

Term Deposits.

Dated 8 December 2012

General Information and Terms and Conditions

This product is issued by the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945

You should read this brochure before making an investment.

You can contact us:

- by telephone on 13 2221, 24 hours a day, 7 days a week;
- in writing addressed to Commonwealth Bank of Australia, GPO Box 2719, Sydney NSW 1155;
- by contacting your relationship manager;
- through our website **commbank.com.au**; or
- in person at any branch of the Commonwealth Bank of Australia (the Bank).

If you have any questions on the Financial Claims Scheme, terms and conditions or fees and charges ask our staff or call us on **13 2221**.



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This brochure provides information about a product called a Term Deposit. If you decide to invest in a Term Deposit, you should keep this brochure and all other documentation relating to your Term Deposit for future reference.

Information about the key benefits and risks of this product are set out in the section 'General Information'. The Terms and Conditions that govern Term Deposits are set out in the 'Terms and Conditions' section. When you lodge funds in a Term Deposit you agree to the Terms and Conditions detailed in this brochure.

The information in this brochure is subject to change from time to time and is up to date as at the date stated on the cover. You will be able to find the updated information by contacting your local branch or relationship manager, visiting our website **commbank.com.au** or calling **13 2221**. If you ask us to, we will send you a paper copy of the information.

General information

Features at a glance	
Key features	<ul style="list-style-type: none"> • A Commonwealth Bank Term Deposit account earns interest that is guaranteed not to change for the whole of an agreed fixed term. This provides you with the security of knowing that your interest income is protected from fluctuations in investment markets. • At maturity, your funds may be renewed, withdrawn or transferred to the “holding facility” (see page 7 for more information about the holding facility).
Key risks	You may not be able to take advantage of interest rate increases should interest rates rise during the term of your investment.
Minimum opening balance	<ul style="list-style-type: none"> • \$5,000.00 (or as advised if opened online¹)
Maximum balance	<ul style="list-style-type: none"> • No limit (subject to acceptance by the Bank) or as advised if opened online

Note¹: For Term Deposits opened via the Bank’s website at commbank.com.au or internet banking service (NetBank registered users only), a paper copy of this brochure is available on request without charge at commbank.com.au or by contacting **13 2221** (24 hours a day, 7 days a week).

General information

Features at a glance	
Fixed terms available	<ul style="list-style-type: none"> • Term Deposits opened in branch <ul style="list-style-type: none"> • Term in months – from 1 month to 60 months. • Term in days – from 30 days to 990 days. A term of less than 30 days may be available at the Bank’s discretion. • Term Deposits opened via the internet <ul style="list-style-type: none"> • Subject to change as advised by the Bank online.
Payment of interest	Paid into your nominated account or compounded according to the interest payment option you choose – see page 5 and Clause 7 of the Terms and Conditions.
Interest rates	<ul style="list-style-type: none"> • The current interest rates, including those applicable to the holding facility, are available online at commbank.com.au, or by contacting 13 2221, one of our branches or your relationship manager. • See a separate brochure ‘Interest Rates on Term Deposits and Investment Accounts’ for rates applicable to terms of 1 month to 60 months.
Fees and charges	<ul style="list-style-type: none"> • No account keeping fees. • Prepayment administration fee \$30.00 – see page 9 and Clause 9 of the Terms and Conditions

Features at a glance

Withdrawals in advance of maturity

- Term Deposits for a term of 2 years or less – At the discretion of the Bank. A prepayment adjustment and prepayment administration fee will apply – see page 9 and Clause 9 of the Terms and Conditions.
- Term Deposits for a term of more than 2 years – You may withdraw part or all of your Term Deposit prior to the maturity date. A prepayment adjustment and prepayment administration fee will apply – see page 9 and Clause 9 of the Terms and Conditions.
- Prepayment costs do not apply to Term Deposits held in the name of a deceased account holder or in the name of a deceased account holder's legal personal representative or to funds in the holding facility.

What is a Term Deposit?

A Term Deposit earns interest at a rate that is guaranteed not to change for the whole of an agreed fixed term. It provides the security of knowing that interest income is protected from fluctuations in investment markets.

Who is a Term Deposit suitable for?

A Term Deposit may be appropriate for those who do not need immediate access to their money and are looking for a competitive interest rate that is guaranteed not to change for the whole of an agreed fixed term.

What are the key features and benefits?

When investing in a Term Deposit, you agree to invest your funds for a set period of time, at a fixed interest rate and interest payment option. This provides the security of knowing what the return will be, how frequently interest income will be paid and when the principal will be available. If funds are required prior to maturity of the investment, costs may apply (refer page 9 of this brochure and Clause 9 of the Terms and Conditions).

What terms are available?

