



TERM DEPOSIT ADVICES

Term Deposit with interim interest payments

See below for changes to the Approved Issuer Levy deduction on your advices. Effective from 1 August 2020.

- 1 New TD Advice example
- 2 TD Interest Application Advice
- 3 TD Renewal Advice example
- 4 TD Full Withdrawal Advice (TD Maturity example)

1. New TD Advice example, with monthly interest payments

A 'New TD Advice' for Term Deposits started before 1 August 2020 will have the following calculation.

The old calculation had a 0.00% rate of TAX or AIL deducted.

WE CONFIRM DETAILS OF YOUR NEW DEPOSIT AS FOLLOWS

| | | | | | | |
|-----------------|-----------|---------------|--------------------|------|----|--------|
| FIXED DEPOSIT | | | | | | |
| START DATE | 01Feb2019 | MATURITY | 01Feb2021 | TERM | 24 | MONTHS |
| PRINCIPAL | | NZD | 100,000.00 | | | |
| INTEREST RATE | | 3.40% | P.A. | | | |
| MATURITY AMOUNT | | NZD | 106,809.32 | | | |
| TAX | | NZD | 0.00 | | | |
| PAYMENT | | DEBIT A/C NO. | XX-XXXX-XXXXXX-XXX | | | |
| | | NZD | 100,000.00 | | | |

| | |
|---------------------|--------------|
| Calculations | |
| Principal: | \$100,000.00 |
| Start date: | 1/02/2019 |
| Maturity date: | 1/02/2021 |
| Term days: | 731 |
| Interest Rate: | 3.4% |
| Gross Interest: | \$6,809.32 |
| TAX / AIL rate: | 0.00% |
| TAX / AIL deducted: | \$0.00 |
| Net Interest: | \$6,809.32 |

To show the changes, as an example, if you start the same Term Deposit on or after 1 August 2020, the 'New TD Advice' will have the following calculation.

The new process, will have a 2.00% rate of AIL deducted

WE CONFIRM DETAILS OF YOUR NEW DEPOSIT AS FOLLOWS

| | | | | | | |
|-----------------|-----------|---------------|--------------------|------|----|--------|
| FIXED DEPOSIT | | | | | | |
| START DATE | 01Feb2019 | MATURITY | 01Feb2021 | TERM | 24 | MONTHS |
| PRINCIPAL | | NZD | 100,000.00 | | | |
| INTEREST RATE | | 3.40% | P.A. | | | |
| MATURITY AMOUNT | | NZD | 106,673.13 | | | |
| AIL | | NZD | 136.19 | | | |
| PAYMENT | | DEBIT A/C NO. | XX-XXXX-XXXXXX-XXX | | | |
| | | NZD | \$100,000.00 | | | |

Calculations

| | |
|-----------------|--------------|
| Principal: | \$100,000.00 |
| Start date: | 1/02/2019 |
| Maturity date: | 1/02/2021 |
| Term days: | 731 |
| Interest Rate: | 3.4% |
| Gross Interest: | \$6,809.32 |
| AIL Rate: | 2% |
| AIL deducted: | -\$136.19 |
| Net Interest: | \$6,945.50 |

2. Term Deposit Interest Application Advice - for monthly payments

Your existing TD Interest Application Advice for Term Deposits started before 1 August 2020 will have the following calculation.

The old calculation had a 0.00% rate of TAX or AIL deducted.

DATE 01May2020

WE CONFIRM HAVING TODAY PAID INTEREST ON YOUR DEPOSIT AS FOLLOWS

FIXED DEPOSIT

| | | | | | |
|-------------------------------------|-----------|----------------------|----------------------|------|-----------|
| START DATE | 01Feb2019 | MATURITY | 01Feb2021 | TERM | 24 MONTHS |
| PRINCIPAL | | NZD | 100,000.00 | | |
| INTEREST RATE | | 3.40% | P.A. | | |
| INTEREST PAYABLE | | NZD | 279.45 | | |
| TAX COLLECTED | | | 0.00 | | |
| NET INTEREST PAID | | NZD | 279.45 | | |
| INTEREST PAYMENT CREDIT ACCOUNT NO. | | | XX-XXXX-XXXXXXXX-XXX | | |
| PAYMENT CREDIT A/C NO. | | XX-XXXX-XXXXXXXX-XXX | | | |
| | | NZD | 279.45 | | |

Calculations

For APR2020 (30 days)

| | |
|---------------------|--------------|
| Principal: | \$100,000.00 |
| Start date: | 1/02/2019 |
| Maturity date: | 1/02/2021 |
| Term days: | 30 |
| Interest Rate: | 3.4% |
| Gross Interest: | \$279.45 |
| TAX / AIL rate: | 0.00% |
| TAX / AIL deducted: | \$0.00 |

| | |
|---------------|-----------------|
| Net Interest: | <u>\$279.45</u> |
|---------------|-----------------|

From 1 August 2020 onwards, the 'Interest Application Advice' will calculate differently:

The new process, will have a 2.00% rate of AIL deducted from your Gross Interest.

