

Product Information Statement

Macquarie Bank Term Deposit



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The Macquarie Bank Term Deposit is provided by Macquarie Bank Limited ABN 46 008 583 542 AFSL 237502 (Macquarie).

IMPORTANT INFORMATION

This Product Information Statement describes the features of the Term Deposit and, together with the separate *Further information* booklet available on our website at macquarie.com.au/tdfurtherinfo, contains the terms and conditions which apply to its operation. Please read the *Product Information Statement* and *Further information* booklet carefully before deciding whether to open an Term Deposit.

The information in this *Product Information Statement* is current as at 17 December 2018 and is subject to change. You can find updated information, including the current *Further information* document, on our website at macquarie.com/personal or by contacting us on 1300 739 980. A paper copy of any updated information is available free on request.

Financial claims scheme

The Financial Claims Scheme aims to protect depositors in Australian Authorised Deposit Taking Institutions (ADIs) from loss on their deposits, up to a specified limit, and gives depositors prompt access to their deposits if their ADI becomes insolvent.

If APRA places an ADI into liquidation, you may be entitled to payment under the scheme, with such payments being subject to a limit for each depositor.

Further information about the Financial Claims Scheme can be obtained from the APRA website at www.fcs.gov.au and by phone on 1300 558 849 (or +61 2 8037 9015 if calling from overseas).

Terms

In this Product Information Statement:

We, our, us, Macquarie means Macquarie Bank Limited.

You, your means you the Account holder(s). Where the context permits it also includes any person carrying out any Account transaction on your behalf, for example a person you have given third party access to.

Financial Services Professional means an adviser, accountant, administrator, stockbroker, risk specialist, mortgage broker, intermediary or any person that acts on your behalf.

Term Deposit means funds that are deposited at a fixed interest rate for an agreed term with Macquarie as set out in these terms and conditions.

Other terms which have been capitalised throughout this document are defined in the *Further Information* booklet under *Definitions*.

Features at a glance

Lock in a fixed rate for income certainty

- Term Deposits available for a range of terms from 1 month to 5 years
- Online and mobile access to view your Account
- No establishment or account-keeping fees
- Easy application and management through your Financial Services Professional
- SMSF ready

Key features

Minimum opening balance	\$5,000.
How to deposit	Direct debit.
Interest rate	Funds are deposited at a fixed interest rate for an agreed term.
Calculation and payment of interest	Interest is calculated at a fixed rate for the term of your deposit. You can choose to receive your interest monthly, quarterly, half-yearly, annually or at maturity. If you choose to receive your interest less frequently than on an annual basis you may receive a lower rate. Visit macquarie.com/term-deposits to see the applicable interest rate. Interest may be electronically credited to your Nominated Bank Account or reinvested into your Term Deposit.
Options at maturity	Your deposit will be renewed for the same term upon maturity unless you notify us by the applicable lodgement time that you would like to make changes or close your Account. ¹ Your deposit may be automatically re-invested at a lower rate than its previous rate. We encourage you to visit our website at the above address when your deposit matures to view the rates that may be available to you.
Term	You can choose a term between 1 month and 5 years. Once you have opened your Term Deposit, the amount, term, interest rate and interest payment options are fixed until maturity.
Withdrawals	Funds may be withdrawn on maturity and will be electronically credited to your Nominated Bank Account. ¹ Other than on Maturity, you may not withdraw your funds during the term unless you close your Account. You must usually give us 31 days notice to close your Account during a term. ² <i>Please note: cheque and third party payment requests are not available.</i>
Making changes to your deposit before maturity	Once you have opened your Term Deposit, the selections that you have made are fixed to maturity. You may not withdraw or add to your funds during the term unless you close your Account and apply for a new term deposit. If you close your Account prior to maturity we will apply an interest adjustment. Unless required by law you must give us 31 days notice to close your Account during the term. ²
Currency	Australian dollars only.

¹ Instructions must be received by the applicable lodgement times.

² 31 days' notice may not be required in cases of hardship.

Important information about your Account

Significant benefits

Term Deposit

You can lock in an interest rate for a fixed period. This means you will have certainty of return.

Significant risks

Term Deposit

- If interest rates rise after the date you lock in your Term Deposit, you will earn a lower rate of interest on your deposit than you might otherwise have received.
- If you withdraw your funds prior to the maturity date of the Term Deposit, an interest adjustment may apply. Please refer to *Making changes to a Term Deposit before maturity* on page 3.

Liquidity risk

Except in limited hardship related circumstances, you must provide 31 days' notice before you may withdraw from, terminate or break a term deposit before the agreed maturity date. You should therefore enter into a term deposit expecting that you will not be able to immediately access your money before the maturity date.

How do I deposit, withdraw and manage my Account?

Lodgement times

To ensure that you receive the interest rate applicable to the day that we receive your Account application, your application must be lodged by the relevant lodgement time and all other opening conditions must be satisfied. Any requests that are unclear, incomplete or require additional information may be unable to be processed the same day. Refer to the *Lodgement times* section of the *Further information* booklet for more details.

