

Key Information Summary for the six months ended 31 March 2010

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 31 March 2010, the Standard and 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 Aa1. On 2 March 2009 the Outlook changed from Stable to Negative.
- 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 Outlook from Stable to Positive.

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\$1 million in the winding up of the Overseas Bank. In addition, certain deposits of the Overseas Bank are guaranteed for amounts over A\$1 million, 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.gov.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 25 May 2010.



Independent Examination 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 and its related entities (the "NZ Banking Group") for the six months ended 31 March 2010 prepared in accordance with the Registered Bank Disclosure Statement (Full and Half-Year – Overseas 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 25 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 Australia and New Zealand Banking Group Limited – New Zealand Branch's General Disclosure Statement, and of the balance sheet of the NZ Banking Group as at 31 March 2010 and the results of its 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 25 May 2010 and our unqualified statement of findings is expressed as at that date.

KPMG
Wellington

Key Information Summary

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
– NEW ZEALAND BRANCH

For the six months ended 31 March 2010
Number 6 Issued May 2010

Australia and New Zealand Banking Group Limited – New Zealand Branch

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?", 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 six months ended 31 March 2010

	Overseas Banking Group	
	Unaudited 31/03/2010	Unaudited 31/03/2009
	A\$m	A\$m
Profitability		
Net profit after tax for the six months ended 31 March	1,925	1,417
Net profit after tax for the year ended 31 March as a percentage of average total assets	0.7%	0.6%
Size as at 31 March		
Total assets	506,708	502,798
The percentage increase in total assets from 1 April to 31 March	0.8%	14.9%

	NZ Banking Group	
	Unaudited 31/03/2010	Unaudited 31/03/2009
	NZ\$m	NZ\$m
Profitability		
Net profit after tax for the six months ended 31 March	386	422
Net profit after tax for the year ended 31 March as a percentage of average total assets	0.1%	0.7%
Size as at 31 March		
Total assets	123,504	132,972
The percentage (decrease) increase in total assets from 1 April to 31 March	-7.1%	21.5%

	Overseas Banking Group		Overseas Bank	
	Unaudited 31/03/2010	Unaudited 31/03/2009	Unaudited 31/03/2010	Unaudited 31/03/2009
	%	%	%	%
Capital Adequacy				
Tier One Capital as a percentage of risk weighted exposures	10.7%	8.2%	11.9%	9.0%
Total Capital as a percentage of risk weighted exposures	13.0%	11.0%	13.7%	11.5%

	Overseas Banking Group		NZ Banking Group	
	Unaudited 31/03/2010	Unaudited 31/03/2009	Unaudited 31/03/2010	Unaudited 31/03/2009
	A\$m	A\$m	NZ\$m	NZ\$m
Asset Quality				
Total impaired assets	5,888	4,141	1,736	629
Total impaired assets as a percentage of total assets	1.2%	0.8%	1.4%	0.5%
Total individual provisions	1,593	1,341	608	269
Total individual provisions as a percentage of total impaired assets	27.1%	32.4%	35.0%	42.8%
Total collective provisions	3,037	2,742	867	610
Non-financial assets acquired through the enforcement of security	-	-	-	-

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 31 March 2010 and 31 March 2009. APRA specifies a minimum prudential capital ratio for the Overseas Banking Group, which is not made publicly available.

Australia and New Zealand Banking Group Limited – New Zealand Branch

Key Information Summary for the six months ended 31 March 2010

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

For the three months ended 31 March 2010, 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 (31 March 2009: nil). The peak end-of-day exposures have been calculated using the Overseas Banking Group's equity as at 31 March 2010. The equity used in calculating the comparatives was as at 31 March 2009. 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.

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:

- first, the ADI's liabilities to 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;
- second, the ADI's debts to APRA for costs incurred by APRA in administration of the Financial Claims Scheme in respect of the ADI;
- third, in payment of the ADI's deposit liabilities in Australia (other than liabilities covered under paragraph (a)); and
- 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 31 March 2010 amounted to \$nil (31 March 2009: \$nil).

Non-consolidated activities

On 30 November 2009, the NZ Banking Group purchased ING Groep's 51% interest in ING (NZ) Holdings Limited group ("ING NZ") and ING NZ has been fully consolidated since that date. Insurance business is conducted directly through ING NZ since its acquisition in November 2009. Prior to this, the Overseas Bank had carried on insurance business in New Zealand through the NZ Banking Group's 49% share in the ING NZ joint venture and the NZ Banking Group did 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 6, 1 Victoria Street, Wellington.

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