

Westpac Banking Corporation Term Deposit



Product Disclosure Statement



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

A Product Disclosure Statement ('PDS') is an information document. The purpose of a PDS is to provide you with enough information to allow you to make an informed decision about a product's suitability for your needs. A PDS 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 number listed at the back of this PDS.

You should read and consider this PDS, 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 Term Deposit, you should keep a copy of this PDS and any associated documentation. You should also promptly tell us if at any time you experience financial difficulties.

This PDS is issued by Westpac Banking Corporation and is current as at 2 February 2015. The information in it is subject to change. Westpac will provide updated information by issuing a supplementary or replacement PDS (if this were required, such as if the change were materially adverse to investors) or by posting the

information on our website. You can get a paper copy of any updated information without charge by calling us.

Nothing in this PDS is, or may be relied upon as, a representation as to the future performance of a Term Deposit.

The offer of Term Deposits is being made to residents of Australia only. No action has been or will be taken to register or qualify Term Deposits or otherwise permit a public offering of the Term Deposits under the US Securities Act of 1933. Receipt of this PDS 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 PDS, Westpac does not intend to provide financial advice or any financial recommendations.

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Offer at a glance

Feature	Term Deposit
Issuer	Westpac Banking Corporation
This product may be suitable for regular savings/investment	Subject to the minimum opening deposit and early withdrawal provisions
Available access	Telephone, Fax, Letter
Pays regular interest	Yes
Term of investment	30 days to 5 years
Minimum opening deposit	AUD5,000
Minimum account balance	Not applicable
Minimum transaction size	Not applicable
Withdrawal notice and restrictions on the number of withdrawals	Withdrawals during the fixed term are not generally permitted, are subject to Westpac's approval and may result in a reduced interest rate. You will also be required to serve a notice period. Please refer to the "Key Risks" section for further information
Interest calculated	Daily based on a fixed interest rate
Third party payments	Not allowed
Interest Payment	At maturity for terms less than 12 months Monthly, Quarterly, Semi-annually or Annually (in arrears) for terms of 12 months or greater

Fees and Charges

There are no transaction fees or monthly service fees payable on a Term Deposit.

Key features and benefits

Description

A Term Deposit is a deposit account denominated in Australian dollars, which offers a competitive interest rate on the balance of your Term Deposit. Subject to what follows about early withdrawals, the interest rate fixed at the start of the term will apply for the whole of the term.

This Term Deposit cannot be used as a transaction account because you may only make one deposit (which occurs when you open the Term Deposit) during the term and because of the fixed term.

Benefits

The benefits of a term deposit include:

- A fixed rate of return across the life of the deposit;
- Flexible interest payment options;
- A range of available maturities from 30 days to 5 years.

Duration of the fixed term

Your Term Deposit can be fixed for a term offered by us. We offer terms between 30 days and 5 years.

Interest rate payable on this Term Deposit

The interest rate payable on the Term Deposit is fixed for the entire term of the Term Deposit unless you withdraw all or part of the deposit before the end of the fixed term. There are different interest rates which apply to different terms. The interest rates offered by Westpac for these Term Deposits on the day you are given the PDS are set out in the Interest Rates Sheet which is available from your intermediary. You may also obtain the current rates at any time by contacting your adviser. The actual interest rate which applies to your Term Deposit will also be set out in the Confirmation Westpac sends you shortly after the Term Deposit is opened.

Where is interest credited

Generally interest will be credited to a transaction account (in the same name and currency) you hold with Westpac or with another Australian bank.

How is interest calculated

Interest is calculated daily on the balance of your Term Deposit, at the end of each day including the day of deposit but excluding the day of withdrawal.

Interest is paid:

- on the date of maturity of your Term Deposit for terms of less than 12 months; or
- monthly, quarterly, semi-annually or annually (in arrears) for terms of 12 months or greater.

Interest is calculated using the following formula:

$$\frac{\text{Daily Closing Balance}}{365} \times \frac{\text{Interest Rate}}{100}$$

Fees and Charges payable on the Term Deposit

There are no transaction fees or monthly service fees payable on the Term Deposit. However, fees and charges may become payable when you request particular services or certain things happen, your intermediary will advise you of these prior to any activity that may incur these fees being undertaken.

