

WHAT YOU NEED TO KNOW

Foreign Currency Term Deposit



Product Disclosure Statement

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You should read all sections of this Product Disclosure Statement before making a decision to acquire this financial product.

CommonwealthBank



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General Information

Features at a glance

Significant benefits	Security of a fixed <i>foreign currency</i> interest rate for the <i>term</i> of your investment.	
Significant risks	<i>Exchange rates</i> and <i>foreign currency</i> interest rates can be volatile and can move adversely.	
Minimum investment amounts and terms available	30 days – 185 days	The <i>foreign currency</i> equivalent of AUD75,000.00 or more.
	15 days – 185 days	The <i>foreign currency</i> equivalent of AUD100,000.00 or more.
	7 days – 185 days	The <i>foreign currency</i> equivalent of AUD250,000.00 or more.
	1 day – 185 days	The <i>foreign currency</i> equivalent of AUD1,000,000.00 or more.
Interest rates	Current interest rates are available on request from your relationship manager or any branch of the Bank.	
Payment of interest	At maturity.	
Fees and charges	No Bank fees or charges are directly applicable to this product. For further information see Appendix A.	
Withdrawals in advance of maturity	At the discretion of the Bank. A prepayment interest adjustment will apply. Refer to the “Withdrawals in advance of maturity” section in this PDS.	
Prepayment interest adjustment	Calculated by reference to amount withdrawn, remaining time to maturity and movements in interest rates since the <i>lodgement date</i> .	

The information in this Product Disclosure Statement (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 not materially adverse information we will not issue a new PDS or supplementary PDS to you, but you will be able to find the updated information on our web site commbank.com.au or you can call **13 2221**. If you ask us to, we will send you a paper copy of the information.

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 a product called a **Foreign Currency Term Deposit (FCTD)**. If you decide to invest in a FCTD, you should keep this PDS and all other documentation relating to your FCTD for future reference.

This PDS consists of a General Information section and the Terms and Conditions that govern the FCTD. When you lodge funds in a FCTD you agree to the Terms and Conditions detailed in this PDS.

If you have any questions or wish to contact us call **13 2221** between 8am and 8pm, Monday to Friday, visit our web site at **commbank.com.au**, or call into any branch of the Commonwealth Bank of Australia (the Bank).

To assist you in understanding this PDS, the definition of some words is provided in the "Definitions" section on page 14. When used in this PDS, these words usually appear in italics.

What is a Foreign Currency Term Deposit (FCTD)?

A FCTD is a fixed term investment denominated in a *foreign currency* that is available to both individuals and businesses. It provides a mechanism for investors to receive a fixed rate of return on their eligible *foreign currency* funds for *terms* up to 185 days. Multiple FCTDs can be opened if you need to hold funds in *several foreign currencies*. Each FCTD must meet the Bank's FCTD establishment criteria, such as eligible *foreign currency*, minimum terms and amounts.

What currencies are available for a FCTD?

We offer FCTDs in a range of *foreign currencies* (refer to Appendix B of this PDS for examples of eligible *foreign currencies*), at the Bank's discretion. Enquiries as to the availability of FCTDs in specific *foreign currencies* should be directed to your relationship manager or any branch of the Bank.

Who is it suitable for?

A FCTD is designed to meet the needs of businesses and individuals:

- with a requirement to hold funds in a particular *foreign currency* (without the funds having to be readily available); or
- who have *foreign currency* funds available and want a fixed term investment at a fixed interest rate for the *term*.

How are interest rates determined?

The rate of interest is based on the prevailing *foreign currency* market interest rate and may be either positive or negative. The *foreign currency* market interest rate is adjusted by a margin that reflects the following factors:

- an allowance for the Bank's business costs, both fixed and variable;
- any risks associated with the product; and
- the Bank's profit margin.

The margin may vary from time to time due to changed market conditions, the relative liquidity of the *foreign currency* held, the amount and *term* of the investment, and the timing of the transaction.

The interest rate that you receive on your FCTD is fixed for the *term* of your investment.

How does a FCTD work?

