

Target Market Determination

For the Rural Bank ONE Farm Management Deposit – Fixed Rate

OFMD-F

Product

This target market determination (TMD) applies to the Rural Bank ONE Farm Management Deposit – Fixed Rate.

Issuer

Rural Bank – A division of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL / ACL 237879 (Rural Bank).

Date from which this target market determination is effective

5 October 2021.

1. Target market for this product

Target Market

The retail clients for whom this product has been designed are individuals carrying on a primary production business who:

- want a fully digital deposit account;
- are or may become eligible for the taxation benefits under the Farm Management Deposit scheme;
- have \$5,000 or more to deposit into the account for the specified term (being 3, 6, 12 or 24 months) at a fixed interest rate; and
- generally do not require access to their deposited funds before the end of the specified term and, if early withdrawal is required, can provide at least 31 days' notice and appreciate that other consequences might follow, e.g. relating to tax benefits and the applicable interest rate.

Product Description

A Rural Bank ONE Farm Management Deposit Account is a fully digital deposit product that enables eligible individuals to obtain certain benefits under the Federal Farm Management Deposits Scheme administered by the Department of Agriculture, Water and Environment (Scheme). These benefits (including tax benefits) are only available if Scheme conditions are met, including eligibility conditions, minimum and maximum deposit amounts, no withdrawals for a minimum period of 12 months (unless an exemption applies), and so on. In addition to the Scheme conditions, Rural Bank's conditions include (for this product only, i.e. the online ONE Farm Management Deposit - Fixed Rate product):

- a minimum deposit of \$5,000 for a specified term (3, 6, 12 or 24 months);
- interest calculated at an agreed rate, payable at maturity or periodically as agreed;
- to withdraw funds before end of term, at least 31 days' notice is required. If withdrawn, a different interest rate may apply. If the minimum period for holding the deposit has not been met, there may not be any tax benefit under the Scheme.

Product key attributes

The key attributes of this product that make it likely to be consistent with the target market described above, include:

Attribute	Appropriate for
Eligibility	Retail clients who are individual primary producers who are Australian residents and have earned less than \$100,000 in non-primary production income in the financial year the deposit is made and satisfy all other eligibility requirements to qualify for a tax benefit under the Scheme.
Fully digital deposit account	Retail clients who want a fully digital bank account. The Rural Bank ONE Farm Management Deposit account can only be accessed through Rural Bank Internet Banking. This product may not be suitable for retail clients who want branch or face-to-face support.
Minimum deposit amount of \$5,000	Retail clients who have at least \$5,000 of deposit, up to a maximum of \$800,000 (individuals are not eligible for a tax benefit under the Scheme if they hold more than \$800,000 in farm management deposits across all Authorised Deposit-taking Institutions).
Taxation benefit of Farm Management Deposit Scheme	Retail clients who are able to adhere to scheme rules established under the Income Tax (Farm Management Deposits) Regulations 1998 (Cth) made under the Income Tax Assessment Act 1936 (Cth).
Deposit for a specified term (3, 6, 12 or 24 months)	Retail clients who do not require access to the deposited funds for the specified term. Retail clients can choose the length of time their deposit will remain in the account. This product is not suitable for retail clients who want to access their funds on demand.
Earn interest at a fixed interest rate	Retail clients who want a low-risk investment product with a fixed rate of return. The rate varies depending on the length of the specified term, amount invested, and nominated frequency of payments.
Accrued interest paid at end of term or, where applicable, at the specified frequency	Retail clients who want accrued interest to be paid at the end of the term or, where applicable, at the specified frequency (monthly, quarterly, or annually). Accrued interest must be paid to a nominated account, not to the farm management deposit account.
Early withdrawal of funds before end of specified term	Retail clients can withdraw funds from their account early by providing up to 31 days' notice. The amount of interest earned on the account may be reduced. And if the minimum period under the Scheme has not been met (i.e. the minimum period for holding the deposit), there may not be any tax benefit under the Scheme.
Reinvestment or withdrawal of fund at end of specified term	Retail clients can reinvest the deposited funds (or a portion of them) at the end of the specified term for a new term or have them paid to a nominated account.

2. How this product is to be distributed

Distribution Channels

Rural Bank applies certain conditions and restrictions to the distribution of this product so that distribution is reasonably likely to be to retail clients within the target market for this product. The conditions and restrictions are:

Channel	<p>This product is to be distributed only through the following channels:</p> <ul style="list-style-type: none"> • Rural Bank website • Bendigo Bank and Community Bank branches; and • Elders stores.
Additional conditions or restrictions	<p>The following additional conditions and restrictions also apply to the distribution of this product:</p> <ul style="list-style-type: none"> • Only prospective retail clients who meet Rural Bank’s minimum eligibility criteria for the product should submit an application for this product; • This product can only be issued to retail clients after applying Rural Bank’s application processes; • This product can only be issued (or arranged to be issued) by persons who are trained and accredited; and • This product cannot be issued through third party distribution channels (other than Community Bank branches and Elders stores).

3. Reviewing this target market determination

Rural Bank will review this TMD as set out below:

Initial review	Within the first year of the effective date.
Periodic reviews	At least every 18 months from the initial review.
Review triggers or events	<p>Any event or circumstances arising that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"> • a material change to the design or distribution of the product, including related documentation; • occurrence of a significant dealing; • distribution conditions found to be inadequate in ensuring that the product is issued to retail clients likely to be in the target market; • relevant changes in the law or its application, a change in an industry code or decision of a court or other body (including through regulatory guidance) that materially affects the product; • significant changes in metrics, including, but not limited to: <ul style="list-style-type: none"> ○ a material increase in the number of complaints in relation to a product or aspect of a product; ○ an increase in early termination of the product; ○ an increase in early withdrawals (partial or full) from the product; and ○ any other event which occurs, or information is received that reasonably suggests this TMD is no longer appropriate.

4. Reporting and monitoring this target market determination

Rural Bank's third-party distributors who are regulated persons will need to collect, keep and report the following information to Rural Bank:

Type	Description of information	Frequency of reporting
Complaints	Customer complaints made in relation to this product. This includes: <ul style="list-style-type: none">written details of the complaint; andthe number of complaints during the reporting period.	Reporting period: Monthly When does the regulated person have to report: Within 10 business days of the end of the reporting period.
Sales data	Sales and customer data in relation to this product as requested by Rural Bank.	Reporting period: Monthly When does the regulated person have to report: Within 10 business days of the end of the reporting period.
Significant dealings	The following information: <ul style="list-style-type: none">details of the significant dealing;the date (or range) on which the significant dealing occurred;why the distributor considers the dealing to be significant (including why it is inconsistent with this TMD); andhow the dealing was identified.	When does the regulated person have to report: Within 10 business days of the distributor becoming aware of the dealing.