

Target Market Determination

Gold Expat Fixed Rate Home 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 Expat Fixed Rate Home Loan is designed for, having considered the likely objectives, financial situation and needs of customers in the target market.

The Gold Expat Home Loan is available to expatriates ('Expat') from Acceptable Countries for investment borrowings. An Expat is deemed to be any person that holds Australian Citizenship and resides and is employed in another country deemed acceptable for the purpose of the loan.

Acceptable Countries

Tier 1 Countries: 90% Shading - United Arab Emirates, Australia, Bangladesh, Brunei*, Canada, Switzerland, China, Denmark, European Union, United Kingdom, Hong Kong, Indonesia, India, Japan, South Korea, Sri Lanka, Macau, Mexico, Malaysia, New Zealand, Philippines, Qatar, Saudi Arabia, Singapore, Thailand, United States, Vietnam France, Germany, Kuwait, Russian Federation, Mongolia, Norway, Oman, Hungary (this list is subject to change).

Tier 2 Countries: Identified as High Volatility Currency Pairs. Shading on request. Brunei, South Africa, Papua New Guinea, Fiji, New Caledonia

Effective date: 4 September 2023

Target Market

This Product would be suitable for a person that wants an investment loan and can qualify for a maximum LVR (loan to value ratio) of 80% to:

- Purchase or refinance a residential investment property;

And desires a home loan with the following features:

- A fixed interest rate and repayments for a selected term;
- The flexibility to make extra repayments up to \$10,000 per annum without a penalty;
- The ability to make interest only repayments for up to 5 years;
- Loan term: 10 to 30 years;
- Minimum loan size: \$100,000;
- Maximum loan size: \$2,000,000.

Suitability:

This Loan would suit borrowers whose:

- Likely objective is a loan with fixed repayments;
- Likely financial situation is regular income and can afford the repayments;
- Likely needs are to purchase or refinance an investment property.

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 wanting the ability to pay off their home loan quickly including no cap on additional repayments;
- Borrowers who would be extremely dissatisfied if market interest rates reduced below the fixed rate their home loan during the fixed rate term after they locked in a fixed interest rate;
- Are not comfortable with potentially paying break costs (which could be significant) if they want to make additional repayments exceeding more than \$10,000 per year in any 12 month period or to make any changes or pay out their loan during the fixed rate period;
- Borrowers who wish to use their savings to reduce the interest they pay on the loan via the use of an offset account to their home loan;
- A loan intended to be used for business purposes, debt consolidation, equity release or construction;
- 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 who is a non-resident PAYG equivalent borrower; or
 - in the case of joint (spousal) applicants, one borrower is an Australian Citizen and the other is a Non-Resident of Australia; 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.• 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	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">• 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 2 years 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	This TMD will be reviewed should any of the following occur: <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.