

Bank of  
Melbourne

# US Dollar Tailored Deposit.

## Product Information Statement.

Issued by Bank of Melbourne – A Division of Westpac Banking Corporation

Australian Financial Services Licence No. 233714

ABN 33 007 457 141

Effective date: 31 October 2023



## 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 below.

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 USD Tailored Deposit, you should keep a copy of this PIS and any associated documentation. You should also promptly tell us if at any time you experience financial difficulties.

This PIS is issued by Bank of Melbourne 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 USD Tailored Deposit.

The offer of USD Tailored Deposit 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 investment recommendations.

## 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) 8204 2790

 [irhub@westpac.com.au](mailto:irhub@westpac.com.au)

 Level 3, 275 Kent Street, Sydney NSW 2000

 Visit [bankofmelbourne.com.au](http://bankofmelbourne.com.au)

### 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 [accesshub.gov.au/about-the-nrs](http://accesshub.gov.au/about-the-nrs)

Visit [bankofmelbourne.com.au/accessibility](http://bankofmelbourne.com.au/accessibility) for further information on our accessible products and services for people with disability.

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## Glossary.

**APRA** means the Australian Prudential Regulation Authority.

**Business Day** means a day we are open for business and does not include a Saturday, Sunday or public holiday.

**Commencement Date** means the date on which the Principal Amount of your USD Tailored Deposit is to be deposited with us (usually by drawing from your nominated account), as indicated in your Confirmation.

**Confirmation** means the document we issue to you following receipt of your application and acceptance of your application.

**Coupon Payment** means the interest that is payable to you for the relevant Coupon Period.

**Coupon Period** means the number of days since (but not including) the previous Payment Date, or in the case of the first Payment Date, the number of days since (but not including) the Commencement Date.

**Early Withdrawal** means a full or partial withdrawal from your USD Tailored Deposit before the end of the Term (other than a Principal Decrease), which may result in an Early Withdrawal Adjustment.

**Early Withdrawal Adjustment** means the adjustment we may make and apply to the Principal Balance of your USD Tailored Deposit if we agree to a request for Early Withdrawal or variation to account for any Reduced Rate and/or Replacement Cost.

**Fixed Rate** means the fixed interest rate applying to your Principal Balance during the Fixed Term.

**Fixed Term** means a period of time specified in your Confirmation during which the Coupon Payments on your Principal Balance will be calculated with reference to the Fixed Rate.

**Maturity Date** means the date on which your USD Tailored Deposit expires, as indicated in your Confirmation.

**Notice Period** means the 31 day period beginning when a full or partial withdrawal request is received.

**Payment Date** refers to each date on which a Coupon Payment will be made by us in respect of your Principal Balance. The specific Payment Dates applying to your investment will be specified in your Confirmation.

If a Payment Date does not fall on a Business Day, the payment will be processed on the following Business Day.

**PIS** means Product Information Statement.

**Principal Amount** means the amount to be invested on deposit by you on the Commencement Date.

**Principal Balance** means, on any day during the Term, the Principal Amount subject to any Principal Variations (if any) made prior to that date.

**Principal Decreases** means, where applicable, deductions made from the Principal Amount that are paid to you on agreed Payment Dates during the Term. These amounts can be variable and are not required to be equal for each Coupon Period.

**Principal Increases** means, where applicable, additional contributions made after the Commencement Date that are added to the Principal Amount.

**Principal Variation** means a Principal Increase or Principal Decrease.

**Reduced Rate** means the interest adjustment applicable to your USD Tailored Deposit, if we agree to a request for Early Withdrawal or variation, based on the rate we would have paid for the actual period of your investment, if you had originally chosen this earlier maturity. It is one of two factors comprising the Early Withdrawal Adjustment.

**Replacement Cost** means the cost (as determined by us in a commercially reasonable manner) to replace funds in the market arising from us agreeing to an Early Withdrawal or variation of your USD Tailored Deposit. It is one of two factors comprising the Early Withdrawal Adjustment.

**Representative** means a representative of a Westpac Group company who can provide you with information and assistance relating to the USD Tailored Deposit.

**Term** means the period between the Commencement Date and the Maturity Date.

**Transaction Date** means the date on which you enter into a legally binding agreement with us on the terms that will apply to your USD Tailored Deposit.

**Westpac, we, our and us** means Westpac Banking Corporation ABN 33 007 457 141 Australian Financial Services Licence No. 233714 (and includes the St.George, Bank of Melbourne and BankSA divisions).

