Non-Deliverable Forward.

Product Disclosure Statement.

Issued by Westpac Banking Corporation
Australian Financial Services Licence No. 233714
ABN 33 007 457 141

Dated: 28 June 2019

200 years proudly supporting Australia

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Important information.

A Product Disclosure Statement (**PDS**) is an information document. Its purpose is to provide you with enough information so that you can decide if the product will meet your needs. A PDS is also a tool for comparing the features of other products you may be considering. If you have any questions about this product, please contact us on any of the numbers listed at the back of this PDS.

This PDS relates to Non-Deliverable Forwards (NDFs) issued by Westpac Banking Corporation (ABN 33 007 457 141 AFSL 233714) (**Westpac, we, our** or **us**). We are the issuer of this PDS. An NDF is a sophisticated financial product requiring a good understanding of the way foreign exchange contracts and markets work. You should read and consider all sections of this PDS carefully before making a decision about the suitability of this product for you. You may also wish to obtain independent expert advice.

If you decide to enter into an NDF, you should keep a copy of this PDS and any associated documentation. You should also promptly tell us if at any time you experience any financial difficulty.

The meaning of some terms in this PDS (indicated by using a capital letter at the beginning of the term) is included in the Glossary on page 15.

The information set out in this PDS is general in nature. It has been prepared without taking into account your objectives, financial situation or needs. Because of this, you should consider its appropriateness having regard to your objectives, financial situation and needs. By providing this PDS, Westpac does not intend to provide financial advice or any financial recommendations.

Information relating to NDFs that is not materially adverse may change from time to time.

The information in this PDS may be updated and made available to you on our website at www.westpac.com.au. We will provide you with a paper copy of any updated information posted on our website on request without charge. If there is a change to information relating to NDFs that is materially adverse, we will (depending on the nature of the change or event) notify you within three months of the change or event and will issue a replacement or supplementary PDS where required.

This PDS, and any invitation to apply for an NDF that this PDS relates to, is intended for retail clients in Australia only. Distribution of it in jurisdictions outside Australia may be restricted by law and persons who come into possession of it, who are not in Australia, should seek advice. If you are in Australia and have received it electronically, we will give you a paper copy on request, without charge. To obtain a copy, refer to the contact details listed at the back of this PDS.

Non-Deliverable Forward (NDF) Summary.

ISSUER	WESTPAC BANKING CORPORATION (ABN 33 007 457 141 AFSL 233714).
Purpose	An NDF is a foreign exchange product designed to assist you in reducing your foreign exchange risk, specifically in situations when physical delivery of the underlying currencies is not required or not possible. It may help you to manage a currency risk you are exposed to.
Suitability	An NDF may be suitable if you have a good understanding of foreign exchange markets and have a genuine commercial need to manage currency risk associated with a particular Currency Pair. It should not be used for trading or speculative purposes.
Costs	There are no up-front out of pocket costs with an NDF. See the section titled “What are the costs?” on page 7 for more information
Key Benefits	**Protection –** An NDF provides you with protection against unfavourable exchange rate movements. **Coverage –** NDFs are available for a wide range of currencies. Please contact us to confirm whether your desired currency is covered. Our contact details are set out on the back page. **Managing foreign currency risk –** Where physical delivery of the underlying currencies is not required or not possible, NDFs provide a means of reducing foreign exchange risk. **Flexibility –** Key variables, including the Currency Pair, the Settlement Date and the Reference Currency amount, can be tailored to meet your particular needs. See the section titled “Key Benefits” on page 7 for more information.
Key Risks	**Opportunity loss –** You will not receive the benefit of favourable exchange rate movements. **Variation / Early termination –** You can vary or terminate an NDF early but there may be a cost if you do so. **No cooling off period –** There is no cooling off period. **Counterparty and operational risk –** Westpac has performance obligations under an NDF. You need to form a judgment of our ability to meet those obligations. **Currency restrictions –** Some currencies may be subject to legal and regulatory obligations. **Use of agent and correspondent banks –** Westpac may use agents and correspondent banks to deliver some currencies (other than Australian dollars). See the section titled “Key Risks” on page 7 and the section titled “Can I terminate an NDF before the Settlement Date?” on page 6 for more information.
Term	3 days to 2 years after the Trade Date. (A Settlement Date later than 2 years after the Trade Date may be available on request.)
Minimum Transaction Amount	There is no minimum transaction amount
How to Apply	Contact your existing Westpac representative. Alternatively, you can contact us at the details listed at the back of this PDS.