You will be quoted an interest rate based on the prevailing *foreign currency* market interest rate (as described in the “How are interest rates determined?” section in this PDS), the *foreign currency* amount and *term* of the FCTD. Current interest rates are available on request from your relationship manager or any branch of the Bank.

If you accept the interest rate offered, the FCTD will commence on receipt by the Bank of your cleared funds. The Bank does not accept uncleared funds for the credit to a FCTD. If the funds are uncleared on the day an interest rate is quoted to you, then you must obtain a new quote on the day the funds become cleared.

When you lodge funds in a FCTD, you agree to the Terms and Conditions contained within this PDS.

How is interest calculated on my FCTD?

Interest is calculated daily and paid at maturity. On the *maturity date*, interest may be added to your principal and the principal plus interest reinvested in another FCTD, or paid to your nominated bank account (in the same name as the FCTD).

For interest calculation purposes the *term* is divided by 360 or 365 (the base annual number of days), depending on the market convention for the *foreign currency* in which the FCTD is held (refer to Appendix B of this PDS).

Example 1*

You lodge a FCTD of USD500,000.00 for a *term* of 30 days at an interest rate of 0.40% per annum.

Interest earned for the term of the investment

$$\begin{aligned} &= \text{USD}500,000.00 \times 0.40\% \times \left(\frac{30}{360^{**}}\right) \\ &= \text{USD}166.67 \end{aligned}$$

Provided that you hold the FCTD until the *maturity date*, you will receive USD500,166.67 at maturity, thereby earning interest at 0.40% per annum for the entire 30 day *term*.

* Examples are used for illustrative purposes only.

** The base annual number of days depends on the market convention for the *foreign currency* in which the FCTD is held. The convention for some *foreign currencies* is 360 days while the convention for others is 365 days. Refer to Appendix B of this PDS.

At maturity

You may contact the Bank at any time prior to 4.30pm (Sydney time) on the *maturity date* of your FCTD to request a withdrawal of funds at maturity or to specify how the funds are to be reinvested.

If, on the *maturity date*, we have not received your instructions, we will automatically reinvest the principal and interest for you for the same *term* at the prevailing interest rate as determined by the Bank (refer to the “How are interest rates determined?” section in this PDS) for that particular *foreign currency*.

If you request all or part of your FCTD to be withdrawn at maturity, your options include:

- crediting the *foreign currency* funds directly to your nominated account (in the currency of your FCTD or another currency by agreement with the Bank); or
- receiving the proceeds in the form of a bank cheque or draft, in AUD or in the *foreign currency* of your FCTD.

Where you choose to convert one currency into another, or to receive payment via bank cheque or draft, fees and charges may apply. Refer to Appendix A of this PDS.

Withdrawals in advance of maturity

When you request the Bank to withdraw an amount from your FCTD prior to the agreed *maturity date* (i.e. you request a “prepayment”) the Bank must borrow the prepayment amount for a *term* matching the maturity of the existing FCTD. On the prepayment date, the amount payable to you will be reduced by any borrowing cost incurred by the Bank as a consequence of prepaying your FCTD.

The borrowing rate of interest is based on the prevailing *foreign currency* market interest rate and may be either positive or negative. The *foreign currency* market interest rate is adjusted by a margin that reflects the following factors:

- an allowance for the Bank's business costs, both fixed and variable;
- any risks associated with the product; and
- the Bank's profit margin.

The margin may vary from time to time due to changed market conditions, the relative liquidity of the *foreign currency* held, the amount and *term* of the investment, and the timing of the transaction.

Example 2*

Continuing from Example 1 where you have lodged a FCTD of USD500,000.00 for a *term* of 30 days at an interest rate of 0.40% per annum.

You request a prepayment of USD60,000.00 on the 11th day of the FCTD. The Bank determines the appropriate borrowing rate of interest to be 1.50% per annum for the period of 19 days (this is the number of days remaining on your original *term*).

Cost incurred by the Bank

$$= \text{USD}60,000.00 \times 1.50\% \times \left(\frac{19}{360}\right)$$

= USD47.50

Interest is recalculated on the initial investment of USD500,000.00 to reflect the reduced investment *term* of 11 days.

