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An improvement to ME’s ‘loan purpose’ classifications, for the purposes of SMHL securitisation reporting

Over the last few years, ME has been on a transformative journey to migrate all loans from its existing Ultracs system to a new T24 system. We anticipate migrating all Ultracs loans (in batches) to T24 on or before 1 Dec 2021.

ME is intending to use this migration process as an opportunity to improve the quality of some of its data and, to that end, would like to share a change to the way we will present the ‘Loan Purpose’ associated with mortgages in our securitisation reporting.

Following migration, we will classify and report loan purpose for mortgage loans as ‘Equity Release’ where they were previously classified as ‘Other’ or ‘Renovation’. There will be no changes to the other existing classifications, including ‘Construction’, ‘Purchase’ and ‘Refinance’.

The table below provides a summary of the impact of this change in loan purpose classification across migrated loans on the ME portfolio:

ME Portfolio

	Existing	Proposed	Change
Construction	196,330,938	196,330,938	-
Purchase	1,977,313,203	1,977,313,203	-
Refinance	1,729,768,061	1,729,768,061	-
Renovation	69,512,508	-	- 69,512,508
Other	1,158,114,293	0	- 1,158,114,293
Equity Release	-	1,227,626,801	1,227,626,801
Total	5,131,039,003	5,131,039,003	-

The tables below provide more detail on the impact of this change in loan purpose classification on ME’s SMHL terms deals:

SMHL Series 2015-1

	Existing	Proposed	Change
Construction	6,533,936	6,533,936	-
Purchase	78,667,810	78,667,810	-
Refinance	52,972,988	52,972,988	-
Renovation	3,165,893	-	- 3,165,893
Other	51,939,802	-	- 51,939,802
Equity Release	-	55,105,695	55,105,695
Total	193,280,429	193,280,429	-

SMHL Series 2016-1

	Existing	Proposed	Change
Construction	9,586,848	9,586,848	-
Purchase	91,645,952	91,645,952	-
Refinance	70,053,910	70,053,910	-
Renovation	5,145,980	-	- 5,145,980
Other	65,174,171	-	- 65,174,171
Equity Release	-	70,320,151	70,320,151
Total	241,606,861	241,606,861	-

SMHL Series 2017-1

	Existing	Proposed	Change
Construction	13,954,365	13,954,365	-
Purchase	149,541,007	149,541,007	-
Refinance	110,309,989	110,309,989	-
Renovation	7,096,737	-	- 7,096,737
Other	87,287,034	-	- 87,287,034
Equity Release	-	94,383,771	94,383,771
Total	368,189,132	368,189,132	-

SMHL Series 2018-2

	Existing	Proposed	Change
Construction	15,300,546	15,300,546	-
Purchase	139,785,125	139,785,125	-
Refinance	123,155,578	123,155,578	-
Renovation	7,829,794	-	- 7,829,794
Other	129,023,036	-	-129,023,036
Equity Release	-	136,852,830	136,852,830
Total	415,094,079	415,094,079	-

SMHL Series 2019-1

	Existing	Proposed	Change
Construction	24,552,760	24,552,760	-
Purchase	206,696,839	206,696,839	-
Refinance	179,838,619	179,838,619	-
Renovation	9,580,310	-	- 9,580,310
Other	113,561,636	-	- 113,561,636
Equity Release	-	123,141,947	123,141,947
Total	534,230,165	534,230,165	-

Please note that data in the tables is accurate as @ 31 July 2021.

Should you wish to discuss this matter or any other item relating to your partnership with ME Bank, please feel free to contact your ME Bank contact or reach out to ME Bank's Investor Relations team at ME.InvestorReporting@mebank.com.au.



MARTINE JAGER
ME CEO