

Target Market Determination

Special Residential Investment Loan

Product	Special Residential Investment Loan
Issuer	MyState Bank Ltd ABN 89 067 729 195 ACN 067 729 195 AFSL / ACL 240896
Date of TMD	30 April 2023
Target Market	<p><i>Description of target market</i></p> <p>The features of this product are likely to be consistent with the likely objectives, financial situation and needs of consumers who are:</p> <ul style="list-style-type: none"> aged 18 years or over; and meet the eligibility criteria including MyState’s Mortgage Lending Standard requirements; and are looking to purchase, build or refinance a residential investment property; and require the flexibility of having an offset facility and / or to make additional repayments and redraw funds as required. <p><i>Target Market Rationale</i></p> <p>Whilst variable interest rates may fluctuate, the product benefits consumers within the target market by permitting them to deposit funds into an offset account or to make additional repayments to reduce interest payable whilst retaining the ability to draw on those funds when required. Additionally the product benefits consumers within the target market by having an interest only repayment option which may be preferred in some instances for tax purposes.</p> <p><i>Description of product, including key attributes</i></p> <ul style="list-style-type: none"> Variable interest rate based on the loan amount as a percentage of the property value at the time of purchase or refinance (rate may fluctuate over the loan term) Redraw available for repayments made in advance of minimum required repayments Minimum loan amount \$100,000 Maximum loan term 30 years Maximum Loan to Valuation Ratio (LVR) of 90% Repayment options - principal and interest or interest only (higher interest rates may apply where repayments are interest only) Repayment frequency – weekly fortnightly or monthly Establishment fee is payable (A higher fee may apply where the loan amount is above 80% of the value of the property) Nil ongoing monthly or annual fees

	<ul style="list-style-type: none"> • Nil redraw fee for redraw conducted via internet banking (a fee applies for staff assisted redraw) • Lenders Mortgage Insurance applies if loan amount is greater than 80% of the value of the property <p><i>Classes of customers for whom the product may not be suitable</i> This product may not be suitable for customers who:</p> <ul style="list-style-type: none"> • do not meet the eligibility requirements; • require the certainty of fixed repayments over a term of the loan; • do not anticipate making extra repayments above the required minimum and do not require redraw features on their residential investment loan; • do not require an offset facility (having an offset may come with a higher establishment fee in addition to monthly fees); • are looking to purchase or refinance an owner occupied property. 										
Distribution Conditions	<table border="1"> <thead> <tr> <th data-bbox="402 1034 683 1079">Channel</th> <th data-bbox="683 1034 1417 1079">Conditions</th> </tr> </thead> <tbody> <tr> <td data-bbox="402 1079 683 1124">Direct - online</td> <td data-bbox="683 1079 1417 1124">Not available</td> </tr> <tr> <td data-bbox="402 1124 683 1249">Direct – by phone</td> <td data-bbox="683 1124 1417 1249">Only authorised bankers are permitted to assist consumers with this product, as these staff will have the necessary training, skills and knowledge to assess whether the consumer is within the target market.</td> </tr> <tr> <td data-bbox="402 1249 683 1375">Direct – in branch</td> <td data-bbox="683 1249 1417 1375">Only authorised bankers are permitted to assist consumers with this product, as these staff will have the necessary training, skills and knowledge to assess whether the consumer is within the target market.</td> </tr> <tr> <td data-bbox="402 1375 683 1541">Third party – Accredited mortgage brokers</td> <td data-bbox="683 1375 1417 1541">All applications must comply with our policies and procedures issued to accredited brokers from time to time. Accredited mortgage brokers will have the necessary training, skills and knowledge to assess whether the consumer is within the target market or is in the best interests of the consumer.</td> </tr> </tbody> </table>	Channel	Conditions	Direct - online	Not available	Direct – by phone	Only authorised bankers are permitted to assist consumers with this product, as these staff will have the necessary training, skills and knowledge to assess whether the consumer is within the target market.	Direct – in branch	Only authorised bankers are permitted to assist consumers with this product, as these staff will have the necessary training, skills and knowledge to assess whether the consumer is within the target market.	Third party – Accredited mortgage brokers	All applications must comply with our policies and procedures issued to accredited brokers from time to time. Accredited mortgage brokers will have the necessary training, skills and knowledge to assess whether the consumer is within the target market or is in the best interests of the consumer.
Channel	Conditions										
Direct - online	Not available										
Direct – by phone	Only authorised bankers are permitted to assist consumers with this product, as these staff will have the necessary training, skills and knowledge to assess whether the consumer is within the target market.										
Direct – in branch	Only authorised bankers are permitted to assist consumers with this product, as these staff will have the necessary training, skills and knowledge to assess whether the consumer is within the target market.										
Third party – Accredited mortgage brokers	All applications must comply with our policies and procedures issued to accredited brokers from time to time. Accredited mortgage brokers will have the necessary training, skills and knowledge to assess whether the consumer is within the target market or is in the best interests of the consumer.										
Review Triggers	<p>The review triggers that may reasonably suggest that the TMD is no longer appropriate include where there is:</p> <ul style="list-style-type: none"> • A significant dealing in the product to customers outside the target market; • A significant number of customer complaints in relation to their purchase or use of the product during the preceding 6 months; • A material change to the product or the terms and conditions; e.g. a material increase in interest rates or fees • A material change in the regulatory environment; • A significant number of loans for the product have been subject to a hardship variation; 										

