

Target Market Determination - Zip Personal Loan

Purpose

This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth). It sets out the target market for the product, triggers to review the target market and certain other information. It forms part of Zip's design and distribution framework for the product.

This document is not a product disclosure statement or a full summary of the product's terms and conditions, and is not intended to provide financial advice. Consumers interested in acquiring the product should refer to Zip's website (<https://zip.co/au>) for detailed product information.

Issuer	ZipMoney Payments Pty Ltd
Product name	Zip Personal Loan
TMD Version effective date:	1 December 2024
Version:	V1.0
Product description	A Zip Personal Loan is an unsecured personal loan that provides individuals the ability to borrow funds for a range of personal purposes. The Zip Personal Loan offers a variable interest rate and requires individuals to make regular repayments over a fixed term.

Target Market Determination - Zip Personal Loan

Target Market

This product has been designed for the class of consumer that meets the below requirements.

TMD Element	Details	
Target Market	Eligibility Criteria	<p>The eligibility criteria of this product includes that consumers must:</p> <ul style="list-style-type: none"> • Be an individual aged 18 years or above; • Be an Australian citizen or resident; • Have an Australian residential address; and • Meet Zip's credit assessment criteria, including the capacity to meet required repayments without substantial hardship
	Excluded consumers	<p>This product would not be suitable for the following types of consumers who:</p> <ul style="list-style-type: none"> • are under 18 years old; • are not an Australian citizen or resident; • want a fixed interest rate; • want to be able to redraw any additional repayment made on the loan; • want to apply for a loan jointly with someone else; • requires a secured loan; • are looking to borrow less than \$5,000 or more than \$50,000; • are looking to borrow over a longer term than 7 years; and/or • require a loan for business-related purposes.
	Needs & Objectives	<ul style="list-style-type: none"> • Require a loan for a fixed amount and term, for personal purposes such as: <ul style="list-style-type: none"> • Buying a car; • Home renovations; • Debt consolidation;

Target Market Determination - Zip Personal Loan

		<ul style="list-style-type: none"> ● Wedding; ● Holiday or travel; ● Education; ● Medical; ● Boat; ● Caravan; ● Motorbike. ● Ability to make extra repayments or pay the loan out early, without penalty fees.
	Financial Situation	The product is designed for consumers who meet our credit assessment criteria, have the capacity to afford the loan account obligations, such as the monthly minimum repayment as and when it is due (including fees and interest charges).
Key Product Attributes	<p>The product includes the following key attributes:</p> <ul style="list-style-type: none"> ● Amount: the loan amount must be at least \$5,000 and up to \$50,000. ● Term: The loan term must be for up to 7 years ● Repayments: Customers must repay the loan by meeting the minimum monthly principal and interest repayments by the contractual due date. ● Security: Customers do not need to provide an asset as security for the loan. ● Extra repayments: customers can make extra repayments during the loan without an additional fee to do so. ● Early repayments: customers can pay out their loan at any time without an additional fee to do so. ● Variable interest rate: customers interest rate may increase or decrease during the term of their loan. ● Annual rate drop: customers can take advantage of a 1% p.a. annual decrease in the interest rate applicable to their personal loan account when they make all repayments on time, to all their Zip accounts, in the preceding 12 months. Eligibility for the annual rate drop is assessed on each 12 month loan anniversary date. 	
Target Market Appropriateness	<p>The Zip Personal Loan product (and the Zip Personal Loan product's key attributes) is likely to be consistent with the objectives, needs and financial situation of the class of consumers in the target market. This is based on an analysis of the key terms, features and attributes of the product and a finding that:</p> <ul style="list-style-type: none"> ● the key terms, features and attributes of the Zip Personal Loan 	

Target Market Determination - Zip Personal Loan

	<p>product are consistent with the likely needs and objectives and financial situation of the identified class of consumers as described above; and</p> <ul style="list-style-type: none"> confirmation that the Zip Personal Loan product has been designed, and its terms drafted, to meet those likely objectives, needs and financial situation.
--	---

Please note that more detailed information on product terms, features and attributes can be found on the Zip website (<https://zip.co/au>).

Distribution Conditions

Zip defined a set of permitted distribution channels and associated distribution conditions or restrictions. These distribution conditions will be reviewed if distribution channels change.

TMD Element	Details
Distribution Conditions	Zip Personal Loan is distributed digitally by Zip through ¹ online channels (e.g. Zip website, Zip Web Wallet and Zip app) to individuals who meet the eligibility criteria and in accordance with responsible lending guidelines.
Distribution Appropriateness	It has been determined that the distribution conditions and restrictions will make it likely that consumers who purchase the product are in the class of consumers for which it has been designed. The distribution conditions are appropriate and will direct distribution towards the target market for whom the product has been designed (for example consumers with digital experience given this product is distributed and administered online).

Product Review

This TMD will be reviewed as outlined below. Where a review trigger has occurred, this TMD will be reviewed within 10 business days.

TMD Element	Details
Review Period (initial)	Within 12 months of the effective date.
Review Period (ongoing)	At least every 12 months

¹ Risks relating to the distribution of Zip Personal Loans digitally are monitored ongoing by Zip and its dedicated Securities teams.

Target Market Determination - Zip Personal Loan

Review Triggers	Zip internally sets thresholds for these review triggers (where appropriate) and monitors performance against these thresholds, in Zip governance forums. Where Zip determines that one of the below review triggers has occurred, a review of this TMD will be performed.	
	External Environment	Significant changes to the external environment that would reasonably suggest that this TMD is no longer appropriate, including the regulatory / legislative environment for the product, as well as the economic and market conditions.
	Notification from ASIC	The use of ASIC's Product Intervention Powers (PIP), regulator orders or directions with regard to this product that would reasonably suggest that this TMD is no longer appropriate.
	Material Change	A material change to the key product attributes or terms and conditions that would reasonably suggest that this TMD is no longer appropriate.
	Complaints	As measured through internal metrics, a significant number or significantly increased number of complaints are received from consumers who have applied for, acquired and/or used the product, with respect to the design, functionality, outcome and distribution of the product, which would reasonably suggest that this TMD is no longer appropriate.
	Consumer Behaviour	An observation based on product / consumer analysis of a material consumer behaviour and product usage that would reasonably suggest that this TMD is no longer appropriate. Metrics monitored for customer behaviour would include data on items such as missed payments and financial hardship.
	Significant Dealing	Occurrence of a significant dealing that would reasonably suggest that this TMD is no longer appropriate.

Reporting

Zip will collect the following distribution information from external providers who distribute the product.

Target Market Determination - Zip Personal Loan

TMD Element	Details
Compliance Reporting	Zip will report information as required to ASIC. For example, Zip must notify ASIC within 10 business days of becoming aware of a significant dealing (except excluded dealings) in a financial product that is not consistent with the product's TMD.