

14 December 2009



Andrew Ayling
Citibank, N.A. - New Zealand Branch
Level 11
23 Customs Street East
AUCKLAND 1140

Dear Andrew Ayling

CROWN RETAIL DEPOSIT GUARANTEE – CITIBANK, N.A. - NEW ZEALAND BRANCH

I refer to the Crown Deed of Guarantee between Her Majesty the Queen in right of New Zealand (the *Crown*) and Citibank, N.A. - New Zealand Branch dated 29 October 2008 (the *Initial Guarantee Deed*). Terms defined in the Initial Guarantee Deed have the same meaning when used in this letter.

The Crown considers it appropriate to withdraw the Crown Guarantee. In accordance with clause 9.3(b) of the Initial Guarantee Deed, the Crown has accordingly offered to enter into a replacement deed of guarantee (the *Replacement Guarantee Deed*) with you on terms which the Crown, taking into account clause 9.3(d) of the Initial Guarantee Deed, reasonably considers to be not materially adverse to Creditors generally as compared to the terms of the Initial Guarantee Deed.

Acting under delegation from the Minister of Finance, on behalf of the Crown I give you notice, in accordance with clause 9.3(b) of the Initial Guarantee Deed, that the Crown Guarantee is withdrawn with effect from 1 January 2010.

I also now enclose your counterpart original of the Replacement Guarantee Deed, executed on behalf of the Crown. The Replacement Guarantee Deed will (in accordance with its terms) come into effect from the date of this withdrawal notice taking effect.

Yours sincerely



Dr Brian McCulloch
Director, Financial Operations
for **Secretary to the Treasury**