

Target Market Determination

Delphi Home Equity Loan (Variable Rate)

DBKA-HEL-V

Product

This target market determination (TMD) applies to the Delphi Home Equity Loan (Variable Rate).

Issuer

Delphi Bank, a division of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL / ACL 237879 (Delphi 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 line of credit facility to provide access to funds for home renovations, consolidation of debt or to purchase assets for personal use;
- want flexibility to only need to make repayments in order to keep the balance of credit owing below the credit limit that applies to the Delphi Home Equity Loan for a maximum term of 5 years;
- want to repay the amount owing or consider refinancing to a principal and interest term loan at the expiry of the loan term;
- can afford the loan; and
- can provide the residential property as security for the loan

Product Description

The Delphi Home Equity Loan (Variable Rate) is a variable interest rate line of credit (up to a maximum term of 5 years) which is used to finance home renovations, consolidation of debt or to purchase assets for personal use. Regular repayments are not required so long as the balance owing is less than the credit limit. At completion of the loan term, full repayment of the amount owing is required. This facility allows retail clients repayment flexibility and immediate access to available funds without the need to complete a redraw transaction.

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
Line of Credit	Retail clients that want to have readily available access to funds (up to the approved limit) and be able to repay the balance owing over a short to medium term (up to a maximum of 5 years).
Interest only	Retail clients who want to pay the interest or allow the interest to accrue (up to the approved credit limit) for a specified term (up to 5 years). Following completion of the loan period, full repayment of the amount owing is required.
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.

Attribute	Appropriate for
Transactional	Retail clients who want one account/loan to accommodate all credits and debits, for easy monitoring.
Security over residential property	Retail clients that can use residential property as security for the loan.

2. How this product is to be distributed

Delphi 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:

Channel	<p>This product is to be distributed only through the following channels:</p> <ul style="list-style-type: none"> • Delphi Bank branches;
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 Delphi Bank's minimum eligibility criteria for the product should apply for this product; • This product can only be issued to retail clients after applying Delphi Bank's affordability and suitability processes; and • This product can only be issued (or arranged to be issued) by persons who are trained and accredited.

3. Reviewing this target market determination

Delphi Bank 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 retail clients 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

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

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; andthe number of complaints during the reporting period.	Reporting period: Monthly When does this 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 Delphi Bank.	Reporting period: Monthly When does this 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); andhow the dealing was identified.	When does this regulated person have to report: Within 10 business days of the distributor becoming aware of the dealing.