

ANZ National Bank Limited and Subsidiary Companies



Independent Examination Report to the Directors of ANZ National Bank Limited

We have examined the attached Key Information Summary. The information in the Key Information Summary has been extracted from the General Disclosure Statement of ANZ National Bank Limited and its subsidiaries (the "Banking Group") for the six months ended 31 March 2010 prepared in accordance with the Registered Bank Disclosure Statement (Full and Half-Year – New Zealand Incorporated Registered Banks) Order 2008 (the "Order").

We have reviewed the interim financial statements and certain supplementary information contained within the General Disclosure Statement for the six months ended 31 March 2010, on which we issued an unqualified review opinion dated 21 May 2010.

Directors' Responsibilities

The Directors are responsible for the preparation and presentation of the Key Information Summary in accordance with the Order.

Auditor's Responsibilities

In accordance with the Order, we are responsible for examining the Key Information Summary presented by the Directors for compliance with the Order, and reporting our findings to you.

Basis of Report

We have examined the information contained in the Key Information Summary and compared it to the corresponding information contained in the General Disclosure Statement for the six months ended 31 March 2010.

Unqualified Statement of Findings

Based on our examination of the Key Information Summary, we report that:

- the Key Information Summary has been prepared in accordance with the Order; and
- the information contained in the Key Information Summary has been properly extracted, where applicable, from the information contained in the General Disclosure Statement for the six months ended 31 March 2010.

For a better understanding of the scope of our examination of ANZ National Bank Limited's General Disclosure Statement, and of the balance sheet of the Banking Group as at 31 March 2010 and the results of their operations and cash flows for the six months ended on that date, this report should be read in conjunction with the General Disclosure Statement for the six months ended 31 March 2010 from which the information in the Key Information Summary was extracted and our independent review report thereon.

Our review was completed on 21 May 2010 and our unqualified statement of findings is expressed as at that date.

Wellington

Key Information Summary for the six months ended 31 March 2010

Government Guarantees

- The Bank has guarantees under the:
 - New Zealand Deposit Guarantee Scheme, which was provided under a Deed entered into by the Bank and the Crown on 18 December 2009 ("Crown Retail Guarantee"); and
 - New Zealand Wholesale Funding Facility, which is provided under a Deed entered into by the Bank and the Crown on 23 December 2008 and supplemented on 19 February 2009 ("Crown Wholesale Guarantee").
- Further information about the Crown Retail Guarantee and Crown Wholesale Guarantee is available on the Treasury website www.treasury.govt.nz and in the Bank's most recent General Disclosure Statement and Supplemental Disclosure Statement.

Key Information Summary

ANZ NATIONAL BANK LIMITED
For the six months ended 31 March 2010
Number 57 Issued May 2010

ANZ National Bank Limited and Subsidiary Companies

Key Information Summary for the six months ended 31 March 2010

Introductory information

- The purpose of this Key Information Summary is to provide customers and potential customers with information about the financial condition of their bank.
- The information contained in the Key Information Summary is explained in the Reserve Bank publication "Your Bank's Disclosure Statement – What's In It For You?". This publication can be obtained from the Reserve Bank.

Corporate information

- The full name of the registered bank is ANZ National Bank Limited (the "Bank").
- The full name of the ultimate parent bank of the Bank is Australia and New Zealand Banking Group Limited, which is domiciled in Australia.

Credit Rating

- The Bank has three current credit ratings, issued by Standard & Poor's, Moody's Investors Service, and Fitch Ratings which are applicable to its long term senior unsecured obligations which are payable in New Zealand in New Zealand dollars.
- During the two-year period ended 31 March 2010, the Standard & Poor's credit rating and qualification remained at AA and Outlook Stable.
- During the two-year period ended 31 March 2010, the Moody's Investors Service credit rating and qualification remained at Aa2 and Outlook Stable.
- During the two-year period ended 31 March 2010, the Fitch Ratings credit rating and qualification remained at AA- and Outlook Stable. On 20 May 2010 Fitch Ratings revised the qualification to Outlook Positive.

