

Westpac Protected Equity Loan Financial Services Guide

This Financial Services Guide is designed to help you make an informed decision.

Issued by Westpac Banking Corporation
ABN 33 007 457 141 AFSL 233714

Dated 30 May 2014



About this Financial Services Guide.

This Financial Services Guide (**FSG**) answers important questions about some of the financial services provided by Westpac Banking Corporation (**Westpac, we, us**). It is designed to help you make an informed decision about whether to acquire any of the financial services offered in this FSG.

This FSG covers the financial services we offer through our role as the issuer of the Westpac Protected Equity Loan facility (**Westpac PEL**). It does not cover all the financial services we offer, such as financial planning services.

The glossary at the end of this FSG explains a number of terms used in this FSG in more detail. Other terms used in this FSG are explained in the Glossary of the Product Disclosure Statement for the Westpac PEL (**PEL PDS**), which accompanies this FSG. The PEL PDS is available and can be downloaded at www.westpac.com.au/pel. You should consider the PEL PDS in deciding whether to acquire, or continue to hold, an investment in the Westpac PEL.

Any material provided to you by us as the issuer of the Westpac PEL will contain factual information or general advice. This factual information or general advice does not take into account your particular objectives, financial situation or needs, and a statement of advice will not be provided. Accordingly, you will need to consider the appropriateness of the information having regard to your particular circumstances.

What information is in our FSG?

This FSG contains information about:

- Our business.
- How you can contact us.
- The financial services we will provide, or are likely to provide, to you through our role as issuer of the Westpac PEL, and the kinds of financial products those services relate to.
- How you can tell us what you would like us to do.
- The fees, commissions and other benefits that may be paid to Westpac, our employees and other relevant people.
- Our complaints resolution procedures and how you can access them.
- What other information you should consider when deciding whether to choose us.

This FSG accompanies the PEL PDS. A product disclosure statement (**PDS**) is designed to help you make an informed decision about the specific financial product you are considering. You may receive a PDS if we recommend that you acquire a particular financial product or if we offer or arrange to issue or sell a financial product to you. PDSs are described in more detail in Section 5 of this FSG. So you can make the right decision, you should read the PEL PDS together with this FSG before you decide what to do.

For more information about our products and services and this FSG, call us on 132 032 or visit our website at www.westpac.com.au

1 About Westpac.

Westpac is a publicly listed company. Westpac is also the parent company of the Westpac Group of companies.

Westpac holds an Australian financial services licence issued by the Australian Securities and Investments Commission (**ASIC**) under the *Corporations Act 2001 (Cth)* (Australian financial services licence no. 233714).

Our licence covers the financial services described in this FSG, amongst others. Westpac is also regulated by the Australian Prudential Regulation Authority (**APRA**) as an authorised deposit-taking institution.

Westpac has adopted the Code of Banking Practice. This Code sets standards of good banking practice that we follow in dealing with our individual and small business customers and their guarantors. Because Westpac is regulated by APRA, it is exempt from the compensation requirements in the *Corporations Act 2001 (Cth)*. Westpac holds a Professional Indemnity Insurance Policy. This Policy extends to claims relating to the professional services provided by Westpac and its representatives, including claims that may arise after their employment with Westpac has ceased for conduct while they were employed.

2 How to contact us.

In person

There is a complete and up-to-date list of our branches with their locations and addresses on our website at www.westpac.com.au.

By mail

Write to us at:

Westpac Structured Investments
GPO Box 3297
Sydney NSW 2001

By phone

Call us on 1800 990 107.

If you have a complaint, you can contact us 24 hours a day, 7 days a week on 1300 130 206.

By internet

Visit our website at www.westpac.com.au or send an email to online@westpac.com.au.

3 The financial services we are offering under this FSG.

In our role as issuer of the Westpac PEL, we may provide the following financial services:

- deal in the Westpac PEL (securities or interests in interests in a managed investment scheme);
- deal in the Securities in respect of the Westpac PEL (securities or interests in a managed investment scheme); and
- provide general financial product advice (securities, interests in a managed investment scheme or interests in interests in a managed investment scheme)

We are authorised to provide other financial services under our Australian financial services licence, such as personal advice, making a market and dealing in a broader range of financial products. Our full licence authorisations can be viewed at www.asic.gov.au.

