

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

Quantum Facility

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 the Quantum Facility 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

A Quantum Facility (QF) is a product in which you face unlimited *opportunity losses* depending on movements in the *currency pair*. In return for accepting this risk, we rebate part of your funding costs on an *underlying facility*.

Opportunity losses are amounts by which you would have been better off if you had done something other than, or in addition to, entering into the QF. This concept is explained more fully in the “Disadvantages/risks” section and the “Glossary” section.

Purpose

What is a QF used for?

A QF may be useful if you need to exchange one currency for another in the future and want to reduce the effective funding cost on an *underlying facility*.

The *underlying facility* is not part of the QF. Rather, entering into the QF gives you a rebate which reduces the effective funding cost under the *underlying facility*.

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

Suitability

Do you have sufficient knowledge about these products?

A QF is not designed to provide protection against movements in the *currency pair*.

Entering into a QF does not guarantee that there will be an exchange of the *currency pair* at the end of the QF. Accordingly, selling a QF is not suitable if you need to have a particular currency exchanged at a known rate at a particular date in the future. We can provide you with another product which will ensure this. Please contact us for details.

A QF results in a favourable outcome for you only if currency movements are within a particular band. Accordingly, you should not enter into a QF if you believe currency movements will be outside that band.

This product is suitable only if you have a good understanding of foreign exchange markets and the way option products work. In particular, you need to understand how you will be impacted financially by entering into a QF. Your position existing at the *expiration time* is not relevant to the rights and obligations that can arise at that time.

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.

A QF can be set to sell the *base currency* or the *terms currency*. You buy the other currency.

Description

What is a QF?

A QF is a foreign exchange option you sell us and which we pay for by providing you with a rebate on the funding costs on a financial accommodation facility you have with us.

How does a QF work?

Normally, the buyer of a foreign exchange option provides the seller with an upfront payment known as the option premium. In the case of a QF, we (as the buyer) pay the premium into the transaction account for the *underlying facility* on the *calculation period payment date*. This effectively reduces the funding costs on the *underlying facility* over the *calculation period*.

When entering into a QF, 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: *currency pair*, *underlying facility amount*, *calculation period start date*, *calculation period payment date*, *rebate rate*, *buy currency amount*, *sell currency amount*, *target conversion rate*, *expiration date*, *expiration time*, *FX settlement date*. Additionally, the *buy currency amount* and *sell currency amounts* should not be greater, and the *fx settlement 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 requirements.

When the QF expires, you may or may not be required to exchange the *currency pair* with us at the pre-agreed *target conversion 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 a QF are as follows:

1. At the *expiration time*:
 - (a) if the *market rate* of the *currency pair* is equal to or has *appreciated* when compared to the *target conversion rate* (i.e. the price of the currency you want to buy has decreased), despite this you must purchase the *buy currency amount* and deliver to us the *sell currency amount* at the *target conversion rate* for settlement two business days later (i.e. on the *FX settlement date*); or
 - (b) if the *market rate* of the *currency pair* has *depreciated* when compared to the *target conversion rate* (i.e. the price of the currency you want to buy has increased), the foreign exchange option sold to us under the QF lapses and neither you nor we have any obligation to pay the *buy currency* or the *sell currency* to the other.
2. On the *calculation period payment date*:
 - (a) you are obliged to pay whatever you are due to pay on that day under the *underlying facility* by way of interest or bill discounts (ignoring the fact that you have a QF); and
 - (b) we credit the *underlying facility* transaction account with an amount calculated by applying the *rebate rate* to the *underlying facility amount* for the *calculation period*.

Cost of Product

You do not pay us any fees or charges when you enter a QF. However, you may be required to pay fees in respect of the *underlying facility* and you should be fully aware of, and comfortable with, the risks associated

with a QF 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 QF. When you exchange currencies with us at either the applicable *target conversion rate* or the prevailing exchange rate, we will benefit by incorporating a margin into the *target conversion rate* or prevailing exchange 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 QF by accepting the applicable *target conversion rate* or prevailing exchange rate quoted by us.

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

- the *underlying facility amount* and *calculation period* of the QF;
- inter-bank *market rates* prevailing at the time;
- market volatility; and
- current market interest rates of the countries of the *currency pair*.

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

Examples

The following examples show alternative outcomes depending on whether you need to:

- acquire USD with AUD in the future (i.e. an importer); or
- acquire AUD with USD in the future (i.e. an exporter).

