Target Market Determination

HSBC Low Rate Credit Card

Effective: 23 September 2025

Next periodic review due: 7 August 2026

Maximum period between periodic reviews: 12 months

Target Market

Product Description and Key Attributes

The HSBC Low Rate Credit Card is a basic credit card which offers a lower interest rate on purchases compared to HSBC's other credit cards, no overseas transaction fees and no rewards program.

The following table sets out the key attributes of the HSBC Low Rate Credit Card, 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 revolving credit facility with a low interest rate on purchases, and a convenient way to manage cash flow by having the ability to make regular or one-off purchases as well as perform other transactions.	The HSBC Low Rate Credit Card has a low interest rate on purchases compared with other HSBC credit cards. The credit facility can be accessed by using the credit card anywhere Visa is accepted to: • make card present transactions (including point of sale); • make card not present transactions (including online and over the phone); • make digital wallet payments (including point of sale and online); • set up recurring payments; and • access cash.
Ability to consolidate credit card debts by utilising a balance transfer facility to move balances from one or multiple non-HSBC credit or store cards to an HSBC credit card.	Balance transfer promotional rates.
Access to an interest-free period on purchases.	This credit card provides up to 55 days interest free on purchases if cardholders pay their full closing balance (excluding any balance transfers, cash transfers and promotional purchases) by their statement due date (cash advances incur interest immediately).
Access to complimentary insurance benefits.	This credit card provides access to the following complimentary insurances subject to certain eligibility conditions: • Domestic Travel Insurance; and • Rental Vehicle Excess Insurance in Australia.
Access to card spend and security controls.	Spend and security control options include locking a credit card, setting transaction limits and applying temporary blocks to certain transaction types.
Access to no overseas transaction fees.	0% overseas transaction fees for purchases made online or overseas.

Financial Situation

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

- require a credit card facility with a credit limit of at least $1,000;
- have a good credit rating and are not experiencing financial hardship or financial stress as identified through credit assessment checks carried out at the time of application;
- can make at least the minimum repayment of 3% of the outstanding balance or $30 (whichever is greater) each month without experiencing financial hardship; and
- are likely to be able to repay their credit limit within three years without experiencing financial hardship.

Consistency with the Target Market

HSBC has assessed and determined that the HSBC Low Rate Credit Card 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 basic, low purchase interest rate credit card without a rewards program. 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 Low Rate Credit Card is not targeted at customers who:

- do not meet the key eligibility requirements outlined below;
- can only service a credit limit lower than $1,000;
- require access to a rewards program to earn reward points on everyday purchases, or access to certain travel-related benefits such as international travel insurance and complimentary lounge passes;
- require a credit card for commercial purposes; and/or
- are likely to carry a substantial balance over an extended period (excluding promotional balances such as balance transfers).

Key Eligibility Requirements

To hold this credit card, customers must be able to satisfy certain eligibility criteria, including that customers must:

- be aged 18 years or older;
- be an Australian resident;
- earn an income of at least $40,000 annually before tax; and
- have a good credit rating.

Distribution Conditions

This product can only be distributed through the following channels:

- staff-assisted channels including in an HSBC branch, over the phone and via Relationship Managers; and
- online channels including our website, mobile banking and online banking.

HSBC has control over the distribution and marketing of all products within these channels. 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	HSBC staff who distribute this product: • are appropriately trained to discuss the key features, eligibility requirements, interest rates and fees associated with this product; • have access to resources and materials including up-to-date product information and product comparison tools to be able to discuss the key differences between our credit card products; • are required to follow HSBC's procedures including in relation to assessing eligibility, suitability and affordability. This includes collecting the necessary information from the customer at the time of application in order to apply our suitability assessment checks; and • are subject to supervisory oversight, continuous monitoring and customer feedback surveys.

Channel	Distribution of this product is subject to the following conditions and restrictions
Staff-assisted	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 and comparison tools 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.
Online	Online channels: • provide customers with access to clear and accurate information about the key attributes, eligibility requirements, interest rates and fees associated with this product; • provide access to an easy-to-navigate product comparison tool to help customers understand the key differences between our credit card products; and • provide access to an application for the product. The necessary information is collected from customers at the time of application in order to apply our suitability assessment checks. These distribution conditions and restrictions will make it more likely that the customers who acquire the product are in the target market because: • accessible product information and comparison tools will likely support informed decision-making by assisting customers in assessing whether the product is consistent with their needs and objectives; 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 trend or trends in customer outcomes that are significantly inconsistent with the intended product usage, for example:
  - customers not meeting monthly repayment obligations by payment due dates;
  - customers in hardship arrangements; and/or
  - persistent credit card debt indicators such as number of customers making only minimum monthly repayments.
- a trend or trends in complaints received from customers regarding the design or distribution of the product that are unexpected, for example:
  - product features (e.g.fees and charges);
  - suitability of product (e.g. customers unable to service the credit limit provided at origination); and/or
  - distribution of product (e.g. misrepresentation of the product benefits or sales conduct).
- any significant dealing in the product to customers who are outside the Target Market, that is not consistent with the TMD;
- a material change to the product (e.g. to its key attributes or distribution channels) or the terms and conditions of the product; and/or
- a product intervention power order is made by ASIC in relation to the product.

For more information related to HSBC credit cards, please visit www.hsbc.com.au/credit-cards.