

ISSUED BY: ST.GEORGE BANK  
A DIVISION OF WESTPAC BANKING CORPORATION  
ABN 33 007 457 141 AFSL 233714  
EFFECTIVE DATE: 1 MARCH 2010

# Adjustable FORWARD

## PRODUCT DISCLOSURE STATEMENT

### IMPORTANT NOTICE

Transactions involve various risks including movements in currency rates and interest rates. You can make losses and that is a risk you take. If you do not understand the risks or are not willing to accept the risks or make losses, you should not enter into these transactions with us.

The information set out in this document is general in nature and does not and is not intended to take into account your particular needs, objectives or financial situation. By providing it, St.George does not intend to provide financial advice or any financial recommendations. You should read this Product Disclosure Document carefully and consider whether this product is appropriate to your particular needs, objectives and financial situations. You may also seek independent expert advice before making a decision about whether or not this product is suitable for you.



This PDS for Adjustable Forward was prepared on 1<sup>st</sup> March 2010. However it is intended for use only for the financial products provided after the effective date shown on the cover.

## **Risk Overview**

An Adjustable Forward (AF) is a product that may be used to protect you from unfavourable movements in a particular foreign exchange transaction. In return for receiving protection, you will pay St.George a non-refundable option premium referred to as the *protection margin*.

St.George will only enter into an Adjustable Forward where you have an underlying corresponding foreign currency exposure.

## **Purpose**

*What is an AF used for?*

An AF may be used by you if you have a need to exchange one currency for another currency in the future, and would like to:

- protect yourself against unfavourable movements in the value of the currency you are to exchange; and
- maintain the ability to participate in favourable movements in that currency.

## **Suitability**

*Do I have sufficient knowledge about these products?*

An AF may be suitable if you would like to manage your currency exposure and have a good understanding of foreign exchange markets including forward exchange contracts and foreign exchange options.

If you are not confident about your understanding of these things, we strongly suggest you seek independent advice before making a decision about this product.

## **Currency Quoting Conventions**

The foreign exchange market quotes foreign exchange rates by quoting a *base currency* first and then a *terms currency*. For example, it is market practice that when an exchange rate for Australian dollars with US dollars is quoted, Australian dollars is the *base currency* and US dollars is the *terms currency*.

The quoted rate means 1 dollar in the *base currency* can be exchanged for an amount (the rate) of the *terms currency*, eg an AUD/USD spot rate of 0.7000 means that 1 AUD can be exchanged for 0.7000 USD.

An AF can only be set to buy/sell a constant amount of *terms currency*, which means you will sell/buy a certain amount of the *base currency* as determined by the *currency pair* exchange rate.

## Description

### *What is an AF?*

An AF is a foreign exchange product that has the effect of combining the exchange rate protection of a traditional forward exchange contract with a foreign exchange option.

You may enter into an AF where you are the **seller** of the first (or base) currency. We refer to this as an Adjustable Forward (**Importer**). Alternatively, you may enter into an AF where you are the **buyer** of the first (or base) currency. We refer to this as an Adjustable Forward (**Exporter**). This PDS relates to both Importer and Exporter Adjustable Forwards.

### *How does an AF work?*

Under an AF, you nominate the two currencies to be exchanged at the time of entering into the product. These currencies are known as the *currency pair*.

A *buy currency, buy currency amount, sell currency, sell currency amount, protection rate, and protection margin* will also be set.

Once those variables have been determined, and they are accepted by St.George, the possible outcomes for you at the *expiration time* are as follows:

