

TARGET MARKET DETERMINATION

1. INTRODUCTION

About this document

This target market determination (TMD) is a document of Horizon Credit Union Ltd trading as Horizon Bank [**Horizon**]. This TMD seeks to give our customers, staff, product distributors, and other interested parties an understanding of the class of consumers for whom the product described has been designed, how the product is distributed, and related matters. This TMD is not, and should not be construed as, a full summary of the product's Terms and Conditions. Nor is it a substitute for the provision of financial advice. When deciding about the product, consumers should refer to the product's Terms and Conditions set out in the loan contract.

Product to which this Target Market Determination applies

This TMD applies to the First Home Buyer Loan (L15) & (L16) [**the product**] referred to in the [key fact sheet](#).

Effective date of this Target Market Determination

This TMD is effective from 31 May 2025

2. CLASS OF CONSUMERS COMPRISING THE PRODUCT'S TARGET MARKET

Below we summarise the class of consumers comprising the target market for the product based on the product's key attributes and the consumer objectives, financial situations, and needs the product has been designed to meet.

Class of consumers

The product has been designed for consumers who require a variable home loan.

Product description, key attributes, and eligibility criteria

Product description	Key Attributes	Eligibility Criteria
Variable rate investment home loan available in two options: L15 – Principal and Interest L16 – Interest Only	No cost redraw facility \$0 Establishment, Monthly, and Annual Fees 100% Offset Account (no fee) Additional and lump sum repayments allowed No early payout penalty	Membership with Horizon Bank is required prior to loan settlement. First home buyer Purchasing an investment property (not owner-occupied) Australian resident, aged 18+ Loan amount ≥ \$250,000 Must meet Horizon Bank's credit criteria LVR up to 95% (LMI required >80%)

Objectives, financial situations, needs

The product has been designed for individuals (outlined below) who:

Consumer Objectives	Financial Situation	Needs product designed to meet
Be looking for a loan term of up to 30 years Require a variable rate structure Require loan-to-value ratio (LVR) of up to 95% (with LMI where applicable) Value low or no fees, redraw flexibility, and offset account functionality	Meets Horizon credit assessment criteria	Requires a loan term of up to 30 years to fund the purchase of an investment property, with borrowing of up to 95% of the property's value.

Consistency with the target market

The First Home Buyer (L15 & L16) product, including its key attributes is likely to be consistent with the likely objectives, financial situation and needs of the class of customers in the target market, as we consider that it provides the required type of banking access, fee structure and transaction allowances for that class of consumer. This has been determined based on an assessment of the product including its key attributes. Individual customers will need to consider whether this product meets their specific objectives, financial situation and needs.

Excluded class of consumers

The product has NOT been designed for individuals who:

- Require a fixed term home loan
- Have previously owned a property
- Intend on occupying the property as their place of residence
- Wish to borrow less than \$250,000
- Have a credit history that does not meet Horizon Bank's lending criteria

3. DISTRIBUTION OF THE PRODUCT

Distribution channels

The product is designed to be distributed through the following means:

- In branch
- Via online banking
- By contacting any branch by phone

Distribution conditions and restrictions

The distribution of the product is subject to the following conditions and restrictions:

- Can only be distributed by Horizon bank staff member who are Tier 2 accredited and have received full training for this product
- Approval is given by a recognised lender with appropriate delegation for the requested loan size.

4. REPORTING BY DISTRIBUTORS AND STAFF OF THE PRODUCT

Significant inconsistent dealings

Staff must report to us immediately when they become aware of a significant dealing in the product that is inconsistent with this TMD.

Complaints

Staff must follow the Horizon complaints process and escalate any matter that is inconsistent with this TMD.

5. REVIEWING THIS TARGET MARKET DETERMINATION

Initial review

We will undertake an initial review of this TMD within 2 years of the effective date (see section 1).

Periodic review

We will undertake periodic reviews of this TMD at least every 2 years from the initial review.

Review triggers or events

We will also undertake a review of this TMD in the following circumstances:

- If we make a material change to the design or distribution of the product
- If a significant inconsistent dealing in the product occurs
- If we receive a significant number of complaints regarding the design or distribution of this product
- If the business performance and value provided by this product indicate the TMD is no longer appropriate.
- If ASIC raises concerns about the product's design or distribution
- If the Australian Financial Complaints Authority or a Court raise concerns about the product's design or distribution
- If the product's design or distribution receive adverse media coverage
- If any other event or circumstance occurs indicating that this TMD may no longer be appropriate.

Where a review trigger or event occurs, we will review this TMD within 10 business days.