

FIRSTRATE

**DEPOSIT
PRODUCTS**



Product Disclosure Statement for FirstRate Investment Deposit products and FirstRate Term Deposit products

This Product Disclosure Statement is for use by existing investors of FirstChoice Investments or new or existing investors of FirstChoice Wholesale Investments

Issued 14 May 2018

Issued by Commonwealth Bank of Australia
ABN 48 123 123 124 AFS Licence 234945

Colonial
First State

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This is a Product Disclosure Statement (PDS) for FirstRate Investment Deposit products and FirstRate Term Deposit products.

The name and contact details for the administrator of FirstRate Investment Deposit products and FirstRate Term Deposit products (see page 1 of this PDS for information regarding the administrator's role) are:

Colonial First State Investments Limited
11 Harbour Street, Sydney NSW 2000

Telephone: 13 13 36

Email: contactus@colonialfirststate.com.au

Important note

This PDS is for use by existing investors of FirstChoice Investments or new or existing investors of FirstChoice Wholesale Investments only (collectively referred to as FirstChoice Investment products). To be eligible for FirstRate Investment Deposit products or FirstRate Term Deposit products, you must hold FirstChoice Investment products.

This PDS provides information about:

- FirstRate Term Deposits and/or FirstRate Wholesale Term Deposits, as relevant to the investment you hold (referred to as FirstRate Term Deposit products)
- FirstRate Investment Deposits and/or FirstRate Wholesale Investment Deposits, as relevant to the investment you hold (referred to as FirstRate Investment Deposit products).

These are collectively referred to as 'FirstRate Deposit products'.

Before you apply for FirstRate Deposit products:

- Read the following documents available at colonialfirststate.com.au:
 - the relevant FirstChoice Investment products PDS
 - if you are applying for FirstRate Investment Deposit products, read the Offer Term Sheet, and if you are applying for FirstRate Term Deposit products, refer to the current interest rates. This information is available at colonialfirststate.com.au/firstrateinterestrates

How to apply:

For **existing** FirstChoice Investment products investors:

- Request an additional investment or switch online using your FirstNet login, by phone or in writing.
- Instruct an allocation for the amount you want to invest in FirstRate Deposit products.

For **new** FirstChoice Investment products investors:

- Visit colonialfirststate.com.au
- Apply for the relevant FirstChoice Investment products online or download the FirstChoice Investment products application form with the PDS.
- Allocate all or part of your application monies to the relevant FirstRate Deposit product.

FirstChoice Investments and FirstChoice Wholesale Investments

Investments in FirstChoice Investments and FirstChoice Wholesale Investments are offered by Colonial First State Investments Limited ABN 98 002 348 352 AFS Licence 232468 ('Colonial First State' or 'the responsible entity', 'we', 'our' or 'us').

Colonial First State is a subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124 AFS Licence 234945 ('the Bank'). The Bank and its subsidiaries do not guarantee the performance of FirstChoice products or the repayment of capital by these products. Apart from FirstRate Saver, FirstRate Term Deposit products and FirstRate Investment Deposit products (for FirstChoice Investment products), investments in FirstChoice are not deposits or other liabilities of the Bank or its subsidiaries. Investment-type products are subject to investment risk including loss of income and capital invested.

FirstRate Term Deposit products and FirstRate Investment Deposit products are deposit products of the Bank. The issue of FirstRate Deposit products is authorised solely by the Bank. Colonial First State, as administrator, has given its consent to all statements by it or said to be based on statements by it in the form and context in which they are included, and has not withdrawn this consent as at the date of this PDS. To the extent permitted by law, neither Colonial First State nor any of its subsidiaries are responsible for any statement or information contained within this document (except for those statements and information the subject of Colonial First State's consent). Colonial First State and the Bank do not guarantee the performance or return of capital on investments in FirstRate Term Deposit products and FirstRate Investment Deposit products.

Investment information

What are FirstRate Deposit products?

FirstRate Deposit products are a range of products which allow you to keep your cash portion of your portfolio growing alongside your other investments.

FirstRate Investment Deposit products

FirstRate Investment Deposit products are deposits that can provide longer-term investors with a competitive interest rate, fixed above a benchmark rate for a specified period of time.

FirstRate Term Deposit products

FirstRate Term Deposit products allow you to lock away a competitive interest rate for periods from three months to 15 years with a range of interest payment options. It's a helpful facility allowing you to invest with the confidence of knowing upfront exactly what your return will be and how much you'll get at the end of the term.

Who are the parties involved?

FirstRate Deposit products are deposit products of Commonwealth Bank of Australia ('the Bank'), one of Australia's leading financial institutions. When you make or request a deposit to FirstRate Deposit products, you enter into an agreement with the Bank on the terms and conditions set out on pages 10 to 13.

The Bank has appointed Colonial First State Investments Limited to collect information, administer and otherwise deal with matters relating to FirstRate Deposit products.

Benefits of FirstRate Deposit products

- No fees.
There is no application fee, no account keeping fees or management fees.
- Peace of mind.
Knowing at the time what interest you will earn and that your money is on deposit with a leading Australian bank.
- Competitive interest rates.

Withdrawals from FirstRate Deposit products

FirstRate Deposit products are designed to be held for the full investment timeframe. Should you withdraw or switch all or part of your investment from FirstRate Deposit products prior to that date, early withdrawal adjustments may apply.

Details on how early withdrawal adjustments are calculated are outlined below.

