

Target Market Determination



This Target Market Determination (TMD) provides information about the target market for Azora's non-conforming variable rate home loan product. It outlines the likely objectives, financial situation and needs of the target market as well as the key attributes of the product.

This document is not to be treated as a full summary of the products terms and conditions and is not intended to provide financial advice. Consumers should obtain independent advice prior to acquiring the product to ensure that it is appropriate for their particular *objectives, financial situation and needs*.

Refer to the product terms and conditions detailed below when making a decision about this product:

- General Terms & Conditions
- Azora Home Loan Agreement
- Mortgage Common Provisions

Product	Azora Non-Conforming Variable Rate Home Loan – Full and Alternative Documentation
Issuer	Lender of Record: Perpetual Trustee Company Limited ACN 000 001 007. Manager: Azora Finance (Services) Pty Limited ACN 122 544 781 Australian Credit Licence 390864 (Azora)
Date of TMD	11 November 2025
Target Market	<p>Description of target market, including likely objectives, financial situation and needs of consumers in the target market</p> <p>The features of this product, including its key attributes, have been assessed as meeting the <i>likely objectives, financial situation and needs</i> of consumers who:</p> <ul style="list-style-type: none">• Satisfy Azora's eligibility criteria including (but not limited to) the following:<ul style="list-style-type: none">○ are 18 years or older at the time of application;○ are an individual who is a permanent Australian resident or Australian citizen and resides in Australia; and○ are PAYG employees and can provide sufficient supporting income documents or are self-employed and sufficient recent financial information is available; or○ are self-employed and have limited recent financial information available• may have current or history of credit impairment• require a loan secured by owner occupied or investment residential real property for the purpose of:<ul style="list-style-type: none">○ purchasing or refinancing an owner occupied or investment residential real property; and/or○ consolidate consumer loans; and/or

- payout defaults and judgments listed on their credit file; and/or
- consolidate business/commercial loans; and/or
- access equity in the property for working capital; and/or
- access equity to carry out non-structural renovations to the property
- require the flexibility of a variable interest rate
- require the flexibility to make additional repayments without a penalty
- want the flexibility to redraw funds as required
- understand that their repayments can change at any time

Whilst variable interest rates may fluctuate, the product has been assessed as meeting the likely objectives, financial situation and needs of consumers in the target market because it allows consumers to make additional repayments to reduce interest payable whilst retaining the ability to draw on those funds when required.

Owner Occupied Residential Property

This product enables consumers to finance the purchase or refinance of an owner occupied residential real property with the ability to select principal and interest repayments to pay down their outstanding loan balance on a regular basis in addition to their interest repayments, to save interest over the term of the loan and build equity in the property.

Investment Residential Property

This product enables consumers to finance the purchase or refinance of an investment residential real property with the ability to select:

- principal and interest repayments to pay down their outstanding loan balance on a regular basis in addition to their interest repayments, to save interest over the term of the loan and build equity in the property; or
- interest only repayments (for tax purposes) for the duration of the Interest Only period and understand that they may pay more interest over the life of the loan as not paying down principal during the interest only period.

Consolidate Consumer Loans

This product allows consumers to access part of the equity in their owner occupied or investment residential real property in order to use the funds to consolidate other consumer loans into one manageable loan.

Payout Defaults and Judgments listed on Credit File

This product allows consumers to access part of the equity in their owner occupied or investment residential real property in order to use the funds to payout defaults and judgments listed on the consumer's credit file in order to improve their credit rating.

Consolidate Commercial Loans

This product allows consumers to access part of the equity in their owner occupied or investment residential real property in order to use part of the funds to consolidate other commercial loans into one manageable loan.

Working Capital

This product allows consumers to access part of the equity in their owner occupied or investment residential real property in order to use part of the funds as working capital in their business.

Non-structural Renovations

This product allows consumers to access part of the equity in their owner occupied or investment residential real property in order to complete non-structural renovations in order to increase the value of the property.

Description of product, including key attributes

- Variable interest rate
- Minimum 10-year loan term
- Maximum 30-year loan term
- Principal & Interest repayments
- Up to 5 years interest only term (must be for predominately investment or business purposes) after which payments revert to Principal & Interest
- Minimum loan amount \$50,000
- Maximum loan amount \$1,750,000 (subject to credit criteria)
- LVR up to 80% for Alternative Documentation loan (subject to credit criteria)
- LVR up to 85% for Full Documentation loan (subject to credit criteria)
- Split loan option with combination of Principal & Interest and/or Interest Only portions (subject to credit criteria)
- Weekly, fortnightly or monthly repayments
- Redraw available
- Types of fees:
 - Application Fee
 - Security Review Fee
 - Risk Fee
 - Settlement Fee
 - Monthly Account Service Fee

Other fees and charges may apply, as set out in the loan agreement.