Original principal for 11 days

$$= \text{USD}500,000.00 \times 0.40\% \times \left(\frac{11}{360}\right)$$

= USD61.11

On the prepayment date the Bank pays to you the prepayment amount of USD60,000.00 plus the interest of USD61.11 less the cost incurred by the Bank (i.e. USD47.50). This results in a net payment to you of USD60,013.61.

The effective interest rate received for the initial 11 day investment is recalculated as follows:

$$\frac{(\text{Interest paid less Bank costs}) \times 360^{**} \times 100}{\text{Principal} \times \text{Number of days}}$$

$$= \frac{(\text{USD}61.11 - \text{USD}47.50) \times 360 \times 100}{\text{USD}500,000 \times 11}$$

= 0.089% per annum

The interest earned on the initial investment of USD500,000.00 for the initial 11 days is adjusted to an effective interest rate of 0.089% per annum. We will provide you with a letter of confirmation providing details of your prepayment.

The residual amount of USD440,000.00 is reinvested for the remaining 19 days at your original interest rate (in this example 0.40% per annum).

Note: The minimum withdrawal amount is the equivalent of AUD50,000.00 at an *exchange rate* determined by the Bank. Refer to Clause 9 of the Terms and Conditions in this PDS.

On your request, the Bank will give you an estimate of the prepayment interest adjustment before you withdraw the funds.

* Examples are used for illustrative purposes only.

** The base annual number of days depends on the market convention for the *foreign currency* in which the FCTD is held. The convention for some *foreign currencies* is 360 days while the convention for others is 365 days. Refer to Appendix B of this PDS.

What are the significant benefits of a FCTD?

Benefits include:

- you receive returns linked to prevailing *foreign currency* market interest rates;
- a wide range of *terms* are available ranging from 1 day to 185 days (provided you meet the minimum amounts as described in Clause 6 of the Terms and Conditions in this PDS);
- holding funds in a *foreign currency* may reduce the requirement to convert these funds into AUD, thus reducing costs associated with such conversions; and
- by lodging your *foreign currency* funds in a FCTD for an agreed *term*, you are protected from falling *foreign currency* market interest rates during the *term* of your investment.

What are the significant disadvantages of a FCTD?

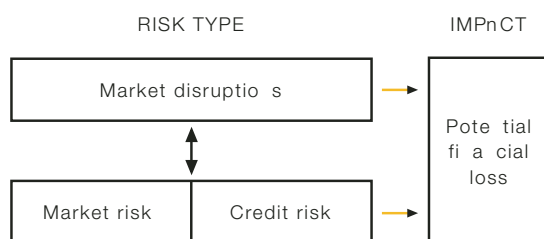
Disadvantages include:

- you cannot benefit from increases in *foreign currency* market interest rates that may occur during the *term* of your FCTD as your interest rate is fixed for the *term*;
- the Bank may not pay interest on some *foreign currencies*; and
- funds are not available for withdrawal on demand as the *term* and *maturity* date are fixed on the *lodgement date* (refer to the “Withdrawals in advance of maturity” section in this PDS).

What are the significant risks?

Foreign exchange markets can be volatile. Currency positions and interest rate movements in these markets may involve actual losses resulting in a reduction to your principal. For instance, a variation in *exchange rates* may reduce the AUD equivalent of your deposit and so reduce the effective interest rate on your FCTD in AUD terms. Diagram 1 gives an overview of the risks inherent in the foreign exchange markets and how they might interrelate. Monitoring of any risks associated with this product is your responsibility.

Diagram 1: Risk overview



Market disruptions

From time to time, significant events can occur that disrupt the normal operations of financial markets. Such events may reduce the liquidity of a currency or of the foreign exchange markets generally. Examples may include the failure of a major institution, war, a major political event or the failure of a Government to meet its financial obligations (sovereign risk).

If, as a consequence, there is a movement in the *exchange rates*, such events could result in a financial loss to holders of *foreign currencies*.

