

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

AT-EXPIRY PARTICIPATING FORWARD

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



This PDS for At-Expiry Participating Forward was prepared on 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

An At-Expiry Participating Forward contract (**AEPF**) is a product in which, depending on movements in the *currency pair*, you (our customer) face *opportunity losses* (this concept is explained more fully in the “Disadvantages/Risks” section and the “Glossary” section). In return for accepting this risk, we (St.George Bank) provide you with protection against movement in the *currency pair* beyond a defined level.

Purpose

What is an AEPF used for?

An AEPF may be useful if you need to exchange one currency for another in the future and want to:

- protect yourself against unfavourable movements in the *currency pair* beyond the *contract rate*; and
- retain the ability to benefit from favourable movements in the *currency pair* providing the *market rate* at the *expiration time* is not trading beyond the *trigger rate*.

We enter into an AEPF only if you have an underlying corresponding foreign currency exposure.

Suitability

Do you have sufficient knowledge about these products?

An AEPF is suitable only if you have a good understanding of foreign exchange markets and the way option products work.

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

Currency quoting conventions

The foreign exchange market quotes foreign exchange rates by quoting a base currency first (“*base currency*”) and then a terms currency (“*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 unit in the *base currency* can be exchanged for a stated quantity of units in the *terms currency*, eg an AUD/USD spot rate of 0.7000 means that 1 AUD can be exchanged for 0.7000 USD.

An AEPF can be set to sell the *base currency* or the *terms currency*. You buy the other currency.

For ease of understanding, we refer to the *base currency* as the “first currency” and the *terms currency* as the “second currency” throughout this product disclosure statement.

Description

What is an AEPF?

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

How does an AEPF work?

When entering into an AEPF, you and we agree on various particulars. Specifically all of the following items defined in the Glossary at the end of this document are agreed: *buy currency amount, contract rate, currency pair, trigger rate, expiration time, expiration date* and *sell currency amount*.

Additionally, the *buy currency amount* should not be greater, and the *expiration date* should not be later, than your actual future trade related foreign exchange exposure, otherwise you will be undertaking a position not relevant to your underlying business requirement.

When the AEPF expires, you may or may not be required to purchase the *buy currency amount* from us at the *contract rate*. This will depend on what the *market rate* is at that time. We monitor the foreign exchange market to determine your obligations at the *expiration time* and advise you as soon as practicable.

The outcomes for you under an AEPF vary according to whether you are a buyer or seller of the first currency. As an illustration, for all currency pairs containing AUD, the Australian market convention determines that AUD is the first currency:

<i>Where you are a SELLER of the first currency</i>	<i>Where you are a BUYER of the first currency</i>
<p>At the <i>expiration time</i>:</p> <ul style="list-style-type: none">(a) if the <i>market rate</i> of the <i>currency pair</i> is below the <i>trigger rate</i> and above the <i>contract rate</i>, neither party has any further obligation to the other in respect of the AEPF transaction; or(b) if the <i>market rate</i> of the <i>currency pair</i> is below the <i>trigger rate</i> and is equal to or below the <i>contract rate</i>, you retain the right (but not obligation) to purchase the <i>buy currency amount</i> at the <i>contract rate</i>; or(c) if the <i>market rate</i> of the <i>currency pair</i> is equal to or above the <i>trigger rate</i>, you must purchase the <i>buy currency amount</i> at the <i>contract rate</i>.	<p>At the <i>expiration time</i>:</p> <ul style="list-style-type: none">(a) if the <i>market rate</i> of the <i>currency pair</i> is above the <i>trigger rate</i> and below the <i>contract rate</i>, neither party has any further obligation to the other in respect of the AEPF transaction; or(b) if the <i>market rate</i> of the <i>currency pair</i> is above the <i>trigger rate</i> and is equal to or above the <i>contract rate</i>, you retain the right (but not obligation) to sell the <i>sell currency amount</i> at the <i>contract rate</i>; or(c) if the <i>market rate</i> of the <i>currency pair</i> is equal to or below the <i>trigger rate</i>, you must sell the <i>sell currency amount</i> at the <i>contract rate</i>.

Cost of Product

Generally, we adjust the *contract rate* and the *trigger rate* so that you will not be required to pay any *premium*.

You should be fully aware of, and comfortable with, the risks associated with an AEPF and how these risks could result in you incurring an *opportunity loss* or other financial costs. General details of the potential *opportunity losses* and costs are set out in this document but you should explore in full the *opportunity losses* and costs that might be borne by you based on the particular terms of the option that you are considering selling.

