interest payment dates and interest rate)

Programme documentation:	You should also read the Note Deed Poll and the relevant final terms, which contain further information about the Notes. Copies of the Note Deed Poll and (after they have been signed) relevant final terms may be obtained from the offer register at disclose-register.companiesoffice.govt.nz (Offer number OFR12714)
Series and tranches:	The Notes are issued in series and each series may be made up of one or more tranches of Notes issued on different dates. All the Notes in a series will have identical terms, except that different tranches in a series will have different issue dates, and may have different issue prices, first interest payment dates and interest commencement dates
Issue price:	Notes are issued at an issue price which may be equal to, above or below their principal amount, as set out in the relevant final terms
Term:	The Notes will have an original term of 365 days or more, with the particular term set out in the relevant final terms
Redemption:	Unless previously redeemed (see “Events of default” in section 4 of this document (Key Features of the Notes)) or purchased by Kiwibank and cancelled, the outstanding principal amount of each Note and any accrued interest will, subject to any deductions on account of tax, be payable at maturity

Early redemption for tax reasons:	Kiwibank may be able to redeem Notes before their maturity date in certain limited circumstances, if specified in the relevant final terms. See section 4 of this document (Key Features of the Notes) for further details
Interest rate:	<p>Notes will bear interest at either:</p> <ul style="list-style-type: none"> ▪ a fixed rate for the whole term of the Notes; or ▪ a floating rate calculated as a specific margin (which will apply for the whole term of the Notes) over the wholesale bank bill rate (the wholesale bank bill rate being determined at the start of each interest period). <p>The interest rate, or the method by which the interest rate will be determined (and any relevant additional fallback provisions for unavailability of the wholesale bank bill rate), will be set out in the relevant final terms</p>
Interest periods:	Interest will be payable periodically in arrear on the interest payment dates, or after each interest period, set out in the relevant final terms. The first and/or last interest period of each tranche of Notes may be short or long, if so specified in the relevant final terms
Ranking:	In a liquidation of Kiwibank, each Note gives you the right to payment of an amount equal to the principal amount of that Note plus all accrued but unpaid interest.

	<p>Your right to payment of this amount will rank:</p> <ul style="list-style-type: none"> ▪ behind the claims of Kiwibank's secured creditors and creditors preferred by law (for example, Inland Revenue and employees). ▪ equally with the claims of all other unsecured unsubordinated creditors of Kiwibank (including other holders of Notes). ▪ ahead of the claims of Kiwibank's subordinated creditors (including subordinated bondholders) and shareholders. <p>You should also read section 4 of this document (Key Features of the Notes)</p>
Further payments, fees or charges:	<p>By subscribing for or otherwise acquiring Notes, you agree to indemnify Kiwibank for any loss suffered by it as a result of any breach by you of the selling restrictions set out in section 4 of this document (Key Features of the Notes).</p> <p>You should also read section 6 of this document (Tax) for a description of payments relating to withholding tax, approved issuer levy and tax indemnities</p>
Application amounts:	The minimum subscription amount is \$5,000 and multiples of \$1,000 thereafter
Note Registrar, Paying Agent and Calculation Agent:	MUFG Pension & Market Services (NZ) Limited

3. Purpose of the Offer

The purpose of the offer of Notes is to raise funds which will be used for the general corporate purposes of Kiwibank, including making loans available to Kiwibank’s customers.

4. Key Features of the Notes

Form and status of the Notes

Each Note is a registered debt obligation of Kiwibank, constituted by, and owing under, the Note Deed Poll. This means that title to each Note will be conclusively determined by the name of the holder entered in the Note register, subject to correction for fraud or error. Kiwibank is entitled to deal exclusively with the person(s) named in the Note register for all purposes, including when making any payments.

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of Kiwibank, ranking equally among themselves and at least equally with all other present and future unsecured and unsubordinated obligations of Kiwibank, except for liabilities mandatorily preferred by law. See below under the heading “Ranking”.

Ranking

In a liquidation of Kiwibank, each Note gives you the right to payment of an amount equal to the principal amount of that Note plus all accrued but unpaid interest.

