ANZ National Bank Limited
Disclosure Statement

FOR THE SIX MONTHS ENDED 31 MARCH 2011 | NUMBER 61 ISSUED MAY 2011

Disclosure Statement

For the six months ended 31 March 2011

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Glossary of Terms

In this Disclosure Statement unless the context otherwise requires:

(a) "Bank" means ANZ National Bank Limited;

(b) "Banking Group" means ANZ National Bank Limited and all its controlled entities;

(c) "Immediate Parent Company" means ANZ Holdings (New Zealand) Limited;

(d) "NZ Branch" means the New Zealand branch office of Australia and New Zealand Banking Group Limited;

(e) "ANZ New Zealand" means the combined New Zealand operations of Australia and New Zealand Banking Group Limited;

(f) "Ultimate Parent Bank" means Australia and New Zealand Banking Group Limited;

(g) "Overseas Banking Group" means the worldwide operations of Australia and New Zealand Banking Group Limited including its controlled entities;

(h) "RBNZ" means the Reserve Bank of New Zealand;

(i) "APRA" means the Australian Prudential Regulation Authority;

(j) "the Order" means the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2011; and

(k) Any term or expression which is defined in, or in the manner prescribed by, the Order shall have the meaning given in or prescribed by the Order.

General Disclosures

This Disclosure Statement has been issued in accordance with the Order.

The address for service is Level 6, 1 Victoria Street, Wellington, New Zealand.

Credit Rating Information

The Bank has three credit ratings, which are applicable to its long-term senior unsecured obligations which are payable in New Zealand in New Zealand dollars.

The Bank's Credit Ratings are:

Rating Agency	Current Credit Rating	Qualification
Standard & Poor's	**AA**	Outlook Stable
Moody's Investors Service	**Aa2**	Review for Possible Downgrade
Fitch Ratings	**AA-**	Outlook Positive

Guarantors

As at the date of signing of this Disclosure Statement the only material obligations of the Bank that are guaranteed are debt securities for which the Crown has issued a Guarantee Eligibility Certificate under the New Zealand Wholesale Funding Guarantee Facility ("Crown Wholesale Guarantee"). The Crown closed the Crown Wholesale Guarantee to new debt securities on 30 April 2010. The closure did not affect debt securities previously issued with the benefit of Crown Wholesale Guarantee.

Copies of the Wholesale Deed, and any Guarantee Eligibility Certificate issued by the Crown in respect of the Bank, are available on the Treasury website treasury.govt.nz. The address for service for any demand on the Crown under the Crown Wholesale Guarantee is The Treasurer, New Zealand Debt Management Office, 1 The Terrace, Wellington. Further information on the Crown Wholesale Guarantee is provided in the General Disclosure Statement for the year ended 30 September 2010, which is available at no charge:

(a) on the Bank's websites anz.co.nz and nationalbank.co.nz; and

(b) within two working days of a request, if a request is made at Level 6, 1 Victoria Street, Wellington, New Zealand ("the Registered Office") or at any branch of ANZ or The National Bank of New Zealand.

Directorate

Dr D T Brash resigned as a director with effect from 2 May 2011. There have been no other changes to directors since the authorisation date of the previous full year General Disclosure Statement on 22 November 2010.

Auditors

KPMG
Chartered Accountants
10 Customhouse Quay
Wellington, New Zealand

Income Statement

$ millions	Note	Unaudited 6 months to 31/03/2011	Unaudited 6 months to 31/03/2010	Audited Year to 30/09/2010
Interest income		**3,162**	2,839	5,876
Interest expense		**1,899**	1,681	3,457
Net interest income		**1,263**	1,158	2,419
Net trading gains		**140**	16	39
Funds management and insurance income		**126**	91	218
Other operating income	2	**141**	229	445
Share of profit of equity accounted associates and jointly controlled entities		**1**	36	42
Operating income		**1,671**	1,530	3,163
Operating expenses	2	**910**	748	1,565
Profit before provision for credit impairment		**761**	782	1,598
Provision for credit impairment	7	**78**	314	436
Profit before income tax		**683**	468	1,162
Income tax expense	3	**192**	101	335
Profit after income tax		**491**	367	827

Statement of Comprehensive Income

$ millions	Unaudited 6 months to 31/03/2011	Unaudited 6 months to 31/03/2010	Audited Year to 30/09/2010
Profit after income tax	**491**	367	827
Available-for-sale revaluation reserve			
Valuation gain before tax	**11**	59	53
Cumulative gain transferred to the income statement on sale of financial assets	**(42)**	-	(12)
Cash flow hedging reserve			
Valuation gain/(loss) before tax	**(4)**	2	89
Transferred to income statement	**6**	21	21
Other items recognised directly in equity			
Actuarial gain on defined benefit schemes	**8**	14	27
Income tax credit/(expense) on items recognised directly in equity	**6**	(20)	(48)
Net income/(expense) recognised directly in equity	**(15)**	76	130
Total comprehensive income for the period	**476**	443	957

Statement of Changes in Equity

$ millions	Unaudited 6 months to 31/03/2011	Unaudited 6 months to 31/03/2010	Audited Year to 30/09/2010
Ordinary share capital			
Balance at beginning and end of period	**6,943**	6,943	6,943
Available-for-sale revaluation reserve			
Balance at beginning of the period	**58**	25	25
Valuation gain recognised after tax	**6**	51	42
Transferred to income statement after tax	**(29)**	-	(9)
Balance at end of the period	**35**	76	58
Cash flow hedging reserve			
Balance at beginning of the period	**102**	23	23
Valuation gain/(loss) recognised after tax	**(2)**	1	64
Transferred to income statement after tax	**4**	14	15
Balance at end of the period	**104**	38	102
Total reserves	**139**	114	160
Retained earnings			
Balance at beginning of the period	**3,342**	3,097	3,097
Profit after income tax attributable to parent	**491**	367	827
Actuarial gain on defined benefit schemes after tax	**6**	10	18
Ordinary dividend paid	**(430)**	-	(600)
Balance at end of the period	**3,409**	3,474	3,342
Non-controlling interests			
Balance at beginning of the period	**1**	-	-
Acquired in a business combination	**-**	1	1
Balance at end of the period	**1**	1	1
Total equity			
Balance at beginning of the period	**10,446**	10,088	10,088
Total comprehensive income for the period	**476**	443	957
Transactions with shareholders	**(430)**	-	(600)
Change in non-controlling interests	**-**	1	1
Balance at end of the period	**10,492**	10,532	10,446

The notes to the financial statements form part of and should be read in conjunction with these financial statements

Balance Sheet

$ millions	Note	Unaudited 31/03/2011	Unaudited 31/03/2010	Audited 30/09/2010
Assets				
Liquid assets		**1,799**	2,519	2,238
Due from other financial institutions		**3,267**	2,101	3,496
Trading securities		**7,373**	6,366	6,757
Derivative financial instruments		**9,553**	8,713	10,367
Available-for-sale assets		**841**	1,850	2,210
Net loans and advances	5	**85,369**	85,670	85,913
Investments backing insurance policyholder liabilities		**24**	38	28
Insurance policy assets		**169**	106	138
Due from Immediate Parent Company		**-**	500	6
Shares in associates and jointly controlled entities		**145**	144	144
Current tax assets		**61**	107	25
Other assets		**1,621**	1,170	965
Deferred tax assets		**228**	425	312
Premises and equipment		**331**	305	311
Goodwill and other intangible assets		**3,532**	3,563	3,548
Total assets		**114,313**	113,577	116,458
Interest earning and discount bearing assets		**97,442**	98,434	98,250
Liabilities				
Due to other financial institutions	8	**1,651**	1,336	1,819
Deposits and other borrowings	9	**68,349**	70,636	70,295
Due to Immediate Parent Company		**11**	-	-
Derivative financial instruments		**9,795**	9,152	10,715
Payables and other liabilities		**2,263**	2,084	1,700
Provisions		**377**	341	315
Bonds and notes		**18,948**	16,855	18,761
Loan capital		**2,427**	2,641	2,407
Total liabilities		**103,821**	103,045	106,012
Net assets		**10,492**	10,532	10,446
Equity				
Ordinary share capital		**6,943**	6,943	6,943
Reserves		**139**	114	160
Retained earnings		**3,409**	3,474	3,342
Parent shareholders' equity		**10,491**	10,531	10,445
Non-controlling interests		**1**	1	1
Total equity		**10,492**	10,532	10,446
Interest and discount bearing liabilities		**86,139**	86,573	86,956

The notes to the financial statements form part of and should be read in conjunction with these financial statements

Condensed Cash Flow Statement

$ millions	Note	Unaudited 6 months to 31/03/2011	Unaudited 6 months to 31/03/2010	Audited Year to 30/09/2010
Cash flows from operating activities				
Interest received		**3,088**	2,775	5,636
Interest paid		**(1,842)**	(1,734)	(3,412)
Other cash inflows provided by operating activities		**468**	433	910
Other cash outflows used in operating activities		**(957)**	(1,323)	(2,105)
Cash flows from operating profits before changes in operating assets and liabilities		**757**	151	1,029
Net changes in operating assets and liabilities		**(1,379)**	(960)	(1,775)
Net cash flows used in operating activities	**14**	**(622)**	(809)	(746)
Cash flows from investing activities				
Cash inflows provided by investing activities		**-**	2	8
Cash outflows used in investing activities		**(62)**	(317)	(370)
Net cash flows used in investing activities		**(62)**	(315)	(362)
Cash flows from financing activities				
Cash inflows provided by financing activities		**3,617**	2,791	5,481
Cash outflows used in financing activities		**(1,956)**	(3,233)	(5,561)
Net cash flows provided by/(used in) financing activities		**1,661**	(442)	(80)
Net increase/(decrease) in cash and cash equivalents		**977**	(1,566)	(1,188)
Cash and cash equivalents at beginning of the period		**3,577**	4,765	4,765
Cash and cash equivalents at end of the period	**14**	**4,554**	3,199	3,577

The notes to the financial statements form part of and should be read in conjunction with these financial statements

Notes to the Financial Statements

1. Significant Accounting Policies

(i) Reporting entity and statement of compliance

These financial statements are for the Banking Group for the six months ended 31 March 2011. They have been prepared in accordance with the requirements of NZ IAS 34 *Interim Financial Reporting*, and the Order, and should be read in conjunction with the Banking Group's financial statements for the year ended 30 September 2010.

