

# Target Market Determination

Consumer Loan, Fixed Rate (including with Balloon Option).

Yamaha Motor Finance Australia Pty Ltd

(ABN 29 101 928 670)

## About this document

This target market determination ('TMD') seeks to offer consumers, distributors, and staff an understanding of the class of consumers for which this product has been designed, having regard to the objectives, financial situation and needs of the target market.

It should be noted that this document is not intended to be used to provide financial advice nor a full summary of the product's terms and conditions, and that consumers should refer to the Terms and Conditions and any supplementary documents when making a decision about the suitability of the product, to their individual circumstance.

## 1. Credit Licensee

Yamaha Motor Finance Australia Pty Ltd, ABN 29 101 928 670 Credit license No. 394 553.

## 2. Date the Target Market Determination is Effective

This Target Market determination is effective from the 5<sup>th</sup> October 2021.

### 3. Class of consumers that fall within this target market

Yamaha Motor Finance Australia offers a consumer loan product that is designed to meet a customer’s needs, objectives and financial situation whilst taking into consideration the product’s eligibility criteria. These are outlined below.

#### 3.1 Product description and key eligibility criteria

The information below summarises the overall class of consumers that fall within the target market for the Yamaha Motor Finance Australia Consumer Loan product (including with Balloon) by being based on the product’s key attributes and the objectives, financial situation and needs that it has been designed to meet.

This Consumer Loan has been designed for consumers who need to finance a new, used or demonstrator motorcycle or various other lifestyle assets for personal or domestic use and want a fixed interest rate for the term of the loan.

#### Product Description

	Consumer Loan Product	Consumer Loan Product with Balloon Option
<b>Product Description and Key Attributes</b>	<p>The key attributes of this Consumer Loan are:</p> <ul style="list-style-type: none"> <li>• Minimum loan amount of \$1,500.00.</li> <li>• Loan terms of a minimum 24 months through to 72 months (however for various Marine lifestyle assets a maximum term of 84 months maybe offered subject to various credit criteria being satisfied).</li> <li>• Fixed Interest Rate for loan term</li> <li>• Take encumbered ownership of the asset once all loan obligations have been met.</li> <li>• Loan secured by the asset being purchased.</li> <li>• Weekly, Fortnightly or Monthly Repayments.</li> <li>• Access to YFSNow online application and account statements</li> <li>• Early repayment of loan subject to payment of relevant fees.</li> </ul>	<p>The key attributes of this Consumer Loan with Balloon Option are:</p> <ul style="list-style-type: none"> <li>• Minimum loan amount of \$1,500.00.</li> <li>• Loan terms of a minimum 24 months through to 72 months (however for various Marine lifestyle assets a maximum term of 84 months maybe offered subject to various credit criteria being satisfied).</li> <li>• Fixed Interest Rate for loan term.</li> <li>• Take encumbered ownership of the asset once all loan obligations have been met.</li> <li>• Loan secured by the asset being purchased.</li> <li>• Weekly, Fortnightly or Monthly Repayments.</li> <li>• Ability to forgo the Balloon payment until the last payment due under the loan.</li> <li>• Access to YFSNow online application and account statements</li> <li>• Early repayment of loan subject to payment of relevant fees.</li> </ul>