Your right to payment of this amount will rank:

- behind the claims of Kiwibank’s secured creditors and creditors preferred by law (for example, Inland Revenue and employees).
- equally with the claims of all other unsecured unsubordinated creditors of Kiwibank (including other holders of Notes).
- ahead of the claims of Kiwibank’s subordinated creditors (including subordinated bondholders) and shareholders.

After the issuance of any Notes, Kiwibank may from time to time borrow or raise additional debt, or otherwise incur liabilities, without your consent, that:

- ranks equally with the Notes. This may include further issuances of Notes, and

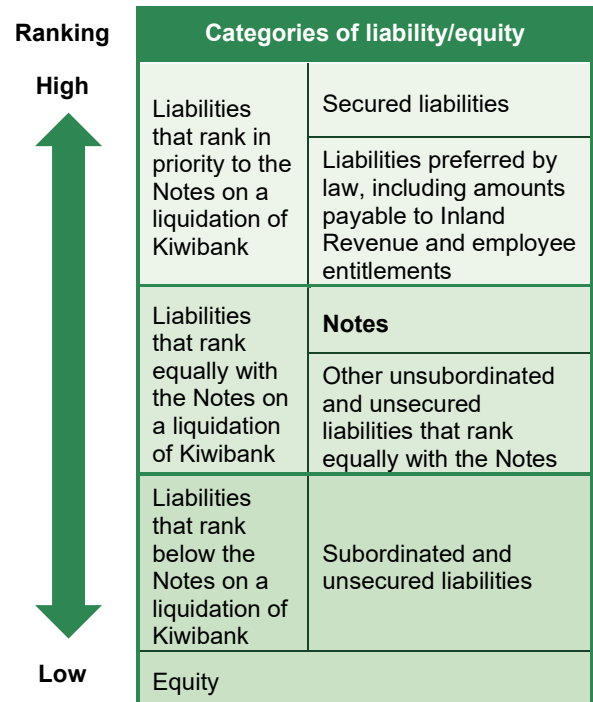
other unsubordinated, unsecured borrowings of Kiwibank; or

- ranks in priority to the Notes. This may include secured bonds, other secured borrowing of Kiwibank, and liabilities preferred by law.

Kiwibank is not restricted by the terms of any trust deed or other covenants with third parties from creating further liabilities that rank equally with, or in priority to, the Notes on a liquidation of Kiwibank. The creation of such further liabilities may reduce the amount recoverable by you in the case of liquidation of Kiwibank.

The below diagram summarises the ranking of the Notes on a liquidation of Kiwibank.

Ranking of the Notes on a liquidation of Kiwibank



A ranking diagram, including indicative amounts based on the financial position of Kiwibank as at its most recent balance date, is incorporated by reference into this document and is available on the offer register at disclose-register.companiesoffice.govt.nz (Offer number OFR12714).

Early redemption for tax reasons

If the relevant final terms specify that the Notes are subject to early redemption for tax reasons, Kiwibank may redeem those Notes before their

maturity date in certain limited circumstances. The principal amount of those Notes and any accrued interest (or such other amount as is specified in the relevant final terms) will, subject to any deductions on account of tax, be payable on such early redemption.

Such Notes may be subject to early redemption if Kiwibank has or will become obliged to pay any additional approved issuer levy as a result of changes to relevant New Zealand laws, regulations or rulings, as described in the Note Deed Poll, where such change becomes effective on or after the date of issue of the first tranche of such Notes and Kiwibank is still obliged to pay such additional amounts despite taking reasonable measures available to it. Kiwibank must also obtain a legal opinion and comply with certain administrative requirements described in the Note Deed Poll.

Events of default

If an event of default occurs and continues unremedied in relation to any Notes in a series, you may, by notice in writing to Kiwibank (with a copy to the Note Registrar) require your Notes in that series to be repaid early at their principal amount together with accrued interest, subject to any deductions on account of tax.

The events of default are:

- failure by Kiwibank to pay any amount in respect of the Notes within 14 days of the relevant due date; or
- an order being made, or an effective resolution being passed, for dissolution of Kiwibank other than for the purposes of a solvent reconstruction or amalgamation.

