1 December 2010

Dear Customer,

RE: AN IMPORTANT NOTICE REGARDING CHANGES TO YOUR ACCOUNT(S)

Laiki Bank (Australia) Ltd (LBA) has recently made changes with respect to the account(s), which you hold. These changes have been set out below *(additions have been italicised)*.
Please note that such changes will not take effect for existing customers until 01/02/2011.

Please find below a Supplementary Product Disclosure Statement (SPDS). This SPDS supplements the Laiki PDS and any other SPDS. Please take the time to review the SPDS. Should you require any further information, please do not hesitate to contact Laiki Bank on 1300 888 700.

Yours sincerely,

Laiki Bank (Australia) Ltd

SUPPLEMENTARY DEPOSIT, SAVING & TRANSACTION PRODUCT DISCLOSURE STATEMENT

NAME OF FINANCIAL PRODUCT	Existing	CHANGES (Amended or New)
FOREIGN CURRENCY ACCOUNT		
Foreign Currency Cash Deposit & Foreign Currency Cash Withdrawals	Nil	*LBA offers a foreign currency cash deposit & cash withdrawal service, whereby customers can withdraw and deposit cash in the foreign currency of their account. If withdrawing more than the equivalent of $5,000 AUD, 3 days notice to your branch may be required to assist us in meeting your request.*
LAIKI SMART NET ACCOUNT		
Can I make periodical payments from this account?	No	*Yes*
TERM DEPOSIT EARLY REPAYMENT		
Grace Period for Change of Term	No	*If it is within 7 days (5 business days) after the maturity date (where the term is up to 12 months) and the term deposit is to be renewed, there will be no reduction amount. The new rate however, will only be applied as of the date of change.*
Grace Period for Early Withdrawal	No	*If it is within 7 days (5 business days) after the maturity date (where the term is up to 12 months), the early repayment fee will be the interest accrued since maturity.*

Laiki Bank (Australia) Ltd

Deposit, Saving & Transaction Accounts
Product Disclosure Statement

August 2010

ABN: 44 093 488 629

AFSL Number: 243 444

Contact numbers:

General: 1300 888 700

If calling from overseas: + 612 8262 9000

Cards: 1300 888 730

If calling from overseas: + 612 8262 9102

ebank: 1300 880 760

If calling from overseas: + 612 8262 9101

TABLE OF CONTENTS

This document is Part of the Product Disclosure Statement (PDS) for Laiki Bank (Australia) Ltd.

It contains terms and conditions, significant benefits, risks, features and characteristics for:

- *Express Account*
- *Essential Saver Account*
- *S-Zone Account*
- *Retirement Deeming Account*
- *Cash Management Account*
- *Apex Account*
- *Laiki Smart Saver Account*
- *Laiki Smart Net Account*
- *Laiki Easy Life Account*
- *Home Loan Offset Account*
- *Home Loan Offset Basic Account*
- *Term Deposits (AUD)*
- *Business Cheque Account*
- *Solicitor or Real Estate Agent Trust Account*
- *Foreign Currency Transaction Account*
- *Foreign Currency Term Deposit*

The other documents that make up the PDS include:

- ***Fees and Charges Product Disclosure Statement***
- ***Interest Rates Product Disclosure Statement***
- ***Terms and Conditions for Internet Banking Product Disclosure Statement***
- ***Terms and Conditions for VISA Debit Cards***
- ***Complaints Policy Product Disclosure Statement***

The PDS is an important document. It provides you with information about the financial products we offer so you can decide whether or not to apply for them. It also forms the contract between you and us and is therefore legally binding on you in your dealings with us. You should read this document and other parts of the PDS carefully before acquiring any of the products to which the PDS applies. You should also keep the PDS for your future reference.

If you do not have all the above parts of the PDS and any other relevant document pertaining to your product or service, the PDS is incomplete. Please contact Laiki Bank on 1300 888 700 if you have any questions regarding them, or to arrange for them to be sent to you. These documents can be found in any of our branches or on our website www.laiki.com.au.

INTRODUCTION

The information contained in this Product Disclosure Statement (PDS) is up to date as at the date stated on the cover. It is subject to change from time to time. You may obtain updated information by contacting us.

The services and banking products you find in this PDS are provided to you by:
Laiki Bank (Australia) Limited (LBA) ABN 44 093 488 629
Level 4, 219-223 Castlereagh Street, Sydney NSW 2000
Australian Financial Services Licence No. 243444.

Contact Us

You can contact us and find out more about LBA in the following ways:

By Mail: Laiki Bank (Australia) Limited
GPO Box 4288, Sydney NSW 2001
Telephone: 1300 888 700
Internet: www.laiki.com.au
Visit any of our branches

Application of this PDS

If you are opening a new account, the terms and conditions within this document will apply immediately. Other terms and conditions, including those implied by law, apply. To the extent of any inconsistency, these terms and conditions shall prevail to the extent permitted by law. **You should read all relevant product disclosure material that is provided to you and ask LBA about any issues that concern you.**

General Advice Warning

This advice is not personalised. It has been prepared without considering your particular situation such as objectives, financial situation or needs. Before acting on this advice you should consider its appropriateness to your circumstances and if required seek personal financial advice to help you consider whether the products in this PDS are suited to your individual needs.

DEFINITIONS

ATM
automatic teller machine.

Access Method
means a method Laiki Bank makes available to users, for them to give us instructions in relation to making electronic funds transfer transactions to or from the account. It includes the use of electronic equipment, card, PIN, internet banking password.

