

Personal Banking Terms and Conditions.

Important things
you should know.

ASB
Creating Futures

23 June 2011

This document also includes an Investment Statement for ASB Term Deposits for the purpose of the Securities Act 1978, and an ASB QFE Disclosure Statement.

Please read the QFE Disclosure Statement, the Terms & Conditions and other information contained within this leaflet carefully.

ASB QFE Disclosure Statement

Financial Advisers Act 2008

This Disclosure Statement relates to financial adviser services provided by ASB Bank Limited (**ASB**) and its Qualifying Financial Entity (**QFE**) advisers to retail clients in relation to the financial products set out in this document. It was prepared on 25 May 2011.

Name of QFE: **ASB Bank Limited**

Trading names: **ASB Bank Limited**
ASB Institutional
BankDirect
Pago

Main place of business: **Level 28, ASB Bank Centre,
135 Albert Street, Auckland 1010**

Phone: **0800 803 804**

Email: **helpdesk@asb.co.nz**

It's important to read this document.

This information is important. It should help you make an informed decision on which financial adviser to choose. We may also give you other information that can help with the financial decisions you make.

What sort of adviser are we?

ASB is a Qualifying Financial Entity (**QFE**) and is a member of the QFE group called **ASB Bank QFE Group**. Employees of ASB and other members of the ASB Bank QFE Group (**our advisers**) may provide you with financial adviser services relating to our products and services.

As a QFE, ASB takes responsibility for the financial adviser services you get from our advisers. We'll ensure our advisers exercise care, diligence and skill in providing financial adviser services to you.

ASB also has other obligations under the Financial Advisers Act 2008 (including regulations made under that Act) and under the general law.

What are our products and services?

This Disclosure Statement relates to financial adviser services that ASB offers to retail customers in relation to the following classes of financial products:

- term deposits issued by ASB
- transaction and savings accounts issued by ASB
- cash and term portfolio investment entity funds (also known as PIEs) issued by ASB Group Investments Limited (a member of the ASB Bank QFE Group) and promoted by ASB
- loans, including home loans, personal loans, personal overdrafts and personal credit cards provided by ASB
- contracts of insurance including health, risk, travel, motor, house and contents insurance, and those provided by third parties with

which ASB or another member of the ASB Bank QFE Group has agreements to sell their products

If your ASB adviser can't help with the advice you need, they'll refer you to another adviser who can.

What should you do if something goes wrong?

If you have a problem, concern, or complaint about our products or financial adviser services, please let us know so we can try and fix the issue. You can do this in several ways:

- contact a Customer Services Representative at your nearest branch, or ask to speak to the Branch Manager
- call our Contact Centre on **0800 803 804**
- use our feedback form available from any ASB branch or at **asb.co.nz**
- contact our Customer Care Manager on **0800 803 804** or directly on **(09) 377 8930**

If we can't find a way to fix the issue, you can also contact the Banking Ombudsman, who may be able to help.

You can contact the Banking Ombudsman at:

Address: **Freepost 218002**
PO Box 10573
The Terrace
Wellington 6143

Telephone number: **0800 805 950**

Email address: **help@bankomb.org.nz**

You can also report information about ASB or any of our advisers to the Financial Markets Authority. Their contact details are below.

How is ASB regulated?

ASB is licensed as a QFE and regulated by the Financial Markets Authority to provide financial adviser services. If you're interested, you can check the status of ASB as a QFE and which other entities are a member of the ASB Bank QFE Group on the register of financial service providers at **fspr.govt.nz**

ASB is also a registered bank, registered with, and supervised by, the Reserve Bank of New Zealand.

Where can you find out more?

If you have any further questions on this Disclosure Statement, you can visit **asb.co.nz/qfe** for more information.

You can also find out more about financial advisers from the Financial Markets Authority. You can contact them at:

Web: **fma.govt.nz**
Address: **PO Box 1179**
Wellington 6140

Telephone number: **(04) 472 9830**

Personal Banking Terms & Conditions

Please read these Terms and Conditions together with any relevant product brochure, and the Conditions of any application form as they form the basis of your relationship with ASB Bank Limited (“ASB”, “we”, “us” or “our”) and will apply to all ASB accounts and facilities you may open, operate or register for (whether existing or future, solely or with others).

We reserve the right to vary, change or withdraw a product or product brochure at any time. We may alter these Terms and Conditions at any time by giving 14 days notice to you either by:

- direct communication with you (e.g. by letter, by email, by fax or by telephone); or
- by statements in the media (including Public Notices in major daily papers) and by displaying information at our branches.

Where terms and conditions are on our website, changes to our terms and conditions will also be noted there.

Other information or changes that may affect your business with us, will be communicated in one or more of the following ways:

- by direct communication with you (e.g. by letter, by email, by fax or by telephone); or
- by statements in the media (including Public Notices in major daily papers); or
- by displaying information at our branches.

Where such information is on our website, it may be noted there.

We may also change our interest rates, which we may do at any time with immediate effect, by giving notice in any of the above ways. Prior notice may not be required.

Any written terms (other than these) which may affect your accounts or facilities will continue to apply. Where such other terms are different to these Terms and Conditions, these Terms and Conditions here written will take precedence (unless such other terms are expressed to apply instead of these Terms). Any account or transaction with ASB Securities or our Business, Rural or Treasury divisions may be included in separate terms and conditions.

When we introduce new accounts, products or services, we will ensure information on the price, nature, and/or terms and conditions of the account, product or service is available. We may communicate with you about new accounts, products or services.

We will not be liable for any consequences of the failure of any machine or system, or any strike or dispute, or any circumstances beyond our control.

