

## Target Market Determination – Car Loans

This Target Market Determination [TMD] is a document of Unity Bank Limited.

This TMD seeks to give our members, staff, 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 related matters.

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.

When deciding about the product, please refer to the product's terms and conditions.

<b>Product</b>	Secured Car Loan - Fixed
<b>Issuer</b>	Unity Bank Limited ABN/ACN 11 087 650 315 AFSL/Australian Credit Licence 240399  Reliance Bank is a division of Unity Bank Limited.
<b>Effective Date of TMD</b>	5 <sup>th</sup> October 2021
<b>Target Market</b>	<p><b>Description of target market</b></p> <p>Consumers that are looking to purchase a vehicle and want the certainty of a fixed interest rate and fixed repayments for the term of the loan</p> <p><b>Description of product, including key attributes</b></p> <p>The Secured Fixed Car Loan is our fixed interest rate loan that offers a lower interest rate than an unsecured personal loan and the certainty of knowing your repayments will not change for the fixed term period.</p> <p>The product's key attributes are:</p> <ul style="list-style-type: none"><li>• Fixed interest rate</li><li>• Unlimited free redraw</li><li>• Loan period up to 10 years</li><li>• Top up facility available</li><li>• No penalty for early pay outs</li><li>• No monthly account keeping/service fees</li><li>• Use the vehicle as collateral to secure lower interest rate</li><li>• No penalty for lump sum repayments</li></ul>

**Target Market  
(continued)**

**Description of likely objectives, financial situation and needs of consumers in the target market**

The product has been designed for consumers that:

- Are seeking the certainty of fixed repayment amount
- Are seeking the flexibility to make extra repayments without a fee and/or seeking flexibility to redraw funds as required
- Meet Unity Bank's credit assessment requirements and receive sufficient regular income
- Need funds to purchase a vehicle.

**Classes of consumers for whom the product is clearly unsuitable**

- Consumers that do not meet the eligibility criteria
- Consumers that are determined unsuitable by the lender due to high credit risk
- Consumers that want a loan term greater than 10 years
- Consumers that want a loan term less than 1 year
- Consumers that want a variable interest rate at the commencement of their loan
- Consumers that want to purchase a vehicle older than 7 years old
- Consumers that want a line of credit facility
- Consumers that want a loan for something other than a vehicle
- Consumers that have defined goals and objectives and are not met by this product.

**Distribution**

**Distribution channels**

The product is designed to be distributed through the following means:

- Direct distribution by Unity Bank employees via branch, online and phone.

**Distribution conditions and restrictions**

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

- Consumer meets the minimum age of 18
- Consumer is an Australian citizen or permanent resident
- Consumer meets the credit eligibility criteria
- Be a shareholder or become a shareholder of Unity Bank
- Unity Bank to ensure staff are accredited and authorised as product distributors
- Consumers with appropriate borrowing capacity

**Why the distribution conditions and restrictions will make it more likely that the consumers who acquire the product are in the target market**

All applications for this product are subject to Unity Banks credit assessment and loan eligibility criteria. In addition, Unity Bank completes further upfront evaluations, ongoing due diligence and monitoring of product training to our staff.

## Reviews Triggers

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

### **Complaints**

- Consumer complaints (in number or significance) within a 3 month period regarding understanding of risks, key terms, conditions or features of this product.

### **Substantial product change**

- When a substantial change is made to the product terms, conditions or key attributes
- If we make a material change to the design or distribution of the product

### **Product performance**

- Evidence that consumer usage is significantly different from original expectations and contrary to the design of the product
- Evidence that product is no longer meeting the financial situation, needs and objectives of the target market
- Evidence of substantial sales outside of the target market
- If the product's design or distribution receive adverse media coverage

### **Significant change to the external environment**

- Regulatory or legislative environment for this product
- Economic and market conditions

### **Notification from ASIC and/or AFCA**

- ASIC request immediate cessation of product distribution, or cessation of particular conduct in relation to the product
- If ASIC raises concerns about the product's design or distribution
- If the Australia Financial Complaints Authority or a Court raise concerns about the product's design or distribution

### **Significant dealings**

- A significant dealing of the product to consumers outside the target market occurs
- If any other event or circumstance occurs indicating that this TMD may no longer be appropriate.

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

<p><b>Review Periods</b></p>	<p><b>Initial review</b></p> <p>We will undertake a review of this TMD within 12 months of the effective date.</p> <p><b>Periodic review</b></p> <p>We will undertake periodic reviews of this TMD at least every 2 years from the initial review.</p>
<p><b>Distributors Reporting Requirements</b></p>	<p><b>Complaints</b></p> <p>Distributors must report to us in writing within 10 business days they become aware of a complaint related to risks, key terms, conditions or features of this product including:</p> <ul style="list-style-type: none"> <li>• The number of complaints</li> <li>• The nature and circumstances of the complaint; and</li> <li>• The substances of those complaints and any general feedback relating to the product or its performance.</li> </ul> <p><b>Significant dealings</b></p> <p>Distributors must report to us in writing within 10 business days they become aware of a significant dealing in the product that is inconsistent with this TMD. This also applies when we distribute our own product. Written notification needs to include the following:</p> <ul style="list-style-type: none"> <li>• Date(s) the significant dealing occurred;</li> <li>• Description of the significant dealing and why it is not consistent with the TMD;</li> <li>• Why the dealing is significant;</li> <li>• How the significant dealing was identified; and</li> <li>• What steps, if any, have been, or will be, taken in relation to the significant dealing.</li> </ul>