Account holder
is the person(s) in whose name an account is in and whose is responsible for all transactions on the account.

Available funds
means the credit balance of the account at the time, less the aggregate amount of all cheques deposited to the account which at the time have not been cleared and any other amounts which are not cleared or are reserved by LBA for any reason.

BPAY (BPAY Scheme)
means the electronic payments scheme through which a user may instruct us to make BPAY payments on your behalf to Billers who have advised that you can make payments to them through this scheme.

BPAY Payments
means payments that users instruct us to make to Billers through the BPAY scheme

Biller
means an organisation which issues to their customers, which customers can pay through the BPAY Scheme

Banking business day
a day on which the Reserve Bank of Australia is open for business.

Code
special information such as a PIN or password comprising of numbers or letters or a combination of both, that must be kept secret and be known only by the user, or the user and the bank, which the user must provide to access an account.

Device
means any card or subscriber number issued by us to allow a user to access your account electronically.

Direct debit
is a debit from your LBA account that you arrange through a merchant or other service provider.

EFT transaction
means a transfer of funds from or to an account made by a person through electronic equipment using a device and code in combination or a device and signature in combination.

EFTPOS
means an Electronic Funds Transfer at Point of Sale. This retail facility allows you to debit the cost of your purchases to your LBA account.

Electronic equipment
equipment such as electronic terminal, computer, television and telephone.

Periodical payment
is a debit from your LBA account, which you instruct LBA to make to the account of another person or business at a regular frequency.

PIN
means a personal identification number used in conjunction with a device that must be kept secret and be known only to a user, which the user must provide to or through electronic equipment in order to access an account.

Scheduled payment
a future date nominated by you to process a payment or transfer of funds.

User
includes you and any person authorised by you and us to perform EFT transactions on your account.

We, Us, Our and the Bank
Laiki Bank (Australia) Limited

You and Your
the accountholder.

TYPES OF ACCOUNTS

The following products are issued by Laiki Bank (Australia) Limited. (Please refer to the Bank's FINANCIAL SERVICES GUIDE).

Express Account
Simple, fast, convenient and rewarding everyday banking.

Essential Saver Account
A convenient and simple account, starting you on the rewarding road to saving with ability to avoid Monthly Account Keeping Fee.

S-Zone Account
An account specifically for the under 18 year olds designed to introduce a rewarding way of saving and banking. *When the child reaches 18 years of age the account is converted to an Laiki Easy Life Account and access and operation to the account reverts solely to the accountholder.*
*** For individuals only, cannot be joint account.*

Retirement Deeming Account
A convenient secure account where the government's deemed interest rate is used as a guide to set interest rates. It offers most pensioners and independent retirees over 55 years of age a straightforward way to manage their money.

Cash Management Account
Earn higher rates of interest on your entire balance whilst having your funds at call. This account also has the ability to halve the Monthly Account Keeping Fee.

Apex Account
The account offers attractive rates of interest on your money and you can withdraw your funds by providing the bank with 8 days notice.

Laiki Smart Saver Account
A short term 8 day notice account offering attractive rates of interest on your entire balance and no monthly fees.

Laiki Smart Net Account
An Internet account, which offers an interest rate at least equal to the RBA cash rate.

Laiki Easy Life Account
A flat Monthly Account Keeping Fee entitles you to a range of unlimited free transactions for the month**.**

Term Deposit (AUD)
If you do not intend to use your funds immediately, secure your money in a low risk investment that guarantees you a fixed rate of return.

Home Loan Offset Account
Simple, convenient transaction banking whilst helping to reduce the overall term of your standard variable rate home loan by making every dollar count.
Note: The Home Loan Offset Account will be converted to an Easy Life Account (with a new account number) once it ceases to support an eligible loan and customer instructions have not been received.

Home Loan Offset Basic Account
Easy banking for all your loan repayment needs. Offers basic deposit and withdrawal features with no monthly account keeping fee.
Note: The Home Loan Offset Basic Account will be converted to an Easy Life Account (with a new account number) once it ceases to support an eligible loan and customer instructions have not been received.

Business Cheque Account
A cost effective account, for conveniently managing your daily business finances. This account will give you access to all the essential services you need to run your business.

Solicitor or Real Estate Agent Trust Account
Managing your accounts and daily business finances with an account that meets the statutory requirements of the trust account in the State where your practice operates. *In addition to this account, the Solicitor or Real Estate Agent must hold a separate LBA transaction account in AUD where related fees and charges will be deducted.*
Note: Solicitor or Real Estate Agent Trust Account is not offered in every state. Please check with your branch.

Foreign Currency Transaction Account
Developed to assist businesses and individuals with overseas trading requirements giving them the ability to make payments and receive funds internationally by having direct access to international foreign exchange markets.
You need to have another LBA transaction account in AUD.
Note: The requirement to hold an AUD transaction account is removed for the following customers:
-Non-resident customers (defined as people who are physically residing overseas).

Foreign Currency Term Deposit
If you do not intend to use your foreign currency funds immediately, protect yourself from fluctuations in international foreign exchange markets by

securing your money in a low risk investment that guarantees you a fixed rate of return.

<u>Additional Information about accounts in Foreign Currency</u>:

- No direct Deposits or direct Withdrawals of physical cash are made from your Foreign Currency account;
- No direct Deposits of AUD cheques or AUD international drafts to your foreign currency account;
- Transactions are effected through transfers to and from your foreign currency account, directly making or receiving payments in the foreign currency the account is held or alternatively through converting funds to the required currency;
- Keeping foreign currency in a foreign currency account reduces requirements to convert funds to Australian Dollars, thus reducing exchange costs.