Regardless of any other term or condition we acknowledge that:

- a. the Consumer Guarantees Act overrides the provisions of these**

Terms and Conditions and we agree to be bound by the provisions of that Act; and

- b. we will compensate you for reasonably foreseeable losses directly attributable to our negligence or wilful default.**

However:

- i. where you use your account and any other financial services provided by us for the purposes of a business, the provisions of the Consumer Guarantees Act will not apply; and
- ii. we will not be liable for any loss to the extent that it is contributed to by your own acts or omissions or any loss caused by circumstances outside our control.
- iii. You shall be liable to ASB for any loss arising from unauthorised access to your account(s) caused or contributed to by you. You will be regarded as having caused or contributed to loss arising from unauthorised access to your account(s) (if for example but not limited to) you:
 - provide any other person with personal identification (i.e. any form of identification that is personal to you, including but not limited to, your birth certificate, passport, driver's license or any other form of photo identification) ("Personal Identification") which could enable a third party to represent themselves as you and obtain access to your account(s); or
 - provide any person with information on your account(s) including, without limitation, your bank statements or any information related to your account(s) ("Account Information") which could enable a third party to obtain access to your account(s); or
 - fail to keep your Personal Identification or Account Information secure; or
 - do not at all times take reasonable and prudent precautions to prevent unauthorised access to your accounts; or
 - unreasonably delay notifying ASB of disclosure or theft of your Personal Identification or Account Information; or
 - act fraudulently.

Information on our free customer complaint review procedure is available on request from any of our branches.

Accounts - Generally

- We may elect not to approve any application, or provide credit, or a product, or service to you, and we do not need to provide a reason should this application, credit, product or service be declined.
- To open an account, you will be required to sign a customer application declaration form and we may require you to credit a minimum amount of funds to your account immediately upon

opening. When using an account or service provided by us, you may be required to complete or use our standard forms, or forms approved by us, relating to that account or service.

- We may require you to prove your identity to our satisfaction at any time. This will help us protect your property and information.
- When you are dealing with us by telephone, your conversation with us may be recorded for verification or training purposes.
- The same base account number may be used with different suffixes for several accounts opened in the same name/s.
- You must decide and advise how many signatories are required to authorise a transaction. The same number of signatories will apply across all account suffixes, regardless of the service you are using or the amount of the transaction.
- We may open joint accounts for you with other customers, upon request. These Terms and Conditions will apply to any joint accounts you may open or operate now or in the future.
- We may transfer funds held in accounts with different suffix numbers but having the same base account number, via telephone, FastNet Classic or Teller request. Telephone and FastNet Classic instructions shall be accepted where only one signatory is required to authorise transactions. Our liability for any delay in transferring funds to or from your account will be limited to interest for the period of delay.
- We may determine the order of priority of payments from your account.
- Payments may be declined or reversed if there are insufficient funds in your account or for other reasons. Funds paid into your account may not be available for you to withdraw until the payment is cleared.
- When funds become available may depend on a number of factors including the type of payment used and/or whether the payment was made on a non-business day or after banking hours. If we permit you to draw against uncleared funds, we are providing credit and will require to be repaid (including interest and charges) if the payments into your account are reversed out.
- You should check all your entries in your account statements supplied by us and must report to us any apparent errors or transactions you have not authorised to us as soon as possible. We will investigate any discrepancies referred to us and advise you of the outcome within a reasonable period. There may be a Service Fee charged for any investigations.
- We are not obliged to accept or verify compliance with conditional instructions or credits requested to be applied for any specific purpose.
- Your rights in any account including credit balances, cannot be assigned, mortgaged or charged except in favour of us, or with our written consent.

- We are legally required to deduct withholding tax direct from any interest credited or paid to you. If your IRD number has not been supplied, we may have to make this deduction at a higher tax rate.
- Unless we pay approved issuer levy, where you are non-resident for New Zealand tax purposes, we are legally required to deduct from any interest credited or paid to you non-resident withholding tax at the relevant country rate and pay the deducted amount to the Inland Revenue Department. If we pay approved issuer levy you authorise us to deduct the amount of such levy from any interest credited or paid to you. You are required to advise us when you obtain Residency.
- We may impose fees and charges for services we provide in connection with the normal operation of the account. Details of these fees and charges can be obtained from any branch of ASB. Other non-standard fees and charges may apply, including charges from other parties (including overseas banks) which we have no knowledge or control. You are responsible to us for all liabilities incurred in relation to your accounts and will indemnify us against any liability or expense which may be incurred in connection with your accounts (unless the liability results directly from our negligence).
- We may debit accounts for any Government or Bank charges payable, and any other debt owing by you to us.
- We may suspend the operation of an account for various reasons. These may include;
 - we learn of the death, bankruptcy or any other lack of your legal capacity, or that you have committed an act of bankruptcy, or that bankruptcy proceedings are pending or contemplated;
 - we are notified by any party to the account of a dispute over either the ownership of funds or operation of the account;
 - there are insufficient funds to cover cheques or other payment instructions given;
 - any third party, who in our opinion justifiably claims an interest in your account and we are unable to contact you or resolve the claim expediently;
 - to protect one or all of the parties to the account, us or a third party who has reasonably claimed an interest in the account;
 - complying with a court order; or
 - we consider that we have other reasonable grounds to do so.

When operation of an account is suspended, we will advise all account holders as soon as possible. You must reimburse us for any expense we incur in connection with any of these matters.

Any banking relationship may be ended by either you or us at any time, and we may withdraw any product or service, as long as any relevant terms and conditions are adhered to. We will not normally close your accounts or withdraw a product or service until we have given you at least 14 days notice setting out the relevant details.

However, there may be circumstances where we close your account or withdraw a product or service without prior notice.

Examples are:

- complying with a court order;
- if you have acted unlawfully;
- if you have breached our terms and conditions;
- if you have acted abusively to our staff.