Market risk

Market risk is the risk that prices including *exchange rates* and *foreign currency* interest rates will move adversely. There is a risk that *exchange rates* and/or *foreign currency* interest rates will change, possibly suddenly and substantially, causing you to incur a significant actual loss as a result of your investment.

Currency risk

Currency risk is the risk that because of adverse *exchange rate* movements, the value in AUD of your FCTD may fall. Should you hold an offsetting position in the foreign exchange markets or in a commitment to spend this currency then your loss may be offset in part or in full by the offsetting position.

Interest rate risk

As the rate of interest that you receive on your FCTD and the *term* of the investment are both fixed, you forgo the opportunity to benefit from any rise in *foreign currency* market interest rates during the *term*. You should also consider the impact of negative interest rates. Refer to Clause 7 of the Terms and Conditions in this PDS.

You should ensure that you are able to monitor and value the relevant *exchange rate* and *foreign currency* interest rate movements when investing in a FCTD. The Bank may be dealing on its own account in foreign exchange markets and such dealings may influence *exchange rates* and *foreign currency* interest rates.

Credit risk

Credit risk is common to all investment products that you may hold with the Bank. In all cases, you are reliant on the ability of the Bank to meet its obligations to you under the terms of the particular product.

These risks are the most significant risks. However, there may be other considerations that are relevant to you should you invest in a FCTD. You should obtain your own independent professional advice to determine whether this product is appropriate to your particular circumstances.

Legal risk

Australia, as a member state of the United Nations, is obliged to implement United Nations Security Council sanctions. Australia also may be required to implement other international sanctions and sometimes imposes unilateral sanctions. Sanctions can cover various subject matters including financial restrictions. Consequently, the Bank may be prohibited from dealing with certain persons or entities.

This means that if the Bank is aware that you are a proscribed person or entity, then the Bank may be required to suspend, cancel or refuse you services or close or terminate any account, facility, transaction, arrangement or agreement with you. We may also be required to freeze assets of yours. You could incur significant costs as a result of these actions.

How do I invest in a FCTD?

To invest in a FCTD, please complete a "Request for Foreign Currency Account and Foreign Currency Term Deposit" form, available from your relationship manager or any branch of the Bank.

When you open a FCTD, we will send you a letter confirming your investment with the Bank.

What are the costs involved in a FCTD?

There are no Bank fees directly applicable to this product, however, there are costs associated with services related or ancillary to the operation of your FCTD. These costs are set out in Appendix A of this PDS.

Are there any tax implications I should be aware of?

Investing and dealing with investments has tax and often social security implications. These can be complex and are invariably particular to your circumstances. Investment income in the form of interest earned on a FCTD is generally taxable income. You should discuss the timing and derivation of this income with your independent professional tax adviser.

Investments in FCTDs will have additional tax consequences depending on whether the investor is an individual or company and whether any elections in relation to *foreign currency* have been made. You should discuss any tax issues with your independent professional tax adviser.

If you do not provide us with a Tax File Number (TFN), TFN exemption or Australian Business Number, or you are a non-resident, the Bank is obliged by law to deduct tax from the interest you have earned.

What if I have a complaint?

Please contact your relationship manager or the manager of the department that handled the matter and explain the problem.

Our staff will review the situation and, if possible, resolve it immediately. If the matter has not been resolved to your satisfaction, please contact our Customer Relations team via:

- our web site at:
commbank.com.au/contactus/comment.asp;
- telephone **1800 805 605**;
- facsimile **1800 028 542**; or
- writing to:
Customer Relations
Commonwealth Bank
Reply Paid 41
Sydney NSW 2001

If after giving us the opportunity to resolve your complaint, you feel we have not resolved it satisfactorily, you may also lodge a written complaint with the Banking and Financial Services Ombudsman at:

GPO Box 3
Melbourne Victoria 3001

telephone **03 9613 7333**;

toll free **1300 780 808**;

facsimile **03 9613 7345**;

web site **www.bfso.org.au**.

Customer information and privacy

Collection and verification of customer information

"Customer information" is information about a customer. It includes personal information.

