

**NOTICE OF CHANGE TO BANK OF CHINA (AUSTRALIA) LTD'S SAVINGS AND INVESTMENT ACCOUNT & SAFE DEPOSIT BOX FACILITY CUSTOMERS**

Savings and Investment Account Product Disclosure Statement and Terms and Conditions of Use dated 20 October 2016 (**PDS**) and the Schedule of Fees and Charges (for Term Deposit Accounts, Savings and Investment Accounts and Outward Remittances) dated 20 October 2016 (**Schedule of Fees and Charges**), which forms part of the PDS.

We, Bank of China (Australia) Limited (**the Bank**), are amending the PDS and Schedule of Fees and Charges to introduce a new type of savings account called Home Loan Offset Account.

**PDS updates**

Some information in the PDS may change from time to time. Where the information is not a material change to a matter, or is not a significant event that affects a matter, we will (where we are permitted to do so) make the updated information available by way of a "PDS update" on our website at [www.bankofchina.com/au](http://www.bankofchina.com/au). A paper copy of the 'PDS update' will also be available without charge, on request.

**Notification**

By applying for or continuing to use this product, you consent to receive notice of changes to this PDS, including a notice of change to the Terms and Conditions or the Schedule of Fees and Charges, such as a notice of any relevant service is temporarily not available to you or an introduction of new features of any product, via our website, email or in an advertisement in a prominent newspaper circulating nationally.

**PDS**

You can obtain the current version of our PDS and Schedule of Fees and Charges on the Bank's website at [www.bankofchina.com/au](http://www.bankofchina.com/au) or from the Bank's retail branches in Australia during normal business hours free of charge.

**PART I – CHANGES TO THE PDS**

Effective from **1 July 2017**, the PDS will change as follows:

- Part 1 "Introduction" of the PDS is amended to include a new savings account product called Home Loan Offset Account (**HLOA**) as one of the accounts types covered by the PDS.
- Clause 1 "Account Comparison Table" in Section 1 of Part 2 of the PDS is amended to include the summary of key features and benefits of a HLOA as follows:

**"Section 1: ACCOUNT INFORMATION**

**1. Account Comparison Table**

This table is a summary of key features and benefits of the Bank's savings and investment accounts listed in this booklet.

Key Features and Benefits	Savings Accounts						Investment Account
	DDA	CA	OS	OSA	CMA	HLOA	CMCA
Access your Account							
Conduct transactions at branch of the Bank <sup>1</sup>	√	√	√	√	√	√	√
Debit Card <sup>2</sup>	√	√	√	√		√	
Passbook facility	√		√	√			

Key Features and Benefits	Savings Accounts						Investment Account
	DDA	CA	OS	OSA	CMA	HLOA	CMCA
Cheque book		√					
ATMs within Australia <sup>2</sup>	√	√	√	√		√	
EFTPOS <sup>2</sup>	√	√	√	√		√	
Overdraft option <sup>3</sup>		√					
Internet Banking*	√	√	√	√		√	√
Pay bills via BPAY <sup>4</sup>	√	√	√	√		√	
<b>Other Features</b>							
Interest paid <sup>5</sup>	√	√	√	√	√	No interest**	√
Statements <sup>6</sup>	√	√	√	√	√	√	√
Receive funds through SWIFT	√	√	√	√	√	√	√
Transfer funds through SWIFT <sup>#</sup>	√	√	√	√	√	√	√
Transfer AUD funds via Bank Cheque	√	√	√	√	√	√	√
Transfer AUD funds via RTGS <sup>##</sup>	√	√	√	√	√	√	√
<b>Linking</b>							
Linking with Safe Deposit Box <sup>7</sup>	√					√	
Direct debit and/or direct credit transactions <sup>8</sup>	√	√	√	√		√ direct debit transactions with Bank of China (Australia) Ltd only	

