

# TARGET MARKET DETERMINATION:

## Virgin Money Low Rate Credit Card including the linked non-cash payment facilities (the Product)

This Product and Target Market Determination (**TMD**) is issued by National Australia Bank Limited (ABN 12 004 044 937, AFSL and Australian Credit Licence 230686) (**NAB**) on behalf of Virgin Money (Australia) Pty Limited ABN 75 103 478 897 on 3 October 2023 under section 994B(1) of the Corporations Act 2001 (Cth) (**Act**). NAB has acquired the business relating to this Product from Citigroup Pty Limited (ABN 88 004 325 080, AFSL and Australian Credit Licence 238098) (**Citi**) and has appointed Citi to assist to administer this Product.

<b>1. Product</b>	Virgin Money Low Rate Credit Card including the linked non-cash payment facilities.
<b>2. Product overview</b>	The Product is a low interest rate credit card that provides individuals with a line of credit facility that has a low interest rate, with up to 55 days interest free on retail purchases and an annual fee of \$99.
<b>3. Key attributes</b>	<p>The key attributes of the Product include:</p> <ol style="list-style-type: none"> <li>a. Line of credit facility for personal use by Virgin Money customers with a minimum credit limit of \$2,000 and an annual fee of \$99.</li> <li>b. Three types of interest rates applicable to this Product:           <ul style="list-style-type: none"> <li>• Retail Annual Percentage Rate (<b>APR</b>) of 11.99% p.a. which applies to retail purchases and related fees and interest and other fees and charges;</li> <li>• Cash Advance APR of 21.69% p.a. which applies to transactions where cash or its equivalent is obtained and related fees and interest; and</li> <li>• interest on introductory offers or Special Promotions (such as Balance Transfers or a Fixed Payment Option), which may be at a lower rate than the Retail APR.</li> </ul> </li> <li>c. Ability to access up to 55 days interest free on retail purchases through repayment of the Card Balance by the due date each month, otherwise interest is charged at the applicable APR. No interest free days apply to retail purchases if a Balance Transfer has been taken on the credit card. This means all retail purchases will be charged interest at the applicable APR.</li> </ol> <p style="text-align: right;">continued on next page</p>

	<ul style="list-style-type: none"> <li>d. Ability for eligible cardholders through Fixed Payment Options to convert and repay a particular Card Balance, retail purchase or drawn down cash amount in monthly instalments for a specific period to benefit from interest being charged at a lower APR. Fees may also apply.</li> <li>e. Ability for eligible cardholders to transfer outstanding balances from other eligible credit facilities to benefit from interest charged at a lower APR for a specified period, after which the Cash Advance APR applies. Fees may also apply.</li> <li>f. The credit card can be used to make payments to others, such as retailers in store or online and via digital wallets. The credit card may be used to obtain cash via an ATM, pay bills through BPAY® using internet banking, telephone banking or mobile banking or by setting up recurring card instructions with merchants. Cardholders can obtain Product and account information and transact through internet banking, mobile banking or telephone banking.</li> </ul>
<p><b>4. Target market</b></p>	<p>The target market for the Product is individuals who:</p> <ul style="list-style-type: none"> <li>a. are seeking a line of credit facility for everyday spending that has a low interest rate;</li> <li>b. are an existing Virgin Money customer or are seeking to become a Virgin Money customer;</li> <li>c. meet eligibility criteria and serviceability requirements for the Product; and</li> <li>d. are likely to carry a balance and look to take advantage of reduced interest rates and/or instalment repayments on a Fixed Payment Option or a Balance Transfer (including holding a Balance Transfer for longer than the period during which a reduced interest rate applies).</li> </ul>
<p><b>5. Negative target market</b></p>	<p>The Product is not suitable for individuals who:</p> <ul style="list-style-type: none"> <li>a. want a credit card with the ability to earn reward points; and</li> <li>b. do not meet the eligibility criteria and serviceability requirements for the Product.</li> </ul>
<p><b>6. Likely objectives, financial situation and needs of individuals in the target market</b></p>	<p>The likely objectives, financial situation and needs of individuals in the target market include:</p> <ul style="list-style-type: none"> <li>a. want to utilise a credit card as a payment method or as a line of credit for everyday spend and to benefit from a low interest rate;</li> <li>b. take advantage of reduced interest rates and/or instalment repayments on a Fixed Payment Option or a Balance Transfer;</li> <li>c. need a credit card with a credit limit to meet cash flow needs;</li> <li>d. meet minimum serviceability requirements and other eligibility requirements linked to their financial situation (e.g. minimum income level); and</li> <li>e. are likely to carry a balance and are able to afford the annual fee, other fees and interest rates associated with the Product.</li> </ul>

