

Rebate Fixed Rate Bank Bill Business Loan

Product Information Statement.

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Australian Financial Services Licence and Australian Credit Licence No. 233714

Effective date: 31 May 2023

You've got questions? We've got time to talk.

For more information, please contact our team of interest rate specialists below.

Interest Rate Hub



(02) 8253 4463



irhub@stgeorge.com.au



Level 3, 275 Kent Street, Sydney NSW 2000

Accessibility support.

At any time, you can inform us how you would prefer to be contacted. If you are deaf and/or find it hard hearing or speaking with people who use a phone, you can reach us through the National Relay Service (NRS). To use the NRS you can register by visiting infrastructure.gov.au/national-relay-service

Visit banksa.com.au/accessibility for further information on our accessible products and services for people with disability.

Important information.

A Product Information Statement ('PIS') is an information document. The purpose of a PIS is to provide you with information intended to assist you in making a decision about a product's suitability for your needs. A PIS is also a tool for comparing the features of other products you may be considering. If you have any questions about this product, please contact us on the details provided above.

You should read and consider this PIS, in its entirety, carefully and seek independent expert advice before making a decision about whether or not this product is suitable for you.

If you decide to enter into a Rebate Fixed Rate Bank Bill Business Loan, you should keep a copy of this PIS, your Business Finance Agreement that sets out the terms and conditions which apply to this product, and any associated documentation. This product is subject to the terms and conditions in your Business Finance Agreement which should be read together with this PIS. You should also promptly tell us if at any time you experience financial difficulties.

This PIS is issued by BankSA and is current as at the date of this document. The information in it is subject to change. We may issue a replacement PIS, or post updated information on our website.

Nothing in this PIS is, or may be relied upon as, a representation as to the future performance of the Rebate Fixed Rate Bank Bill Business Loan.

The offer of the Rebate Fixed Rate Bank Bill Business Loan is being made to persons located in Australia only. Receipt of this PIS in jurisdictions outside of Australia may be restricted by local law and applications from outside Australia will not be accepted.

The information set out in this document is general in nature. It has been prepared without taking 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 this PIS, we do not intend to provide financial advice or any lending recommendations.

A Rebate Fixed Rate Bank Bill Business Loan is a fixed rate loan facility between you and us to pay a certain fixed interest rate for an agreed period of time with the added benefit that we will pay you a rebate amount if variable rates fall below a pre-determined level.

| Key facts | |
|-----------------------------------|--|
| Eligibility | Subject to an approved and documented Fixed Rate Bank Bill Business Loan facility with us. |
| Minimum Transaction Amount | AUD \$250,000. |
| Term | 1 Year to 10 Years (longer terms available on request only). |
| Currency | Australian Dollars (AUD). |
| Interest Charge Frequency | Monthly, Quarterly, Half yearly. |

Description.

- A Rebate Fixed Rate Bank Bill Business Loan (RFR-BBBL) is a fixed rate loan facility provided by us to you, where you agree to pay us an agreed fixed rate over an agreed period but we may be required to pay you a rebate.
- An RFR-BBBL gives the certainty of a fixed interest rate while allowing the ability to participate in interest rate movements below a pre-determined level, should they occur.
- An RFR-BBBL is primarily chosen when you require interest rate protection. However you acknowledge that variable rates may move either up or down within the agreed fixed rate period.
- A rebate amount will be payable to you when the Variable Reference Rate (VRR) falls below the agreed Rebate Reference Rate (RRR) on any Calculation Date.
- The maximum rebate payable by us to you is limited by reference to the agreed RRR.
- You can tailor your RFR-BBBL by selecting from a range of payment options including: interest only; interest only with principal reductions; principal, interest and fees; or interest in advance.

Suitability.

