



**State Bank India, Sydney Branch**  
*(Incorporated in India with limited liability of our Company's members)*  
ARBN 082 610 008 AFSL 238340

**Foreign Exchange**

**Product Disclosure Statement**

**Issue date: 21 April 2004**

## Contents

### GENERAL INFORMATION

|  |    |
|--|----|
| Features at a glance .....   | 1  |
| Purpose of this Product Disclosure Statement (PDS).....  | 2  |
| Contact Details  |    |
| What is Foreign Exchange .....   | 2  |
| Uses of Foreign Exchange.....  | 3  |
| Value Spot Transactions .....  | 3  |
| Value Tomorrow (TOM) Transactions.....   | 4  |
| Value Forward Transactions (Forward Contracts).....  | 4  |
| Forward Contracts with optional settlements.....   | 5  |
| Significant advantages.....  | 5  |
| Significant disadvantages .....  | 5  |
| Significant risks.....   | 5  |
| Booking FX transactions.....   | 6  |
| Settling FX transactions.....  | 6  |
| FX documentation.....  | 6  |
| Settlement on other than contracted dates.....   | 6  |
| Terminating FX transaction.....  | 7  |
| Payments netting.....  | 7  |
| Costs involved in FX transactions.....   | 7  |
| Tax implications.....  | 7  |
| Anti Money Laundering and Terrorist Financing.....   | 7  |
| Privacy and Confidentiality – SBIS' Collection, Use and Disclosure of Personal<br>Information..... | 7  |
| Making a Complaint.....  | 7  |
| Definitions.....   | 9  |
| Currency pairs dealt in the branch .....   | 9  |
| Appendix A - Schedule of Fees and Charges.....   | 10 |

## Features at a glance

|                                   |   |
|-----------------------------------|---|
| <b>Significant benefits</b>       | Allows you to achieve exchange rate protection and cash flow certainty  |
| <b>Significant risks</b>          | Exchange rate movements can be volatile and can move adversely.   |
| <b>Minimum transaction amount</b> | There is no minimum transaction amount.   |
| <b>Terms</b>                      | 1 day to 1 year. Longer terms may be available on request.  |
| <b>Costs</b>                      | See Appendix A – Schedule of Fees and Charges.  |
| <b>Settlement</b>                 | Transactions must be settled on the agreed <i>settlement date</i> .<br>Variations to <i>settlement dates</i> are also available by agreement with the Bank. <i>Optional settlement periods</i> are available. |
| <b>Early Termination</b>          | An amount may be payable by or to you depending on the <i>mark to-market value</i> of the transaction. You may also be liable for any losses and costs the Bank may incur as well as fees and charges.        |

This is a sophisticated financial product which involves dealing in foreign exchange. The information in this Product Disclosure Statement (PDS) does not take into account your personal objectives, financial situation and needs. Before trading in this product you should be satisfied that such trading is suitable for you in view of those objectives, and your financial situation and needs, and we recommend that you consult your investment advisor or obtain other independent advice. Unless you are familiar with foreign exchange dealings and products of this type, the product may not be suitable for you.

The information in this PDS is subject to change from time to time and is up to date as at the date stated on the cover. Where the new information is materially adverse information the Bank will either issue a new PDS or a supplementary PDS setting out the updated information. Where the new information is materially adverse information SBIS will either issue a new PDS or a supplementary PDS setting out the updated information. Where the new information is not materially adverse information we will not issue a new PDS or supplementary PDS to you, but you will be able to find out about the updated information by calling us on +61 2 9241 5643. If you ask us to, we will send you a paper copy of the information without charge.

## Purpose of a Product Disclosure Statement (PDS)

A PDS aims to provide you with enough information to help you decide whether the product will meet your needs. It also helps you to compare the product with others you may be considering.

This PDS provides information about Foreign Exchange (FX). If you decide to enter into a FX transaction, you should keep this PDS and all other documentation relating to your transaction for future reference.

To assist you in understanding this PDS, the definitions of some words are provided in the "Definitions" section on page 9.

