



Target Market Determination

NAB Portfolio Facility

Determination Criteria	Description
Start date	28/07/2023
First and ongoing review period	The first review, and each ongoing review, must be completed within each consecutive 12 month period from the Start Date.
Product	<p>NAB Portfolio Facility</p> <p>A fully featured line of credit facility to use credit for personal and investment borrowing and transactional banking with the flexibility to utilise a single credit borrowing limit, using multiple accounts with a high annual fee.</p>

Target Market

Target market & product attributes	Consumer needs and objectives	Product attributes
	A person that wants a fully featured line of credit for personal and investment borrowing and transactional banking with the flexibility to utilise a single credit borrowing limit, using multiple accounts.	<p>This line of credit provides the ability to use credit:</p> <ul style="list-style-type: none"> for the purchase or improvement of a property for the refinance a home loan for the construction of a home for other personal purposes for transactional banking <p>This line of credit has a high annual fee.</p>
	<p>A person that wants an interest rate that varies with flexible repayment amounts and the flexibility to make extra repayments and save interest.</p> <p>A person that wants the ability to save interest by using cash flow or savings to offset the loan during the variable rate term.</p> <p>A person that wants flexibility to access and redraw extra repayments that have been made.</p>	<p>This line of credit provides access to a variable interest rate option with:</p> <ul style="list-style-type: none"> interest only repayment option (monthly only) flexibility of making extra repayments access to an offset feature access to transactional banking
	<p>A person that wants certainty of interest rate costs and repayment amounts during a fixed rate period.</p> <p>A person that wants to minimise repayments for a defined period by only repaying interest costs.</p> <p>A person that does not want:</p> <ul style="list-style-type: none"> to make extra repayments of more than \$20,000 during a fixed rate period 	<p>This home loan provides access to a fixed interest rate option with:</p> <ul style="list-style-type: none"> certainty of interest costs and repayment amounts flexibility of making extra repayments up to \$20,000 no transactional access no offset

	<ul style="list-style-type: none"> to save interest by using an offset during a fixed rate period or to access extra repayments during the fixed rate period. 	
	<p>Consumer financial situation</p> <p>A person that has at least 20% equity in the value of their combined homes. The total credit amount cannot exceed 80% of the total value of the homes.</p> <p>A person that has access to sufficient income to meet the following payments:</p> <ul style="list-style-type: none"> interest amounts due application fee higher annual fee <p>A person that has a defined exit strategy to pay the outstanding amount due at the end of the loan term.</p> <p>A person that has the financial discipline to manage and reduce debt.</p>	<p>Product attributes</p> <p>A person that has a defined exit strategy to pay the outstanding amount due at the end of the loan term.</p> <p>This line of credit requires regular scheduled repayments including:</p> <ul style="list-style-type: none"> interest only repayments annual fee
Negative target market statement	<p>Not suitable for a person requiring credit for business purposes or a home loan with a defined loan term.</p> <p>Not suitable for a person requiring a home loan with scheduled principal and interest repayments.</p>	
Appropriateness statement	<p>NAB has considered that the product including its key attributes is appropriate for the target market including the likely objectives, financial situation and needs of consumers in the target market.</p>	

Distribution Conditions

<p>Authorisation</p> <p>This condition applies to all conduct</p>	<p>Condition 1</p> <p>A distributor must:</p> <ul style="list-style-type: none"> hold an Australian Credit Licence or be a Credit Representative authorised to engage in credit activities on behalf of a credit licensee; and if the distributor is not NAB, comply with the terms and conditions of any relevant distribution agreement or arrangement with NAB. <p>This condition is appropriate as it ensures distributors are appropriately authorised to provide the relevant regulated financial services and will comply with the commercial terms agreed between the distributor and NAB.</p>
<p>General advice including Marketing</p> <p>This condition applies to general advice (including most marketing)</p>	<p>Condition 2</p> <p>A distributor must only provide general advice (such as marketing) if:</p> <ul style="list-style-type: none"> a Target Market Determination (TMD) has been made and published for the product and has not been withdrawn the distributor complies with the terms of the TMD for the product the general advice is consistent with the consumer needs, objectives and financial situation defined in the target market for the product; and ASIC has not issued a Product Intervention Power restricting the publication of general advice for the product by the distributor. <p>A distributor may provide general advice (marketing) as to the product through public channels such as:</p> <ul style="list-style-type: none"> advertising through comparison sites and rating agencies NAB Business Banking Centre NAB Relationship Bankers NAB's Website <p>This condition is appropriate as the target market is narrower than a home loan and the product</p>

