

TARGET MARKET DETERMINATION

Product Name	Fixed Rate Home Loan Owner Occupier and Investor
Start Date	5 October 2021
Description	A home loan which for owner occupiers provides a fixed rate in the first one to five years, and then a variable rate in line with the Basics Home Loan product for the remainder of the loan. Also available for Investors who are looking to buy and hold for up to 5 years.
Target Market	<p>Objectives, financial situation and needs of the Target Market</p> <ul style="list-style-type: none"> Customers who have a fixed income or a fixed budget and want to have the certainty of fixed mortgage repayment for a period. Customers looking for a fair market price and simplicity. Appropriate for: <ul style="list-style-type: none"> Owner-occupiers; or Investors. <p>Eligibility criteria for the product</p> <ul style="list-style-type: none"> This loan is available to new and existing customers. Available to applicants over the age of 18 years. Applicant must meet the Bank's Credit criteria. Loan Mortgage Insurance (LMI) is required if amount borrowed is more than 80% of the value of the property Successful completion of applicable Arab Bank Australia Limited (ABAL) identification check requirements. <p>Key features of the product</p> <ul style="list-style-type: none"> Fixed Interest Rate for the first 1-5 years. Option to apply for an extension of the fixed rate period, Variable interest rate in line with the Basics Home Loan applicable after the chosen length of time during which the fixed rate applies Switching into this loan from another product is permitted. Principal and Interest Loan Term Or Interest Only Loan Term Minimum 1-year term Maximum 30-year term Minimum Loan amount - \$50,000 Maximum loan amount is 95% of the value of the property Mortgage insurance facility available allowing customers to borrow up to 95% of the property's value Loan is transferable Upon expiry of the fixed term, the interest rate will revert to the variable Basics Home Loan interest rate, less a margin of 1.50% for Owner Occupier loans and less a margin of 1.00% for Investment loans <p>Fees and Charges</p> <ul style="list-style-type: none"> Application fee: from \$600 Monthly service fee: \$8 Additional fees and interest associated with this product 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"> Flexibility of features facilitates a customisable, straightforward home loan for individuals looking for predictability, stability and control over their finances

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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. <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 Periods	<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.