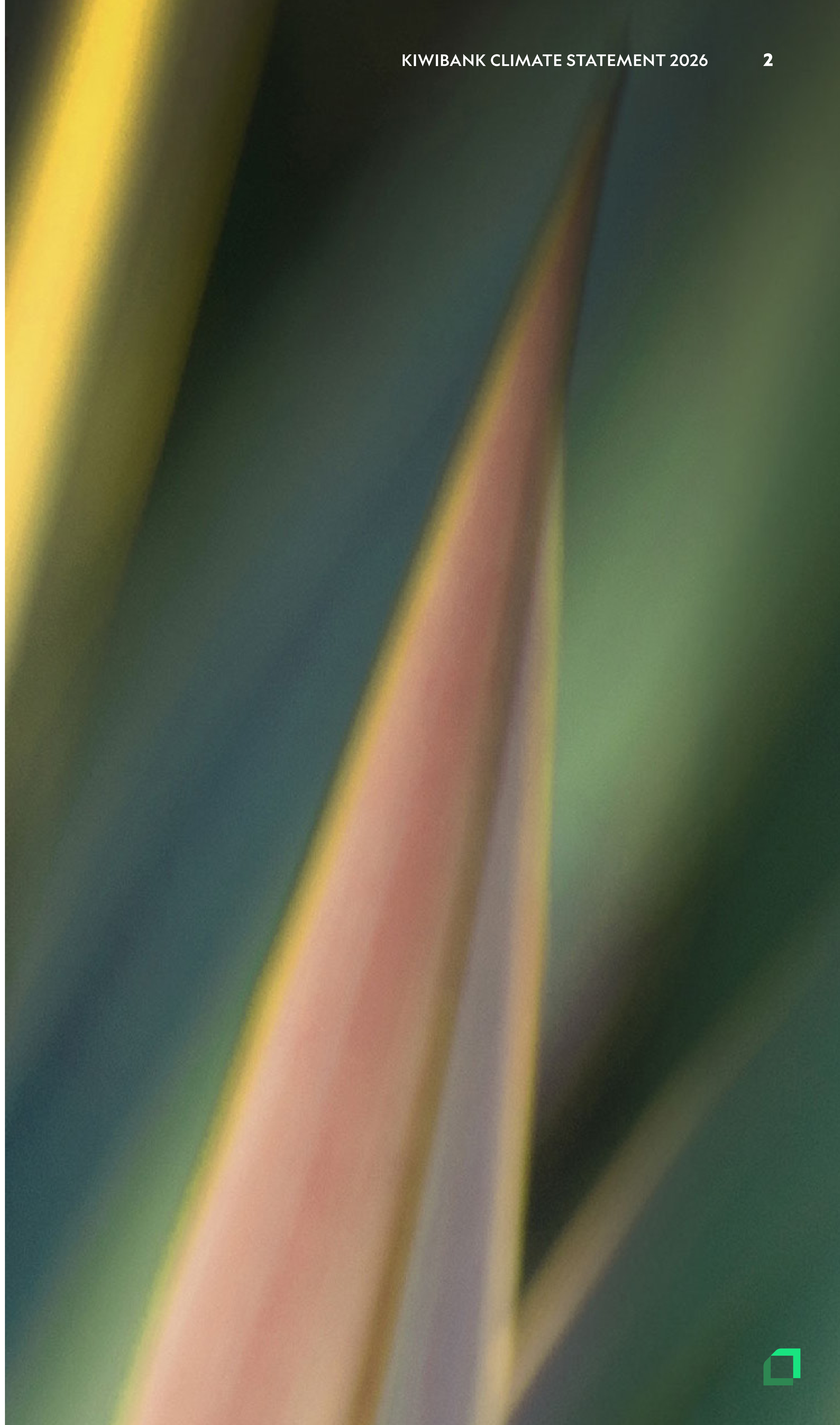
Kiwibank Climate Statement

2026

Contents

The design of this report is inspired by the native harakeke (flax) plant. In te ao Māori (the Māori worldview), pā harakeke (clusters of flax) symbolise a thriving whānau (family) and community. The outer leaves represent ancestors and grandparents. The inner leaves are the parents protecting and nurturing the central shoots, which are the tamariki (children) reaching for the sun. The harakeke symbolises how we will support Kiwi to thrive. It represents our past that has made us who we are today, and our ambitious future.

We use some kupu Māori (Māori words) throughout the report. We provide the English language equivalent of these kupu on their first use in this report, and use only the kupu Māori, without the English language equivalent, thereafter. Kupu Māori used are included in the Glossary on pages 57 - 58.



About this report

Statement of compliance

This is the group Climate Statement for Kiwibank Limited and its controlled entities (**Kiwibank Group**) for the year ended 30 June 2026.

For the purposes of this Climate Statement, Kiwibank's controlled entities are Kiwibank Investment Management Limited, the Kiwibank PIE Unit Trust, the Kiwibank RMBS Trust Series 2009-1 and the Kiwi Covered Bond Trust (**Subsidiaries**). Unless the context requires otherwise, references to 'Kiwibank', 'we', 'our' and 'us' in this Climate Statement are references to Kiwibank and its Subsidiaries.

This Climate Statement complies with the Aotearoa New Zealand Climate Standards (**NZ CS**) issued by the External Reporting Board.

Susan Ruth Peterson
Chair

24 September 2026

Mary Jane Daly
Director

24 September 2026

Use of adoption provisions

In preparing this Climate Statement, Kiwibank has elected to apply the following adoption provisions in accordance with NZ CS 2:

Table 1 – Use of adoption provisions

Adoption provision (from NZ CS 2)	Description	Paragraphs of NZ CS exempted from
Adoption provision 2: Anticipated financial impacts	This exempts Kiwibank from disclosing in its third reporting period the anticipated financial impacts of the climate-related risks and opportunities it reasonably expects. Kiwibank has elected to use this exemption with respect to the requirements to disclose quantitative information about the anticipated financial impacts of the climate-related risks and opportunities we reasonably expect, and the time horizons over which any anticipated financial impacts could reasonably occur.	NZ CS 1, paras 15(b), (c) and (d)
Adoption provision 4: Scope 3 greenhouse gas emissions	This exempts Kiwibank from disclosing in its third reporting period its greenhouse gas emissions (referred to from here as "emissions") in metric tonnes of carbon dioxide equivalent (**tCO_2e**) classified as Scope 3. Kiwibank has elected to use this exemption with respect of some sources of Scope 3 emissions. These are explained on page 26 and in Table 20 on pages 43 – 44.	NZ CS 1, para 22(a)(iii)
Adoption provision 5: Comparatives for Scope 3 greenhouse gas emissions	This exempts Kiwibank, in circumstances where it relied on adoption provision 4 in its second reporting period, from providing comparative information for Scope 3 emissions in its third reporting period. Kiwibank has included one year of comparative information for those categories of Scope 3 emissions that it reported on for the first time in its second reporting period. This year it has disclosed additional categories of Scope 3 emissions, for which one year of comparative information is also disclosed.	NZ CS 3, para 40
Adoption provision 7: Analysis of trends	This exempts Kiwibank from disclosing in its third reporting period an analysis of the main trends evident from a comparison of Scope 3 emissions from previous reporting periods to the current reporting period, where it has previously relied on adoption provision 4. Kiwibank has included an analysis of trends for those categories of Scope 3 emissions it has reported on in its second reporting period.	NZ CS 3, para 42
Adoption provision 8: Assurance of greenhouse gas emissions disclosures	This exempts Kiwibank from the requirement for its Scope 3 emissions to be subject to an assurance engagement for an accounting period ending before 31 December 2027. Kiwibank elects to apply this adoption provision to the financed emissions disclosed for the first time in this reporting period, as well as those sources of Scope 3 emissions we are not reporting in FY26.	NZ CS 3, para 26(a)(i)

This Climate Statement includes sections corresponding to each of the four main sections of NZ CS 1, being Governance, Strategy, Risk Management, and Metrics and Targets. However, this Climate Statement addresses the four mandatory sections in a different order to the way in which they are presented in NZ CS 1, to support readability. In some instances, disclosures within each section have been reordered also.

Important information

This report is for the year ended 30 June 2026

The report relates to the period from 1 July 2025 to 30 June 2026. Where this report refers to a year expressed as, for example, "FY26", it means the Kiwibank financial year ending on 30 June of that year. All monetary figures in this report are in New Zealand dollars.

This report is not an offer document

This report is not an offer document and is not an offer, invitation or investment recommendation to invest in securities issued by Kiwibank. Nothing in this report should be taken as investment, legal, financial, tax, or other advice.

Climate-related information

Due to limited data availability, some of the disclosures in this report are informed by qualitative judgements only. Some disclosures rely on the accuracy and completeness of third-party data sources and methods of analysis. Specific information about methods and assumptions and data and estimation uncertainty and other limitations underlying the disclosures in this Climate Statement is included in the Appendices on pages 34 - 53.

Forward-looking statements

This report may contain forward-looking statements, including in relation to Kiwibank's climate-related risks and opportunities, targets and ambitions, scenario and transition planning, emissions and adaptation pathways. This report may also include statements about things that we believe or expect will happen in the future, or steps that we intend to take. We use this type of language to signal those forward-looking statements:

Aim	**Estimate**	**Intend**	**Plan**	**Target**
Anticipate	**Expect**	**Likelihood**	**Project**	**Will**
Believe	**May**	**Seek**	**Could**	**Goal**
Pathway	**Should**	**Would**		

The forward-looking statements in this report are based on estimates, projections and assumptions made by Kiwibank about circumstances and events that have not yet occurred. Although Kiwibank considers these estimates, projections and assumptions to be reasonable, they are inherently uncertain and are subject to significant risk. Therefore, Kiwibank cautions reliance being placed on these forward-looking statements and they should not be regarded as a representation or warranty by Kiwibank or any of its directors, officers, employees or advisers or any other person that those forward-looking statements will eventuate or be achieved or that the assumptions underlying the forward-looking statements will in fact be correct. Whether or not Kiwibank meets targets, commitments or intentions expressed in this report is subject to known and unknown risks and uncertainties and will depend on a number of factors outside Kiwibank's control. This includes but is not limited to global pathways taken, government policy, regulatory and economic factors, and actions of our customers. It is likely that actual results will vary from those contemplated by these forward-looking statements and such variations may be material.

Kiwibank does not promise to revise or update the statements and opinions in this report if events or circumstances change.

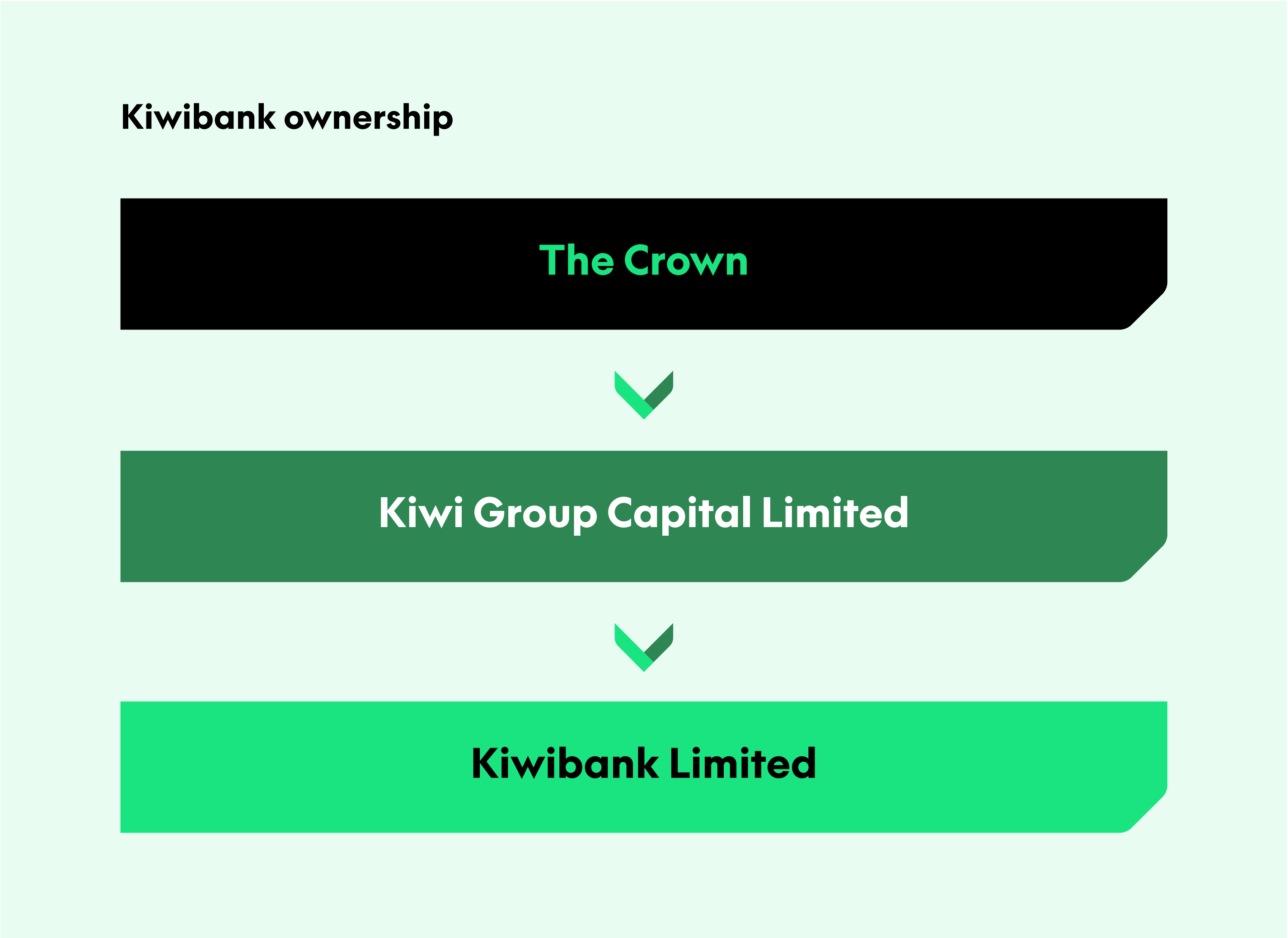
Strategy
Rautaki

Introducing Kiwibank

Kiwibank is the largest Aotearoa New Zealand-owned bank, with approximately $44.9 billion in total assets.[1] Our founding vision was for Aotearoa New Zealand to have a real, relevant and credible alternative to offshore-owned banks. That informs our work and is reflected in our Purpose of Kiwi making Kiwi better off.

Kiwibank's ultimate holding company, Kiwi Group Capital Limited, is 100% owned by the Crown.[2] We are also a **Certified B Corporation**.

Fig. 1



Kiwibank's business model

Kiwibank operates a nationwide retail and business bank for personal customers and businesses. Our core product offerings include transactional products and services, savings accounts, credit cards and a range of lending solutions including home loans, commercial loans, asset finance and trade finance.

Kiwibank provides access to banking through digital channels, supported by a nationwide branch network (including our Local for Kiwibank service agents) and Aotearoa New Zealand contact centre. We also offer access to specialists via our branches, Business Hubs, a network of mobile mortgage specialists and third-party mortgage advisers.

Kiwibank's Purpose and strategy

Our Purpose is *Kiwi making Kiwi better off*. As a New Zealand-owned bank that keeps profits in New Zealand, this Purpose underpins our business model and strategy. In FY26, we refreshed the focus areas for our Purpose to be:

- **Kiwi:** We drive and motivate positive financial choices and support Kiwi to build resilience
- **Aotearoa:** We challenge the status quo to make the banking system fairer.

Our ambition is to be Customers' 1st Choice and to double our impact and presence in the market by 2030. To achieve this, we aim to be more visible, relevant, and valuable in the everyday lives of Kiwi – showing up as a purpose-led bank that helps customers achieve their financial goals and wellbeing.

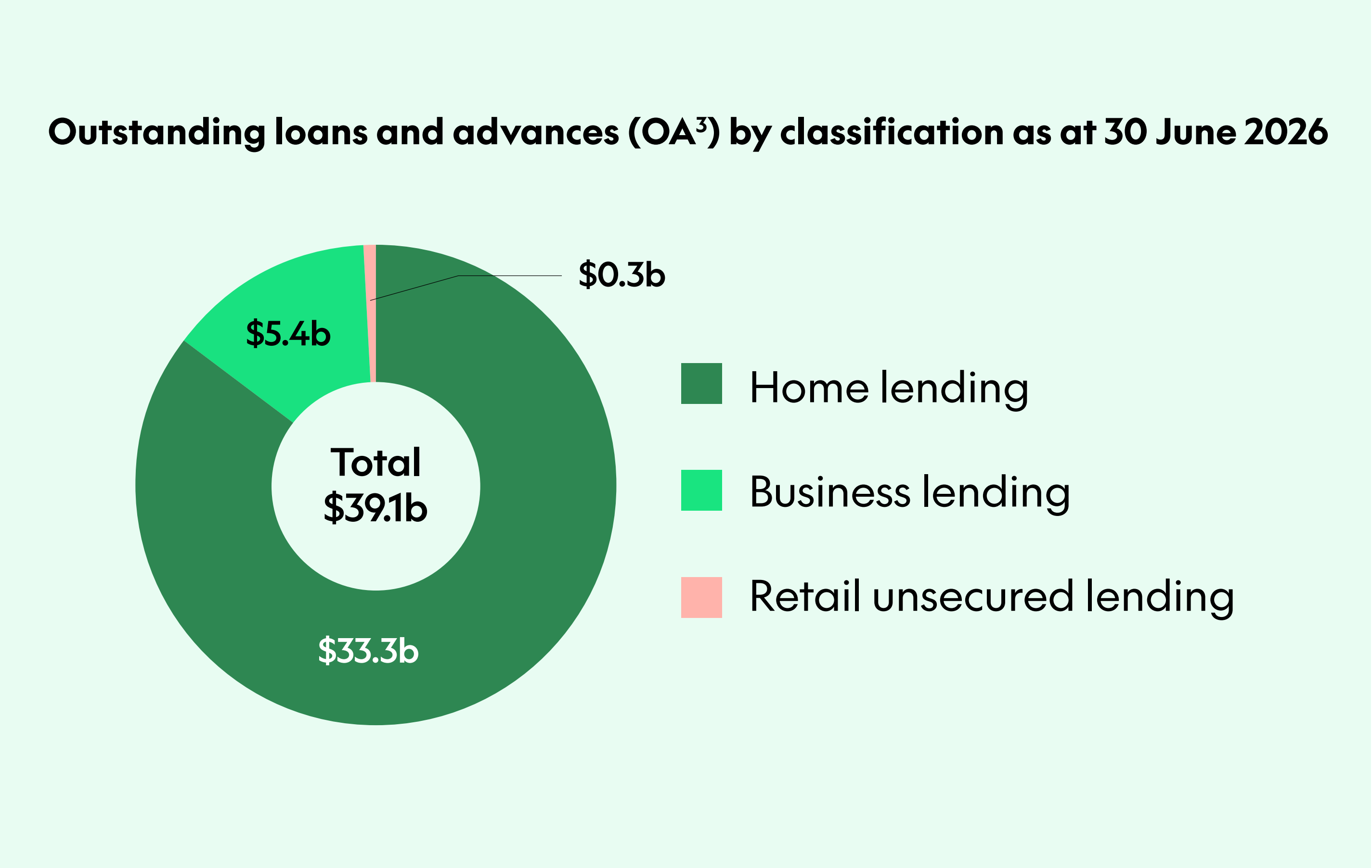
To be Customers' 1st Choice, we are focused on the following:

- Easy – Our customers can easily and quickly get things done
- Accessible – Our customers can reach us when and how they need us
- Expert – Our customers trust our expertise
- Care – Our customers feel understood and cared for

Kiwibank's lending portfolio

Kiwibank had an 8.1% share of the retail home lending market and a 4.7% share of the business lending market across Aotearoa New Zealand as at 30 June 2026. Institutional and agricultural lending were not part of our core business proposition in FY26.

Fig. 2



[1] Total assets of the Kiwibank Group as at 30 June 2026.
[2] Kiwibank's obligations are not guaranteed by the Crown, but eligible deposits are covered by the Depositor Compensation Scheme ('DCS') which came into effect on 1 July 2025 (under The Deposit Takers Act 2023).
[3] Outstanding loans and advances (OA) means the total amount of gross loans and advances Kiwibank has made to customers. The definition has been chosen to align with the Loans and Advances note of the Kiwibank Disclosure Statement.

Introducing Kiwibank *continued*

Transition plan aspects of our strategy

In FY26, we have continued to build out the aspects of our strategy for mitigating and adapting to the effects of climate change, and transitioning to a low-carbon, climate-resilient future (our **Transition Plan**). While our FY25 Climate Statement indicated an expectation that our Transition Plan would be finalised in FY26, we now expect that will happen in FY27. We continue work to determine our strategic response to the material climate-related risks and opportunities we have identified, including the alignment of actions and targets and how our business model and strategy might change. We address risks and opportunities through our risk management tools described in Table 6 on pages 20 - 22.

We have not linked our internal capital deployment and funding decision-making processes to the transition plan aspects of our strategy.

A summary of our FY26 progress is below.

FY26 Progress

We have continued to position Kiwibank for its transition to a low-emissions, climate-resilient future by conducting resilience-focused analysis and workshops and implementing updated climate-related targets and products. The most material of these are described below.

- **Purpose outcome focused on resilience.** This year, we have refreshed our Purpose goals and introduced a new Purpose outcome to support Kiwi to build resilience, emphasising the role we want to play in supporting Kiwi to build climate resilience.
- **Consideration of strategic resilience and analysis of actions in relation to climate-related risks and opportunities.** In April 2026, we conducted a workshop with senior management across the business to identify the foundational assumptions that underpin our current business model and consider how those assumptions may change as a result of climate-related changes and impacts in the future. This was followed up with a session with management's Executive Committee (**ExCo**) in May, to consider what a climate resilient Kiwibank could look like in 2050. A progress update outlining how Kiwibank is currently responding to material climate-related risks and opportunities was also presented to our Audit and Risk Committee (**ARC**) in May. In June, ARC members met to discuss our long-term strategic approach in relation to climate change and inform the development of our strategic intent for transition planning.
- **Purchase of carbon offsets.** In FY26, to support our aim of carbon neutrality, we purchased carbon credits to offset our Scope 1, 2 and 3 operational emissions, minus our employee commuting. See page 25 for further information.
- **Products.** Sustainable finance is one of our most material climate-related opportunities identified in Table 3. More information on Kiwibank's sustainable finance opportunity and activity is on pages 28 - 29. We had identified risks to customers arising from reliance on natural gas and other fossil-fuel based energy sources and at the end of FY26 we launched a new Sustainable Business Loan category for the electrification of plant, machinery, equipment and infrastructure to help customers transition away from fossil fuels. We are looking forward to supporting our business customers to access further decarbonisation opportunities through the New Zealand Government Gas Transition Loan Guarantee Scheme in FY27 and beyond.
- **Increasing Environmental, Social and Governance (ESG) risk maturity.** We have had a Responsible Business Policy (**RBP**) in place since FY21. More information on our RBP, including detail about certain sectors identified as Excluded or Sensitive, is on page 21. The RBP supports ESG and climate transition risk awareness in credit decisioning and informs our decisions about which customers we will lend to, or the basis on which we will lend in sectors that carry ESG risks. Our Climate and ESG Advisory team continues to analyse sectors with heightened transition risk and in FY26 have supported credit analysis in relation to potential transactions where there appear to be higher than usual ESG (including climate) risks.
- **Financed emissions measurement.** We have continued to evolve our financed emissions measurement capabilities. For the first time, we are able to publish significant parts of our financed emissions in this Climate Statement. Refer to pages 26 - 27 for more details. This new data shows that our financed emissions represented by customer Scope 1 and 2 emissions comprise 97.5% of our total measured emissions.
- **Exploratory work on climate-driven insurance-related risks.** In FY26 we initiated initial cross-functional work to explore possible responses to various scenarios around the insured status of properties that secure our home lending. This exploratory work relates to the risk we have identified in Table 2 in relation to access to insurance.

The current impacts of climate change on Kiwibank

Kiwibank has not experienced any material physical or transition climate-related impacts during FY26.

