

# Foreign Currency Term Deposits with the Institutional Bank

Product Disclosure Statement.

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

This document relates to Foreign Currency Term Deposits and incorporates the Terms and Conditions for using your Foreign Currency Term Deposits.

Effective date: 5 December 2024



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Financial Markets

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Where English is a second language, contact us and a banker can arrange a language interpreter.

Visit **Westpac Access** and Inclusion for further information on our more accessible products and services for people with disability, who are neurodivergent or where English is a second language.

## Important information

A Product Disclosure Statement (**PDS**) is an information document. Its purpose is to provide you with enough information to allow you to make an informed decision about the suitability of a Foreign Currency Term Deposit for your needs. It 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 above.

If you decide to enter into a Foreign Currency 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 5 December 2024. The information in it is subject to change. Westpac may vary its terms, which are also the terms of your contract with us, as set out on page 13 of this document under the heading 'Changes to Terms and Conditions'. Because this document forms the contract between you and us, its terms are legally binding on you in your dealings with us. 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 depositors) or by posting the information on our website. You can get a paper copy of any updated information without charge by calling us.

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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 document, Westpac does not intend to provide financial advice or any financial recommendations. You should read and consider this document, in its entirety, carefully and seek independent expert advice before making a decision about whether or not this product is suitable for you.

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# Glossary

**Application Form** means such form of application as Westpac determines in its absolute discretion from time to time as acceptable.

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

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

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

**Confirmation** means the document issued to you by Westpac following receipt (and subject to acceptance) of your Application Form and on renewal (if applicable) of your Foreign Currency Term Deposit.

**Early Withdrawal** means a full withdrawal from your Foreign Currency Term Deposit before the end of the Term, which may result in an Early Withdrawal Adjustment.

**Early Withdrawal Adjustment** means the adjustment we may make and apply to the balance of your Foreign Currency Term Deposit if we agree to a request for Early Withdrawal to account for any Reduced Rate and/or Replacement Cost.

**Maturity Date** means the date on which your Foreign Currency Term Deposit matures, as indicated in your Confirmation.

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

**PDS** means Product Disclosure Statement.

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

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

**Replacement Cost** means the cost (as determined by us in a commercially reasonable manner) to replace funds in the market arising from us agreeing to an Early Withdrawal of your Foreign Currency Term 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 Foreign Currency Term Deposit.

**Term** means the period from, and including, the Commencement Date to, and including, the Maturity Date.

**Westpac, we, our** and **us** means Westpac Banking Corporation ABN 33 007 457 141 Australian Financial Services Licence No. 233714.