SIGNIFICANT RISKS OF LBA ACCOUNTS

All of LBA's Deposit, Savings and Investment accounts are relatively low risk accounts but please be aware that all investments involve a certain amount of risk.

Changes in Interest Rates

- You may not be able to take advantage of interest rate increases should interest rates rise during your chosen investment term.

If you have a cheque facility

- If you do not keep your cheque books and cheques in a safe place there is the risk of unauthorised transactions occurring from your account.
- Funds from cheques deposited to your account take approximately 3 working days to clear. You should not rely upon these funds until they have actually cleared.

Unauthorised transactions

- A possible risk is that unauthorised transactions may be enacted on your account through electronic banking. You may be liable, in some circumstances, for these. Please refer to the Terms and Conditions for Internet Banking PDS and the Terms & Conditions for VISA Debit Cards PDS for further information regarding in what circumstances you will be liable.

Disruptions due to electronic equipment failure

- From time to time it is a possible risk that you may not be able to make transactions or account enquiries if any electronic equipment is malfunctioning or unavailable.

Currency Risk for accounts in foreign currency

- Is the risk that due to adverse exchange rate movements, the value in Australian Dollars (AUD) of your Foreign Currency account may fall.

SPECIFIC FEATURES FOR TRANSACTION ACCOUNTS

	Express Account	**Essential Saver Account**
Who is eligible to open this type of account?	Individuals over 18 y.o.	Individuals over 18 y.o.
What can it be used for?	Private use	Private use
What is the minimum opening balance?	$1	$500
Is access to funds available any time?	Yes	Yes
How Interest is calculated? **(refer to "Interest Rate" PDS)**	Banded tiered	Tiered on the whole balance
How often is interest paid?	Monthly	Quarterly
Will I get a regular statement?	Monthly	Quarterly (Monthly if card linked)
Is Laiki Visa Debit Card access available? (only available upon request to approved applicants)	Yes	Yes
Is Laiki eBank access available? (only available upon request to approved applicants)	Yes (If you have existing eBank access you will acquire automatic inquiry access for all subsequent accounts opened)	Yes (If you have existing eBank access you will acquire automatic inquiry access for all subsequent accounts opened)
Is cheque book access available? (only available to individuals over 18 years of age)	Yes	No
Can I make periodical payments from this account?	Yes	Yes
Are direct debits allowed?	Yes	Yes
Does my account accept direct credits?	Yes	Yes
Is there an overdraft facility available? (subject to approval)	Yes	No
Is there a minimum period the account must remain open?	No	No

	Retirement Deeming Account	**S-Zone Account**
Who is eligible to open this type of account?	Individual holders of a Pensioner Concession Card or retirees aged 55 and over. You can only have one Retirement Deeming account. It cannot be held in trust	Individuals under 18 y.o. with guardian authorisation
What can it be used for?	Private use	Private use
What is the minimum opening balance?	$1	$1
Is access to funds available any time?	Yes	Yes
How Interest is calculated? **(refer to "Interest Rate" PDS)**	Banded Tiered	Banded tiered
How often is interest paid?	Monthly	Quarterly
Will I get a regular statement?	Quarterly (Monthly if card linked)	Every six Months
Is Laiki Visa Debit Card access available? (only available upon request to approved applicants)	Yes	No
Is Laiki eBank access available? (only available upon request to approved applicants)	Yes (If you have existing eBank access you will acquire automatic inquiry access for all subsequent accounts opened)	Enquiry only for over 16 y.o. when authorised by guardian
Is cheque book access available? (only available to individuals over 18 years of age)	Yes	No
Can I make periodical payments from this account?	Yes	No
Are direct debits allowed?	Yes	No
Does my account accept direct credits?	Yes	Yes
Is there an overdraft facility available?	No	No

(Continued)

	Retirement Deeming Account	**S-Zone Account**
Is there a minimum period the account must remain open?	No	No

SPECIFIC FEATURES FOR TRANSACTION ACCOUNTS

	Home Loan Offset Account	**Home Loan Offset Basic Account**
Who is eligible to open this type of account?	You must have variable rate home loan in the same name	You must have variable rate home loan in the same name
What can it be used for?	Private use	Private use
What is the minimum opening balance?	$1	$1
Is access to funds available any time?	Yes	Yes
How Interest is calculated? **(refer to "Interest Rate" PDS)**	Balance offset to loan	Balance offset to loan
How often is interest paid?	N/A	N/A
Will I get a regular statement?	Monthly	Bi-annually
Is Laiki Visa Debit Card access available? (only available upon request to approved applicants)	Yes	No
Is Laiki eBank access available? (only available upon request to approved applicants)	Yes (If you have existing eBank access you will acquire automatic enquiry access for all subsequent accounts opened)	Yes (If you have existing eBank access you will acquire automatic enquiry access for all subsequent accounts opened)
Is Cheque book access available? (only available to individuals over 18 years of age)	Yes	No
Can I make periodical payments from this account?	Yes	Yes
Are direct debits allowed?	Yes	Yes
Does my account accept direct credits?	Yes	Yes
Is there an overdraft facility available? (subject to approval)	Yes	No
Is there a minimum period the account must remain open?	No (maximum is term of loan)	No (maximum is term of loan)

