

Customised Average Rate Loan

The portfolio loan you customise for your business.

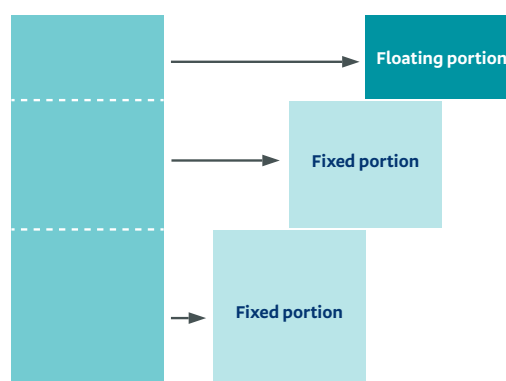
You can divide the principal into portions and allocate these between floating and fixed interest rates.

The CARL enables you to create a 'portfolio' of loans within one facility with only one periodic interest payment, being the weighted average of the rates of the various portions. Drawdown and repayment dates are flexible and interest payment periods are usually monthly or quarterly and can be on dates that best suit your business cash flow cycles. It's easy to manage and with BNZ's Internet Banking for Business, CARLs can be viewed and repayments made online, whenever it suits. Learn more about [how to manage your CARL in Internet Banking for Business](#)

The "portfolio" loan can incorporate the following interest rate structures:

- A Floating portion
- Up to 10 Fixed portion(s)

BNZ Markets Specialists are available to meet face to face or by phone to help you understand the risks and benefits of the CARL. They can update you with the latest market information on interest rates and work with you to develop CARL based solutions that best suit your business circumstances.



Benefits of CARL

- Interest rate strategies that incorporate a variety of risk management techniques can be achieved using combinations of a Floating portion and Fixed portions and customising the timing of cashflows.
- Initially, you can concentrate on negotiating your funding and repayment arrangements by taking out a fully floating loan and coming back to us when you are ready to decide on your risk management strategy (like how much to fix). Switching from a Floating to a Fixed portion can be done with a phone call or email instruction.
- Interest is charged as a single rate, being the weighted average of the rates of the various portions.
- Interest cost savings can be achieved by repaying Floating portions ahead of schedule. Floating portions can be repaid and redrawn using BNZ Internet Banking for Business (conditions apply).
- You will only have to sign one facility document if you have all your funding in one CARL. You will receive notifications of regular payments, interest rates and any changes you have asked us to make.
- Scheduled drawdowns and repayments can be structured in a way that suits you (subject to conditions). For example:
 - Fixed portions can start on a future date
 - regular principal and interest, interest only and tailored (like seasonal) repayment arrangements
 - monthly or quarterly payment frequency.

Potential risks

- Fixed portions are locked in and can incur early repayment costs (ERC) if prepaid or amended in any way. If you are thinking of fixing, ask us about ERC as they can be substantial and we have information that will help you understand the risk. Fixing portions of your loan will also mean you miss out on benefits of lower interest rates for the period you have fixed. Learn more about [early repayment costs on your CARL](#)
- Floating portions have variable interest rates and could rise (or fall) significantly.
- If you have undrawn balances – i.e. the current amount drawn is less than the scheduled limit we have approved for you – you may incur non-utilisation fees.
- There are limitations and conditions on unscheduled repayments and redraws that may be unique to your facility. Please check with us and read your facility agreement to get an understanding of these.
- Changing interest and payment frequencies (e.g. monthly to quarterly) could incur a cost and require new documentation to be signed.

Other important information

CARLs and the portions within CARLs (i.e. how much is borrowed and placed on a floating rate or fixed rate etc.) are subject to minimum amounts, please check with us to make sure this does not impact you.

Individual portion interest rates:

Floating portions

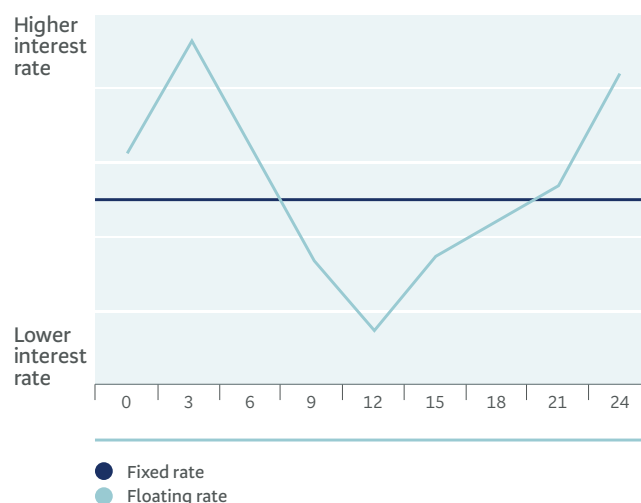
For each interest payment period (e.g. monthly, quarterly), the applicable interest rate will be your CARL floating rate as determined by BNZ on the first day of that period.

Fixed portions

The interest rate which applies to a Fixed portion is the fixed rate agreed between you and BNZ. This rate will apply until the maturity date of that portion.

Fees

You may be charged fees, including a non-utilisation fee on the undrawn balance of your CARL.



For more information on the CARL, please contact your BNZ Partner or email a Markets Specialist at bnz.markets.interest.rate.solutions@bnz.co.nz