Target Market Determination

Complete Variable Home Loan

Start date: 31 May 2024

Next review due: By 30 May 2026

Review period: At least every 24 months from the start date of this Target Market Determination

What is a Target Market Determination?

A Target Market Determination (TMD) describes the cohort of customers that the product is targeted at (the Target Market) and any conditions around how the product is distributed to customers (the Distribution Conditions).

It also describes the events or circumstances where we are required to review the Target Market Determination for a financial product (the Review Triggers).

Why does Bankwest need to have Target Market Determinations?

We're required to have Target Market Determinations under law. The purpose of the law is to make sure customers are at the centre of our approach when designing and distributing our financial products.

This document is not a substitute for the product's Terms and Conditions or other disclosure documents. When making a decision about this product, customers must refer to the relevant Product Disclosure Statement (PDS), Terms and Conditions, or other disclosure documents.

Target Market

The table below matches the Product Attributes to the Objectives and Needs of the Target Market for this Product. Bankwest has assessed that the Product - including its Key Attributes - are likely to be consistent with the Objectives and Needs of the Target Market.

Objectives and Needs	Product Attributes
Require a home loan with a range of features including a variable interest rate	• The home loan facility has a variable interest rate meaning that repayments will vary based on changes to the interest rate.
Require a home loan for any of the following purposes: • Purchasing, refinancing, renovating, or accessing equity in an established residential owner occupied or investment property; • Off the plan purchase; • Purchase of land; • Personal needs or personal investments; and/or • Building and construction finance.	• The loan amount can be used for any one or more of the listed purposes.
The ability to access benefits under a Complete Home Loan Package	• On payment of an annual fee, customers can access benefits available under a Complete Home Loan Package include adding multiple offset accounts, an eligible credit card and waiver of certain fees (e.g. application fee, offset fees and annual fee on each borrower's eligible credit card).
The ability to make unlimited additional repayments	• Unlimited additional repayments (including the ability to pay the loan out early) can be made (without additional charge).
Access to a redraw facility	• A redraw facility enables customers to access surplus funds made over and above the minimum required repayments.
The ability to switch between principal and interest and interest only repayments	• Subject to approval, a customer can switch between principal and interest, and interest only repayment methods (conditions apply).
Choice of repayment frequencies	• Monthly, fortnightly and weekly repayment frequencies are available for principal and interest repayments. • Monthly repayment frequencies only are available for interest only payments.

Objectives and Needs	Product Attributes
	• Customer initiated repayments are also available.
The option to link a 100% offset facility	• Up to nine offset accounts in the same name as the loan account can be linked to the Complete Variable Home Loan, where money deposited into the offset account reduces the interest payable on the home loan (A separate Target Market Determination has been made for this product, refer to www.bankwest.com.au/target-market-determinations).

Financial Situation

The Financial Situation of the Target Market are customers that:

- meet Bankwest's credit assessment criteria which includes demonstrating the capacity to make the required repayments and the ability to pay off the loan without substantial hardship; and
- will pay Lenders Mortgage Insurance (LMI), when the customer has a deposit less than 20% of the purchase price (exceptions apply), unless there is a guarantor who supports the loan by providing additional security that is acceptable to Bankwest.

Bankwest views that its processes in place, including assessing the customer's ability to service the home loan facility, will mean that the product will likely be consistent with the Financial Situation of the Target Market.

Eligibility criteria for the Product

To hold this product, customers will need to satisfy certain eligibility criteria, including that customers must:

- Be an individual (including trustee of a family trust) 18 years of age or older; and
- Be an Australian citizen or Australian permanent resident. (Limited exceptions may apply subject to conditions.) or
- Be an Australian corporate trustee as trustee for a family trust (provided the corporate trustee is a non-trading entity) and the family trust beneficiaries are all individuals.

and

Provide sufficient security in accordance with Bankwest's credit assessment criteria, including:

- Acceptable residential mortgage; and
- (Where required) a guarantor who supports the loan by providing additional security.

Minimum loan limits and other eligibility criteria apply for the Complete Home Loan Package.

Distribution Conditions

Bankwest will have oversight over how the product is promoted and issued. The product can only be distributed to customers in accordance with Bankwest's product and process requirements. All customers must satisfy Bankwest's credit assessment criteria which demonstrates the customer's capacity to service the home loan facility. In addition, the below table identifies the distribution channels which the product can be sold through and sets out the conditions that apply to each channel. Bankwest views that the conditions specified are appropriate and are of a nature that it will be likely that the product will be distributed to the Target Market.

