

Term Deposits Term Sheet



About this document.

This document contains terms that apply to Term Deposits with us. The Westpac General Terms and Conditions and Westpac Privacy Policy also apply to your use of this product. Copies of these documents are available online or at any of our branches.

If there's a conflict between the terms of this document and the terms of the Westpac General Terms and Conditions, to the extent the terms are about substantially the same thing then the terms in this document will apply. If it makes sense for both of the terms to apply then both will apply.

When we do anything under or in relation to this product, including where you ask us to do something, we'll act in a fair and reasonable way.

If, at any time, we have a Customer Commitment, the commitments in that 'Customer Commitment' don't apply to the terms in this document.

In this document, "us" or "we" means Westpac New Zealand Limited NZBN 9429034324622 and "you" means the person or entity who places the deposit.

Investment decisions are very important. They often have long-term consequences. We recommend you read this document carefully. If you are unsure about anything, we're happy to answer any questions. We also recommend you seek advice if there is anything that you don't understand in this document.

We've also included some additional information to bring certain important details to your attention.

This additional information is set out next to an icon like this:

 Please see the Westpac General Terms and Conditions for more information.

This additional information is not part of your contract.

When we say 'including' in this document, it means we are providing one or more examples but we aren't limiting what could be included.

Deposit amount.

Your deposit is an investment of money you place with us. The initial, or outstanding amount of your deposit, is the "principal". We'll pay you a fixed rate of interest on your principal over the agreed fixed term of your deposit. You won't be able to access the principal during the term of your deposit.

 Before investing in a term deposit, you should consider your financial circumstances and needs carefully. You shouldn't expect to be able to access any money before the end of the agreed fixed term. Even though you can ask for an early withdrawal, we don't have to agree to let you withdraw any money early. See our Early Withdrawal Policy for Term Investments for more details.

You must pay the principal to us at the time you open your deposit.

We may set a minimum amount you can invest. The current minimum amount is NZ\$5,000 per term deposit. Sometimes we'll advertise a 'special' rate that has a different minimum investment amount.

There is currently no maximum amount you can invest. From time to time we may change these amounts. However, any changes we make to the minimum or maximum amount won't apply to deposits you've already opened.

Currency.

Your deposit must be in New Zealand dollars.

Duration.

We'll agree the duration (or "term") of the deposit with you when you open it. The current minimum term is seven days and the current maximum term is five years. From time to time we may change these. However, any changes we make to the minimum or maximum term won't apply to deposits you've already opened. Once you've opened your deposit and the cooling-off period of seven working days has expired you won't be able to change the term unless we both agree. We discuss early withdrawals more below.

 See the section 'Cooling off period' below for more information about the cooling off period and what we mean when we say 'working days'.

Fees.

Currently, you don't need to pay us any fees to open or maintain your deposit.

Interest.

You'll earn interest on the principal amount over the term of your deposit.

You choose your term from the various options available at the time you open your deposit, and the applicable interest rate for this term will apply. You can find the terms and interest rates currently available on our website. Please note that these terms and interest rates can change at any time.

Interest calculation.

The interest you earn on your deposit will be calculated daily by applying the relevant interest rate to your outstanding principal amount. We'll make this calculation based on a 365 day year.

Interest payment.

For terms less than six months, interest will be paid in full at the end of the term.

For terms over six months, you can choose when you would like to receive interest earned on your deposit (less any taxes or government charges) and whether you would like your interest to be compounded or paid to you. Our current interest options can be found at westpac.co.nz/kiwisaver-investments/term-deposits-pie-investments/term-deposit/

 When interest is 'compounded' it means it is automatically added to your principal balance. This allows you to earn 'interest on your interest'.

General repayment.

We refer to the total amount that we'll pay you at the end of the term as the "maturity amount". This amount includes the principal amount as well as any interest you have earned (less any taxes or government charges)

 For most deposits there will be a deduction relating to withholding tax.

When you open your deposit you can choose what you'd like to do with the maturity amount at the end of the term. You can either have the amount paid out to a New Zealand bank account or reinvested as a new deposit.

If you choose to reinvest, the new deposit will be subject to the relevant interest rate and terms and conditions at the time of reinvestment. Please be aware that available interest rates may have changed from the time when you opened your earlier deposit.

If all or part of your deposit is withdrawn before the end of the term, a reduced interest rate may apply (see the 'Early withdrawals' section below for further details).

Early withdrawal.

Once you've opened your deposit and the cooling-off period of seven working days has expired, you can only withdraw your deposit (in part or in whole) before the end of its term if we agree.

We may agree to let you withdraw your money early if you have given us 32 days' prior notice or you are suffering from hardship – see our Early Withdrawal Policy for Term Investments for more information. You can find our current Early Withdrawal Policy for Term Investments on our website. Copies are also available from any of our branches. Note that we may change our Early Withdrawal Policy for Term Investments from time to time.

If we agree to an early withdrawal of part of your deposit, and it would result in the remaining principal being less than the minimum investment amount, we may repay you the maturity amount instead and close your deposit.

If you have requested an early withdrawal, you can change your mind (or reduce the amount you want to withdraw) at any time before the date of the early withdrawal.

If we agree that you can withdraw your deposit on 32 days' prior notice, we'll reduce the interest rate of your deposit. The reduced rate of interest will be the smaller amount of either:

- (A) the original agreed rate of interest less 2%
- (B) the interest rate that was on offer at the time your deposit was opened, for the advertised term that reflects the actual time that the deposit was opened for, less 2%.