	should be distributed through in person channels.
<p>Retail product distribution conduct (other than General Advice)</p> <p>These conditions apply to all retail product distribution conduct that is not general advice</p>	<p>Condition 3</p> <p>A distributor must only engage in retail product distribution conduct (other than general advice) if:</p> <ul style="list-style-type: none"> • a TMD has been made and published for the product and has not been withdrawn • the distributor complies with the terms of the TMD for the product • ASIC has not issued a Product Intervention Power restricting the distribution of the product for the distributor; and • the distributor has complied with Condition 4. <p>A distributor must only engage in retail product distribution conduct (other than general advice) through:</p> <ul style="list-style-type: none"> • NAB Branch • NAB Business Banking Centre • NAB Relationship Bankers <p>This condition is appropriate as the target market is narrower than a home loan and the product should be distributed through in person channels.</p> <p>Condition 4</p> <p>A distributor must only engage in retail product distribution conduct (other than general advice) if they have identified:</p> <ul style="list-style-type: none"> • that the distribution of the product is consistent with the needs, objectives and financial situation defined in the target market for the product • that the person is willing and able to pay the annual fee and interest rate to access the key attributes of the product • that the person is seeking access to a line of credit facility with the following key attributes: <ul style="list-style-type: none"> – multiple accounts under a single line of credit – a variable rate with access to: <ul style="list-style-type: none"> ▪ extra repayments ▪ 100% offset ▪ Interest only repayments – A fixed rate – Interest only repayments • the key difference between: <ul style="list-style-type: none"> – the product (including the specific product option requested by the consumer) – the other low-cost home loan products issued by NAB <p>The issue of this product is subject to compliance with the responsible lending obligations in Chapter 3 of the National Consumer Credit Protection Act 2009.</p> <p>This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market.</p>

Review Triggers

<p>Review triggers</p>	<p>NAB must cease all retail product distribution conduct (except excluded conduct) in respect of this product within 10 business days of NAB identifying a review trigger unless:</p> <ul style="list-style-type: none"> • NAB has determined that this TMD continues to be appropriate; or • a new TMD has been made. <p>The events and circumstances described below will trigger a review of this TMD if NAB determines it may relate to the appropriateness of the TMD having regard to NAB's internal policies.</p> <p>NAB will publish notice of a review on its website.</p>
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Material complaints	NAB actively monitors consumer complaints and will review the appropriateness of the TMD where complaints in number or significance relate to: <ul style="list-style-type: none"> • consumer understanding of the risks, key terms, conditions or key attributes of this product • credit limit amounts of product • ability to repay the principal amount and interest amounts owed under the facility • use of offset facility • fixed interest rates and fixed interest periods • interest only periods.
Product performance	NAB actively monitors product performance indicators relevant to the product and will review the appropriateness of the TMD in circumstances where: <ul style="list-style-type: none"> • evidence shows that the financial situation of the customer may not be met including monitoring of: <ul style="list-style-type: none"> – customers experiencing disproportionate rate of delinquencies • evidence shows that the needs and objectives of the product attributes may not be met including monitoring of: <ul style="list-style-type: none"> – early termination of fixed rate periods – unused offset – changes to attributes or movements between products
Feedback from distributors	Reporting received from distributors, or consistent feedback from distributors which suggests that the target market or product attributes may no longer be appropriate. Refer to Reporting.
Substantial product change	NAB makes a substantial change to the product terms, conditions or key product attributes including: <ul style="list-style-type: none"> • adding to, removing or changing a product attribute • a substantial pricing change which impacts the consumer value proposition of the product • significant changes to a distribution channel and distribution strategy.
Significant change to the external environment	<ul style="list-style-type: none"> • Regulatory or legislative environment for this product. • Economic and market conditions.
Notification from ASIC	NAB receives a notification from ASIC requiring immediate cessation of product distribution, or cessation of particular conduct in relation to the product.
Significant dealings	Evidence that the distribution of the product or distributor conduct are significantly different to the expectations set out in the TMD.

Reporting

Reporting period	The Reporting Period for this determination is quarterly during each calendar year: <ul style="list-style-type: none"> • First reporting period ending on 31 March. • Second reporting period ending on 30 June. • Third reporting period ending on 30 September. • Fourth reporting period ending on 31 December.
Reporting information	A distributor must provide the following information in writing as soon as practicable or within 10 business days after the reporting period unless otherwise specified.

	Complaint information	Complaints related to the risks, key terms, conditions or key attributes of this product including: <ul style="list-style-type: none"> • the number of complaints • the nature and circumstances of the complaints • whether or not there has been or is likely to be consumer harm or detriment, and if so, the nature of the harm or detriment.
	Feedback from distributors	Feedback that the target market or key product attributes may no longer be appropriate, including about: <ul style="list-style-type: none"> • consumer understanding of the risks, key terms, conditions or key attributes of this product • the credit limit amount for the product • interest only period • ability to repay the principal amount and interest amounts owed under the loan • use of and access to offset facility;.
	Significant dealings	If a distributor becomes aware of a significant dealing in the product or an issue with the distributor conduct that is not consistent with the TMD, they must notify the issuer in writing as soon as practicable, and in any event within 10 business days after becoming aware.
	Other information requested by NAB	Any other information requested in writing by NAB from time to time subject to: <ul style="list-style-type: none"> • The request being necessary to enable NAB to meet its legal and compliance obligations; and • NAB providing at least 30 days prior notice before the end of the Reporting Period.