

Terms that apply

These terms and conditions apply to your Term Investment with TSB Bank Limited (**TSB, us or we**). Different terms and conditions apply to funeral term investments, which you can find on our website.

These terms and conditions and each Term Investment are governed by New Zealand law.

TSB's General Terms, which can be obtained from our website, also apply.

You can find our current interest rates and investment terms on our website.

What is a Term Investment?

A Term Investment is an account where you agree to put a certain amount of money away for a set time period, known as the term, and TSB agrees to pay you interest on that money at an agreed fixed interest rate.

When you open your Term Investment account, you can tell us if you want your Term Investment to be set up as a **compounding Term Investment** or a **non-compounding Term Investment**. You can't change this choice before the term ends.

If you choose a compounding Term Investment, any interest you earn on the money you have invested in your Term Investment will be added to the balance of your Term Investment. If you choose a non-compounding Term Investment, any interest you earn on the money you have invested in your Term Investment will be paid to your chosen bank account. Please see 'When do I get paid interest and how is it calculated?' for more details.

You can get your money back at the end of the term if you ask us. The date your term ends is known as the maturity date. If we don't hear from you, we will reinvest your money as a new Term Investment for the same length as your original (maturing) Term Investment. Different interest rate(s) may apply to any reinvestment as we can change our interest rates at any time.

How do I open a Term Investment?

If you're not already a TSB customer, you'll first need to open an everyday account with us. You can do this on our website, by calling us on 0800 872 226, or visiting your local TSB branch.

If you already have an everyday account with us, you can open a Term Investment account through Online Banking, by speaking to one of the team on 0800 872 226, or by visiting your local TSB branch.

Your Term Investment starts when we've agreed the term and interest rate and you've paid or transferred the money you want to invest in full.

How much money can I deposit into a Term Investment account?

You can deposit any amount from \$1,000 (minimum deposit) to \$5 million (maximum deposit) in New Zealand dollars. We can change the minimum and maximum deposit amounts at any time. Any change to the minimum and maximum deposit amount won't apply to an existing Term Investment you have opened.

How long can I invest for?

The shortest term for a Term Investment is 30 days (minimum term) and the longest is 5 years (maximum term). We can change the minimum and maximum term at any time. Any change to the minimum and maximum term won't apply to an existing Term Investment you have opened.

When do I get paid interest and how is it calculated?

Interest is calculated based on the term and interest rate that you've selected for your Term Investment.

How and when interest is paid depends on whether you set up your Term Investment account as a compounding Term Investment or a non-compounding Term Investment. You can't change this choice before the Term ends.

Compounding Term Investment

Your interest will be **added to the balance of your Term Investment** on every interest payment due date (which is every 6 months or on your maturity date).

Non-compounding Term Investment

Your interest will be **paid to your chosen bank account** on every interest payment due date (which is every 6 months or on your maturity date).

At the end of the term, if we don't hear from you, we will reinvest your money as a new Term Investment for the same length as your original term. Different interest rate(s) may apply to any reinvestment as we can change our interest rates at any time.

Making changes to my Term Investment

Once you've opened a Term Investment, you generally can't make changes to it before the end of the term, unless we agree.

For example, we may allow you to withdraw all or some of your Term Investment before the maturity date – this is usually referred to as “breaking” your Term Investment. If we agree to any changes you ask us to make, an interest adjustment will apply (see ‘How does the interest adjustment work?’ below for more detail).

The ‘Rollover review period’ section below (under ‘How does the interest adjustment work?’) covers some changes that you can ask us to make where an interest adjustment does not apply.

How does the interest adjustment work?

If you make changes to your Term Investment during the first 30 days of the term, we won't pay any interest on your Term Investment (unless the changes are agreed during the rollover review period).

If we agree to make changes to your Term Investment after the first 30 days, you'll lose half of the interest that you would have earned had you not made the change(s) to your Term Investment.

Here's how it works:

- If you want to withdraw your Term Investment early (also referred to as “breaking” it) after the first 30 days but before the maturity date, and we agree, we'll calculate interest at the agreed interest rate divided by 2 (and we refer to this as the reduced interest rate). This is calculated from the start date of your Term Investment to the date of withdrawal.
- If you only want to withdraw part of the money you have invested in your Term Investment account, we'll calculate interest at the reduced interest rate on the amount that you withdraw. This is calculated from the start date of your Term Investment to the date of withdrawal. You'll continue to earn interest at the agreed interest rate on the money that remains invested in your Term Investment, unless you make another full or partial withdrawal before the end of the term.
- If you have already received some interest payments at the agreed interest rate, we'll calculate the difference between the interest already paid to you at the agreed interest rate and the reduced interest rate that should have applied to the money that was withdrawn early. This amount will then be deducted from the money you wish to withdraw.

- Any withdrawal can't take the balance of your Term Investment below the minimum deposit required.

The interest adjustment doesn't apply to changes made during the 10 day rollover review period explained below.

Rollover review period

Because your money is reinvested as a new Term Investment on the maturity date (unless you ask us to repay it), we do allow you to make some changes up to 10 days after the maturity date of your previous Term Investment ("rollover review period"). You can:

- Choose a different term and interest rate to apply from the start date of your new (reinvested) Term Investment (which is the maturity date of your previous Term Investment).
- Add money to your Term Investment account for reinvestment, which will earn interest from the start date of your new Term Investment.
- Withdraw some or all of the money in your Term Investment account. You'll receive interest on money withdrawn at the interest rate that applied to your Term Investment (rather than the new reinvestment interest rate), up to the date of withdrawal. We'll reinvest any remaining money at the new interest rate from the start date of your new Term Investment.

When will I get my money back?

You'll need to tell us if you would like the full balance of your Term Investment paid into your chosen bank account at the end of the term. If we don't hear from you, we will reinvest your money (including any interest you've earned during the term if you've set up a compounding Term Investment) into a new TSB Term Investment for the same length as your original term. Different interest rate(s) may apply to any reinvestment as we can change our interest rates from time to time.

TSB's General Terms set out our rights to withhold repayment of your Term Investment and any interest in some situations.

Statements

We won't send you regular statements for your Term Investment account, but we'll advise you of regular interest payments and upcoming maturity date(s).

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

If you have any questions, compliments or complaints please call us on 0800 872 226 or visit [tsb.co.nz](https://www.tsb.co.nz).