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

FOREIGN EXCHANGE SWAP

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.

PRODUCT DISCLOSURE STATEMENT

st.george

This PDS for Foreign Exchange Swap was prepared 1st March 2010. However it is intended for use only for the financial products provided after the effective date shown on the cover.

Risk Overview

A Foreign Exchange Swap **(FX Swap)** will prevent you from gaining any benefit resulting from a favourable *exchange rate* movement in the relevant *currency pair* between the time you enter into the transaction deal and when *settlement* occurs.

Purpose

What are FX Swaps used for?

An FX Swap may be used by you if you have a need to exchange one currency for another currency on one day, and then re-exchange those currencies at a later date.

Suitability

Do I have sufficient knowledge about these products?

An FX Swap may be suitable for you if you have a sound understanding about foreign exchange transactions and the way that they work.

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.

Description

What does a Foreign Exchange Swap do?

An FX Swap is effectively two foreign exchange transactions packaged together.

Under the first leg of the transaction, you are required to deliver to St.George an amount of one currency (the first currency) in exchange for a pre-agreed amount of another currency (the second currency). Delivery for this leg will occur in two business days or less.

The second leg of the transaction occurs at a later date. On that date, you are required to deliver to St.George an agreed amount of the second currency in exchange for an agreed amount of the first currency. The two currencies to be exchanged are the same in both legs of the transaction and are referred to as the *currency pair*.

The amount of currency to be exchanged in each leg will depend on the *exchange rates* agreed at the time the transaction is entered into (the *trade date*).

A different *exchange rate* will be quoted for each leg of the transaction and will be either a *spot exchange rate* or a *forward exchange rate*.

The *currency pair* must be acceptable to St.George – further details are available on request.

See the "Example" section below for more information about the way an FX Swap works.

How does St.George determine the FX swap rates?

Whether a *spot* or *forward exchange rate* will apply will depend on when *settlement* is to occur. If a transaction leg is to settle two business days after the *trade date*, a *spot exchange rate* will apply. If it is to settle within two business days of the *trade date*, an adjusted *spot exchange rate* will apply. In all other cases, a *forward exchange rate* will apply. The *exchange rates* applying for both legs of the transaction are referred to as the *FX swap rates.*

Where the FX Swap Rate is a *spot exchange rate*, or an adjusted *spot exchange rate*, the FX Swap Rate is based on the *inter-bank spot exchange rates* applying at the time the transaction is entered into.

A *forward exchange rate* consists of a *spot exchange rate* plus a *forward margin*. *Forward margins* are also quoted on the *inter-bank* market and are derived from the difference in *inter-bank* interest rates between the countries that make up the *currency pair*. Please see the section headed "*Forward margins*" for more information about *forward margins.*

Where determining the *forward exchange rate* for a second leg, St.George will use the same *spot exchange rate* that is used for the first leg of the transaction. This effectively means that the overall price for the FX Swap is the difference between the *forward margins*. If either leg of the transaction is to settle in two business day's time, the overall price for the FX Swap will simply be the *forward margin* for the other leg of the transaction.

St.George's *FX swap rates* are based on *inter-bank* market rates that are then adjusted to remunerate St.George for the services it provides. The magnitude of the adjustment will vary from customer to customer and may either incorporate or reflect:

- the size of the transaction, and St.George's inability to offset smaller transactions on the *inter-bank* market,
- your overall transaction volumes,
- market volatility, and
- the *currency pair* and time zone you choose to trade in.

What is the inter-bank market?

Exchange rates and *forward margins* are quoted on the "*inter-bank*" market and fluctuate according to supply and demand. The *inter-bank* market is restricted to authorised foreign exchange dealers and banks that constantly quote to each other at <u>wholesale</u> rates and in <u>minimum</u> parcel sizes.

Factors that influence supply and demand include:

- investment inflows/outflows;
- economic and political circumstances;
- market sentiment or expectations; and
- import/export of goods and services.

Exchange rates and *forward margins* quoted in the media generally reference *inter-bank* rates and will usually differ from *exchange rates* quoted to you.