Non-Deliverable Forward (NDF).

What is a n NDF?

A Non Deliverable Forward Transaction (NDF) is an agreement between you and Westpac which protects you against in favourable exchange rate movements. It is a cash settled transaction,meaning that there is no exchange of currencies at maturity as there is with a typical foreign exchange transaction. Rather, there is a single amount payable by either you or Westpac. A contract rate is agreed up-front, together with the fixing rate (and corresponding fixing date). The contract rate and fixing rate are used to calculate the amount payable on the nominated maturity date.

An NDF may be useful in managing the currency risk associated with exporting or importing goods purchased in foreign currency, investing or borrowing overseas, repatriating profits, converting foreign currency denominated dividends, or settling other foreign currency contractual arrangements.

It is particularly useful where physical exchange is not required on the maturity date or in cases where a foreign central bank limits offshore access to its domestic cash markets.

An NDF should only be used where you have a genuine commercial need to manage currency risk associated with a particular currency pair. It should not be used for trading or speculative purposes..

How do NDFs work?

When you enter into an NDF, you nominate the amount of the transaction (the notional principal amount) and the two currencies involved (the settlement currency and the non-deliverable currency). These currencies are known as the currency pair and must be acceptable to Westpac. The notional principal amount will be denominated in units of the non-deliverable currency.

You also nominate the maturity date on which you want cash settlement to occur. Westpac will then determine the contract rate and the fixing rate which will be used, depending on the maturity date you select. More information on how these rates are determined is set out below.

If you are concerned about the non-deliverable currency weakening against the settlement currency (i.e. you are effectively receiving the non-deliverable currency in the future), you will enter into an NDF where you elect to sell the non-deliverable currency and purchase the settlement currency on the maturity date.

Alternatively, if you are concerned about the non-deliverable currency strengthening against the settlement currency (i.e. you are effectively paying the non-deliverable currency in the future), you will enter into an NDF where you elect to purchase the non-deliverable currency and sell the settlement currency on the maturity date.

In each case, there are two possible outcomes at maturity:

- if the contract rate is more favourable for you than the fixing rate, Westpac will pay you the difference in the settlement currency
- if the contract rate is less favourable for you than the fixing rate, you will pay Westpac the difference in the settlement currency.

How does Westpac determine my Contract Rate?

The Contract Rate is a nominal foreign exchange rate determined by Westpac. When determining the contract rate, Westpac takes several factors into account, including:

- the currency pair and the time zone you choose to trade in;
- the maturity date set by you;
- inter-bank foreign exchange rates;
- the notional principal amount;
- market volatility;
- Westpac's margin; and
- inter-bank interest rates of the countries of the currency pair.

It is important to note that the contract rate does not represent a forecast that Westpac has made, nor is it a guarantee of future exchange rates.

How does Westpac determine my Fixing Rate?

The fixing rate for each particular currency is sourced from independent market rate sources used by the financial markets industry. Generally, these rates will be sourced from rates published on Reuter's reference pages. These pages generally provide fixing rates for the currency in question against the USD at given times during each business day.

The fixing date is the date that the fixing rate is determined. Appendix A provides examples of some of the different approaches to determining the fixing date for particular fixing rates.
You will notice that the fixing rates in Appendix A are all against USD. In situations where an NDF is required against AUD or NZD rather than USD, Westpac will determine the way the fixing rate will be determined based on the nominated currency pair.

How does Westpac determine the Cash Settlement Amount?

Westpac calculates the cash settlement amount using the notional principal amount, the contract rate and the fixing rate.

The cash settlement amount will be the net difference between the contract settlement currency amount and the fixing settlement currency amount, where:

contract settlement currency amount = notional principal amount converted at the contract rate

and,

fixing settlement currency amount = notional principal amount converted at the fixing rate

Depending on the terms of your NDF (in particular whether you are buying or selling the non-deliverable currency) the difference between these amounts will be payable by you to Westpac or by Westpac to you.

Where you are effectively selling the non-deliverable currency to Westpac on the maturity date:

- if the contract settlement currency amount is greater than the fixing settlement currency amount Westpac pays you the difference.
- if the contract settlement currency amount is less than the fixing settlement currency amount you pay Westpac the difference.

Where you are effectively buying the non-deliverable currency from Westpac on the maturity date:

- if the contract settlement currency amount is less than the fixing settlement currency amount Westpac will pay you the difference.
- if the contract settlement currency amount is greater than the fixing settlement currency amount you will pay Westpac the difference.

What happens at maturity?