	Laiki Smart Net Account	**Laiki Easy Life Account**
Who is eligible to open this type of account?	Individuals (under 18 y.o. require guardian authorisation) or businesses	Individuals (under 18 y.o require guardian authorisation)
What can it be used for?	Private or business	Private use
What is the minimum opening balance?	$1	$1
Is access to funds available any time?	Yes - (Electronically)	Yes
How Interest is calculated? (refer to "Interest Rate" PDS)	Flat rate (Applied to entire balance)	Nil Interest
How often is interest paid?	Monthly	N/A
Will I get a regular statement?	Monthly	Monthly
Is Laiki Visa Debit Card access available? (only available upon request to approved applicants)	Yes	Yes
Is Laiki eBank access available? (only available upon request to approved applicants)	Yes (If you have existing eBank access you will acquire automatic enquiry access for all subsequent accounts opened)	Yes (If you have existing eBank access you will acquire automatic enquiry access for all subsequent accounts opened)
Is cheque book access available? (only available to individuals over 18 years of age)	No	Yes
Can I make periodical payments from this account?	No	Yes
Are direct debits allowed?	No	Yes
Does my account accept direct credits?	Yes	Yes
Is there an overdraft facility available?	No	No
Is there a minimum period the account must remain open?	No	No

SPECIFIC FEATURES FOR FOREIGN CURRENCY TRANSACTION ACCOUNTS

	Foreign Currency Transaction Account
Who is eligible to open this type of account?	Individuals (over 18 y.o) and Business entities
What can it be used for?	Personal or Business purposes
What is the minimum opening balance?	Nil
Is access to funds available any time?	Yes
How Interest is calculated? **(Refer to "Interest Rate" PDS or call 1300 888 700)**	Tiered rate on whole balance For USD, EUR, JPY and CHF on a 360 day basis For GBP and NZD on a 365 day basis
How often is interest paid?	Monthly
Will I get a regular statement?	Monthly
Is Laiki Visa Debit Card access available?	No
Is Laiki eBank access available? (only available upon request to approved applicants)	Yes (If you have existing eBank access you will acquire automatic enquiry access for all subsequent accounts opened)
Is cheque book access available?	No
Can I make periodical payments from this account?	No
Are direct debits allowed?	No
Does my account accept direct credits?	Yes, only in the currency the account is in.
Is there an overdraft facility available?	No
Is there a minimum period the account must remain open?	No

SPECIFIC FEATURES FOR SAVINGS AND INVESTMENT ACCOUNTS

	Cash Management Account	**Apex Account**	**Laiki Smart Saver Account**
Who is eligible to open this type of account?	Individuals (under 18 y.o. require guardian authorisation)	Individuals or Businesses (under 18 y.o. require guardian authorisation)	Individuals or Businesses (under 18 y.o. require guardian authorisation)
What can it be used for?	Private use	Private or business	Private or business
What is the minimum opening balance?	$5,000	$50,000	$1
Is access to funds available any time?	Yes	No (8 days written notice without reduction amount) * Approval of withdrawals without 8 days notice is purely at the discretion of the Bank.	No (8 days written notice without reduction amount) * Approval of withdrawals without 8 days notice is purely at the discretion of the Bank.
How Interest is calculated? **(refer to "Interest Rate" PDS)**	Tiered on the whole balance over $1000	Tiered on the whole balance over $10,000	Tiered on the whole balance
How often is interest paid?	Monthly	Monthly	Monthly
Will I get a regular statement?	Quarterly (Monthly if card linked)	Monthly	Monthly
Is Laiki Visa Debit Card access available? (only available upon request to approved applicants)	Yes	No	No
Is Laiki eBank access available? (only available upon request to approved applicants)	Yes (If you have existing eBank access you will acquire automatic enquiry access for all subsequent accounts opened)	Enquiry only	Enquiry only

(Continued)

	Cash Management Account	**Apex Account**	**Laiki Smart Saver Account**
Is cheque book access available? (only available to individuals over 18 years of age)	Yes	No	No
Can I make periodical payments from this account?	Yes	No	No
Are direct debits allowed?	Yes	No	No
Does my account accept direct credits?	Yes	Yes	Yes
Is there an overdraft facility available?	No	No	No
Is there a minimum period the account must remain open?	Minimum 7 days	Minimum 8 days (without reduction amount)	Minimum 8 days (without reduction amount)

SPECIFIC FEATURES FOR BUSINESS TRANSACTION ACCOUNTS

	Business Cheque Account	**Solicitor or Real Estate Agent Trust Account**
Who is eligible to open this type of account?	Business entities	Solicitors (NSW & SA) or Real Estate Agents (NSW & SA)
What can it be used for?	Business purposes	To meet statutory requirements
What is the minimum opening balance?	$1	$1
Is access to funds available any time?	Yes	Yes
How Interest is calculated? **(Refer to "Interest Rate" PDS or call 1300 888 700)**	Banded Tiered on balances of $1000 or more	Banded Tiered and paid to appropriate governing body
How often is interest paid?	Monthly	Monthly
Will I get a regular statement?	Monthly	Monthly
Is Laiki Visa Debit Card access available? (only available upon request to approved applicants)	Yes	No
Is Laiki eBank access available? (only available upon request to approved applicants)	Yes (If you have existing eBank access you will acquire automatic enquiry access for all subsequent accounts opened)	Yes (If you have existing eBank access you will acquire automatic enquiry access for all subsequent accounts opened)
Is cheque book access available? (only available to individuals over 18 years of age)	Yes	Yes
Can I make periodical payments from this account?	Yes	Yes
Are direct debits allowed?	Yes	No
Does my account accept direct credits?	Yes	Yes
Is there an overdraft facility available? (subject to approval)	Yes	No
Is there a minimum period the account must remain open?	No	No

