Target Market Determination - First Business 30 Loan & First Business 40 Loan

This Target Market Determination (TMD) has been created for First Federal and is not intended to provide financial advice. Please refer to our Terms and Conditions and Credit Guide (available on request) before deciding if this product is right for you.
This TMD aims to provide an understanding of the class of customers we have designed this product for, being the target market. When considering the target market, we focused on which customers needs this product is suitable for based on their objectives, requirements and financial situation.

Products	First Business 30 Loan and First Business 40 Loan are non-code business loans designed for company borrowers seeking long-term commercial finance. The First Business 30 Loan has a maximum loan term of 30 years, and the First Business 40 Loan has a maximum loan term of 40 years. These products are not regulated under the National Consumer Credit Protection Act 2009 where the credit is provided wholly or predominantly for business purposes
Issuer	First Custodian Mortgages Pty Ltd ACN: 695 395 683 First Federal Pty Ltd ACN: 136 380 526 Capital Securities Mortgages Pty Ltd ACN: 651 179 298
Distributor	First Federal Home Loans Pty Ltd ACN: 160 925 146 ACL: 504317
Date Effective	1 October 2026
Objectives, financial situation and needs of the Target Market (Class of customer)	This product is designed for company borrowers seeking long-term commercial finance secured by residential or commercial property, with stable or verifiable income sufficient to meet required repayments, and who require a loan amount, term, LVR and repayment structure available under this product. Customers will likely need this product for: • working capital for business growth. • business expansion, vehicle or equipment purchase, or renovations to premises, • investment purposes; • purchasing a property; or • refinancing a property or existing debt, including ATO debts.

	The financial situation of the target market is company borrowers with stable or verifiable income sufficient to demonstrate capacity to service required repayments over the long term.

Credit assessment criteria for Target Market	Customers in the Target market must:
	• Be:
	  ○ at least 18 years old;
	  ○ company borrowers (with individual guarantors); and
	  ○ Australian citizens or permanent Australian residents.
	• Have an acceptable property to secure the loan (1st registered mortgage).

Key Features of the products	• Loan amounts from $150,000 to $3,000,000.
	• Maximum LVR as follows:
	  ○ Residential metro: 80%
	  ○ Residential non-metro: 75%
	  ○ Commercial (Retail/Office/Industrial only): 65%
	• Loan term of up to 40 years.
	• Variable interest rate.
	• Principal and interest repayments or interest-only for up to five (5) years.
	• Ability to make additional repayments without penalty.
	• A choice of repayment frequencies (weekly/fortnightly/monthly).
	• Establishment fee, application fee, risk fee, valuation fee, legal fees and ongoing fees may apply.

Why these products are likely to match the objectives, financial situation and needs of the Target Market	• These products provide long-term commercial finance for company borrowers seeking to purchase or refinance property or access equity for business purposes. • The variable interest rate and choice of principal and interest or interest-only repayments provide flexibility aligned with the customer's business and cash flow needs. • The range of available loan terms allows repayment structures to be tailored to the customer's long-term requirements. • The interest-only repayment option is likely to be appropriate for customers within the target market who will benefit from lower repayments during the interest-only period and who understand that they may pay more interest over the life of the loan as principal is not reduced during this period. Interest-only repayments are available for a maximum of five (5) years, after which repayments will revert to principal and interest.
Classes of Customer these products may not be suitable for	These products may not be suitable for customers who: • are seeking fixed interest rates; • are seeking an offset account or redraw; • are seeking construction funding; • are seeking finance as an individual, sole trader or partnership rather than through a company structure;

	• are seeking short-term finance only; • do not have stable or sufficient income to meet required repayments; or • do not have acceptable property security of the required type and location.
Distribution Conditions/Restrictions for the products	These products may only be distributed through: • accredited mortgage brokers; • approved aggregator partners; or • other approved distribution partners, who are appropriately trained, competent and authorised to engage in credit activities. These distribution arrangements are appropriate because they ensure distributors: • understand the product's key features and target market; • hold the required authorisations; • are able to assess whether applicants are likely to fall within the target market; and • take reasonable steps to ensure distribution is consistent with this TMD. Distributors must: • only submit applications where the customer is reasonably assessed as being within the target market; and • ensure the customer meets First Federal's credit assessment requirements. First Federal's credit assessment process includes controls designed to identify applicants who fall outside the target market. Distribution outcomes, complaints and significant dealings inconsistent with this TMD are monitored as part of First Federal's ongoing review process.
Review triggers	This TMD will be reviewed: • in line with any ASIC or RG requirements; • if a significant number of complaints are received from Customers with the product; • if this TMD is deemed to be no longer be appropriate; • where there are material changes to the product or regulatory requirements; • where the product is no longer considered appropriate for the target market; or • where there are significant dealings inconsistent with this TMD.

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<td>Review cadence</td>
<td>If a review trigger occurs, or First Federal becomes aware of an event or circumstance suggesting this TMD may no longer be appropriate, First Federal will conduct a review as soon as practicable and within 10 business days (or as otherwise required).

First Federal will complete a review at least annually, or more frequently where required to ensure ongoing appropriateness of the TMD.
Next review: October 2027

<table>
<tr><td>Document created</td><td>July 2024</td></tr>
<tr><td>Document reviewed</td><td>January 2025</td></tr>
<tr><td>Document reviewed, minor credit policy changes updated</td><td>January 2026</td></tr>
<tr><td>Document reviewed, inclusion of 40-year term product, minor credit policy changes updated</td><td>October 2026</td></tr>
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<td>Distribution Information Reporting Requirements</td>
<td>The following information must be provided to First Federal in writing by distributors:

complaints relating to key terms, features or risks of the product as soon as practicable and no later than 10 business days after becoming aware;
reporting to include:

number and nature of complaints;
circumstances and substance of complaints; and
general feedback on product performance (reported quarterly);

any significant dealing inconsistent with this TMD, including:

date;
description;
why it is significant;
how it was identified; and

actions taken to remediate.

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