

# Tailored Deposit

## Product Information Statement.

Issued by Westpac Banking Corporation  
Australian Financial Services Licence No. 233714  
ABN 33 007 457 141



Effective date: 31 October 2023



# We're here to help

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

## Investments and Deposits

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

Visit [westpac.com.au/web-accessibility](https://westpac.com.au/web-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 on page 2 of this PIS.

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 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 Westpac 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 Tailored Deposit.

The offer of 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.

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## Glossary.

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

**BBSW** or Bank Bill Swap 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 Westpac, acting in good faith and in a commercially reasonable manner. Investors can access information on the calculation methodology and the previous day's BBSW rate in the ASX Benchmark Rates section of the ASX website located at [asx.com.au](http://asx.com.au)

**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 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 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 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.

**Floating Rate** means the floating or variable interest rate applying to your Principal Balance during the Floating Term.

**Floating 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 Floating Rate.

**Maturity Date** means the date on which your 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 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.

**RBA Cash Rate Target** means the Reserve Bank of Australia's measure of the cash rate which is the interest rate which banks pay or charge to borrow funds from or lend funds to other banks on an overnight unsecured basis.

**Reduced Rate** means the interest adjustment applicable to your 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.

**Reference Rate** means either:

- the Bank Bill Swap Rate or
- the average RBA Cash Rate Target,

for the payment frequency you have chosen i.e. either one month, three months or six months.

**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 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 Tailored Deposit.

**Spread** means the margin over the Reference Rate, expressed as a percentage.

**Term** means the period between the Commencement Date and the Maturity Date, comprised of (if applicable) the Fixed Term and/or the Floating Term.

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

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**Contents.**

Glossary. .... 3

Offer at a glance. .... 5

Fees and Charges. .... 6

Key benefits. .... 6

Key risks. .... 7

How a Tailored Deposit works. .... 7

Payment flow diagrams. .... 10

Examples. .... 15

General information. .... 17

## Offer at a glance.

Issuer	Westpac
<b>Purpose</b>	<p>A Tailored Deposit is a tailored term deposit, designed to enable investors to enjoy a tailored Fixed Rate for one period ('<b>Fixed Term</b>') and/or a Floating Rate – incorporating a Spread over the BBSW rate or the RBA Cash Rate Target ('<b>Reference Rate</b>') – for another period ('<b>Floating Term</b>') of the deposit. You have the flexibility to decide the Commencement Date and length of each Term and whether the Fixed Term or Floating Term will come first according to your interest rate view. Alternatively, you can choose to have only a Fixed Term during which the Fixed Rate applies or only a Floating Term during which the Floating Rate applies.</p> <p>You can further tailor your Tailored Deposit by selecting from a range of Coupon Payment frequencies and you can choose to have Principal Variations over the Term in line with your cash-flow requirements. Depending on your cash-flow requirements you can elect to have Principal Increases or Principal Decreases.</p> <p>See the section titled 'How a Tailored Deposit works' on page 7 for more information.</p>
<b>Fees and Charges</b>	<p>There are no establishment fees, transaction fees or monthly service fees payable on a Tailored Deposit.</p> <p>See the section titled 'Fees and Charges' on page 6 for more information.</p>
<b>Key benefits</b>	<p><b>Flexibility</b> – You can tailor your Tailored Deposit to your interest rate view and cash-flow requirements. You can also choose a Commencement Date up to 12 months from the Transaction Date, subject to satisfying applicable credit approval or security requirements.</p> <p><b>Certainty</b> – During the Fixed Term (if applicable), you enjoy the peace of mind of a tailored Fixed Rate.</p> <p><b>Tailored returns</b> – By locking in the deposit for the entire Term, we can offer you a tailored Fixed Rate during the Fixed Term and a Spread above the Reference Rate (BBSW or the RBA Cash Rate Target) during the Floating Term of your Tailored Deposit. If you choose to have a Floating Term you may benefit from upward interest rate movements and thus potential increases in the Floating Rate.</p> <p>See the section titled 'Key benefits' on page 6 for more information.</p>
<b>Key risks</b>	<p><b>Interest rate risk</b> – It may be the case that interest rates do not move in line with your view. For example, if you choose to have a Floating Term you will be exposed to potential decreases in the Floating Rate.</p> <p><b>Early Withdrawal/Variation</b> – You can request to vary your Tailored Deposit or make a full or partial withdrawal ('Early Withdrawal') before the Maturity Date. If we, in our reasonable discretion, accept your request for variation or Early Withdrawal, this may result in an Early Withdrawal Adjustment, which in some cases may result in a reduction of your Principal Balance. See the section titled 'Early Withdrawal/Variation' on page 7. Any Early Withdrawals will be subject to a Notice Period, unless hardship applies. See the section titled 'Notice Period' on page 11 for more information.</p> <p><b>Counterparty and operational risk</b> – We have performance obligations under a Tailored Deposit. You need to form a judgment on our ability to meet those obligations.</p> <p><b>No cooling-off period</b> – There is no cooling-off period in respect of an investment in a Tailored Deposit. You cannot cancel or revoke your application for a Tailored Deposit. However, Early Withdrawal may be possible.</p> <p>See the section titled 'Key risks' on page 7 for more information.</p>
<b>Suitability</b>	<p>A Tailored Deposit may be suitable if you have a good understanding of interest rate markets and would like to invest in a tailored term deposit based on your interest rate view and cash-flow requirements.</p> <p>If you are not confident about your understanding of these things, this product may not be suitable for you and we strongly suggest you seek independent advice before making a decision about this product.</p>
<b>Term</b>	1 year to 10 years. ( <b>Note:</b> We may accept a lesser Term at our discretion).
<b>Minimum transaction size</b>	The minimum deposit size is AUD500,000.
<b>How to apply</b>	See the section titled 'How to apply for a Tailored Deposit' on page 14 for more information.

