

Coupon Select Deposit.

Product Disclosure Statement.

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

Dated: 1 June 2018.

200



200 years proudly supporting Australia

Contact details.

For more information, please contact our Investments and Deposits team.

- **Investments and Deposits**

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Glossary.

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

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 www.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 Coupon Select 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 Form 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 Coupon Select Deposit before the end of the Term (other than a Principal Decrease), which may result in a Reduced Rate.

Financial Institution has the meaning given in APRA Prudential Standard APS 001.

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. The Floating Rate will be the lesser of:

- the Spread over the Reference Rate; and
- the Maximum Rate (if any).

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 Coupon Select Deposit expires, as indicated in your Confirmation.

Maximum Rate means the maximum Floating Rate applying to your Principal Balance during the Floating

Term, as set out in the Application Form. You can only select a Maximum Rate if your Reference Rate is BBSW.

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.

PDS means Product Disclosure 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 less the sum of 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 rate that we will likely apply if we agree to a request for Early Withdrawal or variation of your Coupon Select Deposit.

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.

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

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

Westpac Group means Westpac and its related bodies corporate.

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 details provided on page 2 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 Coupon Select 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 and is current as at 1 June 2018. The information in it is subject to change. We 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 Coupon Select Deposits.

The offer of Coupon Select Deposits is being made to persons located in Australia only. No action has been or will be taken to register or qualify Coupon Select Deposits or otherwise permit a public offering of Coupon Select 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, We do not intend to provide financial advice or any investment recommendations.

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Offer at a glance.

Issuer	Westpac
Purpose	<p>A Coupon Select Deposit is a tailored term deposit, designed to enable investors to enjoy a tailored Fixed Rate for one period ('Fixed Term') and/or a Floating Rate – incorporating a Spread over the BBSW rate or the RBA Cash Rate Target ('Reference Rate') – for another period ('Floating Term') of the deposit.</p> <p>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>If the BBSW rate is your Reference Rate, you may also choose to increase the Spread above the Reference Rate that you receive during the Floating Term by setting a Maximum Rate. However, if you set a Maximum Rate, the Floating Rate will not exceed the Maximum Rate during the Floating Term.</p> <p>You can further tailor your Coupon Select 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 do Coupon Select Deposits work?' on page 9 for more information.</p>
Fees and Charges	<p>There are no establishment fees, transaction fees or monthly service fees payable on a Coupon Select Deposit. See the section titled 'Fees and Charges' on page 7 for more information.</p>
Key benefits	<p>Flexibility – You can tailor your Coupon Select 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>Certainty – During the Fixed Term (if applicable), you enjoy the peace of mind of a tailored Fixed Rate.</p> <p>Tailored returns – 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 Coupon Select 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. If you choose BBSW as your Reference Rate and set a Maximum Rate on the Floating Rate, you can further increase the Spread you receive above the Reference Rate. However, your Floating Rate will not exceed the Maximum Rate.</p> <p>See the section titled 'Key benefits' on page 7 for more information.</p>
Key risks	<p>Interest rate risk – 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. Also, if you set a Maximum Rate during the Floating Term, the Floating Rate you receive will never exceed the Maximum Rate.</p> <p>Early Withdrawal/variation – You can request to vary your Coupon Select Deposit or make a full or partial withdrawal ('Early Withdrawal') before the Maturity Date. If we, in our discretion, accept your request for variation or Early Withdrawal, this may result in a Reduced Rate. See the section titled 'Early Withdrawal/Variation' on page 8. Any Early Withdrawals will be subject to a Notice Period, unless hardship applies. See the section titled 'Notice Period' on page 13 for more information.</p> <p>Counterparty and operational risk – We have performance obligations under a Coupon Select Deposit. You need to form a judgment on our ability to meet those obligations.</p> <p>No cooling off period – There is no cooling-off period in respect of an investment in a Coupon Select Deposit. You cannot cancel or revoke your application for a Coupon Select Deposit. However, Early Withdrawal may be possible.</p> <p>See the section titled 'Key risks' on page 8 for more information.</p>
Suitability	<p>A Coupon Select 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. 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>
Term	<p>1 year to 10 years (Note: Westpac may accept lesser Terms at its discretion).</p>
Minimum transaction size	<p>The minimum deposit size is AUD500,000 (Note: Westpac may accept lesser amounts at its discretion).</p>
How to apply	<p>See the section titled 'How to apply for a Coupon Select Deposit' on page 15 for more information.</p>

Fees and Charges.

Fees of a Coupon Select Deposit.

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

A Coupon Select 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.

Adviser service fees.

