

Arab Bank Australia Limited Product Disclosure Statement

Effective 4 July 2007

This document must be read in conjunction with the Arab Bank Australia Limited Account Features and Charges booklet. Together they form the product disclosure statement for the products set out in this document.

arabbank.com.au

Arab Bank Australia

This document is your Product Disclosure Statement for the following products:

Term Deposits
Cash Management Accounts
Online Savings Account
Statement Accounts
Student Accounts
Standard Cheque Accounts
Premium Business Cheque Accounts
Passbook Accounts
Best Buddies Accounts
Cash Margin Accounts
Direct Debits
Periodical Payments
Telegraphic Transfers
Bank Cheques
Bank Drafts
BPAY®
Electronic Banking

This document contains all the terms and conditions for the above products.

Contents

1	Introduction	4
1.1	References to the “Bank”	4
1.2	Other defined terms	4
1.3	What is a PDS?	4
1.4	Services described in this PDS	4
1.5	Interest	4
1.6	Application of this PDS	5
1.7	Code of Banking Practice	5
1.8	Bank staff bonuses	5
2	Opening an account	5
2.1	Identification	5
2.2	Tax File Number (“TFN”)	6
2.3	Joint/Multiple party accounts	6
2.4	Trust accounts	6
2.5	Reserve to decline an Application	6
3	Operating an account	6
3.1	Authorised signatories	6
3.2	Deposits and withdrawals	7
3.3	Cheques	9
3.4	Electronic banking	11
3.5	Statements	11
3.6	Overdrawn accounts	12
3.7	Bank’s rights to combine accounts	12
3.8	Change of name, address, signatories	12
3.9	Closing an account	12
3.10	Inactive accounts	13
3.11	Unclaimed money	13
3.12	Foreign currency	13
4	Changes to terms and conditions	13
5	Problem resolution	14
6	Privacy and confidentiality	15
6.1	Collection of information	15
6.2	Disclosure of personal information	15
6.3	Accessing your personal information held at the Bank	16
7	Anti-money laundering, anti-terrorism	16
8	Deposit accounts	16

8.1	Term Deposit	16	11.3	Fees and charges	32
8.2	Cash Management Account	19	11.4	Access to the Service	32
8.3	Online Savings Account	19	11.5	Use of the Service	33
8.4	Statement Account	20	11.6	Multiple Signatories on an Account	34
8.5	Student Account	21	11.7	Transfer limits	34
8.6	Standard Cheque Account	22	11.8	SMS Payment Authentication	35
8.7	Premium Business Cheque Account	22	11.9	Instructions to the Bank	35
8.8	Passbook Account	23	11.10	Account records	36
8.9	Best Buddies Account	24	11.11	Problem resolution	36
8.10	Cash Margin Account	24	11.12	Transfer To Anyone conditions	36
9	Electronic banking services – general terms and conditions	25	11.13	Obtaining access to Transfer to Anyone	36
9.1	Electronic banking	25	11.14	Processing your Transfer to Anyone instructions	37
9.2	Electronic Funds Transfer terms and conditions	25	11.15	BPAY® conditions	37
9.3	Electronic instructions	25	11.16	Processing of BPAY® Payments	38
9.4	Cancellation or denial of electronic access	26	11.17	SMS Banking	40
9.5	Security	27	12	Other non-cash payment facilities	40
9.6	Lost or stolen Card, PIN or Password	27	12.1	Direct Debit and Periodical Payments	40
9.7	Unauthorised transactions	28	12.2	Telegraphic Transfers	41
9.8	Equipment malfunction	30	12.3	Bank drafts	42
10	ATM/EFTPOS Card	30	12.4	Bank cheques	42
10.1	Terms and conditions	30	13	Definitions	43
10.2	Ownership and use of your Card	30	14	Contact details	46
10.3	Charges related to the use of your Card	30			
10.4	Withdrawal limits	31			
10.5	Operation and usage restrictions of ATM/EFTPOS Card and PIN	31			
10.6	Linked account(s) statement	31			
10.7	Changes to terms and conditions	31			
11	Electronic banking services – Internet Banking	31			
11.1	How you can use Internet Banking	31			
11.2	Changes to these terms and conditions	32			

1 Introduction

1.1 References to the “Bank”

A reference in this Product Disclosure Statement (“PDS”) to the “Bank” means Arab Bank Australia Limited ABN 37 002 950 745 Australian Financial Services Licence Number 234563.

1.2 Other defined terms

Capitalised terms used in this PDS have the meanings set out in section 13 unless the term is otherwise defined within the text of this PDS.

1.3 What is a PDS?

A PDS is an important document which is designed to enable you to make an informed decision as to which financial product best suits your needs. You should read the PDS carefully and ask the Bank about matters that concern you. This PDS is dated 4 July 2007.

1.4 Services described in this PDS

This PDS deals with the savings and deposit products of the Bank and its non-cash payment facilities.

This PDS relates to:

- Term Deposits;
- Cash Management Accounts;
- Online Savings Accounts;
- Statement Accounts (Including Student Accounts);
- Cheque Accounts (Standard and Premium Business);
- Passbook Accounts (Including Best Buddies Accounts);
- Cash Margin Accounts;
- Electronic Banking including BPAY®;
- Telegraphic Transfers, Drafts, Bank Cheques; and
- Direct Debits and Periodical Payments.

The PDS contains the terms and conditions of use for the above products.

Different products may have different features and benefits. Features of some products, such as cheques, may carry some risks. Please consider your needs and the features of each product carefully.

1.5 Interest

If you are entitled to interest on your account, details of the interest rates applicable are available on request:

- at any Bank branch (please see the contact details in section 14 of this PDS); or
- on our website at www.arabbank.com.au.

Term Deposits have specific terms relating to interest calculation and crediting. Interest on other accounts which are interest bearing will be calculated on the daily closing balance of your account (note that some accounts have minimum balance requirements before interest applies - please refer to section 8 of this PDS for more information). The daily interest rate is the annual rate divided by 365 for Australian Dollars and British Pounds, or 360 for US Dollars, Euros and Swiss Francs.

Some accounts only carry entitlements to interest if the balance of the account is above a certain level. Other accounts have “tiered” interest rates, where the rate of interest varies according to the balance of the account. For details of the tiered interest rates, please refer to the interest rate sheet available from any Bank branch or see our website at www.arabbank.com.au. Please refer to each individual account in section 8 of this PDS for details of the accounts that have tiered interest rates.

Interest may be calculated differently, depending upon the relevant Bank account. Please refer to details of individual accounts in section 8 of this PDS in relation to the interest calculation method applicable to your account.

Interest only becomes part of your account balance when it is paid by crediting it to your account or, in the case of a Term Deposit, by reinvesting it in your Term Deposit.

1.6 Application of this PDS

If you have an existing account with the Bank, the terms of this PDS will apply 30 days after you receive notice of this PDS, except if you have previously agreed with the Bank terms and conditions with a fixed expiry date. In that case, this PDS will apply from that expiry date. If you are opening a new account this PDS will apply to that account immediately.

The Bank limits its liability to the maximum extent permitted by law in relation to terms implied by law which cannot be excluded.

1.7 Code of Banking Practice

The relevant provisions of the Code of Banking Practice 1993 apply to the banking services set out in this PDS (as defined in the Code of Banking Practice 1993).

1.8 Bank staff bonuses

Staff of the Bank may be eligible for bonuses for exceeding specific product sales targets for Bank products. Bonuses per staff member based purely on product sales will not normally exceed 10% of the staff member’s annual salary in any one year.

2 Opening an account

2.1 Identification

To open an account you must identify yourself in accordance with the Federal Financial Transaction Reports Act.

You may provide sufficient identification with four of the following documents:

- Medicare card;
- Driver’s licence;
- Credit card;
- Gas or electricity bill;
- Current rates notice; or
- Your birth certificate.

Two of the above and one of the following will also be sufficient identification:

- Passport; or
- Citizenship certificate.

One of the documents provided must contain your photograph. Some other documents may also be acceptable to establish your identity. If you need assistance, please ask our staff.

2.2 Tax File Number ("TFN")

Accounts earning interest are subject to TFN legislation. It is not compulsory for you to provide your TFN or Australian Business Number (ABN). However, if you are an Australian resident and you choose not to provide your TFN or ABN, or a TFN exemption has not been supplied, the Bank must deduct tax calculated at the highest marginal tax rate, plus the Medicare levy, from the interest earned. The amount of tax deducted will form part of your income tax similar to deductions made from wages or salary.

Interest earned on accounts operated by non-residents are subject to non-resident withholding tax at a rate of 10%.

2.3 Joint/Multiple party accounts

If your account is held jointly with one or more other persons:

- the Bank may provide this PDS and any notices (including statements and changes to this PDS) by making them available to one of the joint holders only, at their address in the Bank's records; and
- all joint holders will be deemed to have received the PDS or notice the day after it is sent to one of the joint holders.

If one joint holder dies the Bank may consider that the account is owned by the surviving joint holder(s).

WARNING:

If the account becomes overdrawn by one (or more) of the joint holders, each joint holder may be liable for payment of all or any part of the amount overdrawn.

2.4 Trust accounts

The Bank may open an account where the customer is acting and named as the trustee for one or more other persons. Examples include a parent holding an account for their children, a trustee holding an account on behalf of a club or the beneficiaries under a will.

2.5 Reserve to decline an Application

The Bank reserves the right to decline any application.

3 Operating an account

3.1 Authorised signatories

When an account is opened you nominate the person(s) authorised to operate the account. Funds may be withdrawn from the account after the Bank receives instructions from the authorised signatory or signatories to the account.

If you have a joint account you may choose for any one joint account holder or authorised signatory to severally operate the account, or for two or more joint account holders or authorised signatories to jointly 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.

The Bank can amend the authorised signatories to the account on receipt of a written authorisation from the existing account holders to effect such a change.

3.2 Deposits and withdrawals

Deposits to and withdrawals from accounts are required in the same currency as the account. See Section 8 of this PDS for the currencies available for each product. Cash withdrawals and deposits greater than AUD\$5,000 may be subject to a cash-handling fee.

Deposits

Term deposits have specific terms and conditions for depositing, withdrawing or transferring money. For more details, please see section 8 of this PDS. For all other accounts, you can make a deposit to your account:

- In person at any Bank branch;
- By mail;
- By arranging an automatic deposit of salary or other income including pension, dividend or family allowance payments*;
- By transferring funds electronically using the Bank's electronic banking facilities*, but only if you are 18 years of age or over; or
- By arranging electronic credits from other financial institutions*.

(*not applicable to foreign currency, Passbook, Best Buddies or Cash Margin Accounts)

There is no maximum amount that can be deposited to an account, however the Bank reserves the right to set a maximum amount of deposit on any account at any time with immediate effect. Cheques are more fully dealt with below.

Withdrawals

Term deposits have specific terms and conditions for withdrawing or transferring money. For more details, please see section 8 of this PDS.

Unless otherwise noted in the specific terms applicable to your account, and subject to your account containing sufficient cleared funds, you may withdraw money from your account:

- in person at a Bank branch;
- if your account has a cheque facility, by cheques printed or approved by the Bank;
- through a pre-arranged debit such as a periodical payment*;
- if your account is linked to a ATM/EFTPOS Card (see paragraph 3.4 below):
 - at any ATM in Australia; or
 - through an EFTPOS terminal;
- if your account is a "Linked Account" through Internet Banking (see section 11), but only if you are 18 years of age or over. (*not applicable to foreign currency, Passbook, Best Buddies or Cash Margin accounts).

