

FINANCIAL SERVICES GUIDE

(Corporations Act (Cth) 2001)

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Police Financial Services Limited

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BankVic

IMPORTANT INFORMATION

BankVic has prepared this Financial Services Guide (FSG) to assist you in deciding whether to acquire any of the products or services we are authorised to provide. It contains important information about:

- The products and services we offer;
- How we and others are paid for those products and services;
- The interests, associations and relationships we have;
- How we deal with complaints; and
- Our contact details.

OTHER DOCUMENTS YOU MAY RECEIVE

If we provide you with personal advice (advice which takes into account your objectives, financial situation and needs) about an insurance product or about any other product that is not a 'basic deposit' product or a related facility for making payments other than by cash, you will also receive a Statement of Advice (SOA). A SOA sets out the personal advice given to you, including any recommendations about particular financial product/s, the basis of those recommendations, information about fees and commissions and associations with others that may have influenced the advice.

If we recommend, offer or issue you with a financial product, we will give you a Product Disclosure Statement (PDS) or disclose the key information contained in the PDS. The PDS will contain information about the product including its benefits and features and any costs associated with the product. We will also ensure you have or have access to the product's terms and conditions. If the product is a basic deposit product and a related non-cash payment product, a PDS may not be issued and in these circumstances we will provide you with information and terms and conditions, including fees and charges, for the product.

THE PRODUCTS AND SERVICES WE OFFER

BankVic is licensed, to deal and advise in:

- basic deposit products;
- non-basic deposit products;
- non-cash payment services;
- general insurance products; and
- retirement savings accounts.

We are also authorised to advise on

- superannuation;
- personal risk insurance;
- interests in managed investment schemes, including

- investor directed portfolio services;
- debentures, stocks or bonds issued by a government; and
- securities limited to debentures of a body corporate or unincorporated body.

REMUNERATION AND OTHER BENEFITS

Our representatives are salaried employees who do not receive any commission for any products and services we issue or recommend. Any commission or payment from third party products is paid directly to the company and applied for the benefit of all members. Those payments, where known, are advised in the content that follows. Where the payment or commission is percentage based or falls within a range, the actual cost to you will be advised to you in a Statement of Advice.

Our staff may be eligible to receive bonuses, incentives and additional benefits based on a number of factors, including:

- achieving high standards in member service;
- our performance against targets; and
- for the sale and/or promotion of products.

The incentives may take the form of movie tickets, gift cards, electronic devices, tickets to sporting and cultural events or similar rewards, either from us or from third party providers for whom we act as an agent. BankVic may also offer travel vouchers for domestic and/or international travel. Additional benefits such as complementary or subsidised attendance at conferences may also be provided to the company for their staff.

In some circumstances, the above incentives may not be available to our financial planners. An explanation of the incentives available to our planners appears on page 4.

DEPOSIT AND PAYMENT SERVICES

RELATIONSHIPS BETWEEN BANKVIC AND OTHER PARTIES AND COMMISSIONS

BankVic is owned and controlled by its shareholders (members).

However, like other customer-owned financial institutions, we have arrangements with transactional product providers to provide members with the non-cash payment services. Through

FINANCIAL SERVICES GUIDE

Indue Limited ABN 97 087 822 464 (Indue) a leading provider of transactional products, we can provide members with debit and credit cards (distributed by Visa International), cheque books and BPAY Pty Ltd ABN 69 079 137 518 (BPAY). Through American Express International Incorporated ABN 15 000 618 208 AFSL 237996 (AMEX) we can provide members with foreign currency services.

Other than our relationships with Indue, Amex and WUBS, we do not have any other relationships which might influence the circumstances in which advice on our deposit and payment products is provided.

We provide our Visa debit cards and Visa credit cards, on behalf of Visa International. We receive commission for the value of a credit transaction effected by our cardholders. We also receive a currency conversion fee on all international transactions.

DEBIT CARD

Type of transaction	Domestic	International
Electronic	9 cents (weighted average)	0.90%-1.10% The actual % will depend on the region.
Currency conversion		3.65% of the AUD amount (Included in the Australian dollar transaction amount shown in your Statement of Account.)

BPAY® BILL PAYING SERVICES

We provide BPAY bill paying services on behalf of BPAY. We receive commission of 46 cents for every transaction, of this payment, 19 cents is passed on to our service provider, Indue.

FOREIGN CURRENCY SERVICES

We provide international telegraphic transfers and drafts on behalf of Amex and WUBS. For this service, we receive for every individual transaction effected by our members

Type of transaction	Amex	WUBS
Telegraphic Transfers	0.5% per individual transaction	\$13.50 per individual transaction
Drafts	0.5% per individual transaction	\$7 per individual transaction

RETIREMENT SAVINGS ACCOUNTS (RSA)

Our retirement savings account, SuperFuture, is available as a savings account or term deposit. Account based income streams are also available with the RSA. The accounts have no set up or ongoing fees, however withdrawal or exit fees may be charged by our service provider, Financial Synergy Pty Ltd. The insurance on our retirement savings accounts is provided by TAL Life Limited.