## Contact Details

If you have any questions or wish to contact us you can call +61 2 9241 5643 between 9:00am and 4:00pm AEST (on weekdays except public holidays) email us on [info@sbsyd.com.au](mailto:info@sbsyd.com.au) or Fax us on +61 2 9241 6972 or come into the branch at Suite 2 & 3, Level 12, 234 George Street, Sydney NSW 2000.

## What is Foreign Exchange?

Foreign Exchange allows you to exchange one currency for another at an agreed *exchange rate* on a *settlement date* that is between 1 day and 1 year after the *trade date*.

*Exchange rates* are either quoted as *value today* (not covered by a PDS), *spot exchange rates*, *value tomorrow exchange rates* or *forward exchange rates*.

A *spot exchange rate* applies to a FX transaction with a *settlement date* that is 2 *business days* after the *trade date*. This type of FX transaction is referred to as Spot in this PDS..

A *value tomorrow exchange rate* applies to a FX transaction with a *settlement date* that is one *business day* after the *trade date*. This type of FX transaction is referred to as Value Tomorrow (TOM) in this PDS.

A *forward exchange rate* applies to a FX transaction with a *settlement date* that is more than 2 *business days* and up to 1 year after the *trade date*. This type of FX transaction is referred to as Forward in this PDS.

A Forward transaction allows you to specify an *optional settlement period* within the *term* of the Forward transaction during which exchange of the currencies can occur at the agreed *forward exchange rate*.

FX transactions are available in most currencies. See page 11.

Details of Spot, Value Tomorrow and Forward *exchange rates* and the *currency pairs*, in which the Bank offers FX transactions, are available on request through our Vice President (Trade Finance)/Vice President (Treasury) of the branch.

FX transactions are subject to the standard credit approval process followed by the Bank.

## Uses of FX

Commercial activities for which FX may be useful include:

- importing where the invoice is quoted in foreign currencies;
- exporting where the invoice is quoted in foreign currencies;
- foreign currency borrowing;
- foreign currency investing;
- repatriation of overseas profit or interest in foreign currencies back to Australia; and
- other foreign currency payments.

## Spot transactions

The Bank determines the *spot exchange rates* it quotes to you taking the following factors into account:

- the *market spot exchange rate*;
- a *volatility factor*;
- the transaction amount;
- the Bank's costs ( both fixed and variable); and
- the Bank's profit margin.

### How does a Spot transaction work?

**\*Example 1: You are making a payment in a foreign currency**

You need to make a payment of USD100,000.00 to an offshore beneficiary in 2 *business days* ("*spot date*"). You need to sell AUD and buy USD to make this payment.

You wish to enter into a Spot transaction with the Bank today to fix a *spot exchange rate* where you buy USD 100,000.00 against AUD in 2 *business days*.

You contact the Bank and ask for a *spot exchange rate*. The Bank quotes you a *spot exchange rate* of AUD / USD 0.7300. If you accept this quote (which can be done verbally), a Spot transaction is entered into between you and the Bank.

The AUD equivalent is calculated by dividing the USD amount by the current AUD / USD *spot exchange rate*:

$$\text{USD } 100,000.00 / \text{AUD / USD } 0.7300 = \text{AUD } 136,986.30$$

By entering into the spot transaction with the Bank on the settlement date, you must buy USD 100,000.00 from the Bank in exchange of AUD 136,986.30

\*This example is used for illustrative purposes only and the exchange rate prevailing at the time of deal and acceptable to both you and the Bank will be taken for transaction purposes.

### Value Tomorrow transactions

A *value tomorrow exchange rate* is determined by making an adjustment to the *spot exchange rate* (known as *value tomorrow points*). The Bank will determine the adjustment and the resulting *value tomorrow exchange rate*, based on the following factors:

- the *value tomorrow points* (these may be an addition to or subtraction from the *spot exchange rate*);
- the *market spot exchange rate*;
- *volatility factor*;
- the transaction amount;
- Bank's costs (both fixed and variable)
- the Bank's profit margin.

### How does a Value Tomorrow transaction work?

**\*Example 2: You are making a payment in a foreign currency** You need to make a payment of USD 100,000.00 to an offshore beneficiary in 1 *business day*. You need to sell AUD and buy USD to make this payment.