## Fees and Charges.

### Fees of a Tailored Deposit.

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

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

## Key benefits.

### Flexibility.

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

- the Principal Amount of your Tailored Deposit (subject to a minimum of AUD500,000);
- the Term of your Tailored Deposit (1 year to 10 years. **Note:** We may accept a lesser Term at our discretion);
- the Coupon Payment frequency (monthly, quarterly, semi-annually or – for Fixed Terms only – annually);
- whether you have a Fixed Term and Floating Term or only one of those;
- if you have both a Fixed Term and Floating Term, the length of each and whether the Fixed Term or Floating Term will come first;
- if you have a Floating Term, the Reference Rate to be either the Bank Bill Swap Rate ('**BBSW**') or the RBA Cash Rate Target;
- whether to have any Principal Variations during the Term;
- 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 12 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 cashflow 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 with a Tailored Deposit. The tailored return is available on the Tailored Deposit irrespective of whether you choose to have both a Fixed Term and Floating Term, or to have only a Fixed Term or Floating Term. If you choose to have a Floating Term you may benefit from any upward interest rate movements and thus potential increases in the Floating Rate.

See the sections titled 'How is the Floating Rate (if any) determined?' on page 9 and 'How is the Fixed Rate (if any) determined?' on page 9 for more information.

## 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. Similarly, if you choose to have a Floating Term, you will be exposed to potential decreases in the Floating Rate.

### Early Withdrawal/Variation.

The Tailored Deposit is an investment which is designed to be held to maturity. You may request a full or partial withdrawal from your 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 principal of your 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 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 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 Tailored Deposit.

See the sections titled 'Can I make withdrawals from my Tailored Deposit before the Maturity Date?', 'Notice Period', 'Can I vary the terms of my Tailored Deposit?' and 'Will my return be impacted if I withdraw or vary the terms before the Maturity Date?' on page 12 for more information. With these risks in mind, please consider your circumstances carefully when selecting the terms of your Tailored Deposit.

### Counterparty and operational risk.

As is the case with most financial products we offer, we have performance obligations under a 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](https://www.westpac.com.au)

### No cooling-off period.

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

## How a Tailored Deposit works.

### Overview.

A Tailored Deposit is designed to incorporate any of the following:

- a period in which a Fixed Rate is applied ('**Fixed Term**') and a period in which a Floating Rate is applied ('**Floating Term**');
- only a Fixed Term; or
- only a Floating Term.

If you have both a Fixed Term and Floating Term, you can decide the length of each and whether the Fixed Term or Floating Term will come first according to your interest rate view.

If you choose to incorporate a Fixed Term during the Term of your 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.

If you choose to incorporate a Floating Term during the Term of your Tailored Deposit, your Floating Rate Coupon Payments will vary with the Reference Rate. You can choose the Reference Rate to be either the Bank Bill Swap Rate ('**BBSW**') or the RBA Cash Rate Target. If the Reference Rate rises or falls during that period, your Floating Rate Coupon Payments will also increase or decrease respectively.

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

## How are Tailored Deposits designed?

After considering your circumstances carefully, you decide:

- how much you want to deposit (subject to a minimum of AUD500,000);
- the Term of your Tailored Deposit (1 year to 10 years)  
**Note:** We may accept a lesser Term at our discretion;
- the Coupon Payment frequency (monthly, quarterly, semi-annually or, for Fixed Terms only, annually);
- whether you have a Fixed Term and Floating Term or only one of those;
- if you have both a Fixed Term and Floating Term, the length of each and whether the Fixed Term or Floating Term will come first;
- if you have a Floating Term, whether the Reference Rate will be BBSW or the RBA Cash Rate Target;
- if you want to have any Principal Variations during the Term;
- 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 of your Tailored Deposit. You may choose a Commencement Date up to 12 months from the Transaction Date. If your chosen Commencement Date is more than 3 Business Days after the Transaction Date, you must either comply with our credit approval process or provide us with security acceptable to us.