Example – You invest for six months at an agreed rate of 4% p.a. After four months, we approve your request for an early withdrawal before maturity.

- (a) The original agreed rate of 4% less 2% = 2% p.a.
- (b) the rate that was on offer for a four-month Term Deposit at the time you made the investment was 3.25%. 3.25% less 2% = 1.25% p.a.

The interest we'll now pay on your early withdrawn funds is 1.25% p.a. as it is the smaller value.

The reduced rate of interest will never be less than 0%.

Your rate of interest will be calculated differently if you are withdrawing your money early because you are suffering from hardship.

Because the interest rate payable may be reduced, it will sometimes be the case that:

- we don't pay you a return on the amount withdrawn or repaid early or
- if we have paid interest to you over the course of the deposit – and that interest is more than the total amount of interest that you should earn (based on the reduced rate) – we need to make a deduction from your principal amount.

We'll tell you if your interest rate reduces at the time we repay your maturity amount. We'll make any payment in relation to an early withdrawal on the general repayment terms set out in the 'General repayment' section above.

i Where there is an early withdrawal of the maturity amount there may have been an overpayment of withholding tax on interest already paid or credited to you. We recommend you speak to IRD or to your accountant or tax advisor if you have any questions about this or if you need information about how to obtain any refund.

Cooling off period.

You have a cooling off period of seven working days starting on the date you open your deposit. During this period, you may cancel your investment. If this happens you will not receive any interest.

In this document 'working days' means, any regular working day, Monday to Friday. Weekends and national public holidays as well as the days between Christmas and New Year's Day aren't considered to be 'working days'.

There is a cooling off period even if your deposit is a reinvestment of an earlier deposit.

During the cooling off period, if we agree, you may also make changes to the following:

- the amount of your deposit
- the term
- interest payment frequency
- whether you would like interest to 'compound' during the term of your deposit (this is only available for deposits of 6 months or longer). When interest is 'compounding' it means it is automatically added to your principal balance. This allows you to earn 'interest on your interest'.

After the cooling off period, you cannot change these.

Tax.

The amount you earn on your deposit will be affected by taxes. The following description of the tax treatment of deposits is of a general nature only. We recommend you consult your own tax adviser about how taxes will apply in your circumstances.

Deductions.

We'll withhold tax from interest paid or credited to you on your deposit and pay the amount we withhold to Inland Revenue. The amount we withhold will depend on:

- whether you're a New Zealand tax resident or a non-resident; and
- whether you hold the deposit jointly with someone else.

See the next sections for further information.

New Zealand tax resident investors.

We'll withhold resident withholding tax ("RWT") from interest paid or credited to you on your deposit, unless you tell us you have RWT-exempt status and confirm your IRD number is listed on the Inland Revenue RWT exemption register. If you have RWT-exempt status, we won't withhold any tax from interest paid or credited to you on your deposit.

You may choose for us to withhold RWT at one of the statutory rates, which can be found at www.ird.govt.nz. If you don't select a rate and/or don't provide your IRD number to us, we'll apply a default or non-declaration rate.

We'll assume that you're a New Zealand tax resident unless you tell us otherwise.

Non-resident investors.

If you tell us you're not a New Zealand tax resident, and you don't hold your deposit for the purposes of a business you carry on through a fixed establishment in New Zealand, we'll withhold non-resident withholding tax ("NRWT") from interest paid or credited to you on your deposit.

The rate of NRWT will depend on your country of tax residence and whether you're eligible for tax treaty relief.

You can ask us to deduct approved issuer levy instead of NRWT. We won't pay an additional amount to you in respect of any approved issuer levy deducted.

Joint Deposits.

Special tax rules apply to joint deposits, including the allocation of income between joint deposit holders. We'll withhold any applicable taxes from interest paid or credited to you on your joint deposit.

Additional Information

Amounts we owe you.

Any amounts we owe you in respect of your deposit are unsecured and unsubordinated debt obligations that we have to you. This means that if we were to go insolvent, we must pay amounts we owe you at least equally with all our other unsecured and unsubordinated debts except for any debts we're required to pay in priority to yours under law. However, you're not guaranteed to be repaid. Also, if we do repay you and we become insolvent, you might have to repay those amounts in certain circumstances if required under law.

Changes to these terms.

We can vary the terms that apply to your deposit. We'll only do that in the circumstances listed in the Westpac General Terms and Conditions. We'll generally provide you with notice of any changes – see the Westpac General Terms and Conditions for more information.

Governing law.

These terms are governed by New Zealand law.

Other disclosure.

Your deposit is not a deposit or liability of Westpac Banking Corporation ABN 33 007 457 141 ("WBC") or any other company in the Westpac Banking Corporation group ("Westpac Group"), other than us. Neither WBC nor any other company in the Westpac Group stands behind or otherwise guarantees us nor the principal amount or investment performance of any financial product acquired through us.

These terms are only intended for customers in New Zealand. The information set out in these terms is general in nature. We have not taken into account your objectives, financial situation or needs. Because of this, you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs.

By providing these terms, we don't intend to provide financial advice or any financial recommendations. You should read and consider these terms, in their entirety, carefully and seek independent expert advice before making a decision about whether or not this product is suitable for you.

These terms are effective from 17th November 2023.