- In months: choose from 1 month to 60 months;
- In days: choose from 30 days to 990 days. A term of less than 30 days may be available at the Bank's discretion. Please contact your relationship manager or one of our branches.

What are the interest payment options?

- Interest is credited to your nominated account with the choice of the following payment frequencies:
 - **4 Weekly:** interest is credited to your nominated account every 28 days and at maturity.
 - **Six Monthly:** interest is credited to your nominated account every 6 months and/or at maturity
 - **Annual:** interest is credited to your nominated account every 12 months and/or at maturity.
- Interest is added to your Term Deposit with the choice of the following frequencies:
 - **Compound 4 Weekly:** interest is added to your Term Deposit every 28 days and at maturity.
 - **Compound Six Monthly:** interest is added to your Term Deposit every 6 months and/or at maturity.
 - **Compound Annually:** interest is added to your Term Deposit every 12 months and/or at maturity.

Online applications may offer selected terms and interest payment options.

As interest rates may vary significantly over time, you should always check and confirm the current rates at the time of opening or renewing a Term Deposit.

The Bank publishes Term Deposit interest rates on its website **commbank.com.au**. For investment amounts outside of those published on the website, indicative interest rates are available from your relationship manager or at any branch of the Bank.

Interest rates for Term Deposits opened via the internet are available at **commbank.com.au** or registered users can log into the Bank's internet banking service.

See Page 7 and Clause 7.2 of the Terms and Conditions for more information about interest payment for funds in the holding facility.

What will happen to your Term Deposit at maturity?

Approximately one week prior to maturity we will send you a Renewal Notice. This notice will seek your instructions for renewal or redemption of your Term Deposit. It will also tell you how we will treat your funds if you do not contact us before maturity.

You can record your instructions **before the maturity date** via NetBank (if you are a registered user), or contact one of our branches. If your instruction is to renew your Term Deposit for another fixed term, the interest rate will be set on the day of maturity and will depend on the amount, term and interest option you choose.

If you give instructions that all or part of your deposit is to be paid to a nominated account at the Commonwealth Bank on maturity, you cannot change or cancel those instructions on or after the maturity date.

If you do not contact us before the maturity date, your funds may, at the Bank's discretion be:

- renewed for the same fixed term as before at the interest rate that applies on the day of maturity to that term; or
- transferred to the holding facility of your account until we receive your further instructions.

If your funds are renewed for the same fixed term as before, the applicable interest rate may be significantly different, higher or lower, to the interest rate that you received in the previous term. This is a consequence of

market rate movements and because the Bank changes the terms of its best rates from time to time.

We recommend that you contact us on the maturity date to determine if the rate that applies to your renewed deposit meets your needs. The latest rates are available online at **commbank.com.au** or by contacting **13 2221**, one of our branches or your relationship manager.

If your funds are renewed for the same fixed term as before on the day of maturity and you wish to change the term of your renewed Term Deposit or make a withdrawal, you will have six calendar days from the maturity date to provide your instructions by calling **13 2221** before 9pm* (Sydney time) or by visiting one of our branches. If you give us instructions on or after the maturity date, you cannot subsequently change your Term Deposit.

***Note:** Calls to **13 2221** on the maturity date need to be made before 9pm (Sydney time) or funds may not be available in your nominated Commonwealth Bank statement account until the next business day (if the maturity date is a business day) or the following business day (if the maturity date is not a business day). Funds paid on a non-business day will not appear on your statement or in a transaction listing until the next business day or the following business day.

What is the holding facility?

You can give us instructions at any time to transfer your funds to the holding facility of your account when your Term Deposit matures.

When your funds are in the holding facility, you can reinvest or withdraw them at any time, without incurring prepayment costs. When you reinvest funds on a day on which holding facility interest is due to be paid, the new fixed term will commence on that date. If you choose to reinvest funds on a day outside of any interest payment date, the new fixed term will commence from the last interest payment date.

If you do not contact us before the maturity date, we may, at our discretion, transfer your funds to the holding facility. We may do this for example in situations where we believe you may be able to benefit from greater flexibility by moving the funds to other fixed terms with better rates.

Before we transfer your funds to the holding facility of your account we will advise you in the Renewal Notice we send approximately one week before your deposit matures.

When funds are in the holding facility, the interest rate is fixed for each 7 day period until we receive further instructions from you. Due to market rate movements we may vary the rate for each 7 day period without notice.

Interest on funds in the holding facility will be paid every 7 days in accordance with your existing interest payment instructions, until the balance is reinvested into a new fixed term of 1 month or more or withdrawn in full. No interest is paid on funds in the holding facility for the current 7 day interest period if funds are reinvested or withdrawn before the next interest payment date.

How is interest calculated?