We then determine the relevant Fixed Rate and/or Floating Rate and Coupon Payments.

## How is the Floating Rate (if any) determined?

The Floating Rate used to determine the Floating Rate Coupon Payments will be the Spread over the Reference Rate. The additional Spread is possible because you lock in the deposit for the full Term. This means we can obtain funding reflecting this certainty and can pass on part of this advantage to you in the form of the Spread over the Reference Rate. You can choose the Reference Rate to be either BBSW or the RBA Cash Rate Target.

BBSW is widely used as an interest rate reference rate by investment banks, fund managers and retail banks in Australia.

**It is important to understand that BBSW is NOT the Reserve Bank of Australia ('RBA') Cash Rate. BBSW does not necessarily reflect nor follow movements in the RBA Cash Rate but generally trends in a consistent manner.**

Reference Rates available for BBSW are for one month (1m BBSW), three month (3m BBSW) or six month (6m BBSW) tenors. The tenor of the Reference Rate will be the same as the Coupon Payment frequency you have chosen. For example, if you choose a quarterly Coupon Payment frequency, the Reference Rate will be 3m BBSW.

The RBA Cash Rate Target is the Reserve Bank of Australia's measure of the cash rate, which is the interest rate which banks pay or charge to borrow funds from or lend funds to other banks on an overnight unsecured basis. This measure is also known as the interbank overnight rate. The Reserve Bank of Australia calculates and publishes this cash rate each day on the basis of data collected directly from banks on its internet site at [rba.gov.au/statistics/cash-rate/](http://rba.gov.au/statistics/cash-rate/)

This measure of the cash rate has been published by the Reserve Bank of Australia since June 1998.

The coupon frequency will be either one month, three months or six months.

## How is the Fixed Rate (if any) determined?

In determining the Fixed Rate, we take into account a variety of factors, including:

- the length of the Term;
- prevailing market interest rates;
- market volatility;
- the Coupon Payment frequency;
- if you have both a Fixed Term and Floating Term, the length of each, whether the Fixed Term or Floating Term will come first and the Spread over the Reference Rate; and
- Principal Variations (if any) during the Term.

The Fixed Rate is a tailored rate – which we are able to offer to you because you lock in the deposit for the full Term. This means we can obtain funding reflecting this certainty and can pass on part of this advantage to you in the form of a tailored Fixed Rate.

## What happens on the Commencement Date?

We will debit the Principal Amount of your Tailored Deposit from your nominated bank account on the Commencement Date.

## What happens on the Maturity Date?

If you choose not to have any Principal Variations during the Term, we will return the Principal Amount to your nominated bank account on the Maturity Date, together with your Coupon Payment for that Coupon Period. However, if you choose to have Principal Variations during the Term, we will return the remaining Principal Balance to your nominated bank account on the Maturity Date, together with your Coupon Payment for that Coupon Period.

## When do you receive Coupon Payments?

You will receive a Coupon Payment (also known as an interest payment) on each Payment Date during the Term of your Tailored Deposit. You can choose the Coupon Payment frequency (monthly, quarterly, semi-annually or, for Fixed Terms only, annually) to best suit your cash-flow requirements. The particular Payment Dates for your Tailored Deposit will be set out in your Confirmation and will apply for the Term.



## When do you receive the proceeds of Principal Decreases?

If you choose not to have Principal Decreases during the Term, we will return the Principal Amount to your nominated bank account on the Maturity Date, along with your Coupon Payment for that Coupon Period. If you choose to have Principal Decreases during the Term of your Tailored Deposit, you will receive these payments on the agreed Payment Date(s) specified in your Confirmation, together with your Coupon Payments. At maturity, we will return the remaining Principal Balance to your nominated bank account, along with your Coupon Payment for that Coupon Period.

## When do you contribute Principal Increases?

You can agree to have Principal Increases during the Term. If you choose to have Principal Increases during the Term, your nominated bank account will be debited for the agreed amount(s) on the scheduled date(s) stated in your Confirmation. Once your payment has been received, it will be added to your Principal Balance and you will earn interest on the increased Principal Amount for subsequent Coupon Periods.

## How much will your Coupon Payments be?

During the Fixed Term, your Coupon Payments will be calculated using the same Fixed Rate for each Payment Date and will be paid in arrears for the period since the previous Payment Date (or the Commencement Date, as the case may be).

During the Floating Term, you may receive different Coupon Payments on each Payment Date. This is because the Floating Rate is variable.

If you choose BBSW as the Reference Rate, the Floating Rate is set on each Payment Date for the period until the next Payment Date.

If you choose the RBA Cash Rate Target as the Reference Rate, the Floating Rate is set on each Payment Date for the period since the previous Payment Date. The Floating Rate is calculated by averaging the RBA Cash Rate Target of each Business Day in the relevant period.