1. The customers can conduct transactions at any retail branch of the Bank in Australia during normal business hours. Cash Management Call Account customers must arrange an appointment time with the Bank before coming to the branches to conduct transactions.
2. Debit card holders can access their accounts via ATM and EFTPOS within Australia and also worldwide ATM and POS (Point of Sales) terminals branded with UnionPay logo. For more details in relation to the use of your debit card (including applicable fees and charges), please refer to the Great Wall International Debit Card Product Disclosure Statement and Condition of Use. You can obtain the current version of these documents from the Bank's at [www.bankofchina.com/au](http://www.bankofchina.com/au) or from the Bank's retail branches in Australia during normal business hours.
3. An overdraft facility will not be provided until it is approved by the Bank in accordance with the Bank's normal credit criteria. You may be required to sign an overdraft agreement with the Bank in a form approved by us and separate terms and conditions apply to the overdraft facility.
4. Only Savings Accounts that are denominated in AUD can be used to pay bills via BPAY.
5. For more information about the interest rate that applies to your product (and an illustrative example), please see clause 8 of the Terms and Conditions.
6. Passbook holders do not receive separate statements because all transactions are recorded in the passbooks. All other customers receive statements at least annually (or more often if required by law).
7. Only Demand Deposit Accounts and Home Loan Offset Accounts that are denominated in AUD can be linked to a Safe Deposit Box; fees and charges applicable in relation to the Safe

Deposit Box are set out in the Schedule of Fees and Charges. Please also refer to the “Agreement for Hire of Safe Deposit Box”. You can obtain the current version of this document in the Bank’s retail branches in Australia during normal business hours.

8. Only Savings Accounts and Home Loan Offset Accounts that are denominated in AUD can be used to make direct debit transactions and/or accept direct credit transactions. However, Home Loan Offset Accounts can be used to make direct debit transactions with Bank of China (Australia) Ltd only.

\*All information contained in this booklet regarding internet banking is subject to the Bank’s Internet Banking PDS and Terms and Conditions. You can obtain the current version of these documents on the Bank’s website at [www.bankofchina.com/au](http://www.bankofchina.com/au) or from the Bank’s retail branches in Australia during normal business hours.

\*\* We do not pay any interest on Home Loan Offset Accounts but offer an offset facility if the account is linked to an eligible home loan with the Bank.

#For details of requirements and fees for the remittance of funds that are denominated in CNY, please read our current Schedule of Fees and Charges and Outward Remittance Product Disclosure Statement. You can obtain the current version of these documents on the Bank’s website at [www.bankofchina.com/au](http://www.bankofchina.com/au) or from the Bank’s retail branches in Australia during normal business hours.

##RTGS means Real Time Gross Settlement which is a funds transfer that is denominated in AUD to or from another local bank account.”

3. Clause 2 “Account Features” in Section 1 of Part 2 of the PDS is amended to add the HLOA as a new savings account type and to set out its features as follows:

“2. **Account Features**

Savings Accounts	Features
Home Loan Offset Account	<p>A Home Loan Offset Account can only be used as an offset facility by linking it to an eligible home loan with the Bank to reduce interest on your eligible home loan. For full details of the offset facility and applicable fees, please refer to the home loan agreement of your eligible home loan with the Bank.</p> <p>This account contains the following main features:</p> <ul style="list-style-type: none"> <li>• This account can be opened by Individual Customers who have an eligible Bank’s home loan and are 18 years of age or older;</li> <li>• The account must be set up as your nominated account under a direct debit request arrangement for making repayments to your linked eligible home loan;</li> <li>• The account is denominated in AUD;</li> <li>• Customers may access their accounts by presenting their personal identification that is acceptable to us at a retail branch of the Bank in Australia; or (c) internet banking or (d) debit card;</li> <li>• This account can be linked to a debit card and a Safe Deposit Box facility. For more details about the use of your debit card (including applicable fees and charges), please refer to Great Wall International Debit Card Product Disclosure Statement and Condition of Use and for more information about Safe Deposit Boxes please refer to the Agreement for Hire of Safe Deposit Box. You can obtain the current versions of these documents from the Bank’s retail branches in Australia during normal business hours.</li> </ul> <p>Individual Customers. The Great Wall International Debit Card Product Disclosure Statement and Condition of Use is also available on the Bank’s website at <a href="http://www.bankofchina.com/au">www.bankofchina.com/au</a>;</p> <ul style="list-style-type: none"> <li>• No minimum balance requirement for opening the Home Loan Offset Account;</li> <li>• No account keeping fee for this account;</li> </ul>