- An RFR-BBBL may be suitable if you would like to change your interest rate exposure based on your underlying liabilities, interest rate view, hedging and/or cash-flow requirements and have a good understanding of interest rate markets.
- If you are not confident about your understanding of interest rate markets and/or products, this product may not be suitable for you and we strongly suggest you seek independent advice before making a decision about this product.
- An RFR-BBBL should only be used where you have a genuine commercial need to manage your interest rate risk. It should not be used for speculative purposes.

Key Benefits.

- **Flexibility** – You can tailor your RFR-BBBL to suit your interest rate view, meet your business or specific asset strategy and your hedging and/or cash-flow requirements.
- **Certainty** – An RFR-BBBL allows you to manage your interest rate exposure and to be more certain of your ability to reliably meet your cash-flow requirements and debt service obligations.
- **Interest Rate** – The RFR-BBBL allows you the ability to participate in interest rate movements below a pre-determined level, should they occur. Any rebate amount payments can be paid directly to your nominated bank account. This may result in a lower effective interest rate on your loan facility than would have otherwise been the case.

Key Risks.

- **Interest Rate Risk** – An RFR-BBBL has a fixed interest rate which is binding for the agreed fixed rate period. The RFR-BBBL will be provided at a higher fixed interest rate than the standard fixed rate Bank Bill Business Loan (FR-BBBL) available for the same period.
- **Early Termination/Variation** – You can vary or terminate an RFR-BBBL early but there may be a cost if you do.
- **Counterparty and Operational Risk** – We have performance obligations under an RFR-BBBL. You need to form a judgement on our ability to meet those obligations.

Costs.

- **Margins, Fees and Charges** – Any other margins, fees or charges which apply in addition to the Rebate Fixed Rate will be outlined in your Business Finance Agreement.

Documentation.

- **Terms and Conditions** – Please refer to the Terms and Conditions of your Business Finance Agreement. If you require further clarification speak to your Relationship Manager, Financial Markets Specialist, Legal or Financial Advisor.

What is a Rebate Fixed Rate Bank Bill Business Loan?

An RFR-BBBL is a fixed rate loan facility between you and us for an agreed facility limit at an agreed fixed rate over an agreed period. One difference between an RFR-BBBL and other types of fixed rate loans is the ability to benefit from interest rate movements below a pre-determined level, should they occur. This is called the rebate amount.

You can tailor your RFR-BBBL payments by selecting from an Interest Only, Interest Only with Principal Reductions, Principal Interest & Fees or Interest in Advance options, if required during the fixed rate period.

The interest rate on an RFR-BBBL is determined by market based bank bill pricing. The Rebate Fixed Rate on an RFR-BBBL will be higher than a standard fixed rate Bank Bill Business Loan for a comparable term.

The 'Base Rate' shown in 'Section A - Your facilities' of your Business Finance Agreement is your indicative Rebate Fixed Rate. Once confirmed, it is fixed for the period we agree with you. This means that the Rebate Fixed Rate will not change during the agreed fixed rate period. On each interest payment date, you will be charged the Rebate Fixed Rate plus any other margins, fees or charges that may apply to your facility. If a rebate amount is to be paid to you it will be paid separately on the last business day of each payment period of your facility.

Before you draw down we will agree the RRR with you. The RRR may be set at any levels above zero and below your Rebate Fixed Rate with our agreement. If you choose a lower RRR, your Rebate Fixed Rate will be lower and there may be less likelihood of you receiving a rebate amount than if you choose a higher RRR. In general terms, the higher the RRR, the more likely it is that you will receive a rebate for that period and correspondingly, the higher your Rebate Fixed Rate will be. The VRR that will be used to calculate whether you are entitled to a rebate cannot be fixed and will vary throughout the fixed rate period. The VRR is based upon the 3 month variable BBSY rate or other external reference rate you and we agree.

On each Calculation Date we will determine whether a rebate is payable by comparing the RRR to the agreed VRR current on the Calculation Date.

If the VRR is equal to or more than the RRR, then you are not entitled to any rebate for the Rebate Calculation Period.