(ii) Basis of measurement

These financial statements have been prepared on a going concern basis in accordance with historical cost concepts except that the following assets and liabilities are stated at their fair value:

- derivative financial instruments, including in the case of fair value hedging, the fair value of any applicable underlying exposure;
- financial instruments held for trading;
- financial assets treated as available-for-sale; and
- financial instruments designated at fair value through profit and loss.

Insurance policy assets are measured using the Margin on Services basis, and defined benefit obligations are measured using the Projected Unit Credit method.

(iii) Changes in accounting policies

The accounting policies adopted by the Banking Group are consistent with those adopted and disclosed in the previous full year General Disclosure Statement.

(iv) Presentation currency and rounding

The amounts contained in the financial statements are presented in millions of New Zealand dollars, unless otherwise stated.

(v) Comparatives

Prior to 30 September 2010 some fee income integral to the effective interest rate of financial assets was presented in other operating income. Since this date this income has been classified to interest income, to more accurately reflect the nature of the income.

Comparative data has been restated accordingly. For the period ended 31 March 2010 this reclassification has for the Banking Group, increased interest income by $61 million and reduced other operating income by a corresponding amount. There was no impact on total operating income or profit after income tax.

Certain other amounts in the comparative information have been reclassified to ensure consistency with the current period's presentation.

(vi) Principles of consolidation

The financial statements consolidate the financial statements of the Bank and its controlled entities.

2. Operating Income and Expenses

Other operating income for the six months ended 31 March 2011 includes a fair value loss of $92 million (six months ended 31/03/2010 $56 million gain; year ended 30/09/2010 $52 million gain) on the revaluation of financial assets and liabilities designated at fair value and on hedging activities. Other operating income excluding these fair value adjustments is $233 million (six months ended 31/03/2010 $173 million; year ended 30/09/2010 $393 million).

Operating expenses include a one-off cost for the six months ended 31 March 2011 of $141 million incurred in relation to the planned move to a single banking technology platform and a simplified regional management structure, which is expected to deliver further operational efficiencies and improved service levels and business outcomes.

3. Income Tax Expense

$ millions	Unaudited 6 months to 31/03/2011	Unaudited 6 months to 31/03/2010	Audited Year to 30/09/2010
Income tax expense before change in tax provisions and the effect of changes in tax legislation	**199**	145	344
Changes in tax provisions	**(4)**	(44)	(54)
Effect of changes in tax legislation	**(3)**	-	45
Income tax expense recognised in the income statement	**192**	101	335
Effective tax rate (%) before change in tax provisions and the effect of changes in tax legislation	**29.1%**	31.0%	29.6%
Effective tax rate (%)	**28.1%**	21.6%	28.8%

Notes to the Financial Statements

4. Segmental Analysis

For segment reporting purposes, the Banking Group is organised into three major business segments – Retail, Commercial and Institutional. Centralised back office and corporate functions support these segments. These segments are consistent with internal reporting provided to the chief operating decision maker, being the Bank's Chief Executive Officer.

During the six months ended 31 March 2011 a specialist standalone business banking unit was created within the Commercial segment. Segmental reporting has been updated to reflect this and other minor changes to the Banking Group's structure. Comparative data has been adjusted to be consistent with the current period's segment definitions.

Retail

Retail provides banking products and services to individuals through separate ANZ and The National Bank of New Zealand branded distribution channels. Personal banking customers have access to a wide range of financial services and products. The Banking Group's wealth businesses include private banking and investment services provided to high net worth individuals, the OnePath wealth management and insurance businesses, and other investment products. This segment also includes other profit centres supporting the Retail Banking segment.

Commercial

Commercial provides services to Business Banking, Commercial & Agri, and UDC customers. Business Banking services are offered to small enterprises (typically with annual revenues of less than $5 million). Commercial & Agri customers consist of primarily privately owned medium to large enterprises. The Banking Group's relationship with these businesses ranges from simple banking requirements with revenue from deposit and transactional facilities, and cash flow lending, to more complex funding arrangements with revenue sourced from a wider range of products. UDC is principally involved in the financing and leasing of plant, vehicles and equipment, mainly for small and medium sized businesses, as well as investment products.

Institutional

Institutional provides financial services to large multi-banked corporations, often global, who require sophisticated product and structuring solutions. The Institutional business unit includes the following specialised units:

- Markets – provides foreign exchange, interest rate and commodity trading and sales-related services, origination, underwriting, structuring, risk management and sale of credit and derivative products globally;
- Transaction Banking – provides cash management, trade finance and international payments;
- Specialised Lending – provides origination, credit analysis, structuring and execution of specific customer transactions.

Other

Other includes treasury and back office support functions, none of which constitutes a separately reportable segment.

Notes to the Financial Statements

Business segment analysis[1]

$ millions	Retail[2]	Commercial	Institutional	Other[3]	Total
Unaudited 6 months to 31/03/2011					
External revenues	**644**	**1,496**	**264**	**(733)**	**1,671**
Intersegment revenues	**53**	**(791)**	**40**	**698**	**-**
Total revenues	**697**	**705**	**304**	**(35)**	**1,671**
Profit before income tax	**232**	**409**	**228**	**(186)**	**683**
Unaudited 6 months to 31/03/2010					
External revenues	651	1,484	(18)	(587)	1,530
Intersegment revenues	(158)	(837)	332	663	-
Total revenues	493	647	314	76	1,530
Profit before income tax	(2)	145	264	61	468
Audited year to 30/09/2010					
External revenues	1,311	2,976	109	(1,233)	3,163
Intersegment revenues	(212)	(1,629)	491	1,350	-
Total revenues	1,099	1,347	600	117	3,163
Profit before income tax	86	510	495	71	1,162

1 Intersegment transfers are accounted for and determined on an arm's length or cost recovery basis.
2 The comparative periods' results include a loss on acquisition of ING (NZ) Holdings Limited of $82 million.
3 This segment has negative external revenues as this segment incurs funding costs on behalf of the Banking Group and is reimbursed internally.

5. Net Loans and Advances

$ millions	Note	Unaudited 31/03/2011	Unaudited 31/03/2010	Audited 30/09/2010
Overdrafts		**1,933**	2,014	2,131
Credit card outstandings		**1,386**	1,417	1,388
Term loans – housing		**44,098**	43,495	43,887
Term loans – non-housing		**38,595**	39,382	39,179
Finance lease receivables		**749**	692	726
Gross loans and advances		**86,761**	87,000	87,311
Provision for credit impairment	7	**(1,264)**	(1,457)	(1,398)
Unearned finance income		**(263)**	(252)	(273)
Fair value hedge adjustment		**153**	378	279
Deferred fee revenue and expenses		**(53)**	(50)	(49)
Capitalised brokerage/mortgage origination fees		**35**	51	43
Total net loans and advances		**85,369**	85,670	85,913

The Bank has sold residential mortgages to the NZ Branch with a carrying value of $9,987 million as at 31 March 2011 (31/03/2010 $10,029 million, 30/09/2010 $10,058 million). These assets qualify for derecognition as the Bank does not retain a continuing involvement in the transferred assets.

Notes to the Financial Statements

6. Impaired Assets, Past Due Assets and Other Assets Under Administration

Individually impaired assets

$ millions	Retail mortgages	Other retail exposures	Non retail exposures	Total
Unaudited 31/03/2011				
Balance at beginning of the period	**511**	**81**	**1,403**	**1,995**
Transfers from productive	**242**	**71**	**453**	**766**
Transfers to productive	**(30)**	**-**	**(16)**	**(46)**
Assets realised or loans repaid	**(188)**	**(30)**	**(253)**	**(471)**
Write offs	**(33)**	**(51)**	**(96)**	**(180)**
Total impaired assets	**502**	**71**	**1,491**	**2,064**
Unaudited 31/03/2010				
Balance at beginning of the period	377	59	740	1,176
Transfers from productive	282	132	666	1,080
Transfers to productive	(7)	(1)	(52)	(60)
Assets realised or loans repaid	(172)	(32)	(169)	(373)
Write offs	(36)	(63)	(20)	(119)
Total impaired assets	444	95	1,165	1,704
Audited 30/09/2010				
Balance at beginning of the year	377	59	740	1,176
Transfers from productive	532	258	1,282	2,072
Transfers to productive	(20)	(2)	(73)	(95)
Assets realised or loans repaid	(321)	(111)	(454)	(886)
Write offs	(57)	(123)	(92)	(272)
Total impaired assets	511	81	1,403	1,995

Credit quality of financial assets that are past due but not impaired

A large portion of retail credit exposures, such as residential mortgages, are generally well secured. That is, the fair value of associated security is sufficient to ensure that the Banking Group will recover the entire amount owing over the life of the facility and there is reasonable assurance that collection efforts will result in payment of the amounts due in a timely manner.