If you choose to have Principal Variations during the Term of your Tailored Deposit, your Coupon Payments for a Coupon Period will be calculated on the Principal Balance for that Coupon Period.

In each case, your Coupon Payment can be calculated using the following formula:

$$A = B \times C \times (D/365)$$

Where

- A = your Coupon Payment;
- B = your Principal Balance at the beginning of that Coupon Period;
- C = either the Fixed Rate expressed as a percentage, or the Floating Rate expressed as a percentage, as determined on:
- if your chosen Reference Rate is BBSW – the previous Payment Date (or in the case of the first Payment Date, the Commencement Date); or
  - if your chosen Reference Rate is the RBA Cash Rate Target – the Payment 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;

Please note your Coupon Payments will not be compounded and cannot be reinvested in your Tailored Deposit.

## Confirmations.

Shortly after entering into a Tailored Deposit, we will send you a Confirmation outlining the commercial terms of the transaction, including:

- the Principal Amount of your Tailored Deposit;
- the Commencement Date and Maturity Date (i.e. the Term) of your Tailored Deposit;
- the Payment Dates;
- the Fixed Term dates (if any);
- the Floating Term dates (if any);
- the relevant Fixed Rate and/or Reference Rate and Spread that will apply to your Tailored Deposit; and
- the amount and frequency of Principal Variations (if any).

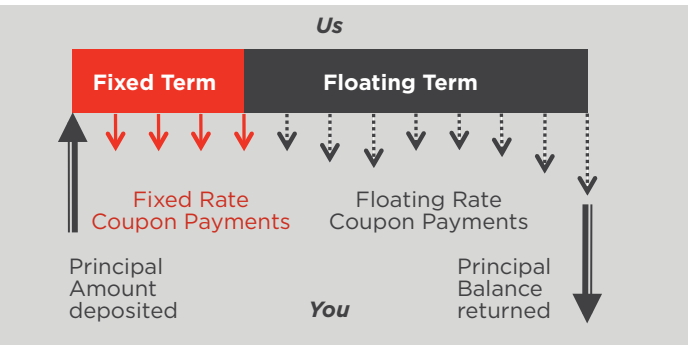
It is important you check the Confirmation to make sure that it matches your records. In the case of a discrepancy, you will need to raise the matter with our Representative as a matter of urgency.

As the Confirmation sets out the commercial terms of your Tailored Deposit, we will not provide you with regular statements of account. You can request a statement of account at any time by contacting us on the details provided on page 2 of this PIS.

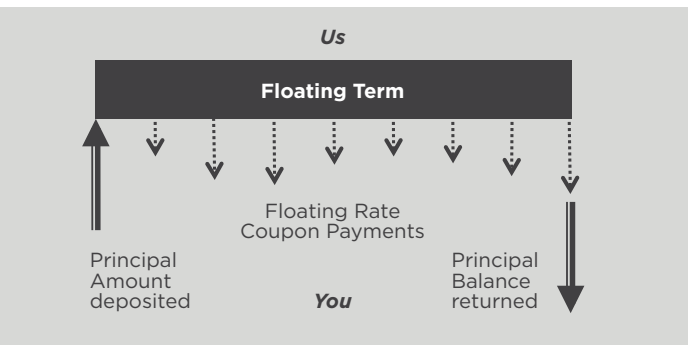
# Payment flow diagrams.

The diagrams used below are for illustrative purposes only and represent the timing and nature of the payments relating to a range of Tailored Deposits. The diagrams are not intended to represent the amount of, or variation in, the payment flows.

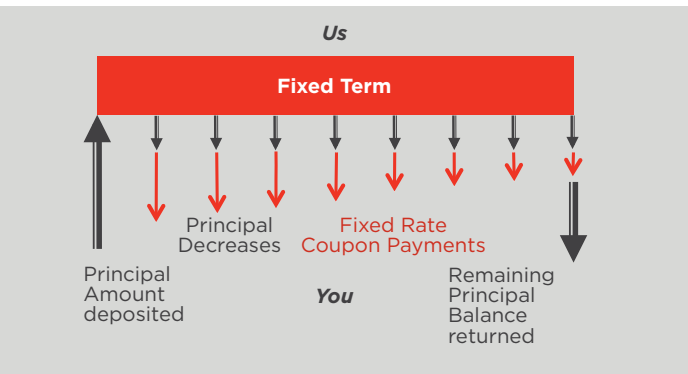
This diagram shows the payment flows that occur during the Term of a Tailored Deposit that has an initial Fixed Term followed by a (longer) Floating Term and no Principal Variations. You may of course prefer to have an initial Floating Term followed by a Fixed Term. The Floating Rate Coupon Payments that are received during the Floating Term will vary in accordance with movements in the Reference Rate.



