

**Gateway Bank
Commercial Property Loan
Target Market Determination (TMD)
Effective Date: 6th October 2023**

About This Document

This Target Market Determination (TMD) applies to Commercial Property Loan and is a document of Gateway Bank Limited. ABN 47 087 650 093. AFSL/Australian Credit Licence No. 238293.

This TMD seeks to give our customers, staff, product distributors, and other interested parties an understanding of the class of consumers for whom the product described has been designed, how the product is distributed, and having regard to the likely needs, objectives and financial situation of that class of customers.

This TMD is not, and should not be construed as, a full summary of the product's Terms and Conditions. Nor is it a substitute for the provision of financial advice and does not consider any individual Member's personal needs, objectives or financial situation. Examples used in this TMD are illustrative only and are not intended to be exhaustive.

A customer may fall within the target market described in this TMD but may not meet Gateway Bank Limited's eligibility criteria. When deciding about the product, consumers should refer to the product's Terms and Conditions/Product Disclosure Statement (PDS), which are available from www.gatewaybank.com.au/important-information

Target Market

Product description (including key attributes)

Borrowing purpose:	Commercial Property Loan
	<ul style="list-style-type: none"> ■ Purchase or refinance of commercial property; or ■ Cash out and Equity reimbursement ■ Owner tenant or for investment purposes.
Repayment types:	<ul style="list-style-type: none"> ■ Principal & interest; or ■ Interest only <p>A 5 year maximum term applies for interest only repayment types.</p>
Interest rate types:	<ul style="list-style-type: none"> ■ Variable; or ■ 3 year Fixed
Optional feature(s):	<p>Optional feature(s) can be requested by a customer:</p> <ul style="list-style-type: none"> ■ Redraw facility – available on variable rate only. Minimum redraw amount \$10,000.
Loan to valuation ratio (LVR)	<ul style="list-style-type: none"> ■ Maximum LVR is up to 70% of security property value.
Key eligibility criteria:	<p>Borrower(s):</p> <ul style="list-style-type: none"> ■ Is over the age of 18. ■ Minimum loan amount \$250,000 and Maximum \$4,000,000. ■ Eligible to become a member of Gateway Bank. ■ Available to individuals, Company and Trusts. ■ Has the ability to service loan repayments as per the lending eligibility criteria. ■ At least a 30% deposit of the commercial property purchase price. <p>Security:</p> <ul style="list-style-type: none"> ■ Must be zoned for commercial use. ■ Acceptable security includes; Commercial office suites, Retail store, or factories, warehouses and industrial units.

Fees:	<ul style="list-style-type: none"> Information on Commercial Loan Fees and Charges is available here: www.gatewaybank.com.au/important-information
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Likely needs, objectives and financial situation

Commercial Property Loan is designed for:

	<h3>Likely needs and objectives</h3>
	<p>Business owners (SME) or Investors (SME) looking to purchase or refinance a commercial property and want their loan to have:</p> <ul style="list-style-type: none"> A redraw facility to provide flexibility with the ability to make unlimited additional repayments to reduce interest on a variable rate loan without penalties. Flexibility by being able to choose between principal & interest or interest only repayments. Flexibility by being able to choose between variable or a 3-year fixed interest rates. The option of having a cash out component, if required, up to a maximum of \$100,000, or 25% of total loan amount. <p>Likely financial situation</p> <p>An individual, Company or Trust who can pay the ongoing loan repayments in accordance with the chosen home loan structure, loan term, repayment, and interest rate type.</p>

Ineligible Persons

Commercial Property Loan is not designed for:

	<h3>Ineligible Persons</h3>
	<ul style="list-style-type: none"> Properties designed, zoned, or used for residential use. An individual, Company or Trust who does not have the ability to service ongoing loan repayments and does not have the appropriate level of deposit. A person who is not eligible to become a member of Gateway Bank. A 100% offset account. An LVR above 75%. Purchasing vacant land. A cash out component greater than \$100,000, or 25% of total loan amount.

Distribution

Distribution channels

The product under this TMD may be distributed or advertised through any of the following means:

- Online through Gateway Bank Website; or third-party websites
- In-store retail branch
- Direct sales team
- By calling our contact centre
- Other third-party distributors such as nationally accredited brokers

All these channels are monitored by Gateway Bank Ltd and staffed by persons who have been trained in the distribution of the Product covered by this TMD and the Gateway Bank application process.

Distribution conditions and restrictions

The distribution of the product is subject to the following conditions and restrictions:

- The Gateway Bank application process has been tailored to identify the Target Market described in this TMD as part of the eligibility criteria for the product covered by this TMD, and the use of the Gateway Bank application process would make it more likely that a product covered by this TMD will be acquired by persons in the Target Market.
- Accredited third parties (mortgage brokers) must operate under Australian Credit Licences and have successfully completed Gateway's accreditation training. Both direct and third-party distributors are bound by the terms and conditions of the product and the Target Market described in this TMD.
- Products under this TMD can be distributed either directly by Gateway Bank, or by distributors approved by Gateway Bank.

Review Triggers

We will undertake a review of this TMD in the following circumstances:

- If we make a material change to the design or distribution of the product, including related documentation;
- If a significant inconsistent dealing in the product occurs;
- If any other event or circumstance occurs indicating that this TMD may no longer be appropriate;
- An alteration in the eligibility criteria;
- Identified systemic issues in the product or across the product lifecycle;
- Relevant material external events such as relevant litigation, adverse media coverage or regulatory attention;
- Relevant feedback, information or notification received from distributor, regulator such as ASIC or APRA or other interested parties;
- Significant changes in metrics. These include sales, portfolio changes, risk tolerance, loss ratios and complaints; and
- Any significant dealings that are inconsistent with the TMD.

Where a review trigger or event occurs, we will review this TMD within 10 business days.

Review Periods

Periodic review

We will undertake periodic reviews of this TMD at least every 12 months from the initial review.

Next review due date: 6th October 2024

Distribution Information

We require distributors to provide the following information in relation to their distribution of the product covered in this TMD:

Complaints and Feedback

All complaints in relation to this product on a monthly basis to Gateway Bank.

All feedback in relation to this product on a monthly basis to Gateway Bank.

Sales Data

Report product and member data in relation to this product on a monthly basis to Gateway Bank.

Significant dealings

Notification if they become aware of a significant dealing in relation to this TMD that is inconsistent with this TMD within 10 business days.