

Deposit KickStart Bundle



Target Market Determination (TMD)

Deposit KickStart Bundle

Issued by Suncorp-Metway Ltd ABN 66 010 831 722; Australian Credit Licence 229882; Australian Financial Services Licence 229882 (**Suncorp Bank**).

What is a Target Market Determination?

A Target Market Determination (**TMD**) is a determination that Suncorp Bank has made to:

- describe the class of customers this product has been designed for;
- specify product distribution conditions;
- specify review periods and triggers; and
- set out reporting requirements.

A TMD is not a product disclosure statement and is not a full summary of the bundle features or the terms of the bundle. It is not intended to be a customer disclosure document and does not take into account any person's individual objectives, financial situation or needs.

If you are interested in acquiring this bundle, please carefully read the relevant home loan contracts, Home Loan Key Fact Sheets and Lending Fees and Charges documents for each product in the bundle before making a decision. Fees, charges, terms and conditions apply. This information is available on request.

The TMDs for the products that can be combined in the bundle are also available on request.

What is the Deposit KickStart Bundle?

Suncorp Bank's Deposit KickStart Bundle is a bundle of any two Suncorp Bank home loan products, which allows

customers to borrow up to 110% of the purchase price of an acceptable property for owner-occupation, without requiring the payment of Lenders Mortgage Insurance (**LMI**). The bundle requires one or more guarantors to provide additional collateral to secure one of the two home loan products (the **Guaranteed Loan**).

The bundle provides the ability to choose either principal & interest or interest-only repayments for the Suncorp Bank home loan product that is not the Guaranteed Loan. The Guaranteed Loan must have principal & interest repayments. Either or both loans can be included in the Home Package Plus.

The bundle cannot be used for construction or renovations that require progress payments to be disbursed from the loan. It also cannot be used wholly or predominantly for business or investment purposes.

What are the key attributes of this Deposit KickStart Bundle?

The Deposit KickStart Bundle has the key attributes of each of the Suncorp Bank Home Loan products included in the Bundle as well as the following key attributes:

- the ability to combine any two Suncorp Bank Home Loan products;
- the ability to borrow up to 110% of the purchase price of an acceptable property for owner-occupation without having to pay LMI; and
- the requirement for one or more guarantors to provide collateral to secure the guarantee and the Guaranteed Loan.

Who is the Target Market for this Deposit KickStart bundle?

The Target Market for the Bundle is the class of customers who meet the criteria below.

| | |
|-----------------------------------|---|
| Type of Customer | Customers who are personal customers. Customers can be individual or joint borrowers. Customers who are at least 18 years old, an owner/occupier and either a current homeowner or be preparing to purchase a home. |
| Likely Objectives | Customers who have any one or more of the following short-term and long-term objectives: <ul style="list-style-type: none"> — obtaining a home loan to purchase a residential property; and/or — arranging to refinance an existing home loan. |
| Likely Needs | Customers who need a loan amount which represents up to 110% of the property value without having to pay LMI and a term of between 8 and 30 years. Customers can customise this bundle by choosing to combine any two Suncorp Bank home loan products. Customers who have the likely needs for each chosen home loan product included in the bundle as set out in the TMD for those products, with the exception that the Guaranteed Loan must have principal & interest repayments. As a result, customers will have the likely needs consistent with customers choosing principal & interest payments in the TMD for the relevant product. Customers who choose to customise the bundle by also including the products in the Home Package Plus will have the need to reduce the interest rate and fees payable. |
| Likely Financial Situation | Customers who have ongoing, regular and reliable income and meet the Bank's credit assessment requirements (including the ability to pay relevant fees). Customers who have little to no funding to commit as a deposit for the loan. |
| Dependencies | Customers must satisfy other conditions to link this bundle in other packages (e.g. Home Package Plus) and other conditions may apply. |

For the Target Market for each product in the Bundle, see the TMD for the relevant product. The target market is not able to be set out here as any two Suncorp Bank Home Loan products can be chosen for the Bundle.

The Deposit KickStart Bundle is likely to be consistent with the likely objectives, financial situation and needs of the class of customers in the target market because it allows customers without the ability to meet standard deposit requirements to access credit (with the support of a guarantor/s).

What conditions/restrictions are there on how the Deposit KickStart Bundle is distributed?

This product can be sold only through the following channels with the following conditions/restrictions:

| Channel | Distribution Conditions/Restrictions |
|---|---|
| Suncorp Bank branches, mobile lenders, or contact centres | <ul style="list-style-type: none"> By representatives who must be appropriately trained, follow an approved conversation framework and direct the likely target market towards the most suitable product. |
| Approved brokers | <ul style="list-style-type: none"> Who must be appropriately trained, have a contract with an Aggregator partner of Suncorp Bank and be accredited by Suncorp Bank. |
| All channels | <ul style="list-style-type: none"> Applications must be submitted on Suncorp Bank's application form and meet credit assessment requirements. All marketing must be approved by Suncorp Bank and be consistent with this TMD. |

These distribution conditions ensure that all channels submit detailed applications inclusive of a product recommendation and a record of customer objectives, needs and financial situation, which are captured through sales processes. Customers then undergo a credit assessment process, within which trained staff perform a target market assessment.

When will this TMD be reviewed?

This TMD is effective from 5 October 2021 and will undergo an initial review 12 months later, with subsequent reviews occurring 24 months thereafter. We will also review this TMD if, in Suncorp Bank's view, any of the following events occur:

Review Triggers

- there is significant dealing outside the target market;
- there is a material and unexpected increase in the number of, or change in the nature of, complaints;
- there is a material and unexpected change in the volumes of applications and sales through a particular channel;
- there is a material and unexpected increase in early exits from the bundle (e.g. through refinances or product switches);
- there is a material and unexpected increase in fee income;
- there is a material change to the design and/or strategy of the bundle or the products within the bundle; or
- the distribution conditions have in Suncorp Bank's view been found to be inadequate.

An earlier review will also be conducted when other events or circumstances reasonably suggest that the TMD is no longer appropriate.

What information will the bank review?

Internal sources

To monitor the review triggers, Suncorp Bank will review the following information every month from internal sources:

- bundle and distribution monitoring metrics, including customer demographic, complaints information, number of applications received, and number of loan accounts opened;
- proportion of consumers who are not in the target market who have acquired the bundle during the reporting period;
- number of early exits from the bundle;
- fee income received by the Bank;
- variations in interest rates;
- number of monetary events of default and hardship claims within 12 months of issuing the bundle;
- material changes to regulation or law which governs this product; and
- material changes to bundle documentation.

External sources

In addition, Suncorp Bank will require the following information from third party distributors:

| Type of information to be reported | Reporting Period |
|---|---|
| Complaints information in a format required by Suncorp Bank | Quarterly |
| Significant dealings | As soon as is practicable but within 10 business days |