Bendigo Bank

Financial Services Guide

22 November 2011

www.bendigobank.com.au

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Bendigo and Adelaide Bank Limited, The Bendigo Centre, Bendigo VIC 3550 ABN 11 068 049 178. AFSL No. 237879.

"Bendigo Bank", "Adelaide Bank", "Tasmanian Banking Service" and "Bendigo Bank Insurance" are divisions of Bendigo and Adelaide Bank Limited.

Throughout this Financial Services Guide (FSG) references to:

- “Bendigo and Adelaide Bank” are references to Bendigo and Adelaide Bank Limited.
- “**Community Bank**® branch or branches” are references to the franchises of Bendigo and Adelaide Bank using the Bendigo Bank and **Community Bank**® name, logo and system of operations.
- "Community Sector Banking" are references to Community Sector Banking Pty Ltd (ABN 88 098 858 765).
- “Franchise branch or branches” are reference to the franchises of Bendigo and Adelaide Bank using the Bendigo Bank name, logo and system of operations.
- “Bendigo and Adelaide Bank Alliance” are references to a Bendigo and Adelaide Bank alliance partner.
- “we”, “us”, or “our” are references to Bendigo and Adelaide Bank, **Community Bank**® branches, Franchise branches, Community Sector Banking and employees of Community Sector Banking. References to "our staff" and “our branch staff” have a corresponding meaning.

Community Bank® branches and Franchise branches and their employees are authorised representatives of Bendigo and Adelaide Bank.

Community Sector Banking and its employees are authorised representatives of Bendigo and Adelaide Bank.

Community Sector Banking is a franchisee of Bendigo and Adelaide Bank Limited and a wholly owned subsidiary of Community Sector Enterprises Pty Ltd. Community Sector Enterprises Pty Ltd is a 50/50 joint venture between Community 21 Ltd and Bendigo and Adelaide Bank.

About this Financial Services Guide

This Financial Services Guide (FSG) has been designed to assist you in deciding whether to use the financial services we offer. It also contains general information about how Bendigo and Adelaide Bank, **Community Bank®** branches, Community Sector Banking and Franchise branches, our staff and other representatives are remunerated in relation to those services, as well as information about dispute resolution.

This FSG may be provided to you by authorised staff of Bendigo and Adelaide Bank or its authorised representatives working in **Community Bank®** branches, Community Sector Banking or Franchise branches.

Other documents you may receive

You may also receive other documents when we provide services or products to you:

- Statement of Advice (SoA) - this is a record of personal advice provided to you. Personal advice is advice that takes into account any one or more of your objectives, financial situation and needs. The SoA will contain the advice, the basis on which the advice is given and information about fees and commissions, as well as details of any potential conflicts of interest. You will receive a SoA when personal advice is given to you, except where the advice relates to deposit, payment or general insurance products.
- Product Disclosure Statement (PDS) – this will be provided to you if we recommend, arrange, issue or offer to issue certain financial products to you. So you can decide whether or not to acquire the financial product, the PDS sets out the key features, significant benefits, risks, fees and charges associated with the financial product.
- Terms & Conditions (T&Cs)/Product Guides (PGs) – these will be provided to you if we recommend, arrange, issue or offer to issue our basic deposit products to you. Similar to the PDS, the T&C's/ PG's set out the key terms, features, fees and charges associated with the product.

Contact details

You can contact us at any of our branches or at our Head Offices:

- The Bendigo Centre, Bendigo VIC 3550
  Telephone 1300 361 911
  8.30am – 7.30pm Monday to Friday (Victorian time)
  Facsimile (03) 5485 7000.
- Alternatively you can phone us 7 days a week on **1300 BENDIGO** (1300 236 344):
  8am – 8pm Monday to Friday (Local hours)
  9am – 4pm Saturday (Local hours)
  9am – 4pm Sunday (Local hours)
- Or visit www.bendigobank.com.au
  or www.adelaidebank.com.au

You can contact Community Sector Banking at:

- Level 1, 251-253 Princes Highway
  PO Box 585
  Corrimal NSW 2518
  Telephone (02) 4255 8400 or
  1300 CSBANK (1300 272 265)
  8:30am – 6:00pm (AEST/ADST) Monday to Friday
  Facsimile (02) 4255 8420
  www.communitysectorbanking.com.au

Instructing us

Generally, you need to give us instructions in writing unless another method has been agreed by us. You can give us these instructions by using the contact details set out above. Some products and services may have their own requirements as to how to provide instructions or execute certain transactions. Please refer to the PDS, T&C's, PG's or other disclosure documents for the relevant product details.

