

Target Market Determination: RateSaver Home Loan

Effective Date: 2 February 2026

Issuer: Australian Military Bank Ltd
 ABN 48 087 649 741 | Australian Financial Services Licence and Australian
 Credit Licence Number 237 988

What is a Target Market Determination?

A Target Market Determination (TMD) describes:

- ▶ who this product is designed for;
- ▶ conditions for how it is distributed; and
- ▶ events or circumstances that will trigger a review of this document.

We are required to have TMDs under the law. The purpose for the law is to ensure customer are at the centre of how we design and distribute our products.

This TMD is not a Product Disclosure Statement (PDS) and is not a summary of the product terms and conditions. Any advice provided in this document is general advice only. It has been prepared without considering any person's particular objectives, financial situations or needs. More information about this product is contained in the relevant PDS, Terms & Conditions, Schedule of Fees and Charges, and other applicable disclosure documents.

Target Market

This product is designed for customers who are looking to purchase or refinance a home with a lower variable interest rate, with the ability to redraw additional payments and don't need the benefit of additional features such as offset account.

The table below sets out who is eligible for this product together with their likely objectives, needs and financial situation.

Eligibility	<p>Customers must be:</p> <ul style="list-style-type: none"> ▶ at least 18 years of age; ▶ an Australian citizen or permanent resident or a New Zealand citizen who permanently lives and works in Australia; ▶ able to meet our credit assessment criteria; and ▶ able to evidence a regular income and be able to make regular repayments.
Objectives and needs	<p>Customers who require:</p> <ul style="list-style-type: none"> ▶ a home loan to purchase or refinance a residential property; ▶ a home loan with lower interest rates and repayments than a standard variable home loan; ▶ the ability to make flexible repayments; ▶ a home loan with no monthly account keeping fees ▶ the ability to redraw funds as required; and ▶ the ability to reduce home loan deposit requirements and/or repayments by using available Government Scheme's and subsidies.

Financial situation	<p>Customer that are likely to:</p> <ul style="list-style-type: none"> ▶ demonstrate the capacity to make the required repayments and the ability to pay off the loan without substantial hardship; and ▶ have the required deposit based on the applicant, property and loan details or qualify for the Australian Government 5% Deposit Scheme, pay Lender's Mortgage Insurance or have an acceptable Guarantor.
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- × This product is not designed for customers who are: unable to meet our credit assessment criteria, including the ability to make regular repayments;
- × looking for fixed repayments over the loan term;
- × looking to leverage an offset account;
- × business customers;
- × aged under 18 years of age.

Product Key Attributes

The key attributes for this product include:

- ▶ available for owner occupied or investment purposes;
- ▶ minimum loan amount is \$150,000, up to a maximum of \$5,000,000;
- ▶ maximum loan term of 30 years;
- ▶ offers a lower variable interest rate compared to our standard variable home loan;
- ▶ repayment will vary over the life of the loan based on changes to the interest rate;
- ▶ option to make extra repayments to pay off the loan faster;
- ▶ flexible repayment frequency - weekly, fortnightly, or monthly;
- ▶ a redraw feature that allows customers to withdraw extra payments they have made in addition to the minimum required repayments (conditions apply);
- ▶ no monthly account keeping fees (other fees may apply, refer to the Schedule of Fees and Charges);
- ▶ compatible with Defence Home Ownership Assistance Scheme (DHOAS) on owner occupied loans (subject to eligibility); and
- ▶ compatible with Australian Government 5% Deposit Scheme, an Australian Government initiative to support home buyers (subject to eligibility).

Appropriateness of the Product

This product including the key attributes is likely to be consistent with the objectives, needs and financial situation of the target market for the following reasons:

- ▶ the product enables customers to meet short and long-term financing objectives involving a residential property;
- ▶ the home loan has a lower interest rate than our standard variable product and allows additional repayments, supporting customers who are seeking to minimise interest charges; and
- ▶ the product offers flexibility to cater for changing customer needs over the life of the loan.

Distribution Conditions

Australian Military Bank has oversight of how the product is promoted and issued. The table below outlines the distribution channels where the product can be sold and sets out the conditions that apply to each channel.

Distribution Channel	Conditions that make product distribution through the channel appropriate
Assisted channels (e.g. in branch, over the phone,	Our people who distribute this product must:



Distribution Channel	Conditions that make product distribution through the channel appropriate
with a relationship manager or mobile banker)	<ul style="list-style-type: none"> ▶ be are trained on product features, rates / fees, benefits, associated target markets and regulatory obligations; ▶ have access to product materials and tools; ▶ follow a process to review application eligibility; and ▶ only distribute the product to customers who meet the eligibility criteria.
Online channels (e.g. our website, internet banking and mobile banking app)	<p>Our online channels provide customers with:</p> <ul style="list-style-type: none"> ▶ information about the products with a summary of key benefits, interest rates and fees as well as relevant disclosure documents to assist in making a decision about the most suitable product for their needs; and ▶ contact details and online query form, however it cannot be fully distributed online. The online enquiry form will be directed to an assisted channel to complete.
Third party brokers	<p>We allow this product to be distributed by approved third party brokers who:</p> <ul style="list-style-type: none"> ▶ hold appropriate qualifications, industry membership, authorisations to engage in credit activities as well as completion of background checks; ▶ are trained on the product features, rates / fees, benefits, associated target markets; ▶ follow a process to review application eligibility and credit assessment; ▶ only distribute the product to customers who meet the eligibility criteria. ▶ are monitored through assurance programs; and ▶ if the broker fails to comply with the above requirements, we may terminate their authority to distribute this product.
Aggregators	<p>We may use comparison websites that provide a link to our website.</p>

The distribution conditions will enable the product to reach customers in the target market as:

- ▶ we have processes in place to assess the customer's ability to service the home loan account,
- ▶ the distribution channel/s are monitored by us; and
- ▶ people who distribute the product receive appropriate training regarding the target market.

Reviewing this document

We will review this TMD every two years, and where an event or circumstance occurs that may suggest that the TMD is no longer appropriate, as follows:

Information Type	Description
Customer outcomes	<ul style="list-style-type: none"> ▶ High rates of default. ▶ High hardship rates. ▶ Evidence of being sold to vulnerable customers.
Complaints	<ul style="list-style-type: none"> ▶ Trends in feedback or complaints received from customers who use this product.
Changes to the Product	<ul style="list-style-type: none"> ▶ Material changes are made to the product, rates and/or fees. ▶ Significant changes are required to product terms and conditions. ▶ Changes to the way the product is distributed.



Information Type	Description
Incident data	▶ A material incident, or a number of significant incidents, that relate to the design or distribution of the product that identify potential, or actual, breaches of our legal or regulatory obligations.
Significant dealings	▶ Any significant dealing of the product to customers who are outside of the Target Market.
Notification from ASIC	▶ ASIC issuing a product intervention power order requiring us to immediately cease issuing or distributing this product.

Reporting Requirements

The table below sets out the information which must be provided to Australian Military Bank by third party distributors:

Information Type	Time Frame
Product related complaints and feedback	Quarterly
If there is a significant dealing of the product to customers who are outside the Target Market.	Within 10 business days of becoming aware of such dealing.

Questions?

If you have any questions about our products or this TMD, please contact us on 1300 13 23 28 or email us at service@australianmilitarybank.com.au.



