

# Target Market Determination

## For 'Alliance Bank' branded Bridging Loan (Variable Rate)

AB-BL

### Product

This target market determination (TMD) applies to Alliance Bank-branded Bridging Loan (Variable Rate).

### 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

5 October 2021.

## 1. Target market for this product

### Target Market

The retail clients for whom this product has been designed are individuals who:

- want a loan to fund the purchase (or construction) of an owner-occupied residential property or residential investment property and associated costs;
- want to capitalise the interest to the loan amount;
- want to use the sale of one property to reduce or clear the peak debt;
- can afford the loan; and
- can provide the residential property as security for the loan.

### Product Description

An Alliance Bank-branded Bridging Loan (Variable Rate) is a variable interest rate loan (up to a maximum term of 12 months) for retail clients who are seeking an amount of short-term finance to assist with the purchase or construction of a property, prior to the sale of an existing property, and would like to have the interest capitalised until the existing property is sold. This means no repayments are required during this time (the bridging period). In the case where there is a residual debt after the sale of the existing property (an end debt), a variation to this credit facility is required which will outline the terms and conditions regarding the clearance of the end debt.

### 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
Term loan	Retail clients that want a loan to purchase an established property or construct a new property, prior to the sale of an existing property, within a 12-month period.
Minimum loan amount	Retail clients who want to borrow a minimum amount of \$5,000
Owner Occupied or Residential Investment	Retail clients who will use the new property acquired with the loan as their principal place of residence or for the purposes of a residential investment.
Interest capitalisation	Retail clients that want to have the interest capitalised (and therefore not required to make repayments on the bridging loan) until the existing property is sold.

Attribute	Appropriate for
Variable interest rate	A variable interest rate means the interest rate may increase or decrease over the term of the loan. This product may not be suitable for retail clients who require certainty around repayments by having a fixed interest rate.
Security over residential property	Retail clients that can use the residential property they have acquired with the loan as security for it.

## 2. How this product is to be distributed

AWA Mutual Limited®, BDCU Limited®, CIRCLE Mutual Limited®, NOVA Mutual Limited® and SERVICE ONE Mutual Limited® are independent mutual entities and agents of Bendigo Bank in the distribution of this Alliance Bank® branded product through Alliance Bank branded branches and websites.

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:

<b>Channel</b>	<ul style="list-style-type: none"> <li>This product is to be distributed only through the following channels:</li> <li>Alliance Bank-branded branches;</li> <li>Alliance Bank-branded Mobile Relationship Managers.</li> </ul>
<b>Additional conditions or restrictions</b>	<p>The following additional conditions and restrictions also apply to the distribution of this product:</p> <ul style="list-style-type: none"> <li>Only prospective retail clients who meet Bendigo Bank's minimum eligibility criteria should submit an application for this product;</li> <li>This product can only be issued to retail clients after applying Bendigo Bank's product affordability and suitability processes; and</li> <li>This product can only be issued (or arranged to be issued) by persons who are appropriately trained and accredited.</li> </ul>

## 3. Reviewing this target market determination

Bendigo Bank will review this TMD as set out below:

<b>Initial review</b>	Within the first year of the effective date.
<b>Periodic reviews</b>	At least every 12 months from the initial review.
<b>Review triggers or events</b>	<p>Any event or circumstances arising that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"> <li>a material change to the design or distribution of the product, including related documentation;</li> <li>occurrence of a significant dealing;</li> <li>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;</li> <li>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;</li> <li>significant changes in metrics, including, but not limited to: <ul style="list-style-type: none"> <li>A material increase in the number of complaints in relation to a product or aspect of a product;</li> <li>the level of consumers experiencing hardship such as falling into arrears; and</li> <li>an increase in early termination of the product; and</li> <li>any other event occurs, or information is received that reasonably suggests this TMD is no longer appropriate.</li> </ul> </li> </ul>

## 4. Reporting and monitoring this target market determination

Bendigo Bank's third-party distributors who are regulated persons will need to collect, keep and report the following information to Bendigo Bank:

Type	Description of information	Frequency of reporting
<b>Complaints</b>	Customer complaints made in relation to this product. This includes: <ul style="list-style-type: none"> <li>• written details of the complaint; and</li> <li>• the number of complaints during the reporting period.</li> </ul>	<b>Reporting period:</b> Monthly <b>When does the regulated person have to report:</b> Within 10 business days of the end of the reporting period.
<b>Sales data</b>	Sales and customer data in relation to this product as requested by Bendigo Bank.	<b>Reporting period:</b> Monthly <b>When does the regulated person have to report:</b> Within 10 business days of the end of the reporting period.
<b>Significant dealings</b>	The following information: <ul style="list-style-type: none"> <li>• details of the significant dealing;</li> <li>• the date (or range) on which the significant dealing occurred;</li> <li>• why the distributor considers the dealing to be significant (including why it is inconsistent with this TMD); and</li> <li>• how the dealing was identified.</li> </ul>	<b>When does the regulated person have to report:</b> Within 10 business days of the distributor becoming aware of the dealing