

### Can my returns be withheld?

We may withhold payment of your returns after the due date if we:

- hold your term deposit as security;
- have reasonable grounds to do so, including if there is a third party claim affecting your term deposit; or
- are required by law to do so.

### What are my risks?

The main risks of you not recovering the money that you pay for your investment or of not receiving the returns described above are:

- we are placed into receivership, liquidation or statutory management or are otherwise unable to meet our debts as they fall due
- we are required by law to deduct an amount from your term deposit
- we exercise our rights to combine some or all of the accounts that you hold with us, or to set-off amounts that you have deposited with us against amounts you owe to us – see the section *How do I cash in my investment?*

If your returns are less than inflation, the purchasing power of your term deposit may decrease over time.

If we are put into liquidation or wound up, you will have an unsecured claim on our assets for payment of your term deposit balance and any returns that are due but not paid. Your claim will rank:

- after our secured creditors and those creditors preferred by law (for example, Inland Revenue for any unpaid tax)
- equally with all of our other unsecured creditors other than creditors who have agreed to accept a lower priority.

If we are placed in statutory management, the manager will determine your claim on our assets in accordance with the law.

You will not be liable to pay any money to any person as a result of us becoming insolvent.

### Can the investment be altered?

We may:

- allow you to withdraw all or part of your term deposit before the maturity date. Details of charges that will apply are in the section *What are the charges?*
- end your term deposit before the maturity date in the circumstances described in the section *How do I cash in my investment?*

No other changes to the terms of your term deposit can be made unless both you and we agree.

### How do I cash in my investment?

#### Can I end my term deposit?

You can ask to withdraw all or part of your term deposit before its maturity date by coming into a branch or by phoning 0800 650 506. We may agree to or refuse your request for any reason. If we agree to your request the returns on your term deposit will be adjusted as described in the section *What are the charges?*

#### Can I sell or transfer my term deposit?

You cannot sell, assign, mortgage or charge your interest in any term deposit to any person (other than us) without our written consent. There is no established market for sales of term deposits.

#### Can my term deposit be ended by ASB?

We may use your term deposit to reduce or repay any money you owe us that is overdue for payment.

We may end your term deposit before its maturity date in the following circumstances:

- if we allow you to withdraw a part of your term deposit early and the remaining principal amount is less than the term deposit minimum at that time;
- if we exercise any of our rights to combine your accounts or to set-off amounts you have deposited with us against amounts you owe us and the remaining principal amount is less than the term deposit minimum at that time;
- if we have reasonable grounds to do so, including if you are or we consider you may be using or obtaining an account, service or money illegally, acting fraudulently or unlawfully, or behaving improperly; or
- if we reasonably consider that by allowing the term deposit to continue we may breach a court order or other legal requirement.

If we end your term deposit before its maturity date, the returns on your term deposit will be adjusted as described in the section *What are the charges?*

### Who do I contact with inquiries about my investment?

If you have an inquiry about your term deposit, you can contact any of our branches or phone us on 0800 650 506. You can also view details about your term deposit online using FastNet Classic, if you are registered for that service.

Alternatively, you can contact the Customer Care Manager at our principal place of business – for our principal place of business, see the section *Who is involved in providing this for me?*

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

If you have any problems with your term deposit, you can complain to the Branch Manager at any of our branches, your usual ASB contact or our Investor Express Line on 0800 650 506. They will explain our complaint procedures and try to resolve the problem on the spot. If the issue remains unresolved, you can email [CustomerCare@asb.co.nz](mailto:CustomerCare@asb.co.nz) or you can direct your complaint to the manager of our Customer Care Department, ASB Bank, PO Box 35, Shortland Street, Auckland 1140, or at our principal place of business – see the section *Who is involved in providing this for me?*

If you are not satisfied with the outcome of our consideration of your complaint, you may be able to refer your complaint to the Banking Ombudsman. The Banking Ombudsman operates an approved dispute resolution scheme. You can contact the Banking Ombudsman at:

The Office of the Banking Ombudsman  
PO Box 10573, The Terrace, Wellington, New Zealand  
email: [help@bankomb.org.nz](mailto:help@bankomb.org.nz) or phone: 0800 805 950

### What other information can I obtain about this investment?

Information about us is contained in our current Disclosure Statement issued in accordance with the Reserve Bank of New Zealand Act 1989 and in our financial statements. You can get a copy of our current Disclosure Statement and our most recent financial statements free of charge, on request from any of our branches or at [asb.co.nz](http://asb.co.nz).