Selling restrictions

You may only offer for sale or sell any Note in conformity with all applicable laws and regulations in any jurisdiction in which it is offered, sold or delivered. No disclosure document, information memorandum, advertisement or other offering material in respect of any Note may be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws.

By subscribing for or otherwise acquiring Notes, you agree to indemnify Kiwibank for any loss

suffered by it as a result of any breach by you of the above selling restrictions.

Transfers

You may transfer any of your Notes by:

- a written instrument of transfer in any commonly used form that complies with the standard form and procedures of the Note Registrar and applicable law;
- instructing the Note Registrar to transfer the Notes into the name(s) of the transferee(s) through NZClear in accordance with the standard form and procedures of the Note Registrar; or
- any other method of transfer of marketable securities that is not contrary to any law and that is approved by Kiwibank.

Interests in Notes entered into NZClear will be transferable in accordance with NZClear's rules and operating guidelines. See further below under the heading "Notes held in NZClear".

You may transfer part of your holding of Notes. However, no transfer of any part of your holding may be made if it would result in you or the transferee holding or continuing to hold Notes with an aggregate principal amount that is less than \$5,000 or is not a higher multiple of \$1,000.

Payments and record dates

The record date for any payment due in respect of the Notes is the close of business on the tenth day before the due date for that payment.

Payment in respect of each Note will be made to the person whose name appears in the Note register as the holder on the record date. If more than one person is named in the Note register, payment will be made to the first person named.

- For Notes which are not held in NZClear, payment will be made by the Paying Agent by direct credit to a bank account specified by you by notice in writing to the Note Registrar.
- For Notes held in NZClear, payment will be made by Kiwibank crediting on the relevant payment date the amount due to the account of the Paying Agent or other account previously notified by the Paying Agent or NZClear to Kiwibank.

If the due date for any payment is not a business day:

- If the relevant Note bears fixed rate interest, payment will be made on the next date which is a business day, but the record date and the amount paid will not be adjusted – that is, interest payments will be made in equal amounts for each interest period (except for any irregular first or last interest period).
- If the relevant Note bears floating rate interest, payment will be made on the next date which is a business day, unless that day falls in the next calendar month in which case payment will be made on the first preceding day that is a business day. The record date and the calculation of any accrued interest will be adjusted accordingly.

You may not require the transfer of any Note to be registered during the period from a record date until the relevant payment date.

Meetings and variation of the Notes

Meetings of holders may be called to consider matters affecting their interests generally. In such meetings, defined majorities may bind you and all other holders, even if you did not attend and vote at the relevant meeting or voted in a manner contrary to the majority.

The Notes may also be varied without your consent in certain limited circumstances, including if (in the reasonable opinion of Kiwibank) the variation is necessary or advisable to comply with any law, is of a formal, technical or administrative nature only, is made to cure any ambiguity or is not materially prejudicial to the interests of holders as a whole.

Notes held in NZClear

Notes offered to institutional and other investors may be held in NZClear. Investors may acquire interests in those Notes if they are members of NZClear, or through a nominee who is a member. If your Notes are held in NZClear your rights (and the rights of each other person holding an interest in the Notes) are subject to NZClear's rules and operating guidelines.

Kiwibank is not responsible for anything that NZClear does or omits to do or for any loss occasioned by the failure of NZClear.

5. Risks of Investing

General risks

Your investment in the Notes is subject to the following general risks:

Credit risk on Kiwibank

The main risk of holders not being able to recover in full their principal investment is that Kiwibank may become insolvent, may be placed in receivership, liquidation or statutory management or otherwise may be unable to and/or fail to make any payment. In that event, you might not recover all, or any of, your initial principal investment or receive the expected returns.

Secondary market risk

The Notes will be able to be traded through brokers on established 'over-the-counter' markets. However, there may be no active trading market and an investment in Notes may not be very liquid. In particular, the nature of 'over-the-counter' markets means there is no organised central location for investors to buy and sell Notes and it may be more difficult for brokers to find buyers and sellers for Notes at any time than it is in respect of highly liquid securities. Factors such as Kiwibank's creditworthiness, economic conditions, movements in market interest rates and regulatory change may impact the price and liquidity of the Notes in the secondary market.