While Kiwibank itself has not experienced material climate-related impacts generally, we acknowledge the ongoing impacts our customers experienced as a result of climate-related events. FY26 has seen an unprecedented level of weather events and severe weather warnings, particularly early in 2026, with regions all around Aotearoa New Zealand impacted. Kiwibank activated its customer care processes to support customers impacted by the North Island weather events in January 2026 and responded to a small number of requests for support.

Kiwibank's climate-related risks and opportunities, and their anticipated impacts

Our scenario analysis process and approach to identification of climate-related risks and opportunities

Tables 2 and 3 (pages 9 - 12) present Kiwibank's key climate-related risks and opportunities, the time horizons over which we estimate they may arise, and the anticipated categories of impact if these risks or opportunities materialise. We have not quantified financial impacts in FY26, relying on adoption provision 2.

Kiwibank uses scenario analysis to inform the identification and assessment of climate-related risks and opportunities.

In FY25, we conducted a full scenario analysis exercise and updated Kiwibank's material climate-related risks and opportunities across the short, medium and long term. The process involved workshops with senior leaders from across the bank. Our climate scenarios were created drawing from scenario frameworks and modelling, scientific literature and current affairs, with physical hazard data downscaled domestically (but not to a portfolio level).

In FY26, we tested the key assumptions and driving forces underpinning our scenarios and confirmed that they remain plausible, challenging and relevant to Kiwibank. After this process was complete, scientific consensus shifted regarding the assumptions underlying Representative Concentration Pathway (**RCP**) 8.5 and Shared Socioeconomic Pathway (**SSP**) 5-8.5, which are no longer generally considered plausible. While our Hothouse World scenario references SSP5-8.5, it relies largely on qualitative analysis and is based on a range of data (including New Zealand Climate Projections Dataset (SSP3-7.0)), and the potential impacts of climate tipping points. We therefore are comfortable that our Hothouse World scenario remains relevant for FY26 despite this shift in scientific consensus.

Further detail about our scenario analysis process is outlined on pages 34 - 35.

In FY26, senior members of our risk and strategy teams responsible for key risk identification, assessment and management tools outside scenario analysis were also given an opportunity to contribute to an updated set of climate-related risks and opportunities. The risks disclosed in Table 2 include minor updates from FY25. These updates are primarily to clarify the various types of climate hazards considered qualitatively in scenario analysis and to reflect the increasing visibility of insurance retreat, and its potential impact on property values.

Our climate-related risks and opportunities identification process is subject to uncertainty about how climate change will unfold, and the global and domestic transition pathways that may influence the nature, timing and magnitude of future climate-related events.

As a lender, climate-related risk could materially impact Kiwibank through increasing credit risk within our lending portfolios. Our exposure and vulnerability to this credit risk depends on how physical and transition risks affect customers' resilience and ability to meet their financial obligations to us. In turn, that depends on factors such as the physical attributes of sites and buildings, loan-to-value ratios, household income, business performance and insurance coverage.

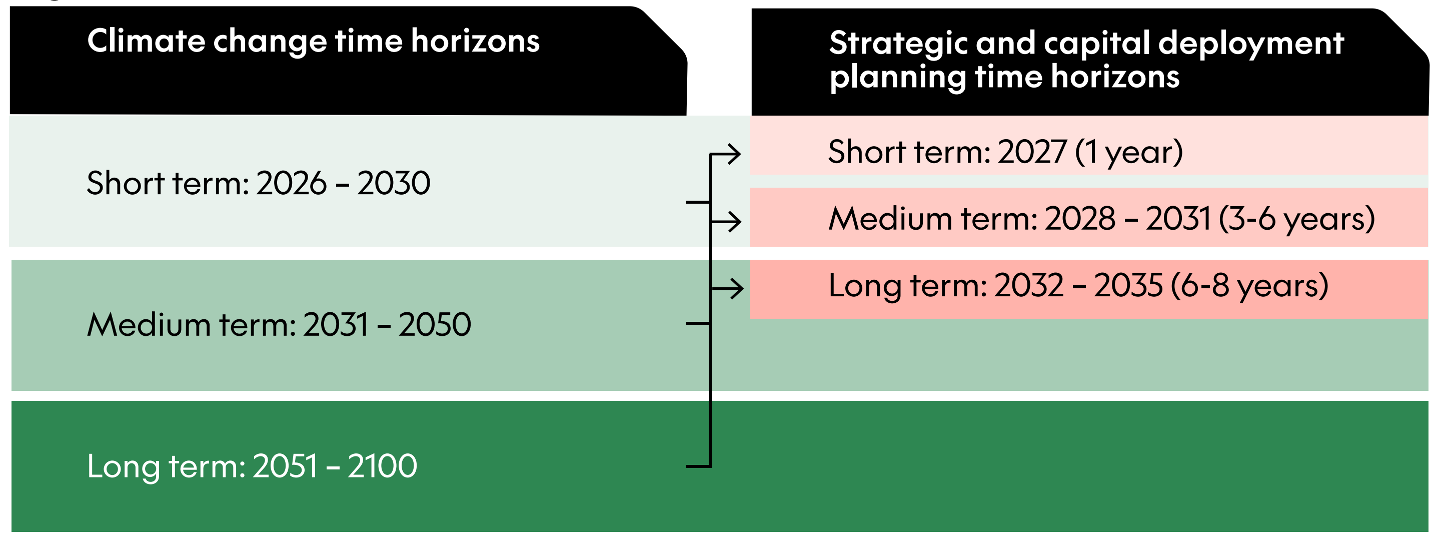
For many climate hazards, we do not have sufficient data to conduct a full risk assessment against Kiwibank's lending portfolios and business strategy. Our physical risk metrics help us identify exposure of our portfolio secured by residential property to inland flooding and coastal flooding hazards only.

We manage climate-related drivers of credit risk through a range of measures. The RBP described on page 21 is a tool for managing transition risk in our business lending portfolio. For residential lending, our main control for physical climate-related risk is ensuring insurance is in place at loan origination. Table 6 on pages 20 - 22 outlines our broader approach to identifying, assessing and managing climate-related risks more generally.

Our climate change time horizons and their link to our strategic planning horizons and capital deployment plans

Our climate change time horizons are defined in the first column of Fig. 3 below.

Fig. 3



Our short-term climate change time horizon aligns with our short- and medium-term strategic and capital deployment planning time horizons. Our medium-term climate change time horizon reflects the typical term of our home loans.

Risks and opportunities as inputs to Kiwibank's capital deployment and funding decision-making processes

To date, our climate-related risks and opportunities and transition planning have not been fully integrated into, or fully aligned with, our funding and internal capital deployment processes.

Kiwibank allocates capital and funding to support the provision of sustainable finance products to customers as a step towards addressing the climate-related opportunity in that area. See Table 3 on page 12 and page 28 and 32 for more information.

We integrate climate transition risks into certain business lending decision-making processes through our RBP.

Kiwibank's climate-related risks and their anticipated impacts

Table 2

Category	Risk	Description	Type	Time horizons			Anticipated impacts on Kiwibank
				S 2026 - 2030	M 2031 - 2050	L 2051 - 2100	
Credit	Customers fail to meet their obligations to Kiwibank	Customers' ability to meet financial obligations could be impaired by the increasing frequency and intensity of a range of physical climate impacts. Physical climate impacts may affect Kiwibank through customers' exposure to climate-related hazards such as sea level rise, increased numbers of hot days, drought, landslides, flooding, and wildfire (at a national, not regional level). Some of these hazards may arise in the short and medium term in any climate scenario but there will be an increase in intensity and frequency in these hazards over time, with impacts becoming more severe in higher temperature scenarios in the long term. The hazards noted above were considered qualitatively during scenario analysis separately from the physical risk metrics relating to inland and coastal flooding hazards (which relate only to our lending secured by residential property). See pages 29 - 30 for further information. **This could result in risk to Kiwibank of customer default and security devaluation, where customers fail to make payments when due and/or the property we take security over declines in value.**	Physical	●	●	●	▪ Increased credit losses ▪ Increased provision for potential credit losses ▪ Decreased operating income
	Customers fail to meet their obligations to Kiwibank	Customers' ability to meet financial obligations could be impaired by climate-related transition impacts (for example carbon pricing, new regulations, customer preferences, technology and market changes). These risks are expected to be the most material in the short- and medium-term in scenarios where transition happens rapidly in the near term or more abruptly in the medium term. **This could result in risk to Kiwibank of customer default and security devaluation, where customers fail to make payments when due and/or the property we take security over declines in value.**	Transition	●	●	–	▪ Increased credit losses ▪ Increased provision for potential credit losses ▪ Decreased operating income
	Access to insurance	Insurance premiums are already rising as physical climate impacts become more frequent and severe (and/or if they are expected to become more severe) and new insurance is becoming harder to obtain for some properties. Insurance premiums are also increasing as insurance companies increasingly adopt risk-based approaches to pricing. These trends are expected to continue and increase. We therefore categorise this risk as both a physical and transition risk. Customers may remove their coverage or reduce their coverage and increase their excess to keep costs manageable. Obtaining insurance may become increasingly difficult, or even impossible, as risks increase. These factors, when combined with the growing risk of extreme physical climate events, could increase the likelihood that customers become underinsured and insurance pay-outs do not fully cover climate-related property damage. As a result, some customers may face difficulties affording property repairs, maintenance and mortgage repayments. It may become more difficult for these customers to sell a property which has become unaffordable to insure or maintain. Insurance market dynamics are of structural importance for residential property values (see Property market decline risk below). **This could result in risk to Kiwibank of customer default and security devaluation, where the property we take security over declines in value due to damage not being repaired, or as a result of insurance becoming unavailable or unaffordable.**	Physical	●	●	●	▪ Increased credit losses ▪ Increased provision for potential credit losses ▪ Decreased operating income
			Transition	●	●	–	

Table continued on next page

Kiwibank's climate-related risks and their anticipated impacts *continued*

Table 2 *continued*

Category	Risk	Description	Type	Time horizons			Anticipated impacts on Kiwibank
				S 2026 - 2030	M 2031 - 2050	L 2051 - 2100	
Credit and Strategic	Property market decline	Climate change impacts could cause property value decline. There are a number of potential drivers for this risk, including insurance retreat, and local or national government policy or practice changes (e.g. in relation to managed retreat). Property values can also decline when they are identified as being exposed to climate hazards as well when properties experience direct physical damage due to climate change fuelled events (e.g. floods). In the long-term, Kiwi could view residential property as a less secure investment, prompting a shift toward alternative asset classes. **This could result in risk to Kiwibank of reduced home lending demand. It could also result in risk to Kiwibank of security devaluation, where the properties we take security over decline in value.**	Physical	●	●	●	▪ Increased credit losses ▪ Increased provision for potential credit losses ▪ Decreased operating income ▪ Decreased ability to deliver on our strategy
	Abandoned securities	Kiwibank may provide lending secured by residential or commercial property that is damaged by acute or chronic climate hazards, and/or later abandoned – either voluntarily or through government-led managed retreat. **This could result in risk to Kiwibank if it holds security over abandoned properties that experience devaluation, increasing the likelihood of customer default.**	Physical	–	●	●	▪ Increased credit losses ▪ Increased provision for potential credit losses ▪ Decreased operating income ▪ Decreased public trust and confidence in Kiwibank
	Access to climate data	Kiwibank's technology platforms could, over time, inhibit how efficiently it can integrate climate data and insights for decision-making. It also could become difficult to access adequate third-party climate data to inform decision-making, if climate change effects unfold more quickly or intensely than data providers can keep up with. **This could result in risk to Kiwibank of compromised strategic and risk management decision-making, potentially increasing Kiwibank exposure to climate-related risk over time.**	Physical	–	●	●	▪ Increased credit losses ▪ Increased provision for potential credit losses ▪ Increased operating expenses ▪ Decreased market share and operating income ▪ Decreased ability to deliver on our Purpose
			Transition	●	●	–	
Funding and Capital	Funding and capital availability and/or cost	Successive intense climate events could negatively impact the credit rating of Kiwibank or Aotearoa New Zealand. Even if credit ratings are not affected, depositors and investors may be less willing to choose Kiwibank, and/or may only do so at a higher cost to Kiwibank. This could arise if Aotearoa New Zealand, and/or Kiwibank itself, is perceived as being subject to significant climate-related risk. **This could result in risk to Kiwibank of reduced access or higher cost of capital and/or funding.**	Physical	–	●	●	▪ Constrained lending growth ▪ Increased funding costs ▪ Decreased operating income ▪ Decreased ability to deliver on our Purpose
Liquidity	Illiquidity	The increasing frequency and severity of physical climate impacts, along with evolving transition impacts, could lead to instability in global capital markets. This may result in credit rating downgrades to and/or reduced liquidity of Kiwibank's existing liquid assets. Kiwibank may be forced to acquire additional liquid assets, which may be more expensive and/or scarcer. **This could result in increased liquidity risk to Kiwibank, where we may have difficulty meeting our regulatory requirements, and/or not have ready access to the cash and/or liquid assets needed to meet our financial obligations.**	Physical	–	●	●	▪ Decreased value of liquid assets ▪ Losses on the sale of liquid assets ▪ Additional cash flow required to purchase new liquid assets ▪ Decreased operating income
			Transition	●	●	–	

Table continued on next page

Kiwibank's climate-related risks and their anticipated impacts *continued*

Table 2 *continued*

Category	Risk	Description	Type	Time horizons			Anticipated impacts on Kiwibank
				S 2026 - 2030	M 2031 - 2050	L 2051 - 2100	
Financial crime	Increased fraud, scams and cyber attacks	The physical impacts of climate change and transition-related market disruptions could increase the frequency of and customer vulnerability to fraud, scams, and cyber-attacks. This could occur as malicious parties seek to take advantage of adversely affected people (for example, by impersonating insurance companies to obtain customer payment information). These could negatively affect our customers if we are unable to prevent fraudulent transfers or protect customer funds effectively. **This could result in risk to Kiwibank of service disruption, reduced operating capacity, poor customer outcomes, compliance failures and reputational damage.**	Physical	–	●	●	▪ Customer remediation costs ▪ Decreased public trust and confidence in Kiwibank ▪ Decreased ability to deliver on our Purpose
			Transition	●	●	–	
Operational	Operational disruption	More frequent and intense climate events could disrupt our branch sites, offices, data centres and online systems. These events could also significantly impact **kaimahi** (our people). **This could result in risk to Kiwibank of service disruption, reduced operating capacity, poor customer outcomes, compliance failures and reputational damage.**	Physical	–	●	●	▪ Decreased customer service levels ▪ Remediation and repair costs ▪ Litigation costs ▪ Regulatory penalties ▪ Decreased public trust and confidence in Kiwibank ▪ Decreased ability to deliver on our Purpose
Strategic	Transition strategy	As the world transitions to a low-carbon economy, Kiwibank will need to align with evolving expectations of investors, customers, regulators and wider communities. Negative perception could result from Kiwibank transitioning either: ▪ too quickly – including if Kiwibank is perceived as less competitive as a result of the transition choices it makes, or ▪ too slowly – including negative perception if Kiwibank lends: – to industries that are themselves perceived as having a negative climate impact, or – on properties with a high physical risk profile, or ▪ if Kiwibank misses opportunities that competitors take advantage of, or ▪ Kiwibank could also be viewed negatively, and/or as greenwashing, if it does not meet its stated climate targets or transition ambitions. **These could result in risks to Kiwibank of reputational damage, conflict with our Purpose and give rise to legal action.**	Transition	●	●	–	▪ Decreased public trust and confidence in Kiwibank ▪ Decreased market share ▪ Potential exposure to litigation ▪ Decreased ability to deliver on our Purpose

Kiwibank's climate-related opportunities and their anticipated impacts

Table 3

Category	Opportunity	Description	Type	Time horizons S 2026 - 2030	M 2031 - 2050	L 2051 - 2100	Anticipated benefits for Kiwibank
Products, Services and Markets	New products and markets	Kiwibank could introduce new sustainable lending products as the market for such products grows with the transition. Kiwibank's offering could incentivise customers (and/or support them) to: ▪ reduce emissions and transition to clean, efficient energy sources ▪ build resilience to physical climate hazards ▪ strengthen business adaptability in the face of transition challenges.	Physical	●	●	●	▪ Increased operating income ▪ Increased market share ▪ Increased public trust and confidence in Kiwibank ▪ Increased ability to deliver on our Purpose
			Transition	●	●	–	
	Supporting customers to transition	Kiwibank could provide guidance and support to customers on emissions reduction, transition pathways and building resilience to climate-related risks. This could be delivered directly or through strategic partnerships. This could support Kiwibank's customers with their own low-carbon, climate-resilient transition.	Physical	●	●	●	▪ Increased public trust and confidence in Kiwibank ▪ Increased ability to deliver on our Purpose
			Transition	●	●	–	
Advocacy and Engagement	Advocating for climate data sharing	Kiwibank could advocate for climate risk data and information to be freely publicly accessible, as it improves. In this way Kiwibank could support businesses, consumers and property owners to make climate-risk-informed decisions, contributing to a more orderly and equitable retreat from high-risk areas.	Physical	●	●	●	▪ Increased public trust and confidence in Kiwibank ▪ Increased ability to deliver on our Purpose

Climate scenario analysis

Climate scenario narratives

Table 4

<table>
<tr><th rowspan="2"></th><th colspan="5">Orderly – 1.4°C at 2100</th><th colspan="5">Too Little, Too Late – 2.7°C at 2100</th><th colspan="5">Hothouse World – 4.4°C at 2100</th></tr>
<tr><td>Physical risk
Low to moderate</td><td>Transition risk
High to moderate to low</td><td>Climate policies
Immediate and sustained</td><td>Insurance
Available and affordable</td><td>Consumer preferences
Electric machines, EVs, solar</td><td>Physical risk
Moderate to high</td><td>Transition risk
Low to high</td><td>Climate policies
Delayed, rapid, insufficient</td><td>Insurance
Prices rise and insurers retreat</td><td>Consumer preferences
Resilience, adaptation, safety</td><td>Physical risk
Moderate to extreme</td><td>Transition risk
Very low</td><td>Climate policies
Minimal to none</td><td>Insurance
Unaffordable then unavailable</td><td>Consumer preferences
Survival, safety, security</td></tr>
<tr><td>Description</td><td colspan="5">Early, decisive and coordinated global climate action limits temperature rise to 1.4°C by 2100. This scenario features high transition risk in the short term as the economy adjusts to aggressive decarbonisation policies, but lower physical risk over the long term as the worst climate outcomes are avoided.</td><td colspan="5">Global efforts towards Net Zero by 2050 are inconsistent. Aotearoa New Zealand delays climate action until 2030, then undergoes a rapid, reactive decarbonisation to regain access to export markets. This scenario features both high physical risk in the long term and high transition risk in the medium term. Economic disruption is compounded by the escalating physical impacts themselves.</td><td colspan="5">Global leadership on climate action collapses. Policies are dismantled, and emissions rise. Aotearoa New Zealand abandons its climate commitments, prioritising economic growth. This scenario features extreme physical risk and very low transition risk. It incorporates climate tipping points (critical climate thresholds that, once passed, cause the climate system to reorganise abruptly and irreversibly) from the mid-2050s.</td></tr>
<tr><td>Summary narratives (2026 – 2100)[4]</td><td colspan="5">Short term (2026 – 2030): A brief period of global inaction triggers social backlash as losses mount from more frequent and severe weather events. Governments worldwide implement carbon pricing, green stimulus funding, and carbon border taxes.
In Aotearoa New Zealand, central and local agencies align on climate policy. A short-term economic contraction occurs as carbon and environmental costs are internalised. The Reserve Bank of New Zealand – Te Pūtea Matua (RBNZ) lowers interest rates to support the economy. A high carbon price drives rapid transition by households and businesses, driving demand for electric vehicles, energy efficiency retrofits and resilience projects. Export markets demand low-carbon products, and preferential lending supports this shift. A swift transition produces winners and losers across industries. Inflation increases due to higher demand for transition-related products and services and Gross Domestic Product (GDP) falls.
Scientists warn of approaching tipping points, and the government provides climate hazard data. This enables insurers to adopt risk-based pricing, reducing property values in high-risk areas. The Natural Hazards Commission expands coverage to maintain high insurance coverage rates.
Medium term (2031 – 2050): Strong global decarbonisation and resilience policies continue. GDP stabilises, foreign investment grows, and household incomes rise. High carbon price reaches $774 per tonne of carbon dioxide. Industries and jobs are affected, and "just transition" policies produce training and support.
Severe weather events increase in intensity and frequency, but proactive adaptation and managed retreat limit losses. Insurance prices escalate in response, prompting government regulation to prevent excessive price increase.
Towards 2050, Aotearoa New Zealand declares the decarbonisation transition complete and the economy rebounds considerably.
Long term (2051 – 2100): The transition has reduced demand for manufactured goods as consumers adopt shared-economy models. Legacy manufacturers are replaced by firms focused on essential services, recovery and resilience.
By 2100, sea levels rise 0.53 of a metre, droughts worsen, and extreme weather is more common. Decarbonisation efforts successfully limit warming to 1.4°C, avoiding worst-case outcomes. Reinsurance remains stable and premiums are mostly affordable. By 2100, Aotearoa New Zealand achieves a resilient and sustainable economy, with higher real household income, lower unemployment and higher GDP relative to all other scenarios.</td><td colspan="5">Short term (2026 – 2030): Governments, organisations and individuals are complacent and fail to take action to address climate change. Governments and corporations weaken climate commitments. In Aotearoa New Zealand, regulatory rollbacks undermine decarbonisation efforts and agriculture remains exempt from emissions pricing. GDP falls abruptly after climate events disrupt major centres that highlight the fragility of domestic infrastructure and financial systems. Banks incur financial losses from stranded assets, while insurance prices rise and coverage declines.
Severe weather events become more frequent and sea levels continue to rise.
Medium term (2031 – 2050): Aotearoa New Zealand has missed its 2030 Paris Agreement target. Carbon border taxes lock Aotearoa New Zealand out of key markets, prompting a sharp policy pivot: high emissions pricing (including agriculture and transport) and business transition grants. Aotearoa New Zealand takes aggressive climate action, including rapid retreat strategies and adaptation policies/plans. This delayed but rapid transition is marked by disposable incomes falling, unemployment rising, rising inflation and worsening inequality.
Severe weather events grow more frequent and intense, driving up recovery costs and taxes. The interplay of physical and transition risk intensifies. Climate-related disasters drive up infrastructure repair costs and local taxes, further reducing household incomes.
Insurance becomes increasingly risk-based, leading to affordability issues, negative equity and mortgage defaults in high-risk areas. Insurers withdraw and legal action is taken against banks for lending in high-risk areas.
Despite these challenges, the economy begins to recover in the late 2040s.
Long term (2051 – 2100): The global failure to limit warming to 1.5°C leads to escalating climate-related damages that exceed government recovery capabilities. International trade collapses and Aotearoa New Zealand is economically isolated. Reinsurers exit the market between 2050 and 2060, and insurance is entirely unavailable by 2100.
Sea levels rise by 1.2 metres, droughts intensify and water prices surge. Climate migration and managed retreat concentrate people in a few climate-resilient zones.
GDP, house valuations and disposable incomes fall. Unemployment soars.</td><td colspan="5">Short term (2026 – 2030): Global climate action regresses, driven by far-right political movements and corporate backtracking. Aotearoa New Zealand pulls back from climate targets, cancels climate policies and weakens the Emissions Trading Scheme. No investment is made in mitigation or adaptation, and public awareness of climate risk remains low. Demand for sustainable finance products is low and financial institutions continue to fund vulnerable assets.
Severe weather events begin to hit major centres, exposing the country's lack of resilience. Insurance prices escalate and coverage reduces in high-risk areas, deepening social inequality as low-income communities are increasingly left exposed.
Medium term (2031 – 2050): Sea level rise, coastal erosion and intense rainfall increase, damaging homes and infrastructure. As climate disasters mount, Governments are forced to react, and taxes rise to fund recovery. This slows economic growth. Due to escalating climate impacts and negligible investment in adaptation, reinsurance is withdrawn and the local insurance sector initially retreats to 'safe' locations but eventually collapses after severe weather events lead to unsustainably high payouts. This triggers housing market polarisation: prices soar in low-risk areas and plummet in high-risk zones. Mortgage defaults rise, banks incur losses and public trust in institutions erodes. Lawsuits emerge against banks for lending in known high-risk locations decades earlier.
Long-term (2051 – 2100): Beginning in the 2050s, a series of climate tipping points are triggered, exacerbating and accelerating severe climate impacts. In the late 2050s, the Atlantic Meridional Overturning Current (AMOC) starts to collapse, causing food shortages in Europe, intensifying cryosphere melt and accelerating sea level rise.
From the mid-2060s, further tipping points — Amazon dieback and permafrost thaw — cause a spike in methane, further accelerating the rise in global temperatures.
Over the coming decade, sea levels rise rapidly, reaching 2 metres by 2100. Much infrastructure is lost and New Zealand becomes increasingly isolated from the rest of the world. New Zealand struggles to recover and adapt with increasingly frequent and severe storms and supply chains are significantly impacted. Some isolated communities become permanently cut off, as local councils cannot afford to repair remote roads and bridges.
Global conflict, economic decline and social unrest escalate. By 2100, GDP drops by $556 billion, household incomes collapse and black markets dominate a broken economy. Insurance becomes unavailable.
Civil unrest, looting and black markets rise. Survival becomes the priority. Civil society fragments, infrastructure collapses and physical impacts intensify, with extreme heat and drought far exceeding earlier projections.</td></tr>
</table>

[4] We did not model or otherwise include carbon sequestration from afforestation and nature-based solutions in our scenario narratives because they were not material to our operating context in FY25.

