

CLIENT: Akita Super Fund

YEAR ENDING: 30-Jun-17

### Borrowing Cost Write Off

Date: Immediate Write offs: REF

Current Year Write off	\$ 139.68	below
	<u>\$ 139.68</u>	

Date: Borrowing Costs to amortise: REF

\$ -

Lender:	St George Bank - Fixed Interest Rate
Account Number:	112-911 066212701
Borrowing Cost:	\$ 500.00 D3.2
Settlement Date:	19/12/2016

Year ended 30 June	Opening Value	Days	Write off Amount	Closing Balance
2017	500.00	193	88.13	411.87
2018	411.87	365	166.67	245.20
2019	245.20	365	166.67	78.53
2020	78.53	172	78.53	-

Amortisation of Borrowing Costs 2020  
A/C 12701 78.53  
A/C 12703 115.43  
Total \$193.96

1095

Lender:	St George Bank - Interest Only Loan
Account Number:	112-911 066212703
Borrowing Cost:	\$ 500.00 D3.4
Settlement Date:	9/03/2017

Year ended 30 June	Opening Value	Days	Write off Amount	Closing Balance
2017	500.00	113	51.55	448.45
2018	448.45	365	166.51	281.94
2019	281.94	365	166.51	115.43
2020	115.43	253	115.43	-

1096

MR G B LEVEY  
PO BOX 6457 UNSW  
SYDNEY NSW 1466

06 JANUARY, 2017

Dear MR G B LEVEY

Just keeping you up-to-date about changes  
to your Loan Account S.211.0662127.01

RE: LOAN CONVERSION APPLICATION

We are pleased to advise that we have converted the interest  
rate on your home loan to a fixed interest rate of  
5.09% p.a. for 3 YEARS, 0 MONTHS.

Please note the interest rate applied is based on the  
Loan Category for your product and Interest Only  
repayments.

You will now pay monthly repayments being the total of the  
interest, fees and any applicable government charges payable  
each month.

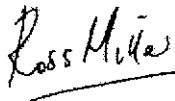
The above adjustments will apply from 19/12/16 and your next  
MONTHLY repayment will be due on 18/01/17. The switch  
fee quoted on your loan conversion form will be processed as  
per your instructions on 19/12/16.

An offset facility has not been linked to this loan.

If you have any questions concerning your St. George Home  
Loan, please contact our Customer Contact Centre on 13 33 30  
from 8.00am to 8.00pm 7 days a week.

Thank you for choosing St. George.

Yours sincerely,



Ross Miller  
General Manager, St. George Retail Banking

11/350

# Letter of Notification



9 March 2017

St.George  
A Division of  
Westpac Banking Corporation  
ABN 33 007 457 141  
AFSL and Australian credit licence 233714  
Head Office:  
4-16 Montgomery Street  
Kogarah NSW 2217  
stgeorge.com.au



FR

Mr G B Levey  
PO Box 6457 UNSW  
SYDNEY NSW 1466

**LOAN ACCOUNT NUMBER:** S.211.0662127.00

Dear Customer,

We are pleased to advise that the variation recently requested on your loan was actioned and the new details are outlined below. If you have any questions about this new arrangement, please notify us within 14 days by calling one of our Customer Service Representatives on 13 33 30 or visit your local branch.

Yours Sincerely,

Ross Miller  
General Manager St.George Retail

## YOUR LOAN VARIATION DETAILS

Requesting Borrower		Geoffrey Brahm Levey	
Effective Date		09/03/2017	
ORIGINAL LOAN SEQUENCE DETAILS		SPLIT LOAN SEQUENCE DETAILS	
Loan Number	S.211.0662127.00	Loan Number	S.211.0662127.02
New Loan Amount	\$50,682.85	Split Loan Amount	\$140,000.00
Product Type	Super Fund Variable Rate	Product Type	Super Fund 3 Year Fixed Rate
Loan Category	Residential Investment	Loan Category	Residential Investment
Repayment Type	Interest Only	Repayment Type	Interest Only
Interest Rate	6.02% p.a.	Interest Rate	5.09% p.a.
ORIGINAL LOAN NEW REPAYMENT DETAILS		SPLIT LOAN REPAYMENT DETAILS	
One-off Adjustment Payment	\$0.00	One-off Adjustment Payment	\$0.00
Ongoing Monthly Repayments	This will be the total of the interest, fees and any applicable government charges payable each month	Ongoing Monthly Repayments	This will be the total of the interest, fees and any applicable government charges payable each month
NEW LOAN REPAYMENT DETAILS			
Total Ongoing Monthly Repayments			
This will be the total of the interest, fees and any applicable government charges payable each month			
Repayments Effective From:			19/03/2017

