

Target Market Determination

Product Name:
Defence Bank Super Assured RSA -
Accumulation

Product Code:
190

Product Description: The Defence Bank Super Assured RSA (accumulation) is a retirement savings account provided under the Retirement Savings Accounts Act 1997 (Commonwealth).

It is a capital guaranteed product that provides for long term savings designed to provide income in retirement.

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Version: 1

Effective From: 5 October 2021

Issuer Details: **Defence Bank Limited**
ABN 57 087 651 385 AFSL/Australian Credit Licence 234582
PO Box 14537
Melbourne VIC 8001

1. Target Market

Details

This product is designed for retail clients who are likely to have the following:

Objectives:

- to accumulate and grow retirement funds
- no tolerance for loss in their investment or initial amount

Financial situation:

- the person must be in accumulation phase
- the person must not be intending to commence a pension income stream at the time of application
- the person can accept that the product is a retirement accumulation product and its benefit is preserved subject to preservation rule. Generally, the balance will only be accessible when a condition of release is met.

Needs:

- the person intends that their retirement savings will be invested in low risk-low return products
- the person does not require a product that has a diversity of investment options
- the person does not intend to make in specie superannuation contributions
- not suitable for persons seeking to manage their own retirement savings, in a manner similar to a self-managed superannuation fund

Description of target market

Age:

- no age restrictions
- individual/family/entity:
- individuals only can open an account

Industry:

- open to all industries and occupations
- open to persons employed at any level of employment
- open to sole traders, self-employed or those who can make a contribution/rollover of \$10,000

Phase:

- persons in accumulation phase
- Insurance: the product is not suitable for those seeking an insurance product associated with their retirement account

Retail clients who:

- are seeking Low Risk Investments (investors not willing to accept any loss of the investment or initial amount)
- do not intend to access to deposits until retirement (preservation age)
- intend to make a capital preserved investment and wish to limit their investment options to low risk low growth
- retail clients who require a third party to manage their retirement saving rather than manage it themselves (i.e. not suitable for someone seeking a self-managed superannuation fund)

2. Key Attributes

Key Attribute Details

Defence Bank Super Assured RSA is an account offered under the Retirement Savings Accounts Act 1997 (Cth) to enable holders to contribute to and accumulate their retirement savings. It is designed to offer a form of superannuation investment facility for retail clients who also wish to have their contributions guaranteed.

Defence Bank Super Assured RSA provides two deposits options:

- a RSA variable account which is opened automatically when a retail client takes out a Defence Bank RSA.
- a RSA term deposit which can be opened when a retail client reaches \$10,000 or over in their RSA variable account and offers fixed term interest over 6,12 and 24 months

Key features of the RSA variable option are:

- offers variable tiered interest rate
- offers fixed term interest over 6,12 and 24 months

Key features of both options are:

- interest rate tiers
- available online
- no fees other than termination fee
- capital protection

3. Distribution Conditions and Restrictions

Details

Conditions for variable and fixed accounts.

For both variable and fixed term accounts:

- only individuals may apply
- applicant must indicate they are in accumulation phase
- not to be provided to those retail clients that aren't prepared to wait to withdraw contributions until preservation age.

RSA Variable account:

- those who open a retirement savings account automatically receive an RSA Variable account

RSA Term Deposit:

- only those who can deposit \$10,000 or more and indicate an intention to open a fixed term account

Restrictions:

Defence Bank RSA account should not be distributed to an applicant who indicates an intention to:

- invest in anything other than term deposits or a variable account.
- have a higher level of investment risk to generate greater returns for retirement
- manage his/her own retirement savings such as an SMSF
- is looking to invest in a superannuation product with a high risk investment options with possible access to group life insurance policies

Channels:

Defence Bank account can only be distributed by the issuer through the following channels:

- branches
- call centres
- online

Other:

Distribution conditions for Defence RSA account include:

- ensuring that retail clients meet the eligibility requirements
- ensuring that distribution through branches, and call centres is by appropriately trained staff

4. Review Triggers

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

Details	Required data points	Threshold
A significant number of complaints is received from members in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate	Complaints reporting	Three complaints per quarter in favour of the member
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	As material changes are made.
A significant dealing of the product to retail clients outside the target market occurs	Product reporting	10% of members

5. Review Frequencies

Initial Review

11 August 2022

Subsequent Reviews

Annually

6. Distributor Information

The following information must be reviewed in relation to distribution of this product:

Information type	Details	Reporting period
Significant dealings	Date or date range of significant dealing/s and description of the significant dealing/s (for example why the dealing is not consistent with the TMD)	as soon as practicable
Complaints	Number of Complaints	quarterly
Sales outside the target market	The number and \$value of sales	quarterly
Sales inside the target market	The number and \$value of sales	quarterly