Therefore, you may not be able to sell your Notes easily, at all, or at prices that will provide you with a return comparable to similar investments that have a developed and stable secondary market. You may receive less on a sale of your Notes than the full amount that you paid for them.

Specific risks relating to Kiwibank's creditworthiness

Kiwibank is exposed to risks that may affect its business and, as a result, its financial performance and creditworthiness over time.

Described below are the circumstances that Kiwibank is aware of that exist or could arise that significantly increase the risk that payments will not be made on the Notes. The assessment of these circumstances is based on Kiwibank's business as at the date of this Limited Disclosure Document. If the nature or scope of this business changes, other circumstances or events could give rise to this risk.

Kiwibank expects some of these risks to arise in the normal course of its business. When they do, this can lead to a loss, an increase in costs or a reduction in revenues. Kiwibank uses an enterprise risk framework to closely manage and escalate the reporting of these risks and in the normal course of business these risks are not expected to have a material adverse impact on Kiwibank.

However, unexpected circumstances can also arise, such as unexpected events affecting the economy, widespread defaults in a particular sector, financial markets ceasing to function properly, or if major projects at Kiwibank are significantly delayed or not completed. The occurrence of any such circumstance may make the risks more difficult to manage and the impact on Kiwibank can be more severe.

In more severe circumstances, a failure to manage these risks over a sustained period could mean that Kiwibank is not able to make payments on the Notes. In addition, a deterioration in the financial performance and creditworthiness of Kiwibank may adversely affect its credit ratings and/or the market price of the Notes.

Credit Risk

Credit risk is the risk of financial loss where a customer or counterparty fails to meet their contractual payment obligations. Kiwibank's credit risks arise from lending to customers and exposures to counterparties arising out of its treasury, financial market, international trade and underwriting activities.

Credit risks can impact Kiwibank through actual credit losses when a customer or counterparty fails to meet their payment obligations. It can also result in increases in credit impairment provisions due to changes in credit quality for the customer or counterparty resulting in changes in the estimates of Kiwibank's expected credit losses.

Increased credit risk arising from external factors

Factors such as deteriorating economic conditions, including higher inflation, interest rates and unemployment and declining property market valuations, and external events like extreme weather, natural disasters and pandemics, can impact the ability of customers and counterparties to meet their payment obligations and the value of property used as security. This may result in an increase in credit losses.

Climate-related credit risk

Credit risk may arise because of climate change where a physical climate-related event (like rising sea levels or a storm surge, flood, fire or drought) or the transition to a low-carbon, climate resilient economy:

- results in our customers or counterparties having reduced income or profitability or increased expenses (including due to repair and recovery costs, increased insurance expenses, managed retreat costs, new regulations and changing market and consumer preferences); or
- affects the value of property provided as security (including through direct damage, infrastructure withdrawal, reduced insurance availability or changing market perceptions).

Liquidity and funding risk

Liquidity risk is the risk that Kiwibank will not have sufficient funds available to meet its financial obligations as they fall due. Funding risk is the risk of loss of access to Kiwibank's funding channels, or a substantial increase in the cost of funding to Kiwibank.

Risks relating to Kiwibank's ability to access funding and its ability to meet liquidity needs

Kiwibank accesses domestic and global debt capital markets to fund its business, together with customer deposits. Amounts Kiwibank owes under its borrowing activities will be due at different times to amounts it receives under its lending activities. This mismatch gives rise to liquidity risk.

Disruptions, uncertainty or volatility in any debt capital markets may adversely affect Kiwibank's funding and liquidity position, increase the cost of funding, limit Kiwibank's ability to replace maturing liabilities in a timely manner or maintain a high-quality portfolio of liquid assets. Kiwibank's ability to raise funding may be adversely affected if its credit ratings deteriorate, due to matters either within or outside its control.

Operational Risk

Operational risk is the risk of loss due to inadequate or failed internal processes, people and systems or criminal activity. Operational risk can also arise from external events such as extreme weather, natural disasters, cyber-attacks or acts of terrorism.

