

## Introduction

### About this Target Market Determination

This Target Market Determination [TMD] is a document of Maitland Mutual Limited trading as The Mutual Bank ABN 94 087 651 983, AFSL/Australian credit licence 238139 [we, us, our].

This TMD seeks to give our members, staff, product distributors, or any other interested parties an understanding of the class of members for whom the product, as described below, 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 a deposit product, members should refer to the Product Disclosure Statement. For credit products members should refer to the relative credit product's Terms and Conditions.

### Product to which this Target Market Determination Applies

This TMD applies to the Commercial Overdraft product referred to in the relative credit product's Terms and Conditions. Please visit our website [themutual.com.au](http://themutual.com.au) or contact any of our Banking Managers for further information regarding this product.

### Effective Date of this Target Market Determination

This TMD is effective from: 21 September 2021.

## Commercial Overdraft Target Market

### Class of Members

Below we summarise the class of members comprising the target market for the Commercial Overdraft based on the Commercial Overdraft key attributes, the member's objectives and financial situation, and the member's needs that the product has been designed to meet.

#### Class of Members

#### Product Description Summary including

- key attributes and
- eligibility criteria

The product has been designed for borrowing members who are sole traders, or Australian registered entities such as companies, trusts and partnerships, wanting an overdraft for business purposes such as:

- Meeting everyday cash flow requirements of a business;
- Refinancing an existing commercial overdraft, and are able to provide residential security, rural lifestyle security, commercial security, or any other security as otherwise approved for the loan

The product has NOT been designed for:

- Individual personal purposes;
- Self-managed superannuation funds;
- Entities wanting a fixed rate; or
- Entities wanting to borrow less than \$10,000.00.

The product is a Commercial Overdraft. The product's key attributes and eligibility are:

- Access to flexible repayment terms;
- Extra repayments 24/7 via electronic banking;

**Product  
explanation of  
objectives including**

- **financial situations and needs**

- Monthly interest only repayments for the term of the overdraft;
- Loan portability;
- Application fee;
- Quarterly service fee;
- Other fees may be applicable including but not limited to redraw, cheque issuing, security substitution and monthly default administration fees;
- Members and/or company directors must be Australian citizens or permanent residents, or as otherwise approved; or
- Must be Australian registered entities such as sole traders, companies, trusts, or partnerships;
- Residential security, rural lifestyle security, commercial security or any other security as otherwise approved; and
- Must meet The Mutual Bank's credit assessment requirements.

The product has been designed for entities wanting an overdraft for business purposes, such as meeting everyday cash flow requirements of a business or to refinance an existing business overdraft.

The likely objectives of the borrower, who is an Australian citizen or Australian registered entity such as companies, trusts and partnerships, meets credit assessment requirements and require a fluctuating facility with some features, include:

- An ability to make extra repayments with surplus funds to repay overdraft sooner;
- Access to extra repayments 24/7 via electronic banking;
- Suitability for ongoing business cash flow needs; and
- Applicants are able to provide residential security, rural lifestyle security, commercial security or any other security as otherwise approved.

## **Distribution of the Commercial Overdraft**

### **Distribution Channels**

The Commercial Overdraft is designed to be distributed through the following means:

- The Mutual Bank's Banking Managers and lending staff as located in the Hunter Region of NSW;
- The Mutual Bank's Banking Managers and lending staff via website and telephone enquiries; and
- Through third party distributors (e.g. mortgage brokers).

### **Distribution Conditions and Restrictions**

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

- The product can only be distributed by those employees that have completed The Mutual Bank's Loan Product Training and have been assessed as competent;
- The product can only be distributed by those employees that have a current Tier 2 in

Financial Services qualification;

- The product can only be distributed by those employees that satisfy their Continuing Professional Development requirements under The Mutual Bank's Australian Credit Licence; and
- The product can only be distributed by an accredited third party as approved by The Mutual Bank.

## **Reporting by Distributors of the Commercial Overdraft**

### Significant Inconsistent Dealings

Distributors must report to us in writing within 10 business days if they become aware of a significant dealing in the Commercial Overdraft product that is inconsistent with this TMD. This also applies when we distribute the Commercial Overdraft product.

### Complaints

Distributors must report all complaints they receive in relation to the Commercial Overdraft product to us within 48 hours. Reports must be in writing and must include details of the complaint.

### Other Information Required

Distributors must also report in relation to the Commercial Overdraft product of any circumstances, incidents, or events within 48 hours including:

- If any inconsistent dealing of the product occurs;
- Adverse media reports; and
- That this TMD may no longer be appropriate.

## **Reviewing this Target Market Determination**

### **Periodic Review**

We will undertake periodic reviews of this TMD for the Commercial Overdraft product at least every three (3) Years from the Effective Date of this TMD.

### **Review Triggers or Events**

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

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 it is determined by The Mutual Bank that there are more than three (3) major complaints about the product in a six (6) month period or more than six (6) major and moderate complaints over a period of 12 months;
- If The Mutual Bank's Board, Executive Management with product management responsibilities, Strategic Plan, and/or Business Plan require the product to be changed in any way;
- If The Mutual Bank's Product Owner, Chief Risk Officer or designated AML Compliance Officer (under the AMLCTF laws) have identified that the product's risks, including its money laundering and terrorism financing risks, have materially changed;
- If Australian Securities and Investments Commission (ASIC) raise concerns about the product's design or distribution;
- If Australian Financial Complaints Authority (AFCA) or a Court raise concerns about the product's design or distribution;
- If the product's design or distribution receives adverse media coverage; or
- If any other event or circumstance occurs indicating that this TMD may no longer be appropriate.