The law requires us to identify our customers. We do this by collecting and verifying information about you. We may also collect and verify information about persons who act on your behalf. The collection and verification of information helps to protect against identity theft, money-laundering and other illegal activities.

We use your customer information to manage our relationship with you, provide you with the products and services you request and also tell you about the products and services offered by the Commonwealth Bank Group ("Group"), affiliated providers and

external providers for whom we act as agent. If you have given us your electronic contact details, we may provide marketing information to you electronically.

The collection and verification of customer information may be carried out in different ways and we will advise you of the most acceptable methods of doing this. We may disclose your customer information in carrying out verification – e.g. we may refer to public records to verify information and documentation, or we may verify with an employer that the information you have given us is accurate.

Depending on whether you are an individual or an organisation, the information we collect will vary. For instance, if you are an individual, the type of information we may collect and verify includes your full name, date of birth and residential address. If you are commonly known by 2 or more different names, you must give us full details of your other name or names.

For instance, if you are a company, we may collect and verify information, including company incorporation and registration details, as well as details of the company's officers and its major shareholders.

If you are acting as a trustee, we may ask you for, amongst other things, information on the beneficiaries of the trust and evidence of the existence of the trust.

If you are a partnership, we may require information including evidence of the fact that the partnership exists, as well as the full name of the partnership, the names of the partners and any business name owned by the partnership.

For other organisations, the kind of information we collect and verify will depend on the type of organisation you are.

In addition, during your relationship with us, we may also ask for and collect further information about you and about your dealings with us.

You must provide us with accurate and complete information. If you do not, you may be in breach of the law and also we may not be able to provide you with products and services that best suit your needs.

Protecting customer information

We comply with the National Privacy Principles as incorporated into the *Privacy Act 1988* (Cth).

We disclose customer information to other members of the Group (including overseas members), so that the Group may have an integrated view of its customers and to facilitate the integrated treatment of its customers. It also enables other members of the Group to provide you with information on their products and services.

Other disclosures

At common law, banks are permitted to disclose customer information in the following circumstances:-

- (a) where disclosure is compelled by law; or
- (b) where there is a duty to the public to disclose; or
- (c) where our interests require disclosure; or
- (d) where disclosure is made with your express or implied consent.

So that we can manage our relationships, customer information may be disclosed to:

- brokers and agents who refer your business to us;
- any person acting on your behalf, including your financial adviser, solicitor, settlement agent, accountant, executor, administrator, trustee, guardian or attorney;
- financial institutions who request information from us if you seek credit from them;
- if you have borrowed from the Bank to purchase property valuers and insurers (so that the Bank can obtain a valuation of your property, and confirm that it is insured);
- if you have insurance: medical practitioners (to verify or clarify, if necessary, any health information you may provide), claims investigators and reinsurers (so that any claim you make can be assessed and managed), insurance reference agencies (where the Bank is considering whether to accept a proposal of insurance from you and, if so, on what terms); and
- organisations to whom we may outsource certain functions.

In all circumstances where our contractors, agents and outsourced service providers become aware of customer information, confidentiality arrangements apply. Customer information may only be used by our agents, contractors and outsourced service providers for our purposes.

We may be required to disclose customer information by law, e.g. under Court Orders or Statutory Notices pursuant to taxation or social security laws or under laws relating to sanctions, anti-money laundering or counter terrorism financing.

We may send customer information overseas if:

- that is necessary to complete a transaction, or
- we outsource certain functions overseas.

We may also be permitted, as distinct from required, to disclose information in other circumstances. For more information, please refer to our Privacy Policy.

Access to your personal information

The law allows you (subject to permitted exceptions) to access your personal information. You can do this by contacting:

Customer Relations
Commonwealth Bank
Reply Paid 41
Sydney NSW 2001

We may charge you for providing access.

Further information

For further information on our privacy and information handling practices, please refer to the Group's Privacy Policy, which is available at commbank.com.au or upon request from any branch of the Bank.

