

**BANK OF NEW ZEALAND OFFICERS'
PROVIDENT ASSOCIATION**

ANNUAL REPORT

FOR THE YEAR ENDED

31 OCTOBER 2011

This document has been prepared for reading primarily as an electronic document.



BANK OF NEW ZEALAND OFFICERS' PROVIDENT ASSOCIATION

THE YEAR IN SUMMARY

Bank benefits review

The Bank undertook a review of staff benefits during 2011. Superannuation was (and remains) a major component of the benefits provided. The Bank advised the Board that the Bank will continue:

- the 6% (net) employer contribution rate
- to pay the ESCT (employer superannuation contribution tax) in addition to the employer contribution rate

- for the next three years subject to ability to review this at any time in the event of a major, adverse, financial event, and future KiwiSaver legislation changes.

It is understood surveys undertaken by the Bank as part of the benefits review showed that the scheme is valued by members. The Board thanks members for that and will be working to maintain a valued status.

Investments

Earnings

Aggregate earning rates (after tax and expenses) for member choice investment options within Division 2 for the year ended 31 October 2011 were:

Option	Net Earning rates	Option	Net Earning rates
Balanced	2.04%	Balanced 17.5	2.73%
Cash	2.16%	Cash 17.5	2.46%
Growth	0.24%	Growth 17.5	0.82%

The Association is registered as a portfolio investment entity (PIE), with earnings allocated to members taxed at members' nominated prescribed investor rate (PIR). The 17.5 suffixes above denote a PIR rate. The default rate is 28%.

For the members of Division 2 allocation of earnings is monthly – tables later in the Report show splits by month. Members who joined during the year received an aggregate earnings rate for their period of membership as shown in the tables.

Statement of Investment Policy & Objectives (SIPO)

There were no changes to the SIPO (reproduced as the last pages of this report) during the year.

Investment Sectors

A change in the International Equities sector investment signalled in the 2010 report was implemented during December 2010, which added an exposure to 'emerging markets' and gives simplified currency hedging arrangements.

Scheme Membership

Division 2 – Membership

Division 2 membership was 2874 on 31 October 2011. That was a slight increase on the previous year.

The higher employer contribution level, transparency of operation and fees, and withdrawal options compare more than favourably with KiwiSaver.

Contents	Page		
Year in summary	2	Scheme surplus	12
Investment performance		Actuarial declaration	12
- Earning rates by month	4	Membership summary	13
- Earnings - comparisons by option	5	Rule amendments	14
- Earnings - comparisons to expectations	6	Members of Board of Management	14
- Investment sector returns and comments	7	Advisors to Board of Management	15
Investment outlook	10	Board of Management sub-committees	15
		Declaration by Board of Management	16
		Financial Performance	17
		Summary financial statements	18
		Independent Auditors report on summary statements	21
		Statement of investment policy and objectives	22
		Further information	25

Communications

Communication with members is now via the website or by e-mail. Most members receive this report as an electronic file or access it from the scheme website. Paper copies are produced mainly for circulation to pensioners.

Board of Management

Matt Cullum was re-elected unopposed as a North Island based Division 2 member representative for a three year period ending 31 October 2014.

Neil Bradley did not seek re-election. Ian Russon was elected in his place by ballot for a three year term ending 31 October 2014.

The directors of the Bank appointed Shelley Ruha to fill a vacancy.

Although Martin Philipsen stood aside from his role within the Bank from 21 November 2011 he remains Chairperson of the Board of Management.

Compliance

Rule Changes

There were no Rule amendments during the year.

Investment Statement & Prospectus

The Bank and the Board of Management executed a Cost Underwrite Deed on 31 March 2011, which allows for dispensation from filing a Prospectus. The Investment Statement was amended with additional information to meet Deed and legislative requirements.

Other Legislative Changes

As required by legislation, the Board of Management registered with the Ministry of Economic Development (MED) as a financial services provider and with a dispute resolution service provider. There are added annual compliance costs as a consequence.

The Board of Management made a submission to MED on an exposure draft of the Financial Markets Conduct Bill during August 2011. For superannuation schemes this will be major legislation during 2012 as it is intended to replace the Securities Act and Superannuation Scheme Act amongst others. The BOM expects to make a further submission to the draft Bill currently awaiting a second reading by Parliament.

Accounting

The financial statements included within this report are in 'summary form' and are in compliance with FRS43 Summary Financial Statements. The full statements are available free of charge from the scheme secretariat upon request.

There were no significant changes to the presentation of the financial statements for the year ended 31 October 2011.

Taxation

Fund withdrawal tax (FWT) at 5% which applied to some in-service withdrawal payments on the employer contributions paid to the Scheme by the Bank after 28 April 2010 ceased as of 31 March 2011.

A guide to 'terminology'

In preparing this report effort was made to provide information in an easy to understand manner. That said, due to the nature of some of the topics covered, there are times when technical terminology has been used to ensure the information is factually correct. To assist with understanding of terms or 'jargon', key words have been underlined like this and / or an explanation is provided in a box on the same page.

YEAR IN MORE DETAIL

The sections that follow expand on the information provided in 'Year in Summary' sections above.

INVESTMENT PERFORMANCE

Earnings Rates by month for Member Choice Investment Options

The first two columns under each investment option in the tables that follow show the earning rate allocated to members for a month and a year to date period.

The third column under each option gives an aggregate rate for members who joined during the year. It should be read by reference to the line that matches the month of joining. For example, a member who joined the Balanced option during March received a (1.78)% earning rate for the March - October period.

	Balanced option			Cash option			Growth option		
%	Month	YTD Aggr.	Part year Aggreg.	Month	YTD Aggr	Part year Aggreg	Month	YTD Aggr.	Part year Aggreg.
November 2010	0.05	0.05	2.04	0.22	0.22	2.16	0.53	0.53	0.24
December	1.04	1.09	1.98	0.23	0.45	1.94	1.71	2.25	(0.30)
January 2011	0.71	1.81	0.93	0.08	0.53	1.70	1.04	3.31	(1.98)
February	2.04	3.89	0.22	0.21	0.74	1.62	3.04	6.45	(2.99)
March	0.03	3.92	(1.78)	0.22	0.96	1.41	(0.07)	6.38	(5.85)
April	0.86	4.81	(1.81)	0.17	1.14	1.19	0.81	7.24	(5.79)
May	(0.23)	4.57	(2.65)	0.14	1.28	1.01	(0.87)	6.31	(6.54)
June	(0.85)	3.68	(2.42)	0.16	1.44	0.85	(1.43)	4.79	(5.72)
July	(0.80)	2.85	(1.59)	0.12	1.56	0.71	(2.15)	2.53	(4.36)
August	(2.44)	0.34	(0.79)	0.19	1.75	0.59	(4.18)	(1.75)	(2.25)
September	(0.90)	(0.56)	1.69	0.21	1.97	0.40	(1.64)	(3.36)	2.01
October	2.61	2.04	2.61	0.19	2.16	0.19	3.71	0.24	3.71