Financial advisers and other persons who distribute Coupon Select Deposits may seek to be remunerated for the service they provide to you in relation to this investment. These service fees are negotiated and agreed between you and your financial adviser. Service fees are only payable by us on your behalf where you request that we pay them to your financial adviser.

Key benefits.

Flexibility.

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

- the Principal Amount of your Coupon Select Deposit (subject to a minimum of AUD500,000. Note: Westpac may accept lesser amounts at its discretion);
- the Term of your Coupon Select Deposit (1 year to 10 years. Note: Westpac may accept lesser Terms at its 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;
- if you have a Floating Term and your Reference Rate is BBSW, the Maximum Rate (if any);
- 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.

Where you agree to pay your financial adviser an upfront service fee when you invest in a product under advice from your financial adviser, the dollar value of this upfront service fee will be communicated to you when you receive a quote. The Principal Amount of your Coupon Select Deposit will be net of any upfront adviser service fees you elect to pay.

In completing your Application Form you will need to indicate the amount of any upfront service fee that we are to pay on your behalf to your financial adviser in the relevant section. The upfront service fee will also be shown on your Confirmation.

Certainty.

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

Tailored returns.

By locking in the deposit for the full Term, we can offer a tailored return to investors with a Coupon Select Deposit. The tailored return is available on the Coupon Select 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.

If your Reference Rate is BBSW and you choose to set a Maximum Rate during the Floating Term, you can further increase the Spread you receive above the Reference Rate; however the Floating Rate will not exceed the Maximum 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 10 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.

Also, if you set a Maximum Rate during the Floating Term of your Coupon Select Deposit, the Floating Rate you receive will never be above the Maximum Rate.

Early Withdrawal/Variation.

The Coupon Select Deposit is an investment which is designed to be held to maturity. You may request a full or partial withdrawal from your Coupon Select Deposit before the end of the Term (**'Early Withdrawal'**). If we, in our discretion, accept your request for Early Withdrawal before the end of the Term, we may reduce the interest rate on the amount withdrawn for the whole period from the commencement of the Term (as applicable) to the day prior to the date of withdrawal (**'Reduced Rate'**). You will also have to wait until the end of the Notice Period for the disbursement of your funds.

Applying a Reduced Rate may significantly reduce the amount of interest earned on your Coupon Select Deposit. Please contact us if you have any questions on early withdrawal.

You may also request a variation to the terms of your Coupon Select Deposit before the end of the Term. If we, in our discretion, accept your request for variation, we may also apply a Reduced Rate to your Coupon Select Deposit.

See the sections titled 'Can I make withdrawals from my Coupon Select Deposit before the Maturity Date?', 'Notice Period', 'Can I vary the terms of my Coupon Select Deposit?' and 'Will my return be impacted if I withdraw or vary the terms before the Maturity Date?' on page 13 for more information. With these risks in mind, please consider your circumstances carefully when selecting the terms of your Coupon Select Deposit.

Counterparty and operational risk.

As is the case with most financial products we offer, we have performance obligations under a Coupon Select 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 www.westpac.com.au.

No cooling-off period.

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

How do Coupon Select Deposits work?

Overview.

A Coupon Select 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 Coupon Select 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 Coupon Select 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.

However, if your Reference Rate is BBSW, you can set a Maximum Rate and further increase the Spread you receive above the Reference Rate during the Floating Term of your Coupon Select Deposit. If you choose this option, the Floating Rate applied to your Coupon Select Deposit will be the lesser of the Maximum Rate and the Reference Rate plus the Spread. Therefore the Floating Rate you receive will never exceed the Maximum Rate.

In addition to choosing the Fixed Term and/or Floating Term, you can further tailor your Coupon Select 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 Coupon Select Deposits designed?

After considering your circumstances carefully, you decide:

- how much you want to deposit (subject to a minimum of AUD500,000. Note: Westpac may accept lesser amounts at its discretion);
- the Term of your Coupon Select Deposit (1 year to 10 years. Note: Westpac may accept lesser Terms at its 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 your Reference Rate is BBSW, whether you want to set a Maximum Rate on the Floating Rate;

- 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 Coupon Select 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 lesser of the Spread over the Reference Rate and the Maximum Rate (if any). 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.

If your Reference Rate is BBSW, you may further increase the Spread you receive above the Reference Rate by setting a Maximum Rate to apply during the Floating Term. However, by doing so, you will not receive a Floating Rate above the Maximum Rate (even if the Reference Rate plus the Spread reaches a level above the Maximum Rate during the Floating Term).

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 www.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 Coupon Select 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 Coupon Select 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 Coupon Select 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 Coupon Select 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 set a Maximum Rate during the Floating Term, the Floating Rate applied to your Coupon Select Deposit will not exceed the Maximum Rate.