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

# Foreign Currency Term Deposits at a glance

	Summary
<b>Issuer</b>	Westpac Banking Corporation (Westpac, we or us).
<b>Description</b>	<p>A Foreign Currency Term Deposit (FCTD) is a type of term deposit offered under a facility that allows you to invest foreign currency with Westpac for a fixed term. Westpac pays you interest at a fixed interest rate for the duration of the Foreign Currency Term Deposit.</p> <p>See Operating your Foreign Currency Term Deposit account section for more information.</p> <p>Foreign Currency Term Deposits are available for most major foreign currencies. Those foreign currencies are set out in the table on page 17 of this document.</p>
<b>Minimum deposits and terms for Foreign Currency Term Deposits</b>	<p>Subject to a maximum 6-month term, the following minimum balances and terms apply as from the date of this PDS:</p> <ul style="list-style-type: none"> <li>• Deposits greater than \$50,000 but less than \$100,000 have a minimum 3-month term</li> <li>• Deposits greater than \$100,000 but less than \$1,000,000 have a 1-month minimum term</li> <li>• Deposits greater than \$1,000,000 have a 7-day minimum term.</li> <li>• Exceptions are available for security deposits</li> </ul> <p>Westpac will use its current exchange rates to determine the value of your foreign currency.</p> <p>The above restrictions do not apply for term deposits held as security deposits.</p> <p>Deposits funds cannot be withdrawn from a Foreign Currency Term Deposit before the end of the term without Westpac's agreement. If we, in our reasonable discretion, accept your request for Early Withdrawal, this may result in an Early Withdrawal Adjustment, which in some cases may result in a reduction of the balance of your Foreign Currency Term Deposit. See Early Withdrawal section for more information.</p>
<b>Interest</b>	Foreign Currency Term Deposit interest rates vary from time to time and are set by Westpac. The rate is set at the time the Foreign Currency Term Deposit is opened and is fixed for the term of the Foreign Currency Term Deposit.
<b>Fees and charges</b>	There are no transaction or monthly service fees payable on a Foreign Currency Term Deposit. See the section titled 'Fees and Charges' on page 6 for more information.
<b>Key benefits</b>	<ul style="list-style-type: none"> <li>• Protection against unfavourable foreign exchange rate movements over time.</li> <li>• Foreign Currency Term Deposits are available in a wide range of currencies.</li> <li>• The interest rate is fixed during the Term of the Foreign Currency Term Deposit.</li> </ul>
<b>Key risks</b>	<ul style="list-style-type: none"> <li>• <b>Currency risk</b> – There are currency risks associated with an adverse movement in the Australian dollar that may change the value of the AUD equivalent of your Foreign Currency Term Deposit.</li> <li>• <b>Counterparty and operational risk</b> – We have performance obligations under a Foreign Currency Term Deposit. You need to form a judgment on our ability to meet those obligations.</li> <li>• Foreign currency term deposits are not protected by the Australian Government's Financial Claims Scheme nor are they a 'protected account' under the <i>Banking Act 1959</i> with the result that the priority available to protected accounts under section 13A(3) (c) of the Banking Act will not apply to Foreign Currency Term Deposits.</li> <li>• <b>No cooling-off period</b> – There is no cooling-off period in respect of an investment in a Foreign Currency Term Deposit. You cannot cancel or revoke your application for a Foreign Currency Term Deposit. However, Early Withdrawal may be possible.</li> <li>• <b>Early Withdrawal</b> – You can request to make a full withdrawal ('Early Withdrawal') before the Maturity Date. If we, in our reasonable discretion, accept your request for Early Withdrawal, this may result in an Early Withdrawal Adjustment, which in some cases may result in a reduction of the balance of your Foreign Currency Term Deposit. See the section titled 'Early Withdrawal' on page 9. Any Early Withdrawals will be subject to a Notice Period, unless hardship applies. See the section titled 'Notice Period' on page 9 for more information.</li> <li>• <b>Interest rate risk</b> – If you open a Foreign Currency Term Deposit, and interest rates generally increase during the fixed term, you will not have the benefit of a higher interest rate.</li> </ul>

# Fees and charges

When we determine the relevant Fixed Rate, we have already taken into consideration all costs associated with your Foreign Currency Term Deposit. A Foreign Currency Term Deposit has no fees or charges. The Fixed Rate is locked in at the start of your investment and will not be subject to any fees.

## Key benefits

### Flexibility.

Your Foreign Currency Term Deposit can be tailored to your situation by choosing:

- the Principal Amount of your Deposit (subject to the minimum of AUD50,000);
- the Term of your Foreign Currency Term Deposit (7 days to six months); and
- the currency of your Foreign Currency Term Deposit (listed on page 17).

Foreign Currency Term Deposits are available in a wide range of currencies and allow you to manage your transactional requirements for a foreign currency.

### Certainty.

Foreign Currency Term Deposit interest rates vary from time to time and are set by Westpac. The rate is set at the time the Foreign Currency Term Deposit is opened and is fixed for the term of the Foreign Currency Term Deposit. Foreign Currency Term Deposits provide protection against unfavourable foreign exchange rate movements over time.

## 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 disadvantageous if market interest rates rise above the fixed rate of your Foreign Currency Term Deposit.

### Currency Risk.

There are currency risks associated with an adverse movement in the Australian dollar that may change the value of the AUD equivalent of your Foreign Currency Term Deposit.

### Early Withdrawal.

The Foreign Currency Term Deposit is an investment which is designed to be held to maturity. You may request a full withdrawal from your Foreign Currency Term 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 balance of your Foreign Currency Term 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 Foreign Currency Term Deposit, and in some cases may result in the reduction of the balance of your Foreign Currency Term Deposit. Please contact us if you have any questions on early withdrawal.