What is a forward exchange rate?

A *forward exchange rate* is the future price of one currency expressed in terms of another currency. In every quote there are two currencies (known as the *currency pair*). The *forward exchange rate*s differ from today's rates primarily because of different interest rates offered in the countries of the two currencies.

For example, if you transact at today's 1 month AUD/USD forward rate of 0.6000, then in one month this will be the rate that you will exchange USD for AUD.

The *currency pair* must be acceptable to St.George – further details of the approved *currency pair*s are available on request.

What are the components of a forward exchange rate?

A *forward exchange rate* consists of:

- a *spot exchange rate* (the foreign *exchange rate* for *settlement* within two business days); and

- a *forward margin.*

Forward Exchange Rate = Spot Exchange Rate + the Forward Margin

How does St.George determine my forward exchange rate?

The *forward exchange rate* offered to you by St.George is linked to the *inter-bank forward exchange rate* with either the whole or its components adjusted (either upwards or downwards) to remunerate St.George for the service provided. (See "Cost of Product" and "Inter-Bank Market" sections below).

Your Forward Exchange Rate (FEC rate) = Inter-bank Forward Exchange Rate $\pm$ Adjustment

The size of the adjustment will vary from customer to customer and is influenced by:

- the size of your transaction, and St.George's inability to offset smaller transactions on the *inter-bank* market;

- your over-all transaction volumes with St.George; and

- the *currency pair* and time zone in which you choose to trade.

Are there any St.George credit requirements prior to dealing?

Before entering into an FX Swap, St.George will need to assess your financial position to determine whether or not your situation satisfies our normal credit requirements. St.George will advise you of the outcome of its review as soon as possible.

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

If your application is successful, you may be required to sign St.George's standard finance documentation. That documentation will set out the terms of the credit approval and other matters relevant to your application.

Cost of Product

There are no direct fees charged for entering into an FX Swap. St.George will derive a financial benefit by making adjustments to the *inter-bank* foreign *exchange rates*. The magnitude of the adjustment will vary on a case-by-case basis.

Details of the things taken into account when these adjustments are made are set out in the section headed "*How does St.George determine the FX swap rates?*".

Advantages/Benefits

- An FX Swap provides you with protection against unfavourable currency movements between the time you enter into the transaction and *settlement*.

- An FX Swap allows you to offset foreign exchange commitments where you will be receiving a currency on one date but need to make a payment in that currency at a later date. The benefit of using an FX Swap to do this is that the starting *spot exchange rate*, from which the forward rates are calculated are the same. Therefore you avoid paying the standard difference between buy and sell *spot exchange rates*.

- The term and amounts for FX Swaps can be tailored to suit your particular needs.

Disadvantages/Risks

- When you enter into an FX Swap, you forego any benefit from favourable *exchange rate* movements between the time you enter into the transaction and when *settlement* occurs.

- Cancellation, *extensions* or *pre-deliveries* of the swap may result in a loss to you.

- There is no cooling off period.

- St.George, as the counterparty to an FX Swap, must fulfil its contractual obligations to you in the manner set out in the relevant contract. If St.George is unable to fulfil those obligations, you will be exposed to market fluctuations as if you had not entered into an FX Swap. However as an Authorised Deposit Taking Institution, St.George is subject to prudential regulation, which is intended to reduce the likelihood of St.George not being able to fulfil its contractual obligations.

Settlement

You will be required to deliver currency to St.George for both legs of the transaction. Foreign currency can be delivered to St.George by either telegraphic transfer (which provides clear funds) or from a foreign currency account/deposit (we will require these funds to be cleared prior to undertaking the transaction). Australian dollars must be provided in clear funds. On receipt of the funds, St.George will in turn satisfy its obligations by depositing amounts owing to you into a bank account (in your name) denominated in the relevant currency. Alternative arrangements may be able to be made with St.George's prior agreement.

Early Termination

Extensions, Pre-deliveries and Cancellations

Can I amend the delivery date?