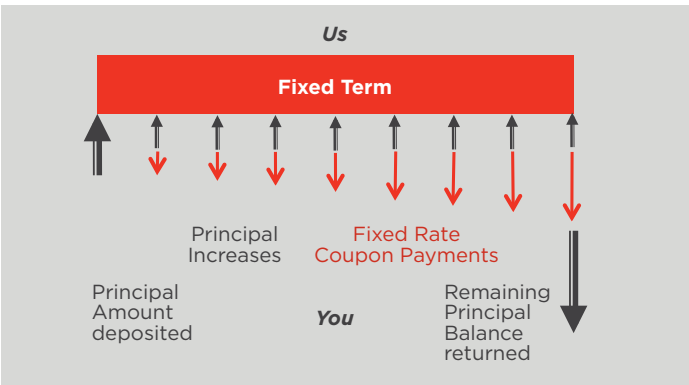
This diagram shows the payment flows that occur during the Term of a Tailored Deposit that has a Floating Term only for the full Term of the deposit and no Principal Variations. The Floating Rate Coupon Payments that are received during the Floating Term will vary in accordance with movements in the Reference Rate.



This diagram shows the payment flows that occur during the Term of a 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 Tailored Deposit on each Payment Date, the amount of the Fixed Rate Coupon Payments will reduce accordingly.



This diagram shows the payment flows that occur during the Term of a Tailored Deposit that has a Fixed Term only for the full Term of the deposit and equal Principal Increases during the Term. As the Principal Increases are added to the Principal Balance of the Tailored Deposit on each Payment Date, the amount of the Fixed Rate Coupon Payments will increase accordingly.



## Can I make withdrawals from my Tailored Deposit before the Maturity Date?

Your Tailored Deposit is designed to be held to maturity. If you need to make a full or partial withdrawal from your Tailored Deposit before the Maturity Date (in addition to any payment you are entitled to receive during the Term from a Principal Decrease), we will consider your request for Early Withdrawal.

If, in our reasonable discretion, we agree to your request, then we will provide you with an indicative quote, which will incorporate any Early Withdrawal Adjustment. If you accept the indicative quote, we will repay the portion of the Principal Balance that you have withdrawn (subject to any adjustment for an Early Withdrawal Adjustment being applied to your Tailored Deposit – see the section titled ‘Will my return be impacted if I withdraw or vary the terms before the Maturity Date?’ on this page for more information). If you have requested a full withdrawal of the Principal Balance, we will cancel your Tailored Deposit.

Applying an Early Withdrawal Adjustment may significantly reduce the return on your 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.

## Can I vary the terms of my Tailored Deposit?

You may ask us to vary the terms your Tailored Deposit at any time before the Maturity Date. If we, in our reasonable discretion, accept your request for a variation, we will then provide you with an indicative variation quote. This quote will incorporate the same factors as if you had requested an Early Withdrawal. If you accept the variation quote, we will send you a revised Confirmation. Please note, you may earn less interest if you elect to vary the terms of your Tailored Deposit during its Term – see the section titled ‘Will my return be impacted if I withdraw or vary the terms before the Maturity Date?’ on this page for more information.

## Notice Period.

A Notice Period will apply to all Tailored Deposits. You must give us at least 31 days’ notice to make a withdrawal from your 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 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 Sydney Business Day after the Notice Period ends.

The 31 day Notice Period applies to your 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 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(s) (Fixed Rate and/or Floating 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(s) of your 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 Tailored Deposit, are greater than the interest rate(s) remaining on your 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 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 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 Tailored Deposit.

No Early Withdrawal Adjustment will be applied if your Tailored Deposit is repaid prior to the Maturity Date due to your death or in the case of hardship.

## Scenarios.

The scenarios 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 Tailored Deposit if market rates have risen.

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

On 2 February 2020, you establish a 3-year Tailored Deposit for \$3,000,000, with a Fixed Rate of 4.00% per annum (paid quarterly), which amounts to a Coupon Payment of \$30,000 per quarter.

On 2 January 2021, you request a full withdrawal of your 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 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 \$3,000,000.

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 \$15,000 (0.50% per annum  $\times$  \$3,000,000  $\times$  1 year).

Since we have already paid you interim interest of three quarterly Coupon Payments totalling \$90,000, we will recover this interest adjustment (\$15,000). On 2 February 2021 (the date when your withdrawn funds will be made available), we will therefore return your Principal Amount plus the final Coupon Payment less the interest adjustment (i.e. \$3,000,000 + \$30,000 - \$15,000 = \$3,015,000).

## Scenario 2 - Reduced Rate and Replacement Cost.

On 2 February 2020, you establish a 5-year Tailored Deposit for \$1,000,000, with a Fixed Rate of 5.00% per annum (paid quarterly), which amounts to a Coupon Payment of \$12,500 per quarter.

On 2 January 2022, you request a full withdrawal of your 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 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 \$1,000,000.