	Balanced 17.5 option			Cash 17.5 option			Growth 17.5 option		
%	Month	YTD Aggr.	Part year Aggreg.	Month	YTD Aggr	Part year Aggreg.	Month	YTD Aggr.	Part year Aggreg.
November 2010	0.07	0.07	2.73	0.25	0.25	2.46	0.58	0.58	0.82
December	1.04	1.11	2.67	0.26	0.51	2.21	1.70	2.29	0.24
January 2011	0.74	1.86	1.62	0.09	0.60	1.95	1.07	3.38	(1.43)
February	2.04	3.94	0.88	0.24	0.84	1.86	3.00	6.49	(2.48)
March	0.09	4.03	(1.14)	0.25	1.09	1.61	0.01	6.50	(5.32)
April	0.97	5.04	(1.23)	0.20	1.30	1.36	0.90	7.46	(5.33)
May	(0.13)	4.90	(2.18)	0.16	1.46	1.16	(0.78)	6.62	(6.17)
June	(0.83)	4.03	(2.05)	0.18	1.64	0.99	(1.39)	5.13	(5.43)
July	(0.64)	3.37	(1.23)	0.14	1.78	0.81	(2.02)	3.01	(4.10)
August	(2.36)	0.93	(0.60)	0.22	2.01	0.67	(4.09)	(1.20)	(2.12)
September	(0.87)	0.05	1.81	0.24	2.25	0.45	(1.61)	(2.79)	2.05
October	2.68	2.73	2.68	0.21	2.46	0.21	3.72	0.82	3.72

The returns for the year from the Growth member choice investment options were lower than the Balanced options because of larger allocations to Equities, which had lower returns than Fixed Interest.

Earnings Rates Comparison for main Member Choice Investment Options

The Index column in the table below contains revised returns (after tax and expenses) for comparison to fit with the latest SIPO version (refer end of this report), after deducting the MER (management expense ratio) for the Cash option.

Year	Balanced Net	Cash Net	Growth Net	90 day Bill index Gross less expenses and tax
2004	6.22%	4.41%	3.79%	3.64%
2005	8.85%	4.95%	7.75%	4.36%
2006	14.45%	4.90%	20.77%	4.88%
2007	7.20%	5.03%	10.20%	5.42%
2008	(20.42)%	6.21%	(31.53)%	5.99%
2009	7.94%	3.13%	4.36%	2.60%
2010	8.15%	2.19%	6.83%	1.84%
2011	2.04%	2.16%	0.24%	1.84%
Average (rounded)	4.3%	4.1%	2.8%	3.8%
Expectation (rounded)	5.3%	3.8%	6.3%	

The asset allocation mix within each of the options changed between 2004 and 2007 thereby inhibiting direct year on year comparison. An explanation of performance against target is:

Cash

The Cash option target investment return is to perform closely in line with the ANZ 90 Day Bank Bill Index (a wholesale cash benchmark), after tax, fund expenses and fees. The 2011 result was at about the expectation level.

Balanced

The Balanced option target investment return is to outperform, over a long-term horizon, the ANZ 90 Day Bank Bill Index by 1.5% after tax, fund expenses and fees; in other words, to exceed the Cash option index return by 1.5% over a long term. For the term horizon available to date of 2004 to 2011, the target has not been met because of the extreme negative returns in 2008 and to a lesser extent a disappointing 2011 result.

Growth

The Growth option target investment return is to outperform, over a long term horizon, the ANZ 90 Day Bank Bill Index by 2.5% after tax, fund expenses and fees; in other words, to exceed the Cash option index return by 2.5% over a long term. For the available term horizon, 2004 to 2011, the target has not been met because of the extreme negative returns in 2008 and to a lesser extent a disappointing 2011 result.

Earnings - averages compared to SIPO expectations

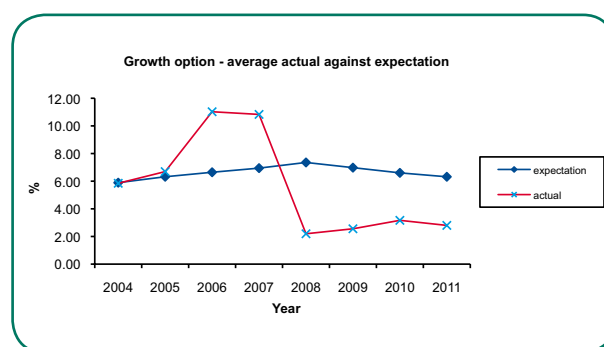
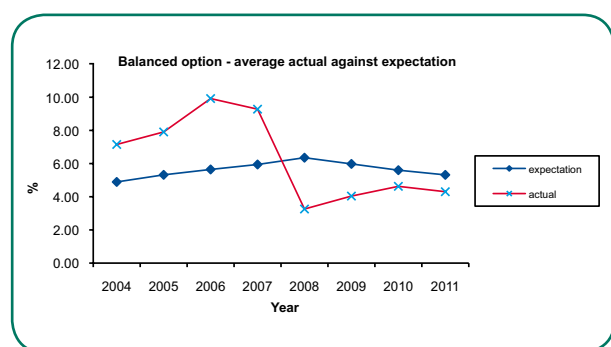
Balanced & Growth options

For 2011, the earning rates for the Balanced and Growth member choice investment options were healthy for the first six months but negative for five of the six months in the second half of the period. Uncertainty in global markets was the prime cause of the second half negative returns. Most managers out-performed the relevant indices.

The Board of Management encourages members to review performance relative to the scheme SIPO with emphasis on longer term results rather than specific years.

Actual returns have neared expectation for the Balanced options but deviated below expectation for the Growth options.

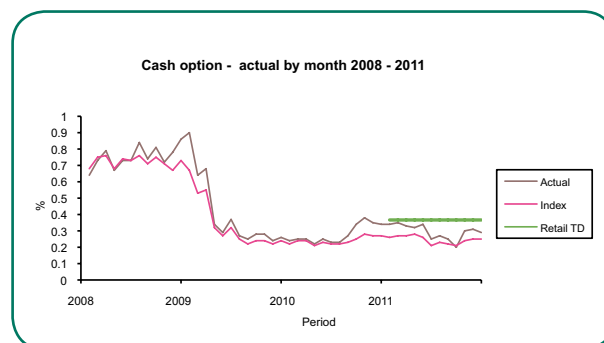
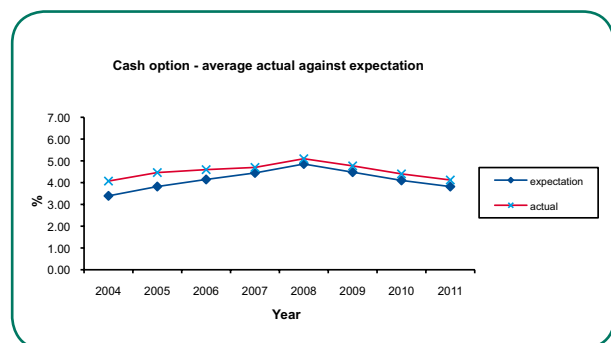
Graphs that follow show the average return for periods from 2004 to 2011. Earlier period returns have been restated from prior Annual Reports to fit within revised SIPO parameters. For the three year period 2008-2011 actual average returns exceeded the expectation for the Balanced option, and matched it for Growth option but longer term average returns remain below expectation on account of the poor 2008 return.



Cash option

The expectation is that returns for the Cash options should track the 90 day Bank Bill index which is a measure of interest rates that banks pay on a three month deposit of wholesale money – distinct from interest rates offered by banks for retail deposits.