## Key eligibility criteria

	<b>These products are appropriate for</b>	<b>These products are not appropriate for</b>
<b>The type of asset you are financing</b>	<p>These products are suitable for customers seeking finance for new or used assets sold by our authorised dealerships, other equipment manufacturers and trade suppliers including:</p> <ul style="list-style-type: none"> <li>- Motorcycles (off-road and On-road).</li> <li>- Scooters;</li> <li>- Boats;</li> <li>- Outboards;</li> <li>- Trailers designed for the purposes of carrying lifestyle assets;</li> <li>- Golf Cars;</li> <li>- Waverunner;</li> <li>- Generators;</li> <li>- Phaser or RMax;</li> <li>- Other related products sold in conjunction with any of the assets above such as accessories (including bolt-on parts) and authorised apparel.</li> <li>- Lawn Mowers.</li> </ul>	<p>The financing of any asset category that is not manufactured by Yamaha including but not limited to:</p> <ul style="list-style-type: none"> <li>- Caravans</li> <li>- Cars</li> <li>- Yellow goods and White goods.</li> <li>- Grey Imports</li> <li>- Assets that do not meet any relevant Australian standards.</li> </ul>
<b>How you use the asset</b>	<p>These loan products are suitable if the asset is predominantly used for personal, domestic, or household purposes.</p>	<p>Loan products are not suitable if the product is used predominantly for business use.</p>
<b>The condition of the asset</b>	<p>Financing assets that</p> <ul style="list-style-type: none"> <li>- Are in good repair and condition</li> <li>- That meet the requirements in the relevant state or territory</li> <li>- Less than 12 years old at loan maturity for Motorcycles, personal watercraft and outboard motors.</li> <li>- Less than 20 years old for any boat, motor and trailer packages at loan maturity (exceptions maybe considered).</li> <li>- Less than 5 years at loan maturity for Golf cars.</li> </ul>	<p>Loan products are not eligible for:</p> <ul style="list-style-type: none"> <li>- Damaged or salvage assets</li> <li>- Assets that don't meet the requirements of the state or territory</li> <li>- Assets that do not meet Yamaha's age requirements</li> </ul>
<b>Ability to repay the loan</b>	<p>These products are suitable for applicants that can repay the loan arrangement without being in financial hardship after taking into account their financial situation and our credit lending criteria</p>	<p>Loan products are not suitable for customers that are:</p> <ul style="list-style-type: none"> <li>- Current bankrupts</li> <li>- Have multiple credit defaults</li> </ul>

	These products are appropriate for	These products are not appropriate for
		<ul style="list-style-type: none"> <li>- Customers unable to repay the loan without financial hardship</li> <li>- Visa holders that are not authorised to work in Australia</li> <li>- Do not satisfy Yamaha Motor Finance Australia's lending criteria.</li> </ul>

### 3.2. Class of Consumers, Needs, objectives and financial situation.

The information below summarises the class of consumer for each product variation and the needs, objectives and financial situation that the Consumer Loan (including with balloon option) has been designed to meet.

#### Class of Consumers

	Consumer Loan	Consumer Loan with Balloon Option
Class of Consumer	This product is designed for a class of consumers that are 18 years or older, are Australian citizens or permanent residents, meet the relevant lending criteria and need finance to purchase a new or used vehicle as described above for personal or domestic use.	This product is designed for a class of consumers that are 18 years or older, are Australian citizens or permanent residents, meet the relevant lending criteria and need finance to purchase a new or used vehicle for personal or domestic use and want to reduce their contractual loan repayments by making payment of a lump sum at the end of their loan term.

#### Needs and objectives

A customer who has the following needs and objectives.

Needs & Objectives	Consumer Loan	Consumer loan with Balloon
Specialist assistance with finance application through our dealer network and in-house sales team	✓	✓
Quick Decision on loan application	✓	✓
Electronic platform to execute documents	✓	✓
A fixed interest rate	✓	✓
Ability to repay the loan early (Fees may apply)	✓	✓

Ability to access and update your loan account online	✓	✓
Payment frequency	Weekly, fortnightly, monthly	Weekly, fortnightly, monthly
Ability to change payment frequency as needs change	✓	✓
Repayment type	Direct Debit & BPay	Direct Debit & BPay
A loan secured by the asset being financed.	✓	✓
A loan with a monthly account keeping fee	✓	✓
Ability to have a lump sum payment at the end of your loan.	X	✓
Loan Term: 24 to 84 months (84-month terms only available on various Marine assets and subject to Yamaha Motor Finance Australia's credit lending criteria). 24- 60 Months for all other assets.	✓	✓

### Financial situation

These products have been designed for customers who can service the principal and interest repayments of a loan, the interest accrued together with any applicable fees and charges.

