

Introductory statement for customers of registered bank

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 of New Zealand (**'Reserve Bank'**) publication "Your Bank's Disclosure Statement – What's In It For You?". This publication can be obtained from the Reserve Bank.

The information contained in this Key Information Summary is as required by section 81 of the Reserve Bank of New Zealand Act 1989 and the Registered Bank Disclosure Statement (Off-Quarter – New Zealand Incorporated Registered Banks) Order 2008.

In this Key Information Summary reference is made to:

- Westpac New Zealand Limited (otherwise referred to as the **'Bank'**).
- Westpac New Zealand Limited and its controlled entities (otherwise referred to as the **'Banking Group'**).

The financial year end of the above entities is 30 September.

All amounts referred to in this Key Information Summary are in New Zealand dollars unless otherwise stated.

Corporate information

The full name of the Bank is Westpac New Zealand Limited. Westpac New Zealand Limited is a company registered under the Companies Act 1993 (Company Number 1763882) on 14 February 2006. Its head office is situated at, and its address for service is, Level 15, 188 Quay Street, Auckland, New Zealand.

The ultimate parent bank of the Bank is Westpac Banking Corporation (**'Ultimate Parent Bank'**), which is domiciled in Australia.

Credit ratings

The Bank has the following credit ratings with respect to its long-term senior unsecured obligations, including obligations payable in New Zealand in New Zealand dollars.

Rating Agency	Current Credit Rating	Rating Outlook
Fitch Ratings	AA	Stable
Moody's Investors Service	Aa2	Stable
Standard & Poor's	AA	Stable

On 31 March 2010, the Bank's credit rating issued by Fitch Ratings changed from AA- to AA with a 'stable' outlook. In the two years prior to 31 March 2010, the rating issued by Fitch Ratings was AA-. The rating outlook at 30 June 2008 was 'positive' and changed to 'stable' on 3 December 2008. This position remained unchanged until 31 March 2010 when the credit rating was upgraded to AA with a 'stable' outlook.

In the two years prior to 30 June 2010, the Bank's credit rating issued by Moody's Investors Service has not changed at Aa2 with a 'stable' outlook.

In the two years prior to 30 June 2010, the Bank's credit rating issued by Standard & Poor's has not changed at AA with a 'stable' outlook.

Ratings are statements of opinion, not statements of fact or recommendations to buy, hold or sell any securities. Ratings may be changed, qualified, withdrawn or suspended at any time.

Government guarantees

The Bank has two guarantees under the New Zealand deposit guarantee scheme (**'Scheme'**). The Bank and the New Zealand Government (**'Crown'**) entered into a Crown Deed of Guarantee on 11 November 2008 pursuant to the Scheme, which was amended by a Supplemental Deed dated 24 November 2008 (together **'Deposit Guarantee'**), and a further Crown Deed of Guarantee on 16 December 2009 pursuant to the revised deposit guarantee scheme (**'Revised Deposit Guarantee'**).

The Bank also has a guarantee (**'Wholesale Guarantee'**) from the Crown under the New Zealand wholesale funding guarantee facility (**'Facility'**) in respect of certain securities the subject of guarantee eligibility certificates.

Further information about the Scheme, Deposit Guarantee, Revised Deposit Guarantee, Wholesale Guarantee and Facility may be obtained from the Treasury internet site www.treasury.govt.nz. More information about the Deposit Guarantee, Revised Deposit Guarantee and Wholesale Guarantee is available in the Bank's most recent General Short Form Disclosure Statement and Supplemental Disclosure Statement. The Supplemental Disclosure Statement contains copies of the Deposit Guarantee, Revised Deposit Guarantee and Wholesale Guarantee.

Profitability

	The Banking Group	
	2010 Unaudited \$m	2009 Unaudited \$m
Net profit after tax for the nine months ended 30 June	213	188
Net profit after tax (on a 12-month rolling basis) as a percentage of average total assets	0.5%	0.5%

Size

	The Banking Group	
	2010 \$m	2009 \$m
As at 30 June (unaudited)		
Total assets	55,200	54,584
Increase in total assets (year-on-year)	1.1%	7.0%

Capital adequacy

Basel II

	The Banking Group	
	2010 %	2009 %
As at 30 June (unaudited)		
Tier One Capital ratio	9.5	9.4
Total Capital ratio	12.6	12.4

The adequacy of the Banking Group's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision and adopted by the Reserve Bank in supervising the Banking Group.

Under the Bank's conditions of registration, the Banking Group is required to comply with the following requirements:

- Tier One Capital ratio of the Banking Group is not less than 4 percent of risk-weighted exposures.
- Total Capital ratio of the Banking Group is not less than 8 percent of risk-weighted exposures.
- Capital of the Banking Group is not less than \$30 million.