Terms and Conditions

1. About these Terms and Conditions

These Terms and Conditions govern the Bank's Foreign Currency Term Deposit (FCTD). They do not include terms and conditions that apply by operation of law.

You should read these Terms and Conditions carefully and keep a copy for your future reference. In addition, you should read the Bank's information booklet "The Better Banking Book", copies of which may be obtained by telephoning the Bank on **13 2221** (between 8am and 8pm, Monday to Friday), visiting our web site at **commbank.com.au** or from any branch of the Bank.

The Better Banking Book contains useful information on a range of banking matters. These include the rights and obligations that arise out of the banker and customer relationship, account opening procedures, the Bank's obligations regarding confidentiality of your information, complaint handling procedures, bank cheques, the advisability of you informing the Bank promptly when you are in financial difficulty, and the advisability of you reading the Terms and Conditions applying to any banking service provided to you or in which you are interested.

The relevant provisions of the Code of Banking Practice apply to a FCTD if the term deposit is held by an individual, either alone or jointly with another individual, or by a small business customer. A copy of the Code of Banking Practice is available at **commbank.com.au** or upon request from your relationship manager or any branch of the Bank.

2. References to Australian dollar amounts

The AUD equivalent of any *foreign currency* amount relating to your FCTD ("AUD amount") is available by contacting your relationship manager or your branch. The AUD amount is subject to change at any time due to fluctuations in *exchange rates* and *foreign currency interest rates*. The AUD amount is calculated at an *exchange rate* as determined by the Bank with reference to foreign exchange markets.

3. Opening of FCTD

The opening of a FCTD is conditional upon:

- you providing the Bank with the necessary identification information it requires; and
- the Bank carrying out any necessary verification check(s).

When you lodge funds in a FCTD, you agree to these Terms and Conditions.

The Bank, at its discretion, accepts for the credit of a FCTD any *freely convertible foreign currency* subject to the minimum amounts and *terms* set out in Clause 6 of these Terms and Conditions. Deposits accepted by the Bank must represent cleared funds (e.g. proceeds from cleared cheques, international money orders, etc).

The Bank does not accept cheques payable to a third party for deposit to a FCTD.

The minimum investment amounts and lodgement terms are detailed in Clause 6 of these Terms and Conditions.

A letter of confirmation outlining details of the deposit will be sent to you on acceptance of your FCTD. This letter is valueless for the purpose of transfer or negotiation.

4. Conducting a FCTD jointly with another person

Unless otherwise agreed with the Bank when the FCTD commences:

- each of you may operate the FCTD independently of the other;
- the Bank accepts for the credit of the FCTD cleared funds payable to any one or more of you; and
- if one of you dies, the FCTD will be closed at maturity and the balance is paid by the Bank to the survivor(s).

The Bank is not obliged to enquire into the circumstances of any instructions that you give in relation to the conduct of your joint FCTD. The Bank is not liable for any loss or damage you or anyone else suffers due to the Bank acting on those instructions in good faith, unless it is proved that the Bank was negligent.

5. Trust accounts

Unless an account is designated as a trust account, when you lodge a deposit in your name(s), you verify that the funds deposited are not in any way subject to a trust of any kind nor lodged in a trustee(s) capacity.

6. Minimum investment amounts and lodgement terms

The Bank may accept deposits for any fixed minimum *term* of one day to a maximum *term* of 185 days.

FCTDs are subject to the following minimum *terms* and deposit amounts:

Minimum term	Minimum (AUD) equivalent of the foreign currency investment amount
30 days	AUD75,000.00
15 days	AUD100,000.00
7 days	AUD250,000.00
1 day	AUD1,000,000.00

Once your deposit is lodged, it is not available for withdrawal, except in the circumstances set out in Clause 9 of these Terms and Conditions.

7. Payment of interest

This clause 7 is subject to our rights under clause 10 of these Terms and Conditions. The interest rate applying to your FCTD is subject to individual quotation. If applicable to the *foreign currency* of the FCTD, at the commencement of the FCTD the Bank will quote you an annual interest rate. The interest rate applicable to the FCTD is set on the *lodgement date* and fixed for the whole of the nominated *term*.