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

$$\text{Interest} = \frac{\text{amount invested}}{\text{per annum}} \times \frac{\text{rate \%}}{\text{per annum}} \times \frac{\text{number of days}}{365}$$

Interest is paid to you in accordance with Clause 7 of the Terms and Conditions.

Example 1*

You have lodged a 6 month Term Deposit of \$25,000.00 on 1 June at an interest rate of 4.00% per annum with Six Monthly interest payment option (that is, interest is paid every 6 months and at maturity).

The interest is calculated as follows:

- Interest earned on a deposit lodged on 1 June to mature on 1 December (183 days)

$$= \$25,000.00 \times 4.00 \% \times \frac{183}{365}$$

$$= \$501.36$$
- Total interest earned at time of maturity is \$501.36

* Example used for illustrative purposes only.

What are the key costs?

When investing in a Term Deposit you agree to invest your funds for a set period of time at a fixed interest rate. There are no account keeping fees to maintain this account.

Prepayment costs

If we allow you to withdraw all or part of your funds prior to the maturity date of a fixed term, a prepayment adjustment and a \$30.00 prepayment administration fee may apply (see Clause 9 of the Terms and Conditions). Prepayment costs do not apply to funds in the holding facility or accounts held in the name of a deceased account holder or in the name of a deceased account holder's legal personal representative

The prepayment adjustment applied will depend on the percentage of the original term elapsed. The prepayment adjustment will apply even if the Term Deposit has not been paid any interest up to the date of prepayment.

Table 1: Adjustment to be applied

Percentage of term elapsed	Adjustment to be applied as a % of your interest rate
0% to less than 20%	90%
20% to less than 40%	80%
40% to less than 60%	60%
60% to less than 80%	40%
80% to less than 100%	20%

For example, if your funds are invested for 50% of the agreed term, the prepayment adjustment to be applied will be 60%. In other words, if the agreed interest rate at lodgement date was 4.00% per annum, the interest rate that you will earn on the amount that you have withdrawn early will be 40% of the interest rate agreed at the start of the term. That is the interest rate you would earn on the withdrawal amount is:

$$4.00\% \text{ per annum} - (4.00\% \text{ per annum} \times 60\%) = 1.60\% \text{ per annum.}$$

Example 2***Full prepayment**

On 1 June, you have lodged a 183 day (approximately 6 month) Term Deposit of \$25,000.00 at an interest rate of 4.00% per annum with a Six Monthly interest payment option (that is, interest is paid every 6 months and at maturity).

On 30 August, after 90 days (approximately 3 months) you request to withdraw the entire \$25,000.00.

The percentage of the term elapsed is calculated as follows:

$$\begin{aligned} \text{Percentage of term elapsed} &= \frac{\text{number of days deposited}}{\text{number of days in term}} \times 100 \\ &= \frac{90 \text{ days}}{183 \text{ days}} \times 100 \\ &= 49.18\% \end{aligned}$$

As 49.18% of the original term has elapsed, an adjustment of 60% will apply (refer Table 1).

$$\begin{aligned} \text{Interest rate adjustment} &= \text{adjustment} \times \text{your interest rate} \\ &= 60\% \times 4.00\% \text{ per annum} \\ &= 2.40\% \text{ per annum} \end{aligned}$$

Interest is calculated for the period of 90 days at your original interest rate of 4.00% per annum. This amounts to \$246.57. This amount is reduced by the prepayment adjustment amount of \$147.94, making an interest payment amount of \$98.63. A prepayment administration fee of \$30.00 is also payable. The amount paid to you on the date of withdrawal is \$25,068.63 (i.e. the original lodgement amount of \$25,000.00 plus the adjusted interest payment of \$98.63 less the prepayment administration fee of \$30.00).

Note: When calculating interest adjustments, the Bank takes into consideration any interest already paid to you during the term. Interest already paid will have been calculated at your original interest rate. As an adjustment is now being made to your original interest rate, interest already paid to you must also be adjusted down. Rather than asking you to repay some of the interest already paid to you by the Bank, we simply deduct the prepayment adjustment amount from the amount being repaid to you on the date of withdrawal.

Despite this, the sum of the amount paid to you on the withdrawal date, plus the sum of all previous interest payments will always be equal to or more than your original investment amount (excluding the prepayment administration fee).

* Example used for illustrative purposes only.

Example 3***Partial prepayment**

Instead of withdrawing the full amount of the Term Deposit as in Example 2, you may wish to withdraw a partial amount. When you request a partial prepayment, you can choose to have:

- a specific prepayment amount, e.g. \$10,000.00, where the prepayment costs are deducted from the Term Deposit balance remaining after prepayment; or
- a specific balance to remain in the Term Deposit, e.g. \$15,000.00, where the prepayment costs are deducted from the amount being prepaid.

Where no preference is stated, prepayment costs are deducted from the balance remaining after prepayment.