You wish to enter into a Value Tomorrow transaction with the Bank today to fix a *value tomorrow exchange rate* where you buy USD 100,000.00 against AUD in 1 *business day*.

**Assume the following**

|   |               |
|---|---------------|
| Current AUD/USD <i>spot exchange rate</i> | 0.7300        |
| <i>Value tomorrow points</i>              | + 0.0001      |
| <i>Value tomorrow exchange rate</i>       | <u>0.7301</u> |

If you enter into the Value Tomorrow transaction with the Bank, you must buy USD 100,000.00 from the Bank in exchange for AUD 136,967.54 (USD100,000.00 ÷ 0.7301).

\* Examples are used for illustrative purposes only. Actual *exchange rates* will depend on actual interest rates and other market rates on the date of calculation.

### Forward transactions

A *forward exchange rate* is determined by the Bank by making an adjustment to the *spot exchange rate* (known as *forward points*).

The Bank will determine the adjustment and the resulting *forward exchange rate* based on the following factors:

- the *forward points* (these may be an addition to or subtraction from the *spot exchange rate*);
- the *market spot exchange rate*;
- *volatility factor*;
- the transaction amount;

- the Bank's costs (both fixed and variable); and
- the Bank's profit margin.

### How does a Forward work?

\*Example 3: You are making a payment in a foreign currency. You need to make a payment of USD 100,000.00 to an offshore beneficiary in 90 days. You need to sell AUD and buy USD to make this payment.

You wish to enter into a Forward transaction with the Bank today to fix a *forward exchange rate* at which you will buy USD 100,000.00 and sell AUD in 90 days.

#### Assume the following

|                       |               |
|-----------------------|---------------|
| Current AUD/USD       |               |
| Spot exchange rate    | 0.7300        |
| Forward points        | - 0.0050      |
| Forward exchange rate | <u>0.7250</u> |

If you enter into the Forward transaction with the Bank, you must buy USD 100,000.00 from the Bank in exchange for AUD 137,931.03 (USD 100,000.00 ÷ 0.7250).

\* Examples are used for illustrative purposes only. Actual *exchange rates* will depend on actual interest rates and other market rates on the date of calculation.

### Optional settlement periods

An *optional settlement period* provides you with the flexibility to settle the Forward transaction at any time during the agreed period, at the agreed *forward exchange rate*. You may require this feature if you're uncertain of the exact *settlement date* on which you need to exchange currencies.

For example, if you expect to make a payment in a foreign currency sometime around the 10th day of a future month, you may request an *optional settlement period* between the 5th day and the 15th day of that month.

The *forward exchange rate* for the Forward is determined taking into account the *optional settlement period* that you require.

### Significant benefits of FX transactions include:

- provides cash flow certainty;

- provides *exchange rate* protection; and
- *optional settlement periods* are available in the case of a Forward contract.

### Significant Disadvantages of FX transactions include:

- a FX transaction (contract) does not allow you to benefit from future favourable *exchange rate* movements.
- there may be a cost if the FX is terminated before the *settlement date*. See page 6.

### Significant risks include:

Risks derive from factors that are beyond your control. Starting from the time at which you enter a FX transaction with the Bank, risk factors may lead to changes in the financial outcomes that are unfavourable to you. Monitoring of any risks associated with this product is your responsibility (subject to the responsibility of the Bank for its own operational processes).

#### 1) Market risk

The Bank expects that in most cases, FX transactions are to be used for managing your foreign currency cash flows. If you enter into a FX transaction for a purpose other than the exchange of a foreign currency cash flow, you may be directly exposed to changes in the relevant foreign exchange market. These changes may result in losses to you.

When FX transactions are used to manage your foreign currency cash flows, there is a risk that you may not receive any benefit relative to not having entered into a FX transaction. This will occur if the relevant market *exchange rate* is more favourable to you than the agreed *exchange rate* on the *settlement date*.

Early termination of a FX transaction may result in a cost to you.

#### 2) Credit risk

Credit risk is common to all financial market products that you may hold with the Bank. In all

cases, you rely on the ability of the Bank to meet its obligations to you under the terms of each transaction.

