

## Term Deposit

### Product Disclosure Statement

Get a guaranteed rate of return to reach your savings goals.



## Introduction

Challenger Bank Limited trading as Heartland Bank ABN 54 087 651 750 (**Heartland Bank, we, us, our**) holds Australian Financial Services Licence (**AFSL**) and Australian Credit Licence 245606.

Challenger Bank Limited is a part of the group of companies constituted by Heartland Group Holdings Limited ARBN 627 849 576 and its subsidiaries (**Heartland Group**). Challenger Bank Limited is the only authorised deposit taking institution in the Heartland Group. No other Heartland Group entity is responsible for deposits or other liabilities of Challenger Bank Limited. Challenger Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of any other Heartland Group entity, unless noted otherwise.

This Product Disclosure Statement (**PDS**) provides information to help you assess if this Term Deposit product is a suitable investment for you. You should read this PDS along with the General Terms before investing.

This PDS contains important information required under Australian law. This PDS has been prepared to assist you with understanding the significant features of our Term Deposit product, enabling you to make an informed choice before you acquire it.

This PDS, our General Terms and Fees and Charges Schedule contain the terms and conditions relating to our Term Deposit product, and you agree to accept them by opening an account with us.

It's important you read this PDS, our General Terms, Target Market Determination, and the Fees and Charges Schedule carefully before deciding to open an account with us.

Any advice is general and doesn't take into account your personal situation. Please consider whether it's right for you.

We recommend that you retain this document for future reference. Alternatively, this document is available by contacting our office on **1300 221 479** during our office hours: between 8.30am and 4.30pm EST/EDT, Monday to Friday. The other documents referred to above are also available by contacting our office on **1300 221 479** or via our website **heartlandbank.com.au**.



## Product issuer details

### Name

Challenger Bank Limited trading as Heartland Bank  
ABN 54 087 651 750

AFSL/Australian Credit Licence 245606

### Address

PO Box 18134, Collins Street East VIC 8003

### Telephone

**1300 221 479**

Our office hours are 8.30am - 4.30pm EST/EDT Monday to Friday.

## Effective date

These terms apply from 1 May 2024.

## Changes to this PDS and other documents

We may make changes to this document from time to time.

If we make a non-material change to this document, the updated document will be made available on our website **heartlandbank.com.au**. A paper copy of any updated document may be provided to you free of charge on request by contacting us on **1300 221 479**.

If we make a material change to this document, you'll be given notice in writing as soon as reasonably possible.

Where we:

- increase an existing, or introduce a new fee or charge (other than a charge by a Government Agency)
- vary the method by which interest is calculated, or
- vary the frequency with which interest is credited,

we'll notify you by email at least 30 calendar days prior to the change taking effect.

## Term Deposit account

### Description

A Term Deposit is a financial product that enables you to invest across a range of terms and interest payout options, with an interest rate fixed for that term.

Interest is calculated daily and can be paid either monthly, annually, or at maturity, depending on the term chosen. Different interest rates may apply depending on whether interest is to be paid monthly, annually, or at maturity and depending on whether you are an individual or a non-individual entity customer. Please refer to our Interest Rates Schedule.

A minimum and maximum opening balance applies to your Term Deposit. We may, at our discretion, change these balances. For the current limits refer to [heartlandbank.com.au](http://heartlandbank.com.au)

A Term Deposit provides access to your funds upon maturity.

### Costs

There are no monthly access fees or transaction fees associated with this account.

If you redeem your Term Deposit early, you'll be charged an early break fee and there will be an interest adjustment made.

The amount of interest paid will be the interest accrued based on the interest rate on the day we opened your account less a reduction in interest earned based on the percentage of the term elapsed at the early termination date as outlined in the table below:

Percentage of term elapsed	Reduction applied to the amount of interest earned
0 to less than 20%	90%
20% to less than 40%	80%
40% to less than 60%	60%
60% to less than 80%	40%
80% to less than 100%	20%

### Example for illustrative purposes only:

You have a Term Deposit of \$10,000 invested for a period of 12 months (365 days) at 3.00% per annum with interest paid at maturity. If the early termination date is 4 months (120 days) into the term, the proportion of the term completed is 33% (120/365 days x 100). From the table above, the interest adjustment is 80% of the interest earned to-date.

Interest earned for 120 days	= principal x interest rate per day x number of days  = \$10,000 x $\frac{3.00}{100}$ x $\frac{1}{365}$ x 120  = <b>\$98.63</b>
Interest adjustment	= 80% of \$98.63  = <b>\$78.90</b>
Interest to be paid	= \$98.63 - \$78.90  = <b>\$19.73</b>

Interest earned is interest that has accrued, but not yet paid plus any interest that has been paid to you during the term.

The fee and interest adjustment associated with breaking your Term Deposit early will first be applied against interest accrued but not yet paid. If the fee and interest adjustment exceeds interest accrued but not yet paid, the outstanding amount due will be applied against the principal balance of the Term Deposit.

If you need to access your funds during the investment term, then this product may not be suitable for you.

Other fees such as dishonour fees may apply. Please refer to our Fees and Charges Schedule.

