

# Target Market Determination

## Digi Home Loan

**Start date:** 21 March 2025

**Next review due:** 24 May 2026

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

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### 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).

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### Why does CommBank 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. CBA 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 variable interest rate that can be applied for online	<ul style="list-style-type: none"> <li>Customers are comfortable to self-serve online, submit their Digi Home Loan application via online channels (e.g. NetBank and CommBank app), and use the CommBank app to complete the application.</li> <li>The home loan account has a variable interest rate meaning that repayments will vary based on changes to the interest rate.</li> <li>Customers have the ability to switch into other CBA home loan products, including fixed rate products.</li> <li>CBA home loan customers cannot switch or internally re-finance into a digital home loan product.</li> </ul>
Require a home loan for any of the following purposes: <ul style="list-style-type: none"> <li>Purchasing, refinancing or renovating a residential owner occupied or investment property</li> <li>Consolidation of personal debt</li> <li>Personal needs or personal investments</li> </ul>	<ul style="list-style-type: none"> <li>The loan amount can be used for any one or more of the listed purposes</li> </ul>
Require a loan amount of \$100,000 or more	<ul style="list-style-type: none"> <li>The minimum loan amount is \$100,000</li> </ul>
Ability to make unlimited payments in excess of the required monthly repayment amount	<ul style="list-style-type: none"> <li>Unlimited additional repayments (including the ability to pay out the loan early) can be made without additional charge</li> </ul>
Access to a redraw facility	<ul style="list-style-type: none"> <li>The home loan account has a redraw facility which enables customers to access additional repayments made over and above the minimum required repayments (conditions apply)</li> </ul>
Ability to link one Everyday Offset account	<ul style="list-style-type: none"> <li>One (but no more than one) offset account can be linked to the home loan account for a monthly Offset Feature fee</li> <li>Credit balances in the Everyday Offset account will reduce the balance on which</li> </ul>



Objectives and Needs	Product Attributes
	<p>interest is charged</p> <ul style="list-style-type: none"> <li>A separate Target Market Determination has been made for the Everyday Offset Account, refer to <a href="http://www.commbank.com.au/tmd">http://www.commbank.com.au/tmd</a></li> </ul>
Ability to switch between principal and interest and interest only repayments	<ul style="list-style-type: none"> <li>Subject to approval, a customer can switch between principal and interest and interest only repayment methods (conditions apply)</li> </ul>

## Financial Situation

The Financial Situation of the Target Market are customers that meet CBA's eligibility and 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
- Customers must have a loan to value ratio of no more than 80% (i.e. at least a 20% deposit), unless postcode restrictions apply which may require a higher deposit amount.

CBA views that its processes in place, including assessing the customer's ability to service the home loan account, 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 individuals 18 years of age and above; and
- Be living in Australia as:
  - An Australian citizen, permanent resident or specified temporary Australian resident;
  - New Zealand citizen; or
  - Overseas citizen co-borrowing with an Australian citizen or permanent resident; or
- Be living and working overseas as an Australian citizen or permanent resident; and
- Provide sufficient security in accordance with CBA's credit assessment criteria, including:
  - Acceptable residential mortgage

## Distribution Conditions

CBA will have oversight over how the product is promoted and issued. The product can only be distributed to customers in accordance with CBA's product and process requirements. All customers must satisfy CBA's credit assessment criteria which demonstrates the customer's capacity to service the credit 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. CBA 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
Online channels (e.g. NetBank and the CommBank app)	<p>The product is distributed through CBA's online channels, where the application process is self-serve and initiated by the customer. If customers require support during the application process, CBA staff may be able to support as required. The CBA website provides customers with key information about this product including its product attributes, applicable rate type and fees. Customers have the ability to discuss this product and their options with appropriately trained staff. Applications commenced through an online channel will be directed through to a staff assisted channel for completion, including further information and verification. Customers may contact CBA for assistance and general enquiries.</p> <p>CBA views that origination through this process is appropriate given customers:</p> <ul style="list-style-type: none"><li>• must meet eligibility requirements;</li><li>• are provided key information about this product through the application process; and</li><li>• have the ability to discuss this product and their options with appropriately trained staff.</li></ul>

#### Third Party:

Distribution Channels	Conditions that make product distribution through the channel appropriate
Accredited third party brokers	The product cannot be distributed through third party channels.

## Review Triggers

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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, CBA will undertake a review of this TMD:

Information Type	Description
Customer Outcomes	<p>Unexpected trends in customer outcomes which are significantly inconsistent with the intended product performance, including:</p> <ul style="list-style-type: none"> <li>• Customers who are paying a monthly Offset Feature fee for the Everyday Offset account but are not utilising its benefits (e.g. have linked an offset account and has minimal offset balance over a period of time)</li> <li>• Customers who have switched out of the product within the first year of funding;</li> <li>• Customers who have originated the product through an incorrect origination channel;</li> <li>• Customers who are in hardship arrangements within the first year of funding; and/or</li> <li>• Customers who have been charged late payment fees</li> </ul>
Complaints	<p>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:</p> <ul style="list-style-type: none"> <li>• Distribution (e.g. website material misleading or misrepresentation or mis-selling from staff);</li> <li>• Product suitability (e.g. sale of Digi Home Loan to a customer that prefers the certainty of a fixed rate); and/or</li> <li>• Product attributes (e.g. inability to access funds in redraw; the funds in the offset account are not being deducted from the loan balance before interest is charged)</li> </ul>
Incident Data	<p>A material incident or significant number of incidents in relation to the product's design or distribution that identify breaches of our legal or regulatory obligations.</p>
Significant Dealings	<p>Any significant dealing of the product to customers who are outside of the Target Market.</p>



Information Type	Description
Notification from ASIC	The receipt of a product intervention power order from ASIC requiring CBA to immediately cease retail product distribution conduct in respect of the product.
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).

## Review Trigger Information Reporting Requirements

The following information must be provided to CBA 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:** Commonwealth Bank of Australia ABN 48 123 123 124 AFSL and Australian credit licence 234945