We may close your account if we consider you are operating it for business purposes. We may offer you a replacement business account.

When an account is closed, we will request that you return or destroy all unused cheques and any card(s) relating to that account.

Any funds remaining in your account at time of closure will be returned to you, subject to any terms and conditions, fees or interest applying to those funds. Further, if there is any dispute over these funds we may not be able to return them to you.

- If we receive or hold any item or document for you for any purpose whatsoever, we have a lien over that item or document as security for any amount owed by you to us.
- If a duplicate or multiple statement service is set up, it is up to the account holders to advise us when this service is to cease.
- All ASB FastDeposit/Speedy Deposits are subject to verification and correction by us, which is final, conclusive and binding on you. Only the verified amount will be credited to your account. We shall not be liable to you for any discrepancy between the verified amount and the amount shown on any deposit slip. A cash handling/cheque clearance fee may apply.

Joint Accounts

- We may pay out from a joint account when authorised by one or both customers, whichever has been specified by the account holders. If one to sign has been specified, a number of transactions/changes may be authorised by one signatory including but not limited to: change address, load automatic and bill payments, FastNet Classic access, FastPhone, Statement Stopper, and TXT Banking access.
- Unless a cheque is crossed "Not Transferable" or "Account Payee Only", we are authorised to accept from any person for credit of a joint account any cheque, or other payment in favour of any one or more of the joint account customers.
- If a dispute occurs between joint customers we may suspend

operation of the account until notification of any agreement has been received to our satisfaction. We may accept instructions from any one signatory to suspend operation of the account, even if the account requires two signatories to authorise a transaction.

- If we receive contradictory instructions from any person we reasonably believe are authorised to operate an account, we may refuse to act on any or all such instructions.
- Unless otherwise agreed in writing, all customers on a joint account are liable both individually and together in respect of any amount owing to us on that account. This means that any one customer may be required to pay all the money that is owed on the account.
- If one customer of a joint account should die, we will pay to the other joint account holder(s) all money and other property whatsoever standing to the credit of the joint account and the account will be transferred to the remaining joint account holder(s). Any liability of a joint account customer to ASB will not however be discharged on the death of that customer.
- We may, if we wish, accept instructions from any one signatory/customer to close the account. We may then open a new account for the remaining customer(s) in respect of any subsequent transactions. Alternatively, we may require authority from all customers on a joint account before acting on instructions to close the account.
- If a party to a joint account advises us that that party wishes to withdraw from that joint account, we will either stop the account or remove that party from the account. In both cases, all parties to the account will be advised as soon as possible. However, the joint liability for all debt (including payments made but not processed) at the date of stopping the account or that party's withdrawal will continue until full repayment is made.
- All other changes requested affecting the general operation of a joint account will be actioned upon the authority of either one or both customers, whichever has been specified on the account application form.

Cheque Accounts - Generally

- You should keep your chequebook safe at all times. You should never sign cheques in advance, or leave any details blank after a cheque has been signed. The loss of your chequebook, any cheques or any unauthorised withdrawals from your account should be reported to us immediately. The Police may also need to be notified.
- Cheques deposited to an account generally have a hold placed over them and you will not have access to the funds until the cheque is "cleared".

- Like any other cheque, bank cheques need to clear and the funds may not be available to you until this process is complete.
- Unless we agree otherwise, you must only use our ASB pre-printed cheque forms to write cheques drawn on your account. Cheques drawn against your account that are not on our pre-printed form are "Non-Standard Cheques" for the purposes of these Terms and Conditions.
- We may refuse to pay out on a cheque which has been incorrectly or partially completed, is a Non-Standard Cheque, is post dated, or where there are insufficient funds in the account. We may impose a charge if this occurs.
- We may ask you for identification when you cash a cheque and we will explain our reasons for doing so on request.
- Unless otherwise requested by you, we may automatically mail to your last postal address recorded by us, a new cheque book on the receipt of nominated cheques in the current cheque book.
- Government stamp duty is payable on a cheque book, and will be automatically deducted from the account when the first cheque is presented for payment.
- We may close an account and recall all unused cheques if there are insufficient funds to cover cheques issued.
- When an account is closed we are entitled to the return of all unused cheques, and any debit or credit card relating to the account. Government stamp duty may be refundable on receipt of any unused cheques.
- You agree to take all reasonable care to ensure that cheques are not stolen, forged or altered in any way and to prevent any other fraudulent use of the account. You agree to promptly report to us any fraudulently used, lost or stolen cheques.

Overdrafts

- Overdrafts are repayable immediately on demand. Any authorised officer of ASB may, from time to time, require the outstanding amount being principal, interest and all charges to be repaid in full on demand, or to be reduced by regular instalments of such amount, and at such intervals, as we may specify.
- Establishment fees for overdrafts and overdraft facility fees may be charged.

Unarranged Overdrafts

- We may from time to time, in our sole discretion, honour withdrawal requests from your account in an amount that exceeds the current balance in your account at the time (an "unarranged overdraft").