We derive a financial benefit out of each AEPF. When you exchange currencies with us at either the applicable *contract rate* or the *market rate*, we will benefit by incorporating a margin into the *contract rate* or *market rate*.

The margin is the difference between the wholesale exchange rate we are able to obtain and the exchange rate we then offer to you. The margin may be described as an 'indirect cost' to you because you pay for the AEPF by accepting the applicable *contract rate* or *market rate* quoted by us.

When setting the margin, we take into account a variety of factors including:

- the *buy currency amount*, the *sell currency amount* and *transaction period* of the AEPF;
- inter-bank *market rates* prevailing at the time;
- market volatility; and
- current market interest rates of the countries of the *currency pair*.

If you wish to nominate a different *contract rate* or *trigger rate*, an up-front non-refundable *premium* may be payable. We will determine the amount of the *premium* and you will be advised of the amount prior to entering into the transaction.

When calculating any *premium* payable, we take into account various factors, which may include:

- the *buy currency amount*, the *sell currency amount*, the *transaction period*, the *contract rate* and the *trigger rate* selected;
- current market interest rates and exchange rates; and
- market volatility.

Premiums must be paid in cleared funds within two business days of entering into the transaction.

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

There are no fees or charges applicable to an AEPF.

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 AEPF, you would need to use the actual rates and figures quoted to you at the relevant time.

<i>Where you are a SELLER of the first currency</i>	<i>Where you are a BUYER of the first currency</i>
<p><i>Scenario</i></p> <p>You are an Australian based importer with a requirement to pay USD 200,000 in two months for goods bought overseas. Assume the current spot exchange rate is 0.7500 and that the 2 month forward exchange rate is 0.7470.</p> <p><i>If you do nothing, what exchange rate risks do you face?</i></p> <p>If you do nothing, the amount of AUD you will need to pay in 2 months in exchange for the USD 200,000 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 0.7800, then you will pay:</p> <p style="text-align: center;">AUD 256,410.26 (i.e. USD 200,000 / 0.7800)</p>	<p><i>Scenario</i></p> <p>You are an Australian based exporter with a requirement to convert USD 200,000 into AUD in two months for goods sold overseas. Assume the current spot exchange rate is 0.7500 and that the 2 month forward exchange rate is 0.7470.</p> <p><i>If you do nothing, what exchange rate risks do you face?</i></p> <p>If you do nothing, the amount of AUD you will receive in 2 months in exchange for the USD 200,000 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 0.7800, then you will receive:</p> <p style="text-align: center;">AUD 256,410.26 (i.e. USD 200,000 / 0.7800)</p>

