

## Target Market Determination

### Gold SMSF Variable 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 SMSF Variable Rate Home 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 is only suitable for self-managed superannuation fund (SMSF) trustees who, acting in accordance with the Superannuation Industry (Supervision) Act 1993 (Cth) and other relevant regulation, have decided to invest or refinance residential investment property and can qualify for a maximum LVR (loan to value ratio) 80%.

And desires a home loan with the following features:

- A variable interest rate;
- The flexibility to make extra repayments at any time;
- The ability to make interest only repayments for up to 5 years
- Loan term: Up to 30 years
- Minimum loan size: \$50,000
- Maximum loan size: \$1,500,000

#### **Suitability:**

This Loan would suit borrowers whose:

- Likely objective is to pay off the quickly with rental income and other contributions;
- Likely financial situation is the SMSF trustee can afford the repayments
- Likely needs are to purchase or refinance an investment property for the super fund.

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;
- Borrowers looking to reside in the investment property;
- Borrowers looking for a loan with an offset account or the ability to have split accounts.

## Key Eligibility Requirements

The customer must:

- The borrower(s) must be an individual over 18 years of age or a company and act as a trustee of a SMSF;
- The SMSF must comply with all regulations applying to superannuation funds, Superannuation Industry (Supervision) Act 1993 (the “SIS Act”) as amended
- The SMSF must have the ability to acquire the legal interest in the property being purchased
- 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

<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>	<p>Full details of any complaints received in relation to this product, including:</p> <ul style="list-style-type: none"> <li>• Number of complaints.</li> <li>• Nature and circumstances of the complaints.</li> </ul>
	<b>Feedback</b>	<p>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.</p>
	<b>Significant dealings</b>	<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"> <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>	<p>This TMD will be reviewed should any of the following occur:</p> <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>