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 \$40,000 (2.00% per annum  $\times$  \$1,000,000  $\times$  2 years).

Since we have already paid you seven quarterly Coupon Payments totalling \$87,500, we will recover the Early Withdrawal Adjustment of \$40,000 as a one-off payment. On 2 February 2022 (the date when your withdrawn funds will be made available), we will return your Principal Amount plus the final Coupon Payment less the Early Withdrawal Adjustment (i.e. \$1,000,000 + \$12,500 - \$40,000 = \$972,500).

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

On 2 February 2020, you establish a 2-year Tailored Deposit for \$2,000,000, with a Fixed Rate of 1.00% per annum (paid quarterly), which amounts to a Coupon Payment of \$5,000 per quarter.

On 2 January 2021, you request a full withdrawal of your 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 also 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 (if any) the 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 Tailored Deposit was 0.75% per annum (i.e. 0.25% per annum less than your Fixed Rate). The impact of the Reduced Rate on your interest is 0.25% (1 year of 0.25% 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 \$2,000,000.

Assume that the applicable market interest rate for the time remaining until maturity (1 year) is 3.00% per annum (i.e. 2.00% per annum higher than your Fixed Rate). In this case, a Replacement Cost is 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 2.00% (1 year of 2.00% 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. 0.25% or 0.25% per annum), plus the impact of the Replacement Cost (i.e. 2.00% or 2.00% per annum) for the 1 year you have invested for. Therefore, the total Early Withdrawal Adjustment amounts to 2.25% per annum (0.25% per annum Reduced Rate + 2.00% per annum Replacement Cost).

Nominally, this Early Withdrawal Adjustment amounts to \$45,000 (2.25% per annum  $\times$  \$2,000,000  $\times$  1 year).

Since we have already paid you three quarterly Coupon Payments totalling \$15,000, we will recover the Early Withdrawal Adjustment of \$45,000 as a one-off payment. On 2 February 2021 (the date when your withdrawn funds will be made available), we will return your Principal Amount plus the final Coupon Payment less the Early Withdrawal Adjustment (i.e. \$2,000,000 + \$5,000 - \$45,000 = \$1,960,000).

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 Tailored Deposit and understand that Tailored Deposits are designed to be held to maturity.

## Scenario 4 - Floating Rate Early Withdrawal.

On 2 February 2019, you establish a 5-year Tailored Deposit for \$3,000,000, with a Floating Rate of BBSW + 0.90% Spread per annum (paid quarterly).

On 2 January 2022, you request a full withdrawal of your 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 3 years 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 (if any) the 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. 3 years) if you had originally chosen this earlier maturity. Assume the 3-year Floating Rate when you opened your Tailored Deposit was BBSW + 0.55% Spread per annum (i.e. 0.35% per annum less than your Floating Rate). The impact of the Reduced Rate on your interest is 1.05% (3 years of 0.35% 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 2 years and the Principal Amount for the withdrawal is \$3,000,000.

Assume that the applicable market floating interest rate for the time remaining until maturity (2 years) is BBSW + 0.40% Spread (i.e. 0.50% per annum lower than your Floating Rate). In this case, a Replacement Cost is not applicable.

The impact of the Early Withdrawal Adjustment for this withdrawal is made up only of the impact of the Reduced Rate (i.e. 1.05% or 0.35% per annum) for the 3 years you have invested for.

Nominally, this Early Withdrawal Adjustment amounts to \$31,500 (0.35% per annum × \$3,000,000 × 3 years).

Assume – based on eleven quarterly rate sets over the past three years – we have already paid you Coupon Payments totalling \$228,000. Also suppose that your most recent BBSW rate set was 2.00%, making your Floating Rate 2.90% for this quarter. We will recover the Early Withdrawal Adjustment of \$31,500 as a one-off payment from your Tailored Deposit. On 2 February 2022 (the date when your withdrawn funds will be made available), we will return your Principal Amount plus the final Coupon Payment less the Early Withdrawal Adjustment (i.e. \$3,000,000 + \$21,750 – \$31,500 = \$2,990,250).

## How to apply for a Tailored Deposit.

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

- ensure you have read and understood this PIS;
- talk to our Representative to confirm your eligibility for a Tailored Deposit;
- determine:
  - the amount of your Tailored Deposit;
  - the Commencement Date;
  - whether you want a Fixed Term and Floating Term or only one of those;
  - if you have both a Fixed Term and Floating Term, the length of each and whether the Fixed Term or Floating Term will come first;
  - if you have a Floating Term, whether you want the Reference Rate to be BBSW or the RBA Cash Rate Target;
  - 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).
- 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. See the section titled 'Confirmations' on page 10 for more information. We have the right, in our absolute discretion, to not accept your application for any reason.



## 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 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 page 11, and that the calculations include rounding of decimal places.

