Target Market Determination

HSBC Bridging Home Loan

Effective: 7 August 2026

Next periodic review due: 7 August 2027

Maximum period between periodic reviews: 12 months

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Target Market

Product description and key attributes

The HSBC Bridging Home Loan is a short-term variable rate loan that lets customers finance the purchase of a new residential owner-occupied property before the sale of their existing one.

The following table sets out the key attributes of the HSBC Bridging home loan, which HSBC has assessed as being consistent with the likely needs and objectives of customers in the target market for this product:

Customers with any one or more of the following needs and objectives	Key attributes
Require a temporary short-term home loan to cover the financial gap to purchase a new residential property before selling the existing one.	This home loan provides access to additional funds to pay for the purchase of a new owner-occupied property, before funds are received from the sale of an existing property. The settlement funds from the sale of the existing property will then be applied to the bridging loan. The bridging loan has a maximum 6-month term.
Require a variable interest rate to take advantage of potential future interest rate decreases.	This home loan has a variable interest rate that moves with the market, which means that repayments will vary based on the interest rate for the loan term.
Require the option to minimise loan repayments until the property is sold.	This home loan provides the ability to capitalise the interest for the loan period into a single payment made upon the sale of the residential property or at the end of the loan. By exception and provided the customer meets all credit requirements, they may request interest only (IO) repayments.

Financial Situation

The financial situation of customers in the target market for this product are customers that:

- have access to sufficient discretionary income to meet the required loan repayments and applicable fees.
- hold a minimum 28% equity in property.

Consistency with the Target Market

HSBC has assessed and determined that the HSBC Bridging Home Loan and its key attributes are likely to be consistent with the needs and objectives of customers within the target market. The product is designed for individual customers who are seeking a short-term variable rate loan to bridge across the financial gap between the purchase of a new owner-occupied property and sale of an existing property, with the ability to capitalise the interest for the loan period. By exception, customers can opt for interest only repayments. This is consistent with customers who wish to minimise monthly repayments until the existing property is sold. HSBC considers that its processes in place, including credit assessment and other suitability checks carried out at the time of application, will mean that the product will likely be consistent with the financial situation of customers within the target market.

Negative Target Market

The HSBC bridging loan is not targeted at customers who:

- do not meet the key eligibility requirements outlined below.
- do not own a current owner-occupied residential property that they intend to sell before purchasing a new owner-occupied residential property.
- are purchasing a new residential property for investment purposes or construction.
- require bridging finance beyond a 6-month term or are not able to clear the loan within the 6-month term.
- require lenders mortgage insurance.

Key eligibility requirements

To hold this home loan customers must at the time of application be able to meet all of the following:

- be aged 18 years or older.
- be an Australian resident.
- meet HSBC's credit criteria, including the ability to meet ongoing repayment obligations.

Distribution Conditions

This product can only be distributed by HSBC Bank Australia Limited through its staff-assisted channels, where all customers are directed to an HSBC Relationship Manager or Client Manager to conduct an interview and assist with the application.

This product is not designed to be sold via third parties.

Channel	Distribution of this product is subject to the following conditions and restrictions
Staff-assisted	Applications for this product can only be made via the HSBC origination system with an HSBC Relationship or Client Manager face-to-face in an HSBC branch or via telephone. Applications cannot be made or completed via the HSBC website, Online Banking or Mobile Banking. HSBC staff who distribute this product: • are appropriately trained to discuss the key features, eligibility requirements, loan application process, interest rates and fees associated with this product. • have access to resources and materials including up-to-date product information to be able to discuss the key differences between our home loan products. • are required to follow HSBC's procedures including in relation to assessing eligibility, suitability and affordability. This includes collecting the necessary customer information at the time of application to apply our suitability assessment checks and • are subject to supervisory oversight, continuous monitoring and customer feedback surveys. These distribution conditions and restrictions will make it more likely that the customers who acquire the product are in the target market because: • staff who are appropriately trained and have access to product information will be able to provide clear and accurate information about the product to customers, including whether they are eligible for the product. • staff will only discuss this product where it is likely to match the likely needs, objectives and financial situation of those customers within the target market, in accordance with approved conversations frameworks and • customers will not be issued this product unless they have completed the suitability assessment checks in accordance with HSBC's procedures to assess that the product is likely to be consistent with their likely needs, objectives and financial situation.

Review Triggers

This Target Market Determination (TMD) will be reviewed if any of the below triggers occur, where they reasonably indicate that the TMD for the product is no longer appropriate:

- A significant dealing in the product to customers who are outside the Target Market, that is not consistent with the TMD.
- A trend or trends in customer outcomes that are significantly inconsistent with the intended product usage, for example:
  - customers not meeting repayment obligations by payment due dates.
- An unexpected trend or trends in complaints received from customers regarding the design or distribution of the product, for example:
  - product features (e.g. related to fees, interest, or charges).
  - distribution of product (e.g. misrepresentation of the product or sales conduct).
- A material change to the product (e.g. to its key attributes or distribution channels) or the terms and conditions of the product.
- A product intervention power order is made by ASIC in relation to the product.

Distribution Information Reporting Requirements

N/A – All distribution channels are proprietary channels.

For more information related to HSBC home loans, please visit https://www.hsbc.com.au/home-loans/