For full withdrawals, the amount you receive will be equal to:

- your current balance, minus
- the amount calculated as an early withdrawal adjustment, plus
- interest that has accrued up to the date of your withdrawal.

Where the early withdrawal adjustment is greater than any accrued and previously reinvested interest, this amount would be deducted from your initial principal invested.

For partial withdrawals or switches, the amount you receive will be equal to the amount you requested, minus the amount calculated as the early withdrawal adjustment.

Early withdrawal adjustments worked examples are set out on pages 3 to 5.

Please note: Under abnormal or difficult market or liquidity conditions, the Bank reserves the right to delay payment on FirstRate Deposit products for a period not exceeding 31 days.

Additional information on FirstRate Term Deposit products

How do you invest?

Investing in FirstRate Term Deposit products can be done by selecting any of the investment term options in your investment or switch allocation.

Please note: Special conditions apply when applying for FirstRate Term Deposit products between 1 July and 9 July. If we receive funds for a FirstRate Term Deposit product during this time, we will deposit your investment in FirstRate Saver products until the NSW business day following 9 July.

When is the maturity date?

The maturity date is calculated from the date of your deposit in FirstRate Term Deposit products plus your investment term (in months). If the maturity date falls on a weekend or public holiday in NSW, the maturity date will be the next NSW business day.

Please note: Special rules apply if the maturity date would fall on a date between 1 July and 9 July, in which case the maturity date will be set to the NSW business day following 9 July.

When is interest paid?

Monthly, annual or maturity interest payments are available, depending on the FirstRate Term Deposit product chosen. Refer to clause 5 of the Terms and Conditions for more information on how interest is paid.

For monthly frequencies:

- interest is paid on the last calendar day of the month.

For annual frequencies:

- where the commencement date is the last day of the calendar month, interest will be paid on the last day of the calendar month in which the payment is due
- where the commencement date is a day other than the last day of the calendar month, interest will be paid on the last day of the calendar month prior to the month in which the payment is due.

For monthly and annual frequencies:

- the first interest payment will be pro-rated based on the number of days from commencement to the date the first interest payment is due
- the last interest payment will be pro-rated based on the number of days from the previous payment to the maturity date.

For interest at maturity options, interest will be credited on the maturity date.

Refer to 'Withdrawing prior to maturity' below for information on how interest is paid if you need to withdraw before the maturity date.

How is interest calculated?

Interest is calculated daily on your FirstRate Term Deposit product using the simple interest formula:

$$\text{Interest} = \text{Deposit amount} \times \text{Interest rate (pa)} \times (\text{Term in days} \div 365)$$

'Term in days' is calculated including the date you start your term deposit and exclusive of the maturity day.

What happens to your FirstRate Term Deposit products at maturity?

At maturity of a FirstRate Term Deposit product, the applicable interest will be credited and the balance of that term deposit withdrawn.

We will send you a maturity notice showing your current maturity instructions approximately one week prior to the FirstRate Term Deposit product's maturity date.

You should refer to the current PDS and interest rates (both available at colonialfirststate.com.au) prior to your FirstRate Term Deposit product's maturity, as they will apply on any reinvestment.

You can instruct us if you would like to invest the proceeds from your matured FirstRate Term Deposit product, using one of the following options:

- invest in a new FirstRate Term Deposit product for the same investment term
- invest in a new FirstRate Term Deposit product for a different investment term
- invest in the FirstRate Saver product
- invest in line with your future investment selection.

Unless you instruct us otherwise, the maturity proceeds will be reinvested in the FirstRate Term Deposit products for the same investment term at the interest rate prevailing on the date of maturity. This may vary significantly from the interest rate that applied to the matured term deposit.

Your instruction must be received by us prior to 3pm (Sydney time) on the business day prior to maturity.

Withdrawing prior to maturity (early withdrawals)

The fixed interest rate on FirstRate Term Deposit products is based on you investing the funds until the maturity date.

If you need to withdraw before the maturity date, the interest you receive will be reduced or the amount you receive may be subject to an adjustment (reduction), depending on the investment term you choose.

Early withdrawals can only be made at the discretion of the Bank.

FirstRate Term Deposit products for terms up to and including 12 months

Early withdrawal will reduce the rate of interest on the amount that you withdraw.

The reduction in the interest rate will depend on the percentage of the original term elapsed when your withdrawal is made as outlined in the chart below.

% of the investment term elapsed	% of the interest rate that applies
0% to less than 20%	10%
20% to less than 40%	20%
40% to less than 60%	40%
60% to less than 80%	60%
80% to less than 100%	80%

Example – full withdrawal¹

You deposit \$10,000 in FirstRate Term Deposit products with a 12-month investment term. The fixed interest rate is 5%. Assuming you hold the full deposit to maturity, the interest payable is \$500 ($\$10,000 \times 5\%$).

After six months or 50% of the investment term has elapsed, the interest accrued is \$250 ($\$500 \times 50\%$). If you withdraw at this time, the interest rate that will apply will be 40% of the original interest rate or 2% ($40\% \times 5\%$).

The interest paid with your full withdrawal proceeds is \$100 ($\$10,000 \times 2\% \times 50\%$).

Example – partial withdrawal¹

Instead of withdrawing the full balance as in example 1, you make a partial withdrawal of \$6,000.

The interest rate that will apply on the \$6,000 that you have withdrawn will again be 40% of the original interest rate or 2% ($40\% \times 5\%$). Therefore, the interest payable on this \$6,000 is \$60 ($\$6,000 \times 2\% \times 50\%$).

