

# Target Market Determination

## For Offset Home Loan

WL-OFFSET-HL

### Product

This target market determination (TMD) applies to the Offset Home Loan product distributed under the brands of our white-label distributors listed in Product key attributes – brand specific below.

### Issuer

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL / Australian Credit Licence 237879.

### Date from which this target market determination is effective

15 May 2025

## 1. Target market for this product

### Target Market

Retail clients are customers who are individuals who require financial services and/or products with Bendigo and Adelaide Bank. The retail clients for whom this product has been designed are individuals who:

- are a customer of our approved aggregator white-label distributors (or their authorised brokers who have been accredited by Bendigo and Adelaide Bank Limited) or our approved white-label distributors;
- are in a financial situation where they meet Bendigo and Adelaide Banks eligibility and credit assessment criteria which includes the capacity to make the required repayments of the loan without incurring financial hardship; without the need for a guarantor;
- want to borrow the minimum loan amount as stated in Product key attributes – brand specific below;
- want a term loan to:
  - finance or refinance the acquisition of residential property for the purpose of it being their principal place of residence;
  - finance or refinance the acquisition of a residential property for the purpose of it being used as a residential investment, and/or;
  - where stated in Product key attributes – brand specific below, consolidate debts owed to other creditors.
- want the ability to make additional repayments, in excess of the required minimum monthly repayments, not exceeding \$20,000 per year with a fixed interest rate or an unlimited amount with a variable rate without incurring early repayment costs;
- want the ability to select principal and interest or interest only repayments;
- want the ability to have up to 6 offset accounts;
- may want access to other features and benefits (such as an offset account) described below in the Product Description and Product key attributes;
- are able and willing to download the e-banking app and receive statements of account electronically only through the e-banking app (and do not require paper statements be sent by post);
- do not require the loan for business, construction or bridging purposes;  
can provide acceptable security for the loan in accordance with Bendigo and Adelaide Banks criteria, such as an acceptable established residential property that is not vacant land;
- do not need to borrow more than the maximum LVR (as a percentage of the value of the security to be provided for the loan) stated in Product key attributes – brand specific below;
- are willing to pay for Lenders Mortgage Insurance (LMI) if borrowing more than 80% of the value of the security to be provided for the loan;
- do not require the loan in connection with any government loan or guarantee scheme;
- if applying for a joint loan with another individual, do not want the ability to jointly authorise individual redraw requests online through e-banking; and
- do not want the ability to access or share 'CDR data' through the Consumer Data Right (CDR) regime in connection with the loan.

## Product Description

The Offset Home Loan offers a term loan (up to a maximum term of 30 years) which is used to finance or refinance the acquisition of residential property or residential investment property or to consolidate debts (where stated in Product key attributes – brand specific below).

### Product key attributes – brand specific

| Brand                | Minimum loan amount | Permitted loan use for debt consolidation | Maximum LVR |
|----------------------|---------------------|---|-------------|
| AFG Home Loans Alpha | \$5,000             | Yes                                       | 95%         |
| Aussie Elevate       | \$5,000             | Yes                                       | 95%         |
| Connective Select    | \$5,000             | Yes                                       | 95%         |
| NRMA Home Loans      | \$50,000            | No  | 90%         |
| Tiimely Home         | \$150,000           | No  | 90%         |

### Product key attributes – all brands

The key attributes of this product that make it likely to be consistent with the target market described above, include:

| Attribute                                    | Appropriate for  |
|--|--|
| Term loan                                    | Retail clients that want to repay their loan over medium to long term period (up to a maximum of 30 years).  |
| Owner Occupied                               | Retail clients who will use the residential property acquired with the loan as their principal place of residence.<br><br>This product may not be suitable for clients who require a loan to finance a property for business purposes.   |
| Residential Investment                       | Retail clients who will use the residential property acquired with the loan as a residential investment residence.   |
| Regular repayments of principal and interest | Retail clients who want to make regular scheduled principal and interest repayments over the term of the loan. Repayments are required at a monthly frequency but retail clients may choose to meet these monthly requirements by setting up weekly or fortnightly payments to the loan account that are sufficient to meet the monthly required repayments.<br><br>Retail clients have the ability to apply for an interest only period for up to 5 years of the loan term. See the sub-target market for interest only period below. |

| Attribute                          | Appropriate for   |
|------------------------------------|---|
| Variable interest rate             | <p>A variable interest rate means the interest rate may increase or decrease over the term of the loan. This product may not be suitable for retail clients who require certainty around repayments by having a fixed interest rate.</p> <p>Retail clients have the ability to apply for a fixed interest period of up to 5 years of the loan term. See the sub-target market for fixed interest rate period below.</p>   |
| Early repayments                   | Retail clients who have a variable rate home loan and want the flexibility to make additional repayments without incurring early repayment fees, and the ability to access those repayments.  |
| Redraw                             | <p>Retail clients can access additional repayments through the redraw function by contacting the bank or, if they have an offset account or another account with the bank within the same brand to transfer into, in e-banking (1 repayment amount is preserved and not accessible).</p> <p>For joint loans, redraws may only be authorised through e-banking if all borrowers have agreed they may be authorised by any individual borrower without the authorisation of any others ('one to sign') so retail clients must be willing to agree to this if they want redraw through e-banking or manually by contacting us.</p> |
| Access to other features           | <p>Retail clients who require additional features like offset accounts. Offsets for the Offset Home Loan must be in the same customer number as the borrower. A maximum of 6 offset accounts may be linked.</p> <p>Available offset product: Offset Account, please refer to the Offset Account TMD (which is available on request by contacting us or, for existing customers, in the Support Centre accessible through e-banking) to ensure the product is appropriate for your needs.</p>  |
| Security over residential property | Retail clients can provide acceptable security for the loan in accordance with Bendigo and Adelaide Bank's criteria, such as an acceptable residential property. All owners of the security property must be borrowers. No guarantors are permitted.  |
| Electronic statements of account   | Retail clients who are willing to have Statements of Account issued electronically via the e-banking app and not sent by post.  |