For the purposes of this condition of registration Total Capital and Tier One Capital are calculated in accordance with the Reserve Bank document 'Capital adequacy framework (internal models based approach)' (BS2B) dated March 2008.

The Banking Group exceeded the minimum capital adequacy ratios stated above as at 30 June 2010.

Asset quality

	The Banking Group	
	2010 \$m	2009 \$m
As at 30 June (unaudited)		
Total individually impaired assets ^{1, 2}	760	832
As a percentage of total assets	1.4%	1.5%
Total individual credit impairment allowance	232	377
As a percentage of total impaired assets	30.5%	45.3%
Total collective credit impairment allowance	472	383

1 Total individually impaired assets are before allowances for credit impairment loss and net of interest held in suspense and include restructured assets.

2 Non-financial assets have not been acquired through the enforcement of security.

Peak credit exposure concentrations

The following table summarises the number of:

- individual bank counterparties and groups of closely related counterparties of which a bank is the parent; and
- individual non-bank counterparties and groups of closely related counterparties of which a bank is not the parent,

to which the Banking Group has an aggregate credit exposure that equals or exceeds 10% of the Banking Group's equity.

Percentage of equity of the Banking Group (%)	The Banking Group			
	Number of Banks		Number of Non-banks	
	For the Three Months Ended 30 June 2010 Unaudited	For the Three Months Ended 30 June 2009 Unaudited	For the Three Months Ended 30 June 2010 Unaudited	For the Three Months Ended 30 June 2009 Unaudited
10 - 19	2	1	-	-
20 - 29	2	1	-	-
30 - 39	-	-	-	-
40 - 49	-	1	-	-
50 - 59	-	-	-	-
60 - 69	-	-	-	-
70 - 79	-	-	-	-
80 - 89	-	-	-	-
90 - 100	-	-	-	-

Comparative numbers for bank counterparties of the Banking Group have been restated as a result of continuing analysis of the Banking Group's credit exposures to individual counterparties.

This information excludes exposures to any connected persons and to the central government of any country with a long-term credit rating of A- or A3 or above, or its equivalent.

Credit exposure to connected persons

	The Banking Group		Peak End-of-Day for the Three Months Ended	
	As at 30 June 2010 Unaudited \$m	Peak End-of-Day for the Three Months Ended 30 June 2010 Unaudited \$m	As at 30 June 2009 Unaudited \$m	Peak End-of-Day for the Three Months Ended 30 June 2009 Unaudited \$m
Credit exposures to connected persons:				
On gross basis, before netting	870	2,168	612	903
As a percentage of Tier One Capital of the Banking Group at the end of the period	26.5%	66.0%	19.8%	29.2%
Netted amount	23	206	123	107
As a percentage of Tier One Capital of the Banking Group at the end of the period	0.7%	6.3%	4.0%	3.5%
On partial bilateral net basis	847	1,962	489	796
As a percentage of Tier One Capital of the Banking Group at the end of the period	25.8%	59.7%	15.8%	25.7%
Credit exposures to non-bank connected persons	-	-	-	-
As a percentage of Tier One Capital of the Banking Group at the end of the period	0.0%	0.0%	0.0%	0.0%

Comparative peak end-of-day numbers for the Banking Group have been restated as a result of continuing analysis of the Banking Group's credit exposures to connected persons.

Credit exposures to connected persons are based on actual credit exposures rather than internal limits, net of individual credit impairment allowance and exclude advances to connected persons of a capital nature. Peak end-of-day aggregate credit exposures to connected persons have been derived by determining the maximum end-of-day aggregate amount of credit exposure over the relevant three-month period and then dividing that amount by the Banking Group's Tier One Capital as at the end of the period.

The limits on aggregate credit exposures to all connected persons and non-bank connected persons in the Bank's conditions of registration have been complied with at all times over the three months ended 30 June 2010.

Availability of General Short Form Disclosure Statement and Supplemental Disclosure Statement

Copies of the Bank's most recent General Short Form Disclosure Statement and Supplemental Disclosure Statement will be provided immediately, free of charge, to any person requesting a copy where the request is made at the Bank's head office, Level 15, 188 Quay Street, Auckland. They are also available, free of charge, within five working days of any request, at any branch of the Bank and at any staffed premises of an agency of the Bank, primarily engaged in the business of the Bank, or any other staffed premises of the Bank, to which its customers or potential customers have access in order to conduct banking business.

This Key Information Summary and the most recent General Short Form Disclosure Statement and Supplemental Disclosure Statement can also be accessed at the internet address www.westpac.co.nz.