### Combination of a Fixed Term and Floating Term.

You are an investor with AUD3,000,000 to invest for a period of three years. You would like to invest in a product with an attractive return, but without being locked into a fixed interest rate for the full Term. You want the Reference Rate to be the Bank Bill Swap Rate ('BBSW') and do not wish to have any Principal Variations during the Term.

After undertaking some interest rate and economic research and, where appropriate, receiving independent advice, you expect that interest rates will be low and may continue to fall over the next year before moving up again over the following two years. You would like to protect your investment from the chance of a poor return in the first year and take advantage of any rising interest rates over the following two years.

So, whilst you are aware that a falling Reference Rate may mean that you receive lower than expected Floating Rate Coupon Payments for the Floating Term, you decide to lock in a Fixed Term for the first year and then a Floating Term for the following two years.

In these circumstances, you consider a 3-year investment in a Tailored Deposit, with quarterly Coupon Payments.

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

3-year Tailored Deposit	
Principal Amount	AUD3,000,000
Term	3 years
Fixed Term	1 year (1st year)
Floating Term	2 years (2nd & 3rd years)
Fixed Rate	5.60% per annum
Floating Rate	3m BBSW + 0.75% Spread
Coupon 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 10, you calculate that each quarterly Coupon Payment during the Fixed Term will equal **AUD41,424.66** ( $\text{AUD3,000,000} \times 0.0560 \times 90/365$ ).
- Using the same formula and assuming the Floating Rate is 5.25% for a particular quarter during the second year of your Tailored Deposit (being a hypothetical 3m BBSW rate of 4.50% per annum + 0.75% Spread in this example), you calculate that the Coupon Payment for that particular quarter during the Floating Term will equal **AUD38,835.62** ( $\text{AUD3,000,000} \times 0.0525 \times 90/365$ ).
- On the Maturity Date, using the same formula and assuming the Floating Rate has increased to 5.50% for that quarter (being a hypothetical 3m BBSW rate of 4.75% per annum + 0.75% Spread in this example), you calculate that the Coupon Payment will equal **AUD40,684.93** ( $\text{AUD3,000,000} \times 0.0550 \times 90/365$ ). You will also receive the Principal Amount of **AUD3,000,000** back.

### Floating Rate Coupon Payments only for the full Term.

You are an investor with AUD2,500,000 to invest for a period of two years. You would like to invest in a product with an attractive return, but without being locked into a fixed interest rate for the full Term. You do not wish to have any Principal Variations during the Term.

After undertaking some interest rate and economic research and, where appropriate, receiving independent advice, you expect that interest rates will increase over the next two years and would like to take advantage of any rising interest rates during this period.

So, whilst you are aware that a falling Reference Rate during the Term may mean that you receive lower than expected Floating Rate Coupon Payments, you decide to lock in a Floating Term for the full two years.

In these circumstances, you consider a 2-year investment in a Tailored Deposit, with quarterly Coupon Payments.

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

2-year Tailored Deposit	
Principal Amount	AUD2,500,000
Term	2 years
Fixed Term	None
Floating Term	2 years
Fixed Rate	None
Floating Rate	RBA Cash Rate Target + 1.15% Spread
Coupon 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 10 and assuming the Floating Rate is 5.40% per annum for a particular quarter during the first year of your Tailored Deposit (being a hypothetical average RBA Cash Rate Target of 4.25% per annum + 1.15% Spread in this example), you calculate that the Coupon Payment for that particular quarter will equal **AUD33,287.67** ( $AUD2,500,000 \times 0.0540 \times 90/365$ ).
- Using the same formula and assuming the Floating Rate has decreased to 5.10% per annum for a particular quarter during the second year of your Tailored Deposit (being a hypothetical average RBA Cash Rate Target of 3.95% per annum + 1.15% Spread in this example), you calculate that the Coupon Payment for that particular quarter will equal **AUD31,438.36** ( $AUD2,500,000 \times 0.0510 \times 90/365$ ).
- On the Maturity Date, using the same formula and assuming the Floating Rate has increased to 5.50% per annum for that quarter (being a hypothetical average RBA Cash Rate Target of 4.35% per annum + 1.15% Spread in this example), you calculate that the Coupon Payment will equal **AUD33,904.11** ( $AUD2,500,000 \times 0.0550 \times 90/365$ ). You will also receive the Principal Amount of **AUD2,500,000** back.

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

You are an investor with AUD4,000,000 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.

After undertaking some interest rate and economic research and, where appropriate, receiving independent advice, you expect that interest rates will decrease over the next four years and whilst you are aware that it may be the case that interest rates do not move in line with your view, you would like to lock in the current 4-year Fixed Rate for the full Term.

In these circumstances, you consider a 4-year investment in a Tailored Deposit, with semi-annual Coupon Payments and Principal Decreases payable on each Payment Date.

