

Investment Statement for Term Deposits

Here is important information about Term Deposits. Please read this Investment Statement and then keep it in a safe place.

Important information

(The information in this section is required under the Securities Act 1978.)

Investment statement for term deposits prepared as at 1 November 2006 for the purposes of 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 questions set out below.

Contents

- What sort of investment is this?
- How much do I pay?
- What returns will I get?
- Can the investment be altered?
- Who do I contact with enquiries about my investment?
- Is there anyone to whom I can complain if I have problems with the investment?
- What other information can I obtain about this investment?
- Who is involved in providing it for me?
- What are the charges?
- What are my risks?
- How do I cash in my investment?
- Westpac NZ money handling procedures

In addition to the information in this document, important information can be found in the current general disclosure statement for Westpac New Zealand Limited ("Westpac NZ"). You are entitled to a copy of that general disclosure statement on request to any branch in New Zealand free of charge.

Choosing an investment adviser

You have the right to request from any investment adviser a written disclosure statement stating his or her experience and qualifications to give advice. That document will tell you:

- Whether the adviser gives advice only about particular types of investments; and
- Whether the advice is limited to the investments offered by one or more particular financial organisations; and
- Whether the adviser will receive a commission or other benefit from advising you.

You are strongly encouraged to request that statement. An investment adviser commits an offence if he or she does not provide you with a written disclosure statement within five working days of your request. You must make the request at the time the advice is given or within one month of receiving the advice.

In addition:

- If an investment adviser has any conviction for dishonesty or has been adjudged bankrupt, he or she must tell you this in writing; and
- If an investment adviser receives any money or assets on your behalf, he or she must tell you in writing the methods employed for this purpose.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes.

What sort of investment is this?

Term deposits are unsecured New Zealand currency bank deposits that earn a single fixed rate of interest for a fixed term.

Who is involved in providing it for me?

The issuer is Westpac New Zealand Limited, Level 15, PWC Tower, 188 Quay Street, Auckland. Westpac NZ was incorporated in New Zealand on 14 February 2006. Westpac NZ is a registered bank under the Reserve Bank of New Zealand Act 1989. Westpac NZ is one of New Zealand's largest banks and provides a full range of domestic and international consumer and business banking products and services to its customers. On 1 November 2006, assets and liabilities which related to Westpac Banking Corporation's New Zealand retail banking business vested in Westpac NZ pursuant to the Westpac New Zealand Act 2006. Westpac Banking Corporation does not guarantee any of Westpac NZ's obligations in relation to the term deposits.

How much do I pay?

To make an investment, the amount to be invested must be paid to Westpac NZ at any branch at the time the term deposit is made in any manner you and Westpac NZ may agree. You then have a seven-day cooling off period during which you may cancel the term deposit and receive a full refund of your investment without interest. Further sums may be added to the original term deposit only at the re-investment date.

	Minimum Single Investment Amount
Term Deposit	\$5,000 or more
Monthly Income Option	\$5,000 or more
Compounding Deposit Option	\$5,000 or more

Please note, in the case of interest rates advertised as 'specials', the minimum and maximum single investment amounts may differ from those specified above.

What are the charges?

There are generally no charges except in the event of early repayment. There may be a charge for providing you with, or correcting, personal information. Westpac NZ will advise you of this charge if it will apply.

Outside the seven-day cooling off period, you can only have your term deposit repaid before the end of the fixed term if Westpac NZ agrees. In most circumstances, a reduced rate of interest, determined by Westpac NZ, will apply to funds withdrawn before maturity and to any amount still in investment.

The charge for early repayment is calculated by taking the lesser of –

(a) the original agreed rate less 3%

or

(b) the rate on offer at the time of investment for the actual term run less 3%.

You must maintain the minimum investment or the investment will terminate completely and remaining funds will be paid to you. If the deposit is repaid early and the interest already paid to a customer is more than the amount of interest that is calculated by Westpac NZ to be due to that customer on the altered terms of the deposit, Westpac NZ reserves the right to deduct the excess payment from the principal amount to be repaid. Westpac NZ will determine the actual amount of any interest and/or principal to be deducted having regard to all relevant factors. We will advise you of this amount when the deposit is repaid early.

What returns will I get?