- Offset facility applies if the HLOA is linked to an eligible home loan with the Bank;
  - The offset facility will no longer apply if:
    - Your eligible home loan with the Bank is terminated or you no longer have an eligible home loan with the Bank that is linked to your offset facility; or
    - You switch to another home loan type that is not an eligible home loan with the Bank;
- If there is no longer any offset facility, this account will be converted to a Demand Deposit Account. For details about account features of a Demand Deposit Account, please refer to the features above.

4. Clause 1 “Account Opening” of Section 3 “Terms and Conditions” of the PDS is amended by adding the HLOA as a new savings product as follows:

**“1. Account Opening**

You can open an account in the ways set out in the table below during normal business hours:

Features	Savings Accounts						Investment Account
	DDA	CA	OS	OSA	CMA*	HLOA**	CMCA
At any retail branch of the Bank in Australia	√	√	√	√		√	√

Customers wishing to lodge applications overseas should contact their local Bank of China retail branch for more information and assistance.

\* A CMA may only be opened by an Approved Law Firm in the States of Victoria and New South Wales. We retain the discretion as to whether to accept an application for a CMA.

\*\* A HLOA can only be used as an offset facility by linking it to an eligible home loan with the Bank to reduce interest on your home loan. For full details of the offset facility and applicable fees, please refer to the home loan agreement of your eligible home loan with the Bank.”

5. Clause 2 “Minimum Opening Account Balance Requirement” in Section 3 “Terms and Conditions” of the PDS is amended by adding the HLOA as a new savings product and making it clear that there is no minimum opening balance required for HLOA as follows:

**“2. Minimum Opening Balance Requirement**

You may open an account with the Bank if you meet the following account opening minimum balance requirement:

Features		Savings Accounts						Investment Account
		DDA	CA	OS	OSA	CMA	HLOA	CMCA
AUD	Individual Customers	\$1,000	\$2,000	No request	No request	N/A	No request	\$5,000
	Non-Individual Customers	\$2,000	\$2,000	N/A	N/A	\$5,000	N/A	N/A
CNY	Individual Customers	¥ 5,000	N/A	¥ 5,000	N/A	N/A	N/A	N/A
	Non-Individual Customers	No request	N/A	N/A	N/A	N/A	N/A	N/A
HKD	Individual Customers	\$5,000	N/A	\$5,000	N/A	N/A	N/A	N/A
	Non-Individual Customers	\$10,000	N/A	N/A	N/A	N/A	N/A	N/A

Features		Savings Accounts						Investment Account
		DDA	CA	OS	OSA	CMA	HLOA	CMCA
USD	Individual Customers	\$500	N/A	\$500	N/A	N/A	N/A	\$30,000
	Non-Individual Customers	\$2,000	N/A	N/A	N/A	N/A	N/A	N/A

6. Clause 4 “Eligible Criteria” of Section 3 “Terms and Conditions” of the PDS is amended by adding the eligible age criteria for the account holder and account signatory of a HLOA as follows:

**“4. Eligibility Criteria**

Except for a CMA and a HLOA, the account holder and the account signatory must be 16 years of age or older. For a HLOA, the Individual Customer account holder and the account signatory must be 18 years of age or older.

For the eligibility of a specific account, please read the contents under the heading “Account Features” in clause 2, Section 1 of this booklet.