- The following applies if you use your account primarily for personal, domestic or household purposes, and we allow an unarranged overdraft to occur in relation to your account. For the purposes of disclosure under the Credit Contracts and Consumer Finance Act 2003:
 - our full name is ASB Bank Limited and our full address is 135 Albert Street, PO Box 35, Shortland Street, Auckland 1140.
 - the annual interest rate that will apply to the unarranged overdraft will be the rate we charge from time to time in relation to personal banking unarranged overdrafts, such rate being the Unarranged Overdraft Interest Rate as at the date this document was prepared, as amended from time to time. Details of our Unarranged Overdraft Interest Rate (or any successor rate) can be found on ASB's website www.asb.co.nz or at any branch of ASB.
 - you will pay interest at the Unarranged Overdraft Interest Rate (or any successor rate) on the daily unarranged overdraft balance. Interest will be calculated on the basis of the number of days elapsed and a 365 day year. Such interest will be charged to your account on a monthly basis.
 - we may charge you a fee for the unarranged overdraft. This obligation to pay the fee will arise without the need for notice or demand from us. A description of the fee(s) which may apply can be found in ASB's Fees Guide, a copy of which was provided to you when you opened your account and is also available on our website www.asb.co.nz or at any ASB branch.
 - any security interest that we hold from time to time over any of your property (and as described from time to time in any facility document between us) will secure the performance of your obligations or the payment of any money you owe us now or in the future, or both. If you fail to meet your commitments to us, then to the extent of the security interest we may be entitled to repossess and sell that secured property.
 - we will provide you with regular statements. The statement will give you information about your account. Statements will be provided at least every 45 days during the currency of any unarranged overdraft.
 - you consent to receive disclosure, notices and other communications from us in electronic form, whether by means of our website, email or other electronic communication.
- Any unarranged overdraft amount is repayable immediately if we make demand for its repayment.

Overdue Payments

- If you owe us money which is due but unpaid, whether it is owed alone or with others, we may without prior notice and in whatever order we choose, apply any credit balance of yours with us (or any other amount owing by us to you, in any currency and at any branch) towards that unpaid amount. For this purpose we may transfer funds from one account to another, use funds in one currency to buy another currency, and may break any of your Term Deposits. We may also apply funds from any joint account to which you are party, so long as you have authority to give instructions on that account without any other signatory. We will promptly inform you if we apply funds you have deposited with us to offset your debts with us.
- You must pay, on demand, any costs associated with collection of amounts overdue for payment on any account (including tolls, collection agent's costs and legal fees on a solicitor/own client basis).

Stopped Cheques

- We will make reasonable efforts to stop payment on any cheque issued on your account when you request us to do so. However, a cheque that has been cashed or presented by way of "Special Answer" or is a Non-Standard Cheque will not be able to be stopped. At the time you request a stop, we may not be able to establish whether or not the cheque can be stopped. We will not be liable in these circumstances.
- We are not obliged to stop a bank cheque issued upon your request. However, we may do so if the cheque has been lost, stolen or returned to us by you. Bank cheques cannot be stopped for example because you have changed your mind about a transaction after handing the cheque over to another person or a transaction between the parties has broken down through the supply of faulty goods and services.
- We will not be liable for any damages suffered by you as a result of our stopping payment on a cheque or dishonouring a cheque unless we have acted fraudulently or negligently.
- Where any cheque, including a bank cheque, is credited to your account and a stop payment is placed in the cheque by the payer, we shall debit your account for the value of such a cheque without reference to you.

Money Laundering

- "Money Laundering" means if you receive funds into your bank account and then transfer such funds, knowing or believing that the funds have not been transferred into your account by their true owner, or being reckless as to whether this is the case.

Money Laundering is an offence under the Crimes Act 1961 punishable by imprisonment for a term not exceeding 7 years.

Reversal of Funds

- If we believe in our reasonable opinion that you have:
 - (a) engaged in, or your bank account has been used for a Money Laundering transaction(s),
 - (b) acted fraudulently or negligently,
 - (c) acted in a way which causes or contributes to loss arising from unauthorised access to your accounts.

we may, without prior notice:

- (i) reverse the transaction(s) to the true owner if your account has a credit balance; and
- (ii) apply any credit balance you have in any ASB account, including any foreign currency accounts, break a Term Deposit Investment, or apply funds from a joint account to which you are a party, so long as you have authority to give instructions on that account without any other signatory; or
- (iii) debit your account with the amount of the transaction(s), even if it puts your account into overdraft. The amount of the overdraft will be treated as money owing by you to us. You will be required to repay the outstanding amount, including interest and all charges in full on demand, or to reduce the amount you owe by regular instalments of such amount, and at such intervals, as we may specify. Interest may be charged at the current unarranged overdraft interest rate.

We may also suspend the operation of your account or close your account.

Electronic Payments - Generally

This section refers to all payments made by FastPhone, FastNet Classic, Automatic Payment, Direct Debit and Direct Credit. Please note FastPhone and FastNet Classic may only be used on accounts where **one** signatory is required to authorise transactions.

- We will endeavour to make payments as instructed but accept no liability for any inaccuracy or delay in payment, or for any refusal or omission to make any payment due to circumstances beyond our reasonable control. We may stop or alter a payment without notice if circumstances reasonably require us to do so.
- It is your responsibility to ensure sufficient funds are available in the account, at all times, during the required payment date. If the payment is missed, for any reason, then it is your responsibility to make sure the payment is subsequently made.
- Should the required payment date be a non-business day, payment may still be made on that day, provided there are sufficient funds available.
- It may not be possible to stop or reverse electronic payments once they have been made. Payments you have made in error can only

be recovered from the account they have been paid into with the consent of the account holder. We will co-operate with you or another bank involved in the transaction to try to recover payments made in error.

- If you receive any payment made in error to your account, you consent to us reversing that payment.
- Any electronic payment made to or received from an account at another bank may only be reversed in accordance with the New Zealand Bankers' Association Interchange and Settlement Rules. Should an electronic payment be reversed in accordance with these rules, your account will be credited or debited (as the case may be) with the amount of the reversal.
- There may be circumstances where we can reverse payments paid into your account, such as when we have made an error.