- Specific prepayment amount of \$10,000.00 (prepayment costs deducted from balance)

After 90 days (approximately 3 months) you request to withdraw \$10,000.00 from your Term Deposit, that is a partial prepayment.

$$\text{Percentage of term elapsed} = 49.18\% \text{ (as calculated in Example 2)}$$

$$\text{Interest rate adjustment} = 2.40\% \text{ per annum (as calculated in Example 2)}$$

$$\begin{aligned} \text{Prepayment adjustment} &= \text{amount to be prepaid} \times \frac{\text{number of days deposited}}{365} \times \text{interest rate adjustment} \\ &= \$10,000 \times \frac{90}{365} \times 2.40\% \text{ per annum} \\ &= \$59.17 \end{aligned}$$

* Example used for illustrative purposes only.

The prepayment amount you will receive will be \$10,000.00 as you requested, and after the prepayment costs are deducted from the remaining Term Deposit balance, the remaining Term Deposit will be \$25,000.00 – \$10,000.00 – \$59.17 – \$30.00 = \$14,910.83.

The amount of \$14,910.83 will continue to earn interest at 4.00% per annum. The interest earned on the amount prepaid will be paid at the next interest payment date.

b) Specific balance remaining of \$15,000.00 (prepayment costs deducted from partial withdrawal amount).

After 90 days you request to withdraw a prepayment amount that leaves \$15,000.00 remaining as your Term Deposit balance.

Percentage of term elapsed = 49.18% (as calculated in Example 2)

Interest rate adjustment = 2.40% per annum (as calculated in Example 2)

Prepayment adjustment = $\frac{\text{amount to be prepaid}}{\text{number of days deposited}} \times \text{interest rate adjustment}$
 = $\$9,911.35 \times \frac{90}{365} \times 2.40\% \text{ per annum}$
 = \$58.65

To leave a balance of \$15,000.00, the prepayment amount you will receive will be \$9,911.35 (calculated as \$25,000.00 – \$15,000.00 – \$58.65 – \$30.00 = \$9,911.35) on the prepayment date. This will leave the remaining balance of \$15,000.00 to continue to earn interest at 4.00% per annum. The interest earned on the amount prepaid will be paid at the next interest payment date.

You will note that the prepayment adjustment in (b) is slightly less since the prepayment adjustment is calculated on a lesser amount than that of (a) in order to provide the specific amount as the remaining balance.

Bank Cheque fee

Where you request your balance to be paid to you in the form of a Bank Cheque, a fee will apply. For the latest fee information, refer to our Common Banking Services Standard Fees and Charges brochure available at any Commonwealth Bank branch. A paper copy will be provided to you without charge on request.

What are the key risks?

Legal risk – As Australia is a member state of the United Nations, we are obliged to implement United Nations Security Council sanctions. Consequently, the Bank may be prohibited from dealing with certain persons or entities.

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

Product risk – All investments involve a certain amount of risk, however a Term Deposit is considered to be a relatively low risk product offered by the Bank.

Interest rate risk – Because the interest rate of your Term Deposit is fixed, 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.

If you have not given us instructions for renewal or closure of your Term Deposit before the maturity date, the Bank automatically renews your Term Deposit for the same fixed term as before at the interest rate which applies on the day of maturity to that term. This interest rate may be significantly different, higher or lower, to the interest rate that applied in the previous term, as a consequence of market rate movements. Also, the investment terms giving the best interest rates may change from time to time as the Bank periodically reviews and changes these terms based on market

and business needs. We recommend that you contact us on the maturity date to determine if the rate that applies to your renewed deposit meets your needs.

For Term Deposits opened via the internet, please also refer to the section 'What are the risks?' as detailed in the Electronic Banking Terms and Conditions.

What are the tax implications?

If you do not provide us with a Tax File Number (TFN), TFN exemption, or an Australian Business Number or you are a non-resident, we are obliged by law to withhold tax from the interest we pay to you. Interest you have earned on this account may be subject to income tax. You should discuss any taxation issues with an independent taxation adviser.

How do I apply for a Term Deposit?

Simply visit any branch of the Bank during business hours, contact your relationship manager, or go online via commbank.com.au or the Bank's internet banking service (for registered users only).

What if I have a complaint?

We aim to provide good customer service. If you think we have failed, you should let us know so that we can try and put things right. Also, by telling us where you think we have failed, we will be able to provide you a better service in the future. To assist you, we offer free internal and external avenues to deal with your concerns.

How to make a complaint:

- (i) Gather all supporting documents about the matter of complaint, think about the questions you want answered and decide what you want us to do.
- (ii) Next, contact your branch staff, relationship manager or the manager of the department that handled the matter and explain the problem. Our staff will fully review the situation and if possible resolve it straight away.
- (iii) If at this stage the matter has not been resolved to your satisfaction, please contact our Customer

Relations team. We will provide you with the name and contact details of the officer who will investigate your case. Rest assured that an officer with the necessary authority will review your case.

