

1. About this document

This target market determination (TMD) is a publicly available document required under section 994B of the Corporations Act 2001 (Cth). It seeks to offer consumers, distributors and staff with an understanding of the class of consumers and therefore the target market for which this product has been designed, having regard to the objectives, financial situation and needs of the target market.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Members must still refer to our Financial Service Guide (FSG) and any supplementary documents which outline the relevant terms and conditions under the product when making a decision about this product.

Please see the Terms & Conditions or Financial Services Guide (FSG) to which this target market determination applies

Date from which this target market determination is effective

5 October 2021

2. Class of consumers that fall within this target market

The information below summarises the overall class of consumers that fall within the target market for this product, based on the product key attributes and the objectives, financial situation and needs of our members that it has been designed to meet.

This product has been designed for consumers whose likely objectives, financial situation and needs (as listed below) are aligned with the product (including the key attributes). This product is for our members who:

- This product is suitable for first home buyers aiming to purchase their first home to be used for owner occupier purposes; and who require a mortgage loan to fulfil the desired outcome. With the assistance from the ***National Housing Finance and Investment Corporation (NHFIC)***, this product is for those that have less than a 20% deposit, meet the NHFIC criteria and do not want to take out Lenders Mortgage Insurance

Product description and key attributes

The key eligibility requirements are:

- Eligible for the National Housing Finance and Corporation (NHFIC) scheme
- Be an existing, or intend on becoming a member of the Bank
- Be a permanent resident of Australia and 18 years of age or over
- Demonstrated ability to make repayments

The key product attributes of this product are:

- Minimum loan amount is \$50,000
- No monthly account keeping fee
- No annual fee
- Redraw facility available
- Option to split home loan into variable and fixed option
- Repayment frequency options Monthly
- Available for construction purposes

First Home Loan – Owner Occupied Principal and Interest

Variable rate - key attributes:

- Unlimited additional repayments
- Interest Only repayments available (Maximum 5 years with an additional 5 years available).
- Interest offset facility, available on Principal & Interest home loans only

Fixed rate - key attributes

- 1-, 2-, 3- and 5-Year Fixed term for Interest Only Repayments
- Up to \$5,000 additional repayments per fixed term
- Can switch to Principal and Interest repayment option for Fixed Loans at the end of the term, please refer to the relevant TMD

Fixed and Variable key attributes

- Customers can get the best of both worlds and get the flexibility of having both a variable or fixed loan, by splitting their loan amount

Objectives, financial situation, and needs

This product has been designed for individuals who:

- Have or plan to acquire their first residential property for owner occupied purposes
- Are buyers looking to purchase a home to live in, land or a house and land intended to be lived in by the owner.
- Are Owner Occupiers have set objectives when repayments are set to Principal and Interest, this repayment choice allows the customer to achieve their needs by increasing capital growth in their property, enabling them to sustain financial growth and/ or expand their home ownership portfolio by paying down principal
- Have a deposit that meets the NHFIC criteria for their circumstances
- Looking to achieve the optimal structure of their loan by capitalising on the benefit of the products flexibility
- Owner Occupier's planning to establish residential security for long term sustainability

Fixed Rate

- Certainty around repayment whilst on fixed rate
- Redraw access allowed for any additional repayments made to the loan whilst on a fixed period

Variable

- Flexibility to make unlimited additional repayments and access the additional funds at any time
- Customers offsetting loan balance by depositing savings/ or regular transfers to account.
- Flexibility in altering/amending their investment loan at any time with minimal costs

First Home Loan – Owner Occupied Principal and Interest

Consistency between target market and the product

This product is likely to be consistent with the likely objectives, financial situation and needs of the class of customers in the target market. This is based on an analysis of the key terms, features and attributes of the product and a finding that these are consistent with the identified class of customers.

This product enables Owner Occupiers to take advantage of the flexibility of the product whilst making principal and Interest repayments. These options include flexible repayment options, through the choice of variable rate, fixed rate, or a split between both options.

The **Variable rate** option offers additional flexibility by allowing unlimited additional repayments to be made. This rate isn't locked in, so it is suitable for those wanting to take advantage of any rate decreases over the loan's term. This option also allows for additional cash flow, as members can redraw on any extra repayments made.

The **fixed rate** options provide certainty, as borrowers know their repayments won't change during the fixed rate term. Will not be impacted by interest rate fluctuations during the fixed term, however there is limited flexibility however as additional repayments are limited during the fixed term

Excluded class of consumers

This product has not been designed for individuals who:

- Do not meet the National Housing Finance and Investment Corporation (NHFIC) scheme
- Are not Members of the Bank
- Do not meet the Bank's Credit eligibility criteria at time of application
- Seeking a home loan for investment purposes

3. How this product is to be distributed

Distribution conditions

This product can only be distributed and/or in accordance with the relevant product terms and conditions as outlined in the FSG and other relevant material (as amended from time to time). This product is designed to be distributed through:

- Online through the Bank's Website
- In-store retail branch network
- Relationship Banking Team
- Direct Team & Mobile Lenders

This product should only be distributed under the following circumstances:

- An existing, or becoming a member of the Bank
- Be 18 years of age or over and demonstrated ability to make repayments
- In line with any National Finance and Investment Corporation (NHFIC) scheme requirements
- Access the product through the appropriate distribution channels

Adequacy of distribution conditions and restrictions

The Bank's application process has been tailored to identify the Target Market described in this TMD as part of the eligibility criteria for the product covered by this TMD, and the use of the Bank's application process would make it more likely that a product covered by this TMD will be acquired by persons in the Target Market.

First Home Loan – Owner Occupied Principal and Interest

4. Reviewing this target market determination

We will review this target market determination in accordance with the below:

Initial review	Within 9 months of the effective date.
Periodic reviews	At least every 12 months from the initial review.
Review triggers or events	Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited to): <ul style="list-style-type: none"> • If we make a material change to the design or distribution of the product, including related documentation; • If a significant inconsistent dealing in the product occurs • If any other event occurs indicating that this TMD may no longer be appropriate. • An alteration in the eligibility criteria, lending criteria or application process; • Identified systemic issues in the product or across the product lifecycle; • Relevant material external events such as relevant litigation, adverse media coverage or regulatory attention; • Relevant feedback, information or notification received from distributor, regulator such as ASIC or APRA or other interested parties; • Significant changes in metrics. These include sales, portfolio changes, risk tolerance, loss ratios and complaints; and • Any significant dealings that are inconsistent with the TMD

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.

5. Reporting and monitoring this target market determination

We may collect the following information from our distributors in relation to this TMD.

Complaints	Distributors will report all complaints in relation to the product covered by this TMD on a quarterly basis. This will include but not limited to the number and nature of complaints received regarding the product's design, key attributes and distribution.
Significant dealings	The nature and the circumstances of the significant dealing (including why the dealings occurred outside the Target Market), the date range of when the significant dealing occurred, the number of consumers to whom the report relates and whether consumer harm or detriment has or likely occurred as a result of the significant dealing. Distributors will report if they become aware of a significant dealing in relation to this TMD within 10 business days.
Sale and Transaction Data	<i>Distribution information required e.g.,</i> transaction data, outcomes from sale practices like promotions and monitoring on a monthly period. Member data relevant to sale.