While the average return for the period from 2004 to 2011 was above expectation, it has declined since 2009. Wholesale interest rates dropped sharply during the early months of 2009 and have remained at low levels since. During 2011 there was pronounced difference between deposit rates offered by Banks to retail investors compared to wholesale investors such as the scheme, as shown in the right-hand graph following. The Investment sub-committee of the Board of Management is exploring how to boost Cash sector returns, without significant change to risks (default and interest rate)



Cash option returns have compared favourably to the other options, despite the relatively low interest rates for deposits since early 2009.

Investment Sector Returns

The table that follows outlines how the assets were invested for each sector and each option, the index or benchmark (B/mark) against which performance is measured and the actual return achieved.

PARAGRAPHS THAT FOLLOW REFER TO THIS TABLE

Asset sector	% Allocation of Assets			Index for performance measurement	RETURN % (before tax & expenses)		
	Option	B/mark	Actual		Index	Actual	Differ.
Cash <i>Managed by One Path (NZ)</i>	Bal	2.5	3	ANZ New Zealand 90 day Bank Bill	2.97	3.43	+0.46
	Cash	100	100				
	Growth	2.5	3.5				
NZ Fixed Interest <i>Invested in a mix of Govt. and corporate bonds, and discounted securities; with One Path (NZ)</i>	Bal	12.5	11.5	ANZ New Zealand Government Stock Gross	8.48	9.58	+1.10
	Growth	7.5	7				
Global Fixed Interest <i>Invested in a PIE version of a TOWER unit trust product, managed by PIMCO</i>	Bal	40	41	Barclays Capital Global Aggregate Bond – hedged 100% into NZD	5.56	7.32	+1.76
	Growth	15	15				
New Zealand Equities <i>Invested as an ‘active’ style mandate with One Path (NZ)</i>	Bal	10	10	NZX50 Gross with imputation credits	2.41	6.47	+4.06
	Growth	20	20				
Property <i>AMP Global Property Securities Product (PIE version)</i>	Bal	7.5	7.5	UBS Warburg Global Real Estate Investors – 100% after tax hedged to NZD	5.97	6.31	+0.34
	Growth	7.5	7.5				
International Equities <i>Invested in Russell Global multi-manager active style products un-hedged and hedged to NZD, at a 55%/45% split since December 2010</i>	Bal	27.5	27	JANA / Russell Global Large Cap – hedged 45% to NZD			
	Growth	47.5	47				
				Un-hedged	(5.3)	(4.9)	0.4
				Hedge	2.7	3.3	+0.6
				Combined	(2.7)	(1.6)	+1.1

The index measures the cumulative increase in the market value of a portfolio of bank bills based on a daily roll over and purchase of a new bank bill of 90 day maturity. This index is valued on a mark to market basis, i.e., valued at current market yields not at purchase yields. A 90 day bank bill reflects the interest rate that banks pay on a three-month deposit of wholesale money. Yield is the expected annualised rate of return from holding a bill until it matures.

The index tracks movements in the New Zealand Government bond market. Bonds are included in the index in proportion to their relative market capitalisation weights. The calculation for this index assumes the full amount of all coupon payments are reinvested in the index.

A market capitalisation-weighted index consisting of a broad range of investment grade fixed interest securities, including both government and non-government issues (around 50% each). Country eligibility is determined based on market capitalisation and investability criteria. All issues have a remaining maturity of at least one year. This index is fully hedged back to the NZ dollar.

This index consists of the top 50 companies listed on the New Zealand Exchange (NZX) weighted by free float adjusted market capitalisation. Free float refers to the shares of a company that are regarded as normally available for market trading. E.g., the shares held by the NZ Government in AirNZ are excluded from its free float. The index accounts for about 98% of the pool of tradable securities listed on the NZX. The index is calculated with gross dividends reinvested.

A free float capitalisation-weighted arithmetic average return index that measures performance of property investment companies. It excludes property development companies. The index represents total returns, i.e., both gains from income (trust distributions and dividends) and capital movements. It comprises approximately 200 real estate companies and investment trusts listed mainly in the United States and Europe. The index is fully hedged back to the New Zealand dollar.

A market capitalisation-weighted index composed of companies representative of the market structure of 24 developed countries in North America, Europe, and the Asia-Pacific regions. The index is hedged to the New Zealand dollar at 45%.

Benchmark Definitions (courtesy of Russell Investments)

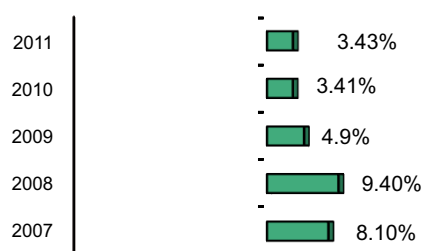
Benchmark definitions are available in comment boxes that refer to the relevant table rows

Comment on sector returns

Warning - past performance should not be read as an indicator of future returns

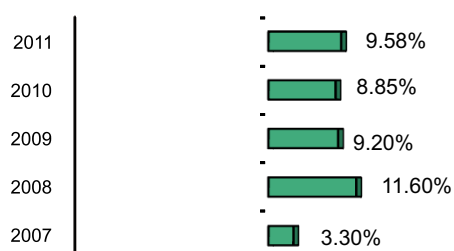
The bar graphs that follow show performance returns for the last five years. For some sectors there were changes in investment manager, product, or portfolio composition within that time. For example, International Equities sector investment management changed from JANA to Russell during December 2010. In all cases (except for the currency hedges) securities are held by, and transactions processed via, a custodian, not the investment manager.

NZ Cash Returns



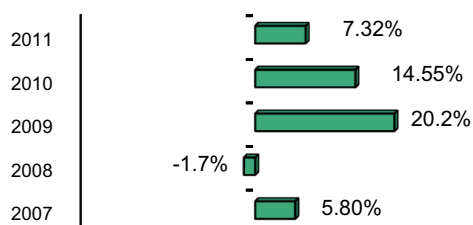
The 2011 Cash sector return reflected wholesale cash returns, which were below retail deposit rates as a result of Reserve Bank policy directives to banks.

NZ Fixed Interest Returns



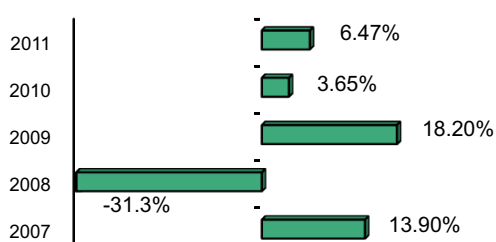
The composition of the portfolio changed during the year with an increase in Government Stock holding from about 50% to 61% and a corresponding reduction in corporate securities. The index comprises 100% Government stock.

Global Fixed Interest Returns



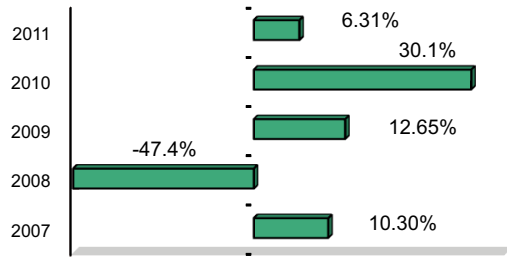
The drop in 2011 return from 2009/2010 levels was attributable to well publicised issues with sovereign bonds especially in the northern hemisphere

NZ Equities Returns



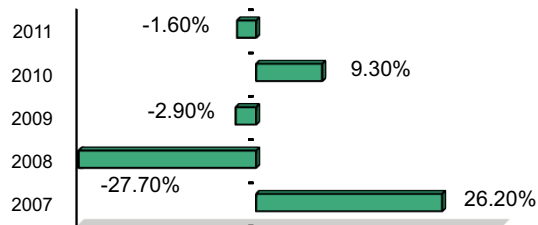
One Path, the manager, outperformed the index by a substantial margin notwithstanding that Australian shares (about 15% by value) in the portfolio underperformed the NZ Equities index.