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

4-year Tailored Deposit	
Principal Amount	AUD4,000,000
Term	4 years
Fixed Term	4 years
Floating Term	None
Fixed Rate	5.30% per annum
Floating Rate	None
Coupon Payment frequency	Semi-annual
Principal Variations (Semi-Annually)	AUD500,000

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 Coupon Period.

- After one year, two Principal Decreases have occurred and the remaining Principal Balance is AUD3,000,000. Using the formula set out on page 11, you calculate that the Coupon Payment for the semi-annual period starting after one year will equal **AUD78,410.96** ( $\$3,000,000 \times 0.0530 \times 180/365$ ).
- After three years, six Principal Decreases have occurred and the remaining Principal Balance is AUD1,000,000. Using the same formula, you calculate that the Coupon Payment for the semi-annual period starting after three years will equal **AUD26,136.99** ( $\$1,000,000 \times 0.0530 \times 180/365$ ).
- On the Maturity Date, seven Principal Decreases have occurred and the remaining Principal Balance is AUD500,000. Using the same formula, you calculate that the Coupon Payment on the Maturity Date will equal **AUD13,068.49** ( $\$500,000 \times 0.0530 \times 180/365$ ). You will also receive the remaining Principal Balance of **AUD500,000** back.

### Fixed Rate Coupon Payments for the full Term with Principal Increases during the Term.

You are an investor with AUD1,000,000 to invest for a period of three 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 Increases of equal amounts over the full Term.

After undertaking some interest rate and economic research and, where appropriate, receiving independent advice, you expect that interest rates will decrease over the next four years and whilst you are aware that it may be the case that interest rates do not move in line with your view, you would like to lock in the current 3-year Fixed Rate for the full Term.

In these circumstances, you consider a 3-year investment in a Tailored Deposit, with semi-annual Coupon Payments and Principal Increases.

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

3-year Tailored Deposit	
Principal Amount	AUD1,000,000
Term	3 years
Fixed Term	3 years
Floating Term	None
Fixed Rate	5.50% per annum
Floating Rate	None
Coupon Payment frequency	Semi-annual
Principal Variations (Semi-Annually)	AUD500,000

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 Coupon Period.

- After one year, two Principal Increases have occurred and the remaining Principal Balance is AUD2,000,000. Using the formula set out on page 11, you calculate that the Coupon Payment for the semi-annual period starting after one year will equal **AUD54,246.58** ( $\$2,000,000 \times 0.0550 \times 180/365$ ).
- After two years, four Principal Increases have occurred and the remaining Principal Balance is AUD3,000,000. Using the same formula, you calculate that the Coupon Payment for the semi-annual period starting after two years will equal **AUD81,369.86** ( $\$3,000,000 \times 0.0550 \times 180/365$ ).
- On the Maturity Date, five Principal Increases have occurred and the remaining Principal Balance is AUD3,500,000. Using the same formula, you calculate that the Coupon Payment on the Maturity Date will equal **AUD94,931.51** ( $\$3,500,000 \times 0.0550 \times 180/365$ ). You will also receive the remaining Principal Balance of **AUD3,500,000** back.

## General information.

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

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

To open any new Westpac 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 (cardholder) (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, which are the AML/CTF Laws. In order for Westpac to meet its regulatory and compliance obligations, we perform certain control and monitoring activities.

Upon entering into any 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 Tailored Deposit); and
- you and your Tailored Deposit with Westpac 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 Westpac 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 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 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.

## How we will communicate with you.

By submitting an application for a 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 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. In addition, if a Tailored Deposit is jointly held, each holder separately agrees:

- a) Westpac may and is authorised to send communications (whether confirmations or other notices in relation to the deposit) to either email address (or other address if requested) notified to it by either deposit holder;
- b) to appoint the other holder as agent to receive such communications on its behalf; and
- c) agrees to pass on any communications it receives from Westpac to the other holder.

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.

If the Tailored Deposit is jointly held, and both holders agree, then Westpac will send paper copies of confirmations to one address notified to it.

## Your instructions to us.

By submitting an application for a 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.

## 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

## Availability.

We will only accept your application if you are located in Australia as at the date of your application, subject to our discretion to waive this requirement.

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

## 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 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;
- For joint accounts, the ATO requires a minimum of two TFNs or ABNs (one each) from the account holders;

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, we 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.

## Financial Claims Scheme.

You may be entitled to payment under the Australian Government's Financial Claims Scheme. Payments under the Financial Claims Scheme are subject to a limit for each depositor for eligible deposits held with us, which include deposits branded in the name of Westpac, St. George Bank, Bank of Melbourne and BankSA. Information about the Financial Claims Scheme can be obtained from [apra.gov.au](http://apra.gov.au)

## Assignment.

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

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

## Account combination.

Westpac has the right to combine your Tailored Deposit with any other account you hold with us. That is, we can transfer sufficient money from your Tailored Deposit to clear any debt you owe us in other accounts. If we do so, the balance of your 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.