ANZ National Bank Limited and Subsidiary Companies

Key Information Summary for the six months ended 31 March 2010

	CONSOLIDATED	
	Unaudited 31/03/2010	Unaudited 31/03/2009
Profitability		
· Net profit after tax for the six months ended 31 March (\$m)	367	488
· Net profit after tax for the year ended 31 March as a percentage of average total assets	0.1%	0.8%
Size – as at 31 March		
· Total assets (\$m)	113,577	127,941
· The percentage (decrease) increase in total assets from 1 April to 31 March	(11.2%)	13.7%
Capital Adequacy – as at 31 March		
· Tier One Capital as a percentage of risk weighted exposures	9.5%	8.7%
· Reserve Bank of New Zealand minimum Tier One Capital ratio	4.0%	4.0%
· Total Capital as a percentage of risk weighted exposures	13.2%	12.3%
· Reserve Bank of New Zealand minimum Total Capital ratio	8.0%	8.0%
Asset Quality – as at 31 March		
· Total impaired assets (\$m)	1,712	629
· Total impaired assets as a percentage of total assets	1.5%	0.5%
· Total individual provisions (\$m)	601	269
· Total individual provisions as a percentage of total impaired assets	35.1%	42.8%
· Total collective provisions (\$m)	856	607
· Non-financial assets acquired through enforcement of security (\$m)	-	-

ANZ National Bank Limited and Subsidiary Companies

Key Information Summary for the six months ended 31 March 2010

Peak Credit Exposure Concentrations – for the three months ended 31 March

The number of individual counterparties (excluding banks or groups of closely related counterparties of which a bank is the parent, connected persons, and the central government of any country with a long-term credit rating of A-/A3 or above, or its equivalent) where the peak end-of-day credit exposures equals or exceeds 10% of equity (as at the end of the quarter) in ranges of 10% of equity, on the basis of counterparty limits, is:

	CONSOLIDATED	
	Unaudited 31/03/2010	Unaudited 31/03/2009
10% to 20% of equity	1	1
The number of bank counterparties or groups of closely related counterparties of which a bank is the parent (excluding connected persons) where the peak end-of-day credit exposures equals or exceeds 10% of equity (as at the end of the quarter) in ranges of 10% of equity, on the basis of actual counterparty exposures, is:		
10% to 20% of equity	3	5
20% to 30% of equity	-	1
30% to 40% of equity	-	1

There were no individual provisions on the exposures included in the disclosures above. No account is taken of security and/or guarantees which the Bank may hold in respect of the various counterparty limits and exposures.

	CONSOLIDATED			
	Unaudited 31/03/2010		Unaudited 31/03/2009	
	Amount \$m	% of Tier One Capital	Amount \$m	% of Tier One Capital
The peak end-of-day aggregate credit exposures to connected persons were:				
· On a gross basis	4,264	62.9%	7,037	107.6%
· On a netted basis	2,715	40.1%	4,175	63.9%
· On a partial bilateral net basis ¹	1,549	22.8%	2,862	43.8%

There were no individual provisions on exposures to connected persons and the information stated above excludes exposures of a capital nature. The Bank and its subsidiaries have complied with the limits on aggregate credit exposures to connected persons and non-bank connected persons, as set out in the Bank's Conditions of Registration, at all times during the period and comparative period.

¹ With effect from 11 August 2008, netting has occurred in respect of certain transactions which are the subject of a bilateral netting agreement disclosed in the Bank's most recent Supplemental Disclosure Statement for the six months ended 31 March 2010.

Availability of Disclosure Statements

Copies of ANZ National Bank Limited's most recent General Disclosure Statement and Supplemental Disclosure Statement will be provided at no charge immediately to any person requesting a copy where the request is made at ANZ National Bank Limited's head office, Level 6, 1 Victoria Street, Wellington; and within five working days where the request is made at any branch or agency of ANZ National Bank Limited.

This Key Information Summary, the most recent General Disclosure Statement and Supplemental Disclosure Statement can be accessed at the website address www.anz.com.