Ageing analysis of loans that are past due but not impaired

$ millions	Retail mortgages	Other retail exposures	Non retail exposures	Total
Unaudited 31/03/2011				
1 to 5 days	**309**	**112**	**491**	**912**
6 to 29 days	**510**	**113**	**103**	**726**
1 to 30 days	**819**	**225**	**594**	**1,638**
30 to 59 days	**242**	**45**	**312**	**599**
60 to 89 days	**73**	**21**	**193**	**287**
90 days or over	**162**	**45**	**106**	**313**
	1,296	**336**	**1,205**	**2,837**

Notes to the Financial Statements

Other assets under administration

Other assets under administration are any loans, not being impaired or 90 days past due, where the customer is in any form of voluntary or involuntary administration, including receivership, liquidation, bankruptcy or statutory management.

$ millions	Retail mortgages	Other retail exposures	Non retail exposures	Total
Unaudited 31/03/2011				
Other assets under administration	**-**	**-**	**12**	**12**
Undrawn facilities with impaired customers	**-**	**-**	**46**	**46**
Unaudited 31/03/2010				
Other assets under administration	-	-	1	1
Undrawn facilities with impaired customers	-	-	100	100
Audited 30/09/2010				
Other assets under administration	-	-	4	4
Undrawn facilities with impaired customers	-	-	32	32

Notes to the Financial Statements

7. Provision for Credit Impairment

$ millions	Retail mortgages	Other retail exposures	Non retail exposures	Total
Unaudited 31/03/2011				
Collective provision				
Balance at beginning of the period	**111**	**149**	**533**	**793**
Charge/(credit) to income statement	**(5)**	**1**	**(62)**	**(66)**
Balance at end of the period	**106**	**150**	**471**	**727**
Individual provision (individually impaired assets)				
Balance at beginning of the period	**207**	**51**	**347**	**605**
Charge to income statement	**8**	**38**	**98**	**144**
Recoveries of amounts previously written off	**-**	**9**	**1**	**10**
Bad debts written off	**(33)**	**(51)**	**(96)**	**(180)**
Discount unwind	**(9)**	**(1)**	**(32)**	**(42)**
Balance at end of the period	**173**	**46**	**318**	**537**
Total provision for credit impairment	**279**	**196**	**789**	**1,264**
Collective provision charge/(credit)	**(5)**	**1**	**(62)**	**(66)**
Individual provision charge	**8**	**38**	**98**	**144**
Total charge to income statement	**3**	**39**	**36**	**78**
Unaudited 31/03/2010				
Collective provision				
Balance at beginning of the period	121	159	518	798
Charge/(credit) to income statement	(4)	2	60	58
Balance at end of the period	117	161	578	856
Individual provision (individually impaired assets)				
Balance at beginning of the period	153	40	281	474
Charge to income statement	95	60	101	256
Recoveries of amounts previously written off	1	8	1	10
Bad debts written off	(36)	(63)	(20)	(119)
Discount unwind	(7)	(1)	(12)	(20)
Balance at end of the period	206	44	351	601
Total provision for credit impairment	323	205	929	1,457
Collective provision charge/(credit)	(4)	2	60	58
Individual provision charge	95	60	101	256
Total charge to income statement	91	62	161	314
Audited 30/09/2010				
Collective provision				
Balance at beginning of the year	121	159	518	798
Charge/(credit) to income statement	(10)	(10)	15	(5)
Balance at end of the year	111	149	533	793
Individual provision (individually impaired assets)				
Balance at beginning of the year	153	40	281	474
Charge to income statement	125	120	196	441
Recoveries of amounts previously written off	2	17	2	21
Bad debts written off	(57)	(123)	(92)	(272)
Discount unwind	(16)	(3)	(40)	(59)
Balance at end of the year	207	51	347	605
Total provision for credit impairment	318	200	880	1,398
Collective provision charge/(credit)	(10)	(10)	15	(5)
Individual provision charge	125	120	196	441
Total charge to income statement	115	110	211	436

Notes to the Financial Statements

8. Repurchase Agreements

Included in due to other financial institutions, and deposits and other borrowings, are liabilities which are secured by securities with a carrying amount of $390 million (31/03/2010 $36 million; 30/09/2010 $222 million) which were sold under agreements to repurchase.

9. Deposits and Other Borrowings

$ millions	Note	Unaudited 31/03/2011	Unaudited 31/03/2010	Audited 30/09/2010
Amortised cost				
Certificates of deposit		**2,666**	3,950	3,245
Term deposits		**35,678**	33,394	34,687
Demand deposits bearing interest		**20,095**	19,623	18,714
Deposits not bearing interest		**5,455**	4,895	4,964
Secured debenture stock		**1,584**	1,358	1,378
Securities sold under agreement to repurchase	8	**10**	-	-
Total deposits and other borrowings recognised at amortised cost		**65,488**	63,220	62,988
Fair value through profit or loss				
Commercial paper		**2,861**	7,416	7,307
Total deposits and other borrowings recognised at fair value		**2,861**	7,416	7,307
Total deposits and other borrowings		**68,349**	70,636	70,295
Secured debenture stock is secured over:				
Carrying value of total tangible assets of UDC Finance Limited		**2,164**	1,898	2,111

Registered secured debenture stock is constituted and secured by a trust deed between UDC Finance Limited and its independent trustee, Trustees Executors Limited. The trust deed creates floating charges over all the assets, primarily loans and advances, of UDC Finance Limited.

10. Related Party Transactions

$ millions	Unaudited 31/03/2011	Unaudited 31/03/2010	Audited 30/09/2010
Total due from related parties	**3,211**	2,566	3,941
Total due to related parties	**6,088**	6,327	7,314

Notes to the Financial Statements

11. Capital Adequacy

Capital ratios of the Banking Group under the Basel II internal models based approach (Unaudited)

	31/03/2011	31/03/2010	30/09/2010
Tier One Capital	**9.55%**	9.54%	9.68%
RBNZ minimum Tier One Capital ratio	**4.00%**	4.00%	4.00%
Total Capital	**12.87%**	13.24%	13.11%
RBNZ minimum Total Capital ratio	**8.00%**	8.00%	8.00%

Capital as at 31 March 2011 (Unaudited)	**$m**
Tier One Capital	
Ordinary share capital	**6,943**
Revenue and similar reserves	**3,057**
Current period's profit after tax	**491**
Non-controlling interests	**1**
Less deductions from Tier One Capital	
Goodwill	**3,265**
Software and other intangible assets	**267**
Future income tax benefits	**46**
Cash flow hedging reserve	**104**
50% of expected loss to the extent higher than total eligible allowances for impairment	**88**
Total Tier One Capital	**6,722**
Tier Two Capital – Upper Level	
Perpetual subordinated debt	**1,196**
Tier Two Capital – Lower Level	
Term subordinated debt	**1,231**
Less deductions from Tier Two Capital	
50% of expected loss to the extent higher than total eligible allowances for impairment	**88**
Total Tier Two Capital	**2,339**
Total Capital	**9,061**

Total required capital as at 31 March 2011 (Unaudited)

$ millions	Exposure at default	Risk weighted exposure or implied risk weighted exposure[2]	Total capital requirement
Exposures subject to internal ratings based approach	119,326	49,095	3,928
Specialised lending exposures subject to slotting approach	7,497	7,384	591
Exposures subject to standardised approach	291	276	22
Equity exposures	220	935	75
Other exposures	2,212	786	63
Total credit risk	129,546	58,476	4,679
Operational risk	n/a	5,113	409
Market risk	n/a	3,886	311
Supervisory adjustment[1]	n/a	2,914	233
Total capital requirement	129,546	70,389	5,632

[1] The supervisory adjustment includes an adjustment to the risk weighted exposure of retail mortgages in accordance with the Bank's Conditions of Registration.

[2] Total credit risk weighted exposures include a scalar of 1.06 in accordance with the Bank's Conditions of Registration.

Notes to the Financial Statements

Bank solo capital adequacy ratios under the Basel I approach (Unaudited)

	31/03/2011	31/03/2010	30/09/2010
Tier One Capital	**9.26%**	9.01%	9.20%
Total Capital	**11.60%**	12.48%	11.46%
Total risk-weighted exposures ($ millions)	**73,202**	72,846	72,487
RBNZ minimum Tier One Capital	**4.00%**	4.00%	4.00%
RBNZ minimum Total Capital	**8.00%**	8.00%	8.00%

Basel I capital adequacy in respect of the Bank has been derived in accordance with the RBNZ document entitled 'Capital Adequacy Framework (Basel I Approach)' ("BS2"), dated October 2010.

Implementation of the advanced internal ratings based approach to credit risk measurement

The Banking Group adheres to the standards of risk grading and risk quantification as set out for Internal Ratings Based ("IRB") banks in the RBNZ document BS2B.

