

## Target Market Determination Home Loan (Owner Occupied)

| Category  | Description   |
|---|---|
| Product   | <p><b>Home Loan (Owner Occupied)</b><br/>A credit facility that is predominantly to purchase, renovate or improve a residential property for owner-occupier purposes (including construction), or to access equity in residential property for another purpose that is not predominantly a business or investment purpose, or to refinance an existing home loan facility that is for any of these purposes.</p>  |
| Product Options<br>The options available for the product                            | <p><b>Budget Home Loan</b><br/>An option for the product that has a discounted variable interest rate and no access to an offset facility.</p>  |
|   | <p><b>Fixed Rate Home Loan</b><br/>An option for the product that has a fixed rate interest rate for a fixed period and no access to an offset facility.</p>  |
|   | <p><b>Essentials Home Loan</b><br/>An option for the product that has a discounted variable interest rate and access to an offset facility.</p>   |
|   | <p><b>Standard Variable Home Loan</b><br/>An option for the product that has a standard variable interest rate and access to an offset facility.</p>  |
| Issuer  | Issued by IMB Ltd trading as IMB Bank ABN 92 087 651 974, AFSL/Australian Credit Licence 237 391  |
| Version   | 1.0   |
| Start Date  | 5 October 2021  |
| Review Date   | The first review of this determination, and each ongoing review, must be completed within each consecutive 12-month period from the Start Date.   |
| Target Market<br>Class of consumers that comprise the target market for the product | <p><b>Consumer Description</b><br/>This describes consumers in the target market</p> <p><b>Objectives &amp; Needs</b><br/>A person who may require a credit facility:</p> <ul style="list-style-type: none"> <li>• that is predominantly to purchase, renovate or improve a residential property for owner-occupier purposes (including construction), or access equity in residential property for another purpose that is not predominantly a business or investment purpose, or to refinance an existing home loan facility that is for any of these purposes;</li> <li>• that either: <ul style="list-style-type: none"> <li>○ takes advantage of potential future decreases in an interest rate, and has flexibility to make additional repayments and/or repay the facility early (<b>flexible facility</b>); or</li> <li>○ if the facility is not used for construction purposes, has certainty of repayments for a fixed period during which the person does not consider that they may want to make substantial additional repayments or repay the facility (<b>certain facility</b>); or</li> <li>○ if the facility is not used for construction purposes, is split between a flexible facility and a certain facility;</li> </ul> </li> <li>• that, if the facility is used for construction purposes, the loan amount is drawn down progressively; and</li> <li>• that has access to a redraw facility and, depending on the product option, an offset facility.</li> </ul> <p><b>Financial Situation</b><br/>A person who will have funds to make payment of fees, interest and repayments as and when such amounts become due and</p> |

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|  |  | <p>payable and, depending on the product option, will have funds available in order to benefit from the offset facility.</p>   |
|  | <p><b>Product Description</b><br/>This describes the product</p>   | <p>A credit facility with the following key attributes:</p> <ul style="list-style-type: none"> <li>• the ability to use the credit predominantly to purchase, renovate or improve a residential property for owner-occupier purposes (including construction), or to access equity in residential property for another purpose that is not predominantly a business or investment purpose, or to refinance an existing home loan facility that is for any of these purposes;</li> <li>• either: <ul style="list-style-type: none"> <li>○ a variable rate with flexibility to make additional repayments (including early repayment of the facility) (<b>variable rate option</b>); or</li> <li>○ if the facility is not used for construction purposes, a fixed rate for an initial fixed period with certainty of repayments (which reverts to a variable rate unless it is agreed to refix the rate) (<b>fixed rate option</b>); or</li> <li>○ if the facility is not used for construction purposes, a split between the variable rate option and fixed rate option;</li> </ul> </li> <li>• if the facility is used for construction purposes, the loan amount is drawn down progressively;</li> <li>• access to a redraw facility and, depending on the product option, an offset facility; and</li> <li>• the requirement to, depending on the product option: <ul style="list-style-type: none"> <li>○ make payment of fees, interest and repayments; and</li> <li>○ have funds available in order to benefit from the offset facility.</li> </ul> </li> </ul> <p>In general, it is only available to consumers that meet standard eligibility criteria.</p> |
|  | <p><b>Appropriateness Statement</b><br/>This explains why the product is consistent with the likely objectives, financial situation and needs of the target market</p> | <p>The product is appropriate for the target market on the basis that the key attributes of the product listed in this determination are consistent with the objectives, financial situation and needs of consumers in the target market as described in this determination.</p>   |
| <p><b>Distribution Conditions</b><br/>The conditions and restrictions on the distribution of the product</p> | <p><b>Marketing and Promotion</b><br/>This condition applies to marketing and promotional materials that describe the product</p>                                      | <p><b>Condition 1</b><br/>A distributor must only market and promote the product through:</p> <ul style="list-style-type: none"> <li>• advertising on television, radio, the internet (including social media), billboards and physical banners, brochures and other marketing material available to the general public;</li> <li>• in person recommendations to access marketing material (including in branch communications, through mobile lenders and through broker and referrer networks); and</li> <li>• any other issuer approved communication channels (including telephone, email and social media).</li> </ul> <p>This condition is appropriate as the target market is wide.</p>   |
|  | <p><b>Retail Product Distribution Conduct (other than Marketing)</b><br/>This condition applies to all conduct (other</p>  | <p><b>Condition 2</b><br/>A distributor must only engage in retail product distribution conduct (other than marketing and promotion activity) through:</p> <ul style="list-style-type: none"> <li>• in person communications (including in branch, through mobile lenders, and through broker and referrer networks);</li> <li>• the issuer's and other approved third-party digital platforms; and</li> </ul>   |

than marketing) such as issuing, arranging and providing disclosure material

- any other issuer approved communication channels (including telephone, email and social media).