At any time up to *settlement* (the *delivery date*), you can request that St.George either:

- extend (classified as an *extension*); or
- shorten (classified as a *pre-delivery*)

the *delivery date* of either leg of an FX Swap.

If St.George agrees to your request, we will calculate and quote an amended *exchange rate* taking into account the current *spot exchange rate* and the *forward margin* for the adjusted time period. If you accept the newly quoted rates, an amended *confirmation* will be sent to you.

Extensions

Extensions can be viewed as the negotiation of a *forward exchange contract* (FEC) that extends the *delivery date* of one of the original legs of the FX swap to a new *delivery date*.

In-order to achieve this:

- the original leg of the FX swap would need to be cancelled; and
- a new FEC entered into for the extended period.

(For convenience, you will be quoted an *extension* margin to your original FX swap and therefore would not need to undertake the above steps).

It is important to note that the cancellation of the original leg of the FX swap requires a *spot* foreign exchange transaction that will offset the cash flows of the original leg of the FX swap. This will result in a profit or loss (depending on where current *exchange rates* are relative to the original leg of the FX swap). You may choose to either:

- to realise the profit or loss prior to entering into the new FEC, or
- with St.George's prior approval, factor the profit or loss into the new FEC rate. This is known as an "*Historic Rate Rollover*" (HRR) and is only available:
  - if the *spot exchange rate* at the time of the *extension* is within ± 5% of the original FX Swap Rate on that leg, and
  - if St.George has granted prior approval.

(If however, the difference between the *spot exchange rate* and the original FX Swap Rate for that leg is greater than ± 5% at the time of the *extension*, profits or losses must be paid prior to entering into an *extension*).

Historic Rate Rollovers (HRRs)

When quoting an HRR rate, St.George, will incorporate the above profit or loss into the new FEC.

We will also factor in the cost of the *forward margin* and an interest charge. This charge will reflect the cost associated with funding or borrowing that profit or loss for the term of the *extension* period and will be calculated at your St.George lending rate or at an interest rate calculated by St.George. Profits will earn interest based on St.George's advertised term deposit rates.

This interest amount is added to the profit or loss and the total amount is then added to the amount payable under an FEC for the *extension* period.

St.George looks at that combined amount and determines a *forward exchange rate* that would be applicable as a result. That rate is the HRR *forward exchange rate* for the *extension*.

The difference between the original FEC rate and the HRR *forward exchange rate* is known as the "*extension* margin". St.George will advise you of the applicable *extension* margin.

HRRs are not automatic

St.George will only enter into an HRR where the *extension* is required because of genuine commercial reasons and not for speculative purposes. Even where that is the case, we will not always be willing to enter into an HRR.

Whether or not we choose to enter into an HRR is at the absolute discretion of St.George. You should make your own assessment and obtain your own advice regarding the risks associated with HRRs and their suitability for you.

Pre-deliveries

You may choose to shorten the original FX Swap leg (pre-deliver) in which case your future obligations (under that leg of the original FX Swap) need to be cancelled with an offsetting *forward exchange contract* combined with a *spot* foreign exchange obligation. It should be noted that the offsetting *forward exchange contract* will create a future profit or loss on the *delivery date* of the original FX Swap leg that needs to be:

- brought forward and valued at the *pre-delivery* date, and
- incorporated in the *pre-delivery* FEC rate.

Partial vs Full Delivery

You may also choose to partially deliver under your FX Swap in which case the partial amount will be treated as a *pre-delivery* and the balance of the FX Swap allowed to continue at the original FX Swap Rate. It should be noted however, that fees apply if there are more than five partial deliveries.

Can I cancel an FX swap transaction?

You may also ask St.George to cancel either leg (or both) of your FX Swap at any time before the *delivery date*. Subject to prevailing market rates, this will result in a profit or loss that requires St.George making a payment to you or you making a payment to St.George.

Forward Margins

Forward margins are not forecasts

It is important to note that the *forward margin* (and therefore the *forward exchange rate*), does not represent a forecast made by St.George, nor is it a guarantee of future *spot* rates. Instead, the *forward margin* is derived from the difference in *inter-bank* interest rates between the countries that make up the *currency pair*. The country with the higher interest rate is termed the higher yielding currency and the country with the lower interest rate is termed the lower yielding currency.

