Target Market Determination ‘Flex’ Home Loan

Start date	30/10/2025
Next review date	24/11/2026
Issuer	National Australia Bank Ltd (NAB) ABN 12 004 044 937 AFSL and Australian Credit Licence 230686 (NAB).
First and Ongoing Review Period	NAB will complete the first review, and each ongoing review, of the Target Market Determination (TMD) within each consecutive 12-month period from the Start Date.
Product	‘Flex’ is a full feature residential home loan for owner-occupiers and investors. ‘Flex’ home loans are available as principal and interest or interest-only home loans and feature tiered rates by Loan-to-Value Ratio (LVR).

Target market

Target market & key product attributes	**Target market needs and objectives**	**Key product attributes**
	A person seeking a residential home loan with basic features.	‘Flex’ home loan is a residential home loan designed for the primary purposes of purchase or refinance of established Australian residential property. ‘Flex’ may be secured by one or more security properties and has an ongoing fee. ‘Flex’ can be split into one or more portions, allowing for a mix of loan purpose and/or interest rate type (fixed or variable).
	A person that wants the choice of a fixed or variable interest rate, with flexibility in how their home loan is structured and their repayment options.	‘Flex’ home loan allows a choice of fixed or variable interest rates or a mix of the two (split loan) catering to those looking for interest rate certainty as well as those seeking interest rate flexibility. ‘Flex’ home loan is available for principal and interest (P&I) repayments on a weekly, fortnightly and monthly basis.

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Target market & key product attributes *(continued)*		
		'Flex' home loan may be available for interest-only repayments for a defined period, payable on a monthly basis. Subject to credit criteria.
	A person that wants an interest rate that varies. A person wanting the ability to pay down their loan faster by making additional repayments. A person wanting the ability to withdraw extra loan repayments that have been made. A person wanting to benefit from their accumulated savings by using an offset account to reduce the amount of interest charged to them.	'Flex' home loan offers a **variable** interest rate that may move up or down, with: • flexibility to make additional repayments; • the ability to redraw those additional repayments with no fees; • access to 100% interest offset to reduce interest paid each month.
	A person that wants certainty of repayment amounts during a fixed rate period. A person that does **not** want to: • make extra repayments of more than $20,000 during a fixed rate period • access extra repayments of more than $20,000 during a fixed rate period • reduce interest payable by using an offset during a fixed rate period.	'Flex' home loan offers a **fixed** interest rate with: • terms of 1, 2, 3 & 5 years available; • rate lock available for 90 days from the application date • flexibility to make extra repayments of up to $20,000 during the fixed rate term without incurring break costs; • access to redraw up to $20,000 of extra repayments during the fixed rate term without incurring break costs; • no access to offset.
	A person wanting the convenience of being able to conduct their banking when they want.	'Flex' home loan offers the convenience of digital banking via the Ubank mobile app and online banking.
	Consumer financial situation	**Key product attributes**
	A person that has access to sufficient income to meet repayment obligations. A person that has a defined exit strategy to pay any outstanding amounts due at the end of the loan term.	'Flex' home loan requires regular scheduled repayments including: • principal amount • interest repayments

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Target market & key product attributes *(continued)*	A person that is seeking an owner occupied loan with: • principal and interest repayments, with at least a 10% deposit if purchasing (or at least 15% equity if refinancing); or • interest only repayments, with at least 20% equity in their home. A person seeking an investor loan with: • principal and interest repayments, with at least a 10% deposit if purchasing (or at least 20% equity if refinancing); or • interest only repayments, with at least 20% equity in the property.	'Flex' home loan is available for loans that are owner occupied with: • up to 90% LVR with principal and interest repayments if purchasing (or up to 85% LVR if refinancing); or • up to 80% LVR with interest only repayments, and; 'Flex' home loan is available for loans that are for investment purposes with: • up to 90% LVR with principal and interest repayments if purchasing (or up to 80% LVR if refinancing); or • up to 80% LVR with interest only repayments. Each application is limited to up to $2,000,000 when the LVR is over 85%.
	A person that wants to minimise repayments for a defined period by only repaying the interest due on the loan. A person that is able to repay increased principal and interest repayments after the defined interest-only period. A person that does not want to: • reduce the principal owing on a home loan for a defined period; and • reduce the interest repayments for a defined period	This home loan provides access to an interest-only option for a defined period. • only the interest must be paid during the interest-only period. • extra principal payments may be made during the interest-only period for any amount where a variable interest rate applies. .
Eligibility	To be eligible for Ubank's 'Flex' home loan product, customer(s) must: • Be individual(s), aged 18 years and older; • Meet Ubank's income and serviceability requirements; • Be able to offer a first mortgage over established Australian residential property; • Be living in Australia; and • Be an Australian or New Zealand citizen, or permanent resident of Australia.	

