



Bank of
Melbourne

Target Market Determination (TMD)

This TMD is issued by Bank of Melbourne - A Division of Westpac Banking Corporation ABN 33 007 457 141

Product: This TMD applies to:

- Bank of Melbourne Business Loan
- Bank of Melbourne Fixed Interest in Advance

Effective date: 31 May 2024

Target market class of consumers.

Product description and key attributes.

Bank of Melbourne Business Loan – Variable Rate:

- This product is a term loan for consumers seeking a business loan with a variable interest rate.

Bank of Melbourne Business Loan – Fixed Rate:

- This product is a term loan for consumers seeking a business loan with a fixed rate.

Bank of Melbourne Fixed Interest in Advance

- This product is no longer available for sale, however consumers who are existing holders of a Bank of Melbourne Fixed Interest in Advance product may request allowable variations to their facility.
- The Fixed Interest in Advance repayment option enables consumers to pay interest upfront on their business loans. This can potentially reduce tax liability and consolidate interest repayments into one lump sum payment.

The key product attributes (including the key eligibility requirements) to acquire these products:

Bank of Melbourne Business Loan

Key product attributes:

Bank of Melbourne Business Loan – Variable Rate:

- Variable interest rate;
- Minimum term facility of 30 days with maximum term facility of up to 30 years;
- Repayment types of Interest Only (IO), Principal, Interest and Fees (PIF) or Principal and Interest plus fees (PI);
- Repayment frequencies of monthly, quarterly or half-yearly;
- Interest calculated daily and charged on the last business day of each month;
- Redraw option available to eligible customers;
- Progressive drawdown option available;
- Relevant securities apply; and
- Fees apply.

Key product attributes:

Bank of Melbourne Business Loan - Fixed Rate:

- Fixed interest rate;
- Minimum term facility of 30 days with a maximum facility term of up to 30 years;
- Maximum individual fixed rate periods of 5 years;
- Repayment types of Interest Only (IO), Principal, Interest and Fees (PIF) or Principal and Interest plus fees (PI);
- Repayment frequencies of monthly, quarterly or half-yearly;
- Interest calculated daily and charged on the last business day of each month;
- Relevant securities apply; and
- Fees apply.

Key eligibility requirements:

A consumer is:

- A business entity or an individual 18 years and above, domiciled in Australia; and
- Requires the funding for business or investment purposes other than investment in residential property; and
- Meets the credit criteria and credit policy requirements under an applicable offer for this product.

Bank of Melbourne Fixed Interest in Advance

Key product attributes:

Bank of Melbourne Business Loan - Fixed Interest in Advance

- This product is no longer available for sale, however consumers who are existing holders of a Bank of Melbourne Fixed Interest in Advance product may request allowable variations to their facility;
- Fixed interest rate;
- Minimum term facility of 30 days with a maximum facility term of up to 30 years;
- Repayment types of Interest Only in Advance (IOA);
- Interest can be prepaid for period of up to 13 months, and prepayment is annually;
- Relevant securities apply; and
- Fees apply.

Key eligibility requirements:

A consumer is:

- An existing holder of a Bank of Melbourne Fixed Interest in Advance loan (limited to Bank of Melbourne Fixed Interest in Advance loans only);
- A business entity or an individual 18 years and above, domiciled in Australia; and
- Requires the funding for business or investment purposes other than investment in residential property; and
- Meets the credit criteria and credit policy requirements under an applicable offer for this product.

Class of consumers.

These products are designed for a class of consumers whose likely needs, objectives and financial situation (as set out below) are aligned with the product and the product's key attributes.

These products are for those who:

- Want to obtain a term loan to assist with new business acquisition and expansion, capital investment, property investment, acquisition, or development or refinancing of other lending.
- For the Bank of Melbourne Fixed Interest in Advance loan only, are holders of an existing Bank of Melbourne Fixed Interest in Advance loan.

Needs, objectives and financial situation.