Bendigo and Adelaide Bank Group ("the Group")

Bendigo and Adelaide Bank is a member of the Bendigo and Adelaide Bank Group of companies and is a related company of the following financial product issuers:

- Adelaide Managed Funds Limited;
- Rural Bank Limited;
- Sandhurst Trustees Limited; and
- Victorian Securities Corporation Limited.

Bendigo and Adelaide Bank is a joint venture partner in Community Sector Banking. Community Sector Banking and its employees are authorised representatives of Bendigo and Adelaide Bank. Bendigo and Adelaide Bank and Community Sector Banking are authorised by a number of other financial product providers to distribute their financial products.

Our financial services

Bendigo and Adelaide Bank is responsible for the financial services we provide to you under our Australian Financial Services Licence (AFSL).

We are authorised under Bendigo and Adelaide Bank's AFSL to deal in the following products:

- Banking
  - deposit and payment products (including term deposits and non-cash payment facilities such as direct debit and cheque facilities).
- Insurance
  - general insurance;
  - life insurance;
  - health insurance;
  - CTP (compulsory 3rd party motor vehicle) insurance;
  - consumer credit insurance.

In relation to general insurance and consumer credit insurance products, Bendigo & Adelaide Bank acts under its own Financial Services Licence and under

an agreement with the insurer, CGU Insurance Limited ABN 27 004 478 371.

- Investments
  - > superannuation;
  - > managed funds;
  - > debentures;
  - > securities.
- Financial Markets and International Trade
  - > foreign exchange contracts;
  - > foreign currency deposit accounts;
  - > derivatives.

We are also authorised under Bendigo and Adelaide Bank's AFSL to provide both general and personal advice in relation to the above products other than superannuation and managed funds (advice on these products may be provided by a Bendigo Financial Planning authorised adviser).

Benefits we or our related companies or associates may receive

In relation to the services that we provide to you, we are also authorised by a number of other financial product providers to distribute their financial products and we may receive payments from other sources such as product issuers. In some cases payments made to Bendigo and Adelaide Bank are shared with a **Community Bank®** branch, Community Sector Banking or Franchise branch. Payments are paid monthly into a **Community Bank®** branch's, Community Sector Banking or Franchise branch's account.

Insurance products

Commissions are included in the amount you pay for the product and the rate depends on the particular type of product you purchase. Where you conduct most of your transactional banking with a **Community Bank®** branch, Community Sector Banking or Franchise branch, Bendigo and Adelaide Bank Alliance, or Agent, Bendigo and Adelaide Bank shares commissions with that entity.

The **Community Bank®** branch, Community Sector Banking, Franchise branch, Bendigo and Adelaide Bank Alliance or Agent receives up to 50% of the commission. All commission payments are made monthly.

Insurance products sold by us are issued by either CGU Insurance Limited, QBE Insurance (Australia) Limited, Allianz Australia Insurance Limited, Swann Insurance (Aust) Pty Ltd or Australian Unity Health Limited. Commissions for insurance products are paid to us on a monthly or annual basis depending on the payment method chosen.

For car and caravan insurance, the commission is up to 13% of the annual base premium.[1]

For motorcycle and marine insurance, the commission is up to 20% of the annual base premium.[1]

For travel insurance, the commission is up to 35% of the total base premium.[2]

For all other general insurance products, including house and contents, residential landlords and construction insurance, the commission is up to 22.5% of the annual base premium.[1]

For consumer credit insurance, the commission is up to 20% of the total base premium.[2]

In all cases, the commission is based on the premium before the addition of government charges.

For example, if the premium for your house and contents policy is $400 (before the addition of government charges), Bendigo and Adelaide Bank would receive a commission of up to $90.

If you conduct most of your transactional banking with a **Community Bank®** branch, Community Sector Banking, Franchise branch, Bendigo and Adelaide Bank Alliance or Agent, that entity would receive up to $45.00 of that commission.