Customer Relations

You may contact Customer Relations by:

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

* A free call unless made from a mobile, which will be charged at the applicable mobile rate.

If you telephone, your call will be answered by one of our dedicated staff who will resolve the issue as quickly as possible.

We aim to resolve most issues within 4 working days. However, some matters are more complex and can take a little longer to resolve. If that is the case, we will keep you informed of our progress.

Dispute resolution

We expect that our front line staff, managers or Customer Relations team will completely resolve the issue you raise. If, despite our best efforts, you believe your complaint has not been satisfactorily dealt with, you may wish to contact an alternative dispute resolution scheme.

The Financial Ombudsman Service (FOS) is an impartial, independent and free alternative dispute resolution scheme for customers of financial institutions.

The types of disputes which can be considered by FOS are set out in the FOS Terms of Reference which can be accessed on its website: www.fos.org.au.

You can contact the FOS by:

- telephone on **1300 78 08 08**;
- facsimile **03 9613 6399**;
- website **www.fos.org.au**;
- Email: **info@fos.org.au**; or
- Writing to the address below:
GPO Box 3
Melbourne Victoria 3001

Customer information and privacy

Collection and verification of customer information

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

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

We use your customer information to manage our relationship with you, provide you with the products and services you request and also tell you about the products and services offered by the Commonwealth Bank Group ('Group'), affiliated providers and external providers for whom we act as agent. If you have given us your electronic contact details, we may provide marketing information to you electronically.

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

Depending on whether you are an individual or an organisation, the information we collect will vary. For instance, if you are an individual, the type of information we may collect and verify includes your full name, date

of birth and residential address. If you are commonly known by 2 or more different names, you must give us full details of your other name or names.

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

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

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

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

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

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

Protecting customer information

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

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

Other disclosures

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

(a) where disclosure is compelled by law; or

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

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

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

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

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

We may send customer information overseas if:

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

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

Access to your personal information

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

Customer Relations
Commonwealth Bank
Reply Paid 41
Sydney NSW 2001

We may charge you for providing access.

Further information

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

Financial Claims Scheme

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 APRA website at www.apra.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).

1. About these Terms and Conditions

These Terms and Conditions govern the Bank's Term Deposit accounts. They do not include terms and conditions that may apply by operation of law, under for example, the Corporations Act 2001.

You should read these Terms and Conditions carefully before lodging funds in a Term Deposit, 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 2221** (24 hours a day, 7 days a week), contacting your relationship manager, visiting our website at **commbank.com.au** or from any branch of the Bank.

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

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

2. Definitions

the 'Bank'; 'our'; 'us'; 'we'

means the Commonwealth Bank of Australia
ABN 48 123 123 124.

'BPAY®'

means an electronic payment system registered to BPAY Pty Limited ABN 69 079 137 518 through which a deposit can be made to your Term Deposit opened via the internet.

'business day'

means a day that is not a Saturday or Sunday or a public holiday, special holiday or bank holiday in the place in which any relevant act is to be done or may be done.

'holding facility'

means a facility in your account where, at the Bank's discretion, your Term Deposit funds are renewed at a fixed interest rate every 7 days until we receive your instructions for withdrawal or reinvestment for an agreed fixed term of one month or longer (no interest is paid on funds in the holding facility for the current 7 day interest period if funds are reinvested or withdrawn before the next interest payment date). The latest interest rates applicable to the Term Deposit holding facility are available on the Bank's website **commbank.com.au**, or by contacting **13 2221** or any branch of the Bank.

'you'; 'your'

means the customer who is the person or persons or entity in whose name the Term Deposit is held.

3. Opening a Term Deposit

- Opening a Term Deposit is conditional upon you providing the Bank with the necessary identification information it requires and the Bank carrying out any necessary verification check(s). Until you provide acceptable forms of identification interest will be credited to your Term Deposit account.
- When you lodge funds in a Term Deposit, you agree to these terms and conditions.
- A minimum opening balance of \$5,000.00 is required unless you open the Term Deposit via the internet in which case the minimum and maximum balance applicable will be advised by the Bank online on its web page at **commbank.com.au** or via the Bank's internet banking service.
- Any cheques deposited into a Term Deposit are subject to clearance. No interest is paid on any cheques that are dishonoured.
- You may obtain details of interest rates being offered for new Term Deposits by calling the Bank on **13 2221**, contacting your relationship manager or by visiting **commbank.com.au** or from any branch of the Bank.