See the section titled 'Early Withdrawal' on page 9 for more information. With these risks in mind, please consider your circumstances carefully when selecting the terms of your Foreign Currency Term Deposit.

### Counterparty and operational risk.

As is the case with most financial products we offer, Westpac has performance obligations under a Foreign Currency 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 [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 Foreign Currency Term Deposit. You cannot cancel or revoke your application for a Foreign Currency Term Deposit. However, Early Withdrawal is possible. See the section titled 'Early Withdrawal' on page 9 for more information.

## Financial Claims Scheme and Not a protected account.

Deposits held in Foreign Currency Term Deposits are not covered by the Australian Government's Financial Claims Scheme (Scheme). Information about the Scheme can be obtained from the Australian Prudential Regulation Authority (APRA) website at [apra.gov.au](http://apra.gov.au)

The Foreign Currency Term Deposit is not a 'protected account' under the *Banking Act 1959* with the result that the priority available to protected accounts under section 13A(3) (c) of the Banking Act will not apply to Foreign Currency Term Deposits.

## How do Foreign Currency Term Deposits work?

### Opening an account.

Foreign Currency Term Deposits are available for both personal and business customers. Foreign Currency Term Deposits can only be opened in the name of one legal person. Joint accounts are not available. After being onboarded to Financial Markets, you can open a Foreign Currency Term Deposit by contacting Financial Markets on the number listed on the inside cover. To open a Foreign Currency Term Deposit we will need your name, address and your occupation. You may also need to supply the following information:

- business name, address and industry details
- the name you wish the account to be in
- the names and residential addresses of all people who will operate the account (signatories)
- a copy of the business or company registration
- details of the directors, owners or partners of the business, including details of all other account signatories.

Westpac may complete a company search to verify this information. A fee may be charged for this service.

You cannot open a Foreign Currency Term Deposit with foreign currency cash. Funds must come directly from an existing Westpac bank account in the same name as the Foreign Currency Term Deposit.

When you have opened a Foreign Currency Term Deposit, Westpac will send you a deposit Confirmation.

## Interest.

Foreign Currency Term Deposit interest rates vary from time to time and are set by Westpac. The rate that will be applied to a particular deposit is set when the Principal Amount is placed on deposit with us for the full Term and is fixed for the Term of the Foreign Currency Term Deposit.

Foreign Currency Term Deposit interest rates are based on the prevailing foreign currency market interest rates, that are then adjusted to pay Westpac for the services we provide. The size of the adjustment varies from customer to customer and is influenced by:

- the term of your Foreign Currency Term Deposit
- the amount of your Foreign Currency Term Deposit; and
- market volatility.

Westpac derives a financial benefit from entering into a Foreign Currency Term Deposit. Westpac obtains that benefit by incorporating margins into the interest rates it sets for Foreign Currency Term Deposits. By that we mean that the agreed rates for a Foreign Currency Term Deposit will be different to the foreign currency market interest rates prevailing at the time. In effect, you pay for the Foreign Currency Term Deposit by accepting the interest rate quoted by Westpac.

You can obtain details about the interest rates payable on Foreign Currency Term Deposits from your Westpac Representative. The interest is calculated once for the term of the Foreign Currency Term Deposit, based on the length of the term, the applicable interest rate and the amount placed on deposit. Interest is paid at maturity.

Your Foreign Currency Term Deposit is subject to any government taxes and duties. Withholding tax and non-resident withholding tax may be payable (please refer to the Tax Implications sections for more information).



## Example of interest calculation.

The example below is indicative only and uses rates and figures we have selected to demonstrate how the product works. Actual interest rates vary from time to time.

Interest is calculated according to the following simple interest formula:

$$I = P \times i \times n$$

Where:

I = interest paid

P= amount of initial deposit

i = interest rate, quoted on a per annum basis

n= length of deposit, determined by the number of days and based upon either a 360 or 365 day year. Please refer to Foreign Currencies available section for further information.

## Scenario.

A customer has 100,000 United States dollars (USD) and wishes to retain those funds in USD and invest them for a period of 90 days. The three-month USD interest rate applicable in this instance is 1.50% p.a.

