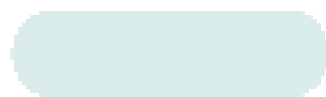


Target Market Determination

Personal Car Loan



About this document

This document has been prepared by First Option Bank Ltd (“the Bank”, “we”, “us”), ABN 95 087 650 735, Australian Financial Services Licence (AFSL) no. 236 509, Australian Credit Licence (ACL) no. 236 509.

This Target Market Determination (TMD) is prepared in accordance with section 994B of the Corporations Act 2001 (Cth). It outlines the class of consumers for whom this product is intended, and sets out:

- ② The conditions under which the product may be distributed,
- ② The events or circumstances that would trigger a review of the TMD, and
- ② The reporting obligations for distributors.

This document is not a Product Disclosure Statement (PDS) and does not contain a complete summary of the product’s features or terms. It should not be relied upon as personal advice. Consumers should refer to the relevant disclosure documents before making any decision about this product.

This TMD supports First Option Bank’s commitment to designing and distributing financial products that align with the needs and expectations of our members. First Option Bank is the issuer of this product.

Target Market

This product is designed for consumer members who:

- ② are seeking a loan for the purpose of purchasing a new or used (up to 7 years old) vehicle
- ② will be using the purchased vehicle for predominantly personal use
- ② are able and willing to offer acceptable security for the loan
- ② need the certainty of a fixed interest rate and fixed repayments for the term of the loan

They must:

- ② be aged 18 years or more
- ② meet the credit assessment criteria for the product

They want:

- ② the flexibility to make additional repayments
- ② the right to redraw advance repayments as required

Description of Product, including Key Attributes

This is a secured car loan. The key attributes are:

- ③ loan terms of up to 7 years
- ③ repayment frequency can be weekly, fortnightly or monthly
- ③ the ability to make additional repayments during the fixed rate period without incurring a break cost fee
- ③ a redraw facility
- ③ acceptable security for the loan must be provided
- ③ a loan administration fee may be payable at funding (refer to the Lending Fees and Charges schedule)
- ③ redraw transaction fees may apply (refer to the Fees and Charges - Lending schedule)
- ③ other fees may apply for changes to made to the loan (refer to the Fees and Charges – Lending schedule)

Distribution Conditions

This product is distributed only by the issuer through the following channels:

- ③ Member Services Contact Centre
- ③ Online (firstoption.com.au)

Distribution conditions for this product include:

- ③ ensuring that customers meet the eligibility requirements for the product
- ③ ensuring that distribution through the member contact centre is by appropriately trained staff

There are currently no other distributors for this product.

Reasonable Steps

First Option Bank will take the following reasonable steps to ensure the product is distributed in accordance with this TMD:

- ③ Ensure all staff involved in distribution are trained on the product's features, target market, and eligibility criteria.
- ③ Regularly monitor sales and distribution data to identify any patterns of distribution outside the target market.
- ③ Implement system-based controls to prevent distribution to ineligible customers (e.g., credit assessment filters, eligibility checks).
- ③ Promptly investigate any significant dealings or complaints and take corrective action where necessary.

Review Triggers

The review triggers that would reasonably suggest that the TMD is no longer appropriate include:

- ③ a significant dealing of the product to consumers outside the target market
- ③ a significant number of complaints is received from customers in relation to their use of the product that reasonably suggests that the TMD is no longer appropriate
- ③ any material changes to the product or the terms and conditions of the product occurs which would cause the TMD to no longer be appropriate

Distributor Reporting Requirements

Distributors of this product must report the following information to First Option Bank:

- ③ Any dealing in the product that is inconsistent with this TMD, within 10 business days of becoming aware.
- ③ The number and nature of complaints received about the product, on a quarterly basis.
- ③ Information on the number of products sold, customer demographics (if available), and any trends or anomalies observed, on a quarterly basis or upon request.
- ③ Any feedback that may indicate the product is not meeting the needs of the target market.
- ③ This information must be reported to the issuer in accordance with the agreed reporting schedule or upon request.

Review Periods

- ③ First issue date: 5 October 2021
- ③ Periodic reviews: Annually