<p>If the AUD goes down, the opposite occurs and you will need more AUD. Assume the AUD falls to 0.7200, then you will pay:</p> <p style="text-align: center;">AUD 277,777.78 (i.e. USD 200,000 / 0.7200)</p> <p>How will an AEPF change this?</p> <p>Assume that you hold the view that the AUD may appreciate against the USD over the coming two months, but believe the appreciation will be limited and will not be at or above a certain level (i.e. <i>trigger rate</i>) at <i>expiration time</i>. You wish to take advantage of such a move, however you also wish to protect yourself against a depreciated AUD if your currency view proves incorrect. Furthermore, you do not want to pay a premium for an option.</p> <p>You enter into an AEPF to buy USD 200,000 and sell AUD at a <i>contract rate</i> of 0.7400 with an <i>expiration time</i> in two months. You also set a <i>trigger rate</i> of 0.7600 (note that the forward exchange rate is 0.7470).</p> <p>How will the AEPF work?</p> <p>At <i>expiration time</i>:</p> <p>(a) if the AUD/USD <i>market rate</i> is below the <i>trigger rate</i> of 0.7600, and above the <i>contract rate</i> of 0.7400, neither party has any further obligation to the other. However, you may choose to purchase the <i>buy currency amount</i> of USD 200,000 at the prevailing <i>market rate</i> as a separate foreign exchange transaction.;</p> <p>or</p> <p>(b) if the AUD/USD <i>market rate</i> is below the <i>trigger rate</i> of 0.7600 and equal to or below the <i>contract rate</i> of 0.7400, you retain the right (but not obligation) to purchase the <i>buy currency amount</i> of USD 200,000 at the <i>contract rate</i> of 0.7400. If you exercised your right, you would be required to pay:</p> <p style="text-align: center;">AUD 270,270.27 (i.e. USD 200,000 / 0.7400);</p> <p>or</p> <p>(c) if the AUD/USD <i>market rate</i> is at or above the <i>trigger rate</i> of 0.7600, you must purchase the <i>buy currency amount</i> of USD 200,000 at the <i>contract rate</i> of 0.7400. You would be required to pay:</p> <p style="text-align: center;">AUD 270,270.27 (i.e. USD 200,000 / 0.7400)</p>	<p>If the AUD goes down, the opposite occurs and you will receive more AUD. Assume the AUD falls to 0.7200, then you will receive:</p> <p style="text-align: center;">AUD 277,777.78 (i.e. USD 200,000 / 0.7200)</p> <p>How will an AEPF change this?</p> <p>Assume that you hold the view that the AUD may depreciate against the USD over the coming two months, but believe the depreciation will be limited and will not be at or below a certain level (i.e. <i>trigger rate</i>) at <i>expiration time</i>. You wish to take advantage of such a move, however you also wish to protect yourself against an appreciated AUD if your currency view proves incorrect. Furthermore, you do not want to pay a premium for an option.</p> <p>You enter into an AEPF to sell USD 200,000 and buy AUD at a <i>contract rate</i> of 0.7510 with an <i>expiration time</i> in two months. You also set a <i>trigger rate</i> of 0.7375 (note that the forward exchange rate is 0.7470).</p> <p>How will the AEPF work?</p> <p>At <i>expiration time</i>:</p> <p>(a) if the AUD/USD <i>market rate</i> is above the <i>trigger rate</i> of 0.7375, and below the <i>contract rate</i> of 0.7510, neither party has any further obligation to the other. However, you may choose to sell the <i>sell currency amount</i> of USD 200,000 at the prevailing <i>market rate</i> as a separate foreign exchange transaction.;</p> <p>or</p> <p>(b) if the AUD/USD <i>market rate</i> is above the <i>trigger rate</i> of 0.7375 and equal to or above the <i>contract rate</i> of 0.7510, you retain the right (but not obligation) to sell the <i>sell currency amount</i> of USD 200,000 at the <i>contract rate</i> of 0.7510. If you exercised your right, you would receive:</p> <p style="text-align: center;">AUD 266,311.58 (i.e. USD 200,000 / 0.7510);</p> <p>or</p> <p>(c) if the AUD/USD <i>market rate</i> is at or below the <i>trigger rate</i> of 0.7375, you must sell the <i>sell currency amount</i> of USD 200,000 at the <i>contract rate</i> of 0.7510. You would receive:</p> <p style="text-align: center;">AUD 266,311.58 (i.e. USD 200,000 / 0.7510)</p>
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Payoff diagrams

The profits/losses of the AEPF as a function of the exchange rate are shown in the graphs below:

Figure 1: Where you are a SELLER of the first currency – compared to doing nothing