The interest paid at maturity would therefore be USD 375, calculated as follows:

$$\begin{aligned} I &= \text{USD } 100,000 \times \frac{1.5}{100} \times \frac{90}{360} \\ &= \text{USD } 375 \end{aligned}$$

## Operating your Foreign Currency Term Deposit account.

Once a Foreign Currency Term Deposit is established you may not deposit additional funds until the Foreign Currency Term Deposit matures.

You must give instructions for renewal or repayment of a Foreign Currency Term Deposit (including interest) by contacting your Westpac Representative at least two business days before the end of the term (the maturity date). If we do not receive instructions by that time, the Foreign Currency Term Deposit (including any interest earned) will be repaid to the settlement account linked to your Foreign Currency Term Deposit. If your Foreign Currency Term Deposit is held as security and we have not received instructions, it will be renewed for the same Term as the Term of the Foreign Currency Term Deposit immediately preceding the renewal, using the interest rate applicable for the Term prevailing on the Maturity Date. The interest rate applicable will be specified on the Confirmation that will be sent to you.

If you ask for repayment of your Foreign Currency Term Deposit at maturity, you will receive the balance of your Foreign Currency Term Deposit together with interest earned at maturity. However, you cannot receive this amount in foreign currency cash.

You may ask for the balance of your Foreign Currency Term Deposit to be transferred to a Westpac foreign currency account (in the same name and foreign currency as your Foreign Currency Term Deposit). Alternatively, you can ask Westpac to convert the foreign currency to Australian dollars (using Westpac's current exchange rates) and deposit those funds into another Westpac account in the same name as the Foreign Currency Term Deposit.

## Deposits 'held as security' or 'restricted'.

In certain circumstances a Foreign Currency Term Deposit may be 'held as security' for the performance of customer obligations, such as where Westpac has provided financial accommodation to a customer. While this 'held' status is applied, no funds can be released from the Foreign Currency Term Deposit early or at maturity and only interest can be paid at maturity. Once Westpac, in its absolute discretion, has determined that the Foreign Currency Term Deposit no longer requires the 'held as security' status to be applied, this status can be removed.

In certain circumstances a Foreign Currency Term Deposit could also be 'restricted', which can occur for a number of reasons including but not limited to circumstances where receivership and/or liquidation processes have begun. In this case neither interest nor principal may be paid and strict policy must be applied to remove such a status.

When a 'held' or 'restricted' status is removed from a Foreign Currency Term Deposit and the Foreign Currency Term Deposit has not reached its Maturity Date, any request for Early Withdrawal will be dealt with in accordance with the conditions outlined in the *Early Withdrawal* section.

Speak to your Westpac Representative if this applies to you.



## Early Withdrawal.

A Foreign Currency Term Deposit is an investment which is designed to be held to maturity. You may request to make a full withdrawal from your Foreign Currency Term Deposit before the end of the fixed Term (**'Early Withdrawal'**). Generally, Westpac will not approve requests for Early Withdrawal of Deposits. However, 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 balance of your Foreign Currency Term 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 Deposit, and in some cases may result in the reduction of the balance of your Foreign Currency Term Deposit. Please contact us if you have any questions on Early Withdrawal.

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

If you request Early Withdrawal of your Foreign Currency Term Deposit 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** will apply to the amount to be withdrawn for the actual period it was invested for. The impact of a Reduced Rate is an adjustment of the total amount of interest and is calculated by applying the difference between your original interest rate and the Reduced Rate (to the amount withdrawn) for the actual period of your investment.

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

- 1) current market interest rates at the time of your request;
- 2) the remaining applicable interest rate of your Foreign Currency Term Deposit; and
- 3) the balance of your Foreign Currency Term Deposit being withdrawn.

A Replacement Cost will only be applied if current market interest rates, based on the remaining Term from which you are withdrawing all of your Foreign Currency Term Deposit, are greater than the interest rate remaining on your Foreign Currency Term 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 Foreign Currency Term 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 Foreign Currency Term Deposit, and in some cases may result in the reduction of the balance of your Foreign Currency Term Deposit. With this in mind, please consider your circumstances carefully when selecting the terms of your Foreign Currency Term Deposit.