<b>FEES</b>	
<b>Breakout Fee</b>	\$0.00
<b>Switch Fee</b>	\$500.00
<b>Split Fee</b>	\$0.00
<b>Total Fees</b>	\$500.00
<b>PLEASE NOTE</b>	
<b>PAYMENTS QUOTED DO NOT INCLUDE MONTHLY ADMIN FEES &amp; EXTRA REPAYMENTS. SPECIAL CONDITIONS ATTACHED.</b>	

<b>Important Information</b>	
<b>Your Loan Agreement</b>	This is a variation to the terms of your existing loan agreement. Except as varied by this letter, all of the terms and conditions of your loan agreement remain the same and continue to apply. We recommend that you keep a copy of this document with the original loan agreement for your records. If you have split your loan, statements will issue for each loan account.
<b>Fees Charged</b>	Any fees outlined above (including any One-off adjustment payments) were debited to the loan account varied by St.George on the Effective Date.
<b>Repayment Frequency</b>	Repayment frequency remains the same as the original loan, unless your loan or part of your loan switched to interest only repayments, where the repayment frequency is monthly.
<b>Brochures</b>	The following brochures are enclosed with this notification. They apply to your loan agreement as replacements for any brochures covering the same subjects you have previously received: <ul style="list-style-type: none"> <li>- Residential Loan Agreement – General Terms and Conditions</li> <li>- Loan Accounts – Charges for specific services and accounts</li> </ul>
<b>Special Loan Conditions</b>	
<b>Repayment Change to interest only</b>	<ul style="list-style-type: none"> <li>- If you changed to interest only repayments, then on expiry this arrangement, the loan will revert to principal and interest repayments for the remainder of the loan term.</li> <li>- If you previously had an offset account please refer to the below variable section for conditions.</li> </ul>
<b>If your loan or part of your loan is variable</b>	1. The annual percentage rate which applies to your variable rate loan is the Relevant Variable Rate (plus or minus any applicable margin). In these special loan conditions, "Relevant Variable Rate" refers to the below Reference Rate for your Loan Product, Loan Category and Repayment Type:

Home Loan Product	Loan Category	Repayment Type	Reference Rate
Standard Variable Rate Home Loan	Owner Occupier	Principal & Interest	Owner Occupier Standard Variable Rate
		Interest Only	Owner Occupier Interest Only Standard Variable Rate
	Residential Investment	Principal & Interest	Residential Investment Standard Variable Rate
		Interest Only	Residential Investment Interest Only Standard Variable Rate
Basic Home Loan	Owner Occupier	Principal & Interest	Owner Occupier Basic Rate
		Interest Only	Owner Occupier Interest Only Basic Rate
	Residential Investment	Principal & Interest	Residential Investment Basic Rate
		Interest Only	Residential Investment Interest Only Basic Rate
Low Doc Variable Rate Home Loan & Low Doc Negotiated Variable Rate Home Loan	Owner Occupier	Principal & Interest	Owner Occupier Low Doc Home Loan Variable Rate
		Interest Only	Owner Occupier Interest Only Low Doc Home Loan Variable Rate
	Residential Investment	Principal & Interest	Residential Investment Low Doc Home Loan Variable Rate
		Interest Only	Residential Investment Interest Only Low Doc Home Loan Variable Rate
Seniors Access Home Loan	Owner Occupier	All	Seniors Access Home Loan