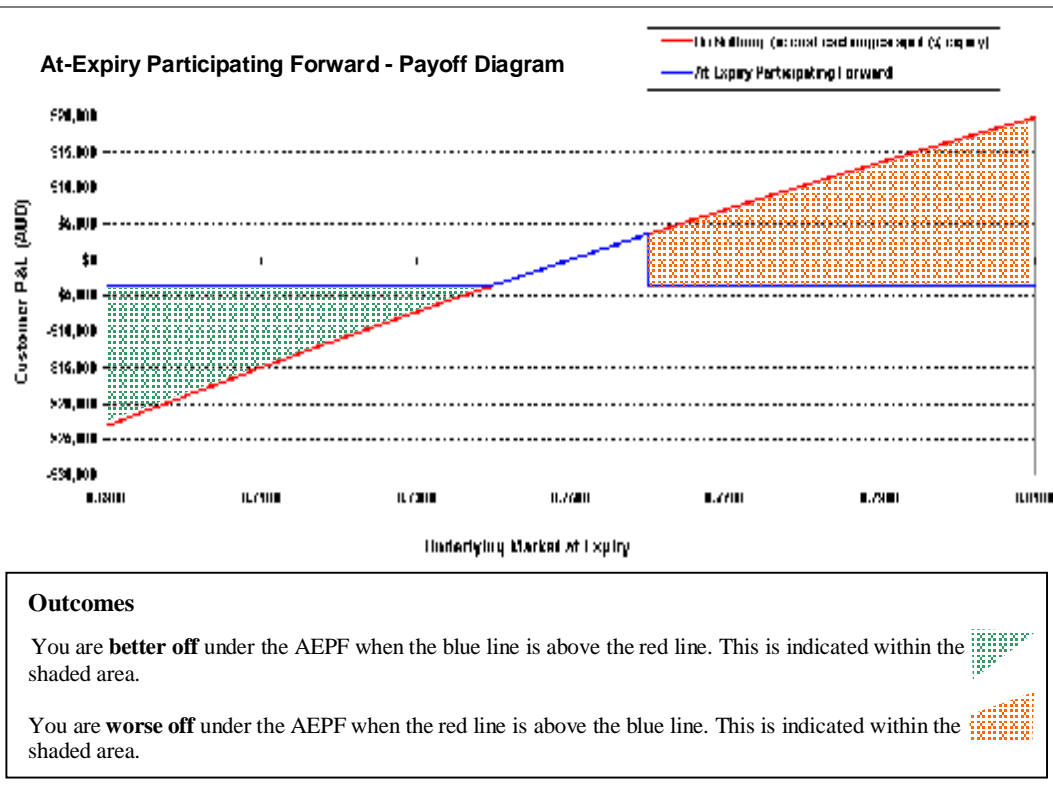


Figure 2: Where you are a BUYER of the first currency – compared to doing nothing

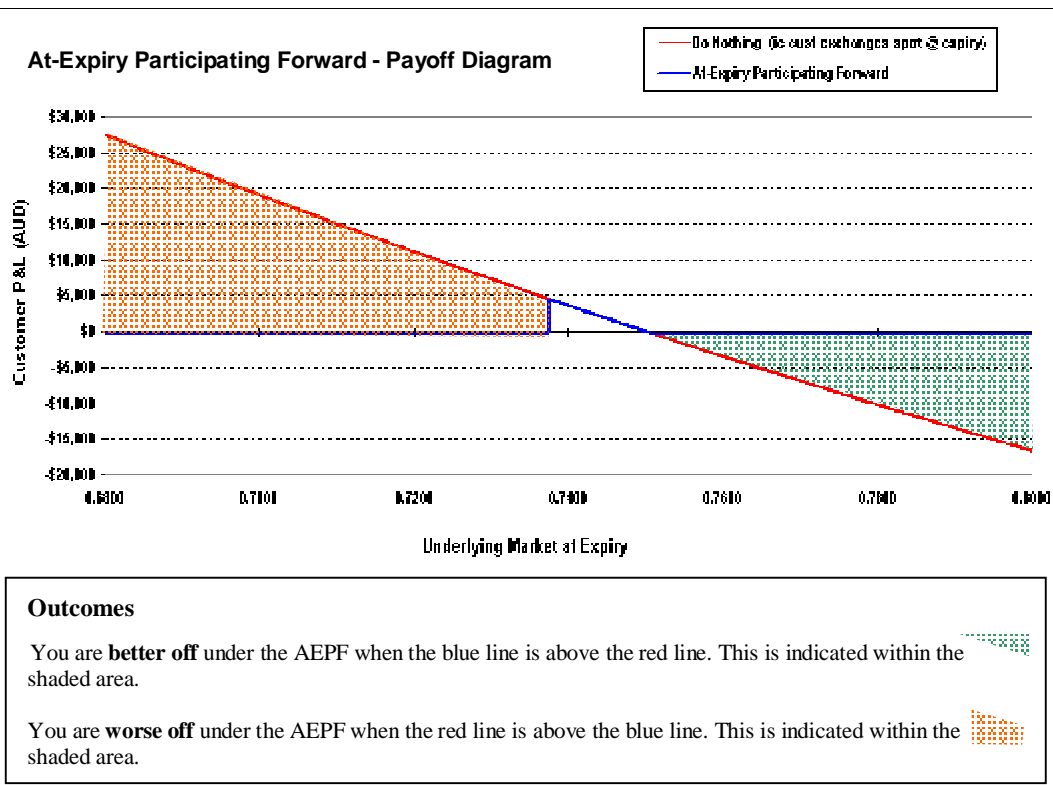
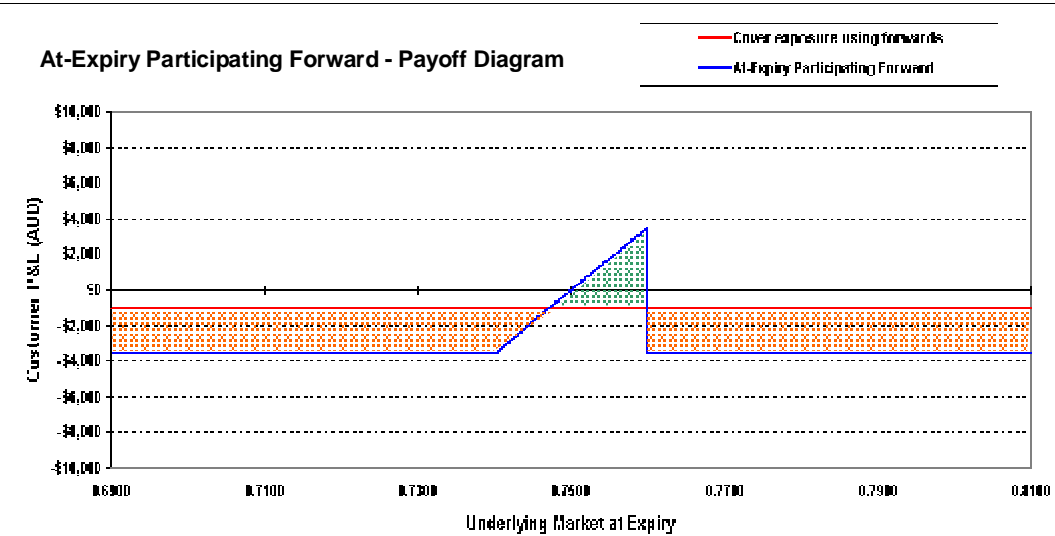


