

Key Information Summary

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
- NEW ZEALAND BRANCH

For the year ended 30 September 2009
No.4 Issued November 2009



Australia and New Zealand Banking Group Limited – New Zealand Branch

Key Information Summary for the year ended 30 September 2009

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?”, which can be obtained from the Reserve Bank.
- In this Key Information Summary, reference is made to the following:
 - “Overseas Banking Group” refers to the worldwide operations of Australia and New Zealand Banking Group Limited including its controlled entities;
 - “Overseas Bank” or “Ultimate Parent Bank” refers to the worldwide operations of Australia and New Zealand Banking Group Limited excluding its controlled entities;
 - “NZ Banking Group” refers to the aggregated New Zealand operations of Australia and New Zealand Banking Group Limited, including those operations conducted through the NZ Branch and controlled entities of the Overseas Bank registered in New Zealand;
 - “NZ Branch” or “Registered Bank” refers to the New Zealand operations of the Overseas Bank, as conducted through the NZ Branch.

Corporate information

- The full name of the Overseas Bank is Australia and New Zealand Banking Group Limited. Australia and New Zealand Banking Group Limited is a company registered and domiciled in Victoria, Australia.

Australia and New Zealand Banking Group Limited – New Zealand Branch

Key Information Summary for the year ended 30 September 2009

	Overseas Banking Group		NZ Banking Group	
	Audited 30/09/2009 A\$m	Audited 30/09/2008 A\$m	Audited 30/09/2009 NZ\$m	Audited 30/09/2008 NZ\$m
Profitability				
Net profit after tax for the year ended 30 September	2,945	3,327	194	990
Net profit after tax for the year ended 30 September as a percentage of average total assets	0.6%	0.8%	0.2%	0.9%
Size as at 30 September				
Total assets	476,987	470,293	126,314	123,078
The percentage increase in total assets from 1 October to 30 September	1.4%	19.7%	2.6%	14.4%
	Overseas Banking Group		Overseas Bank (Extended Licensed Entity)	
	Unaudited 30/09/2009 %	Unaudited 30/09/2008 %	Unaudited 30/09/2009 %	Unaudited 30/09/2008 %
Capital Adequacy				
Tier One Capital as a percentage of risk weighted exposures	10.6	7.7	11.6	8.4
Total Capital as a percentage of risk weighted exposures	13.7	11.1	14.2	11.6
	Overseas Banking Group		NZ Banking Group	
	Audited 30/09/2009 A\$m	Audited 30/09/2008 A\$m	Audited 30/09/2009 NZ\$m	Audited 30/09/2008 NZ\$m
Asset Quality				
Total impaired assets (on-balance sheet)	5,060	2,498	1,188	327
Total impaired assets as a percentage of total assets	1.1%	0.5%	0.9%	0.3%
Total individual provisions	1,526	675	477	132
Total individual provisions as a percentage of total impaired assets	30.2%	27.0%	40.2%	40.4%
Total collective provisions	3,000	2,821	804	534
Non-financial assets acquired through the enforcement of security	-	-	-	-
Off-balance sheet impaired assets (\$m)	535	167	32	6

For calculation of minimum capital requirements under Pillar I of the Basel II Accord, the Overseas Banking Group has been accredited by the Australian Prudential Regulation Authority ("APRA") to use the Advanced Internal Ratings Based ("AIRB") methodology for calculation of credit risk weighted assets and the Advanced Measurement Approach ("AMA") for the operational risk weighted asset equivalent. The Basel II Accord came into effect from 1 January 2008. The Overseas Banking Group and the Overseas Bank (Extended Licensed Entity) (as defined by APRA), met the minimum capital adequacy requirements as specified by APRA as at 30 September 2009 and 30 September 2008. APRA specifies a minimum prudential capital ratio for the Overseas Banking Group, which is not made publicly available.

Peak Credit Exposure Concentrations - for the three months ended 30 September

For the three months ended 30 September 2009, the NZ Banking Group had no peak end-of-day credit exposures, on the basis of limits, to any bank or non-bank counterparties, equal to or in excess of 10% of the Overseas Banking Group's equity (30 September 2008: nil). The peak end-of-day exposures have been calculated using the Overseas Banking Group's equity as at 30 September 2009. The equity used in calculating the comparatives was as at 30 September 2008. These calculations exclude credit exposures to the central government of any country with a long term credit rating of A- or A3 or above, or its equivalent.

Australia and New Zealand Banking Group Limited – New Zealand Branch

Key Information Summary for the year ended 30 September 2009

Ranking of local creditors in liquidation

There are material legislative restrictions in the Overseas Bank's country of incorporation which subordinate the claims of a class of unsecured creditors of the Registered Bank on the assets of the Overseas Bank to those of another class of unsecured creditors of the Overseas Bank, in liquidation of the Overseas Bank.

The Banking Act 1959 of the Commonwealth of Australia (the "Banking Act") gives priority over Australian assets of the Overseas Bank to Australian depositors if the Overseas Bank is unable to meet its obligations or suspends payment. Accordingly, New Zealand depositors (together with all other senior unsecured creditors of the Overseas Bank) will rank after Australian depositors of the Overseas Bank in relation to claims against Australian assets.