Automatic Payments

- We accept no responsibility or liability for the accuracy of the information provided by you and contained in the payment information fields on the Automatic Payment Authority, or for failure to transmit such information in the manner requested due to circumstances beyond our reasonable control.
- An Automatic Payment Authority may be reduced or terminated by us. Reasonable notice shall be given to you provided the alteration has not occurred because of insufficient funds in your account, although we reserve the right to waive prior notice to you where circumstances dictate that it is impractical or imprudent to do so. In all other cases, the Automatic Payment Authority will remain in effect in respect of all payments made in good faith, until notice of death, bankruptcy or cancellation is received by us.
- Automatic Payments can be cancelled at any branch, via FastNet, or by phoning our Contact Centre. The cancellation must be presented at least one business day before the payment is due.

Direct Debits

- Direct Debit amounts and payment dates vary. They are initiated by the company/business receiving the payment, not ASB.
- You must notify the company/business receiving the payment of any change to your account details.
- Direct Debits can be cancelled by completing the appropriate form at any branch. This must be presented at least four business days before the payment is due.
- You should also inform the company/business receiving the payment that the Direct Debit is to be cancelled.
- Any queries regarding a Direct Debit payment should be made to the company/business receiving the payment not ASB.

Direct Credits

- It is your responsibility and not ASB's responsibility, to inform the payer, of any changes.

Save the Change

- Save the Change is a service provided by ASB. We reserve the right to vary, change, suspend or withdraw Save the Change at any time without notice.
- We accept no responsibility or liability for the accuracy of the information provided by you or for any failure by us to transmit such information in the manner requested due to circumstances beyond our control.
- Your Save the Change payment authority may be altered or terminated by us without prior notice. We will endeavour to give you reasonable notice provided the alteration has not occurred because of insufficient funds in your nominated transaction account. In all other cases your Save the Change payment authority will remain in effect until notice of your death, bankruptcy or suspension of Save the Change by you or us.
- In order to use Save the Change you need to nominate an eligible transaction account you hold with us and an eligible savings or investment account which you or a family member or friend hold with us. Our eligible transaction, savings and investment accounts are listed on our website (asb.co.nz/savethechange) together with a list of qualifying and non-qualifying transactions. We will only apply Save the Change to transactions on your FastCash and Visa Debit cards in New Zealand.
- When you use your FastCash or Visa Debit cards to make a purchase by EFTPOS or make other qualifying electronic payments, the amount of the purchase or payment that is debited against your nominated transaction account will be rounded up to the chosen selected amount and the difference (the **"change"**) will be combined with the change from your other purchases and payments on that day. You authorise us to debit an equivalent amount against your transaction account and make a transfer of this amount to your nominated ASB savings or investment account(s) overnight.
- We will not make a Save the Change transfer if that transfer will overdraw your nominated transaction account (or take you further overdrawn, if you have not arranged an overdraft in advance). If you have an arranged overdraft or Orbit/Orbit FastTrack facility with ASB, we will not make a transfer that will take you over your overdraft or Orbit/Orbit FastTrack facility limit.
- Joint transaction accounts will only be eligible for Save the Change if they have a one to sign account mandate. We will apply Save the Change to any FastCash or Visa Debit cards issued to all joint

account holders and to any qualifying electronic transactions authorised from a joint account.

- You may nominate more than one eligible savings or investment accounts (including a family member or friend's accounts) to receive a share of the change for each transfer. This is known as **"splitting"** or **"to split"** the change. ASB will divide the change equally between the nominated accounts you wish to split the change. You can nominate the change to be split to up to 10 eligible savings or investment accounts for each ASB transaction account you use with Save the Change. Where the change cannot be split evenly, the first account will receive the additional amount.
- If, for any reason a transfer cannot be made to one of your nominated savings or investment accounts, ASB will refund the transfer to your nominated transaction account and ASB will recalculate the split for the next transfer to ensure the change is divided equally (**"re-split"**) between the remaining nominated accounts that transfers can be processed to, until a replacement eligible savings or investment account is nominated by you. Save the Change will automatically be suspended when transfers cannot be made to your only or last remaining nominated savings or investment account. ASB may not be able to advise you of the reasons why a transfer to a family member or friend cannot be processed.
- If you change your nominated account(s), Save the Change will only continue to operate if both your nominated replacement transaction account and at least one of your nominated savings or investment accounts remain eligible for Save the Change. The same applies to family and friends' accounts you have nominated. If they change the account you have nominated to an account that is not eligible to receive Save the Change then the change will be re-split to your other nominated accounts or Save the Change suspended if their account is your only or last remaining nominated savings or investment account. We will not be able to advise you when a family member or friend makes changes or closes their savings or investment account(s) that affect your Save the Change.
- If any EFTPOS transactions processed on your FastCash or Visa Debit cards or any other qualifying electronic transactions you make are subsequently cancelled or reversed, or you notify us of any fraudulent card activity or payments, after the change has been transferred, the corresponding change will remain in the nominated savings or investment account.
- You can change your Save the Change preferences, switch Save the Change on or off or change your nominated accounts through FastNet Classic (if you are registered for this service),

at any ASB branch or by calling our Contact Centre at any time. As long as you make those changes to your Save the Change preferences before 3am, those changes will be effective for the previous day.

Specific Accounts

Term Deposits

- Withdrawals cannot be made from Term Deposit accounts, except on maturity, without our consent. Early withdrawals may result in a recalculation of interest. Withholding tax payments may also be affected. Please refer to the Investment Statement for Term Deposits for more information.

ASB FastCash, Cashflow, Visa Debit, Credit Cards, True Rewards, Foreign Exchange, FastPhone, FastNet Classic, Statement Stopper, FastNet Mobile & TXT Banking

- These products and services are issued under separate sets of terms and conditions issued by ASB. Terms and conditions may be amended from time to time.
- Usage of these products and services will mean acceptance of the relevant terms and conditions, including any amendments.
- These products are only available on accounts where one signatory is required to authorise transactions.

Tertiary/Graduate Packages

- We may require you to present us with proof of employment, proof of graduation, or evidence of study at a recognised tertiary institution when you apply for one of these special packages.