Cash withdrawals over the counter at a Bank branch for more than \$2,000 have to be arranged with the branch one day before.

All you have to do is call the branch a day before you intend to withdraw the cash and inform them of the amount. Withdrawals from your account can then be made by you or any authorised signatories to the account in the usual way.

Foreign currency deposits and withdrawals

Cash withdrawals from foreign currency accounts are subject to availability of that foreign currency. Upon a foreign currency cash withdrawal, the foreign currency will be converted to Australian currency and then converted back to the foreign currency. You may receive a lower amount of foreign currency due to the difference in the exchange rates applied.

Upon foreign currency cash being deposited to the foreign currency account, the funds will be converted to Australian currency and then converted back to the foreign currency. A lower foreign currency amount may therefore be credited to your account, due to difference in the exchange rates applied.

The Bank may, in its discretion, refuse to accept cash deposits in a foreign currency.

Periodical payments

The terms and conditions of use of your account may allow you to make arrangements for the Bank to make regular periodical payments to another account (periodical payment) held with the Bank. Accounts, which have such a facility, are the Cash Management Account, the Australian Dollar Statement Account, the Cheque Account and the Premium Business Cheque Account.

The Bank will only make a periodical payment if your nominated account has sufficient funds for the payment before the start of business on the scheduled date of payment. If your account has insufficient funds, the Bank may check your account again during the next five Business Days. The payment will be made if funds are available when checked during that period. The payment will only be made from your nominated account. The Bank will not check any other account you may have for available funds.

The order of payment from or drawing on your account is at the discretion of the Bank. If the payment falls on a day that is not a Business Day, it will be made on the next Business Day. The Bank may vary the amount of a periodical payment where your authority to make the payment has been given in connection with the repayment of a credit arrangement with the Bank.

You may stop, vary or cancel a periodical payment if you notify the Bank in writing at least two Business Days before the payment is scheduled to be made.

The Bank may charge you a fee if there are insufficient funds in your nominated account to make the payment.

Direct Debits

The terms and conditions of use of your account may allow for your account to be debited and the amount paid to a service provider or merchant (direct debit). Accounts, which have such a facility, are the Cash Management Account, the Online Savings Account, the Australian Dollar Statement Account, the Cheque Account and the Premium Business Cheque Account.

The Bank will only make a direct debit payment if your nominated account has sufficient funds for the payment before the start of business on the schedule date of payment. The payment will only be made from your nominated account. The Bank will not check

any other account you may have for available funds. The order of payment from your account is at the discretion of the Bank.

The Bank may charge you a fee for providing this service.

A Direct Debit may be stopped or cancelled before the payment is made. You should address your request for stopping or cancelling a direct debit directly to the service provider via which you have authorised the payment to be made.

The Bank may charge you a fee if there are insufficient funds in your nominated account to make the payment.

Timing of withdrawals and deposits

Generally, all transactions on your Bank account other than Internet Banking and BPAY® transactions will be processed to your account on the same day that they are made provided that they are made before 4.00pm, Monday to Thursday and before 5.00 pm on Fridays (excluding national public holidays). Transactions made after this time will generally be processed on the next Business Day.

If your direct debit or periodical payment falls on a day that is:

- a Business Day; or
- the first day monthly; or
- the last day monthly

it will be processed on that day.

If a scheduled payment falls due on a non-Business Day, it will be made on the next Business Day. However, in the event before the next Business Day occurs, there is:

- a first day monthly; or
- a last day monthly

occurring, then the payment will be processed on that day.

To the maximum extent permitted by law, the Bank will not be liable for any loss or damage, including consequential loss or damage, suffered because of a disruption to banking services.

This disclaimer of liability does not apply to electronic banking transactions where the terms and conditions in section 9 apply. This disclaimer is in addition to, and does not restrict, any other provisions contained in these terms and conditions which limit the Bank's liability.

3.3 Cheques Clearance

If you deposit a cheque into your account you cannot draw on the funds deposited until the cheque has been cleared. This usually takes three Business Days but it may take longer.

We can arrange special clearance of cheques which means cheques deposited into your account will be cleared faster than normal. However, a service fee will apply.

Dishonour

At the Bank's discretion, a cheque may be dishonoured where:

- the cheque is unsigned;
- the cheque is more than 15 months old;
- the cheque has been materially altered and the alteration has not been signed;
- the cheque bears a date in the future;

- there are insufficient funds in the account of the drawer;
- the cheque has been stopped;
- the Bank has notice of the mental incapacity, bankruptcy or death of the drawer; or
- there is a legal impediment to payment.

A Cheque Dishonour Fee may be charged.

If a cheque you deposit to your account is dishonoured, your account will be debited with the amount of the cheque and you may also be charged a Deposited Cheques Returned Dishonoured Fee.

Directions on cheques

Directions on cheques may be used to safeguard yourself and the payee.

- Crossed cheques

If you put two parallel lines across a cheque you are directing the Bank that the cheque must be paid into an account with a financial institution and not cashed.

- Not negotiable

By printing the words “not negotiable” between the two parallel lines drawn on your cheque, you are directing that the cheque cannot be transferred to another person. If a cheque is stolen then the thief, and any person receiving the cheque from the thief, may not bank the cheque as they are not the person named on the cheque as the payee.

- Account payee only

By writing these words on your cheque between the parallel lines, you are directing the bank collecting the cheque to pay the cheque only into the account of the person named on the cheque.

- “Or Bearer” or “order”

The words “or bearer” on a cheque mean that the bank may pay the cheque to whoever has possession of it. If you delete these words or write in the words “to order” the cheque becomes an “order” cheque. If a cheque is payable “to order” it means that the payee can only transfer the cheque to another person by first signing on the back of the cheque.

Tips for cheque security

Your chequebook is valuable, you should keep it in a safe place, do not give your cheque forms to any other person for their use and do not give blank signed cheques to any other person.

In drawing your cheque, do not leave gaps between the words or spaces at the beginning or end of a line. Do not use pencil or erasable ink. Only sign the cheque when it is completed. Always write in the amount of the cheque in words as well as in figures. Check your bank statements regularly to reconcile cheques drawn on your account.

If your chequebook is stolen you must notify us immediately by calling your branch using the telephone numbers in section 14 of this PDS and request the Bank to put a stop payment on the relevant cheques by reference to their serial numbers. You must also provide the Bank with written notification of the loss of your chequebook. If the chequebook is found these cheques can be

reactivated once your written authorisation has been provided to the Bank.

If you lose a cheque written by you, you should put a stop order on the cheque (see below) and tell the person to whom the cheque is payable.

WARNING:

It is important to safeguard all your payment instruments including debit cards, cheques and pass books. Please notify the Bank immediately of loss or theft. If you do not inform the Bank that your payment instruments have been lost or stolen you may be liable in relation to transactions using them, even though they are made without your authority.

Stopping payment on a cheque

You can place a stop payment on a cheque before we have cleared it or paid the funds to the payee. You must contact your branch with the following details:

- the account name and the account number;
- the date of the cheque;
- the amount of the cheque;
- the name of the payee; and
- the cheque number.

The Bank may charge a fee for stopping a cheque.

Bank cheques

Please see section 12.4 for more information on bank cheques.

3.4 Electronic banking

An ATM is an Automatic Teller Machine. EFTPOS is Electronic Funds Transfer at Point Of Sale. These are electronic banking facilities which must be accessed via an ATM/EFTPOS Card.

An ATM/EFTPOS Card may be issued to you upon request for electronic banking if you have one of the following accounts:

- Statement Account (excluding foreign currency accounts);
- Standard Cheque Account; or
- Cash Management Account.

Customers with the above accounts or a Premium Business Cheque Account may also transact business on their accounts using the Internet. Other customers may view their account status using the Internet, but may not conduct transactions using Internet Banking.

Matters of importance to you in relation to electronic banking transactions (electronic funds transfers) are contained in section 9 and specific matters affecting ATM/EFTPOS Cards and Internet Banking are contained respectively in sections 10 and 11.

Electronic banking services attract a charge.

3.5 Statements

The product you select may provide for a statement to be issued to you. For Cash Management Accounts, Online Savings Accounts and Statement Accounts, account statements are generally issued without charge at the end of each quarter and

mailed within five Business Days of the end of the quarter. For all other products where account statements are produced, the account statements generally issue without charge at the end of each month and are mailed within five Business Days of the end of the month. You should check the transactions on your statement and contact the Bank immediately if you have reason to believe that there is an error or an unauthorised transaction on your statement.

You may elect to vary the statement printing frequency at any time. You may also request a statement at any time. A fee will be payable in relation to a statement issued at the request of a customer and such a statement will take from two to five Business Days to produce. Additional copies of statements may be requested and a fee will be payable.

3.6 Overdrawn accounts

The Bank does not agree to provide any credit in relation to your account without prior written agreement. You must not overdraw your account without such a written arrangement. When and if an account becomes overdrawn the Bank will charge your account with interest. Interest is calculated daily on the balance using the overdraft rate plus a margin. You can find out the current overdraft rate and the margin by calling any of our branches.

WARNING:

We advise you to inform the Bank promptly if you are in financial difficulty.

3.7 Bank's rights to combine accounts

Without prior arrangement with the Bank, your deposit account(s) should not be overdrawn at any time. If any deposit account is overdrawn the Bank reserves the right to, without notice, combine your accounts or transfer sufficient moneys from other accounts held by you with the Bank to the overdrawn account so we can clear the debit balance. Should the Bank do this you will be notified as soon as possible in writing at the address shown on our records. Note also that the Bank reserves the right to charge to any account you hold with the Bank any bank fees, government charges, taxes or duties imposed on transactions conducted through or which relate to a particular account.

3.8 Change of name, address, signatories

It is very important that you notify the Bank promptly of any changes in your name or address. If you wish to change the person(s) authorised to operate your account, you must contact the Bank and complete appropriate documents. The Bank will not be responsible for any errors associated with account changes where we have not received adequate prior notice.

3.9 Closing an account

Accounts, other than Term Deposits, Cash Margin Accounts or any accounts held as security, may be closed at any time at your request. In exceptional circumstances you may request the Bank to consider closing a Term Deposit before its maturity date, but special conditions will apply if the Bank approves the closure and a fee may be charged. Please see section 8 of this PDS for more details.

You or any authorised person may close your account at the branch where your account is held. The credit balance in the account plus deposit interest (if applicable) less any accrued fees, debit interest and Government charges applicable up to the closing date will be paid to you. Any part of your account which is not cleared funds will not be available until it is cleared. If your account has a debit balance, the balance plus all accrued interest, fees and charges are payable by you.

The Bank reserves the right to return any cheques presented for payment after the account has been closed. When the account is closed you must return to us any unused cheques, the current passbook (if any) and any ATM/EFTPOS Cards.

The Bank has the right to close the account due to your unsatisfactory conduct or for any reasons it deems appropriate. The Bank will notify you in writing at the address shown on our records of any decision to close your account and forward to you a bank cheque for the net credit balance of the account.

3.10 Inactive accounts

Your account becomes inactive (dormant) if you do not make a deposit, withdrawal or transfer for a continuous period of one year (Term Deposits excluded). If your account becomes dormant the Bank will charge an account keeping fee for dormant accounts. The Bank reserves the right to close the account without notifying you.

