

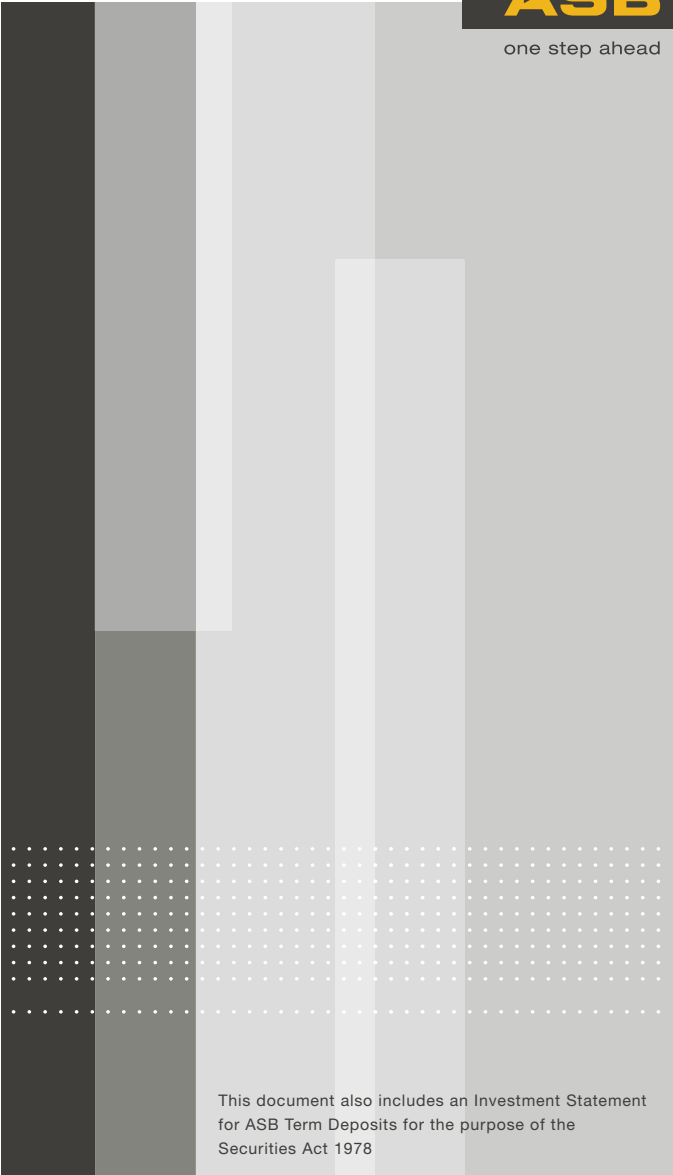
# Personal Banking

TERMS AND CONDITIONS

1 OCTOBER 2009

The ASB logo consists of the letters 'ASB' in a bold, sans-serif font. The 'A' is white and set against a black square background, while the 'S' and 'B' are yellow.

one step ahead

The background of the lower half of the page is composed of several vertical bars of varying shades of gray, from dark to light. A horizontal band of small white dots spans across the width of the page, positioned above the footer text.

This document also includes an Investment Statement  
for ASB Term Deposits for the purpose of the  
Securities Act 1978



# 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](http://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](http://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 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.

## **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

For the purposes of the Securities Act 1978 this Investment Statement for Term Deposits was prepared at 1 October 2009.

### 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:

1. What sort of investment is this? ..... 12
2. Who is involved in providing it for me? ..... 12
3. How much do I pay?..... 12
4. What are the charges? ..... 13
5. What returns will I get?..... 13
6. What are my risks? ..... 13
7. Can the investment be altered? ..... 14
8. How do I cash in my investment? ..... 14
9. Who do I contact with enquiries about my investment? ..... 14
10. Is there anyone to whom I can complain if I have problems with the investment? ..... 14
11. What other information can I obtain about this investment? ... 15

### Engaging an investment adviser

An investment adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an adviser.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes, and carry different levels of risk.

The written statement should contain important information about the adviser, including:

- > relevant experience and qualifications, and whether dispute resolution facilities are available to you; and
- > what types of investments the adviser gives advice about; and
- > whether the advice is limited to investments offered by 1 or more particular financial institutions; and
- > information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and
- > any relationships likely to give rise to a conflict of interest.