Under this IRB Framework banks use their own measures for calculating the level of credit risk associated with customers and exposures, by way of the primary components of:

Probability of Default ("PD") – an estimate of the level of risk of borrower default graded by way of rating models used both at loan origination and for ongoing monitoring. For retail mortgage exposures the Banking Group is required to use the RBNZ prescribed exposure weighted minimum PD of 1.25%;

Exposure at Default ("EAD") – the expected facility exposure at default. Total credit risk-weighted exposures include a scalar of 1.06 in accordance with the Bank's Conditions of Registration; and

Loss Given Default ("LGD") – an estimate of the potential economic loss on a credit exposure, incurred as a consequence of obligor default and expressed as a percentage of the facility's EAD. For retail mortgage exposures the Bank is required to apply the downturn LGDs according to loan to value ("LVR") bands as set out in BS2B. For Rural Banking exposures the Banking Group is required to adopt RBNZ prescribed downturn LGDs which are more conservative than internal estimates.

For exposures classified under Specialised Lending, the Banking Group uses slotting tables supplied by the RBNZ rather than internal estimates.

The exceptions to IRB treatment are five minor portfolios where, due to systems constraints or other reasons, determining these IRB risk estimates is not currently feasible or appropriate. Risk weights for these exposures are calculated under a separate treatment as set out in the RBNZ document entitled 'Capital Adequacy Framework (Standardised Approach)' ("BS2A"), dated October 2010.

Notes to the Financial Statements

Capital requirements by asset class under the IRB approach (Unaudited)

As at 31/03/2011	Total exposure or principal amount $m	Exposure at default $m	Exposure-weighted LGD used for the capital calculation %	Exposure-weighted risk weight %	Risk weighted exposure $m	Total capital requirement $m
On-balance sheet exposures						
Corporate	34,909	34,371	37	65	23,691	1,895
Sovereign	6,959	6,959	5	1	59	5
Bank	4,995	3,423	60	14	507	41
Retail mortgages	41,372	41,372	21	24	10,645	852
Other retail	4,452	4,452	60	74	3,486	279
Total on-balance sheet exposures	92,687	90,577	29	40	38,388	3,072
Off-balance sheet exposures						
Corporate	12,815	10,154	46	45	4,844	387
Sovereign	61	61	5	-	-	-
Bank	956	825	49	16	139	11
Retail mortgages	5,563	5,119	18	20	1,080	86
Other retail	4,647	4,627	75	51	2,478	199
Total off-balance sheet exposures	24,042	20,786	46	39	8,541	683
Market related contracts						
Corporate	64,653	1,918	58	49	998	80
Sovereign	14,807	566	5	1	5	-
Bank	600,653	5,479	65	20	1,163	93
Total market related contracts	680,113	7,963	59	26	2,166	173
Total credit risk exposures subject to the IRB approach	796,842	119,326	34	39	49,095	3,928

Notes to the Financial Statements

IRB exposures by customer credit rating

As at 31/03/2011 (Unaudited)	Probability of default %	Exposure at default $m	Exposure-weighted LGD used for the capital calculation %	Exposure-weighted risk weight %	Risk weighted exposure $m	Total capital requirement $m
Corporate						
0 - 2	0.05	6,105	61	24	1,547	124
3 - 4	0.34	18,634	35	33	6,593	527
5	1.00	10,183	35	57	6,203	496
6	2.29	5,607	37	77	4,563	365
7 - 8	7.20	4,321	40	115	5,289	423
Default	100.00	1,593	46	316	5,338	427
Total corporate exposures	4.74	46,443	40	60	29,533	2,362
Sovereign						
0	0.01	7,586	5	1	64	5
Total sovereign exposures	0.01	7,586	5	1	64	5
Bank						
0	0.01	6,359	65	16	1,110	89
1	0.02	2,873	54	17	524	42
2 - 4	0.09	481	62	31	160	13
5 - 6	1.27	11	65	115	14	1
7 - 8	6.77	-	65	217	1	-
Default	100.00	3	65	-	-	-
Total bank exposures	0.05	9,727	62	18	1,809	145
Retail mortgages						
0 - 3	0.19	18,124	20	8	1,467	117
4	0.44	9,255	21	15	1,425	114
5	0.94	12,452	21	26	3,376	270
6	2.34	3,271	22	47	1,642	131
7 - 8	11.86	2,552	23	106	2,873	230
Default	100.00	837	33	106	942	76
Total residential mortgage exposures	3.03	46,491	21	24	11,725	938
Other retail						
0 - 2	0.09	21	77	18	4	-
3 - 4	0.30	4,210	72	36	1,588	127
5	1.11	1,943	66	68	1,402	112
6	2.62	1,575	60	81	1,352	108
7 - 8	11.23	1,162	68	119	1,460	117
Default	100.00	168	62	89	158	14
Total other retail exposures	4.12	9,079	68	62	5,964	478
Total credit risk exposures subject to the IRB approach	3.34	119,326	34	39	49,095	3,928

Credit risk exposures subject to the IRB approach have been derived in accordance with BS2B and other relevant correspondence with RBNZ setting out prescribed credit risk estimates.

Notes to the Financial Statements

Specialised lending subject to the slotting approach

As at 31/03/2011 (Unaudited)	Exposure amount $m	Risk weight %	Risk weighted exposure $m	Total capital requirement $m
On-balance sheet exposures				
Strong	1,808	70	1,342	107
Good	3,053	90	2,913	233
Satisfactory	1,313	115	1,599	128
Weak	319	250	844	68
Default	367	-	-	-
Total on-balance sheet exposures	6,860	92	6,698	536

	Exposure amount $m	Exposure at default $m	Average risk weight %	Risk weighted exposure $m	Total capital requirement $m
Off-balance sheet exposures					
Undrawn commitments and other off balance sheet exposures	771	556	103	608	49
Market related contracts	1,617	81	91	78	6
Total off-balance sheet exposures	2,388	637	102	686	55

Specialised lending exposures subject to the slotting approach have been calculated in accordance with BS2B.

The supervisory categories of specialised lending above are associated with specific risk-weights. These categories broadly correspond to the following external credit assessments using Standard & Poor's rating scale: Strong: BBB- or better; Good: BB+ or BB, Satisfactory: BB- or B+; and Weak: B to C-.

Credit risk exposures subject to the standardised approach

As at 31/03/2011 (Unaudited)	Exposure amount $m	Risk weight %	Risk weighted exposure $m	Total capital requirement $m
On-balance sheet exposures				
Corporates	58	100	61	5
Residential mortgages	2	36	1	-
Other retail	1	100	1	-
Default	2	150	3	-
Total on-balance sheet exposures	63	99	66	5

	Exposure amount $m	Average credit conversion factor %	Credit equivalent amount $m	Average risk weight %	Risk weighted exposure $m	Total capital requirement $m
Off-balance sheet exposures						
Undrawn commitments and other off balance sheet exposures	508	45	228	87	210	17

Credit exposures subject to the Standardised Approach have been calculated in accordance with BS2A.

Equity Exposures

As at 31/03/2011 (Unaudited)	Exposure amount $m	Risk weight %	Risk weighted exposure $m	Total capital requirement $m
All other equity holdings not deducted from capital	220	400	935	75

Equity exposures have been calculated in accordance with BS2B.

Notes to the Financial Statements

Other exposures

As at 31/03/2011 (Unaudited)	Exposure amount $m	Risk weight %	Risk weighted exposure $m	Total capital requirement $m
Cash and gold bullion	186	-	-	-
New Zealand dollar denominated claims on the Crown and the RBNZ	1,284	-	-	-
Other assets	742	100	786	63
Total other IRB credit risk exposures	2,212	34	786	63

Other exposures have been calculated in accordance with BS2B.

A risk weight of 100% applies to premises and equipment and all other exposures not otherwise defined in BS2B, except for cash, gold, New Zealand dollar denominated claims on the Crown and the RBNZ, which receive a 0% risk weight.

Credit risk mitigation

The Banking Group assesses the integrity and ability of counterparties to meet their contractual financial obligations for repayment. The Banking Group generally takes collateral security in the form of real property or a security interest in personal property, except for major government, bank and corporate counterparties of strong financial standing. Longer term consumer finance, in the form of housing loans, is generally secured against real estate while short term revolving consumer credit is generally unsecured.

As at 31 March 2011, under the IRB approach, the Banking Group had $1,334 million of Corporate exposures covered by guarantees, where the presence of the guarantees are judged to have reduced the underlying credit risk of the exposures. Information on the total value of exposures covered by financial guarantees and eligible financial collateral is not disclosed, as the effect of these guarantees and collateral on the underlying credit risk exposures is not considered to be material.

Operational risk

The Banking Group uses the Advanced Measurement Approach for determining its regulatory capital requirement for operational risk calculated in accordance with BS2B. As at 31 March 2011 the Banking Group had an implied risk weighted exposure of $5,113 million for operational risk and an operational risk capital requirement of $409 million.

Market risk

The aggregate market risk exposures below have been calculated in accordance with BS2B.

The peak end-of-day market risk exposures for the period are calculated separately for each category of exposure and may not have occurred at the same time.

	Implied risk weighted exposure		Aggregate capital charge	
	As at $m	Peak $m	As at $m	Peak $m
Unaudited 31/03/2011				
Interest rate risk	3,744	5,392	300	431
Foreign currency risk	67	85	5	7
Equity risk	75	82	6	7
	3,886		311	

Pillar II capital for other material risks

The Banking Group has an Internal Capital Adequacy Assessment Process ("ICAAP") which complies with the requirements of the Bank's Conditions of Registration.