### **3) Non-application of Division 2 of the Banking Act**

You should also note that as a branch of an overseas bank, SBIS is not covered by Division 2 of the Banking Act, and as such, is not subject to the depositor protection provisions of that Act.

### **4) Operational risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events.

You rely on the ability of the Bank and/or its agents to price and settle your FX transaction in a timely and accurate manner. The Bank in turn is dependent on the reliability of its own and its agents operational processes that include communications, computers and computer networks. Disruptions in the Bank's and its agents processes may lead to delays in the execution and settlement of your FX transaction. Such disruptions may result in contractual outcomes that are less favourable to you.

However, once you have entered into the FX transaction, the management of risks associated with its own operational processes and those of its agents is the responsibility of the Bank.

The risks described here may not include all risk considerations that may be relevant to you when transacting FX. Before transacting in this product you should be satisfied that this product is suitable for you. We recommend that you consult your investment advisor and obtain other independent advice.

## **Entering into and settling FX transactions**

### **Entering into a FX transaction**

Following credit approval by the Bank and, where required, your entering into the *master agreement and transactions addendum* (being part of the FX documentation), you may enter into FX transactions with the Bank.

The next steps are:

1. You contact the Bank and ask for a *FX rate* for a *currency pair* for a specified transaction amount and *settlement date* (or an *optional settlement period*).
2. If the Bank offers you a *spot exchange rate*, *value tomorrow exchange rate* or *forward exchange rate*, and if you accept the offer (which can be done verbally), a FX transaction is entered into between you and the Bank. All telephone conversations between you and the Bank will be recorded.
3. The Bank will send you a *confirmation letter* or a *forward exchange confirmation* setting out the details of your FX transaction. You must sign and return this *confirmation letter* or the *forward exchange confirmation*, as the case may be, to the Bank.

### **FX documentation**

The FX documentation comprises either:

1. a *master agreement and transactions addendum* and a *confirmation letter*; or
2. a *forward exchange confirmation*.

The FX documentation explains the terms and conditions of the FX transaction. Samples of the FX documentation can be obtained from the Bank on request.

### **Settling a FX transaction**

Subject to the terms and conditions of the FX documentation, on the *settlement date* the *currency pair* will be exchanged. You must ensure that you have sufficient *cleared funds* accessible to the Bank.

### **Variations to settlement dates**

If you need to vary the *settlement date* after you have entered into a FX transaction the following two variations are available subject to credit approval by the Bank.

## 1) Pre-delivery and Partial Pre-delivery

A pre-delivery is where the *settlement date* is adjusted from the existing *settlement date* to an earlier *settlement date*. For example, the *forward settlement date* is brought forward to 10 June from 25 June. Subject to an agreement by the Bank, you may also request the Bank to pre-deliver/settle a partial portion of the original contract amount on the earlier settlement date and the remaining balance to the existing settlement date.

For the above variations the agreed *exchange rate* will be adjusted to reflect the new *settlement date*. The adjusted *exchange rate* takes into account the factors set out in "Forward transactions" on page 3 and a funding cost/benefit. In the case with the Partial Pre-delivery of a FX transaction, the exchange rate adjustment is made to the part of the FX transaction that is to be settled earlier.

## 2) Extensions (Roll Over)

An extension is where the *settlement date* is adjusted from the existing *settlement date* to a new *settlement date* further into the future. For example, the *settlement date* for a Forward transaction is adjusted from 25 June to 25 July.

For the above variations the agreed *exchange rate* will be adjusted to reflect the new *settlement date*. The adjusted *exchange rate* takes into account the factors set out in "Forward transactions" on page 3 and a funding cost / benefit.

Where the adjusted *exchange rate* has been agreed with you, the Bank will send you a *confirmation letter* setting out the new details of your FX transaction. This must be signed and returned to the Bank.

A pre-delivery or an extension can also be arranged for a Spot transaction.

## Terminating a FX transaction

A FX transaction may be terminated before the *settlement date* either:

- by agreement between you and the Bank; or

- as set out in the FX documentation.