Specifically, pursuant to section 13A(3) of the Banking Act, if an Authorised Deposit Taking Institution (defined in that Act to include a Bank like the Overseas Bank) (an "ADI") becomes unable to meet its obligations or suspends payment, the assets of the ADI in Australia are to be available to meet the ADI's liabilities in the following order:

- a) first, the ADI's liabilities to the APRA (if any), because of the rights APRA has against the ADI because APRA has made, or is required to make, payments to depositors under the Financial Claims Scheme;
- b) second, the ADI's debts to APRA for costs incurred by APRA in administration of the Financial Claims Scheme in respect of the ADI;
- c) third, in payment of the ADI's deposit liabilities in Australia (other than liabilities covered under paragraph (a)); and
- d) fourth, the ADI's other liabilities (in order of priority apart from section 13A(3)).

Under section 13A(1) of the Banking Act, in certain circumstances APRA may take control of an ADI or appoint an administrator (defined in the Banking Act) to take control of its business. Section 16(1) and (2) of the Banking Act provide that, despite anything contained in any law relating to the winding up of companies, but subject to section 13A(3) of the Banking Act, the debts of an ADI to APRA in respect of APRA's costs (including costs in the nature of remuneration and expenses) of being in control of the ADI's business or of having an administrator in control of the ADI's business have priority in a winding up of the ADI over all other unsecured debts.

Section 86 of the Reserve Bank Act 1959 provides that notwithstanding anything contained in any law relating to the winding up of companies, but subject to section 13A(3) of the Banking Act, debts due to the Reserve Bank of Australia by any ADI shall, in a winding up, have priority over all other debts other than debts due to the Commonwealth of Australia.

Section 13A(3) affects all of the unsecured deposit liabilities of the NZ Branch which as at 30 September 2009 amounted to \$nil (30 September 2008 : \$nil).

Non-consolidated activities

The Overseas Bank carries on insurance business in New Zealand through the NZ Banking Group's 49% share in the ING NZ joint venture. The NZ Banking Group does not carry on insurance business directly. No non-financial activities are carried on in New Zealand outside of the NZ Banking Group.

Financial statements of the Overseas Bank and Overseas Banking Group

A copy of the most recent publicly available financial statements of the Overseas Bank and the Overseas Banking Group is contained in the NZ Branch's most recent Supplemental Disclosure Statement.

Availability of Disclosure Statements

Copies of NZ Branch'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 the NZ Branch's head office, Level 14, ANZ Tower, 215-229 Lambton Quay, Wellington.

This Key Information Summary, the most recent General Disclosure Statement and Supplemental Disclosure Statement can be accessed at the website addresses www.anz.co.nz and www.nationalbank.co.nz.

Credit rating

- The Overseas Bank has three current credit ratings, issued by Standard and Poor's, Moody's Investors Service and Fitch Ratings, which are applicable to its long term senior unsecured obligations, including obligations payable in New Zealand in New Zealand dollars.
- During the two-year period ended 30 September 2009, the Standard and Poor's credit rating and qualification remained at AA and Outlook Stable.
- During the two-year period ended 30 September 2009, the Moody's Investors Service credit rating and qualification remained at Aa1. On 2 March 2009 the Outlook changed from Stable to Negative.
- During the two-year period ended 30 September 2009, the Fitch Ratings credit rating and qualification remained at AA- and Outlook Stable. Fitch Ratings were formally engaged by the Overseas Bank on 18 March 2008 to provide credit rating services. Previously Fitch Ratings had rated the Overseas Bank on an unsolicited basis as AA-.

Government Guarantees

- The Overseas Bank has a guarantee under the Financial Claims Scheme ("FCS"). This scheme provides for an Australian government guarantee of "protected accounts" up to A\$1million in the winding up of the Overseas Bank. In addition, certain deposits of the Overseas Bank are guaranteed for amounts over A\$1million, and certain wholesale term funding liabilities of the Overseas Bank are guaranteed under the Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding ("Wholesale Funding Guarantee"). Both the FCS and Wholesale Funding Guarantee apply to the Registered Bank, as a branch of the Overseas Bank. Further information about the FCS is available from the Australian Treasury www.treasury.gov.au. Further information about the Wholesale Guarantee Scheme is available from the Australian Government www.guaranteescheme.com.au. Additional information on each guarantee scheme is available in the NZ Branch's most recent General Disclosure Statement and Supplemental Disclosure Statement.
- The NZ Branch does not have a guarantee under the New Zealand Deposit Guarantee Scheme or the New Zealand Wholesale Funding Guarantee Facility as at 24 November 2009.



Auditor's Report to the Directors of Australia and New Zealand Banking Group Limited - New Zealand Branch

We have examined the attached Key Information Summary.

The information in the Key Information Summary has been extracted from the General Disclosure Statement of Australia and New Zealand Banking Group Limited - New Zealand Branch (the "NZ Branch") and its related entities (the "NZ Banking Group") for the year ended 30 September 2009 prepared in accordance with the Registered Bank Disclosure Statement (Full and Half-Year – Overseas Incorporated Registered Banks) Order 2008 (the "Order").

We have audited the financial statements and certain supplementary information contained within the General Disclosure Statement for the year ended 30 September 2009, on which we issued an unqualified opinion dated 24 November 2009.

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 year ended 30 September 2009.

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 year ended 30 September 2009.

For a better understanding of the scope of our examination of Australia and New Zealand Banking Group Limited - New Zealand Branch's General Disclosure Statement, and of the balance sheet of the NZ Branch and NZ Banking Group as at 30 September 2009 and the results of their operations and cash flows for the year ended on that date, this report should be read in conjunction with the General Disclosure Statement for the year ended 30 September 2009 from which the information in the Key Information Summary was extracted and our auditor's report thereon.

Our audit was completed on 24 November 2009 and our unqualified statement of findings is expressed as at that date.

Wellington