On maturity, or early repayment of your term deposit, Westpac NZ will pay you the principal sum invested by you together with all interest earned on that amount (less any amounts specified under the heading "What are the charges?", if applicable).

Westpac NZ pays interest on the sum invested, at the fixed rate advertised by Westpac NZ (at the time of investment) for term deposits based on the amount, term, investment type and interest payment frequency of your investment.

Upon maturity, you can choose to reinvest your original principal and any

unpaid interest into a new term deposit, or have the proceeds returned to you by way of payment to a nominated New Zealand bank account.

Westpac NZ is legally liable to pay you the returns outlined above. As at the date of this investment statement no amount or level of return is quantifiable nor promised by Westpac NZ. The rate of interest of your term deposit will be determined when you place your investment with Westpac NZ. If your investment matures on a non-business day and is being paid to an account, it will be processed on the next business day.

Please refer to table below.

Term Investment Type	Range of Terms	Interest Rate	Interest payment frequency options	Interest payment instructions
Term Deposit	30 days up to 5 years	A single fixed rate of interest applies for the term selected	For terms less than one year interest is paid at maturity. For terms 1 year or longer you can choose to have interest paid 3 monthly, 6 monthly, 12 monthly or at maturity ⁽¹⁾	Interest is paid to your nominated New Zealand bank account
Compounding Deposit Option	1 year up to 5 years	A single fixed rate of interest applies for the term selected	3 monthly, 6 monthly or 12 monthly	Interest is reinvested and added to your principal
Monthly Income Option	6 months up to 5 years	A single fixed rate of interest applies for the term selected	Monthly	Interest is paid to your nominated New Zealand bank account

(1) In the case of interest rates advertised as 'specials', interest is paid at maturity unless specifically stated otherwise.

Taxation

Returns on your investment will be affected by taxes. Westpac NZ will, without liability to compensate you, deduct any applicable withholding taxes from the gross amount of your interest (whether it is paid to you or accrued for your benefit) and other amounts paid to you in accordance with the provisions of the Income Tax Act 2004 or other legislation applicable at the time.

Westpac NZ will deduct resident withholding tax from the gross interest paid or compounded to you, if you, or any other person who beneficially derives the interest jointly with you are, or as provided below are assumed to be, a New Zealand tax resident or you are a non-resident company engaged in business through a fixed establishment in New Zealand, unless you provide us with a valid certificate of exemption or Westpac NZ is otherwise satisfied that such deductions are not required by law.

We request that you provide us with your IRD number, as we are required to provide it to the Inland Revenue Department. Where you do not supply your IRD number, resident withholding tax will be deducted at the non-declaration rate. If you provide Westpac NZ with your IRD number, you may elect to have resident withholding tax deducted at one of the statutory rates.

If you are not a New Zealand tax resident, Westpac NZ is required to deduct non-resident withholding tax at the applicable rate from the gross interest paid or compounded to you. Westpac NZ is an approved issuer and is entitled to make a payment of approved issuer levy in respect of the relevant amount of interest or other amounts paid to you. For so long as this approved issuer status remains, if you are not a New Zealand tax resident, you can elect to have an amount equal to the approved issuer levy deducted from the gross interest paid or compounded to you instead of non-resident withholding tax, unless you beneficially derive the interest jointly with a New Zealand tax resident.

For the purposes of determining Westpac NZ's liability to deduct withholding taxes, Westpac NZ will assume that you are a New Zealand resident unless you satisfy Westpac NZ otherwise.

This description of the tax treatment of term deposits is of a general nature only. You should consult your own taxation adviser as to how the tax legislation applies in your particular circumstances.

What are my risks?

Term deposits are unsecured investments. The only circumstances in which you would not be paid the principal and interest legally due to you is in the event of Westpac NZ's insolvency. In that event, your claim on the New Zealand assets of Westpac NZ would rank at least equally to all other New Zealand unsecured creditors of Westpac NZ but behind claims preferred by statute. Should a statutory manager be appointed to Westpac NZ a moratorium of enforcement rights may be imposed. You will not be liable to pay any further money as a result of Westpac NZ's insolvency or otherwise.

