

Target Market Determination – Term Deposits

December 2023 – Version 3

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This document is Judo Bank Pty Ltd's ABN 11 615 995 581, Australian Credit Licence and Australian Financial Services Licence (AFSL) 501 091 (Judo's) target market determination (TMD) for its term deposit product (Product) that is offered to 'retail clients' and 'wholesale clients' within the meaning of the Corporations Act 2001 (Cth) (Corporations Act) and associated regulations.

The Product is subject to the design and distribution requirements relating to financial products for retail clients in Pt 7.8A of the Corporations Act and associated regulations, and this TMD has been prepared in accordance with those requirements.

In relation to Products which are issued by Judo direct to consumers who fall within the target market (see below), Judo is both the issuer and the distributor of them.

For Products which are issued to consumers who fall within the target market (see below) through Judo's broker network, Judo is the issuer only. The relevant broker, which holds its own AFSL or is an authorised representative of an AFSL holder, is the distributor.

This TMD is only relevant for the class of consumers described immediately below who are also 'retail clients' within the meaning of the Corporations Act. You should seek independent advice if you are unsure whether you fall within Judo's target market or if this TMD is relevant to you.

If you have any questions regarding this TMD, please contact Judo on 13 JUDO (13 5836) or your Term Deposit Broker (if applicable).

Class of consumers that comprise Judo's target market

Customer types

Judo's Product can be offered (online, via a paper application form, or via a Term Deposit Broker) to:

- individuals, some of whom may be 'retail clients'.
- businesses (including companies, trustees, partnerships, sole traders and incorporated associations), some of whom may be 'retail clients'.
- self-managed superannuation fund trustees, some of whom may be 'retail clients'. (Hereafter, *Consumer*).

Customer objectives, financial situation and needs

Judo's Product would suit or be appropriate for Consumers who:

- are looking for a simple cash investment or deposit product that will earn an agreed, fixed rate of interest (i.e. simple interest is paid, meaning that interest is calculated only on the principal amount invested) over a fixed amount of time (**Term**) as advertised on Judo's website from time to time (as selected by the Consumer based on their individual circumstances) or as advised by the relevant broker and selected by the Consumer based on their individual circumstances (as applicable);
- are looking to deposit a minimum amount of at least A\$1,000; and
- do not want to pay ongoing management fees in relation to their investment (noting that, subject to hardship, if a Consumer seeks to withdraw part or all of their deposit before it reaches the maturity date there may be an interest adjustment that will be deducted from the balance of their Product as at the early withdrawal date based on the percentage of the original term that has elapsed, and that the Consumer would also be liable for any government taxes and charges).

Judo's Product would not suit or be appropriate for Consumers who are looking:

- for flexibility in being able to withdraw or transfer the deposit 'at call' as 31 days' notice is required for early withdrawal before maturity (unless hardship applies), or to add further funds to the deposit during the agreed fixed Term; and
- to be able to benefit from changes in interest rates (as the interest rate relevant to a Product is fixed for the Term selected by the Consumer, subject to any applicable early withdrawal interest adjustment, taxes or charges), as other, more flexible, deposit products may be more suitable for those Consumers.

Distribution conditions and restrictions

Distribution channels

Judo's Product is distributed in only three ways:

- by Judo online, direct to the Consumer, with the application and deposit made electronically via Judo's website. Judo does not have any physical branches, so an application, or a deposit, cannot be made in person;
- in certain limited circumstances, by way of a Judo Relationship Banker, where a business lending customer requires a term deposit; or
- via a term deposit broker, which holds its own AFSL or is an authorised representative of an AFSL holder.

Distribution conditions and restrictions

Broadly, other key conditions and restrictions on Judo's distribution of the Product include that:

- a Product will only be issued to a Consumer subject to satisfactory identity verification of the Consumer (and any related persons, intermediaries or authorised representatives of that Consumer) under applicable laws, including the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth).
- a Product will only be issued to persons who are 18 years or older (if applicable) and Australian tax resident and who are citizens or permanent residents of Australia, with an Australian residential address. Any related person, intermediary or authorised representative of a Consumer (if any) must also be Australian tax resident.

The above distribution channels and distribution conditions and restrictions, and this TMD generally, are intended to ensure that Consumers who acquire the Product are likely to be in the target market discussed above and that the Product would likely be consistent with the likely objectives, financial situation and needs of the Consumer that acquires it.

Review of TMD

Review triggers

Judo's Product offering will be reviewed if:

- no Consumer enters into a Product with Judo during a continuous 24-month period;
- we receive a significant number of 'retail client' complaints about the Product that indicate it is no longer suitable for the above target market;
- there is a material change to the Product or its distribution, such as a change to a material Product attribute or a material change to a distribution channel or the distribution strategy.
- Judo receives a regulatory notification requiring immediate cessation of Product distribution or specific conduct in relation to the Product, or there is a change in the law or the regulatory or other environment that materially impacts the Product or its distribution.
- a significant dealing¹ occurs which is inconsistent with this TMD.

Review period

In addition to conducting reviews in response to the review triggers outlined above, given the relative simplicity of the Product and its specific target market, Judo conducted the first review of this TMD within 12 months of the date this TMD was made, with each ongoing review to occur no later than 24 months after the date of the previous review.

1. A 'significant dealing' will be determined by Judo considering factors such as: out of the consumers who acquire the Product, the proportion who are not in the target market; or the actual or potential harm to consumers, including the amount of any financial loss, resulting from consumers who are not in the target market acquiring the product.

Information that must be reported by distributors

Judo requires any broker or Relationship Banker that distributes the Product to provide Judo with the following information as it relates to Judo's Term Deposits within the timeframes specified below:

Information	Timeframe
Complaints from Consumers who must also be 'retail clients'	Where Judo is the distributor, complaints will be logged and dealt with in accordance with our complaints handling mechanism. Where the broker is the distributor, the relevant broker is required to advise Judo within five Business Days of receipt of the complaint so that the complaint can be dealt with in accordance with our complaints handling mechanism.
Number of Consumers that have opened a Product through Judo's website, a broker or a Judo Relationship Banker	Only if Judo does not already have this information, within 10 business days of the end of each quarter commencing from December 2021
A significant dealing occurs which is inconsistent with this TMD (e.g. a cluster of dealings that are not consistent with this TMD)	In writing as soon as practicable, and in any event within 10 business days after becoming aware

Disclaimer

All information in this TMD is of a general nature only and does not take into account your individual objectives, financial situation or specific needs. You should consider how the information in this TMD meets your needs before deciding to apply for Judo's Product. In particular, you should seek independent financial advice and read the relevant terms and conditions and relevant Product documents prior to making a decision to invest. Past performance is not an indication of future performance. Eligibility criteria, fees and charges and terms and conditions apply to the Product.

If you received this TMD electronically you can obtain, free of charge, a paper copy of this TMD by contacting us at 13 JUDO (13 5836).