Minimum Opening Deposit

The minimum value to open a Term Deposit is \$5,000.

Third Party Payments

Payments to third parties are not permitted on Term Deposits.

Confirmation

We will mail, fax or email to you a written Confirmation of your Term Deposit, including the interest rate applicable to your Term Deposit, shortly after the Term Deposit is opened.

Renewal of your Term Deposit

If at the end of the fixed term of your Term Deposit, you would like to reinvest your deposit for another fixed period, you must notify Westpac before the end of the fixed term.

You can renew your Term Deposit for any term offered by Westpac between 30 days and 5 years and for any amount of \$5,000 or more.

If you renew your Term Deposit, the interest rate applicable to the renewed Term Deposit will be the interest rate that is current as at the Maturity Date of your maturing Term Deposit for a deposit of the term you select on renewal.

If you do not provide us with instructions before the end of the fixed term, your Term Deposit (including any interest earned) will be automatically renewed for the same fixed term using the interest rate on the Maturity Date applying to deposits of that amount and for that term.

The terms and conditions which apply to any renewed Term Deposit (whether it is renewed at your election, or automatically because you have not given us maturity instructions) will be the terms and conditions which are current at the time of renewal. Those terms and conditions may differ from the terms and conditions set out in this PDS. We will provide you an updated PDS (which will include the terms and conditions applicable to your renewed Term Deposit) at the time of renewal.

Repayment of principal

If you choose not to renew your Term Deposit, you will receive the balance of your Term Deposit (your Principal Amount together with interest earned) at the end of the fixed term.

You may request the proceeds to be paid by bank cheque or by any other means agreed by us.

If your Term Deposit matures on a day that is not a *Business Day*, and you have instructed us that some or all of the Term Deposit is not to be renewed, you will receive the amount which is not being renewed on the next *Business Day*. We pay interest on that amount from the Maturity Date to (but excluding) the next *Business Day* at the rate we would have applied to the Term Deposit if you had renewed your Term Deposit for the same term.

Joint Accounts

You may open a Term Deposit jointly with your spouse, family members or a group of people. The balance of a Term Deposit held in joint names is held jointly by all Term Deposit holders, which means each Term Deposit holder has the right to all funds in the Term Deposit.

Always consider that when a Term Deposit is held in joint names and one Term Deposit holder dies, we may treat the balance of the Term Deposit as owing to the surviving Term Deposit holder(s).

Key risks

Use of the Term Deposit

The Term Deposit described in the PDS has restrictions on methods of access and deposit and withdrawal limits. We believe the significant risk for you opening a Term Deposit described in the PDS is that the Term Deposit may not be suitable for your particular needs. For example:

- you should not open a Term Deposit if you are likely to need access to the deposit before the end of the fixed term; and
- if you open a Term Deposit, and interest rates generally increase during the fixed term, you will not have the benefit of a higher interest rate.

For this reason you should ensure you understand the features of, and restrictions on, a Term Deposit. This PDS is intended to assist you in gaining an understanding of these things.

Early Termination - Full or Partial

You may request to make a full or partial withdrawal from your Term Deposit before the end of the fixed term.

If, in our sole discretion, we agree to you withdrawing the whole or part of the balance of your Term Deposit before the end of the fixed term, the interest rate on the amount withdrawn for the whole period from the date your Term Deposit was opened up to the day prior to the date of withdrawal may be reduced and you will be required to wait until the end of the notice period as defined below. We apply, to the amount withdrawn, the interest rate that would have applied at the date your Term Deposit was opened for the fixed term closest to the period between when your Term Deposit was opened and the date of withdrawal, except where that interest rate would be higher than the rate applicable to the original fixed term, in which case the rate applicable to the original fixed term will apply.

If we agree to you making a partial withdrawal, the interest rate which will apply to the remaining balance of your Term Deposit for the period from the date your Term Deposit was opened to the end of the original fixed term of the deposit, will be the interest rate which applied on the date your Term Deposit was opened.