Global Property Returns



Global listed property has continued to show high volatility, somewhat masked within the annual average return.

International Equities Returns



There was change in mid-December 2010 from a JANA Australian dollar hedged product, hedged a separately to NZ dollars by BNZ, to a blend of Russell un-hedged and hedged products.

The Russell products, which are multi-manager, include a 12-15% exposure to emerging markets.

Monthly returns during the year showed heightened volatility.

Hedging - Currency risk arises when an investor acquires assets that are denominated in a foreign currency. By their nature, future currency rates cannot be predicted with certainty. As a consequence future returns in the 'home' currency are less predictable. For the fund, a hedge is a forward currency contract to manage currency risk. It is a way of offsetting the substantial currency position taken when investing offshore. Hedges are held for the International Bond and Equities investments.

The level of hedge set is a function of aversion to risk and ability to forecast portfolio values. For International Bonds a hedge ratio of 100% is advised as appropriate. That is because the absolute volatility of investment returns in the short term is low, and the additional volatility introduced by currency risk is appreciable in relative terms. For International Equities the ratio from 1 November 2006 was 150% pre-tax. Because of tax arrangements specific to the International Equities passive product, a 150% post tax hedge approximated to a 100% pre-tax hedge level. Since February 2009 the International Equities hedge level has been set at 45% post-tax.

INVESTMENT - RISKS AND RETURNS

Risks and Returns

Seldom has the trade-off between return and risk been demonstrated more starkly than it was a few years back to investors who shunned bank deposits in favour of finance company debentures. Unfortunately, the trade-off was very lopsided, with the price for a small increase in return being a massive increase in risk of default.

As the equivalent of trustees, the Board of Management (BOM) is expected to meet a prudent person test and to act in a professional manner. This includes assessing whether or not the additional return available from various investments is commensurate with the risk being assumed.

The article that follows was provided by courtesy of Russell Investments, investment advisors to the Board. It is intended to provide some insight to members on risk and return prospects within investment markets over the next year or so.

The opinions within the article are those of Russell Investments. The Board does not accept responsibility for the opinions expressed.

Turbulent Times

In this environment, the traditional tools for developing near-term views of future investment returns and risks play a reduced role to the decisions, if not the utterances, of politicians and central bankers. In other words, while it has always been challenging to forecast financial markets, in today's circumstances, few are likely to express a view with any great confidence.

This helps explain the significant market swings we have experienced in recent months. For the same reasons, such volatility - large declines and large rebounds - is likely to remain with us for some time.

What is likely is that the current problems, especially in Europe, will dominate financial news for some time to come. Will the Germans accede to the pressure to bail out their prodigal neighbours by permitting the European Central Bank (ECB) to buy significant quantities of risky bonds, such as those of Italy for example? Or will Germany cast these nations adrift and force them to restructure their own economies and finances?

None of us can know at this juncture. But the market seems to be anticipating the former as more likely, Chancellor Merkel's protestations notwithstanding. Should the latter play out, with some countries defaulting on their debt obligations, Europe will be a very bleak place as massive structural adjustments take place. While this will be a bitter pill to swallow, it may be necessary for Europe to go through this process for its long-term health. Witness Iceland, whose economy is now recovering, following the collapse of its financial system a few years ago resulting in three of its largest banks being forced into bankruptcy.

The large and growing US government debt and the unwillingness of US politicians to deal with this 'elephant in the room' are on-going concerns. These issues, coupled with the slowdown in China and the apparent weaknesses of its banking sector, suggest difficult days and years lie ahead.

These downside risks are already apparent and, therefore, well known by the market, which means they are likely to be reflected to some degree in asset prices. To the extent worst case scenarios have already been incorporated in lower asset prices, more favourable outcomes could have a significant positive impact on markets.

It might be argued that equity markets are currently cheap by historical standards. Share prices are at very low multiples of earnings when contrasted with most of the previous 20 years. The relative attractiveness of the equities of developed markets is a result of strong earnings per share growth in recent years while share prices have weakened. Although earnings growth is now decelerating and is expected to be in single digits in 2012, equities appear attractive. A similar pattern is evident in emerging equity markets where price-to-earnings ratios are tracking below their long-term averages.

In contrast, global fixed income securities, more specifically sovereign (government) bonds, appear relatively expensive. Yields have fallen to very low levels and should remain low given the central banks intention to keep rates on hold until mid-2013. Sovereign bond yields may rise but the likelihood of this happening in the near term appears slim.

Relative to sovereign bonds, credit appears attractive. High yield spreads above sovereign debt are well above their long-term averages and may be over-estimating future default risk of companies. This presents opportunities for investors in corporate credit relative to expensive sovereign debt.

While there are reasons for investors to be pessimistic, with volatility driven by events in Europe and the United States likely to dominate in the foreseeable future, this volatility will also present opportunities for longer term investors to invest at favourable prices. It's likely to be a bumpy but interesting year or two ahead.

Disclaimer

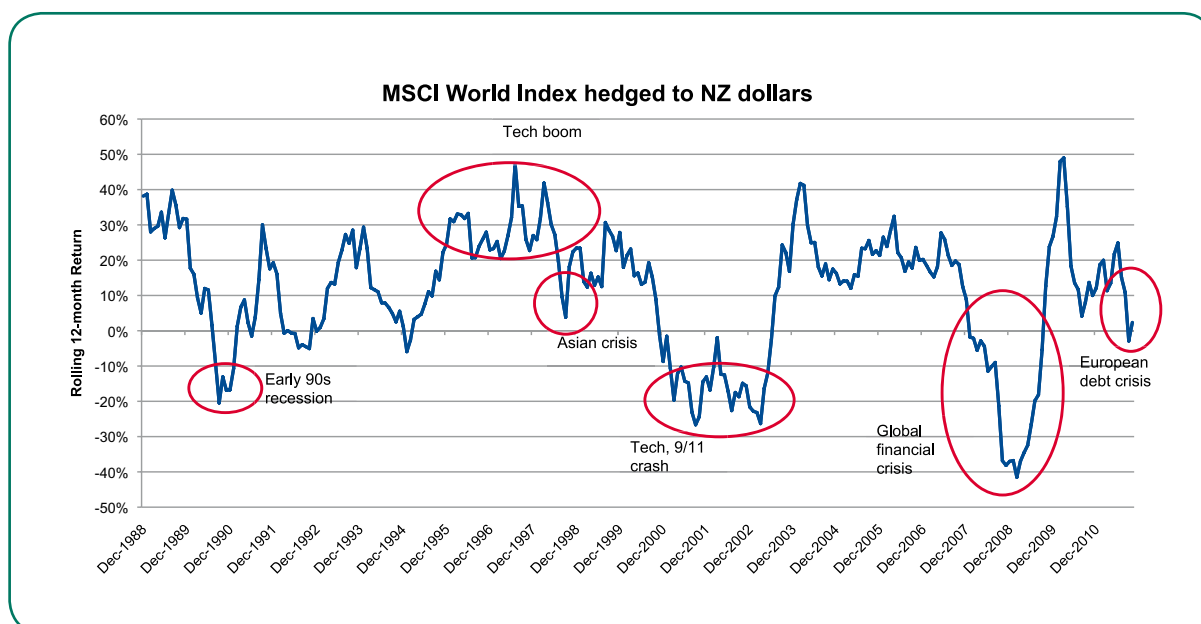
The information contained in this commentary was prepared by Russell Investment Group on the basis of information available at the time. It provides general information only and should not be relied upon in making an investment decision. In particular, the information is not personalised financial advice for the purposes of the Financial Advisors Act 2008 (NZ).