DATE 01May2020

WE CONFIRM HAVING TODAY PAID INTEREST ON YOUR DEPOSIT AS FOLLOWS

FIXED DEPOSIT

START DATE 01Feb2019 MATURITY 01Feb2021 TERM 24 MONTHS

PRINCIPAL NZD 100,000.00

INTEREST RATE 3.40% P.A.

INTEREST PAYABLE NZD 279.45

AIL COLLECTED 5.59

NET INTEREST PAID NZD 273.86

INTEREST PAYMENT CREDIT ACCOUNT NO. XX-XXXX-XXXXXXXX-XXX

PAYMENT CREDIT A/C NO. XX-XXXX-XXXXXXXX-XXX

NZD 273.86

Calculations

For APR2020 (30 days)

Principal: \$100,000.00

Start date: 1/02/2019

Maturity date: 1/02/2021

Interest days: 30

Interest Rate: 3.4%

Gross Interest: \$279.45

AIL Rate: 2%

AIL deducted: -\$5.59

Net Interest: \$273.86

3. TD Renewal Advice example

A 'TD Renewal advice' prepared before 1 August 2020, will have the following calculation:

The old calculation had a 0.00% rate of TAX or AIL deducted.

WE CONFIRM HAVING RENEWED YOUR DEPOSIT AS FOLLOWS

FIXED DEPOSIT

| | | | | | | |
|------------------|-----------|----------|------------|------|---|--------|
| START DATE | 01Sep2019 | MATURITY | 01Mar2020 | TERM | 6 | MONTHS |
| PRINCIPAL | | NZD | 100,000.00 | | | |
| INTEREST RATE | | 1.80% | P.A. | | | |
| INTEREST PAYABLE | | NZD | 897.53 | | | |
| TAX COLLECTED | | NZD | 0.00 | | | |
| NEW PRINCIPAL | | NZD | 100,897.53 | | | |
| START DATE | 01Mar2020 | MATURITY | 01Sep2020 | TERM | 6 | MONTHS |
| INTEREST RATE | | 1.30% | P.A. | | | |
| MATURITY AMOUNT | | NZD | 101,558.76 | | | |
| TAX | | | 0.00 | | | |

Calculations

| | |
|---------------------|---------------------|
| Principal: | \$100,000.00 |
| Start date: | 1/09/2019 |
| Maturity date: | 1/03/2020 |
| Term days: | 182 |
| Interest Rate: | 1.8% |
| Gross Interest: | \$897.53 |
| TAX / AIL rate: | 0.00% |
| TAX / AIL deducted: | \$0.00 |
| New Principal | <u>\$100,897.53</u> |
| | |
| Principal: | \$100,897.53 |
| Start date: | 1/03/2020 |
| Maturity date: | 1/09/2020 |
| Term days: | 184 |
| Interest Rate: | 1.3% |
| Gross Interest: | \$661.22 |
| TAX / AIL rate: | 0.00% |
| TAX / AIL deducted: | \$0.00 |
| Principal + Total | <u>\$101,558.76</u> |
| Net Interest: | <u>\$101,558.76</u> |

In comparison, a 'TD Renewal advice' prepared after 1 August 2020 will have the following calculation.

The new process, will have a 2.00% rate of AIL deducted

WE CONFIRM HAVING RENEWED YOUR DEPOSIT AS FOLLOWS

| | | | | | |
|------------------|-----------|----------|------------|------|----------|
| FIXED DEPOSIT | | | | | |
| START DATE | 01Sep2019 | MATURITY | 01Mar2020 | TERM | 6 MONTHS |
| PRINCIPAL | | NZD | 100,000.00 | | |
| INTEREST RATE | | 1.80% | P.A. | | |
| INTEREST PAYABLE | | NZD | 897.53 | | |
| AIL COLLECTED | | NZD | 17.95 | | |
| NEW PRINCIPAL | | NZD | 100,879.58 | | |
| START DATE | 01Mar2020 | MATURITY | 01Sep2020 | TERM | 6 MONTHS |
| INTEREST RATE | | 1.30% | P.A. | | |
| MATURITY AMOUNT | | NZD | 101,527.47 | | |
| AIL | | | 13.22 | | |