If you choose to have Principal Variations during the Term of your Coupon Select 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:

*If you **have not** chosen to set a Maximum Rate:*

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

If you have chosen to set a Maximum Rate:

A = the smaller of:

- **$B \times C \times (D/365)$** ; and
- **$B \times MR \times (D/365)$**

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;

MR = the Maximum Rate (if any), to be set by you for the entire Term.

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

Confirmations.

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

- the Principal Amount of your Coupon Select Deposit;
- the Commencement Date and Maturity Date (i.e. the Term) of your Coupon Select 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 Coupon Select Deposit;
- the Maximum Rate (if any);
- the amount and frequency of Principal Variations (if any); and
- any upfront service fee that you agree to pay your financial adviser.

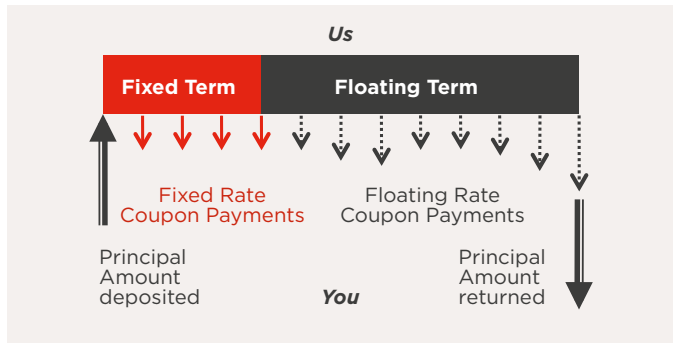
It is important you check the Confirmation to make sure that it matches your expectations. In the case of a discrepancy, you will need to raise the matter with our Representative as a matter of urgency.

As the Confirmation sets out the commercial terms of your Coupon Select 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 PDS.

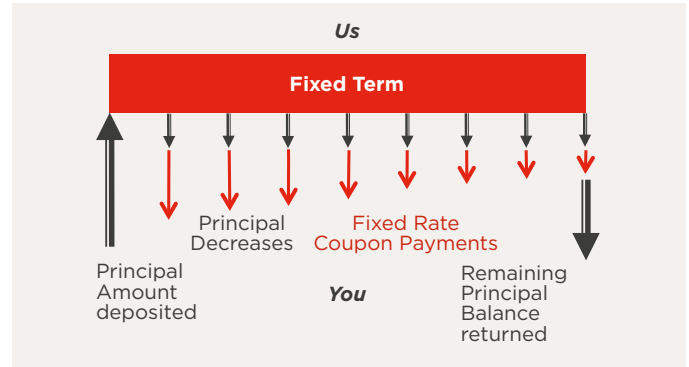
Payment flow diagrams.

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

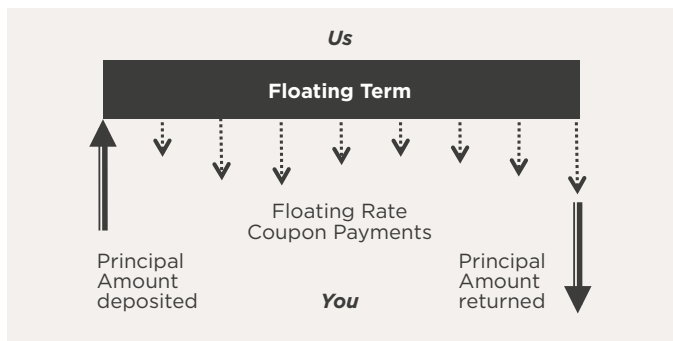
This diagram shows the payment flows that occur during the Term of a Coupon Select Deposit that has an initial Fixed Term followed by a (longer) Floating Term and no Principal Variations. You may of course prefer to have an initial Floating Term followed by a Fixed Term. The Floating Rate Coupon Payments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



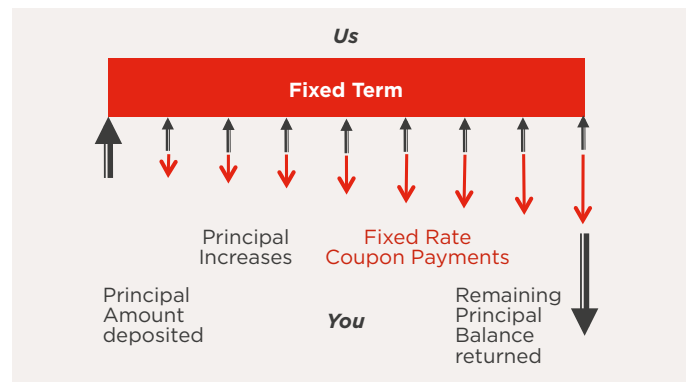
This diagram shows the payment flows that occur during the Term of a Coupon Select Deposit that has a Fixed Term only for the full Term of the deposit and equal Principal Decreases payable on each Payment Date during the Term. As the Principal Decreases reduce the Principal Balance of the Coupon Select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



