

BASE VARIABLE RATE HOME LOAN

TARGET MARKET DETERMINATION (TMD)

Issuer	Police Financial Services Limited ABN 33 087 651 661 trading as BankVic AFSL and Australian Credit Licence 240293
Date of Target Market Determination	5 th October 2021
Description of Target Market (TM)	BankVic's Basic Variable Rate provides customers with a basic, low cost home loan to fund buying, building, or refinancing a home.

PRODUCT

/ Features of this product

- A basic variable interest rate home loan that provides funding for the purpose of buying or building a home.
- This product has a low interest rate with basic home loan features that serve to minimise the overall cost of the loan.
- Borrowers can make additional repayments or more frequent repayments at no cost to pay off the loan more quickly.
- This loan provides the option to apply for additional funding against the property, referred to as a top up.
- Repayments cover principal and interest unless the loan has been set up to fund the construction of a property.
- Funding can be provided for property under construction on interest only terms for the period of the build (up to 24 months), after which repayments will revert to principal and interest.

/ Eligibility criteria

- Eligible for BankVic membership
- Aged 18+ years
- No history of loan/credit default, bankruptcy, or insolvency
- Has sufficient disposable income to service a loan over the life of the loan
- Has the funds to meet minimum deposit requirements
- Approval subject to BankVic credit assessment.

/ Unsuitable

This product's key features, attributes and eligibility criteria as listed above are likely to be consistent with the objectives, financial situation and needs of customers in the Target Market.

This product is unsuitable for people who:

- Don't meet BankVic membership eligibility
- Are looking for a home loan with a fixed interest rate and repayment amount
- Are looking for a full feature home loan with offset account or package benefits
- Are looking for an interest only loan (other than to cover construction)

PURPOSE

/ Target Market's likely objectives

- Funding to build, buy or refinance a property to live in
- A low cost basic home loan
- Option to top up the loan to fund home improvements or other expenses



/ Target Market's likely needs

- A home loan to build, buy or refinance a property
- Access to personalised guidance and support from an experienced lender
- Individual assessment of loan serviceability

/ Target Market's likely financial situation

- Has sufficient disposable income to service a home loan over the life of the loan
- Has the funds to meet minimum deposit requirements
- May require the backing of a family guarantor
- Regular income may include overtime and bonuses

/ Target Market accessibility

- BankVic website, mobile app and internet banking
- BankVic home loan specialists
- BankVic branches
- Other distributors: partner referrals
- Funds can be deposited or accessed (in the case of redraw) using digital banking applications and during operating hours through a BankVic branch

Conditions: customers must meet the product eligibility requirements

/ TMD review triggers

- Material changes to the key product features, attributes, eligibility and/or terms and conditions
- Material increases in member complaints about the product or distribution of the product
- Government policy or regulatory change

/ TMD review period

- Minor review every 12 months
- Major review every 3 years

/ Distributor information reporting requirements

Reporting requirements

Complaints (as defined in section 994A(1) of the Act) relating to the product design, product availability & distribution. The distributor should provide all the content of the complaint, having regard to privacy.

Significant dealing outside of the Target Market, under s994F(6) of the Act. Reporting to include the dates, description, and volumes of the significant dealings.

Reporting period

Within 10 business days following end of calendar quarter.

As soon as practicable but no later than 10 business days after the distributor becomes aware of the significant dealing.

About this document

This Target Market Determination (TMD) describes the type of customer who may suit this product based on their needs, objectives, and financial situation i.e. the target market. It also sets out who can distribute our products, how they can do this, and situations when we may need to review our products and the target markets. This document does not replace the terms and conditions or fees and charges applicable to the product which are available on our website.

We are required to have TMDs under the Treasury Laws Amendment (Design and Distributions Obligations and Product Intervention Powers) Act 2019. This ensures that BankVic is keeping our members at the centre of our approach to the design and distribution of our products.