- a. Where the FX documentation comprises a *master agreement and transactions addendum* and a *confirmation letter*:

At termination, the Bank will calculate the *mark-to-market value* using prevailing market rates chosen by the Bank in good faith. The Bank determines the *mark-to-market value* having regard to what a person would pay the Bank, expressed as a negative number, or what the Bank would have to pay another person, expressed as a positive number, in order to take over your rights and obligations under the terminated FX transaction.

If more than one FX transaction is terminated the sum of all positive *mark-to-market values* will be set-off against the sum of all negative *mark-to-market values*. If, as a result of this calculation, the overall sum is positive, you must pay the Bank an amount equal to the total positive sum. Alternatively, if as a result of this calculation, the overall sum is negative then the Bank must pay you an amount equal to the total negative sum. The Bank will notify you as soon as practicable after making these calculations.

- b. Where the FX documentation comprises a *forward exchange confirmation*:

You will be liable for any loss, costs, fees, charges and expenses, including without limitation any break costs and interest, suffered or incurred by the Bank in consequence of the termination.

## Payments netting

Where a *master agreement and transactions addendum* is in place between you and the Bank, and if you have more than one FX transaction in place with the same *settlement date* and for the same *currency pair*, payments and receipts arising from the transactions may be "net settled". This means that all settlements are combined to a single net payment between you and the Bank.



## **Costs involved in FX transactions**

Please refer to Appendix A for the Schedule of Fees and Charges.

Your FX transaction may also be subject to government taxes and duties (if any).

## **Tax implications**

Spot, Value Tomorrow and Forward transactions may have tax implications. These can be complex and specific to your circumstances. Therefore, you should discuss taxation issues with your tax adviser before entering a Spot, Value Tomorrow or Forward transaction.

## **Anti Money Laundering and Terrorist Financing**

You acknowledge that SBIS is subject to anti Money Laundering laws in Australia and certain other countries (Money Laundering includes any dealing with the proceeds of criminal activity (wherever committed) and any dealing with funds or assets of, or the provision of finance to, any person or entity involved or suspected involvement in terrorism or any terrorist act) which may prohibit SBIS from entering or concluding transactions involving certain person or entities. You agree that SBIS may, and will incur no liability from any action it takes to comply with such laws and regulations.

You agree SBIS may delay, block or refuse to make a payment if SBIS believes on reasonable grounds that making a payment may breach any law in Australia or any other country, and SBIS will incur no liability to you if it does so.

You agree to provide all information to SBIS which SBIS reasonably requires to comply with any laws in Australia or other country. You agree SBIS may disclose information which you provide to SBIS where required by any laws in Australia or any other country.

Unless you have disclosed that you are acting in a trustee capacity or on behalf of another party, you warrant that you are acting on your own behalf in entering into this agreement.

You declare and undertake to SBIS that the payment of monies in accordance with your

instructions by SBIS will not breach any laws in Australia or any other country.

## **Code of Banking Practice**

SBIS observes the Code of Banking Practice while providing products and services to an individual or a small business (as defined in the Code of Banking Practice). A copy of the Code of Banking Practice is available at Internet: <http://www.bfso.org.au/> or upon request from us.

## **Privacy and Confidentiality - SBIS's Collection, Use and Disclosure of Personal Information**

When you deal with SBIS, SBIS is likely to collect and use some of your personal information. SBIS explains below when and how SBIS may collect and use your personal information.

## **Collection of your personal information by SBIS**

SBIS may collect your personal information:

- to assist in providing information about a product or service;
- to consider your request for a product or service;
- to enable SBIS to provide a product or service;
- to tell you about other products or services that may be of interest to you;
- to assist in arrangements with other organisations (such as loyalty partners) in relation to the promotion and provision of a product or service;
- to perform other administrative and operational tasks (including risk management, systems development and testing, credit scoring, staff training, and market or customer satisfaction research);

- to prevent or investigate any fraud or crime (or a suspected fraud or crime); and
- as required by relevant laws, regulations, codes and external payment systems.

## **Absence of relevant personal information**

If you do not provide some or all of the information requested, SBIS may be unable to provide you with a product or service.