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Negative target market	The 'Flex' home loan is not suitable for applicants who: • Don't want to pay more for extra features and don't want ongoing fees; • Want a loan for business purposes; • Want a loan for construction purposes; • Want a loan to purchase or refinance vacant land or commercial property; • Want a loan in the name of a company or trust; • Are seeking a loan with a guarantor; or • Require support via a branch network.
Appropriateness statement	The 'Flex' home loan is considered by NAB to be consistent with the likely objectives, financial situation and needs of the target market because the product offers flexibility to choose either a variable interest rate, a fixed interest rate, or a combination of variable and fixed interest rates. The product also offers an interest offset on variable rate 'Flex' home loans. These are features the target market is seeking.

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Distribution conditions

Condition 1: Authorisation	• Distributors must hold an Australian Credit Licence (ACL) or be an authorised credit representative of an ACL holder; • Distributors must have successfully completed training as determined by NAB, or its representative; • Distributors must comply with the terms and conditions of any relevant distribution agreement or arrangement. This condition ensures distributors are appropriately authorised to provide the relevant regulated financial products/services and will comply with the commercial terms.
Condition 2: General Advice including Marketing	Distributors must only provide general advice (such as marketing) on Ubank home loan products if: • a Target Marker Determination (TMD) for the product has been made, published and has not been withdrawn; • the distributor complies with the terms of the TMD for the product; • ASIC has not issued a Product Intervention Power restricting the publication of general advice for these products by distributors; and • the product information is consistent with the needs, objectives and financial situation of the products' defined target market. Product information is available on Ubank home loan products through public channels such as: • Ubank's Contact Centre; • Ubank's website or mobile app; • television, radio, the internet (including social media), billboards and physical banners, brochures and other marketing material available to the general public; • direct electronic communication including email; and • advertising through comparison sites and rating agencies. This condition is appropriate given the issue of the product is subject to: • the distributor being appropriately authorised to provide the relevant regulated financial products/services in line with the commercial terms (**Condition 1**); and • the distribution being consistent with the likely needs, objectives and financial situation of the target market (**Condition 3**). This will ensure that the product is only issued to persons for whom it will be appropriate, even though these channels may be available to persons outside the target market.

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Condition 3: Distribution conduct	Distribution of the 'Flex' home loan can only occur if: • a TMD for the product has been made, published and has not been withdrawn; • the distributor complies with the terms of the TMD for the product; • ASIC has not issued a Product Intervention Paper restricting the distribution of the product for the distributor; and • the distribution of the product is consistent with the target market needs, objectives and financial situation defined in this TMD. Distribution can occur through: • Ubank home loan specialists; • The Ubank website; or • By referral from accredited brokers who are authorised by aggregators or subaggregators with whom NAB or its representatives maintains a contractual arrangement. Brokers under this Agreement must be accredited. This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market. All applications are assessed against Ubank's credit criteria and in line with responsible lending obligations.

Review Triggers

NAB will review the TMD within 10 business days if an event or circumstance occurs that reasonably suggests that the TMD is no longer appropriate. NAB will notify ASIC as soon as practicable (within 10 business days) if it is found that a significant dealing has occurred that is inconsistent with the TMD and also cease distribution of these products, unless:

- NAB has determined that this TMD continues to be appropriate; or
- a new TMD has been made.