If you owe us money and do not pay that debt, then we may use the credit balance of any of your accounts, including your term deposit to pay off or put towards that unpaid amount. To achieve this, we may transfer funds from one account to another and may instigate early repayment of your term deposit. In addition, Westpac NZ may be required by law in certain circumstances to pay some or all of your funds to Government authorities (for example tax obligations or where a liable parent order is made).

Can the investment be altered?

Westpac NZ will generally not alter the material terms (interest rate, term and interest payment frequency) of your investment, but may do so if we first provide 14 days written notice at your address on our records.

How do I cash in my investment?

Westpac NZ repays the principal sum to you on maturity of the term deposit. If Westpac NZ agrees, you can have your term deposit repaid before the end of the fixed term.

In the event of early repayment you will be subject to the charge referred to above under "What are the charges?". Interest is paid at your choice of intervals subject to any restrictions set out under "What returns will I get?". You may not sell, assign, mortgage, or charge your rights to your term deposit, including any credit balances (other than to us), without Westpac NZ's prior written consent.

Who do I contact with enquiries about my investment?

Enquiries or feedback about term deposits may be made to any of our staff at any branch of Westpac NZ during normal business hours or by calling us on 0800 400 600 (7am to 11 pm, seven days a week).

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

Complaints about term deposits may be made to any of our staff at any branch of Westpac NZ during normal business hours or by calling us on 0800 400 600 (7am to 11 pm, seven days a week). Complaints may also be directed to the Manager, Service Quality, PO Box 691, Wellington.

In addition, you may refer an enquiry to the Banking Ombudsman for independent review if you are dissatisfied with Westpac NZ's response to your complaint. The Banking Ombudsman may be contacted by writing to PO Box 10 573, The Terrace, Wellington or by calling 0800 805 950 or at 109 Featherston Street, Wellington.

You may obtain a copy of Westpac NZ's "Complaints Process for Customers" brochure at any of our branches, which tells you the processes for resolving any issues you might have.

What other information can I obtain about this investment?

Further information about term deposits and Westpac NZ as issuer of the investments is contained in the following documents available on request at any branch of Westpac NZ, free of charge:

- Westpac NZ's quarterly Disclosure Statement issued pursuant to the Reserve Bank of New Zealand Act 1989 including financial statements
- Key Information Summary displayed in each branch of Westpac NZ
- Westpac NZ's customer information brochures
- New Zealand Bankers' Association Code of Banking Practice
- Further copies of this investment statement.

Copies of Westpac NZ's most recent financial statements that have been registered under the Financial Reporting Act 1993 (together with all documents required to be registered with those financial statements) are filed with the Companies Office of the Ministry of Economic Development in Wellington, and are available for public inspection.

A certificate in respect of your term deposit will be provided to you or sent to you shortly after it is made. A withholding tax certificate will be sent to you each year during the life of the investment.

Privacy Act 1993

Westpac NZ collects and holds personal information about applicants for these investments for administration purposes and making them aware of the full range of financial services provided by Westpac NZ and any entity within the Westpac group. You may request access to any personal information Westpac NZ holds about you by calling 0800 400 600 between 7am and 11 pm, seven days a week. You may also ask us to correct any personal information Westpac NZ holds about you. Depending on the nature of the request, Westpac NZ may impose a charge for providing you with or correcting any personal information.

Westpac NZ Money Handling Procedures

Investment broker disclosure under the Investment Advisers (Disclosure) Act 1996.

- All money for Westpac NZ investments and deposits is payable directly to Westpac NZ and will be credited to an account in your name. Westpac NZ does not hold money for investment on trust.
- Westpac NZ records all transactions you make in relation to Westpac NZ services. Westpac NZ can provide a record of your Westpac NZ investment upon request. Normal transaction charges will apply to such a request and these can be found in our Price List, which can be obtained from any of our branches.
- Westpac NZ's procedures for the receipt, holding and disbursement of money are subject to audit by PricewaterhouseCoopers, an independent firm of chartered accountants who are qualified auditors within the meaning of section 2C of the Securities Act 1978.

SUPPLEMENTAL INFORMATION IN RELATION TO THE NEW ZEALAND DEPOSIT GUARANTEE SCHEME

Westpac New Zealand Limited has a guarantee under the New Zealand deposit guarantee scheme.

Further information about the 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 available, free of charge and at all reasonable times, on the Internet site maintained by, or on behalf of, the Treasury.