

Target Market Determination

Home Loan (available to existing customers only)

This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). It describes the type of customer these products are appropriate for (**target market**), key attributes, and any conditions around how the product can be distributed. It also describes events or circumstances where Heartland Bank Australia Limited (**we, us, our**) may need to review this TMD and forms part of our design and distribution obligations.

The TMD isn't a summary of the features or terms of the product and doesn't take into account your individual objectives, financial situation or needs. If you're interested in applying for a loan with us, call us on **1300 221 479** to speak with one of our lending specialists, or view our website heartlandbank.com.au.

Products this target market determination applies

This TMD applies to our Home Loan which has three variations: Basic Home Loan (owner), Standard Home Loan (owner), and Standard Home Loan (investor).

Product and issuer identifiers

Product	Home Loan
Issuer	Heartland Bank Australia Limited
Issuer ABN	54 087 651 750
Issuer AFSL	Australian Financial Services Licence /Australian Credit Licence Number 245606
Date of TMD	15 April 2024
Version	5.0

Description of target market

Customer attributes	<p>Our Home Loan product is designed for existing customers who require a home or investment loan secured by residential property.</p> <p>This product is likely to be appropriate for those who satisfy the following:</p> <ul style="list-style-type: none"> existing customers who are Australian citizens or permanent residents who reside in Australia and are 18 years or older, and require credit to purchase a new home – either to live in, or for investment purposes, or to refinance or release equity in an existing loan secured by residential property. <p>This product will not be suitable for those who:</p> <ul style="list-style-type: none"> are seeking the certainty of fixed repayments over the term of the loan, or require branch assisted transactions. <p>There are three variations which may be suitable for different customers at different times.</p>
Customer attributes (continued)	<p>Basic Home Loan (owner) target market</p> <p>The Basic Home Loan (owner) is designed for someone that's seeking a variable rate home loan with repayments made on a principal and interest basis.</p>

**Description of product,
including key attributes**

This product is not suitable for those who require interest only repayments or are seeking an offset facility.

Their likely needs are the ability to cover the cost of purchasing, refinancing, or releasing equity in an owner-occupied residential property.

Standard Home Loan (owner) target market

The Standard Home Loan (owner) is designed for someone that's seeking a variable rate home loan with repayments made on a principal and interest basis with access to an offset facility.

This product is not suitable for someone who requires interest only repayments.

Their likely needs are the ability to cover the cost of purchasing, refinancing, or releasing equity in an owner-occupied residential property.

Standard Home Loan (investor) target market

Standard Home Loan (investor) is designed for someone that's seeking a variable rate investment loan with an offset facility, that provides the option to have repayments made on either an interest only basis for a period up to 5 years, or principal and interest repayments.

This product is not suitable for someone purchasing an owner-occupied residential property.

Their likely needs are the ability to cover the cost of purchasing, refinancing, or releasing equity in a residential investment property.

Our Home Loan allows eligible customers to borrow up to \$3,000,000 at a variable rate of interest that is calculated daily, for a maximum term of 30 years. There is a minimum loan amount of \$200,000. Weekly, fortnightly, or monthly repayment options are provided.

Customers have access to a redraw facility. There is no application fee, monthly service fee, early repayment fee or redraw fees.

Loans with a loan to value ratio over 80% require Lenders Mortgage Insurance, with the premium passed onto the customer.

The table below shows key attributes of the variations available.

	Basic Home Loan (owner)	Standard Home Loan (owner)	Standard Home Loan (investor)
Principal and interest payments	✓	✓	✓
Interest only payments	✗	✗	✓
Offset facility	✗	✓	✓

Description of product, including key attributes (continued)

The table below shows the product attributes to help determine which variation suits a customer's needs.

	Basic Home Loan (owner)	Standard Home Loan (owner)	Standard Home Loan (investor)
Available for owner occupied property	✓	✓	✗
Available for investment property	✗	✗	✓
Provides an interest only repayment option	✗	✗	✓
Provides the ability to redraw surplus repayments	✓	✓	✓
Provides access to an offset account	✗	✓	✓
Provides the ability to make unlimited extra payments	✓	✓	✓

Their likely financial situation could include being employed and receiving regular income and meeting our lending criteria.

Their likely needs are the ability to cover the cost of purchasing, refinancing, or releasing equity in a residential owner-occupied or residential investment property.

Explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market

The product provides eligible customers:

- a variable interest rate loan with flexible repayment options, and
- no application fee, no monthly service fee, and no early repayment fee.

Distribution conditions/restrictions

Distribution conditions

The product is distributed direct to existing customers via a paper-based application form, obtained by calling us. Trained and accredited phone-based lending specialists are available to speak with prospective and existing customers about the product.

Why the distribution conditions and restrictions will make it more likely that the customers who acquire the product are in the target market

The application process restricts individual or joint customers who do not meet the distribution criteria.

Accredited phone-based lending specialists are trained in the product's features and eligibility criteria.

All applications are assessed by us to ensure they meet the lending eligibility criteria.

Review triggers

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

- material changes to the product or the terms, such as a change in fee structure
- a significant dealing, as decided by us, that is not consistent with the TMD
- a material increase in complaints received from customers in relation to their use of the product
- a material increase in the rate of defaults
- a material increase in the rate of hardships, or
- a material changes to the regulatory environment.

Mandatory review periods

First review date: 15 April 2026

Periodic reviews: No later than 2 years from the date of the previous review

Distribution reporting requirements

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

Type of information	Description	Reporting period
Complaints	Complaints (as defined in section 994A(1) of the Act) relating to the product design, product availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy.	Within 10 business days following the end of calendar quarter.
Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (e.g. loss of credit licence).	As soon as practicable, and in any case within 10 business days after becoming aware.

Any advice is general and doesn't take into account your personal situation. Please consider whether it's right for you.

Need to talk to us? We'd be happy to help.

1300 221 479 | heartlandbank.com.au | PO Box 18134, Collins Street East VIC 8003

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