

December 2016

Kiwibank Term Deposit Terms and Conditions

What's a Term Deposit?

Kiwibank Term Deposits are investments where **You** agree to give Kiwibank a certain amount of money for a set time (**term**) and **We** agree to pay **You** a certain rate of interest on that money for that **term**. The amount **You** give **Us**, the **term You** choose and the frequency of **Your** interest payments will affect the interest rate **We** pay **You**. Current terms and their corresponding rates are displayed on **Our** website.

The details of this agreement will be given or sent to **You**.

How do I sign up?

If **You're** not already a Kiwibank customer, **You** need to open an **Account** with **Us**, either by going in to **Your** local Kiwibank, applying online or calling **Us** on 0800 523 523.

When **You** have an **Account** with **Us** **You** agree to be bound by Kiwibank's General Terms and Conditions (**GTC**). It is important that **You** read the **GTC**. A copy is on **Our** website.

How much money can I deposit with Kiwibank?

You can deposit any amount from \$1,000 to \$5 million in New Zealand dollars.

What is it going to cost me?

Kiwibank doesn't charge a fee for a Term Deposit. But the agreed interest rate will reduce if **You** break the Term Deposit early and **You** will receive no interest at all if **You** break **Your** deposit within the first 30 days.

When do I get the money I deposited back?

When **You** sign up **You** can choose whether **You** want:

- **Your** money paid into **Your** bank account at the end of the term, or
- to reinvest it with Kiwibank for a new term at the rate applicable at that time.

You can change **Your** choice at any time during or at the end of the term. If **You** don't let **Us** know **Your** choice, **We** will reinvest **Your** money with Kiwibank for the same term at the rate that applies on that date.

If **You** select a term of 2 years or more, **You** can access a portion (up to 20%) of **Your** initial investment at any time without reducing the interest **You** will receive on that portion. **You** can access money as many times as **You** like without charges as long as 80% of the initial investment remains.

When do I get paid interest?

When **You** sign up **You** can choose to have interest paid at the end of the term or, if the term is longer than 12 months, at regular specified periods throughout the term. **You** can't change the frequency of **Your** interest payments during the term.

How do I get paid interest?

Your interest will be paid to **You** less any withholding tax that **We** are required to pay to the Inland Revenue on **Your** behalf.

We will pay interest into a bank account that **You** have chosen and agreed with **Us**. **You** can change **Your** choice at any time before **We** make the payment.

If **You** don't let **Us** know where **You** want **Your** interest paid by the end of the term, **We** will reinvest the interest with the Term Deposit for the same term at the rate that applies on that date.

What changes can I make to my Term Deposit?

You can:

- Ask to break **Your** Term Deposit early, but Kiwibank must agree. If **You** do break early **You** will need to pay an Early Termination Charge in the form of a reduced interest rate or no interest at all if it's in the first 30 days.
- Choose to reinvest **Your** deposit and/or interest on maturity or to receive **Your** deposit and/or interest back.
- Change the personal information Kiwibank holds about **You**, such as **Your** contact details.

What changes can Kiwibank make to my term deposit?

We can't change the term or the interest rate agreed with **You**, but **We** may change other details as long as **We** let **You** know about the changes at least 14 days in advance. **Our** interest rates for new Term Deposits, including reinvestments, may change at any time without notice.

What happens if I want my money back early?

If **You** choose to invest **Your** Term Deposit for a term of 2 years or more, **You** can access a portion (up to 20%) of **Your** initial investment at any time without reducing the interest **You** will receive on that portion.

We may also agree to let **You** break **Your** Term Deposit early however **You** will incur an Early Termination Charge in the form of an interest adjustment. If **You** choose to break **Your** Term Deposit in the first 30 days of its term, **You** won't receive any interest on the amount **You** withdraw early. If **You** choose to break it after 30 days, the Early Termination Charge will be in the form of a lower rate of interest on the amount **You** withdraw early.

The Early Termination Charge to be applied to the broken portion will be the **lesser of**:

- the interest rate that applied on the original deposit date for the term actually completed, less 2%, or
- the current interest rate for the term the deposit has been invested, less 2%.

If **You** have already received some interest payments at the full rate then the amount **You** withdraw may be reduced to reflect the difference between the full rate payments already made and the lower rate that's now payable.

More information about how breaking **Your** deposit early will affect the interest **You** might receive and some examples can be found at kiwibank.co.nz/personal-banking/investments/our-products/term-deposits/early-termination.

If **You** only take part of **Your** money, the remaining amount will continue to be invested in the Term Deposit for the remaining term at the original interest rate. However, if **Your** withdrawal reduces the balance of **Your** deposit below the tier that it was originally deposited for, **Your** rate will also decrease to the rate which would have applied for the lower tier at the date of the investment.

Am I guaranteed to get all my money back?

New Zealand Post had guaranteed that it would fulfil **Our** obligation to pay **You** under **Our** Term Deposit agreement with **You**.

New Zealand Post has given notice that it will terminate this guarantee effective from 28 February 2017. This will not affect any payment obligations of Kiwibank that were already guaranteed at the time the guarantee is terminated.

Under the **GTC** Kiwibank can deduct any money **You** owe **Us** for any service **We** provide **You**. That deduction can be made from any **account You** hold with **Us**, including **Your** Term Deposit.

We may withhold repayment of **Your** Term Deposit and interest payable on that amount if:

- **We** hold the Term Deposit as security or subject to any stopped **account** or other similar condition, until the secured liability or condition is satisfied;
- a partnership has been dissolved and **We** haven't received any legal instruction about payment yet;
- **We** know or reasonably suspect something illegal has happened or may happen in relation to **Your** Term Deposit;
- **We** get notice of **Your** bankruptcy or insolvency;
- the Term Deposit is made subject to a property order or **We** think **You** lack the mental capacity **You** need to operate an **account** with Us;
- **We** get notice of a third party claim for the Term Deposit;
- **We** are required by law, including any court order, to do so;
- **We** know **You** have died but **We** haven't seen probate;
- **You** have breached the terms of any contract between **Us** and **You**, or any terms and conditions applicable to **Your** Term Deposit; or
- **You** have not provided all required information, or **We** have not been able to verify it to **Our** reasonable satisfaction.

There are other unique situations in which **You** may not get **Your** money back. These include if **We** are required by Inland Revenue or otherwise by law to deduct or withhold money from **Your** Term Deposit and Kiwibank being unable to repay **You** in the unlikely event of it and its parent company becoming insolvent.

What else do I need to know?

Kiwibank's Disclosure Statement and **GTC** include additional important information about Kiwibank and Term Deposits. We recommend **You** read this before deciding whether to invest. You can get copies of these from **Your** local Kiwibank or **our** website.

We need to gather information from **You** to comply with **Our** legal obligations and to provide banking services to **You**. All information **You** give **Us** is held in accordance with the Privacy Act 1993. Further details about how **We** might use and disclose **Your** information is in the **GTC** and on **Our** website.

Who do I contact if I have a question/ problem?

If **You** have any questions, compliments or complaints please contact **Us** at Your local Kiwibank, via **Our** website or call **Us** on 0800 11 33 55.

Our website address is: kiwibank.co.nz