Operational risk is inherent in Kiwibank's activities due to the range of products and services provided to customers. Inadequate practices to identify and

assess operational risk could lead to non-compliance, sanctions, fines/penalties and losses due to errors, compensation, internal and external fraud. This includes the heightened risk of failure of processes and systems during transformational change to those processes and systems.

Risks relating to Kiwibank's information technology systems

Most of Kiwibank's operations depend on technology. The reliability, resilience and security of Kiwibank's information technology systems and infrastructure are essential to the effective operation of its business.

Kiwibank's information technology systems and infrastructure could potentially be disrupted for reasons including technical failure, third party failure and human error. Kiwibank also faces external threats, such as cyber-attacks or other criminal activity, which may impact technology systems and operations. The growing sophistication and activities of organised crime have resulted in increased information security risks for banks including Kiwibank.

Any disruption to Kiwibank's information technology systems may result in business interruption, data loss or corruption, the loss of customers, reputational damage and the weakening of Kiwibank's competitive position, all of which could have an adverse impact on Kiwibank's financial performance and position.

Risks relating to fraud

Fraud is a complex and increasing risk due to the digitalising of bank services and the proliferation of new technology that creates more opportunities for external fraud to occur. It involves intentional acts or omissions designed to deceive others, causing significant harm to Kiwibank customers, resulting in financial losses, reputational harm and damage to customer trust.

Kiwibank has implemented measures to decrease the risk to Kiwibank and its customers of fraud. This includes investment in technology and operational improvements, engagement in industry wide initiatives, and continued education for both employees and customers. A dedicated team is focused on prevention, detection, and response to any instances of external fraud. However, fraudulent activities are becoming increasingly sophisticated, and remain a risk for Kiwibank.

External events may adversely impact Kiwibank's operations

Kiwibank is exposed to the risk of external events across the country through branch sites and its significant operations in Wellington, Auckland and Hastings. External events such as extreme weather, natural disasters, pandemics and other biological hazards may impact Kiwibank, including through business disruption and property damage. The risks of these events are increased due to climate change risks. This may adversely affect Kiwibank's financial performance and business continuity and may lead to reputational damage if Kiwibank is not able to manage the impacts of an external event.

Compliance Risk

Compliance risk is the risk of failing to understand and comply with relevant laws, regulations, licence conditions, supervisory requirements, self-regulatory industry codes of conduct and voluntary initiatives.

Risks relating to the extensive regulation of Kiwibank

Kiwibank's banking activities are subject to extensive regulation.

Kiwibank is unable to predict the nature of future regulatory change and its impact on Kiwibank. Implementing changes to meet new or amended regulations could result in additional cost. Further changes to regulations, including those affecting Kiwibank's required levels of capital, the size and composition of Kiwibank's liquid asset portfolio and/or the fees which Kiwibank can charge on the financial services it provides could have an adverse impact on Kiwibank's financial results or operations.

Failure to comply with laws, regulations or codes of practice (including in relation to consumer lending, money laundering, terrorist financing and sanctions) could result in regulatory enforcement actions, fines, penalties and proceedings brought by customers (including class actions). Such activities could cause loss for Kiwibank, adversely affect Kiwibank's regulatory or licensing status, or harm its reputation among customers and investors in the marketplace, and cause harm to Kiwibank's ability to do business and future prospects.

Strategic Delivery Risk

Kiwibank is making significant changes to the way it carries on business to reduce risks, improve customer experience and make the bank more resilient and adaptable. This will impact Kiwibank systems, processes, and people. Making these changes over the short-to-medium term depends

on the successful management and implementation of a significant amount of work. This includes enhancing Kiwibank's information systems and technology and transforming customer service delivery. The required changes are ongoing and complex, and are being implemented progressively. Carrying out these changes may take longer or cost more than planned. Failure to successfully carry out this work could have an adverse impact on Kiwibank's business, financial results, access to capital and competitive position.

6. Tax

New Zealand tax residents and non-residents that are engaged in business in New Zealand through a fixed establishment in New Zealand and either (1) hold the Notes for the purpose of that business or (2) are a registered bank in New Zealand will have resident withholding tax (**RWT**) deducted from the interest that is payable under the Notes, unless they have RWT exempt status on or before the record date for the relevant payment.