The adviser must also tell you about fees and remuneration before giving you advice about an investment. The information about fees and remuneration must include:

- > the nature and level of the fees you will be charged for receiving the advice; and
- > whether the adviser will or may receive a commission or other benefit from advising you.

An investment adviser commits an offence if he or she does not provide you with the information required.

*Please note that, notwithstanding anything said under the description of "Engaging an Investment Adviser" set out above, under the Securities Markets Act 1988 an Investment Adviser, such as your ASB Bank Limited representative, is not required to provide an investment adviser disclosure statement before giving advice in respect of bank term deposits of the kind covered by this Investment Statement.*

### **1. What sort of investment is this?**

This Investment Statement is provided in relation to Term Deposit products offered to the public by ASB Bank Limited ("ASB").

An ASB Term Deposit is a deposit denominated in New Zealand Dollars with a fixed term of investment and a fixed interest rate. The principal sum invested is repayable by ASB to you on maturity of the investment and interest is paid at agreed intervals or on maturity.

### **2. Who is involved in providing it for me?**

The issuer of an ASB Term Deposit is ASB. The Head Office of ASB is situated at the ASB Centre, 135 Albert Street, Auckland, 1010.

ASB has provided financial services to New Zealanders for over 150 years, and is one of New Zealand's leading full service banks. ASB is a registered bank under the Reserve Bank of New Zealand Act 1989. You can contact ASB by calling 0800 803 804.

### **3. How much do I pay?**

You may make an investment of any sum of \$5,000 or more. However the minimum investment for Term Deposits which have monthly interest is \$10,000. Minimum levels of investment are subject to change by ASB from time to time. ASB may also set maximum levels of investment from time to time.

## How do I pay?

The investment is payable to ASB at the time the Term Deposit is made in any manner as may be agreed between you and ASB. Payment can be made by means such as a cheque, cash, or transferring money from another account with ASB or from another bank.

## Who do I pay the money to?

Investing in ASB Term Deposits is easy. Call into any ASB branch to make your payment. Then subject to ASB's account opening requirements being met, your Term Deposit can be opened on the spot. Alternatively, existing ASB customers can contact the Investor Express Line on 0800 650 506.

## 4. What are the charges?

There are currently no fees or charges associated with investing in an ASB Term Deposit. Fees and charges are subject to change by ASB from time to time.

## 5. What returns will I get?

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 deductions.

The return on your investment will be the fixed interest rate at which you agree to invest your money plus the principal invested. Interest is paid on the sum invested at the agreed frequency and rate of interest for the term of your investment. Interest is calculated on the basis of the actual number of days in the term and a 365 day year. For Term Deposits of less than six months, unless specifically stated otherwise, interest is paid at maturity. For longer terms, unless specifically stated otherwise, you can choose to have interest paid monthly (minimum investment is \$10,000), at maturity, or compounded quarterly, six monthly or annually. ASB may change these interest payment options from time to time.

The term of an ASB Term Deposit can currently range between 30 days and 5 years. However the minimum term for Term Deposits with monthly interest is six months. ASB may change these time frames from time to time.

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 the Approved Issuer Levy applies to you, this may be deducted, as per your contract with ASB, instead of Non-Resident Withholding Tax. Deductions are made prior to the payment of the net interest to you.

ASB is legally liable to pay your returns (when returns are payable).

## 6. What are my risks?

Term Deposits with registered banks are low risk investments.

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

- > the insolvency or statutory management of ASB
- > ASB receiving a deduction notice in respect of your funds
- > ASB exercising its rights to combine your accounts or to set-off funds held in credit against amounts you owe to ASB

Should ASB be put into liquidation during the term of the investment, then 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 others.

Should a statutory manager be appointed to ASB, the ranking of your claim would be determined by the statutory manager in accordance with the relevant statutory framework. In relation to your investment in an ASB Term Deposit, you will not be obliged to pay any more than the amount that you invested with us.

#### **7. Can the investment be altered?**

Once an investment is made its terms cannot generally be altered. Provided your investment continues to meet our criteria ASB will in most circumstances agree to the early or partial withdrawal of the investment. However, the subsequent rate of interest payable to you will be adjusted to reflect the changes made. The interest paid to you is currently 2% p.a. less than the interest rate applying at the time of the investment for the period the funds have actually been deposited. This amount however is subject to change. If interest is paid otherwise than on maturity and you make an early or partial withdrawal, the interest adjustment may be greater than the remaining interest payable. In this case, interest may be deducted from the principal. Any tax that has already been deducted from interest earned and paid to the IRD may not be refunded back to you and the tax may need to be claimed from the IRD directly.