Switching

To date, the Board of Management has restricted member choice to one of three options – Cash, Balanced and Growth – and allowed switching between options to once a year.

Reasons for limiting switching to once a year and to one option have included:

- to focus members on saving for retirement rather than saving for tomorrow – a long-term rather than a short-term view;
- to acknowledge there will be volatility within investment markets – that is, periods where there will be gains and periods where there will be losses. That is why the BOM reports actual performance against medium to long term targets;
- splitting contributions over multiple options often results in an outcome similar to investing in just one option - for example, splitting 1/3 to each of Cash, Balanced and Growth would be broadly equivalent to having 100% in Balanced;
- that timing the markets is very difficult and usually results in significant under-performance of a simple buy-and-hold strategy as crashes and recoveries have often been sudden and large – as a graph below illustrates; and
- because there are costs involved in shifting funds between managers.



Currency

To hedge or not to hedge the currency exposure associated with offshore investments is a question of on-going debate.

In terms of the scheme's off-shore investments, which are through investment manager provided products, both the Global Bond fund managed by TOWER and the Global Property fund managed by AMP are only offered on a fully hedged basis. For Global Equities, Russell Investments offers both hedged and un-hedged versions of the same underlying product structure. The BOM has split investment between the hedged and un-hedged options on a 45 / 55 basis.

The reason for the 45% hedge level was explained to members when it was changed (from 100%) in February 2009. It means that, overall, about 15% of the Balanced option will be exposed to foreign currency risk and approximately 25% of the Growth option.

This was expected to reduce both options' overall return volatility as movements in the NZ dollar tend to be reasonably highly correlated to movements in global equity markets. Thus, a fall in global equity markets tends to be offset to some extent by a fall in the NZ dollar. At the same time, a return premium in the order of 2-3% is captured through hedging currency exposures into NZ dollars.

The Investment sub-committee will be reviewing the hedge level in the course of its regular processes during 2012.

SCHEME SURPLUS

As at 31 October 2011 a residual scheme surplus value at about \$5.8m (inclusive of current year earnings) was in line with an amount agreed between the BOM and the Bank as a 'buffer' for the Non Division 2 actuarial liabilities, after allowing for an investment provision to cover fluctuations in the Non Division 2 Investment returns. The scheme Actuary maintained a mortality assumption for calculating the pension liabilities based on NZ Life Table 05/07 with a 1.5 year set back.

ACTUARIAL DECLARATION

An **actuarial examination** required by Section 15 of the Superannuation Schemes Act 1989 was carried out as at 31 October 2008. The examination revealed that the fund was in a sound position with an actuarial surplus of approximately \$31.3m. The actuary advised it was appropriate for the Bank to continue its contribution holiday until 31 October 2009 with the position being reviewed before that date to determine the Bank's contributions from 1 November 2009. The actuary further stated that, provided this review made a contribution recommendation, the next formal actuarial report would be due no later than 31 October 2011. That review took place and it was agreed between the Association and the Bank that from April 2010 until 31 October 2010 the maximum Bank contribution rate would be 7% and in addition the Bank would pay the employer superannuation contribution tax (ESCT). From 1 November 2010 the Bank reduced its maximum contribution level to 6% plus the ESCT payment as permitted by the Rules. The contributions paid to the Scheme are in accordance with the recommendation contained in the most recent report of the actuary and the review referred to in that report.

The Board receives updates from the Actuary of the Pensioner and Division 1 liabilities annually. These Division 1 and Pension liabilities are included in the financial statements for the year ended 31 October 2011 at \$37,559,000.

The triennial actuarial valuation as at 31 October 2011 is expected to be completed by February–March 2012.

A full formal review of the financial position of the fund, conducted by the scheme's actuary. The review determines whether the scheme is 'on track' to pay current and future benefits from its own funds, and provides an opinion on the funding for the Bank subsidy.

An actuary is a mathematician skilled in making financial calculations and economic projections, who may advise on funding requirements and benefit calculations applicable to defined benefit superannuation schemes.

PROSPECTUS

The Securities Act (Employer Superannuation Schemes) Exemption Notice 2004 applies to the Association and as a result it is no longer required to register a Prospectus.

MEMBERSHIP

Membership changes for the 2010/2011 scheme year

	Division 1	Division 2	Total	Exit Value \$m
Opening - 1 November 2010	1	2861	2862	
Plus: New members		474	474	
Less: Resignations		210	210	5.016
Redundancies		45	45	3.110
In-service withdrawals		186	186	7.622
Normal retirements		18	18	2.211
Deaths		2	2	0.050
Special Benefits				0.001
Partial withdrawals				2.861
Closing - 31 October 2011	1	2874	2875	20.871

Pensioner changes for the 2010/2011 scheme year

	Pensioners	Widows / Widowers	Children	Total
Opening as at 1 November 2010	89	82	3	174
Plus: New		7		7
Less: Deceased	15	5		20
Ceased			2	2
Closing as at 31 October 2011	74	84	1	159

COMMENTARY

At year end Division 2 membership had increased by 13 (in 2010 there was an increase of 50).

A member choice investment option 'switch' election as of 1 May 2011 resulting in about 85 members switching options (compared to about 190 members in 2010 and 330 members in 2009). As at 31 October 2011 the analysis of member choice investment options by membership numbers was:

Option	2011	2010	2009
Balanced	56%	56%	54.5%
Balanced 17.5	13%	11.5%	10%
Cash	12.5%	15%	18.5%
Cash 17.5	3%	3%	4%
Growth	12.5%	12.5%	11.5%
Growth 17.5	3%	2%	1.5%

The split by benefit entitlement values was about 77% to combined Balanced, 13% to combined Cash and 10% combined Growth respectively (2010, 76%, 15% and 9%).

RULE AMENDMENTS

There were no Rule amendments during the year ended 31 October 2011.