The maximum loan amount, fees and charges and Loan to Valuation Ratio will vary depending on the consumer's circumstances, including the method of income validation and credit history. E.g. discharged bankrupt or defaults. Refer to the key product attributes to ensure that the available product options meet the consumer's likely objectives, financial situation and needs.

Classes of consumers for whom the product may be unsuitable

This product may not be suitable for consumers who:

- do not meet Azora's non-conforming home loan eligibility criteria;
- are seeking the certainty of a fixed rate;
- are seeking the certainty of fixed repayments over the term of the loan;
- are seeking a line of credit facility;
- require an offset account;
- require a loan term greater than 30 years;
- do not have ongoing income and/or employment; or
- are seeking to finance structural renovations or construct a property.

Azora may also exclude consumers based on factors including, but not limited to, loan purpose.

Distribution Conditions

Distribution conditions

The following distribution channels and conditions have been assessed as being appropriate to direct the distribution of the product to the target market:

Channel	Conditions
Direct (related entity) – online, in-person or by phone	<p>Only authorised staff are permitted to assist consumers with this product.</p> <p>Authorised staff have the necessary training, skills and knowledge to assess whether the consumer is within the target market.</p>
Third party – Accredited mortgage brokers subject to Best Interests Duty (BID) and related obligations	<p>Accredited mortgage brokers are permitted to assist consumers with this product.</p> <p>All applications submitted by accredited mortgage brokers must comply with our policies and procedures issued to accredited brokers from time to time.</p> <p>Accredited mortgage brokers are subject to a higher duty under BID to ensure that the Product is in the best interests of the particular consumer.</p>
Authorised Finance Brokers (credit representatives)	<p>Authorised Finance Brokers (credit representatives) are permitted to assist consumers with this product.</p> <p>All applications submitted by authorised finance brokers (credit representatives) must comply with our policies and procedures issued to authorised finance brokers from time to time.</p> <p>Authorised Finance Brokers (credit representatives) have the necessary training, skills and knowledge to assess whether the consumer is within the target market.</p>

The distribution channels and conditions are appropriate because:

- the product has a wide target market;
- our distributors have been adequately trained and have the necessary skills and knowledge to distribute this product in accordance with the TMD;
- our application and approval process has controls in place to ensure all approved consumers meet our eligibility and lending requirements; and
- accredited and licenced mortgage brokers are subject to a higher duty under Best Interests Duties to ensure that the product is in the best interests of the particular consumer.

Review Triggers	<p>The review triggers that would reasonably suggest that the TMD is no longer appropriate include:</p> <ul style="list-style-type: none"> • A significant dealing of the product to consumers outside the target market occurs; • There is a material, unexpected increase in complaints received from customers in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate; • A material change to the product including to the fees or the terms and conditions of the product occurs which would cause the TMD to no longer be appropriate, except where the TMD has already been reviewed in relation to that change; • There is a material, unexpected increase of clients in default or number of applications for hardship. • There is a material change in the regulatory requirements in relation to the product, except where the TMD has already been reviewed in relation to that change: or • We receive correspondence from a regulator, including a regulatory order or direction (including the use by ASIC of its Product Intervention Powers) that expressly states or directly implies that this TMD is no longer appropriate.
Review Periods	<p>First review date: Within 12 months of the date of this TMD.</p> <p>Periodic reviews: Every 12 months after the initial and each subsequent review.</p> <p>Trigger reviews: review to be completed within 10 business days of the identification of a trigger event.</p>

**Distribution
Information
Reporting
Requirements**

The following information must be provided to Perpetual Trustee Company Limited (Lender of Record) and Azora Finance (Services) Pty Limited (Manager) by Azora distributors who engage in retail product distribution conduct in relation to this product. Distributors should provide all reporting to DDOreporting@azora.com.au.

Type of information	Description	Reporting period
Specific Complaints received in relation to the product or Azora	Written details of the complaint, including name and contact details of complainant and substance of the complaint.	As soon as practicable and within 5 business days of receipt of complaint.
Complaints	Number of complaints	Every 3 months, and in any case no later than 10 business days from receiving a request from Azora.
Significant dealing(s)	<p>Any significant dealing which is not consistent with this TMD including:</p> <ul style="list-style-type: none"> • Date or date range of the significant dealing(s); • description of the significant dealing; • explanation of why the dealing is considered significant; • explanation of why the dealing is considered to be inconsistent with the TMD; • how the dealing was identified; and • detail of what steps have been or will be taken in relation to the significant dealing. 	As soon as practicable, and in any case within 10 business days after becoming aware