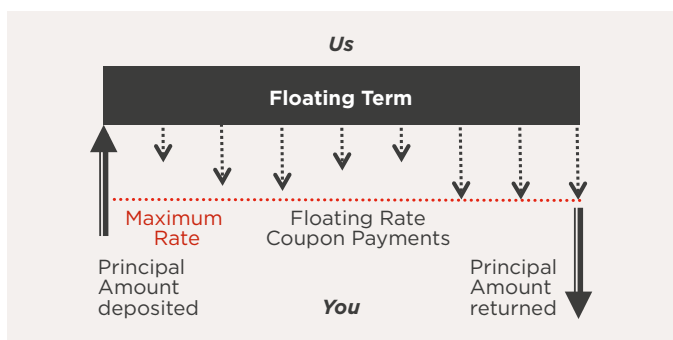
This diagram shows the payment flows that occur during the Term of a Coupon Select Deposit that has a Floating Term only for the full Term of the deposit and no Principal Variations. The Floating Rate Coupon Payments that are received during the Floating Term will vary in accordance with movements in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



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



This diagram shows the payment flows that occur during the Term of a Coupon Select Deposit that has a Floating Term only for the full Term of the deposit and no Principal Variations. However, the Floating Rate cannot exceed the Maximum Rate. The Floating Rate Coupon Payments that are received during the Floating Term will still vary in accordance with movements in the Reference Rate (BBSW), but will not exceed the Maximum Rate.



Can I make withdrawals from my Coupon Select Deposit before the Maturity Date?

Your Coupon Select Deposit is designed to be held to maturity. If you need to make a full or partial withdrawal from your Coupon Select 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. Requests for Early Withdrawal from Financial Institutions will not be approved under any circumstances.

If, in our discretion, we agree to your request, then we will provide you with an indicative quote, which will incorporate any Reduced Rate we decide to apply. If you accept the indicative quote, we will repay the portion of the Principal Balance that you have withdrawn (subject to any adjustment for a Reduced Rate being applied to your Coupon Select 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 Coupon Select Deposit.

Applying a Reduced Rate may significantly reduce the amount of interest earned on your Coupon Select Deposit. Please contact us if you have any questions on early withdrawal.

Can I vary the terms of my Coupon Select Deposit?

You may ask us to vary the terms your Coupon Select Deposit at any time before the Maturity Date. 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 Coupon Select 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 Coupon Select Deposits. You must give us at least 31 days’ notice to make a withdrawal from your Coupon Select 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 Coupon Select 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 Coupon Select 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 Coupon Select Deposit or you seek a variation to its terms, we may in our discretion apply a Reduced Rate to either the amount withdrawn for the actual period you have invested for (in the case of Early Withdrawal) or the Principal Balance for the remainder of the Term (in the case of variation).

With an Early Withdrawal, an adjustment of the total amount of interest is calculated by applying the difference between your original interest rate (Fixed Rate or Floating Rate) and the Reduced Rate (to the amount withdrawn) for the actual period of your investment.

If in our discretion we decide to move forward with your request, you will receive a quote containing our calculations of the Reduced Rate and the proposed adjustment on the total amount of interest applying to your Coupon Select Deposit. If you are satisfied with this quote, you will need to confirm your acceptance with our Representative.

We take into account the following factors in determining the Reduced Rate:

- a) the rate you would have received for the actual period of your investment (including any applicable Notice Period) if you had originally chosen this earlier maturity;
- b) the time remaining until maturity, the current Fixed Rates and/or Floating Rates, and the Principal Balance at the time of Early Withdrawal; and
- c) any additional costs or charges we incur as a result of the Early Withdrawal or variation (e.g. actual market transaction costs).

If there is an Early Withdrawal, we may need to recover interim interest we have already paid to you, in which case we will deduct the relevant amount from your Principal Balance before we release your funds.

No Reduced Rate will be applied if your Coupon Select 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 Reduced Rate 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 (Factor A). We will then look at the impact of the time remaining until maturity, the applicable current Fixed Rates and/or Floating Rates, and the Principal Balance (Factor B).

With respect to Factor B, there will only be a (negative) impact on the Reduced Rate if, during the time remaining until maturity, the applicable current Fixed Rate and/or Floating Rate is higher than the original one you receive under the terms of your Coupon Select Deposit.