NDFs are cash-settled. This means that at maturity, no actual currency exchange occurs. Instead as outlined above, one party pays the other a cash amount in the settlement currency.

These payments are due on the maturity date.

- If Westpac pays you, it will do so by depositing the funds into a Westpac account in your name.
- If you pay Westpac, you need to do so in clear Australian dollar funds. If the cash settlement amount is denominated in a foreign currency amount, you can pay us by telegraphic transfer or by transferring funds from a foreign currency account/deposit. Alternative arrangements can be made with Westpac's agreement.

Can I terminate an NDF before maturity?

You may ask us to terminate the NDF at any time up to and including the fixing date. We will then provide you with a termination quote. If you accept the termination quote, we will cancel the NDF.

Our termination quote will incorporate the same variables (the contract rate, currencies, term, notional principal amount, fixing rate and maturity date) used when pricing the original NDF.

These will be adjusted for the prevailing market rates over the remaining term of the NDF. We will also need to consider the cost of reversing or offsetting your original transaction. When doing this we take into account the current market rates that apply to any offsetting transactions.

Can I bring the maturity date forward?

At any time up to the fixing date, you may ask Westpac to bring the maturity date of your transaction forward.

Westpac will quote you a forward margin to do this, as an adjustment to your existing contract rate. Our quote will take into account your existing contract details, the exchange rate and the relevant market interest rates available at that time.

This forward margin will be expressed in exchange rate points and may be positive or negative. Whereit is positive it will be added to your existing contract rate. Where it is negative it will be subtracted.

If you accept the forward margin quote, we will send you an amended confirmation.

Can I extend the maturity date?

At any time up to the fixing date, you may ask Westpac to extend the maturity date of your transaction.

All extensions will be subject to Westpac's Credit Approval process. If Westpac agrees to extend your original maturity date, we will quote you a forward margin to do this as an adjustment to your existing contract rate. The extension quote takes into account your existing contract details, the exchange rate and the relevant market interest rates available at that time.

This forward margin will be expressed in exchange rate points and may be positive or negative. Where it is positive it will be added to your existing contract rate. Where it is negative it will be subtracted.

If you accept the extension we will send you an amended confirmation.

How do newly declared holidays affect my fixing date and maturity date?

In many Asian countries, holidays are subject to change, especially those which are lunar based. If a new holiday is declared, the market adopts the following conventions:

- If the holiday falls on the maturity date, the date is moved forward to the next business day.
- If the holiday falls on the fixing date, or between the fixing and maturity dates, the maturity date remains the same and the fixing date is brought forward one business day.

In each case, you can request to keep the original dates, but your request may not always be granted.

Are there any Westpac credit requirements before dealing?

Before entering into an NDF, Westpac will assess your financial position to determine whether your situation satisfies our normal credit requirements. This assessment is to determine your creditworthiness: we do not consider the suitability of this product for you as part of this process.

If your application is successful, you may need to sign Westpac's standard finance documentation.

This documentation sets out the terms of the credit approval and other matters relevant to your application.

Costs, Benefits and Risks.

What are the costs?

There are no up-front out of pocket costs with an NDF. Once the non-deliverable currency, settlement currency and maturity date are nominated by you Westpac will determine the contract rate. When determining that rate Westpac takes several factors into account – see ‘How does Westpac determine my contract rate?’ on page 5 for more information.

While there are no up-front costs with NDFs, Westpac still derives a financial benefit by incorporating a margin into the contract rate. This means that this rate will be different to the market rate prevailing at that time. In effect you pay for the NDF by accepting the contract rate quoted by Westpac.

Key Benefits.

Protection

NDFs provide you with protection against unfavourable foreign exchange movements between the time you enter into an NDF and the maturity date. This can assist you in managing your foreign currency exposures. You exchange the uncertainty of exchange rate fluctuations for the certainty of an agreed cash flow.

Coverage

NDFs are available for a wide range of currencies

Managing risk

Where exchange restrictions do not allow physical delivery of currency, NDFs provide a means of negating foreign exchange risk.

Flexibility

NDFs are flexible. The maturity date and the contract amount can be tailored to meet your particular requirements.

Key Risks.

Opportunity loss

You will forego any benefit of a favourable exchange rate movement between the time you enter into an NDF and the maturity date.

Variation / Early termination

Cancellations or adjustments may result in a cost to you – see the sections titled ‘Can I terminate an NDF before maturity?’, ‘Can I bring the maturity date forward?’ and ‘Can I extend the maturity date?’ on page 6 for more information.

