

Key Information Summary

for the six months ended 30 September 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 30 September 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 Disclosure Statement.

For the six months ended 30 September	2008	2007
	\$000	\$000

PROFITABILITY

Net Profit after Tax for the 6 month period	24,398	21,492
Net Profit for 12 months ending 30 September as a % of Average Total Assets	1.32%	1.33%

SIZE

Total Assets	3,403,511	3,004,772
% Growth in Total Assets from previous 30 Sept	13.27%	8.69%

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	16.90%	15.30%
Minimum % as per the Bank's Conditions of Registration	4.00%	4.00%
Total Capital as a % of Risk Weighted Exposures	18.36%	16.60%
Minimum % as per the Bank's Conditions of Registration	8.00%	8.00%

ASSET QUALITY

Total Impaired Assets (\$000's)	1,561	-
Impaired Assets as a % of Total Assets	0.05%	-
Total Specific Provisions (\$000's)	560	-
Total Specific Provisions as a % of Impaired Assets	35.87%	-
Total Collective Provision (\$000's)	12,100	10,000

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 2008			Quarter Ended 30 September 2007		
	No. of Counterparties			No. of Counterparties		
	Non Bank	Bank	Total	Non Bank	Bank	Total
10% - 20%	7	1	8	3	1	4
21% - 30%	1	1	2	2	3	5
31% - 40%	-	2	2	-	1	1
41% - 50%	-	3	3	-	1	1
51% - 60%	-	-	-	-	1	1
61% - 70%	-	-	-	-	-	-

CREDIT EXPOSURES TO CONNECTED PERSONS

(\$000's)	2008	2007
Peak credit exposures to non-bank connected persons during the quarter	512	490
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 30 September 2008 (30 September 2007: 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 2008

Deloitte.

AUDITORS' REPORT TO THE SHAREHOLDER OF TSB BANK LIMITED

We have examined the Key Information Summary on page 1. The information in the Key Information Summary has been taken from TSB Bank Limited's (the "Bank") General Disclosure Statement for the six months ended 30 September 2008. We have reviewed the interim financial statements and supplementary information contained within the General Disclosure Statement for the six months ended 30 September 2008 on which we issued an unqualified review opinion dated 19 December 2008.

Board of Directors' Responsibilities

The Board of Directors is responsible for the preparation of the Key Information Summary in accordance with clause 20(1) to 20(5) and Schedule 2 of the Registered Bank Disclosure Statement (Full and Half-Year – New Zealand Incorporated Registered Banks) Order 2008 ("the Order").

Auditors' Responsibilities

In accordance with Clause 19(1) and Schedule 1 of the Order, we are responsible for reviewing the Key Information Summary prepared in accordance with clause 20(1) to 20(5) and Schedule 2 of the Order and presented by the Directors in order to report to you whether the Key Information Summary has been completed in compliance with the Order and whether the information contained in it has been properly taken from the information contained in the General Disclosure Statement for the six months ended 30 September 2008.

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 2008.

We carry out audit assignments on behalf of the Bank. In addition, certain partners and employees of our firm may deal with the Bank on normal terms within the ordinary course of trading activities of the Bank. We have no other interests in the Bank.

Statement of Findings

Based on our examination of the Key Information Summary:

- the Key Information Summary has been prepared in accordance with the Order; and
- the information contained in the Key Information Summary has been properly taken from the information contained in the General Disclosure Statement for the six months ended 30 September 2008.

For a better understanding of the scope of our examination of the Bank's General Disclosure Statement, and of the Bank's financial position, financial performance, and cash flows for the six months ended 30 September 2008, this report should be read in conjunction with the Bank's General Disclosure Statement for the six months ended 30 September 2008.

Our examination was completed on 19 December 2008 and our findings are expressed as at that date.



Deloitte
Hamilton, New Zealand

This report relates to the Key Information Summary of TSB Bank Limited for the six months ended 30 September 2008 included on TSB Bank Limited's website. The Board of Directors are responsible for the maintenance and integrity of TSB Bank Limited's website. We have not been engaged to report on the integrity of TSB Bank Limited's website. We accept no responsibility for any changes that may have occurred to the Key Information Summary since it was initially presented on the website. The report refers only to the Key Information Summary named above. It does not provide an opinion on any other information which may have been hyperlinked to/from this Key Information Summary. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the Key Information Summary and related report dated 19 December 2008 to confirm the information included in the Key Information Summary presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.