

# TSB Bank Premier Cheque Accounts

## Investment Statement To comply with the Securities Act 1978

Prepared as at 1 July 2010

### Important Information

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

### What sort of investment is this?

This Investment Statement relates to TSB Bank's Premier Cheque Account. This is an interest bearing cheque account with these features:

- A minimum opening deposit is required.
- Interest is calculated on the minimum calendar monthly balance and is paid annually on 31 March.
- Rates of interest are TSB Bank's current rates at each monthly calculation date.
- No transaction or account management fees are charged for any calendar month in which the balance in the account is never less than the amount required for the minimum opening deposit.

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

The issuer and promoter is TSB Bank Ltd, TSB Bank Centre, Devon Street East, New Plymouth (called the "Bank").

The Directors of TSB Bank as at the date of this Investment Statement are as follows:

Gill, Elaine  
Kelly, John Joseph  
Lean, David Lloyd  
Murphy, Kevin James  
Richards, Bruce Carlaw  
Tuuta, Colleen Bernadine  
Walter, David Ernest  
Wano, Hayden Paul Waretini

The Directors of TSB Bank may change from time to time. Details of the Directors of TSB Bank are available on [www.tsbbank.co.nz](http://www.tsbbank.co.nz) or on request at any TSB Bank branch.

Since its establishment in 1850 the Bank has been carrying on the business of banking and financial services in all its aspects in New Zealand. A comprehensive range of retail banking and financial services is provided.

### How much do I pay for it?

A minimum deposit is required to open a Premier Cheque Account. So long as the balance of the account does not fall below the amount of the minimum deposit no transaction or account management fees will be charged.

These include no cheque, eftpos or ATM transaction fees. The Bank's other normal fees relating to cheque accounts will apply. Fees can change from time to time so if you want to know the current fees you should contact any branch of the Bank or call toll-free on 0508 872 2265 or on (06) 968 3700.

If the balance in the account falls below the minimum deposit amount for any part of a month then a standard Account Management fee will be charged for that month and for any subsequent month in which the balance is less than the minimum deposit amount at any time. This fee is deducted from the account at the end of each applicable calendar month. A Premier Cheque Account can be opened at any branch of the Bank.

### What are the charges?

There are no charges except as set out in the preceding paragraph. The Premier Cheque Account is not a term investment so there are no early termination charges. However, because interest is calculated on the minimum calendar monthly balance of the account, opening or closing an account can result in no interest being paid for that month.

### What returns will I get?

The returns are reflected in the interest paid by the Bank to you. The interest rates payable on the Premier Cheque Account are available on request. Interest at the Bank's current rates is calculated on the minimum calendar monthly balance in the

account. Interest rates are tiered so that different rates apply to the portion of your monthly minimum calendar balance within each specified band.

Interest is paid annually on each March 31st. The key factors that will determine your returns will be the Bank's current interest rates, the amounts of your minimum calendar monthly balances and any tax withholdings.

No amounts of return are quantifiable at the date of this Investment Statement and therefore cannot be promised by the Bank in this Investment Statement. This is because the Premier Cheque Account can be operated by you like any other cheque account and so it is entirely up to you what minimum calendar monthly balance you achieve.

Also, the rates of interest that the Bank pays are its current rates and these can change from month to month without notice. Unless you hold a current Certificate of Exemption, Resident Withholding Tax will generally be deducted from your returns at the rate prescribed by law. If you are not resident in New Zealand, Non-Resident Withholding Tax may be deducted at the rate prescribed by law.

Alternatively, if the Approved Issuer Levy applies to you, this will be deducted instead of Non-Resident Withholding Tax.

From time to time the Bank offers additional or alternative benefits to enhance the Premier Cheque Account. For example, participation in prize draws. If benefits such as this are available they will be publicised within New Zealand. Any such benefits may be altered or withdrawn at any time by the Bank.