4. If you conduct a Term Deposit jointly with another person

- Unless otherwise agreed with the Bank when the account is opened:
 - each of you may operate the account independently of the other;
 - the Bank may accept for the credit of the account any cheque or other negotiable instrument payable to any one or more of you; and
 - if one of you dies, the balance of the account is transferred by the Bank to the survivor(s).
- If you instruct us the account is to be operated in a certain way (for example, you instruct us that any of the joint account owners may operate alone), then we will not be liable for acting in good faith with due care and skill in accordance with your instructions. This service when supplied to you as a consumer comes with a

non-excludable warranty under consumer protection laws that it will be carried out with due care and skill and be reasonably fit for the purpose. If we breach any of those warranties you may be entitled to compensation. When you are not a consumer under consumer protection laws our liability for loss or damage is limited to re-supplying the service to you or paying the costs of having the service resupplied to you. When you are a consumer under consumer protection laws our liability is limited in this way only to the extent permitted by those laws.

5. Information we may send you

- The Bank issues a confirmation following the opening of your Term Deposit account, once funds are received.
- The confirmation is valueless for the purpose of transfer or negotiation.
- The Bank may require you to surrender the confirmation at maturity or in the event of withdrawal in advance of maturity.
- **Statement of Account:** The Bank does not issue you with a Statement of Account.
- **Renewal Notice:** The Bank issues a Renewal Notice approximately one week prior to your Term Deposit maturing. This notice will seek your instructions for renewal or closure and let you know how your funds will be treated if we don't hear from you. You will not be issued a Renewal Notice if your account has a term of less than 14 days or your Term Deposit funds are in the holding facility.
- **Certificate of Reinvestment:** The Bank issues you a Certificate of Reinvestment confirming the details of your Term Deposit should your funds be reinvested at maturity to another fixed term of more than 14 days.
- **Confirmation of Transfer to Your Holding Facility:** The Bank will issue you a confirmation should your Term Deposit funds be transferred to the holding facility. However, no subsequent Confirmation of Transfer to Your Holding Facility or Certificate of Reinvestment will be issued to you until

your funds are reinvested for a fixed term of one month or longer.

- **Closed Account Notice:** If you choose to fully close your Term Deposit, the Bank will issue a Closed Account Notice detailing the closure, including interest earned.
- **End of Financial Year Notice:** The Bank will issue a notice shortly after the end of a financial year detailing the amount of interest paid on your Term Deposit in the previous financial year. You may need these details for tax purposes.

6. Minimum terms

- The minimum term in months is 1 month or 30 days for a term in days unless you open the Term Deposit via the internet in which case the minimum term available will be advised by the Bank on its online Term Deposit web page or via Bank's internet banking service (registered users only).
- Terms of less than 30 days may be available at the Bank's discretion. Interest is only paid at maturity for Term Deposits of less than 30 days.
- You may not choose a term that is a combination of both days and months. If you nominate a specific maturity date, the investment term will be set at the number of days in the period from the start date to the maturity date of your Term Deposit.
- Subject to the preceding conditions, you may nominate a term in months up to 60 months or a term in days up to 990 days unless you open the Term Deposit via the internet in which case the terms available will be advised by the Bank on its online Term Deposit web page or via the Bank's internet banking service (registered users only).

7. Payment of interest

7.1 Payment of interest on funds in a fixed term

- The Bank may vary the interest rates on offer for new Term Deposits at any time without notice.
- The interest rate applying to your Term Deposit is fixed at the time of lodgement for the whole of the agreed fixed term.
- Interest is calculated daily on the balance of the Term Deposit, commencing on the first day of the lodgement term and excluding the date of maturity.
- Interest is paid according to the interest payment frequency and payment method that you nominated. Unless otherwise stated, you may choose one of the following interest payment options:
 - (i) interest credited to a nominated bank account every 28 days and/or at maturity.
 - (ii) interest credited to a nominated bank account every 6 months and/or at maturity.
 - (iii) interest credited to a nominated bank account every 12 months and/or at maturity.
 - (iv) interest credited to your Term Deposit every 28 days and/or at maturity.
 - (v) interest credited to your Term Deposit every 6 months and/or at maturity.
 - (vi) interest credited to your Term Deposit every 12 months and/or at maturity.
- If you open a Term Deposit via the Bank's website **commbank.com.au**, unless otherwise stated you may choose one of the following interest payment options:
 - (i) interest credited to a nominated bank account every 6 months and/or at maturity.
 - (ii) interest credited to your Term Deposit every 6 months and/or at maturity.
- If interest is due on a day that is not a business day and is being credited to a Commonwealth Bank statement account, it will be available for withdrawal from that account on the due date but may not appear on your statement or in a transaction listing until the next business day or the following business day.

