

INVESTMENT ACCOUNTS

PART 1 - INVESTMENT ACCOUNTS PRODUCT DISCLOSURE STATEMENT (Corporations Act (Cth) 2001)

Comprises of the following documents

Part 1 Product Disclosure Statement for the investment accounts

- A 12 Months Regular Income
- B Term Deposit
- C 50+ Investment Term Deposit

Part 2 Fees and charges

Part 3 Savings and Term Deposit Account interest rates



BankVic

This Product Disclosure Statement (PDS) is required to be given by Police Financial Services Limited to members when issuing a financial product to them. It contains all details that might reasonably be expected to have a material influence on the decision of a customer as to whether to acquire this product.

If you are looking to acquire any of the products referred to in this PDS, please refer to Parts 1, 2 and 3 of this PDS.

Product Issuer:

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INVESTMENT ACCOUNTS

BENEFITS

Our Investment accounts have the following benefits:

Higher rate of interest than an at-call savings account

Interest rates fixed for the term of the deposit which may be a benefit if interest rates decrease

Interest is calculated on daily balance.

You may be entitled to payment under the financial claims scheme. Payments under the scheme are subject to a limit for each depositor (currently \$250,000). You can obtain information about the scheme from the Australian Prudential Regulation Authority (APRA) website at www.apra.gov.au and the APRA hotline on 1300 13 10 60.

A. 12 MONTHS REGULAR INCOME

BRIEF DESCRIPTION OF PRODUCT

The 12 Months Regular Income account provides for a 'fixed' term account where the interest is paid to the account holder on a regular basis. The 12 Months Regular Income account has the following features

- 12 month fixed term
- Minimum deposit \$5,000
- Subsequent deposits \$2,000 minimum
- Interest paid fortnightly, monthly, quarterly or annually
- Interest rates vary according to amount of deposit
- Own branch access for over the counter withdrawals/ deposits.

BENEFITS

The 12 Months Regular Income account has the following benefits:

- Interest paid regularly to member or their nominated account
- Interest can compound annually or be paid fortnightly, monthly, quarterly or annually.

For current interest rates refer to the Savings and Term Deposit Account Interest Rates brochure which forms part of this PDS.

RISKS

As the withdrawal of funds prior to the maturity period requires our prior agreement, your investment may carry the following risks:

- Funds are not accessible to early withdrawal by you, unless agreed to by us
- Any early withdrawal may be subject to a reduction in the interest rate
- As the interest rate is fixed for the term of the deposit you may be disadvantaged if there is an increase in interest rates.

SIGNIFICANT FEATURES OF THIS

PRODUCT

An important feature which applies to this product is that while the minimum deposit is \$5,000, additional deposits of a minimum of \$2,000 are permitted. Deposits below \$2,000.00 can only be added to the account on maturity. This will affect the way that you can operate this account and our rights to protect ourselves from loss.

For further significant features applying to this product, please refer to the section entitled 'Significant features of these investment products' of this PDS. For terms and conditions refer to our General Information, Terms and Conditions booklet available on our website, at any branch or on request through Sales & Servicing on 13 63 73.

B. TERM DEPOSIT

BRIEF DESCRIPTION OF PRODUCT

The Term Deposit account is a 'fixed' term account with the following features

- 3-60 months fixed terms are available
- Minimum deposit \$5,000
- Interest rates vary according to amount of deposit and term
- Own branch access for over the counter withdrawals/ deposits.

BENEFITS

The Term Deposit account has the benefit of interest being credit annually and on maturity.

RISKS

As the withdrawal of funds prior to the maturity period requires our prior agreement, your investment may carry the following risks:

- Funds are not accessible to early withdrawal by you, unless agreed to by us
- Any early withdrawal may be subject to a reduction in the interest rate please refer to the section entitled 'Significant features of these investment products'
- As the interest rate is fixed for the term of the deposit you may be disadvantaged if there is an increase in interest rates.

