

# Target Market Determination

## Fixed Rate Home Loan (Home Guarantee Scheme)

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| <b>Product</b>       | Fixed Rate Home Loan (Home Guarantee Scheme)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Issuer</b>        | MyState Bank Ltd ABN 89 067 729 195 ACN 067 729 195 AFSL / ACL 240896                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Date of TMD</b>   | 30 November 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Target Market</b> | <p><b>Description of target market</b></p> <p>The features of this product are likely to be consistent with the likely objectives, financial situation and needs of consumers who:</p> <ul style="list-style-type: none"> <li>are aged 18 years or over and;</li> <li>meet both the Home Guarantee Scheme and MyState eligibility criteria including MyState's Mortgage Lending Standard requirements; and</li> <li>are looking to purchase their first owner occupied residential property; and</li> <li>require the certainty of fixed repayments for the initial term of the loan.</li> </ul> <p><b>Target market rationale</b></p> <p>The product benefits consumers within the target market by allowing them to either:</p> <ul style="list-style-type: none"> <li>purchase a first home to live in with a deposit of as little as 5% without the requirement to pay Lenders Mortgage Insurance; or</li> <li>in the case of eligible single parents with one or more dependent children to purchase a family home to live in with a deposit of as little as 2% without the requirement to pay Lenders Mortgage Insurance.</li> </ul> <p>Whilst the product has a cap on additional repayments and does not permit redraw, the product benefits consumers within the target market by offering them an interest rate which cannot vary during the fixed rate term, making household budgeting easier.</p> <p><b>Description of product, including key attributes</b></p> <ul style="list-style-type: none"> <li>Fixed interest rate for an initial term of 1,2,3 or 5 years</li> <li>\$10,000 additional repayments allowed per annum (redraw not available)</li> <li>Minimum loan amount \$30,000</li> <li>Maximum loan term 30 years</li> <li>Maximum loan to valuation ratio (LVR) of 95% (or 98% for Family Home Guarantee)</li> <li>Repayment options - principal and interest (interest only for construction loans during the period of construction)</li> <li>Repayment frequency – weekly fortnightly or monthly</li> <li>Establishment fee is payable</li> <li>Nil ongoing monthly or annual fees</li> </ul> |

TMD Fixed Rate Home Loan (HGS) v1.3 effective 30 November 2023

This document is applicable to MyState Bank Limited (MyState Bank) ABN 89 067 729 195 AFSL/ACL 240896.  
A wholly owned subsidiary of MyState Limited ABN 26 133 623 962

|                                           | <ul style="list-style-type: none"> <li>Rate lock option available at time of application (a fee applies)</li> <li>Lenders Mortgage Insurance does not apply</li> <li>Extensions to loan amount or loan term are not permissible</li> </ul> <p><b>Classes of customers for whom the product may not be suitable</b><br/>This product may not be suitable for customers who:</p> <ul style="list-style-type: none"> <li>do not meet MyState's eligibility requirements;</li> <li>do not meet Home Guarantee Scheme eligibility requirements;</li> <li>require the flexibility to make additional repayments and redraw funds as required;</li> <li>require an offset facility;</li> <li>are looking to purchase or refinance a residential investment property.</li> </ul>                                                                                                                                                                                                                                                       |         |            |                 |               |                   |                                                                                                                                                                                                                |                    |                                                                                                                                                                                                                |                                           |                                                                                                                                                                                                                                                                                                          |
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| <b>Distribution Conditions</b>            | <table> <tr> <th>Channel</th><th>Conditions</th></tr> <tr> <td>Direct - online</td><td>Not available</td></tr> <tr> <td>Direct – by phone</td><td>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>Direct – in branch</td><td>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>Third party – Accredited mortgage brokers</td><td>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> </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. |
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| Direct - online                           | Not available                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |         |            |                 |               |                   |                                                                                                                                                                                                                |                    |                                                                                                                                                                                                                |                                           |                                                                                                                                                                                                                                                                                                          |
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| <b>Review Triggers</b>                    | <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"> <li>A significant dealing in the product to customers outside the target market;</li> <li>A significant number of customer complaints in relation to their purchase or use of the product during the preceding 6 months;</li> <li>A material change to the product or the terms and conditions of the product occurs which may result in the target market no longer being appropriate;<br/>e.g. a material increase in interest rates or fees</li> <li>A material change in the regulatory environment;</li> <li>A significant number of loans for the product have been subject to a hardship variation;</li> <li></li> <li>Regulatory attention relating to the design or distribution of the product;</li> </ul>                                                                                                                                                   |         |            |                 |               |                   |                                                                                                                                                                                                                |                    |                                                                                                                                                                                                                |                                           |                                                                                                                                                                                                                                                                                                          |

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|                                     | <ul style="list-style-type: none"><li>Adverse media coverage relating to the design or distribution of the product.</li></ul>                                                                                                     |
| Review Periods                      | <p><b>Last review date:</b> 20 November 2023</p> <p><b>Periodic reviews:</b> every 2 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:</p> <p>DDOReporting@mystate.com.au</p> |
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