Fees and charges

Macquarie has fees and charges that apply for incidental services and special requests in relation to your Account. Details will be outlined on your statement. Refer to the *Fees and charges* section of the *Further information* booklet for more details.

Making additional deposits

Term Deposit

Additional funds will only be accepted on the maturity date via direct debit from your nominated account. See *Making changes to a Term Deposit before maturity*.

We do not accept electronic funds transfer (EFT), cash deposits, cheques or international drafts.

Withdrawing funds

Term Deposit

Partial withdrawals from Term Deposits are not permitted. If you would like to withdraw your funds prior to maturity you are able to close your Account by giving us 31 days' notice as described in the *Further information* booklet.

In cases of hardship, we may permit withdrawal of funds without a 31 day notice period.

Withdrawn funds will be transferred to your Nominated Account. Cheque and third party payment requests are not available.

Making changes to a Term Deposit before maturity

Once you have opened your Term Deposit, the selections you have made are fixed until maturity.

Notice period

You must provide us with 31 days' notice to close your Account prior to Maturity, except in cases of hardship.

If you have less than 31 days remaining of your term (or you have invested in a one month Term Deposit), the earliest you can access funds is at Maturity, except in cases of hardship.

The 31 day notice period starts on the day (Sydney time) that we receive notice from you provided per the *Notice* section in the *Further information* booklet.

The 31 day notice period applies to all Accounts unless you can show that you need access to the funds earlier due to hardship.

If you close your Account prior to maturity we will apply an interest adjustment.

For more information about breaking your term deposit due to hardship, refer to hardship section in the *Further Information* booklet.

Interest adjustment

The interest adjustment is 25 per cent of earned interest and will be deducted from the interest paid to you.

Example

If you have a \$100,000 term deposit invested at 3.00% pa for a term of 90 days with interest being paid at maturity, and you terminate the term deposit 65 days into the term, then \$133.65 will be deducted from the interest paid to you.³

This is calculated as follows:

$$\mathbf{\$100,000 \times 3.00\% \times (65/365) \times 25\% = \$133.56}$$

Where the interest adjustment exceeds the interest accrued on your Account we will deduct the balance of the interest adjustment from the principal balance of your Account.

Grace Period

If we do not receive instructions from you or your Financial Services Professional when your Term Deposit matures, your deposit will be automatically reinvested for the same term and interest payment options and at the prevailing interest rate (which may be lower than the prior rate). However, you will be entitled to a Grace Period.

The Grace Period extends for five Business Days after the Term Deposit's previous maturity date. During this time you have the option to make changes to your Term Deposit details, withdraw or add funds, without incurring an interest adjustment.

If you amend your Term Deposit during the Grace Period, the interest rate that applies to your deposit will depend on the amount, investment term and interest payment option you select at that time.

When the Grace Period has expired, you will not be able to amend your Term Deposit other than closing it before its maturity date by giving us notice as set out in the *Notice* section in the *Further information* booklet.

Interest rate

Term Deposit

You will earn an agreed fixed interest rate, based on the deposit amount, term and interest payment frequency that you select.

The interest rate applicable on any Account is set upon the opening of the Account after all account opening conditions have been satisfied.

Rates are quoted for terms expressed in months or years. The exact number of days for your term will vary, depending on the date your Account is opened. Your maturity date will be provided in your Account Confirmation.

Example

If you invest \$10,000 for 270 days at a rate of 3.00% pa with interest paid at maturity, at maturity you will have earned \$221.92 in interest.³

This is calculated as follows:

$$\mathbf{\$10,000 \times 270/365 \times 3.00\% = \$221.92}$$

Interest payment options

Term Deposit

Depending on the term you select, you may elect to receive interest payments on a monthly, quarterly, half-yearly or annual basis, or to receive a single interest payment at maturity.

Interest payment frequency	Available on terms:
Monthly	All terms from 1 month to 5 years
Quarterly	Terms of 3 months, 6 months, 9 months and 1 to 5 years
Half-yearly	Terms of 6 months and 1 to 5 years
Annually	Terms from 1 to 5 years
At maturity	Terms from 1 month to 1 year

In addition to this, you may either elect to have your interest paid into your Nominated Bank Account, or reinvested into your Term Deposit.

Accessing your Account online

You can login to your Account at [macquarie.com](https://www.macquarie.com) or through our mobile banking app using your Macquarie ID and password.

We will issue you a Macquarie ID, unless you already have one.

Statements

Term Deposit

Statements will be issued on a six-monthly basis for the periods ending 30 June and 31 December for all Term Deposits which are open on these statement dates.

In addition, for all Term Deposits we will send a Confirmation at maturity setting out details of your investment.

Your statement (which may be made available online), will include details of your investment, including the balance of your Account and all transactions on your Account for that period.

³ The example above is indicative only and the rates and figures have been selected by us to demonstrate how the product works. Actual rates vary from time to time.

How do I start?