Youth Accounts

- Youth Accounts are only available to those 18 years or younger.

School Banking

- School Banking is only available to Youth Account holders who attend a school participating in School Banking.
- Deposits made through School Banking must be in one of the specially designed School Banking deposit envelopes. The maximum amount that may be deposited in any one deposit envelope is \$50.00.
- When the money deposited through School Banking becomes available will depend on a number of factors including the type of payment used and when your school's banking day is.
- All School Banking deposits are subject to verification and correction by us and only the verified amount will be credited to your account. We shall not be liable to you for any discrepancy between the verified amount and the amount shown on any deposit slip or envelope.

Loan Applications

- All loan applications are subject to our lending criteria and will remain our property.
- When considering your application for credit we may take into account your financial history, including information from credit reference agencies.
- You must inform us if you are or become an undischarged bankrupt.
- We may charge a processing fee on our loans and may deduct this fee from your loan account.
- Special conditions including a low equity fee, minimum equity contribution, and early repayment adjustments may apply.
- We may require a valuation report to be carried out at your expense by a Registered Valuer on the property offered as security.

Investment Statement for Term Deposits

Investment statement for Term Deposits prepared as at 3 November 2010 for the purposes of the Securities Act 1978.

Important Information

(The information in this section is required under the Securities Act 1978)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

Choosing an investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

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In addition to the information in this document, important information can be found in the current General Disclosure Statement for ASB Bank Limited. You may obtain a copy of that General Disclosure Statement, free of charge, from any branch of ASB.

Answers To Key Questions

1. What sort of investment is this?

This investment statement is provided in relation to New Zealand Dollar Term Deposits offered to the public by ASB from time to time.

A Term Deposit is an unsecured term deposit denominated in New Zealand Dollars with a fixed term of investment and a fixed interest rate payable by ASB.

2. Who is involved in providing it for me?

The issuer is ASB Bank Limited (ASB). The head office of ASB is situated at ASB Bank Centre, 135 Albert Street, Auckland 1010. ASB is a registered bank under the Reserve Bank of New Zealand Act 1989.

As at the date of this investment statement, the directors of ASB are Donald McGillivray Elder, Jonathan Peter Hartley, Gary James Judd, Jonathan Peter Ling, Garry Lynton Mackrell, Ross Maxwell McEwan, Ian Mark Narev and Gavin Ronald Walker. The directors of ASB may change from time to time.

ASB has provided financial services to New Zealanders for over 160 years, and is one of New Zealand's leading full service banks.

3. How much do I pay?

At the date of this investment statement the minimum amount you may invest in a Term Deposit is \$5,000. However, the minimum investment for Term Deposits which pay interest monthly is \$10,000. The maximum amount you can hold in one or more Term Deposits at any one time is \$10,000,000. In the case of interest rates advertised as special rates, the minimum and maximum investment amounts may differ. These minimum and maximum investment amounts are subject to change by ASB from time to time.

Investing in Term Deposits is easy. Subject to ASB's account opening requirements, your Term Deposit can be opened on the spot - you can call into any ASB branch to do this. Alternatively, existing ASB customers can contact the Investor Express Line on 0800 650 506 or, if registered for FastNet Classic, can use internet banking to open a Term Deposit.

The amount to be invested is payable to ASB at the time the Term Deposit is made. Payment can be made by means agreed between you and ASB and may include cheque, cash, or transferring money from another account with ASB or from another bank.

4. What are the charges?

There are no charges payable by you to ASB when you make an investment in a Term Deposit.

If ASB allows you to terminate or partially withdraw your Term Deposit before its maturity date, the rate of interest payable to you by ASB on that Term Deposit will be adjusted to 2% p.a. less than the interest rate that applied, at the date the investment was made, for the term the funds were actually deposited. The amount of this adjustment can be obtained by speaking to an ASB staff member at the ASB Contact Centre, any ASB branch, your Personal Banker or Relationship Manager. Where a partial withdrawal is made, the remaining principal balance will earn interest at the rate the Term Deposit was originally invested at. If the remaining principal amount is less than the prescribed minimum amount ASB may repay your Term Deposit early in full.

In the case of an early or partial withdrawal where interest has been paid to you prior to that withdrawal, the interest payable by ASB on that altered Term Deposit may be less than the interest already paid to you. In this case ASB may deduct the excess amount from the principal amount to be repaid to you.

Any tax or amount in relation to approved issuer levy (AIL) that has already been deducted from interest earned and paid to Inland Revenue can not be refunded to you by ASB. Any tax refund may need to be claimed from Inland Revenue directly. AIL is not refundable.

If you are a non-resident investor, have elected for ASB to pay AIL and ASB is lawfully able to do so at the applicable AIL rate, currently 2% of gross interest payable to you, ASB will pay the AIL to the Inland Revenue and will deduct the amount of AIL paid from the returns payable to you. The current AIL rate can be obtained by contacting the ASB Contact Centre, any ASB branch or your Personal Banker or Relationship Manager.

Fees and charges are subject to change by ASB from time to time.

5. What returns will I get?

On maturity or early repayment of your Term Deposit, ASB will pay you the principal amount invested and interest earned on that amount (less any withholding tax deductions or amounts specified under the heading "What are the charges?").

The key factors that will determine your returns will be the interest rate that you agree to invest your money at, the amount of principal you invest, the term of your investment, and any taxes (or other deductions) applicable to your investment. Interest is paid on the sum invested at the agreed frequency and agreed rate of interest for the term of your investment.

The amount of returns you may receive are not quantifiable at the date of this investment statement and therefore cannot be promised to you by ASB.