Calculations

| | |
|-------------------|---------------------|
| Principal: | \$100,000.00 |
| Start date: | 1/09/2019 |
| Maturity date: | 1/03/2020 |
| Interest days: | 182 |
| Interest Rate: | 1.8% |
| Gross Interest: | \$897.53 |
| AIL Rate: | 2% |
| AIL deducted: | -\$17.95 |
| Principal + Total | |
| Net Interest: | <u>\$100,879.58</u> |

| | |
|-------------------|---------------------|
| Principal: | \$100,879.58 |
| Start date: | 1/03/2020 |
| Maturity date: | 1/09/2020 |
| Interest days: | 184 |
| Interest Rate: | 1.3% |
| Gross Interest: | \$661.11 |
| AIL Rate: | 2% |
| AIL deducted: | -\$13.22 |
| Principal + Total | |
| Net Interest: | <u>\$101,527.47</u> |

4. TD Full Withdrawal Advice (TD Maturity example)

A Full withdrawal advice prepared before 1 August 2020, will have the following calculation.
This TD has gone the full term and is paid out on 1 March 2021.

The old calculation had a 0.00% rate of TAX or AIL deducted.

DATE: 01Mar2021

WE CONFIRM HAVING TODAY UPLIFTED YOUR DEPOSIT AS FOLLOWS:

| | | | | | |
|----------------------|-----------|--------------------|------------|--------------------|-----------|
| START DATE | 01Mar2019 | MATURITY | 01Mar2021 | TERM | 24 MONTHS |
| PRINCIPAL | | NZD | 100,000.00 | | |
| INTEREST RATE | | 2.40% | P.A. | | |
| INTEREST PAYABLE | | NZD | 4,806.58 | | |
| TAX COLLECTED | | | 0.00 | | |
| INTEREST PAYMENT | | CREDIT ACCOUNT NO. | | XX-XXXX-XXXXXX-XXX | |
| Net Interest Payment | | NZD | 4,806.58 | | |
| CR A/C No. | | | | XX-XXXX-XXXXXX-XXX | |
| Principal Payment | | NZD | 100,000.00 | | |
| CR A/C No. | | | | XX-XXXX-XXXXXX-XXX | |
| PAYMENT | | CREDIT ACCOUNT NO. | | XX-XXXX-XXXXXX-XXX | |
| NET PROCEEDS | | | 104,806.58 | | |

Calculations

| | |
|---------------------|--------------|
| Principal: | \$100,000.00 |
| Start date: | 1/03/2019 |
| Maturity date: | 1/03/2021 |
| Term days: | 731 |
| Interest Rate: | 2.4% |
| Gross Interest: | \$4,806.58 |
| TAX / AIL rate: | 0.00% |
| TAX / AIL deducted: | \$0.00 |
| Net Proceeds: | \$104,806.58 |

In comparison, a Full withdrawal advice prepared after 1 August 2020, will have the following calculation. As an example, this TD has gone the full term and is paid out on 1 March 2021, but updated with calculations for 1 August onwards.

The new process, will have a 2.00% rate of AIL deducted

DATE: 01Mar2021

WE CONFIRM HAVING TODAY UPLIFTED YOUR DEPOSIT AS FOLLOWS:

| | | | | | |
|------------------|-----------|--------------------|--------------------|------|-----------|
| START DATE | 01Mar2019 | MATURITY | 01Mar2021 | TERM | 24 MONTHS |
| PRINCIPAL | | NZD | 100,000.00 | | |
| INTEREST RATE | | 2.40% | P.A. | | |
| INTEREST PAYABLE | | NZD | 4,806.58 | | |
| AIL COLLECTED | | | 96.13 | | |
| INTEREST PAYMENT | | CREDIT ACCOUNT NO. | XX-XXXX-XXXXXX-XXX | | |

| | | |
|----------------------|-----|----------|
| Net Interest Payment | NZD | 4,710.44 |
|----------------------|-----|----------|

| | |
|------------|--------------------|
| CR A/C No. | XX-XXXX-XXXXXX-XXX |
|------------|--------------------|

| | | |
|-------------------|-----|------------|
| Principal Payment | NZD | 100,000.00 |
|-------------------|-----|------------|

| | |
|------------|--------------------|
| CR A/C No. | XX-XXXX-XXXXXX-XXX |
|------------|--------------------|

| | | |
|---------|--------------------|--------------------|
| PAYMENT | CREDIT ACCOUNT NO. | XX-XXXX-XXXXXX-XXX |
|---------|--------------------|--------------------|

| | | |
|--------------|--|------------|
| NET PROCEEDS | | 104,710.44 |
|--------------|--|------------|

Calculations

| | |
|-----------------|---------------------|
| Principal: | \$100,000.00 |
| Start date: | 1/03/2019 |
| Maturity date: | 1/03/2021 |
| Interest days: | 731 |
| Interest Rate: | 2.4% |
| Gross Interest: | \$4,806.58 |
| AIL Rate: | 2% |
| AIL deducted: | -\$96.13 |
| Net Proceeds: | <u>\$104,710.44</u> |