3.11 Unclaimed money

In accordance with Federal law, an account which has not been used by making a deposit or withdrawal (excluding any non-customer initiated transactions such as interest or charges) for seven years where there is \$500 or more in the account, is treated as unclaimed money. In such a case the account is closed and moneys are sent to the Australian Securities and Investments Commission.

3.12 Foreign currency

The Bank advises that the Australian Dollar equivalent value of all foreign currency accounts fluctuates on a daily basis.

There is risk that an amount of a foreign currency will decrease if it is used to purchase another currency and the amount of that other currency so purchased is later used to re-purchase the original currency. That is, the amount that you re-purchase may be less than the original amount you held because the exchange rate has fluctuated.

4 Changes to terms and conditions

The Bank may decide to change the fees, interest rates or other terms and conditions applicable to an account at any time. You agree to the following means and timing of changes:

- a **new fee**: 30 days notice in writing;
- an **increase** in an existing fee or charge: 30 days notice in writing;
- an **alteration** to the **method of calculating interest** or the **frequency interest is debited or credited** to your account: 30 days notice in writing or by press advertisement;

- **change in the interest rate:** effective on the date of the change and notified to you either in writing or by press advertisement on or before the date the change takes effect.

Other terms and conditions applicable to your account may be changed from time to time by the Bank. Any such change will be notified to you in writing, or by press advertisement on or before the date the change takes effect.

Changes to the terms applicable to Internet Banking may be displayed on the Internet. For more details please see section 11.2 of this PDS.

5 Problem resolution

It is important that you notify us in relation to any mistake or issue in relation to a Bank product or service. Bring the matter to the attention of our branch staff and they will attempt to solve the problem on the spot.

For resolution of problems related to Internet Banking see section 11 of this PDS.

If your problem is not or cannot be resolved immediately to your satisfaction and to our satisfaction, you may make a complaint by either asking to complete our complaint form detailing the problem, or if you do not wish to complete our form, we will take down details of your complaint. You are responsible for the disclosure of all relevant information available to you regarding the issues.

The complaint will then be referred to a Manager in another area for investigation. You will be contacted in writing within 2 Business Days to confirm that your complaint has been received.

Within 10 Business Days from receiving the complaint, we will reply to you to inform you of:

- (a) the outcome of the investigation and which provisions of these terms and conditions were relevant in the decision making process; or
- (b) the need for more time to complete our investigation. In this case we will write to you to inform you that we will complete our investigation within 45 days of receipt of your complaint, unless there are exceptional circumstances.

Where an investigation continues beyond 45 days we will inform you of the reasons for the delay, provide a monthly update on the progress of the investigation and a date when a decision can be reasonably expected.

On completion of our investigation we will inform you in writing of the outcome and the reasons for our decision and the facts we took into consideration in making our decision.

If our conclusion is that your account has been debited or credited incorrectly, we will take the appropriate measures to adjust your account including adjustments to any interest or charges. We will advise you in writing to the adjustments that take place to your account.

If we decide that your account was not incorrectly debited or credited, or, in the case of unauthorised transaction where we conclude that you were partly responsible for the loss, we will give you a copy of the documents on which we have based our decision.

If you are not satisfied with our decision you may ask for the decision to be reviewed as a dispute by senior management of the Bank. Within 2 Business Day of such a request, you will be contacted by the Bank's Dispute Resolution Officer to confirm that notice of your dispute has been received.

Within 21 days of receiving notice of the dispute, we will reply to you to inform you of:

- (a) the outcome of the investigation and which provisions of these terms and conditions were relevant in the decision making process; or
- (b) the need for more time to complete our investigation. In this case we will write to you to inform you that we will complete our investigation within 45 days of receipt of notice of your dispute, unless there are exceptional circumstances.

Where an investigation continues beyond 45 days we will inform you of the reasons for the delay, provide a monthly update on the progress of the investigation and a date when a decision can be reasonably expected.

Where the Bank, its employees, and agents fail to observe the allocation of liability and the complaint investigation and resolution procedures, and where such failure prejudices the outcome of the complaint or results in an unreasonable delay in its resolution, we will be liable for the full amount of the transaction which is subject of your complaint.

If you are not satisfied with the outcome of the above process you may contact the Banking and Financial Services Ombudsman at:

Banking and Financial Services	
Ombudsman Limited	
GPO Box 3A	
Melbourne VIC 3001	
Telephone:	1300 780 808
Fax:	03 9613 7345
Internet:	www.bfso.org.au

6 Privacy and confidentiality

6.1 Collection of information

In its dealings with you, the Bank is likely to collect some of your personal information. This information may be collected in many circumstances including through the account opening procedures, responding to your requests for products or services, to enable the Bank to provide a product or service that you request, to assist in arrangements with other organisations in conjunction with the promotion or provision of a product or service, in performing administrative and operational tasks including risk management, business development, credit scoring, staff training, market research, or to prevent or investigate any fraud or crime and as required by law, regulations and external payment systems.

The Bank may not be able to provide products and services to you unless you provide to it all of the information it requests.

The Bank will not collect sensitive information about you such as health information, without your consent.

6.2 Disclosure of personal information

The Bank operates under the provisions of various laws including

the Privacy Act. The Privacy Act governs what the Bank can and cannot disclose.

The Bank has a general duty of confidentiality towards its customers but may need to disclose your personal information to:

- credit reporting or debt collection agencies;
- any service provider the Bank engages to carry out or assist its functions and activities;
- regulatory bodies, government agencies, law enforcement bodies and Courts;
- other financial institutions such as banks;
- your referees;
- your authorised agents or your executor, administrator or legal representative.

If you give to the Bank personal information about someone else, the Privacy Act governs the manner in which that personal information may be used or disclosed by the Bank in connection with your dealings with the Bank.

6.3 Accessing your personal information held at the Bank

Subject to the provisions of the Privacy Act, you may access your personal information at any time by asking to do so at any Bank branch. You may be charged a reasonable Information Retrieval Fee.

If you can show that the information the Bank holds about you is not accurate, complete and up to date, the Bank must take reasonable steps to ensure that it is accurate, complete and up to date.

7 Anti-money laundering, anti-terrorism

You agree that the Bank may delay, block or refuse to make a payment if the Bank believes on reasonable grounds that making a payment may breach any law in Australia or any other country. You further agree that the Bank will incur no liability to you if it does take such action.

You agree to provide all information to the Bank which the Bank reasonably requires to comply with any laws in Australia or any other country. You further agree that the Bank may disclose information which you provide to the Bank where required to by any laws in Australia or any other country.

Unless you have disclosed that you are acting in a trustee capacity or on behalf of another party, you warrant that you are acting on your own behalf in entering this agreement. You declare and undertake to the Bank that the payment of moneys in accordance with your instructions by the Bank will not breach any laws in Australia or any other country.

8 Deposit accounts

8.1 Term Deposit

(a) Account opening

You may invest any amount in a Term Deposit for any term you choose between one month and five years (in monthly periods) for Term Deposits in Australian Dollars and between one and six months for other currencies. You may also select the actual maturity date of your deposit.

Customers making Term Deposits of **less than \$500,000** at the Bank's standard published interest rate may change the term or amount of their deposit up to and including the seventh calendar day after lodgement of the deposit without incurring any Bank fees for such change. Note that the following conditions apply (in addition to the normal conditions applying to a Term Deposit) in the event the Bank approves a request to vary a deposit:

- the amount of the deposit after the variation must be less than \$500,000;
- if the term is varied, the Bank will apply the Bank's standard published interest rate for that new term, utilising the interest rate applicable as at the original lodgement date;
- if the amount is varied upwards, the additional moneys lodged will only earn interest from the date the additional moneys are lodged with the Bank;
- if the amount is varied downwards, interest will be earned on the original amount lodged up until the date the deposit amount is decreased, and thereafter interest will be earned on the remaining balance of the deposit.

Term Deposits of \$500,000 or above may not be varied as provided above.

(b) Interest

(i) General

The interest rate will be fixed on and apply from the date of acceptance of the deposit by the Bank, up to the maturity date of the deposit. The Bank has standard published rates applicable on any day. Interest rates may be obtained by contacting any Bank branch or on our website at www.arabbank.com.au.

In the event that the Bank increases the interest rates paid on deposits lodged in Australian Dollar Term Deposits, the rate applying to all deposits (except for deposits of \$500,000 or more, or those deposits not at the Bank's standard published interest rate) lodged within the previous seven calendar days of the effective date of the increase will be automatically increased to the higher rate applying to a deposit of that particular maturity. The Bank will notify customers benefiting from such a change by mail.

Interest is accrued daily on the total daily deposit balance, and will be paid on the maturity date of the deposit if the term of the deposit is less than two years. Customers with deposits of two years or more will have their interest paid annually. Interest can be re-invested or withdrawn when paid, as instructed by you in writing.

(ii) Term Deposits of \$500,000 or more

The rate of interest payable in a Term Deposit of \$500,000 or more may be negotiated between the Bank and the Customer at the time the deposit is made.

(iii) Interest if early withdrawal

If the Bank agrees to a termination of a term deposit before its maturity date (see below) interest payable will be calculated as follows:

- interest for the total period of deposit;

- less interest for the number of days the deposit has left to run to maturity multiplied by the **cost of funds** plus a 1% margin.

The **cost of funds for Australian Dollar deposits** is the bank bill buying rate as displayed on Reuters page “BBSY” (for deposits with 12 months or less to maturity) or the lending rate for interest rate swaps as displayed on the Reuters page “SWAPREF” (for deposits with more than 12 months until maturity) for the remaining period, plus 0.15% and rounded up to 2 decimal places.

Example

Australian Dollar Term Deposit of A\$25,000 for 90 days, at an interest rate of 5.50%p.a. with early withdrawal after 60 days requested.

- 1) Interest for the total period of deposit, if early withdrawal had not been requested (A\$25,000 * 5.50% p.a. * 90 days) = A\$339.04.
- 2) Less interest for the number of days that the deposit has left to run to maturity multiplied by the cost of funds plus a 1% margin. Cost of funds for this example is the 1 month BBSY of 5.50% p.a. + 0.15% p.a. The calculation is A\$25,000 * (5.50% p.a. + 0.15% p.a. + 1% p.a.) * 30 days = A\$136.64.

Therefore, the interest that you will receive upon early withdrawal in this example is A\$202.40 (A\$339.04 less A\$136.64).

The **cost of funds for US Dollar deposits** is the Singapore Interbank Offered Rate quoted on the date of withdrawal as quoted on Reuters page SIBO, plus 0.15%.

The **cost of funds for deposits in British Pounds, Euros and Swiss Francs** is the applicable London Interbank Offered Rate quoted on the date of withdrawal as quoted on Reuters page “LIBORO1” or “LIBORO2”, plus 0.15%.

(c) Record of account

At the time you make your deposit, the Bank will issue you with a receipt.

A computer generated Term Deposit Certificate will be mailed to you on the Business Day after you make the deposit.

(d) Transactions/features

Customers may review their Term Deposit balance online but may not undertake online transactions in relation to a Term Deposit.

A Term Deposit is for a fixed term elected by you. However, you may terminate a Term Deposit early, by agreement with the Bank, and at the Bank’s discretion. Your interest entitlement will be reduced. Withdrawals may also be made at maturity. All deposits, withdrawals and variations to a Term Deposit are required in writing from the person(s) authorised to operate the account.

IMPORTANT:

At maturity, and unless written instruction from you (or the person(s) authorised to operate your account) is received by the Bank, the Bank will re-invest your Term Deposit plus unpaid interest for the same period as the original Term Deposit at the Bank’s interest rate applicable on the day.