### Risks

Your deposit is invested at a fixed rate of interest and for a fixed term. Publicly available interest rates may rise or fall during the term of your investment.

You should consider your requirements carefully. To redeem your Term Deposit before its maturity date, we require written instructions from you requesting the redemption, with a minimum 31-day notice period.

At our discretion, we'll delay the withdrawal or transfer of your funds until the end of the notice period (but not beyond the maturity date).

Please contact us if you are suffering financial hardship as we may allow withdrawal of funds on shorter notice.

If the balance goes below the stated minimum amount, the Term Deposit will be closed with funds transferred to your Access account (which may pay a lower rate of interest), or to another account nominated by you (which may pay a lower rate of interest).

Prior to the maturity date, we'll write to you seeking your instructions regarding payment or re-investment of your funds. Unless you've instructed us otherwise, the funds in your Term Deposit will be re-invested for the same term at the current applicable interest rate. The interest rate that the Term Deposit is reinvested at may be lower than your current rate, and a higher interest rate may be available from us for another deposit product with a comparable term.



## General information applicable to the Term Deposit account

### Dormancy

The account becomes dormant if there has been no transaction on the account for seven years. We'll contact you before the account is transferred to dormant status. If the account has been classified as dormant, accounts with a balance of \$500 or more will be forwarded to ASIC as unclaimed money, as specified by the Banking Act 1959.

### Privacy

Your privacy is important to us. Please read our Privacy Policy, which applies to your account and is available on our website at [heartlandbank.com.au](http://heartlandbank.com.au).

### Dispute resolution

We're committed to providing you with quality service and endeavour to resolve all complaints quickly and fairly. Our internal dispute resolution procedures are set up to deal with any disputes concerning our products, their associated features, or our service.

We commit to investigate and properly consider complaints, decide what action (if any) to take and communicate our decision within 30 calendar days of receiving them.

Complaints can be made to the Internal Dispute Resolution Officer, **Heartland Bank, PO Box 18134, Collins Street East VIC 8003** or by calling **1300 221 479** during our business hours.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (**AFCA**). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: [afca.org.au](http://afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Telephone: **1800 931 678** (free call)

In writing: Australian Financial Complaints Authority,  
GPO Box 3, Melbourne VIC 3001

### Disclosing your tax file number

When you open an account with us, you'll be asked to provide your Tax File Number (**TFN**), TFN exemption, or Australian Business Number (**ABN**) which we'll note against your account.

You don't have to disclose your TFN, TFN exemption or ABN to us. If you don't, and the rate of interest earned exceeds the threshold stipulated by the Australian Taxation Office (**ATO**), we're obliged by law to deduct tax at the highest marginal tax rate (plus the Medicare levy)

from any interest earned. This tax is paid to the **ATO** and is called withholding tax.

You can find out more about withholding tax and the thresholds that apply at [ato.gov.au](http://ato.gov.au).

### Grace period

If the funds in your Term Deposit are reinvested, a grace period of seven calendar days is provided from the date of the Term Deposit maturing.

### Opening an account

Under the *Anti-Money Laundering/Counter-Terrorism Financing Act 2006* we're required to confirm your identity before you can open an account and from time to time while you are a customer.

If you do not already have an account with us, you will have to prove your identity as per our policy. You can use a combination of documents (e.g. passport, drivers licence, or Medicare card).

### Combining accounts/overdrawn accounts

If you have more than one account with us, we reserve the right to combine these accounts. This means we can transfer funds from one account to another if one of your accounts becomes overdrawn or a loan payment is not made.

You may incur a fee for overdrawn accounts. Please refer to our Fees and Charges Schedule.

### The Financial Claims Scheme

The Financial Claims Scheme (**FCS**) is an Australian Government scheme that provides protection and quick access to deposits in the unlikely event that a financial institution fails.

Under the FCS, our Term Deposit is a protected account under the Banking Act 1959 (Cth). Deposits held in this product are protected up to a limit of \$250,000 for each account holder, meaning you may be entitled to payment under the FCS.

The FCS can only come into effect if it is activated by the Australian Government when an institution fails. Once activated, the FCS will be administered by the Australian Prudential Regulation Authority (**APRA**).

Further information about the financial claims scheme can be obtained from the APRA website at [fcs.gov.au](http://fcs.gov.au) and the APRA hotline on **1300 13 10 60**.

## Further Information

We reserve the right to withdraw any of the above products and/or their associated features from any customer who fails to operate the product or its associated features within the guidelines of the PDS and other respective general terms and conditions that relate to the product and its associated feature(s).

More information is available on these products and their associated features in our TMD, General Terms, Interest Rates Schedule and Fees and Charges Schedule.

These documents should be issued to you at the same time as this PDS. If you require another copy or further information on either of these documents, please contact us.

This PDS is not required to be lodged with ASIC and ASIC is not responsible for any of its content.

Need to talk to us? We'd be happy to help.

1300 221 479 | [heartlandbank.com.au](http://heartlandbank.com.au) | PO Box 18134, Collins Street East VIC 8003

**HEARTLAND**  
BANK