What purpose does the forward margin serve?

The *forward margin* serves to compensate the *confirmation* of the higher yielding currency for extra interest that could have been earned if exchange had taken place earlier and proceeds invested at the higher rate of interest for the higher yielding currency.

Premium vs Discount

Of particular importance is whether the forward margin is a positive or negative number. When the forward margin is a positive number (forward discount), it is added to the spot exchange rate. However, if the forward margin is a negative number (forward premium) it is subtracted from the spot exchange rate.

In general, the lower interest rate currency will be at a forward premium against the higher interest rate currency, and the higher interest rate currency will be at a forward discount against the lower interest rate currency.

Documentation

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

- A facility agreement with St.George which incorporates either St.George's Standard Terms for Financial Markets Transactions or St.George's General Standard Terms (of which this product disclosure statement forms part); or

- An International Swaps and Derivatives Association Master Dealing 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 FX Swap. The terms of that document may also set out the terms and conditions that apply to other transactions that we enter into with you.

In particular, it documents the situations where those transactions can be terminated and the way the amount payable following termination is calculated. 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.

Confirmations

Shortly after entering into an FX Swap, St.George will send you a *confirmation* outlining the commercial terms of the transaction. This *confirmation* will need to be signed by you and returned to St.George.

Warning

It is extremely important that you check the *confirmation* to make sure that it accurately records the terms of the transaction. In the case of a discrepancy, you will need to inform your St.George contact as matter of urgency.

Example

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 an FX Swap for your particular circumstances, you would need to use the actual rates and figures quoted to you at the relevant time as well as your own financial needs and circumstances. In practice, St.George would typically quote both a forward margin and a spot exchange rate for your convenience.

Scenario

You are an Australian-based importer who has committed to pay USD for purchased goods in two business days. These goods are contracted to be onsold in one month. The buyer will pay you on delivery in USD. Whilst your net USD position after one month is netted to zero, there is a timing difference in cash flows. You are therefore exposed to *exchange rate* movements between two business days and one month.

You arrange an FX Swap to buy USD / sell AUD for *spot* delivery (in two business days) and sell USD / buy AUD for delivery in one month. The *exchange rate* applied to the first leg of the swap will be the *spot exchange rate*. The *exchange rate* applied to the second leg will be the *forward exchange rate* based on the same *spot exchange rate* used for the first leg.

Assume that the payment amounts are for USD 100,000 and the *spot* AUD/USD *exchange rate* and the *forward margin* quoted to you are 0.5000 and -0.0025 respectively.

If I do nothing, what exchange rate risks do I face?

If you did nothing, the amount of AUD you will pay in two business days for your underlying USD exposure will depend on the *exchange rate* quoted for delivery that day.

The amount of AUD you will receive in one month for your USD receipt will depend on the *exchange rate* quoted for delivery that day. This *exchange rate* may differ from that used one month prior when you paid for the goods.

Assuming the *exchange rate* in two business days is unchanged at 0.5000. You will pay:

AUD 200,000 (i.e. USD 100,000 / 0.5000)

If the AUD goes up during the month, the USD will become less valuable and as a consequence, you will receive less AUD when it comes time to exchange the USD you receive. Assume in this example that the AUD rises to 0.5050, then you will receive:

AUD 198,019.80 (i.e. USD 100,000 / 0.5050)

This will result in a loss to you of:

AUD 1,980.20 (i.e. AUD 200,000 – AUD 198,019.80)

If the AUD goes down, the opposite occurs and you will receive more AUD. Assume the AUD falls to 0.4950, then you will receive:

AUD 202,020.20 (i.e. USD 100,000 / 0.4950)

This will result in a profit to you of:

AUD 2,020.20 (i.e. AUD 202,020.20 – AUD 200,000)

How will the FX Swap change this?