Figure 3: Where you are a SELLER of the first currency – compared using an FX forward

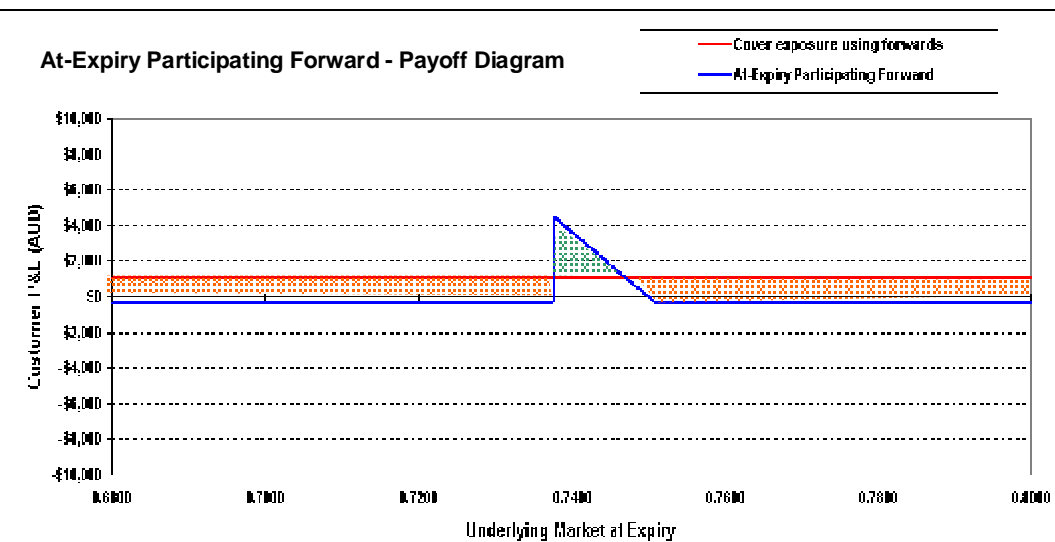


Outcomes

You are **better off** under the AEPF when the blue line is above the red line. This is indicated within the shaded area.

You are **worse off** under the AEPF when the red line is above the blue line. This is indicated within the shaded area.

Figure 4: Where you are a BUYER of the first currency – compared using an FX forward



Outcomes

You are **better off** under the AEPF when the blue line is above the red line. This is indicated within the shaded area.

You are **worse off** under the AEPF when the red line is above the blue line. This is indicated within the shaded area.

END OF EXAMPLES

Advantages/benefits

Where you are a *SELLER* of the first currency

- Compared to doing nothing, an AEPF will benefit you where the prevailing *market rate* at *expiration time* is below the *contract rate*.