Notice Period

A notice period will apply to all Term Deposits, where the Term is 31 days or longer. The 31 day period starts on the day (Sydney time) that you give us notice by making a request. The disbursement will be paid on day 32 (or the next Sydney Business Day after that). No notice period will be applied to requests approved due to financial hardship.

Example

Scenario

On 1 December 2014, you establish a 12 month Term Deposit for AUD \$100,000 with a fixed interest rate of 6.00%p.a. payable at maturity.

On 4 May 2015, you request a partial withdrawal of AUD \$50,000 from the Term Deposit which we subsequently approve.

The closest fixed term available for the period between when the Term Deposit was opened (1 December 2014) and the date of withdrawal (4 May 2015) is a 5 month term.

What happens if the interest rate for the early redemption period is less than the original interest rate on the established term?

If the 5 month fixed term rate applicable to a deposit of \$50,000 when the Term Deposit was opened was, say, 5.80%p.a., the interest accrued on the \$50,000 from 1 December to 4 May (as we do not pay interest on the day of withdrawal) would be reduced from 6.00%p.a. to 5.80%p.a.

What happens if the interest rate for the early redemption period is more than the original interest rate on the established term?

If the 5 month fixed term rate applicable to a deposit of \$50,000 when the Term Deposit was opened was, say, 6.50%p.a., the interest accrued on the \$50,000 from 1 December to 4 May (as we do not pay interest on the day of withdrawal) would remain at 6.00%p.a.

When will my funds be repaid?

The return of funds will occur on the 4 June, 31 days after the request was lodged. The disbursement will typically be received on day 32.

Counterparty and operational risk

As is the case with most financial markets products we enter into, Westpac has performance obligations under a Term 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 our recent financial statements, is available on our website at www.westpac.com.au.

No Cooling-off period

There is no cooling-off period in respect of an investment in a Term Deposit. You cannot cancel or revoke your application for a Term Deposit. However, early termination may be possible, with our agreement. See the section titled 'Early Termination – Full or Partial' on page 5 for more information.

General information

What we need from you

To open any new Term Deposit we'll need some important details from you. Depending on the legal nature of your business (company, 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 (the '**AML/CTF Laws**') it is a requirement that you and all signatories to the Term Deposit must be identified. You and any signatory will need to be identified if you are not existing customers of Westpac.

The identification requirements can be met by completing Westpac's Customer Identification Procedure which involves providing identity documentation to the Westpac. For information on documents required under Westpac's Customer Identification Standards please contact any branch or refer to our website – www.westpac.com.au/aml.

If you or any of the signatories to the Term Deposit are not identified in terms of the AML/CTF Laws, the Term Deposit 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 identity documentation, unless we request it.

Code of Banking Practice

The Code of Banking Practice is a self-regulatory Code adopted by us and other banks. Its purpose is to set standards of good banking practice for banks to follow when dealing with individual and small business customers and their guarantors. If you are an individual or small business customer, each relevant provision of the Code applies to the Term Deposit described in this PDS.

The general descriptive information referred to in the Code (other than information in relation to bank cheques) is set out in this PDS. This includes information about:

- account opening procedures;
- our obligations regarding the confidentiality of your information;
- complaint handling procedures;
- the advisability of you informing us promptly when you are in financial difficulty; and

- the advisability of you reading the terms and conditions applying to a Term Deposit as set out in this PDS.

Financial Crimes 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 Term Deposit with Westpac, you agree and provide the following undertakings and agree to indemnify Westpac against any potential loss arising from any breach by you of such undertakings that:

- you are not and will not enter into any agreement with 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 Term Deposit); and
- you and your Term 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 a Term Deposit; and

where legally obliged to do so, we may disclose information that we hold about you to our related bodies corporate or service providers, other banks, or relevant regulatory and/or law enforcement agencies (whether in or outside of Australia).

Labour standards or environmental, social and ethical considerations

Westpac does not take into account labour standards or environmental, social or ethical considerations in providing this investment. To learn more about Westpac's commitment to sustainability (including our latest Stakeholder Impact Report) go to www.westpac.com.au.

