

Target Market Determination – xDeposit Loan Product

DISCLAIMER: This Target Market Determination (**TMD**) is general in nature and should not be construed as or used to substitute, professional financial or legal advice. It is important to understand that this TMD does not consider the specific objectives, financial situation, or needs of any individual. If you are considering acquiring any products referred to in this TMD, to ensure that these products align with your unique personal and financial circumstances, we strongly recommend that you carefully review the relevant **Credit Guide, terms and conditions** for those products and seek independent financial or legal advice before making any decision.

1 TMD DETAILS	
1.1 Entity and Product Details	
Product Issuer:	xDeposit Pty Ltd ACN 658 476 727 (xDeposit)
Product Name:	xDeposit Loan Product (Product)
Authorisation:	Australian Credit Licence exemption as it is an interest free loan
1.2 Authorised Distributor Details	
Authorised Distributors:	See Section 5
2 TMD INFORMATION	
Start Date:	26 May 2023
Version:	2.0
Next Review Date:	12 months from the Start Date
Review Period:	At least every 24 months from the Start Date of this Target Market Determination
Review Triggers:	When a Review Trigger arises, this TMD is reviewed immediately and without delay to ensure that it remains adequate and effective.
3 BACKGROUND	
This Target Market Determination (TMD) has been prepared in consideration of the objectives, financial situation and needs of an identified class of consumers (Target Market) which is likely consistent with the features and key attributes of our Product. It also outlines other important information relating to distribution, review triggers, information sharing and reporting periods.	

This information assists xDeposit and any of our Product distributors (**Distributors**) to issue the Product in accordance with our requirements and ensuring that the Product is only distributed to consumers in the Target Market.

4 PRODUCT AND TARGET MARKET DESCRIPTION

The following demonstrates why the Products **Features** and its **Key Attributes** are consistent with the **Objectives**, and **Needs** and **Financial Situation** of consumers identified within the Target Market.

4.1 Target Market Description

The Target Market for the Product is for consumers that are looking for an interest free home deposit up to 10% of the purchase price to be solely used for the exchange of the sale contract with the flexibility to repay it within 12 months through an agreed monthly payment plan.

4.2 Objectives and Needs

(a) Require a loan to cover a deposit for the exchange of the sale contract with fixed repayments over a 12 month period

(b) Ability to make additional repayments (in excess of the required monthly repayment amount) without additional charges

4.3 Product Features and Key Attributes

- Consumers will receive an interest free loan
- Minimum 20% of the loan amount is payable on the drawdown date and the remaining amount is payable over a 12 month period, payable monthly.
- Have fixed repayments over the 12 month period, direct debit payable monthly.
- Default fees are payable.
- The loan must be used for a payment of the deposit for the exchange of the sale contract.

- Additional repayments can be made without any additional charges

4.4 Financial Situation

The Financial Situation of the Target Market is assessed by considering whether consumers meet our credit assessment criteria which includes:

- meeting our eligibility and lending criteria;
- demonstrating the capacity to make the required repayments and the ability to repay the loan without substantial hardship; and
- that the Product meets the needs and objectives of the consumer applicant.

XDeposit's processes that it has in place, including assessing as to whether the consumer meets our eligibility and lending criteria, their ability to service the loans without substantial hardship, will mean that the Product will likely be consistent with the Financial Situation of the Target Market.

4.5 Eligibility Criteria for the Product

- (a) To be eligible for this Product, consumers will need to satisfy certain eligibility criteria, including that consumers must be acquiring a property and:
- (i) be 18 years of age or above;
 - (ii) be living in Australia as:
 - (A) an Australian citizen, permanent resident or specified temporary Australian resident;
 - (B) New Zealand citizen; or
 - (C) overseas citizen with Foreign Investment Review Board approval to acquire property in Australia;
 - (iii) be living and working overseas as an Australian citizen or permanent resident;
 - (iv) be an Australian registered, non-trading company;
 - (v) be a trustee of an Australian, non-trading, family, hybrid or unit trust (the beneficiary and Trustee must meet the eligibility criteria of an individual or a company (as above);
 - (vi) meet our eligibility and lending assessment criteria.