Death and Total and Permanent Disability insurance cover is available on this product via TAL Life Limited at group policy premiums.

Type of RSA	Fee	Charged
Savings	This fee will be indexed each year (at 30 June) in line with movements in Average Weekly Ordinary Time Earnings.	Deducted from RSA balance at the time of withdrawal or transfer.
Term deposit	This charge is not a fixed amount but a reduction in the interest rate.	This is applied when RSA term deposit is redeemed prior to maturity. The maximum reduction will be the difference between the contracted interest rate for the redeemed deposit and the rate payable on the lowest RSA variable rate.
Income stream	This fee is to facilitate the Income Stream payments.	This fee is charged annually.

INSURANCE SERVICES

We act as agent for a number of insurers and can arrange the insurance you select through the issuer for a variety of general insurances and personal risk insurances. When offering you an insurance policy or referring you to an agency we will clearly disclose our relationship and any remuneration, including details of any commission payable. The commission rate varies depending upon the insurer and the type of insurance product sold.

Through

- Insurance Australia Group Limited (IAG) ABN 11 000 016 722 AFSL 227681 trading as CGU Insurance
- Swann Insurance (Swann),

we are able to arrange the insurance you select;

- Home
- Motor vehicle and motor equity
- Caravan and trailer

- Landlord
- Consumer credit insurance
- Pleasure craft
- Travel

The insurer you select is the issuer of the relevant policy.

We also have referral arrangements in place with St Andrews Life and can provide advice on and source other personal risk insurance product providers, through our financial planning service for;

- Life insurance
- Total Permanent Disability
- Trauma
- Income protection

HOW WILL YOU PAY FOR OUR INSURANCE SERVICES

Where you acquire an insurance policy you will be charged a premium, payable yearly or monthly, for that policy and based on your circumstances (plus relevant taxes and charges) by the insurance company.

We receive a commission from the insurer when you first acquire an insurance policy and on renewal of that policy. The amount of commission depends on the insurance company providing the policy and the type of insurance and will be disclosed to you prior to you purchasing the policy.

For example, with general insurance policies,

Type of Insurance	Commission
IAG	10% - 20%
Swann	20%

Where the policy is a sickness and accident, term life or accident death plans, that is a personal risk insurance policy, the commission will be in the following ranges

	St Andrews Term Life or Accidental Death Benefit	Financial Planning services
New policy – first year premium	20%	Up to 121%
Subsequent years – renewal premium	20%	Up to 25%

FINANCIAL PLANNING

Our financial planners can provide advice on a range of strategies,

products and investment options after considering your objectives, financial situation and needs. This includes advice on personal risk insurance, investments, retirement planning and superannuation (including Retirement Savings Accounts).

Our financial planners are representatives and employees of BankVic. It is BankVic who is responsible for the advisory services our financial planners provide to you. BankVic provides significant support and supervision, with the aim of ensuring you receive quality financial planning advice.

Our financial planners are also members of the Financial Planning Association of Australia (FPA) and are bound by the FPA's Code of Professional Practise and Code of Ethics.

BankVic ensures its financial planners:

- are only authorised to provide services to you where appropriate qualifications are held;
- stay up to date with relevant industry and legal changes to maintain advice credentials and capabilities;
- are provided with technical support and tools to provide financial planning advice;
- are provided with high quality financial product research; and
- are monitored and supervised to ensure they comply with the requirements of the law and BankVic's standards.

When you are provided with personal advice, we will:

- present recommendations on how to meet your goals (the advice) in a Statement of Advice (SOA) after having conducted a reasonable investigation into any financial products recommended;
- where you have received personal financial advice in the past, and where your personal circumstances have not significantly changed we may document this advice in a Record of Advice (ROA);
- explain in the SOA or ROA the basis for the advice, and any remuneration, benefits or associations which could have influenced the advice;
- where financial products are recommended, provide you with a Product Disclosure Statement (PDS) or other disclosure document containing information about each product recommended to help you make an informed decision about whether to purchase that product or service; and
- where BankVic provides you with an ongoing advice or service, and receives income as a result, we may issue you with a Fee Disclosure Statement.

WHEN WILL I RECEIVE A SOA?

We may meet with you several times to discuss our advice before finalising our recommendations to you.

Once we have finalised our advice, we will explain our recommendations, and record it for you in an SOA. You should only implement advice after taking the time to read and understand the SOA and PDS (see below) and should contact us if you have any questions about the SOA or PDS.