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 by phone on (02) 8253 5055 or in writing to the address listed at the back of this PDS.

What to do if you are still unhappy

If we still haven't been able to deal with your issues to your satisfaction, there are a number of other bodies you can go to. Our external dispute resolution provider is the Financial Ombudsman Service, our membership number is 10999 and the contact details are:

Financial Ombudsman Service
GPO Box 3, Melbourne, VIC 3001
Phone 1300 780 808
Fax: (03) 9613 6399
Internet: www.fos.org.au
Email: info@fos.org.au

ASIC also has a free call Infoline on 1300 300 630, which you may use to make a complaint and obtain further information about your rights.

Privacy

By completing the Application Form, you consent to Westpac and any other person who is at any time a member of the Westpac Group ('**Westpac Company**') collecting, using, disclosing and handling your personal information in the manner set out Westpac's privacy policy, a copy of which is available at westpac.com.au or by calling 132 032.

Westpac and Westpac Companies may use your information:

- to process your application, provide you with your product or service, and manage your product or service;
- to comply with legislative or regulatory requirements in any jurisdiction, prevent fraud, crime or other activity that may cause harm in relation to our products or services and help us run our business.
- to tell you about products or services we think may interest you.

If you do not provide all the information we request, we may need to reject your application or we may no longer be able to provide a product or service to you.

We may disclose your personal information to other members of the Westpac Group, anyone we engage to do something on our behalf, rewards program administrators and other organisations that assist us with our business. We may disclose your personal information to an entity which is located outside Australia. Details of the countries where the overseas recipients are likely to be located are in our privacy policy.

As a provider of financial services, we have obligations to disclose some personal information to government agencies and regulators in Australia, and in some cases offshore. We are not able to ensure that foreign government agencies or regulators will comply with Australian privacy laws, although they may have their own privacy laws. By using our products or services, you consent to these disclosures.

We are required or authorised to collect personal information from you by certain laws. Details of these laws are in our privacy policy.

Our privacy policy covers:

- how you can access the personal information we hold about you and ask for it to be corrected;
- how you may complain about a breach of the Australian Privacy Principles or a registered privacy code and how we will deal with your complaint;
- how we collect, hold, use and disclose your personal information in more detail.

We will update our privacy policy from time to time. For the purposes of this 'Privacy and confidentiality' section 'we', 'our', 'us' means Westpac Banking Corporation ABN 33 007 457 141. "Westpac Group" means Westpac Banking Corporation and its related bodies corporate.

Providing Westpac with your Tax File Number ('TFN')

When you invest in a Term Deposit, you are required to provide your Tax File Number ('TFN'), your Australian Business Number ('ABN') or an exemption code. This is because accounts that earn interest are 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 Australian Taxation Office ('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.

If you are an Australian resident and do not provide us with your TFN or ABN, we must withhold tax calculated at the highest marginal tax rate plus any levies imposed by the Australian Government from time to time from the interest and remit the withheld amount to the ATO.

Westpac is required to report details of income earned, withholding tax deducted and TFNs quoted on an account, to the ATO annually. The collection of TFNs and their use and disclosure are strictly regulated by the Privacy Act (1988).

If you are not an Australian resident, Westpac must withhold non-resident withholding tax from the interest.

Taxation

Interest earned on a Term Deposit account may be taxable. 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.

Intermediary remuneration

Financial advisers and other persons who distribute Westpac products may seek to be remunerated for the service they provide to you in relation to this investment. Westpac may pay advisors and other parties a service fee on your behalf which is detailed below. This fee is negotiated and agreed between you and your financial adviser.

Service Fees

Service fees are only payable by us on your behalf to your financial adviser where you request that we pay them to your financial adviser.

Where you agree to pay your financial adviser a service fee when you invest in a product under advice from your financial adviser, the dollar value of this service fee will be communicated to you when you receive a quote. If the term of the deposit is less than 12 months the service fee will be paid on maturity. If the deposit has a term greater than 12 months the fee will be paid at the same frequency as the interest payments on your deposit.

