

TARGET MARKET DETERMINATION

Product Name	Essentials Offset Account
Start Date	5 October 2021
Description	The Essentials Offset Account is an everyday bank account that can be linked to an Essentials Home Loan. Customers can deposit salary and savings into the account and have the balance then offset against the amount owing on the Essentials Home Loan, reducing the interest charged on amounts owing.
Target Market	<p>Objectives, financial situation and needs of the Target Market</p> <ul style="list-style-type: none"> Individuals who are looking to save money in their home loan process Individuals who want at call access to the funds in their account. Individuals who are looking for a simple and convenient way to manage and access the funds and investments <p>Eligibility criteria for the product</p> <ul style="list-style-type: none"> Successful completion of applicable Arab Bank Australia Limited (ABAL) identification check requirements. Minimum opening balance of \$50. To be eligible and get the benefits from the offset arrangement: <ul style="list-style-type: none"> The Customer must hold an Essentials Home Loan in addition to the Essentials Offset Account. The Customer must request to link their Essentials Home Loan and Essentials Offset Account in writing to ABAL. The Customer's Essentials Offset Account must be in the same name as the Customer's Essentials Home Loan account. The Customer's Essentials Offset Account must not currently be linked to any other loan held by the Customer with ABAL. The Customer's Essential Home Loan must be regulated by the National Credit Code. <p>Key features of the product</p> <ul style="list-style-type: none"> At call access to funds in the account via internet banking, in branch, ATM and EFTPOS. Option to elect to be provided with a Visa Debit Card. Monthly account keeping fee: \$10 Option to have salary, dividends, or other income directly credited to the account. Option to have direct debits and periodic payments directly debited from the account. Ability to transfer funds online across accounts, including to third parties Option to receive regular statements Offset Arrangement: <ul style="list-style-type: none"> The interest charges for each day calculated on the balance owing on the Customer's Essentials Home Loan account will be calculated by deducting the credit balance of the Customer's Essentials Offset Account from the balance owing on the Customer's linked Essentials Home Loan at the end of the day and then applying the interest rate applicable to the Essentials Home Loan to calculate the daily interest charge. Where the credit balance of the Customer's linked Essentials Offset Account offsets the balance owing on the Customer's Essentials Home Loan in full at the end of a day, no interest will be charged under the Customer's Essential Home Loan for that day. While the Customer's Essentials Offset Account is linked to the Customer's Essentials Home Loan, the Customer's Essentials Offset Account will not earn any interest even if the credit balance of the Customer's Essentials Offset Account exceeds the balance owing on the Customer's Essentials Home

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	<p>Loan.</p> <ul style="list-style-type: none"> Option to terminate the offset arrangement by giving seven days' notice in writing. <ul style="list-style-type: none"> Additional fees relevant to this account and the offset arrangement can be found on the website (https://www.arabbank.com.au/about/fees) <p>Why the product is likely to be consistent with the likely objectives, financial situation and needs of the target market</p> <ul style="list-style-type: none"> Internet connectivity and accessibility allows this product to appeal to individuals wanting convenience in access and management of funds Appeals to customers looking to make the most out of their investment by leveraging their salary and other income to reduce the interest repayments on their mortgage when an offset arrangement is obtained. Simplicity of features appeals to customers looking for a no frill bank account
Distribution Conditions	<p>Distribution Conditions for the product</p> <p>The distribution of this product is subject to the following conditions and restrictions:</p> <ul style="list-style-type: none"> ABAL staff that distribute this product must meet ABAL's minimum qualification requirement and hence must possess the following: <ul style="list-style-type: none"> Tier 2 General Advice Deposit Products This product cannot be distributed through third parties The product can only be distributed to retail customers in accordance with ABAL's product and process requirements This product can be distributed: <ul style="list-style-type: none"> In branch; or Online via Internet Banking. <p>ABAL views that these conditions are appropriate and are of a nature that the distribution of the product will likely be consistent with the target market as ABAL will have close oversight of how the product is promoted and distributed by staff who are sufficiently qualified.</p>
Review Triggers	<p>The TMD may no longer be considered appropriate and a review of this TMD must be undertaken by ABAL, if any of the below review triggers occur:</p> <ul style="list-style-type: none"> A significant number of complaints received from customers who acquired the product, which relate to the customer's purchase or use of the product, and which shows that the TMD may no longer be appropriate for the product A material incident or significant number of incidents which relates to customer's purchase or use of the product, and which shows that the TMD may no longer be appropriate for the product A significant dealing of this product to customers who are outside the Target Market The receipt of a product intervention power order note from ASIC requiring ABAL to immediately cease retail product distribution conduct in respect of the product Any other event or circumstance that ABAL views would materially change a factor considered in making the TMD
First Review Date	5 October 2023
Review Period (ongoing)	<ul style="list-style-type: none"> Reviews to be conducted at least every two years Reviews to be conducted, if necessary, as prompted by a Review Trigger (mentioned above)
Review Trigger Information Requirements	This product is not distributed by third parties; therefore, no review trigger information reporting requirements are applicable to this product.

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