

Target Market Determination

Product Name:
Defence Bank Super Assured RSA -
Pension

Product Code:
161

Product Description: The Defence Bank Super Assured RSA (Pension) is a retirement savings account provided under the Retirement Savings Accounts Act 1997(Commonwealth). It is a capital guaranteed product designed to provide income in retirement.

Date Published: 2 October 2021

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 receive pension benefits accumulated in Defence Bank RSA accounts

Financial situation:

For TTR:

- have \$50,000 or more to deposit
- have reached the perseveration age
- under the age of 65
- continue to be working and in accumulation phase
- no tolerance for loss in their investment or initial amount

For those fully retired:

- have \$50,000 or more to deposit
- have reached preservation age and permanently retired from the workforce, or
- have ceased a paid employment arrangement on or after reaching age 60, or
- be age 65 or over (but may still be working), or
- be permanently incapacitated, or
- be at least age 65
- have reached the preservation age and fully retired

Needs:

- want their retirement savings managed on their behalf
- require simplicity and trading that off with low risk/low return
- do not intend to make further contribution

Description of target market

Age:

- have reached preservation age; and
- have met conditions of release

Individual/family/entity:

- individuals only can open an account.

Industry:

- n/a

Phase:

- those in TTR or retirement phase.

Retail clients who:

- have \$50,000 or more to deposit
- wish to withdraw from their retirement savings subject to conditions of release
- capital preserved investment that wish to limit their investment options to low risk low growth
- retail clients who require a third party to manage their retirement savings rather than manage it themselves (i.e not suitable for someone seeking a self-managed superannuation funds)
- are compatible with Low Risk Investment (investor is not willing to accept any loss of the investment or initial amount).

2. Key Attributes

Key Attribute Details

Defence Bank Super Assured RSA – Transition to Retirement Pension (TTR) and Account Based Pension are accounts offered under the Retirement Savings Accounts Act 1997 (Cth) designed for persons who have met a condition of release and want to receive their retirement savings via a pension income stream.

Defence Bank Super Assured RSA provides two options for accessing pension benefits:

- opening a Defence Bank ‘Transition to Retirement Pension’
- opening a Defence Bank Super Assured RSA ‘Account Based Pension’

Both accounts:

- require a minimum deposit of \$50,000
- require retail clients to have reached preservation age
- provide capital protection
- interest rate tiers
- pension facility
- no fees other than term deposit break penalty

TTR account:

- retail clients who have reached the preservation age and intent to withdraw from their pension without retiring from the workforce subject to conditions of release

Account Based Pension account:

- retail clients who have reached retirement phase and intend to withdraw their retirement savings as regular income stream subject to legal requirements.

3. Distribution Conditions and Restrictions

Details

Conditions for Transition to Retirement (TTR) and Account Based Pensions

For both TTR and Account Based Pension:

- applicants must indicate they are in either TTR or retirement phase

Transition to Retirement Pension:

- only those who have reached the preservation age and met conditions of release associated with TTR
- only those who wish to withdraw from their pension without retiring from the workforce.

Account based Pension:

- only those who have reached retirement phase and wish to withdraw their retirement savings as regular income stream or lump sum

Restrictions:

TTR and Account Based Pension accounts should not be distributed to an applicant who indicates an intention to:

- have a high level of investment risk to generate greater returns for retirement
- manage his/her own retirement savings (SMSF)
- is looking to invest in a superannuation product with a high risk investment options with possible access to group life insurance policies
- wish to continue solely in accumulation phase

Channel:

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

31 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 |