Under the Banking Group's ICAAP it identifies and measures all "other material risks", which are those material risks that are not explicitly captured in the calculation of the Banking Group's tier one and total capital ratios. The other material risks identified by the Banking Group include business risk, pension risk, insurance risk, premises and equipment risk and capitalised origination fees risk.

The Banking Group's internal capital allocation for these other material risks is $329 million (31/03/2010 $378 million; 30/09/2010 $401 million)

Notes to the Financial Statements

Retail mortgages by loan-to-valuation ratio ("LVR")

As required by the RBNZ, LVRs are calculated as the current exposure secured by a residential mortgage divided by the Banking Group's valuation of the security property at origination of the exposure and commitments to lend include formal offers for housing lending which may or may not be accepted by the customer.

As at 31/03/2011 (Unaudited) $ millions	Drawn and undrawn retail mortgages	Commitments to lend	Total
LVR range			
0% - 59%	20,003	431	20,434
60% - 69%	7,365	284	7,649
70% - 79%	8,972	574	9,546
80% - 89%	4,690	372	5,062
Over 90%	4,206	38	4,244
Total	45,236	1,699	46,935

Reconciliation of mortgage related amounts

$ millions	Note	Unaudited 31/03/2011
Term loans – housing	5	44,098
Plus: short term housing loans classified as overdrafts		332
Less: housing loans made to corporate customers		(3,058)
On-balance sheet retail mortgage exposures subject to the IRB approach		41,372
Off-balance sheet retail mortgage exposures subject to the IRB approach		5,563
Total retail mortgage exposures subject to the IRB approach (as per LVR analysis)		46,935

Terms of Tier Two Capital instruments

Loan capital is subordinated in right of payment in the event of liquidation or wind up to the claims of depositors and all creditors of the Bank. The perpetual subordinated debt qualifies as Upper Level Tier Two Capital for capital adequacy purposes. All other subordinated debt qualifies as Lower Level Tier Two Capital.

Loan capital

$ millions	Unaudited 31/03/2011
AUD 265,740,000 perpetual subordinated floating rate loan	361
AUD 43,767,507 term subordinated floating rate loan	59
AUD 169,520,000 term subordinated floating rate loan	230
Term subordinated fixed rate bonds	950
Perpetual subordinated bond	835
Total loan capital issued	2,435
Less: loan capital instruments held	(8)
Total loan capital	2,427

AUD 265,740,000 loan

This loan has no fixed maturity. Interest is payable half yearly in arrears based on BBSW + 0.95% p.a., with interest payments due 15 March and 15 September.

AUD 43,767,507 loan

This loan has an ultimate maturity date of 15 September 2016. The Bank may elect to repay the loan on 15 September each year commencing from 2011 through to 2015. All interest is payable half yearly in arrears, with interest payments due 15 March and 15 September. Interest is based on BBSW + 0.29% p.a. to 15 September 2011 and increases to BBSW + 0.79% p.a. thereafter.

Notes to the Financial Statements

AUD 169,520,000 loan

This loan has an ultimate maturity date of 18 September 2017. The Bank may elect to repay the loan on 17 September each year commencing from 2012 through to 2016. All interest is payable half yearly in arrears, with interest payments due 17 March and 17 September. Interest is based on BBSW + 0.68% p.a. to 17 September 2012 and increases to BBSW + 1.18% p.a. thereafter.

NZD subordinated bonds

Term subordinated fixed rate bonds

Issue date	Amount $m	Coupon rate	Call date	Maturity date
15 September 2006	350	7.16%	15 September 2011	15 September 2016
2 March 2007	250	7.60%	2 March 2012	2 March 2017
23 July 2007	350	8.23%	23 July 2012	23 July 2017

As at 31 March 2011, these bonds carried an AA- rating by Standard & Poor's.

The Bank may elect to redeem the bonds on their call date. If the bonds are not called the Bank will continue to pay interest to maturity at the five year interest rate swap rate plus 0.75% p.a., 0.76% p.a. and 0.62% p.a. for the 15 September 2006; 2 March 2007 and 23 July 2007 bonds respectively. Interest is payable half yearly in arrears based on the fixed coupon rate.

Perpetual subordinated bond

Issue date	Amount $m	Coupon rate	1st Call date	2nd Call date
18 April 2008	835	9.66%	18 April 2013	18 April 2018

The Bank may elect to redeem the bond on 18 April 2013, 18 April 2018 or any interest payment date subsequent to 18 April 2018. Interest is payable half yearly in arrears on 18 April and 18 October each year, beginning on 18 October 2008, up to and including the Second Call Date and then quarterly thereafter. If the bond is not called at the First Call Date, the coupon rate will reset to the five year interest swap rate plus 2.00%. Should the bond not be called at the Second Call Date, the Coupon Rate from the Second Call Date onwards will be set on a quarterly basis to the three month FRA rate plus 3.00%.

As at 31 March 2011, this bond carried an A+ rating by Standard and Poor's and an A1 rating by Moody's.

Interest may not necessarily be paid on each interest payment date as under the terms of the bonds, the Bank has a general right and in certain specified circumstances an obligation, to defer payment of interest on the bonds.

Capital adequacy of the Ultimate Parent Bank under the Basel II approach

	Overseas Banking Group			Ultimate Parent Bank (Extended Licensed Entity)	
	31/03/2011	31/03/2010	30/09/2010	31/03/2010	30/09/2010
Tier One Capital	**10.5%**	10.7%	10.1%	11.9%	11.0%
Total Capital	**12.1%**	13.0%	11.9%	13.7%	12.3%

For calculation of minimum capital requirements under Pillar I of the Basel II Accord, APRA has accredited the Ultimate Parent Bank 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.

Under prudential regulations, the Ultimate Parent Bank is required to hold a minimum Prudential Capital Ratio ("PCR") as determined by APRA. The Ultimate Parent Bank met the minimum capital adequacy requirements set by APRA as at 31 March 2011 and for the comparative prior periods.

The Ultimate Parent Bank is required to publicly disclose Pillar III financial information as at 31 March 2011. The Ultimate Parent Bank's Consolidated Financial Report, Dividend Announcement and Appendix 4E, for the six months ended to 31 March 2011, discloses capital adequacy ratios calculated under the Basel II methodology. The Ultimate Parent Bank also prepares a quarterly Basel II Pillar III disclosure document, the APS 330. All these documents can be accessed at the website anz.com.

Notes to the Financial Statements

12. Financial Risk Management

Concentrations of credit risk

Concentrations of credit risk arise when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar risk characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

Concentrations of credit risk analysis

Unaudited 31/03/2011 $ millions	Liquid assets and due from other financial institutions	Trading securities and available-for-sale assets	Derivative financial instruments	Net loans and advance	Other financial assets	Credit related commitments	Total
Industry							
Agriculture	1	-	89	18,078	116	1,547	19,831
Forestry and fishing	15	-	9	474	3	78	579
Business & property services	11	1	52	8,757	56	2,100	10,977
Construction	-	-	2	1,009	6	889	1,906
Entertainment, leisure and tourism	1	-	35	1,099	7	540	1,682
Finance and insurance	3,594	3,025	8,317	1,151	976	1,336	18,399
Government and local authority[1]	1,403	4,951	324	1,142	7	869	8,696
Manufacturing	14	16	128	3,147	20	3,433	6,758
Personal lending	9	-	28	45,751	293	9,502	55,583
Retail trade	-	1	79	1,581	10	1,035	2,706
Transport and storage	-	30	130	1,638	10	622	2,430
Wholesale trade	9	-	19	1,207	8	1,400	2,643
Other[2]	9	190	341	1,727	11	1,969	4,247
	5,066	8,214	9,553	86,761	1,523	25,320	136,437
Provisions for credit impairment	-	-	-	(1,264)	-	-	(1,264)
Fair value hedge adjustment	-	-	-	153	-	-	153
Unearned finance income and deferred/capitalised fees	-	-	-	(281)	-	-	(281)
Total	5,066	8,214	9,553	85,369	1,523	25,320	135,045
Geography							
New Zealand	3,603	6,348	2,407	84,010	1,178	25,320	122,866
Overseas	1,463	1,866	7,146	1,359	345	-	12,179
Total	5,066	8,214	9,553	85,369	1,523	25,320	135,045

1 Government and local authority includes exposures to government administration and defence, education and health and community services.

2 Other includes exposures to electricity, gas and water, communications and personal services.

Notes to the Financial Statements

Interest rate sensitivity gap

The following table shows the interest rate sensitivity of the Banking Group's assets, liabilities and off balance sheet instruments by disclosing the repricing periods for these instruments (that is, when interest rates applicable to each asset or liability can be changed).