Bank of Melbourne Business Loan is designed for consumers who:

Bank of Melbourne Business Loan – Variable Rate:

- Are business entities with funding needs generally above \$10,000;
- Want to have access to funding for short or long term needs;
- Want the option to choose upfront a variable rate to make additional repayments without penalty or switch to a fixed rate at any time;
- Want a choice of various repayment types;
- Want a choice of repayment frequencies;
- Wish to be able to redraw against additional funds paid;
- Would like progressive drawdown option.

Bank of Melbourne Business Loan – Fixed Rate:

- Are business entities with funding needs generally above \$10,000;
- Want to have access to funding for short or long term needs;
- Want the option to choose upfront a fixed rate for interest certainty during the fixed term period;
- Want a choice in various repayment types;
- Want a choice of repayment frequencies.

Bank of Melbourne Business Loan is not designed for consumers who:

- Are looking to fund working capital requirements;
- Are seeking funding for a predominantly personal purpose.

Bank of Melbourne Fixed Interest in Advance is designed for consumers who:

- Are existing holders of a Bank of Melbourne Fixed Interest in Advance loan; and
- Are business entities with funding needs generally above \$10,000;
- Want to be able to prepay interest in one consolidated lump sum and take advantage of potential tax benefits;
- Want to have access to funding for short or long term needs;
- Want the option to choose upfront a fixed rate for interest certainty during the fixed term period;
- Want a repayment type of Interest Only in Advance (IOA).

Bank of Melbourne Fixed Interest in Advance is not designed for consumers who:

- Are looking to fund working capital requirements;
- Are seeking funding for a predominantly personal purpose;
- Wish to be able to redraw against additional funds paid.

Alignment to target market.

These products are likely to be consistent with the likely objectives, financial situation and needs of the class of consumers in the target market. This is based on an assessment of the key terms, features and attributes of the products and a determination that these are consistent with the identified class of consumers.

Distribution conditions and restrictions:

Distribution channels.

These products are designed to be sold via the following means:

- Through Bank of Melbourne Bankers; or
- Through accredited brokers who refer consumers to Bank of Melbourne Bankers.

Distribution conditions and restrictions.

These products should only be distributed under the following circumstances:

- If a consumer meets the eligibility criteria for these products;

By contacting our Bank of Melbourne Bankers, who:

- are trained and meet role-based accreditation requirements;
- are able to discuss the product features and eligibility, including key differences from other relevant products we offer;
- have access to tools and resources such as product information, product comparison tools, and repayment calculators;
- are required to follow policies, procedures, and systems in relation to eligibility criteria, and assessing the customer’s ability to meet repayment obligations.

Through an accredited broker who:

- is authorised by a Bank of Melbourne accredited aggregator;
- must meet our accreditation requirements, including completion of product training;
- must hold required industry membership;
- must continue to comply with their agreements in place with us;
- have access to resources such as product information.

Only Bank of Melbourne Bankers may decide to issue the product to a customer.

All distribution channels are subject to appropriate controls and/or monitoring.

Appropriateness of distribution conditions and restrictions .

We have assessed that the distribution conditions and restrictions will make it likely that consumers who acquire the products are in the target market. We consider that the distribution conditions and restrictions are appropriate and will direct distribution towards the class of consumer for whom the products have been designed.

TMD reviews.

We will review this TMD in accordance with the below:

Initial review	Within 2 years of the effective date.
Periodic reviews	At least every 2 years from the last review.
Review triggers	<p>The review triggers (which reasonably suggest the TMD is no longer appropriate) that may result in an earlier review of the TMD include material changes to the design or distribution of the products including related documentation, material changes in law or taxation policy that may affect the operation of the products, or:</p> <ul style="list-style-type: none">• Significant changes in metrics. These include complaints and early cancellation volumes;• Any direction from ASIC which requires us to cease distribution of the product;• Distribution conditions found to be inadequate;• Occurrence of a significant dealing.

Distribution information.

We will collect the following information from our distributors directly or indirectly in relation to this TMD.

Complaints	Distributors will report all complaints in relation to the products covered by this TMD on a quarterly (ending in March, June, September and December) calendar basis. This will include written details of the complaints.
Significant dealings	Distributors will report, if they become aware of a significant dealing in relation to this TMD that is inconsistent with this TMD within 10 business days of the date of the distributor becoming aware of the significant dealing.