If you are subject to the deduction of RWT, you should provide the Note Registrar with your IRD number and your RWT rate. If you do not provide your IRD number, RWT will be deducted at the non-declaration rate of 45%. If you provide your IRD number, but not your RWT rate, RWT will be deducted at the default rate of 33% (or 28% if you are a company that is not a Māori authority).

Unless otherwise stated in the relevant final terms, if you are subject to the non-resident withholding tax rules in respect of the relevant payment, approved issuer levy will be deducted from payments to you in lieu of deducting non-resident withholding tax (except where you elect otherwise, or the payment of approved issuer levy will not reduce the rate of non-resident withholding tax to nil, or it is not possible under any applicable law, in which case non-resident withholding tax will be deducted). In the event of any change of law to the approved issuer levy regime, Kiwibank reserves the right not to pay the approved issuer levy described above. See the Note Deed Poll for further details.

In the relevant final terms, Kiwibank may undertake to pay the approved issuer levy on its own account, in which case Kiwibank will not deduct such approved issuer levy from interest payments to you on the Notes. Notes may also be subject to early redemption for tax reasons as described in section 4 of this document (Key Features of the Notes).

If, in respect of any of your Notes, the Paying Agent or Kiwibank becomes liable to account for withholding taxes, or make any payment of, or on account of, tax payable by you, then the Paying Agent and Kiwibank shall be indemnified by you in respect of such liability. See the Note Deed Poll for further details.

There may be other tax consequences from acquiring or disposing of the Notes.

If you have any queries relating to the tax consequences of an investment in the Notes, you should obtain professional advice on those consequences.

The above generalised summary is based on the taxation laws in force in New Zealand as at the date of this document. Future changes to these or other laws may affect the tax consequences of an investment in the Notes.

7. How to Complain

Complaints about the Notes can be directed to Kiwibank at:

Head of Funding
Kiwibank Limited
Level 9, 20 Customhouse Quay
Wellington 6011

Tel: (04) 439 6932

Email: kiwibanktreasury@kiwibank.co.nz

Kiwibank is also a member of the Banking Ombudsman Scheme, which is an approved dispute resolution scheme. Complaints about the Notes can be directed to the scheme at:

Banking Ombudsman
Freepost 218002
PO Box 25327
Featherston Street
Wellington 6140

Tel: 0800 805 950

The Banking Ombudsman Scheme will not charge a fee to any complainant to investigate or resolve a complaint.

Complaints may also be directed to the Financial Markets Authority through its website at www.fma.govt.nz.

8. Where You Can Find More Information

Auckland 1010

Tel: (09) 375 5998

Email: enquiries@linkmarketservices.co.nz

Further information relating to Kiwibank and the Notes is available on the offer register at disclose-register.companiesoffice.govt.nz (Offer number OFR12714). A copy of information on the offer register is available on request to the Registrar of Financial Service Providers.

Further information about Kiwibank is contained in Kiwibank's most recent disclosure statement (which includes Kiwibank's most recent financial statements (consolidated for the Banking Group)). Kiwibank's most recent disclosure statement, and other information about Kiwibank, can be found online at www.kiwibank.co.nz/about-us/governance/legal-documents-and-information/legal-documents/.

Enquiries about the Notes can be made, and copies of the Note Deed Poll and further copies of this document can be obtained free of charge, on request, by contacting the Note Registrar (see section 10 of this document (Contact Information)).

9. How to Apply

You may apply for Notes by contacting Kiwibank (see section 10 of this document (Contact Information)) or any arranger or lead manager appointed in relation to an offer of Notes from time to time.

10. Contact Information

Issuer

Kiwibank may be contacted at:

Head of Funding
Kiwibank Limited
Level 9, 20 Customhouse Quay
Wellington 6011

Tel: (04) 439 6932

Email: kiwibanktreasury@kiwibank.co.nz

Note Registrar

The Note Registrar may be contacted at:

MUFG Pension & Market Services (NZ) Limited
Level 30, PwC Tower
15 Customs Street West