

# HSBC Investment Statement for Term Deposits

For the purposes for the Securities Act 1978 this Investment Statement for Term Deposits was prepared as at 14 June 2011. The terms of this Investment Statement apply to investments made on or after 30 June 2011.

## Important Information

(The information in this section is required under 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 following questions that can be found below:

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### 1 What sort of investment is this?

This Investment Statement relates to the Term Deposit products offered by HSBC. A Term Deposit is an unsecured deposit with HSBC in your chosen currency with a fixed term of investment and a fixed interest rate. Term Deposits are available from us in New Zealand Dollars and in the other currencies specified under heading "3 How much do I Pay?".

The principal sum invested is repayable by us to you on maturity of the investment and interest is paid either at agreed intervals or on maturity. Products from issuers other than us and products other than Term Deposits are not covered by this Investment Statement.

When placing a Term Deposit with us you have a number of options on maturity of the investment. Those most frequently used are:

- ▶ Re-invest the principal and interest for a further term decided by you;
- ▶ Re-invest the principal for a term decided by you; or
- ▶ Withdraw the Term Deposit.

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

The issuer is The Hongkong and Shanghai Banking Corporation Limited incorporated in Hong Kong SAR acting through its New Zealand branch ("HSBC"). The New Zealand head office is situated at One Queen Street, Level 9, Auckland 1010, New Zealand.

The HSBC Group (of which HSBC is a part) has provided financial services to customers worldwide for over 140 years. HSBC has been providing banking and financial services to New Zealand customers for over 20 years and is a registered bank under the Reserve Bank of New Zealand Act 1989. No member of the HSBC Group guarantees any of HSBC's obligations in relation to Term Deposits.

As at the date of this Investment Statement, the directors of HSBC are:

- ▶ Stuart Thomson Gulliver
- ▶ Dr William Kwok Lun Fung
- ▶ Dr Raymond Kuo Fung Ch'ien
- ▶ Laura May Lung Cha
- ▶ Naina Lal Kidwai
- ▶ Margaret May-Yee Leung Ko
- ▶ Victor Tzar Kuoi Li
- ▶ Dr Ka-shui Lo
- ▶ Zia Mody
- ▶ Christopher Dale Pratt
- ▶ Andreas Sohmen-Pao
- ▶ Thomas Brian Stevenson
- ▶ Paul Anthony Thurston

- ▶ Patrick Shui Chung Wang
- ▶ Peter Tung Shun Wong
- ▶ Dr Rosanna Yick Ming Wong
- ▶ Marjorie Mun Tak Yang

The directors may change from time to time without notice to you.

A list of the current directors of HSBC is available at [www.hsbc.co.nz/1/2/about-us/key-executives](http://www.hsbc.co.nz/1/2/about-us/key-executives), or at any HSBC branch.

### 3 How much do I pay?

Investing in our Term Deposits is easy. Call into any branch of HSBC to apply for a Term Deposit. Then subject to our account opening requirements being met, your Term Deposit can be opened on the spot. Alternatively, telephone our Call Centre who will advise you of the process required to set up a Term Deposit account. You can also open your Term Deposit via our Internet Banking service, if you are set up to do so. The investment is paid to HSBC at the time when the Term Deposit is made and can be paid in any manner as agreed between you and us.

Payment can be made by making a cheque out to HSBC (crossed "Not Transferable"), cash or transferring money from another account with us or from another bank. Payments can be made at any HSBC branch. You may make an investment of any sum as long as the investment is above the minimum levels outlined below. These minimum levels and the currencies on offer are subject to change from time to time.