- Should an interest payment to your nominated account be returned to the Bank due to that account being invalid or closed, the Bank will either add this interest amount to your Term Deposit balance or pay it by issuing a bank cheque posted to your address held on our records. Where a bank cheque is issued, we will not pay you interest on this amount.

7.2 Payment of interest on funds in the holding facility

- While your funds are in the holding facility, the interest rate is fixed for each 7 day period but may be varied at the end of each 7 day period without notice. Interest will be paid every 7 days, until the balance is reinvested into a new fixed term of 1 month or more or withdrawn in full.
- No interest is paid on funds in the holding facility for the current 7 day interest period if funds are reinvested or withdrawn before the next interest payment date.
- Interest is either credited to your nominated account or compounded to your Term Deposit holding facility in accordance with your existing instructions.

8. At maturity

- The Bank issues a Renewal Notice approximately one week prior to your Term Deposit maturing, unless the term was for less than 14 days or your funds are held in the holding facility. This notice will seek your instructions for renewal or closure of your Term Deposit and let you know how your funds will be treated if we don't hear from you.
- If your instructions are not received prior to the date of maturity, the Bank may at its discretion:
 - (i) renew the Term Deposit for the same investment term as before at the applicable interest rate and on the Terms and Conditions then applying to new standard Term Deposits. The interest rate applicable to the new Term Deposit may be significantly different, higher or lower, to the interest rate applied in the previous term as a consequence of market rate movements. Also, the investment terms giving the best interest rates may change from time to time.

We recommend that you contact us on the maturity date to determine if the rate that applies to your renewed deposit meets your needs.

(ii) transfer the funds to the holding facility. If your funds are transferred to the holding facility, the interest rate is fixed for each 7 day period but may be varied at the end of each 7 day period without notice. No interest is paid on funds in the holding facility for any 7 day interest period if funds are reinvested or withdrawn before the next interest payment date.

- You can change the amount, term and interest payment option that applies to your renewed Term Deposit by contacting any branch or by calling **13 2221** on the maturity date or within six calendar days of the maturity date.
- If you have previously given us instructions that all or part of your deposit is to be paid to a nominated account at the Bank on maturity, you cannot change or cancel those instructions on or after the maturity date.
- If you give us your instructions on the maturity date or within six calendar days of the maturity date, you cannot subsequently change your maturity instructions again. Your Term Deposit will become renewed for the agreed amount, term and interest payment option.
- Payments to accounts at other financial institutions may not be credited to your account until the other financial institution processes the transaction.
- If the maturity date is a business day, you can withdraw all or part of your funds on the same business day*.
- If the maturity date is a non-business day, you can withdraw all or part of your funds on the next business day*.
- If you choose to withdraw all or part of your Term Deposit following a non-business day maturity you will not receive interest for the period from the maturity date to the date of withdrawal, on the amount that is withdrawn.

- If the maturity date is a business day and you provide withdrawal instructions during the six calendar days after the maturity date, you will not receive interest for the period from the maturity date to the date of withdrawal, on the amount that is withdrawn.

* **Note:** Calls to **13 2221** on the maturity date need to be made before 9pm (Sydney time) or funds may not be available in your nominated Commonwealth Bank statement account until the next business day (if the maturity date is a business day) or the following business day (if the maturity date is not a business day). Funds paid on a non-business day may not appear on your statement or in a transaction listing until the next business day or the following business day.

9. Withdrawals in advance of maturity

- If you have a Term Deposit with a term of 2 years or less, you may apply to the Bank to request the withdrawal of all or part of your funds prior to the maturity date. The Bank may, in its discretion, approve a request for early withdrawal, in which case a prepayment adjustment and \$30.00 prepayment administration fee will apply.
- If you have a Term Deposit with a term of more than 2 years, you may withdraw part or all of your funds prior to the maturity date subject to payment of a prepayment adjustment and \$30.00 prepayment administration fee.
- Prepayment costs do not apply to Term Deposits held in the name of a deceased account holder or in the name of a deceased account holder's legal personal representative or to funds in the holding facility.
- The amount of the prepayment adjustment is calculated by the Bank taking into account the amount withdrawn, the length of time since the deposit was lodged as a percentage of the original term, and the application of an adjusted rate of interest.
- If you request to withdraw funds prior to maturity on a business day, payment is effected on the same day, subject to the Special Terms and Conditions for deposits opened via the internet (see Clause 15 of these Terms and Conditions). Except as set out in Clause 15, if funds are to be credited to a Commonwealth Bank statement account the amount

paid will be available for withdrawal from the statement account on the same day but will not appear on your statement or in a transaction listing until the next business day or the following business day. Payments to accounts at other financial institutions, whilst effected the same day, may not be credited to your account until the other financial institution processes this transaction.

- A minimum balance of \$1,000.00 must be maintained at all times.