If you wish to eliminate your exposure to *exchange rate* risks and enter into an FX Swap, then:

- Your *exchange rate* for your payment in two business days (i.e. first leg of the FX Swap) will be the *spot exchange rate* of 0.5000 and in two business days you will pay:

AUD 200,000 (i.e. USD 100,000 / 0.5000) in exchange for USD100,000.

Your FX Swap Rate for the 2nd leg = Spot Exchange Rate + Forward Margin

= 0 .5000 + - 0.0025

= 0.4975

In 1 month, you will deliver to St.George the USD 100,000 you received from your buyer and regardless of where the *spot exchange rate* is trading at the time you will receive:

AUD 201,005.03 (i.e. USD 100,000 / 0.4975)

How is the forward margin derived?

Assume a *spot* AUD/USD *exchange rate* of 0.5000 and you have USD 100,000 deposited in a foreign deposit account. Also assume 30 day deposit rates of 7.13% and 1.00% in Australia and the United States respectively.

If the USD were converted into AUD (at the *spot* rate) and the proceeds invested for 30 days at the Australian deposit rate of 7.13%, then the future amount of AUD generated at the end of the period would be:

Future AUD = Current AUD + Interest

= 200,000 + (200,000 x 7.13/100 x 30/365)

= 201,172.05

Similarly, if the USD were invested for the same period:

Future USD = Current USD + Interest

= 100,000 + (100,000 x 1.00/100 x 30/360)

= 100,083.33

The future values are then used to calculate the *forward exchange rate:*

Forward Rate = Future USD / Future AUD

= 100,083.33 / 201,172.05

= 0.4975

The difference between the *forward exchange rate* and the *spot exchange rate* is known as the *forward margin*:

Forward Margin = -0.0025 (i.e. 0.4975 - 0.5000)

It should be noted that in Australia and the United States, interest is calculated in each of these countries using a different measure of the number of days in a year. In Australia, the convention used is a 365 day/year whilst in the United States it is a 360 day/year.

If you wish to calculate the *forward margin* for yourself, we strongly suggest you seek confirmation as to methodology, pricing conventions (of the countries that make up the *currency pair*), and the accuracy of rates and figures quoted to you at the relevant time.

Code of Banking Practice compliance

If you are an individual or a *small business*, the relevant provisions of the Code of Banking Practice will apply to this product.

This PDS contains the general descriptive information we are required to make available to customers and potential customers under the Code of Banking Practice and it is advisable that you inform us promptly when you are in financial difficulty

Significant taxation implications

Taxation law is complex and its application will depend on each person's individual circumstances. When determining whether or not his product is suitable for you, you should consider the impact it will have on your own taxation position and 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.

business day means a working day in the designated financial centre of both countries of the *currency pair*. A *business day* for Australian dollars is a day St.George are open in New South Wales unless otherwise specified in the *confirmation.* A *business day* does not include a weekend day, public or bank holiday within the designated financial centre.

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.

exchange rate means what one currency is worth in terms of another.

extension means negotiation of another FX Swap that extends the *value date* of the original FX Swap to a new (later) *value date.*

forward means a transaction for value more than two *business days* from the *trade date*.

forward margin means the difference between the forward rate and spot rate. The forward margin is a result of the difference between inter-bank interest rates of the countries that make up the currency pair.

inter-bank means the business conducted between banks. For example, inter-bank rates are FX rates large international banks quote other large international banks.

pre-delivery means negotiation of another FX Swap that shortens the *value date* of the original FX Swap to a new (earlier) *value date.*

related entity means a company owned by us.

settlement means the physical exchange of the two currencies in the *currency pair*.

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 this product for use in connection with a business that does not meet the elements in (a) or (b) above.

spot means a transaction for value in two *business days* from the *trade date.*

trade date means the date the transaction is agreed upon between the two parties involved in the transaction.

value date means the date the two currencies in the *currency pair* are due to be exchanged. For FX Swaps, *value date* can also be referred to as settlement date or delivery date. The value date for a spot transaction is two *business days*.

Sydney:	Melbourne:	Perth:	Brisbane:	Adelaide:
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