7 day term, minimum investment amounts:

New Zealand Dollars	NZD 100,000
US Dollars	USD 40,000
Australian Dollars	AUD 80,000
Hong Kong Dollars	HKD 300,000

1 month to 5 year terms, minimum investment amounts:

New Zealand Dollars	NZD 10,000
Hong Kong Dollars	HKD 50,000
US Dollars	USD 5,000
Japanese Yen	JPY 500,000
Canadian Dollars	CAD 7,000
Singapore Dollars	SGD 8,000
Australian Dollars	AUD 8,000
Swiss Francs	CHF 6,500
Pounds Sterling	GBP 3,000
Euro	EUR 4,500

### 4 What are the charges?

There are currently no fees associated with investing in a Term Deposit other than the break cost administration fee and reduced interest rate described below for early terminations or alterations to the terms of your investment. Other fees and charges may be introduced by HSBC at any time.

If HSBC in its sole discretion allows you to terminate or alter the terms of your Term Deposit before its maturity date, then we may:

- ▶ charge you a break cost administration fee of \$100; and
- ▶ reduce the interest rate payable on your Term Deposit by 50%; and
- ▶ recover from you any interest that was paid on your Term Deposit at the higher original rate by deducting the excess amount from your Term Deposit.

The reduced interest rate will be calculated from the date you invested in your Term Deposit until the date of withdrawal or alteration.

Any tax or approved issuer levy that has already been paid on interest earned in prior income tax years (ending 31 March) cannot be refunded to you by HSBC. Any tax refund applicable must be claimed from Inland Revenue directly. The approved issuer levy is not refundable.

HSBC may alter the break cost administration fee or the reduced interest rate from time to time at its discretion.

### 5 What returns will I get?

HSBC will pay you interest on the sum invested at the fixed interest rate and frequency that you agree to when you invest your money, plus the principal invested on maturity or early withdrawal, less any amounts specified under the heading "4 What are the charges?" if applicable.

HSBC is legally liable to pay these returns. The key factors that determine your returns will be the interest rate that you agree to invest your money at, the principal invested, the term of your investment and any tax deductions. HSBC does not promise any amount or level of return.

The term of a Term Deposit can currently range from seven days to five years. We may change these timeframes from time to time. The available standard rates of interest, their corresponding terms and interest payment frequencies are described on [www.hsbc.co.nz](http://www.hsbc.co.nz) and can change at any time. If your Term Deposit is due to mature or an interest payment is due on a non-business day, and payment is to be made to an account, it will be processed on the previous business day.

If you have not specified or instructed us as to how to deal with the principal and interest payable on maturity of a Term Deposit then we will reinvest that amount for the same or a similar term at the interest rate and on the terms and conditions applying at the time to Term Deposits.

Returns will be affected by taxation. We are required to deduct resident withholding tax from the gross interest payable to you as a New Zealand resident investor unless you hold a certificate of exemption. We are required to deduct non-resident withholding tax from the gross interest payable to non-New Zealand residents unless you agree with us to have the approved issuer levy deducted from the gross interest payable. We are legally obliged to pay the tax to the Inland Revenue on your behalf.

## 6 What are my risks?

The main risks of you not recovering the sum which you paid for the investment or of not receiving the returns described above are:

- ▶ The insolvency of HSBC;
- ▶ HSBC receiving a deduction notice in respect of your funds from a third party (such as the IRD) claiming an interest in those funds;
- ▶ HSBC exercising its rights to combine your accounts or to set-off funds held in credit against amounts you owe to us.

If the investment you have made is in a foreign currency the risk of loss resulting from movements in exchange rates can be substantial. You should note that past performance of a currency is not necessarily an indication of its future performance and that advice, opinions or other data relating to the future performance of a currency are speculative.

If any of these risks eventuate, it is reasonably foreseeable that, on maturity or early withdrawal of your Term Deposit, you will receive in total less than the sum you paid for investment.

You cannot be required to pay more money than you have agreed to invest with us. If we are put into liquidation during the term of the investment, then secured creditors and those creditors preferred by statute will rank ahead of your claim. After the payment of these creditors your claim will rank equally with all other unsecured creditors. On insolvency, you will not be obliged to pay any more than the amount you invested with us. If a statutory manager is appointed to HSBC, the ranking of your claim would be determined by the statutory manager in accordance with the relevant statutory framework.

