

## Target Market Determination

### Gold Commercial Variable Rate Alt Doc 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 Alt Doc Variable Rate 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% 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 (including debt consolidation);
- Finance small scale equipment or vehicles.
- Release equity for business or investment purpose.

And the loan has 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 payments for up to 5 years;
- Loan term: up to 25 years;
- Minimum loan size: \$100,000;
- Maximum loan size: from \$2,000,000 to \$4,000,000 depending on the type and location of the security.

#### **Suitability:**

This Loan would suit borrowers whose:

- Likely objective is the ability to pay the loan off quickly and redraw if desired;
- Likely financial situation is does not have a PAYG situation so is looking for alternative means for substantiating income;
- Likely needs are to require funds for commercial purposes.

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:**

- 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**

If the customer is a joint debtor, all debtors must receive a direct benefit under the facility. In addition, 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
- Not be declared bankrupt (all natural persons) or insolvent (companies, cooperatives, and associations); and
- Not have a superannuation fund as a unitholder; and
- Provide sufficient security and provide a satisfactory assessment in accordance with Better Choice's credit assessment criteria

### **Distribution**

<b>Distribution Channel</b>	<b>Distribution Conditions</b>
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**

<b>Reporting period</b>	<p>Reporting information is to be reported quarterly during each calendar year. Reporting periods are:</p> <ul style="list-style-type: none"> <li>• Quarter ending 31 March</li> <li>• Quarter ending 30 June</li> <li>• Quarter ending 30 September</li> <li>• Quarter ending 31 December</li> </ul>
<b>Reporting information</b>	<p>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.</p>

	<b>Complaint information</b>	Full details of any complaints received in relation to this product, including: <ul style="list-style-type: none"> <li>• Number of complaints.</li> <li>• Nature and circumstances of the complaints.</li> </ul>
	<b>Feedback</b>	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.
	<b>Significant dealings</b>	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: <ul style="list-style-type: none"> <li>• The date or date range when the significant dealing occurred;</li> <li>• A description of the dealing and an explanation on why it's deemed significant and inconsistent with the TMD;</li> <li>• Steps taken or to be taken because of the dealing; and</li> <li>• How the significant dealing was identified.</li> </ul>

## Review

<b>Periodic review</b>	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.
<b>Review Trigger</b>	This TMD will be reviewed should any of the following occur: <ul style="list-style-type: none"> <li>• An unexpected increase in material complaints about the product are received;</li> <li>• A significant dealing in the product outside the TMD occurs;</li> <li>• A material change is made to this product;</li> <li>• A significant breach has occurred in association with this product; or</li> <li>• A significant change to the enforceable regulations that govern the product or direct intervention from any of the governing bodies.</li> </ul>