In the above example, you will obtain a benefit from the AEPF if the prevailing *market rate* at *expiration time* is below 0.7400. In this case, you may purchase the *buy currency amount* at the *contract rate* of 0.7400, which is more favourable than purchasing it at the prevailing *market rate* at the *expiration time*. In other words, an AEPF provides you with protection against *depreciation* in the *currency pair* beyond the *contract rate*. In the above example, you are effectively setting a floor at the *contract rate* of 0.7400 (i.e. your worst case outcome will be exchanging currencies at 0.7400).

- Compared to taking cover through a forward foreign exchange contract on the *transaction date*, an AEPF will benefit you where the prevailing *market rate* at *expiration time* is above the forward foreign exchange contract and below the *trigger rate*.

In the above example, you will obtain a benefit from the AEPF if the prevailing *market rate* at *expiration time* is above 0.7470 and below the *trigger rate* of 0.7600. In this case, you would be free to purchase the *buy currency amount* at the prevailing *market rate*, which is more favourable than if you had purchased it at the forward foreign exchange rate prevailing on the *transaction date*. In other words an AEPF allows you to participate in favourable exchange rate movements in the *currency pair* providing the *market rate* at the *expiration time* is not trading at or beyond the *trigger rate*.

- 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).

Where you are a *BUYER* of the first currency

- Compared to doing nothing, an AEPF will benefit you where the prevailing *market rate* at *expiration time* is above the *contract rate*.

In the above example, you will obtain a benefit from the AEPF if the prevailing *market rate* at *expiration time* is above 0.7510. In this case, you may sell the *sell currency amount* at the *contract rate* of 0.7510, which is more favourable than selling it at the prevailing *market rate* at the *expiration time*. In other words, an AEPF provides you with protection against appreciation in the *currency pair* beyond the *contract rate*. In the above example, you are effectively setting a cap at the *contract rate* of 0.7510 (i.e. your worst case outcome will be exchanging currencies at 0.7510).

- Compared to taking cover through a forward foreign exchange contract on the *transaction date*, an AEPF will benefit you where the prevailing *market rate* at *expiration time* is below the forward foreign exchange contract and above the *trigger rate*.

In the above example, you will obtain a benefit from the AEPF if the prevailing *market rate* at *expiration time* is below 0.7470 and above the *trigger rate* of 0.7375. In this case, you would be free to sell the *sell currency amount* at the prevailing *market rate*, which is more favourable than if you had sold it at the forward foreign exchange rate prevailing on the *transaction date*. In other words an AEPF allows you to participate in favourable exchange rate movements in the *currency pair* providing the *market rate* at the *expiration time* is not trading at or beyond the *trigger rate*.

- 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

- Compared to doing nothing, an AEPF will disadvantage you (and you will suffer an *opportunity loss*) where the prevailing *market rate* at *expiration time* is at or above the *trigger rate*.

In the above example, the AEPF will disadvantage you if the prevailing *market rate* at *expiration time* is at or above the *trigger rate* of 0.7600. In this case, you must purchase the *buy currency amount* at the *contract rate* of 0.7400, which is less favourable than purchasing it at the prevailing *market rate* at the *expiration time*. In other words, if the prevailing *market rate* at the *expiration time* is equal to or above the *trigger rate*, you must purchase the *buy currency amount* at the *contract rate*. This scenario will provide a less favourable outcome to you than purchasing it at the prevailing *market rate* at the *expiration time*.

- Compared to taking cover through a forward foreign exchange contract on the *transaction date* (i.e. at 0.7470 in the above example), an AEPF will disadvantage you (and you will suffer an *opportunity loss*) in the following circumstances:
 - where the prevailing *market rate* at *expiration time* is equal to or above the *trigger rate* (i.e. at 0.7600 in the above example), you must purchase the *buy currency amount* at the *contract rate* (i.e. at 0.7400 in the above example), which is less favourable than if you had purchased it at the forward foreign exchange rate (i.e. at 0.7470 in the above example) prevailing on the *transaction date*.

- Compared to doing nothing, an AEPF will disadvantage you (and you will suffer an *opportunity loss*) where the prevailing *market rate* at *expiration time* is at or below the *trigger rate*.

In the above example, the AEPF will disadvantage you if the prevailing *market rate* at *expiration time* is at or below the *trigger rate* of 0.7375. In this case, you must sell the *sell currency amount* at the *contract rate* of 0.7510, which is less favourable than selling it at the prevailing *market rate* at the *expiration time*. In other words, if the prevailing *market rate* at the *expiration time* is equal to or below the *trigger rate*, you must sell the *sell currency amount* at the *contract rate*. This scenario will provide a less favourable outcome to you than selling it at the prevailing *market rate* at the *expiration time*.