SIGNIFICANT FEATURES OF THIS PRODUCT

An important feature which applies to this product is that additional deposits can only be added to term deposits on maturity. This will affect the way that you can operate this account and our rights to protect ourselves from loss.

For further significant features applying to this product, please refer to the section entitled 'Significant features of these investment products' of this PDS. For terms and conditions refer to our General Information, Terms and Conditions booklet available on our website, at any branch or on request through Sales & Servicing on 13 63 73.

C. 50+ INVESTMENT TERM DEPOSIT

BRIEF DESCRIPTION OF PRODUCT

The 50+ Investment Term Deposit account is a 'fixed' term account with the following features

- 12-60 months fixed terms available
- Available to personal customers only
- Minimum deposit \$50,000
- Subsequent deposit \$10,000 minimum
- Interest rates vary according to term of deposit and interest payment frequency
- Own branch access for over the counter withdrawals/ deposits.

BENEFITS

The 50+ Investment Term deposit account has the benefit of having a higher interest rate than other term deposits and interest can compound annually or paid monthly, quarterly or annually.

RISKS

As the withdrawal of funds prior to the maturity period requires our prior agreement, your investment may carry the following risks:

Funds are not accessible to early withdrawal by you, unless agreed to by us

Any early withdrawal may be subject to a reduction in the interest rate. Please refer to the section entitled 'Significant features of these investment products' of this PDS.

As the interest rate is fixed for the term of the deposit you may be disadvantaged if there is an increase in interest rates.

SIGNIFICANT FEATURES OF THIS PRODUCT

An important feature which applies to this product is that while the minimum deposit is \$50,000, additional deposits of a minimum of \$10,000 are permitted. Deposits below \$10,000 can only be added to the account on maturity. This will affect the way that you can operate this account and our rights to protect ourselves from loss.

For further significant features applying to this product, please refer to the section entitled 'Significant features of these investment products' of this PDS. For terms and conditions refer to our General Information, Terms and Conditions booklet available on our website, at any branch or on request through Sales & Servicing on 13 63 73.

SIGNIFICANT FEATURES OF THESE INVESTMENT PRODUCTS

Set out below are some important features of the investment products. These will affect the way that you can operate the account and our rights to protect ourselves from loss.

AMOUNTS PAYABLE AT TIME OF ISSUE

There is no purchase price or associated costs for these financial products payable at the time of issue.

COMMISSIONS, FEES AND CHARGES

There are no transaction fees and charges you may incur when using the investment accounts. However, you may incur an Interest Reduction if you redeem your funds prior to maturity.

INTEREST REDUCTION

This reduction is not a fixed amount but a reduction in the interest rate from the interest rate applicable to the account for the current interest period* at the time of the early redemption to the interest rate applicable to at-call accounts. This affects the interest paid to you.

For example - If your term deposit is currently accruing interest at 4.79%p.a. and you redeem your funds prior to maturity, the interest rate applied to the current interest period may be the interest rate applicable to the Multipack At-Call account of 0.10%p.a.

*The interest period is the period of time that has elapsed since the last interest paid date to the date of redemption.

We reserve the right to vary the method of calculation of the interest reduction at any time.

Please refer to the Fees and Charges brochure which forms part of this PDS or call Sales & Servicing on 13 63 73 for more information.

No commission is received by or paid to a third party in relation to the issuing of this product.

TERMS AND CONDITIONS

Terms and conditions of our investment products are contained within our General Information, Terms and Conditions booklet, which also advises on our at call savings accounts and account opening.

OTHER SIGNIFICANT FEATURES

OPENING AN ACCOUNT

To meet international standards and to help protect business from being misused for money laundering and terrorism financing Australia, we comply with the Anti-Money Laundering and Counter -Terrorism Financing Act 2006.

As a customer or potential customer seeking certain services you may be asked to verify your identity. As a member you will also be asked at various times to verify the continuing accuracy of personal information you have previously supplied. By doing this you are helping to protect Australian businesses from being misused for the purposes of criminal activity. Phone us on 13 63 73 to obtain guidance on the types of documents you should provide to verify your identity.

