

CHANGES TO THE FARM MANAGEMENT DEPOSIT SCHEME

WHAT YOU NEED TO KNOW



The Australian Parliament has passed legislation boosting the Farm Management Deposit scheme, with the changes likely to take effect from 1 July 2016.

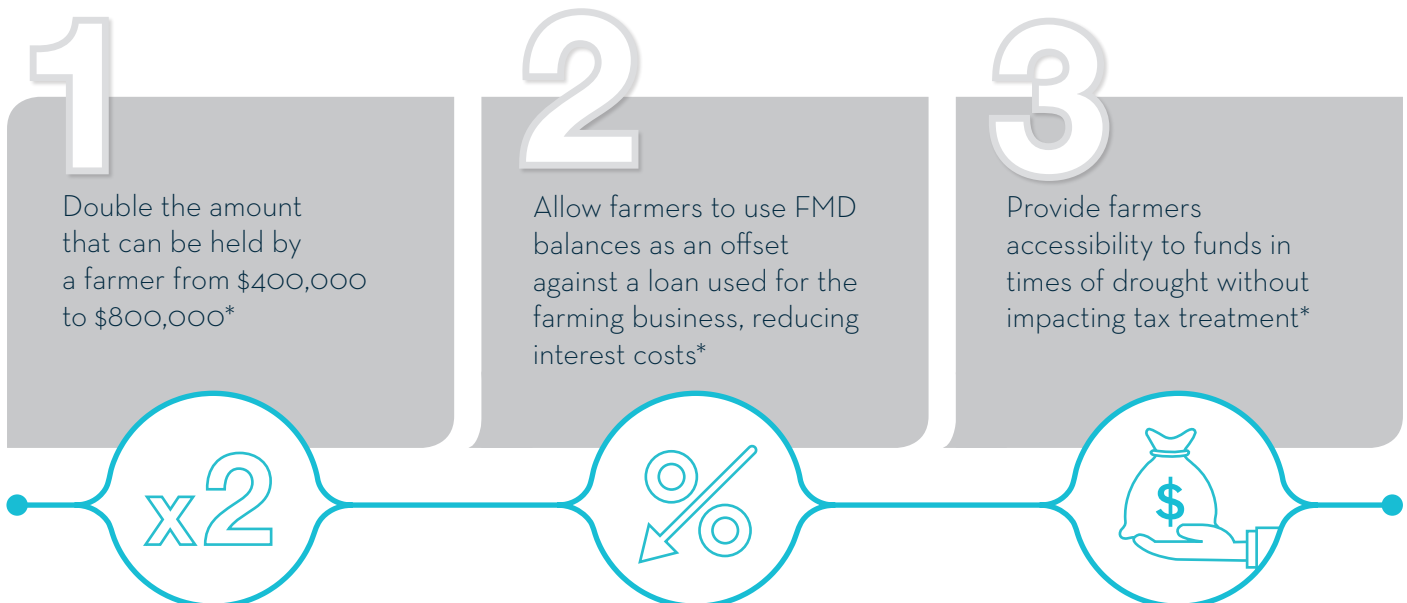
The changes, announced in the Government's 2015 Agricultural Competitiveness White Paper, recognise the challenges faced by modern farming businesses and give Australian farmers another tool to manage risk and plan for the future.

Farm Management Deposits (FMDs) - setting aside pre-tax income for when Australian farmers need it most

Farmers' income streams aren't easy to control. Seasons and prices fluctuate year to year.

An FMD allows the farmer to deposit pre-tax income, deferring payment of tax on that income until the year of withdrawal when they may benefit from a lower marginal tax rate (if the FMD is held for at least 12 months).

What are the new changes to the Farm Management Deposit scheme?



What will these changes practically mean for Australian farmers?

Flexibility to better manage income volatility and prepare for a downturn

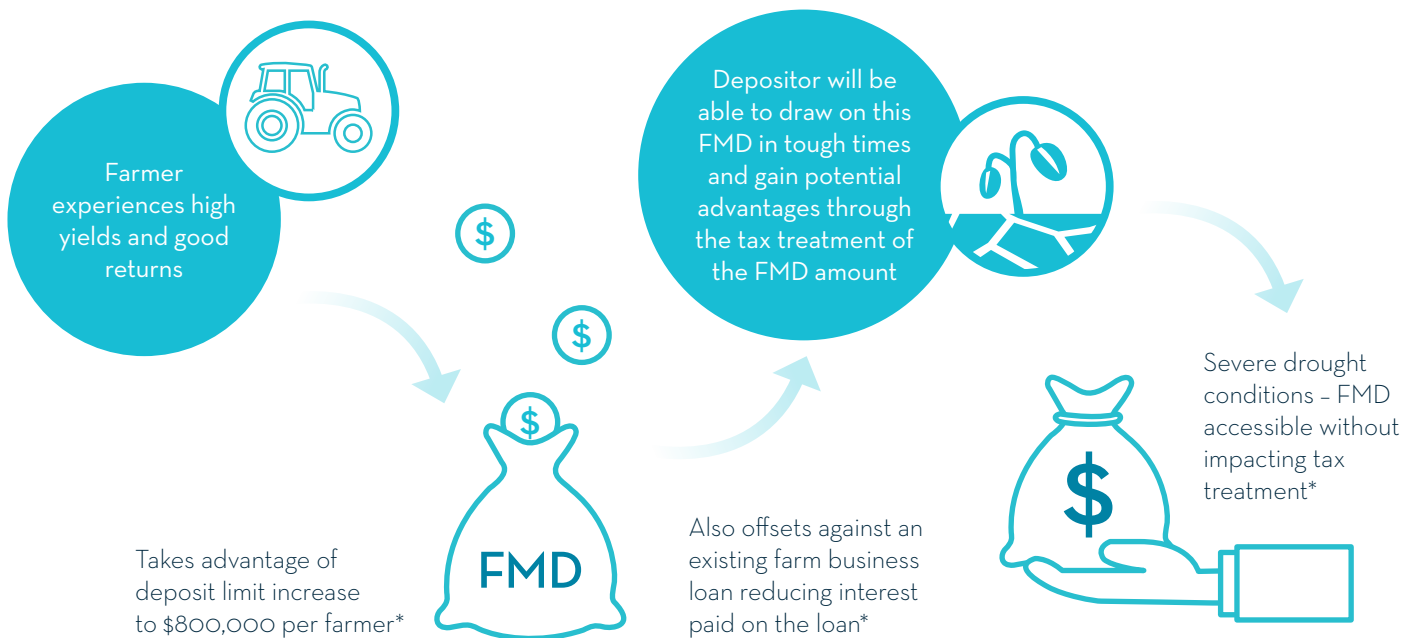
Harder working funds to reduce business loan interest costs

Ease of access to FMD funds should severe drought occur within 12 months

*Subject to statutory eligibility criteria

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HOW IT WORKS



*Subject to statutory eligibility and individual bank criteria

About Rural Bank and Rural Finance

Rural Bank has been a wholly-owned subsidiary of Bendigo and Adelaide Bank Limited since 2010 and is the only Australian-owned and operated dedicated agribusiness bank in the country.

From 1 July 2014, Victorian agribusiness lender, Rural Finance joined Rural Bank as a division of Bendigo and Adelaide Bank Limited. As a specialist rural lender, Rural Finance has been fostering the sustainable economic growth of rural and regional Victoria for more than 65 years.

Together, Rural Bank and Rural Finance are supporting farmers and farming communities by providing them with specialist financial tools, industry insights and investment into the future of the Australian agribusiness sector.

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