Seniors Access Plus Home Loan	Owner Occupier	All	Seniors Access Plus Home Loan
No Deposit Variable Rate Home Loan	All	All	Variable Rate (Loan Extension Fee option)
No Deposit Flexi Variable Rate Home Loan	All	All	Variable Rate (Flexible Deposit option)(**)
No Deposit LEF Variable Rate Home Loan	All	All	Variable Rate (Loan Extension Fee option)(*)(^)
No Deposit Quick Start Variable Rate Home Loan	All	All	Variable Rate (Quick Start option)(##)
Essential Home Loan	All	All	Essential Home Loan
All other Variable Rate Home Loans	Owner Occupier	Principal & Interest	Owner Occupier Standard Variable Rate
		Interest Only	Owner Occupier Interest Only Standard Variable Rate
	Residential Investment	Principal & Interest	Residential Investment Standard Variable Rate
		Interest Only	Residential Investment Interest Only Standard Variable Rate
(*) For loans approved from 3 July 2006 and before 4 September 2006.			
(^) For loans approved before 3 July 2006.			
(**) For loans approved prior to 26 November 2007.			
(##) For loans approved from 28 May 2007 and before 7 April 2008.			

**If your loan or part of your loan is variable (continued)**

2. St.George can change the annual percentage rate applying to variable rate loans at any time. St.George can make different changes to its different variable rates.
3. If an Interest Offset facility previously applied to your variable rate loan, the Interest Offset facility for your loan remained, or was converted to:
  - a Mortgage Equaliser Offset facility – if the loan has principal and interest repayments; or
  - a Repayment Offset facility – if the loan has interest only repayments. Note: A Repayment Offset facility is only available if the repayments are made by an automatic transfer from your nominated St.George transaction account or by a direct debit from a nominated account. We may cancel the Repayment Offset facility if this requirement is not met.
4. **If a Mortgage Equaliser Offset facility applies**, we calculate the interest charges on your loan account each day by dividing the *balance owing on your loan account* into the following 2 parts:
  - (a) a part equal to the sum of the credit balances in each linked account at the end of each day. We do not charge interest on this part of the loan;
  - (b) the remaining part of the *balance owing on your loan account* at the end of each day. Interest charges on this part of the loan are calculated by applying the daily percentage rate. (The daily percentage rate is the *annual percentage rate* applying to your loan for that day divided by 365.)
5. **If a Repayment Offset facility applies**, we calculate the interest charges on your loan account each day by dividing the *balance owing on your loan account* at the end of each day into the following 2 parts:
  - (a) a part equal to the sum of the credit balances in each linked account at the end of each day. We do not charge interest on this part of the loan;
  - (b) the remaining part of the *balance owing on your loan account* at the end of each day. Interest charges on this part of the loan are calculated by applying the daily percentage rate. (The daily percentage rate is the *annual percentage rate* applying to your loan for that day divided by 365.)