Unaudited 31/03/2011 $ millions	Total	Less than 3 months	3 to 6 months	6 to 12 months	1 to 2 years	Over 2 years	Not bearing interest
Assets							
Liquid assets	1,799	1,613	-	-	-	-	186
Due from other financial institutions	3,267	3,096	4	-	-	-	167
Trading securities	7,373	701	23	1,146	656	4,847	-
Derivative financial instruments	9,553	-	-	-	-	-	9,553
Available-for-sale assets	841	570	133	56	3	2	77
Net loans and advances	85,369	60,275	4,882	7,418	7,869	4,124	801
Other financial assets	1,523	15	4	-	1	4	1,499
Total financial assets	109,725	66,270	5,046	8,620	8,529	8,977	12,283
Non-financial assets	4,588	-	-	-	-	-	4,588
Total assets	114,313	66,270	5,046	8,620	8,529	8,977	16,871
Liabilities							
Due to other financial institutions	1,651	1,534	-	-	-	-	117
Deposits and other borrowings	68,349	43,957	10,327	6,461	1,019	1,130	5,455
Derivative financial instruments	9,795	-	-	-	-	-	9,795
Payables and other financial liabilities	1,906	27	-	-	-	297	1,582
Bonds and notes	18,948	8,049	445	-	3,767	6,687	-
Due to Immediate Parent Company	11	11	-	-	-	-	-
Loan capital	2,427	-	992	250	350	835	-
Total financial liabilities	103,087	53,578	11,764	6,711	5,136	8,949	16,949
Non-financial liabilities	734	-	-	-	-	-	734
Equity	10,492	-	-	-	-	-	10,492
Total liabilities and equity	114,313	53,578	11,764	6,711	5,136	8,949	28,175
On-balance sheet interest sensitivity gap	-	12,692	(6,718)	1,909	3,393	28	(11,304)
Hedging instruments	-	(3,753)	5,439	(9,115)	3,237	4,192	-
Interest sensitivity gap – net	-	8,939	(1,279)	(7,206)	6,630	4,220	(11,304)
Interest sensitivity gap – cumulative	-	8,939	7,660	454	7,084	11,304	-

Notes to the Financial Statements

Funding Composition

The Banking Group actively uses balance sheet disciplines to prudently manage its funding mix. The Banking Group employs funding metrics to ensure that an appropriate proportion of its assets are funded from stable sources, including customer liabilities, longer-dated wholesale debt (with remaining terms exceeding one year) and equity.

$ millions	31/03/2011 Unaudited
Funding composition	
Customer deposits[1]	
New Zealand	55,009
Overseas	7,803
Total customer deposits	62,812
Wholesale funding	
Bonds and notes	18,948
Loan capital	2,427
Certificates of deposit	2,666
Commercial paper	2,861
Due to Immediate Parent Company	11
Securities sold under agreement to repurchase	10
Due to other financial institutions	1,651
Total wholesale funding	28,574
Total funding	91,386
Concentrations of funding by industry	
Households	39,866
Agriculture, forestry and fishing	2,874
Manufacturing	2,740
Entertainment, leisure and tourism	817
Finance and insurance	35,685
Retail trade	766
Wholesale trade	682
Business and property services	3,980
Transport and storage	607
Construction	706
Government and local authority	1,572
Other[2]	1,091
Total funding	91,386
Concentrations of funding by geography[3]	
New Zealand	62,026
Australia	1,864
United States	14,036
Europe	7,978
Other countries	5,482
Total funding	91,386

1 Represents term deposits, demand deposits bearing interest, deposits not bearing interest and secured debenture stock.

2 Other includes exposures to electricity, gas and water, communications and personal services.

3 Funding of the Banking Group via ANZ National (Int'l) Limited is classified as either from the United States or Europe, as the company conducts overseas funding activities through its London branch.

Liquidity portfolio management

The Banking Group holds a diversified portfolio of cash and high quality liquid securities to support liquidity risk management. The size of the Banking Group's liquidity portfolio is based on the amount required to meet its liquidity policy.

Notes to the Financial Statements

Liquidity Portfolio

$ millions	31/03/2011 Unaudited
Balances with central banks	1,285
Securities purchased under agreement to resell	1,991
Certificates of deposit	618
Government, local body stock and bonds	4,151
Government treasury bills	709
Other bonds	3,104
Total liquidity portfolio	11,858

Contractual maturity analysis of financial assets and liabilities

The table below presents the Banking Group's financial assets and liabilities within relevant contractual maturity groupings, based on the earliest date on which the Banking Group may be required to realise an asset or settle a liability. The amounts disclosed in the tables represent undiscounted future principal and interest cash flows and may differ to the amounts reported on the balance sheet.

Derivatives (other than those designated in a hedging relationship) and trading portfolio assets and liabilities are included at their fair value, since they will frequently be settled before contractual maturity at fair value.

The contractual maturity analysis for off-balance sheet commitments and contingent liabilities has been prepared using the earliest date at which the Banking Group can be called upon to pay. The liquidity risk of credit related commitments and contingent liabilities may be less than the contract amount, and does not necessarily represent future cash requirements as many of these facilities are expected to be only partially used or to expire unused.

The Banking Group does not manage its liquidity risk on the basis of the information below.

Unaudited 31/03/2011 $ millions	Total	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Beyond 5 years	No maturity specified
Financial assets							
Liquid assets	1,809	1,809	-	-	-	-	-
Due from other financial institutions	3,269	184	3,081	4	-	-	-
Trading securities	8,576	-	732	1,446	6,186	212	-
Derivative financial assets (trading)	7,958	-	7,958	-	-	-	-
Available-for-sale assets	847	-	607	123	9	31	77
Net loans and advances	115,442	-	10,411	18,016	31,919	54,296	800
Other financial assets	1,523	-	1,506	-	12	5	-
Total financial assets	139,424	1,993	24,295	19,589	38,126	54,544	877
Financial liabilities							
Due to other financial institutions	1,652	557	1,093	2	-	-	-
Deposits and other borrowings	70,042	18,897	29,367	19,267	2,471	40	-
Derivative financial liabilities (trading)	8,321	-	8,321	-	-	-	-
Other financial liabilities	1,964	-	1,608	11	287	58	-
Bonds and notes	20,446	-	448	3,375	16,401	222	-
Due to Immediate Parent Company	11	-	11	-	-	-	-
Loan capital	3,790	-	48	143	951	1,452	1,196
Total financial liabilities	106,226	19,454	40,896	22,798	20,110	1,772	1,196
Net financial assets	33,198	(17,461)	(16,601)	(3,209)	18,016	52,772	(319)
Derivative financial instruments used for balance sheet management							
– gross inflows	21,640	-	2,808	5,315	13,456	61	-
– gross outflows	(20,934)	-	(2,711)	(5,246)	(12,916)	(61)	-
Net financial assets after balance sheet management	33,904	(17,461)	(16,504)	(3,140)	18,556	52,772	(319)

Notes to the Financial Statements

Contractual maturity of off-balance sheet commitments and contingent liabilities

$ millions	Total	Less than 1 year	Beyond 1 year
31/03/2011			
Non-credit related commitments	302	91	211
Credit related commitments	22,347	22,347	-
Contingent liabilities	2,973	2,973	-
Total	25,622	25,411	211

13. Concentrations of Credit Risk to Individual Counterparties

The Banking Group measures its concentration of credit risk in respect to bank counterparties on the basis of approved exposures, and in respect to non bank counterparties on the basis of limits. No account is taken of collateral, security and/or netting agreements which the Banking Group may hold in respect of the various counterparty exposures.

The number of individual counterparties (excluding connected parties, governments and banks with long term credit ratings of A- or above) where the Banking Group's period end or peak end-of-day credit exposure equals or exceeds 10% of equity (as at the end of the period) are:

	31/03/2011 Unaudited	
	As at	Peak for the quarter
Number of counterparties		
Concentrations of credit risk to non bank counterparties		
10% to 15% of equity	1	1

The counterparty included in the preceding table has an investment credit rating (being of BBB or above) for its long term senior unsecured obligations payable in New Zealand, in New Zealand dollars.

14. Notes to the Condensed Cash Flow Statement

$ millions	Unaudited 6 months to 31/03/2011	Unaudited 6 months to 31/03/2010	Audited Year to 30/09/2010
Reconciliation of profit after income tax to net cash flows used in operating activities			
Profit after income tax	491	367	827
Non-cash items	153	373	558
Deferrals or accruals of past or future operating cash receipts or payments	(1,286)	(1,605)	(2,187)
Items classified as investing/financing	20	56	56
Net cash flows used in operating activities	(622)	(809)	(746)

$ millions	Unaudited 31/03/2011	Unaudited 31/03/2010	Audited 30/09/2010
Reconciliation of cash and cash equivalents to the balance sheet			
Liquid assets	1,799	2,519	2,238
Due from other financial institutions – less than 90 days	2,755	680	1,339
Total cash and cash equivalents	4,554	3,199	3,577

15. Insurance business

The Banking Group conducts insurance business through companies in the OnePath Insurance Holdings (NZ) Limited group. The aggregate amount of insurance business in this group comprises assets totalling $353 million (31/03/2010 $333 million; 30/09/2010 $337 million), which is 0.3% (31/03/2010 0.3%; 30/09/2010 0.3%) of the total consolidated assets of the Banking Group.

Notes to the Financial Statements

16. Credit Related Commitments and Contingent Liabilities

$ millions	Face or contract value Unaudited 31/03/2011	Unaudited 31/03/2010	Audited 30/09/2010
Credit related commitments			
Commitments with certain drawdown due within one year	**567**	566	493
Commitments to provide financial services	**21,780**	21,308	20,289
Total credit related commitments	**22,347**	21,874	20,782
Contingent liabilities			
Financial guarantees	**1,888**	1,716	1,686
Standby letters of credit	**68**	62	60
Transaction related contingent items	**957**	977	898
Trade related contingent liabilities	**60**	84	97
Total contingent liabilities	**2,973**	2,839	2,741

The Banking Group guarantees the performance of customers by issuing standby letters of credit and guarantees to third parties, including its Ultimate Parent Bank. To reflect the risk associated with these transactions, they are subjected to the same credit origination, portfolio management and collateral requirements for customers that apply for loans. The contract amount represents the maximum potential amount that could be lost if the counterparty fails to meet its financial obligations. As the facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements.