**Westpac Group** means Westpac and its related bodies corporate.

A USD Tailored Deposit is a USD denominated term deposit, designed for investors seeking a medium to long term investment with more flexibility than a standard term deposit.

Key facts	
Minimum Transaction Amount	USD1,000,000
Term	6 months to 5 years and is a hold to maturity investment
Interest Frequency	Monthly, Quarterly, Semi-Annual, and Annual
Rate Type	Fixed

## Description.

A US Dollar Tailored Deposit ('**USD Tailored Deposit**') is designed to enable investors to enjoy a Fixed Rate ('**Rate**') for a Fixed Term ('**Term**') on the deposit.

You have the flexibility to decide the Commencement Date and length of the Fixed Term.

You can further tailor your USD Tailored Deposit by selecting from a range of Interest Payment frequencies and you can choose to have Principal Variations over the Fixed Term in line with your cash-flow requirements. Depending on your cash-flow requirements you can elect to have Principal Increases or Principal Decreases.

## Fees and Charges.

When we determine the relevant Fixed Rate, we have already taken into consideration all costs associated with your USD Tailored Deposit.

A USD Tailored Deposit has no fees or charges. The Fixed Rate is locked in at the start of your investment and will not be subject to any fees.

## Key Benefits.

### Flexibility.

You can design your USD Tailored Deposit to your view and situation by choosing:

- the Principal Amount of your USD Tailored Deposit (subject to a minimum of USD 1,000,000);
- the Term of your USD Tailored Deposit (6 months to 5 years);
- the Interest Payment frequency (monthly, quarterly, semi-annually, annually);
- if you elect to have Principal Variations during the Term – the amount and frequency of the Principal Increases or Principal Decreases (as applicable); and the Commencement Date, which can be up to 6 months from the Transaction Date, subject to satisfying applicable credit approval or security requirements.

This flexibility gives you the ability to align your deposit arrangements with your interest rate view and your cash-flow requirements.

### Certainty.

Where you choose a Fixed Term, you enjoy the peace of mind of a Fixed Rate. This certainty can help you to reliably meet cash-flow requirements and would be of particular advantage if market interest rates fell below the Fixed Rate during the Fixed Term.

### Tailored returns.

By locking in the deposit for the full Term, we can offer a tailored return to investors.

## Key Risks.

### Interest rate risk.

It may be the case that interest rates do not move in line with your view. In this situation, you may receive a less advantageous interest rate than available otherwise. For example, it would be a disadvantage if market interest rates rise above the Fixed Rate during any Fixed Term.

### Not a protected Account.

The USD Tailored Deposit is classified as a **Foreign currency deposit** and is not protected by the Australian Governments' Financial Claims scheme nor are they a 'protected account' under the *Banking Act 1959* with the result that they do not receive preferred status over other unsecured creditors in the event of insolvency.

### Early Withdrawal/variation.

The USD Tailored Deposit is an investment which is designed to be held to maturity. You may request a full or partial withdrawal from your USD Tailored Deposit before the end of the Term ('**Early Withdrawal**').

If we, in our reasonable discretion, accept your request for Early Withdrawal before the end of the Term, we may adjust the return of your investment by reducing the interest and (in some cases) principal of your USD Tailored Deposit ('**Early Withdrawal Adjustment**'). You will also have to wait until the end of the Notice Period for the disbursement of your funds.

Applying an Early Withdrawal Adjustment may significantly reduce the return on your USD Tailored Deposit, and in some cases may result in the reduction of your Principal Balance. Please contact us if you have any questions on Early Withdrawal.

You may also request a variation to the terms of your USD Tailored Deposit before the end of the Term. If we, in our reasonable discretion, accept your request for variation, we may also apply an Early Withdrawal Adjustment to your USD Tailored Deposit.

See the sections titled 'Will my return be impacted if I withdraw or vary the terms before the Maturity Date?', 'Notice Period', and 'Scenarios' on pages 5 and 6 for more information. With these risks in mind, please consider your circumstances carefully when selecting the terms of your USD Tailored Deposit.

### Counterparty and operational risk.

As is the case with most financial products we offer, we have performance obligations under a USD Tailored Deposit.

Our ability to fulfil our obligations is linked to our financial wellbeing and to the effectiveness of our internal systems, processes and procedures. The first type of risk (our financial wellbeing) is commonly referred to as **credit** or **counterparty risk**. The second type of risk (the effectiveness of our internal systems, processes and procedures) is commonly referred to as **operational risk**.