<b><i>Where you are a SELLER of the first currency</i></b>	<b><i>Where you are a BUYER of the first currency</i></b>
<p>At the <i>expiration time</i>:</p> <p>(a) if the <i>market rate</i> of the <i>currency pair</i> is at or below the <i>protection rate</i>, then you must buy from us for value on the <i>delivery date</i> the <i>buy currency amount</i> in exchange for the <i>sell currency amount</i>. This exchange will be effected at a rate equivalent to the <i>protection rate</i> less a margin calculated by multiplying the <i>protection rate</i> by the <i>protection margin</i>;</p> <p>or</p> <p>(b) if the <i>market rate</i> of the <i>currency pair</i> is above the <i>protection rate</i>, then you must buy from us for value on the <i>delivery date</i> the <i>buy currency amount</i> in exchange for a certain amount of the <i>sell currency</i>. This exchange will be effected at a rate equivalent to the prevailing <i>market rate</i> less a margin calculated by multiplying the <i>protection rate</i> by the <i>protection margin</i>.</p>	<p>At the <i>expiration time</i>:</p> <p>(a) if the <i>market rate</i> of the <i>currency pair</i> is at or above the <i>protection rate</i>, then you must sell to us for value on the <i>delivery date</i> the <i>sell currency amount</i> in exchange for the <i>buy currency amount</i>. This exchange will be effected at a rate equivalent to the <i>protection rate</i> plus a margin calculated by multiplying the <i>protection rate</i> by the <i>protection margin</i>;</p> <p>or</p> <p>(b) if the <i>market rate</i> of the <i>currency pair</i> is below the <i>protection rate</i>, then you must sell to us for value on the <i>delivery date</i> the <i>sell currency amount</i> in exchange for a certain amount of the <i>buy currency</i>. This exchange will be effected at a rate equivalent to the prevailing <i>market rate</i> plus a margin calculated by multiplying the <i>protection rate</i> by the <i>protection margin</i>.</p>

## Cost of Product

In return for receiving protection against adverse movements in the *currency pair* beyond the *protection rate*, you are required to pay St.George an option premium. However, this is not payable when you enter into the AF. The cost of the premium is factored into the rate at which we exchange the

*currency pair* following expiry. The premium is referred to as the *protection margin*. You will be advised of the *protection margin* for your AF before entering into the transaction. It should be noted that the basis points value of the *protection margin* will vary as the underlying *currency pair* exchange rate fluctuates.

To calculate the *protection margin*, we take into account several factors, which may include:

- the *protection rate* selected;
- the *expiry date*;
- the *currency pair*;
- the *buy currency amount* or *sell currency amount*;
- current market exchange rates;
- volatility of the *currency pair* at that time; and
- prevailing interest rates of the countries whose currency is being exchanged.

In addition to the *protection margin*, St.George will benefit from the AF by incorporating a margin into the *protection rate*. The margin is the difference between the wholesale exchange rate we are able to obtain and the exchange rate offered to you. The margin may be described as an indirect cost.

The exchange rates published in the media generally state those obtainable in the interbank wholesale market.

## Examples

*The examples below are indicative only and use rates and figures selected by us to demonstrate how the product works. In order to assess the merits of any particular AF, you would need to use the actual rates and figures quoted to you at the relevant time.*

<b>Where you are a SELLER of the first currency</b>	<b>Where you are a BUYER of the first currency</b>
<p><b>Scenario</b></p> <p>You are an Australian based importer with a requirement to pay USD 1,000,000 in one month for goods bought overseas. Assume the current spot exchange rate is 0.9200 and that the 1-month forward exchange rate is 0.9180.</p> <p><b><i>If you do nothing, what exchange rate risks do you face?</i></b></p> <p>If you do nothing, the amount of AUD you will need to pay in 1 month in exchange for the USD 1,000,000 will depend on the exchange rate quoted for value that day.</p> <p>If the AUD goes up, the USD will become less valuable and as a consequence, you will need less AUD when it comes time to pay for the USD. Assume in this example that the AUD rises to 0.9500, then you will pay:</p>	<p><b>Scenario</b></p> <p>You are an Australian based exporter with a requirement to convert USD 1,000,000 into AUD in one month for goods sold overseas. Assume the current spot exchange rate is 0.9200 and that the 1-month forward exchange rate is 0.9180.</p> <p><b><i>If you do nothing, what exchange rate risks do you face?</i></b></p> <p>If you do nothing, the amount of AUD you will receive in 1 month in exchange for the USD 1,000,000 will depend on the exchange rate quoted for value that day.</p> <p>If the AUD goes up, the USD will become less valuable and as a consequence, you will receive less AUD when it comes time to convert the USD. Assume in this example that the AUD rises to 0.9500, then you will receive:</p>