Other contingent liabilities

The Banking Group has other contingent liabilities in respect of actual and possible claims and court proceedings. An assessment of the Banking Group's likely loss in respect of these matters has been made on a case-by-case basis and provision made where deemed necessary.

Conditions of Registration

Conditions of Registration, applicable as at 19 May 2011.

Effective 31 March 2011, the RBNZ issued revised conditions of registration for the Bank. The changes from the previous conditions of registration are as follows:

- Condition 1 has been amended to change the supervisory adjustments applied to the calculation of the Bank's capital ratios.
- Conditions 6, 7, 8 and 9 replace previous governance related conditions following the introduction of the RBNZ's supervisory document "Corporate Governance" (BS14).
- Conditions 13 and 14 have been amended to remove transitionary wording used since the implementation of the RBNZ's supervisory document "Liquidity Policy" (BS13).
- Condition 15 has been added following consultation by the RBNZ around the introduction of a regulatory framework for covered bonds.

The registration of ANZ National Bank Limited ("the Bank") as a registered bank is subject to the following conditions:

1. That the Banking Group complies with the following requirements:

   (a) the total capital ratio of the Banking Group calculated in accordance with the Reserve Bank of New Zealand document "Capital adequacy framework (internal models based approach)" (BS2B) dated October 2010 is not less than 8%;

   (b) the tier one capital ratio of the Banking Group calculated in accordance with the Reserve Bank of New Zealand document "Capital adequacy framework (internal models based approach)" (BS2B) dated October 2010 is not less than 4%; and

   (c) the capital of the Banking Group calculated in accordance with the Reserve Bank of New Zealand document "Capital adequacy framework (internal models based approach)" (BS2B) dated October 2010 is not less than $30 million.

   For the purposes of this condition of registration the scalar referred to in the Reserve Bank of New Zealand document "Capital adequacy framework (internal models based approach)" (BS2B) dated October 2010 is 1.06.

   For the purposes of this condition of registration, the supervisory adjustment referred to in the Reserve Bank of New Zealand document "Capital adequacy framework (internal models based approach)" (BS2B) dated October 2010 is defined as follows:

   Supervisory adjustment = (30% x RM Exposure) – (RMRWA x 1.06)

   where,—

   - RM Exposure = non defaulted exposures secured by residential mortgages as defined in the Reserve Bank of New Zealand document "Capital adequacy framework (internal models based approach)" (BS2B) dated October 2010.
   - RMRWA = risk weighted exposure for non defaulted exposures secured by residential mortgages as defined in the Reserve Bank of New Zealand document "Capital adequacy framework (internal models based approach)" (BS2B) dated October 2010, calculated using the bank's long-run capital model with the weighted average probability of default for non-defaulted exposures calibrated to 1.25%.

1A. That-

   (a) the Bank has an internal capital adequacy assessment process ("ICAAP"); that with effect from 31 August 2008 the Bank's ICAAP accords with the requirements set out in the document "Guidelines on a Bank's internal capital adequacy process ("ICAAP")" (BS12) dated December 2007;

   (b) under its ICAAP the Bank identifies and measures its "other material risks" defined as all material risks of the Banking Group that are not explicitly captured in the calculation of tier one and total capital ratios under the requirements set out in the document "Capital adequacy framework (internal models based approach)" (BS2B) dated October 2010; and

   (c) the Bank determines an internal capital allocation for each identified and measured "other material risk".

1B. That the Banking Group complies with all requirements set out in the Reserve Bank of New Zealand document "Capital adequacy framework (internal models based approach)" (BS2B) dated October 2010.

1C. That the Bank complies with the following requirements:

   (a) The total capital ratio of the Bank is not less than 8%; and

   (b) The tier one capital ratio of the Bank is not less than 4%.

   For the purposes of this condition of registration:

   - the total capital ratio is defined as capital as a percentage of risk-weighted exposures where capital and risk-weighted exposures are as defined in the Reserve Bank of New Zealand document "Capital adequacy framework (Basel I approach)" (BS2) dated October 2010; and
   - the tier one capital ratio is defined as tier one capital as a percentage of risk-weighted exposures where tier one capital and risk-weighted exposures are as defined in the Reserve Bank of New Zealand document "Capital adequacy framework (Basel I approach)" (BS2) dated October 2010.

Conditions of Registration

2. That the Banking Group does not conduct any non-financial activities that in aggregate are material relative to its total activities, where the term material is based on generally accepted accounting practice, as defined in the Financial Reporting Act 1993.

3. That the Banking Group's insurance business is not greater than 1% of its total consolidated assets. For the purposes of this condition:

   (a) Insurance business means any business of the nature referred to in section 4 of the Insurance Companies (Ratings and Inspections) Act 1994 (including those to which the Act is disapplied by sections 4(1)(a) and (b) and 9 of that Act), or any business of the nature referred to in section 3(1) of the Life Insurance Act 1908;

   (b) In measuring the size of the Banking Group's insurance business:

      (i) where insurance business is conducted by any entity whose business predominantly consists of insurance business, the size of that insurance business shall be:

         (A) The total consolidated assets of the group headed by that entity;

         (B) if the entity is a subsidiary of another entity whose business predominantly consists of insurance business, the total consolidated assets of the group headed by the latter entity;

      (ii) otherwise, the size of each insurance business conducted by any entity within the Banking Group shall equal the total liabilities relating to that insurance business, plus the equity retained by the entity to meet the solvency or financial soundness needs of the insurance business;

      (iii) the amounts measured in relation to subparagraphs (i) and (ii) shall be summed and compared to the total consolidated assets of the Banking Group. All amounts in subparagraphs (i) and (ii) shall relate to on balance sheet items only, and shall be determined in accordance with generally accepted accounting practice, as defined in the Financial Reporting Act 1993;

      (iv) where products or assets of which an insurance business is comprised also contain a non-insurance component, the whole of such products or assets shall be considered part of the insurance business.

4. That the aggregate credit exposures (of a non-capital nature and net of any allowances for impairment) of the Banking Group to all connected persons do not exceed the rating-contingent limit outlined in the following matrix:

Credit Rating of the registered bank[1]	Connected exposure limit (% of the Banking Group's Tier 1 capital)
AA / Aa2 and above	75
AA- / Aa3	70
A+ / A1	60
A / A2	40
A- / A3	30
BBB+ / Baa1 and below	15

[1] This table uses the rating scales of Standard & Poor's, Fitch Ratings and Moody's Investors Service. (Fitch Ratings' scale is identical to Standard & Poor's).

Within the rating-contingent limit, credit exposures (of a non-capital nature and net of any allowances for impairment) to non-bank connected persons shall not exceed 15 percent of the Banking Group's Tier One capital.

For the purposes of this condition of registration, compliance with the rating-contingent connected exposure limit is determined in accordance with the Reserve Bank of New Zealand document entitled "Connected Exposures Policy" (BS8) dated October 2010.

5. That exposures to connected persons are not on more favourable terms (e.g. as relates to such matters as credit assessment, tenor, interest rates, amortisation schedules and requirement for collateral) than corresponding exposures to non-connected persons.

5A. Before and on 31 March 2012, that the bank complies with the following corporate governance requirements:

   (a) the board of the Bank must contain at least two independent directors and alternates for those directors, if any, must also be independent. In this context an independent director (or alternate) is a director (or alternate) who is not an employee of the Bank, and who is not a director, trustee or employee of any holding company (as that term is defined in section 5 of the Companies Act 1993) of the Bank or any other entity capable of controlling or significantly influencing the Bank;

   (b) the chairperson of the Bank's board must not be an employee of the bank; and

   (c) the Bank's constitution must not include any provision permitting a director, when exercising powers or performing duties as a director, to act other than in what he or she believes is the best interests of the company (i.e. the Bank).

Conditions of Registration

6. On and after 1 April 2012, that the Bank complies with the following corporate governance requirements:
   (a) the board of the Bank must have at least five directors;
   (b) the majority of the board members must be non-executive directors;
   (c) at least half of the board members must be independent directors;
   (d) an alternate director,—
      (i) for a non-executive director must be non-executive; and
      (ii) for an independent director must be independent;
   (e) at least half of the independent directors of the Bank must be ordinarily resident in New Zealand;
   (f) the chairperson of the board of the Bank must be independent; and
   (g) the Bank's constitution must not include any provision permitting a director, when exercising powers or performing duties as a director, to act other than in what he or she believes is the best interests of the company (i.e. the Bank).

   For the purposes of this condition of registration, "non-executive" and "independent" have the same meaning as in the Reserve Bank of New Zealand document entitled "Corporate Governance" (BS14) dated March 2011.

7. That no appointment of any director, chief executive officer, or executive who reports or is accountable directly to the chief executive officer, is made in respect of the Bank unless:
   (a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and
   (b) the Reserve Bank has advised that it has no objection to that appointment.

8. On and after 1 April 2012, that a person must not be appointed as chairperson of the board of the Bank unless:
   (a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and
   (b) the Reserve Bank has advised that it has no objection to that appointment.

