

ANZ STANDARD VARIABLE RATE HOME LOANS

TARGET MARKET DETERMINATION

PURPOSE OF THIS DOCUMENT

ANZ is legally required to prepare this Target Market Determination (TMD). The TMD describes the class of customers the product has been designed for, the conditions under which the product must be distributed and how ANZ will review this document so it remains appropriate.

TARGET MARKET

ANZ has identified the target market for ANZ Standard Variable Rate Home Loans and the key attributes of the product that meet the needs, objectives and financial situation of customers in the target market as follows:

ANZ Standard Variable Rate Home Loans have been designed for customers who:	Key attributes of ANZ Standard Variable Rate Home Loans that make the product appropriate for the target market:
<ul style="list-style-type: none">• Are seeking a term loan for consumer or investment purposes, that is paid off over time with regular payments;	<ul style="list-style-type: none">• Term: Term loan of at least 1 year and up to 30 years in duration.• Repayment profile: Customers make regular, scheduled repayments to pay down the loan balance over the term.
<ul style="list-style-type: none">• Can provide residential property security;	<ul style="list-style-type: none">• Security: Customers must be able to provide residential property to secure the loan.
<ul style="list-style-type: none">• Require flexibility to make unlimited early repayments without costs, to access those early repayments made to the loan (except for loans in a company name) and, for loans for construction purposes, to progressively drawdown the loan for some or all of their borrowings;	<ul style="list-style-type: none">• Interest rate: A variable interest rate means the applicable interest rate (and therefore minimum repayments) can increase or decrease during the loan term.• Early Repayment: Customers are able to make early repayments to their loan at no cost and, if redraw has been selected by the customer, to access those repayments made in advance through a redraw facility (except for loans in a company name).• Drawdown: Flexibility is also provided through the ability to drawdown the loan progressively for loans for construction purpose.
<ul style="list-style-type: none">• May also seek additional initial interest only options or features such as ANZ One offset account; and	<ul style="list-style-type: none">• Interest only: An initial term may be agreed where the scheduled repayments are interest only (for up to 10 years for residential investment loans; 5 years for owner occupied loans).• Offset account: ANZ One offset account can be linked to the home loan.
<ul style="list-style-type: none">• Can satisfactorily demonstrate that they are able to afford to repay the loan.	<ul style="list-style-type: none">• ANZ processes: ANZ applies its affordability and suitability checking process to assess whether the product is consistent with the customer's needs and objectives and confirm the customer's ability to repay the loan.

DISTRIBUTION CONDITIONS

ANZ applies the following conditions and restrictions to the distribution of ANZ Standard Variable Rate Home Loans so that the product is likely to be provided to customers in the target market.

These conditions and restrictions:

- limit the channels through which the product can be provided;
- ensure those who distribute the product are adequately trained and accredited; and
- ensure ANZ only distributes the product in accordance with a consistent application and assessment process.

	Condition	How does this make the distribution appropriate?
Channel	<p>ANZ Standard Variable Rate Home Loans are only available to customers through the following channels:</p> <ul style="list-style-type: none"> • ANZ Branches, ANZ Private, ANZ Customer Contact Centre; • Online channels (applications can be commenced through anz.com, ANZ App or Internet Banking but no distribution can occur through these channels); • ANZ Mobile Lenders (credit representatives who provide services in relation to ANZ loans); and • ANZ accredited brokers. 	<p>By limiting channels, ANZ can ensure that applications for ANZ Standard Variable Rate Home Loans are only received through channels that are subject to appropriate conditions, controls and/or monitoring.</p>
Training & Accreditation	<p>ANZ Standard Variable Rate Home Loans can only be provided to customers by ANZ directly through authorised ANZ staff or through:</p> <ul style="list-style-type: none"> • ANZ Mobile Lenders who are accredited and trained; and • ANZ brokers who are accredited and given instructions to an appropriate level for their tasks. 	<p>By applying training and accreditation standards to ANZ staff and third parties who distribute the product, ANZ is ensuring:</p> <ul style="list-style-type: none"> • background checks are conducted on relevant individuals; • those distributing the product hold appropriate qualifications, are authorised to engage in distribution activities and are appropriately trained and accredited to ANZ standards; and • those distributing the product understand the distribution process ANZ requires them to follow, as well as the legislative framework relevant to their activities.
Process	<p>ANZ Standard Variable Rate Home Loans can only be provided to customers after ANZ collects the required customer information (including being provided information by ANZ Mobile Lenders and ANZ accredited brokers where relevant) and applies its affordability and suitability checking processes.</p>	<p>By applying its affordability and suitability checking process, ANZ assesses whether the product is consistent with the customer's needs and objectives and confirms the customer's ability to repay the loan.</p> <p>ANZ's process includes measures to:</p> <ul style="list-style-type: none"> • collect relevant financial information from customers (either directly or through ANZ's third party distribution channels); • analyse that information and assess whether the customer will be able to meet their financial obligations; and • make enquiries with customers about what they will use the loan for and what loan features they require so that the product is likely to be consistent with their needs and objectives.