<p>AUD 1,052,631.58 (i.e. USD 1,000,000 / 0.9500)</p> <p>If the AUD goes down, the opposite occurs and you will need more AUD. Assume the AUD falls to 0.8900, then you will pay:</p> <p>AUD 1,123,595.51 (i.e. USD 1,000,000 / 0.8900)</p> <p><b>How will an AF change this?</b></p> <p>Assume that you hold the view that there will be a defined appreciation of the AUD against the USD over the coming month. You wish to take advantage of such a move, however you also wish to protect yourself against a sharp depreciation in the AUD if your currency view proves incorrect. Furthermore, you do not want to pay an up-front premium for an option.</p> <p>You enter into an AF to buy USD 1,000,000 and sell AUD at a <i>protection rate</i> of 0.9150 with an <i>expiration time</i> in 31 days (note that the equivalent forward exchange rate is 0.9180). The <i>protection margin</i> is set at 2.09%. As a guide, this is equivalent to 0.0192, ie 192 basis points, at the <i>protection rate</i> of 0.9150.</p> <p><b>How will the AF work?</b></p> <p>At <i>expiration time</i>:</p> <p>(a) if the prevailing spot AUD/USD <i>market rate</i> is at or below the <i>protection rate</i> of 0.9150, you must purchase the <i>buy currency amount</i> of USD 1,000,000 at a rate equivalent to the <i>protection rate</i> less a margin calculated by multiplying the <i>protection rate</i> by the <i>protection margin</i> [ie <math>0.9150 - (0.9150 \times 2.09\%) = 0.8958</math>]. You would be required to pay:</p> <p>AUD 1,116,320.61 (i.e. USD 1,000,000 / 0.8958);</p> <p><b>or</b></p>	<p>AUD 1,052,631.58 (i.e. USD 1,000,000 / 0.9500)</p> <p>If the AUD goes down, the opposite occurs and you will receive more AUD. Assume the AUD falls to 0.8900, then you will receive:</p> <p>AUD 1,123,595.51 (i.e. USD 1,000,000 / 0.8900)</p> <p><b>How will an AF change this?</b></p> <p>Assume that you hold the view that there will be a defined depreciation of the AUD against the USD over the coming month. You wish to take advantage of such a move, however you also wish to protect yourself against a sharp appreciation in the AUD if your currency view proves incorrect. Furthermore, you do not want to pay an up-front premium for an option.</p> <p>You enter into an AF to sell USD 1,000,000 and buy AUD at a <i>protection rate</i> of 0.9230 with an <i>expiration time</i> in 31 days (note that the equivalent forward exchange rate is 0.9180). The <i>protection margin</i> is set at 1.95%. As a guide, this is equivalent to 0.0180, ie 180 basis points, at the <i>protection rate</i> of 0.9230.</p> <p><b>How will the AF work?</b></p> <p>At <i>expiration time</i>:</p> <p>(a) if the prevailing spot AUD/USD <i>market rate</i> is at or above the <i>protection rate</i> of 0.9230, you must sell the <i>sell currency amount</i> of USD 1,000,000 at a rate equivalent to the <i>protection rate</i> plus a margin calculated by multiplying the <i>protection rate</i> by the <i>protection margin</i> [ie <math>0.9230 + (0.9230 \times 1.95\%) = 0.9410</math>]. You would receive:</p> <p>AUD 1,062,699.26 (i.e. USD 1,000,000 / 0.9410);</p> <p><b>or</b></p>
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<p>(b) if the prevailing spot AUD/USD <i>market rate</i> is above the <i>protection rate</i> of 0.9150, you must purchase the <i>buy currency amount</i> of USD 1,000,000 at a rate equivalent to the prevailing spot <i>market rate</i> less a margin calculated by multiplying the prevailing spot <i>market rate</i> by the <i>protection margin</i>. For example, if the prevailing spot <i>market rate</i> is 0.9500, then you will exchange at 0.9301 [ie <math>0.9500 - (0.9500 \times 2.09\%) = 0.9301</math>]. You would be required to pay:</p> <p>AUD 1,075,153.21 (i.e. USD 1,000,000 / 0.9301)</p>	<p>(b) if the prevailing spot AUD/USD <i>market rate</i> is below the <i>protection rate</i> of 0.9230, you must sell the <i>sell currency amount</i> of USD 1,000,000 at a rate equivalent to the prevailing spot <i>market rate</i> plus a margin calculated by multiplying the prevailing spot <i>market rate</i> by the <i>protection margin</i>. For example, if the prevailing spot <i>market rate</i> is 0.8800, then you will exchange at 0.8972 [ie <math>0.8800 + (0.8800 \times 1.95\%) = 0.8972</math>]. You would receive:</p> <p>AUD 1,114,578.69 (i.e. USD 1,000,000 / 0.8972)</p>
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**END OF EXAMPLES**