	<p>For the period where Repayment Offset facility applies to your loan, your monthly repayments will be the interest only <i>repayment</i> for that month less the <i>interest offset benefit</i> for that month (see clause 6 below).</p> <p>6. <b>For either Offset facility</b>, the <i>interest offset benefit</i> accumulates daily and is available for each day on which you have a credit balance in any linked account. We calculate the amount of <i>interest offset benefit</i> by applying the daily percentage rate to the sum of the credit balances in each linked account at the end of each day. The daily percentage rate is the <i>annual percentage rate</i> applying to your loan for that day divided by 365. If the sum of the credit balances in each linked account is greater than the <i>balance owing on the loan account</i> on any day, no <i>interest offset benefit</i> will be obtained for that day for the excess. Further, for any period that the balance of the loan account is reduced to nil, there is no <i>interest offset benefit</i></p>
<p><b>If your loan or part of your loan is fixed</b></p>	<p>7. The fixed rate period specified above for your fixed rate loan commenced on the Effective Date. The fixed interest rate may include a discount based on your loan category. Your loan agreement is changed so that the annual percentage rate under the fixed rate option may be different depending on whichever loan category you are under.</p> <p>8. On expiry of the fixed rate period, the annual percentage rate that applies to your loan will be the Relevant Variable Rate referred to in clause 1.</p> <p>9. During the fixed rate period you can make additional repayments up to the prepayment threshold without incurring prepayment break costs. You can then apply to redraw some or all of those fixed rate period additional repayments up to the prepayment threshold. During the fixed rate period you cannot, however, redraw any additional repayments which were made prior to the commencement of the fixed rate period.</p> <p>10. St.George may charge prepayment break costs on your loan if you prepay the total amount owing or make partial prepayments in excess of the prepayment threshold or are in default so that the total amount owing on the loan becomes immediately due for payment. St.George may charge switch break costs on your loan if you change to another interest rate option (fixed or variable) or change the repayment type during a fixed rate period. <b>The method by which St.George calculates prepayment break costs and switch break costs is set out at the end of this letter.</b> Please also refer to the enclosed brochure - <i>Things you should know about Break Costs on Fixed Rate loans</i>.</p> <p>11. If a Mortgage Equaliser Offset or Repayment Offset facility previously applied to your loan, the Interest Offset facility for your loan automatically converted to a Partial Offset facility.</p> <p>12. <b>If a Partial Offset facility applies</b>, we calculate the interest charges on your loan account each day by dividing the <i>balance owing on your loan account</i> at the end of each day into the following 2 parts:</p> <ol style="list-style-type: none"> <li>a part equal to the sum of the credit balances in each linked account at the end of that day. Interest charges on this part of the loan are calculated by applying the daily percentage rate less the daily partial offset rate;</li> <li>the remaining part of the <i>balance owing on your loan account</i> at the end of each day. Interest charges on this part of the loan are calculated by applying the daily percentage rate.</li> </ol> <p>13. If the partial offset rate would exceed the <i>annual percentage rate</i> payable on the loan, the partial offset rate applied will be the <i>annual percentage rate</i> payable on the loan and accordingly, there will be no interest charge on the part of the loan referred to in clause 12(a).</p> <p>14. We calculate the amount of <i>interest offset benefit</i> for a Partial Offset facility by applying the daily partial offset rate to the sum of the credit balances in each linked account at the end of each day.</p> <p>15. The daily percentage rate is the <i>annual percentage rate</i> applying to your loan for that day divided by 365. The daily partial offset rate is the partial offset rate (which we determine to be applicable from time to time) for that day divided by 365. If the sum of the credit balances in each linked account is greater than the <i>balance owing on the loan account</i> on any day, no <i>interest offset benefit</i> will be obtained for that day for the excess. Further, for any period that the balance of the loan account is reduced to nil, there is no <i>interest offset benefit</i>. The current partial offset rate can be obtained on request from any of our branches or by telephoning us on 13 33 30.</p>



	16. A Partial Offset facility will continue to apply after the end of the fixed rate period. You can, however, apply to convert the Interest Offset facility to a Mortgage Equaliser Offset facility (if your loan then has principal and interest repayments) or a Repayment Offset facility (if your loan then has interest only repayments).
If your loan or part of your loan is a <b>St.George Basic home loan</b>	Interest Offset facilities are not available on St.George Basic Home Loans and so any Interest Offset facility you previously had no longer applies.
If your loan or part of your loan is a <b>Negotiated Rate Loan</b>	17. A "Negotiated Rate Loan" is: <ul style="list-style-type: none"><li>- a fixed or variable rate loan where it is specified above that your interest rate at any time is the standard product rate less a margin; or</li><li>- a Negotiated Rate Low Doc Home Loan.</li></ul>
If your new loan product is ineligible under the <b>Advantage Package</b>	If your loan was part of an Advantage Package and you switched to an ineligible loan product, your Advantage Package may be cancelled and your package benefits will end.

#### Fees

<b>Offset</b>	A Full Offset Service Fee will be debited to a loan where a Mortgage Equaliser Offset or Repayment Offset facility applies of \$5 per month, except when the loan is included in an Advantage Package, where one fee free Offset is included per package.
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#### Other Fees

Product	Administration fee per month	Redraw fee per approved written request	Redraw fee per approved request via Internet and Phone Banking
Advantage Package Home Loans	\$0	\$50	\$0
Basic Home Loans	\$0	\$50	\$0
Seniors Access Home Loan	\$10	\$25	\$10
Senior Access Plus Home Loan	\$15	\$25	\$10
Low Doc Home Loan	\$12	\$25	\$10
No Deposit Home Loan (all options)	\$12	\$50	\$10
All other Residential Home Loans	\$10	\$25	\$10