The \$4,000 remaining in the deposit will receive the original 5% interest rate (assuming there are no other withdrawals made). The interest payable on this amount is \$200 ($\$4,000 \times 5\%$).

Therefore, in this example, at maturity, your total interest received would be \$260.

FirstRate Term Deposit products for terms greater than 12 months

When you request to withdraw or switch from FirstRate Term Deposit products, you will withdraw from the deposit held with the Bank. The Bank applies a withdrawal adjustment rate as a reasonable estimate of the costs, if any, in replacing or terminating the Bank's arrangements in connection with FirstRate Term Deposit products.

These costs can include break costs, administrative costs and funding costs. Some major influences that may affect the size of early withdrawal adjustments are:

- market interest rates are higher than when you acquired the term deposit
- liquidity in the financial markets
- market pricing of credit risk, and
- time remaining until you meet the minimum suggested timeframe.

The Bank provides us with the withdrawal adjustment rate and we deduct this cost from your withdrawal or switch proceeds. As the costs are influenced by market conditions, we cannot provide certainty regarding the amount of the withdrawal adjustment until the date of your early withdrawal request.

Details on how early withdrawal adjustments are calculated are outlined below.

For full withdrawals or switches, the amount you receive will be equal to:

- your current balance, minus
- the amount calculated as an early withdrawal adjustment, plus
- interest that has accrued up to the date of your withdrawal.

Where the early withdrawal adjustment is greater than any accrued and previously reinvested interest, this amount would be deducted from your initial principal invested.

For partial withdrawals or switches, the amount you receive will be equal to the amount you requested, minus the amount calculated as the early withdrawal adjustment.

¹ Example is for illustrative purposes only.

Example¹

You have invested \$10,000 in a FirstRate Term Deposit product on 30 November 2014, with a maturity date of 30 November 2019, at an interest rate of 4.30%.

On 30 November 2015, you request an early withdrawal for \$1,000 from your FirstRate Term Deposit product.

At this time, the Bank determines that the withdrawal adjustment rate is 1.00% pa.

The Bank will apply the withdrawal adjustment rate to the withdrawal amount based on the time remaining until maturity. That is:

$$\$1,000 \times 1.00\% \times 4 = \$40$$

A discount factor is then provided by the Bank and is applied to determine the net present value of this amount. In this example, the discount factor is 0.95.

Early withdrawal adjustment = \$38 (\$40 × 0.95 (discount factor calculated by the Bank at time of withdrawal)).

Please note: The withdrawal adjustment is applied to the whole withdrawal amount (including reinvested interest). Your interest rate for the remaining term is unchanged.

It is possible that you may receive back a net amount that is less than the amount of initial principal invested.

Early withdrawals across multiple FirstRate Term Deposit products

If you hold multiple FirstRate Term Deposit products in your account and withdraw part of the option balance, you can specify in writing, or by contacting us on 13 13 36, how you would like the withdrawal applied across each individual term deposit.

The table and examples below explain the order that will apply to:

- all switch transactions, or
- withdrawals when you have not provided a specific instruction.

If the withdrawal amount is	Rule applied
Less than the balance of the next term deposit to mature	100% from the next term deposit to mature
Greater than or equal to the next term deposit to mature	Deducted from all term deposits in a proportional weighting

Example¹

You have a total of \$15,000 invested in FirstRate Term Deposit products with three-month terms. The total is made up of two term deposits as detailed below:

Term deposit no.	Maturity date	Amount
1	10 August	\$10,000
2	5 September	\$5,000
Total		\$15,000

If you were to partially withdraw:

- \$9,000, the full \$9,000 will be deducted from the term deposit maturing in August.
- \$12,000, the proceeds will be deducted from both term deposits proportionally (\$12,000/\$15,000 = 80%).

Therefore, the withdrawal will be processed as follows:

Term deposit no.	Balance prior to withdrawal	% to be withdrawn	Amount to be withdrawn
1	\$10,000.00	80%	\$8,000.00
2	\$5,000.00	80%	\$4,000.00
Total	\$15,000.00	80%	\$12,000.00

Using FirstRate Term Deposit products with your FirstChoice account

Due to the fixed investment term that applies for FirstRate Term Deposit products, there are some tools that FirstChoice normally provides you and your adviser to manage your portfolio that will be restricted when you invest in FirstRate Term Deposit products.

This is primarily to help you manage your term deposits and avoid early withdrawals.

Future investment selection and regular investment plans – where you nominate an allocation for your regular investment plan, regular withdrawal plan or BPAY, EFT or other uninstructed additional investments, you will not be able to select FirstRate Term Deposit products.

Where your future investment selection is updated following a transaction that you request, any allocation that would have applied to FirstRate Term Deposit products will be applied proportionally across any other investment options in your future investment selection.

Automatic rebalancing – if you make an investment in FirstRate Term Deposit products, we will cancel any existing auto-rebalancing facility. You can re-establish the facility and nominate a new investment weighting. Refer to the Reference Guide – Transacting on your account, page 7 for further details.

Other automated transactions – we recommend you do not nominate FirstRate Term Deposit products for deduction of any adviser service fees or licensee service fees (as that will create early withdrawals). At the time that any rebates are credited, if you hold FirstRate Term Deposit products, rebates will be credited to FirstRate Saver products.

¹ Example is for illustrative purposes only.

Additional information on FirstRate Investment Deposit products

Withdrawing prior to maturity (early withdrawals)

When you request to withdraw or switch from FirstRate Investment Deposit products, you will withdraw from the deposit held with the Bank. The Bank applies a withdrawal adjustment rate as a reasonable estimate of the costs, if any, in replacing or terminating the Bank's arrangements in connection with FirstRate Investment Deposit products.