You must make your own assessment of our ability to meet our obligations. However, as a regulated Australian bank we are subject to prudential regulation which is intended to reduce the risk of us failing to perform our obligations. Further information about Westpac, including copies of Westpac's recent financial statements, is available on the Westpac website at [westpac.com.au](http://westpac.com.au)

### No cooling-off period.

There is no cooling-off period in respect of an investment in a USD Tailored Deposit. You cannot cancel or revoke your application for a USD Tailored Deposit. However, Early Withdrawal is possible. See the section titled 'Early Withdrawal/Variation' on the previous page for more information.

### Overview.

A USD Tailored Deposit is designed to a Fixed Term.

By incorporating a Fixed Rate during the Term of your USD Tailored Deposit, you enjoy the peace of mind of a Fixed Rate during that period. However, like all Fixed Rate deposits, you may miss out on any favourable interest rate movements.

In addition, you can further tailor your USD Tailored Deposit by selecting from a range of Interest Payment frequencies and you can choose to have Principal Variations over the Term in line with your cash-flow requirements.

You will receive an Interest payment on the payment dates across the life of your deposit. You can choose the Interest payment frequency being monthly, quarterly, semi-annual or annual. The payment dates for your deposit will be set out in your Confirmation and will apply for the Term of the deposit.

## How are Interest Payments calculated?

Your Interest Payments are calculated as follows:

$$A = B \times C \times (D/360)$$

Where:

- A = your Interest Payment;
- B = your Principal Balance at the beginning of that Interest Period;
- C = the Fixed Rate expressed as a percentage, as determined on the previous Payment Date (or in the case of the first Payment Date, the Commencement Date);
- D = the number of days since (but not including) the previous Payment Date, or in the case of the first Payment Date, the number of days since (but not including) the Commencement Date.

## Early Withdrawal.

### Notice Period.

A Notice Period will apply to all USD Tailored Deposit. You must give us at least 31 days' notice to make a withdrawal from your USD Tailored Deposit prior to the Maturity Date, unless hardship applies. If you have less than 31 days remaining in your Term, the earliest you can access your USD Tailored Deposit funds is the Maturity Date, unless hardship applies.

The 31 day Notice Period starts on the day (Sydney time) that we receive your withdrawal request. We will make payment to you on the next Business Day after the Notice Period ends.

The 31 day Notice Period applies to your USD Tailored Deposit unless you can show that you need access to the funds earlier due to hardship. If you need earlier access to funds before the Maturity Date because of a hardship situation, you will need to provide details to the banking staff that can assess whether your case qualifies for an earlier disbursement under our hardship policy.

### Will my return be impacted if I withdraw or vary the terms before the Maturity Date?

If you request Early Withdrawal of your USD Tailored Deposit or you seek a variation to its terms, and if, in our reasonable discretion, we agree to your request, we may apply an Early Withdrawal Adjustment. An Early Withdrawal Adjustment can be broken into two factors; a Reduced Rate and a Replacement Cost.

The Reduced Rate, in the case of Early Withdrawal, will apply to the amount to be withdrawn for the actual period it was invested for. In the case of variation, the Reduced Rate will apply to the Principal Balance for the actual period you have invested for prior to variation. The impact of a Reduced Rate is an adjustment of the total amount of interest and is calculated by applying the difference between your original interest rate and the Reduced Rate (to the amount withdrawn) for the actual period of your investment.

The Replacement Cost is determined by us in a commercially reasonable manner at the time of your request for Early Withdrawal or variation with reference to:

1. current market interest rates at the time of your request;
2. the remaining applicable interest rate of your USD Tailored Deposit; and
3. the amount of Principal Balance being withdrawn.

A Replacement Cost will only be applied if current market interest rates, based on the remaining Term from which you are withdrawing part or all of your USD Tailored Deposit, are greater than the interest rate remaining on your USD Tailored Deposit.

If in our reasonable discretion we agree to your request, you will receive a quote containing our calculations of the Reduced Rate and Replacement Cost and the proposed adjustment on the total amount of interest and principal (if applicable) applying to your USD Tailored Deposit (Early Withdrawal Adjustment). If you are satisfied with this quote, you will need to confirm your acceptance with our Representative.

Applying an Early Withdrawal Adjustment may significantly reduce the return on your USD Tailored Deposit, and in some cases may result in the reduction of your Principal Balance. With this in mind, please consider your circumstances carefully when selecting the terms of your USD Tailored Deposit. No Early Withdrawal Adjustment will be applied if your USD Tailored Deposit is repaid prior to the Maturity Date due to your death or in the case of hardship.