Proprietary:

Distribution Channels	**Conditions that make product distribution through the channel appropriate**
Staff assisted channels (e.g. trained lenders, home lending specialists or private bankers and relationship managers) Note: The only distribution channel for trust borrowers is through a relationship manager (limited exceptions may apply)	Bankwest staff that distribute this product: • are specialists who are appropriately trained and accredited to meet Bankwest's qualification requirements; • understand and are able to discuss the features, rates/fees of the product and the key differences between home loan products; • must follow procedures that outline application eligibility and processes, including scripting; • have access to product resources such as home loan comparison tools, borrowing and repayment calculators, stamp duty & upfront cost calculator, pricing tool; and • are monitored through controls such as sample call/conversation monitoring or sampling applications for errors to ensure proprietary distribution adheres to procedures.
Online channels (e.g. Bankwest website, Bankwest Online Banking/App)	The product cannot be distributed through online channels - however a home loan enquiry may be made online. Bankwest's online channels provide customers with access to: • home loan comparison tools that assist customers to select a suitable product; • information about the products with a

Distribution Channels	Conditions that make product distribution through the channel appropriate
	summary of key benefits, and rates/fees, in an easy to navigate format; and • home loan calculators to estimate their borrowing, repayments and other costs of buying a property. A home loan enquiry made through an online channel will be directed through to a staff assisted channel.

Third Party:

Distribution Channels	Conditions that make product distribution through the channel appropriate

Accredited third party brokers	Bankwest only permits third parties to distribute this product who are approved aggregators and their authorised brokers who have been accredited by Bankwest. Bankwest also requires that:
	• Aggregators responsible for third party brokers involved in the distribution of the product comply with their agreement in place with Bankwest and must procure compliance by their authorised brokers with:
	  • Bankwest's mortgage broking requirements; and
	  • Their legal obligations, which includes the obligation for brokers to act in the best interests of their client when providing credit assistance.
	• Third party brokers meet Bankwest's accreditation requirements which includes holding appropriate qualifications, industry membership and authorisations to engage in credit activities, as well as completion of background checks.
	If aggregators and their authorised brokers fail to comply with the above requirements, it may result in Bankwest terminating their authority to distribute this product

Review Triggers

If any of the below review triggers occur, or if an event or circumstance has occurred that would reasonably suggest that the TMD may no longer be appropriate, Bankwest will undertake a review of this TMD.

Information Type	Description
Customer Outcomes	Unexpected trends in customer outcomes which are significantly inconsistent with the intended product performance, including: • Customers who do not hold an offset account or credit card as part of the Complete Home Loan package and whose loan account limit falls below a threshold; and • Customers in hardship arrangements.
Complaints	Unexpected trends in complaints received from customers who acquired the product, which relate to the customer's purchase or use of the product, for example: • Distribution (e.g. misrepresentation or misselling from staff); Product suitability (e.g. sale of a variable rate home loan to a customer that prefers the certainty of a fixed rate); and • Product attributes (e.g. complaint arising from a customer not taking advantage of optional features under the Complete Home Loan package).
Incident Data	A material incident or significant number of incidents in relation to the product's design or distribution, identifying potential breaches of our legal or regulatory obligations.
Changes to the Product	The material alteration of the product or product Terms and Conditions (e.g. adding to, removing or changing a key product attribute; significant change to distribution channel and distribution strategy).
Significant Dealings	Any significant dealing of the product to customers who are outside of the Target Market.
Notification from ASIC	The receipt of a product intervention power order from ASIC requiring Bankwest to immediately cease retail product distribution conduct in respect of the product.

Review Trigger Information Reporting Requirements

The following information must be provided to Bankwest by all third parties responsible for the retail product distribution conduct of this product in accordance with this TMD, within the required timeframes:

Information Type	Description	Time Frame for Reporting
Product complaints data	Information relating to complaints received including number of complaints, third party distributor identifier information, product name and complaint verbatim.	Quarterly and in any case no later than 10 business days from the end of the quarter.
Significant Dealings	Any significant dealing of the product to customers who are outside of the Target Market.	As soon as practicable and in any case no later than 10 business days after becoming aware.

Product Issuer: Bankwest, a division of Commonwealth Bank of Australia
ABN 48 123 123 124 AFSL and Australian credit licence 234945