(e) Currency

Term Deposits may be opened in Australian Dollars, US Dollars, Swiss Francs, Euros or British Pounds.

8.2 Cash Management Account

(a) Interest

Interest is calculated and accrued daily on the whole of the account balance. Interest is credited to the account monthly on the last day of the month.

The interest rate applicable to your Cash Management Account is tiered and therefore will vary from time to time, depending on the balance of your account. The interest rate may change at any time on or after a notice either in writing to you, or by press advertisement. Current interest rates are available at Bank branches, or on our website at www.arabbank.com.au.

(b) Record of account

You will be issued an account statement. Please see section 3.5 of this PDS for more information regarding statements.

(c) Transactions/features

Customers with a Cash Management Account can elect to be provided with:

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

Use of the ATM/EFTPOS Card is subject to the terms and conditions for electronic funds transfer contained in sections 9 and 10 of this PDS. Charges for card usage will be debited to your account effective on the last Business Day of each month.

The holder of a Cash Management Account may apply for an overdraft facility connected to this account for business purposes. Customers with a Cash Management Account may access their account through the Internet. They may view their balances online and transfer funds online, including transferring funds to third parties (if they are over the age of 18 years). Please see section 11 of this PDS for more information on Internet Banking.

Customers may make arrangements for periodical payments or direct debits from their Cash Management Account.

Government charges and Bank charges applicable to this account are debited effective on the last day of the month. Debit interest, if applicable, will be debited on the last day of the month.

(d) Currency

A Cash Management Account must be in Australian Dollars.

8.3 Online Savings Account

(a) Interest

Interest is calculated and accrued daily on the whole of the account balance. Interest is credited to the account monthly on the last day of the month.

The interest rate applicable to your Online Savings Account may be tiered and therefore may vary from time to time, depending on the balance of your account. The interest rate may change at any time on or after a notice either in writing to you, or by press advertisement. Current interest rates are available at Bank branches, or on our website at www.arabbank.com.au.

(b) Record of account

You will be issued an account statement. Please see section 3.5 of this PDS for more information regarding statements.

(c) Transactions/features

Customers with an Online Savings Account will not be eligible to receive a cheque book. Customers with an Online Savings Account can elect to be provided with an ATM/EFTPOS Card.

Use of the ATM/EFTPOS Card is subject to the terms and conditions for electronic funds transfer contained in sections 9 and 10 of this PDS. Charges for card usage will be debited to your account immediately when the card is used.

Customers with an Online Savings Account may access their account through the Internet. They may view their balances online and transfer funds online, including transferring funds to third parties (if they are over the age of 18 years). Please see section 11 of this PDS for more information on Internet Banking.

Customers may make arrangements for direct debits from their Online Savings Account.

Charges applicable to this account are debited effective on the last day of the month.

Debit interest, if applicable, will be debited on the last day of the month.

(d) Currency

An Online Savings Account must be in Australian Dollars.

8.4 Statement Account

(a) Interest

Customers may choose not to receive interest on their Statement Account.

For Australian Dollar accounts, where customers elect to receive interest, interest is calculated and accrued daily if the balance is \$2,000 or more. Interest will be paid on an Australian Dollar account on the whole of the balance provided it is \$2,000 or more. For any other currency other than Australian Dollars, interest is calculated and accrued daily regardless of the balance in the account e.g. there is no minimum balance below which interest is not paid. Interest is credited to the account monthly on the last day of the month. The interest rate applicable to your Statement Account is tiered and therefore will vary from time to time, depending on the balance of your account. The interest rate may change at any time after a notice either in writing to you or by press advertisement. Current interest rates are available at Bank branches or on our website at www.arabbank.com.au.

(b) Record of account

You will be issued an account statement. Please see section 3.5 of this PDS for more information regarding statements.

(c) Transactions/features

Customers with a Statement Account will not be eligible to receive a cheque book. Statement Account customers may elect to be provided with an ATM/EFTPOS Card connected with their account, unless their Statement Account is in a currency other than Australian dollars. Use of the ATM/EFTPOS Card is subject to the terms and conditions for electronic funds transfer and there are charges for card usage which will be debited to your account effective on the last Business Day of each month.

Customers with Statement Accounts may access their accounts through the Internet. They may view their balances on-line. Customers with Australian Dollar Statement Accounts may also transfer funds online, including transferring funds to third parties (if they are over the age of 18 years). Please see section 11 of this PDS for more information.

Customers may make arrangements for periodic payments and direct debits from their Statement Account, unless their Statement Account is in a currency other than Australian Dollars.

Government charges and Bank charges applicable to this account are debited effective on the last day of the month.

Debit interest, if applicable, will be debited on the last day of the month.

(d) Currency

Statement Accounts may be opened and held in Australian Dollars, US Dollars, Swiss Francs, Euros and British Pounds.

8.5 Student Account

(a) Interest

Customers may choose not to receive interest on their Student Account.

Where customers elect to receive interest, interest is calculated and accrued daily if the balance is \$2,000 or more. Interest will be paid on the whole of the balance provided it is \$2,000 or more. Interest is credited to the account monthly on the last day of the month. The interest rate applicable to your Student Account is tiered and therefore will vary from time to time, depending on the balance of your account. The interest rate may change at any time after a notice either in writing to you or by press advertisement. Current interest rates are available at Bank branches or on our website at www.arabbank.com.au.

(b) Record of account

You will be issued an account statement. Please see section 3.5 of this PDS for more information regarding statements.

(c) Transactions/features

Customers with a Student Account will not be eligible to receive a cheque book. Student Account customers may elect to be provided with an ATM/EFTPOS Card connected with their account. Use of the ATM/EFTPOS Card is subject to the terms and conditions for electronic funds transfer and there are charges for card usage which will be debited to your account effective on the last Business Day of each month.

Customers with Student Accounts may access their accounts through the Internet. They may view their balances on-line. Customers with Student Accounts may also transfer funds online, including transferring funds to third parties (if they are over the age of 18 years). Please see section 11 of this PDS for more information.

Customers may make arrangements for periodic payments and direct debits from their Student Account.

Government charges and Bank charges applicable to this account are debited effective on the last day of the month.

Debit interest, if applicable, will be debited on the last day of the month.

(d) Currency

A Student Account must be in Australian Dollars.

8.6 Standard Cheque Account

(a) Interest

No interest is payable on a credit balance in a Standard Cheque Account. If, however, the Standard Cheque Account is in debit, then you will have to pay interest to the Bank. Such interest will be calculated and accrued daily then debited to the account on the last day of the month (the rate of interest may be obtained from any Bank branch).

(b) Record of account

You will be issued an account statement. Please see section 3.5 of this PDS for more information regarding statements.

(c) Transactions/features

Customers with a Standard Cheque Account:

- will be issued with a cheque book; and
- may elect to be provided with an ATM/EFTPOS Card.

Use of the ATM/EFTPOS Card is subject to the terms and conditions for electronic funds transfer. Charges for card usage (see section 15, Account and Services Charges) will be debited to your account effective on the last Business Day of each month.

Customers with a Standard Cheque Account may access their account through the Internet. They may view their balances online and transfer funds online, including transferring funds to third parties (if they are 18 years of age or over). Please see section 11 of this PDS for more information.

Customers may make arrangements for periodical payments and direct debits from their Standard Cheque Account.

Government charges and Bank charges applicable to this account are debited effective on the last day of the month.

Debit interest, if applicable, will be debited on the last day of the month.

The holder of a Cheque Account may apply for an overdraft facility connected to this account for business purposes.

(d) Currency

A Standard Cheque Account must be in Australian Dollars.

8.7 Premium Business Cheque Account

(a) Interest

Interest is only payable where the balance in a Premium Business Cheque Account exceeds \$3,000. Interest will be paid on the entire balance, once the balance is in excess of \$3,000. The interest rate applicable to your Premium Business Cheque Account is tiered and therefore will vary from time to time, depending on the balance of your account. The interest rate may change at any time after a notice either in writing to you or by press advertisement.

Where interest is paid it is calculated daily and paid by being credited to the account on the last Business Day of each month. Current interest rates are available at Bank branches or on our website at www.arabbank.com.au.

(b) Record of Account

You will be issued an account statement. Please see section 3.5 of this PDS for more information regarding statements.

(c) Transactions/features

The holder of a Premium Business Cheque Account will be issued with a cheque book.

The holder of a Premium Business Cheque Account may apply for an overdraft facility connected to this account.

Customers with a Premium Business Cheque Account may access their account through the Internet. They may view their balances online and transfer funds online, including transferring funds to third parties (if they are 18 years of age or over). Please see section 11 of this PDS for more information.

Customers may also make arrangements for periodical payments and direct debits from their Premium Business Cheque Account.

Government charges and Bank charges applicable to this account are debited effective on the last day of the month.

Debit interest, if applicable, will be debited on the last day of the month.

(d) Currency

A Premium Business Cheque Account must be in Australian Dollars.

8.8 Passbook Account

(a) Interest

Interest is calculated and accrued daily if the account balance is \$2,000 or more. Interest will be paid on the whole of the balance provided it is \$2,000 or more. Interest is credited to a Passbook Account twice a year, on 30 June and on 31 December.

The interest rate applicable to your Passbook Account is tiered and therefore will vary from time to time, depending on the balance of your account. The interest rate applicable to a Passbook Account may change at any time on or after a notice either in writing to you, or by press advertisement.

Current interest rates are available at Bank branches or on our website at www.arabbank.com.au.

You may elect for your Passbook Account to be non-interest bearing.

(b) Record of account

A Passbook is issued at the time of opening the account. The Passbook is used to record all transactions on your account and must be presented when you make a deposit or withdrawal from your account. You do not receive a statement.

(c) Transactions/features

Transactions on your Passbook Account must be conducted over the counter at a Bank branch.

Holders of Passbook Accounts are not eligible for an ATM/EFTPOS Card nor are they eligible to obtain a cheque book in relation to their Passbook Account.

Customers may view their Passbook Account balance on the Internet but cannot transfer funds to their Passbook Account or from their Passbook Account to other accounts or to third parties, using the Internet.

Customers may not make arrangements for periodical payments or direct debits from their Passbook Accounts.

Government charges and Bank charges applicable to this account are debited effective on the last day of the month.

(d) Currency

A Passbook Account must be in Australian Dollars.

8.9 Best Buddies Account

(a) Account opening

The Best Buddies Account is an account designed for children under the age of 18 years. There is no minimum opening balance required for such an account and there are no Bank transaction fees or account keeping fees applicable to the account.

(b) Interest

Customers may choose not to receive interest on their Best Buddies Account.

Where customers elect to receive interest, interest is calculated on the whole of the balance of the account and paid twice a year, on 30 June and 31 December. The interest rate applicable to your Best Buddies Account is tiered and therefore will vary from time to time, depending on the balance of your account. The interest rate may change at any time on or after notice either in writing to you or by press advertisement. Current interest rates are available at Bank branches or on our website at www.arabbank.com.au.

(c) Record of Account

A Passbook is issued at the time the account is opened. You do not receive a statement.

(d) Transactions/features

The Passbook is used to record all transactions on the Best Buddies Account and must be presented when a deposit or withdrawal is made from the account.

There is no chequebook or ATM/EFTPOS Card connected with the Best Buddies Account. There is also no facility for arrangements for periodical payments or direct debits from such an account.

The Best Buddies Account is exempt from Bank fees and Government charges.