5 DISTRIBUTORS, CONDITIONS AND RESTRICTIONS

xDeposit will have oversight over how the Product is promoted and issued. The Product can only be distributed to consumers in accordance with our Product and process requirements. All consumers must satisfy our eligibility and lending criteria which demonstrates the consumer's capacity to service the loan. In addition, the below table identifies the distribution channels which the Product can be distributed through and xDeposit views that the conditions specified are appropriate and are of a nature that it will be likely that the Product will be distributed to the Target Market.

5.1 Authorised Distributors of the Product

Distribution Channels	Conditions of product distribution
The following entities or persons are authorised by xDeposit to distribute the Product under this TMD:	The following Distribution Conditions and Channel Restrictions have been implemented to ensure that it is likely that only consumers within the Target Market acquire the Product:
(a) Staff assisted channels (e.g., over the phone or email enquiry)	Staff that distribute this product: <ul style="list-style-type: none"> ▪ are appropriately trained; ▪ understand and are able to discuss the features of the Product; and

	<ul style="list-style-type: none"> must follow process and procedures that outline the Product eligibility.
(b) Online channels (e.g., xDeposit website)	New loan applications cannot be distributed through online channels, however the Product application process may commence online. These applications will be directed through to a staff assisted channel.
(c) Property sales agent channels (e.g., over the phone, or email enquiry)	Property sales agents may refer a customer to xDeposit and it is a simple referral by providing name and contact details and no discussion nor advice is provided with respect of the Product. The customer then goes through the process of our staff assisted channels.

6 REVIEW TRIGGERS

xDeposit has identified Review Triggers that would reasonably suggest or indicate that this TMD may no longer be appropriate. If any of the below Review Triggers occur, or if an event or circumstance has occurred that would reasonably suggest that the TMD may no longer be appropriate, xDeposit will undertake a review of this TMD.

The Review Triggers that have been identified and implemented are outlined below.

Review Trigger	Description
(a) Significant Dealing	A Significant Dealing occurs such as when the Product is acquired by consumers outside the Target Market.
(b) Significant Number of Complaints.	Rising and a significant number of complaints are received about the Product from consumers.
(c) Increase in Defaults	There is a significant number of defaults or hardship arrangements occurring where consumers cannot meet their repayment obligations under the credit contract.
(d) Material Incidents and Changes	There is a material change to the Products Features / Key Attributes or the Terms and Conditions of the Product or a significant number of incidents occur in relation to the Product's Design and Distribution that identify potential breaches of xDeposit's legal or regulatory obligations.
(e) Inconsistent Performance and Outcomes	Data or information about the Product indicates that the Products function in the market is inconsistent with its intended performance and consumer outcomes.
(f) Notification from ASIC	The receipt of a product intervention power order from ASIC requiring xDeposit to immediately cease product distribution.

7 INFORMATION SHARING AND REPORTING PERIOD REQUIREMENTS FOR DISTRIBUTORS

All Authorised Distributors listed in **Section 5** must maintain records of and share with xDeposit the Types of Information discussed in the table below. This information must be shared in accordance with the Sharing Methods and within the Reporting Periods outlined in this **Section 7 for each Type of Information that has been identified.**

These Authorised Distributor information sharing requirements are as follows.

Types of Information	Description	Reporting Period
(a) Significant Dealing Outside of Target Market.	Includes the date or date range of the significant dealings and description of the Significant Dealing.	As soon as practicable but no later than 10 business days after distributor becomes aware of the significant dealing.
(b) Dealings Outside Target Market.	To the extent a distributor is aware of dealings outside the Target Market these should be reported to xDeposit, including reason why acquisition is outside of Target Market, and whether acquisition occurred under personal advice.	Weekly, and in any case no later than 3 business days from the end of the week.
(c) Complaint Information	Includes number of complaints and general feedback relating to the Product and its performance. This also includes the IDR Data reporting information that xDeposit is required to periodically report to ASIC.	Quarterly, and in any case no later than 10 business days from the end of the quarter.