## Scenarios.

The scenarios below illustrate in more detail how the Early Withdrawal Adjustment is calculated in the case of an Early Withdrawal. The examples are for illustrative purposes only and use rates and figures selected to demonstrate relevant principles. Actual rates and figures will vary according to specific circumstances.

In line with the factors mentioned above, we will first determine the rate you would have received for the actual period of your investment if you had originally chosen this earlier maturity (Reduced Rate). We will then look at the impact of the time remaining until maturity, the applicable current market rates, and the Principal Balance (Replacement Cost). There will only be an impact from Replacement Costs on your USD Tailored Deposit if market rates have risen.

### Scenario 1 - Reduced Rate and no Replacement Cost.

On 2 February 2020, you establish a 3-year USD Tailored Deposit for USD3,000,000, with a Fixed Rate of 4.00% per annum (paid quarterly), which amounts to a Coupon Payment of USD30,000 per quarter.

On 2 January 2021, you request a full withdrawal of your USD Tailored Deposit, which we subsequently approve.

#### When would my funds be repaid?

A Notice Period of 31 days applies to your withdrawal, so your withdrawn funds will be made available on 2 February 2021 (the next Sydney Business Day after the Notice Period ends). This means that the actual period you have invested for is 1 year and the time remaining until maturity is 2 years.

#### How would the return on my investment be impacted?

To assess whether an Early Withdrawal Adjustment will apply and the resultant impact to your investment, we will calculate the impact of the Reduced Rate and Replacement Cost.

To calculate the impact from the Reduced Rate, we will first determine the rate you would have received for the actual period of your investment (i.e. 1 year) if you had originally chosen this earlier maturity. Assume the 1-year Fixed Rate when you opened your USD Tailored Deposit was 3.50% per annum (i.e. 0.50% per annum less than your Fixed Rate). The impact of the Reduced Rate on your interest is 0.50% (1 year of 0.50% per annum).

Now we will have a look at the impact (if any) of the Replacement Cost of withdrawing your funds with us. As mentioned above, the time remaining until maturity is 2 years and the Principal Amount for the withdrawal is USD3,000,000.

Assume that the applicable market interest rate for the time remaining until maturity (2 years) is 3.75% per annum (i.e. 0.25% per annum lower than your Fixed Rate). As the market interest rate is lower than your Fixed Rate, there is no Replacement Cost applicable to your Early Withdrawal.

As a result, the Early Withdrawal Adjustment is 0.50% per annum (impact of the Reduced Rate only).

This represents your interest adjustment and amounts to USD15,000 (0.50% per annum × USD3,000,000 × 1 year).

Since we have already paid you interim interest of three quarterly Coupon Payments totalling USD90,000, we will recover this interest adjustment (USD15,000). On 2 February 2021 (the date when your withdrawn funds will be made available), we will therefore return the Principal Amount plus the final Coupon Payment less the interest adjustment (i.e. USD3,000,000 + USD30,000 - USD15,000 = USD3,015,000).

### Scenario 2 - Reduced Rate and Replacement Cost.

On 2 February 2020, you establish a 5-year USD Tailored Deposit for USD1,000,000, with a Fixed Rate of 5.00% per annum (paid quarterly), which amounts to a Coupon Payment of USD12,500 per quarter.

On 2 January 2022, you request a full withdrawal of your USD Tailored Deposit, which we subsequently approve.

#### When would my funds be repaid?

A Notice Period of 31 days applies to your withdrawal, so your withdrawn funds will be made available on 2 February 2022 (the next Sydney Business Day after the Notice Period ends). This means that the actual period you have invested for is 2 years and the time remaining until maturity is 3 years.

#### How would the return on my investment be impacted?

To assess whether an Early Withdrawal Adjustment will apply and the resultant impact to your investment, we will calculate the impact of the Reduced Rate and Replacement Cost.

To calculate the impact from the Reduced Rate, we will first determine the rate you would have received for the actual period of your investment (i.e. 2 years) if you had originally chosen this earlier maturity. Assume the 2-year Fixed Rate when you opened your USD Tailored Deposit was 4.50% per annum (i.e. 0.50% per annum less than your Fixed Rate). The impact of the Reduced Rate on your interest is 1.00% (2 years of 0.50% per annum).

Now we will have a look at the impact and calculate (if any) the Replacement Cost of withdrawing your funds with us. As mentioned above, the time remaining until maturity is 3 years and the Principal Amount for the withdrawal is USD1,000,000.

Assume that the applicable market interest rate for the time remaining until maturity (3 years) is 6.00% per annum (i.e. 1.00% per annum higher than your Fixed Rate). In this case, there is a Replacement Cost applicable because we have to replace this part of your deposit at a higher rate in the market. The cost of this replacement amounts to 3.00% (3 years of 1.00% per annum).