You will need to indicate the amount of any service fee that we are to pay on your behalf to your financial adviser when placing your deposit request with your adviser or Financial Intermediary. The service fee will also be shown on your Confirmation.

Commission

Where the law permits, we may pay commission of up to 0.50% (plus GST where applicable) to your Financial Intermediary or to another Westpac Group entity or a third party distributor with whom we have a distribution arrangement. The commission is calculated as a variable or fixed percentage of the average monthly balances on the Westpac Term Deposit.

If we pay commission to your Financial Intermediary, they may deduct the rate of any commission payable to them prior to quoting an interest rate to you, up to a maximum of 0.50% (plus GSTS where applicable) per annum.

Financial Claims Scheme

You may be entitled to payment under the Australian Government's Financial Claims Scheme in the event that Westpac Banking Corporation becomes insolvent. Payments under the Financial Claims Scheme are subject to a limit for each depositor for eligible deposits held in Westpac Banking Corporation, which include deposits branded in the name of its divisions, BT Financial Group, St. George Bank, Bank of Melbourne, Bank SA and RAMS. Information about the Financial Claims Scheme can be obtained from the APRA website at <http://www.apra.gov.au> or by calling the APRA hotline on 1300 55 88 49.

When Westpac can combine accounts

Westpac may transfer money in your Term Deposit to clear debts you owe us in loan or other accounts. If we do this, the balance of your Term Deposit will be reduced by the amount used for this purpose.

You agree that you may not set off amounts we owe you (for example, the balances in your Term Deposit) against amounts you owe us.

If we exercise our right to combine accounts, we will notify you promptly in writing at the address shown in our records.

Our Reporting Obligations

We are required to identify certain US persons in order to meet account information reporting requirements under local and international laws.

If you or (where you are an entity) any office bearer* of the entity and/or any individual who holds an interest in the entity of more than 25% (a **Controlling Person**) are a US citizen or US tax resident, you must telephone 1300 658 194 at the time you submit an application. When you contact us you will be asked to provide additional information about your US tax status and/or the US tax status of any Controlling Person which will constitute certification of US tax status for the purposes of the application.

Unless you notify us that you and/or any Controlling Person are a US citizen or US tax resident as specified above, submitting an application constitutes certification that you and/or any Controlling Person are not a US citizen or US tax resident.

If at any time after acquiring your Term Deposit, information in our possession suggests that you and/or any Controlling Person may be a US citizen or US tax resident, you may be contacted to provide further information on your US tax status and/or the US tax status of any Controlling Person. Failure to respond may lead to certain reporting requirements applying to your Term Deposit.

*Director of a company, partner in a partnership, trustee of a trust, chairman, secretary or treasurer of an association or co-operative

Glossary

Application Form means the form at the end of this PDS, or such other form of application as Westpac determines in its absolute discretion from time to time is acceptable.

APRA means the Australian Prudential Regulation Authority.

ASIC means the Australian Securities and Investments Commission.

Business Day means any weekday when the Bank is open for business in any State or Territory of Australia. If the bank is closed in all States and Territories then that day will not be a business day. If the Banks offices are closed in your State or Territory but open in other States or Territories then the Bank will still regard that day as a business day in every State and Territory.

Commencement Date means the date on which the Principal Amount of your Term Deposit is to be deposited with Westpac, as indicated in your Confirmation.

Confirmation means the document issued to you by Westpac following receipt (and subject to acceptance) of your Application Form.

Financial Intermediary means an entity that facilitates the purchase of Westpac Group Term Deposits.

Interest Rate means the fixed interest rate applying to your Principal Amount during the Term.

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

PDS means Product Disclosure Statement.

Principal Amount means the cash amount invested by you on the Commencement Date.

Term means the period between the Commencement Date and the Maturity Date (30 days to five years).

Term Deposit means the product the subject of this PDS.

Westpac Group means Westpac Banking Corporation and its related bodies corporate.

Contact Details

For more information, please contact the Westpac Term Deposit Desk.

Level 2
275 Kent Street
Sydney NSW 2000
Phone (02) 8253 5055