**Advantages/benefits**

<p><b><i>Where you are a SELLER of the first currency</i></b></p> <ul style="list-style-type: none"> <li>Compared to doing nothing, an AF will benefit you where the prevailing spot <i>market rate</i> at <i>expiration time</i> is below a rate equivalent to the <i>protection rate</i> less a margin calculated by multiplying the <i>protection rate</i> by the <i>protection margin</i>.</li> </ul> <p>In the above example, you will obtain a benefit from the AF if the prevailing spot <i>market rate</i> at <i>expiration time</i> is below 0.8958. In this case, you must purchase the <i>buy currency amount</i> at a rate equivalent to the <i>protection rate</i> less a margin calculated by multiplying the <i>protection rate</i> by the <i>protection margin</i> ie 0.8958 [<math>0.9150 - (0.9150 \times 2.09\%) = 0.8958</math>], which is more favourable than purchasing it at the prevailing spot <i>market rate</i> at the <i>expiration time</i>. In other words, an AF provides you with protection against depreciation in the <i>currency pair</i> beyond a rate equivalent to the <i>protection rate</i> less a margin calculated by multiplying the <i>protection rate</i> by the <i>protection margin</i>. In the above example, you are effectively setting a floor at 0.8958 (i.e. your worst case outcome will be exchanging currencies at 0.8958).</p> <ul style="list-style-type: none"> <li>Compared to taking cover through a forward foreign exchange contract on the <i>transaction date</i> (i.e. at 0.9180 in the above example), an AF will benefit you where the prevailing spot <i>market rate</i> at the <i>expiration time</i> is above a rate equivalent to the</li> </ul>	<p><b><i>Where you are a BUYER of the first currency</i></b></p> <ul style="list-style-type: none"> <li>Compared to doing nothing, an AF will benefit you where the prevailing spot <i>market rate</i> at <i>expiration time</i> is above a rate equivalent to the <i>protection rate</i> plus a margin calculated by multiplying the <i>protection rate</i> by the <i>protection margin</i>.</li> </ul> <p>In the above example, you will obtain a benefit from the AF if the prevailing spot <i>market rate</i> at <i>expiration time</i> is above 0.9410. In this case, you must sell the <i>sell currency amount</i> at a rate equivalent to the <i>protection rate</i> plus a margin calculated by multiplying the <i>protection rate</i> by the <i>protection margin</i> ie 0.9410 [<math>0.9230 + (0.9230 \times 1.95\%) = 0.9410</math>], which is more favourable than selling it at the prevailing spot <i>market rate</i> at the <i>expiration time</i>. In other words, an AF provides you with protection against appreciation in the <i>currency pair</i> beyond a rate equivalent to the <i>protection rate</i> plus a margin calculated by multiplying the <i>protection rate</i> by the <i>protection margin</i>. In the above example, you are effectively setting a cap at 0.9410 (i.e. your worst case outcome will be exchanging currencies at 0.9410).</p> <ul style="list-style-type: none"> <li>Compared to taking cover through a forward foreign exchange contract on the <i>transaction date</i> (i.e. at 0.9180 in the above example), an AF will benefit you where the prevailing spot <i>market rate</i> at the <i>expiration time</i> is below a rate equivalent to the</li> </ul>
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forward foreign exchange contract rate on the *transaction date* increased by reference to the *protection margin*.

In the above example, you will obtain a benefit from the AF if the prevailing spot *market rate* at the *expiration time* is above 0.9376. In this case, you must purchase the *buy currency amount* at a rate equivalent to prevailing spot *market rate* less a margin calculated by multiplying the prevailing spot *market rate* by the *protection margin* ie above 0.9180 [ $0.9376 - (0.9376 \times 2.09\%) = 0.9180$ ], which is more favourable than if you had purchased it at the forward foreign exchange contract rate of 0.9180 prevailing on the *transaction date*.

- This product is flexible and can be tailored to meet your particular requirements.
- This product can be cancelled prior to expiration (however, there may be a cost to you in doing so – see Early Termination section for further details).

forward foreign exchange contract rate on the *transaction date* reduced by reference to the *protection margin*.