Cooling off period

There is no cooling off period.

Counterparty and operational risk

As is the case with most financial markets products we enter into, Westpac has performance obligations under an NDF. If we are unable to perform our obligations under your NDF, you may be exposed to market exchange rate fluctuations as if you had not entered into an NDF.

Our ability to fulfil our obligations is linked to our financial wellbeing and to the effectiveness of our internal systems, processes and procedures. The first type of risk (our financial wellbeing) is commonly referred to as **credit or counterparty risk**. The second type of risk (the effectiveness of our internal systems, processes and procedures) is commonly referred to as **operational risk**.

You must make your own assessment of our ability to meet our obligations. However, as a regulated Australian bank we are subject to prudential regulation which is intended to reduce the risk of us failing to perform our obligations.

Further information about Westpac, including copies of our recent financial statements, is available on our website at www.westpac.com.au

Documentation and Confirmation.

What documentation is required?

Master dealing agreement

You will usually need to sign a master dealing agreement if you want to enter into an NDF. This agreement will either be a Westpac specific dealing agreement or an industry standard master dealing agreement.

We will advise you which master dealing agreement you need to sign.

The master dealing agreement governs the dealing relationship between you and us and sets out the terms and conditions that will apply to all transactions that we enter into with you that are covered by the agreement. In particular, they document the situations where those transactions can be terminated and the way the amount to be paid following termination is calculated.

You will be provided with a copy of the relevant master dealing agreement and we strongly recommend that you fully consider its terms before signing. You should obtain independent advice if you do not understand any aspect of the document

Documentation for certain restricted currencies

Other documentation may be required for NDFs involving certain currencies. Where possible, we will attempt to inform you of any specific requirements; however you are responsible for complying with any legal or regulatory obligations. We suggest that you seek and obtain your own independent, expert advice in relation to such matters.

Email or facsimile authority and indemnity

If you would like to provide us with email or facsimile instructions in relation to NDFs, we will require you to complete an email or facsimile authority and indemnity. The purpose of the email or facsimile authority and indemnity is to protect us against the consequences of acting upon instructions which may not represent your genuine wishes, but which appear to us to be genuine.

Historical Rate Rollover (HRR)

If you wish to set the Rate of Exchange that is applied to one of the legs of an NDF you may be required to sign our standard HRR documentation. This document sets out a number of requirements that you will need to satisfy before we will consider your request to do this. It does not guarantee that we will always agree to do this. That decision will be subject to our credit approval process. A copy of our HRR documentation is available on request. You should make your own assessment and obtain your own advice regarding the risks associated with using NDFs to effectively vary the maturity date of an existing FX transaction where you are looking to manage cashflow outcomes.

Other documentation

You may be requested to complete additional documentation before you enter into an NDF, depending on the outcome of Westpac's assessment of your creditworthiness. We will inform you if any further documentation is required at that time..

What about Confirmations?

The commercial terms of a particular NDF will be agreed at the time of dealing. This may occur over the phone or electronically. Once we reach an agreement, both you and Westpac are bound by the terms of the NDF.

Shortly after entering into an NDF, Westpac will send you a confirmation outlining the commercial terms of the transaction. You will need to sign this confirmation and return it to Westpac.

This confirmation evidences the transaction entered into under your master agreement with us.

This confirmation will include:

- the non-deliverable currency and the agreed notional principal amount
- the settlement currency
- the contract rate
- the basis for determining the fixing rate – the fixing rate source and the fixing date
- the maturity date

This confirmation will also specify that any cash payment to you will be settled under advice to you through your Westpac transactional account.

It is extremely important that you check the confirmation to make sure that it accurately records the terms of the transaction. If there is a discrepancy between your understanding and the confirmation, you will need to raise it with your Westpac representative as a matter of urgency.

In addition, Westpac will send you a settlement advice on the fixing date detailing the calculations of all cash settlement flows and advising you of any payments due to you or by you on the maturity date under your NDF.

Examples.

The examples below are indicative only and use rates and figures selected to demonstrate how the product works. In order to assess the merits of any NDF, you would need to use the actual rates and figures quoted to you at the time. Note that the calculations below include rounding of decimal places.

Scenario 1 - Foreign Currency Payment.

You are an Australian based company importing goods from China. You are billed in Chinese Renminbi (CNY) but you are required to pay in US dollars (USD). Your supplier's latest invoice requires you to pay the USD equivalent of CNY 1 million in 3 month's time. Assume the current USD/CNY exchange rate for value spot is 6.84.

