

Key Information Summary

for the nine months ended 31 December 2008

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 31 December 2008, the credit rating assigned to TSB Bank Limited is BBB+. 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 credit rating had been BBB since 5 September 2006, when it was raised from BBB-. 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 Short Form Disclosure Statement.

	2008 \$000	2007 \$000
PROFITABILITY		
Net Profit after Tax for the 9 month period	33,617	31,296
Net Profit for 12 months ending 31 December as a % of Average Total Assets	1.23%	1.32%

SIZE

Total Assets	3,651,003	3,113,080
% Growth in Total Assets from previous 31 Dec	17.28%	8.91%

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	16.17%	14.65%
Minimum % as per the Bank's Conditions of Registration	4.00%	4.00%
Total Capital as a % of Risk Weighted Exposures	18.15%	16.55%
Minimum % as per the Bank's Conditions of Registration	8.00%	8.00%

ASSET QUALITY

Total Impaired Assets (\$000's)	1,880	-
Impaired Assets as a % of Total Assets	0.05%	-
Total Specific Provisions (\$000's)	420	-
Total Specific Provisions as a % of Impaired Assets	22.34%	-
Total Collective Provision (\$000's)	12,350	10,250

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 31 December 2008			Quarter Ended 31 December 2007		
	No. of Counterparties			No. of Counterparties		
	Non Bank	Bank	Total	Non Bank	Bank	Total
10% - 20%	9	-	9	4	1	5
21% - 30%	2	1	3	1	4	5
31% - 40%	-	2	2	-	-	-
41% - 50%	-	2	2	-	1	1
51% - 60%	-	1	1	-	1	1
61% - 70%	-	-	-	-	-	-

CREDIT EXPOSURES TO CONNECTED PERSONS

(\$000's)	2008	2007
Peak credit exposures to non-bank connected persons during the quarter	504	501
Peak credit exposures to non-bank connected persons during the period expressed as a percentage of total tier one capital	0.2%	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 31 December 2008 (31 December 2007: nil).

AVAILABILITY OF DISCLOSURE STATEMENTS

A copy of the most recent General Short Form 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 Short Form 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