



Issuer

Challenger Bank Limited

ABN 54 087 651 750

Australian Financial Services Licence/Australian
Credit Licence 245606

Term Deposit

(via Australian Money Market)


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



This Product Disclosure Statement (**PDS**) relating to the Term Deposit provides information to help you assess if this product is a suitable investment for you. You should read this PDS before investing. The information in this PDS has been provided only in accordance with Australian laws and may not satisfy the laws of other countries. The Term Deposit is not available in countries or to residents of countries in which it is unlawful to provide the information in this PDS or the Term Deposit.

The Term Deposit is issued by Challenger Bank Limited ABN 54 087 651 750, Australian Financial Services Licence (**AFSL**)/Australian Credit Licence 245606, an authorised deposit-taking institution (**ADI**) regulated by the Australian Prudential Regulation Authority (**APRA**). Challenger Bank Limited is a member of the **Challenger Group**, which refers to Challenger Limited ABN 85 106 842 371 and its related bodies corporate. Other than Challenger Bank Limited, no member of the Challenger Group is an ADI and each member's obligations do not represent deposits or other liabilities of the Bank. No member of the Challenger Group guarantees or supports the obligations of Challenger Bank Limited, and Challenger Bank Limited does not guarantee or support the obligations of another member of the Challenger Group, unless noted otherwise.

The information in this document is general information only and has been prepared without considering your personal investment objectives, financial situation, or needs. It is not intended to be, and should not be, construed in any way as investment, legal or financial advice. Please consider your personal position, objectives, and requirements before taking any action.



Introduction

Challenger Bank Limited ABN 54 087 651 750 (**Challenger, we, us, our**), holds an AFSL and Australian Credit Licence 245606 issued by the Australian Securities and Investments Commission.

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 being distributed by Australian Moneymarket Pty Ltd ABN 56 126 032 755 (**Australian Money Market**), enabling you to make an informed choice before you acquire it.

This PDS also includes terms relating to our Term Deposit product, and you agree to accept them by opening an account with us. Our Fees and Charges Schedule contains additional terms and information applicable to our Term Deposit product. You also agree to accept them by opening an account with us.

It's important you read this PDS and the Fees and Charges Schedule carefully before deciding to open an account with us.

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 8:30 am and 4:30 pm 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 challenger.com.au/bank

Product issuer details

Name

Challenger Bank Limited
ABN 54 087 651 750
AFSL/Australian Credit Licence 245606

Address

PO Box 297
Flinders Lane
Melbourne VIC 8009

Telephone

1300 221 479

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

Effective date

These terms apply from 1 August 2023.

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 the online marketplace operated by Australian Money Market. 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. A Term Deposit provides access to your funds upon maturity.

Investments starting from \$5,000 are accepted. Depending on the term and rate, other minimum investment amount requirements may apply.

Interest is calculated daily and can be paid either at maturity or annually, depending on the term chosen. Different interest rates may apply depending on whether you are an individual or non-individual entity customer. For our current rates, please refer to Australian Money Market's online platform available at moneymarket.com.au.

This product can be opened by individual and non-individual investors using an approved intermediary, Australian Money Market.

Fees and charges

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

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

We'll debit from your account(s) any:

- government charges or taxes that relate to your account(s), and
- service or other fees and charges that we may charge, as outlined within our Fees and Charges Schedule.

We may alter our fees and charges (including creating new fees and charges). Any such changes will be notified to you in accordance with this PDS and updated in our Fees and Charges Schedule. A copy of this document is available on our website challenger.com.au/bank or on request by contacting our office on **1300 221 479**.

Risks

A Term Deposit is invested at a fixed rate of interest and for a fixed term. Publicly available interest rates may rise (or alternatively fall) during the term of your investment. Therefore, please consider your requirements carefully.

If you'd like to redeem the Term Deposit before its maturity date, we require written instructions by you with a minimum 31-calendar day notice period.

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

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. During this period you can close your Term Deposit without incurring any fees.

Referral arrangement

As this Term Deposit is distributed via Australian Money Market, we may pay them a fee in relation to their distribution of the Term Deposit. This fee is not payable by you and is separate to the fixed interest rate that we'll pay you.

Opening a Term Deposit

You can apply for this Term Deposit if you:

- are an individual and 14 years old or over
- have an Australian residential address, and
- are solely a tax resident of Australia.

You can also apply for an account with us if you're a non-individual entity, such as an Australian business, trust or superannuation fund, provided you are registered in Australia and are solely a tax resident of Australia.

Prior to opening an account with us, whether you're an individual or a non-individual entity, your identity must have been verified by Australian Money Market and any relevant information will be passed to us.

If you're a non-individual entity, you'll also be required to provide additional information such as your Australian Business Number (**ABN**) or Australian Company Number (**ACN**) to complete the identification and verification process.

If you're a non-individual entity, you must notify Australian Money Market if there are any changes to the officers or persons authorised to operate the account(s), including any beneficial owners of the entity.

Funding a Term Deposit

A Term Deposit can be funded by transferring the investment amount into the Term Deposit account BSB and account number.

The start date of the Term Deposit will be the date at which we first receive funds into the account.

Once you deposit funds into the Term Deposit equivalent to the amount applied for, the Term Deposit becomes fully funded.

You have seven calendar days from when the Term Deposit is opened to fully fund the Term Deposit. During this time, we'll only pay interest on the monies deposited into the Term Deposit.

If the Term Deposit is not fully funded within seven calendar days, the account will be closed, and no interest will be paid by us on any monies received during this period.

Once a Term Deposit has been fully funded, any monies received above the original investment amount will not receive interest.