## 7 Can the investment be altered?

Once an investment is made its terms cannot generally be altered. We may in certain circumstances agree to the early withdrawal of the investment (see heading "4 What are the charges?" for information about the fees and charges that may be imposed in those circumstances). Additional investments can be made at any time in accordance with the terms and conditions applicable at that time.

## 8 How do I cash in my investment?

If you need to withdraw your investment before its maturity date, you can apply to do so by contacting us. If your application is accepted, the fees and charges referred to under heading "4 What are the charges?" will apply.

We may exercise our right to combine your accounts and to set off amounts we owe to you against amounts you may owe to us. We may close your account at any time in accordance with the terms and conditions applicable at that time under any other agreement with us or if we are otherwise required by law to surrender some or all of your funds to the appropriate authorities.

You are not entitled to sell or assign your Term Deposit to another person.

## 9 Who do I contact with inquiries about my investment?

Inquiries about your investment may be made by contacting your relationship manager or telephoning our Call Centre on 0800 80 23 80.

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

Any complaints about your investment should first be raised with a Customer Services Officer or the Manager at the HSBC branch that you first dealt with. Alternatively, you can telephone our Call Centre on 0800 80 23 80 any time from 6am - 10pm New Zealand time, seven days a week, or contact us in writing at: PO Box 5947, Wellesley Street, Auckland 1141, New Zealand.

We will explain our complaint procedures to you and should be able to resolve any problems you may have. However, if the issue is unresolved and you are dissatisfied with our complaint procedure, you may contact the Banking Ombudsman for an independent review of your complaint, by writing to:

The Office of the Banking Ombudsman  
Level 11, 109-111 Featherston Street  
PO Box 10573, The Terrace, Wellington 6143, New Zealand

You may also contact the Office of the Banking Ombudsman by calling

0800 805 950.

HSBC is a member of the independent dispute resolution scheme operated by the Banking Ombudsman and approved by the Ministry of Consumer Affairs for the purposes of the Financial Service Providers (Registration and Dispute Resolution) Act 2008.

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

Further information about our Term Deposits and HSBC is contained in the following documents which are available free of charge on request from any HSBC branch or its head office:

- ▶ a copy of HSBC's most recent annual report, including the financial statements;
- ▶ a copy of HSBC's most recent Disclosure Statements issued pursuant to the Reserve Bank of New Zealand Act 1989;
- ▶ further copies of HSBC's most recent Investment Statement for Term Deposits; and
- ▶ a copy of HSBC's Personal Financial Services Terms and Conditions that are applicable to Term Deposits.

HSBC's most recent financial statements registered under the Financial Reporting Act 1993 and other documents relating to HSBC are filed on a public register at the Companies Office of the Ministry of Economic Development, and are available for public inspection, including at [www.companies.govt.nz](http://www.companies.govt.nz).

Should you have any queries on Term Deposits you can contact our Call Centre on 0800 80 23 80 any time from 6am - 10pm New Zealand time, 7 days a week. You can also enquire by using our fully automated telephone banking service, Automated PhoneBanking, if you are set up to do so, visit our web site at [www.hsbc.co.nz](http://www.hsbc.co.nz), or visit any HSBC branch.

### Privacy Act 1993

You have rights of access to and correction of personal information that we hold about you under the Privacy Act 1993. If you wish to make a request, please contact the HSBC branch where your accounts are held. We may impose a reasonable charge for complying with a request.

### Annual and On Request Information

Annual withholding tax certificates will be issued automatically in April if the gross domestic interest paid exceeds \$50 during the tax year.

You may request information about your investment, such as the balance, from us at any time. You may obtain this information by using our Automated PhoneBanking or Internet banking service if you are set up to do so, or by visiting any HSBC branch.



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