These costs can include break costs, administrative costs and funding costs. Some major influences that may affect the size of early withdrawal adjustments are:

- liquidity in the financial markets
- market pricing of credit risk, and
- time remaining until your investment maturity.

The Bank will apply the withdrawal adjustment rate and deduct this cost from withdrawal or switch proceeds.

As the costs are influenced by market conditions, the Bank cannot provide certainty regarding the amount of the withdrawal adjustment until the date of your early withdrawal request.

Early withdrawal adjustment worked example¹

You invested \$10,000 in a FirstRate Investment Deposit product on 30 November 2013, with a suggested minimum timeframe of 28 April 2019.

On 28 April 2015, you request (via Colonial First State) an early withdrawal for \$1,000 from your FirstRate Investment Deposit product. At this time, the Bank determines that the withdrawal adjustment rate is 0.50% pa.

The Bank will apply the withdrawal adjustment rate to the withdrawal amount based on the time remaining until maturity. That is:

$$\$1,000 \times 0.50\% \times 4 = \$20$$

A discount factor is then provided by the Bank and is applied to determine the net present value of this amount. In this example, the discount factor is 0.95.

Early withdrawal adjustment = \$19 (\$20 × 0.95 (discount factor calculated by the Bank at time of withdrawal)).

Please note: The early withdrawal adjustment rate is applied to the withdrawal amount. What you receive on this partial withdrawal is equal to \$1,000 – \$19 = \$981.

It is possible that you may receive back a net amount that is less than the amount of initial principal invested.

¹ Example is for illustrative purposes only.

Risks

What is risk?

Understanding investment risk is the key to successfully developing your investment strategy. Before you consider your investment strategy, it is important that you understand the risks that can affect your investment. All investments are subject to risk. This means that you can lose money on your investments or that they may not meet your objectives, such as growth in the value of your investments or the expected return from your investments.

What risks affect your investments?

The main risks which typically affect your investment in FirstRate Deposit products are:

Market risk

Market risk is the risk that prices including interest rates will move adversely. This means that your investment can be affected by things like changes in interest rates, investor sentiment and global events.

In particular, as the interest rate you receive on your FirstRate Investment Deposit products is determined by reference to a variable interest rate benchmark, you may experience a reduction in your interest income should interest rates fall.

Legal and regulatory risk

This is the risk that any change in taxation, corporate or other relevant laws, regulations or rules may adversely affect your investment.

Counterparty credit risk

You are reliant on the ability of the Bank to meet its obligations to account to you under the terms of the FirstRate Deposit products. You are also reliant on Colonial First State to meet its obligations to you.

Term deposit risk

FirstRate Term Deposit products provide a fixed interest rate. This means you are protected from decreases in interest rates during the term of your investment. However, you may not be able to take advantage of interest rate increases should interest rates rise during the term of your investment.

No cooling-off period

There is no cooling-off period. You cannot cancel or revoke your deposit; however, you may withdraw subject to early withdrawal risks, outlined below.

Early withdrawal risk

FirstRate Deposit products are designed to be held for a specified period.

FirstRate Term Deposit products for terms up to and including 12 months

Should you need to withdraw or switch out from FirstRate Term Deposit products prior to the maturity date, the interest rate applying on the amount withdrawn is reduced.

FirstRate Term Deposit products for terms greater than 12 months and FirstRate Investment Deposit products

Withdrawals of all or part of your investment before the end of the specified period may be subject to an adjustment (reduction) to the withdrawal proceeds because of the recovery of costs and other charges connected with withdrawal. It is possible that you may receive back a net amount that is less than the amount of initial principal invested.

The amount of the reduction considers reasonable costs incurred in connection with termination or replacement of funding for FirstRate Deposit products. These costs can include break costs, administrative costs and replacement funding costs. Some major influences that may affect the size of the withdrawal costs are:

- market interest rates are higher than when you acquired the FirstRate Term Deposit product (not applicable for FirstRate Investment Deposit products)
- liquidity in the financial markets
- market pricing of credit risk
- the term remaining for the offer.

Role of your financial adviser

Your financial adviser is required to be qualified in understanding the risk and return associated with the wide range of financial products available to you and can help you make decisions regarding these financial products. Your financial adviser can assist you to meet your financial needs.

Other important information

How is your personal information dealt with?

The privacy of your personal information is important to us.

We form part of the Commonwealth Bank Group of companies ('the Group'), a well known financial services organisation. The Group offers a broad range of products and services.

Collecting information

'Customer information' is information about a customer. It includes personal information such as name, age, gender and contact details, as well as your health and financial information.

How we collect it

We can collect and verify customer information in different ways and we will advise you of the most acceptable ways to do this.

The law may require 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. Collecting and verifying information helps to protect against identity theft, money laundering and other illegal activities. We may disclose your customer information in carrying out verification, eg 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.

What we collect

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 two or more different names, you must give us full details of your other name or names.

Accuracy

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.

How do we use your personal information?

We collect, use and exchange your personal information so that we can:

- establish your identity and assess applications for our products and services
- price and design our products and services
- administer our products and services
- manage our relationship with you
- manage our risks and help identify and investigate illegal activity, such as fraud
- contact you; for example, if we need to tell you something important
- conduct and improve our businesses and improve the customer experience
- comply with our legal obligations and assist government and law enforcement agencies or domestic and foreign regulators, or
- identify and tell you about other products or services that we think may be of interest to you.