(e) Currency

A Best Buddies Account must be in Australian Dollars.

8.10 Cash Margin Account

(a) Account opening

The Cash Margin Account is a deposit connected with a trade finance facility. The Cash Margin Account is only available to customers of the Bank who have an approved trade finance facility. The Cash Margin Account is held to set off the trade finance facility provided by the Bank. The Cash Margin Account minimum deposit will be an amount equal to the amount of the trade finance facility being provided to the Customer by the Bank.

(b) Interest

The interest rate applicable at any time in respect of a Statement Account will also be applicable to a Cash Margin Account. The interest rate applicable to your Cash Margin Account is tiered and therefore will vary from time to time, depending on the balance of your account. The current interest rates are available at any of our branches or on our website at www.arabbank.com.au. Interest is calculated and accrued daily and paid by crediting to the account on the last day of the month.

(c) Record of Account

You will be issued an account statement. Please see section 3.5 of this PDS for more information regarding statements.

(d) Transactions/features

The account balance details may be viewed using the Internet, however the account is not a transaction account and relates specifically to the relevant trade finance facility to which it is connected. At the time of opening the account the customer will sign a deposit set off agreement so that the amount being credited to the Cash Margin Account can be applied against the trade finance facility amount.

Account keeping fees and transaction fees do not apply to Cash Margin Accounts.

(e) Currency

Accounts may be in Australian Dollars, US Dollars, British Pounds, Euros or Swiss Francs.

If the deposit and the trade finance facility are denominated in different currencies, the Bank will require that the amount of the deposit calculated in Australian Dollars exceeds the Australian Dollar equivalent amount of the trade finance facility by at least 15 %.

Section 3.12 of this PDS also applies to Cash Margin Accounts and trade finance facilities. Please refer to it for more information.

9 Electronic banking services – general terms and conditions

9.1 Electronic banking

Some Bank products allow you to apply to receive an ATM/EFTPOS Card ("**Card**") for the purposes of conducting your banking electronically through ATM and EFTPOS facilities. If you have a Card you will be allocated a Personal Identification Number ("**PIN**"). You must sign your Card immediately upon receipt. All Customers may view the status of their accounts on the Internet and some will be entitled to effect transactions on their accounts through the Internet. If you use the Internet you will be issued with an "**Internet ID**" and an interim password to admit you to the system. You must choose your own unique password ("**Password**") when you first use the Internet service ("**Service**").

Not all Bank products enable customers to effect transactions electronically. If your account does permit electronic transactions then sections 9, 10 and 11 of this PDS will apply.

9.2 Electronic Funds Transfer terms and conditions

The terms and conditions set out in sections 9, 10 and 11 in relation to electronic banking operate in conjunction with the terms and conditions applicable to the accounts you operate via electronic banking services. However, if there is an inconsistency between terms and conditions for electronic banking and the terms and conditions of an applicable account, the terms and conditions for electronic banking apply to the extent of the inconsistency.

9.3 Electronic instructions

You, the customer authorise the Bank to act on the instructions that you enter into electronic equipment. However, your

instructions include instructions connected to the provision of your valid Internet password and Internet ID, whether or not they are entered by you. Cleared funds must be available on the day the transaction you have instructed is to be effected. Any electronic instruction cannot be cancelled, altered or changed by you unless allowed by the applicable terms and conditions.

The Bank may delay acting on your instructions or it may ask you for more information before acting on your instructions.

If you have given instructions to the Bank for more than one payment from your account(s), the Bank will determine the order of priority in which payments are made.

The Bank will debit your relevant account(s) every time you do a transaction. Transactions will not necessarily be processed on the same day.

Where you withdraw cash using an electronic transaction and there is a difference between the amount of cash you receive and the amount shown on the receipt, you must report this to the Bank as soon as possible and to the merchant (if applicable).

If you use an electronic transaction for a deposit of funds to an account and there is a difference between the amount recorded as having been deposited and the amount the Bank receives, the customer will be notified by the Bank of the difference as soon as possible and be advised of the actual amount credited to the account.

The Bank is not liable for the refusal of any merchant to accept an electronic transaction and, to the extent permitted by law, is not responsible for the goods and services supplied by the merchant.

The Bank may at any time change the types of accounts that may be operated, or the types of electronic transactions that may be made, through particular electronic equipment.

You agree that:

- not all electronic equipment from which cash can be withdrawn will always contain cash;
- any cash dispensed at electronic equipment is at your risk once it becomes visible or available for you to collect;
- not all electronic functions offered may be available at all times;
- the Bank does not represent or guarantee that access to electronic functions will be uninterrupted;
- electronic banking services may be affected by outages, faults or delays including technical difficulties with the performance or operation of the Bank's software or systems or technical difficulties with the Internet or infrastructure failures; and
- the Bank cannot guarantee that any data transmission over the Internet is totally secure.

9.4 Cancellation or denial of electronic access

The Bank may deny electronic access or cancel any Card or electronic access:

- without prior notice to you:
 - for reasons of security;

- if the electronic equipment malfunctions or is otherwise unavailable for use;
- if all the accounts which may be accessed through the Card or the electronic access have been closed;
- if the account has been overdrawn or you have exceeded your credit limit.

Other circumstances in which the Bank may withdraw your electronic access to accounts without notice are as follows:

- a merchant refuses to accept your Card;
- the Bank believes that your access to accounts through electronic equipment may cause loss to you or to the Bank;
- the Bank believes that the quality or security of your electronic access process or the Bank's systems may have been compromised; or
- the Bank suspects that you have been fraudulent or have engaged in inappropriate behaviour;

unless such withdrawal is prohibited by law.

A customer may cancel a Card or end their use of Internet Banking by giving the Bank written notice. The Card must be cut in half and returned to the Bank. To de-register from Internet Banking you may send the Bank a written request or call the Bank direct.

9.5 Security

You must keep your Password and your PIN secure. Failure to do so may increase your liability for any loss. Ensure your Password is not easily identifiable or easy for others to guess (for example, you should not select a numeric code which represents your birthday or an alphabetical code that represents part of your name). If you do not take these precautions, you may be liable for any loss or theft that occurs as a result. Please see section 9.7 of this PDS for more information. Keep your Password and Internet ID separate and apart from one another.

You must not:

- disclose your Password or PIN to any other person;
- allow any other person to see you or overhear you providing your Password or PIN;
- lend your Card to any other person;
- record your PIN on your Card or any article carried with or kept near your Card that is liable to be lost or stolen at the same time as your Card; or
- record your Password in any way which would allow any other person to determine that it is your Password. This includes ensuring that your Password is not easily identifiable or easy for others to guess.

9.6 Lost or stolen Card, PIN or Password

If your Card has been lost or stolen you must report it immediately. Keep a copy of the Hot Line number handy (9959 7480 for callers in the Sydney Metropolitan area and 1800 252 149 for callers outside the Sydney Metropolitan area). The Hot Line is manned 24 hours a day.

You must not use the Card once the report is made. If you recover the lost or stolen Card you must destroy it by cutting it in half and returning it to the Bank as soon as possible. You must report to the Bank (and any relevant third party) immediately you become aware or suspect that your PIN has been disclosed or used without your authority or lost.

You must then cease to use your PIN. The Bank will cancel the PIN and arrange for a new PIN to be issued.

If you suspect that the security of your Password for Internet Banking has been breached or your Password has been lost or stolen, you must immediately notify us of the suspected breach. We can then cancel the Password and arrange for you to choose a new secure Password.

If you unreasonably delay notifying us, we may not be responsible for any loss that is incurred as a result of an unauthorised transaction on any of your Linked Accounts.

9.7 Unauthorised transactions

To the extent permitted by law, we will not be responsible for any loss or damage (including consequential loss or damage) suffered by you in relation to the use of, or the inability to use, electronic banking services, including, but not limited to:

- any reliance by you on information obtained through use of the Service;
- the Bank acting in accordance with any instructions given by you;
- the Bank not acting in accordance with any of your instructions where the instructions are incomplete, the relevant Linked Account holds insufficient available funds and/or the Service has been suspended until such time as we can process that instruction;
- delays or errors by third parties, including other financial institutions and Billers;
- the failure by a third party, including other financial institutions and Billers, to accept, or acknowledge receipt of, funds which you have instructed us to pay to or through that third party;
- delays in advising you, and crediting a Linked Account if a transfer or payment instruction is not successfully processed by a payee's financial institution;
- failure of the Service caused by the hardware or software used by you to access the Service or by a third party (such as your Internet service provider); or
- any delay or failure by us to perform our obligations if such delay is due to a Force Majeure.

The Bank will be liable for losses incurred by the customer which:

- are caused by the fraudulent or negligent conduct of the Bank's employees or agents or entities involved in networking arrangements or merchants or their agents or employees;
- relate to a Card that is faulty, forged, expired or cancelled;
- arise from transactions that require the use of any Card, Password or PIN that occurred before you have received or selected the Card, Password or PIN;

- arise from a disruption to the Service directly caused by the Bank's act or omission;
- result from the same electronic transaction being incorrectly debited more than once to the same account;
- result from an unauthorised transaction that occurs after you have notified the Bank that your Card has been misused, lost or stolen or that the security of your Password or PIN has been breached; or
- arise from an unauthorised transaction if it is clear that you have not contributed to the loss.

The customer will be liable and must indemnify the Bank for its loss if the Bank can show on the balance of probabilities that the customer contributed to the loss arising from the unauthorised transaction:

- through voluntarily disclosing a PIN or Password to anyone;
- writing or indicating the PIN on your Card;
- enabling third party access to the customer's accounts or personal information;
- failing to properly log off the Service;
- through fraud;
- by keeping a record of the PIN or Password (without making any reasonable attempt to disguise it):
 - (i) on the Card;
 - (ii) on any article carried with the Card; or
 - (iii) which may be lost or stolen at the same time as the Card;
- by unreasonably delaying notification of:
 - (i) the Card being lost or stolen;
 - (ii) unauthorised use of the Card;
 - (iii) the PIN or Password becoming known to someone else; or
- by otherwise acting negligently or with extreme carelessness in failing to protect the security of the customer's Password or PIN.

You will not be liable for any loss, however, after you have notified the Bank of the loss, theft, breach of security or other unauthorised event or the following losses:

- caused by overdrawing your account or exceeding an agreed credit limit;
- which over a set period of time is greater than the transaction limit for that period;
- where the Bank has agreed the account could not be accessed electronically; or
- as a result of conduct that the Bank expressly authorised you to engage in including you storing, recording or disclosing a Password or PIN in a way that is required or recommended by the Bank for the purposes of account access or otherwise impliedly promoted or endorsed by the Bank.

Where it is unclear whether or not you have contributed to the loss

resulting from an unauthorised transaction, you will be liable for the lesser of:

- (i) \$50;
- (ii) the balance of the relevant account including any unused portion of any credit facility;
- (iii) the actual loss incurred up to the time the Bank is notified of the loss or theft or existence of an unauthorised transaction.

9.8 Equipment malfunction

The Bank is responsible to the customer for any loss caused by the failure of equipment to complete a transaction that was accepted in accordance with the customer's instructions. The Bank will not however be liable where the customer should have been aware that the system or equipment was unavailable for use or was malfunctioning. In this case the liability of the Bank will be limited to the correction of any errors in the customer's account and the refund of any charges or fees imposed on the customer as a result of the malfunction.

Customers are not liable for losses incurred because the Hot Line was not available and the customer was consequently unable to report a lost or stolen Card, provided the customer notified the Bank within a reasonable time.