Governance
Mana Whakahaere

Climate governance

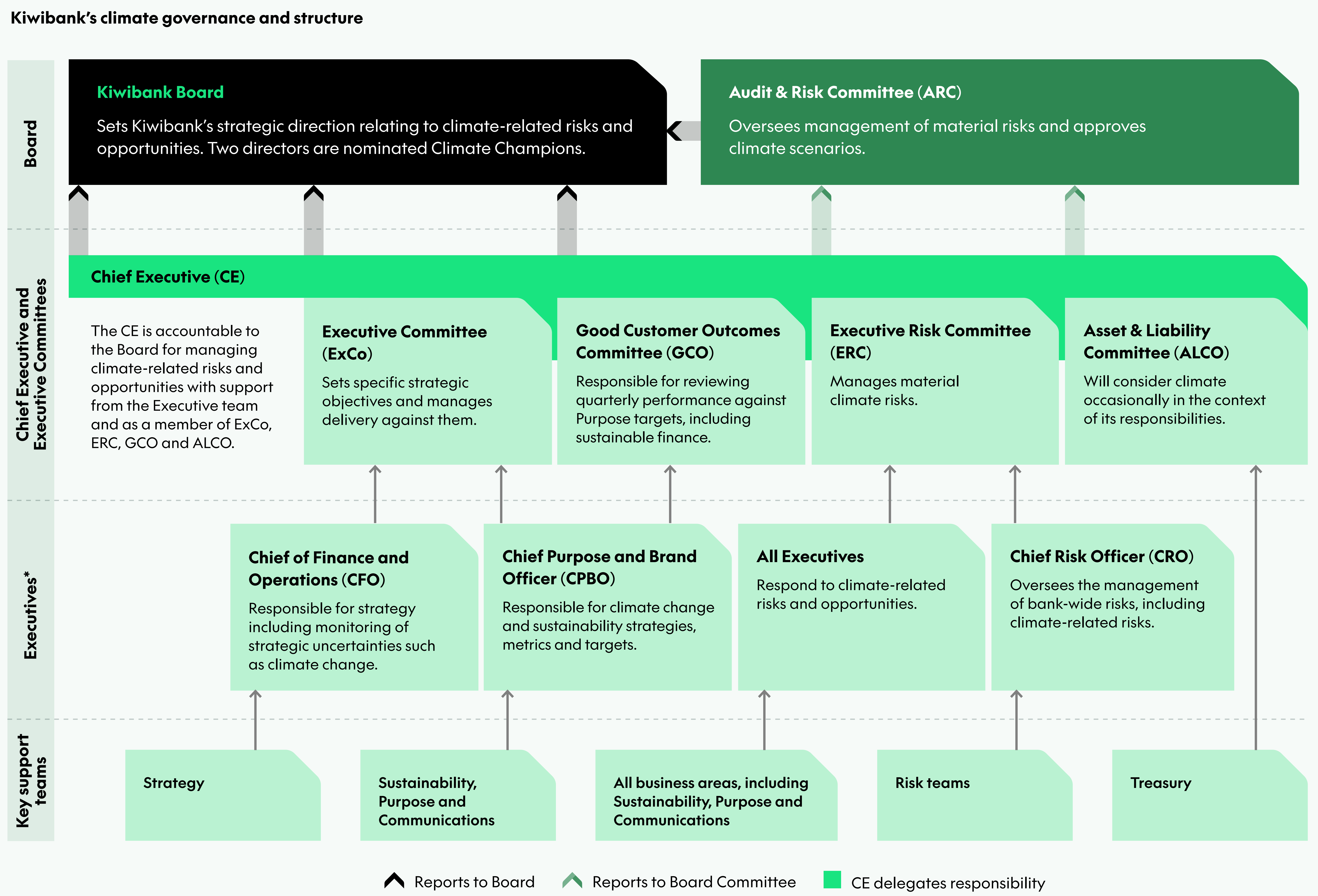
Governing body

The Board of Directors of Kiwibank Limited (the **Board**) is the governing body responsible for the overall governance of Kiwibank, including oversight of climate-related risks and opportunities. It is supported in this by Kiwibank's executive management.

Climate governance structure

Climate-related risks and opportunities are considered at the highest levels of governance within Kiwibank. Fig. 4 outlines Kiwibank's climate governance structure. Responsibilities and processes for overseeing and managing climate-related risks and opportunities are detailed on pages 16 and 17.

Fig. 4



* Executives also report directly to Board. Please see Table 5 on page 17 for more information.

Climate governance *continued*

The role of the Board and its Audit and Risk Committee

Board

The Board is responsible for setting Kiwibank's strategic direction and overseeing its operations. This includes strategies and targets related to climate-related risks and opportunities. It also oversees the management of material risks to the bank, including climate-related risks.

The Board meets at least quarterly and holds additional meetings/calls, strategy days and education days throughout the year. Management responsibilities are delegated to the CE. See page 17 for more information.

The Board is required to actively consider the social, ethical and environmental impacts of Kiwibank's activities, including in relation to climate change. Two directors serve as Board Climate Champions, with responsibility for ensuring that climate-related risks and opportunities are regularly and appropriately addressed in Board discussions.

The Board is informed about climate-related risks and opportunities by Executives. See page 17 for more information.

Audit and Risk Committee

ARC is a subcommittee of the Board and is responsible for overseeing the management of material risks to Kiwibank, including climate-related risks. ARC meets at least quarterly and comprises four directors. Two of the current ARC members, including the ARC Chair, are the Board Climate Champions. All ARC meeting packs are distributed to the full Board and considered on a quarterly basis.

ARC reviewed reports about climate scenario selections, and the material risks and opportunities identified through our scenario analysis process. In the years between conducting full scenario analysis, ARC is also informed of the annual reassessment of climate scenarios and climate-related risks and opportunities.

ARC is informed about climate-related risks and opportunities by management's Executive Risk Committee. Individual executives may also present reports to ARC with regards to climate-related risks and opportunities relevant to an executive's area of responsibility. See page 17 for more information.

In FY26, ARC received updates on operational emissions, progress in sustainable finance, status tracking of material climate-related risks and opportunities and transition planning.

How the Board considers climate-related risks and opportunities in relation to Kiwibank's strategy

The Board regularly considers Kiwibank's strategy in relation to strategic uncertainties. These are categories of risk with currently uncertain scale, scope and potential strategic impact, but which could evolve into individual, specific risks to our strategy beyond five years. Information about how we identify, analyse and manage strategic uncertainties is in Table 6 on page 22. The Strategy team provides regular reports to the Board about how strategic uncertainties are emerging and evolving. In FY26, our identified strategic uncertainties, which included climate change, were provided to the Board quarterly.

The Board considered Kiwibank's strategy against our identified climate-related risks and opportunities in FY24. In FY26, ARC and Board members participated in workshops to assess our long-term strategic resilience to climate change and develop our strategic intent for transition planning. Also in FY26, ARC and Board have noted material climate-related risks and opportunities, following their annual reassessment.

Board skills

The Board conducts an annual self-assessment of its performance, and an external review is undertaken at least once every two years.

To support effective governance, the Board maintains a Board Skills Matrix, which maps the subject-specific skills and experience it seeks across its directors. This matrix helps ensure the Board collectively possesses the capabilities needed to provide effective oversight of Kiwibank.

The Skills Matrix includes a sustainability skills category, covering climate change, emissions reduction, and climate reporting. It is reviewed and updated with support from external providers at least every three years, or more frequently if there are changes in Board composition.

Board oversight of climate metrics and targets

The Board is responsible for approving and monitoring performance against climate targets.

In FY25, Kiwibank set new FY30 Operational Emissions Targets (**FY30 OET**). Our FY30 OET do not have interim targets. Kiwibank set a Sustainable Finance Goal (**SFG**) in FY22 with interim targets. (See more information on pages 25 and 28.) The Board receives a sustainable finance update as part of regular reporting provided by the CPBO. In FY26 ARC received interim updates on progress against the FY30 OET. Final year-end outcomes are reported on pages 24 - 25.

In addition to metrics relating to operational emissions and sustainable finance, Kiwibank discloses metrics relating to financed emissions, physical and transition risk exposure and capital deployment in this Climate Statement, on pages 26 to 32. Those additional metrics were not integrated into regular Board reporting in FY25 or FY26. However, the Board and ARC review them when approving this Climate Statement annually.

Executive remuneration

Remuneration policies are not linked to climate metrics or targets.

Climate governance *continued*

The role of executive management

Table 5 below sets out information about management's role in assessing and managing climate-related risks and opportunities. This includes: how climate-related responsibilities are assigned to management-level positions or committees; the processes and frequency by which management-level positions or committees engage with the Board as our governance body; and the processes and frequency by which management is informed about, makes decisions on, and monitors climate-related risks and opportunities.

Table 5

	Role/committee	Responsibilities	Process for engaging with Governance	Process for being informed, monitoring and decision-making
Executive committees	**Executive Committee** Members: All Executives Chair: Chief Executive	Responsible for monitoring and managing delivery against Kiwibank's strategy. This includes setting specific strategic objectives and managing delivery against them (such as in relation to our sustainable finance offering and Sustainability framework).	Accountable to the CE. ExCo supports the CE to execute Board-set delegations.	ExCo has weekly meetings covering performance outcomes. The Strategy team reports quarterly to ExCo on the evolution of long-term strategic uncertainties, which include climate change. Other FY26 executive management engagements with ExCo about climate-related content included: • In May 2026, a workshop was held with ExCo to consider what a climate resilient Kiwibank could look like in 2050, informed by our climate scenarios, specifically the Hothouse World scenario. • Discussions around prioritisation of sustainability and resilience activities. • Transition planning updates.
	Good Customer Outcomes Committee Members: All Executives Chair: Chief Legal Officer	Supports and facilitates Kiwibank to deliver on its Purpose, ensure that customers receive good customer outcomes and are treated fairly and that these areas are embedded into the business. Part of Kiwibank's Purpose is to deliver sustainable finance, and GCO monitors progress towards delivery on our SFG.	Accountable to the Board.	GCO meets quarterly. The CPBO reports to GCO on a quarterly basis on the work done to deliver on our Purpose and progress against goals, including the SFG.
	Executive Risk Committee Members: All Executives Chair: Chief Risk Officer	Responsible for monitoring and managing all risks to Kiwibank, including climate-related risk.	Accountable to ARC. ERC provides meeting minutes from the previous quarter to ARC to review in its quarterly meetings.	ERC meets at least quarterly. ERC is informed by quarterly executive reports. In FY26, the CRO and other executives reported three times to ERC on matters relating to climate-related risks and opportunities across its five meetings (excluding external climate and sustainability reporting updates). The CRO prepares a key risks report for every ERC meeting. The key risks report is informed by the views of senior managers about Kiwibank's highest-priority risks. In FY26, climate change was noted as part of Strategic risk in the key risks reports. Other FY26 executive management reports about climate-related content included: • FY26 analysis and challenge for relevance in FY26 of Scenario analysis narratives used in FY25. • Climate-related risks and opportunities as identified in FY25 and refreshed in FY26.
	Asset and Liability Committee Members: Chief Executive, Chief of Finance and Operations, Chief Risk Officer, Chief Customer Officer – Retail, Chief Customer Officer – Business, Treasurer Chair: Chief of Finance and Operations	Responsible for the management of Kiwibank's assets and liabilities. This would, if necessary, include climate-related risks related to liquidity, capital and funding and the application of the RBP to liquid assets held.	Accountable to the CE and ARC. ALCO provides meeting minutes from the previous quarter to ARC to review in its quarterly meetings. (Detail about ARC meetings is on page 16).	ALCO meets at least monthly. ALCO's last engagement with climate-related risk was in the context of the RBNZ stress test in FY23. Our Treasury team reports to ALCO on risks and opportunities as they arise. This may occasionally include climate-related risks and opportunities.
Executive team members	**Chief Executive**	Responsible for the management of Kiwibank, by delegation from the Board.	Accountable to the Board. The CE attends all Board and ARC meetings.	The CE is informed by the Executives in relation to climate-related risk and opportunity matters, when relevant. The CE makes decisions, monitors and manages climate-related risks and opportunities with all Executives and in their capacity as a member of ExCo, GCO, ERC and ALCO.
	Chief Risk Officer	Responsible for Kiwibank's Risk function. Oversees the management of bank-wide risks, including climate-related risk.	Accountable to the CE. The CRO prepares and presents a quarterly key risks report to ARC and the Board with commentary on key risk exposures across Kiwibank. This includes updates on climate-related matters. The CRO attends relevant parts of all Board and ARC meetings.	Executives are informed by senior management within their business area about climate-related risk or opportunity matters, as they arise. Executives are responsible for their business area's decisions about the management of climate-related risks and opportunities. Executives also make decisions and monitor and manage climate-related risks and opportunities in their capacity as members of Executive committees.
	Chief Purpose and Brand Officer	Responsible for the delivery of Kiwibank's Board-approved Sustainability framework, including emissions reduction, and maintaining Kiwibank's B Corp™ certification. They also oversee **mahi** (work) to deliver our sustainable finance offering.	Accountable to the CE. The CPBO prepares and presents reports to ARC and the Board on a regular basis, which occurred quarterly in FY26. This reporting includes consideration of climate-related matters. The CPBO attends relevant parts of all Board meetings. The CPBO attends relevant parts of ARC meetings, as required.	
	Other executives Chief of Finance and Operations, Chief Legal Officer, Chief Customer Officer – Business, Chief Customer Officer – Retail, Chief People Officer, Chief Digital and Technology Officer	Responsible for assessing and managing climate-related risks and opportunities as they arise in their business area.	Accountable to the CE. Executives prepare and present reports to the Board on a quarterly basis, and to ARC as required. These include reference to climate matters as and when they arise. Executives attend relevant parts of all Board meetings. Executives attend relevant parts of ARC meetings, as required.	

Risk Management

Whakahaere tūraru

Our risk management culture and approach

Kiwibank has an integrated risk culture where responsibility for managing risk is embedded at every level of the bank. Each one of our kaimahi is responsible for identifying and controlling risks in their own area of work. Kaimahi are required to participate in annual training on the Enterprise Risk Management Framework (**ERMF**).

Our risk management framework and risk domains

In FY25, we updated our ERMF which guides our approach to identifying, assessing and managing Kiwibank's risks. (See Fig. 5.) This framework is underpinned by the Three Lines of Defence model, which clearly delineates responsibilities for risk ownership, oversight, and independent assurance. A fuller description of our ERMF components and Three Lines of Defence model can be found in our Disclosure Statement.[5]

We manage our risks by categorisation across eight Material Risks.[6] Within each Material Risk category, we categorise risks into 23 Risk Domains, and these include *ESG* and *Climate Change* from FY25.

Our ERMF categorises climate change as a Strategic Risk. However, we also recognise that it is cross-cutting in nature, and inherent within many of our other Material Risk categories. See Table 2 on pages 9 - 11 for detail about how we have identified climate-related risk across our Material Risks.

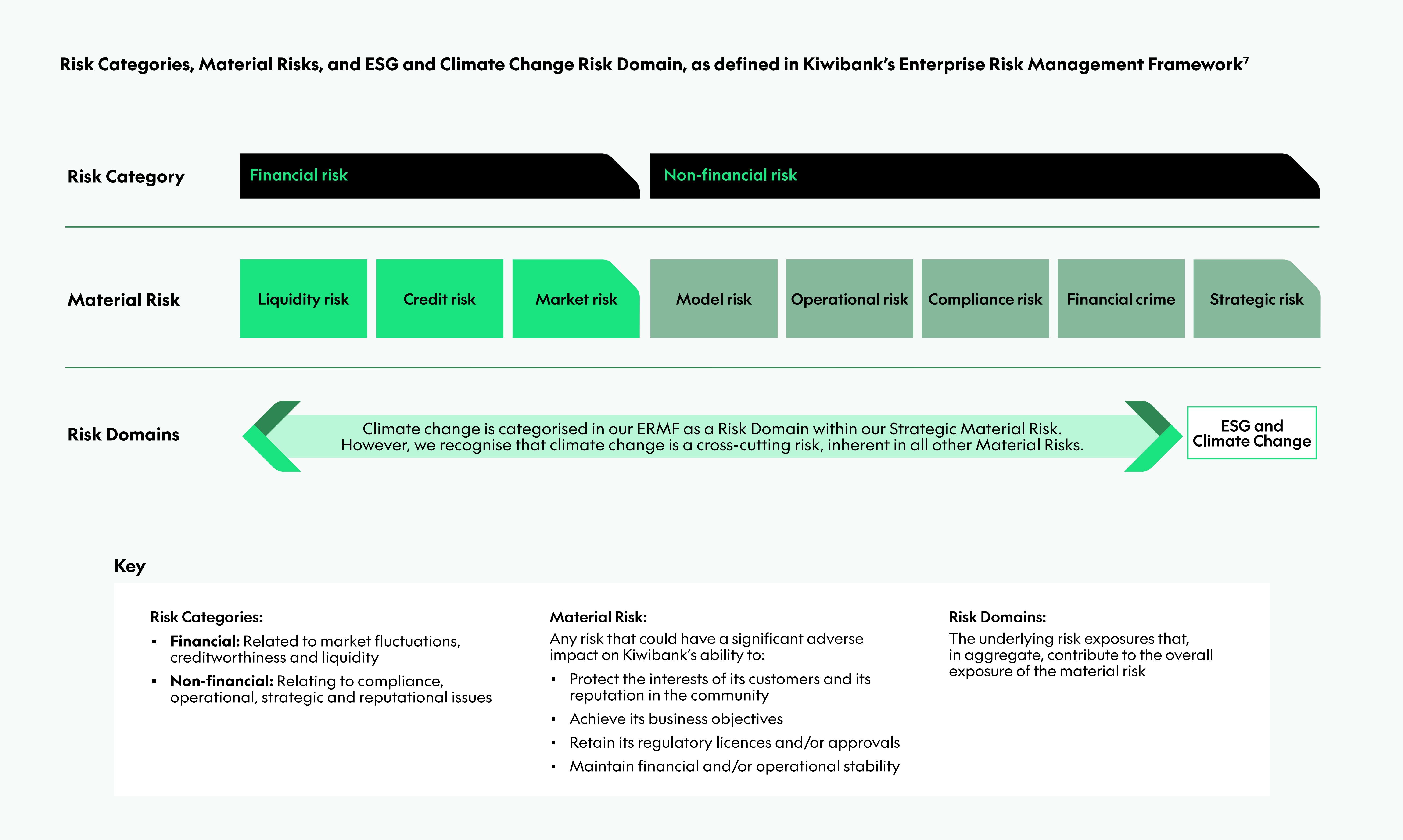
Integrating climate-related risk into our risk management framework

We progressed integration of climate-related risk into our risk management framework by distinguishing *ESG and Climate Change* as a distinct Strategic Risk domain from FY25. This is expected to support improvements to identification and assessment of climate-related risks within our overall risk view in the future.

Prioritisation of climate-related risks relative to other types of risks

Climate change is categorised in our ERMF as a Risk Domain within our Strategic Material Risk. However, we recognise that climate change is a cross-cutting risk, inherent within many of our other Material Risks. Inclusion within the ERMF allows us to prioritise climate-related risks with all other material risks to Kiwibank.

Fig. 5



[5] We refer to risk management disclosures in Kiwibank's 2026 Disclosure Statement, Note 31 for additional context only. Our 2026 Disclosure Statement is not intended to be incorporated with this Climate Statement by way of cross-reference.
[6] The Material Risks outlined in our ERMF are conceptually distinct from the climate-related risks presented in Table 2 on pages 9 - 11. Within the ERMF, Material Risks serve as broad categories under which various enterprise risks, including climate-related risks, are classified.
[7] There are 23 risk domains included in the ERMF. Only the *ESG* and *Climate Change* risk domain is shown in this diagram to illustrate where it sits within the ERMF.

Our tools and methods for identifying, assessing and managing climate-related risk

Table 6 sets out the tools and methods we use to identify, assess and manage climate-related risks. As shown in the table below, our existing risk management tools and methods do not manage every material climate-related risk completely. Part of our transition planning process is to identify and prioritise how to improve our management of material climate-related risks, in line with our Purpose, strategy and risk appetite.

Table 6 - Tools and methods to identify, assess and manage climate-related risks

Material risk	Risk management tools and methods[8]	Description	Identify	Assess	Manage	Time horizon	Application to value chain/ value chain exclusions	Frequency
All material climate-related risks	**Climate scenario analysis**	We use scenario analysis to inform our identification and assessment of climate-related risks and opportunities. Details of our methodology and the scenarios we analysed in FY25, and the analysis and challenge process conducted in FY26 are on pages 8, 13, 34 and 35.	✓	✓		Short term: 2026 – 2030 Medium term: 2031 – 2050 Long term: 2051 – 2100	Applies to our whole value chain	Last undertaken in FY25. Process to analyse and challenge scenarios and drivers annually
	Horizon scanning and risk monitoring	We identify new and evolving risks via desk-based monitoring conducted by internal subject-matter experts. They track a range of external sources for signals of relevant domestic and global developments, which may include climate-related risks. We monitor changes in the nature, scale or potential impact of risks across Kiwibank's operations using risk dashboards.	✓			Current	Applies to our whole value chain	Ongoing
	Regulatory change monitoring	We actively monitor regulatory developments to identify and assess transition risks arising from changes in policy, legislation, and supervisory expectations.	✓	✓		Current	Dependent on regulatory focus	Ongoing
Credit risks	**Climate data analysis**	**Physical credit risks - home property lending:** We use third-party data from Moody's Risk Management System (**Moody's RMS™**) and Earth Sciences New Zealand (**ESNZ**) to identify the inland and coastal flood hazards associated with residential properties that secure our lending. This data enables us to identify exposure to these flood hazards. For more details on our methodology and its limitations, refer to our flood risk metrics on pages 29, 30 and 52. We do not hold climate data in FY26 about other physical climate hazards. We therefore cannot identify the credit risks other physical climate hazards could pose to Kiwibank, other than on a qualitative basis as described in Table 2 on page 9.	✓			Current, 2030 and 2050. See more detail on pages 29 - 30.	Applies to our lending secured by a mortgage over residential property	Metrics updated annually

Table continued on next page

[8] In FY24, we reported that we had used regulatory stress testing as a means of identifying and assessing certain kinds of climate-related risks. In FY25 and FY26, there was no RBNZ-mandated climate change stress test or risk assessment.