In the above example, you will obtain a benefit from the AF if the prevailing spot *market rate* at the *expiration time* is below 0.9004. In this case, you must sell the *sell currency amount* at a rate equivalent to the prevailing spot *market rate* plus a margin calculated by multiplying the prevailing spot *market rate* by the *protection margin* ie below 0.9180 [ $0.9004 + (0.9004 \times 1.95\%) = 0.9180$ ], which is more favourable than if you had sold it at the forward foreign exchange contract rate of 0.9180 prevailing on the *transaction date*.

- This product is flexible and can be tailored to meet your particular requirements.
- This product can be cancelled prior to expiration (however, there may be a cost to you in doing so – see Early Termination section for further details).

## Disadvantages/risks

### *Where you are a SELLER of the first currency*

- Compared to doing nothing, an AF will disadvantage you (and you will suffer an *opportunity loss*) where the prevailing spot *market rate* at the *expiration time* is above a rate equivalent to the *protection rate* less a margin calculated by multiplying the *protection rate* by the *protection margin*.

In the above example, the AF will disadvantage you if the prevailing spot *market rate* at the *expiration time* is above 0.8958. In this case, you must purchase the *buy currency amount* at a rate equivalent to the *protection rate* less a margin calculated by multiplying the *protection rate* by the *protection margin* ie 0.8958 [ $0.9150 - (0.9150 \times 2.09\%) = 0.8958$ ], which is less favourable than purchasing it at the prevailing spot *market rate* at the *expiration time*.

- Compared to taking cover through a forward foreign exchange contract on the *transaction date* (i.e. at 0.9180 in the above

### *Where you are a BUYER of the first currency*

- Compared to doing nothing, an AF will disadvantage you (and you will suffer an *opportunity loss*) where the prevailing spot *market rate* at the *expiration time* is below a rate equivalent to the *protection rate* plus a margin calculated by multiplying the *protection rate* by the *protection margin*.

In the above example, the AF will disadvantage you if the prevailing spot *market rate* at the *expiration time* is below 0.9410. In this case, you must sell the *sell currency amount* at a rate equivalent to the *protection rate* plus a margin calculated by multiplying the *protection rate* by the *protection margin* ie 0.9410 [ $0.9230 + (0.9230 \times 1.95\%) = 0.9410$ ], which is less favourable than selling it at the prevailing spot *market rate* at the *expiration time*.

- Compared to taking cover through a forward foreign exchange contract on the *transaction date* (i.e. at 0.9180 in the above

example), an AF will disadvantage you (and you will suffer an *opportunity loss*) where the prevailing spot *market rate* at the *expiration time* is below a rate equivalent to the forward foreign exchange contract rate on the transaction date increased by reference to the *protection margin*.

In the above example, the AF will disadvantage you if the prevailing spot *market rate* at the *expiration time* is below 0.9376. In this case, depending on the prevailing spot *market rate*, you must purchase the *buy currency amount* either at a rate equivalent to the prevailing spot *market rate* reduced by reference to the *protection margin*, or a rate equivalent to the *protection rate* less a margin calculated by multiplying the *protection rate* by the *protection margin* which is less favourable than purchasing it at the forward foreign exchange contract on the *transaction date*.

- There is no cooling off period.
- We, as the counterparty to an AF, must fulfil our contractual obligations to you in the manner set out in the AF. You are obliged to pay money to us on the *delivery date*. If we do not meet our obligation to pay money to you on that date, you will need to obtain the *buy currency amount* from another source. In doing so you may suffer a loss if you are unable to obtain the *buy currency amount* from another source for delivery on the *delivery date*. This could result in your default on another settlement obligation. Also, you are likely to have to acquire the *buy currency* at the *market rate*. Also, in the unlikely circumstances that we are unable to pay you because we are insolvent and are being wound up, you may have to claim as an unsecured creditor in our winding up for any amount we do not pay you.

example), an AF will disadvantage you (and you will suffer an *opportunity loss*) where the prevailing spot *market rate* at the *expiration time* is above a rate equivalent to the forward foreign exchange contract rate on the transaction date reduced by reference to the *protection margin*.

In the above example, the AF will disadvantage you if the prevailing spot *market rate* at the *expiration time* is above 0.9004. In this case, depending on the prevailing spot *market rate*, you must purchase the *buy currency amount* either at a rate equivalent to the prevailing spot *market rate* increased by reference to the *protection margin*, or a rate equivalent to the *protection rate* plus a margin calculated by multiplying the *protection rate* by the *protection margin* which is less favourable than purchasing it at the forward foreign exchange contract on the *transaction date*.