Interest rates are determined at the Bank's discretion having regard to prevailing *foreign currency* market interest rates applicable to the *foreign currency* selected by you and on the *term* and amount of the investment (refer to "How are interest rates determined?" in the General Information section of this PDS).

Interest rates in some foreign markets may be lower or higher than those prevailing in Australia and the rate payable will reflect this.

Negative interest rates may apply to the deposit if low or negative interest rates apply in the interest rate market for the *foreign currency* in which the FCTD is held. A negative interest rate, when applied to your FCTD, will have the effect of reducing your principal. If a negative interest rate applies, interest is debited from your principal at maturity.

Current interest rates are available on request from your relationship manager or any branch of the Bank.

Interest is calculated by reference to the amount invested, the agreed interest rate and the *term*. For interest calculation purposes the *term* is divided by 360 or 365 (the base annual number of days), depending on the market convention for the *foreign currency* in which the FCTD is held (refer to Appendix B of this PDS).

Interest is added to the principal and paid to you on the *maturity date*.

8. At maturity

This clause 8 is subject to our rights under clause 10 of these Terms and Conditions. You may contact the Bank at any time prior to 4.30pm (Sydney time) on the *maturity date* of your FCTD to request a withdrawal of funds at maturity or to specify how the funds are to be reinvested. You may choose to:

- reinvest the principal and interest; or
- have the interest paid to your nominated bank account and reinvest the original principal; or
- withdraw another amount and reinvest the remainder.

In all cases, the new principal must meet the minimum investment amounts as detailed in Clause 6 of these Terms and Conditions.

The Bank will not make payments in *foreign currency* notes.

If, on the *maturity date*, we have not received your instructions, we will automatically reinvest the principal plus interest for you for the same *term* in the same *foreign currency* at the prevailing interest rate, as determined by the Bank, for that *foreign currency*. The Bank's then current Terms and Conditions for a FCTD will apply.

9. Withdrawals before maturity

This clause 9 is subject to our rights under clause 10 of these Terms and Conditions. The Bank is under no obligation to allow withdrawal of your deposit prior to maturity. However, you may apply to the Bank to withdraw all or part of your deposit in advance of maturity. Requests are to be submitted to your relationship manager or the branch of the Bank where your FCTD was lodged.

Withdrawals in advance of the maturity are at the absolute discretion of the Bank.

Where a partial withdrawal is requested, the minimum withdrawal amount is the equivalent of AUD50,000.00 at an *exchange rate* determined by the Bank. The residual must meet the minimum lodgement requirements under Clause 6 of these Terms and Conditions. The Bank charges a prepayment interest adjustment (refer to "Withdrawals in advance of maturity" in the General Information section of this PDS).

The amount of the prepayment interest adjustment is calculated by working out whether there is a loss to the Bank because you withdraw the deposit in advance of maturity. The Bank estimates that loss to be the difference between the cost to the Bank of paying you the funds in the FCTD, and the benefit the Bank receives because it no longer has to pay the funds in the FCTD to you on the originally agreed *maturity date*. The Bank takes into account the amount withdrawn, the time until maturity and movements in interest rates between the dates of opening the FCTD and withdrawal in advance of maturity.

You may submit a request to your relationship manager or your branch for the Bank to give you an estimate of the prepayment interest adjustment before you withdraw the funds.

If the Bank agrees to allow a withdrawal in advance of maturity, payment is made on the next *business day*.

10. Refusal of service

In the event that you appear to be a Proscribed Person, then we may immediately refuse to process or complete any transaction or dealing of yours; suspend the provision of a product or service to you; refuse to allow or to facilitate any of your assets held by us to be used or dealt with; refuse to make any asset available to you to any other proscribed person or entity; or terminate these arrangements with you. We will be under no liability to you if we do any or all of these things. Our rights under this clause are in addition to all other rights we may have.

If we exercise our rights under this clause you must pay us any damages, losses, costs or expenses that we incur in relation to any action taken under this clause, including without limitation, movements in interest rates between the time of dates of opening the FCTD and our refusal of service under this clause, administrative costs and/or costs of sale or purchase of any transaction or deal put in place for the purposes of meeting our obligations under these Terms and Conditions.