Assume:

Underlying facility particulars		QF details	
<i>Underlying facility amount:</i>	Loan of AUD 400,000	<i>Currency pair:</i>	AUD/USD
<i>Calculation period start date:</i>	29 March 2004	<i>Expiration date:</i>	4 May 2004
<i>Calculation period payment date:</i>	29 April 2004 (31 day interest term)	<i>Expiration time:</i>	10.00am Sydney time on <i>expiration date</i>
<i>Underlying facility rate:</i>	5.50% p.a. (actual/365)	<i>FX settlement date:</i>	6 May 2004 (38 days)
		<i>Market rates at transaction date:</i>	spot 0.7450; FWD 0.7420

Importer example		Exporter example	
<i>Target conversion rate:</i>	0.7500	<i>Target conversion rate:</i>	0.7350
<i>Buy currency</i>	USD	<i>Buy currency</i>	AUD
<i>Buy currency amount</i>	USD 150,000.00	<i>Buy currency amount</i>	AUD 204,081.63
<i>Sell currency</i>	AUD	<i>Sell currency</i>	USD
<i>Sell currency amount</i>	AUD 200,000.00	<i>Sell currency amount</i>	USD 150,000.00
<i>Rebate rate:</i>	2.30% p.a. *	<i>Rebate rate:</i>	2.30% p.a. *
<i>Effective rate:</i>	3.20% p.a. *	<i>Effective rate:</i>	3.20% p.a. *
* Actual/365		* Actual/365	

Impact on *underlying facility*

On the *calculation period payment date*:

- We credit the *underlying facility* transaction account with AUD 781.37 (this represents the premium on the sold foreign exchange option entered into under the QF and equates to a funding cost rebate of 2.30% p.a.).
- You must make your normal payment due under the *underlying facility* agreement i.e. pay us an amount calculated by applying the *underlying facility rate* (5.50% p.a.) to the *underlying facility amount* (AUD 400,000) over the length of the *calculation period* (31 days) i.e. AUD 1,868.49 plus, where applicable, any bill acceptance or other fees.

Each amount must be paid in full (i.e. they are not set off). The *effective rate* under the *underlying facility* for the *calculation period* becomes 3.20% p.a. (i.e. 5.50% - 2.30%).

Results under QF

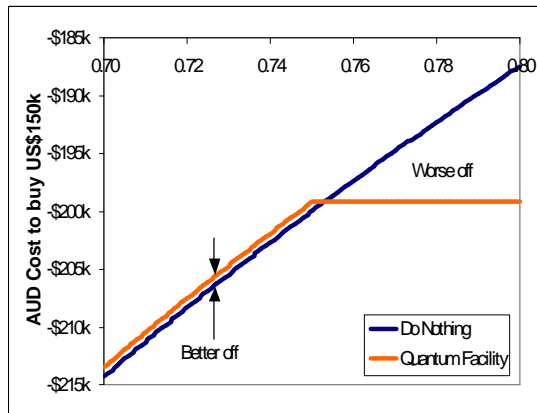
Importer Example
ie buy currency = USD

Example outcomes	Market rate ie spot AUD/USD	Compared to target conversion rate (TCR)	AUD cost of USD150,000.00
1	0.7500	-	200,000.00
2	0.7700	↑	194,805.19
3	0.7200	↓	208,333.33

If spot AUD/USD ends **at or above** the TCR of 0.7500 (ie outcomes 1 or 2), you would purchase the *buy currency amount* of USD150,000 at 0.7500 for value on the *FX settlement date*. In this situation, you will **not** gain the benefit of any appreciation of the **AUD against the USD**.

If spot AUD/USD ends **below** the TCR of 0.7500 (ie outcome 3), the option would lapse and no further obligation would arise in respect of the QF. In order to acquire the *buy currency amount*, you would need to enter into a separate foreign exchange transaction at prevailing market rates. However, this would require **more AUD** than if the conversion was done at the TCR of 0.7500.

Diagram 1: AUD cost to convert USD150,000.00 using the Quantum Facility compared to doing nothing as a function of the exchange rate:



(i.e. the “better off” case in this situation suggests that in general your costs are slightly smaller, whereas the “worse off” case points to a situation where you forgo lower costs).

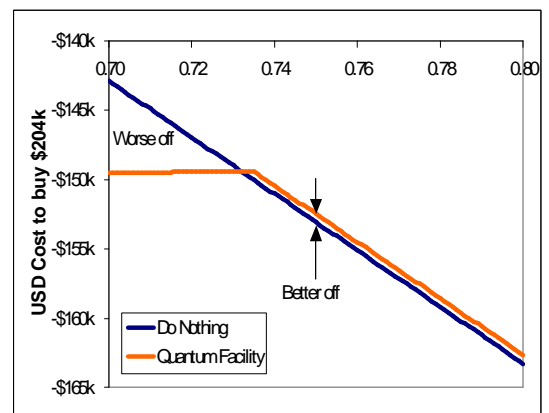
Exporter Example
ie buy currency = AUD

Example outcomes	Market rate ie spot AUD/USD	Compared to target conversion rate (TCR)	USD cost of AUD204,081.63
1	0.7350	-	150,000.00
2	0.7550	↓	154,081.63
3	0.7050	↑	143,877.55

If spot AUD/USD ends **at or below** the TCR of 0.7350 (ie outcomes 1 or 3) you would purchase the *buy currency amount* of AUD204,081.63 at 0.7350 for value on the *FX settlement date*. In this situation, you will **not** gain the benefit of any appreciation of the **USD against the AUD**.