Interest

For our current rates, please refer to Australian Money Market's online platform available at moneymarket.com.au. Alternatively, you can contact our office directly on **1300 221 479**.

You'll earn interest on your account based on your daily closing balance (excluding the maturity date or date of early withdrawal).

Different interest rates may apply depending on whether you are an individual or a non-individual entity customer.

The interest earned each day is equal to the daily closing balance multiplied by the annual percentage rate applied to your Term Deposit when we opened it, divided by the number of days in the year (365 days, or 366 days if the Term Deposit is held during a leap year).

Where the term deposit starts in a non-leap year and matures in a leap year (or vice-versa), the daily interest earned is calculated based on 365 days for the portion of the Term Deposit held within the non-leap year, and 366 days for the portion of the Term Deposit held within the leap year.

Account operations

We'll act under instructions from your authorised attorney, Australian Money Market. You're responsible for all transactions Australian Money Market carries out on your account(s) under the limited power of attorney you have granted to Australian Money Market.

Please contact Australian Money Market for any account operations or servicing requirements relating to your Term Deposit account.

Statements

Statements are not issued; you'll be issued with a notice confirming your investment.

Breaking your Term Deposit early

To redeem your Term Deposit before maturity, we require written instructions by 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 Australian Money Market if you're suffering financial hardship as we may allow withdrawal of funds on shorter notice. Alternatively, you can contact our office directly on **1300 221 479**.

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

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

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.

Term Deposit maturity

Unless you've instructed us otherwise, the funds in your Term Deposit will be paid to your nominated account at maturity.

Account names aren't used for payments, so when making a payment to another financial institution, check that the BSB and account number are correct. We may not be able to recover money sent to the wrong account.

If you choose to re-invest the funds, 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.

Bank initiated account closure

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

We may close an account due to unsatisfactory conduct or for any other reason we consider appropriate, including:

- if we think there is fraudulent activity
- if we consider it reasonably necessary to comply with our obligations under financial crimes policies and legislation
- to comply with a direction issued by a regulatory authority
- if you've entered bankruptcy, or
- if you don't comply with our account terms as set out in this document.

Mistaken payments

Making a mistaken payment to someone

A mistaken payment can occur when you enter an incorrect:

- BSB and/or account number, or
- payment amount.

It's important that you notify Australian Money Market immediately if you become aware of a mistaken payment so an attempt can be made to recover the funds on your behalf.

Ultimately, the recipient's financial institution will decide whether to return the funds to you. You run the risk of a financial loss in the event the funds cannot be recovered.

Receiving a mistaken payment

You may receive a mistaken payment into your account. If this happens, please contact us immediately so that we can investigate. Mistaken payments will generally be returned to the original sender.

We don't accept liability for money credited to your account(s) in error by another financial institution.

Blocking payments

We generally act on your instructions to make a payment on the day you ask us to, but we may not be able to under certain circumstances, such as:

- you don't have enough funds available to make the payment
- the information you've provided is incorrect or the destination account is closed
- we reasonably consider the payment may be fraudulent or may result in a person breaching Australian or international law, or
- in our opinion, we deem it reasonably necessary to do so.

Electronic consent

You agree to us sending you information electronically via Australian Money Market's online platform. It's your responsibility to let Australian Money Market know if your contact details change so we can keep you informed of any changes.

Our warranty of compliance

We warrant that we'll comply with the provisions of the ePayments Code. Where the ePayments Code applies, your liability and responsibilities do not exceed your liability and responsibilities under the ePayments Code, despite any other provisions in this document.

Open Banking

Open Banking is part of the Australian Government's Consumer Data Right (CDR), providing you with the ability to securely share your banking information with organisations accredited by the Australian Competition and Consumer Commission (ACCC).

If you want to share your banking information via Open Banking you'll need an online banking user ID and password. To set up online banking call us on **1300 221 479**.

In Internet Banking you can:

- manage data sharing consents
- enable or disable the ability to share data on accounts held jointly with others
- nominate or revoke a nomination for authorised signatories on individual accounts to share data on your behalf
- nominate or revoke a nomination for authorised representatives on a non-individual account to share data on your behalf, and
- enable or disable the ability to share data on non-individual entity accounts.

Accounts that are held in two or more individuals' names (joint accounts) are automatically enabled for data sharing without the approval of the other account holder. A joint account owner can withdraw this approval at any time.

Where you or another owner of the account has disabled data sharing on an account, the data cannot be shared, even if a valid CDR request has been made.

Privacy

Your privacy is important to us. Personal information will be collected about you when you apply for our Term Deposit via Australian Money Market. In arranging for you to receive the product, Australian Money Market will collect information from you. Some of this information will be shared with us to enable the product to be issued and to allow us to comply with our regulatory obligations, including in relation to anti-money laundering and other relevant laws. Please read our privacy policy, which applies to your account and is available on our website at challenger.com.au/bank

Personal information provided to Australian Money Market by you will also be handled in accordance with their Privacy Policy, available at moneymarket.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, Challenger, PO Box 297, Flinders Lane, Melbourne VIC 8009 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

Email: info@afca.org.au

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

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

Details of our internal and external dispute resolution schemes are available on our website challenger.com.au/bank

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 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.

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 account is a protected account under the *Banking Act 1959* (Cth). Deposits held in the Term Deposit 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 APRA.

Further information about the financial claims scheme can be obtained from the APRA website at fcs.gov.au and the APRA hotline on **1300 13 10 60**.


Further information

We reserve the right to withdraw any of our accounts, services, and/or their associated features if you fail to operate them as per this PDS.

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

 1300 221 479

 challenger.com.au/bank

 PO Box 297, Flinders Lane,
Melbourne VIC 8009