10 ATM/EFTPOS Card

10.1 Terms and conditions

Before you use your Card, read this section containing the applicable terms and conditions very carefully. All transactions involving the use of your Card and PIN are governed by applicable terms and conditions and the use of your Card will be taken as your agreement to these terms and conditions.

10.2 Ownership and use of your Card

Your Card:

- remains the property of the Bank. You agree to return your Card upon:
 - notice from the Bank cancelling your Card;
 - closure of your Linked Account(s);
 - revocation of your authority to operate your Linked Account(s) by means of your Card;
- is only valid if it has been signed by you and is used during the validity period shown on the face of your Card; and
- must be destroyed by you when it is no longer valid by cutting it in half.

10.3 Charges related to the use of your Card

The Bank reserves the right to change the charges applicable to the use of your card at any time.

You will be notified of the new charges by mail a minimum of 30 days before the effective change date. The Bank will debit your account with the charges in relation to the Card usage monthly on the last day monthly in which the charges were incurred, except for the Online Savings Account, where charges arising from card usage on this account will be debited from your account immediately.

10.4 Withdrawal limits

Use of your Card is subject to withdrawal limits. The current daily limit for cash withdrawals on the aggregate of ATM and EFTPOS transaction of a Cardholder is \$1,000. The minimum ATM withdrawal amount is \$20. The Bank reserves the right to change the withdrawal limits at any time. You will be notified of the changes by mail a minimum of thirty days before the effective change date.

Merchants may also impose transaction limits. The Bank is not associated with these limits in any way.

You agree not to use your Card to:

- overdraw the balance of your Linked Account(s) at any time; or
- exceed the unused portion of your credit limit under any pre-arranged facility such as overdraft.

10.5 Operation and usage restrictions of ATM/EFTPOS Card and PIN

You can use your Card at any ATM located in Australia to withdraw funds and check the balance of your Linked Account(s). You can use your Card at any merchant or place using EFTPOS. You should be aware that merchants might impose additional restrictions on the use of your Card and they may impose a withdrawal limit.

Your Card will be confiscated by the ATM should entry of an invalid PIN be repeated three times. The number of tries allowed may be varied by the Bank from time to time.

In the event that an EFTPOS malfunctions or is otherwise unavailable for use, a merchant may provide alternative manual procedures to enable a transaction to be made. You will be required to present your Card and sign a transaction voucher. A voucher signed by you authorises us to process the transaction to your Linked Account(s).

10.6 Linked account(s) statement

Account statements for the Linked Account(s) will be mailed to you in accordance with the terms of the relevant accounts. You may choose to vary the statement frequency by contacting your Bank branch. You can also obtain a statement of your Linked Account(s) on request from your branch. Please note that there is a charge associated with a statement request and that it may take up to 5 Business Days to provide you with statements.

10.7 Changes to terms and conditions

You will be informed of any change to the terms and conditions of use of your Card by mail or press advertisement (as applicable to the relevant change) either separately or with your monthly Linked Account(s) statement, a minimum of 30 days before the effective date of the change (see also section 4). It is therefore very important that you update your address details with us promptly if those details change.

11 Electronic banking services – Internet Banking

11.1 How you can use Internet Banking

You can use Internet Banking to effect transactions on your accounts that are linked to the Internet Service. You may also use

Internet Banking to obtain a range of Bank products and services. Details of Bank products and services can be found at www.arabbank.com.au or you may make enquiries at any Bank branch.

11.2 Changes to these terms and conditions

Please refer to section 4 of this PDS for more information on how the Bank may vary the terms and conditions applicable to Internet Banking.

Please note that notice of changes to the terms and conditions may also be given by the Bank displaying the notice on the Internet Banking screen on our website.

Where permitted by law, we may use your e-mail address to advise you of any enhancement or changes to this Service, including terms and conditions and fees and charges.

You acknowledge that you are responsible for ensuring that the personal and contact details that you supply to us are accurate and up to date, including your e-mail address(es), which may be updated using the Service. The Bank may use these details to contact you in response to an enquiry, to advise you of any changes to the Service or in any other manner specified in this section 11 of this PDS, or on our Web Site Privacy Policy Statement which may be found on our website at www.arabbank.com.au.

You may be required to accept revised terms and conditions. You will be deemed to have accepted the revised terms and conditions on the earlier of the time you select the "I Accept" button at the end of the revised terms and conditions and the time when you access the Service after having been notified of the revision of the terms and conditions.

We will tell you if we cease to be a member of the BPAY® Scheme.

11.3 Fees and charges

Account and service charges may apply to the Linked Accounts accessed through the Service and in relation to the use of the Service.

11.4 Access to the Service

To access the Service, we will provide you with:

- (a) an Internet ID; and
- (b) a temporary Password

which you must use to first access the Service and to enable us to identify you.

When you first use the Service you will be required to enter your own new unique Password. You acknowledge that you will not be able to use the Service further until a new Password, that meets the Password criteria specified at that time, is entered. Your Internet ID and new Password will be required to subsequently access the Service. Please see section 9.3 for more information.

You acknowledge that you will be liable for any misuse of the Service made using your Internet ID and Password including transactions on your Linked Accounts.

You acknowledge that we may require the support of a parent or guardian in granting access to the Service to Minors. The Bank may also elect to identify the parent or guardian and provide the

Internet ID and temporary Password to the parent or guardian on behalf of a Minor.

Please see section 9 for more information about electronic banking.

11.5 Use of the Service

The Service can be used to perform the following:

- (a) obtain account balances of Linked Accounts;
- (b) transfer funds to and from Linked Accounts where transfer of funds from and to such accounts is permitted;
- (c) make BPAY® Payments from Linked Accounts where Bill Payments from such accounts are permitted;
- (d) make Transfers to Anyone from Linked Accounts, where transfer of funds from such accounts is permitted, to accounts that are not linked, whether at the Bank or another financial institution once access to the Transfer to Anyone function has been applied for and granted to you.

Customers may view balances of all their accounts on the Service and the following accounts have the following access levels:

Account	View Balances	Funds Transfer To	Funds Transfer From	Transfer to Anyone	BPAY® Payments
Cash Management Accounts	X	X	X	X	X
Online Savings Account	X	X	X	X	X
Statement Accounts	X	X	X	X	X
Student Accounts	X	X	X	X	X
Standard Cheque Account	X	X	X	X	X
Premium Business Cheque Accounts	X	X	X	X	X
Term Deposits	X				
Cash Margin Accounts	X				
Passbook Accounts	X				
Best Buddies Account	X				
Foreign Currency Accounts	X				

Only the account holder or account signatories can select an access level for the Service. The account holder or account signatories may cancel a change in the access level by written request or Secure Mail to the Bank or by calling the Bank direct. The Bank may require your written confirmation of the change and the change may take several days to process.

The following restrictions may limit your ability to use the Service notwithstanding the type of Linked Account:

- (a) Minors will not be eligible to make Transfers to Anyone and BPAY® Payments;
- (b) a Linked Account denominated in a currency other than Australian Dollars cannot be used for Funds Transfers To or From, Transfers to Anyone or BPAY® Payments through the Service; and
- (c) a Linked Account that has been blocked for transactions by us cannot be used for Funds Transfers To or From, Transfers to Anyone or BPAY® Payments through the Service.

WARNING:

Account balance information should reflect the balance of that Linked Account at the time a request is made through the Service. This may not always be the case, however, such as in the case of requests made after the Cut-off Time on the previous Business Day or due to interruptions to the Service or other system difficulties.

The Bank will take all reasonable steps to ensure that the information that we make available to you through the Service is correct and up to date. You acknowledge that we will not be liable for or in connection with any inaccuracy, errors or omissions in that information because of any circumstance beyond our reasonable control.

You acknowledge and agree that we may, at any time in accordance with this PDS, add or remove or make changes to the Service.

11.6 Multiple Signatories on an Account

A Linked Account that requires more than one signature to operate the account at any time cannot be used for Funds Transfers From, Transfers to Anyone or BPAY® Payments through the service, unless the minimum required number of signatories on the account have authorised the transfer or payment. Arab Bank Australia's Internet Banking allows multiple signatories on an Account to authorise a payment or transfer through the "Multi-to-Sign" functionality.

11.7 Transfer limits

Billers may impose limits on the amount of a BPAY® Payment they will accept from your Linked Accounts and on the type of account that can be used to make a BPAY® Payment. If you attempt to make a BPAY® Payment to a Biller below or above that Biller's limits or from an account type not accepted by a Biller, your BPAY® Payment will not be processed and you will be notified.

There are limits on the amount of funds able to be transferred, whether under the Transfer to Anyone service or otherwise,

including a daily transfer limit on Transfers to Anyone. If you attempt to make a transfer below a minimum limit or above a maximum limit, your transfer will not be processed and you will be notified.

We may impose minimum and maximum limits at any time to funds transfers and BPAY® Payments within the Service, and vary such limits. We may do this at any time without notice. We will advise you of permanent or long-term variations to such limits however, we may need to make temporary changes without notice.

11.8 SMS Payment Authentication

To enhance the level of security offered to our Internet Banking customers and to reduce the incidence of fraud, the Bank will offer a free SMS Payment Authentication service for customers performing Transfer to Anyone and BPAY®.

While completing a Transfer to Anyone or BPAY®, the service sends a randomly generated one-off unique authorisation code via SMS to your mobile phone. Once you have received this code, you must enter it into the requested field on the payment screen to authorise and complete the payment.

11.9 Instructions to the Bank

You may give instructions through the Service to schedule a BPAY® Payment or funds transfer to commence up to 90 days into the future. Cleared funds must be available by midnight AEST the day before the payment or transfer is due.

The Bank will issue a receipt number to you upon receipt of a scheduled funds transfer or BPAY® Payment instruction.

The Bank will issue a receipt number to you upon receipt, and successful processing by us of, a funds transfer or BPAY® Payment instruction.

Details of BPAY® Payments and funds transfers, including your receipt number, will appear on your statement for the Linked Account from which the payment was made.

We are not obliged to, and may delay, processing an instruction if it is not made in accordance with relevant terms and conditions. We may request that you provide further information before processing an instruction.

An instruction given by you can only be revoked or changed if instructions to delete the transaction are given by you through the Service before midnight AEST on the Business Day before the transaction is scheduled to occur. After this time, the instruction is irrevocable.

We will process your instructions:

- (a) for immediate instructions: on the same day you request the transfer to be made provided that we receive the instruction before the Cut-off Time on that day, otherwise on the Business Day following the day we receive your instructions. This may be the case even if the Service displays a change in Linked Account balance(s); and
- (b) for scheduled instructions: on the day requested if the day you requested is a Business Day, otherwise on the Business Day after the day requested.

We may vary a Cut-off Time. We may do this at any time without notice. We will advise you of permanent or long-term variations to such time however, we may need to make temporary changes without notice.

11.10 Account records

You are responsible for carefully checking your account records.

IMPORTANT:

If you believe there has been a mistake in any transaction using the Service or an unauthorised transaction has occurred, you must notify us immediately. You can do this by using the Secure Mail function of the Service, or by calling our Internet Banking staff on 1800 646 484 or 02 9377 8900 between 9:00am and 5:00pm AEST Monday to Friday. You acknowledge that delay in notifying us may result in the issue being more difficult to rectify.

You agree to provide us with written confirmation or further details of the mistake or the unauthorised transaction that may be required.

