First Home Loan

1. ABOUT THIS DOCUMENT

This Target Market Determination (TMD) is a publicly available document required under section 994B of the Corporations Act 2001 (Cth). It seeks to provide consumers, distributors and staff with an understanding of the class of consumers and therefore the target market for which this product has been designed, having regard to the objectives, financial situation and needs of the target market.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Members must still refer to our Financial Services Guide (FSG) and any supplementary documents which outline the relevant terms and conditions relating to the product when making a decision about this product.

Please see the Terms & Conditions and Financial Services Guide (FSG) to which this Target Market Determination applies.

Date from which this Target Market Determination is effective: 31st October 2025

2. CLASS OF CONSUMERS THAT FALL WITHIN THIS TARGET MARKET

The information below summarises the overall class of consumers that fall within the target market for this product, based on the product key attributes and the objectives, financial situation and needs of our members that it has been designed to meet.

This product has been designed for consumers whose likely objectives, financial situation and needs (as listed below) are aligned with the product (including the key attributes).

- This product is suitable for first home buyers aiming to purchase their first home to be used for owner occupier purposes; and who require a mortgage loan to fulfil the desired outcome. With assistance from Housing Australia this product is for those that have less than a 20% deposit, meet the Australian Government 5% Deposit Scheme criteria and do not want to take out Lenders Mortgage Insurance.

Product description and key attributes

The key eligibility requirements are:

- Eligible for the Housing Australia Scheme
- Be an existing, or intend on becoming a member of the Bank
- Be a permanent resident of Australia and 18 years of age or over
- Must meet the Bank's Credit criteria.

The key product attributes are:

- No monthly account keeping fee
- No annual fee
- Redraw facility available
- Option to split home loan into variable and fixed option
- Repayment frequency options: Weekly, Fortnightly, and Monthly
- Available for construction purposes
- Principal and Interest (P&I) repayments with option (subject to eligibility) of an Interest Only period.

Variable rate - key attributes:

- Unlimited additional repayments (Flexibility to make unlimited additional repayments and access the additional funds at any time)
- Offset facility, available on Principal & Interest home loans only
- Interest Only repayments available (Maximum 5 years term).

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Fixed rate - key attributes:

- 1-, 2-, 3- and 5-Year Fixed terms
- Up to $9,999 additional repayments per calendar year of the fixed term (Redraw access allowed for any additional repayments made to the loan whilst on a fixed period)
- Can switch to Principal and Interest repayment option for Fixed Loans at the end of the term

Fixed and Variable - key attributes:

- Members can get the best of both worlds and get the flexibility of having both a variable or fixed loan, by splitting their loan amount

Objectives, financial situation, and needs

This product has been designed for individuals who:

- Have or plan to acquire their first residential property for owner occupied purposes
- Are buyers looking to purchase a home to live in, land or a house and land intended to be lived in by the owner
- Are Owner Occupiers have set objectives when repayments are set to Principal and Interest, this repayment choice allows the customer to achieve their needs by increasing capital growth in their property, enabling them to sustain financial growth and/ or expand their home ownership portfolio by paying down principal or are Owner Occupiers who have set objectives when repayments are set to interest only
- Have a deposit that meets the Housing Australia criteria for their circumstances
- Looking to achieve the optimal structure of their loan by capitalising on the benefit of the products flexibility
- Owner Occupier's planning to establish residential security for long term sustainability
- Are looking for certainty around repayment whilst on a fixed rate.

Consistency between target market and the product

This product is likely to be consistent with the likely objectives, financial situation and needs of the class of customers in the target market. This is based on an analysis of the key terms, features and attributes of the product and a finding that these are consistent with the identified class of customers.

This product enables Owner Occupiers to take advantage of the flexibility of the product whilst making principal and Interest repayments. These options include flexible repayment options, through the choice of variable rate, fixed rate, or a split between both options.

The Variable rate option offers additional flexibility by allowing unlimited additional repayments to be made. This rate isn't locked in, so it is suitable for those wanting to take advantage of any rate decreases over the loan's term. This option also allows for additional cash flow, as members can redraw on any extra repayments made.

The Fixed rate options provide certainty, as borrowers know their repayments won't change during the fixed rate term. Will not be impacted by interest rate fluctuations during the fixed term, however there is limited flexibility however as additional repayments are limited during the fixed term.

Excluded class of consumers

This product has not been designed for individuals who:

- Do not meet the Australian Government 5% Deposit Scheme criteria
- Are not members of Police Bank
- Do not meet the Bank's Credit eligibility criteria at time of application
- Seeking a home loan for investment purposes.

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3. HOW THIS PRODUCT IS TO BE DISTRIBUTED

Distribution conditions

This product can only be distributed and/or in accordance with the relevant product terms and conditions as outlined in the Terms and Conditions and other relevant material (as amended from time to time). This product is designed to be distributed through:

- Online through the Bank's Website
- In-store retail branch network
- Relationship Banking Team

This product should only be distributed under the following circumstances:

- An existing, or becoming a member of the Bank
- Be 18 years of age or over and demonstrated ability to make repayments
- In line with any Australian Government 5% Deposit Scheme criteria requirements
- Access the product though the appropriate distribution channels

Adequacy of distribution conditions and restrictions

The Bank's application process has been tailored to identify the Target Market described in this TMD as part of the eligibility criteria for the product covered by this TMD, and the use of the Bank's application process would make it more likely that a product covered by this TMD will be acquired by persons in the Target Market.

4. REVIEWING THIS TARGET MARKET DETERMINATION

We will review this Target Market Determination in accordance with the below:

Periodic reviews	At least every 12 months from the effective date.
Review triggers or events	Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but is not limited to): • If we make a material change to the design or distribution of the product, including related documentation; • If significant inconsistencies occur while dealing in the product; • If any other event occurs indicating that this TMD may no longer be appropriate; • An alteration in the eligibility criteria, lending criteria or application process; • Identified systemic issues in the product or across the product lifecycle; • Relevant material external events such as relevant litigation, adverse media coverage or regulatory attention; • Relevant feedback, information or notification received from distributor, regulators such as ASIC or APRA or other interested parties; • Significant changes in metrics. These include sales, portfolio changes, risk tolerance, loss ratios and complaints; and • Any significant dealings that are inconsistent with the TMD

Where a review trigger has occurred, this Target Market Determination will be reviewed within 10 business days.

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5. REPORTING AND MONITORING THIS TARGET MARKET DETERMINATION

We may collect the following information from our distributors in relation to this TMD.

Complaints	The Bank will report all complaints in relation to the product covered by this TMD on a quarterly basis. This will include but not limited to the number and nature of complaints received regarding the product's design, key attributes and distribution.
Significant dealings	The nature and the circumstances of the significant dealing (including why the dealings occurred outside the Target Market), the date range of when the significant dealing occurred, the number of consumers to whom the report relates and whether consumer harm or detriment has or likely occurred as a result of the significant dealing. The Bank will report if they become aware of a significant dealing in relation to this TMD within 10 business days.
Sale and Transaction Data	Distribution information required e.g. transaction data, outcomes from sale practices like promotions and monitoring on a monthly basis. Member data relevant to sale.