The combined impact of the Early Withdrawal Adjustment for this withdrawal is now made up of the impact of the Reduced Rate (i.e. 1.00% or 0.50% per annum), plus the impact of the Replacement Cost (i.e. 3.00% or 1.50% per annum) for the 2 years you have invested for. Therefore, the total Early Withdrawal Adjustment amounts to 4.00% or 2.00% per annum.

Nominally, this Early Withdrawal Adjustment amounts to USD40,000 (2.00% per annum × USD1,000,000 × 2 years).

Since we have already paid you seven quarterly Coupon Payments totalling USD87,500, there will be an Early Withdrawal Adjustment of USD40,000. On 2 February 2022 (the date when your withdrawn funds will be made available), we will return the Principal Amount plus the final Coupon Payment less the Early Withdrawal Adjustment (i.e. USD1,000,000 + USD12,500 - USD40,000 = USD972,500).

### **Scenario 3 – Reduced Rate and Replacement Cost resulting in reduction of Principal Balance.**

On 2 February 2020, you establish a 2-year USD Tailored Deposit for USD1,000,000, with a Fixed Rate of 2.50% per annum (paid quarterly), which amounts to a Coupon Payment of USD6,250 per quarter.

On 2 January 2021, you request a full withdrawal of your USD Tailored Deposit, which we subsequently approve.

#### **When would my funds be repaid?**

A Notice Period of 31 days applies to your withdrawal, so your withdrawn funds will be made available on 2 February 2021 (the next Sydney Business Day after the Notice Period ends). This means that the actual period you have invested for is 1 year and the time remaining until maturity is 1 year.

#### **How would the return on my investment be impacted?**

To assess whether an Early Withdrawal Adjustment will apply and the resultant impact to your investment, we will calculate the impact of the Reduced Rate and Replacement Cost.

To calculate the impact from the Reduced Rate, we will first determine the rate you would have received for the actual period of your investment (i.e. 1 year) if you had originally chosen this earlier maturity. Assume the 1-year Fixed Rate when you opened your USD Tailored Deposit was 2.00% per annum (i.e. 0.50% per annum less than your Fixed Rate). The impact of the Reduced Rate on your interest is 0.50% (1 year of 0.50% per annum).

Now we will have a look at the impact and calculate (if any) the Replacement Cost of withdrawing your funds with us. As mentioned above, the time remaining until maturity is 1 year and the Principal Amount for the withdrawal is USD1,000,000.

Assume that the applicable market interest rate for the time remaining until maturity (1 year) is 3.50% per annum (i.e. 1.00% per annum higher than your Fixed Rate). In this case, there is a Replacement Cost applicable because we have to replace this part of your deposit at a higher rate in the market. The cost of this replacement amounts to 1.00% (1 year of 1.00% per annum).

The combined impact of the Early Withdrawal Adjustment for this withdrawal is now made up of the impact of the Reduced Rate (i.e. 0.50% or 0.50% per annum), plus the impact of the Replacement Cost (i.e. 1.00% or 1.00% per annum) for the 1 year you have invested for. Therefore, the total Early Withdrawal Adjustment amounts to 1.50% per annum (0.50% per annum Reduced Rate + 1.00% per annum Replacement Cost).

Nominally, this Early Withdrawal Adjustment amounts to USD15,000 (1.50% per annum × USD1,000,000 × 1 year).

Since we have already paid you three quarterly Coupon Payments totalling USD18,750, there will be an Early Withdrawal Adjustment of USD15,000. On 2 February 2021 (the date when your withdrawn funds will be made available), we will return the Principal Amount plus the final Coupon Payment less the Early Withdrawal Adjustment (i.e. USD1,000,000 + USD6,250 - USD15,000 = USD991,250).

Note in this scenario, because the market interest rate for the remaining term had risen significantly, the impact of the Replacement Cost is large, and you would have earned a negative rate of return on your investment by requesting an Early Withdrawal. With this risk in mind it is important to consider your circumstances carefully when selecting the terms of your USD Tailored Deposit and understand that USD Tailored Deposits are designed to be held to maturity.

How to apply for a USD Tailored Deposit.