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

## Notice Period.

A Notice Period for early withdrawal will apply to all Foreign Currency Term Deposits where the term is 31 days or longer. You must give us at least 31 days' notice to make a full withdrawal for disbursement of funds, unless you can show that you need access to the funds earlier due to hardship. If you need earlier access to funds prior to Maturity because of a hardship situation, you will need to provide details to the banking staff who can assess whether your case qualifies for an earlier disbursement under our hardship policy. 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.

## Scenarios.

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

On 2 February 2020, you establish a 6-month Foreign Currency Term Deposit for USD \$3,000,000, with a Fixed Rate of 4.00% per annum, which amounts to an interest payment of USD \$60,000 at maturity. On 2 May 2020, you request a full withdrawal of your Foreign Currency Term 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 June 2020 (the next Sydney Business Day after the Notice Period ends). This means that the actual period you have invested for is 4 months and the time remaining until maturity is 2 months.

#### 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. 4 months) if you had originally chosen this earlier maturity. Assume the 4-month Fixed Rate when you opened your Foreign Currency Term 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% per annum, applicable to the actual period of your investment (4 months).

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 months and the amount for the withdrawal is USD \$3,000,000. Assume that the applicable market interest rate for the time remaining until maturity (2 months) is 3.00% per annum (i.e. 1.00% 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 USD \$5,000 (0.50% per annum × USD \$3,000,000 × 4 months / 12 months).

Up to 2 June 2020 USD \$40,000 of interest has been accrued based on your original deposit terms. On 2 June 2020 (the date when your withdrawn funds will be made available), we will

therefore return your Principal Amount plus the accrued interest less the interest adjustment (i.e. \$3,000,000 + \$40,000 - \$5,000 = USD \$3,035,000).

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

On 2 February 2020, you establish a 6-month Foreign Currency Term Deposit for GBP 1,000,000, with a Fixed Rate of 5.00% per annum, which amounts to an interest payment of GBP 25,000 at maturity. On 2 March 2020, you request a full withdrawal of your Foreign Currency Term 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 April 2020 (the next Sydney Business Day after the Notice Period ends). This means that the actual period you have invested for is 2 months and the time remaining until maturity is 4 months.

#### 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 months) if you had originally chosen this earlier maturity. Assume the 2-month Fixed Rate when you opened your Foreign Currency Term 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 0.50% per annum or GBP 833 (0.50% per annum × GBP 1,000,000 × 2 months / 12 months).

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 4 months and the amount for the withdrawal is GBP 1,000,000. Assume that the applicable market interest rate for the time remaining until maturity (4 months) 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 must replace this part of your deposit at a higher rate in the market. The cost of this replacement amounts to 1.00% per annum or GBP 3,333 (i.e. 1.00% × GBP 1,000,000 × 4 months / 12 months).

The combined impact of the Early Withdrawal Adjustment for this withdrawal is now made up of the impact of the Reduced Rate (i.e. GBP 833 or 0.50% per annum for the 2 months you will have

invested for), plus the impact of the Replacement Cost (i.e. GBP 3,333 or 1.00% per annum for the 4 months you are no longer invested for). Therefore, the total Early Withdrawal Adjustment amounts to GBP 4,166.

Up to 2 April 2020 GBP 8,333 of interest has been accrued based on your original deposit terms. On 2 April 2020, (the date when your withdrawn funds will be made available), we will therefore return your Principal Amount plus the accrued interest less the Early Withdrawal Adjustment (i.e.  $1,000,000 + 8,333 - 4,166 = \text{GBP } 1,004,167$ ).

### **Scenario 3 - Reduced Rate and Replacement Cost resulting in reduction of balance.**

On 2 February 2020, you establish a 6-month Foreign Currency Term Deposit for EUR 2,000,000, with a Fixed Rate of 1.00% per annum, which amounts to an interest payment of EUR 10,000 paid at maturity. On 2 March 2020, you request a full withdrawal of your Foreign Currency Term 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 April 2020 (the next Sydney Business Day after the Notice Period ends). This means that the actual period you have invested for is 2 months and the time remaining until maturity is 4 months.

#### **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. 2 months) if you had originally chosen this earlier maturity. Assume the 2-month Fixed Rate when you opened your Foreign Currency Term Deposit was 0.50% per annum (i.e. 0.50% per annum less than your Fixed Rate). The impact of the Reduced Rate on your interest is EUR 1,667 ( $0.50\% \text{ per annum} \times \text{EUR } 2,000,000 \times 2 \text{ months} / 12 \text{ months}$ ).

