

Offset Variable Home Loan

Effective date: September 2021



This Target Market Determination (**TMD**) is required under section 994B of the Corporations Act 2001 (Cth). It sets out the target market for the product, triggers to review the target market for this product and certain other information. It forms part of Great Southern Bank's product governance framework for the product.

This document is not a Product Disclosure Statement (**PDS**) and is not a summary of the product features or terms of the product. This TMD does not take into account any person's individual objectives, financial situation or needs.

Target Market

Great Southern Bank Home Loans are designed for customers who are purchasing or building an owner-occupied or investment property, and customers with an existing owner-occupied or investment home loan seeking to refinance. All home loan products may also be suitable for existing Great Southern Bank customers looking to switch or increase their existing home loan (conditions apply).

Offset Variable Home Loan

The Offset Variable Home Loan is suitable for customers who have additional savings they can use to offset their home loan interest. They may also want access to their additional funds at any time.

This product is suitable for people who:

- ✓ are seeking a long-term loan for the purchase or refinance of a residential property, whether it is owner-occupied or investment (loan terms up to 30 years).
- ✓ are comfortable that minimum repayment amounts may change, or the interest payable over the term of the loan may fluctuate due to changes in the interest rate.
- ✓ have additional savings or plan to grow their savings and wish to offset those funds against the loan to reduce the interest payable.
- ✓ prefer the convenience of accessing any additional funds from their linked transaction account.
- ✓ prefer the ability to save on interest by offsetting savings rather than through lower interest rates.
- ✓ want the flexibility to pay down the loan faster and save on interest costs without additional fees or penalties, but also want the flexibility to access those extra repayments if needed. Unlimited extra repayments are permitted, and no penalties for early payout. Free redraw available (conditions apply).

This product is suitable for people who want to purchase a home to live in (owner-occupiers) and who may:

- ✓ have limited savings for a deposit (loan amounts up to 95% of property value for owner-occupiers paying principal & interest repayments with lenders mortgage insurance applicable).
- ✓ be constructing a home and wanting to keep payments to a minimum while living elsewhere while building. This product has an initial 12-month interest only repayment period.
- ✓ want to make interest-only repayments for up to 3 years to suit their current situation, for example studying or having a family.

This product is suitable for people who want to purchase an investment property and may:

- ✓ be comfortable with not reducing the loan balance for a period of time in preference for paying lower, interest-only repayments during that period.
- ✓ be constructing an investment property and wish to pay lower interest-only repayments during the construction period (max. 12 months).

This product is subject to the acceptance criteria.

Product attributes

- Variable interest rate.
- Loan terms up to 30 years.
- Minimum loan amount \$10,000 with a minimum application amount for new customers of \$100,000.
- 100% Multi-Offset account feature. A minimum balance of \$500 must be maintained in each offset account to obtain an offset benefit.
- Ability to make unlimited extra repayments with free redraw.
- Principal & interest and Interest Only repayment types, noting maximum Loan to Value Ratio (LVR).
- Maximum LVRs. Lenders Mortgage Insurance (LMI) applies when borrowing over 80% of the property's value:
 - 95% for Owner-Occupiers paying Principal & Interest repayments.
 - 90% for Owner-Occupiers paying Interest Only repayments for up to 3 years.
 - 90% for Investors paying Principal & Interest repayments, or Interest Only repayments for up to 5 years
- Discounts off the product reference rate are available based on the LVR.
- Upfront fees apply including Establishment Fee and Security Administration Fee.
- Ability to reduce repayments for up to 6 months whilst on parental leave.
- Ability to split the loan into multiple accounts at any time to take advantage of both fixed and variable interest rate types.

Distribution conditions

This product must only be distributed to customers who meet the eligibility requirements in relation to the product.

Eligibility Criteria

All applicants must:

- be at least 18 years of age.
- be a permanent resident of Australia.
- meet the Bank's credit assessment criteria including sufficient income to service the loan repayments.

This product will be distributed via our Great Southern Bank website, branches and Customer Contact Centre. Not all application types can currently be fulfilled online.

Only representatives who have the appropriate levels of authority may distribute this product. They will have been trained on this product and in particular, the target market and relevant acceptance criteria.

This product can also be distributed by home loan brokers who hold an Australian Credit Licence or are a credit representative of an aggregator group which holds an Australian Credit Licence, and who have been accredited by Great Southern Bank.

Reviewing this document

We will review this TMD within 1 year from the first effective date to ensure it remains appropriate. Thereafter, regular reviews will be completed within 12 months from the completion of the last review.

We will also review this TMD if:

- we make a material change to the product or the terms and conditions of the product.
- a change in our acceptance criteria impacts on the suitability of the product for the target market.
- a material change to the distribution conditions of the product.
- the discovery of a relevant and material deficiency in the product's disclosure documentation.
- a significant number of complaints are received from customers about the product which indicate that the TMD is no longer appropriate.
- material and relevant changes in key product metrics which indicate that the TMD is no longer appropriate. Such metrics include:
 - rates of default or hardship;
 - negative trends across sales, complaints, and product usage data.

Reporting

Great Southern Bank as issuer and distributor must record written details of:

- product related complaints received each month from its customers and distributors.
- any significant dealing which is not consistent with this TMD. Reporting must be within 10 business days of becoming aware of such dealing.
- sales data including number of home loan applications approved and closed on a monthly basis.

Matter to be reported	Timeframe
The number of complaints received from customers about Great Southern Bank Home Loans.	As soon as practicable, but no more than one month.
Significant dealings which are not consistent with this target market determination: <ul style="list-style-type: none">• When the dealing occurred.• The facts regarding the circumstances of the dealing.• All factors considered in assessing whether the dealing was significant.	Within 10 business days of becoming aware of such dealing.