Please follow the steps below to apply for your USD Tailored Deposit:

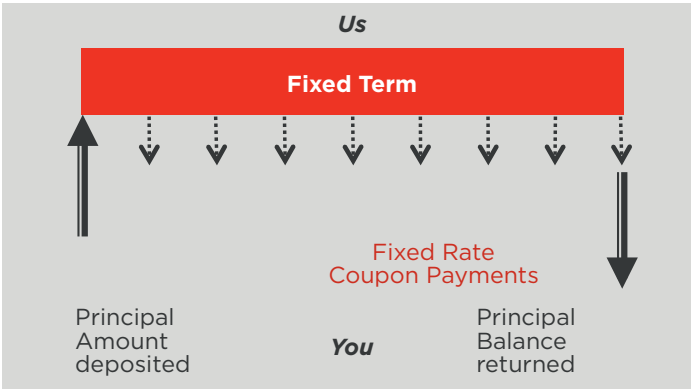
- ensure you have read and understood this PIS;
- talk to our Representative to confirm your eligibility for a USD Tailored Deposit;
- determine:
  - the amount of your USD Tailored Deposit;
  - the Commencement Date;
  - the payment frequency of your Coupon Payments; and
  - if you want to have Principal Variations during the Term and (if you do) the amount and frequency of those Principal Increases or Principal Decreases (as applicable); and
- when you receive a quote from our Representative and you are satisfied with this quote, confirm your acceptance of the quote with our Representative.

If we accept your application, we will send you a Confirmation outlining the commercial terms of the transaction. We have the right, in our absolute discretion, to not accept your application for any reason.

Example Payment flow diagrams.

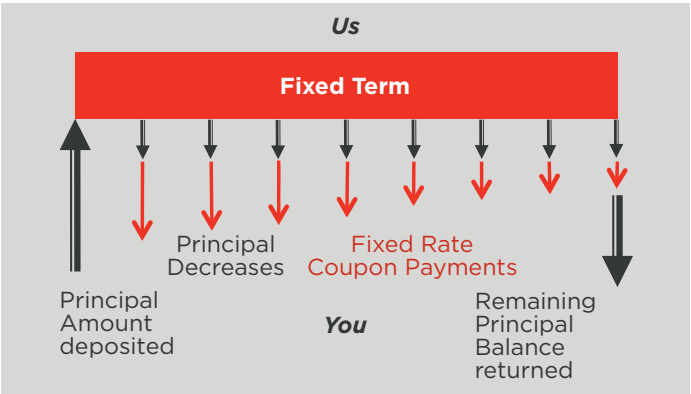
Example 1: USD Fixed Rate Investment.

This diagram shows the payment flows that occur during the Term of a USD Tailored Deposit that has a Fixed Rate only for the life of the deposit and no Principal Variations.



Example 2: USD Fixed Rate Investment with Decreasing Principal.

This diagram shows the payment flows that occur during the Term of a USD Tailored Deposit that has a Fixed Term only for the full Term of the deposit and equal Principal Decreases payable on each Payment Date during the Term. As the Principal Decreases reduce the Principal Balance of the USD Tailored Deposit on each Payment Date, the amount of the Fixed Rate Interest Payments will reduce accordingly.



Examples.

The examples below are illustrative only and use rates and figures that we have selected to demonstrate how the product works. In order to assess the merits of any particular USD Tailored Deposit, you would need to use the actual rates and figures quoted to you at the time. Note that the examples below relate to the 'Payment flow diagrams' on this page, and that the calculations include rounding of decimal places.

Fixed Rate Interest Payments only for the full Term.

You are an investor with USD1,000,000 to invest for a period of two years. You would like to invest in a product with an attractive fixed return. You do not wish to have any Principal Variations during the Term.

Our Representative provides the following indicative quote for a USD Tailored Deposit on these terms:

2-year USD Tailored Deposit	
Principal Amount	USD1,000,000
Term	2 years
Fixed Rate	0.20%
Interest Payment frequency	Quarterly
Principal Variations	None

The rates in this example are for illustrative purposes only and have been rounded to two decimal places.

In addition, for the purposes of this example, assume that there are 90 days in each quarter.

- Using the formula set out on page 5, you calculate that each quarterly Interest Payment during the Fixed Term will equal **USD500** ( $\text{USD1,000,000} \times 0.0020 \times 90/360$ ).
- On the Maturity Date you will receive the Interest Payment Calculated above, you will also receive the Principal Amount of **USD1,000,000** back.



## Fixed Rate Interest Payments for the full Term with Principal Decreases during the Term.

You are an investor with USD2,000,000 to invest for a period of four years. You would like to invest in a product with an attractive fixed interest rate return. In line with your cash-flow requirements, you also want to have Principal Decreases of equal amounts over the full Term.