SPECIFIC FEATURES FOR TERM DEPOSIT ACCOUNTS

	Term Deposit (AUD)	**Foreign Currency Term Deposit**
Who is eligible to open this type of account?	Individuals and Business entities	Individuals and Business entities
What is the minimum opening balance?	$1,000	10,000 USD, EUR, NZD or GBP
How Interest is calculated? **(Refer to “Interest Rate” PDS or call 1300 888 700)**	Paid on the whole balance.	Paid on the whole balance. For USD & EUR based on a 360 day year. For GBP & NZD based on a 365 day year.
How often is interest paid?	At Maturity or Monthly* (*This option is only available to 12 month term deposits that have interest paid monthly)	At Maturity
Will I get a regular statement?	No (You will receive Notice of maturity Renewal and Notice of Re-Investment)	No (You will receive Notice of maturity Renewal and Notice of Re-Investment)
Is Laiki Visa Debit Card access available?	No	No
Is Laiki eBank access available? **(only available upon request to approved applicants)**	Yes (If you have existing eBank access you will acquire automatic enquiry access for all subsequent accounts opened)	Yes (If you have existing eBank access you will acquire automatic enquiry access for all subsequent accounts opened)
Is cheque book access available?	No	No
Can I make periodical payments from this account?	No	No
Are direct debits allowed?	No	No
Does my account accept direct credits?	No	No

(Continued)

	Term Deposit (AUD)	Foreign Currency Term Deposit
Is there a minimum period the account must remain open?	Minimum 7 days	Minimum 7 days

HOW TO OPEN AN LBA ACCOUNT

Identification

You must supply the information, documents and any authorisations LBA requires (including but not limited to the Account Application forms) for the purposes of opening and maintaining the account/s. We will require details such as:

- Your name (including any other name you may be known by);
- Your current residential address
- Your current occupation.
- The name you wish the account to be in; and
- Whether the account is to be held in trust. (If this applies, further details will be required).

We are obliged by law to verify the true identity of each accountholder and signatory to an account and to sight proof of their identity documents. We will ask you to supply various items or documents as evidence of your identity. Our staff will advise you what items of identification are acceptable.

If all the signatories to an account are not identified or are only partially identified, the account may not be opened. If the account is already open, the account will be restricted and withdrawals will not be allowed until all of the signatories have been fully identified and verified.

We may conduct searches of public registers to obtain or verify information. A fee may be charged for this service, please refer to the Fees and Charges PDS.

When you open an account in a Business Name

If you are a business customer, apart from the identification requirements for each signatory, LBA will require you to supply other verifications and documents in relation to the business identity. Our staff will advise you what items of identification are acceptable.

You must also provide us with any other document we request in order to identify you. A Business Search Fee may also apply. Please refer to the Fees and Charges PDS.

Providing Us With Your Tax File Number (TFN)

Accounts earning interest are subject to A New Tax System (Pay As You Go) Act 1999. The interest earned on your account must be included in your assessable income.

When you open an account with us, you have the option of supplying us with your TFN or relevant exemption you are claiming. Providing your TFN is NOT compulsory, but is advisable. If you don't we are required by law to deduct withholding tax at the highest marginal tax rate plus Medicare levy from your interest and forward it to the Australian Taxation Office when you earn interest income of $120 or more a year.

If you fall into one of the following categories you can claim an exemption from quoting your TFN, and withholding tax will not be deducted:

- Most pensioners
- Children under 16 where interest income is less than $420 p.a. If interest earned is in excess of $420 p.a. (i.e. $35 per month for any month), a TFN for the child needs to be lodged otherwise maximum withholding tax applies.

For joint accounts all account holders need to quote their TFN. For accounts held in trust for someone else (such as your child or children) you should quote your own TFN. If a formal trust has been established, you also need to quote the Trust's TFN.

Investments held by non-residents are subject to special PAYG withholding rules. We are required by law to deduct non-resident withholding tax from any interest payment. The current rate is 10%.

Laiki Bank is required to report details of interest/dividend income earned, withholding tax deducted and Tax File Numbers quoted on an account, to the Australian Taxation Office.

Any interest you earn on credit balances in your Laiki accounts has tax implications that may affect you. The personal circumstances of each customer are different and we encourage you to seek independent taxation advice.

The collection of Tax File Numbers and their use and disclosure are strictly regulated by the Privacy Act (1988).

Statements

You can obtain up-to-date information on your accounts. Accessing this information can either be free or incur a fee, depending on the type of service you choose and the frequency of your request. LBA will issue statements for your account *(except Term Deposits).* Statements for all other accounts are issued at least once every six months. Other optional available statement cycles are:

- once every month; or
- once every three months.

A fee may be charged if you require multiple statements or transaction listings. Please refer to the Fees and Charges PDS.

Remember, statements are an important part of your banking and finances in general. Please be advised that:

• all entries on statements should be checked carefully and any apparent or possible unauthorised transaction promptly reported to the Bank. **You must contact your branch as soon as possible or call us on 1300 888 700;**

• you should retain transaction records or transaction record numbers to confirm against items appearing on the statement of your account it will assist any claim you may need to make regarding any lack of authority.

