

ARAB BANK AUSTRALIA LIMITED

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

Effective 1 April 2009

This document is a Supplementary Product Disclosure Statement ("SPDS") and is prepared and dated 1 April 2009.

This SPDS supplements the Arab Bank Australia Limited Product Disclosure Statement (Original PDS) – dated 4 July 2007.

This SPDS should be read together with the Original PDS, the Arab Bank Australia Limited Supplementary Product Disclosure Statement dated 15 May 2008, and the Arab Bank Australia Limited Account Features and Charges booklet.

This SPDS provides details of additional terms and conditions that apply when the following deposit accounts are applied for via Arab Bank Limited's website account application process:

- Cash Management Account
- Online Savings Account
- Term Deposit
- Statement Account

The terms and conditions and other information contained in the Original PDS continue to apply, subject to the amendments made in this SPDS.

From 1 April 2009 the following terms and conditions will apply to the deposit accounts specified in this SPDS when applied for via Arab Bank Australia Limited's website account application process.

(a) Definition

"Website account application process" means the process whereby a customer opens an account by obtaining the account application form from Arab Bank Australia Limited's website (www.arabbank.com.au) and has their customer identification completed by Australia Post or any other non-Arab Bank Australia Limited employee.

(b) Account Opening

Accounts may only be opened and held by customers that:

- are an Australian citizen or an Australian resident;
- have an Australian residential address; and
- are over 18 years of age.

Accounts may only be opened and held in the name of one individual or two individuals jointly. Accounts may not be opened or operated for business, trade or trustee purposes.

(c) Operating an Account

Only the customers in whose name the account is held may be nominated as persons authorised to operate the account.

Joint accounts can only be operated severally. This means that where an account is held in the name of two individuals each of the account holders is authorised to operate the account.

The holders of any account are liable (jointly and individually if there is more than one holder) for all liability incurred as a result of operations on the account.

(d) Transactions/Features

Customers will not be eligible to receive:

- a cheque book; and/or
- an ATM/EFTPOS Card.

(e) Currency

Accounts must be opened and held in Australian Dollars.

(f) Withdrawals

A withdrawal above the agreed Internet Banking limit can only be effected by Arab Bank Australia Limited on behalf of a customer via:

- a transfer made to an account that is held:
 - with another Australian domiciled financial institution; and
 - in the same name as the account from which the funds are to be withdrawn; or
- a bank cheque made payable to the same name as the account from which the funds are to be withdrawn.

Fees and charges may apply. Refer to the Arab Bank Australia Limited Account Features and Charges booklet.

(g) Closing an Account

Any credit balance remaining in the account at the date of closing can only be remitted to an account that is held:

- with another Australian domiciled financial institution; and
- in the same name as the closed account.