11. Bank fees

Some related products and services, such as International Money Transfers (IMTs) and bank drafts, will incur a separate fee. These fees will be set out in the Product Disclosure Statements, terms and conditions or fees and charges brochures for those other products and services.

Refer to Appendix A of this PDS for details of Bank fees.

12. Government taxes

Government taxes, where applicable, are charged to your FCTD. Refer to Appendix A of this PDS for details of Government taxes.

13. Variation of Terms and Conditions

The Bank notifies you of the introduction or variation of any Government tax or charge either in writing or by advertisement in the national media or local media, unless the Government, a Government agency or representative body has already publicised the introduction or variation.

14. Change of personal details

You are required to notify the Bank promptly in writing of a change to your personal details, such as your name, address or nominated bank account.

15. Statement of account

The Bank does not provide you with a statement of account.

Definitions

“AUD”

Australian Dollars.

the “Bank”; “our”; “us”; “we”

Commonwealth Bank of Australia
ABN 48 123 123 124.

“business day”

A day on which the Bank is open for the transaction of business in relation to a FCTD.

“exchange rate”

An *exchange rate* is the expression of one currency in terms of another. For example, in the *exchange rate* AUD/USD0.6500, one Australian Dollar is equal to 65 United States cents (AUD1.0000 = USD0.6500). Similarly in the *exchange rate* USD/JPY115.35, one United States Dollar is equal to 115.35 Japanese Yen (USD1.0000 = JPY115.35).

“FCTD”

Foreign Currency Term Deposit.

“foreign currency(ies)”

Any currency other than Australian Dollars (AUD).

“freely convertible”

A *foreign currency* that is not subject to exchange controls and is able to be exchanged by the Bank through its operations in *foreign currency* markets.

“lodgement date”

The date on which you enter into a FCTD with the Bank.

“maturity date”

The date on which the *term* of the FCTD ends and the maturity proceeds become available to you.

“Proscribed Persons”

A person who appears to us either (a) to be a proscribed person or entity under the Charter of the United Nations Act 1945 (Cth); (b) to be in breach of the laws of any jurisdiction relating to money laundering or counter-terrorism; (c) to appear in a list of persons with whom dealings are proscribed by the government or a regulatory authority of any jurisdiction; or (d) act on behalf, or for the benefit of, a person listed in subclauses (a) – (c).

“term”

The period from the *lodgement date* to the *maturity date*.

“USD”

United States Dollars.

“you”; “your”

The customer who is the person or persons or entity in whose name the FCTD is held.

APPENDIX A

Fees and Government taxes



Bank fees

There are no Bank fees directly applicable to this product as the interest rate has been adjusted by a margin that reflects the costs incurred.

Standard Bank fees may apply if on early withdrawal (prior to maturity) or on the *maturity date*, you request payment by cheque or telegraphic transfer. Refer to the Bank's "Common Banking Services Standard Fees and Charges" brochure and "International and Foreign Currency Services Standard Fees and Charges" brochure, which are available from any branch of the Bank.

Government taxes

If you do not provide us with a Tax File Number (TFN), TFN exemption or Australian Business Number, or you are a non-resident, the Bank is obliged by law to deduct tax from the interest you have earned.

Your FCTD may also be subject to Government taxes and duties (if any). These may vary from State to State.



APPENDIX B

Foreign currencies

FCTDs are available in most *freely convertible* currencies. Examples are included below.

Currencies	Day count convention
United States Dollars (USD)	360
Pounds Sterling or Great British Pounds (GBP)	365
Japanese Yen (JPY)	360
New Zealand Dollars (NZD)	365
Euro (EUR)	360
Singapore Dollars (SGD)	360
Hong Kong Dollars (HKD)	360
Canadian Dollars (CAD)	360

Details of current *exchange rates*, including all of the *foreign currencies* in which the Bank offers FCTDs as well as information on interest rates, are available on request from your relationship manager or any branch of the Bank.

