

# TARGET MARKET DETERMINATION

## MEDFIN PERSONAL LOAN



| Determination Criteria                  | Description   |
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| <b>Start Date:</b>                      | 16/10/2021  |
| <b>First and ongoing review period:</b> | The first review, and each ongoing review, must be completed within each consecutive 12-month period from the Start Date. |
| <b>Product:</b>                         | <b>Medfin Personal Loan</b><br>A fast and simple motor vehicle finance option for health professionals.                   |

### TARGET MARKET

| Target market & product attributes: | Consumer needs and objectives   | Product attributes   |
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|                                     | A person who is a registered health professional with the Australian Health Practitioner Regulation Agency (AHPRA) or a Veterinary Board that may seek a personal loan to purchase or refinance a motor vehicle or motorcycle over a fixed term.  | A secured personal loan issued to specific health professionals with the following key attributes: <ul style="list-style-type: none"> <li>the ability to use credit to purchase or refinance a motor vehicle or motorcycle over a fixed term</li> <li>no monthly fee.</li> </ul> |
|                                     | A person that wants an interest rate that varies with flexible repayment amounts.   | This product has a variable interest rate option.  |
|                                     | A person that wants certainty of interest rate costs and repayment amounts during a fixed rate period.  | This product has a fixed interest rate option.   |
|                                     | Consumer financial situation  | Product attributes   |
|                                     | A person that: <ul style="list-style-type: none"> <li>requires a minimum credit amount of \$5,000</li> <li>has access to sufficient income to satisfy Medfin's credit assessment requirements and meet the following payments. <ul style="list-style-type: none"> <li>principal amounts due</li> <li>interest amounts due.</li> </ul> </li> </ul> | This product has minimum credit limit of \$5,000.  |
| <b>Negative Target Market</b>       | This product is not suitable for personal everyday spending.  |  |
| <b>Appropriateness statement:</b>   | Medfin has considered that the product including its key attributes is appropriate for the target market including the likely objectives, financial situation and needs of consumers in the target market.  |  |

### DISTRIBUTION CONDITIONS

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| <b>Authorisation:</b><br>This condition applies to all conduct | Condition 1<br>A distributor must: <ul style="list-style-type: none"> <li>hold an Australian Credit Licence or be a Credit Representative authorised to engage in credit activities on behalf of a credit licensee unless an exemption applies covering the provision of credit activities in respect of the product; and</li> <li>if the distributor is not Medfin:</li> </ul> |
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|   | <ul style="list-style-type: none"> <li>- comply with the terms and conditions of any relevant distribution agreement or arrangement with Medfin</li> <li>- if applicable, comply with the terms of any licensing exemption covering the provision of credit activities in respect of the product.</li> </ul> <p>This condition is appropriate as it ensures distributors are appropriately authorised to provide the relevant regulated financial services and will comply with the commercial terms agreed between the distributor and Medfin.</p>   |
| <p><b>General Advice including Marketing:</b><br/>This condition applies to general advice (including most marketing)</p>   | <p>Condition 2</p> <p>A distributor must only provide general advice (such as marketing) as to the product if:</p> <ul style="list-style-type: none"> <li>• a Target Market Determination (TMD) has been made and published for the product and has not been withdrawn</li> <li>• the distributor complies with the terms of the TMD for the product</li> <li>• the general advice is consistent with the consumer needs, objectives and financial situation defined in the target market for the product; and</li> <li>• ASIC has not issued a Product Intervention Power restricting the publication of general advice for the product by the distributor.</li> </ul> <p>A distributor may provide general advice (such as marketing) as to the product through:</p> <ul style="list-style-type: none"> <li>• advertising through comparison sites and rating agencies</li> <li>• Medfin Relationship Managers</li> <li>• Accredited Broker Channels</li> <li>• trade publications intended for medical or veterinary professionals.</li> </ul> <p>This condition is appropriate as the target market is narrow.</p> <p>It is intended that these channels may be available to persons who would not at that time qualify for the product to be issued to them in a regulated sale, for example because they are minors or do not have the income to service the product. This is because the issue of the product is subject to Distribution Conditions 1, 3 and 4 which will ensure that the product is only issued to persons for whom it will be appropriate.</p> |
| <p><b>Retail Product Distribution Conduct (other than General Advice):</b><br/>These conditions apply to all retail product distribution conduct that is not general advice</p> | <p>Condition 3</p> <p>A distributor must only engage in retail product distribution conduct (other than general advice) if:</p> <ul style="list-style-type: none"> <li>• a TMD has been made and published for the product and has not been withdrawn</li> <li>• the distributor complies with the terms of the TMD for the product</li> <li>• ASIC has not issued a Product Intervention Power restricting the distribution of the product for the distributor; and</li> <li>• the distributor has complied with Condition 4.</li> </ul> <p>A distributor must only engage in retail product distribution conduct (other than general advice) through:</p> <ul style="list-style-type: none"> <li>• Medfin Relationship Managers</li> <li>• Medfin Accredited Brokers.</li> </ul> <p>This condition is appropriate as the target market is narrow.</p> <p>Condition 4</p> <p>A distributor must only engage in retail product distribution conduct (other than general advice) if it has identified:</p>   |

