

Australian Unity Health Wealth Happiness Home Loan

Target Market Determination

This target market determination (“TMD”) provides information to customers, distributors and Australian Unity staff to understand the class of consumers this product is designed for and our approach to determining that the product is likely to be consistent with the likely objectives, financial situation and needs of the customers to whom the product is distributed.

This TMD does not provide an exhaustive list of the features and terms of the product. This TMD should be read in conjunction with the Australian Unity product terms and conditions, available at australianunity.com.au/banking/terms-and-conditions (“Terms and Conditions”) and the terms and conditions of your loan within your letter of offer and loan contract when you successfully apply for this product. This TMD has been prepared without taking into account any person's individual needs, objectives, or financial situation.

In this document the terms “Australian Unity”, “we” and “our” refer to the Issuer.

Product Information

Product name	Health Wealth Happiness Home Loan
Issuer name	Australian Unity Bank Limited
ABN	30 087 652 079
AFSL	237994
ACL	237994
Date of TMD	17 October 2024
TMD version no.	1.1

Key Features of the product

The key features of the product include:

- a variable or fixed interest rate home loan, which offers principal and interest or interest-only repayments subject to eligibility criteria and approval
- flexible repayments (weekly, fortnightly or monthly), loan top up (subject to assessment and approval), redraw for variable loans only (minimum redraw amount applies), a split loan facility (subject to minimum and maximum split amounts) and loan repayment holiday feature if the loan is in advance
- unlimited additional repayments when on a variable interest rate
- maximum yearly additional repayments when on a fixed interest rate, any additional repayments above the maximum will result in a break cost (refer to Terms and Conditions)
- a minimum and maximum loan amount (refer to Terms and Conditions)
- Lenders Mortgage Insurance (LMI) is required for loans above 80% Loan to Value Ratio (LVR) (i.e. when the amount loaned is more than 80% of the value of the value of the secured property)
- flexible loan terms available between 1 - 30 years
- an optional offset facility available on variable loans (no offset facility available on fixed rate loans)

For a detailed product description refer to the Australian Unity website.

Target Market

The target market for this product is people seeking to buy or refinance an owner-occupier home with a flexible home loan that's full of features, including variable or fixed interest rates, split loan options, redraw funds and the ability to reduce interest via an offset account (variable home loan or variable rate portion of split loan only).

The likely objectives, financial situation and needs of consumers in the target market include persons who:

- are looking for a fully featured principal and interest or interest-only home loan to buy or refinance an owner-occupied property,
- want the flexibility to choose between a variable, fixed or split rate (variable and fixed interest rate) home loan,
- want the ability to make extra payments towards their loan in addition to the minimum loan repayments and are comfortable with:
 - maximum yearly additional repayments on fixed rate loan or fixed rate portion of split loan
 - unlimited additional repayments on variable rate loan or variable rate portion of split loan
- want the ability to withdraw money when ahead on repayments (minimum redraw amount applies) or take a repayment holiday when ahead of their loan repayment schedule (only applies to variable rate loans or the variable rate portion of split loans),
- want the option of setting up an offset facility on variable rate loans,
- will be using their owner-occupied property as security for the loan,
- have sufficient income to support principal and interest or interest-only repayments, having regard to other financial commitments, and
- satisfy our loan application requirements.

This product is not suitable for people who want:

- × an investment loan,
- × a simple, no-frills home loan,
- × a loan amount outside the minimum or maximum available

We consider the product is likely to be consistent with the objectives, financial situation and needs of consumers in the identified target market because the product's features are consistent with the identified borrowing needs of these consumers.

Distribution Conditions

1. The product is only distributed via the following channels:
 - Digital Online
 - Direct Sales at Australian Unity
 - Third Party Distributor/Mortgage Brokers
2. Products under this TMD can only be issued to consumers who are eligible for the product in accordance with Australian Unity's product application process.
3. Products under this TMD can be distributed either directly by Australian Unity, or by Third Party Distributors/Mortgage Brokers approved by Australian Unity.
4. All distributors must comply with their responsible lending obligations, including making

reasonable enquires about a consumer's requirements and financial situation.

We consider that the distribution conditions will make it more likely that the consumers who acquire the product are in the target market because only Australian Unity and Australian Unity-approved distributors are authorised to distribute the product; and all distributors understand the target market this product has been designed for, the product's key features, and the eligibility criteria, and have the requisite skills to distribute the product appropriately. All applications, including those arranged by a third party, are assessed by Australian Unity prior to the product being issued.

Review Triggers

This TMD must be reviewed where any event or circumstance is identified by us or is notified to us that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to):

- Identified systemic issues that indicate that the product is no longer appropriate for the target market.
- A significant number of complaints is 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, the terms and conditions of the product or its distribution occurs, which would cause the TMD to no longer be appropriate.
- Any significant dealings that are inconsistent with the TMD.
- Relevant industry feedback, information or notification received from a distributor, industry body or regulator, which would reasonably suggest the TMD is no longer appropriate.

Review of this document

Last Review Date: 17 October 2024

Review Frequency: Every year after the last review

Distribution Information Reporting Requirements

The following information must be provided to Australian Unity by distributors who engage in retail product distribution conduct in relation to this product:

Type of information	Description	Reporting period
Complaints in relation to the product	Number of complaints	Within 10 business days after each quarter or earlier on an ad-hoc basis.
Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (i.e. why the dealing is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware
General feedback relating to the product (if any)		As relevant