## **Disclosures by SBIS**

Subject to our general duties of confidentiality towards our customers, SBIS may need to disclose your personal information to:

- Your referee(s);
- Credit reporting or debt collection agencies;
- An organisation that is in an arrangement or alliance with SBIS for the purpose of promoting or using their respective products or services (and any agents used by that organisation in administering such an arrangement or alliance);
- Any service provider SBIS engages to carry out or assist its functions and activities;
- Regulatory bodies, government agencies, law enforcement bodies and courts;
- Other parties SBIS is authorised or required by law to disclose information to;
- Other financial institutions (such as banks);
- Any person who introduces you to SBIS; and
- Your authorised agents or your executor, administrator or your legal representative.

## **Accessing your personal information held by SBIS**

Subject to the provisions of the Privacy Act, you may access your personal information at any time by asking to do so at SBIS. SBIS may charge you a reasonable fee for access.

If you can show that information about you is not accurate, complete and up to date, SBIS must take reasonable steps to ensure it is accurate, complete and up to date.

## **Collecting your sensitive information**

SBIS will not collect sensitive information about you, such as health information, without your consent.

## **Where you supply an SBIS member with personal information about someone else**

If you give SBIS personal information about someone else, please show them a copy of this clause so that they may understand the manner in which their personal information may be used or disclosed by SBIS in connection with your dealings with SBIS.

## **Further Information**

For further information on SBIS' privacy and information handling procedures, please refer to SBIS Privacy Policy Statement, which is available upon request from SBIS.

## **Making a Complaint**

If our service doesn't meet your expectations or we make a mistake, please let us know. You may contact us by calling SBIS on +61 2 9241 5643, or talk to staff at SBIS, or send a letter to SBIS at:

**Suite 2 & 3, Level 12,  
234 George Street  
Sydney NSW 2000  
Email: [info@sbisyd.com.au](mailto:info@sbisyd.com.au)  
Fax: +61 2 9247 0536**

Most often SBIS will be able to immediately solve the problem. Our aim is to resolve the complaint within 21 days. If this is not possible, SBIS will keep you informed on the progress of your matter and how long SBIS expects it will take to resolve your complaint.

*Within 21 days of receiving your complaint, we will advise you in writing of either:*

- *the outcome of our investigation; or*
- *the fact that we need more time to complete our investigation.*

*We will complete our investigation with in 30 days of receipt of your complaint, unless there are exceptional circumstances. In such circumstances, we will write to you and let you know the reasons for the delay and provide you with monthly updates on the progress of our investigation and its likely resolution date, except where we waiting for a response from you and you have been advised that we require such a response.*

## **Financial Services Dispute Resolution Schemes**

If you are not satisfied with the steps taken by SBIS to resolve the complaint, or with the result of our investigation, you may wish to refer the matter to:

**Banking & Financial Services Ombudsman Ltd**  
**ABN 48 050 070 034**  
**GPO Box 3A**  
**Melbourne VIC 3001**

**Tel: 1300 780 808**  
**Fax: +61 3 9613 7345**  
**Internet: <http://www.bfso.org.au/>**

## Definitions

**"AUD"**: Australian dollars.

the **"Bank"** or **"SBIS"**: State Bank of India Sydney Branch.

**"business day"**: a day in which banks are open for business in Sydney.

**"cleared funds"**: funds that are immediately available to you for settlement of a FX transaction.

**"confirmation letter"**: a letter confirming the details of a particular FX transaction.

**"currency pair"**: the two currencies that are the subject of the FX transaction.

**"exchange rate"**: the expression of the value of one currency in terms of another.

For example, in the *exchange rate* AUD/USD0.7300, one Australian dollar is equal to 73 United States cents (AUD1.0000 = USD0.7300).

**"Forward"**: a FX transaction with a *settlement date* that is more than 2 *business days* after the *trade date*.

**"forward exchange confirmation"**: a letter confirming the details of a particular FX transaction where the FX transaction is not to be governed by a master agreement.

**"forward exchange rate"**: the expression of the value of one currency in terms of another where the *settlement date* is more than 2 *business days* after the *trade date*. A *forward exchange rate* is the *spot exchange rate* of the currencies on the *trade date* adjusted for the *forward points*.