If the VRR is below the RRR, then, as long as you have paid us all amounts due and payable to us under the facility, you are entitled to a rebate. If this is the case, we first work out the percentage per annum difference between the VRR and the RRR. For the Rebate Calculation Period, we will then use that percentage per annum difference at a daily rate to calculate the rebate amount on a daily basis. It's applied to the outstanding principal of each day during the Rebate Calculation Period.

This means that the agreed 'Base Rate' is your highest fixed base rate outcome for the fixed rate term of the RFR-BBBL. Conversely, your fixed base rate outcome under the RFR-BBBL improves the further the VRR is below the RRR on a Calculation Date.

Any rebate will be paid on the last business day of each payment period of your facility. This means that:

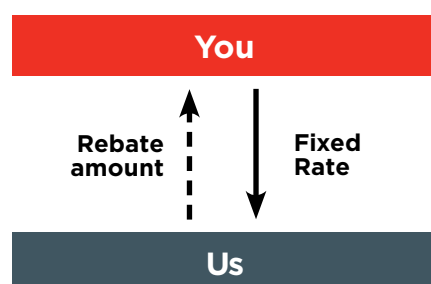
- if there is more than one interest payment date during a Rebate Calculation Period, then, on each interest payment date during the Rebate Calculation Period, we will credit the proportionate amount of the whole rebate entitlement attributable to the relevant interest period to your nominated account; and
- if an interest charge period includes days which fall within more than one Rebate Calculation Period, then on the interest payment date we will credit the applicable proportionate amount of each rebate entitlement (if any) to your nominated account.

Interest and rebate calculation methodology.

Interest on your loan facility is calculated daily at the relevant fixed interest rate applicable to your facility and charged to your loan account or nominated account typically on a monthly basis on the last business day, although other interest charge frequencies are available.

Example.

The table below outlines the direction of the interest cashflows that will occur under an RFR-BBBL. You pay interest at the relevant fixed interest rate applicable to your facility to us. However, if the VRR is below the RRR, we will pay you a rebate amount.



Scenario.

You agree to enter into an AUD \$1 million Rebate Fixed Rate Bank Bill Business Loan with a 3 year Rebate Fixed Rate (which does not include other margins, fees or charges that may apply) of 2.99% per annum with monthly interest and quarterly Calculation Dates. By comparison, the current 3 year fixed base rate (excluding margins, fees and charges) for a standard fixed rate BBBL is 2.84% per annum (excluding margins, fees and charges).

The potential outcomes on a Calculation Date are indicated below. These examples are used for illustrative purposes only to demonstrate how a Rebate Fixed Rate Bank Bill Business Loan will operate. Actual rates may vary. The example does not include any margins, fees or charges that may apply.

You choose an RFR-BBBL with the following features:

| | |
|-------------------|-----------------|
| Loan amount | \$1,000,000 |
| Term | 3 years |
| Rebate Fixed Rate | 2.99% per annum |
| RRR | 1.99% per annum |
| VRR | 3 month BBSY |
| Payment type | Interest Only |

The rebate amounts based on various VRR outcomes are as follows:

| Example outcomes on a quarterly Calculation Date for the VRR: | |
|---|-------|
| Example 1 | |
| VRR | 3.99% |
| Rebate Fixed Rate | 2.99% |
| RRR | 1.99% |
| Effective rate | 2.99% |
| Example 2 | |
| VRR | 1.74% |
| Rebate Fixed Rate | 2.99% |
| RRR | 1.99% |
| Effective rate | 2.74% |

