



MembersEquity  
Bank

## Case Study 2

Members Equity Bank First Home Saver Account



### Meet Louisa, 20 years old

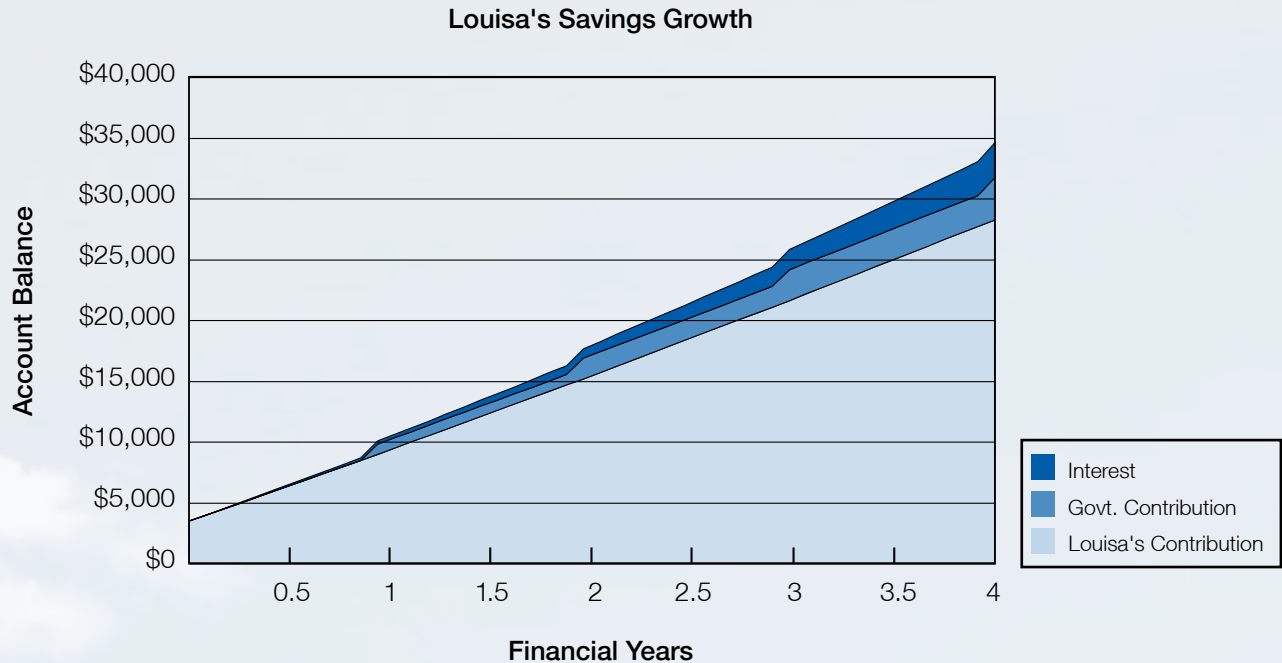
Louisa is currently studying a business degree at University and has a part time job to support her lifestyle. She has saved \$1,500 so far and expects to save another \$1,500 by the time she graduates. Louisa assumes her first job will earn an after tax salary of about \$30,000.

Upon graduation, Louisa decides she will open a First Home Saver Account with Members Equity Bank. She will open this account with an initial deposit of \$3,000. As Louisa is eager to move out of home and into an apartment she can call her own, she's decided to commit 10% of her after tax salary and transfer this from her transaction account to a Regular Savings Plan with her First Home Saver Account. Louisa will increase the dollar amount of her contributions by 3.5% p.a. as her salary increases each year. Louisa's mother Maria supports Louisa's goal and has agreed to match her contributions dollar for dollar.

Make home ownership a reality today and call **13 15 63** or visit [www.membersequitybank.com.au/firsthomesaver](http://www.membersequitybank.com.au/firsthomesaver)

## How Louisa's savings will grow

If Louisa remains committed to her goal to move out of home, into her own place, she would have saved a deposit of over \$30,000 in four years.



Initial deposit:	\$3,000
Louisa's contributions:	\$12,645
Maria's contributions:	\$12,645
Interest on contributions (less tax):	\$2,887
Government contributions:	\$3,485
<b>Total saved after 4 yrs:</b>	<b>\$34,661</b>

NB. This figure has been calculated using the Australian Securities and Investments Commission (ASIC) First Home Saver Account calculator at [www.fido.gov.au](http://www.fido.gov.au)

Assumptions: This scenario is fictitious and contains general information only. It assumes Louisa is an Australian resident for at least part of each of the financial years in the period, and that she remains eligible to hold a First Home Saver Account (FHSA) at all times during the period. An interest rate of 5.00% p.a. applies over the four-year period and that rate will compound. The interest rate applied was determined by the FHSA calculator at [www.fido.gov.au](http://www.fido.gov.au) as an appropriate estimated interest rate for a bank account over the period covered by the scenario. The Government will make a contribution equal to 17.00% p.a. on the first \$5,000 of personal contributions for the first financial year in which contributions are made by Louisa. That \$5,000 maximum of personal contributions (upon which the Government contributions are calculated) is assumed to increase at 2.5% p.a., in \$500 increments. Louisa will lodge tax returns for each financial year and Government contributions will be calculated and added five months after the end of each financial year. The result in this example is based on Louisa's initial \$3,000 deposit and annual contribution of 10% of her annual salary plus her mother's annual equivalent contribution made throughout the period. Louisa's salary is assumed to increase over the period and therefore will increase the dollar amount of her contributions by 3.5% each year. 15% tax on the interest earned from Members Equity Bank (MEB) has been subtracted. No fees are charged during the period. MEB does not currently charge fees on the FHSA. However, under the relevant terms and conditions, MEB has the right to charge fees if it provides the requisite notice. All results are expressed in nominal dollar terms; i.e. the results are not adjusted for inflation except as stated otherwise in these assumptions. The information contained in this scenario has been prepared without taking account of your objectives, financial situation or needs. Before acting on this scenario, you should consider the appropriateness of the information contained in the example having regard to your own objectives, financial situation and needs. You should obtain a copy of the Product Disclosure Statement (PDS) regarding the Members Equity Bank FHSA and consider that Statement before making any decision about whether to acquire a Members Equity Bank FHSA. To obtain a copy of the PDS, please contact MEB on 13 15 63. The projected balance in this example is predictive only and is not an estimate of an actual member's account balance. Please note there is no guarantee that these assumptions will prove correct. Differences between actual experience and the assumed facts will cause actual balances over the period to differ from the projected balances in the scenarios, and those differences may be substantial. 0309/121171