Our tools and methods for identifying, assessing and managing climate-related risk *continued*

Table 6 – Tools and methods to identify, assess and manage climate-related risks *continued*

Material risk	Risk management tools and methods[8]	Description	Identify	Assess	Manage	Time horizon	Application to value chain/ value chain exclusions	Frequency
Credit risks	Climate data analysis	**Transition credit risks - business lending:** In FY25 and FY26, we continue to measure our business lending to sectors that we consider are at higher than usual levels of transition risk. For more detail on our methodology and its limitations, refer to our transition risk metrics on page 31 and page 53.	✓			Current	Applies to business lending only	Metrics updated annually
	Climate transition risk analysis	Our Climate and ESG Advisory team analyses sectors with heightened transition risk and provides expert insight to support credit analysis in relation to potential transactions where there appear to be higher than usual ESG (including climate) risks. We continue to uplift our deal origination processes to consider climate-related risks, where appropriate.		✓	✓	Short and medium term to 15 years from present, aligning with generally accepted duration of business lending	Applies to business lending only	Climate and ESG Advisory support as required
	Lending risk controls	**Responsible Business Policy:**[9] Our RBP, updated in FY25, sets out how we engage with businesses in sectors that carry higher than usual ESG risks. It supports our management of risks, including climate transition-related credit risks in our business lending portfolio, alongside other policies. In line with our RBP, Kiwibank does not enter new relationships with entities in Excluded sectors such as producers, manufacturers, or extractors of coal, oil and gas. The policy also identifies Sensitive sectors, including wholesalers, distributors and retailers of petrol and diesel. We assess whether entities directly involved in Sensitive sectors are sufficiently mitigating ESG risks applicable to their business type when making onboarding and lending decisions, which enables us, where appropriate, to support customers to address those risks. For lending to customers directly involved in Sensitive sectors, an RBP assessment must be provided to our Credit Risk team for consideration.			✓	Short and medium term to 15 years from present, aligning with generally accepted duration of business lending	Applies to business customers, suppliers, Local for Kiwibank service agents, Treasury counterparties and issuers of financial instruments purchased by Kiwibank	Ongoing
		Insurance control: We have a control in place to ensure that customers hold insurance cover on the properties securing our loans at the time funds are drawn. This helps us manage credit risk by increasing the likelihood that losses can be mitigated through insurance pay-outs in the event of customer default following climate-related property damage.			✓	Current	Applies to our lending secured by a mortgage over residential property at origination only	Ongoing
		Customer lending support packages during and after climate-related events: Supporting customers in the aftermath of climate-related events can help strengthen their financial resilience. This in turn may reduce the likelihood of loan default. We have a customer care plan so we can provide support in response to adverse climate events. The plan is reviewed twice a year and is reassessed based on experience built responding to climate-related events.			✓	Current	Applies to our home lending, commercial property lending and business lending only	As required by climate events

Table continued on next page

[9] More information about our Responsible Business Policy can be found on our website at: https://www.kiwibank.co.nz/about-us/who-we-are/our-purpose/responsible-business-policy/

Our tools and methods for identifying, assessing and managing climate-related risk *continued*

Table 6 – Tools and methods to identify, assess and manage climate-related risks *continued*

Material risk	Risk management tools and methods[8]	Description	Identify	Assess	Manage	Time horizon	Application to value chain/ value chain exclusions	Frequency
Strategy and Purpose	**Strategic uncertainty monitoring and analysis**	Strategic uncertainties are categories of risk with currently uncertain scale, scope and potential strategic impact, but which could evolve into individual, specific risks to our strategy beyond five years. Identifying these uncertainties helps us to know where to monitor for areas of future, specific strategic risk to Kiwibank. Our strategic uncertainties currently include climate change and matters like the evolution of artificial intelligence and geopolitical tensions. We identify strategic uncertainties by consulting with internal and external subject-matter experts, as well as ExCo and the Board. Where new trends are identified, or identified uncertainties have evolved, we report on this to ExCo and the Board, which in FY26 was done quarterly.	✓	✓		Open-ended time horizon, but beyond five years	Applies to our whole value chain	Ongoing monitoring and quarterly reporting
Operational risk	**Monitoring global weather events**	We actively monitor national and global weather events to enable early identification and assessment of any that may materially impact Kiwibank's operations.	✓	✓		Current	Applies to our operations	Ongoing
	Business continuity planning and procedures	We have crisis management and business continuity plans and procedures in place. These ensure we can continue to operate and limit losses in the event of severe business disruption or damage to physical assets used for Kiwibank operations during a climate event. This includes: ▪ A Crisis Management Team, responsible for maintaining critical banking functions during a major disruption ▪ A Response Team which supports the safe and timely return to normal operations. We regularly review and update these plans and procedures to accord with changes in our operations.			✓	Current	Applies to our operations	Ongoing

Metrics and Targets

Ngā whaingā

Operational emissions

Kiwibank has elected to use the following adoption provisions from NZ CS 2:

- **Adoption provision 4: exempts Kiwibank from disclosing certain subcategories of Scope 3 operational emissions. Subcategories excluded from our reporting are set out in Table 20 on pages 43 - 44.**
- **Adoption provision 5: exempts Kiwibank from disclosing two years of comparative information for the Scope 3 sources we measured for the first time in FY25. No FY24 comparative information is presented for the Scope 3 sources we measured for the first time in FY25.**
- **Adoption provision 7: exempts Kiwibank from disclosing analysis of trends for those Scope 3 operational emissions we have not previously reported.**

Our FY26 operational emissions

Operational emissions are Scope 1, 2 and selected Scope 3 Greenhouse Gas (**GHG**) emissions associated with the day-to-day running of Kiwibank. They exclude our financed emissions, which are reported on pages 26 - 27. Refer to the Appendices on pages 38 - 42 for information on our operational emissions sources (included and excluded from our measurement), and on the methods, assumptions, uncertainty and other limitations applicable to their measurement.

Our FY26 and comparative FY25 operational emissions have been subject to limited assurance, as set out in the assurance report on page 54. FY24 comparative year emissions have not been subject to assurance.

References to operational emissions or total operational emissions in this Climate Statement are to gross emissions.

Trends in our operational emissions

Scope 1 operational emissions decreased by 80.2% in FY26 from FY25 and 86.3% from FY24 because of our ongoing transition to electric vehicles (**EVs**). Refer to Table 8 on page 25 for further information. Additionally, fewer diesel generator top-ups were required in FY26.

Scope 2 operational emissions decreased by 22.0% in FY26 from FY25 and by 26.2% from FY24 due to a significant decrease in the emission factor for purchased electricity in 2026. Kiwibank's electricity usage has remained relatively flat. Fuel- and energy-related activities emissions also decreased by 27.3% in FY26 from FY25 and 30.9% from FY24 due to the decrease in emission factors.

Purchased goods and services emissions (Category 1) have increased by 17.7% in FY26 from FY25, mainly resulting from increased emissions from cloud computing. Cloud computing emissions are not included in FY24 comparatives. Emissions from other sources within this category have decreased by 27.4% in FY26 from FY25 and by 42.9% from FY24.

Waste generated in operations emissions (Category 5) have increased by 48.9% in FY26 from FY25 and 26.5% from FY24, resulting from an increase in the emission factor and an increase in waste volumes.

Business travel emissions (Category 6) have increased by 34.4% in FY26 from FY25 and 51.5% from FY24 because of increased air travel associated with internal kaimahi development initiatives, which were required to be delivered in person.

Employee commuting emissions (Category 7) have increased by 7.6% in FY26 from FY25, with 2.3% attributable to increased average kaimahi headcount. The remaining increase is due to an increase in emission factors for public transport, partially mitigated by a decrease in emission factors for passenger vehicles and working from home.

Overall emissions intensity (tCO_2e per dollar of operating revenue) has increased by 2.1% in FY26 from FY25 due to increased Scope 3 emissions, relative to operating revenue. Emissions intensity for FY24 measured sources has decreased by 15.1% in FY26 from FY24, mainly resulting from reductions in Scope 1 and Scope 2 emissions, relative to operating revenue.

Fig. 6

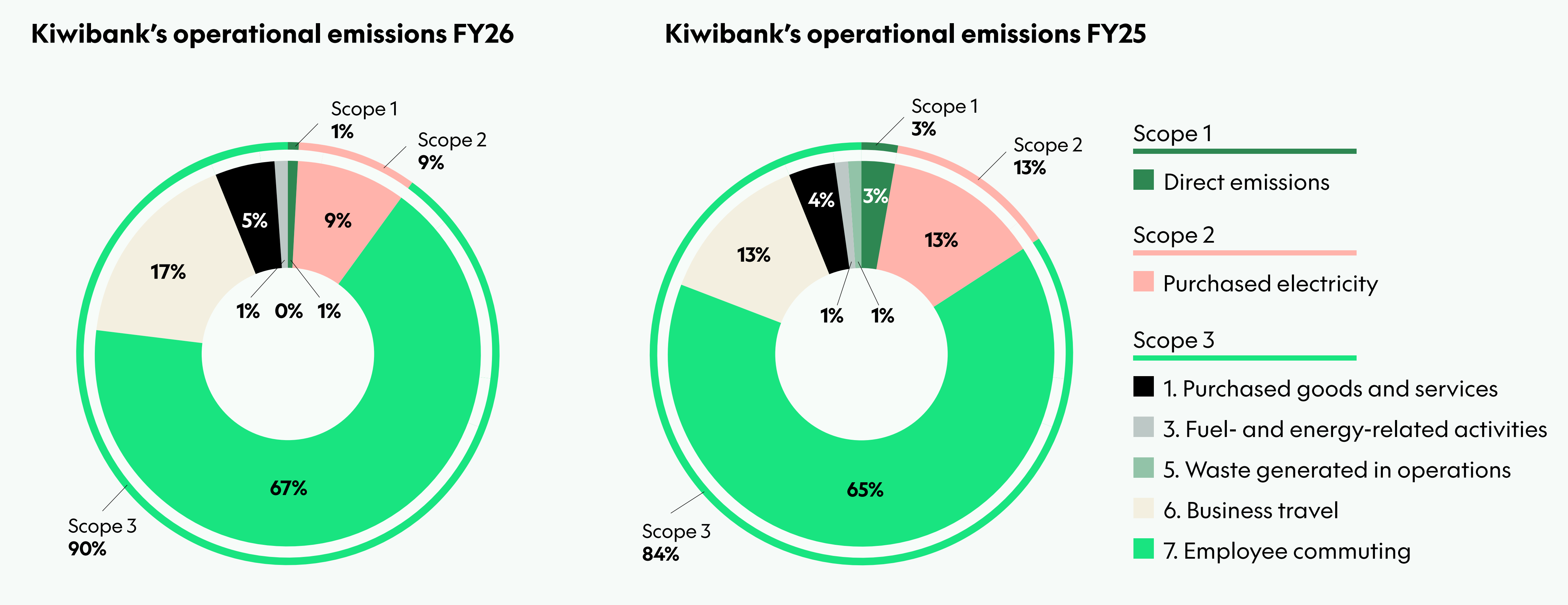


Table 7 *(Refer to Table 20 on pages 43 - 44 of the Appendix for detailed information on operational emission sources included and excluded.)*

Kiwibank's operational emissions	FY24 emissions (tCO_2e) (not assured)	FY25 emissions (tCO_2e)	FY26 emissions (tCO_2e)
Scope 1	142	98	**19**
Scope 2 (location-based method)	397[12]	375[12]	**293**
Scope 3 (total)	497	2,499	**2,808**
1. Purchased goods and services	113[10]	133	**157**
3. Fuel- and energy-related activities	19	18	**13**
5. Waste generated in operations	23	20	**30**
6. Business travel	342	386	**518**
7. Employee commuting	Not measured[11]	1,942	**2,090**
Total Operational Emissions	1,036	2,972	**3,120**
Intensity metric: all sources (tCO_2e per dollar of operating revenue)	–	3.26	**3.33**
Total Operational Emissions: FY24 measured sources only	1,036	986	**938**
Intensity metric: FY24 measured sources only (tCO_2e per dollar of operating revenue)	1.18	1.08	**1.00**

[10] Cloud computing was added as a newly-measured source in FY25. These emissions are not included in the FY24 comparatives.
[11] Employee commuting (including kaimahi working from home) was added as newly-measured source in FY25. These emissions are not included in the FY24 comparatives.
[12] We have restated FY25 and FY24 Scope 2 (location-based method) operational emissions. Refer to Table 18 on page 39.

Progress towards our FY30 Operational Emissions Targets

We set our FY30 OET in FY25. These targets are set out in Table 8 (below) and cover all our operational emission sources except for Scope 1 stationary combustion – diesel generators (back-up power) and refrigerant top-ups. In FY26, we did not set interim targets or sub-targets for our FY30 OET. We developed our FY30 OET using guidance from the Science Based Targets Initiative (**SBTi**). They have not been verified or approved by SBTi. Our adherence to SBTi guidance supports our view that these targets contribute to limiting global warming to 1.5°C (for Scope 1 and 2) and well below 2.0°C (for Scope 3). SBTi guidance informed our calculations to determine emissions pathways that would align with 1.5°C and well below 2.0°C, if achieved. Our FY30 OET do not rely on offsets to be achieved.

We restated our base year in FY26 to include operational emission sources added in FY25. Refer to page 39 for more information.

Offsetting operational emissions

Kiwibank aims to reduce and actively manage its own operational environmental footprint to support a low-carbon, climate-resilient future. In our FY25 Climate Statement, we explained that we had previously set an ambition to be a carbon-neutral business in our operational emissions targets for FY25. While we made the decision not to purchase offsets in FY25, achieving carbon neutrality (a balance between the carbon we emit from our operations and the carbon we indirectly remove from the atmosphere by way of offsetting) remained our ambition. In FY26, to support our aim, we have OET and purchased carbon credits to offset 1,030 tCO_2e of our operational emissions to cover all operational emissions categories except for employee commuting (Category 7).

Carbon credits were sourced from 30% local and 70% international sources.[13] Local credits were sourced from the Kānuka Hill Native Regeneration Project, regenerating indigenous forest in Uruwhenua, Mōhua (Golden Bay) and CUE Haven, restoring native forest on land in Araparera, Auckland that includes a headwater stream which flows into the Kaipara Harbour.

This credit programme is registered on the New Zealand Emissions Trading Scheme in the Permanent Forest Category by project developer Ekos. International sources consist of two landfill gas collection and utilisation projects, verified under the Verra Verified Carbon Standard. Kiwibank is not purchasing Sustainable Aviation Fuel (**SAF**) certificates for FY26.

Internal emissions price

Kiwibank does not currently employ an internal emissions price. This is unchanged from FY25 and FY24.

Table 8

FY30 Operational Emissions Targets and our performance against them[14]

Scope	Target		Target year	Base year	Absolute or intensity	FY21 base year	FY25 result	FY26 result	Change since FY21	Change since FY25	Performance / analysis of trends
Scope 1	**Reduce emissions from the consumption of fuel in our fleet**	**100% reduction**	FY30	FY21	Absolute	269 tCO_2e	97 tCO_2e	**19 tCO_2e**	-93%	-80%	We progressed our transition to EVs. 91% of our fleet vehicles are now EVs (FY25: 81%). This has resulted in an 80% reduction in direct fuel usage since FY25, and a 93% reduction since FY21.
Scope 2	**Purchase renewable energy certificates**	**100% of our electricity consumption**	FY30	FY21	Absolute	0%	0%	**0%**	0%	0%	We have undertaken preparatory activities for this initiative. Renewable energy certificates have not yet been purchased.
Scope 3	**Reduce emissions associated with Scope 3 sources**	**25% reduction**	FY30	FY21	Absolute	3,600 tCO_2e	2,499 tCO_2e	**2,808 tCO_2e**	-22%	12%	Emissions associated with operational Scope 3 sources increased in FY26. Refer to trends in our operational emissions on page 24. Kiwibank partnered with Extraordinary from June 2026, enabling kaimahi to save on public transport costs through a salary sacrifice initiative. This aims to reduce Scope 3 emissions from employee commuting. We continue to use carbon budgets with planned step change reductions to manage emissions from air travel.

[13] In our 2025 Climate Statement, we said that we wanted to ensure our offsetting investment remained in Aotearoa New Zealand. Kiwibank reassessed available offsetting opportunities in FY26 and concluded that a combination of domestic and international projects best met its offsetting objectives at this time due to project characteristics and availability.

[14] FY24 comparative results are not included in this table because FY24 figures were not subject to our FY30 OET.

Financed emissions

Overview FY26 financed emissions

Kiwibank has elected to use the following adoption provisions from NZ CS 2:

- Adoption provision 4: exempts Kiwibank from disclosing a selected subset of its Scope 3 emissions. In this case, Scope 1 and 2 emissions from lending portfolios other than those listed below and customer Scope 3 emissions from all lending portfolios.
- Adoption provision 5: exempts Kiwibank from disclosing comparative information for Scope 3 for the two previous reporting periods. We present one year of comparative information only.
- Adoption provision 7: exempts Kiwibank from disclosing an analysis of trends for financed emissions, given that we present comparative information for one year only.

Kiwibank has also applied the adoption provision exempting it from obtaining external assurance over its financed emissions (adoption provision 8) and relied on the Financial Markets Authority's Financial Markets Conduct (Climate-related disclosures – Assurance Engagement) Exemption Notice. Accordingly, figures presented in this section have not been subject to assurance.

Introduction

Financed emissions are GHG emissions associated with our lending to support residential and business customers, which mainly result from the activities of our business customers and the energy use of properties we lend against. Financed emissions fall within GHG Protocol Scope 3, Category 15, and are Kiwibank's most significant emissions category.

Scope for our FY26 financed emissions estimations

In FY26, Kiwibank estimated our financed emissions in relation to our most significant lending portfolios:

- Home lending (residential mortgages)
- Business lending
- Commercial real estate lending.

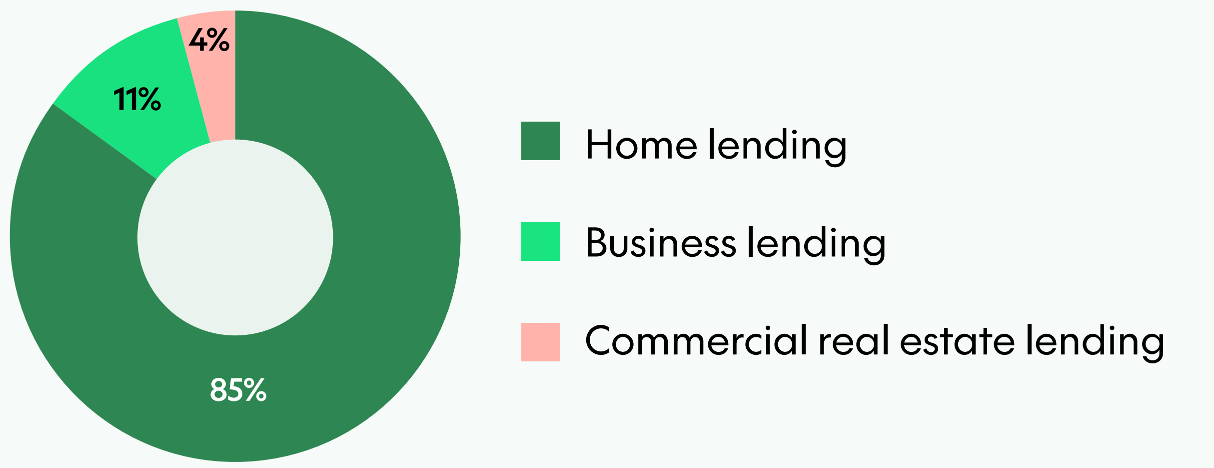
The total lending within these portfolios represents 94.3% of our total in-scope outstanding loans and advances (**OA**)[15] as at 30 June 2026 (30 June 2025: 94.5%). The remaining lending, including asset finance, is out of scope due to lack of data, PCAF exclusion (see below) or difficulty matching lending to specific property data.

Our approach to estimating financed emissions is based on the Partnership for Carbon Accounting Financials (**PCAF**) standard and the lending portfolios above are adjusted to align to PCAF asset classes as explained in Table 21 on page 45. Our consumer lending (credit cards), liquidity portfolio and derivative financial instruments are excluded from PCAF and out of scope.

In FY26, we estimated our customer Scope 1 and 2 emissions attributable to the lending portfolios listed above. We do not have the necessary data to assess customer Scope 3 emissions, which are likely to be significant.

Fig. 7

Percentage of Outstanding loans and advances (OA) by in-scope lending portfolios

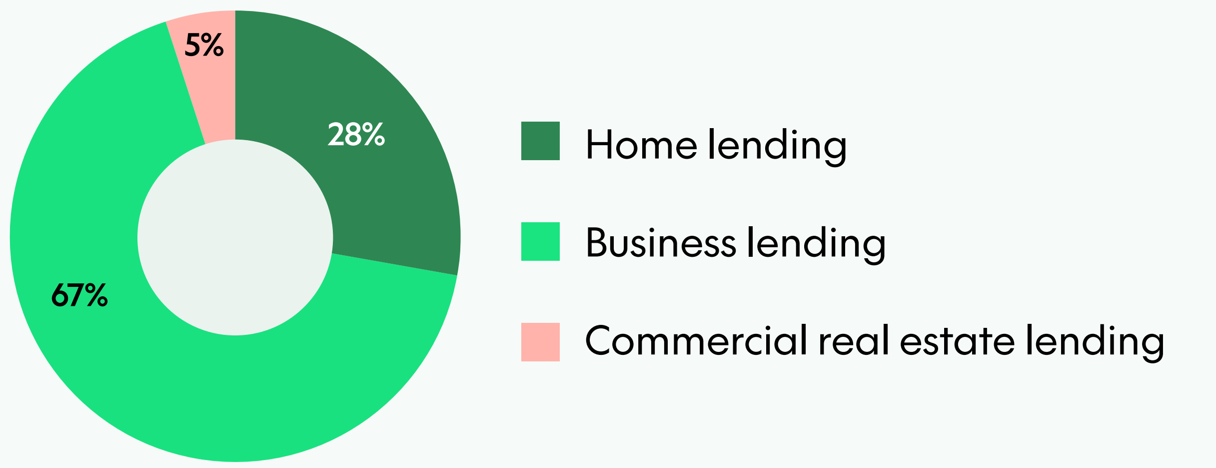


Relative contribution to financed emissions by in-scope lending portfolios

Figure 7 (below) illustrates the percentage of in-scope OA that the three in-scope lending portfolios represent. Figure 8 (below) illustrates the distribution of financed emissions attributable to each of the in-scope lending portfolios. 67% of our estimated financed emissions are attributable to our business loans, which comprise only 11% of total OA. Scope 1 and 2 financed emissions, totalling 123,613 tCO_2e in FY26, represent 97.5% of Kiwibank's total estimated emissions for this year. Operational emissions, totalling 3,120 tCO_2e, represent the remaining 2.5% of Kiwibank's total estimated emissions for this year.

Fig. 8

Percentage of Scope 1 and 2 financed emissions by in-scope lending portfolios



[15] See footnote 3 above.

Financed emissions *continued*

Table 9 – Overview of Kiwibank's Scope 1 & 2 financed emissions by OA

Kiwibank's financed emissions								
	FY25				FY26			
Business segment	**In-scope OA ($m)**	**FY25 financed emissions (tCO_2e)**	**Emissions intensity (tCO_2e/$m)**	**PCAF score**	**In-scope OA ($m)**	**FY26 financed emissions (tCO_2e)**	**Emissions intensity (tCO_2e/$m)**	**PCAF score**
Home lending	28,966	38,046	1.31	4.04	**31,215**	**34,803**	**1.11**	**4.04**
Business lending	3,502	76,132	21.74	5.00	**4,211**	**83,084**	**19.73**	**5.00**
Commercial real estate lending	1,517	6,130	4.04	4.92	**1,384**	**5,726**	**4.14**	**4.92**
Total	**33,985**	**120,308**	**3.54**		**36,810**	**123,613**	**3.36**	

Overview of our financed emissions approach

We calculate our financed emissions using OA, as required by PCAF, and also by Total Committed Exposure (**TCE**)[16] for greater transparency (see Table 23 on page 46).

In addition to unavailability of data, financed emission calculations have significant limitations and uncertainties. All financed emissions calculations rely heavily on third-party providers and numerous sources of third-party data. Many of the data points used are calculated using estimations. This means that the financed emissions disclosed could be materially under- or over-estimated. See pages 45 - 50 for further information on application of PCAF methodology, limitations, use of estimation and sources of data.

[16] Total Committed Exposure means the total amount of gross loans and advances or other irrevocable credit commitments Kiwibank has made to customers, irrespective of whether the customers have drawn those amounts or not.