STATEMENTS

We will provide you with a statement of all activity on your account at least once every three months. However, you can also ask us to provide statements on a more regular basis (eg every month). There is a charge if you ask for a replacement statement however you can access your statement electronically without incurring any charges via eStatements. Registering for eCommunications gives you access to your statements through our internet banking site, from where you can print or save your statement for later reference.

COMBINING ACCOUNTS

If you have more than one account (including a loan account)

with us, we may set off the credit balance of any of your deposit accounts against any debt owing by you to us from time to time. This means that we can transfer money from one account to another if one of the savings account is overdrawn without prior authorisation or a loan repayment has not been made. We will inform you if we have exercised this right of set-off.

USING CHEQUES

Cheques deposited by you – once a cheque is deposited to your account, it may take up to five working days before the cheque is cleared.

EARLY REDEMPTIONS

Deposits cannot generally be withdrawn prior to maturity. However, under special circumstances we may at our discretion, agree to a request from the member for the full or partial redemption of the deposit prior to the expiry of its full term.

If an early redemption is required, the request must be in writing. The request must advise the amount that is needed, the reason and withdrawal details. If the account is held in joint names, all parties must sign the letter, regardless of the method of operating the account.

We may at our discretion charge an Interest Reduction. (Refer Commissions, fees and charges)

MATURITY NOTICES

Maturity notices are sent to account holders at least one week prior to the maturity date, along with current interest rates.

If maturity instructions are not received prior to maturity date, the deposit will be renewed in a new fixed term deposit for the same or similar term and interest will be paid in accordance with previous instructions. The interest rate advised in the notice of maturity or where standard interest rate for that term has increased as at the maturity date, the interest rate on the date of maturity.

TERM CERTIFICATES

Term Certificates will be sent to the account holder following initial lodgement and after each renewal date.

DISPUTE RESOLUTION PROCEDURES

We have our own internal complaints handling procedures. These procedures are set up to deal with any disputes concerning these products or their associated features. Any complaints can be made to our Complaints Officer by calling 13 63 73. Complaints will be dealt with according to established guidelines and will ensure fairness to all our customers.

Should we be unable to satisfactorily resolve your dispute there is also an external dispute procedure available to you.

A copy of our Complaints Dispute Resolution Guide which details our procedures, is available on our website bankvic.com.au, from any branch or by calling Sales & Servicing on 13 63 73.

TAXATION IMPLICATIONS

Under the Income Tax Assessment Act 1997, tax may be payable on any interest earned on monies deposited in your account.

TAX FILE NUMBER

You are not obliged to disclose your Tax File Number to us. However, if you do not we are obliged to deduct tax from any interest you earn at the highest marginal rate.

CLOSING YOUR ACCOUNT

You can close your account/s by

- mail by written advice or completing a withdrawal form
- via Sales & Servicing if the account operation permits and you have quoted your Keyword.

Upon closing the account, you, as the account holder, will be required to pay any amounts owing to us and any credit balance will be refunded.

We also reserve the right, in certain circumstances, to close an account and forward any proceeds, less applicable charges, to you as the account holder.

Should we decide to exercise this right we will advise you as the account holder in writing before actually closing the account.

GENERAL INFORMATION, TERMS AND CONDITIONS

We recommend that you read our General Information, Terms and Conditions booklet which includes information on:

- how to operate your account
- variations to our terms and conditions, interest rates and fees and charges
- our confidentiality and privacy obligations.

FURTHER INFORMATION

If you require further clarification of any of the accounts referred to in this PDS, then please contact us on 13 63 73 or call into one of our branches. This Product Disclosure Statement was prepared on 8 February 2017.

The information contained in this document is up to date at the time of issue to customers. This PDS is not required to be lodged with ASIC and ASIC is not responsible for any of its content.