You may not receive an SOA in the following circumstances:

- General advice — such as advice provided in seminars and through newsletters, which does not consider your personal circumstances, we will advise you if the advice is general advice;
- Further advice — if you previously received advice recorded in an SOA, any further personal advice may be recorded in a Record of Advice (ROA). You may request a copy of a ROA by contacting us and can do so for a period of seven years from the date the further advice was first provided to you.

WHEN WILL I RECEIVE A PDS?

Together with your SOA, you may also be provided with a PDS at the time you are provided with advice.

The PDS includes important information in relation to the product recommended including the features, benefits, risks and fees associated with the product.

You should only implement advice after taking the time to read and understand the SOA and PDS and should contact us if you have any questions about the SOA or PDS.

REMUNERATION AND BENEFITS RELATING TO FINANCIAL SERVICES

WHAT WILL I BE CHARGED FOR THE PROVISION OF FINANCIAL SERVICES?

We may charge fees for the preparation, presentation and implementation of our advice. These fees will be based on your individual circumstances, the complexity involved in your situation and the time it takes to prepare personal financial advice for you.

We will discuss these fees with you and gain your agreement on the fees before we charge you these fees. You can ask us for details on fees, commissions and incentives at any time.

Our Service Fee, and how you will pay for these services are explained below. All fees and charges are inclusive of GST.

INITIAL MEETING

The initial appointment is obligation free, as this meeting allows our financial planners to get to know you, understand your circumstances and identify what areas of advice we can provide.

PREPARATION OF AN SOA OR ROA

We will charge you a fee for a consultation with a financial planner and for the preparation of a SOA. The cost will depend upon the complexity of your situation and the strategies and recommendations provided.

IMPLEMENTATION OF ADVICE

Where you decide to act on the advice provided there may be additional fees and/or commissions associated with the implementation of the advice. The fees and commissions will vary between funds and products and will be detailed in the PDS and/or your SOA.

WHAT FEES ARE CHARGED FOR SUBSEQUENT SERVICES?

Ongoing administration and advice services may also be provided to you to ensure the strategy and products recommended continue to meet your objectives, needs and financial situation. If you choose to receive ongoing services, you may be charged a fee based on the scope of the services you receive. This ongoing administration and advice service fee will be agreed with you.

REMUNERATION AND OTHER BENEFITS

Specific and detailed information about fees, payments, incentives and commissions received by us will be included in the Statement of Advice you receive. Our financial planners are salaried employees and do not receive commissions for any products recommended to you. Our financial planners may receive a bonus which is calculated on their achieving high standards and their performance of key performance indicators including member service, compliance and administration. Benefits between \$100 and \$300 are recorded in a Register meeting the FPA requirements for alternative forms of remuneration this Register is publicly available to you at your request.

FURTHER DETAILS ON REMUNERATION AND BENEFITS RELATING TO FINANCIAL SERVICES

When you are provided with personal advice on specific financial products, we will disclose certain details of remuneration (including commission) or other benefits that we receive, or that BankVic or another associated person receives, as a result of that advice (Remuneration or Benefits). If the Remuneration or Benefits can be calculated at the time you receive personal advice, these amounts will be disclosed at that time, or as soon as practicable after that time in the SOA or ROA. If the Remuneration or Benefits cannot be calculated at the time you receive personal advice, we will disclose how these amounts will be calculated instead.

These details will only be disclosed when personal advice is given if the Remuneration or Benefits are reasonably capable of influencing us in providing the advice.

WHAT OTHER BENEFITS DO BANKVIC AND MY FINANCIAL PLANNERS RECEIVE FROM PRODUCT PROVIDERS?

Some product providers, who had an existing arrangement with BankVic prior to 1 July 2013, pay a licensee commission to BankVic based on the total funds invested in their products or insurance premiums paid for their insurance products.

As BankVic's financial planners are salaried employees of BankVic, BankVic does not pass a share of the licensee commission to its financial planners.

OTHER BENEFITS

BankVic and its financial planners may also receive additional benefits such as help with marketing expenses, complimentary or subsidised attendance at conferences, and other rewards such as gift vouchers, tickets to sporting events and invitations to social events that are below \$300. These benefits that are between \$100 and \$300 in value, and other benefits, that relate to information technology software or support provided by a product issuer or that relate to educational and training purposes, are recorded in a register which meets legislative requirements. The BankVic register is publicly available and BankVic can provide a copy to you for a small charge at your request.

BankVic may also benefit from other roles it performs in a transaction, such as recommending a general insurance product. When these products or services are provided to you, details of these fees or benefits and how they are calculated will be disclosed in the relevant PDS or other disclosure document that will be provided to you by your financial adviser.