MEMBERS OF THE BOARD OF MANAGEMENT

The BOM is made up of four representatives appointed by the Bank and four elected by members of the scheme. On 31 October 2011 members of the Board of Management were:

<i>Name</i>	<i>Bank Position</i>	<i>Constitution</i>	<i>C Changes</i>
Bank-appointed representatives			
Martin Philipsen	On sabbatical, Auckland	BOM member since March 2006; appointed by the Board of Directors of the Bank, May 2007. Chairperson since May 2007.	
Paul Steven Bevin	Independent of Bank, Wellington	Since July 2005; appointed by the Chief Executive of the Bank	
Glenn Robert Patrick	Chief Operating Officer, Retail Banking, Wellington	Appointed May 2007; nominee of the Chief Executive of the Bank	
Shelley Maree Ruha	Director, Products & Operations, Auckland	Appointed October 2011; by the Board of Directors of the Bank,	Replaced Chris Bayliss
Member-elected representatives			
Matthew Rowland Cullum	Head of Retail – Delivery & Risk, Retail Banking, Auckland	Must reside in North Island Elected 28 October 2008; re-elected October 2011	Re-elected
Hugh Alexander Smith	Special Counsel, Wellington	Must reside in North Island Elected September 2006; re-elected September 2009	
Ian Howard Russon	Head of Financial Institutions, Institutional Banking, Wellington	If no Division 1 member nominated, a Division 2 member Elected 25 October 2011	Neil Bradley did not seek re-election
Matthew James Eaden	Partner, Corporate, BNZ Partners, Christchurch	Must reside in South Island Elected March 2007; re-elected July 2010	

ADVISORS TO THE BOARD OF MANAGEMENT

While carrying out its regular duties throughout the year the Board called upon a number of expert advisers. Advisors to the Board for the scheme year under review were:

Actuary:

Michael Robinson of Mercer (NZ) Ltd, P O Box 105 591, Auckland

Auditor:

Deloitte, P O Box 1990, Wellington

Solicitors:

Chapman Tong Law, P O Box 10 614, Wellington

Investment:

Russell Investments Limited, P O Box 105-191, Auckland

Tax:

KPMG, P O Box 996, Wellington

The Investment Managers were:

Russell Investments, P O Box 105-191, Auckland (replaced JANA Investment Advisers in December 2010)

TOWER Asset Management Limited, P O Box 2798, Wellington

AMP Capital Investors Limited, P O Box 3764, Wellington

One Path (NZ) Limited, P O Box 7149, Auckland

From time to time the Board also calls on other expert advisers to assist with specific issues.

BOARD OF MANAGEMENT SUBCOMMITTEES

The role of the Subcommittees is to assist the Board to achieve its governance responsibilities and investment objectives through in-depth analysis and regular review of issues impacting on the OPA. Each committee operates to a charter. The main issues addressed during the year were:

Audit

- negotiation of the annual audit programme
- commissioning security 'penetration' testing of the scheme website in conjunction with Bank expertise.

Investment

- monitoring of investment performance (quarterly) and strategy with advice from Russell Investments
- implementation of a change of International Equities sector management
- consideration of ways to obtain a better return than wholesale interest rates for the Cash option.

Strategy and Communications

- consultation with the Bank on employer contribution level for periods from 1 November 2010
- discussions with Bank representatives on an employee benefits review process undertaken by the Bank during 2011.

DECLARATION BY THE BOARD OF MANAGEMENT

The Board of Management:

- confirms that all contributions required to be made to the scheme, in accordance with the Rules of the OPA, have been made,
- certifies that all benefits required to be paid from the scheme, in accordance with the Rules of the OPA, have been paid,
- certifies that the market value of the assets of the scheme at 31 October 2011 exceeded the total value of benefits that would have been payable had all members of the scheme ceased to be members at that date, and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries (such as pensions) as at 31 October 2011,
- advises that more than 10% of the market value of the OPA's assets were invested with companies associated with Bank of New Zealand through investments through JANA Investment Advisers Pty Limited (a subsidiary of National Australia Bank Limited, owner of Bank of New Zealand) and Bank of New Zealand itself, during the year as follows:
 - approx. \$42.8m was invested in the JANA multi-manager core global equities product until 16 December 2010,
 - approx. \$4.8m was invested in Bank of New Zealand bonds and discount paper through the combined Non Division 2, New Zealand Fixed Interest, and Cash mandates with One Path (NZ) at 31 October 2011,
 - currency hedge arrangements with Bank of New Zealand for the International Equities investment for approximately \$26.5m until 16 December 2010.
- confirms the abridged financial statements within this Report were authorised for issue on 1 December 2011,
- is of the opinion, after due inquiry, neither or both of the following have materially and adversely changed since 31 October 2011:
 - the value of the scheme's assets relative to its liabilities (including contingent liabilities), and
 - the ability of the scheme to pay its debts as they become due in the normal course of business.
- states that the Bank, as employer sponsor, was required under the terms of each offer of an interest in the scheme made after 31 March 2011, to incur costs in the financial year ended 31 October 2011 (by way of contributions, expenses payments or both) in the form of employer contribution payments of \$8.04m (rounded),
- as at 31 October 2011, all eligible BOM members were members of Division 2 of the scheme. Paul Bevin was not eligible to be a member.



Martin Philipsen



Hugh Smith

for and on behalf of the Board of Management

FINANCIAL PERFORMANCE

Key results shown in the financial statements that follow include:

- All investment sectors provided positive income with exception of International Equities, which showed about a \$0.85m loss. That sector provided income for the first half of the year and losses for the second half of the year.
- Total operating expenses were at about the same level as last year
- Income tax expense at about \$3.5m – main taxable income was from the Global Fixed Interest, Global Property and Non Division 2 sectors
- Benefits paid to Division 2 members were about \$1m less than last year. Member fortnightly contributions received were about \$0.3m above last year, with employer contributions also correspondingly higher (after excluding gearing from the comparison as it was at 1:1.2 for part of 2010).
- The scheme surplus, shown under Member Liabilities reduced in value during the year, as shown in the analysis below. Transactions affecting the surplus are summarised as:

Opening value		\$4.60m
Plus / (less)	Pensioner / Division 1 adjustments	0.61
	Vesting fall back from exits / adjustments	0.26
	Sub-total	\$5.47m
	Undistributed earnings 2011	0.33
Closing value		<u>\$5.80m</u>

There was rebalancing of investment assets during the year when required because of investment value movements.

BANK OF NEW ZEALAND OFFICERS' PROVIDENT ASSOCIATION

SUMMARY STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 October 2011

	2011 \$(000's)	2010 \$(000's)
INVESTMENT ACTIVITIES		
Investment revenues / (losses)		
NZ Fixed Interest & Cash revenue	1,780	1,856
Global Fixed Interest revenue	333	298
NZ Equities dividend & interest	703	592
Non Division 2 assets – Fixed interest	2,472	2,613
International Equities rebate income	68	12
Global Property rebate income	58	65
Changes in net market values		
● Realised Gains / (Losses)	3,792	588
● Unrealised Gains / (Losses)	1,401	13,273
Total investment revenues	10,607	19,297
Less Investment management fees	865	836
Net investment activities	9,742	18,461
Operating expenses		
● Audit fees	31	30
Other fees paid to Auditors	0	2
Actuarial fees	15	11
Depreciation	1	2
General expenses	47	51
Interest expense	0	0
Other professional fees	148	175
Staff	320	217
BOM remuneration	20	20
Non-deductible GST	35	34
Use of money interest - IRD	22	76
Total operating expenses	639	618
Net income / (Deficit) before tax and membership activities	9,103	17,843
Income tax expense	3,463	4,652
● Net income/(deficit) after tax and before membership activities	5,640	13,191
MEMBERSHIP ACTIVITIES		
● Members' contributions	10,175	9,824
Employer contributions	8,035	4,712
● Less Benefits paid	24,982	26,092
Net membership activities (decrease)	(6,772)	(11,556)
Net (decrease) in assets	(1,132)	1,635
Net assets available to pay benefits at beginning of year	206,034	204,399
Net assets available to pay benefits at end of year	204,902	206,034

A realised gain is the increase in value received on the sale of an investment.

When the market value of an asset increases that capital gain in its value is shown as an unrealised gain in the accounts. The asset has not been sold only its capital value has increased, but the gain is made available for distribution to members. Similarly, if the market price falls the capital value of the assets decline it is an unrealised loss and that reduces the amount of income to be made available for distribution.

