

APPENDIX 2: WORLD BANK ANNOUNCEMENT 20 JULY 2007 CONCERNING KAURI BOND ISSUE

Washington, DC, July 20, 2007 – The World Bank (International Bank for Reconstruction and Development, IBRD) rated Aaa/AAA has issued its inaugural New Zealand Dollar Kauri (“Kauri”) 7-year global bond today. The NZD 350 million bond is a syndicated transaction lead-managed by ANZ Institutional and TD Securities. Co-lead managers are RBC Capital Markets and Westpac Institutional Bank.

The World Bank announced the transaction on July 16, 2007. The timing of the launch follows a World Bank roadshow in New Zealand in April this year. It also follows the announcement by the Reserve Bank of New Zealand on July 17, 2007 of its decision to accept Supranational, Foreign Sovereign, “Agencies” and Semi-Government issues as security in the Overnight Reverse Repo Facility.

For more information about this bond's repo eligibility, see: <http://www.rbnz.govt.nz/finmarkets/liquiditymanagement/3067314.html>.

The transaction was very well received with the majority of the investor participation from domestic accounts, representing 83%, and primarily fund managers and insurance companies.

With this bond, the World Bank becomes the first supranational issuer in the Kauri market since it was established in 2004. The World Bank previously issued the first ever global NZD bond in 1990, and it is delighted to come back to this market.