Other metrics and targets

Sustainable Finance Goal

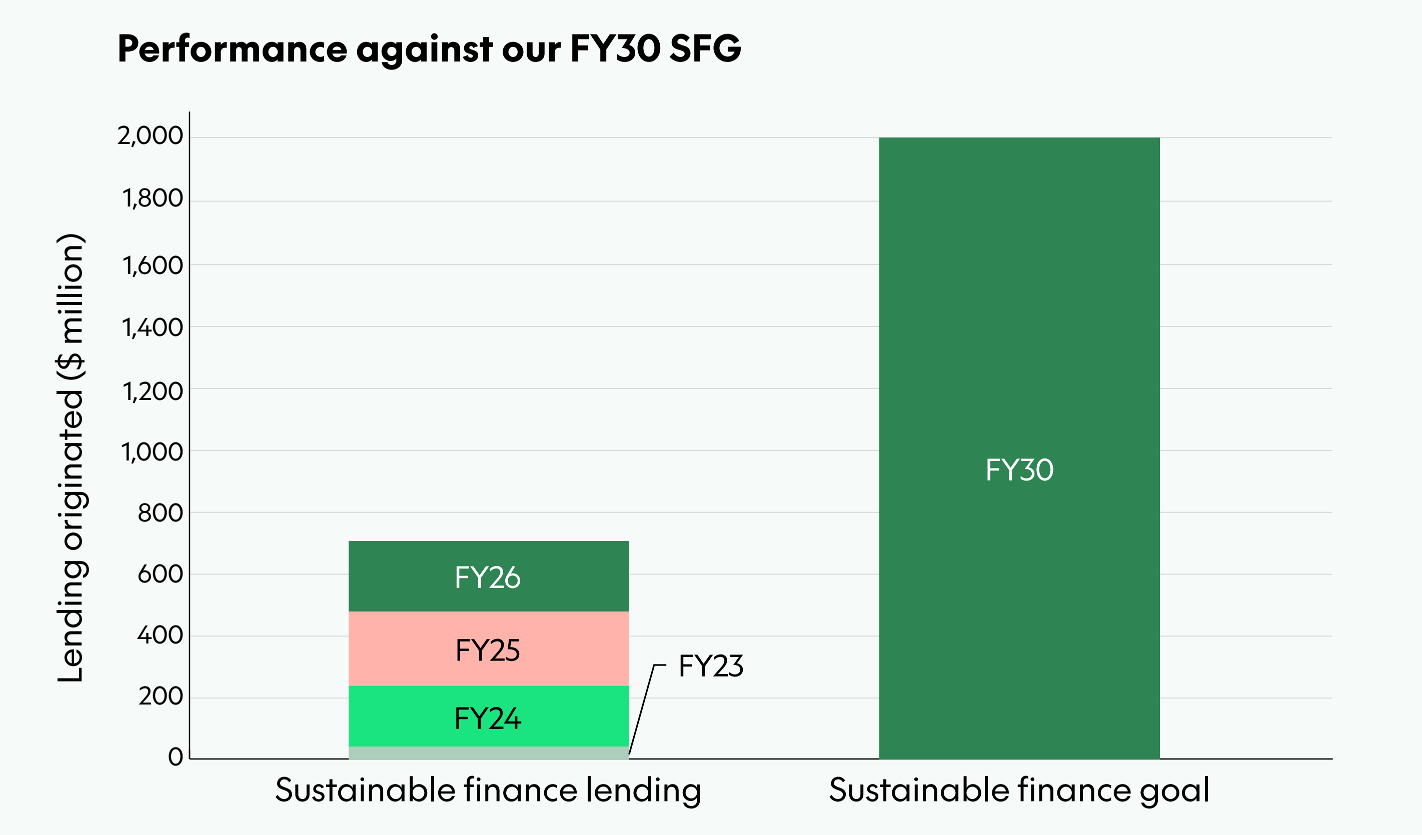
We set a Sustainable Finance Goal (**SFG**) in FY22: to deliver $2 billion in sustainable finance[17] by the end of FY30. We set this goal to support greater access to sustainable finance for more Kiwi and their businesses, including smaller businesses which may not previously have had access to sustainable finance. We set annual interim targets to help us reach our SFG.

We have made progress towards the SFG, lending $222.1 million in sustainable finance and achieving 88.8% of the $250 million interim FY26 target. We acknowledge this is less than our target for FY26 but note that the SFG and any annual targets that we set are ambitious. They are subject to uncertainties and will not necessarily be achieved. We have set a further interim target for FY27, as set out below.

Table 10 – Sustainable Finance Goal and associated targets

FY30 Goal	Base year	Target date	Interim targets (lending originated per year)
Deliver $2 billion in sustainable finance by end of FY30	FY22	FY30	FY24: $170 million
			FY25: $200 million
			FY26: $250 million
			FY27: $270 million

Fig. 9



Progress against our Sustainable Finance Goal to FY26

Table 11 – Progress against our Sustainable Finance Goal and associated targets

		FY24 (restated)[18]	FY25	FY26	Notes on our progress
Interim target	Total sustainable finance lending originated in financial year	$191.2 million	$246.4 million	**$222.1 million**	In FY26, we provided $222.1 million of sustainable finance to Kiwi, 88.8% of the $250 million targeted. In FY25, we exceeded our interim target to provide $200 million in sustainable finance to Kiwi.
	Performance against interim target	112.5% of $170.0 million	123.2% of $200.0 million	**88.8% of $250.0 million**	
SFG	Total sustainable finance lending originated from base year (FY22)	$238.4 million	$484.8 million	**$706.9 million**	
	Progress towards SFG	11.9% of $2 billion	24.2% of $2 billion	**35.3% of $2 billion**	

From FY24 to FY26 sustainable finance lending to customers is trending upwards, but we see significant variability in results during the course of any given year. While our FY25 Climate Statement indicated an expectation that the Sustainable Finance Framework would be implemented, implementation has not yet occurred.

In June 2026, we launched a new Sustainable Business Loan category for the electrification of plant, machinery, equipment and infrastructure to help customers transition away from fossil fuel use.

17 Our sustainable finance offering includes a range of products that may be used for different sustainable purposes. Many of our sustainable finance products and their available uses relate to climate change (for example, by incentivising emissions reductions). However, some of them relate to broader sustainability initiatives.

18 We restated the total sustainable finance lending originated in financial year FY24 to include $12 million of lending that was excluded from our 2024 Climate Statement in error. However, the restatement excluded a further $1.3m of sustainable finance lending in FY24. This has now been adjusted in Table 11.

Other metrics and targets *continued*

Qualifying sustainable finance products

For the purpose of measuring progress against our SFG, sustainable finance means Kiwibank lending in any of the categories described in Table 12 (below). Green, Social and Sustainability bonds in Kiwibank's liquidity portfolio are not included in the SFG or progress metrics.

Table 12 – Qualifying sustainable finance products

Lending type	Explanation
Sustainable Business Loan[19]	This is a loan that must be used for approved sustainable purposes. Refer to the Appendices on page 51 for detail about approved uses.
Sustainability Linked Loans	These are loans linked to sustainable performance targets. We incentivise delivery on sustainable performance targets by offering a discount if targets are met and we can apply a premium to the interest rate if the customer does not achieve their targets. We set targets based on the customer's sustainability strategy, which must be acceptable to Kiwibank. If the customer does not have an acceptable strategy in place, we provide support (including technical expertise and co-funding) for the development of that strategy.
Sustainable Energy Loans	These are home loan top-ups for the purchase and installation of solar power, small-scale hydro, wind energy and geothermal systems. Home loan customers receive a cashback from Kiwibank of up to $2,000 after they have paid for an eligible system, and if they have taken out a loan top-up of at least $5,000 for that purpose.
Other sustainable lending	We offer sustainable lending outside the above categories. We may do this where we identify that a customer lending need has a credible sustainability benefit but does not fit within one of our other approved uses. We exercise our discretion as to whether a lending need has a credible sustainability benefit, on a case-by-case basis.

Assets vulnerable to physical climate-related risks: flood hazards

We have evaluated exposure to flood hazards as at 30 June 2026 of our lending portfolio secured by residential properties. This exposure is shown in Tables 13 and 14 below as:

- The residential properties securing lending (our **Home Lending Properties**) that are exposed to flood hazards, expressed as a percentage of our total Home Lending Properties, and
- The lending outstanding secured by residential properties (**Home Lending**)[20] that is exposed to flood hazards, expressed as a percentage of the total amount of Home Lending.

Our assessment focused on two different flood hazards:

- **Coastal flooding** which can result from high tides, storm surges, and/or large waves, particularly when these factors coincide, and can be intensified by rising sea levels, and
- **Inland flooding** which includes river (fluvial) flooding and flooding caused by heavy rainfall (pluvial).

We assessed the exposure of our Home Lending Properties and Home Lending to these flood hazards based on a 1% Annual Exceedance Probability (**AEP**) event. AEP represents the probability of a flood event occurring at a given location in any given year.[21]

We now include a 2030 and 2050 metric for both our coastal flooding and inland flooding metrics. We have added more forward-looking data for inland flood hazards than provided in previous years to align more closely with banking sector norms and because our home lending terms can extend up to 30 years. Average home loan lifecycles are significantly shorter than 30 years, but property values and the ability to sell or refinance a mortgage may also be affected by exposure or anticipated exposure to physical hazards. In addition, 2050 aligns to the medium-term time horizon used for scenario analysis.

We considered exposure to these flood hazards on the basis of our national lending portfolio secured by residential properties, rather than on a regional basis. We have not assessed the potential financial impacts of these types of flood hazards on our home lending portfolio.

This is an evolving area and there are limitations to many of the data sources and assessment tools used in physical risk assessments. We have been exploring how we may be able to access additional data on types of flood hazards in FY26 and will continue to follow developments in this area as it evolves in future years and commercially available public data increases. Further information about the methods, assumptions, uncertainty and other limitations associated with our analysis is set out on page 52.

Coastal flood hazard: home lending

We used coastal flooding data from ESNZ and property location data from Valocity to assess the exposure of our lending portfolio secured by residential properties to coastal flood hazard.

For this analysis, a property is considered 'at risk' of coastal flooding hazard if floodwaters could touch any part of the property based on exposure to a 1% AEP event. We are using this 'at risk' measure as a proxy for vulnerability, due to data limitations. In particular, we do not have data in relation to site-specific attributes, the sensitivity of properties to decline in value or the capacity of individual customers to manage their exposure to this hazard or respond if their property is damaged or at risk of damage. This limits our ability to further assess our lending portfolio secured by residential properties to the coastal flooding hazard.

We assessed the exposure of our Home Lending Properties and Home Lending under a 1% AEP coastal flood event, in a SSP5-8.5H+ scenario as at 2030 and 2050. See metrics in Table 13 below. This scenario is based on the Intergovernmental Panel on Climate Change's Sixth Assessment Report (2021) SSP5-8.5 pathway and reflects the upper likely range of sea level rise (83rd percentile).[22] It broadly corresponds to Kiwibank's Hothouse World climate scenario (see a description of that scenario's inputs and narratives on pages 13, 36 and 37), however our internal scenario included tipping points causing higher levels of sea level rise.

The assessment covers Home Lending Properties and Home Lending that we were able to match to coastal flood hazard data which represents 93.8% of Home Lending Properties (FY25: 92.6% and FY24: 91.5%) and 93.5% of Home Lending (FY25: 92.6% and FY24: 91.9%). Further information on methods, assumptions, uncertainty and other limitations is provided on page 52.

[19] In our 2024 Climate Statement, we listed Certified B Corporations as a distinct lending type. Since FY25, we have included these within the Sustainable Business Loan lending type.
[20] Home Lending means the total amount of drawn loans and advances made by Kiwibank to customers and secured by a mortgage over residential property. It does not take into account any expected credit losses.
[21] A 1% AEP event is also known as a one-in-100-year flood event.
[22] As noted above on page 8, scientific consensus on SSP5-8.5 is evolving. However, domestic best practice is not settled and we continue to follow existing guidance to use SSP5-8.5 as the basis for coastal hazard risk and monitor as the situation evolves. We note that this coastal flooding metric is intrinsically connected to projected sea leave rise which is affected by tipping points that may occur even at lower temperature scenarios, and are not factored into SSP5-8.5.

Other metrics and targets *continued*

Table 13

Vulnerability to coastal flood hazard (SSP5-8.5H+)							
Year	**Median sea level rise increment (metres)**	**% of Home Lending Properties**			**% of Home Lending**		
		FY24	**FY25**	**FY26**	**FY24**	**FY25**	**FY26**
2030	0.2	2.06%	2.04%	**2.06%**	1.85%	1.86%	**1.93%**
2050	0.4[23]	2.74%	2.72%	**2.75%**	2.41%	2.43%	**2.52%**

The percentage of Home Lending Properties and Home Lending estimated to be vulnerable to coastal flood hazard in 2030 and 2050 has remained similar from the FY24 reporting period to FY26 reporting period.

Inland flood hazard: home lending

We used Moody's RMS™ probabilistic inland flood models, in combination with Valocity property data, to determine the vulnerability of our Home Lending Properties and Home Lending to inland flood hazard. We assessed the exposure of our Home Lending Properties and Home Lending in a SSP5-8.5 scenario as at the end of the reporting period, in 2030 and in 2050. See metrics in Table 14 below.

For this analysis, a property is considered 'at risk', or vulnerable, if it is likely to experience a Mean Damage Ratio (**MDR**) greater than 0.5% in a 1% AEP inland flood event. The MDR represents the mean cost of the damage as a percentage of a property's insured value. MDR is an estimate derived from a catastrophe modelling approach that combines simulated flood events, property-level information and vulnerability relationships that estimate expected damage from flood events. MDR therefore incorporates both a property's exposure to a flood event of a given probability and the estimated physical damage likely to result from that flooding. We do not have data in relation to the sensitivity of properties to decline in value or the capacity of individual customers to manage their exposure to this hazard or respond if their property is damaged or at risk of damage. This limits our ability to further assess our lending portfolio secured by residential properties to the inland flood hazard.

The assessment covers Home Lending Properties and Home Lending that we were able to match to inland flood hazard data. The analysis covers 93.4% of Home Lending Properties (FY25: 92.4% and FY24: 91.0%) and 93.0% of Home Lending (FY25: 92.2% and FY24: 91.2%).

Further information on methods, assumptions, uncertainties and other limitations is provided on page 52.

Table 14

Vulnerability to inland flood hazard (SSP5-8.5)						
Year	**% of Home Lending Properties**			**% of Home Lending**		
	FY24	**FY25**	**FY26**	**FY24**	**FY25**	**FY26**
End of reporting period	0.67%	0.68%	**0.65%**	0.56%	0.57%	**0.54%**
2030	0.70%	0.71%	**0.69%**	0.59%	0.59%	**0.57%**
2050	0.78%	0.79%	**0.77%**	0.66%	0.66%	**0.66%**

As at end FY24, FY25 and FY26 the number of Home Lending Properties and the value of Home Lending identified as at risk based on MDR greater than 0.5% in a 1% AEP inland flood event remained at a similar proportion of total Home Lending Properties and Home Lending, respectively. The percentage of Home Lending Properties and Home Lending estimated to be vulnerable to inland flood hazard in 2030 and 2050 has also remained similar from the FY24 reporting period to FY26 reporting period. The data shows a modest increase in the proportion of Home Lending Properties and Home Lending vulnerable to inland flood hazards between 2030 and 2050. Scientific consensus is that inland flooding in Aotearoa New Zealand will increase in frequency and severity over time and is predicted to become more pronounced after 2050. As noted above, we are following developments as this area evolves.

Other exposures to physical hazards

The coastal flood hazard and inland flood hazard metrics above only cover our lending secured by residential mortgages. We do not hold climate data in FY26 about physical climate hazards that we are able to apply to our lending portfolios other than in relation to coastal flooding and inland flood hazards. We considered other physical hazards during our scenario analysis exercise using climate outputs downscaled to the national level (see pages 8 and 9).

[23] ESNZ's sea level rise projections are provided in 10 cm increments. Our analysis begins at 20 cm in 2030 and extends to 40cm in 2050. 40cm is the sea level rise projection for 2050 Valocity applies when using the SSP5-8.5H+ scenario.

Other metrics and targets *continued*

Assets vulnerable to transition climate-related risks

We have assessed our business lending to sectors we consider vulnerable to transition risks. We categorised sectors by levels of exposure to transition risk and in Table 15 (right) we have presented our exposure to sectors considered to be exposed to high transition risk. Our exposure is presented as a percentage of TCE of business lending, and a percentage of TCE of total lending in Table 15 (right). Our methodology, including assumptions, uncertainty and other limitations is set out below and on page 53.

Our TCE as a percentage of business and total lending attributable to the sectors listed in Table 15 has fluctuated moderately from FY24 to FY26. Notably we saw increased lending to the electricity and gas supply sector since FY24 and a decline in the proportion of our business lending to heavy manufacturing. Given the low overall exposure that Kiwibank has to these sectors, there is expected volatility in the exposure to a single sector year-on-year based on a small number of loans or customers in some industries.

We do not have material lending exposure to the following sectors:

- Sheep, beef or dairy farming
- Utility-scale electricity generation, or electricity transmission or distribution
- Coal, oil or natural gas upstream activities (production, manufacture or extraction). These sectors are 'Excluded' under our RBP.

We have excluded the Construction Services sector from Table 15 (right). We consider it an emissions-intensive industry currently. However, we consider there is potential for this sector to play a significant role in infrastructure and built environment development that supports the transition, and/or adaptation to a changing climate. Our total Construction Services exposure in FY26 was $615.7 million or 7.7% of business lending (FY25: $530.4 million or 7.4% of business lending; FY24: $469.9 million or 7.6% of business lending).

Table 15

TCE vulnerable to high transition risks by sector

Sector/sub-sector	TCE ($m)			TCE as a % of business lending			TCE as a % of total lending[24]		
	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
Agricultural Processing and Manufacturing (Meat Manufacturing and Dairy Product Manufacturing)	4.7	42.8	**9.1**	0.1%	0.6%	**0.1%**	0.0%	0.1%	**0.0%**
Electricity Supply and Gas Supply	0.4	85.0	**131.8**	0.0%	1.2%	**1.6%**	0.0%	0.2%	**0.3%**
Forestry and Logging	65.6	64.3	**61.0**	1.1%	0.9%	**0.8%**	0.2%	0.2%	**0.1%**
Fuel Retailing	49.7	84.4	**82.6**	0.8%	1.2%	**1.0%**	0.1%	0.2%	**0.2%**
Heavy Manufacturing	122.3	135.3	**126.8**	2.0%	1.9%	**1.6%**	0.3%	0.3%	**0.3%**
Mining	15.1	17.9	**15.5**	0.2%	0.3%	**0.2%**	0.0%	0.0%	**0.0%**
Road and Rail Transport	254.5	284.0	**307.6**	4.1%	4.0%	**3.8%**	0.7%	0.7%	**0.7%**
Total assets vulnerable to transition risks	**512.2**	**713.7**	**734.5**	**8.3%**	**10.0%**	**9.2%**	**1.4%**	**1.8%**	**1.7%**

Material limitations of Transition risk exposure assessment

The metric above identifies customers that operate within sectors that we assess to be at high transition risk. However, we have limited customer-specific information that would help determine the extent of the customers' vulnerability to that risk or their capacity to adapt. Not all customers within a given sector will face the same degree of transition risk. In the absence of more granular data, we believe the above metric is currently an appropriate proxy for vulnerability.

Customers outside the identified vulnerable sectors may also be exposed to transition risks based on their individual circumstances. These exposures are not captured in this assessment.

In addition, not all of our identified transition risks lend themselves to a vulnerability metric. An example is the "Transition strategy" risk identified on page 11, which is a general risk for Kiwibank as an entity rather than a risk to a particular amount or percentage of assets or business activities.

[24] The totals in the FY24 and FY25 columns have been updated in FY26 to correct minor errors. The totals reflect rounding of source data.

Other metrics and targets *continued*

Assets aligned with climate-related opportunities

Many of our sustainable finance products (and the purposes for which they may be used) relate to climate change mitigation, adaptation and transition-related measures. Those lending products and their uses are described in detail on page 29 and 51. As at 30 June 2026, Kiwibank had TCE of $272.4 million in sustainable finance (30 June 2025: $293.4 million and 30 June 2024: $179.6 million). Sustainable finance TCE declined 7.2% from year end FY25 to year end FY26. This decline is broadly consistent with the lower level of sustainable lending originated which, as noted above, is variable year on year.

Other key performance indicators

In FY26, we have not used any Key Performance Indicators (**KPIs**), additional to the metrics and targets disclosed above, to measure or manage climate-related risks or opportunities. This is unchanged from FY24 and FY25.

Capital deployment[25]

Many of our sustainable finance products relate to climate change mitigation, adaptation and transition-related measures. Those lending products and their uses are described in detail on page 29 and 51. We lent or approved a total value of $222.1 million in sustainable finance in FY26 (FY25: $246.4 million, FY24: 191.2 million).

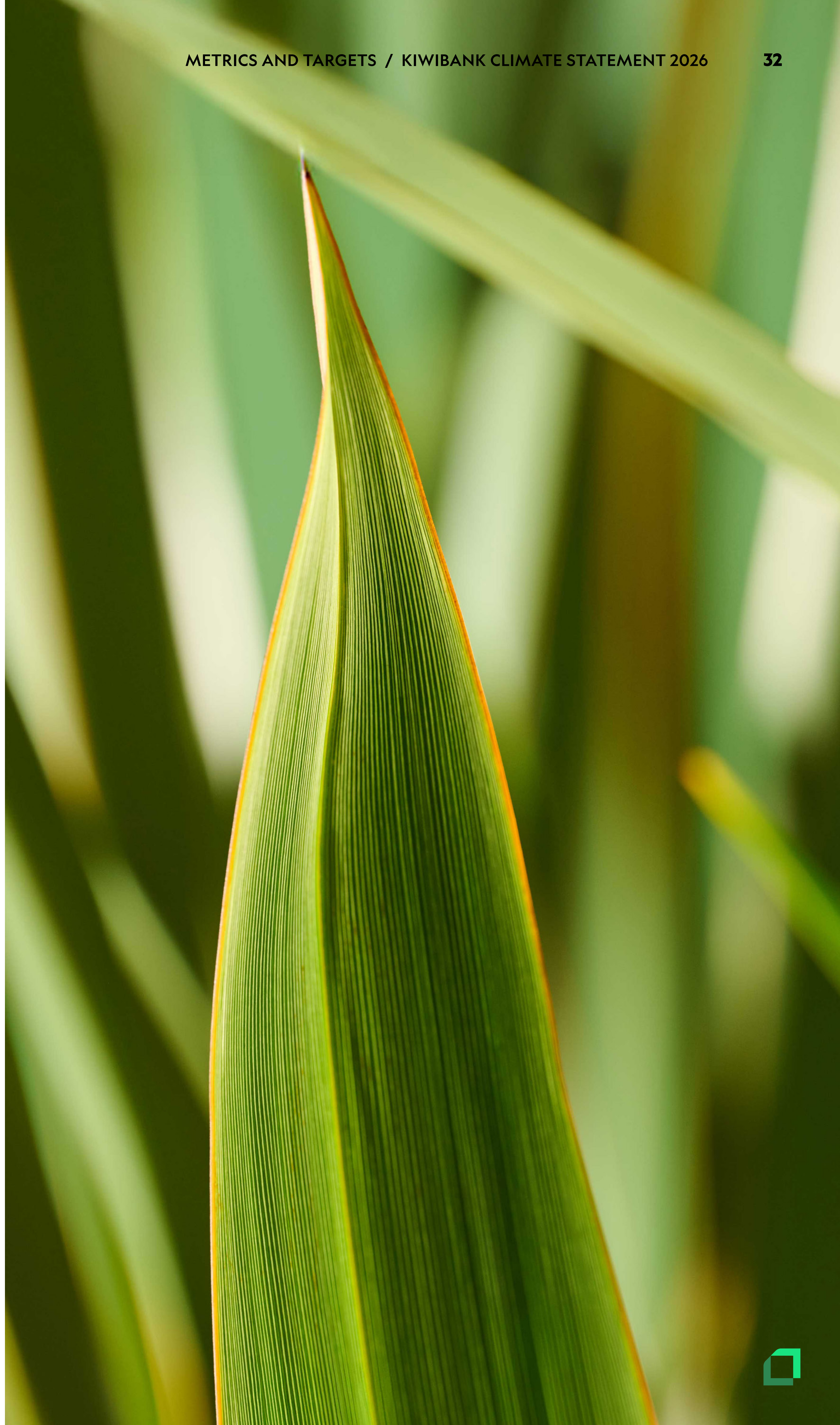
Management remuneration linked to climate-related risks and opportunities

Management remuneration at Kiwibank was not linked to climate-related risks and opportunities during FY26. This is unchanged from FY24 and FY25.