In both scenarios, we assume there are no additional costs or charges as a result of the Early Withdrawal (Factor C).

Scenario 1.

On 2 February 2016, you establish a 3-year Coupon Select 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 2017, you request a full withdrawal of your Coupon Select 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 2017 (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 interest I receive be impacted?

As indicated above, 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 Coupon Select Deposit was 3.50% per annum (i.e. 0.50% per annum less than your Fixed Rate). The impact of Factor A on the Reduced Rate is 0.50% (1 year of 0.50% per annum).

Now we will have a look at the impact of the considerations mentioned under Factor B. 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 current Fixed 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). There is no impact of Factor B on the Reduced Rate.

As a result, the Reduced Rate for this withdrawal is 3.50% per annum (the impact of Factor A only) for the actual period of your investment. The difference between your original Fixed Rate and the Reduced Rate is 0.50% per annum.

This represents your interest adjustment and amounts to \$15,000 (0.50% per annum x \$3,000,000 x 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 2017 (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.

On 2 February 2016, you establish a 5-year Coupon Select 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 2018, you request a full withdrawal of your Coupon Select 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 2018 (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 interest I receive be impacted?

As indicated above, 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 Coupon Select Deposit was 4.50% per annum (i.e. 0.50% per annum less than your Fixed Rate). The impact of Factor A on the Reduced Rate is 1.00% (2 years of 0.50% per annum).

Now we will have a look at the impact of the considerations mentioned under Factor B. 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 an impact on the Reduced Rate 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 on the Reduced Rate for this withdrawal is now made up of the impact of Factor A (i.e. 1.00% or 0.50% per annum), plus the impact of Factor B (i.e. 3.00% or 1.50% per annum) for the 2 years you have invested for. The Reduced Rate for this period will be 3.00% per annum (5.00% per annum - 0.50% per annum - 1.50% per annum).

Since we have already paid you seven quarterly Coupon Payments totalling \$87,500, we will recover the difference between the original Fixed Rate and the Reduced Rate (i.e. 2 years of 2.00% per annum or 4.00% as an upfront amount of \$40,000) as a one-off payment. On 2 February 2018 (the date when your withdrawn funds will be made available), we will therefore return your Principal Amount plus the final Coupon Payment less the Early Withdrawal costs (i.e. \$1,000,000 + \$12,500 - \$40,000 = \$972,500).

How to apply for a Coupon Select Deposit.

Please follow the steps below to apply for your Coupon Select Deposit:

- ensure you have read and understood this PDS;
- talk to our Representative to confirm your eligibility for a Coupon Select Deposit;
- determine:
 - the amount of your Coupon Select 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;
 - if BBSW is your Reference Rate, the Maximum Rate to apply during the Floating Term (if any);
 - 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; and
- following acceptance of this quote, as soon as possible, send a properly completed Application Form (located at the back of this PDS) to our Representative by email, with a signed original posted to the address shown on the Application Form.

If we accept your Application Form, we will send you a Confirmation outlining the commercial terms of the transaction. See the section titled 'Confirmations' on page 11 for more information. We have the right, in our absolute discretion, to not accept your Application Form 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 Coupon Select 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 12, 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 Coupon Select Deposit, with quarterly Coupon Payments and no Maximum Rate.

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

3-year Coupon Select 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
Maximum Rate.	None
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** ($AUD3,000,000 \times 0.0560 \times 90/365$).
- Using the same formula and assuming the Floating Rate is 5.25% for a particular quarter during the second year of your Coupon Select 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** ($AUD3,000,000 \times 0.0525 \times 90/365$).

- 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** ($AUD3,000,000 \times 0.0550 \times 90/365$). 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 Coupon Select Deposit, with quarterly Coupon Payments.

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

2-year Coupon Select 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 Coupon Select 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 Coupon Select 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.

Floating Rate Coupon Payments only for the full Term with a Maximum Rate.

You are an investor with AUD3,000,000 to invest for a period of five 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. However, you are happy to limit your potential Coupon Payments if this means you receive an increased Spread above the Reference Rate during the Term.

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 and that the Floating Rate will not exceed the Maximum Rate, you decide to lock in a Floating Term for the full five years with a Maximum Rate of 6.00% per annum.

In these circumstances, you consider a 5-year investment in a Coupon Select Deposit, with quarterly Coupon Payments.

