

TARGET MARKET DETERMINATION

Product Name	The Basics Home Loan
Start Date	5 October 2021
Description	A variable interest rate home loan that offers a low and competitive interest rate.
Target Market	<p>Objectives, financial situation and needs of the Target Market</p> <ul style="list-style-type: none"> Customers who do not want to lock into a fixed rate home loan and who are looking for a consistently lower rate than the Essentia variable rate home loan. Customers whose primary objective is to repay their loan as soon as possible or keep their interest costs to a minimum (e.g., First Home Buyers and Young Couples). Customers looking for a fair market price and simplicity. Appropriate for: <ul style="list-style-type: none"> Owner-occupiers Investors New loans Further loans Vacant land loans <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"> Principal and Interest Loan Term – Greater than 2 years with a maximum of 30 years Switching into this loan from another product is permitted. Minimum Loan amount - \$50,000 Maximum loan amount is 95% of the value of the property Option to choose between weekly, fortnightly, or monthly repayments Option to make extra repayments free of charge Option to redraw available, gives customers the ability to access repayments above the required minimum amount, enabling them to redraw funds without the need for a new application (minimum redraw amount of \$2,000) Ability to redraw online via Internet Banking application Mortgage insurance facility available allowing customers to borrow up to 95% of the property's value Loan is transferable <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 simplicity and lower interest rate

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	<ul style="list-style-type: none"> Affordability attracts customers who are looking to invest in their first property
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.