Fees paid to the auditors (Deloitte) split into two sections; 'Audit Fees' which represent the fees paid for the audit of the statutory accounts at financial year end; and 'Other fees paid to Auditors' being fees paid to the auditor primarily for 'Agreed Upon Procedure' engagements.

Net Income / (Deficit) after Tax - The amount used in the earnings rate calculation as earnings, after adjustment for costs taken from the surplus.

Includes members' contribution from salary and lump sum voluntary contributions.

Payments made to pensioners and benefits paid to those members who left the scheme due to resignation, redundancy etc.

To help you understand some of the items shown in these statements items highlighted in **green like this** are included in a comment boxes to the side of the statement.

BANK OF NEW ZEALAND OFFICERS' PROVIDENT ASSOCIATION

SUMMARY STATEMENT OF NET ASSETS

as at 31 October 2011

	2011 \$(000's)	2010 \$(000's)
Investments		
Cash mandate	25,660	31,840
NZ Fixed Interest	15,586	13,539
Non Division 2 assets – Fixed Interest	44,365	45,290
Equities – NZ & Australia	15,312	14,166
Global Fixed Interest (TOWER product)	54,225	51,181
International Equities – JANA product	0	39,770
International Equities – basket to NZ hedge	0	530
International Equities – Russell un-hedged	22,447	0
International Equities – Russell Hedged	18,479	0
Global Property Securities (AMP product)	10,766	11,892
	206,840	208,208
Other assets		
Bank accounts	29	24
Accounts receivable	199	269
Fixed Assets	2	3
Deferred tax asset	18	16
	248	312
Total assets	207,088	208,520
Deduct liabilities		
Accounts payable	694	411
Current tax	1,492	2,075
Total liabilities	2,186	2,486
Net assets available to pay benefits	204,902	206,034
Represented by member liabilities		
Division 2	161,543	161,444
Division 1 & Pension liability	37,559	39,988
Undistributed earnings – current year	333	411
Scheme surplus	5,467	4,191
	204,902	206,034

Fixed Assets - The value of the assets held in the Secretariat office mainly computer equipment.

Division 2 Liability - represents the accumulation of individual member balances recorded in the Association's membership system (Rapps) at 31 October 2011 after allocating earnings for the 2011 year.

Division 1 Liability - The value the actuary determines is required to cover the remaining Division 1 member.

Pension Liability - The amount the actuary determines is required to pay future pensions to OPA pensioners

Undistributed Earnings 2011 - The amount of earnings remaining in the Fund after allowing for allocation of earnings to members, interim earnings paid to exited members and the pensioner / division 1 liability.

Summary Statement of Cash Flows

for the year ended 31 October 2011

	2011 \$(000)'s	2010 \$(000)'s
Net cash flows used in operating activities	(6,680)	(14,749)
Net cash flows from investing activities	6,685	14,496
Net increase in cash held	5	(253)
Add opening cash brought forward	24	277
Closing cash carried forward	29	24

To help you understand some of the items shown in these statements items highlighted in green like this are included in a comment boxes to the side of the statement.

The full statutory financial statements for the year ended 31 October 2011 comply with International Financial Reporting Standards, New Zealand equivalents to International Financial Reporting Standards (NZIFRS), and other applicable financial reporting standards, as appropriate for profit-oriented entities.

The accounting policies adopted are:

- The measurement base adopted is that of historical cost modified by the revaluation of assets which are measured at fair values at balance date.
- Statutory Base: These financial statements have been prepared in compliance with FRS 43 (summary financial statements), the Superannuation Schemes Act 1989, Financial Reporting Act 1993 and the Bank of New Zealand Officers' Provident Association Rules.

The measurement currency is New Zealand dollars.

The summary financial statements are an extract from the Bank of New Zealand Officers' Provident Association full statutory format financial statements, signed on 1 December 2011, with an unmodified audit opinion. They should be read in conjunction with Notes 1 and 2 below and Notes 1 to 20 from the full financial statements. The abridged financial statements do not provide as complete an understanding as the full statutory format financial statements. If you would like to receive a free copy of the full set of financial statements, please contact the Scheme Secretariat.

NOTE 1 – Vested Benefits

Vested benefits are the rights which are not conditional on continued membership, under the conditions of the Association. The total vested accrued liability was \$174.7 million, compared to assets of \$208.4 million, per the actuarial valuation as at 31 October 2008. The difference (\$33.7 million) between these two amounts reduced to the extent the Bank continued to meet its subsidy from the surplus and also reduced to the extent that members accrued additional service and were allocated Special Benefits. The equivalent total vested accrued liability at 31 October 2011 (to \$174.7m) was \$202.95 million, compared to assets of \$204.9 million. The surplus value on a vested accrued liability basis was about \$5.8 million, with non-vested benefits being about an additional \$1.95m.

NOTE 2 – Events Subsequent to Balance date

Any movements in market value of investments from balance date to the date of issue of this report have not been reflected in these financial statements. There were no material events subsequent to balance date.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS



To the Members of the Bank of New Zealand Officers' Provident Association (BNZOPA)

Report on the Summary Financial Statements

The accompanying summary financial statements of Bank of New Zealand Officers' Provident Association ("BNZOPA") on pages 18 to 20, which comprise the summary statement of net assets as at 31 October 2011, the summary statement of changes in net assets, and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of BNZOPA for the year ended 31 October 2011. We expressed an unmodified audit opinion on those financial statements in our report dated 1 December 2011.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of BNZOPA.

This report is made solely to BNZOPA's Members, as a body, for the purpose of expressing an opinion on the summary financial statements for the year ended 31 October 2011. Our audit has been undertaken so that we might state to the BNZOPA's Members those matters we are required to state to them in an auditor's report on summary financial statements and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the BNZOPA's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Board of Managements' Responsibility for the Summary Financial Statements

The Board of Management is responsible for the preparation of a summary of the audited financial statements, in accordance with FRS-43: *Summary Financial Statements*.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810: *Engagements to Report on Summary Financial Statements*.

Other than in our capacity as auditor, we have no relationship with or interests in BNZOPA.

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of BNZOPA for the year ended 31 October 2011 are consistent, in all material respects, with those financial statements, in accordance with FRS-43: *Summary Financial Statements*.

A stylized, handwritten signature of the Deloitte firm, written in dark ink.

Chartered Accountants

1 December 2011
Wellington, New Zealand

STATEMENT OF INVESTMENT POLICY AND OBJECTIVES

What is it?

It is a formal description of the terms and responsibilities for investment of the scheme assets, specifying the risk levels acceptable, and giving consideration to the purpose of the fund as defined within its Rules. It does not cover how the funds are invested or the instructions to / expectations of a fund manager; those are incorporated in separate investment guidelines. The statement is reproduced below.

Introduction

The Bank of New Zealand Officers' Provident Association (OPA) scheme may be considered a hybrid, consisting of a closed defined benefit section (Division 1) and a defined contribution section (Division 2). Division 2 contains all but one of the members and is akin to a cash accumulation scheme. The OPA, established over 100 years ago, operates under an Act of Parliament, Bank of New Zealand Officers' Provident Association Act, 1971 (the Act) and is governed by the OPA Rules.

The primary purpose of the scheme now is to receive, manage, and administer contributions from members and from the Bank of New Zealand (the Bank), and to pay benefits, in accordance with the Rules. The Rules were last amended during May 2007.