Our Representative provides the following indicative quote for a USD Tailored Deposit on these terms:

4-year USD Tailored Deposit	
Principal Amount	USD2,000,000
Term	4 years
Fixed Rate	0.25% per annum
Interest Payment frequency	Semi-annual
Principal Decreases	(Semi-Annually) USD50,000

*The rates in this example are for illustrative purposes only and have been rounded to two decimal places.*

In addition, for the purposes of this example, assume that there are 180 days in each 6-month Interest Period.

- After one year, two Principal Decreases have occurred and the remaining Principal Balance is USD1,900,000. Using the formula set out on page 5, you calculate that the Interest Payment for the semi-annual period starting after one year will equal **USD2,375** ( $\text{USD1,900,000} \times 0.0025 \times 180/360$ ).
- After three years, six Principal Decreases have occurred and the remaining Principal Balance is USD1,700,000. Using the same formula, you calculate that the Interest Payment for the semi annual period starting after three years will equal **USD2,125** ( $\text{USD1,700,000} \times 0.0025 \times 180/360$ ).
- On the Maturity Date, seven Principal Decreases have occurred and the remaining Principal Balance is USD1,650,000. Using the same formula, you calculate that the Interest Payment on the Maturity Date will equal **USD2,062.50** ( $\text{USD1,650,000} \times 0.0025 \times 180/360$ ). You will also receive the remaining principal of USD1,650,000 back.

## General information.

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

#### **What we need from you:**

To open any new USD Tailored Deposit 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 Westpac.

#### **If this is your first account with us:**

Under the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* ('Act') 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 the Westpac Customer Identification Procedure which involves providing identity documentation to Westpac. For information on documents required under Westpac's Customer Identification Standards please contact any branch or refer to our website – [westpac.com.au/aml](https://westpac.com.au/aml)

If the account holder or any of the signatories to an account are not identified in terms of the Act, the account will be blocked for all withdrawals, until they are identified. If you are an existing customer, an account signatory (or any other cardholder) 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.**

Westpac is bound by laws that impose regulatory and compliance obligations, including obligations in relation to the prevention of money laundering and the financing of terrorism, under the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (AML/CTF Laws).

In order for Westpac to meet its regulatory and compliance obligations, we perform certain control and monitoring activities.

Upon entering into a USD Tailored Deposit with Westpac, you agree and provide the following undertakings and agree to indemnify Westpac against any loss arising from any breach by you of such undertakings that:

- you are not and will not enter into any agreement with Westpac under an assumed name;
- any funds used by you to enter into an agreement with Westpac have not been derived from or related to any criminal activities;
- any payments received from Westpac 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 a USD Tailored Deposit); and,
- you and your USD Tailored Deposit with Westpac will not initiate, engage or affect 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 Westpac from third parties if we believe this is necessary to comply with our regulatory and compliance obligations, including the 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 and other members of the Westpac Group are not liable for any loss you suffer (including consequential loss) in connection with the transaction being delayed, blocked, frozen or refused; 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.

Applications for and the terms of a USD Tailored Deposit 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. However, we will not enter into any USD Tailored Deposit transaction over the telephone unless the conversation is recorded.

## How we will communicate with you.

By submitting an application for a USD Tailored Deposit you agree that we may send you email messages to an email address that you have provided to us which may contain documents and information about your USD Tailored Deposit (such as updates or replacements of disclosure documents and account statements), or tell you how you can access such documents or information through our website. It is your responsibility to regularly check your email messages and make sure that we have your current email address.

If you would prefer not to receive communications from us by email, please contact us and we will send you paper copies of the relevant documents and information instead.

## Your instructions to us.

By submitting an application for a USD Tailored Deposit, you are agreeing that, if you choose to provide any instructions via email, facsimile or telephone:

- you will provide each instruction in a form reasonably satisfactory to us;
- you accept the risks associated with using email, facsimile or telephone to provide your instructions (including the risks of unauthorised third parties intercepting, viewing, listening to or altering your instructions);
- except to the extent that communications are transmitted through or stored on systems that we control, we are not responsible for ensuring that your communications with us are secure and we will not be liable to you for any failure to keep them secure other than due to our negligence;
- we are not required to verify the authenticity or accuracy of any instruction we have reasonable grounds to believe has been sent to us from you, and we are allowed to act on any directions contained in that instruction, even if they were initiated or transmitted fraudulently or by mistake, or interfered with before or in the course of transmission and we did not have reasonable grounds to believe that this occurred;
- we are not required to, but may in our absolute discretion defer action with respect to all or part of any instruction pending further inquiry or confirmation where we reasonably consider that such further inquiry or confirmation is necessary or desirable;
- you will release us from, and indemnify us against, all claims, losses, damages, and reasonable costs and expenses howsoever incurred by us as a consequence of us acting in accordance with all or part of any instruction from you, except to the extent that it is caused or contributed to by our fraud, wilful misconduct or negligence;
- you may not treat any instruction you have sent by email to us as received until you have received a return email from us expressly acknowledging receipt of that instruction (any automatic or system generated acknowledgment is not a return email for this purpose); and
- if you authorise someone else to act on your behalf, any instructions we receive from them via email, facsimile or telephone will also be governed by the above terms.