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

If you did nothing, the amount of USD you will be obliged to pay in 3 months' time will depend on the USD/CNY foreign exchange rates at that time.

For example, if the USD/CNY foreign exchange rate rises to 7.01, the USD amount you are required to pay will be:

USD 142,653.35
(= CNY 1,000,000 / 7.01)

Alternatively, if the USD/CNY market foreign exchange rate falls to 6.75, the USD amount you are required to pay will be:

USD 148,148.15
(= CNY 1,000,000 / 6.75)

How will an NDF change this?

You wish to protect yourself against the USD depreciating against the CNY, in order to limit the amount of USD you will have to pay in 3 months' time. You enter into a USD/CNY NDF and set a contract rate for 3 months' time.

You set the notional principal amount of your trade to be CNY 1,000,000. At the same time you also agree the fixing methodology (Reuters page SAEC for USD/CNY) and the fixing date (two days prior to the NDF's maturity date). Westpac gives you a contract rate of 6.87.

The possible outcomes on the maturity date are:

a) if the fixing rate on the fixing date is less favourable to you than the contract rate Westpac will pay you the cash settlement

amount in USD on the maturity date.

For example, if the fixing rate for USD/CNY is 6.75 the fixing settlement currency amount will be:

USD 148,148.15
(= CNY 1,000,000 / 6.75)

while, the contract settlement currency amount will be:

USD 145,560.41
(=CNY 1,000,000 / 6.87)

Accordingly, the difference (USD 2,587.74) will be payable by Westpac to you on the maturity date.

The cash settlement amount will compensate you for the higher USD amount you will need to pay for your goods. To purchase your goods, you would have had to pay USD 148,148.15. With the benefit of the USD cash settlement amount you receive under the NDF (USD 2,587.74), your total USD outlay will be reduced to USD 145,560.41 This is equivalent to a USD/CNY exchange rate of 6.87, i.e. the NDF contract rate.

b) if the fixing rate on the fixing date is more favourable to you than the contract rate you will pay the cash settlement amount in USD to Westpac on the maturity date.

For example, if the fixing rate for USD/CNY is 7.01 the fixing settlement currency amount will be:

USD 142,653.35
(= CNY 1,000,000 / 7.01)

while, the contract settlement currency amount will be:

USD 145,560.41
(=CNY 1,000,000 / 6.87)

Accordingly, the difference (USD 2,907.06) will be payable by you to Westpac on the maturity date.

The cash settlement amount you pay Westpac will diminish the extent to which you would have benefited through the lower USD amount when you pay for your goods. To purchase your goods, you pay USD 142,653.35. Adding the cash settlement amount (USD 2,907.06) your total USD outlay will now be USD 145,560.41.This is equivalent to a USD/CNY exchange rate of 6.87, i.e. the NDF contract rate.

Entering into an NDF has effectively removed the uncertainty of fluctuations in the USD/CNY exchange rate on the USD amount you will pay for your goods. However, you should also note that as an Australian company while you have effectively fixed your USD requirement with an NDF you will still need to obtain the required USD amount to pay for your goods. Accordingly, you will need to decide how you manage this risk to the AUD/USD exchange rate over the 3 months. NDFs can be denominated in AUD or alternatively the AUD/USD risk can be managed separately.

Scenario 2 - Foreign Currency Receipt.

You are an Australian based company exporting goods to Korea. You invoice your customer in Korean Won (KRW) but your customer pays you in AUD. Your latest invoice requires your customer to pay the AUD equivalent of KRW 120,000,000 in 3 months' time. Assume the current AUD/KRW market exchange rate for value spot is 998.00.(This is calculated with reference to the AUD/USD exchange rate and then the USD/KRW exchange rate).

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

If you did nothing, the amount of AUD you will receive in 3 months' will depend on the AUD/KRW exchange rate at that time.

If the AUD goes up, the KRW will become less valuable and as a consequence, you will receive fewer AUD.

For example, if the AUD/KRW foreign exchange rate rises to 1015.00, the AUD amount you receive will be:

AUD 118,226.60
(= KRW 120,000,000 / 1015.00)

Alternatively, if the AUD/KRW exchange rate goes down, the KRW will become more valuable and as a consequence, you will receive more.

For example, if the AUD/KRW market foreign exchange rate falls to 970.00, you will receive:

AUD 123,711.34
(= KRW 120,000,000 / 970.00)

How will an NDF change this?

If you wish to protect yourself against the AUD appreciating against the KRW, you can enter into an NDF with a maturity date in 3 months' time.