For a CMA, please also refer to clause 5 headed “Special eligibility rules for Controlled Money Accounts” in these Terms and Conditions below. “.

7. Clause 7 “Currency Options” of Section 3 “Terms and Conditions” of the PDS is amended by adding the currency option of a HLOA as follows:

**“7. Currency Options**

The Bank offers a multi-currency option for certain accounts listed in this booklet. The table below sets out the availability of the multi-currency option:

Currencies	Savings Accounts						Investment Account
	DDA	CA	OS	OSA	CMA	HLOA	CMCA
AUD	√	√	√	√	√	√	√
CNY	√		√				
HKD	√		√				
USD	√		√				√

8. Clause 8 “Payment of Interest” of Section 3 “Terms and Conditions” of the PDS is amended by:

- adding the following sentence:

“We do not pay any interest on a HLOA but offer an offset facility if linked to an eligible home loan with the Bank”.

- adding the following sentence:

“For full details of the offset facility and applicable fees, please refer to the home loan agreement of your eligible home loan with the Bank”.

9. Clause 17 “Authority to Operate an Account” of Section 3 “Terms and Conditions” of the PDS is amended by making it clear that the minimum age for opening a HLOA is 18 years old.

10. Clause 21.2 “End of the Year Notice” of Section 3 of “Terms and Conditions” of the PDS is amended to make it clear that it does not apply to a HLOA.
11. Clause 22 “Joint Account Statement” of Section 3 “Terms and Conditions” of the PDS is deleted and replaced with the following:

“22. ***Changing these Terms and Conditions***

We may from time to time change any of these Terms and Conditions. For example, we may:

- add, change or remove fees or charges;
- add, change or remove concessions or benefits; or
- adopt or implement any legal requirement, decision, recommendation, regulatory guidance or standard of any court, tribunal, ombudsman service or regulator.

For customers with an account with the Bank, we will notify you via our website, in writing (including email) or by advertisement in a prominent newspaper circulating nationally at least 30 days before we introduce or increase a new fee or charge or make a material change to these Terms and Conditions. For other changes to these Terms and Conditions, we will notify you via our website, in writing (including email) or by advertisement in a prominent newspaper circulating nationally no later than when the change takes effect. If you are not happy with any changes, you may choose to close your accounts held with the Bank in accordance with these Terms and Conditions.

**PDS updates**

Where we change information in this PDS and the information is not a material change to a matter, or is not a significant event that effects a matter, we will (where we are permitted to do so) make the updated information available by way of a "PDS update" on our website at [www.bankofchina.com/au](http://www.bankofchina.com/au). A paper copy of the 'PDS update' will also be available without charge, on request.

**Notification**

By applying for or continuing to use this product, you consent to receive notice of changes to this PDS, including a notice of change to the Terms and Conditions, such as a notice of any relevant service is temporarily not available to you or an introduction of new features of a product, via our website, written notice (including email) or in an advertisement in a prominent newspaper circulating nationally. You may elect to receive notice of changes to the PDS solely in writing (other than by email) by contacting us at no additional cost.”

## PART II – CHANGES TO THE SCHEDULE OF FEES AND CHARGES

Effective from **1 July 2017**, the Schedule of Fees and Charges will change as follows:

- Sub-section 1 “Savings and Investment Accounts” in Section 2 “Fees and Charges” of Schedule of Fees and Charges is amended to add a new sub-section 1.7 “Home Loan Offset Account” to set out the fees and charges payable for a HLOA as follows:

### **“1.7 Home Loan Offset Account”<sup>#</sup>**

<b>Eligible Customer: Individual Home Loan Customer</b>			
<b>Description</b>	<b>Amount of Fee</b>		<b>Remarks</b>
Monthly account keeping fee	Free	Per month	N/A
Account closure within 6 months from the account opening date	Free	Per account	N/A
Making withdrawals and deposits at branches	Free	Per transaction	N/A
Making deposits at branches	Free	Per transaction	N/A

