

# Target Market Determination

## Banking products – Personal loan

This Target Market Determination (**TMD**) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). It describes the type of customer this product is appropriate for (**target market**), its key attributes, and any conditions around how the product can be distributed. It also describes events or circumstances where Challenger Bank Limited (**we, us, our**) may need to review this TMD and forms part of our design and distribution obligations.

The TMD isn't a summary of the features or terms of the product and doesn't take into account your individual objectives, financial situation or needs. If you're interested in applying for a loan with us, call us on **1300 221 479** to speak with one of our lending specialists, or view our website **challenger.com.au/bank**.

### Target market summary

**Our personal loan is likely to be appropriate for those seeking a variable rate personal loan with repayments made on a principal and interest basis.**

### Product and issuer identifiers

<b>Product</b>	<b>Variable rate personal loan (personal loan)</b>
<b>Issuer</b>	Challenger Bank Limited
<b>Issuer ABN</b>	ABN 54 087 651 750
<b>Issuer AFSL</b>	AFSL/Australian Credit Licence Number 245606
<b>Date of TMD</b>	23 June 2022
<b>Version</b>	2.0

### Description of target market

<b>Customer attributes</b>	<p><b>This product is likely to be appropriate for those who satisfy the following:</b></p> <ul style="list-style-type: none"> <li>• Australian citizens or permanent residents who reside in Australia and are 18 years or older, and</li> <li>• require credit to cover a large purchase or expense, with the flexibility to make additional repayments.</li> </ul> <p><b>This product will not be suitable for those who:</b></p> <ul style="list-style-type: none"> <li>• are seeking the certainty of fixed repayments over the term of the loan</li> <li>• require interest only repayments</li> <li>• require branch assisted transactions, or</li> <li>• are seeking a redraw facility.</li> </ul>
<b>Description of product, including key attributes</b>	<p>Eligible customers can borrow between \$10,000 and \$30,000 at a variable rate of interest that is calculated daily, for a maximum term of seven years.</p> <p>Repayments are made on a principal and interest basis with weekly, fortnightly, or monthly repayment frequencies accepted.</p> <p>There is no application fee, monthly service fee, or early repayment fee.</p> <p><b>Description of likely objectives, financial situation and needs of customers in the target market</b></p> <p>The likely objectives of someone taking out this product are that they seek a variable rate personal loan with repayments made on a principal and interest basis.</p> <p>Their likely financial situation could include being employed and receiving regular income, and meet our lending criteria.</p> <p>Their likely needs are the ability to cover a large purchase or expense.</p>

## Description of target market

<b>Description of product, including key attributes (continued)</b>	<b>Explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market</b> The product provides eligible customers: <ul style="list-style-type: none"><li>• a variable interest rate loan with flexible repayment options, and</li><li>• no application fee, monthly service fee, or early repayment fee.</li></ul>
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## Distribution conditions/restrictions

<b>Distribution conditions</b>	<b>The product is distributed:</b> <ul style="list-style-type: none"><li>• direct to individual or joint customers via our website online form, or</li><li>• direct to customers via a paper-based application form, obtained by calling us.</li></ul> Trained and accredited phone-based lending specialists are available to speak with prospects and customers about the product. <b>Why the distribution conditions and restrictions will make it more likely that the customers who acquire the product are in the target market</b> Eligibility is outlined within the online form and the application process restricts individual or joint customers who do not meet the distribution criteria. Accredited phone-based lending specialists are trained in the product's features and eligibility criteria. All applications are assessed by us to ensure they meet the lending eligibility criteria.
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## Review triggers

	<b>The review triggers that would reasonably suggest that the TMD is no longer appropriate include:</b> <ul style="list-style-type: none"><li>• material changes to the product or the terms, such as a change to fee structure</li><li>• a significant dealing, as decided by us, that is not consistent with the TMD</li><li>• a material increase in complaints received from customers in relation to their use of the product</li><li>• a material increase in the rate of defaults</li><li>• a material increase in the rate hardships, or</li><li>• a material change to the regulatory environment.</li></ul>
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## Mandatory review periods

	<b>First review date:</b> 23 June 2023 <b>Periodic reviews:</b> Annually every year thereafter
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## Distribution reporting requirements

The following information must be provided to us by distributors who engage in retail product distribution conduct in relation to this product:

Type of information	Description	Reporting period
Complaints	Complaints (as defined in section 994A(1) of the Act) relating to the product design, product availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy.	Within 10 business days following the end of the calendar quarter.
Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (e.g. loss of credit licence).	As soon as practicable, and in any case within 10 business days after becoming aware.