You set the notional principal amount of your trade to be KRW 120,000,000. At the same time you also agree the fixing rate and the fixing methodology (Reuters page RBA26 for AUD/USD and Reuters page KFTC18 for USD/KRW) and the fixing date for each currency (2 days prior to the maturity date). Westpac gives you a contract rate of 991.00.

The possible outcomes on the maturity date are:

a) if the fixing rate on the fixing date is less favourable to you than the contract rate Westpac will pay you the cash settlement amount in AUD on the maturity date.

   For example, if the fixing rate for AUD/KRW is 1017.869 (based on USD/KRW of 1583.00 and AUD/USD of 0.6430) the fixing settlement currency amount will be:

   AUD 117,893.36
   (= KRW 120,000,000 / 1017.869)

   while the contract settlement currency amount will be:

   AUD 121,089.81
   (=KRW 120,000,000 / 991.00)

   Accordingly, the difference (AUD 3,196.44) will be payable by Westpac to you on the maturity date.

   The cash settlement amount will compensate you for the lower AUD amount you will receive for your goods. Your customer will pay you AUD 117,893.36. Adding to this the AUD cash settlement amount Westpac pays you (AUD 3,196.44), your total AUD receipt will be AUD 121,089.81. This is equivalent to an AUD/KRW exchange rate of 991.00, i.e. the NDF contract rate.

b) if the fixing rate on the fixing date is more favourable to you than the contract rate you will pay the cash settlement amount to Westpac in AUD on the maturity date.

   For example, if the fixing rate for AUD/KRW is 971.50 the fixing settlement currency amount will be:

   AUD 123,520.33
   (= KRW 120,000,000 / 971.50)

   while the contract settlement currency amount will be:

   AUD 121,089.81
   (=KRW 120,000,000 / 991.00)

   Accordingly, the difference (AUD 2,430.52) will be payable by you to Westpac on the maturity date.

   The cash settlement amount you pay Westpac will diminish the extent to which you would have benefited through the higher AUD amount you receive for your goods. Your customer will pay you AUD 123,520.33. Subtracting the cash settlement amount (AUD 2,430.52) your total AUD receipt will be AUD 121,089.81. This is equivalent to an AUD/KRW exchange rate of 991.00, i.e. the NDF contract rate.

Entering into an NDF has effectively removed the uncertainty of fluctuations in the AUD/KRW exchange rate on the AUD amount you will receive for your goods. You have effectively fixed your conversion rate into AUD at 991.00.

Scenario 3 - Foreign Currency Receipt – Extending the Maturity Date

You are the Australian company in Scenario 2. You have just been notified that your shipment of goods has been delayed for one month and accordingly you extend the payment terms to your customer by one month as well.

You contact Westpac and request to have your original maturity date extended for one month. In this instance, Westpac agrees to the extension.

Based on your existing contract details, the relevant exchange rate and the relevant market interest rates available at that time, Westpac calculates the extension margin to be -2.90.

You accept this quote and the details of your NDF are amended accordingly. With the extended maturity date, your new contract rate becomes 988.10, calculated as follows:

New contract rate	=	Old Contract rate	+	margin
(988.10)	=	(991.00)		(-2.90)

Old

By extending your NDF, you align the maturity date of your contract with the date you receive payment for your goods.

You have retained your exchange rate protection for an additional month. However, as with the original NDF, by removing the uncertainty of exchange rate fluctuations you have lost the opportunity to take advantage of any favourable movements that may occur.

Scenario 4 - Foreign Currency Payment – Bringing the Maturity Date forward

You are the Australian company in Scenario 1. You have just been notified that your shipment of goods has been brought forward and accordingly you will be required to pay for your goods one month earlier.

You contact Westpac and request to have your original maturity date brought forward one month.

Based on your existing contract details, the relevant exchange rate and the relevant market interest rates available at that time, Westpac calculates a margin to do this of -0.01.

You accept this quote and the details of your NDF are amended accordingly. With the new maturity date, your new contract rate becomes 6.83,

calculated as follows:

New contract rate	=	Old Contract rate	+	margin
(6.86) =		(6.87)		(-0.01)

By shortening your NDF, you align the maturity date of your contract with the date you pay for the goods.

You have retained your exchange rate protection. However, as with the original NDF, by removing the uncertainty of exchange rate fluctuations you have lost the opportunity to take advantage of any favourable movements that may occur.

General Information.

What information we need from you.

In order to enter into an NDF with you, we'll need some important details from you. Depending on the legal nature of your business (company, partnership etc.) you will be required to provide certain documents and information to us.