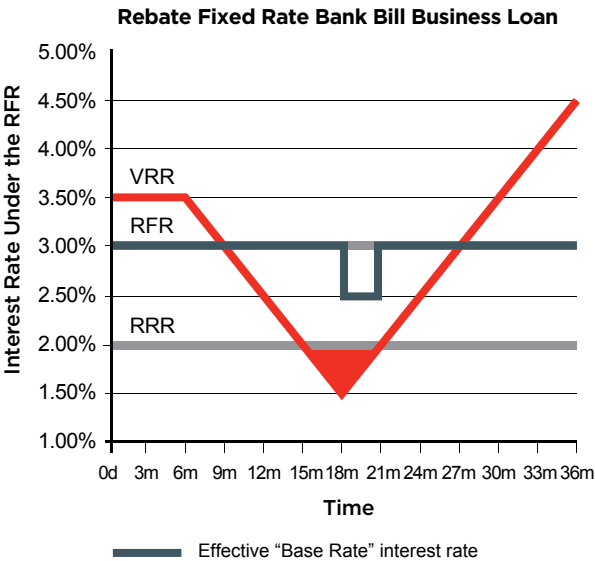
No rebate is applicable in Example 1 as the VRR is above the RRR.

In Example 2, we will pay you a rebate amount of \$623.29 (paid proportionally on the last business day of each month), effectively lowering your loan rate to 2.74%.

The total rebate amount for the Rebate Calculation Period in Example 2 is calculated as follows:
 $(1.99\% - 1.74\%) \times \$1,000,000 \times 91/365 = \623.29

Payoff Diagram.

The following diagram illustrates the potential outcomes on an RFR-BBBL at each calculation date every quarter over the life of a facility. This is provided as an example only to illustrate when a rebate amount would be paid to you. Up to and including the 15th month Calculation Date, the VRR is at or above the RRR and as such no rebate amount would apply. On the 18th month Calculation Date the VRR is lower than the RRR, and a rebate amount would be paid to you for that Rebate Calculation Period. On and from the 21st month Calculation Date, the VRR moves equal to or above the RRR and as such no rebate amount would be paid to you. In this example, the VRR moves above the Rebate Fixed Rate at the 27th month but as you are contracted at the Rebate Fixed Rate you are protected from the higher VRR.



Confirmation.

Shortly after entering into an RFR-BBBL we will send you a confirmation outlining the commercial terms of the arrangement (such as the Rebate Fixed Rate, RRR, VRR, Calculation Dates, Rebate Calculation Periods and rebate payment dates).

It is extremely important you check the confirmation to make sure that it accurately records your understanding of the terms of the arrangement.

In the case of a discrepancy, you will need to raise the matter with our representative promptly.

Termination/Variation.

You can terminate or vary your RFR-BBBL early but this may result in break costs being payable by you. With this risk in mind, please consider your circumstances carefully when selecting the terms of your RFR-BBBL.

Break Costs and Benefits.

Because an RFR-BBBL has a fixed rate, break costs may be payable in some circumstances. They may be payable if you do not draw your loan for the amount and at the time we assumed (when we set the fixed rate). Additionally, break costs may be payable if during the fixed rate period, we agree to a request from you to change the fixed rate, the facility is cancelled or the facility limit is reduced, you repay early all or any part of the money you owe under the loan or you are required to repay all money you owe us under the facility earlier than as agreed (for example, because of a default).

However, for this facility, if you break it during a fixed rate period and our break cost calculations result in us estimating that we'll receive a benefit (rather than a loss), then, as long as you're up to date with all your payment obligations to us, we'll credit an amount equal to our estimated 'break benefit' to your nominated account on the day the break occurs.

Your Business Finance Agreement explains how we calculate break costs.

You can get an estimate of applicable break costs by contacting us at any time.

General information.

Banking Code of Practice.

We have adopted the *Banking Code of Practice 2019* (Banking Code). The Banking Code sets out the standards of practice and service for Australian banks to follow when dealing with certain customers.

If we provide you with a 'banking service' and you are an 'individual' or a 'small business' (each term as defined in the Banking Code), the relevant provisions of the Banking Code will apply in addition to, and prevail to the extent of any inconsistency with, the terms and conditions of your RFR-BBBL.