If Resident Withholding Tax has been deducted from interest paid to you and subject to minimum interest thresholds being met, we will provide you with annual Resident Withholding Tax deduction certificates. Your certificates will state the amount of interest you have earned and the withholding tax deducted from interest paid or credited to you.

You may ask us for further information about your term deposit. A copy of our most recent Annual Report is available free of charge on request from any of our branches or from our principal place of business.

Our most recent financial statements, together with all documents required to be registered with those financial statements, are filed on a public register at the Ministry of Business, Innovation and Employment. Most of those documents are available for public inspection on the Companies Office website at [business.govt.nz/companies](http://business.govt.nz/companies).

## Keep in touch

-  Visit [asb.co.nz](http://asb.co.nz)
-  Drop in to any ASB branch
-  Call 0800 650 506

# Investment Statement for Term Deposits

31 January 2014

This document is an investment statement for the purpose of the Securities Act 1978. It is prepared as at 31 January 2014.

### 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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### The Financial Markets Authority regulates conduct in financial markets

The Financial Markets Authority regulates conduct in New Zealand's financial markets. The Financial Markets Authority's main objective is to promote and facilitate the development of fair, efficient, and transparent financial markets.

For more information about investing, go to <http://www.fma.govt.nz>

## Answers to key questions.

### What sort of investment is this?

This is an investment statement for term deposits offered to the public by ASB Bank Limited ("we", "us" or "our"). A term deposit is a New Zealand dollar amount deposited with us for a fixed term. Repayment of a term deposit is unsecured. A term deposit is a type of investment known as a debt security.

### Who is involved in providing it for me?

We are the issuer and a promoter of term deposits. We are a registered bank under the Reserve Bank of New Zealand Act 1989. We have provided financial services to New Zealanders for over 160 years, and are one of New Zealand's leading full service banks.

We can be contacted at our principal place of business which is:

ASB North Wharf  
12 Jellicoe Street, Auckland 1010.

Our contact address and principal place of business may change from time to time. Our current contact address and principal place of business can be found at [asb.co.nz](http://asb.co.nz)

At the date of this investment statement, our directors are Simon Robert Saunders Blair, Barbara Joan Chapman, Michael Brian Coomer, Jane Lesley Freeman, Jonathan Peter Hartley, Robert Dharshan Jesudason, and Gavin Ronald Walker.

Our directors may change from time to time. A list of our current directors can be found at [asb.co.nz](http://asb.co.nz)

### How much do I pay?

To invest in a term deposit, you must either be an existing customer or first comply with our account opening terms and conditions.

You can make a deposit in any manner agreed with us, including cheque, cash, or transferring money from another account with us. The amount you invest is payable to us at the time your term deposit is made.

At the date of this investment statement, the minimum amount you may invest in a term deposit is \$5,000. However, the minimum amount you may invest in a term deposit that pays interest monthly is \$10,000. Monthly interest payment is only available for term deposits with a term of 6 months or greater. The maximum amount you may have invested, either solely or with any other person, in one or more term deposits at any one time is \$10,000,000. For a term deposit advertised as a special, the minimum and maximum amounts you may invest may differ.

We may change the minimum and maximum amounts you may invest from time to time.

### What are the charges?

No charges are payable in connection with a term deposit, except:

- if we allow you to make an early withdrawal;
- where your term deposit is ended by us before its maturity date;
- if we exercise any of our rights to combine your accounts or to set-off part of your term deposit against amounts you owe us; or
- if you are a non-resident investor and you elect for ASB to pay Approved Issuer Levy (AIL).

If we allow you to make an early withdrawal we will apply a reduced rate of interest to the amount that is withdrawn early.