9. On and after 1 April 2012, that the Bank has a board audit committee, or other separate board committee covering audit matters, that meets the following requirements:
   (a) the mandate of the committee must include: ensuring the integrity of the Bank's financial controls, reporting systems and internal audit standards;
   (b) the committee must have at least three members;
   (c) every member of the committee must be a non-executive director of the Bank;
   (d) the majority of the members of the committee must be independent; and
   (e) the chairperson of the committee must be independent and must not be the chairperson of the Bank.

   For the purposes of this condition of registration, "non-executive" and "independent" have the same meaning as in the Reserve Bank of New Zealand document entitled "Corporate Governance" (BS14) dated March 2011.

10. That a substantial proportion of the Bank's business is conducted in and from New Zealand.

11. That the Bank has legal and practical ability to control and execute any business, and any functions relating to any business, of the Bank that are carried on by a person other than the Bank, sufficient to achieve, under normal business conditions and in the event of stress or failure of the Bank or of a service provider to the Bank, the following outcomes:
   (a) that the Bank's clearing and settlement obligations due on a day can be met on that day;
   (b) that the Bank's financial risk positions on a day can be identified on that day;
   (c) that the Bank's financial risk positions can be monitored and managed on the day following any failure and on subsequent days; and
   (d) that the Bank's existing customers can be given access to payments facilities on the day following any failure and on subsequent days.

   For the purposes of this condition of registration, the term "legal and practical ability to control and execute" is explained in the Reserve Bank of New Zealand document entitled "Outsourcing Policy" (BS11) dated January 2006.

12. (a) That the business and affairs of the Bank are managed by, or under the direction and supervision of, the board of the Bank.
   (b) That the employment contract of the chief executive officer of the Bank or person in an equivalent position (together "CEO") is with the Bank, and the terms and conditions of the CEO's employment agreement are determined by, and any decision relating to the employment or termination of employment of the CEO are made by, the board of the Bank.
   (c) That all staff employed by the Bank shall have their remuneration determined by (or under the delegated authority of) the board or the CEO of the Bank and be accountable (directly or indirectly) to the CEO of the Bank.

Conditions of Registration

13. That the Banking Group complies with the following quantitative requirements for liquidity-risk management:

    (a) the one-week mismatch ratio of the Banking Group is not less than zero per cent at the end of each business day;

    (b) the one-month mismatch ratio of the Banking Group is not less than zero per cent at the end of each business day; and

    (c) the one-year core funding ratio of the Banking Group is not less than 65 per cent at the end of each business day.

    For the purposes of this condition of registration, the ratios identified must be calculated in accordance with the Reserve Bank of New Zealand documents entitled "Liquidity Policy" (BS13) dated March 2011 and "Liquidity Policy Annex: Liquid Assets" (BS13A) dated March 2010.

14. That the Bank has an internal framework for liquidity risk management that is adequate in the Bank's view for managing the Bank's liquidity risk at a prudent level, and that, in particular:

    (a) is clearly documented and communicated to all those in the organisation with responsibility for managing liquidity and liquidity risk;

    (b) identifies responsibility for approval, oversight and implementation of the framework and policies for liquidity risk management;

    (c) identifies the principal methods that the Bank will use for measuring, monitoring and controlling liquidity risk; and

    (d) considers the material sources of stress that the Bank might face, and prepares the Bank to manage stress through a contingency funding plan.

15. That no more than 10% of total assets may be beneficially owned by a SPV. For the purposes of this condition,—

    "total assets" means all assets of the Banking Group plus any assets held by any SPV that are not included in the Banking Group's assets:

    "SPV" means a person—

    (a) to whom any member of the Banking Group has sold, assigned, or otherwise transferred any asset;

    (b) who has granted, or may grant, a security interest in its assets for the benefit of any holder of any covered bond; and

    (c) who carries on no other business except for that necessary or incidental to guarantee the obligations of any member of the Banking Group under a covered bond:

    "covered bond" means a debt security issued by any member of the Banking Group, for which repayment to holders is guaranteed by a SPV, and investors retain an unsecured claim on the issuer.

For the purposes of these conditions of registration, the term "Banking Group" means ANZ National Bank Limited's financial reporting group (as defined in section 2(1) of the Financial Reporting Act 1993).

Directors' Statement

As at the date on which this Disclosure Statement is signed, after due enquiry, each Director believes that:

(i) The Disclosure Statement contains all the information that is required by the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2011;

(ii) The Disclosure Statement is not false or misleading.

Over the six months ended 31 March 2011, after due enquiry, each Director believes that:

(i) ANZ National Bank Limited has complied with all Conditions of Registration that applied during that period;

(ii) Credit exposures to connected persons were not contrary to the interests of the Banking Group;

(iii) ANZ National Bank Limited had systems in place to monitor and control adequately the Banking Group's material risks, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, operational risk and other business risks, and that those systems were being properly applied.

This Disclosure Statement is dated, and has been signed by or on behalf of all Directors of the Bank, on 19 May 2011. On that date, the Directors of the Bank were:

S C Elliott

N M T Geary, CBE

D D Hisco

J F Judge

P R Marriott

M R P Smith, OBE

Sir Dryden Spring

Independent Auditors' Review Report

To the Shareholder of ANZ National Bank Limited

We have reviewed pages 2 to 26 of the half year financial statements of ANZ National Bank Limited (the 'Bank') and its subsidiary companies (the 'Banking Group') prepared and disclosed in accordance with the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2011 (the 'Order') and the supplementary information prescribed in Schedules 5, 7, 11, 13, 16 and 18 of the Order. The half year financial statements, and supplementary information, provides information about the past financial performance and cash flows of the Banking Group and its financial position as at 31 March 2011.

Directors' responsibilities

The Directors of ANZ National Bank Limited are responsible for the preparation and presentation of the half year Disclosure Statement, which includes interim financial statements prepared in accordance with Clause 25 of the Order which give a true and fair view of the financial position of the Banking Group as at 31 March 2011 and its financial performance and cash flows for the six months ended on that date. The directors are also responsible for such internal controls as they determine are necessary to enable the preparation of the Disclosure Statement that is free from material misstatement whether due to fraud or error.

They are also responsible for the preparation of supplementary information in the half year Disclosure Statement which fairly states the matters to which it relates in accordance with Schedules 3, 5, 7, 11, 13, 16 and 18 of the Order.

Reviewers' responsibilities

We are responsible for reviewing the interim financial statements and the supplementary information, disclosed in accordance with Clause 25, Schedules 5, 7, 13, 16 and 18 of the Order and presented to us by the Directors.

We are responsible for reviewing the interim financial statements (excluding the supplementary information) in order to report to you whether, in our opinion on the basis of the procedures described below, anything has come to our attention that would cause us to believe that the interim financial statements have not been prepared, in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34 ("NZ IAS 34"): Interim Financial Reporting and do not present a true and fair view of the financial position of the Banking Group as at 31 March 2011 and its financial performance and cash flows for the six months ended on that date.

We are responsible for reviewing the supplementary information (excluding the supplementary information relating to capital adequacy) in order to report to you whether, in our opinion on the basis of the procedures described below, anything has come to our attention that would cause us to believe that the supplementary information does not fairly state the matters to which it relates in accordance with Schedules 5, 7, 13, 16 and 18 of the Order.

We are responsible for reviewing the supplementary information relating to capital adequacy in order to state whether, on the basis of the procedures described below, anything has come to our attention that would indicate that the information disclosed in accordance with Schedule 11 is not in all material respects prepared in accordance with the Bank's Conditions of Registration and with the Bank's internal models for credit risk and operational risk as accredited by the Reserve Bank of New Zealand and disclosed in accordance with Schedule 11.

We have performed our review in accordance with the review engagement standard RS-1 Statement of Review Engagement Standards issued by the New Zealand Institute of Chartered Accountants. A review is limited primarily to enquiries of Banking Group personnel and analytical review procedures applied to the financial data, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Our firm has also provided other services to the Banking Group in relation to other audit related services. Partners and employees of our firm may also deal with the Banking Group on normal terms within the ordinary course of trading activities of the business of the Banking Group. There are, however, certain restrictions on borrowings which the partners and employees of our firm can have with the Banking Group. These matters have not impaired our independence as auditors of the Banking Group. The firm has no other relationship with, or interest in, the Banking Group.

Review Opinion

We have examined the interim financial statements including the supplementary information and based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

a. the interim financial statements (excluding the supplementary information) have not been prepared, in all material respects, in accordance with NZ IAS 34: Interim Financial Reporting and do not present a true and fair view of the financial position of the Banking Group as at 31 March 2011 and its financial performance and cash flows for the six months ended on that date;

b. the supplementary information prescribed by Schedules 5, 7, 13, 16, and 18 of the Order does not fairly state the matters to which it relates in accordance with those Schedules; and

c. the supplementary information relating to Capital Adequacy as required by Schedule 11 of the Order, is not in all material respects prepared in accordance with the Bank's Conditions of Registration, with the Reserve Bank of New Zealand document Capital Adequacy Framework (Internal Models Based Approach) (BS2B), and with the Banking Group's internal models for credit risk and operational risk as accredited by the Reserve Bank of New Zealand, and disclosed in accordance with Schedule 11 of the Order.

Our review was completed on 19 May 2011 and our review opinion is expressed as at that date.

KPMG

Wellington

ANZ National Bank Limited anz10598 05/11