<sup>#</sup> Home Loan Offset Account can only be maintained in AUD. Customers may access the account via the Bank’s internet banking or by presenting their primary personal ID together with the account information at one of the Bank’s retail branches in Australia. The account can also be accessed by a debit card via ATM and EFTPOS/POS within Australia and also worldwide ATM and POS (Point of Sales) terminals branded with UnionPay Logo. Please refer to the Great Wall International Debit Card Product Disclosure Statement and Conditions of Use and the Bank’s Internet Banking PDS and Terms and Conditions for further details of fees and charges in relation to debit card and internet banking respectively. You can obtain the current version of these documents from the Bank’s website at [www.bankofchina.com/au](http://www.bankofchina.com/au) or from our retail branches in Australia during normal business hours.

A Home Loan Offset Account can only be used as an offset facility by linking it to an eligible home loan with us to reduce interest on your eligible home loan. For full details of the offset facility and applicable fees, please refer to the home loan agreement of your eligible home loan with us.

If there is no longer any offset facility that is linked to an eligible home loan with us, the Home Loan Offset Account will be converted to a Demand Deposit Account. For details about fees and charges of a Demand Deposit Account, please refer to section 1.1 of Section 2 of this Schedule.

#### **Notes:**

- No minimum opening balance for this account;
  - We do not pay any interest on a Home Loan Offset Account but offer an offset facility if linked to an eligible home loan with us.”
- Sub-section 3 “Safe Deposit Box” in Section 2 “Fees and Charges” of Schedule of Fees and Charges is amended to add a Home Loan Offset Account Holder as an Eligible Customer for a Safe Deposit Box facility with us.
- Sub-section 3 “Safe Deposit Box” in Section 2 “Fees and Charges” of Schedule of Fees and Charges is amended with the following changes:
  - A Home Loan Offset Account Holder is added as an Eligible Customer for a Safe Deposit Box facility with us and customers are required to open a Demand Deposit Account denominated in AUD or Home Loan Offset Account or having an existing account in order to be eligible to apply for a safe deposit box.

(b) Changes to the Safe Deposit Box Annual Hire Fee

The Annual Hire Fee (Inc. GST) for Type D box is changed to AUD388 from AUD288. The Annual Hire Fee (Inc. GST) for Type E box is changed to AUD488 from AUD358.

(c) Restrictions on number of access per month and Introducing a New Safe Deposit Box Access Fee

In order to enhance our vault management, we will limit 4 free accesses to a box per calendar month. An access fee of AUD10 (inc. GST) applies for the 5<sup>th</sup> and subsequent visits. Number of visits will be counted as the number of persons accessing the box per month, e.g. 2 people accessing will be recorded as 2 visits to the box. The same person accessing the box twice in a day will be counted as 2 visits.

4. Sub-section 14 "Definitions" in Section 2 "Fees and Charges" of Schedule of Fees and Charges is amended by adding the following new definition:  
"**Individual Home Loan Customer** means a customer who is a natural person and who has an eligible home loan with us that we agree to link to a Home Loan Offset Account to offer an offset facility."

The other fees and charges in the Schedule of Fees and Charges remain unchanged.

Thank you again for banking with us and we hope we can bring better services to you in the future.

More information

Please refer to the current version of the Savings and Investment Account Product Disclosure Statement and Terms and Conditions of Use and the Schedule of Fees and Charges (for Term Deposit Accounts, Savings and Investment Accounts and Outward Remittances), which are available on our website at [www.bankofchina.com/au](http://www.bankofchina.com/au) or from our retail branches in Australia for further details.

Please contact us on 1800 095 566 (if calling within Australia) or +61 3 9670 6200 (if calling from overseas), if you have any queries regarding this notice.

This notice is issued on 16 June 2017 by Bank of China (Australia) Limited ABN 28 110 077 622 AFSL No. 287322.