If spot AUD/USD ends **above** the TCR of 0.7350 (ie outcome 2) the option would lapse and no further obligation would arise in respect of the QF. In order to acquire the *buy currency amount*, you would need to enter into a separate foreign exchange transaction at prevailing market rates. However, this would require **more USD** than if the conversion was done at the TCR of 0.7350.

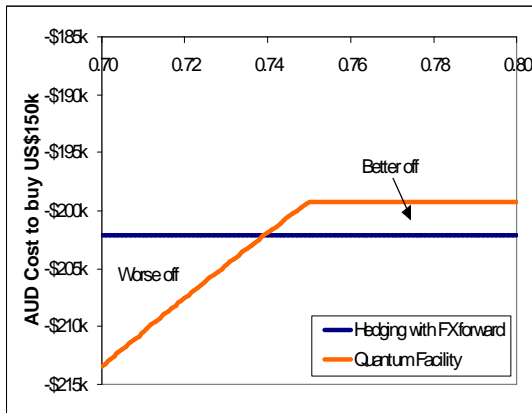
Diagram 3: USD cost to convert AUD204,081.63 using the Quantum Facility compared to doing nothing as a function of the exchange rate:



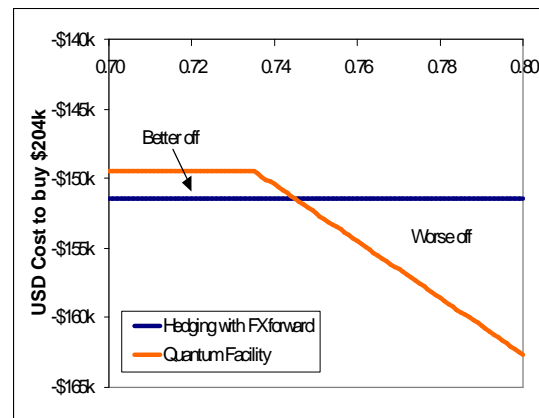
(i.e. the “better off” case in this situation suggests that in general your costs are slightly smaller, whereas the “worse off” case points to a situation where you forgo lower costs).

Diagram 4: USD cost to convert AUD204,081.63 using the Quantum Facility compared to hedging the requirements with an FX Forward as a function of the exchange rate:

Diagram 2: AUD cost to convert USD150,000.00 using the Quantum Facility compared to hedging the requirements with an FX Forward as a function of the exchange rate:



(i.e. the “better off” case in this situation suggests that your costs are smaller, whereas the “worse off” case points to a situation where your costs become larger. Thus you increase the losses).



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END OF EXAMPLES

Advantages/benefits

- A QF provides you with a rebate on your funding costs for the *calculation period*. In the above examples, the rebate amount is AUD781.37, equating to a rebate rate of 2.30% p.a. However, while receipt of the rebate does not depend on the prevailing *market rate* of the *currency pair* at expiration of the QF, an overall benefit from entering into the QF will accrue only if currency movements are within a relatively narrow band.

In the importer example above, the rebate is equivalent to receiving a 0.0029 benefit on the *currency pair* conversion rate [i.e. $150,000 / (200,000 - 781.37) - 0.7500$].

In the exporter example above, the rebate is equivalent to receiving a 0.0028 benefit on the *currency pair* conversion rate [i.e. $0.7350 - (150,000 / (204,081.63 + 781.37))$].

- A QF is flexible. It can be tailored to meet your particular requirements, for example:
 - the *calculation period payment date* and the *FX settlement date* need not be the same.
 - The *underlying facility amount* need not be the same as the *buy currency amount* or the *sell currency amount*.
- A QF can be cancelled before the *expiration time* (however, there may be a cost to you in doing so - see Early Termination section for further details).

Disadvantages/risks

- Compared to doing nothing, you will be disadvantaged if movements in the *currency pair* result in an *opportunity loss* which is greater than the amount of *interest rebate* received.

In the importer example above, if on the *expiration date* the prevailing market AUD/USD exchange rate is higher than 0.7529 (i.e. 0.0029 higher than the *target conversion rate* of 0.7500), you would be disadvantaged by entering into the QF.

