

Target Market Determination

Banking products – Term Deposit

This Target Market Determination (**TMD**) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). It describes the type of customer this product is appropriate for (**target market**), its key attributes, and any conditions around how the product can be distributed. It also describes events or circumstances where Challenger Bank Limited (**we, us, our**) may need to review this TMD and forms part of our design and distribution obligations.

The TMD isn't a summary of the features or terms of the product and doesn't take into account your individual objectives, financial situation or needs. If you're interested in acquiring this product, you should carefully read the General Terms and Product Disclosure Statement (**PDS**) before making a decision. The General Terms and PDS can be found at challenger.com.au/bank or by calling **1300 221 479**.

Target market summary

Our Term Deposit is likely to be appropriate for those seeking a fee-free fixed term investment with a guaranteed rate of return to meet short-to-medium term savings goals.

Product and issuer identifiers

Product	Term Deposit
Issuer	Challenger Bank Limited
Issuer ABN	ABN 54 087 651 750
Issuer AFSL	AFSL/Australian Credit Licence 245606
Date of TMD	1 September 2022
Version	4.0

Description of target market

Customer attributes	<p>This product is likely to be appropriate for those who satisfy all the following:</p> <ul style="list-style-type: none"> • Either: <ul style="list-style-type: none"> – individual or joint customers 14 years or older who reside in Australia and are solely tax residents of Australia, or – non-individuals registered and operating in Australia and are solely tax residents of Australia. • require a fixed term investment that pays a guaranteed rate of return, and • only require digital access to the deposit via internet or mobile banking to view or update maturity instructions. <p>This product will not be suitable for those who:</p> <ul style="list-style-type: none"> • are likely to require access to funds during the investment term • need an ability to add to the deposit during the investment term • are unable to complete the full investment deposit within seven days, or • require in-person payments – such as via the use of a debit card.
Description of product, including key attributes	<p>With a minimum investment of \$5,000, receive a fixed term investment that pays a guaranteed rate of return (interest calculated daily), with a choice of terms ranging from 31 days to five years and a choice of interest payment options. To secure the rate, you've got seven days to deposit all funds into the account.</p> <p>This product provides the ability to view and manage maturity instructions via internet and mobile banking and offers seven days cooling off on rollover of funds.</p> <p>Early closure requires 31 days written notice. An early break fee and reduction in the interest paid by us for the term already served will apply.</p> <p>Description of likely objectives, financial situation and needs of customers in the target market</p> <p>The likely objective of someone taking out this product is that they are seeking a fixed term investment with a guaranteed rate of return to meet short-to-medium term savings goals.</p>

Description of target market

Description of product, including key attributes (continued)	<p>Their likely financial situation could include a wide range of employment statuses, income and savings levels, and spending habits.</p> <p>Their likely needs are the ability to secure a fixed rate of interest for a fixed term, update maturity instruction via internet or mobile banking, and have security of funds via the Financial Claims Scheme.</p> <p>Explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of customers in the target market</p> <p>The product is a fixed term investment that pays a guaranteed rate of return (interest calculated daily), with the ability to view the deposit and update maturity instructions via internet and mobile banking. There are no account keeping or transaction fees.</p>
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Distribution conditions/restrictions

Distribution conditions	<p>The product is distributed via several channels:</p> <ul style="list-style-type: none"> • direct to individual or joint customers via our website online form • direct to non-individuals via a paper-based application form, obtained by calling us • direct to individual or joint customers and non-individuals via financial product comparison sites, and • to individual or joint customers and non-individuals via brokers <p>Trained and accredited phone-based bankers are available to speak with prospects and customers about the product. Where the product is distributed through brokers, we will have an appropriate service level agreement in place.</p> <p>Why the distribution conditions and restrictions will make it more likely that the customers who acquire the product are in the target market</p> <p>Eligibility is outlined within the General Terms located at challenger.com.au/bank, through broker channels and within the online form.</p> <p>Accredited phone-based bankers are trained in the product's features and eligibility criteria.</p> <p>The online application process restricts individual or joint customers who do not meet the distribution criteria.</p> <p>Customers who apply using the paper-based application form are vetted by us to ensure they meet eligibility criteria.</p> <p>The application form provided through broker channels restricts customers who do not meet the distribution criteria.</p>
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Review triggers

The review triggers that would reasonably suggest that the TMD is no longer appropriate	<p>The review triggers include:</p> <ul style="list-style-type: none"> • material changes to the product or the terms, such as a change to fee structure • a significant dealing, as decided by us, not consistent with the TMD • a material increase in complaints received from customers in relation to their use of the product, or • a material increase in the number of early redemptions.
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Mandatory review periods

First review date: 1 September 2023 Periodic reviews: Annually every year thereafter

Distribution reporting requirements

The following information must be provided to us by distributors who engage in retail product distribution conduct in relation to this product:

Type of information	Description	Reporting period
Complaints	Complaints (as defined in section 994A(1) of the Act) relating to the product design, product availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy.	Within 10 business days following the end of calendar quarter.
Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing(s) (e.g., online channel performance significantly limits use of product).	As soon as practicable, and in any case within 10 business days after becoming aware.

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