

Target Market Determination For Bendigo Bank Foreign Exchange Collars FMCL

Product

This target market determination (TMD) applies to Foreign Exchange Collars.

Issuer

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL / ACL 237879 (Bendigo Bank).

Date from which this target market determination is effective

7 April 2023.

1. Target market for this product

Target Market

The retail clients for whom this product has been designed are entities that are carrying on business who:

- have an exposure to foreign exchange rates;
- want a right to exchange one currency for another on a specified date that is within 365 days of entering into the agreement with Bendigo Bank;
- want to lock in a specified exchange rate range for a currency conversion; and
- are willing to pay the applicable premium.

Product Description

A Bendigo Bank Foreign Exchange Collar product allows retail clients to hedge their actual or potential exposure against fluctuating foreign currency prices by having a right to exchange one available currency for another at an agreed rate on an agreed future date (value date). Retail clients will have this right in exchange for paying an upfront premium which is not refundable.

Product key attributes

The key attributes of this product that make it likely to be consistent with the target market described above, include:

Attribute	Appropriate for
Eligibility	Retail clients who are Bendigo Bank business customers who meet the anti-money laundering and counter terrorism financing legislation requirements and hold an existing Australian dollar account in the same name / title.
Available Currencies	Retail clients who want to manage foreign currency exposure risk in connection with a specific currency. Currencies that may be available in connection with product include AUD versus EUR, GBP or USD. Refer to Bendigo Bank's website for details about which currencies are currently available for this product.
Maximum Term and Expiry Date	Retail clients who want to set an agreed future date to exercise the collar (expiry date). The expiry date must be within 365 days of entering into the agreement with Bendigo Bank and the collar can only be exercised on that date. The expiry date cannot be changed.
Minimum Amount	Retail clients who want a collar for at least a minimum notional amount of AUD\$50,000 (or its equivalent in a foreign currency).
Fees and Charges	Retail clients will pay the premium, plus other fees and charges (including telegraphic transfer fees, stop-payment fees and other fees and charges as outlined in the Product Disclosure Statement).
Early termination	If the collar is terminated early, the premium is not refundable, but the option may still have some residual value.

2. How this product is to be distributed

Bendigo Bank applies certain conditions and restrictions to the distribution of this product so that distribution is likely to be to retail clients within the target market for this product. The conditions and restrictions are:

Channel	This product is to be distributed only through the following channel: <ul style="list-style-type: none">• Bendigo Bank Foreign Exchange dealing desk
Additional conditions or restrictions	The following additional conditions and restrictions also apply to the distribution of this product: <ul style="list-style-type: none">• this product can only be distributed to retail clients who meet Bendigo Bank's identification requirements and all applicable eligibility requirements, including having signed a Master Dealing Agreement, such as, an International Swaps and Derivatives Association Master Agreement and Schedule.• this product can only be issued by persons who are trained and accredited;• this product cannot be issued to retail clients seeking to speculate on currency movements; and this product can only be issued to retail clients who have an approved Bendigo Bank dealing limit.

3. Reviewing this target market determination

Bendigo Bank will review this TMD as set out below:

Initial review	Within the first year of the effective date.
Periodic reviews	At least every 18 months from the initial review.
Review triggers or events	Any event or circumstances arising that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to): <ul style="list-style-type: none">• a material change to the design or distribution of the product, including related documentation;• occurrence of a significant dealing;• distribution conditions found to be inadequate in ensuring that the product is issued to retail clients who are likely to be in the target market;• relevant changes in the law or its application, a change in an industry code or decision of a court or other body (including through regulatory guidance) that materially affects the product;• significant changes in metrics, including, but not limited to:<ul style="list-style-type: none">○ a material increase in the number of complaints in relation to a product or aspect of a product; and○ an increase in early termination of the product; and• any other event occurs, or information is received that reasonably suggests this TMD is no longer appropriate.

Review triggers are monitored monthly. Where a review trigger occurs, it will be reviewed within 10 business days of the end of the reporting period.