#### **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 "Can the investment be altered?". ASB may also exercise its power to combine your accounts and to set off amounts ASB owes to you against amounts you may owe to ASB.

You are not entitled to sell or assign your investment to another person. There is no established market for such sales.

#### **9. Who do I contact with enquiries about my investment?**

Enquiries about your investment may be made at any ASB branch or by telephoning ASB's Investor Express Line on 0800 650 506.

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

Any complaints about your investment should first be raised with the Personal Banker or the Manager at the ASB branch that you dealt with initially. Alternatively, you can telephone the Investor Express Line on 0800 650 506. They will explain to you ASB's complaint procedures and should be able to resolve any problems you may have. However, if the issue remains unresolved your complaint can be directed to ASB's Customer Care Department.

If resolution has still not been achieved and you remain dissatisfied with the outcome of ASB's consideration of the complaint, you may contact the Banking Ombudsman for an independent review of your complaint, by writing to:

The Office of the Banking Ombudsman  
PO Box 10573  
The Terrace  
Wellington  
New Zealand

You may also contact the Office of the Banking Ombudsman by calling 0800 805 950 or by email at [help@bankomb.org.nz](mailto:help@bankomb.org.nz)

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

Further information about ASB Term Deposits and ASB is contained in the following documents available free of charge on request at any ASB branch or its Head Office:

- > ASB's quarterly Disclosure Statement issued pursuant to the Reserve Bank of New Zealand Act 1989; and
- > ASB's Annual Report to shareholders.

In addition, documents relating to ASB are filed on a public register at the Companies Office of the Ministry of Commerce and are available for public inspection.

If applicable, annual Resident Withholding Tax deduction certificates will be issued in April if gross domestic interest paid exceeds \$20 and tax has been deducted. If an ASB Term Deposit is closed during the year a final certificate will be issued at that time. You may request information about your investment, such as the balance, from ASB. If you obtain this information by using ASB's FastPhone service standard mobile phone charges and international toll charges apply.

To find out about ASB's competitive Term Deposit rates simply call the Investor Express Line on 0800 650 506 or drop into any ASB branch. You can also check Term Deposit rates with FastPhone, ASB's fully automated telephone banking service or on our website [www.asb.co.nz](http://www.asb.co.nz)

#### **ASB procedures for money handling of Term Deposits.**

You can invest money in ASB Term Deposits 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 and is used by ASB in the ordinary course of its business. It is not held on trust by ASB.

ASB keeps a record of your deposit and will send you a periodic statement showing the money held in each of your ASB accounts. While ASB is externally audited, the process of receiving your money and putting it on term deposit with ASB is not externally audited.

If you have any questions about this Investment Statement for Term Deposits or about your ASB Term Deposit Account please call the Investor Express Line.

#### **Additional information in relation to the New Zealand Deposit Guarantee Scheme.**

ASB Bank Limited has a guarantee under the New Zealand deposit guarantee scheme.

Further information about the New Zealand deposit guarantee scheme is available, free of charge and at all reasonable times, on the Internet site maintained by, or on behalf of, the Treasury.

The most recent audited statement of financial position of the Crown is also available, free of charge and at all reasonable times, on the Internet site maintained by, or on behalf of, the Treasury.

 INVESTOR EXPRESS LINE

**0800 650 506**

24 HOURS . 7 DAYS A WEEK

## Privacy Act 1993

Pursuant to the Privacy Act 1993 the following is brought to your attention:

- > ASB will collect personal 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 (including products and services of other companies within the ASB Group of Companies);
  - c. Administering, managing and monitoring any products and services provided to you; and
  - d. Conducting market research, data processing and statistical analysis.
- > The intended recipients of the information are:
  - a. ASB and its subsidiaries: Express consent is also granted for ASB to disclose your information to other companies within the ASB Group of Companies.
  - b. Research firms engaged by ASB to carry out customer surveys and conduct market research.
  - c. 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 personal 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 personal 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 held by ASB.
- > We will endeavour to ensure that your information that we hold is accurate. Prompt advise 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.

