

# Target Market Determination

## Personal Overdraft

**Start date:** 30 June 2023

**Next review due:** 30 June 2025

**Review period:** At least every 24 months from the start date of this Target Market Determination

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### What is a Target Market Determination?

A Target Market Determination (TMD) describes the cohort of customers that the product is targeted at (the Target Market) and any conditions around how the product is distributed to customers (the Distribution Conditions).

It also describes the events or circumstances where we are required to review the Target Market Determination for a financial product (the Review Triggers).

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### Why does CommBank need to have Target Market Determinations?

We're required to have Target Market Determinations under law. The purpose of the law is to make sure customers are at the centre of our approach when designing and distributing our financial products. This document is not a substitute for the product's terms and conditions or other disclosure documents.

When making a decision about this product, customers must refer to the relevant Product Disclosure Statement (PDS), Terms and Conditions or other disclosure documents.

# Target Market

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The table below matches the Product Attributes to the Objectives and Needs of the Target Market for this Product. CBA has assessed that the Product including its Key Attributes are likely to be consistent with the Objectives and Needs of the Target Market.

Objectives and Needs	Product Attributes
Require access to an ongoing overdraft facility to access additional funds in order to manage cash flow and cover shortfalls	<ul style="list-style-type: none"><li>• When the balance in their eligible CBA bank account reaches zero, customers will get access to an overdraft facility (up to an approved limit) to cover expenses</li><li>• No fees or interest is charged if the overdraft is not used</li><li>• If the overdraft is used, interest is paid on the utilised portion of the overdraft limit and customers must pay an overdraft usage fee</li></ul>
Ability to repay the limit at any time	<ul style="list-style-type: none"><li>• Any amounts received into the account will be used to repay the facility</li></ul>

## Financial Situation

The Financial Situation of the Target Market are customers that:

- meet CBA's credit assessment criteria which includes demonstrating the capacity to service the credit facility without substantial hardship; and
- require a credit limit between \$100 and \$20,000, although higher limits may be approved in certain circumstances.

CBA views that its processes in place, including assessing that the customer has capacity to service the credit facility, will mean that the product will likely be consistent with the Financial Situation of the Target Market.

## Customers outside of the Target Market

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This product is not targeted at customers who:

- are likely to carry a substantial balance over a prolonged period of time (unless a promotional rate applies).

## Eligibility criteria for the Product

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To hold this product, customers will need to satisfy certain eligibility criteria, including that customers must:

- be an individual aged 18 years and above;
- have an Australian residential address;



- have opened, or are eligible to open, an eligible CBA transaction account with a maximum of two account holders; and
- meet CBA's credit assessment criteria, including demonstrating the capacity to service the credit facility without substantial hardship.

## Distribution Conditions

CBA will have oversight over how the product is promoted and issued. All customers must satisfy CBA's credit assessment criteria which demonstrates the customer's capacity to service the credit facility. In addition, the below table identifies the distribution channels which the product can be sold through and sets out the conditions that apply to each channel. CBA 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.

### Proprietary:

Distribution Channels	Conditions that make product distribution through the channel appropriate
Staff assisted channels (e.g. branch or over the phone); and	CBA staff that distribute this product: <ul style="list-style-type: none"> <li>• are appropriately trained to understand and accredited to meet CBA's qualification requirements which includes our regulatory obligations;</li> <li>• understand and are able to discuss the features, trade-offs, rates / fees of the product and the key differences between products;</li> <li>• must follow procedures that outline application eligibility and processes, which can include sales guidelines and scripting;</li> <li>• have access to product resources which set out the key benefits, trade-offs, rates and fees as well as other comparable products; and</li> <li>• are monitored through assurance programs such as sample call monitoring or sample file monitoring for errors.</li> </ul>
Online channels (e.g. CommBank website, NetBank and the CommBank app).	CBA's online channels provide customers with access to information about the product with a summary of key benefits, rates and fees as well as other available products in an easy to navigate format.



**Third Party:**

<b>Distribution Channels</b>	<b>Conditions that make product distribution through the channel appropriate</b>
This product cannot be distributed through third parties	NA

## Review Triggers

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, CBA will undertake a review of this TMD:

<b>Information Type</b>	<b>Description</b>
Customer Outcomes	<p>Unexpected trends in customer outcomes which are significantly inconsistent with the intended product performance including, but not limited to:</p> <ul style="list-style-type: none"> <li>• customers who utilise a Personal Overdraft consecutively for periods greater than 90 days; and</li> <li>• customers with poor early performance indicators, such as arrears or hardship.</li> </ul>
Complaints	<p>Unexpected trends in complaints received from customers who acquired the product, which relate to the customer's purchase or use of the product, for example:</p> <ul style="list-style-type: none"> <li>• distribution (e.g. misrepresentation or mis-selling from staff);</li> <li>• product suitability (e.g. sale of a Personal Overdraft to a customer who wanted a fixed term loan); and</li> <li>• product attributes (e.g. inability to access funds).</li> </ul>
Incident Data	A material incident or significant number of incidents in relation to the product's design or distribution that identify potential breaches of our legal or regulatory obligations.
Changes to the Product	The material alteration of the product or product terms and conditions (e.g. adding to, removing or changing a key product attribute; significant change to distribution channel and distribution strategy).



Information Type	Description
Significant Dealings	Any significant dealing of the product to customers who are outside of the Target Market.
Notification from ASIC	The receipt of a product intervention power order from ASIC requiring CBA to immediately cease retail product distribution conduct in respect of the product.

## Review Trigger Information Reporting Requirements

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The following information must be provided to CBA by all third parties responsible for the retail product distribution conduct of this product in accordance with this TMD, within the required timeframes:

Information Type	Description	Time Frame for Reporting
Product Complaints Data	Information relating to complaints received including number of complaints, third party name, product name and complaint verbatim.	Quarterly and in any case no later than 10 business days from the end of the quarter.

**Product Issuer:** Commonwealth Bank of Australia ABN 48 123 123 124 AFSL and Australian credit license 234945