We may also collect, use and exchange your information in other ways where permitted by law.

Electronic communication

If we have your email or mobile phone details, we may contact you electronically, including by SMS. You may also receive information on the Group's products and services electronically.

Direct marketing

If you don't want to receive direct marketing from us, you can tell us by calling Investor Services on 13 13 36 or sending an email to contactus@colonialfirststate.com.au

Gathering and combining data to get insights

Improvements in technology enable organisations, like us, to collect and use information to get a more integrated view of customers and provide better products and services.

The Group may combine customer information it has with information available from a wide variety of external sources (for example, census or Australian Bureau of Statistics data). Group members are able to analyse the data in order to gain useful insights which can be used for any of the purposes mentioned above.

In addition, Group members may provide data insights or related reports to others; for example, to help them understand their customers better. These are based on aggregated information and do not contain any information that identifies you.

Protecting your personal information

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

The Privacy Act protects your sensitive information, such as health information. When we need to obtain this type of information, we will ask for your consent, except where otherwise permitted by law.

Who do we exchange your personal information with?

We exchange your personal information with other members of the Group, so that the Group may adopt an integrated approach to its customers. This applies also where your products and services are held through a Commonwealth Financial Planner.

Group members may use this information for any of the purposes mentioned under 'How do we use your personal information?' on the previous page.

Third parties

We may exchange your information with third parties where this is permitted by law or for any of the purposes mentioned under 'How do we use your personal information?' on the previous page.

These third parties include:

- service providers or those to whom we outsource certain functions; for example, direct marketing, statement production, debt recovery and information technology support
- your employer
- brokers and agents who refer your business to us
- any person acting on your behalf, including your financial adviser, solicitor, accountant, executor, administrator, trustee, guardian or attorney
- the insurer, to enable it to assess your insurance application and to provide and administer cover
- medical practitioners (to verify or clarify, if necessary, any health information you may provide)
- claims-related providers, such as assessors and investigators, who help us with claims
- auditors
- government and law enforcement agencies or domestic and foreign regulators, or
- entities established to help identify illegal activities and prevent fraud.

In all circumstances where our contractors and outsourced service providers become aware of customer information, confidentiality arrangements apply.

If you request us not to share your information with one of our third-party suppliers, this may lead to us not being able to provide you with a product or service.

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

Sending information overseas

From time to time, we may send your personal information overseas, including to overseas Group members and to service providers or other third parties who operate or hold data outside Australia. Where we do this, we make sure that appropriate data handling and security arrangements are in place. Please note that Australian law may not apply to some of these entities.

We may also send information overseas to complete a particular transaction or where this is required by laws and regulations of Australia or another country.

For more information about which countries your information may be sent to, see the Commonwealth Bank Group Privacy Policy, available at commbank.com.au

Additional obligations

The Commonwealth Bank Group may be subject to laws or regulations in Australia or another country that affect your relationship with the Group (eg laws that address tax evasion). So that we may comply with our obligations under these laws or regulations, we may:

- require you to provide information about you or your product
- if required to do so, withhold an amount from a payment to you, and if we do, we will not reimburse you for the amount withheld, and/or
- take such other action as is reasonably required, including, for example, closing your account.

Viewing your information

You can (subject to permitted exceptions) request access to your personal information by contacting Investor Services on 13 13 36.

We may charge you for providing access. For more information about our privacy and information handling practices, please refer to the Commonwealth Bank Group Privacy Policy, which is available through commbank.com.au or on request from any Commonwealth Bank branch.

Where you hold an account with one or more individuals, we will allow each individual access to their own personal information and to the joint information of the account, such as account balances and transaction details, but not to personal information of the other individual(s).

Making a privacy complaint

If you have a concern about your privacy, you have a right to make a complaint. See below for information on how to make a complaint and how we deal with your complaint.

What to do if you have a complaint

We accept that sometimes we can get things wrong, and when this happens we're determined to make them right again.

Talk to us

Most problems can be resolved quickly and simply by talking with our Colonial First State Customer Service team. If you are not satisfied with the outcome, you can contact CBA Group Customer Relations.

Customer Service	13 13 36 8am to 7pm (AEST) – Monday to Friday contactus@colonialfirststate.com.au
CBA Group Customer Relations	1800 805 605 CustomerRelations@cba.com.au CBA Group Customer Relations, Reply Paid 41, Sydney NSW Australia 2001

When you make a complaint to us, we will:

- acknowledge your complaint and make sure we understand the issues
- do everything we can to fix the problem
- keep you informed of our progress
- keep a record of your complaint
- give you our name, a reference number and contact details so that you can follow up if you want to.

If your complaint relates to a direct debit arrangement, we will provide a response within 21 days.

We will contact you after acknowledging your complaint to provide an update and let you know that if we do not resolve your complaint within 45 days (or 21 days if your complaint relates to a direct debit arrangement), we will:

- inform you of the reasons for the delay
- advise you of your right to complain to the Financial Ombudsman Service (FOS), and
- provide you with the FOS contact details.

External dispute resolution

If you are not happy with the response we provide, you may refer your complaint to an external dispute resolution service. The FOS offers a free, independent dispute resolution service for the Australian banking, insurance and investment industries. You can contact the FOS on 1800 367 287, or by writing to Financial Ombudsman Service, GPO Box 3, Melbourne VIC 3001, or online at www.fos.org.au

Terms and conditions for FirstRate Deposit products

The terms (including interest rates) of each FirstRate Deposit product can vary, so you must read the current Offer Term Sheet (FirstRate Investment Deposit products only) in addition to this PDS and the terms and conditions, which are set out below and are in two parts:

Part 1 – Your agreement with the Bank (Deposit Agreement).