Division 2 of the scheme as a voluntary cash accumulation one, accounts for each member's individual interest, based on contributions received from the member and the Bank, and sums allocated per the Rules from the earnings of the investment portfolio administered by the Board of Management (BOM).

The BOM are elected by the members and appointed by the Bank in accordance with the Rules. The management of the investment assets of the scheme, undertaken by the BOM, is determined by the Rules and the Act.

This 'Statement of Investment Policy and Objectives' (SIPO) for the scheme is reviewed as needed, but at least annually, to ensure that the contents remain valid to satisfy the requirements of the OPA.

Board of Management Responsibility

The Act describes in section 5 (Powers of Association) the powers, rights, and authorities available to the Board. Specifically Section 5 (2) (k) states:

'Invest and deal with the moneys of the Association in the manner authorised by the rules...'

In turn, Rule C3.3 covers Investment. It states in part:

'...The moneys of the Association may be invested in the name of the Association, or in the name of the Bank's nominee company or a trustee company or corporation as trustee or agent for the Association, in any manner authorised by law or by the Trustee Act 1956 and the Superannuation Schemes Act 1989, as the Board may in its discretion decide.....'

The BOM is responsible for:

- determination of the level of investment risk acceptable for the scheme, and interpreting this into an appropriate investment strategy.
- determination of investment guidelines and objectives for the efficient implementation and on-going management of the scheme's investment portfolio.
- appointment of an investment manager or managers, to undertake the investment of the OPA's assets. The appointment/s to be arranged in such a manner, that the investment manager/s is mandated to fulfil an investment function as directed by the BOM. The appointment/s is reviewed at intervals of not less than every 3 years to ensure that the investment objectives of the OPA are satisfied.
- efficiently managing the scheme, meeting formally at least every 3 months to review performance, and any matters of policy on recommendation from the Investment sub-committee. The BOM appoints a Secretary to administer the scheme on an on-going basis.
- employing other consultants for external advice and services and to determine their degree of responsibility towards efficient operation of the scheme.

The BOM has a sub-committee structure within which the Investment sub-committee considers and reports to the BOM on the responsibilities outlined above.

In determining the investment policy and objectives, the BOM recognises the concept of prudential investment in accordance with the Trustee Act. That policy prevails in the management of the OPA's investment portfolio (with exception to be made for non-diversified member choice investment options) by being advised to, and understood by the appointed investment manager/s.

During 2003 Member Choice Investment Options were introduced for Division 2 members and the SIPO modified by adding Investment Objectives for each option to a similar format to that already in place. In December 2005 the Investment Objectives section for each option was modified to a different format. This (October 2010) version has changes to the Investment Objectives section for each option from regular review of the SIPO by the Board of Management.

Investment Policies

The investment policies set by the BOM are:

1. Investment risk must be minimised for the expected level of return.
2. An appropriate level of portfolio risk will be determined and accepted by the BOM in consultation with its advisors.
3. Portfolios will accept risks in a prudent manner.
4. An appropriate level of diversification across securities, sectors, asset classes and countries must be maintained, relative to the objectives for that portfolio.
5. Tax efficiency is regarded as important.
6. Liquidity must be maintained at an appropriate level given that medium term liquidity is expected to remain negative.
7. Costs incurred in the running of the scheme will be controlled as effectively as possible.
8. Flexibility must be accommodated to allow for changes in the members' needs, and the economic, social, political and investment environments.
9. The portfolios and investment managers will be monitored on an on-going basis.
10. All aspects of the investment process and functions must be reviewed regularly.
11. The BOM's responsibilities under common law and statute must be met, except where otherwise excluded within the Rules.

Investment Objectives

Cash & Cash 17.5

The objective of this option is to provide returns consistent with traditional cash investments such as term deposits. To achieve this, the fund will invest in a portfolio of wholesale New Zealand cash and short term investments.

The target investment return from investing 100% in wholesale cash will be to perform closely in line with the ANZ 90 Day Bank Bill Index (a wholesale cash benchmark), adjusted to take into account tax (at 28% from 1 October 2010; 30% prior), fund expenses and fees.

In any given year this option has a negligible probability of experiencing a negative return, after tax, fund expenses and fees are taken into account.

Balanced & Balanced 17.5

The objective of this option is to provide returns over the long term that are moderately higher than those of traditional cash investments. Returns will be generated from both income and capital growth. There will be variations in returns from year to year, including the prospect of negative returns.

This option will invest across a diversified mix of asset classes including, but not limited to, cash, fixed interest, equities and property. The allocations to income assets (cash and fixed interest) and growth assets (equities and property) will be roughly equal.

The target investment return will be to outperform, over a long term horizon, the ANZ 90 Day Bank Bill Index (a wholesale cash benchmark) by 1.5% p.a., after tax (at 28% from 1 October 2010; 30% prior), fund expenses and fees are taken into account.

For this option the probability of experiencing a negative return over any five year period is approximately 1 in 25, or 4%, after tax, fund expenses and fees are taken into account. A negative return may be experienced in consecutive years.

Growth & Growth 17.5

The objective of this option is to provide returns over the long term that are materially higher than those of traditional cash investments. Returns will be generated from both income and capital growth. There will be wide variations in returns from year to year, including the prospect of negative returns.

This option will invest across a diversified mix of asset classes including, but not limited to, cash, fixed interest, equities and property. The allocation to growth assets (equities and property) will be significantly higher than the allocation to income assets (cash and fixed interest).

The target investment return will be to outperform, over a long term horizon, the ANZ 90 Day Bank Bill Index (a wholesale cash benchmark) by 2.5% after tax (at 28% from 1 October 2010; 30% prior), fund expenses and fees are taken into account.

For this option the probability of experiencing a negative return over any five year period is approximately 1 in 10, or 10%, after tax, fund expenses and fees are taken into account. A negative return may be experienced in consecutive years

(Note: the 17.5 in each option label was 19.5 from 2 November 2007 to 30 September 2010)

FURTHER INFORMATION

If you would like more information about matters covered in this report or about scheme membership in general, you should contact:

The Scheme Secretariat

Bank of New Zealand Officers' Provident Association

P O Box 2392

Wellington

E-mail: bnzopa@bnz.co.nz

Telephone: (04) 474 6780

Fax: (04) 474 9048

Members of the Secretariat are:

Bruce Burrows, Business Manager

Cyril Bray, Administration Officer

You may view or receive, at no cost, a copy of any of the following material on request to the Scheme Secretariat:

- Full set of financial statements
- the OPA's Investment Statement
- recent Annual Reports
- the Rules of the OPA
- latest triennial [actuarial valuation](#)

With an exception of the actuarial report, all are all available for reading on the Association's website: www.bnzopa.co.nz.

Complaints, Disputes and Communications

The OPA had formally adopted dispute handling procedures in accordance with recommendations from the Retirement Commissioner. From December 2010 they were super-ceded by a disputes resolution service as available under the Financial Service Providers (Resolution and Dispute Resolution) Act 2008. If you have a complaint or dispute in relation to the operation of the OPA you should in the first instance contact the Chairperson at the address shown below.

Communication with the BOM

Please address correspondence to:

The Chairperson

Bank of New Zealand Officers' Provident Association

P O Box 2392

Wellington

Your feedback is welcome

The BOM is committed to keeping members informed of the significant issues facing the scheme.

The main communication channels used are email and the website:

www.bnzopa.co.nz.

