

Key Information Summary

for the six months 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.

CORPORATE INFORMATION

TSB Bank Limited ("the Bank") is a company registered under the Companies Act 1993, and incorporated in New Zealand. Its address for service is Level Five, TSB Centre, 120 Devon Street East, New Plymouth.

The ultimate parent of the Bank is the TSB Community Trust. The TSB Community Trust is an independent body, owns all the shares in the TSB Bank, and is domiciled in New Zealand.

CREDIT RATING

As at 30 September 2009, the credit rating assigned to TSB Bank Limited is BBB+. This was reaffirmed on 17 September 2009. This credit rating is applicable to its Long Term NZD Debt. The credit rating was issued by Standard & Poor's (Australia) Pty Limited. This rating was raised from BBB on 19 March 2008. The rating is not subject to any qualifications.

GOVERNMENT GUARANTEES

TSB Bank Limited has a guarantee under the New Zealand Deposit Guarantee Scheme. (Crown Deed of Guarantee). The key terms and information on the New Zealand Deposit Guarantee Scheme are set out in the General Disclosure Statement.

For the six months ended 30 September	2009	2008
	\$000	\$000

PROFITABILITY

Net Profit after Tax for the 6 month period	29,275	24,398
Net Profit for 12 months ending 30 September as a % of Average Total Assets	1.28%	1.32%

SIZE

Total Assets	4,056,106	3,403,511
% Growth in Total Assets from previous 30 Sept	19.17%	13.27%

CAPITAL ADEQUACY

Capital adequacy ratios are calculated as the percentage of qualifying capital to total risk-weighted exposures.

Tier One Capital as a % of Risk Weighted Exposures	16.46%	18.36%
Minimum % as per the Bank's Conditions of Registration	4.00%	4.00%
Total Capital as a % of Risk Weighted Exposures	16.46%	18.36%
Minimum % as per the Bank's Conditions of Registration	8.00%	8.00%

ASSET QUALITY

Total Impaired Assets (\$000's)	5,252	1,561
Impaired Assets as a % of Total Assets	0.13%	0.05%
Total Specific Provisions (\$000's)	1,115	560
Total Specific Provisions as a % of Impaired Assets	21.23%	35.87%
Total Collective Provision (\$000's)	14,600	12,100

No non-financial assets have been acquired through the enforcement of security.

PEAK CREDIT EXPOSURE CONCENTRATIONS

The following disclosures show the number of individual counterparties (not being members of groups of closely related counterparties) or groups of closely related counterparties (excluding central government of any country with a long-term credit rating of A- or A3 or above, or its equivalent, and connected persons) to which the Bank has or had an aggregate credit exposure which equalled or exceeded 10 % of the Bank's equity in respect of the peak aggregate end of day exposures. Credit exposures disclosed are based on actual exposures. The peak ratio is calculated by taking the peak end-of-day exposure over the quarter and dividing by the end of quarter Bank's equity.

Percentage of Total Equity	Quarter Ended 30 September 2009			Quarter Ended 30 September 2008		
	No. of Counterparties			No. of Counterparties		
	Non Bank	Bank	Total	Non Bank	Bank	Total
10% - 20%	10	2	12	7	1	8
21% - 30%	4	2	6	1	1	2
31% - 40%	-	-	-	-	2	2
41% - 50%	-	1	1	-	3	3
51% - 60%	-	1	1	-	-	-
61% - 70%	-	-	-	-	-	-

CREDIT EXPOSURES TO CONNECTED PERSONS

(\$000's)	2009	2008
Peak credit exposures to non-bank connected persons during the quarter	483	512
Peak credit exposures to non-bank connected persons during the period expressed as a percentage of total tier one capital	0.1%	0.2%

Credit exposure concentrations are disclosed on the basis of actual credit exposures and calculated on a gross basis (net of specific provisions and excluding advances of a capital nature). The Bank only has credit exposures to non-bank connected persons. Peak end-of-day credit exposures to non-bank connected persons are calculated using the Bank's tier one capital at the end of the period. The rating-contingent limit, which is applicable to the Bank as at balance date, is 15%. There have been no rating-contingent limit changes during the last quarter. Within the rating-contingent limit there is a sub-limit of 15%, which applies to non-bank connected persons.

All limits on aggregate credit exposures to all connected persons and to non-bank connected persons in the Bank's Conditions of Registration have been complied with at all times over the last quarter. There are no specific provisions against credit exposures to connected persons as at 30 September 2009 (30 September 2008: nil).

AVAILABILITY OF DISCLOSURE STATEMENTS

A copy of the most recent General Disclosure Statement will be provided immediately at no charge to any person requesting a copy where the request is made at the Head Office of the Bank, Level Five, TSB Centre, 120 Devon Street East, New Plymouth or within five working days where the request is made at any branch of the TSB Bank.

This Key Information Summary and the most recent General Disclosure Statement, as well as a copy of the TSB Bank's Crown Deed of Guarantee, and general information on the New Zealand Deposit Guarantee Scheme can be accessed at the following internet addresses:
www.tsbbank.co.nz
www.treasury.govt.nz

Key Information Summary for the six months ended 30 September 2009



Independent Examination Report to the Directors of TSB Bank Limited

We have examined the attached Key Information Summary. The information in the Key Information Summary has been extracted from TSB Bank Limited's General Disclosure Statement for the six months ended 30 September 2009. We have reviewed the interim financial statements and certain supplementary information contained within that General Disclosure Statement for the six months ended 30 September 2009, on which we issued an unqualified review opinion dated 19 November 2009.

Directors' Responsibilities

The Directors are responsible for the preparation and presentation of the Key Information Summary in accordance with Clause 20 of the Registered Bank Disclosure Statement (Full and Half-Year – New Zealand Incorporated Registered Banks) Order 2008 (the "Order").

Auditors' Responsibilities

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 30 September 2009.

Our firm has also provided other services to the Bank in relation to audit related services. This has not impaired our independence as auditors of the Bank. The firm has no other relationship with, or interest in, the Bank.

Statement of Findings

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

- The Key Information Summary has been presented and 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 30 September 2009.

For a better understanding of the scope of our review of TSB Bank Limited's General Disclosure Statement, and of the balance sheet of the Bank as at 30 September 2009 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 TSB Bank Limited's General Disclosure Statement for the six months ended 30 September 2009.

Our review was completed on 19 November 2009 and our statement is made as at that date.

Wellington