The events and circumstances described below will trigger a review of the TMD where they reasonably suggest that the TMD is no longer appropriate and having regard to Ubank's internal policies. A notice of any relevant review will be published on Ubank's website.

Material complaints	Customer complaints indicate a systemic issue regarding the design and distribution of these products, including: • consumer understanding of the risks, key terms, conditions or key attributes of this product; • credit limit amounts of product; • ability to repay the principal amount and interest amounts owed under the facility; • use of offset facility; • fixed interest rates and fixed interest periods; and • interest-only periods.

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Substantial product change	Ubank makes a substantial change to the product terms, conditions or key attributes, including: • adding to, removing, or changing a key product attribute; • a substantial pricing change which impacts the customer value proposition of the product; and • significant changes to a distribution channel and distribution strategy.
Product performance	Product performance and/or usage indicates that the product is no longer suited to the financial situation, needs and/or objectives of the target market defined in this TMD. This includes monitoring of: • The number of customers closing their 'Flex' home loans early (within 12 months of settlement); • 'Flex' home loan customers experiencing a disproportionate rate of arrears; and • Changes to key product attributes.
Product review outcomes	Information assessed as part of ongoing product governance activities in line with Ubank internal policies, including: • Product performance considering market conditions and other relevant economic factors to the extent these are reasonably known; • The fees and charges connected to the product; and • The way in which the product operates.
Feedback from distributors	Reporting received from distributors, or consistent feedback from distributors which suggests that the target market or product attributes may no longer be appropriate. Refer to **TMD assessment and reporting**.
Significant change to the external environment	Changes in economic and market conditions, law, regulation, or regulatory guidance that materially affects the design or distribution of these products (or class of products to which these products belong) reasonably indicate that the TMD is no longer appropriate.
External notification	NAB receives feedback, regulatory orders or directions from an Australian regulator (including ASIC) or Australian Financial Complaints Authority (AFCA) that suggest this TMD is no longer appropriate.
Significant dealings	Evidence that product or distributor conduct are significantly different to the TMD.

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TMD assessment and reporting

NAB will periodically assess information it has compiled or been provided with to ensure that the TMD for these products continues to be appropriate.

The reporting period for this TMD is quarterly during each calendar year:

- First reporting period ending on 31 March;
- Second reporting period ending on 30 June;
- Third reporting period ending on 30 September;
- Fourth reporting period 31 December.

NAB will keep records of distribution information in relation to currently issued products for up to 7 years.

Distributors must provide any required information as soon as practicable, or within 10 business days after the reporting period unless otherwise specified.

Type of information

Complaint information	Complaints related to risks, key terms, conditions or key attributes of this product, including: • the number of complaints received; • the nature and circumstances of the complaints; • whether or not there has been or is likely to be consumer harm or detriment, and if so, the nature of the harm or detriment; and • steps taken by a distributor (if any) to address the customer concern.
Feedback from distributors	Feedback that the target market or key product attributes may no longer be appropriate, including: • consumer understanding of the risks, key terms, conditions or key attributes of this product; • the credit limit amount for the product; • interest-only period; • ability to repay the principal amount and interest amounts owed under the loan; and • use of and access to offset facility.

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Significant dealings outside of TMD	If a distributor becomes aware of a significant dealing in the product or the distributor conduct, that is not consistent with the TMD, they must notify the issuer in writing as soon as practicable, and in any event within 10 business days after becoming aware. The distributor should include the following information: • Date of significant dealing; • Description of significant dealing and why it is not consistent with the target market; • Why the dealing is significant; • How the significant dealing was identified; • Steps taken or that will be taken (if any) in relation to the significant dealing.
Other information requested by NAB	Any other information requested in writing by NAB from time to time subject to: • the request being necessary to enable NAB to meet its legal and compliance obligations; and • NAB providing at least 30 days prior notice before the end of the reporting period.

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