

# Offset Variable Home Loan

Effective date: July 2025



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

### Objectives and needs

Requires an offset home loan with a term of 30 years or less to:

- purchase, construct or renovate a residential owner occupied or investment property;
- purchase land;
- refinance an existing home loan;
- access equity for personal needs or investments;
- consolidate personal debts.

Requires an offset home loan with a term above 30 years to:

- purchase a residential owner occupied property;
- construct a residential owner occupied property, where it includes purchase of land;
- purchase and renovate a residential owner occupied property.

All loans are subject to Eligibility Criteria and Distribution Conditions.

Requires a home loan with an interest rate and repayments that can vary over the loan term.

Requires flexibility to make unlimited extra repayments at no cost that can be accessed during the loan term.

### Product attributes

- **Purpose** – this home loan provides the ability to use credit for any one or more of the listed objectives or needs.

- **Minimum Loan amount** – (a) new home loans with a minimum application amount of \$100,000; or (b) switching or restructuring of existing Great Southern Bank home loans when it includes new borrowing of at least \$10,000.
- **Maximum Loan amount** – \$5,000,000
- **Interest rate** – variable interest rate means the rate and repayments can increase or decrease during the loan term.
- **Loan term** – from 1 to 40 years.
- **Repayment type** – principal and interest or interest only repayments (up to 3 years for owner occupiers or 5 years for investors). Interest only repayments on loan terms above 30 years are only available for construction loans.

- **Early repayment** – unlimited additional payments can be made without charge.
- **Redraw** – allows customers to access extra payments made over the minimum amount.

## Financial situation

### The financial situation of the Target Market are customers that meet the credit assessment criteria of Great Southern Bank, which includes:

- ✓ being able to demonstrate the ability to make the required repayments to pay off the home loan in full without substantial hardship;
- ✓ can provide residential property to secure the home loan; and
- ✓ paying Lenders Mortgage Insurance (LMI) for this home loan if the loan to value ratio is above 80%.

### This product is not suitable for customers who:

- require a home loan with certainty of a fixed interest rate and repayments over a set term.
- have additional funds available to pay towards their home loan to reduce interest costs but prefer accessing these payments using their home loan redraw facility and not from a linked offset account.
- prioritise a potentially lower interest rate and no monthly or ongoing fees over features such as a linked offset account.

## Eligibility criteria and distribution conditions

All Great Southern Bank Home Loans are subject to eligibility and credit assessment criteria. This product may only be distributed to customers who meet the following eligibility criteria:

- All borrowers must be 18 years of age or above; and
- Australian citizens or permanent residents of Australia (including New Zealand citizens); and
- Borrowers can either be:
  - Individuals; or
  - An Australian registered company with a simple structure, individuals in a partnership, individuals or companies as trustee of an Australian registered family discretionary trust (maximum loan term 30 years).

Eligible customers must also meet the Bank's detailed credit eligibility and assessment criteria, including:

- Ability to evidence sufficient income to service the minimum loan repayment requirements; and
- Ability to provide sufficient security in accordance with Great Southern Bank's credit criteria.

Eligible customers for a loan term above 30 years must also meet the below criteria:

- At least one applicant must be a first home buyer; and
- All applicants must be aged 40 years or under at the time of approval; and
- Maximum 90% loan to value ratio (inclusive of fees).

Customer's will be ineligible for a loan term above 30 years for:

- Loans with a Green Home Offer.
- Government scheme loans.
- Shared equity loans.
- Loans with guarantors.
- Loans to businesses, companies, trusts, non-resident borrowers and other non-natural persons.
- Extending the term of their existing Great Southern Bank loan (except in limited circumstances).

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

Distribution channel	Conditions that make this channel appropriate
Branch and phone-assisted channels	The staff that distribute this product: <ul style="list-style-type: none"> <li>Undergo appropriate training to understand and discuss the product features, benefits and key differences between Home Loan products;</li> <li>Must follow policy and procedures that outline eligibility processes; and</li> <li>Have access to tools and resources such as product information and product comparison tools.</li> </ul>
Accredited Mortgage Brokers	This product can be distributed by Mortgage 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.
Online (excluding loan terms above 30 years but less than or equal to 40 years)	The product cannot be distributed entirely through online channels however the application process may commence through online channels. Customers can access information about this product including interest rates, fees, benefits and product comparison tools.

All distribution channels are subject to appropriate controls and/or monitoring.

## Review of this document and associated triggers

The review period of this document is every 18 months, with the next review due September 2026.

Great Southern Bank may also review this TMD sooner if any of the below review triggers occur, or if an event or circumstance has occurred that would reasonably suggest that the TMD may no longer be appropriate:

Review trigger	Description
Customer Outcomes	Trends in customer outcomes that are significantly inconsistent with the intended product performance: <ul style="list-style-type: none"> <li>New accounts established.</li> <li>Account closures; and</li> <li>Delinquency rates and the charging of associated fees.</li> </ul>
Complaints	Trends in customer complaints from customers who hold the product, which relate to the purchase or use of the product, including: <ul style="list-style-type: none"> <li>Customer understanding of consumer risks or conditions of the product; and</li> <li>Customer understanding of the key attributes of the product and credit approvals and concerns regarding credit decisions.</li> </ul>
Incidents and breaches	Where deficiencies are identified in the products' design, distribution or disclosure documentation as a result of incidents related to potential breaches of legal or regulatory obligations.
Material product and/ or distribution channel change	Where Great Southern Bank makes a material change to the product construct, key attributes or terms and conditions through any of its distribution channels: <ul style="list-style-type: none"> <li>Adding, removing or changing a key attribute;</li> <li>A material pricing change to the associated fees and/ or charges which impacts the overall value proposition; and</li> <li>A substantial change to the distribution strategy or channel(s) of the product.</li> </ul>
External events	Where there is a change in the external environment or a legal requirement to do so including: <ul style="list-style-type: none"> <li>Significant change in economic and market conditions;</li> <li>Regulatory or legislative requirement; and</li> <li>Notification from ASIC requiring immediate stop of distribution.</li> </ul>
Significant dealings	<ul style="list-style-type: none"> <li>Evidence of any significant dealing in the distribution of the product which is not consistent with this TMD.</li> </ul>

# Reporting

Great Southern Bank will record details of the following:

Information type	Description
Product related complaints and feedback data	Product related complaints and feedback received each month from customers and distributors.
Significant dealings	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	Sales data including number of accounts opened and closed on a monthly basis.

Home loan brokers who distribute Great Southern Bank Home Loans must report the following matters within the below timeframes to Great Southern Bank:

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

## Appropriateness statement

Great Southern Bank has assessed that the Product including its distribution definitions and key attributes are likely to be consistent with the objectives, needs and financial situations of the target market.