

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 (Better Choice)
ABN 79 095 728 868 ACL 378333

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

Effective date: 22 December 2025

Target Market

This Product would be suitable for both a self-employed person and a PAYG employee that wants a commercial loan and can qualify for a maximum loan to value ratio (LVR) of up to 80% to:

- Purchase a commercial property (new or established);
- Purchase an acceptable security for the borrower's own business occupation or investment;
- Refinance an existing non-residential loan (including debt consolidation);
- Finance business expenses with commercial property
- Release equity in commercial security for business or investment purpose.

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 (IO) repayments for up to 5 years (switching to principal and interest repayments after the IO period ends);
- Minimum Loan Term: 3 years;
- Maximum Loan Term: up to 30 years;
- Minimum loan size: \$100,000; and
- Maximum loan size:
 - \$3,000,000 70% LVR (Category 1 properties)
 - \$2,500,000 75% LVR (Category 1 properties)
 - \$2,000,000 80% LVR (Category 1 properties)
 - \$2,000,000 75% LVR (Category 2 properties)
 - \$1,500,000 70% LVR (Category 3 properties)
 - Categories depend on the type and location of the security. Refer to Better Choice for more information on this.

Suitability:

This Product would suit borrowers whose:

- Requirements are the features stated above;
- Likely objective is a low or no fee loan;
- Likely objective is to pay off the loan quickly and redraw if desired

- Likely financial situation is they are not a PAYG employee so are looking for alternative means for substantiating income;
- Likely needs are to require funds for commercial purposes.

The Borrower should be:

- Comfortable using technology to manage their mortgage accounts;

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 looking to purchase a residential home or investment property;
- A loan intended to be used for construction;
- Borrowers requiring an LVR greater than 80%;
- Borrowers who need to use cheques or handle cash to make repayments; or
- Borrowers who need to visit a physical branch.

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:
 - a minimum of 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 enquiries by Better Choice; 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
- Self-employed period must equal to or greater than 12 months; and
- ABN registration must be equal to or greater than 12 months (must be in name of applicant or associated entity linked to applicant); and
- GST registration may be required if turnover is greater than \$75,000; and
- Not have a superannuation fund as a unitholder of a trust; and

The customer must also meet Better Choice's credit criteria, including demonstration of ability to meet repayment obligations and offer acceptable commercial property as security

Distribution

Distribution Channel	Distribution Conditions
By mortgage brokers directly accredited with Better Choice	The main distribution channel for this product is through third party distributors. Better Choice only permits third parties to distribute this product who are approved aggregators who in turn use their

	authorised brokers who have been accredited by Better Choice. The accredited mortgage brokers are 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. Better Choice also requires that: • Aggregators be responsible for third party brokers involved in the distribution of the product and comply with their agreement in place with Better Choice and take responsible steps to ensure that their brokers meet Better Choice's mortgage brokering requirements. • Third party brokers meet Better Choice's accreditation requirements which include holding appropriate qualifications, industry membership and authorisations to engage in credit activities as well as completion of background checks • Brokers use Better Choice's approved application system to provide Better Choice with the customer's details and product requirements to be assessed by our systems and staff to ensure applications meet our eligibility criteria, including the customer's ability to meet repayment obligations. If aggregators and mortgage brokers fail to comply with the above requirements, it may result in Better Choice terminating their authority to distribute this product.
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Distributor Reporting Requirements

Reporting period	Reporting information is to be reported quarterly during each calendar year. Reporting periods are: • 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: • 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: • 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.
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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	This TMD will be reviewed should any of the following occur: • 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.