Industry-based metrics

In FY26, we have not used any metrics to measure or manage climate-related risks or opportunities, additional to the metrics disclosed above, that are of relevance to the banking sector or to Kiwibank's business model. This is unchanged from FY24 and FY25.

[25] In our FY25 and FY24 Climate Statements, we presented our investment in climate-related risk and opportunity management activities separately. While these activities are ongoing, we have refreshed our approach and reconsidered the application of materiality to this section and excluded financing or capital deployed towards those activities from this Climate Statement.



Appendices
Apitihanga

Climate scenario analysis process

Scenario analysis process

We conducted a full climate scenario analysis in FY25. In years when we do not conduct a full scenario analysis, we check our climate scenarios and also our climate-related risks and opportunities to see if updates or changes are required.

Climate scenarios are plausible, challenging descriptions of how the future may unfold. They are not predictions or forecasts. Climate scenario analysis systematically explores the potential impacts that the range of futures described in these scenarios could have on Kiwibank's business model and strategy.

Our climate scenario analysis process is currently stand-alone and not integrated with our broader strategy processes. We engaged an external consultant (Deloitte) in FY25 to help with scenario development and analysis, including providing data and modelling, facilitating scenario workshops and contributing to scenario narrative writing. No other external partners or stakeholders were involved.

We used quantitative modelling to inform our narratives as to:

- Environmental projections, such as sea level rise, hot days, wet days and drought
- Socio-economic projections, such as GDP, unemployment rates, interest rates and household income.

Using their in-house economic model, Deloitte modelled the estimated macroeconomic impact of conditions that could flow from chronic physical climate change events. The model measured 18 variables across our climate scenarios. Details about the conditions selected to model economic impacts, and the variables measured, are included below. We considered the model chosen to be appropriate because it models a range of economic factors relevant to Kiwibank.

We consider that the scenarios we used are relevant and appropriate to assessing the resilience of Kiwibank's business model and strategy to climate-related risks and opportunities because:

- We designed them for Kiwibank's unique context and lending portfolio composition by focusing on factors impacting home and business lending customers and their assets in the Aotearoa New Zealand market.
- They are based on generally accepted scenario archetypes (see Table 16). We have not modified these archetypes, but we have drawn specific elements from them to ensure we have relevant information for Aotearoa New Zealand's context and our driving forces.
- The three scenarios create a range of possible climate futures, with different levels of physical and transition risk present in each. For example, the "Hothouse World" scenario represents a very stressful physical impact scenario for Aotearoa New Zealand and Kiwibank, including tipping points such as a collapsing AMOC and melting Greenland ice shelf. The "Orderly" scenario introduces a comparatively high degree of short-term transition risk and lower physical risk. "Too Little, Too Late" features both high physical risk in the long term and high transition risk in the medium term.

We designed our scenarios to consider the whole of our operations. The endpoint for each scenario is the year 2100. We used Te Rangapū Pēke – New Zealand Banking Association (**NZBA**) banking-sector scenarios to inform our decisions on driving forces, critical uncertainties, time horizons, shared socio-economic pathways (**SSP**) and the general trajectory of our three scenarios. However, our entity-level scenarios focused more heavily on home and business lending under a higher degree of climate stress, and not on institutional and agricultural lending.

In relation to the governance process used to oversee and manage the scenario analysis process, in FY25 scenario narratives were approved by ERC and noted by ARC. A list of climate-related risks and opportunities were noted by ERC, and approved by ARC in both FY25 and FY26.

Climate scenario analysis process *continued*

Process steps taken

Fig. 10

Scenario analysis process steps taken in FY25

Step 1

Engaging stakeholders

We established a Steering Committee to guide our scenario development and analysis. It comprised senior managers from our Sustainable Performance and Risk functions.

We selected scenario analysis workshop attendees from senior leadership across the bank. Their expertise spanned Risk, Legal, Treasury, Finance, Economics, Customer, Māori Advisory, Procurement, Digital Transformation, Human Resources, Property, and Purpose and Brand.

Step 2

Defining the problem

We set a focal question:

"What are the climate-related risks and opportunities that could affect our ***mahi*** *(work) and, more broadly, Kiwibank's performance against our Purpose and strategy, now and into the future?"*

Step 3

Selecting temperature outcomes, time horizons and emissions pathways

The Steering Committee selected temperature outcomes, time horizons and emissions pathways to create distinct, challenging, plausible and relevant scenarios.

We aligned these with NZBA banking-sector scenarios and Aotearoa New Zealand banking peers for comparability, where possible.

Step 4

Identifying driving forces and critical uncertainties

We referred to NZBA banking-sector scenarios and our previous year's findings to inform identification of driving forces and critical uncertainties. We applied the PESTLE (Political, Economic, Social, Technological, Legal and Environment) model to identify driving forces and critical uncertainties.

We selected Kiwibank's five most material driving forces (see Fig. 11 below). We considered uncertainties, and potential impact on Kiwibank's strategy, Purpose and performance.

Step 5

Creating narratives

We developed detailed scenario narratives, drawing from our international scenario frameworks and modelling, scientific literature and current affairs. We produced accompanying explanatory videos to bring the scenarios to life for workshop participants.

Step 6

Identifying and assessing climate-related risks and opportunities

We held two full-day workshops in Auckland and Wellington with senior leaders from across the bank to create a long list of climate-related risks and opportunities within each scenario. We held subsequent sessions with a smaller group of Kiwibank experts to consolidate the workshop findings and assess risks and opportunities.

Driving forces

Fig. 11

Insurance

Availability, affordability, coverage and renewal rates

Physical Impacts of climate change

Floods, droughts, storms, sea level rise, wildfires and heatwaves – including how tipping points may exacerbate these

Macroeconomic conditions

Macroeconomic fluctuations – including housing market performance

Government policies and funding priorities

Prioritisation of government funding for adaptation efforts and climate policies targeting emissions reduction and resilience

Consumer preferences and needs

Consumer finance needs – including for adaptation and emissions reduction. Public sentiment and trust in institutions.

Climate scenario analysis process *continued*

Scenario inputs

Table 16

	Orderly – 1.4°C[26] at 2100	Too Little, Too Late – 2.7°C at 2100	Hothouse World – 4.4°C at 2100
Global climate and socio-economics	**IPCC**[27] Sustainability – Taking the Green Road SSP1-1.9	IPCC Middle of the Road SSP2-4.5	IPCC Fossil Fuelled Development SSP5-8.5
Global energy and emissions	**NGFS**[28] Orderly – Net Zero 2050	NGFS Too Little, Too Late – Fragmented World	NGFS Hot House World – Current Policies
Aotearoa New Zealand physical impacts	New Zealand Climate Projections Dataset (SSP1-2.6)[29]	New Zealand Climate Projections Dataset (SSP2-4.5)	New Zealand Climate Projections Dataset (SSP3-7.0)[30 31]
Aotearoa New Zealand transition and socio-economic factors	NGFS Orderly – Net Zero 2050 **SPANZ**[32] – 100% Smart	NGFS Too Little, Too Late – Fragmented World SPANZ – Kicking, Screaming	NGFS Hot House World – Current Policies SPANZ – Homo Economicus
Aotearoa New Zealand economic factors	Deloitte D.Climate **CGE**[33] model (Orderly)	Deloitte D.Climate CGE model (Too Little, Too Late)	Deloitte D.Climate CGE model (Hot House World)

Systemic risk in a long-term Hothouse World

In FY25, we incorporated climate tipping points into our Hothouse World scenario. We included these to ensure we considered a future in which critical climate thresholds are passed, causing the climate system to significantly reorganise, abruptly and/or irreversibly.

Including tipping points allowed us to challenge our business model and strategy to an extreme degree under one scenario. Our Hothouse World scenario envisages global conflict, severe economic contraction, population decline and threats to the stability of government and rule of law, over the long term (to 2100). See more about this scenario on page 13 above.

Our analysis of this scenario identified a risk to the viability of Aotearoa New Zealand's banking system, presenting an existential threat to Kiwibank over the long term of that scenario.

[26] Note that Kiwibank's Orderly scenario has a projected temperature of 1.4 °C, which is based on the closest available IPCC Representative Concentration Pathway (**RCP**) to 1.5°C.
[27] Intergovernmental Panel on Climate Change.
[28] Network for Greening the Financial System.
[29] We relied on SSP1-2.6 data for our Orderly scenario because downscaled SSP 1-1.9 data for New Zealand was not available during our scenario analysis process.
[30] We relied on SSP3-7.0 data for our Hothouse World scenario because downscaled SSP5-8.5 data for New Zealand was not available during our scenario analysis process.
[31] In the Hothouse World scenario, New Zealand Climate Projections Dataset projections are exceeded in the long-term time horizon because tipping points are triggered. Relevant scientific and current affairs articles were used to inform narratives in this instance.
[32] Shared Climate Policy Assumptions for New Zealand.
[33] Computable General Equilibrium.

Scenario analysis: data

Key data sources used in scenario analysis

Table 17

Key data sources	How we used them to inform our scenarios
IPCC: ▪ SSPs: 1-1.9; 2-2.6; 5-8.5 ▪ Sixth Assessment Report (**AR6**) ▪ Scenarios Data Explorer	Used to inform how different greenhouse gas emissions scenarios could affect our global climate, environment and society (including global climate policies).
Shared Climate Policy Assumptions for New Zealand (SPANZ) in *Climate Changes, Impacts and Implications for New Zealand to 2100 Synthesis Report: RA5. Exploring Options for New Zealand under Different Global Climates:* "100% Smart", "Kicking, Screaming" and "Homo Economicus"	Used to inform how approaches to climate change mitigation and adaptation might impact Aotearoa New Zealand's future, including how the nation's policies might align with or diverge from global trends.
ESNZ: ▪ Coastal flood maps ▪ New Zealand Climate Projections Dataset (overview, map, summary dashboard, national insights)	Used for climate hazard projections for Aotearoa New Zealand under different scenarios over time.
NGFS: ▪ Scenarios Portal ▪ Climate Scenarios for central banks and supervisors – Phase V ▪ International Institute for Applied Systems Analysis (**IIASA**) Scenario Explorer	Used to inform how physical and transition risks could evolve in different futures. Applied primarily to exploration of possible impacts on the economy and the financial system. The NGFS scenarios were also fundamental inputs to our bespoke CGE modelling.
NZBA's *Climate scenario narratives for the banking sector*	Used to inform our decisions on driving forces, critical uncertainties, time horizons, SSPs, and the general trajectory of our three distinct scenarios.
NZ SeaRise maps (sea level rise and vertical land movement projections for Aotearoa New Zealand)	Used to understand how sea level rise could affect coastal areas differently around the country. In particular, we considered the impact on urban coastal areas.
Bespoke Deloitte D.Climate CGE Modelling for each of our three scenarios: ▪ Orderly ▪ Too Little, Too Late ▪ Hothouse World	Used for Aotearoa New Zealand economic projections. This modelling estimates the economic impact of conditions that could flow from physical climate change events, at a macroeconomic level. The model measured 18 variables across our climate scenarios. Modelling was undertaken for Kiwibank by Deloitte, using their in-house model. The conditions selected in order to model economic impacts included: ▪ Stalling productivity and investment ▪ Diminished health and wellbeing ▪ Impacted workers ▪ Lost productive land ▪ Disrupted flow of global currency ▪ Agricultural losses Variables measured were: ▪ Real GDP (Aotearoa New Zealand) ▪ Investment ▪ Consumption ▪ Exports ▪ Imports ▪ Employment ▪ Unemployment rate ▪ Official Cash Rate (**OCR**) ▪ Consumer Price Index ▪ Wage Price Index ▪ House Price Index ▪ Labour Income ▪ Shadow Emissions Price (Aotearoa New Zealand) ▪ Population ▪ Construction Industry Output ▪ Heavy Manufacturing Industry Output ▪ Light Manufacturing Industry Output ▪ Services Industry Output
Relevant scientific and current affairs articles	Used to inform our understanding of policy trajectories, socio-economic changes and challenges, and to help illustrate the potential impacts of crossing various tipping points in our Hothouse World scenario.

GHG emissions: methods, assumptions, uncertainty and other limitations

Reporting period

Kiwibank measures both operational and financed emissions for the current reporting period ending 30 June.

Consolidation approach

We take an operational control approach to measuring Kiwibank's emissions.

We reviewed our operational boundary in FY26 by mapping the entities and business activities over which Kiwibank has operational control. We define operational control as Kiwibank having full authority to introduce and implement its operating policies over an activity.

We also include in our inventory selected indirect Scope 3 emissions over which Kiwibank does not have operational control, but which are generated as a result of Kiwibank's business activities. An example is financed emissions, which are GHG emissions associated with our lending to support residential and business customers.

We have applied adoption provision 4 (scope 3 greenhouse gas emissions exemption) to exclude some sources of emissions. A list of excluded FY26 emissions sources is explained on page 26 and set out in Table 20 on pages 43 and 44.

Restatement and significance thresholds

Our base year recalculation policy is for recalculation and restatement if there has been a material change during the reporting year to the measurement or calculation of emissions. This may include material changes in emission factors (including updates). Any structural change to the Kiwibank Group (including acquisitions and divestments) will trigger a base year review.

Base year recalculation and restatement may be necessary following a methodological change, including addition of new sources to the inventory that are captured by an emissions target. Whether recalculation and restatement are necessary and possible will depend on an assessment of:

- The nature of the methodological improvement
- Data availability and quality.

Kiwibank may restate or update prior year financed emissions calculations in the future if there are any material errors, changes in methodology, or changes or improvements in underlying data. For operational emissions we consider that a change is material if the impact of the change is 5% or greater in relation to total operational emissions, or 10% or greater in relation to the relevant scope.

Measurement standards applied

We have measured and prepared our operational and financed emissions in accordance with The *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition* and the *Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard* (**GHG Protocol**). We have disclosed our operational and financed emissions in compliance with NZ CS.

Financed emissions are based on the PCAF Standard – Part A, an internationally recognised framework designed to support the consistent and transparent measurement of emissions associated with loans and investments, aligning with the GHG Protocol Scope 3 Category 15 (Investments). We note in the first column of Tables 24 – 26 on pages 47 - 50 where PCAF methodology options have been modified.

Operational emissions: methods, assumptions, uncertainty and other limitations

Other than the base year measurement, the intensity metric calculation method, or where otherwise described, the information in this Appendix *Operational emissions: Methods, assumptions, uncertainty and other limitations* is subject to limited assurance.

Emission factors

We primarily use Ministry for Cities, Environment, Regions & Transport (**MCERT**) (formerly Ministry for the Environment – Manatū Mō Te Taiao) 2026 emission factors for operational emissions. These are based on the 100-year Global Warming Potential (**GWP**) values (GWP100) for the IPCC's Fifth Assessment Report (**AR5**).

For a small number of operational emission sources, there are no applicable MCERT factors. For those, we have used 2026 UK Government Greenhouse Gas Conversion factors for Company Reporting (**2026 UK GHG Conversion factors**). These are based on GWP100 for AR5.

Emission factors used for each operational emission source are set out in Table 19 below.

Emissions quantification is inherently uncertain because the scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases is incomplete.

Base year measurement

Our base year measurement period for OET set to FY30 is from 1 July 2020 to 30 June 2021 (FY21).

We selected FY21 as our base year because:

- It is the earliest relevant point in time for which Kiwibank has reliable data
- It covers 12 consecutive months
- It is an accurate representation of Kiwibank's typical emissions profile.

Intensity metric calculation

We have applied an intensity metric, being Kiwibank's operational emissions per dollar of operating revenue. This measurement is set out in Table 7 on page 24.

The calculation is total emissions divided by dollars of operating revenue for the year ended 30 June in the relevant financial year.

Sources of emissions data

Kiwibank mainly obtains operational emissions source data from third-party suppliers. We only collect emissions source data directly for kaimahi commuting and kaimahi working from home. We use Generate Zero's Footprint tool to calculate our operational emissions, and track and analyse our emissions reduction efforts.

Table 19 below sets out our operational emissions data sources, calculation methods, emission factors applied, and uncertainty.

Base year and comparative year restatement (base year restatement is subject to assurance)

We have restated FY25 and FY24 comparative year operational emissions in FY26. The reason for these restatements, and their quantitative impacts, are set out in Table 18 (right).

Table 18

Summary of restatements

Scope	Reason for restatement	FY24 impact (tCO_2e)	FY25 impact (tCO_2e)
Scope 2	To correct prior period error in respect of previously omitted heating and cooling emissions for sites where electricity costs are borne by the landlord and consumption data is not directly attributable	+66	+51
	Other immaterial restatements	0	+2
Impact on total operational emissions		**+66**	**+53**
Previously reported total operational emissions		**970**	**2,919**
Restated total operational emissions		**1,036**	**2,972**

In FY26 we reset our FY30 OET and changed the targets and metrics that we measure. The metrics that form our base year in FY26 are different to those reported in the FY25 Climate Statement and are not directly comparable. To assist in setting our FY30 OET and ensure consistency in methods across comparable periods, we have retrospectively estimated base year Scope 3 operational emissions from the following sources:

- Employee commuting (including kaimahi working from home) (Category 7), estimated based on results from our FY25 and two FY26 commuter surveys, adjusted to represent FY21 kaimahi headcount and 2021 MCERT emission factors. Employee commuting makes up 2,891 tCO_2e of base year emissions for our Scope 3 FY30 OET.
- Cloud computing (Category 1), calculated using the earliest available tCO_2e figures attributed to Kiwibank, supplied by third party cloud-based computing providers. Cloud computing makes up 85 tCO_2e of base year emissions for our Scope 3 FY30 OET.

Base year Scope 3 operational emissions are set out in Table 8 on page 25.

Operational emissions: methods, assumptions, uncertainty and other limitations *continued*

Operational emissions data sources and calculation methods

Table 19

Scope	Category	Emissions source	Activity data source	Method	Uncertainty	Assumptions and limitations	Emission factor source
Scope 1	**Scope 1 – direct emissions**	Stationary combustion – diesel generators (back-up power)	Data is obtained from the third party who maintains Kiwibank's diesel generators.	Quantity of fuel (L) multiplied by activity emission factor/s.	Medium	Assumes accuracy of third-party supplier's data collection methods. Potential for human error where data entry by third parties is required.	MCERT 2026
		Mobile combustion (fleet) – petrol	Calculation is based on quantity of petrol used (litres) and emission factor. Litres data is obtained from reports provided to Kiwibank from a third-party fuel card provider.	Quantity of fleet fuel (L) multiplied by activity emission factor/s.	Low	Assumes accuracy of third-party supplier's data collection methods. Assumes drivers of Kiwibank fleet vehicles pay for all petrol refuelling with a Kiwibank fuel card. Kaimahi are expected to adhere to policies related to fleet vehicles and fuel cards.	MCERT 2026
		Refrigerant top-ups	Data is obtained from the third party who maintains Kiwibank-owned air-conditioning systems.	Quantity of refrigerant (kg) topped up multiplied by activity emission factor/s.	High	Assumes accuracy of third-party supplier's data collection methods. We are only able to obtain data for air conditioning units at 31% of Kiwibank sites and there have been no refrigerant top-ups at these sites in FY26.	MCERT 2026
Scope 2	**Scope 2 – purchased electricity, heating and cooling (location-based method)**	Electricity	Data is obtained from supplier reports and invoices provided to Kiwibank by electricity providers.	Electricity consumption (kWh) multiplied by activity emission factor. Includes electricity consumption from sites Kiwibank shares with other parties and sites where electricity costs are borne by the landlord and consumption data is not directly available. Kiwibank's consumption at those sites is estimated according to the floor space occupied by Kiwibank (square metres).	Medium	Assumes accuracy of third-party supplier's data collection methods. Includes some uncertainty due to inclusion of Kiwibank electricity consumption at shared sites, where consumption is estimated according to the share of the facilities occupied by Kiwibank. There is also potential for inaccuracies where Kiwibank calculates its proportion of shared-site electricity consumption, but we estimate any such inaccuracy to be unlikely and/or immaterial. For sites where electricity costs are borne by the landlord and consumption data is not directly available, we use typical heating and cooling consumption of shopping centres and office buildings in Aotearoa New Zealand and Australia from published industry research (Carbon and Energy Professionals New Zealand (formerly the Energy Management Association of New Zealand) and Green Building Council of Australia 2013) to estimate Kiwibank's consumption at those sites according to the floor space occupied by Kiwibank (square metres). We have assessed this to be the best and most relevant research available at this time.	MCERT 2026
		Passenger fleet vehicles (EV charging)	Data is obtained from a third-party online portal to which Kiwibank has access. This records electricity consumed by Kiwibank at-home and on-site chargers.	Electricity consumption (kWh) multiplied by activity emission factors.	Low	Assumes accuracy of third-party supplier's data collection methods.	MCERT 2026

Table continued on next page

Operational emissions: methods, assumptions, uncertainty and other limitations *continued*

Table 19 *continued*

Scope	Category	Emissions source	Activity data source	Method	Uncertainty	Assumptions and limitations	Emission factor source
Scope 3	**1. Purchased goods and services**	Data centres	Data is obtained from reports provided to Kiwibank by a third-party data centre provider.	Electricity consumption (kWh) multiplied by activity emission factor.	Low	Assumes accuracy of third-party supplier's data collection methods.	MCERT 2026
		Paper use and collateral	**Use:** Data is obtained from reports provided to Kiwibank by a third-party paper supplier. **Collateral:** Data is obtained from reports provided to Kiwibank by a third-party paper collateral printer based on orders fulfilled to Kiwibank.	Kilograms (kg) multiplied by activity emission factor.	Low	Assumes accuracy of third-party supplier's data collection methods.	2026 UK GHG Conversion factors
		Cloud-based computing	Pre-calculated kilograms of carbon dioxide equivalent (**kgCO_2e**) data (converted to tonnes) is obtained from cloud service provider reports and dashboards to which Kiwibank has access.	Pre-calculated: third-party methodology applied to produce tCO_2e attributable to Kiwibank.	Medium	Assumes accuracy of third-party supplier's emissions calculation and attribution methods. Relies on suppliers' life-cycle emissions assessment methodologies.	N/A
	3. Fuel- and energy-related activities	Electricity transmission and distribution (**T&D**) losses	Data is obtained from reports provided to Kiwibank by electricity suppliers.	Pre-calculated T&D losses or electricity consumption (kWh) multiplied by activity emission factor.	Medium	Assumes accuracy of third-party supplier's data collection methods. Includes a degree of estimation by electricity providers as to the total T&D losses arising from Kiwibank's consumption of electricity. Two suppliers do not distinguish T&D losses in their reporting, but those losses are accounted for in our measurement of emissions from electricity consumption generally.	MCERT 2026
	5. Waste generated in operations	Waste to landfill	Data is obtained from waste weight measurement reports provided to Kiwibank by a third-party cleaning provider.	Kilograms (kg) multiplied by activity emission factor.	Low	Assumes accuracy of third-party supplier's data collection methods.	MCERT 2026
		Recycling	Data is obtained from waste weight measurement reports provided to Kiwibank by a third-party recycling provider.	Kilograms (kg) multiplied by activity emission factor.	Low	Assumes accuracy of third-party supplier's data collection methods.	2026 UK GHG Conversion factors
	6. Business travel	Air travel	**For flights booked and paid for by Kiwibank:** data is obtained from reports provided to Kiwibank by the third-party travel agent who books that travel and records kilometres flown. **For flights taken by Kiwibank kaimahi that are booked and paid for by a third party:** each flight is recorded in a Gift Register. We estimate the flight's emissions based on the direct distance (kilometres) between departure and arrival destinations.	Passenger km (pkm) multiplied by activity emission factor/s.	Medium	Assumes accuracy of third-party supplier's data collection methods. Uncertainty exists where emissions are calculated based on the direct distance between destinations rather than actual mileage flown. Some uncertainty and potential for error exists as a result of using a third-party air miles calculator to determine distances flown on flights booked and paid for by third parties. Some flights may be excluded if kaimahi book by means other than through our third-party travel agent. We estimate any such exclusions to be immaterial because such bookings contravene Kiwibank's travel policy.	MCERT 2026

Table continued on next page

Operational emissions: methods, assumptions, uncertainty and other limitations *continued*