REVIEW OF THE TARGET MARKET DETERMINATION (TMD)

ANZ will review the TMD periodically to ensure it remains appropriate.

Periodic Reviews of the TMD	Timing
<ul style="list-style-type: none">• Initial review	<ul style="list-style-type: none">• No later than 18 months from the date the TMD is made.
<ul style="list-style-type: none">• Subsequent ongoing review	<ul style="list-style-type: none">• No later than 18 months from the date of the previous review.

Review Triggers

In addition, ANZ will review this document earlier if one or more of the following review triggers occurs, where they reasonably suggest that the TMD is no longer appropriate:

- There is a material change to the product or its distribution. For example, a change to a key product attribute or a material change to a distribution channel.
- There is a change in law or its application, a change in relevant industry code, an AFCA determination, a court decision, or ASIC or other regulatory guidance or action that materially affects the product. For example, if a change in the law requires ANZ to change or remove a key product attribute, or a product intervention order is made by ASIC in respect of the product.
- There is a significant increase beyond expected levels in complaints or disputes, or a significant change in the nature of complaints or disputes relating to the product.
- ANZ has information about the way in which the product is being distributed, operating or being used by customers that reasonably suggests the TMD is no longer appropriate. For example, ANZ will monitor:
 - number of accounts that customers opt to close shortly after the product is issued;
 - number of accounts where customers are in default at an early stage; and
 - unexpected changes in sales trends, including a significant decline in the proportion of customers selecting this product.
- Any other event occurs or information is received (for example, significant dealings in the product that are not consistent with the TMD) that reasonably suggests the TMD is no longer appropriate.

REPORTING

Regulated Persons must provide the following information to ANZ:

Category	Description	Reporting period	Reporting timeframe
Complaints	<ul style="list-style-type: none">• Whether any complaints relating to the product were received during the reporting period; and• If so:<ul style="list-style-type: none">- the number of complaints received during the reporting period; and- the substance of those complaints and any general feedback relating to the product or its performance.	Every calendar quarter.	As soon as practicable and in any case within 10 business days of the relevant reporting period.

In addition, ANZ accredited brokers must provide the following information to ANZ:

Category	Description	Reporting period	Reporting timeframe
Regulator feedback	Any other significant feedback from a regulator or consumer group which relates to the suitability of the product or its distribution.	Every calendar quarter.	As soon as practicable and in any case within 10 business days of the relevant reporting period.
Significant dealings	<ul style="list-style-type: none">• Date(s) the significant dealing occurred;• Description of the significant dealing and why it is not consistent with the TMD;• Why the dealing is significant;• How the significant dealing was identified; and• What steps, if any, have been, or will be, taken in relation to the significant dealing.	See reporting timeframe.	As soon as practicable and in any case within 10 business days of becoming aware of the significant dealing.

IMPORTANT INFORMATION

This target market determination is not a recommendation, opinion or advice that any person acquire the product or is within the target market for the product. It does not summarise the terms or risks of the product and is not an offer of, or invitation to apply for, the product to any person in Australia or elsewhere. It does not set out all obligations of regulated persons in relation to the product or this target market determination. Go to <https://www.anz.com.au/support/rates-fees-terms/target-market-determinations/> for more information about target market determinations. Go to <https://www.anz.com.au/personal/home-loans/compare-home-loan/standard-variable-rate/> for information about the product.