In the exporter example above, if on the *expiration date* the prevailing market AUD/USD exchange rate is lower than 0.7322 (i.e. 0.0028 lower than the *target conversion rate* of 0.7350), you would be disadvantaged by entering into the QF.

- Compared to taking cover through a forward foreign exchange contract on the transaction date, you will be disadvantaged if movements in the *currency pair* result in an *opportunity loss* which is approximately greater than the amount of *interest rebate* received.

In the importer example above, if on the *expiration date* the prevailing market AUD/USD exchange rate is approximately lower than 0.7391 (i.e. approximately 0.0029 lower than the corresponding forward foreign exchange contract rate of 0.7420), you will be disadvantaged by entering into the QF.

In the exporter example above, if on the *expiration date* the prevailing market AUD/USD exchange rate is approximately higher than 0.7449 (i.e. approximately 0.0029 higher than the corresponding forward foreign exchange contract rate of 0.7420), you will be disadvantaged by entering into the QF.

- Normally, the buyer of a foreign exchange option provides the seller with an upfront payment known as the option premium. In the case of a QF, the premium will not be paid at the beginning of the option period. Rather, we (as the buyer) pay the premium into the transaction account for the *underlying facility* on the *calculation period payment date*.
- There is no cooling off period.
- We, as the counterparty to a QF, must fulfil our contractual obligations to you in the manner set out in the QF. If you are obliged to pay money to us on the *fx settlement 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 *fx settlement 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. Amounts owing by either you or us under the QF may not be set off against any other amount under the QF.

Early Termination

You can request us to cancel a QF 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 QF terminates when that payment is made.

GENERAL INFORMATION

Credit requirements and documentation

Before entering into a QF, 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 QF. The terms of that document also may set out the terms and conditions that apply to other transactions that we enter into with you. However, that document does not govern the terms of the *underlying facility* except for the payment of the rebate.

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 before 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 a QF, we send you a *confirmation* outlining its commercial terms. *Confirmations* must 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 a QF 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 product disclosure statement.

appreciated means that:

- if the *base currency* is the *sell currency*, the *base currency* has appreciated against the *terms currency*; and
- if the *terms currency* is the *sell currency*, the *terms currency* has appreciated against the *base currency*.

buy currency means the currency you agree to buy under a QF.

buy currency amount means that amount of the *buy currency* you agree to buy under a QF.

calculation period means the period from and including the *calculation period start date* up to but excluding the *calculation period payment date*.

calculation period payment date means a date on which payment of interest or bill discounts is due under the *underlying facility*. It is also the last day of the *calculation period*.

calculation period start date means the first day of the *calculation period*.

confirmation means the record of the commercial terms of a QF prepared by us after the QF is entered into.

currency pair means the two currencies agreed to be exchanged under a QF.

depreciated means that:

- if the *base currency* is the *sell currency*, the *base currency* has depreciated against the *terms currency*; and
- if the *terms currency* is the *sell currency*, the *terms currency* has depreciated against the *base currency*.

effective rate means the interest rate or bill discount rate (expressed as a percentage per annum rate) applying under the *underlying facility* not taking into account the rebate provided under a QF. The *effective rate* equals the *underlying facility rate* minus the *rebate rate*.

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

fx settlement date means the date on which you must deliver to us the currency you agree to exchange under the QF.

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 either:

- (a) if the currency you want to buy depreciates, the amount by which you would have been better off exchanging currencies at the *market rate* compared with the *target conversion rate*; or
- (b) if the currency you want to buy appreciates, the amount by which you would have been better off if you had obtained a hedge against the appreciation of, or were otherwise able to exchange at, the *target conversion rate*.

rebate rate means the rate of interest used for calculating the rebate (expressed as a percentage per annum rate).

related entity means a company owned by us.

sell currency means the currency you agree to sell under a QF.

sell currency amount means that amount of the *sell currency* you agree to sell under a QF.

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

target conversion rate means the rate agreed between you and us at the time a QF is entered into being the rate at which you will be required to exchange the *currency pair* if we exercise the foreign exchange option.

underlying facility means a financial accommodation facility you have with us. It can be a bank accepted bill facility, Australian dollar/business/commercial loan facility or a foreign currency loan. It is the facility referenced under a QF for the purpose of calculating the rebate to be deposited in your nominated transaction account representing the premium payable by us under the QF.

underlying facility amount means the amount drawn down on the *underlying facility* to be used for calculating the rebate.

underlying facility rate means the interest rate or bill discount rate (expressed as a percentage per annum rate) applying under the *underlying facility* not taking into account the operation of a QF.

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