[1] "annual base premium" means the amount charged to the customer for an insurance product by the insurer for a 12 month period (excluding stamp duty and GST).

[2] "total base premium" means the amount charged to a customer for an insurance product by the insurer for the period of coverage selected (excluding stamp duty and GST).

Importantly, these commissions (and the other benefits referred to below) are not charged directly to you. Rather they are paid from the product fees applicable to the financial product you acquire.

Insurance products – other benefits

Bendigo and Adelaide Bank may receive other benefits on the sale of certain products. These benefits may take various forms including:

- a bonus payment under an arrangement with CGU Insurance Ltd which is dependent upon Bendigo and Adelaide Bank's account meeting certain performance criteria over a specific period;
- a marketing allowance from CGU Insurance Limited to conduct marketing campaigns; and
- a rate of return on debentures held by Bendigo and Adelaide Bank and issued by subsidiaries of CGU Insurance Ltd which is in part dependant on profit earned by CGU Insurance Ltd on products sold by Bendigo and Adelaide Bank.

Cash Passports

Cash Passports are provided by us under an arrangement with Travelex Limited (Travelex) ABN 36 004 179 953 AFSL 222 444. We will receive a payment from Travelex equal to 50% of the foreign exchange revenue earnt by Travelex on the transaction. In addition, we will receive a commission of 1% on any BPAY® reload made on Cash Passports initially purchased in one of our branches. We may also charge you a fee of up to 1.1% of the AUD equivalent value or $15 on the amount loaded by a customer onto their Cash Passport card when they purchase or reload it at one of our branches (this fee will be retained by us). Payments are made monthly.

The full amount of the above commissions will be paid to the **Community Bank®** branch, Franchise branch or Bendigo and Adelaide Bank Alliance where you transacted.

For example if you purchase a Cash Passport at a **Community Bank®** branch 100% of the commission will be paid to that **Community Bank®** branch.

Cash Passport product – other benefits

Bendigo and Adelaide Bank may receive other benefits on the sale of the Cash Passport product. These benefits may take various forms such as:

- a bonus payment under an arrangement with Travelex Limited which is dependent upon Bendigo and Adelaide Bank's account meeting certain performance criteria over a specific period; and
- a marketing allowance from Travelex Limited to conduct marketing campaigns.

Other benefits to Community Bank® branches, Community Sector Banking and Franchise branches from companies within the Group

Where you apply through **Community Bank®** branches, Community Sector Banking or Franchise branches for a product issued by Sandhurst Trustees Limited or Victorian Securities Corporation Limited, the **Community Bank®** branch, Community Sector Banking or Franchise branch receives a commission of up to 0.25% per annum of the value of your investment.

For example, in respect of an investment by you in the Sandhurst Select Mortgage Fund valued at $10,000, the **Community Bank®** branch, Community Sector Banking or Franchise branch will receive a commission of 0.25% per annum on that amount. If the value of your investment remained at $10,000 for an entire year, the **Community Bank®** branch, Community Sector Banking or Franchise branch would receive $25.00 ($10,000 x 0.25% equals $25.00).

Where you apply through **Community Bank®** branches or Franchise branches for a product issued by Leveraged Equities Limited, the **Community Bank®** branch or Franchise branch receives 50% of the gross margin on any variable loan and 0.375% per annum commission on any fixed loan.

If a **Community Bank**® branch, Community Sector Banking or Franchise branch refers you to a Bendigo Financial Planning adviser, your initial consultation is free. However, Bendigo Financial Planning will pay the **Community Bank**® branch, Community Sector Banking or Franchise branch 40% of any up front remuneration you pay to them and after that, up to 0.1% per annum of the amount invested. These payments are made monthly into the **Community Bank**® branch, Community Sector Banking or Franchise branch's account.

Where you apply through **Community Bank**® branches or Franchise branches for a product issued by Rural Bank Limited, the **Community Bank**® branch or Franchise branch receives total commission of up to 0.50% per annum of the average account balance for deposit products.

Personal advice

If you receive personal financial product advice, you will be provided with a SoA which includes any remuneration and other benefits (where possible in actual dollar amounts). However, for personal advice, in relation to deposit, payment, and general insurance products, this information will be included in another communication. If the exact amount of remuneration is not known at the time you are given the SoA or other communication, the manner in which the remuneration (including commission) and any other benefits is to be calculated will be described instead.