Opening Joint Accounts

This section applies if an account is in two or more names jointly.

Receiving notices from the bank for Joint Accounts

Where your account is held jointly with one or more persons, the following shall apply:

- LBA can send you notices, statements or other documents including changes to this PDS by mailing them to any one of the account holders at their address shown in LBA's records;
- if LBA does this, you will be deemed to have received the notice, statement or other document the day after it is sent;
- if LBA gives this PDS to any one of the joint account holders, they will be considered to have been received by all account holders.

Understanding your obligations

You may choose to operate accounts jointly with other persons or entities.

If you do, your liability under these terms and conditions is both joint and several. This means that each of you is liable both on your own and together for the whole of the debit balance on the account. You should carefully consider any arrangement that involves you becoming a joint account holder. This also means that each of you separately and all of you together have the right to all the available funds in the account.

It is up to you and the other joint account holder(s) to specify how many of you must sign in order to operate a joint account. Account operating instructions are part of your contract with us and may only be altered by written notification to us, signed by all the parties to the joint account.

Despite any instructions you may give us to the contrary, we may insist that the joint account only be operated on the signatures of all joint account holders if:

a) one of the joint account holders requests us in writing to do so; or
b) we are notified in writing of any dispute between the joint account holders; or
c) we are notified of the death or bankruptcy of any of the joint account holders.

You agree that each of you acts as an agent for the other and that we can send a copy of a notice or statement to all or any one of you.

You agree that each account holder may have access to information about the account without the consent of the other joint account holders.
If any of you die, the account will be treated as the account of the surviving accountholders only.

Opening an account held in trust

We can open trust accounts on request for a variety of situations that include:

- where one or more persons open an account in which they are named as trustee for another person(s), e.g. Trustee accounts by parents or guardians for children;
- for Trustees under a will;
- for Trustees under a deed

Opening an account for a minor

We can open an account for a minor, who is a person under the age of 18. Accounts for minors are opened in the minor's name. Refer to specific account terms and conditions for types of accounts that can be opened in a minor's name. An adult must sign the account opening form.
Debit Visa Card access and cheque access is not permitted for persons under the age of 18.

OPERATING AN LBA ACCOUNT

Authority for account operation and Authorised Signatories

At the time of opening your LBA account, you must nominate the person(s) authorised to operate the account.

Authorised signatories

You may give a person who is at least 18 years old the authority to operate your account on your behalf. All authorised signatories must be identified. We are obliged by law to verify the true identity of each signatory to an account and to sight proof of their identity documents. We will ask any authorised signatory to supply various items or documents as evidence of their identity. You should ensure that any authorised signatory has read and understood the terms and conditions.

Except where expressly provided, LBA can act at all times on the basis that the person(s) authorised to operate the account can act fully and effectively in all dealings, matters and transactions in respect of the account. You are responsible to LBA for all liability that is incurred as a result of any withdrawals or maintenance on the account. An authorised signatory will not be able to:

- Alter the accountholders details on the account;
- Add or delete any other third party on the account to which they have access;
- Transfer the account(s) between branches;
- Open new accounts (with the exception of rolling over the same funds in Term Deposits where it is technically necessary to close and re-open a new account).

We may suspend the operation of an account at any time if we are aware of a dispute or discrepancy regarding your authorised signatory.

Note: Please also refer to separate conditions (in a later section of this PDS) regarding the closure of the account.

Different Ways of making Deposits

For all accounts other than Term Deposits, unless otherwise noted in their individual sections, you may make deposits to your account in the following ways:

- **Direct Credit** By arranging an automatic deposit of your salary or other income (such as family allowance, pensions) to be paid directly into your account;
- **In person** at any LBA branch;
- **By arranging an electronic credit** from your other LBA accounts or from your accounts at another bank;
- Deposits may be made in cash or by cheque at branches of the Commonwealth Bank, as LBA has a special arrangement with them. (This facility is available on request to approved applicants).

LBA Term Deposits have specific terms and conditions for withdrawing or transferring money. Please refer to Term Deposit Section for details.

Cheques

Cheques offer convenience when making or receiving payments and are safer to carry than large amounts of cash.

The bank may at any time withdraw your cheque facility in the event of any improper conduct of the account. E.g. continue to issue cheques where there are insufficient funds to honour the cheques or issuing incorrectly completed cheques.

Cheques deposited to your account. How long does it take to clear a cheque?

Once a cheque has been deposited into your account, you will generally be able to draw on the funds after three working days, however some cheques e.g. a cheque in a foreign currency, usually take five to seven working days before you can access the funds. The funds will only be available once your cheque has cleared, that is, once it has been confirmed with the other Bank that sufficient funds are held in the account of the person who gave you the cheque to cover the amount specified on the face of the cheque.

When you pay a cheque into an LBA account, LBA may allow you to draw on the cheque before it has cleared but you will be liable for the amount of the cheque if it is subsequently dishonoured. If you wish to make such an arrangement, you will have to obtain authority from LBA at the time that the cheque is deposited into your account.

Special clearance of funds from cheques

You can arrange for a cheque to be cleared in less than the usual time by requesting a 'special clearance'. Fees apply to this service. Please refer to the Fees and Charges PDS.

What if the cheque is returned to us uncleared or dishonoured after you have accessed the funds?

LBA will debit your account by the amount of the cheque and may also charge you a fee. Please refer to the Fees and Charges PDS.