The reduced rate of interest will be the reference rate less 2% per annum. The reference rate is the standard interest rate for term deposits offered to the public by us on the date you made your term deposit:

- for an amount equal to the amount of your term deposit;
- for the period from the date you made your term deposit to the date of early withdrawal (the completed term).

If you have reinvested your term deposit at any time the date you made your term deposit is the date of reinvestment.

The adjusted interest payable on the amount withdrawn early will be interest at the reduced rate for the completed term, using the interest calculation method for the 'on maturity' interest option set out in the section *What returns will I get?*.

We will deduct any gross interest already paid on the amount that is withdrawn early from the interest payable. If this is more than the interest at the reduced rate for the completed term we will deduct from the amount that is withdrawn early an amount equal to the difference.

If we end your term deposit before its maturity date, or we exercise any of our rights to combine your accounts or to set-off part of your term deposit against amounts you owe us, the returns on your term deposit will be adjusted in the same way as set out above for early withdrawals.

You can find out the amount of adjusted interest as at the date you contact us from any ASB branch or by phoning ASB's Investor Express Line on 0800 650 506.

### What is Approved Issuer Levy?

Approved Issuer Levy (AIL) is a levy payable under the Stamp and Cheque Duties Act 1971 that, in certain circumstances, can apply instead of Non-Resident Withholding Tax to the gross interest payable on your term deposit. If you are a non-resident investor for tax purposes and you are not ineligible to do so, you can elect for AIL to apply. If you have made that election and we are able to lawfully apply AIL, we will:

- not deduct Non-Resident Withholding Tax from gross interest payable on your term deposit
- pay to the Inland Revenue the prescribed amount of AIL
- deduct an amount equivalent to the AIL paid to the Inland Revenue from the gross interest before it is credited to your term deposit or paid to you.

At the date of this investment statement, the prescribed amount of AIL is 2% of the gross interest payable. The prescribed amount may change from time to time. The AIL deduction amount is not refundable.

### What returns will I get?

We will pay interest at the frequency and rate agreed with you at the time you make your term deposit.

You can invest in a term deposit for a term of between 30 days and five years. Other terms may be available from time to time.

You can elect for interest to be payable as set out in the table below:

Term	Interest frequency options	Interest payment options	Interest calculation method
<b>Standard term deposits</b>			
Less than 6 months	On maturity	Paid to your nominated ASB or other bank account in New Zealand, or invested together with the principal amount into a new term deposit.	Interest is calculated based on the annual interest rate and the number of days in the term.

Term	Interest frequency options	Interest payment options	Interest calculation method
<b>Standard term deposits</b>			
6 months or greater	Monthly (Minimum investment \$10,000)	Paid to your nominated ASB or other bank account in New Zealand.	Interest is calculated based on the annual interest rate and the number of days in the month.
	Quarterly; six-monthly; annually	Paid to your nominated ASB or other bank account in New Zealand, or compounded (i.e. reinvested in the same term deposit).	Interest is calculated based on the annual interest rate and the number of days in the interest period.
	On maturity	Paid to your nominated ASB or other bank account in New Zealand, or invested together with the principal amount into a new term deposit	Interest is calculated based on the annual interest rate for each full year, and where applicable, as though there was an annual compound of interest on the anniversary of the initial investment. Interest for a part year is calculated based on the annual interest rate and the number of days in the part year.
<b>Term deposits advertised as special</b>			
As advertised for the special.	As specified in the conditions of the special.	As above, depending on the interest frequency option or options specified in the conditions of the special.	As above, depending on the interest frequency option or options specified in the conditions of the special.

### What are the key factors that determine my returns?

The key factors that will determine your returns are:

- the amount you invest
- how long you invest for
- the interest rate you receive
- any taxes (or other deductions) applicable to your term deposit.

Unless you hold a current Certificate of Exemption (or other legal exemption), we are required by law to deduct, from any gross interest payable, Resident Withholding Tax or Non-Resident Withholding Tax, as appropriate.

If you are a non-resident investor, you can elect for us to pay AIL. We will make the deductions in relation to AIL instead of deducting Non-Resident Withholding Tax - see the section *What are the charges?*

We are the person legally liable to pay your returns. No amount of returns, quantifiable at the date of this investment statement is promised by us.