Unless you hold a current Certificate of Exemption (or other legal exemption), ASB is required by law to deduct, from the gross interest payable to you as the investor, Resident Withholding Tax or Non-Resident Withholding Tax as appropriate. Alternatively, if AIL applies ASB will make deductions in relation to AIL as described in the section "What are the Charges?". Deductions are made before payment of the net interest to you.

The term of a Term Deposit can be between 30 days and 5 years and interest is calculated on the basis of the actual number of days in the term and a 365 day year. Unless specifically stated otherwise, you can elect to be paid interest as set out in the table below.

Term	Interest Frequency Options	Interest Payment Options
Less than 6 months	On Maturity	Paid to a nominated ASB or non-ASB account; or invested into a new Term Deposit (together with the principal amount)
6 months or greater	Monthly <i>The minimum investment required to receive monthly interest is \$10,000.</i>	Paid to a nominated ASB or non-ASB account
	Quarterly; Six-monthly; Annually	Paid to a nominated ASB or non-ASB account; or reinvested in the same Term Deposit
	On Maturity	Paid to a nominated ASB or non-ASB account; or invested into a new Term Deposit (together with the principal amount)
Special Advertised Term	As specified in the conditions of the Special	As set out above, depending on the interest frequency option or options specified in the conditions of the Special

Where a Term Deposit has a term of greater than twelve months and is set to pay interest only upon maturity, the interest payment will be calculated as though there had been an annual compound of interest on each anniversary of the initial investment.

ASB may change these time frames and interest payment options from time to time.

ASB may withhold payment of your returns, after the due date, if ASB holds the Term Deposit as security, until the date that security is discharged, if there is a third party claim regarding the Term Deposit or if ASB is required by law to do so.

ASB is legally liable to pay the returns on your Term Deposit (when returns are payable). Your Term Deposit is not guaranteed by any person.

6. What are my risks?

The main risks of you not recovering the money which you paid for the investment or of not receiving the returns described above are:

- if ASB becomes insolvent or is placed into receivership, liquidation or statutory management or ASB is otherwise not able to meet its debts as they fall due; or
- ASB receiving a statutory deduction notice in respect of your Term Deposit; or
- ASB exercising its rights to combine your accounts or to set-off funds held in credit against amounts you owe to ASB.

In the event ASB is put into liquidation during the term of your Term Deposit, secured creditors and those creditors preferred by statute will rank ahead of your claim. After the payment of these creditors your claim will rank equally with all other unsecured unsubordinated creditors of ASB.

Should a statutory manager be appointed to ASB, the ranking of your claim as a holder of a Term Deposit would be determined by the statutory manager in accordance with the relevant statutory framework.

You will not be liable to pay any more than the amount that you invested with us as a result of the insolvency of ASB.

7. Can the investment be altered?

ASB may at any time alter its standard account terms and conditions and may alter the minimum and maximum amount payable for Term Deposits. However, once an investment is made it cannot be altered without the agreement of you and ASB.

As stated above, ASB may in certain circumstances agree to the early or partial withdrawal of your Term Deposit. Please refer to the question "What are the Charges?" for details of charges relating to an early or partial withdrawal.

8. How do I cash in my investment?

If you need to withdraw your investment before its maturity date, you can apply to do so by contacting ASB. If your application is accepted you will still be paid interest, but at a reduced rate, as

described in the section "What are the Charges?". ASB may repay your Term Deposit early if the remaining principal amount is less than the prescribed minimum amount.

ASB may terminate your Term Deposit before its maturity date if it exercises any of its rights to combine your accounts or to set off amounts you have deposited with ASB against amounts you may owe to ASB.

You may not sell, assign, mortgage or charge your Term Deposit to another person (other than ASB) without ASB's written consent. There is no established market for such sales.

9. Who do I contact with inquiries about my investment?

Inquiries about your Term Deposit may be made at any ASB branch to any Personal Banker or to the Branch Manager or by telephoning ASB's Investor Express Line on 0800 650 506. Details relating to your current Term Deposits, such as their maturity date, term and interest rate can be viewed in FastNet Classic if you are registered.

10. Is there anyone to whom I can complain if I have problems with the investment?

Any complaints about your Term Deposit may be made at any ASB branch to a Personal Banker or to the Branch Manager. Alternatively, you can telephone the Investor Express Line on 0800 650 506. They will explain ASB's complaint procedures to you and should be able to resolve the problem. If the issue remains unresolved your complaint can be directed to ASB's Customer Care Department by calling 0800 738 930.

If a resolution has still not been achieved and you are not satisfied with the outcome of ASB's consideration of the complaint, you can contact the Banking Ombudsman for an independent review of your complaint at:

The Office of the Banking Ombudsman
PO Box 10573, The Terrace, Wellington, New Zealand
Email: help@bankomb.org.nz
Phone: 0800 805 950

11. What other information can I obtain about this investment?

Other information about Term Deposits and ASB is contained in ASB's current Disclosure Statement issued pursuant to the Reserve Bank of New Zealand Act 1989 and in its financial statements. A copy of the current Disclosure Statement and ASB's most recent financial statements can be obtained, free of charge, on request from any ASB branch or ASB's Head Office or can be found online at www.asb.co.nz. ASB's most recent financial statements, together with all documents required to be registered with those financial statements, are filed on a public register at the

Companies Office of the Ministry of Economic Development and are available for public inspection (including at www.companies.govt.nz).

If applicable, annual Resident Withholding Tax deduction certificates will be issued in April if gross domestic interest paid exceeds \$50 and tax has been deducted. If all accounts held by the investor with ASB are closed, a final certificate will be issued at that time, instead of being issued in April.

You may request further information about your Term Deposit, such as the balance, from ASB. Copies of the following information are also available free of charge on request from any ASB branch or from ASB's Head Office:

- ASB's most recent Annual Report.
- ASB's most recent Key Information Summary.
- The most recent Term Deposits investment statement.

