

Target Market Determination

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

AB-BL

Product

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

Issuer

Beyond Bank Australia Limited ABN 15 087 651 143 AFSL/Australian Credit Licence 237856

Date from which this target market determination is effective

01 March 2024.

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 AWA 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

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

3. Reviewing this target market determination

Beyond Bank Australia Limited will review this TMD as set out below:

Initial review	Within the first year of the effective date.
Periodic reviews	At least every 12 months from the initial review.
Review triggers or events	<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"> • 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; ○ the level of consumers experiencing hardship such as falling into arrears; 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.

4. Reporting and monitoring this target market determination

The following table sets out the information which we require to be reported to us in respect of the Bridging Loan by persons who engage in retail distribution conduct in respect of the product:

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