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

5-year Coupon Select Deposit.	
Principal Amount.	AUD3,000,000
Term.	5 years
Fixed Term.	None
Floating Term.	5 years
Fixed Rate.	None
Floating Rate.	3m BBSW + 1.25% Spread
Maximum Rate.	6.00%
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 5.60% per annum for a particular quarter during the first year of your Coupon Select Deposit (being a hypothetical 3m BBSW rate of 4.35% per annum + 1.25% Spread in this example), you calculate that the Coupon Payment for that particular quarter will equal **AUD41,424.66** ($AUD3,000,000 \times 0.0560 \times 90/365$).
- Using the same formula and assuming the Floating Rate has increased to the Maximum Rate of 6.00% per annum for a particular quarter during the fourth year of your Coupon Select Deposit (despite a hypothetical 3m BBSW rate of 4.85% per annum + 1.25% Spread in this example), you calculate that the Coupon Payment for that particular quarter will equal **AUD44,383.56** ($AUD3,000,000 \times 0.0600 \times 90/365$).
- On the Maturity Date, using the same formula and assuming the Floating Rate has decreased below the Maximum Rate to 5.75% per annum for that quarter (being a hypothetical 3m BBSW rate of 4.50% per annum + 1.25% Spread in this example), you calculate that the Coupon Payment will equal **AUD42,534.25** ($AUD3,000,000 \times 0.0575 \times 90/365$). You will also receive the Principal Amount of **AUD3,000,000** 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 Coupon Select Deposit, with semi-annual Coupon Payments and Principal Decreases payable on each Payment Date.

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

4-year Coupon Select 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 Decreases (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 10, 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 Coupon Select Deposit, with semi-annual Coupon Payments and Principal Increases.

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

3-year Coupon Select 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 Increases (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 10, 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.

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

Entering into your Coupon Select Deposit.

To open any new Coupon Select 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 us.

Under the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (the 'Act') it is a requirement that you and all signatories to the Coupon Select Deposit must be identified. You and any signatory will need to be identified if you are not existing customers of ours. The identification requirements can be met by completing our Customer Identification Procedure (which involves providing identity documentation to us). For information on documents required under our Customer Identification Standards please contact our Representative or refer to our website - www.westpac.com.au/aml.

If you or any of the signatories to the Coupon Select Deposit are not identified in terms of the Act, the Coupon Select Deposit will be blocked for all withdrawals, until they are identified.

If you are an existing customer, a signatory (or any other cardholder) of ours, identification requirements may have previously been satisfied so you don't need to provide identity documentation unless we request it.

Financial crimes monitoring.

Please be advised that in order for us to meet our regulatory and compliance obligations, we perform certain control and monitoring activities. By completing the Application Form, you agree that:

- you will not initiate, engage in or effect a transaction that may be in breach of Australian law or sanctions (or the law or sanctions of any other country);
- your use of the Coupon Select Deposit does not breach any Australian law or sanctions (or the law or sanctions of any other country);

- you will indemnify us against any potential losses arising if you breach any Australian law or sanctions (or the law or sanctions of any other country) through a transaction that you have initiated, engaged in or effected or the use of your Coupon Select Deposit;
- 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, neither we nor our correspondents are liable for any loss you suffer (including consequential loss) in connection with a Coupon Select Deposit;
- we may from time to time require additional information from you to assist us in the above compliance process and we may obtain information about you or any beneficial owner of an interest in a Coupon Select Deposit from you or from third parties if we believe this is necessary to comply with anti-money laundering and counter-terrorism financing laws;
- where legally obliged to do so, we will disclose the information gathered to regulatory and/or law enforcement agencies; and
- we may also disclose the information gathered to other banks, other members of the Westpac Group, service providers or to other third parties.

Telephone conversations.

Although you are required to complete an Application Form, the terms of a Coupon Select 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 signing and submitting the Application Form, 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 Coupon Select Deposit (such as updates or replacements of disclosure documents and account statements), or tell you how you can access such documents or information through our website. It is your responsibility to regularly check your email messages and make sure that we have your current email address.

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

Your instructions to us.

By signing and submitting the Application Form, you are agreeing that, if you choose to provide any instructions via email, facsimile or telephone:

- you will provide each instruction in a form 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);
- 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;
- we are not required to verify the authenticity or accuracy of any instruction that is or purports to have 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;
- 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;
- you will release us from, and indemnify us against, all claims, losses, damages, costs and expenses howsoever arising in consequence of, or in any way related to, us acting in accordance with all or part of any instruction or exercising our discretion to defer acting on any instruction, unless (and only to the extent that) we have acted fraudulently or been grossly negligent;
- 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.

Labour standards or environmental, social and ethical considerations.

We do not take into account labour standards or environmental, social or ethical considerations in providing this investment. To learn more about the Westpac Group's commitment to sustainability (including the 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 on the details provided on page 2 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 Info line on 1300 300 630, which you may use to make a complaint and obtain further information about your rights.

