Target Market Determination (TMD)

This TMD is issued by Westpac Banking Corporation ABN 33 007 457 141

Product: This TMD applies to:

- Fixed Options Home Loan (company entity)
- Fixed Rate Investment Property Loan (company entity)

Effective date: 25 May 2025

Target market class of consumers.

Product description and key attributes.

The Fixed Options Home Loan and Fixed Rate Investment Property Loan have been primarily designed for borrowers who wish to purchase a residential property where the borrower or security is in the name of a company or incorporated trustee.

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

Key product attributes

- Fixed interest rate and set repayment for a selected period between 1 to 5 years;
- The fixed interest rate available on settlement date is applied unless Fixed Rate Lock-In is selected for a fee;
- Additional payments allowed up to a maximum of $30,000 during the fixed rate term without triggering break costs. Additional payments above $30,000 may incur break costs;
- No access to available funds via redraw during fixed rate term;
- At the expiry of the fixed rate period the loan will automatically revert to a variable rate loan;
- Available for owner occupied or investment purposes;
- The optional Premier Advantage Package (the Package) gives borrowers access to benefits including interest rate discounts on their home loan(s). Annual package fee and eligibility criteria apply;
- Repayments:
  - Principal & Interest (P&I) repayments;
  - For company and incorporated trust borrowers:
    - An Interest Only period* is an option (subject to eligibility);
    - Interest In Advance* repayments are also an option (subject to eligibility) for Investment borrowers who have a need to pay up to 12 months interest in advance for cash flow or tax purposes. This feature is not available for Owner Occupied loans.

*Note: Interest Only payments revert to P&I repayments after the Interest Only period. These P&I repayments will be set to reduce the loan balance over the shorter remaining term and will be higher than if P&I repayments were made from the start of the loan, that is, over a longer term.

Key eligibility requirements

- Borrower or security ownership must be in the name of a company or incorporated trustee; and
- Must meet the credit criteria which includes demonstrating the ability to meet repayment obligations.
- Loan must be secured by Australian residential property or a term deposit in Australian dollars.

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.

Needs, objectives and financial situation.

These products are designed for consumers who:

- need a loan where the borrower or security is in the name of a company or incorporated trustee; and
- need interest rate and/or repayment stability during the fixed rate period of the loan; and
- are looking to buy a residential property to live in or for investment purposes; or
- are looking to refinance a home or investment loan from another lender secured by residential property; or
- may be looking to use the equity in the security property for other non residential purposes; or
- want to access benefits including an interest rate discount on their home loan(s) applied under a Package; and
- are able to meet repayment obligations.

These products are not designed for consumers who:

- need a loan where the borrower and security ownership are in the name of an individual or individual trustee only;
- need a loan for predominantly business purposes;
- need a loan for construction purposes;
- need the flexibility of unlimited additional repayments without incurring break costs;
- intend to repay or vary their loan during the Fixed Rate term, when break cost could be incurred.

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 Relationship Managers;
- Through an accredited mortgage broker.

Distribution conditions and restrictions.

These products should only be distributed under the following circumstances:

- If a consumer meets the eligibility criteria for these products;
- Through relationship managers who:
  - are required to be trained to meet role-based accreditation requirements;
  - are able to discuss the product features, eligibility, interest rates, fees and charges including key differences from other home and investment loan products we offer;

- have access to tools and resources such as product information and repayment calculators;
- are required to follow the policies, procedures and systems including in relation to eligibility criteria and assessing the customer's ability to meet repayment obligations.

- Approved mortgage aggregators, with brokers who:
  - meet our accreditation requirements, including completion of product and regulatory training;
  - hold required industry membership;
  - meet the broking requirements outlined in the aggregator agreement in place with us;
  - use our approved application systems to provide us with the customer's details and product requirements to be assessed by our systems and staff to ensure applications meet our eligibility criteria, including the customer's ability to meet repayment obligations.
- 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	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:
	• Significant changes in metrics and trends. These include:
	  • Customer complaints; e.g. relating to key product attributes, product suitability and sales conduct;
	  • Switching and closed account volumes;
	  • Borrower, security and guarantor are in the name of an individual or individual trustee only;
	  • Break Cost incurred due to switches, discharges, extra repayments, or limit reductions.
	• Distribution conditions found to be inadequate;
	• Any direction from ASIC which requires us to cease distribution of the product;
	• 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 daily basis, and for all other complaints about the distribution of the product including conduct complaints, on a quarterly [ending March, June, September, and December] calendar basis. This will include written details of the complaints.

Target Market Determination (TMD).

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.