Under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (AML/CTF Laws) it is a requirement that the account holder and all signatories to the account must be identified. So if you're opening an account for the first time this applies to you. It also applies to any account holder or signatory who is not an existing customer.

The identification requirements can be met by completing the Westpac identification procedure which involves providing identity documentation to Westpac. For information on documents required please contact any branch or refer to our website – westpac.com.au.

If the account holder or any of the signatories to an account are not identified in terms of the AML/CTF Laws, the account will be blocked for all withdrawals, until they are identified.

If you are an existing customer, an account signatory (or any other cardholder), identification requirements may have previously been satisfied so you don't need to provide it again, unless you are asked to do so by us.

Banking Code of Practice.

We have adopted the Banking Code of Practice 2019 (Banking Code). The Banking Code sets out the standards of practice and service for Australian banks to follow when dealing with certain customers.

If you are an 'individual' or a 'small business' (each term as defined in the Banking Code), the relevant provisions of the Banking Code will apply to the banking service described in this PDS and prevail to the extent of any inconsistency with these terms and conditions.

You can obtain a copy of the Banking Code from our website or any of our branches. Please let us know if you would like to discuss whether or not the Banking Code will apply to you. Our contact details are set out on the back page.

Financial crimes monitoring.

Westpac is bound by laws that impose regulatory and compliance obligations, including obligations in relation to the prevention of money laundering and the financing of terrorism, which are the AML/CTF Laws. In order for Westpac to meet its regulatory and compliance obligations, we perform certain control and monitoring activities.

Upon entering into any NDF with Westpac, you agree and provide the following undertakings and agree to indemnify Westpac against any potential loss arising from any breach by you of such undertakings that:

- you are not and will not enter into any agreement with Westpac under an assumed name;
- any funds used by you to enter into an agreement with Westpac have not been derived from or related to any criminal activities;
- any payments received from Westpac will not be used in relation to any criminal activities;
- if we ask, you will provide us with additional information we reasonably require from you for the purposes of meeting our regulatory and compliance obligations, including the obligations under AML/CTF Laws (including information about the source of funds used to settle an NDF); and
- you and your NDF with Westpac will not initiate, engage or effect a transaction that may be in breach of Australian law or sanctions (or the law or sanctions of any other country).

You should be aware that:

- we may obtain information about you or any beneficial owner of an interest in an agreement with Westpac from third parties if we believe this is necessary to comply with our regulatory and compliance obligations, including AML/CTF Laws;
- transactions may be delayed, blocked, frozen or refused where we have reasonable grounds to believe that they breach Australian law or sanctions or the law or sanctions of any other country;
- where transactions are delayed, blocked, frozen or refused, Westpac and other members of the Westpac Group are not liable for any loss you suffer (including consequential loss) in connection with an NDF; and
- where legally obliged to do so, we may disclose information that we hold about you to our related bodies corporate or service providers, other banks, or relevant regulatory and/or law enforcement agencies (whether in or outside of Australia).

Foreign Tax Residents.

We are required under domestic and international laws to collect and report financial and account information relating to individuals and organisations who are, or may be, foreign tax residents. We may ask you whether you or any shareholder, beneficiary, settlor or controlling person are a foreign tax resident from time to time, such as when you open an account with us, or if your circumstances change. If you do not provide this information to us we may be required to limit the services we provide to you.

Unless you tell us otherwise, by completing any application, you certify that any shareholder, named beneficiary, settlor or controlling person is not a foreign tax resident. You must tell us if you, or any shareholder, named beneficiary, settlor or controlling person is, or becomes, a foreign tax resident (unless an exemption applies, such as for shareholders of listed companies). Where there are no named beneficiaries (e.g. for beneficiaries identified only as a class) you must tell us if a beneficiary is a foreign tax resident immediately when any decision is made to identify and make a distribution to them. You may contact us to provide foreign tax residence information by calling 1300 725 863.

We cannot give tax advice, so please contact your independent tax advisor if you need help finding out whether any person is a foreign tax resident.

Telephone conversations.

The terms of an NDF are usually agreed verbally over the phone or electronically over an on-line system. Once we have reached an agreement, both you and Westpac are bound by the terms of the NDF.

Conversations with our dealing room and settlement departments are recorded. This is standard market practice. We do this to make sure that we have complete records of the details of all transactions. Recorded conversations are retained for a limited period and are usually used where there is a dispute or for staff training and monitoring purposes.