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|  | <ul style="list-style-type: none"> <li>• that the distribution of the product is consistent with the needs, objectives and financial situation defined in the target market for the product</li> <li>• it has confirmed that the consumer is a health professional registered under AHPRA or a Veterinary Board</li> <li>• that the person is seeking access to a secured personal loan issued with the following key attributes:             <ul style="list-style-type: none"> <li>- the ability to use credit to purchase or refinance a motor vehicle or motor-cycle over a fixed term</li> <li>- variable or fixed interest rates</li> <li>- no monthly fee</li> <li>- flexible repayment terms</li> </ul> </li> <li>• the key difference between:             <ul style="list-style-type: none"> <li>- the product; and</li> <li>- other separate products offered by Medfin.</li> </ul> </li> </ul> <p>The issue of this product is subject to compliance with the responsible lending obligations in Chapter 3 of the National Consumer Credit Protection Act 2009.</p> <p>This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market.</p> |
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## REVIEW TRIGGERS

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| <b>Review triggers:</b>           | <p>Medfin must cease all retail product distribution conduct (except excluded conduct) in respect of this product within 10 business days of Medfin identifying a review trigger unless:</p> <ul style="list-style-type: none"> <li>• Medfin has determined that this TMD continues to be appropriate; or</li> <li>• a new TMD has been made.</li> </ul> <p>The events and circumstances described below will trigger a review of this TMD if Medfin determines it may relate to the appropriateness of the TMD having regard to Medfin's or NAB's internal policies.</p> <p>Medfin will publish notice of a review on its website.</p>                                     |
| <b>Material complaints</b>        | Medfin actively monitors consumer complaints and will review the appropriateness of the TMD where complaints in number or significance relate to consumer understanding of risks, key terms, conditions or features of this product.  |
| <b>Product Performance</b>        | Medfin actively monitors product performance indicators relevant to the product and will review the appropriateness of the TMD in circumstances where: <ul style="list-style-type: none"> <li>• evidence shows that consumer usage is significantly different from original issuer expectations (e.g. a different product purpose)</li> <li>• evidence shows that product is no longer meeting the financial situation, needs and objectives of the target market for whom the product was designed (e.g. default rates, closure / refinance rates, product related hardship requests)</li> <li>• evidence shows substantial sales outside of the target market.</li> </ul> |
| <b>Feedback from distributors</b> | Reporting received from distributors, or consistent feedback from distributors which suggests that the target market or key product attributes may no longer be appropriate.  |
|                                   | Refer to Reporting.   |

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|  | <b>Substantial Product Change</b>                     | Medfin makes a substantial change to the product terms, conditions or key product attributes including: <ul style="list-style-type: none"> <li>• adding to, removing or changing a product attribute</li> <li>• a substantial pricing change which impacts the consumer value proposition of the product</li> <li>• significant changes to a distribution channel and distribution strategy.</li> </ul> |
|  | <b>Significant Change to the External Environment</b> | <ul style="list-style-type: none"> <li>• Regulatory or legislative environment for this product.</li> <li>• Economic and market conditions.</li> </ul>  |
|  | <b>Notification from ASIC</b>                         | Medfin receives a notification from ASIC requiring immediate cessation of product distribution, or particular conduct in relation to the product.   |
|  | <b>Significant Dealings</b>                           | Evidence that the distribution of the product or distributor conduct are significantly different to the expectations set out in the TMD.  |

## REPORTING

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| <b>Reporting period:</b>      | The reporting period for this determination is quarterly during each calendar year: <ul style="list-style-type: none"> <li>• First reporting period ending on 31 March.</li> <li>• Second reporting period ending on 30 June.</li> <li>• Third reporting period ending on 30 September.</li> <li>• Fourth reporting period ending on 31 December.</li> </ul> |  |
| <b>Reporting information:</b> | A distributor must provide the following information in writing as soon as practicable, or within 10 business days after the reporting period.   |  |
|                               | <b>Complaint Information</b>   | Complaints related to the risks, key terms, conditions or key attributes of this product including: <ul style="list-style-type: none"> <li>• the number of complaints</li> <li>• the nature and circumstances of the complaints</li> <li>• whether or not there has been or is likely to be consumer harm or detriment, and if so, the nature of the harm or detriment.</li> </ul> |
|                               | <b>Feedback from distributors</b>  | Feedback that the target market or key product attributes may no longer be appropriate and not meeting the likely needs and objectives and financial situation of the class of consumers in the target market.   |
|                               | <b>Significant Dealings</b>  | If a distributor becomes aware of a significant dealing in the product or an issue with distributor conduct, that is not consistent with the TMD, they must notify the issuer in writing as soon as practicable, and in any event within 10 business days after becoming aware.  |
|                               | <b>Other Information Requested by Medfin</b>   | Any other information requested in writing by Medfin from time to time subject to: <ul style="list-style-type: none"> <li>• The request being necessary to enable Medfin to meet its legal and compliance obligations; and</li> <li>• Medfin providing at least 30 days prior notice before the end of the Reporting Period.</li> </ul>  |

The credit provider is Medfin Australia Pty Ltd ABN 89 070 811 148 Australian Credit Licence 391697 ('Medfin'), as agent for National Australia Bank Limited ABN 12 004 044 937 Australian Credit Licence 230686 ('NAB')\*.

\*Medfin is a wholly owned subsidiary of NAB but is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Cth). The obligations of Medfin do not represent deposits or other liabilities of NAB. NAB does not guarantee or otherwise support the obligations of Medfin.