What if a cheque is lost after you have deposited it to your LBA account but before the cheque has cleared?

LBA will debit your account by the amount of the cheque and will contact you in writing advising you of the situation. It is your ultimate responsibility to obtain a replacement cheque from the drawer. LBA does not accept any liabilities for cheques, which have been lost in the cheque clearing process, as we are not to credit your account until the cheque is actually cleared.

What is a 'Crossed' cheque?

It is a cheque with two parallel lines across it. When you cross a cheque, you are telling the bank that the cheque must be paid into an account with a financial institution and not cashed. An 'uncrossed' or 'open' cheque without two parallel lines across it may be cashed.

What is a 'Not Negotiable' cheque?

Cheques are 'negotiable instruments'. They can be passed from one person to another. Two parallel lines across the cheque (with or without the words 'Not Negotiable' written between them) protects the true owner of a lost or stolen cheque. They ensure that the recipient of a cheque obtains no better rights to the cheque than the person who passed the cheque. For example, if your cheque has been stolen and passed by the thief to a person who has no knowledge that the cheque is stolen (an innocent person), you will be able to recover the amount paid on your cheque from the innocent person (or the thief if they are found).

What does 'Account payee only' mean?

If you write these words on a cheque, you are directing the bank collecting the cheque (that is, the bank where the cheque is ultimately deposited) to only pay the cheque into the account of the person named on the cheque. E.g. if a cheque made out to Sam Simmons has the words 'Account Payee Only', this cheque should only be deposited to Sam Simmons' account.

What do the words 'or bearer' and 'or order' mean?

The words 'or bearer' mean that the bank may pay the cheque to whoever is possession of the cheque, not only the person named on the cheque. If you delete these words, the cheque becomes an 'or order' cheque. The cheque may already have the words 'or order' appearing on it. A cheque payable 'to order' means that the cheque proceeds may only be paid to the person whose name is on the cheque, or as they direct.

Third Party Cheques

When depositing a cheque into your account, or if you present a cheque that is payable to someone else, or it appears to belong to someone else (a third party cheque), LBA may, in it's discretion, refuse to accept that cheque for deposit or may require you to comply with some conditions before it will accept that cheque for deposit.

How to Stop a cheque

You may stop a cheque that you have given to someone else by notifying LBA (before the cheque has been presented) and telling LBA all the details including the following:

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

It is important you notify the bank as soon as possible with clear written and signed instructions. A stop payment fee may apply. Please refer to the Fees and Charges PDS. If you have lost a cheque you received from someone else, notify that person so they may stop the cheque.

Note: A stop payment instruction does not automatically discharge your liability to the payee of the cheque.

Significant risks associated with cheques

There is the risk that unauthorised transactions will occur on your account.

Tips for cheque security, which will help reduce the risks

- when writing out cheques, don't leave gaps between words and fill up any empty spaces with a horizontal line
- where you are required to write the amount in words, begin the amount in words as close as possible to the left hand side and add the word 'only' to the end of the amount
- 'cross' the cheque if it is not intended to be exchanged for cash
- where you are required to write the amount in figures, begin the amount in figures as close as possible to the dollar sign
- always write the correct date on a cheque. You must not 'postdate' a cheque (i.e. do not write a date in the future)
- never write on a cheque with pencil or erasable ink

- only sign a cheque when it is completely filled out (NEVER SIGN A BLANK CHEQUE)
- always write the amount in words as well as figures
- if you make any alterations, you must sign your name next to the alteration
- check your bank statements regularly to reconcile cheques drawn on your account (completing the cheque book butts will assist you in this process)
- keep your cheque book in a safe place where it cannot be found or accessed by any unauthorised users
- if you loose your cheque or cheque book or it has been stolen notify the bank immediately

When may a cheque be dishonoured?

At the bank's discretion but generally where:

- there are insufficient funds in the account of the drawer;
- the cheque is unsigned or signed incorrectly;
- the cheque is more than 15 months old;
- the cheque is future dated;
- the cheque has been materially altered and
- the alteration has not been signed;
- there is a legal impediment to payment;
- the cheque has been stopped; or
- the paying bank has been notified of the mental incapacity, bankruptcy or death of the drawer.

If a cheque is returned as unpaid we will reverse the entry in your account i.e. deduct the amount of the cheque that was originally credited. A cheque that you issue that is dishonoured is known as an 'outward dishonour'. A cheque that you deposit to your account (e.g. cheque received from someone else) that is dishonoured is known as an 'inward dishonour'. We will notify you as soon as possible. We may also return the cheque to you, however it is not guaranteed that the other bank will forward the cheque to Laiki to enable us to return it to you. It is your responsibility to pursue payment from the person who gave you the cheque.

LBA may charge a dishonour fee when a cheque has been dishonoured. Please refer to the Fees and Charges PDS.

What if I lose my cheque/s or my chequebook or if they are stolen?

You should keep your cheques safe at all times. If they are lost or stolen, you must take the following action:

- for a cheque written by you – immediately submit a request for LBA to stop the cheque and inform the person to whom the cheque is payable;
- for a cheque payable to you – immediately tell the person who wrote the cheque;
- for an LBA cheque book – tell LBA to put a stop payment on the serial numbers. If you subsequently find the cheques, LBA will require written authorisation from you before the cheques can be paid.

Warning:
If you don't inform LBA that your chequebook or any cheque/s have been lost or stolen as soon as possible, you may be liable for transactions incurred by you before you notify LBA, even if they are made without your authority.