Availability.

We will only accept your application if you are located in Australia as at the date of your Application Form.

Privacy Statement.

We and any other person who is at any time a member of the Westpac Group ('Westpac Company') may collect your information from many places including your Application Form, correspondence with you or your legal, financial or tax adviser, the Westpac Companies' telephone calls with you or you using a Westpac Company's website or emailing a Westpac Company. The Westpac Companies may also collect your information from each other or from a service provider engaged to do something for any Westpac Company. Service providers typically engaged by Westpac Companies include registries, custodians, investment administrators, information technology advisers, mail houses, auditors, legal advisers and consultants.

We and other Westpac Companies may use your personal information:

- to establish and administer the financial products and services any Westpac Company provides to you;
- for product development, research and analysis;
- to provide additional services to you, such as market updates; and
- to contact you or send you information about other products and services offered by the Westpac Group or its preferred suppliers that we think may interest you.

Please call us on 132 032 or visit any of our branches if you do not wish to receive marketing communications from us.

We may also use your information 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.

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 is available at www.westpac.com.au or by calling 132 032. It 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.

Consent relating to personal information.

By completing the Application Form, you consent to us and any other Westpac Company collecting, using, disclosing and handling your personal information in the manner set out in the Privacy Statement below.

Access to personal information.

You can request access to your personal information, or ask for any corrections to be made, by visiting any of our branches or contacting us by phone on 132 032. We try to give each customer access to their information on request, but we will tell you if this is not possible.

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 Coupon Select 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.

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⁽¹⁾ 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 your 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 Coupon Select 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 Coupon Select Deposit.

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.

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

Financial Claims Scheme.

You may be entitled to payment under the Australian Government's Financial Claims Scheme in the event that we become insolvent. 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 Bank SA. Information about the Financial Claims Scheme can be obtained from www.fcs.gov.au.

Assignment.

You may not at any time assign or transfer any right, title or interest in your Coupon Select Deposit without Westpac's prior consent.

Coupon Select Deposit.

Application form.

OFFICE USE ONLY

Adviser/Banker name:

Adviser email:

Primary Account Holder's CIS Key:

Please email the completed 'Application form' to our Representative and post the original to:

**WIB Interest Rates and Treasury,
Level 9, 55 Market Street, Sydney 2000.**

- Following your acceptance of the quote from our Representative you must, as soon as possible, return a properly completed Application Form to us.
- You will be bound by the terms of your Coupon Select Deposit as explained in the PDS ('Conditions') upon our receipt of your Application Form and acceptance of your application.
- We have the right, in our absolute discretion, to not accept your application for any reason.
- Applications will only be accepted in Australian dollars. Any payments we make will only be paid in Australian dollars.
- If we accept your application, we will send you a Confirmation outlining the commercial terms of the transaction, including the Principal Amount of your Coupon Select Deposit, the Commencement Date and Maturity Date (i.e. the Term) of your Coupon Select Deposit, the Payment Dates, the Fixed Term dates (if any), the Floating Term dates (if any), the relevant Fixed Rate and/or Floating Rate that will apply to your Coupon Select Deposit, the level of the Maximum Rate (if any), the amount and frequency of Principal Variations (if any), and any upfront service fee that you agree to pay your financial adviser. These commercial terms will match (as closely as reasonably possible) the preferences set out in Section A below. In the case of a discrepancy, you will need to raise the matter with our Representative as a matter of urgency.

A. Your investment (must match the quote you accepted exactly).

Investment: Coupon Select Deposit.

Principal Amount to be invested , , , (Minimum of AUD500,000. Note: Westpac may accept lesser amounts at its discretion)

Principal Variations during Term Yes No
(If 'Yes' please provide us with a schedule of the Principal Variations separately)

Commencement Date..... / /

Total Term..... Months Years

Initial Term Fixed Term or Floating Term

Length of Fixed Term Months Years

Length of Floating Term Months Years

Fixed Rate %

Floating Rate: BBSW + % Spread or RBA Cash Rate Target + . % Spread

Maximum Rate Yes No

Note: You may only set a Maximum Rate if you have selected a Floating Rate that is linked to BBSW.

Maximum Rate..... . % (as per the quote you accepted from us)

Coupon Payment frequency..... Monthly Quarterly Semi-Annual Annual (for fixed terms only)

Upfront adviser service fee

Adviser details.

Adviser full name

<input type="text"/>

Dealer group name

<input type="text"/>

Dealer group AFSL no. Adviser phone number

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Adviser's signature

X

Date

<input type="text"/>	/	<input type="text"/>	/	<input type="text"/>
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For joint account holders only.