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## Settlement

Foreign currency to be delivered to us can be provided either by telegraphic transfer or from a foreign currency account/deposit. All currencies must be provided in cleared funds. After we receive your funds, we satisfy our obligations by depositing amounts owing to you into a bank account (in your name) denominated in the relevant currency. Alternative arrangements can be made with our prior approval.

## Early Termination

You can request us to cancel an AF at any time before the *expiration time*. If a request is made, we calculate and notify you of a termination amount. This may be quoted as either an amount you would be required to pay us or an amount we are prepared to pay you to terminate. This is determined in accordance with our usual practice for calculating early termination amounts (including taking into account prevailing *market rates*). If you notify us in accordance with our termination amount quotation that it is acceptable, the party obliged to pay the termination amount must do so in accordance with the quotation. The AF terminates when that payment is made.

## GENERAL INFORMATION

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### Credit requirements and documentation

Before entering into an AF, we assess your financial position to determine whether or not your situation satisfies our normal credit requirements. We advise you of the outcome of our review as soon as possible.

Our assessment of your financial position is made only to determine your creditworthiness. By doing this, we are not making any assessment of the suitability of this product to your financial situation.

If your application is successful, you are required to sign our standard financial markets documentation.

You will be required to sign a dealing agreement with us. There are two types of agreements that are commonly used to document foreign exchange transactions:

- St. George Standard Terms for Financial Markets Transactions (of which this product disclosure statement forms part); or
- An International Swaps and Derivatives Association, Inc Master Agreement (ISDA).

We will advise you which of these we will require, based on what is most suitable for you.

Each of the above documents governs the contractual relationship between you and us in relation to the AF. The terms of that document also may set out the terms and conditions that apply to other transactions that we enter into with you.

A copy of the agreement is available on request and we strongly recommend that you fully consider its terms prior to entering into any transaction. You should obtain independent advice if you do not understand any aspect of the document.

Additionally, you will be required to sign our standard finance documentation. That documentation will set out the terms of the credit approval and other matters relevant to your application.

### Confirmations

Shortly after entering into an AF, we send you a *confirmation* outlining its commercial terms. This *confirmation* will need to be signed by you and returned to us. **Warning:** It is extremely important that you check *confirmations* to make sure they accurately record the terms of transactions. Discrepancies must be raised with your St. George contact as a matter of urgency.

### Code of Banking Practice compliance

The Code of Banking Practice applies to an AF if you are an individual or a *small business*.

This product disclosure statement contains the general descriptive information we must make available to customers and potential customers under the Code of Banking Practice. You should inform us promptly if you are in financial difficulty.

### **Significant taxation implications**

Taxation law is complex and its application depends on each 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. We encourage you to seek independent tax advice on the tax implications it may have for you.

### **Factors that may influence our advice**

This document has been designed to help you choose the right product for you. When you ask for a recommendation, please be assured that our staff members will always explain your choices and point you to the product that best suits your needs.

Sometimes our staff may be eligible for incentives, including cash incentives, for achieving or exceeding sales targets.

### **Your privacy**

- (a) When you apply for this product from us, the application form contains a privacy statement which sets out in more detail how we use and when we disclose your personal information in relation to the product.
- (b) We handle your personal information in accordance with the privacy statement in the application form for the product applied for or our privacy brochure, entitled "Protecting Your Privacy". You can obtain a copy of the brochure by asking at any branch or by calling 13 33 30. Our privacy policy is also available by visiting our website at **stgeorge.com.au**
- (c) We acknowledge that, as well as our duties under legislation, we owe a general duty of confidentiality to you. However, in some cases we may disclose your personal information if:
  - (i) disclosure is compelled or permitted by law; or
  - (ii) there is a duty to the public to disclose; or
  - (iii) our interests require disclosure; or
  - (iv) disclosure is made with your express or implied consent.
- (d) You agree that we may disclose to a *related entity*:
  - (i) information about you that is necessary to enable an assessment to be made of your total liabilities (present and future) to us and that *related entity*; and
  - (ii) any other information concerning you, if the *related entity* provides financial services related or ancillary to those provided by us, unless you tell us not to in writing.
- (e) We, or any *related entity* to whom we disclose information pursuant to paragraph (d), may disclose information about or provided by you to employees or outside contractors for the purpose of our or the *related entity's* businesses. Any outside contractor to whom we or a *related entity* disclose information will have access to that information only for the purpose of our or the *related entity's* business and will be strictly prohibited from using that information for any other purpose.