Part 2 – Your authorisation to CFS and the FirstChoice Investment products PDS (as relevant to the investment you hold), all of which are available at colonialfirststate.com.au or on request by calling 13 13 36.

When you (or any person you authorise) request to set up a FirstRate Deposit product, you declare that you have read and are bound by the terms and conditions contained in Parts 1 and 2.

In Part 1, 'the Bank', 'we', 'our' or 'us' refers to Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945. 'CFS' refers to Colonial First State Investments Limited ABN 98 002 348 352. 'You' or 'your' means the person or persons or entity in whose name the FirstRate Deposit product is held, and, where the context permits, includes any person you authorise to give instructions on your behalf.

Any of the terms and conditions in Parts 1 and 2 which cancel, limit or modify the Bank's or CFS's liability to you, do so only to the maximum extent permissible by law. These terms and conditions do not exclude or modify any rights which cannot be excluded or modified under legislation.

You should read these terms and conditions carefully before lodging funds in a FirstRate Deposit product, and keep them for your future reference. You will then know what to expect from us and what we expect from you before becoming bound by the terms and conditions. You can ask us questions about any of the terms and conditions that you do not understand, and so avoid misunderstandings.

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 22 21 (24 hours a day, seven days a week), contacting your relationship manager, visiting our website at commbank.com.au or from any branch of the Bank.

The relevant provisions of the Code of Banking Practice apply to a FirstRate Deposit product if the FirstRate Deposit product is held by an individual, either alone or jointly with another individual, or by a small business customer.

Part 1 – Your agreement with the Bank (Deposit Agreement)

1 Role of CFS

1.1 CFS will administer FirstRate Deposit products on behalf of the Bank, including collection of information, provision of statements of account and handling questions and complaints. You must raise any matters regarding FirstRate Deposit products directly with CFS.

2 Eligibility, account opening procedures and joint accounts

2.1 To be eligible for FirstRate Deposit products and allow deposits to and withdrawals from your FirstRate Deposit products account, you must also hold in the same name a FirstChoice Investment products account issued by CFS. A minimum investment account balance and other terms are included in the FirstChoice Investment products PDS. You must read the PDS before investing. If you cease to hold a FirstChoice Investment products account, the Bank will close your FirstRate Deposit products account with the Bank.

2.2 If you open a joint account, CFS will accept instructions from either one of you. We are not obliged to enquire into the circumstances of any instructions you give in relation to the conduct of your joint FirstRate Deposit products. We are not liable for any loss or damage you or anyone else suffers due to us acting on those instructions in good faith,

unless it is proved that we were negligent. If one of you dies, the balance of your FirstRate Deposit products account is transferred to the survivor(s).

3 Making deposits

3.1 CFS will, on behalf of the Bank, establish a FirstRate Deposit product in your name and accept deposits from you when:

- (i) you are eligible under clause 2.1, and
- (ii) you provide CFS with a request to deposit funds to FirstRate Deposit products.

3.2 You can only make deposits by instructing CFS to transfer money from your FirstChoice Investment products account. Your instruction to CFS must be made through an investment allocation instruction in the same form as that relating to other investment allocations for your FirstChoice Investment products account.

3.3 You are not permitted to make deposits to FirstRate Deposit products in any other way other than as set out in clause 3.2 above. In particular, you are not permitted to make deposits (cash or cheques) at any branch of the Bank, through the Bank's ATMs or at agencies of the Bank.

3.4 The effective date of your deposit will be the date on which the instruction is received by CFS subject to the transaction processing and cut-off times that apply to applications and switch requests disclosed in the most current version of the FirstChoice Investment products PDS, which can be obtained by visiting the website colonialfirststate.com.au or by calling CFS on 13 13 36.

4 Making withdrawals

4.1 You can make a withdrawal by directing CFS to transfer money from FirstRate Deposit products to your FirstChoice Investment products account by way of direct debit.

