

kiwi bank It's ours

Key Information Summary

Number 35

For the nine months ended 31 March 2010



1. 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.

2. Corporate information

Name of Registered Bank: Kiwibank Limited ("Kiwibank")

Ultimate Holding Company: New Zealand Post Limited ("NZP"), which is a New Zealand incorporated company

On 29 November 2001, Kiwibank was registered as a bank under the Reserve Bank of New Zealand Act 1989 and was required to comply with the conditions of registration as laid down by the Reserve Bank of New Zealand from that date onwards.

The Banking Group comprises the Registered Bank and its subsidiaries, Kiwibank Nominees Limited, New Zealand Home Lending Limited, AMP Home Loans Limited, KB Custodial Services Limited and Kiwibank Investment Management Limited. All of the subsidiaries are 100% owned by Kiwibank.

3. Credit ratings

On 29 November 2001, Standard & Poor's (Australia) Pty Limited granted Kiwibank a credit rating of AA- for long-term senior unsecured obligations payable in New Zealand, in New Zealand dollars. There have been no changes made to the rating in the two years preceding 31 March 2010.

On 21 August 2008, this credit rating was reaffirmed as AA- and the outlook was revised from negative (27 April 2007) to stable. This credit rating was reaffirmed on 10 March 2009 as AA- stable. NZP has a credit rating of AA- and has given Kiwibank a deed poll guarantee.

3A. Crown Retail Guarantee

- a. Kiwibank has a guarantee under the Crown Retail deposit guarantee scheme.
- b. The maximum liability under the Crown Retail Guarantee is one million New Zealand dollars (\$1,000,000) in aggregate to each Creditor or such other amount as may, in respect of a Nominated Beneficiary, be specified in or determined in accordance with the relevant Nomination.

- c. The Crown Retail Guarantee provides that in the event Kiwibank defaults on its payment obligations, Kiwibank must use all reasonable endeavours to ensure that all creditors claim under any other applicable guarantee before the Crown Retail Guarantee.
- d. Kiwibank also has a guarantee under the wholesale funding guarantee scheme. The guarantor is the Crown. This guarantee expires on 30 April 2010.
- e. Additional information on the Crown Retail deposit guarantee scheme and the wholesale funding guarantee scheme is available, free of charge and at all reasonable times, on the internet site maintained by the Treasury. The web-site address is www.treasury.govt.nz. Further, additional information on Kiwibank's guarantee under the scheme is available in Kiwibank's General Disclosure Statement for the year ended 30 June 2009 and in the Supplemental Disclosure Statement, which contains copies of both guarantees.

Dollars in thousands

	Unaudited 31/03/10	Unaudited 31/03/09
4. Profitability		
Net profit of the Banking Group after taxation for the nine months ended 31 March	35,767	40,145
Net profit of the Banking Group after taxation for the twelve months ended 31 March expressed as a percentage of the average of total assets	0.5%	0.6%
5. Size		
Total assets of the Banking Group as at 31 March	12,076,104	9,758,568
Percentage change in total assets of the Banking Group for the twelve months ended 31 March	23.7%	47.2%
6. Capital adequacy		
Tier One Capital as a percentage of total risk weighted exposures	7.1%	6.8%
Minimum percentage of tier one capital to risk weighted exposures permitted under Kiwibank's conditions of registration	4.0%	4.0%
Minimum Tier One Capital ratio under Crown Wholesale Guarantee	6.0%	N/a
Total capital (Pillar I) expressed as a percentage of total risk weighted exposures	9.6%	10.0%
Minimum percentage of qualifying capital to risk weighted exposures permitted under Kiwibank's conditions of registration	8.0%	8.0%
7. Asset quality		
Total individually impaired assets of the Banking Group	44,267	9,021
Total individually impaired assets of the Banking Group expressed as a percentage of total assets	0.4%	0.1%
Total individual credit impairment allowance of the Banking Group	5,707	2,683
Total individual credit impairment allowance of the Banking Group expressed as a percentage of total individually impaired assets	12.9%	29.7%
Total collective credit impairment allowance of the Banking Group	9,282	7,008
Total collective credit impairment allowance of the Banking Group expressed as a percentage of total individually impaired assets	21.0%	77.7%

8. Peak credit exposure concentrations

Peak end-of-day credit exposures have been calculated using the Banking Group's tier one capital at the end of the period. The number of individual counterparties, excluding connected persons and to the central government of any country with a long-term credit rating of A- or A3 above, or its equivalent, where the peak end-of-day aggregate actual credit exposures, net of individual credit impairment allowance (which was nil), equalled or exceeded 10% of the Banking Group's shareholder's equity for the three months ended 31 March 2010 are:

	Unaudited 3 months ended 31/03/10		Unaudited 3 months ended 31/03/09	
	Non-Bank	Bank	Non-Bank	Bank
10% - 19%	1	4	4	8
20% - 29%	-	1	-	-
30% - 39%	-	1	1	-
40% - 49%	-	-	-	1
50% - 59%	-	-	-	-
60% - 69%	-	2	-	-
70% - 79%	-	-	-	-
80% - 89%	-	-	-	1
90% - 99%	-	-	-	2
100% - 109%	-	-	-	1

9. Credit exposures to connected persons

Credit exposure concentrations are disclosed on the basis of actual exposures, and calculated on a gross basis, (net of individual credit impairment allowances and excluding advances of a capital nature). The Banking Group does not have credit exposures to connected persons other than non-bank connected persons. Peak end-of-day credit exposures to non-bank connected persons have been calculated using the Banking Group's tier one capital at the end of the period. There is no individual impairment credit allowance against credit exposures to non-bank connected persons as at 31 March 2010 (31 March 2009: \$nil).

Dollars in thousands

	Unaudited 3 months ended 31/03/10	Unaudited 3 months ended 31/03/09
Peak credit exposures to non-bank connected persons during the period	8,020	20,112
Peak credit exposures to non-bank connected persons during the period expressed as a percentage of tier one capital	1.9%	6.4%

Kiwibank's conditions of registration require that aggregate credit exposures (of a non-capital nature and net of individual credit impairment allowance) of the Banking Group to all connected persons do not exceed 70 percent of tier one capital and that, within this limit, aggregate credit exposures (net of individual credit impairment allowance and gross of set-offs) to non-bank connected persons do not exceed 15 percent of tier one capital. The limits on aggregate credit exposure to connected persons and to non-bank connected persons in the Conditions of Registration have been complied with at all times during the last quarter.

10. Availability of disclosure statements

A copy of Kiwibank's most recent General Disclosure Statement and Supplemental Disclosure Statement, containing a copy of the NZP full guarantee contract, the Crown Retail Guarantee and the Crown Wholesale Guarantee, is available at www.kiwibank.co.nz or will be provided:

- immediately at no charge to any person requesting a copy from Kiwibank's Head Office at Level 6, Radio New Zealand House, 155 The Terrace, Wellington, New Zealand, or
- at any branch of Kiwibank at no charge to any person within 5 working days of a request for a copy having been made.