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 4 months and the amount for the withdrawal is EUR 2,000,000. Assume that the applicable market interest rate for the time remaining until maturity (4 months) is 2.00% per annum (i.e. 1.00% per annum higher than your Fixed Rate). In this case, a

Replacement Cost is applicable because we must replace this part of your deposit at a higher rate in the market. The cost of this replacement amounts to EUR 6,667 ( $1.00\% \text{ per annum} \times \text{EUR } 2,000,000 \times 4 \text{ months} / 12 \text{ months}$ ).

The combined impact of the Early Withdrawal Adjustment for this withdrawal is now made up of the impact of the Reduced Rate (EUR 1,667 or 0.50% per annum for the 2 months you have invested for), plus the impact of the Replacement Cost (EUR 6,667 or 1.00% per annum for the four months you are no longer invested for). Therefore, the total Early Withdrawal Adjustment amounts to EUR 8,333.

Up to 2 April 2020 EUR 3,333 of interest has been accrued based on your original deposit terms. On 2 April 2020, (the date when your withdrawn funds will be made available), we will therefore return your Principal Amount plus the accrued interest less the Early Withdrawal Adjustment (i.e.  $2,000,000 + 3,333 - 8,333 = \text{EUR } 1,995,000$ ).

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 Foreign Currency Term Deposit and understand that Foreign Currency Term Deposits are designed to be held to maturity.

## **Account statements.**

You will receive the following information unless we are unable, after taking reasonable steps, to locate you:

- a Confirmation when the Foreign Currency Term Deposit is established
- a Confirmation when a Foreign Currency Term Deposit is renewed
- a statement of account at least every 6 months

## **Warning.**

Please check notices carefully. If you believe there has been any error or unauthorised transaction, or have any other query, please contact Westpac immediately.

If you believe there has been any error in relation to your account, you must notify Westpac promptly after receiving your notice. If you do not notify us within this period, you lose the right to make a claim against us regarding any forgery in relation to a cheque or any other discrepancy.

If you need additional copies of your statements/notices or would like access to information on your transactions, contact your Westpac Representative.

If, for any reason, your contact details, or the account signatories change, you must notify your Westpac Representative as soon as possible. Unless you have given us adequate prior notification of changes to contact details or other account information, Westpac cannot be held responsible for any resulting errors or losses.

## General information

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

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

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

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

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

The identification requirements can be met by completing the Westpac Customer Identification Procedure which involves providing identity documentation to Westpac. For information on documents required under Westpac's Customer Identification Standards please contact any branch or refer to our website – [westpac.com.au/aml](http://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 Foreign Currency Term 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 Foreign Currency Term Deposit); and
- you and your Foreign Currency 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 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).

## 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.



## Interest credited to your Foreign Currency Term Deposit.

Interest credited to your Foreign Currency Term Deposit during each financial year will be assessed for income tax purposes. In some circumstances (for example, if you are tax exempt), this interest may not be included as part of your income tax assessment.

## 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.

## Providing Westpac with your Tax File Number (TFN) or ABN.

Westpac is 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 *Tax Administration Act 1953*.

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

- If the investment is made in the course of an enterprise (that is, business activities), you may provide an ABN as an alternative to your TFN;
- If a formal trust is established and a trustee makes the investment, the trustee may quote the TFN of the trust.

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

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

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

## Closing an account.

Westpac may close a Foreign Currency Term Deposit due to unsatisfactory conduct or for any other reason we deem appropriate, such as an account being used for an illegal purpose. If this happens, we will notify you in writing at the address shown on our records and, if appropriate, will send you the net credit balance of your account.

## Account combination.

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

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

## Assignment.

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

## Changes to terms and conditions.

We may change the terms and conditions of your account. If we do, we will tell you about the change as soon as reasonably possible; this includes changes to our standard fees and charges or an interest rate.

If we change an interest rate, we will tell you no later than the date of the change, unless we are unable to do so because the rate is calculated according to an external reference (including money market) rate or a variable or floating rate.

