Target Market Determination

Product Name:
Cadet Saver

Product Description:	An at-call savings and transactional account for Cadets aged 12 to 17 years with no account keeping, transaction or overdrawn fees.
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Issuer Details:	**Defence Bank Limited** ABN 57 087 651 385 AFSL/Australian Credit Licence 234582 PO Box 14537 Melbourne VIC 8001

Purpose of this document

This Target Market Determination (TMD) is prepared under Part 7.8A of the Corporations Act 2001 and ASIC Regulatory Guide 274 (RG 274). It describes the class of retail clients who the product is appropriate for, distribution conditions, reporting requirements, and review triggers to ensure ongoing appropriateness. This is not a disclosure document and does not take into account individual objectives, financial situation or needs. The design and distribution obligations are intended to help members obtain appropriate financial products by requiring issuers and distributors to have a consumer centric approach to the design and distribution of products.

1. Target Market

Details

This product is designed for retail clients aged 12 to 17 years who are eligible members of a recognised cadet program and are seeking a simple, low-fee transaction and savings account with immediate access to funds. These clients are likely to have a low-risk profile, wish to earn variable interest on their savings, and are looking to build savings habits and develop money-management skills.

Needs:

- A simple transaction and savings account to manage day-to-day banking and savings.
- Immediate access to funds through convenient banking channels.
- A fee free banking product suitable for young people aged 12 to 17 years.
- Access to everyday banking features, including card payments and digital banking.
- A low-risk account that supports the development of savings and money-management habits.

Objectives:

- To safely accumulate and grow savings over time.
- To conduct day-to-day banking transactions and access funds when required.
- To earn variable interest on savings while maintaining access to funds.
- To establish and develop positive savings and money-management behaviours.

Financial situation:

- Regular small deposits (e.g., allowance, part-time employment income).
- A preference for preserving capital and maintaining liquidity over achieving higher investment returns.
- Funds that are intended to be held in a low-risk deposit product.

This product is not designed for retail clients who:

- Are under 12 years of age or 18 years of age and over.
- Do not meet the cadet eligibility requirements.
- Require a fixed or guaranteed rate of return, such as that offered by a term deposit.
- Are seeking bonus or promotional interest rates that are contingent on meeting specific account conditions.
- Require credit, overdraft, business banking, foreign currency or other specialised banking services not available with this product.
- Are seeking higher-risk investment products designed to generate capital growth.

2. Key Attributes

Key Attribute Details

This is a Cadet Saver account, and the key features of the product are:

- No minimum opening or ongoing balance requirements.
- No monthly account-keeping fees.
- No transaction fees for standard transactions conducted within Australia.
- Variable interest rate.
- Funds can be accessed and withdrawn at call.
- Supports automated savings behaviour through the acceptance of Round Up deposits transferred from an eligible Defence Bank transaction account.
- Visa Debit card access.
- Access via Defence Bank Online Banking, Mobile Banking app, and staff-assisted channels (branch/contact centre).
- Interest is calculated daily and paid annually on 31 March.
- Available to eligible cadets aged 12 to 17 years. Upon reaching 18 years of age, the account will be converted to a Defence Bank Everyday Access Account in accordance with the applicable Terms and Conditions.

3. Distribution Conditions and Restrictions

Details

This product is distributed by the issuer through the following channels:

- Branches
- Call centres

Distribution conditions for this product include:

- Ensuring that retail clients meet the eligibility requirements for the product, including being aged between 12 and 17 years.
- Ensuring that distribution through branches and call centres is undertaken by appropriately trained staff.
- Ensuring that product features, benefits, risks and eligibility requirements are communicated clearly to retail clients and, where applicable, their parent or guardian.

4. Review Triggers

The review triggers that would reasonably suggest that the TMD is no longer appropriate are:

Details	Required data points
A significant number of complaints is received from members in relation to their opening or use of the product that reasonably suggests that the TMD is no longer appropriate	Complaints reporting
A material change to the product or the terms and conditions of the product occurs which would cause the TMD to no longer be appropriate	Notification of proposed material change/s to key product design, key attributes and or fees
A significant dealing of the product to retail clients outside the target market occurs	Product reporting
A notification from ASIC	Requiring immediate cessation of product distribution or particular conduct in relation to the product

5. Review Frequencies

Initial Review
31 August 2022

Date of Superseded TMD
1 November 2024

Subsequent Reviews
At least every two years and earlier if a review trigger occurs.

Current Review Date
1 September 2026

6. Distributor Information

The following information must be reviewed in relation to distribution of this product to ensure it is in accordance with this TMD:

Information type	Details	Reporting period
Significant dealings	Any significant dealing which is not consistent with the TMD reporting must be within 10 business days of becoming aware of such dealing	As soon as practicable
Product related complaints	Number of member complaints received each quarter	Quarterly
Sales data	The number of accounts opened and closed on a quarterly basis	Quarterly