4 Who provides the services?

The financial services covered by this FSG are provided by Westpac, the issuer of the Westpac PEL. Our employees and authorised representatives may provide financial services on our behalf. We act on our own behalf as the issuer of the Westpac PEL.

5 What other documents might we give to you?

When you receive financial products or services from us, we may also give you a Statement of Advice (SOA) or a PDS, or both. For some products, you may also receive a 'prospectus' or 'terms and conditions' document.

All of these documents are designed to help you make an informed decision about the specific financial service or financial product you are considering. To make sure you make the right decision, you should read them before you decide what to do.

This FSG covers the financial services we offer through our role as the issuer of the Westpac PEL. It accompanies the PEL PDS. If you receive other financial services from us, such as personal advice, you will receive another FSG which will describe the other documents that you may receive such as a Statement of Advice or other record of advice.

Product Disclosure Statement (PDS)

A PDS is a document that contains information about the financial products we issue or otherwise sell you. You may receive a PDS if we recommend that you acquire a particular financial product, or if we offer or arrange to issue or sell a financial product to you. The PDS contains important information about the financial product, including:

- the features, significant benefits and risks of the financial product;
- the costs of the financial product;
- dispute resolution procedures; and
- the fees and charges that the financial product issuer may receive or charge.

6 Telling us what you would like us to do.

How you instruct us depends on the financial service or financial product you would like us to provide.

In most cases, you can give us instructions in the way you most prefer: in person; by writing to us; or by telephone, fax, email or other means you've previously arranged with us.

In some cases, we may require your instructions to be in writing. We will give you information about how to do this in the documents you get about the products and services we offer.

Information about how to apply for, and to give us instructions about, the Westpac PEL is set out in Section 4 and the 'Getting Started' section of the PEL PDS.

7 Our fees.

This section describes remuneration (including commissions) and other benefits we and certain other relevant persons may receive that relate to the financial services covered by this FSG. It does not cover all remuneration relating to financial services we may provide outside this FSG, such as financial planning and stockbroking services.

Fees and other benefits paid to us as issuer of the Westpac PEL by investors

As issuer of a Loan under the Westpac PEL, the remuneration (including commissions) and other benefits we may receive include:

- **the Interest payable on the Loan and any Interest Loan** – interest on the Loan is payable either annually in advance or monthly in arrears, interest on any Interest Loan must be paid in advance;
- **the Application Fee** – a fee for establishing the Loan, which may be up to 1.1% of the Loan amount;
- **Brokerage** – a charge for purchasing or selling Securities, which may be up to 1.1% of the transaction amount;
- **the Capital Protection Fee** – a fee for providing Capital Protection at Maturity, payable either upfront or as a component of the Interest Rate. A number of factors impact on our calculation of the Capital Protection Fee. These factors are described in Section 8 of the PEL PDS;
- **Break Costs** – a charge applied if you repay the Loan prior to Maturity. A number of factors impact on our calculation of Break Costs. These factors are described in Section 8 of the PEL PDS;
- **the Top-up Fee** – an upfront fee paid in relation to using a Top-up Loan facility. A number of factors impact on our calculation of the Top-up Fee. These factors are described in Section 8 of the PEL PDS;
- **the Security Reset Fee** – an upfront fee paid in relation to using the Security Reset Facility. A number of factors impact on our calculation of the Security Reset Fee. These factors are described in Section 8 of the PEL PDS;
- **the Portfolio Adjustment Fee** – an upfront fee paid in relation to using the Portfolio Adjustment Facility. A number of factors impact on our calculation of the Portfolio Adjustment Fee. These factors are described in Section 8 of the PEL PDS; and
- dishonour fees of \$9 if a direct debit from your account fails and trust deed review fee for trust applicants of \$300.

Further information about these fees and other benefits is set out in Sections 1, 2, 6 and 8 of the PEL PDS. You may request particulars of the above fees (including commissions) within a reasonable time after receiving this FSG and before any financial service identified in this FSG is provided to you.

We may pay an amount equal to some or all of the Brokerage or Break Costs to Westpac Securities Limited for brokerage services provided in relation to the Securities.

How much do we receive when we refer customers to a stockbroker that is a non-Westpac Group company?

Westpac (or related parties) may receive fees for referring you to a stockbroker (if permitted by law). The stockbroker will pay us a fee when your trade successfully completes. For share traders, the fee we receive will depend upon the value of the trade you make and is a percentage of the brokerage fee that you pay to the stockbroker. If you receive a SOA from us or the stockbroker, the fee we receive will be disclosed in the SOA. If you are not provided with an SOA, you may request particulars of the fees (including commissions) within a reasonable time after receiving this FSG and before any financial service identified in this FSG is provided to you.