Name joint account holder 1

Tax File Number ("TFN")

Name joint account holder 2

Tax File Number ("TFN")

***Note:** Applications will only be accepted from applicants who are located in Australia. Declining to quote a TFN/ABN is not an offence. However, where you do not supply your TFN/ABN, tax will be withheld from any income, and remitted to the ATO.

Please tick this box if you are not a resident of Australia for taxation purposes.

D. Direct Debit Request.

Individuals/Companies/Superannuation Funds and Trusts.

BSB	Account Number	Account Name
<input type="text"/>	<input type="text"/>	<input type="text"/>

Name of Financial Institution	Branch
<input type="text"/>	<input type="text"/>

I/We request and Authorise Westpac (User ID number 427920), to arrange for any amounts which become payable in respect of this investment to be debited through the Bulk Electronic Clearing System. I/We understand and acknowledge that:

- my/our financial institution has absolute discretion to decide the order in which it will pay moneys under this request, or any other request, authority or mandate, and including the discretion to refuse to honour this request at any time;
- this request operates on the terms of the Direct Debit Services Agreement as set out below (as varied by Westpac) which I/we have read and, by signing this Direct Debit Request, agreed to.

Applicant's/Director's signature

Applicant's/Director's name

Applicant #2's/Director's/Secretary's signature

Applicant #2's/Director's/Secretary's name

Direct Debit Services Agreement.

1. By your Direct Debit Request, you authorise us to arrange for amounts that become payable under the Conditions to be made by credit or deduction from the account named in the Direct Debit Request.
2. We will give you at least 14 days notice if we need to change your direct debit or credit arrangements.
3. We will keep all information relating to your nominated financial institution account confidential, except where required for the purposes of conducting direct debits with your financial institution or in connection with a claim relating to an alleged incorrect or wrongful debit.
4. Direct Debiting through the Bulk Electronic Clearing system is not available on all accounts. Please ensure that your nominated account can accept direct debits and that there are sufficient funds available in the nominated account, on the due date, to cover the direct debit. We suggest that you check your account details against a recent statement from the financial institution to confirm the account details.
5. You agree to advise us as soon as possible, if the nominated account is transferred or closed, or your account details change.
6. If your direct debit arrangements are cancelled for any reason, you agree to arrange an alternative method of making the payment.
7. Requests for stops or cancellations may be made to the financial institution where your account is held. If you are uncertain as to when a debit will be processed, you should enquire directly with the financial institution where the account is held.
8. All account holders nominated on the financial institution account to be debited must sign the Direct Debit Request.
9. If your due date for a payment falls on a weekend or National Public Holiday, we will automatically direct debit the payment on the next Business Day after the weekend or National Public Holiday.
10. If your financial institution cannot withdraw the nominated amount from your account (for example, if there are insufficient funds available) they may dishonor the withdrawal. Your financial institution may charge you a dishonor fee in accordance with the conditions for that account.
11. If you consider that a direct debit has been initiated incorrectly, or if you don't understand any aspect of the direct debit procedure, you should contact us using the Contact Details provided in the PDS.

E. Payment Instructions Request (if different from above).

Individuals/Companies/Superannuation Funds and Trusts.

BSB	Account Number	Account Name
<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of Financial Institution	Branch	
<input type="text"/>	<input type="text"/>	

Declarations and acknowledgements.

By signing and submitting the Application Form, each applicant:

1. confirms that they have validly accepted the quote from us relating to the investment described in Section A of this Application Form;
2. acknowledges that they have read and understood the PDS;
3. has agreed to accept a Coupon Select Deposit on the basis of the terms and conditions set out in the PDS and this Application Form and agrees to be bound by those terms and conditions;
4. acknowledges that they have read the key risks set out in the PDS, including that a Coupon Select Deposit is designed to be held to maturity and that an Early Withdrawal may have a cost to them;
5. represents and warrants that they have provided complete, accurate and truthful information in it and:
 - (where the applicant is an individual) they are aged at least 18 years;
 - (where the applicant is applying in their capacity as trustee of a trust) they have properly exercised all trust powers and has full, complete and valid authority to enter into the investment in question;
6. acknowledges:
 - they cannot withdraw this Application Form without our consent, subject of course to their statutory rights otherwise;
 - that if the Principal Amount is not deposited with us on the Commencement Date or otherwise if they breach the terms of their Coupon Select Deposit, we may terminate their Coupon Select Deposit before its maturity and that the applicant will be liable for any costs related to the termination;
 - this Application Form does not constitute financial advice, and has been prepared without taking the applicant's financial objectives, circumstances and needs into account. Each applicant therefore acknowledges the need to consider its appropriateness;

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