Table 19 *continued*

Scope	Category	Emissions source	Activity data source	Method	Uncertainty	Assumptions and limitations	Emission factor source
Scope 3	6. Business travel	Accommodation	Data is obtained from reports provided by the third-party travel agent.	Number of room nights multiplied by activity emission factor/s.	Medium	Assumes accuracy of third-party supplier's data collection methods. Some accommodation may be excluded if kaimahi book and pay by means other than through our third-party travel agent. We estimate any such exclusions to be immaterial because such bookings contravene Kiwibank's travel policy.	MCERT 2026
		Rental car	Data is obtained from supplier reports and an online customer portal.	Distance travelled (km) multiplied by activity emission factor/s.	Low	Assumes accuracy of third-party supplier's data collection.	MCERT 2026
		Mileage claims	Data is obtained from Kiwibank's internal mileage claims system.	Distance travelled (km) multiplied by activity emission factor/s.	Medium	Assumes accuracy of third-party supplier's data collection methods and accuracy of kaimahi mileage claims.	MCERT 2026
		Taxi	Data is obtained from Kiwibank's internal expense claims system reports and online supplier portals.	Spend ($) multiplied by spend-based activity emission factor.	Medium	Assumes accuracy of third-party supplier's data collection methods. Where distance travelled data is limited, our calculation is reliant on a spend-based method. Some taxi usage may be excluded if kaimahi charge the cost of a taxi trip to a Kiwibank purchasing card. We estimate any such exclusions to be de minimis because a very limited number of kaimahi have access to a Kiwibank purchasing card.	MCERT 2026
		Rideshare	Data is obtained from Kiwibank's internal expense claims system reports and online supplier portals.	Distance travelled (km) multiplied by activity emission factor/s.	Medium	Assumes accuracy of third-party supplier's data collection.	MCERT 2026
	7. Employee commuting	Kaimahi commuting	Calculation is based on kaimahi surveys about commuting habits conducted in late-October/early November 2025 (representing winter activity) and early-March 2026 (representing summer activity). The winter survey had a 46% response rate and the summer survey had a 51% response rate. We estimated the commuting data for kaimahi who did not respond by scaling up survey response data to apply to our total FTE.	tCO_2e (calculated using employee days and activity emission factor/s).	Medium	Assumes commuting behaviours of kaimahi surveyed are consistent with the kaimahi population. Also assumes kaimahi commuting behaviours remain constant throughout the year. Measurement uncertainty exists due to reliance on kaimahi self-reported commute distances. Kaimahi are encouraged to use an external tool to estimate commute distances, however this is only available for car trips. The same route is assumed for all travel modes other than car, which may result in over- or under-estimation.	MCERT 2026
		Kaimahi working from home	Calculation is based on kaimahi surveys about working-from-home habits conducted in late-October/early November 2025 (representing winter activity) and early-March 2026 (representing summer activity). The winter survey had a 46% response rate and the summer survey had a 51% response rate. We estimated the working-from-home data for kaimahi who did not respond by scaling up survey response data to apply to our total FTE.	tCO_2e (calculated using employee days and activity emission factor/s).	Medium	Assumes the number of kaimahi surveyed and report on working-from-home is consistent with the kaimahi population. The 'with heating' emission factor was applied if kaimahi self-reported that they used heating for at least 50% of their hours working from home over a given survey period. Otherwise 'without heating' was applied.	MCERT 2026

Operational emissions: methods, assumptions, uncertainty and other limitations *continued*

Operational emissions data sources and calculation methods

Table 20

Scope	GHG Protocol category		Reported / Excluded	Comments
Scope 1		Stationary combustion	Reported	
		Mobile combustion	Reported	
		Fugitive emissions	Reported	
		Process emissions	**Excluded – not applicable**	
Scope 2		Purchased electricity	Reported	Location based. On-site automated teller machine (**ATM**) electricity usage is included because this usage cannot be separated from other electricity usage at Kiwibank sites. They are owned and operated by a third party and therefore outside Kiwibank's operational control.
Scope 3	1	Purchased goods and services	Partially reported – Adoption provision 4 partially applied	Paper usage and collateral, data centres and infrastructure as a service cloud computing (market based) are included. Software as a service is not included in cloud computing. NZ CS 2 adoption provision 4 applied to all remaining purchased goods and services. We have not yet identified and assessed all purchased goods and services along Kiwibank's value chain. We have therefore not included these in our emissions reduction strategy or targets to date. The exclusion of these Scope 3 Category 1 emissions is a known uncertainty in our emissions reporting.
	2	Capital goods	**Excluded – Adoption Provision 4**	NZ CS 2 adoption provision 4 applied. We have not yet assessed the nature of Kiwibank's capital goods or the availability of data for reporting any Scope 3 Category 2 emissions.
	3	Fuel- and energy-related activities not included in Scope 1 or 2	Partially reported – Adoption provision 4 partially applied	T&D losses from purchased electricity and EV charging are included. Well-to-tank (**WTT**) emissions are excluded. We have not yet fully assessed the nature or materiality of WTT emissions.
	4	Upstream transport and distribution	**Excluded – Adoption Provision 4**	NZ CS 2 adoption provision 4 applied. Emissions from Kiwibank's use of couriers is excluded because we estimate them to be quantitatively immaterial. We have not yet assessed the availability of data and/or materiality of other freighting.
	5	Waste generated in operations	Partially reported – Adoption provision 4 partially applied	Waste to landfill and recycling are included. Water and waste-water not currently measured.
	6	Business travel	Reported	
	7	Employee commuting	Reported	We account for kaimahi commuting and kaimahi working from home within this category.

Table continued on next page

Operational emissions: methods, assumptions, uncertainty and other limitations *continued*

Table 20 *continued*

Scope	GHG Protocol category		Reported / Excluded	Comments
Scope 3	8	Upstream leased assets	**Partially reported – Adoption Provision 4**	We have not yet comprehensively determined whether Kiwibank has additional upstream leased assets, and whether associated emissions are already included, or could be included, in our reporting.
	9	Downstream transportation and distribution	**Excluded – Adoption Provision 4**	NZ CS 2 adoption provision 4 applied. We have not yet assessed the availability of data for this category.
	10	Processing of sold product	**Excluded – Adoption Provision 4**	NZ CS 2 adoption provision 4 applied. We have not yet fully assessed the nature of any Kiwibank sold products and the materiality of emissions associated with their processing.
	11	Use of sold product	**Excluded – Adoption Provision 4**	NZ CS 2 adoption provision 4 applied. We have not yet fully assessed the nature of any Kiwibank sold products and the materiality of emissions associated with their use.
	12	End-of-life treatment of sold products	**Excluded – Adoption Provision 4**	NZ CS 2 adoption provision 4 applied. We have not yet fully assessed the nature of any Kiwibank sold products and the materiality of emissions associated with their end-of-life treatment.
	13	Downstream leased assets	**Excluded – Adoption Provision 4**	NZ CS 2 adoption provision 4 applied. We have not yet fully assessed the nature of any downstream leased assets and the materiality of emissions associated with their processing.
	14	Franchises	**Excluded – Adoption Provision 4**	We consider Kiwibank's Local for Kiwibank service agent operations fall within this category. We have not yet fully assessed the availability of data for this category. Kiwibank delivers limited, over-the-counter banking services (such as cash withdrawals, deposits and exchange, and account opening) via service agents who are existing third-party businesses. These may be pharmacies, bookstores, NZ Post Shops, and others. Service agent personnel are trained and authorised to deliver these Kiwibank services as part of their usual business operation. We are unable to obtain data to calculate the proportion of total service agent emissions attributable to their delivery of Local for Kiwibank services.
	15	Investments	**Partially reported – Adoption Provision 4 partially applied**	Kiwibank's financed emissions are presented separately from its operational emissions. There are no operational emission sources within this category. Refer to pages 26 and 45 for financed emissions scope and exclusions.

Biogenic emissions may arise from biofuel present in Aotearoa New Zealand retail fuel mixes, or in electricity grid power generation. We have estimated any Kiwibank biogenic emissions resulting from these sources to be de-minimis. Kiwibank therefore has no biogenic emissions to report.

Financed emissions: methods, assumptions, uncertainty and other limitations

Introduction

Table 23 on page 46 shows Kiwibank's Scope 1 & 2 financed emissions and financed emissions intensity across our in-scope lending portfolios for FY26 and FY25, based on OA and TCE.

Measurement standards applied

Kiwibank calculates its financed emissions based on the PCAF Standard where practicable. We note in the first column of Tables 24 – 26 on pages 47 - 50 where PCAF methodology options have been modified.

Lending portfolios and scope

Kiwibank estimates financed emissions in relation to the largest three of its lending portfolios set out below, which together represent 94.3% of Kiwibank's total OA and 90.0% of Kiwibank's total TCE as at 30 June 2026 (30 June 2025 OA: 94.5%, TCE: 89.9%).

Table 21 below shows how Kiwibank's lending portfolios align to PCAF asset classes.

Table 21

PCAF asset class	Kiwibank lending portfolios
Residential Mortgages	Home lending, adjusted for financed emissions reporting by excluding business lending secured by residential mortgages
Business loans and unlisted equity	Business lending accounts, adjusted for financed emissions reporting by: ▪ excluding lending secured by commercial real estate and asset finance lending and ▪ including business lending accounts secured by residential mortgages
Commercial real estate	Commercial real estate lending

Because lending portfolios in Table 21 above include adjustments to align to PCAF asset class definitions, the percentage of OA and TCE for each lending portfolio presented may differ slightly from levels disclosed elsewhere.

We have not estimated financed emissions for other PCAF asset classes within Kiwibank. We elect to use Adoption Provision 4 in respect of all other PCAF asset classes. We do not have data to support financed emissions estimations outside the asset classes listed above and cannot estimate financed emissions where we are unable to match lending to a property.

Customer Scope 3 emissions excluded

The PCAF standard requires customer Scope 3 emissions to be reported. Kiwibank does not have data available in FY26 to provide an estimate of these emissions. Scope 3 financed emissions typically increase total financed emissions for banks considerably.

We also elect to use Adoption Provision 4 in respect of customer Scope 3 financed emissions.

Disclosure of financed emissions by OA and TCE

We disclose our financed emissions by both OA and TCE. TCE reflects our commitments to support our customers, which in turn supports our customers' activities that generate emissions, regardless of whether the full amount of the commitment is drawn. Financed emissions by TCE are higher than financed emissions by OA.

Emission factors

We use MCERT 2026 emission factors in all financed emission calculations. These are based on GWP 100 for AR5.

For some calculations, set out in Tables 24 and 25 on pages 47 and 48, we also use Scope 1 emission factors sourced from Statistics New Zealand – Tatauranga Aotearoa (**Stats NZ**) GHG emissions by region (industry and household) 2024. These are also based on GWP 100 for AR5.

The emission factors used for each reporting period are the latest available at the end of that reporting period. For FY25 and FY26, the latest available emission factors are the same.

Intensity metric calculation

We have applied an intensity metric, being Kiwibank's emissions in tCO_2e per $ million lent. This measurement is set out in Table 23 (next page) and calculated both for OA and TCE as follows for the relevant reporting period:

- OA-based lending portfolio emissions divided by $ million OA
- TCE-based lending portfolio emissions divided by $ million TCE

Reliance on third party platform and data sources

Kiwibank uses a third-party platform to estimate its financed emissions, which in turn uses data supplied by other third-party providers and public sources. The calculations are performed by the third party which applies the methodology, assumptions and emission factors referred to in Tables 24 – 26 on our behalf. It is assumed that these methodologies are correctly applied and the data sources are complete and accurate. The emissions calculations, methodology and data sources have not been independently audited or verified by us, and are subject to uncertainty.

Some of the data sources are published with a time delay. Emission factors for Aotearoa New Zealand are calculated by MCERT in May-June of the following year. Stats NZ annual emissions by industry are published with a 2 year lag. This can lead to a 1-2 year lag on emission factors depending on reporting time. This may reduce the sensitivity of financed emissions results to short term changes in sector emissions trends.

Financed emissions: methods, assumptions, uncertainty and other limitations *continued*

Reliance on estimations

The calculation of all our financed emissions relies heavily on estimated data points. Several key inputs used in our calculations are sector-level and regional-level proxies and assumptions. Due to the nature of our lending portfolio, we have very limited customer-specific and site-level information to improve our data quality. There are limitations to the availability of verified customer emissions, or company-specific financial data, especially for smaller, or unlisted entities. We therefore apply a top-down, sector-based estimation model based on loan value (score 5), for the entire business loans portfolio. Our overall PCAF data quality score between 4 - 5 shows high levels of uncertainty, as illustrated in Figure 10 below.

Fig. 10

PCAF Data quality score	
Certain	1
	2
	3
	4
Uncertain	5

Table 22

Kiwibank lending portfolio	Data quality score PCAF FY25	FY26
Home lending	4.04	**4.04**
Business lending	5.00	**5.00**
Commercial real estate lending	4.92	**4.92**
Total	**4.04**	**4.04**

Asset-class specific information

Further asset-class specific methods, assumptions, uncertainty and other limitations are set out in Tables 24 – 26 on pages 47 – 50.

Table 23

Kiwibank FY25 and FY26 Scope 1 & 2 financed emissions by OA and TCE.

	Financed emissions by Outstanding loans and advances						Financed emissions by Total Committed Exposure					
Kiwibank lending portfolio	Emissions (tCO_2e)		% Total Kiwibank emissions		Emissions intensity (tCO_2e/$million lent)		Emissions (tCO_2e)		% Total Kiwibank emissions		Emissions intensity (tCO_2e/$million lent)	
	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26
Home lending	38,046	**34,803**	31.6%	**28.2%**	1.31	**1.11**	41,500	**37,767**	31.1%	**26.8%**	1.34	**1.13**
Business lending	76,132	**83,084**	63.3%	**67.2%**	21.74	**19.73**	85,919	**97,351**	64.3%	**69.1%**	21.94	**20.56**
Commercial real estate lending	6,130	**5,726**	5.1%	**4.6%**	4.04	**4.14**	6,216	**5,811**	4.7%	**4.1%**	4.05	**4.14**
Total	**120,308**	**123,613**			**3.54**	**3.36**	**133,635**	**140,929**			**3.66**	**3.57**

Financed emissions: methods, assumptions, uncertainty and other limitations *continued*

Home lending financed emissions

Emissions from home loans represent emissions created by the household energy use of mortgage customers. The methodology, data sources and material limitations related to the calculation of financed emissions attributable to Home lending, adjusted for financed emissions reporting, are set out in Table 24 below.

Table 24
Home lending emissions methodology, data sources and limitations

PCAF option and percentage of Kiwibank home lending portfolio assessed using this option (by OA)		Key differentiating information	Formula: Financed emissions =	Methodology	Data sources
Option 2b: Estimated building energy consumption area based on building type, location specific statistical data and client floor area **PCAF data quality score 4**	Percentage home lending portfolio financed emissions calculated using this methodology: FY25: 95.7% FY26: 95.8%	Floor area available	$\sum \frac{\text{Exposure}}{\text{Property value}} \times \frac{\text{Emissions}}{\text{Floor area}} \times \text{Floor area}$ 'Exposure' refers to OA or TCE, as appropriate.	1. Obtain actual floor area for each relevant household in the home lending portfolio 2. Calculate electricity and heating and cooling emission factors per square metre 3. Apply the electricity and heating/cooling emission factors to the actual floor area of relevant households in the portfolio to determine total emissions 4. Determine the attribution factor, which is exposure (OA or TCE) divided by the property value at origination 5. Attribute financed emissions by multiplying emissions by the attribution factor	▪ Property addresses and property value (at origination) are derived from Kiwibank internal lending systems. ▪ 'Exposure', (OA or TCE), is derived from Kiwibank internal lending systems. ▪ Where possible, we use actual floor area sourced from our external provider's dataset (used in methodology option 2b). ▪ Where a property cannot be matched with our external provider's dataset, we use estimated regional average floor area, reflecting typical building characteristics within the relevant territorial authority (used in methodology option 2b modified). ▪ Emission factors are sourced from May 2026 MCERT published factors for Aotearoa New Zealand. ▪ Electricity consumption (Electricity use per household (kWh)) is sourced from the Electricity Authority monthly residential consumption trends by region (2025-2026). Monthly data is annualised. ▪ Heating and cooling emissions by region are sourced from Stats NZ GHG emissions by region (industry and household) for the year ended 2024.
Option 2b modified: Estimated building energy consumption area based on estimated building consumption and estimated floor area **PCAF data quality score 5**	Percentage home lending portfolio financed emissions calculated using this methodology: FY25: 4.3% FY26: 4.2%	Floor area estimated	$\sum \frac{\text{Exposure}}{\text{Property value}} \times \frac{\text{Emissions}}{\text{Floor area}}$ $\times$ Estimated floor area 'Exposure' refers to OA or TCE, as appropriate.	1. Obtain regional average floor area, reflecting typical building characteristics, and apply to each relevant household in the home lending portfolio 2. Calculate electricity and heating/cooling emission factors per square metre 3. Apply the electricity and heating/cooling emission factors to the estimated floor area of relevant households in the portfolio to determine emissions 4. Determine the attribution factor, which is exposure (OA or TCE) divided by the property value at origination 5. Attribute financed emissions by multiplying emissions by the attribution factor	

Further limitations applicable to estimating financed emissions for Home lending	
In addition to the constraints relating to financed emissions on pages 45 - 46, the following limitations apply to financed emissions estimations for home lending:	
Reliance on modelled energy consumption	Actual household energy consumption data is generally not available. Financed emissions are estimated using modelled energy consumption based on regional averages, dwelling type and floor area, which may not reflect household-specific behaviours, appliance efficiency, or heating and cooling preferences.
Assumptions on emissions intensity by region and dwelling type	Emission factors applied per square metre are derived from regional average electricity consumption, heating and cooling emissions, and average dwelling size. These assumptions may not capture differences in insulation quality, building age, fuel mix, or energy efficiency upgrades at the individual property level.
Estimated or incomplete floor area data	Where actual floor area data is missing, estimated regional or national average floor areas are applied. This introduces uncertainty, particularly for properties that materially deviate from typical dwelling sizes.
Inclusion of construction and revolving credit exposures	Due to system limitations, construction loans, revolving credit components and top-up lending associated with residential mortgages are included in scope, despite portions of this lending potentially relating to general consumer lending or short-term construction activity. This may reduce precision in attribution of financed emissions.

Financed emissions: methods, assumptions, uncertainty and other limitations *continued*

Business lending financed emissions

Emissions from business loans represent emissions created by the energy use of our business customers. The methodology, data sources and material limitations in relation to the calculation of financed emissions attributable to business lending, adjusted for financed emissions reporting, are set out in Table 25 below.

Table 25
Business lending emissions methodology, data sources and limitations

PCAF option and percentage of Kiwibank business lending portfolio assessed using this option (by OA)		Key differentiating information	Formula: Financed emissions =	Steps	Data sources
Option 3b: Emissions based on sector based emissions per $ asset value, using customer's loan value **PCAF data quality score 5**	Percentage business lending portfolio financed emissions calculated using this methodology: FY25: 98.3% FY26: 98.7%	▪ Client sector type available	$\sum \text{Exposure} \times \frac{\text{Sector emissions}}{\text{Sector assets}}$ 'Exposure' refers to OA or TCE, as appropriate.	1. Use Australian and New Zealand Standard Industrial Classification (**ANZSIC**) codes to identify the main sector applicable to each Kiwibank exposure within the business lending portfolio 2. Extract Scope 1 sector-level emission factors 3. Calculate Scope 2 sector-level emission factors using energy use data and emission factors for electricity by sector 4. Map sector-level emissions and sector-level assets to the main sector applicable to each Kiwibank exposure where possible, or to the broader parent ANZIC sector in other cases 5. Calculate financed emissions by multiplying exposure by the sector-level emissions ratio shown (left)	▪ 'Exposure', whether by OA or TCE all derived from Kiwibank internal lending systems. ▪ Scope 1 emission factors sourced from Stats NZ GHG emissions by region (industry and household) for the year ended 2024. Emissions from subsequent years are estimated by assuming sector emissions remain at 2024 levels. ▪ Assets per sector sourced from Stats NZ Business Performance Benchmarker for the year ended 2024. ▪ Scope 2 emissions energy use is sourced from Energy End Use Database (**EEUD**) 2024 available from Energy Efficiency and Conservation Authority – Te Tari Tiaki Pūngao (**EECA**). Energy use is multiplied by 2026 MCERT published factors for electricity by sector in Aotearoa New Zealand.
Option 3b modified: Emissions based on nationwide emissions per $ asset value, using customer's loan value **PCAF data quality score 5**	Percentage business lending portfolio financed emissions calculated using this methodology: FY25: 1.7% FY26: 1.3%	▪ Client sector type not available	$\sum \text{Exposure} \times \frac{\text{Nationwide average emissions}}{\text{Nationwide average assets}}$ ''Exposure' refers to OA or TCE, as appropriate.	1. Extract Scope 1 sector-level emission factors 2. Take average of nationwide Scope 1 emissions across all sectors 3. Calculate Scope 2 sector-level emission factors using energy use data and emission factors for electricity by sector 4. Take average of nationwide assets across all sectors 5. Calculate financed emissions by multiplying Kiwibank exposure by the national level emissions ratio shown (left)	

Further limitations applicable to estimating financed emissions for business lending	
In addition to the constraints relating to financed emissions on pages 45 - 46, the following limitations apply to financed emissions estimations for business lending:	
Data availability and use of sector-level proxies	Financed emissions for Business Loans are calculated using sector-level and national-level data only, due to unavailability of client-specific data. For majority of the portfolio, emissions are estimated using economic proxy approaches based on ANZSIC sector classifications and asset based emission factors or national-level data where sector-based data is not available. An economic proxy approach assumes emissions are proportional to sector or national average economic activity and assets, which will not accurately capture intra-sector variability or differences in business models, scale, or operational efficiency.
Any limitations specific to EECA data	Scope 2 emissions data is calculated using values extracted from the EEUD which should be considered modelled estimates only that are subject to limitations. In particular, EEUD disaggregates higher level data into more granular sub-sets, which introduces uncertainty in the more granular sub-sets of data. Also, electricity allocations can rely on out of date or modelled information that does not reflect current energy usage dynamics.

Financed emissions: methods, assumptions, uncertainty and other limitations *continued*

Commercial real estate lending financed emissions

Emissions from commercial real estate loans represent emissions created by the energy use of our commercial real estate customers. The methodology, data sources and material limitations in relation to the calculation of financed emissions attributable to commercial real estate lending are set out in Table 26 below.