Fees we pay to referrers

If a customer is referred to us (whether by a person or a company within or outside the Westpac Group), we may (if permitted by law) pay the referrer a fee. The fee varies according to the customer, referrer and financial products involved. The fee will be set out in documents you may receive in these circumstances.

The fee may be up to 100% of our fees (in the case of other companies within the Westpac Group), a percentage of the total amount invested or paid through the referral, or a flat fee. We pay these fees as upfront fees when the financial service is provided or the financial product is issued, or periodically as ongoing fees. You may request particulars of the fees we pay to referrers within a reasonable time after receiving this FSG and before any financial service identified in this FSG is provided to you.

For the Westpac PEL, we may (if permitted by law) pay your adviser, broker, platform operators or agents an amount equal to up to 2.2% of your Loan amount (including GST). We may also (if permitted by law) pay trailing fees of up to 1.1% p.a. of the Loan amount (including GST) to advisers and/or dealer groups. We may pay any of these fees as upfront fees when the financial service is provided or the financial product is issued, or periodically as ongoing fees.

What payments and other benefits do our employees receive?

The way we remunerate our employees varies between our business areas. Generally, we pay our employees a combination of salary plus superannuation (which are generally paid monthly or fortnightly) and one or more of the following types of benefits:

Cash bonuses

Our employees may receive bonuses (individual and/or team) if they meet:

- sales targets (including their own sales or for referring customers to other areas of Westpac's business); and
- other performance targets (which include meeting compliance, customer, shareholder, people and corporate responsibility requirements).

The majority of our employees can elect to have their bonuses paid as cash, superannuation or Westpac shares. Bonuses are paid quarterly, half-yearly or yearly. The mechanism for calculating the bonus may vary according to the particular part of our business that an employee works in.

Prizes, rewards and other incentives

Our employees may also qualify for non-monetary benefits if they meet sales and performance targets.

Incentives range from small non-monetary rewards such as movie tickets to more valuable benefits such as pre-paid holiday packages, attendance at conferences and Westpac performance shares and options.

The type of benefit and the method of giving it depend on the promotion or remuneration scheme, the employee's position and the area of our business. Benefits are not given at predetermined times. They may be given in relation to particular products and services.

Westpac financial planners maintain a register of any benefits that exceed \$300. You can view this register by asking your planner.

8 Respecting your privacy.

At Westpac we aim to protect and maintain the privacy, accuracy and security of the personal and financial information you give us. Our privacy policy explains in more detail our commitment to protecting your personal information. Our privacy policy, available at westpac.com.au or by calling 132 032, contains information about how we handle your personal information, including how to access your information, seek corrections and make complaints.

9 Getting your complaint heard.

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. You can contact us during business hours from anywhere in Australia, by:

Telephone: 1800 990 107

Email: structured.investments@westpac.com.au

Fax: (02) 9274 5083

Mail: GPO Box 3297 Sydney NSW 2001

Contact our National Customer Relations Unit

If we can't resolve your complaint at your first point of contact with us, we will escalate it to our National Customer Relations Unit. You can also contact our National Customer Relations Unit:

Telephone: 1300 130 206

Email: via www.westpac.com.au, click on 'Contact us' and then click on 'Complaints and Compliments'

Fax: (02) 9220 4177

Mail: NCRU, GPO Box 5265, Sydney NSW 2001

We will let you know that we have received your complaint within 14 days of receipt, and will respond to your complaint within 45 days after receipt.

What to do if you are still unhappy

If we still haven't been able to deal with your issues to your satisfaction, there are a number of other bodies you can go to. You can contact the Financial Ombudsman Service:

Telephone: 1300 780 808

Fax: (03) 9613 6399

Internet: www.fos.org.au

Email: info@fos.org.au

ASIC also has a free call Infoline on 1300 300 630, which you may use to make a complaint and obtain further information about your rights.

Glossary of terms

Capitalised terms that are not defined in this glossary have the meaning given to them in Section 14 of the PEL PDS.

Authorised representative means a company, trustee, partnership or person (who is not an employee or director of Westpac) who is authorised to provide financial services and products on behalf of Westpac.