You can obtain a copy of the Banking Code from our website or any of our branches. Please let us know if you would like to discuss whether or not the Banking Code will apply to you. Our contact details are set out on the back cover.

Anti-Money Laundering and Counter-Terrorism Financing Act 2006 Obligations.

What we need from you:

To open any new RFR-BBBL we'll need some important details from you. Depending on the legal nature of your business (company, trustee, partnership etc.) you will be required to provide certain documents and information to us.

If this is your first account with us:

Under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Laws) it is a requirement that the account holder and all signatories to the account must be identified. So if you're opening an account for the first time this applies to you. It also applies to any signatory who is not an existing customer.

The identification requirements can be met by completing our Customer Identification Procedure which involves providing identity documentation to us. For information on documents required under our Customer Identification Standards please contact any branch or refer to our website.

If you are an existing customer or account signatory, identification requirements may have previously been satisfied so you don't need to provide it again, unless you are asked to do so by us.

Regulatory and Compliance Controls and Monitoring.

We are bound by laws that impose regulatory and compliance obligations, including obligations in relation to the prevention of money laundering and the financing of terrorism, which are the AML/CTF Laws. In order for us to meet our regulatory and compliance obligations, we perform certain control and monitoring activities.

Upon entering into any RFR-BBBL with us, you agree and provide the following undertakings and agree to indemnify us against any potential loss arising from any breach by you of such undertakings that:

- you are not and will not enter into any agreement with us under an assumed name;
- any funds used by you to enter into an agreement with us have not been derived from or related to any criminal activities;
- any payments received from us will not be used in relation to any criminal activities;
- if we ask, you will provide us with additional information we reasonably require from you for the purposes of meeting our regulatory and compliance obligations, including the obligations under AML/CTF Laws (including information about the source of funds used to settle an RFR-BBBL); and
- you and your RFR-BBBL with us will not initiate, engage or effect a transaction that may be in breach of Australian law or sanctions (or the law or sanctions of any other country).

You should be aware that:

- we may obtain information about you or any beneficial owner of an interest in an agreement with us from third parties if we believe this is necessary to comply with our regulatory and compliance obligations, including AML/CTF Laws;
- transactions may be delayed, blocked, frozen or refused where we have reasonable grounds to believe that they breach Australian law or sanctions or the law or sanctions of any other country;
- where transactions are delayed, blocked, frozen or refused, Westpac Group are not liable for any loss you suffer (including consequential loss) in connection with a deposit; and
- where legally obliged to do so, we may disclose information that we hold about you to our related bodies corporate or service providers, other banks, or relevant regulatory and/or law enforcement agencies (whether in or outside of Australia).

Telephone conversations.

The terms of an RFR-BBBL are usually discussed over the telephone. Conversations with our dealing room and settlement departments are recorded. This is standard market practice. Recorded conversations are retained for a limited period and are usually used where there is a dispute and for staff monitoring purposes. You will need to advise our staff if you do not wish to be recorded.

Dispute resolution.

Sometimes you may want to talk about problems you are having with us. Fixing these problems is very important to us. We've put in place ways of dealing with your issues quickly and fairly.

Please talk to us first.

We aim to resolve your complaint at your first point of contact with us. You can contact us on the details provided on the back cover of this PIS.

What to do if you're still unhappy.

If you are not satisfied with our response, you may lodge a complaint with the Australian Financial Complaints Authority:

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Privacy Statement.

All personal information and credit-related information (if applicable) we collect about you is collected, used and disclosed by us in accordance with our Privacy Statement which is available at westpac.com.au/privacy/privacy-statement, stgeorge.com.au/privacy/privacy-statement, banksa.com.au/privacy/privacy-statement or bankofmelbourne.com.au/privacy/privacy-statement.

You do not have to provide us with any personal information or credit information (if applicable) but, if you don't, we may not be able to process an application or request for a product or service.

