Target Market Determination

Product Name:
Premier Home Loan - Owner occupied

Product Description:	A low-rate option owner occupied home loan with the flexibility of an offset account.
Date Published:	1 November 2026
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Effective From:	1 November 2026
Issuer Details:	**Defence Bank Limited** ABN 57 087 651 385 AFSL/Australian Credit Licence 234582 PO Box 14537 Melbourne VIC 8001

Purpose of this document

This Target Market Determination (TMD) is prepared under Part 7.8A of the Corporations Act 2001 and ASIC Regulatory Guide 274 (RG 274). It describes the class of retail clients who the product is appropriate for, distribution conditions, reporting requirements, and review triggers to ensure ongoing appropriateness. This is not a disclosure document and does not take into account individual objectives, financial situation or needs. The design and distribution obligations are intended to help members obtain appropriate financial products by requiring issuers and distributors to have a consumer centric approach to the design and distribution of products. Refer to the applicable Terms and Conditions and Schedule of Fees and Charges before deciding.

1. Target Market

Details

This product is designed for retail clients aged 18 years or over who are seeking to purchase or refinance an owner-occupied home, meet Defence Bank's credit assessment and eligibility requirements, and can provide a first or second registered mortgage over real property as security. Value the flexibility of a mortgage offset account and a variable - rate loan with principal and interest repayments.

Needs

- Finance to purchase or refinance an owner-occupied home.
- A variable-rate home loan with a loan term of up to 30 years.
- Flexibility to make additional repayments and access those repayments through redraw, subject to applicable conditions.

Objectives

- To purchase or refinance a home to live in.
- Repaying the loan through regular principal and interest repayments.
- To reduce interest payable through additional repayments.

Financial situation

- Sufficient income and financial capacity to meet regular principal and interest repayments, living expenses and other financial commitments.
- A deposit or equity position that meets the applicable loan-to-value ratio (LVR) and lending requirements.

This product is not designed for retail clients who:

- Are under 18 years of age.
- Seeking finance for an investment property.
- Require a fixed interest rate or interest-only repayments.
- Do not meet Defence Bank's credit assessment, eligibility or applicable LVR requirements.
- Are unable or unwilling to provide a registered mortgage over real property as security.

2. Key Attributes

Key Attribute Details

Key attributes of this product include:

- Flexible loan term of up to 30 years.
- Variable interest rate options suitable for borrowers who would like the flexibility of making additional repayments.
- Repayment Options - can repay via automatic transfer, payroll deduction, direct deposit/entry, NPP/ OSKO, and online or mobile banking. Repayments can be made weekly, fortnightly or monthly.
- Redraw - can redraw extra loan repayments made in advance online or in branch, providing flexibility to access funds when required.
- Borrow up to 95% of the value of the property (up to 98% where the loan is secured by a government guarantee issued under the Australian Government 5% Deposit Scheme - Single Parents).
  Where the loan represents more than 80% of the value of the property being used as security, the following is required:
  - Lenders Mortgage Insurance
  or
  - A government guarantee issued under the Australian Government 5% Deposit Scheme.
- Interest is calculated on the daily balance of the loan and debited at the end of each month.
- Mortgage Offset - a mortgage offset account is a savings account linked to the home loan.
- Current interest rates, fees and charges are available on request or can be obtained by visiting defencebank.com.au.
- Government charges including Stamp Duty, Registration, Discharge & Transfer fees may be payable.
- Compatible with Defence Home Ownership Assistance Scheme (DHOAS). DHOAS loans must be secured by registered first mortgage.
- Compatible with the Australian Government 5% Deposit Scheme.
- Principal and Interest Reducing - regular repayments of principal and interest over the term of the loan.

3. Distribution Conditions and Restrictions

Details

Distribution conditions

This product is distributed by the issuer through the following channels:

- Branches
- Call centres
- Mobile lenders
- Online

Distribution conditions for this product include:

- Ensuring that retail clients meet credit assessment and eligibility requirements for the product.
- Ensuring that distribution through branches, mobile lenders and the contact centre is by appropriately trained staff.
- Ensuring applications received online are processed by appropriately trained staff.

4. Review Triggers

The review triggers that would reasonably suggest that the TMD is no longer appropriate include:

Details	Required data points
A significant number of complaints is received from members in relation to their opening or use of the product that reasonably suggests that the TMD is no longer appropriate	Complaints reporting
A material change to the product or the terms and conditions of the product occurs which would cause the TMD to no longer be appropriate	Notification of proposed material change/s to key product design, key attributes and or fees
A significant dealing of the product to retail clients outside the target market occurs	Product reporting
A notification from ASIC	Requiring immediate cessation of product distribution or particular conduct in relation to the product

5. Review Frequencies

Initial Review
29 September 2022

Date of Superseded TMD
1 October 2025

Subsequent Reviews
At least every two years and earlier if a review trigger occurs.

Current Review Date
1 September 2026

6. Distributor Information

The following information must be reviewed in relation to distribution of this product to ensure it is in accordance with this TMD:

Information type	Details	Reporting period
Significant dealings	Any significant dealing which is not consistent with the TMD reporting must be within 10 business days of becoming aware of such dealing	As soon as practicable
Product related complaints	Number of member complaints received each quarter	Quarterly
Sales data	The number of accounts opened and closed on a quarterly basis	Quarterly