10. Bank Cheque fees

- Where you request your balance to be paid to you in the form of a Bank Cheque, a fee will apply. For the latest fee information, refer to our Common Banking Services Standard Fees and Charges brochure available at any Commonwealth Bank branch. A paper copy will be provided to you without charge on request.

11. Government charges

- Whilst you are not required to provide us with your Tax File Number (TFN), TFN exemption or Australian Business Number (ABN) in relation to an account, the Bank is obliged by law to withhold tax from interest where a TFN, TFN exemption or ABN has not been quoted on a Term Deposit, and where interest is payable to a non-resident.
- The Bank notifies you of the introduction or variation of any Government tax or charge either in writing or by an advertisement in the national media or local media, unless the Government, Government agency or representative body has already publicised the introduction or variation.

12. Change of personal details

- You are required to notify the Bank promptly of a change to your name, address or the bank account your Term Deposit interest is credited to.

13. Breach of law

If it appears to us that you may:

- (a) be a proscribed person or entity under the Charter of the United Nations Act 1945 (Cth);
- (b) be in breach of the laws of any jurisdiction relating to money laundering or counter-terrorism; or
- (c) appear in a list of persons with whom dealings are proscribed by the government or a regulatory authority of any jurisdiction;

we may immediately:

- (d) refuse to process any transaction of yours;
- (e) suspend the provision of a product or service to you;
- (f) freeze your account; or
- (g) close your account.

We will be under no liability to you if we do any or all of these things. Our rights under this clause are in addition to all other rights we may have.

14. Severance

If any part of any of the General Information provisions or Terms and Conditions is found to be void or unenforceable for unfairness or any other reason (for example, if a court or other tribunal or authority declares it so) the remaining parts of these Terms and Conditions will continue to apply to the extent possible as if the void or unenforceable part had never existed.

15. Special Terms and Conditions – Term Deposits opened via the internet

- You must be at least 18 years of age and an Australian resident with an Australian address.
- If you apply for a Term Deposit via the Bank's website **commbank.com.au**, the deposit must be opened in your personal name (not company or trading names) and must not be lodged in trust for another person.
- Joint accounts may be conducted by no more than two account holders. For joint accounts, either account holder can operate on the account.

- If you already have a business transaction or cheque account with the Bank, you can apply to open a Term Deposit via the Bank's internet banking service (registered users only). The Term Deposit opened must have the same account title, method of operation and ABN details as the business transaction or cheque account already held with the Bank.
- If you apply for a Term Deposit via the Bank's website at **commbank.com.au**, funds must be lodged via BPAY®. If you apply via the Bank's internet Banking service (registered users only) funds must be transferred electronically from an eligible account in your name or joint names linked to your Client Number.
- The applicable interest rate and lodgement date will be determined upon receipt of funds by the Bank. If the interest rate quoted for Term Deposits opened via the internet is no longer available, the money may be returned to you by electronic funds transfer to the account from which it was sent at your request within 5 business days of receipt of funds. Interest is not paid on money returned in these circumstances. Payment may be deferred for up to 5 days while that account is identified by the Bank.
- If you have not previously been personally identified by the Bank, you will be required under Australian law to provide acceptable forms of identification before the Bank will accept your request to withdraw funds and/or process any subsequent change to the information you provided online when applying for a Term Deposit via the internet. Until you provide acceptable forms of identification interest will be credited to your Term Deposit account.
- If you withdraw all or part of your funds at maturity, or in advance of maturity, the money must be returned to you by electronic funds transfer to an account nominated by you (if you applied via the Bank's internet banking service) or to the account from which it was originally sent (if you applied via the Bank's website at **commbank.com.au**). If you applied via

Terms and conditions

the Bank's website at **commbank.com.au**, payment may be deferred for up to 5 days while that account is identified by the Bank.

- If no instructions for renewal or payment of your Term Deposit are received prior to the date of maturity, the Bank may:
 - (i) renew the Term Deposit for the same term as before at the applicable interest rate and on the Terms and Conditions then applying to new standard Term Deposits, including this Clause 15. The interest rate applicable to the rolldged Term Deposit may be significantly different, higher or lower, to the interest rate applied in the previous term; or
 - (ii) transfer your funds to the holding facility of your account and await your further instructions. We may do this for example in situations where we believe you may be able to benefit from greater flexibility by moving the funds to other fixed terms with better rates. Before we do this we will advise you in the Renewal Notice we send approximately one week before your deposit matures.
- Electronic access to your account is governed by the Electronic Banking Terms and Conditions, available at any Commonwealth Bank branch. The Electronic Banking Terms and Conditions are only applicable to Term Deposits opened via the internet.

13 2221

24 hours a day, 7 days a week

[commbank.com.au](https://www.commbank.com.au)

Commonwealth Bank of Australia

ABN 48 123 123 124