OUR INTERESTS, ASSOCIATIONS AND RELATIONSHIPS WITH OTHERS

We are owned and controlled by our shareholders (members). We have an agreement with Securitor Financial Group Ltd ABN 48 009 189 495, AFSL 240687, ("Securitor"), to provide us with support services such as compliance, training, technical services and commission processing. Securitor is a wholly owned subsidiary of Asgard Wealth Solutions Limited ABN 28 009 143 597, which is a subsidiary of Westpac Banking Corporation ABN 33 007 457 141 ("Westpac"). Asgard Wealth Solutions Limited also owns Asgard Capital Management Ltd ABN 92 009 279 592 AFSL 240695 ("Asgard"). Westpac also owns other companies that bear the "Westpac" and "BT" names. BT Financial Group is the wealth

management arm of the Westpac Group.

BankVic has an arrangement with State Trustees to provide BankVic members with will preparation, estate planning and taxation advisory services. BankVic does not receive any commission or payment in relation to these referrals.

BankVic also has a relationship with Financial Synergy Pty Ltd, who provide us with RSA support services such as compliance and technical services such as statementing, we are not influenced by any relationships in which advice on our SuperFuture RSA is provided.

Other than relationships with business partners identified within this FSG and the providers of the products recommended to you by the Financial Planners, we are not influenced by any relationships or circumstances with third parties in which this financial service is provided.

OTHER SERVICES PROVIDED BY US

CREDIT PRODUCTS

We are, through our Australian Credit Licence, able to provide credit products namely

- Home loans;
- Home investment loans;
- Car loans;
- Personal loans for student, travel and general purposes;
- Lines of credit;
- Credit cards; and
- Overdrafts.

More information for these products can be found on our website, in branches and in our Credit Guide.

HEALTH INSURANCE

We have partnered with Bupa Australia Health Pty Ltd ABN 50 003 098 655, trading as Bupa, to provide private health insurance in the Member Health Plan.

We will receive a commission up to 3% on each policy for referring this insurance. For example: on a monthly premium of \$80 BankVic will receive a commission of \$2.40.

INCOME PROTECTION

BankVic does not provide income protection products, however BankVic has agreed to act as an administrator for the provision

of income protection insurance to members of the Ambulance Employees of Australia – Victoria (AEA-V).

BankVic makes this insurance product available under an agreement with underwriter Lloyds of London.

Where you acquire the relevant insurance policy you will be charged a premium for that policy based on your circumstances (plus relevant taxes and charges). BankVic receives a commission equal to 30% from the insurer. For example: On a monthly premium of \$40, BankVic will receive a commission of \$12. BankVic may choose to use a portion of this commission to further support this policy; or its members. BankVic staff are salaried employees and do not receive a commission for policies you may acquire through the referral.

COMPLAINTS AND DISPUTE RESOLUTION

WHO SHOULD YOU APPROACH IF YOU HAVE A COMPLAINT ABOUT THE SERVICE YOU HAVE RECEIVED?

We will endeavour to investigate and resolve any complaint promptly, thoroughly and fairly and have our own internal dispute resolution procedure. This procedure is outlined in our Complaints and Dispute Resolution Guide which is available on our website, from any of our branches or by telephoning Sales & Servicing on 13 63 73.

If you have a complaint about a product or the service offered or provided by us please call us on 13 63 73 or visit bankvic.com.au to view our Complaints and Dispute Resolution Guide. The Guide explains how we deal with complaints and disputes and the options available to you.

If we are unable to satisfactorily resolve your complaint you are entitled to have your complaint reviewed free of charge by the Financial Ombudsman Service Australia (FOS). FOS provides external dispute resolution services of which we are a member. FOS can be contacted on 1300 780 808.

If your dispute involves an issue about our Retirement Savings Account products or superannuation you should contact the Superannuation Complaints Tribunal (SCT) who can be reached by phone on 1800 367 287. The SCT website www.sct.gov.au provides for online complaint forms.

If your dispute involves an issue with respect to an insurance claim or valuation you should contact the insurance company concerned, prior to contacting the Financial Ombudsman Service.

PRIVACY OF YOUR PERSONAL AND FINANCIAL INFORMATION

WHY DO WE OBTAIN INFORMATION?

BankVic collects personal information directly from you when you apply for membership, when you apply for products and services and when you inform us of any change to the information we hold about you. We also collect your personal information from others when you transact on your account/s, visit our website, as required by relevant laws or with your specific consent and in managing our business.

If you do not provide the requested personal information, BankVic may not be able to consider your application for credit or provide you with the product and/or service you have requested.

PRIVACY POLICY

Our Privacy Policy is available to you on request by calling 13 63 73, visiting a branch and on our website bankvic.com.au and provides additional information about how we handle your personal information. It sets out how you can ask for access to personal information we hold about you and seek correction of that information. It also explains how you can complain about a breach of the Privacy Act or the Credit Reporting Privacy Code, and how we will deal with your complaint. We will give you a copy of our Privacy Policy on request.