Additionally, the Consumer Loan products have been designed for customers with the following financial situations.

Relevant Financial Situation	Consumer Loan	Consumer Loan Balloon
Ability to vary the payment frequency	✓	✓
Ability to change payment method	✓	✓
Ability to update account information and payment information online	✓	✓

Potential to apply for hardship	✓	✓
Ability to make out of schedule payments to reduce interest	✓	✓

#### 4. Consistency between target market and the product

The consumer loan product offered, and its key attributes are likely to be consistent with the needs and objectives of the class of consumers described in the target market. This has been determined based on an assessment of our current portfolio of customers, our complaints data as well as feedback gathered on our mobile YFS Now App together with analysis of key term, features and attributes of the products.

An individual’s circumstances may vary, and each individual will need to review our product attributes to ensure that it still satisfies their requirements and objectives. Not all customers meeting the target market will be eligible for credit. Credit criteria still applies.

#### 5. How this product is to be distributed

##### Distribution channels

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

- By an authorised dealership that has a Franchise Agreement with Yamaha Motor Australia Pty Ltd and who also has a Dealership Agreement with Yamaha Motor Finance Australia.
- By an authorised manufacturer that has an ‘Other Equipment Manufacturer Agreement’ with Yamaha Motor Australia Pty Ltd in addition to having an agreement with Yamaha Motor Finance Australia; and
- By a Trade supplier that has an authorised agreement with Yamaha Motor Finance Australia.
- Directly from Yamaha Motor Finance Australia Staff through channels such as our Direct Sales channel.

##### Distribution conditions

This product should only be distributed by Yamaha Motor Finance Australia staff or authorised distributors under the following circumstances:

- To customers who meet the identification and lending criteria.
- Once the distributor has met Yamaha Motor Finance Australia’s training and accreditation requirements (where applicable).
- Where the distributor continues meets the training requirements mandated by Yamaha Motor Finance Australia.
- Where the distributor is not an employee of Yamaha Motor Finance Australia, the distributor must have had an executed ‘Dealer Agreement’ or ‘Other Equipment Manufacturer Agreement’ with Yamaha Motor Finance Australia Pty Ltd.
- Where the distributor utilises advertising which has been obtained from the Yamaha Motor Finance Australia Dealer Account Management system (DAM) and that advertising has been approved by Yamaha Motor Australia’s Legal & Compliance team.

These distribution conditions will make it likely that the customers who acquire our products or services are from the class of customers that fall into our designated target market. These conditions have been identified after analysing our distribution arrangements including agreements, policies, procedures, and training.

## 6. Reviewing this target market determination

We will review this target market determination in accordance with the below:

<b>Initial review</b>	Within the One Calendar Year of the effective date.
<b>Periodic reviews</b>	At least every 3 years years from the initial review, or if there is a major change to the TMD.
<b>Review triggers or events</b>	Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited): <ul style="list-style-type: none"> <li>• Any material changes to the design or distribution of the product, including related documentation.</li> <li>• Occurrence of a significant dealing.</li> <li>• Distribution conditions found to be inadequate.</li> <li>• External events such as adverse media coverage or regulatory attention; and</li> <li>• Significant changes in metrics, including, but not limited to, complaints, social/economic conditions</li> </ul>

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.

## 7. Reporting and monitoring this target market determination

We may collect the following information from our distributors in relation to this TMD.

<b>Complaints</b>	Distributors will report all complaints in relation to the product(s) covered by this TMD on an actual, real time basis i.e., at the time a complaint occurs/or brought to their attention. This will include written details of the complaints.
<b>Significant dealings</b>	Distributors will report if they become aware of a significant dealing in relation to this TMD within 10 business days.