Table 26
Commercial real estate lending emissions methodology, data sources and limitations

<table>
<tr><th colspan="2">PCAF option and percentage of Kiwibank commercial real estate lending portfolio assessed using this option (by OA)</th><th>Key differentiating information</th><th>Formula:
Financed emissions =</th><th>Steps</th><th>Data sources</th></tr>
<tr><td>Option 2a/2b (for commercial office): Emissions based on estimated building energy consumption and location-specific statistical data

PCAF data quality score 4</td><td>Percentage commercial real estate lending portfolio financed emissions calculated using this methodology:
FY25: 4.5%
FY26: 4.5%</td><td>• Actual floor area
• Building classified as commercial office</td><td rowspan="2">$$\sum \frac{\text{Exposure}}{\text{Property value}} \times \frac{\text{Emissions}}{\text{Floor area}} \times \text{Floor area}$$
‘Exposure’ refers to Outstanding loan amount or TCE, as appropriate.</td><td>1. Obtain actual floor area for each relevant building in the commercial real estate lending portfolio
2. Calculate energy emission factor per square meter based on energy consumption factors and emission factors by kWh for commercial office buildings
3. Apply the energy emission factors to the actual floor area of relevant properties in the portfolio to determine total emissions
4. Determine the attribution factor, which is exposure (OA or TCE) divided by the property value at origination
5. Attribute financed emissions by multiplying emissions by the attribution factor</td><td rowspan="3">• Property addresses and property value at origination derived from Kiwibank internal lending systems.
• ‘Exposure’, whether by OA or TCE, is derived from Kiwibank internal lending systems.
• Where possible, we use actual floor area sourced from our external provider’s dataset (used in methodology Option 2a/b and 2a/b modified).
• Where a property cannot be matched with our external provider’s dataset, we use estimated regional average floor area, reflecting typical building characteristics within the relevant territorial authority (used in methodology Option 2b modified).
• Emission factors are sourced from May 2026 MCERT published factors for Aotearoa New Zealand.
• For non-office / non-residential commercial property, estimated electricity and gas used per m2 were sourced from the Building Energy End-use Study Part 1: Final Report Building Research Association of New Zealand (BRANZ) Study Report SR 297/1 for 2014.
• Regional floor area sourced from our external provider’s dataset.
• National floor area sourced from our external provider’s dataset. If sector is not available, a single nationwide average floor area for all commercial buildings is used. If sector is available, a nationwide average floor area for the sector is used instead.</td></tr>
<tr><td>Option 2a/2b modified (for non-commercial office): Emissions based on estimated building energy consumption and location specific statistical data

PCAF data quality score 5</td><td>Percentage commercial real estate lending portfolio financed emissions calculated using this methodology:
FY25: 89.0%
FY26: 88.8%</td><td>• Actual floor area
• Building classified as non-commercial office</td><td>As above, save that emission factors by kWh used are for generic, non-office, non-residential building types.</td></tr>
<tr><td>Option 2b modified: Emissions based on estimated building energy consumption and regional average floor area estimates

PCAF data quality score 5</td><td>Percentage commercial real estate lending portfolio financed emissions calculated using this methodology:
FY25: 6.1%
FY26: 5.8%</td><td>• Estimated floor area
• Property is matched to region or industry</td><td>$$\sum \frac{\text{Exposure}}{\text{Property value}} \times \frac{\text{Emissions}}{\text{Floor area}} \times \text{Estimated floor area}$$
‘Exposure’ refers to Outstanding loan amount or TCE, as appropriate.</td><td>1. Obtain regional average floor area and apply to each relevant building in the commercial real estate lending portfolio
2. Calculate electricity emission factor per square meter based on energy consumption factors and emission factors by kWh for commercial office buildings
3. Apply the electricity emission factors to the estimated floor area of relevant properties in the portfolio to determine total emissions
4. Determine the attribution factor, which is exposure (OA or TCE) divided by the property value at origination
5. Attribute financed emissions by multiplying emissions by the attribution factor</td></tr>
</table>

Table continued on next page

Financed emissions: methods, assumptions, uncertainty and other limitations *continued*

Table 26 *continued*
Commercial real estate lending emissions methodology, data sources and limitations

PCAF option and percentage of Kiwibank commercial real estate lending portfolio assessed using this option (by OA)		Key differentiating information	Formula: Financed emissions =	Steps	Data sources
Option 2b modified: Emissions based on estimated building energy consumption and national average floor area estimates **PCAF data quality score 5**	Percentage commercial real estate lending portfolio financed emissions calculated using this methodology: FY25: 0.5% FY26: 0.9%	▪ Estimated floor area ▪ Property is not matched to region or industry		As above, save that average floor area used is a national, not regional average.	

Further limitations applicable to estimating financed emissions for Commercial real estate lending	
In addition to the constraints relating to financed emissions on pages 45 - 46, the following limitations apply to financed emissions estimations for commercial real estate lending:	
Property value	For commercial real estate lending, data limitations constrain the ability to assess the appropriateness of recorded property values (including 'as complete' versus origination values).
Data limitations where customers hold multiple properties	For customers that hold more than one property, we lend and take security over the portfolio of properties and are unable to attribute lending to a single property only. This limits the accuracy with which we can estimate financed emissions in relation to a single property held by customers with more than one property.
Use of estimated energy consumption	There is limited availability for actual metered consumption data for commercial buildings. Emissions are therefore estimated using average energy intensities by building type, floor area and location, which may not reflect the true operational energy performance of individual buildings.
Assumptions over emissions intensity per square metre	Emission factors applied on a per square metre basis rely on regional or national averages derived from external studies and datasets. These assumptions may not adequately capture differences in building design, age, occupancy patterns, retrofit status, or energy efficiency improvements at the property level.
Estimated floor area data	Where actual floor area data is unavailable, estimated average floor area metrics are applied at regional or national level. This introduces additional uncertainty, particularly for properties that differ materially from typical building characteristics within their region or classification.
Limited visibility of construction and redevelopment activity	Although specific commercial real estate development lending is excluded, properties held by investors may undergo refurbishment or redevelopment during the loan term. We are unable to reliably disaggregate the lending associated with these activities.

Sustainable finance

Approved uses of sustainable business loans

Table 27

Loan use	Description
Sustainable buildings	▪ Purchasing, developing or refinancing of: - Commercial properties with a 5-star, or above, Green Star rating - Residential properties with a 6-star, or above, Homestar rating - Social or transitional housing projects ▪ Purchasing or refinancing of office buildings with a 4-star, or above, NABERSNZ rating
Energy efficiency and renewable energy	▪ Purchasing and installing energy-efficient technology, such as energy-efficient heat pumps or commercial LED lighting, on commercial premises ▪ Purchasing or installing renewable energy generation, supply or storage systems
Sustainable transport and equipment	▪ Purchasing new low-emissions vehicles, or products that support low-emissions transport solutions such as EV charging infrastructure ▪ Purchasing and installing new, lower-emissions machinery
Water and waste management	▪ Developing sustainable packaging solutions and circular economy processes that reduce waste to landfill ▪ Developing waste-reduction infrastructure ▪ Purchasing and installing water-efficient technology such as water metering
Sustainable industry	▪ Establishing or scaling sustainable nature-based ventures including: - Organic food systems such as viticulture or horticulture systems - Sustainable aquaculture or fisheries
Conservation and land-use change	▪ Establishing permanent native or exotic forestry ▪ Conserving, rewilding or regenerating natural environments such as peatlands, wetlands, and parklands to enhance biodiversity ▪ Developing ecotourism ventures or activities from non-sustainable tourism
Certified B Corporations	▪ Loans for B Corp™-certified businesses
Electrification	▪ Purchasing and installing new electric plant, equipment, or infrastructure to replace or avoid fossil fuel powered equivalents

Sustainable finance: methods, assumptions, uncertainty and other limitations

We require customers to provide evidence that the lending will be used for an approved purpose at the time of loan application, and, for some types of lending, during the term of the loan (for example, during the course of completion of a sustainable building). Use of our sustainable finance for unapproved purposes conflicts with our sustainable lending conditions. Where we become aware of the use of funds for unapproved purposes, we exclude that lending from our SFG reporting.

We calculate the amount of qualifying lending for our SFG reporting based on total amount originated.

Assets vulnerable to physical climate-related risks: methods, assumptions, uncertainty and other limitations

Challenges in assessments of vulnerability to physical hazards

Identification and assessment of vulnerability to physical hazards is an evolving area with challenges in terms of the availability and quality of data in relation to the physical hazards themselves and data that would inform how our customers, Home Lending Properties and, in turn, Kiwibank, may be vulnerable to those hazards.

General limitations that apply to our assessment of physical hazards include that we are unable to assess:

- the interaction between coastal flooding and inland flood risk
- mitigation, adaptation and resilience measures that may or may not be present at property, location or customer level. These factors may be physical – such as the capacity of stormwater drainage or presence of stopbanks. Or these factors may relate to the customer – such as the level of insurance that a customer may hold or their broader financial situation.
- indirect impacts of flood events including impacts to infrastructure, communities, local economies, our customers personally, their communities, wellbeing and employment
- anticipated financial impact on our customers and Kiwibank from flood hazards in particular due to the two limitations noted directly above.

Coastal flood hazard in home lending portfolio: methods, assumptions, uncertainty and other limitations

The methodology used to identify exposure to coastal flood hazard within our Home Lending Properties and Home Lending is subject to the following limitations and uncertainties:

- **Reliance on third-party data:** We have relied on third-party data that we consider credible. However, projections of future climate change impacts are inherently uncertain. As a result, the actual exposure of our Home Lending Properties and Home Lending to coastal flooding may be higher or lower than indicated.
- **Home Lending secured by multiple Home Lending Properties:** When multiple properties secure a Home Lending exposure, the exposure is apportioned across the properties in proportion to their values. This may result in some over- or under-allocation of exposure at the individual property level. However, it provides a transparent, systematic, and non-discretionary approach to attribution.

Constraints on Kiwibank analysis of vulnerability to coastal flood hazard

Our ability to analyse the risk identified and assess potential impact to Kiwibank is constrained by:

- **Lack of property-specific risk modifiers:** Our analysis does not account for building characteristics that may influence flood vulnerability, such as elevation, foundation height, or construction materials. This may result in over- or underestimation of actual property-level vulnerability.
- **Location-specific elements:** Due to data limitations, we have not considered other location-specific elements that may impact coastal flood severity, such as flood depth or wave velocity.

Inland flood hazard in home lending portfolio: methods, assumptions, uncertainty and other limitations

The methodology used to identify inland flood risk to our Home Lending Properties and Home Lending is subject to the following limitations and uncertainties:

- **Reliance on third-party data:** We have used data and modelling approaches we consider credible. However, projections of future climate change impacts are inherently uncertain and actual exposure of our Home Lending Properties and Home Lending to inland flood risk may be higher or lower than indicated. We have reviewed the National Climate Change Risk Assessment (**NCCRA**) which indicates a significant number of buildings exposed in Aotearoa New Zealand to inland flood risk but uses different data and methodologies so we are unable to draw like-for-like comparisons.
- **Home Lending secured by multiple Home Lending Properties:** When multiple properties secure a Home Lending exposure, the exposure is apportioned across the properties in proportion to their values. This may result in some over- or under-allocation of exposure at the individual property level. However, it provides a transparent, systematic, and non-discretionary approach to attribution.
- **Modelling assumptions and data availability:** Moody's RMS™ models incorporate flood defence and mitigation measures only where publicly available data exists. Building specifications, such as construction class or number of stories, are incorporated within Moody's RMS™ models only where reasonably available.
- **Property use and occupancy:** All properties are treated equally regardless of use (for example, owner-occupied or rental properties). Different occupancy types may have varying levels of resilience or access to insurance and adaptation resources.

Constraints on Kiwibank analysis of vulnerability to inland flood risk

Our ability to analyse the risk identified and assess potential impact to Kiwibank is constrained by:

- **Uncertainty of insurance coverage:** Properties at risk are assumed to have adequate insurance coverage. Actual insurance uptake, coverage limits, and exclusions are not factored into the MDR-based exposure analysis.
- **Location-specific elements:** Due to data limitations, we have not considered other location-specific elements that may impact inland flood severity, such as flood depth or water velocity.

Assets vulnerable to transition climate-related risks: methods, assumptions, uncertainty and other limitations

We identified sectors and assets we consider highly vulnerable to transition risks by referencing the high emissions-intensive industries specified in the Ministry of Business, Innovation and Employment (**MBIE**) 2021 report *Emissions exposure of workers, firms and regions*, 2021 (**MBIE Emissions-Intensive Industries**).

Kiwibank assigns an ANZSIC code to each business lending relationship. ANZSIC codes are standard industry classifications used in Aotearoa New Zealand. We conducted our own assessment of the ANZSIC codes applicable to each MBIE Emissions-Intensive Industry. Those codes are set out in Table 28 (right). Table 28 is updated annually.

We excluded MBIE Emissions-Intensive Industries from our assessment where:

- We do not have a material amount of lending to that sector or
- We consider the sector to have low exposure to material transition risk, such as where there is significant opportunity for decarbonisation.

We also included two sectors not listed as MBIE Emissions-Intensive Industries but which we consider are exposed to material transition risk: Forestry and Logging, and Mining.

Our assessment includes direct lending exposure only. We excluded indirect exposure, such as lending to commercial landlords.

Table 28

ANZSIC codes for identification of assets highly vulnerable to transition risks

Sector/sub-sector	ANZSIC codes included
Agricultural Processing and Manufacturing (Meat Manufacturing and Dairy Product Manufacturing)	C111100, C111300, C113100, C113200, C113300
Forestry and Logging	A030100, A030200
Electricity and Gas Supply	D261900, D262000, D263000, D264000, D270000
Fuel Retailing	G400000
Road and Rail Transport	I461000, I462100, I462200, I462300, I471000
Heavy Manufacturing	C181200, C181300, C182100, C182900, C201000, C202900, C203100, C203200, C203300, C203400, C211000, C212100, C212200, C213300, C213900, C214200, C214900, C221000, C222100, C222200, C222300, C222400, C222900, C223100, C224000, C229300, C229900, F332100, F332200, F332300
Mining	B080400, B080500, B091100, B091900, B099000
Construction services	E321100, E321200, E322100, E322200, E322300, E322400, E323100, E323200, E323300, E323400, E323900, E324100, E324200, E324300, E324400, E324500, E329100, E329200, E329900

Independent assurance report

The Audit Office
Te Mana Arotake

Independent Limited Assurance Report

To the shareholders of Kiwibank Limited's GHG emissions disclosed in its Group Climate Statement for the year ended 30 June 2026

Under section 461ZH(3) of the Financial Markets Conduct Act 2013, the Auditor-General is the assurance practitioner of Kiwibank Limited and its subsidiaries (the Group). The Auditor-General has appointed me, Victoria Ashplant, using the staff and resources of PricewaterhouseCoopers, to carry out a limited assurance engagement, on his behalf, on the greenhouse gas (GHG) emissions information disclosed in the Group's Climate Statement (GHG disclosures), for the year ended 30 June 2026.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Group's GHG disclosures within the scope of our limited assurance engagement for the year ended 30 June 2026, are not fairly presented and prepared, in all material respects, in accordance with Aotearoa New Zealand Climate Standards, issued by the External Reporting Board.

Scope of the engagement

The GHG disclosures below are within the scope of our limited assurance engagement:

- The gross emissions, in metric tonnes of carbon dioxide equivalent, classified as:
- Scope 1 of 19 tCO2e, on page 24;
- Scope 2 (location-based) of 293 tCO2e, on page 24; and
- Scope 3 (selected Scope 3 operational emissions) of 2,808 tCO2e, on page 24.
- The statement describing the standard(s) that the GHG emissions have been measured in accordance with, on page 38, to the extent this pertains to Scope 1, Scope 2 (location-based) and selected Scope 3 operational GHG emissions.
- The statement on the consolidation approach used to consolidate GHG emissions on page 38, to the extent this pertains to Scope 1, Scope 2 (location-based) and selected Scope 3 operational GHG emissions.
- The sources (or references to sources, where applicable) of Scope 1, Scope 2 (location-based) and selected Scope 3 operational emission factors and the global warming potential rates used, on page 39.
- The summary of specific exclusions of Scope 1, Scope 2 (location-based) and selected Scope 3 operational emissions sources, including facilities, operations or assets with a justification for their exclusion, on pages 43 to 44.
- The description of the methods and assumptions used (including the rationale for doing so, where applicable) to calculate or estimate Scope 1, Scope 2 (location-based) and selected Scope 3 operational GHG emissions, and the limitations of those methods, on pages 40 to 42.
- The description of any uncertainties relevant to the Group's quantification of its Scope 1, Scope 2 (location-based) and selected Scope 3 operational GHG emissions, including the effects of these uncertainties on GHG disclosures, on pages 40 to 42.
- The explanation for base year GHG emissions restatements (where applicable) relating to Scope 1, Scope 2 (location-based) and selected Scope 3 operational emissions, on page 39.

Other matter

The comparative information, being the Group's 2024 GHG disclosures on page 24, has not been subject to assurance. As such, it is not covered by our assurance conclusion.

The 2025 comparative information for the GHG disclosures on page 24 was assured by Victoria Ashplant on behalf of the Auditor-General.

The board of directors' responsibilities

Subparts 2 to 4 of Part 7A of the Financial Markets Conduct Act 2013 set out requirements for a climate reporting entity in preparing a climate statement, which includes proper record keeping, compliance with the climate-related disclosure framework and subjecting it to assurance.

The Aotearoa New Zealand Climate Standards have been issued by the External Reporting Board as the framework that applies for preparing and

Independent assurance report *continued*

presenting a climate statement or group climate statement. The board of directors of the Group is therefore responsible for preparing and fairly presenting a Group climate statement for the year ended 30 June 2026, in accordance with those standards.

The board of directors is also responsible for the design, implementation, and maintenance of internal control relevant to preparing the climate statement that is free from material misstatement, whether due to fraud or error.

Our responsibilities

Section 461ZH of the Financial Markets Conduct Act 2013, requires the GHG disclosures included in the Group's Climate Statement to be the subject of an assurance engagement.

Aotearoa New Zealand Climate Standard 1 *Climate-related disclosures,* paragraph 25 requires such an assurance engagement at a minimum to be a limited assurance engagement, and paragraph 26 specifies the scope of the assurance engagement on GHG disclosures.

To meet this responsibility, we planned and performed procedures (as summarised below), to provide limited assurance in accordance with New Zealand Standard on Assurance Engagements 1 *Assurance Engagements over Greenhouse Gas Emissions Disclosures,* assurance standards relevant to disclosures assured in addition to the mandatory assurance engagement and International Standard on Assurance Engagements (New Zealand) 3410 *Assurance Engagements on Greenhouse Gas Statements*, issued by the New Zealand Auditing and Assurance Standards Board.

Summary of work performed

The procedures we performed were based on our professional judgement and included enquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above on the GHG disclosures and additional disclosures:

- We evaluated the Group's assessment of the Group's organisational and operational boundaries.
- We obtained, through enquiries, an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Scope 1, Scope 2 (location-based) and selected Scope 3 operational disclosures. We did not evaluate the design of particular control activities or obtain evidence about their implementation.
- We evaluated whether the Group's methods for developing estimates are appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group's estimates.
- We performed analytical procedures on particular emission categories by comparing, on a monthly basis, the expected GHG emissions to recorded GHG emissions and made inquiries of management to obtain explanations for any significant differences we identified.
- We tested a limited number of items to, or from, supporting records, as appropriate.
- We evaluated the appropriateness of the emission factors applied and reperformed a limited sample of emissions calculations for mathematical accuracy.
- We enquired with management on the nature of any restatement(s) to base year and inspected supporting documentation and calculations that we were provided with.
- We evaluated the overall presentation and disclosure of the Scope 1, Scope 2 (location-based) and selected Scope 3 operational disclosures.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Inherent limitations

As outlined on page 39, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Independent assurance report *continued*

Other information

The Climate Statement contains information other than the GHG disclosures and the assurance report thereon. The board of directors is responsible for the other information.

Our assurance engagement does not extend to any other information included, or referred to, in the Climate Statement on pages 2 to 39, 44 to 53, and 57 to 60, and therefore, no conclusion is expressed thereon. We read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the GHG disclosures, or our knowledge obtained in the assurance engagement, or otherwise appears to be materially misstated.

Where such an inconsistency or misstatement is identified, we are required to discuss it with the board of directors and take appropriate action under the circumstances, to resolve the matter. There are no inconsistencies or misstatements to report.

Independence and quality management

We complied with the Auditor-General's independence and other ethical requirements, which incorporate Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) as applicable for audits of public interest entities issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. These principles for example, do not permit us to be involved in the preparation of the current year's GHG information and additional disclosures as doing so would compromise our independence.

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard *3 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (PES 3) and Professional and Ethical Standard 4 *Engagement Quality Reviews* (PES 4) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. PES 4 deals with an engagement quality reviewer's appointment, eligibility, and responsibilities.

We are independent of the Group. In addition to this engagement and our role as the auditor of the statutory financial statements on behalf of the Auditor-General, our firm also provides other assurance and agreed-upon procedures services which are compatible with those independence requirements. In addition, certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of business. Other than our work in carrying out all legally required audit and assurance engagements, we have no relationship with, or interests in, the Group.

Victoria Ashplant
PricewaterhouseCoopers
On behalf of the Auditor-General
Auckland, New Zealand
25 September 2026

Glossary of terms

2026 UK GHG Conversion factors	2026 UK Government Greenhouse Gas Conversion factors for Company Reporting
AEP	Annual Exceedance Probability
ALCO	Asset and Liability Committee
AMOC	Atlantic Meridional Overturning Current
ANZSIC	Australian and New Zealand Standard Industrial Classification
AR5	The IPCC's Fifth Assessment Report
AR6	The IPCC's Sixth Assessment Report
ARC	Audit and Risk Committee
ATM	Automated Teller Machine
Board	Board of Directors of Kiwibank Limited
BRANZ	Building Research Association of New Zealand
Business lending	Business lending accounts, not secured by residential mortgages
Business lending, adjusted for financed emissions	Business lending accounts: ▪ excluding lending secured by commercial real estate and asset finance lending and ▪ including business lending accounts secured by residential mortgages
CE	Chief Executive
CGE	Computable General Equilibrium
Coastal flooding	Can result from high tides, storm surges, and/or large waves, particularly when these factors coincide, and can be intensified by rising sea levels
CPBO	Chief Purpose and Brand Officer
CRO	Chief Risk Officer
EECA	Energy Efficiency and Conservation Authority – Te Tari Tiaki Pūngao
EEUD	Energy End Use Database
ERC	Executive Risk Committee
ERMF	Enterprise Risk Management Framework
ESG	Environmental, social and governance
ESNZ	Earth Sciences New Zealand
EVs	Electric vehicles
ExCo	Executive Committee
Financed emissions	Emissions resulting from Kiwibank's lending to customers and investments
FMA	Financial Markets Authority – Te Mana Tātai Hokohoko
FTE	Full-time equivalent employees
FY30 OET	FY30 Operational Emissions Targets
GCO	Good Customer Outcomes Committee
GDP	Gross Domestic Product
GHG	Greenhouse Gases: CO2 Carbon dioxide; CH4 Methane; HFCs Hydrofluorocarbons; NF3 Nitrogen trifluoride; N2O Nitrous oxide; PFCs Perfluorocarbons; SF6 Sulphur hexafluoride
GHG Protocol	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition and the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard
GWP	Global Warming Potential
GWP100	100-year Global Warming Potential
Home lending	Lending secured by residential mortgages
Home lending, adjusted for financed emissions	Home lending excluding business lending secured by residential mortgages
Home Lending	Exposure for home lending
Home Lending Properties	Residential properties securing our home lending
IIASA	International Institute for Applied Systems Analysis
Inland flooding	Includes river (fluvial) flooding and flooding caused by heavy rainfall (pluvial)
IPCC	Intergovernmental Panel on Climate Change
Kiwibank Group	Kiwibank Limited, all of its wholly owned entities and all other entities consolidated for financial reporting purposes

Glossary of terms *continued*

KPIs	Key Performance Indicators
Mahi	Work
Material Risk (ERMF)	Any risk that could have a significant adverse impact on Kiwibank's ability to protect customers, achieve objectives, retain licences, or maintain stability
MBIE	Ministry of Business, Innovation and Employment
MBIE Emissions-Intensive Industries	The emissions-intensive industries specified in the MBIE 2021 report Emissions exposure of workers, firms and regions, 2021
MCERT	Ministry for Cities, Transport and the Environment (replacing the previous Ministry for the Environment – Manatū Mō Te Taiao)
MDR	Mean Damage Ratio
Moody's RMS™	Moody's Risk Management System
NCCRA	National Climate Change Risk Assessment
NGFS	Network for Greening the Financial System
NZ CS	Aotearoa New Zealand Climate Standards
NZBA	New Zealand Banking Association – Te Rangapū Pēke
OA	Outstanding loans and advances
OCR	Official Cash Rate
Operational emissions	Scope 1, 2 and selected Scope 3 GHG emissions associated with the day-to-day running of Kiwibank
Our kaimahi	Our people
PCAF	Partnership for Carbon Accounting Financials
Physical impacts	Physical risks that have crystallised
Physical risks	Risks driven by the physical effects of climate change
RBNZ	Reserve Bank of New Zealand – Te Pūtea Matua
RBP	Responsible Business Policy
RCP	Representative Concentration Pathway
Risk Category (ERMF)	Financial: market/credit/liquidity risks; Non-financial: compliance/operational/strategic/reputational risks
Risk Domains (ERMF)	Underlying risk exposures contributing to material risk
SAF	Sustainable aviation fuel
SBTi	Science Based Targets initiative
SFG	Sustainable finance goal
SPANZ	Shared Climate Policy Assumptions for New Zealand
SSP	Shared socio-economic pathway
Stats NZ	Statistics New Zealand – Tatauranga Aotearoa
T&D	Transmission and distribution
Tamariki	Children
TCE	Total Committed Exposure
tCO_2e	Metric tonnes of carbon dioxide equivalent
Transition impacts	Transition risks that have crystallised
Transition Plan	Plan for mitigating and adapting to climate change and transitioning to a low-carbon economy
Transition risks	Risks driven by transition to a low-carbon economy
Treasury counterparties	Suppliers and other financial institutions that we trade with
WTT	Well-to-tank

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Kiwi bank.

Please get in touch with any feedback or suggestions:

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