Where individuals engage with us in relation to products and services for our business, corporate or institutional customers (for example, as representative, administrator, director, corporate officer, signatory, beneficiary or shareholder of one of our customers) our Privacy Statement will be relevant to those individuals where we collect and handle their personal information. For example, where we collect their personal information to verify their identity or collect their signature as a signatory on a corporate account.

External service providers.

We may subcontract any of our rights and obligations to another person in Australia or overseas.

We may disclose or share any information you provide to us with any such person. With respect to any personal information, details of the countries where the overseas recipients are likely to be located is contained in our Privacy Statement which is available at westpac.com.au/privacy/privacy-statement, stgeorge.com.au/privacy/privacy-statement, bankofmelbourne.com.au/privacy/privacy-statement or banksa.com.au/privacy/privacy-statement (as updated from time to time).

Privacy Obligations.

To the extent that it applies to you, you must comply with the *Privacy Act 1988* (Cth) in relation to any personal information you provide to us in connection with this PIS, and if you engage in activities in a jurisdiction other than Australia, you must comply also with the applicable privacy laws in that jurisdiction.

Foreign Tax Residents.

We are required under domestic and international laws to collect and report financial and account information relating to individuals and organisations who are, or may be, foreign tax residents. We may ask you whether you or any shareholder, beneficiary, settlor or controlling person are a foreign tax resident from time to time, such as when you open an account with us, or if your circumstances change. If you do not provide this information to us we may be required to limit the services we provide to you.

Unless you tell us otherwise, by completing any application, you certify that any shareholder, named beneficiary, settlor or controlling person is not a foreign tax resident. You must tell us if you, or any shareholder, named beneficiary, settlor or controlling person is, or becomes, a foreign tax resident (unless an exemption applies, such as for shareholders of listed companies). Where there are no named beneficiaries (e.g. for beneficiaries identified only as a class) you must tell us if a beneficiary is a foreign tax resident immediately when any decision is made to identify and make a distribution to them. You may contact us to provide foreign tax residence information by calling 1300 720 314 Option 1.

We cannot give tax advice, so please contact your independent tax advisor if you need help finding out whether any person is a foreign tax resident.

Taxation.

Taxation law is complex and its application will depend on a person's individual circumstances. When determining whether or not this product is suitable for you, you should consider the impact it will have on your own taxation position and seek professional advice on the tax implications it may have for you.

Glossary

BBSY or Bank Bill Swap Bid Rate means the primary short-term rate used in the financial markets for the pricing and valuation of Australian dollar securities and as a lending reference rate as calculated and published daily by its administrator, the ASX or any successor administrator. If such a rate is not published, then a rate will be determined by us, acting in good faith and in a commercially reasonable manner. Investors can access information on the calculation methodology and the previous day's BBSY rate in the ASX Benchmark Rates section of the ASX website located at [asx.com.au](https://www.asx.com.au)

Business Finance Agreement means the Business Finance Agreement between us and you that sets out the terms and conditions of your finance facilities including your RFR-BBBL.

Calculation Date means each date when the VRR is set, the first date being the start date of your RFR-BBBL and then each other agreed date.

Rebate Calculation Period means the period between any two consecutive Calculation Dates.

Rebate Fixed Rate or **RFR** means the agreed fixed base interest rate for a fixed rate period. It does not include any applicable margins, fees or charges.

Rebate Reference Rate or **RRR** means the agreed rate used to compare against the Variable Reference Rate on each calculation date to determine whether a rebate is payable.

Variable Reference Rate or **VRR** means, for a calculation date, the agreed market based reference rate as at the calculation date, used to determine the rebate amount.

'We', 'our', 'us' and **Westpac Group** refers to Westpac Banking Corporation ABN 33 007 457 141 Australian Financial Services Licence No. 233714 (and includes the Bank of Melbourne, St.George and BankSA brands).