11.11 Problem resolution

If you have a concern or transaction enquiry please contact us and we will try to resolve it as soon as possible. You can contact us by calling 1800 646 484 between 9:00am and 5:00pm AEST Monday to Friday. Alternatively, if you are using our Internet Banking, you can contact us using the Secure Mail function of the Service.

If you have a complaint or dispute, the complaint and dispute resolution procedures outlined in section 5 of this PDS apply.

To assist in obtaining a quick resolution, you must be clear and accurate about any Biller(s), payee(s) or other person(s) involved, what you would like us to do and provide any supporting documentation which may help clarify the situation.

11.12 Transfer To Anyone conditions

The Bank will make Transfers to Anyone on your behalf to other Bank accounts that are not linked by you to the Service or accounts with financial institutions that accept such inter bank transfers.

Minors may not use this Service.

You acknowledge that we do not check that the details provided by you when using the Transfer to Anyone function are correct or as you intended, nor are we responsible for any inaccuracy in instructions given by you. You acknowledge that it is your responsibility to ensure that the details you have provided, such as a BSB and account number, are correct and as you intend.

If not, the transfer may not be successful or it may be paid into the wrong account. We are not responsible for the information that a payee receives from the payee's bank in relation to the transfer. We will not accept an order to stop a funds transfer after we have processed that funds transfer.

11.13 Obtaining access to Transfer to Anyone and BPAY

You must apply to access the Transfer to Anyone and BPAY function as set out on www.arabbank.com.au. When applying, you must request a Transfer to Anyone and a BPAY daily limit as set out in the Internet Banking Application Form. Depending on

the Transfer to Anyone and BPAY limit chosen, you may need to register for SMS Payment authentication. Once you have registered for SMS Payment Authentication, SMS Payment Authentication will apply to all Transfer to Anyone and BPAY transactions performed, regardless of their value.

You can increase or decrease your daily transfer limit by applying through the Service. The change may take time to process.

11.14 Processing your Transfer to Anyone instructions

We will generally process your Transfer to Anyone instructions:

- (a) for immediate transfers: on the same day you request the transfer to be made provided that we receive the instruction prior to the Cut-off Time on that day, otherwise on the Business Day following the day we receive your instruction; and
- (b) for future dated transfers: on the day requested if the day you requested is a Business Day, otherwise on the Business Day after the day requested.

We will ensure that instructions given by you to make a transfer are delivered to the payee's financial institution on the day that we process those instructions except where:

- we are not obliged to process your instructions;
- there is a technical failure; or
- there is a delay or error in accepting the instructions caused by the financial institution to which the payment is to be made.

WARNING:

The Bank has no control over if or when the payee's financial institution processes your instructions or whether the payee's financial institution charges fees in respect of the transfer.

A receipt number that is issued by the Bank through the Service relates to the Bank having received instructions and processed them. There is no representation that your instructions have been processed by the payee's financial institution. You should confirm with the payee whether your Transfer to Anyone payment has been received.

The Bank relies on the payee's financial institution for advice whether your transfer has been successfully processed by that financial institution. On advice that your transfer has not been successful, we will advise you and the relevant withdrawal from your Linked Account will be reversed. However, this may take 2 weeks or more to occur, depending on the other financial institution.

11.15 BPAY® conditions

The Bank is a member of the BPAY® Scheme. The BPAY® Scheme is an electronic payments system through which the Bank can be asked to make payments on your behalf to Billers. The Bank will tell you if it ceases to be a member of the BPAY® Scheme. BPAY® is only available via Internet Banking. You cannot make a BPAY® payment via telephone banking.

You must comply with the terms and conditions for the Linked Account to which you request the Bank to debit a BPAY® Payment (to the extent that those terms are not inconsistent

with or expressly overridden by the Internet terms and conditions of use).

To make a valid BPAY® Payment, you must provide the following information using the Service:

- (i) your Internet ID;
- (ii) your Password;
- (iii) the Biller Code from the Bill;
- (iv) your customer reference number (this is usually your account number with that Biller) which is found on the relevant bill;
- (v) the amount you want to pay; and
- (vi) the Linked Account from which you want the payment to be made.

You acknowledge that the Bank does not check that the details provided by you are correct or as you intended, nor is the Bank responsible for any inaccuracy in instructions given by you.

You acknowledge that it is your responsibility to ensure that the details you have provided, such as Biller code and reference number, are correct and as you intend, otherwise the transfer may not be successful or it may be paid to the wrong Biller or account.

The Bank is not responsible for the information that a Biller receives from the Biller's bank in relation to a Bill Payment made using the Service.

11.16 Processing of BPAY® Payments

The Bank is not obliged to process a BPAY® Payment instruction made using the Service if it is not made in accordance with the terms and conditions of use for BPAY®, or if any of the instructions are, in the opinion of the Bank, incomplete or inaccurate.

You acknowledge that the Bank is entitled to rely on the information given to it by you as being accurate.

Subject to the above, the Bank will process a BPAY® Payment instruction, by debiting the selected account:

- (i) if the payment is to be made on the same day as the instruction is given, and the instruction is received before the BPAY® Payment Cut-off Time, immediately after it is received by us;
- (ii) if the payment is to be made on the same day as the instruction is given, but the instruction is received after the BPAY® Payment Cut-off Time, immediately after it is received by us; and
- (iii) if the payment is to be made on a day after the instruction is given, at approximately midnight AEST of the day the payment is to be made, or if that day is not a Business Day, at approximately midnight AEST of the next Business Day.

Generally, Billers participating in the BPAY® Scheme will treat BPAY® payments as received:

- (i) on the date we are told to make it, if this occurs before 4:00 pm Sydney time on a Banking Business Day; or
- (ii) otherwise, on the next Banking Business Day if you tell

us to make it after 4:00pm Sydney time on a Business Day, or on a non-Business Day.

Notwithstanding the above, a delay might occur in the processing of a BPAY® Payment where:

- (i) there is a public or bank holiday in Melbourne and/or Sydney on the day or on the day after we are told to make a BPAY® Payment; or
- (ii) a Biller, or another financial institution participating in the BPAY® Scheme, does not comply with its obligations under that scheme.

Whilst it is expected that any delay in processing a BPAY® Payment for any reason set out above will not continue for more than one Banking Business Day, it may continue for a longer period. Once the Bank processes your instructions, any delays are outside of the Bank's control. The Bank is not responsible to you for any losses or expenses incurred by you as a result of delays in processing a BPAY® Payment.

IMPORTANT:

It is your responsibility to allow sufficient time for processing of payments to the Biller.

We will not accept an order to stop a BPAY® Payment once we have processed that BPAY® Payment.

The Bank will attempt to ensure BPAY® Payments are processed promptly by Billers and other participants in the BPAY® Scheme. You must check your account records carefully and tell the Bank as soon as possible if you become aware of:

- (i) any undue delay or mistake in the processing of your BPAY® Payments;
- (ii) a BPAY® Payment which has been made from your Linked Account which was not authorised by you; or
- (iii) the possibility that you have been fraudulently induced to make a BPAY® Payment.

If a BPAY® Payment is made to a person, or for an amount, which is not in accordance with your instructions to the Bank and your Linked Account is debited for the amount of that payment, we will credit that amount to that Linked Account subject to the following:

- you must provide the Bank with such information relevant to such payment as may be reasonably required to investigate the BPAY® Payment with the relevant Biller;
- you must pay us the amount of any BPAY® Payment if:
 - (i) we cannot recover such payment within 20 Banking Business Days from the person who received the payment; and
 - (ii) such payment was made as a result of a payment direction which did not comply with the security procedures set out in the terms and conditions applicable to use of the Service.

The Bank's liability for making a BPAY® Payment not in accordance with your instructions is limited to the amount of that BPAY® Payment made in excess of your instructions.

In no circumstances will the Bank be liable for any indirect or consequential loss or damage suffered by you as a result of the Bank not making a BPAY® Payment in accordance with your instructions.

Our acceptance of your instructions to pay a Biller does not generally protect you against the possibility of fraud by that Biller or some other party involved in the BPAY® Scheme. Although we will provide you with reasonable assistance to help you pursue a refund, you could ultimately bear the loss. It is your responsibility to exercise care about the Biller dealt with and the security of your Internet ID and Password.

If the Bank is advised by a Biller that it cannot process your BPAY® Payment, the Bank will:

- (i) advise you of this;
- (ii) credit your Linked Account with the amount of that BPAY® Payment; and
- (iii) take all reasonable steps to assist you in making the BPAY® Payment as quickly as possible.

11.17 SMS Banking

Customers may register to receive a range of SMS Alerts on the account holders nominated mobile phone number when certain activities occur on Nominated Accounts. Please refer to Internet Banking's SMS Service List feature for details of the type of alerts available.

Customers may also register for SMS Account Enquiries using Internet Banking. Customers can choose to receive an SMS with the Account Balance or the Transaction History (last 5 transactions only) on any account to which you have Internet Banking access.

When registering for the SMS Account Enquiry service, you will need to advise us which accounts you wish to access via SMS and you must nominate a Quick Access Number to identify those selected accounts which you have elected to access via SMS.

For the SMS Account Enquiry service, the customer must send their enquiry via SMS using the mobile number that the account holder has nominated. The information will be provided to you via SMS using the same mobile phone number. Only one mobile phone number may be nominated per Internet login ID.

In order to ensure that you continue to receive SMS Alerts and SMS Account Enquiries, you must ensure that you always keep us up to date with your current mobile phone number and advise us if your mobile phone is lost or stolen. Your financial details may be viewed by any person who has access to your phone. The account holder can advise us of a change in mobile phone number or loss of the phone by calling our Internet Banking centre on 1800 646 484 between 9.00am and 5.00pm AEST Monday to Friday.

You can cancel SMS Alerts and SMS Account Enquiries at anytime using Internet Banking.

12 Other non-cash payment facilities

12.1 Direct Debit and Periodical Payments

These are referred to in section 3.2.

12.2 Telegraphic Transfers

A Telegraphic Transfer is a message from the Bank forwarded electronically to a recipient bank to pay a named party (the beneficiary) a specified sum of money by order of the remitter (or applicant). Funds should be available for payment to the beneficiary's account within 2 Business Days of the Bank accepting your instructions. The Bank will not be liable for any costs, losses or damages if delayed payment occurs and the Bank has acted in good faith on your instructions. If you request us to make any inquiry in the event that delayed payment occurs, you will meet any costs the Bank incurs in making the inquiry (including an Inquiry Telex Fee). Note that the Bank will only remit telegraphic transfers against clear funds.

Telegraphic transfers may be sent in the following currencies:

- Arab Emirate Dirham (AED);
- Australian Dollars (AUD);
- Bahraini Dinars (BHD);
- Egyptian Pounds (EGP);
- Euros (EUR);
- British Pounds (GBP);
- Jordanian Dinars (JOD);
- Saudi Riyals (SAR);
- Singapore Dollars (SGD);
- Swiss Francs (CHF); and
- US Dollars (USD).

Other currencies may be available upon request.

The Bank reserves the right in accordance with section 7 of this PDS to delay, block or refuse to make a telegraphic transfer if the Bank believes on reasonable grounds that making the transfer may breach any law in Australia or another country.

A fee is payable for this service.

If the Bank cannot send the payment directly to the beneficiary's bank then the Bank may need to use a correspondent bank to effect the payment. A correspondent bank may charge fees or commissions in making the payment to the beneficiary's account. These fees or commissions, if applicable, will be deducted by the correspondent bank from the funds paid to the beneficiary, thus resulting in the beneficiary receiving less than the payment amount specified.