### What are my risks?

Premier Cheque Accounts are low risk, unsecured deposits. The main risks of you not receiving the balance for the time being standing to your credit or not receiving the returns described above are:

- The Bank receiving a tax deductions notice in respect of your funds
- The Bank exercising its rights to combine your accounts or to set off funds held in credit against debts you owe to the Bank.
- The insolvency or statutory management of the Bank By law Inland Revenue has the power to collect taxes owing from the Bank's customers. It can order the Bank to deduct any sum owing by a tax payer from money the tax payer has deposited with the Bank. The Bank is obliged to comply with such orders.

Should the Bank become insolvent then certain transactions may be voidable under the provisions of the Companies Act 1993. This may result in you having to forgo or repay any returns you have received from your Premier Cheque Account including the principal.

Should the Bank be put into liquidation while you have a Premier Cheque Account, then secured creditors and those creditors set out in the Seventh Schedule of the Companies Act 1993 will rank ahead of your claim. These relate to the liquidator's fees, some salary and wages and any tax payable. Other claims, preferred by statute or law may also rank ahead of you. After the payment of these claims your claim will rank equally with all the others.

Should a statutory manager be appointed to the Bank, a moratorium on the exercise of your rights of enforcement against the Bank may be imposed and the statutory manager will determine the ranking of your claim in accordance with the relevant statutory provisions.

### Can the Investment be altered?

The Premier Cheque Account is an interest bearing cheque account which is free of transaction and management fees so long as a specified minimum calendar monthly balance is maintained.

The Bank reserves the right to vary the rates of interest payable without notice from month to month. It also reserves the right to vary other terms of the Premier Cheque Account (including the specified minimum

calendar monthly balance) but would first give you at least 14 days notice of such variation either by direct communication with you or by display in all branches and by notice in the media (including public notices).

### How do I cash in my Investment?

You can have access to the balance in your account and operate the account as you would with any other cheque account. But if you want to close your Premier Cheque Account then you must contact the branch of the Bank which you deal with normally to make the necessary arrangements. Otherwise, even though your account might have a nil balance it will remain open and will incur charges as described above. Bear in mind also that interest is calculated on the minimum calendar monthly balance. The Premier Cheque Account is personal to you and cannot be transferred. You are not entitled to sell your Premier Cheque Account to any other person.

### Who do I contact with enquiries about my Premier Cheque Account?

Enquiries about the Investment can be made to any branch of the Bank, or by phoning toll free on 0508 872 2265 or (06) 968 3700.

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

The first step is to raise your concern with the person you dealt with initially. If the issue remains unresolved, contact the branch manager who will take charge of any outstanding issues. Your branch will give you the name, address and phone number of the appropriate manager available during normal business hours. If, after raising the matter with the Bank and having exhausted the Bank's complete disputes resolution process, you are still not satisfied, you may refer a complaint to the Banking Ombudsman. Any correspondence should be addressed to the Banking Ombudsman, PO Box 10573, Wellington, or phone 0800 805 950 or (04) 471 0006.

TSB Bank subscribes to the Code of Banking Practice which sets out the minimum standards for resolving complaints. The Code requires disputes to be resolved as quickly and equitably as possible and that Banks will be held accountable to these standards.

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

Other information, including financial statements, is contained in the Bank's disclosure statement published quarterly pursuant to the Reserve Bank of New Zealand Act 1989. A copy of this statement can be obtained free of charge from any branch of the Bank. The financial statements are filed in a public register at the Companies Office of the Ministry of Commerce and are available for public inspection. A Resident Withholding Tax Certificate (if applicable) relating to your Premier Cheque Account will be forwarded to you annually. You may request information about your Premier Cheque Account, such as the balance and relevant terms and conditions of the Premier Cheque Account from the Bank, from time to time.

You have rights of access to personal information that the Bank holds about you, and if you wish to make any requests, please contact the branch where your accounts are held. Depending on the nature of the request, a charge may be made.

The Bank's Current Rates & Conditions leaflet provides more details about the Premier Cheque Account. The Bank's Account and Services Fees leaflet sets out the fees that may be payable on the Premier Cheque Account. These are obtainable from any branch of the Bank or by phoning toll-free on 0508 872 2265 or on (06) 968 3700.

Information about the Bank and about the Premier Cheque Account can also be obtained on the Bank's website, [www.tsbbank.co.nz](http://www.tsbbank.co.nz).