



Target Market Determination

Product Name:

Ultimate Essentials Home Loan - Owner Occupied

Product Description: A fully featured owner occupied home loan, with the benefits of the Ultimate Package.

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Issuer Details: **Defence Bank Limited**

ABN 57 087 651 385 AFSL/Australian Credit Licence 234582
PO Box 14537
Melbourne VIC 8001

1. Target Market

This product is designed for members who:

- Are seeking to:
 - purchase, construct or renovate an owner occupied home
 - refinance an existing owner occupied home
 - top up an existing loan for any worthwhile owner-occupied purpose
- Are aged 18 years or more and meet the credit assessment criteria for a home loan
- Are willing and able to offer a first or second registered mortgage over real property as security for the loan
- Are seeking a fully featured home loan, with package benefits with an annual fee

2. Key Attributes

This home loan includes the following key features, which are central to determining whether it is likely to meet the objectives, financial situation and needs of the target market

Loan Amount and Term	• Minimum loan amount: \$100,000 • Maximum loan term: up to 30 years
Interest Rate Options	• Variable Rate - provides rate flexibility and access to features such as: ○ Additional repayments ○ Redraw of extra repayments (minimum redraw amount \$100) ○ Ability to link offset accounts ○ Suitable for borrowers comfortable with interest rate fluctuations • Fixed Rate (1 to 5 years) - provides certainty of repayments for a fixed period: ○ Additional repayments are allowed ○ Break costs may apply if the loan is repaid early or switched to a variable rate before the fixed rate period ends ○ May be appropriate for borrowers seeking predictable budgeting • Split Loan Option - allows borrowers to divide their loan between fixed and variable rate portions



Repayment Options	• Principal and Interest: ○ Repayments available weekly, fortnightly, or monthly • Interest Only: ○ Available for 1 to 5 years, with a maximum of 10 years interest-only term over the life of the loan ○ Revert to Principal and Interest at the end of the interest only period • Construction Loans (Interest Only): ○ Interest only for up to 12 months, then revert to Principal and Interest
Loan-to Value Ratio (LVR)	• Borrow up to 95% of the property value: ○ Where borrowings exceed 80%, Lenders Mortgage Insurance (LMI) is payable as a one-off premium at settlement • Borrow up to 98% of the property value where the loan is secured by a government guarantee issued under the Australian Government 5% Deposit Scheme
Additional features	• Compatible with Defence Home Ownership Assistance Scheme (DHOAS) • Interest is calculated daily on the balance of your loan and debited at the end of each month • Loan Portability allows transfer of the outstanding loan balance from one security property to another, subject to credit assessment and eligibility criteria • Government fees including Stamp Duty, Registration, Discharge and Transfer fees may apply
Ultimate Package	• An annual package fee applies • Package benefits may include: ○ Reduced annual fee on the Defence Bank Foundation Credit Card (Defence Bank Foundation \$22.50 annual donation still applies). ○ No application fees on eligible personal loans ○ Preferential interest rate margin of 0.15% p.a. on Defence Bank Term Deposits (exclusions apply) ○ Ability to link offset accounts with no monthly account fees

3. Distribution Conditions and Restrictions

This home loan is distributed by Defence Bank through the following channels:

- Branches
- Mobile lenders
- Call Centre
- Online

Distribution conditions for this home loan 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 purchase 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

5. Review Frequencies

Initial Review 30 August 2022	Date of Superseded TMD 19 February 2026
Subsequent Reviews At least every two years and earlier if a review trigger occurs	Current Review Date 1 October 2026

6. Distributor Information

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

Information type	Details	Reporting period
Significant dealings	Date or date range of significant dealing/s and description of the significant dealing/s (for example why the dealing is not consistent with the TMD)	As soon as practicable
Complaints	Number of Complaints	Quarterly
Sales outside the target market	The number and \$value of sales	Quarterly
Sales inside the target market	The number and \$value of sales	Quarterly