

Target Market Determination

Gold Special Variable Rate Home Loan

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

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

Effective Date: 12 January 2026

This Target Market Determination (TMD) describes the type of borrower for whom the Gold Special Variable Rate Home Loan is designed, having considered the likely objectives, financial situation and needs of borrowers in the target market.

Target Market

This product would be suitable for both a self-employed person and a PAYG employee that wants an owner-occupied or investment loan and can qualify for a maximum loan to value ratio (LVR) of up to 95% to:

- Purchasing or refinancing a residential owner-occupied or investment property;
- Consolidating debt; or
- Releasing equity against the property for a variety of reasons

And desires a home 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.
- Interest offset account
- The ability to make Interest Only (IO) repayments (for investment loans) for up to 5 years (switching to principal and interest repayments after the IO period ends)
- A Minimum loan term: 10 years;
- A Maximum loan term: 30 years;
- A Minimum loan size: \$100,000; or
- A Maximum loan size: \$2,000,000.

Suitability

This product would suit borrowers who:

- Desire the features stated above;
- Want the ability to open an offset account to reduce their monthly interest charges;
- Want to buy or refinance a home or investment loan to live in or for investment purposes
- Likely objective is to have the ability to make additional repayments and redraw if desired;
- Has a likely financial situation which includes receiving a regular income and can afford the repayments;
- Understands that they will pay a higher interest rate than with the Basic Gold Variable Home Loan in order to have access to an offset account;
- Will pay Lenders Mortgage Insurance (LMI) (only applicable on loans above 80% LVR).

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 product would not be suitable for:

- Borrowers who are not utilising the above product features (e.g. offset account);
- Borrowers looking for the ability to fix the interest rate on their loan
- A loan intended to be used for business purposes or construction;
- Borrowers requiring an LVR greater than 95%.

Key Eligibility Requirements

The customer must:

- Be an individual (including a trustee of a family trust):
 - 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

The customer must also meet Better Choice's credit criteria, including demonstration of ability to meet repayment obligations offer acceptable residential 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 the 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 products.

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/Better Choice 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.

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: • 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.