- (f) You agree that we may disclose information about you in those cases where the Privacy Act 1988 (Cth) permits disclosure of such information.
- (g) On a written request by you, we will provide you with our record of your address, occupation, marital status, age, sex, products or accounts you hold with us and statements relating to those products and accounts. We may charge you our reasonable costs of supplying this information. Any fee is shown in the "Fees and Charges and how to minimise them" booklet. You may request the correction of any of this information concerning you that we hold. We will deal with your request for access to information or correction of information within a reasonable time.
- (h) You must promptly inform us of any change of your name or address.
- (i) Unless you give us a written instruction not to do so, we may from time to time send you information concerning financial and other services offered by us or *related entities*.
- (j) You may from time to time be contacted by representatives of us or *related entities*. Those representatives may be either employees of, or contractors to us or the *related entity*. Any person who contacts you will have access to information about or provided by you only for the purpose of our or the *related entity's* business and will be strictly prohibited from using that information for any other purpose.

### **Appropriate use of our services**

- (a) You warrant that your use of the services we provide will not breach any law of Australia or any other country.
- (b) Where we consider it necessary for us to meet our regulatory and compliance obligations:
  - (i) you must provide us with any information we reasonably request;
  - (ii) we will disclose information we hold to regulatory and law enforcement agencies, other financial institutions, third parties and members of the St George Group; and
  - (iii) we may delay, block or refuse to provide any of our services.

We will not be liable to you or any other person for any loss or damage of any kind that may be suffered as a result of us exercising our rights under this clause.

### **Problems, Disputes and Complaints**

- (a) If you believe an error has been made, please notify us by contacting your nearest branch. We will, as soon as possible, correct any error that is found to be ours.
- (b) If you have a problem or complaint about a banking service, you should speak to our Customer Service personnel. You can do this by calling the General Customer Enquiries on 13 33 30.
- (c) To assist us in resolving your problem or complaint, you should:
  - (i) report it promptly;
  - (ii) state clearly the nature of the problem or your particular grievance; and
  - (iii) have available all documents and background information.

### *Disputes*

- (d) If the matter is not resolved to your immediate satisfaction, you can follow the complaints procedures set out below. Please also refer to our “Customer Satisfaction” brochure for further information about disputes. It is available at any of our branches.

### *Complaints*

- (e) You can lodge a complaint at any of our branches or telephone or write to the Senior Manager, Customer Relations at our head office in Sydney as follows:

Locked Bag 1  
Kogarah NSW 1485  
Telephone: (02) 9553 5173 (metropolitan) or  
1800 804 728 (if outside metropolitan area)

- (f) If we do not immediately resolve your complaint to your satisfaction, we will advise you in writing of our procedures for investigating and handling complaints. We will notify you of the name and contact number of the person who is investigating your complaint.
- (g) If it is unclear whether you have contributed to any loss that is the subject of any complaint you make to us, we will consider all reasonable evidence, including all reasonable explanations for a transaction occurring.
- (h) Normally, we will complete the investigation of your complaint and inform you of the results of our investigation within 21 days of receiving a complaint. Unless there are exceptional circumstances, we will complete our investigation within 45 days.
- (i) Where an investigation continues beyond 45 days, we will inform you of the reasons for the delay, give you monthly updates on the progress of the investigation and a date when a decision can reasonably be expected. We will not do this if we have requested a response from you and we are waiting for that response.
- (j) The next available step is the Financial Ombudsman Service (FOS). This is a free, external and independent process for resolving disputes between banks and customers, provided the Financial Ombudsman Service has the power to deal with your dispute. In addition, if your complaint relates to the way we handle your personal information, then you have a right to complain to the Ombudsman. The contact details of the Financial Ombudsman Service are as follows:

GPO Box 3  
Melbourne VIC 3001  
Telephone: 1300 780 808  
Facsimile: (03) 9613 6399

- (k) There are other external avenues for dealing with disputes. Your State or Territory Government has a consumer rights protection agency such as the Department of Consumer Affairs.