<p><b>7. Why it is reasonable to conclude that the Product is likely to be consistent with the likely objectives, financial situation and needs of individuals in the target market</b></p>	<p>The Product, if sold to individuals in the target market, is likely to be consistent with the likely objectives, financial situation and needs of those individuals because the key attributes of this Product are likely to be suitable for individuals in that target market, including that:</p> <ol style="list-style-type: none"> <li>a. it can be: <ul style="list-style-type: none"> <li>• utilised as a payment method or as a line of credit at a low interest rate; and</li> <li>• used to establish Fixed Payment Options or execute Balance Transfers to obtain the benefit of lower interest rates and/or instalment repayments; and</li> </ul> </li> <li>b. the eligibility criteria and serviceability requirements are aligned with key product attributes including the minimum credit limit.</li> </ol>
<p><b>8. Distribution conditions</b></p>	<p>The Product is designed to be distributed by authorised distributors through the following channels:</p> <ul style="list-style-type: none"> <li>• online through the Virgin Money website and via third party aggregators and partners, including unassisted online applications; and</li> <li>• assisted applications through authorised call centres.</li> </ul> <p>The following conditions and restrictions on retail product distribution conduct apply in relation to the Product in addition to any condition or restriction imposed by or under the Act:</p> <ol style="list-style-type: none"> <li>a. the Product may only be issued to individuals who meet the Product eligibility criteria and serviceability requirements;</li> <li>b. individuals prior to completing an application have access to appropriate information and tools on the Virgin Money website designed to assist individuals to understand if the Product attributes are likely to meet their objectives;</li> <li>c. third party distributors (e.g. aggregators and partners) may only distribute the Product if they are authorised to do so and then only in the manner described in that authorisation; and</li> <li>d. authorised call centre staff may only distribute the Product if they are authorised to do so and then only in the manner permitted.</li> </ol>

<p><b>9. Why do the distribution conditions make it more likely that individuals who acquire the Product are in the target market?</b></p>	<p>If the Product is sold to an individual in accordance with the distribution conditions, it is likely that the individual is in the target market for reasons including that:</p> <ol style="list-style-type: none"> <li>a. the distribution conditions will facilitate distribution to individuals who meet the eligibility criteria and serviceability requirements for the Product;</li> <li>b. available information and tools are more likely to assist individuals to assess if the key attributes of the Product are consistent with their objectives;</li> <li>c. an individual who meets the eligibility criteria and serviceability requirements for the Product is more likely to carry a balance on their credit card and is more likely to be able to afford the annual fee, other fees and interest rates associated with the Product;</li> <li>d. authorised third party distributors are subject to contractual obligations which assist to make it likely that the Product is only distributed to individuals meeting eligibility criteria and serviceability requirements for the Product; and</li> <li>e. authorised call centre staff are trained to understand the Product and the relevant NAB policies.</li> </ol>
<p><b>10. Events and circumstances (review triggers) that would reasonably suggest the TMD is no longer appropriate</b></p>	<p>In addition to the initial and periodic reviews, the TMD will be reviewed upon the occurrence of any of the following events:</p> <ol style="list-style-type: none"> <li>a. a material increase over a 12 month period in the proportion of individuals with the Product: <ul style="list-style-type: none"> <li>• who enter into collections or hardship that would suggest difficulty in being able to service the Product; and/or</li> <li>• who lodge complaints that relate to the design or the distribution of the Product;</li> </ul> <p>that would suggest the TMD is no longer appropriate.</p> </li> <li>b. a material change to the design or the distribution of the Product that relates to factors taken into account in making the TMD for the Product; and</li> <li>c. a significant dealing in the Product that reasonably suggests the TMD is no longer appropriate.</li> </ol>
<p><b>11. Review period</b></p>	<p>Next review date: 3 October 2024</p> <p>Periodic reviews: within one year from the most recent periodic review</p>
<p><b>12. Reporting period when the Distributor should provide information about complaints and significant dealings to NAB</b></p>	<ol style="list-style-type: none"> <li>a. The reporting period for persons engaging in retail product distribution conduct in relation to the Product (<b>Distributors</b>) to report information about the number of complaints about the Product is quarterly.</li> <li>b. Distributors must report if they become aware of a significant dealing in the Product that is not consistent with this TMD as soon as practicable but within 10 business days of becoming aware of that significant dealing.</li> </ol>

<b>13. Information required from Distributors to enable NAB to identify that the TMD is no longer appropriate</b>	The following information must be provided to NAB by Distributors who engage in retail product distribution conduct in relation to this Product:		
	<b>Kind of information</b>	<b>Description</b>	<b>Reporting period for reporting the information</b>
	Complaints	Number and substance of complaints and general feedback relating to the Product.	Quarterly.  Reporting timing: within 10 business days of the end of the reporting period.
	Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (e.g. why it is not consistent with the TMD).	As soon as practicable but within 10 business days of becoming aware of the significant dealing.
An event or circumstance that has occurred that would reasonably suggest that the TMD is no longer appropriate	Date or date range of the event or circumstance and description of the event or circumstance (e.g. why it is not consistent with the TMD).	As soon as practicable but within 10 business days of becoming aware of the event or circumstance.	