	<ul style="list-style-type: none"> • A significant number of customers that have switched to alternate products whilst the product is still offered; • Regulatory attention relating to the design or distribution of the product; • Adverse media coverage relating to the design or distribution of the product. 									
Review Periods	<p>Last review date: 18 April 2023 Periodic reviews: every two years after the initial review</p>									
Distribution Reporting Requirements	<p>The following information must be provided to MyState by distributors who engage in retail product distribution conduct in relation to this product.</p> <p>Please send information to: DDOReporting@mystate.com.au</p>									
	<table border="1"> <thead> <tr> <th>Type of Information</th> <th>Description</th> <th>Reporting period</th> </tr> </thead> <tbody> <tr> <td>Complaints</td> <td>Number (and nature) of complaints</td> <td>Every 6 months</td> </tr> <tr> <td>Significant dealing(s) (excluding dealings which result from distribution under 'excluded conduct')</td> <td> Description of the significant dealing (e.g. why it is not consistent with the TMD); Why the dealing is significant; How the significant dealing was identified (e.g. complaint(s), review trigger); What steps, if any, have been or will be taken to address the significant dealing. The number of customers affected or potentially affected by the significant dealing. </td> <td>As soon as practicable, and in any case within 10 business days of the significant dealing</td> </tr> </tbody> </table>	Type of Information	Description	Reporting period	Complaints	Number (and nature) of complaints	Every 6 months	Significant dealing(s) (excluding dealings which result from distribution under 'excluded conduct')	Description of the significant dealing (e.g. why it is not consistent with the TMD); Why the dealing is significant; How the significant dealing was identified (e.g. complaint(s), review trigger); What steps, if any, have been or will be taken to address the significant dealing. The number of customers affected or potentially affected by the significant dealing.	As soon as practicable, and in any case within 10 business days of the significant dealing
	Type of Information	Description	Reporting period							
Complaints	Number (and nature) of complaints	Every 6 months								
Significant dealing(s) (excluding dealings which result from distribution under 'excluded conduct')	Description of the significant dealing (e.g. why it is not consistent with the TMD); Why the dealing is significant; How the significant dealing was identified (e.g. complaint(s), review trigger); What steps, if any, have been or will be taken to address the significant dealing. The number of customers affected or potentially affected by the significant dealing.	As soon as practicable, and in any case within 10 business days of the significant dealing								