- Compared to taking cover through a forward foreign exchange contract on the *transaction date* (i.e. at 0.7470 in the above example), an AEPF will disadvantage you (and you will suffer an *opportunity loss*) in the following circumstances:
 - where the prevailing *market rate* at *expiration time* is equal to or below the *trigger rate* (i.e. at 0.7375 in the above example), you must sell the *sell currency amount* at the *contract rate* (i.e. at 0.7510 in the above example), which is less favourable than if you had sold it at the forward foreign exchange rate (i.e. at 0.7470 in the above example) on the *transaction date*.

- where the prevailing *market rate* at *expiration time* is above the *contract rate* (i.e. at 0.7400 in the above example) and below the forward foreign exchange rate (i.e. at 0.7470 in the above example), neither party has any further obligation to the other in respect of the AEPF transaction. Therefore, in order to cover your future trade related foreign exchange exposure, you will need to enter into a separate foreign exchange transaction under which you will purchase the *buy currency amount* at the prevailing *market rate*, which is less favourable than if you had purchased it at the forward foreign exchange rate (i.e. at 0.7470 in the above example) prevailing on the *transaction date*.

- where the prevailing *market rate* at *expiration time* is at or below the *contract rate* (i.e. at 0.7400 in the above example), you retain the right (but not obligation) to purchase the *buy currency amount* at the *contract rate*. If you exercised your right under the AEPF, you will purchase the *buy currency amount* at the *contract rate* (i.e. at 0.7400 in the above example), which is less favourable than if you had purchased it at the forward foreign exchange rate (i.e. at 0.7470 in the above example) prevailing on the *transaction date*.

- There is no cooling off period.
- We, as the counterparty to an AEPF, must fulfil our contractual obligations to you in the manner set out in the AEPF. If you are obliged to pay money to us on the *delivery date* and 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.

- where the prevailing *market rate* at *expiration time* is below the *contract rate* (i.e. at 0.7510 in the above example) and above the forward foreign exchange (i.e. at 0.7470 in the above example), neither party has any further obligation to the other in respect of the AEPF transaction. Therefore, in order to cover your future trade related foreign exchange exposure, you will need to enter into a separate foreign exchange transaction under which you will sell the *sell currency amount* at the prevailing *market rate*, which is less favourable than if you had sold it at the forward foreign exchange rate (i.e. at 0.7470 in the above example) on the *transaction date*.

- where the prevailing *market rate* at *expiration time* is at or above the *contract rate* (i.e. at 0.7510 in the above example), you retain the right (but not obligation) to sell the *sell currency amount* at the *contract rate*. If you exercised your right under the AEPF, you will sell the *sell currency amount* at the *contract rate* (i.e. at 0.7510 in the above example), which is less favourable than if you had sold it at the forward foreign exchange rate (i.e. at 0.7470 in the above example) on the *transaction date*.

- There is no cooling off period.
- We, as the counterparty to an AEPF, must fulfil our contractual obligations to you in the manner set out in the AEPF. If you are obliged to pay money to us on the *delivery date* and 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.

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 AEPF 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 AEPF terminates when that payment is made.

GENERAL INFORMATION

Credit requirements and documentation

Before entering into an AEPF, 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:

- 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, 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 AEPF. The terms of that document also may 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.

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 AEPF, 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 AEPF 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 his 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 product disclosure statement.

base currency means the first currency quoted in a *currency pair*.

buy currency means the currency you agree to buy under an AEPF.

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

confirmation means the record of the commercial terms of an AEPF prepared by us after the AEPF is entered into.

contract rate means the rate agreed between you and us at the time an AEPF is entered into being the rate at which you will be required to exchange the *currency pair* if you are obliged or exercise a right to do so under the AEPF.

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

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

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.

premium means the cost of an option (expressed in the relevant currency) payable by the option buyer to the option seller.

related entity means a company owned by us.

sell currency means the currency you agree to sell under an AEPF.

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

small business means a business employing:

- (a) less than 200 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 AEPF 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 AEPF.

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

trigger rate means the rate agreed between you and us at the time an AEPF is entered into being the rate which will trigger your obligation to exchange the *currency pair* at the *contract rate*.

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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