4.2 You provide CFS a direct debit authority to authorise such transfers (see Part 2 – Your authorisation to CFS).

- 4.3 You cannot make withdrawals in any way other than as specified in clause 4.1. In particular, you cannot make withdrawals at any Bank branch, through the Bank's ATMs or at agencies of the Bank; or by electronic transfer or direct debit (other than CFS transferring money to your FirstChoice Investment products account).
- 4.4 The effective date of withdrawals from FirstRate Deposit products will be the date on which the instruction is received by CFS subject to the transaction processing and cut-off times that apply to withdrawal and switch requests disclosed in the most current version of the FirstChoice Investment products PDS. Early withdrawals can only be made at the discretion of the Bank.
- 4.5 Early withdrawals from FirstRate Deposit products (in advance of the specified maturity) may incur early withdrawal adjustments, as described on pages 2 to 5. The Bank applies a formula to calculate and deduct a reasonable estimate of the costs in replacing or terminating the Bank's arrangements in connection with FirstRate Deposit products. These costs can include break costs, administrative costs and funding costs.
- 4.6 Under abnormal or difficult market or liquidity conditions, the Bank reserves the right to delay payment for a period not exceeding 31 days.
- 5 Payment of interest**
- 5.1 Interest on FirstRate Deposit products is calculated daily on the closing balance of your FirstRate Deposit products account.
- 5.2 Interest will be credited to your account based on the interest payment frequency chosen. Payments will either be:
- upon maturity
 - monthly, on the last calendar day of each month
 - annually
 - on the last calendar day of the month where your account commenced on the last calendar day of the month, or
 - on the last calendar day of the month prior to the month your account commenced where your account commenced on any day other than the last calendar day of the month
 - when the full balance is withdrawn.
- 5.3 If you have instructed CFS to direct credit distributions received from your FirstChoice Investment products account to another nominated account with an Australian financial institution, CFS will ensure any interest credited is also transferred (by transferring funds equal to the interest amount from FirstRate Deposit products to the nominated account).
- 5.4 If you have instructed CFS to reinvest distributions received from your FirstChoice Investment products account, interest will be transferred to a FirstRate Saver account in your name. Detailed information and terms and conditions for FirstRate Saver are available with the FirstChoice Investment products PDS.
- 5.5 FirstRate Investment Deposit products rates of interest are variable and determined by the offer terms as described in the Offer Term Sheet. FirstRate Term Deposit products rates of interest are fixed at time of deposit (in accordance with clause 3.4), and apply until the maturity date, subject to section 4 – Making withdrawals. Details of the current interest rates are available by visiting colonialfirststate.com.au or by contacting CFS on 13 13 36.
- 6 FirstRate Deposit products – maturity**
- 6.1 FirstRate Term Deposit products – maturity dates are calculated by taking the effective date of your deposit and adding the investment term (in months), except where the date calculated is:
- an invalid date or a non-business day in NSW; in this case, the maturity date will be the following business day in NSW, or
 - a date between 1 July and 9 July; in this case, the maturity date will be the business day in NSW following 9 July.
- 6.2 At maturity, your FirstRate Term Deposit products will be withdrawn and proceeds paid to your FirstChoice Investment products account.
- 6.3 You may inform CFS (under Part 2 – Your authorisation to CFS) of your maturity instructions.
- 6.4 Under clause 6.3, where your instruction is to establish a new FirstRate Term Deposit product, your new FirstRate Term Deposit product will be subject to the interest rate and terms and conditions applying at the time your new account commences.
- 7 Fees and charges**
- 7.1 Subject to section 8, there are no fees or charges for FirstRate Deposit products.
- 8 Changes to terms and conditions**
- 8.1 On giving you at least 30 days notice in writing, we may:
- introduce a fee or charge in relation to the operation or maintenance of FirstRate Deposit products
 - vary the method by which interest is calculated or the frequency with which interest is credited
 - introduce or change a minimum balance to which an account keeping fee applies, or
 - vary the balance ranges within which interest rates apply, except where we cannot locate you.
- 8.2 If we otherwise vary these terms and conditions, or vary the fees and charges or any interest rate, we will notify you either in writing or by advertisement in the national or local media, no later than the day on which the variation takes effect.
- 9 Government charges**
- 9.1 The Bank will notify you (directly or through CFS) of the introduction or variation of any Government charge either in writing or by advertisement in the national or local media, unless the Government, Government agency or representative body has already published the introduction or variation.

10 Closing FirstRate Deposit products

10.1 You can, at any time, by written notice to CFS, close your FirstRate Deposit products, in which case your remaining balance will be transferred to your FirstChoice Investment products account. This will trigger an early withdrawal adjustment as described on pages 2 to 5.

10.2 The Bank may close your FirstRate Deposit products at any time by giving notice which is reasonable in all the circumstances. All proceeds from your FirstRate Deposit products will be returned to your FirstChoice Investment products account.

11 Limitation of liability

11.1 The Bank is not obliged to enquire into the circumstances of any instructions you give to CFS to transfer money in or transfer money out of FirstRate Deposit products.

11.2 The Bank is not liable for any loss or damage you or anyone else suffers, due to actions taken (or not taken) by CFS in accordance with your instructions (under the authority you have provided in Part 2 – Your authorisation to CFS), unless it is proved that the Bank (or CFS) was negligent.

12 Statements of account and notices

12.1 CFS on behalf of the Bank will send you a consolidated statement of account for FirstRate Deposit products at least every six months.

12.2 CFS on behalf of the Bank will send the statements of account to your nominated postal address, unless you instructed CFS to send statements of account electronically to your nominated email address.

12.3 CFS will send you a Maturity Notification approximately one week prior to your FirstRate Term Deposit products maturity date.

12.4 CFS on behalf of the Bank will send you other notices under this Deposit Agreement by mail or as allowed by law.

13 Complaint handling procedures

13.1 If you believe that an error has occurred, you must address any complaints to CFS in its capacity as administrator of FirstRate Deposit products. Refer to page 9 for further details on CFS's complaint handling procedures.

14 Anti-Money Laundering and Counter-Terrorism Financing laws

14.1 The Bank (including CFS in its capacity as administrator) may be required to report information about you to the relevant authorities (including acting on instructions or directions from relevant authorities regarding your FirstRate Deposit products). The Bank or CFS may not be able to tell you when this occurs.

14.2 Notwithstanding any rights you may have under this Deposit Agreement, the Bank may not be able to transact with you or other persons associated with your FirstRate Deposit products. This may include (a) delaying, blocking, freezing or refusing to process a transaction, or (b) closing your FirstRate Deposit products account at any time (in the event that we reasonably believe you or any other person associated with your FirstRate Deposit products account is a Proscribed Person). This may impact on your investment and could result in a loss of income or capital invested. You acknowledge and agree that the Bank or CFS will not be liable to you or other persons for any loss suffered (including consequential loss) in such circumstances.