Referrals

If you have been referred to us by someone else, we may pay that person remuneration (including commission) or other benefits (which may be a fixed amount or up to 0.85% per annum of the amount you have invested or calculated on some other basis).

Remuneration received by Bendigo and Adelaide Bank for products issued by Bendigo and Adelaide Bank

Bendigo and Adelaide Bank is the issuer of the following products and will receive remuneration in its capacity as product issuer of those products:

- Derivatives/Foreign Exchange Contracts.

  Bendigo and Adelaide Bank may receive remuneration or other benefits in respect of derivatives and foreign exchange contracts to which we are a counterparty. A description of the means by which the remuneration is to be calculated or provided will be disclosed in the relevant PDS or other disclosure document for the particular product.
- Deposit products and non-cash payment facilities.
- Bendigo and Adelaide Bank also provides and may charge fees for legal and other professional services to superannuation or managed investment funds of which Sandhurst Trustees Limited is the product issuer. These fees are competitive compared with those currently charged externally for similar work. You may request particulars of the fee structure within a reasonable time of receiving this FSG and before any financial service identified in this FSG is provided to you.

Remuneration received by other Group companies for products issued by them

If you acquire a product issued by a company in the Group, the relevant company may receive product fees in relation to that product, including commission, referral fees, entry fees, management fees, exit fees and any other fees specified in the PDS, T&Cs, PGs or other disclosure document for that particular product. These product fees may ultimately benefit other Group members or associates.

How our staff are paid

Our staff are paid salaries, not commissions.

Our staff may be eligible for a performance bonus payment that is based on a number of factors, such as the overall performance of the Group or, where staff work in a **Community Bank®** branch or Franchise branch, the individual branch. These include performance against growth projections, personal development and customer service standards. From time to time our staff may also receive non-monetary benefits from product providers, such as tickets to events or promotional merchandise.

Privacy

We are committed to ensuring your privacy is protected and understand your concerns regarding the confidentiality and security of personal information you provide to us.

We collect and use your personal information in order to provide you with financial products and services. To do that, we may disclose your personal information to other organisations within the Group, including alliances and joint venture partners.

The Group's Privacy Policy (which also applies to **Community Bank®** branches, Community Sector Banking and Franchise branches) is available upon request at any of our branches, on the Bendigo Bank website at www.bendigobank.com.au, on the Adelaide Bank website at www.adelaidebank.com.au or on the Community Sector Banking website at www.communitysectorbanking.com.au

Resolving complaints

If you have a problem please let us know immediately because we may be able to fix it for you. We will attend to your concern promptly and courteously.

You can raise your concern or complaint with us by:

- Speaking to a member of our branch staff directly;
- Telephoning the Customer Help Centre on 1300 361 911 8.30am to 7.30pm (Victorian time) Monday to Friday;
- Fax us on 1300 367 615;
- Emailing customerhelpcentremailbox@bendigobank.com.au;
- Write to the Customer Help Centre, Bendigo and Adelaide Bank Ltd., Reply Paid 480, Bendigo 3552.

You can raise your concern or complaint with Community Sector Banking by:

- Speaking to the Community Sector Banking staff or Business Manager directly or ask to speak with their supervisor or manager;
- Writing to Community Sector Banking staff or Business Manager, providing as much information as possible about the situation and enclosing any relevant documentation.
- Contacting Community Sector Banking on **1300 CSBANK** (1300 272 265) 8:30am – 6:00pm (Victorian time) Monday to Friday; or Email: customerservice@csbanking.com.au

We do not anticipate a situation where we cannot resolve a concern or complaint to your satisfaction, however, should this happen, you have the option of referring the matter to the Financial Ombudsman Service. The Ombudsman's role is to investigate matters only after customers have fully exhausted the established complaint procedures of their bank.

You may obtain further information about this service by contacting the Ombudsman at:

Financial Ombudsman Service
GPO Box 3
Melbourne Vic 3001
Telephone: 1300 780 808
Fax: (03) 9613 6399
Email: info@fos.org.au

Compensation arrangements

As an approved deposit taking institution regulated by the Australian Prudential Regulation Authority, Bendigo and Adelaide Bank is exempt from the compensation arrangements required for Australian Financial Service licensees.

Bendigo Bank