

Target Market Determination

Gold Commercial Lease Doc Variable Rate Loan

Issuer: BNK Banking Corporation Limited
ABN 63 087 651 849 AFSL 246884

Manager: Better Choice Home Loans Pty Ltd
ABN 79 095 728 868 ACL 378333

This Target Market Determination describes the type of customer for which the Gold Commercial Variable Rate Lease Doc Loan is designed for, having considered the likely objectives, financial situation and needs of customers in the target market.

Effective date: 4 September 2023

Target Market

This Product would be suitable for a self-employed person that wants a commercial loan and can qualify for a maximum LVR (loan to value) of 80% offering a commercial lease of at least 24 months as the security to:

- Purchase a business (new or established);
- Purchase an acceptable security for the borrower's own business occupation or investment;
- Refinance an existing non-residential debt;
- Release equity for business or investment purpose.

And desires a commercial loan with the following features:

- A variable interest rate;
- The flexibility to make extra repayments at any time;
- The flexibility to access and redraw extra repayments made;
- The ability to make interest only repayments for up to 5 years
- Loan term: up to 25 years
- Minimum loan size: \$100,000
- Maximum loan size: \$4,000,000 - 75%LVR (Category 1 property), \$3,000,000 - 80%LVR (Category 1 property), \$3,000,000 - 75% LVR (Category 2 Property), \$2,000,000 - 70% LVR (Category 2 property). Categories depend on the type and location of the security. Refer to the lender for more information on this.
- A commercial lease over retail premises such as a shop, offices including professional suites or industrial premises such as a warehouse, garage or industrial shed.

Suitability:

This Loan would suit borrowers whose:

- Likely objective is the ability to pay off the loan quickly and redraw if desired;
- Likely financial situation is regular rental income and can afford the repayments
- Likely needs are to purchase or refinance a business or other commercial enterprise.

And the Borrower should be:

- Comfortable using technology to manage their mortgage accounts;
- Not needing to use cheques or handle cash to make repayments;
- Not needing to visit a physical branch.

Not suitable:

This loan would not be suitable for:

- Borrowers looking for the ability to fix the interest rate on their loan;
- A loan intended to be used for personal purposes;
- Borrowers requiring a LVR (loan to value ratio) greater than 80%

Key Eligibility Requirements

The customer must:

- Be an individual (including trustee of a family trust) and:
 - 18 years of age or older; and
 - be an Australian citizen or Australian permanent resident (limited exceptions may apply subject to conditions); or
- Be an Australian corporate trustee as trustee for a family trust, (provided the corporate trustee is a non-trading entity) and the family trust beneficiaries are all individuals; or
- Be a company and meet the following requirements:
 - Satisfactory investigation by BNK; and
 - Company borrowing being supported by the personal guarantee of the director(s). Guarantees from companies & trusts are not acceptable; and
- Provide sufficient security and provide a satisfactory assessment in accordance with Better Choice's credit assessment criteria

Distribution

Distribution Channel	Distribution Conditions
By mortgage brokers directly accredited with Better Choice Home Loans Pty Ltd	<p>The distributor must be an accredited mortgage broker and hold an Australian Credit License or be an Authorised Credit Representative to engage in credit activities on behalf of a credit licensee through accredited mortgage aggregators, to consumers.</p> <p>The accredited mortgage broker is subject to a best interest's duty and related obligations to ensure that the product is in the best interests of any customer when offering this product.</p>

Distributor Reporting Requirements

Reporting period	Reporting information is to be reported quarterly during each calendar year. Reporting periods are: <ul style="list-style-type: none"> • Quarter ending 31 March • Quarter ending 30 June • Quarter ending 30 September • Quarter ending 31 December 	
Reporting information	Third party distributors of these products must provide BNK with the following information as soon as practical, or within 10 business days after the reporting period, unless otherwise specified.	
	Complaint information	Full details of any complaints received in relation to this product, including: <ul style="list-style-type: none"> • Number of complaints.

		<ul style="list-style-type: none"> Nature and circumstances of the complaints.
	Feedback	Feedback that the target market or key product attributes may no longer be appropriate and not meeting the likely needs, objectives or financial situation of the target market.
	Significant dealings	<p>A distributor must notify BNK in writing as soon as possible but, in any case, within 10 business days of becoming aware of a significant dealing. The notification must include the following information:</p> <ul style="list-style-type: none"> The date or date range when the significant dealing occurred; A description of the dealing and an explanation on why it's deemed significant and inconsistent with the TMD; Steps taken or to be taken because of the dealing; and How the significant dealing was identified.

Review

Periodic review	Every year from the effective date to ensure it remains appropriate, or earlier if other circumstances occur which trigger the need to review the TMD.
Review Trigger	<p>This TMD will be reviewed should any of the following occur:</p> <ul style="list-style-type: none"> An unexpected increase in material complaints about the product are received; A significant dealing in the product outside the TMD occurs; A material change is made to this product; A significant breach has occurred in association with this product; or A significant change to the enforceable regulations that govern the product or direct intervention from any of the governing bodies.