This condition is appropriate as the target market is wide. It is also appropriate as the issuer has distributed this product using these methods, with limited risk to consumers.

#### Condition 3

A distributor must only engage in retail product distribution conduct (other than general advice) if it:

- has identified the key difference between:
  - the product (including the specific product option(s) requested by the consumer); and
  - the other product options for the product and other separate credit products (including home loan (investment) and line of credit products) issued by the issuer, and (for mortgage brokers only) issued by other issuers; and
- is reasonably satisfied that the consumer will have funds to make payment of fees, interest and repayments as and when such amounts become due and payable.

This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market.

#### Condition 4

A distributor must only engage in retail product distribution conduct (other than general advice) if the distributor is:

- a representative of the issuer that is trained as a "home loan lender"; or
- a mortgage broker that is part of an aggregator group accredited by the issuer.

This condition is appropriate as it requires a distributor to be appropriately trained and/or accredited to engage in all retail product distribution conduct (other than general advice).

### Review Triggers

The events and circumstances that would reasonably suggest the determination is no longer appropriate

The issuer, and any distributor of this product, must cease retail product distribution conduct in respect of this product when the issuer determines a material event or circumstance has occurred in relation to:

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| <b>Material Complaints</b>        | Material complaints (in number or significance) in relation to the terms of this product and / or the distribution conduct.   |
| <b>Financial Difficulty</b>       | A significant number of customers experiencing financial difficulty (as evidenced by, for example, default notices, hardship requests or refinance request information) related directly to the appropriateness of the product that the issuer determines may relate to the appropriateness of the determination. |
| <b>Product Performance</b>        | Evidence, as determined by the issuer, of the performance of the product, in practice, that may suggest that the product is not appropriate for the target market.  |
| <b>Distributor Feedback</b>       | Reporting from distributors (including the issuer's representatives and third parties), or consistent feedback from distributors on the target market which suggests that the determination may no longer be appropriate.   |
| <b>Substantial Product Change</b> | A substantial change to the product that is likely to result in the determination no longer being appropriate for the target market.  |
| <b>Significant Dealing</b>        | A material pattern of dealings in the product or of distributor conduct that is not consistent with the determination.  |
| <b>Notification from ASIC</b>     | A notification from ASIC requiring immediate cessation of product distribution or particular conduct in relation to the product.  |

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| <b>Reporting Period</b>  | The reporting period for this determination is every 3 months commencing from the Start Date.  |                              |  |                             |   |                             |   |                            |  |  |  |
| <b>Reporting Information</b><br>The kinds of information needed to identify whether a review trigger has occurred, who must report this information and the reporting period | <p>A person that engages in retail product distribution conduct in respect of this product (<b>distributor</b>) must provide the following information in writing to the issuer within the times specified below:</p> <table border="1"> <tr> <td data-bbox="421 398 655 663"><b>Complaint Information</b></td> <td data-bbox="668 398 1439 663">           Information about complaints received in relation to the product during the reporting period, and if complaints were received, a description of the number of complaints and the nature of the complaints received and other complaint information set out in paragraph RG 271.182 of Regulatory Guide 271 Internal dispute resolution.<br/><br/>           The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the end of each reporting period.         </td> </tr> <tr> <td data-bbox="421 676 655 846"><b>Financial Difficulty</b></td> <td data-bbox="668 676 1439 846">           Information about customers experiencing financial difficulty related directly to the appropriateness of the product of which the distributor becomes aware.<br/><br/>           The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the end of each reporting period.         </td> </tr> <tr> <td data-bbox="421 860 655 1008"><b>Distributor Feedback</b></td> <td data-bbox="668 860 1439 1008">           Information discovered or held by the distributor that suggests that the determination may no longer be appropriate.<br/><br/>           The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the end of each reporting period.         </td> </tr> <tr> <td data-bbox="421 1021 655 1191"><b>Significant Dealing</b></td> <td data-bbox="668 1021 1439 1191">           Information about any significant dealing in the product that is not consistent with the target market determination of which the distributor becomes aware.<br/><br/>           The distributor must provide the information as soon as practicable, or in any event, within 10 business days after becoming aware of the significant dealing.         </td> </tr> <tr> <td data-bbox="421 1205 655 1292"><b>Information Requested by Issuer</b></td> <td data-bbox="668 1205 1439 1292">           Information reasonably requested by the issuer.<br/><br/>           The distributor must provide the information by the date requested by the issuer.         </td> </tr> </table> | <b>Complaint Information</b> | Information about complaints received in relation to the product during the reporting period, and if complaints were received, a description of the number of complaints and the nature of the complaints received and other complaint information set out in paragraph RG 271.182 of Regulatory Guide 271 Internal dispute resolution.<br><br>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the end of each reporting period. | <b>Financial Difficulty</b> | Information about customers experiencing financial difficulty related directly to the appropriateness of the product of which the distributor becomes aware.<br><br>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the end of each reporting period. | <b>Distributor Feedback</b> | Information discovered or held by the distributor that suggests that the determination may no longer be appropriate.<br><br>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the end of each reporting period. | <b>Significant Dealing</b> | Information about any significant dealing in the product that is not consistent with the target market determination of which the distributor becomes aware.<br><br>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after becoming aware of the significant dealing. | <b>Information Requested by Issuer</b> | Information reasonably requested by the issuer.<br><br>The distributor must provide the information by the date requested by the issuer. |
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| <b>Information Requested by Issuer</b>   | Information reasonably requested by the issuer.<br><br>The distributor must provide the information by the date requested by the issuer.   |                              |  |                             |   |                             |   |                            |  |  |  |