Money handling procedures

This information is provided by ASB as required by the Securities Markets Act 1988, and is in relation to the money handling procedures for Term Deposits.

You can invest money in a Term Deposit by any means such as a cheque, with cash, or by transferring money from another account either with us or another bank. The money we receive from you is deposited directly into your account with ASB in your name and is used by ASB in the ordinary course of its business. It is not held on trust by ASB.

While ASB is externally audited, the process of receiving your money and putting it on Term Deposit with ASB is not externally audited.

ASB keeps a record of your deposit. You can request details of your Term Deposit by calling the Investor Express Line on 0800 650 506 or at any ASB branch.

Confidentiality of your information

- ASB will collect information about you;
- The information will be collected for the purpose of:
 - a. Enabling you to open and operate any accounts (whether existing or future, solely or with others) with ASB;
 - b. Enabling you to obtain the use of, and information about, any other ASB products and services and products and services of ASB's related companies (whether incorporated or constituted in New Zealand or elsewhere);
 - c. Administering, managing and monitoring any products and services provided to you by ASB and its related companies (whether incorporated or constituted in New Zealand or elsewhere); and

- d. Conducting market research, data processing and statistical analysis.
- You authorise us to obtain information from our related companies for the above purposes.
- The intended recipients of the information are:
 - a. ASB and its related companies (whether incorporated or constituted in New Zealand or elsewhere).
 - b. ASB's agents and other third parties (whether in New Zealand or overseas) that provide services to ASB.
 - c. Research firms engaged by ASB to carry out customer surveys and conduct market research.
 - d. Other banks (including overseas banks), agents, contractors or other financial services providers assisting with international transactions and same day cleared payments.

Certain laws require us to disclose your information. Overseas banks, agents, contractors or financial services providers who assist with international transactions and same day cleared payments will be subject to the laws of that jurisdiction which may require them to disclose your information.

- The information will be collected and held by ASB, ASB Centre, 135 Albert Street, Auckland.
- Failure to provide the information or provision of incorrect information may result in any application for credit being declined, or your being unable to open an account with ASB.
- You do have rights of access to, and correction of, personal information (as defined in the Privacy Act 1993) held by ASB.
- We will endeavour to ensure that your information that we hold is accurate. Prompt advice of any changes in your personal contact details such as residential or email address, or telephone or facsimile numbers will help us do this.

Declaration

- I understand that the Personal Banking Terms and Conditions form the basis of my relationship with ASB and will apply to all personal accounts and facilities I may open or operate (whether existing or future, solely or with others) and that any written terms and conditions which may affect my account(s) or facilities(s) will also apply.
- I am authorised to provide personal information on behalf of the Customer and evidence of this authority is provided (if someone other than the individual supplies the information).
- I agree that all personal information held by ASB may be used by ASB Group of Companies for the purpose of advising me of their products and services and by research firms engaged by ASB to carry out customer surveys in respect of ASB products and services.

- At the time I open an account and/or at any time I apply for credit through ASB, I authorise the collection and release at any time of any personal information relevant to my account or credit application (including a credit and fraud check) and held by any other credit providers, credit reference agencies, and any previous or current employer regarding my employment history and income.
- If I apply for any credit through ASB, I authorise ASB to disclose to other credit providers, credit reference agencies, debt collection agencies and guarantors or proposed guarantors, Card Repayment Insurance providers, or True Rewards Partners or any other party expressly authorised by me the applicant including my nominated solicitor at any time, relevant personal information held by ASB.
- I authorise ASB's credit reference agency to:
 - (i) hold my personal information on its systems and use my personal information to provide its credit reporting services; and
 - (ii) provide my personal information to its customers when they use its credit reporting services.
- I authorise ASB to use its credit reference agency in the future for purposes related to the provision of credit to me.
- I authorise:
 - (i) ASB to give its credit reference agency information about any default in my payment obligations to ASB;
 - (ii) ASB's credit reference agency to give information about my default to its other customers.
- If I do not want to receive promotional material from ASB at any time, I will tell ASB and they will not send it.

I declare as follows:

- That any P.I.N or Password I select will not be unsuitable. Unsuitable P.I.N.s or Passwords include birth dates, months or years, sequential numbers (e.g 1,2,3,4), number combinations that may easily be guessed (1,1,1,1), parts of your telephone number, parts of numbers in the order in which they are printed on any of your cards, other easily accessible personal data (e.g. drivers' licence), family, pet or street names. In addition, Passwords must contain a minimum of 6 Alpha and 2 Numeric characters.
- I understand that I cannot disclose my P.I.N to any other person whether family or those in apparent authority (including bank staff or the police).
- I am not an undischarged bankrupt, nor am I liable under any proceedings under the Insolvency Act 1967, or its amendments, and I agree to advise ASB should this situation change.

- If I apply for credit through ASB, I will not withhold any information on my financial position or commitment that might affect ASB's decision in respect of any application for credit.
- All information provided to ASB is/will be true and correct and the provision of this information is an essential term of any application.
- I have had the opportunity to review and I confirm that the information has been recorded correctly.
- I acknowledge and agree that my failure to give true and correct information will result in my application being declined, or if this application is approved and ASB reasonably believes that any information given by me is incorrect or false then ASB will forthwith withdraw its approval or credit and I will be liable to prosecution under the Crimes Act 1961 or any amendments to that Act.
- I have been provided with, understand and accept ASB's Personal Banking Terms and Conditions for Personal Bank Accounts (including an Investment Statement for Term Deposits) if applying for an ASB account.

Keep in touch.

- Drop in to any ASB branch
- Call 0800 803 804
- Visit asb.co.nz
- Visit us at facebook.com/asbbank
- Follow us on twitter.com/asbbank