## Break Costs

1. When St.George lends you money at a fixed rate for a set term, the risk associated with movements in interest rates is accepted by St.George. We then manage this risk based on the understanding that all the required repayments due over the whole of the fixed rate period will be made in full and on time. We obtain funding on this basis through transactions at wholesale interest rates. If you make a prepayment (that is, you repay ahead of the due date or you pay an extra or higher amount) or change to another interest rate or product or another repayment type, that will change our funding position. If Wholesale Market Interest Rates have dropped, this causes a loss to St.George. The estimated amount of this loss is passed on to you as break costs (subject to the *prepayment threshold* described below).
2. If you are under the fixed rate option and before the end of the fixed rate period you:
  - (a) prepay the *total amount owing*; or
  - (b) make prepayments in excess of the *prepayment threshold*; or
  - (c) are in default so that the total *amount owing* becomes immediately due for payment,then you must pay us the prepayment break costs that we calculate.
3. If you are under the fixed rate option and before the end of the fixed rate period you:
  - (a) change to another interest rate option (fixed or variable); or
  - (b) change the repayment type,then you must pay us the switch break costs that we calculate.
4. Each of the events referred to in paragraphs 2 and 3 is a "break".
5. This paragraph applies if you prepay less than the total amount owing. The prepayment threshold is the maximum amount we allow you to prepay in each 12 month period without charging you prepayment break costs. Your *prepayment threshold* is \$10,000 in each 12 month period. You will reach your *prepayment threshold* for a 12 month period once the total prepayments during that 12 month period, after taking into account any amounts you have already redrawn during that 12 month period, reach \$10,000 or more on a day during that 12 month period. After that, each prepayment during that 12 month period will trigger a prepayment break costs calculation unless the prepayment is less than or equal to the aggregate amount redrawn since the last prepayment break costs calculation. A prepayment is any regular or lump sum payment of any amount in excess of your contractual obligation. For this purpose a "12 month period" is the period from the date the fixed rate period starts to the first anniversary of that date and each consecutive 12 month period after that during the fixed rate period. For example, say you had a 3 year fixed rate period and in year 1, you:
  - prepaid \$9,000 in month 3;
  - redraw \$8,000 in month 6;
  - prepaid \$5,000 in month 8.

You will not exceed your *prepayment threshold* during year 1 because, while you have prepaid a total of \$14,000, at no time have the prepayments, taking into account any redraws made, reached the threshold of \$10,000.

If in year 2, you:

- prepaid \$8,000 in month 3;
- redraw \$5,000 in month 6;
- prepaid \$9,000 in month 8;

you would exceed your *prepayment threshold* by \$2,000 in month 8, thus a prepayment break costs calculation would be done then

If in year 3, you:

- prepaid \$15,000 in month 3;
- redraw \$8,000 in month 6,

you would exceed your *prepayment threshold* by \$5,000 in month 3 and a prepayment break costs calculation would be done then, notwithstanding that your later redrawing of \$8,000 brought the net prepayments during year 3 down to \$7,000.

If in year 3 you had instead:

- prepaid \$15,000 in month 3;
- redrawn \$6,000 in month 6;
- prepaid \$9,000 in month 8,

you would exceed your *prepayment threshold* by \$5,000 in month 3 and a prepayment break costs calculation would be done then. When you made the further prepayment of \$9,000 in month 8 another prepayment break costs calculation would be done because the prepayment was more than the amount redrawn in month 6.

We do not treat payments of overdue amounts as prepayments. For example if the overdue amount is \$2,000 and you pay \$7,000, then only \$5,000 is counted towards your *prepayment threshold*.



6. Both repayment break costs and switch break costs are break costs and calculated using the break costs method described in paragraph 7
7. In general terms, you will need to pay us break costs if our current Wholesale Market Interest Rates for the part of the fixed rate period remaining after the break are lower than the Wholesale Market Interest Rates for the original fixed rate period (that is, the Wholesale Market Interest Rates on the first day of the fixed rate period or as at the rate lock date if there is a rate lock facility). The "Wholesale Market Interest Rates" are the rates at which we determine we can get fixed rate funds from the wholesale markets on the relevant day. To work out break costs, we take into account:
- (i) the relevant Wholesale Market Interest Rates on the first day of the fixed rate period or as at the rate lock date if there is a rate lock facility (the "original Wholesale Market Interest Rates");
  - (ii) the Wholesale Market Interest Rates for the part of the fixed rate period remaining on the date of the break (the "current Wholesale Market Interest Rates");
  - (iii) the difference between your *annual percentage rate* for the fixed rate period and the original Wholesale Market Interest Rates;
  - (iv) the outstanding balance on the loan and, in the case of partial prepayments, the *prepayment threshold* we allow you to prepay before we impose break costs;
  - (v) the number of days remaining until the end of the fixed rate period;
  - (vi) the timing, frequency and dollar amount of payments required under the Loan Contract; and
  - (vii) any amount of any unpaid interest, fees and charges and any default interest which was debited.