## Business Days.

If a date specified in a confirmation does not fall on a day on which banks are open for business in Sydney, New York and London ('Business Day') the relevant date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day.

## Providing us with your Tax File Number ('TFN').

We are required to report details of income earned, withholding tax deducted and TFNs quoted on an account, to the Australian Taxation Office ('ATO') annually.

The collection of TFNs and their use and disclosure are strictly regulated by the *Privacy Act 1988* and the *Tax Administration Act 1953*.

When you invest in a USD Tailored Deposit, if you are a resident of Australia for taxation purposes, you are not required to provide your TFN or your Australian Business Number ('ABN'). However, if you do not, the interest earned on your account will be subject to the Pay-As-You-Go ('PAYG') withholding rules.

- If the investment is made in the course of an enterprise (that is, business activities), you may provide an ABN as an alternative to your TFN;

If a formal trust is established and a trustee makes the investment, the trustee may quote the TFN of the trust.

Provision of a TFN or ABN is not compulsory. You may be eligible to claim an exemption from quoting your TFN so that withholding tax will not be deducted. You will need to tell us the type of exemption you are claiming. Those eligible include:

- most pensioners;
- companies or unincorporated associations that are exempt from lodging tax returns and do not have TFNs (for example, charitable, social and non-profit organisations); and
- children under 18 where the investment income is less than \$416 per annum.

If you do not provide a TFN or ABN and you do not quote an exemption code, we will deduct withholding tax.

## Non-resident Withholding Tax.

If you are not a resident of Australia for tax purposes, Westpac will be obliged to deduct withholding tax from your gross interest unless you provide evidence of an entitlement to any benefits under a double tax agreement with Australia.

## 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.

## 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](https://westpac.com.au/privacy/privacy-statement), [stgeorge.com.au/privacy/privacy-statement](https://stgeorge.com.au/privacy/privacy-statement) or [bankofmelbourne.com.au/privacy/privacy-statement](https://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.

## 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.

## External Service Providers.

We may subcontract any of our rights and obligations to another person in Australia or overseas, although we will remain responsible for the performance of any obligations that we have subcontracted to another person.

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](https://westpac.com.au/privacy/privacy-statement), [stgeorge.com.au/privacy/privacy-statement](https://stgeorge.com.au/privacy/privacy-statement) or [bankofmelbourne.com.au/privacy/privacy-statement](https://bankofmelbourne.com.au/privacy/privacy-statement) (as updated from time to time).

## **Account combination.**

Westpac has the right to combine your USD Tailored Deposit with any other account you hold with us. That is, we can transfer sufficient money from your USD Tailored Deposit to clear any debt you owe us in other accounts. If we do so, the balance of your USD Tailored Deposit will reduce by the amount used by Westpac for this purpose. You agree that you may not set off any amounts we owe you (for example credit balances in your accounts) against amounts you owe us.

If we intend to exercise our right to combine accounts, we will give you prior notice in writing at the email address shown in our records of our intention and a reasonable period to repay any amounts owed to us, unless we are exercising this right to address an immediate credit risk to us in which case we may not give prior notice.

## **Assignment.**

You may not at any time assign or transfer any right, title or interest in your USD Tailored Deposit without Westpac's prior consent, which must not be unreasonably withheld.

## **Jurisdiction.**

Your USD Tailored Deposit will be governed by and construed in accordance with the laws of New South Wales, Australia.

## **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 page 2 of this PIS.

### **What to do if you are still unhappy.**

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

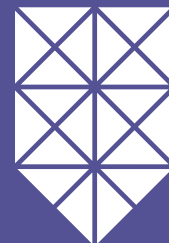
Online: [www.afca.org.au](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Phone: 1800 931 678

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





Bank of  
Melbourne

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*Bank of Melbourne acknowledges the traditional owners as the custodians of this land, recognising their connection to land, waters and community. We pay our respect to Australia's First Peoples, and to their Elders, past and present.*

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