

Target Market Determination

For the Rural Bank Term Deposit

RB-TDA

Product

This target market determination (TMD) applies to the Rural Bank Term Deposit.

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

The retail clients for whom this product has been designed are those individuals who:

- want a low-risk cash investment;
- want to invest \$500 or more by depositing that amount into the account for a specified term (usually between 1 and 60 months) at a fixed interest rate; and
- generally do not require access to their investment before the end of the specified term and, if early withdrawal is required, can provide 31 days' notice.

Product Description

The Rural Bank Term Deposit Account is an account that allows a retail client to deposit \$500 or more into it for a specified term (usually between 1 and 60 months) with interest payable on the deposited funds at an agreed rate and nominated frequency. Funds can be reinvested or withdrawn at the end of the specified term. Deposited funds can also be withdrawn before the end of the specified term (however, they may not be available for up to 31 days, and the amount of interest earned on the account may be reduced).

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	This product is available to anyone, however, where the account is for a minor less than 12 years old, a parent or legal guardian must open the product as an informal trust account with the minor as a beneficiary.
Deposit for a specified term (usually between 1 and 60 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 access to 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.

Attribute	Appropriate for
Accrued interest paid at end of nominated frequency	Retail clients who want accrued interest to be paid at the end of the nominated frequency (usually monthly, quarterly, half-yearly, annually or at end of the specified term). Accrued interest can be added to the deposited funds or paid to the retail client.
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.
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.
Minimum deposit amount of \$500	Retail clients who have \$500 or more to invest for the specified term.

2. How this product is to be distributed

Rural Bank applies certain conditions and restrictions to the distribution of this product so that distribution is 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"> • Bendigo Bank and Community Bank branches; • Elders stores; and • The Rural Bank customer service team.
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 that 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	<p>Customer complaints made in relation to this product. This includes:</p> <ul style="list-style-type: none"> • written details of the complaint; and • the number of complaints during the reporting period. 	<p>Reporting period: Monthly</p> <p>When does this regulated person have to report: Within 10 business days of the end of the reporting period.</p>
Sales data	Sales and customer data in relation to this product as requested by Rural Bank.	<p>Reporting period: Monthly</p> <p>When does this regulated person have to report: Within 10 business days of the end of the reporting period.</p>
Significant dealings	<p>The following information:</p> <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); and • how the dealing was identified. 	<p>When does this regulated person have to report: Within 10 business days of the distributor becoming aware of the dealing.</p>