Our break costs formula is complex. A simplified version of it is:

$$\begin{aligned} & \text{Interest Rate Differential} \\ & \quad \times \text{ (Multiplied by) } \\ & \text{Average Outstanding Balance} \\ & \quad \times \text{ (Multiplied by) } \\ & \text{Number of Years Remaining in Fixed Term} \\ & \quad \times \text{ (Multiplied by) } \\ & \text{Net Present Value Discount Factor} \end{aligned}$$

Our formula estimates our loss but may not necessarily reflect any actual transaction that we may enter into (either before or at the time of the break).

An example of the amount of break costs is set out under Fixed Rate Break Costs Example below.

#### **FIXED RATE BREAK COSTS EXAMPLE**

The following example will help you understand how the break costs formula generally works. Say you take out a home loan of \$100,000 (with interest only payments for 5 years) with a loan term of 25 years in April 2009. Your customer fixed interest rate is 7.00% p.a. for five years (no locked rate was requested). You don't make any prepayments or redraws. The Wholesale Market Interest Rates on the settlement date for your fixed rate period were effectively 6.00% p.a. You then prepay the loan in full after one year on a repayment date in April 2010, (i.e. four years still remain in your fixed rate period). If the four year Wholesale Market Interest Rates in April 2010 are effectively 5.00% p.a. you will need to pay us a break costs of approximately \$3,600.

This break costs example is based on:

Loan term: 25 years (interest only for the first 5 years)

Fixed rate period: 5 years


Loan amount: \$100,000

Customer rate: 7.00% p.a. (no rate lock was requested)

An explanation of the terms used in our break costs formula is outlined below. Examples of these terms have also been provided.

**Average outstanding balance:** The average of the loan balance between the time of the break and what the balance would have been at the expiry of the fixed rate period (assuming no prepayment). In this example, since the repayment type is interest only, the average outstanding balance is \$100,000.

**Interest Rate Differential:** The difference between the original Wholesale Market Interest Rates for the applicable fixed rate period and the current Wholesale Market Interest Rates for the remainder of the fixed rate period.



For example, say you prepay the loan after one year on a repayment date in April 2010 (i.e. 4 years still remain in your fixed rate period). The Interest Rate Differential would be 1.00% (6.00% less 5.00%).

**Number of Years Remaining in the Fixed Term:** If you prepay the loan after one year on a repayment date in April 2010, there are still 4 years remaining in your fixed rate period.

**Net Present Value Discount Factor:** The factor which discounts the cost incurred to the Bank spread over the remaining fixed rate period, to today's value. The formula for calculating the *Net Present Value Discount Factor* is as follows:

$100.00\% - ((\text{Current Wholesale Market Interest Rates} \times \text{Number of Years Remaining in Fixed Rate Period})/2)$

For example, say you prepay the loan after one year on a repayment date in April 2010 (i.e. 4 years still remain in your fixed rate period). The *Net Present Value Discount Factor* would be 90.00%.

**WARNING:** The example above and the simplified version of our break costs formula are a general guide only. If you do have to pay break costs, the actual amount may be different from the amount you calculate yourself using the simplified version of our formula.

8. Break costs can be quite high. We suggest you ask us for an estimate of the break costs and seek independent financial advice before you repay early during a fixed rate period. Our break costs formula is complex. If you would like to see a more detailed description of the formula used to work out the break costs, refer to the enclosed St.George brochure called Things you should know about Break Costs. Please also note that we will not pay you a benefit if the current Wholesale Market Interest Rates are higher than the original Wholesale Market Interest Rates. This is because we allow you to make prepayments up to the *prepayment threshold* without charging break costs.