Where the correspondent bank is unable to effect payment to the beneficiary and is required to return these funds, it may deduct fees from the returned proceeds.

The benefits of telegraphic transfers are:

- they are a secure means of payment;
- the Bank may include a short message as part of the payment transaction; and
- the beneficiary generally receives payment within 24 hours of despatch of the telegraphic transfer.

12.3 Bank drafts

A bank draft is similar to a bank cheque, however a bank draft is drawn on an overseas bank. Bank drafts are issued to an applicant in order to facilitate payment to an overseas payee. The payment is made to the payee upon satisfactory identification being provided.

A bank draft may be issued in the same currencies as are available for telegraphic transfers (please see section 12.2 above).

A fee is payable for this service.

If the purchaser of a bank draft does not subsequently use the draft, the purchaser may request that the Bank re-purchase the bank draft by returning the draft to the Bank. The Bank is under no obligation to re-purchase a bank draft.

Upon receiving a request to re-purchase a bank draft, the Bank will identify the purchaser making the request. The Bank will then need sufficient time to conduct certain investigations prior to approving any decision to re-purchase the bank draft.

If the draft is in a foreign currency, the exchange rate utilised for any re-purchase will be the exchange rate applicable on the date that the Bank approves any re-purchase.

The Bank may use a correspondent bank to give effect to the applicant's instructions. Note that a correspondent may charge unspecified fees and charges when making the payment to the payee and the payee may receive less than the payment amount shown on the draft.

A fee applies for the re-purchase of a bank draft.

The applicant must look after the bank draft as it is valuable and the applicant is responsible for its safekeeping. The applicant must tell the Bank immediately if the bank draft is lost or stolen.

You can minimise any loss arising from the loss or theft of the draft by contacting your Bank branch and requesting that a stop payment be placed on the bank draft. Please note that the applicant will need to complete a Lost/Stolen Bank Draft form and an Indemnity form. A Stop Payment Fee will apply to such a request and the applicant will be liable for meeting the Bank's expenses in implementing the request. The Bank may choose to issue a replacement bank draft if it is satisfied that:

- the bank draft has not been presented;
- the Bank's investigations (which may take some weeks) have produced a satisfactory outcome; and
- that the payee is satisfied with the arrangement for the issuance of a replacement bank draft in favour of the payee.

The benefits of bank drafts are that they may be issued in many different currencies and they may be enclosed with correspondence and forwarded by the applicant to the payee.

12.4 Bank cheques

Bank cheques are cheques, issued in Australian Dollars, instructing payment from the Bank's own account rather than from the customer's account. Whilst bank cheques are generally accepted as a reliable form of payment within Australia because of the higher likelihood that they will be paid, they should not be regarded as equivalent to cash.

Bank cheques will only be issued to existing customers of the Bank. When applying for a bank cheque, you will need to provide the name of the payee and the required amount for the bank cheque. Customers may only draw on cleared funds to pay for the bank cheque.

A fee is charged for the issue of a bank cheque. A bank cheque may be dishonoured if:

- the bank cheque is forged or is a counterfeit;
- the Bank is instructed that the bank cheque has been lost or stolen;
- a court order restrains the Bank from paying the bank cheque;
- the bank cheque has been fraudulently and materially altered;
- the Bank has not received payment for the issue of the bank cheque; or
- if the bank cheque is presented by a person who is not entitled to the proceeds.

If the purchaser of a bank cheque does not subsequently use the cheque, the purchaser may request that the Bank re-purchase the bank cheque. The Bank is under no obligation to re-purchase a bank cheque.

Upon receiving a request to re-purchase a bank cheque, the Bank will identify the purchaser making the request. The Bank will then need sufficient time to conduct certain investigations prior to approving any decision to re-purchase the bank cheque.

A fee applies for the re-purchase of a bank cheque.

If a bank cheque is lost or stolen, you must report this to the branch from which you purchased the cheque immediately. The branch will then require you to complete and sign a Lost/Stolen Bank Cheque form and a Lost/Stolen Bank Cheque Indemnity Form and you will need to provide us with the phone number and address details of the payee. The Bank may choose to issue a replacement bank cheque once it is satisfied that:

- the bank cheque has not been presented;
- the Bank's investigations (which may take some weeks) have produced a satisfactory outcome; and
- that the payee is satisfied with the arrangement for the issuance of a replacement bank cheque in favour of the payee.

A fee is payable for stopping and reissuing a lost or stolen bank cheque, and for repurchasing a bank cheque that is no longer required.

13 Definitions

In this PDS the following terms have the following meanings:

“AEST” means Australian Eastern Standard Time.

“Banking Business Day” means any day on which Banks in Melbourne or Sydney are able to effect settlement through the Reserve Bank of Australia.

“Biller” means an organisation which issues bills to its customers and tells you that you can make payments to it through the BPAY® Scheme.

“Bill or BPAY® Payment” means a payment which you make or propose to make through the BPAY® Scheme to a Biller.

“BPAY® Payment Cut-off Time” means 4:00pm Sydney time on a Banking Business Day.

“BPAY® or BPAY® Scheme” means an electronic payments scheme through which we can be asked to make payments on your behalf to Billers who tell you that you can make payments to them through the BPAY® Scheme.

“Business Day” means any day from Monday to Friday on which the Bank is open for business in at least one of our branch locations in Australia.

“Card” means the Arab Bank Australia Electronic Funds Transfer Card issued by the Bank to a Cardholder for use at a nominated Automatic Teller Machine (“ATM”) and at an Electronic Funds Transfer at Point of Sale (“EFTPOS”) Terminal.

“Cut-off Time” refers to 4:00pm Sydney time on a Business Day.

“Force Majeure” means:

- (a) any act of God;
- (b) war, revolution, or any other unlawful act against public order or authority;
- (c) an industrial dispute;
- (d) a governmental restraint; or
- (e) any other event or cause which is not within the reasonable control of you or us.

“Internet Banking” means use of a computer to connect you to us via the Internet to obtain information about your Linked Accounts and to perform transactions.

“Internet ID” means the 8-digit number issued to you by us which must be entered by you (with your Password) to identify you through Internet Banking and access the Service.

“Linked Account” means the account(s) that you have nominated to be accessed by use of the Service or the accounts associated with your Card at the time that you apply for your Card or open an account with the Bank (as the case requires).

“Minor” means any person under the age of 18 years.

“Multi-to-sign” is a functionality available within the Service that enables a transaction to be processed when more than one authorised signatory is required to execute the transaction on the account. The transaction is created by any signatory, and it is pending until all required signatories on the account authorise the transaction.

“Password” means a confidential alphanumeric comprising between 8 and 16 letters and digits (including at least one letter and one number) required to access the Internet Service (with an Internet ID).

“PIN” means the Personal Identification Number allocated to a Cardholder by the Bank to conduct transactions using an ATM/EFTPOS Card.

“Secure Mail” means an electronic messaging system that enables emails to be sent to or from us as part of the Service.

“Quick Access Number” is the number by which a nominated

account for Internet Banking will be identified for the purposes of SMS Alerts and SMS Account Enquiries.

“Service” means the Arab Bank Australia Limited Internet Banking service available from www.arabbank.com.au.

“Transfer or Funds Transfer” refers to a transfer made between your Linked Accounts with us and transfers made using the Transfer to Anyone function.

“Transfer to Anyone” is the function within the Service through which you can make transfers of value from a Linked Account to:

- (a) one or more accounts other than your accounts where the other account or accounts is held with us; or
- (b) one or more accounts held at other Australian financial institutions that accept such inter bank transfers and includes a transfer to an account or accounts held by you at such financial institutions.

14 Contact details

Arab Bank Australia Limited ABN 37 002 950 745

Level 9 200 George Street
Sydney NSW 2000
Telephone 02 9377 8900
Facsimile 02 9221 5428

www.arabbank.com.au Freecall: 1800 646 484

Lost or Stolen Cards Hotline

Sydney Metropolitan Area: 9959 7480
Outside Sydney Metropolitan Area: 1800 252 149

Internet Banking Assistance

Freecall: 1800 646 484

Auburn

19 Auburn Road
Auburn NSW 2144
Telephone 02 9749 9400
Facsimile 02 9749 9300

Bankstown

Corner South Terrace and Restwell Street
Bankstown NSW 2200
Telephone 02 9707 3755
Facsimile 02 9790 6943

Campsie

206 Beamish Street
Campsie NSW 2194
Telephone 02 9787 2133
Facsimile 02 9718 0594

Coburg

492 Sydney Road
Coburg VIC 3058
Telephone 03 9355 7740
Facsimile 03 9355 7783

Liverpool

236 Macquarie Street
Liverpool NSW 2170
Telephone 02 8706 0300
Facsimile 02 8706 0301

Melbourne

451 Little Bourke Street
Melbourne VIC 3000
Telephone 03 9606 0830
Facsimile 03 9606 0841

Parramatta

74 Macquarie Street
Parramatta NSW 2150
Telephone 02 9893 7633
Facsimile 02 9893 7830

Rockdale

506 Princes Highway
Rockdale NSW 2216
Telephone 02 9597 1122
Facsimile 02 9597 7799

Sydney

Shop 1a, 200 George Street
Sydney NSW 2000
Telephone 02 9377 8942
Facsimile 02 9247 4447

Sunshine

259 Hampshire Road
Sunshine VIC 3020
Telephone 03 9364 7664
Facsimile 03 9364 7907



Arab Bank Australia Limited
Supplementary Product Disclosure Statement
Effective 15 May 2008

This is a Supplementary Product Disclosure Statement (SPDS) and supplements the Arab Bank Australia Limited Product Disclosure Statement (PDS) of 04 July 2007. This SPDS should be read together with the PDS which is available at our website www.arabbank.com.au or at any of our branches.

The PDS in the "Opening an account" section 2.1 advises the following in regards to identification:

"To open an account you must identify yourself in accordance with the Federal Financial Transaction Reports Act. You may provide sufficient identification with four of the following documents:

- Medicare card;*
- Driver's licence;*
- Credit card;*
- Gas or electricity bill;*
- Current rates notice; or*
- Your birth certificate.*

Two of the above and one of the following will also be sufficient Identification:

- Passport; or*
- Citizenship certificate.*

One of the documents provided must contain your photograph. Some other documents may also be acceptable to establish your identity. If you need assistance, please ask our staff."

This wording has been replaced with:

"To open an account you must identify yourself in accordance with the Federal law. You may provide sufficient identification with a combination of documents from the following primary documents:

- Driver's licence;*
- Passport; or*
- Citizenship certificate.*

And the following non-primary documents:

- Medicare card;*
- Credit card;*
- Gas or electricity bill;*
- Current rates notice; or*
- Your birth certificate.*

One of the documents provided must contain your photograph. Some other documents may also be acceptable to establish your Identity. If you need assistance, please ask our staff."

In the PDS the last sentence in "Anti-money laundering, anti-terrorism" section 7 advises the following in regards to your obligations under the anti-money laundering and anti-terrorism legislation:

"You declare and undertake to the Bank that the payment of moneys in accordance with your instructions by the Bank will not breach any laws in Australia or any other country".

This wording has been replaced with:

"You must not initiate, conduct or effect a transaction that may be in breach of any law in Australia or any other country. You will be liable for and must indemnify the Bank against any loss or potential loss arising from any such transaction or attempted transaction."

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
- a 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.