Aside from changes to interest rates, if we believe a change is unfavourable to you, we will give you 30 days prior notice of such change. However, notwithstanding the foregoing, we may give you a shorter notice or no notice of an unfavourable change if:

- It is reasonable for us to manage a material and immediate risk; or
- There is a change to, or introduction of, a government change which you pay directly or indirectly, then, unless the government publicises the introduction or charge, we will tell you about the change reasonably promptly after the government notices us.

Advance notice may also not be given when a change is due to an immediate need to restore or maintain the security of our systems or of individual accounts.

You agree we may notify you of any of the above types of changes either by electronic device or communication (such as email), or by making particulars of changes available at our website, [westpac.com.au](http://westpac.com.au). You may, at any time, vary the electronic device or communication method you have nominated, or terminate your agreement to allow us to notify you through any electronic method.

## Telephone conversations.

The terms of a Foreign Currency Term Deposit are usually agreed verbally over the telephone. Once we have reached an agreement, both you and Westpac are bound by the terms of the Foreign Currency Term Deposit.

Conversations with our dealing room and settlement departments are recorded. This is standard market practice. We do this to make sure that we have complete records of the details of all transactions. 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 dealer if you do not wish to be recorded. However, we will not enter into any transaction over the telephone unless the conversation is recorded.

## How we will communicate with you.

By submitting an application for a Foreign Currency Term 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 Foreign Currency Term Deposit (such as updates or replacements of disclosure documents, confirmations and notices), or tell you how you can access such documents or information through our website. It is your responsibility to regularly check your email messages and make sure that we have your current email address.

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

## Your instructions to us.

By submitting an application for a Foreign Currency Term Deposit, you are agreeing that, if you choose to provide any instructions via email or telephone:

- you will provide each instruction in a form reasonably satisfactory to us;
- you accept the risks associated with using email 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 or telephone will also be governed by the above terms.

## Banking Code of Practice.

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

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

You can obtain a copy of the Banking Code from our website.

## The ePayments Code.

The ePayments Code governs certain electronic payments to or from your account where you are an individual. We will actively comply with this code where it applies.

## Privacy Statement.

All personal information and credit-related information (if applicable) we collect about you is collected, used and disclosed by us in accordance with our Privacy Statement which is available at [westpac.com.au/privacy/privacy-statement](https://westpac.com.au/privacy/privacy-statement). 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 PDS, and if you engage in activities in a jurisdiction other than Australia, you must comply also with the applicable privacy laws in that jurisdiction.

## External service providers.

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

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

## 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 (eg 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.



# Feedback and Complaints

## Delivering on our service promise.

We're constantly striving to provide the best possible service, and we'll do our best to resolve any concern you have efficiently and fairly.

## Our commitment to you.

If you're ever unhappy about something we've done – or perhaps not done – please give us the opportunity to put things right. Our aim is to resolve your complaint within 5 business days, and where possible we will resolve your complaint on the spot. If we need additional time to get back to you, we will let you know. Should we be unable to resolve your concern at your first point of contact, we will then refer your complaint to a team that is placed to find a solution for you. We will ensure that you're regularly updated about the progress we are making to resolve your complaint.

## How to contact us.

Our contact details are on the inside front cover.

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.

## If you are still unhappy

If you are not satisfied with our response or handling of your complaint, you can contact the external dispute resolution scheme, the Australian Financial Complaints Authority (AFCA).

### Australian Financial Complaints Authority

The Australian Financial Complaints Authority (AFCA) provides a free and independent service to resolve complaints by consumers and small businesses about financial firms (e.g., banks), where that complaint falls within AFCA's terms of reference.

The contact details for AFCA are set out below.

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 (free call)

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

## Foreign currencies available.

Foreign currencies available on FCTDs	Interest calculated upon a 360 or 365 day year
United States Dollars	360
Great Britain Pounds	365
Canadian Dollars	360
Danish Kroner	360
Euro	360
Hong Kong Dollars	365
Japanese Yen	360
New Zealand Dollars	365
Norwegian Kroner	360
Singapore Dollars	365
Swiss Francs	360
Other currencies on application	



*Westpac acknowledges the Traditional Owners as the custodians of this land, recognising their connection to land, waters and community. We pay our respects to Australia's First Peoples, and to their Elders, past and present.*