**"forward points"**: the value of the *interest rate differential* for the *currency pair* over the period from the *spot settlement date* to the *forward settlement date*, expressed as an adjustment to the *spot exchange rate*.

**"forward settlement date"**: a *settlement day* for a Forward transaction, which is greater than 2 *business days* from the *trade date*.

**"interest rate differential"**: the difference between the interest rates applicable to the

*currency pair* for the term of a *value today, value tomorrow* or Forward transaction.

**"mark-to-market value"**: a valuation method where an existing FX transaction is valued against current market rates to calculate any potential profit or loss on termination.

**"market spot exchange rate"**: the current or prevailing *spot exchange rate* in the foreign exchange market before an allowance for the Bank's costs, both fixed and variable; and the Bank's profit margin.

**"master agreement and transactions addendum"**: the Bank's Derivatives Master Agreement and Forward Exchange Transactions Addendum.

**"optional settlement period"**: a range of *settlement dates* allowed under a Forward transaction agreed between you and the Bank before the Forward transaction is entered.

**"parties to the agreement"**: the parties to the FX transaction are you and the Bank.

**"settlement date"**: a *business day* on which the *currency pair* subject to a FX transaction is exchanged.

**"Spot"**: a FX transaction with a *settlement date* that is 2 *business days* after the *trade date*.

**"spot exchange rate"**: the expression of one currency in terms of another for exchange on the *spot settlement date* after an allowance for the Bank's costs, both fixed and variable; and the Bank's profit margin.

**"spot settlement date"**: the *settlement date* for a Spot transaction, which is 2 *business days* from the *trade date*.

**"term"**: the period from and including the *trade date* to and including the *settlement date*.

**"termination date"**: a date on which you or the Bank terminate the FX transaction.

**"trade date"**: the date on which a FX transaction is entered into by the *parties to the agreement*.

**"USD"**: United States dollars.

**“value today”**: a FX transaction with a *settlement date* that is on the same day as the *trade date*.

**“value Tomorrow”**: a FX transaction with a *settlement date* that is 1 *business day* after the *trade date*.

**“value tomorrow points”**: the *interest rate differential* of the *currency pair* being traded for the period from the *spot settlement date* to the *value tomorrow settlement date*.

**“value tomorrow settlement date”**: the *settlement date* for a Value Tomorrow transaction, which is 1 *business day* from the *trade date*.

**“value tomorrow exchange rate”**: the expression of the value of one currency in terms of another where the *settlement date* is one *business day* after the *trade date*.

**“volatility factor”**: the degree of fluctuation in the *market spot exchange rate* and/or *forward points* at the time the FX transaction is entered into.

**“you”, “your”**: the customer who is one of the *parties to the agreement*.

### Currency pairs dealt in the Branch

Examples are included below

| Sovereign Currencies       | Day count convention |
|----------------------------|----------------------|
| Australian Dollars (AUD)   | 365                  |
| Euro (EUR)                 | 360                  |
| Great British Pounds (GBP) | 365                  |
| Hong Kong Dollars (HKD)    | 360                  |
| Indian Rupees (INR)        | 365                  |
| Japanese Yen (JPY)         | 360                  |
| New Zealand Dollars (NZD)  | 365                  |
| Singapore Dollars (SGD)    | 360                  |
| United States Dollars      | 360                  |

**APPENDIX A  
SCHEDULE OF FEES AND CHARGES**

**Transaction fees in Australian Dollars**

| Description             | Fee*                    | When payable                        |
|-------------------------|-------------------------|-------------------------------------|
| New Forward transaction | \$15.00 per transaction | on <i>trade date</i>                |
| Pre-delivery            | \$10.00 per transaction | on the new <i>settlement date</i> . |
| Extension               | \$15.00 per transaction | on the new <i>settlement date</i> . |
| Termination             | \$15.00 per transaction | on <i>settlement date</i> .         |

\* Fees are charged directly to a nominated Australian Dollar account held with the Bank.

All fees directly applicable to this product are input taxed which means the Bank does not charge GST on these fees.

**Details of current *exchange rates*, including all of the *foreign currencies* in which the Bank offers FX transactions, as well as information on interest rates, are available on request from Vice President (Trade Finance)/Vice President (Treasury).**