14.3 'Proscribed Person' means:

- (a) any person or entity who appears to the Bank to be:
 - (i) a proscribed person or entity under the Charter of United Nations Act 1945 (Cth)
 - (ii) in breach of the laws of any jurisdiction prohibiting money laundering or terrorism financing
 - (iii) on a list of persons with whom dealings are proscribed by the Government or a regulatory authority of any jurisdiction
- (b) any person or entity who appears to the Bank to act on behalf, or for the benefit of, a person or entity listed in (a) (i) to (iii) above.

15 Privacy policy

15.1 You agree to the collection, use and disclosure of your personal information as set out on page 7 when you set up FirstRate Deposit products.

16 Financial Claims Scheme

16.1 The Financial Claims Scheme, under the Banking Act, covers deposit amounts you hold in a bank in aggregate up to a statutory prescribed limit (please note that for the purposes of calculating this total, joint accounts are considered to be held in equal shares). You may be entitled to a payment in some circumstances. Payments under the scheme are subject to a limit for each depositor. Information about the Financial Claims Scheme can be obtained from the Australian Prudential Regulation Authority (APRA) website at www.fcs.gov.au and the APRA hotline on 1300 55 88 49 (if calling from within Australia) or +61 2 9210 3480 (if calling from outside Australia).

Part 2 – Your authorisation to CFS

In Part 2, 'CFS', 'we', 'our' or 'us' refers to Colonial First State Investments Limited ABN 98 002 348 352.

1 What do you authorise CFS to do?

- 1.1 You authorise CFS to act on your instructions for the purpose of:
- depositing money into FirstRate Deposit products, and
 - withdrawing money from FirstRate Deposit products by way of direct debit through your FirstChoice Investment products account
 - nominating maturity instructions for your FirstRate Term Deposit products.
- 1.2 When you give instructions to CFS as set out above, CFS is acting on your behalf and not in CFS's capacity as administrator of FirstRate Deposit products.

2 Direct debit authorisation

- 2.1 You authorise CFS to arrange for monies to be withdrawn from your FirstRate Deposit products for the purposes set out in clause 1.1(b) above.
- 2.2 This authorisation cannot be revoked.

3 Transactions

- 3.1 Subject to conditions applying to FirstRate Term Deposit products set out in section 4 below, transactions you instruct CFS to undertake on your FirstRate Deposit products are subject to the same conditions that apply to instructions you give CFS in relation to your FirstChoice Investment products account, including:
- transaction processing and cut-off times (as disclosed in the most current version of the relevant FirstChoice Investment products PDS)

- withdrawal processing times as disclosed in the most current version of the relevant FirstChoice Investment products PDS. **Please note:** If you withdraw immediately following 30 June or at any other time, payment may take longer than usual to process; you will not receive interest on the withdrawn monies subject to this delay, which could be up to 14 days
- distribution and interest payment processing times as disclosed in the most current version of the relevant FirstChoice Investment products PDS; if you elect to have distributions on your FirstChoice Investment products account transferred to your nominated financial institution, this will also apply to FirstRate Deposit products interest payments paid into your FirstChoice Investment products account. **Please note:** The transfer may take up to 14 days from the effective date of the interest payment. You will not receive any further interest on monies subject to this delay. CFS will only accept deposits from and pay withdrawals to an Australian financial institution.

- 3.2 If you instruct us to close your FirstChoice Investment products account, we will also close your FirstRate Deposit products account. This will trigger an early withdrawal adjustment as described on pages 2 to 5.
- 3.3 If you have previously authorised your financial adviser to transact online on your behalf (and this authority remains current), you extend the authority to include instructions relating to FirstRate Deposit products.

4 FirstRate Term Deposit products – conditions when requesting a deposit 1 July to 9 July

- 4.1 The following conditions only apply to requests you make to deposit monies to FirstRate Term Deposit products in the period 1 July to 9 July.

- 4.2 From 1 July to 9 July:
- We will apply any application or switch monies that you request to deposit into FirstRate Term Deposit products to FirstRate Saver products.
 - FirstRate Term Deposit products will not be available for you to select as a destination to deposit funds via our internet services.
- 4.3 Where clause 4.2(i) applies, on the business day following 9 July, we will complete your request to commence a new FirstRate Term Deposit product by switching the proceeds from your FirstRate Saver products.

5 FirstRate Term Deposit products maturity instructions

- 5.1 Maturity instructions that you request us to undertake on FirstRate Term Deposit products are subject to the same conditions that apply to instructions you give us in relation to FirstChoice Investment products.
- 5.2 You can instruct us to pay the proceeds from your matured FirstRate Term Deposit products to one of the following:
- a new FirstRate Term Deposit product with the same investment term
 - a new FirstRate Term Deposit product with a different investment term
 - FirstRate Saver products
 - your FirstChoice Investment products account future investment allocation.
- 5.3 If your instructions are not received prior to the maturity date, clause 5.2(i) will apply.
- 5.4 Where clause 5.2(i) applies, the maturing FirstRate Term Deposit products proceeds will be credited to your FirstRate Saver products; then, on the same day, this amount will be withdrawn from your FirstRate Saver products and the proceeds deposited to your new FirstRate Term Deposit product.

Colonial First State (the Administrator) enquiries:

New investors: 1300 360 645

Existing investors: 13 13 36

Advisers: 13 18 36

Website: colonialfirststate.com.au

Email: contactus@colonialfirststate.com.au