Opening an Account

To open an Account:

1. Read this Product Information Statement and the *Further information* booklet thoroughly.
2. If you have not already satisfied our requirements under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*, each account signatory will also need to provide identification. Refer to the *Application guide* for details on how to complete the identification requirements.
3. Complete and sign the application form that accompanies this document or alternatively you can use the online application process. Some applicants may be required to provide additional documentation.
4. Applications can be provided as follows:

Mail: Macquarie Bank Limited
GPO Box 2520
Sydney NSW 2001

Email: termdeposits@macquarie.com

Website: macquarie.com/term-deposits

The minimum investment is \$5,000.

The only currency accepted for your Account is Australian dollars (AUD).

Taxation⁴

Tax File Number (TFN) or Australian Business Number (ABN) or exemption reason

Your TFN, ABN or exemption reason is collected in accordance with the *Income Tax Assessment Act 1936* and the *Taxation Administration Act 1953*.

Provision of a TFN, ABN or exemption reason is not compulsory, however, if you do not quote one of these (including one for each party to a joint account) tax may be deducted from the interest paid to you at the highest marginal tax rate plus the Medicare Levy. Declining to quote your TFN is not an offence.

Non-residents

If you are a non-resident of Australia for taxation purposes, you must provide us with your country of residence for taxation purposes.

Tax may be withheld from the interest you earn on your Account if you are a non-resident of Australia.

Authorised signatories

You can appoint another person or company to have access to and operate your Account by completing the *Third Party Authority form*. This form can be found at macquarie.com/idforms or contact us to request a copy of this form.

Appointing an Authorised Signatory enables them to have withdrawal access to your Account. In addition to this, they will be authorised to provide or change maturity instructions or update your Account details. This excludes changes to Nominated Bank Account details, signing instructions and the appointment of other Authorised Signatories.

You and your Financial Services Professional work closely together

If you have a Financial Services Professional, they may be critical to the ongoing management of your Account. Your authorised Financial Services Professional can obtain account information and we may attempt to contact them in the first instance if any follow up is required on your Account.

Your Financial Services Professional is also able to assist you with any queries you may have regarding your Account.

You choose and appoint your Financial Services Professional. Unless your Financial Services Professional is an authorised representative of a Macquarie Group company, no Macquarie Group company is responsible for the acts or omissions of your Financial Services Professional.

Your Financial Services Professional or their designated support staff are able to give us instructions on your behalf to:

- transfer funds from your Nominated Bank Account to your Account
- transfer funds from your Account to your Nominated Bank Account
- make changes to your Term Deposit before maturity (see *Making changes to a Term Deposit before maturity*)
- manage your Term Deposit at maturity (eg provide instructions to reinvest for another term, transfer your funds to At-Call or pay your funds into your Nominated Bank Account).

Advisory firm payments

If an adviser or other financial service provider introduced you to us and their details appear on the application form, you can instruct an amount to be paid to them from the interest payable to your Account. We will not pay these amounts in certain circumstances, including where there is a legal impediment or prohibition on us making such payments.

⁴ Macquarie Bank Limited does not give, nor purport to give, any taxation advice. The application of taxation laws depends on a client's individual circumstances. Accordingly, you should seek independent professional advice on taxation implications before making any decisions about a financial product or class of products.

Complaints

We have procedures in place to properly consider and deal with any complaints within 45 days of receipt.

If you are not satisfied with our response to your complaint, then you can ask our Customer Advocate to review your matter.

The Customer Advocate

Macquarie Bank Limited
GPO Box 4294
Sydney NSW 1164
Tel: 1800 898 307
Email: customeradvocate@macquarie.com

We are a member of the Australian Financial Complaints Authority (AFCA). AFCA provides independent financial services complaint resolution that is free to consumers.

Contact AFCA and make a complaint at the following address, quoting our membership number 10019:

Australian Financial Complaints Authority

GPO Box 3
Melbourne VIC 3001
Tel: 1800 931 678 (free call)
Email: info@afca.org.au
Website: www.afca.org.au

Telephone recording policy

You agree that we can record our telephone conversations with you, a Financial Services Professional or Authorised Signatory relating to your Account and may retain and use those telephone recordings for our reasonable business purposes.

Enquiries

If you have any enquiries regarding the Macquarie Bank Term Deposit or this Product Information Statement, please contact your Financial Services Professional, or we can be contacted by one of the following methods:

Mail: Macquarie Bank Limited
GPO Box 2520
Sydney NSW 2001
Tel: 1300 739 980
Email: termdeposits@macquarie.com

Further information

The following information, which also forms part of this Product Information Statement, may be found in our Further information booklet on our website at

macquarie.com/tdfurtherinfo. We advise that you read this document and we will supply a copy of it to you at no charge on request. It includes information dealing with:

- *Privacy* – a statement of how we will handle personal information we collect about you, and your rights in relation to this information
- *Government Guarantee* – provides current details on the Australian Government Guarantee
- *Terms and conditions* – the way you can access your funds, authorise someone to operate your account, and logging in online.

For more information about Macquarie Bank Term Deposits, contact your Financial Services Professional or call 1300 739 980. You can also email us at termdeposits@macquarie.com or visit our website at macquarie.com/personal

Financial Services Professionals contact us on 1300 739 980. You can also email us at termdeposits@macquarie.com or visit our website at macquarie.com/advisers

For overseas queries call us on +61 7 3233 8136.

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