### Sub-target market: Fixed interest rate period

The additional key attributes for the sub-target market of this product, that make it likely to be consistent with the target market described above of customers wanting a fixed interest rate period include:

| Attribute           | Appropriate for   |
|---------------------|---|
| Fixed interest rate | Retail clients who require certainty around repayments by having a fixed interest rate can fix their interest rate for a nominated period of up to 5 years. For the duration of the fixed interest period, retail clients have limited ability to |

|                  |   |
|------------------|---|
|                  | <p>make additional repayments without incurring early repayment costs.</p> <p>At the end of the period, the retail client can nominate a new fixed interest rate period, capped at no more than five years and within the remaining term of the loan, otherwise the home loan will convert to a variable rate loan.</p>     |
| Early repayments | <p>For fixed rate loans additional repayments during the fixed rate period are capped at \$20,000 of the principal amount at the commencement of the fixed rate period. Repayments above this cap, or changes to the fixed rate period (e.g. ending it early), may incur additional fees or charges (e.g. break costs).</p> |

## Sub-target market: Interest only period

The additional key attributes for the sub-target market of this product, that make it likely to be consistent with the target market described above of customers wanting an interest only period include:

| Attribute  | Appropriate for  |
|--|--|
| Interest only period (prior to regular repayments of principal and interest) | <p>Retail clients who want to pay interest only for a specified period of their home loan (up to 5 years). At the end of the interest only period, regular scheduled principal and interest payments will be required for the remaining loan term.</p> <p>Interest payments during the interest only period are made on a monthly frequency.</p> |

## 2. How this product is to be distributed

Bendigo and Adelaide Bank applies certain conditions and restrictions to the distribution of this product so that distribution is likely to be to retail clients within the target market for this product. The conditions and restrictions are:

|  |  |
|--|--|
| <b>Channel</b>                               | <p>This product is to be distributed only through the following channels:</p> <ul style="list-style-type: none"> <li>• Our approved aggregator white-label distributors and their authorised brokers who have been accredited by Bendigo and Adelaide Bank; and</li> <li>• Online through an online application platform accessible through the websites of our approved white-label distributors.</li> </ul>  |
| <b>Additional conditions or restrictions</b> | <p>The following additional conditions and restrictions also apply to the distribution of this product:</p> <ul style="list-style-type: none"> <li>• Only prospective retail clients who meet Bendigo and Adelaide Bank's minimum eligibility criteria for the product should submit an application for this product;</li> <li>• This product can only be issued to retail clients after applying Bendigo and Adelaide Bank's affordability and suitability processes; and</li> <li>• This product can only be issued (or arranged to be issued) by persons who are trained and accredited.</li> </ul> |

### 3. Reviewing this target market determination

Bendigo and Adelaide Bank will review this TMD as set out below:

|                                  |   |
|----------------------------------|---|
| <b>Initial review</b>            | Within the first year of the effective date.  |
| <b>Periodic reviews</b>          | At least every 12 months from the initial review.   |
| <b>Review triggers or events</b> | <p>Any event or circumstances arising that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"> <li>• a material change to the design or distribution of the product, including related documentation;</li> <li>• occurrence of a significant dealing;</li> <li>• distribution conditions found to be inadequate in ensuring that the product is issued to retail clients who are likely to be in the target market;</li> <li>• relevant changes in the law or its application, a change in an industry code or decision of a court or other body (including through regulatory guidance) that materially affects the product;</li> <li>• significant changes in metrics, including, but not limited to: <ul style="list-style-type: none"> <li>○ a material increase in the number of complaints in relation to a product or aspect of a product;</li> <li>○ the level of retail clients experiencing hardship such as falling into arrears;</li> <li>○ an increase in early termination of the product; and</li> <li>○ any other event occurs, or information is received that reasonably suggests this TMD is no longer appropriate.</li> </ul> </li> </ul> |

### 4. Reporting and monitoring this target market determination

Bendigo and Adelaide Bank's third-party distributors who are regulated persons will need to collect, keep and report the following information to Bendigo and Adelaide Bank:

| Type                        | Description of information  | Frequency of reporting   |
|-----------------------------|---|--|
| <b>Complaints</b>           | <p>Retail client complaints made in relation to this product. This includes:</p> <ul style="list-style-type: none"> <li>• written details of the complaint; and</li> <li>• the number of complaints during the reporting period.</li> </ul>   | <p><b>Reporting period:</b> Monthly</p> <p><b>When does the regulated person have to report:</b> Within 10 business days of the end of the reporting period.</p> |
| <b>Sales data</b>           | Sales and customer data in relation to this product as requested by Bendigo and Adelaide Bank.  | <p><b>Reporting period:</b> Monthly</p> <p><b>When does the regulated person have to report:</b> Within 10 business days of the end of the reporting period.</p> |
| <b>Significant dealings</b> | <p>The following information:</p> <ul style="list-style-type: none"> <li>• details of the significant dealing;</li> <li>• the date (or range) on which the significant dealing occurred;</li> <li>• why the distributor considers the dealing to be significant (including why it is inconsistent with this TMD); and</li> <li>• how the dealing was identified.</li> </ul> | <p><b>When does the regulated person have to report:</b> Within 10 business days of the distributor becoming aware of the dealing.</p>                           |