You will need to advise our dealer if you do not wish to be recorded. However, we will not enter into any transaction over the telephone unless the conversation is recorded.

Taxation.

Taxation law is complex and its application to this product will depend on your particular circumstances. We make no claim that this product will provide a beneficial or appropriate tax outcome for you. When determining whether this product is suitable for your circumstances, you should consider the impact it will have on your own taxation position and seek professional advice on the tax implications it may have for you.

This document has been produced for use by Australian tax residents only. If you are not a resident of Australia for tax purposes and have entered into an NDF, you may be required to withhold tax on payments you make. If you are required to withhold an amount of tax on any payments you make as a non-resident, you are liable to gross up that payment such that we receive all amounts clear of any tax.

Privacy.

We collect personal information from you to process your application, provide you with your product or service, and manage your product or service. We may also use your information to comply with legislative or regulatory requirements in any jurisdiction, prevent fraud, crime or other activity that may cause harm in relation to our products or services and help us run our business. We may also use your information to tell you about products or services we think may interest you.

If you do not provide all the information we request, we may need to reject your application or we may no longer be able to provide a product or service to you.

We may disclose your personal information to other members of the Westpac Group, anyone we engage to do something on our behalf and other organisations that assist us with our business.

We may disclose your personal information to an entity which is located outside Australia. Details of the countries where the overseas recipients are likely to be located are in our privacy policy.

As a provider of financial services, we have obligations to disclose some personal information to government agencies and regulators in Australia, and in some cases offshore. We are not able to ensure that foreign government agencies or regulators will comply with Australian privacy laws, although they may have their own privacy laws. By using our products or services, you consent to these disclosures.

We are required or authorised to collect personal information from you by certain laws. Details of these laws are in our privacy policy.

Our privacy policy is available at www.westpac.com.au or by calling 132 032. It covers:

- how you can access the personal information we hold about you and ask for it to be corrected;
- how you may complain about a breach of the Australian Privacy Principles or a registered privacy code and how we will deal with your complaint; and
- how we collect, hold, use and disclose your personal information in more detail.

We will update our privacy policy from time to time.

Please call us on 132 032 or visit any of our branches if you do not wish to receive marketing communications from us.

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Dispute resolution

Sometimes you may want to talk about problems you are having with us. Fixing these problems is very important to us. We've put in place ways of dealing with your issues quickly and fairly.

Please talk to us first.

We aim to resolve your complaint at your first point of contact with us. Our contact details are set out on the back page.

What to do if you are still unhappy.

If you are not satisfied with our response, you may be able to lodge a complaint with the Australian Financial Complaints Authority (AFCA).

AFCA's contact details are:

Online: www.afca.org.au
Email: info@afca.org.au
Phone: 1800 931 678
Mail: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

You can also contact the Australian Securities & Investments Commission (ASIC) to make a complaint and to obtain further information about your rights. They have a freecall Infoline on 1300 300 630 or visit www.asic.gov.au.

Glossary.

To help you to understand this PDS, the meanings of some words used in this PDS are set out below.

AUD means Australian dollars.

cash settlement amount means the amount payable by one of the parties on the maturity date, as determined by Westpac.

clear funds means funds that are immediately available on settlement.

CNY means Chinese Renminbi.

confirmation means a letter confirming the terms of a particular NDF.

contract rate means the agreed exchange rate which will be used to calculate the cash settlement amount.

currency pair means the settlement currency and the non-deliverable currency applying in respect of an NDF. The currency pair must be acceptable to Westpac.

KRW means Korean Won.

fixing date means the date the fixing rate is determined and the cash settlement amount is calculated.

fixing rate means the rate displayed on the agreed rate source at the agreed time on the fixing date.The fixing rate is used to calculate the cash settlement amount.

foreign exchange rate means the price of one currency in terms of another currency for delivery on a specified date after taking into account Westpac's costs and its profit margin.

maturity date means the date the cash settlement amount is payable.

NDF and **Non-Deliverable Forward** Transaction means the product the subject of this PDS.

notional principal amount means the face value amount of the NDF.

non-deliverable currency means the currency nominated as the non-deliverable currency which along with the settlement currency makes up the underlying currency pair of the NDF.

Reuters means Thomson Reuters.

settlement currency means the currency nominated as the settlement currency. This is the currency that the cash settlement amount must be paid in.

Westpac, we or us means Westpac Banking Corporation.

Westpac Group means Westpac and its related bodies corporate.

you or **your** means the customer entering into an

NDF.

Contact Details.

Financial Markets
Level 2, 275 Kent Street
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