### **Electronic Communications**

- (a) You will be requested to agree to us providing you with statements, notices and other information relating to your product either:
  - (i) by e-mail; and /or
  - (ii) by making the statement, notice or information available at our website, provided:
    - (i) we alert you by e-mail of the availability of this information; and

- (ii) we provide you with the ability to readily retrieve and retain the information.
- (b) If you do agree to receive paper copies of the relevant statements, notices and other information relating to your product by e-mail or other electronic form:
  - you will not receive a paper copy of the relevant statements, notices and other information relating to your product,
  - you will need to regularly check to see if you have received any e-mails from us;
  - you will need to maintain and check your electronic equipment through which you will receive e-mail and your e-mail address regularly to ensure it is always capable of receiving an e-mail; and
  - you will be responsible for printing and saving important information- and we strongly recommend that you do so.
- (c) You may cancel your authorisation to receive statements, notices or other information relating to your product by e-mail at any time by contacting us.
- (d) We will send you all statements and other notices and information to the most recent e-mail address you have supplied to us. You must ensure you notify us of any change in your e-mail as soon as possible. You may do this by contacting us at our Treasury Departments on the telephone number (between 8.00 am and 5.00 pm Monday to Friday), on the fax number or the address listed on the back of this booklet.
- (e) You may request a paper copy of any statement, notice or other information relating to your product provided to you by e-mail or electronic form within 6 months from the date of receipt of a statement or electronic communication. We will not charge you a fee for this.

## Glossary

The following definitions apply in this PDS.

**base currency** means the foreign exchange deal currency against which another currency is measured.

**business day** means a day we are open in New South Wales unless otherwise specified in the confirmation. It does not include a public or bank holiday in New South Wales.

**buy currency** means the currency you agree to buy under an AF.

**buy currency amount** means that amount of the *buy currency* you agree to buy under an AF.

**confirmation** means the record of commercial terms of the relevant contract between you and St.George to be prepared by St.George following entry into of a contract.

**currency pair** means the two currencies agreed to be exchanged under an AF.

**delivery date** means the date on which you must deliver to us the currency you agree to exchange under the AF.

**expiration date** means the date at which it is determined whether or not you are obliged to exchange the *currency pair* at the *contract rate*.

**expiration time** means the time on the *expiration date* at which it is determined whether or not you are obliged to exchange the *currency pair* at the *contract rate*.

**market rate** means the rate (as determined by us in good faith) at which the *currency pair* may be exchanged in the direct foreign exchange interbank market for spot settlement.

**opportunity loss** means the sacrifice of a better outcome because an alternative course of action was adopted.

**protection rate** means the rate specified as such in the confirmation.

**protection margin** means a percentage of the *currency pair* exchange rate specified as such in the confirmation being the basis on which the cost (ie premium) for receiving protection against adverse movements in the *currency pair* beyond the *protection rate* is calculated. The *protection margin* is quoted to two decimal places. Where any calculation using the protection margin results in a fraction of one basis point, we round to the nearest basis point.

**related entity** means a company owned by us.

**sell currency** means the currency you agree to sell under an AF.

**sell currency amount** means that amount of the *sell currency* you agree to sell under an AF.

**small business** means a business employing:

- (a) less than 100 full-time (or equivalent) people, if the business is or includes the manufacture of goods; or
- (b) in any other case, less than 20 full-time (or equivalent) people,

but does not include a business that obtains an AF for use in connection with a business that does not meet the elements in (a) or (b) above.

**terms currency** means the second currency quoted in a *currency pair*.

**transaction date** means the date specified as such in the *confirmation*, being the date on which you and we enter into the AF.

**transaction period** means the period from and including the *transaction date* to and including the *expiration time*.

**Sydney:**

Level 11, 55 Market Street  
Sydney NSW 2000  
GPO Box 4444 Sydney 2001  
Telephone: (02) 9320 5555  
Facsimile: (02) 9320 5589

**Melbourne:**

Level 8,  
530 Collins Street  
Melbourne VIC 3000  
Telephone: (03) 9640 8666  
Facsimile: (03) 9640 8633

**Perth:**

Level 11,  
152-158 St. Georges Tce  
Perth WA 6000  
Telephone: (08) 9265 7553  
Facsimile: (08) 9265 7556

**Brisbane:**

Level 4,  
345 Queen Street,  
Brisbane QLD 4000  
Telephone: (07) 3232 8841  
Facsimile: (07) 3232 8838

**Adelaide:**

Level 3,  
97 King William St,  
Adelaide SA 5000  
Telephone: (08) 8424 5597  
Facsimile: (08) 8424 4119

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