Bank cheques

Bank cheques are cheques instructing payment from Laiki Bank itself rather than from a customer's account. They are designed to provide an alternative to carrying large amounts of cash when a personal cheque is not acceptable. Bank cheques are usually requested because of the higher likelihood that they will be paid. However bank cheques should not be regarded as equivalent to cash. Both LBA and non-LBA customers can purchase bank cheques. A fee is charged. Please refer to the Fees and Charges PDS.

The bank may dishonour a bank cheque if:

- the bank cheque is forged or counterfeit;
- the bank cheque has been fraudulently and materially altered;
- a fraud or other crime has been committed;
- the bank is told the bank cheque has been lost, stolen or destroyed;
- there is a court order restraining the bank from paying a bank cheque;
- the bank has not received payment or value for the issue of the bank cheque; or
- if a bank cheque is presented by a person who is not entitled to the cheque proceeds.

If a bank cheque is lost or stolen, LBA will, in certain conditions, provide a replacement cheque for a fee. Please refer to the Fees and Charges PDS.

Withdrawals

Withdrawals of the available credit balance, or money up to any approved overdraft or credit limit, can be made, from your accounts by you or any authorised signatory or by any person who holds an authorisation from you. E.g. having your signature verified to branch records and/or being identified using acceptable identification documents.

LBA Card You can make withdrawals up to your combined daily withdrawal limit via your LBA card. (Please refer to the Electronic Banking section in this PDS for these limits).

eBank – transfer of funds can also be made over the internet between one of your own accounts within LBA to another account within LBA or to another account with another bank.

Over the counter withdrawals - can be made at any LBA branch. If you wish to make a withdrawal at an LBA branch where the account is not held, LBA may require you to provide satisfactory identification and may impose a daily limit on the amount that you withdraw. Daily limits may be imposed when any electronic equipment is not working at the time. If you require a large amount of cash (over AUD$10,000) you will need to provide the branch with at least 24 hours notice of your requirements.

Cheque withdrawals - if your account has a cheque facility, you can make a withdrawal by using a cheque.

Transfer of funds - can also be made between one of your own accounts within LBA to another account within LBA or to another account with another bank.

Periodical payments - allow the accountholder or authorised user to authorise the bank to make automatic payments, for a fixed amount at regular intervals, on behalf of the accountholder. This authority is given by signing a 'Periodical Payment Authority'.
They can be used for making regular deposits or regular loan payments to an account with LBA or at another bank, subject to there being sufficient cleared funds in your account on the day before the payment is due to be made. *(Further details contained in section below).*

Direct Debits - are another form of withdrawals. They are used when you want a third party to automatically debit your account to pay for the services or goods they are providing you.
<u>Note:</u> We may set restrictions on the amount that can be withdrawn from an account at any one time.

Periodical Payments

Changes to Periodical Payments

You may change your Periodical Payment at any time, except on the day before the payment is due and on the due date, by signing a new 'Periodical Payment Authority'.

Periodical Payments can be terminated when:

- The authority expires or is cancelled; or
- If the remitting or payee account is closed; or
- If the payee account is transferred to another financial institution; or
- When a loan (on which repayments are being made by periodical payment) is repaid; or
- If the payee account holder dies.

Costs

Your account is debited for the amount of the payment, together with any fee applicable. Please refer to the Fees and Charges PDS.

Significant Risks

- There is a risk that the payee's financial institution may refuse to accept payments;
- There is a risk that transactions may not be processed on time, on some occasions, due to disruptions to operational processes reliant on computer and/or telecommunication systems;
- LBA is not responsible for any delays in processing, under the control of the payee or their financial institution;
- There is the risk that amounts will continue to be debited from your account under a periodical payment even after an instruction has been made to cancel the periodical payment.

(Further information on Periodical Payments, including specific terms and conditions, may be located on the 'Periodical Payment Authority' which may be obtained by contacting any branch of LBA).

Stopping payments for Direct Debits

We recommend you promptly request the other party to cease the direct debiting of your account. You can also arrange for a direct debit to be stopped/ cancelled if you complain to us that the direct debit was unauthorised or otherwise irregular. You need to notify LBA in writing at least

3 banking business days before the payment is made. A Stop Payment fee may be charged for this service, please refer to the Fees and Charges PDS.

A Dishonour Fee or Rejection Fee is also charged:

- if you authorise a third party to direct debit your account and payment is not made because there are insufficient cleared funds in your account to meet the payment. Please refer to Fees and Charges PDS.

Warning:
If you have quoted your VISA Debit Card number for Direct Debits, LBA is unable to cancel these debits on your behalf. You must notify the merchant if you want to cancel your authority for them to debit your account. Until you do so, the merchant is entitled to request LBA to debit the account and LBA is obliged to process their request.
Note: If the merchant continues to debit your account, after you have requested them to cancel your authority, LBA is able to dispute the relevant transaction/s on your behalf, as long as you provide LBA a copy of all your correspondence with the merchant.

Significant risks

- There is the risk that amounts may continue to be debited from your account by the direct debtor even after an instruction has been made to cancel the direct debit.

Note: If you stop/cancel a direct debit, this may put you in breach of your contract with the other party. LBA will not be responsible for any such breach or any losses resulting thereof.

Processing of withdrawals and deposits

Generally, any transaction made on your LBA account will be processed to your account on the same day provided it is made in a branch before 5.00pm (EST) Monday to Friday (excluding public holidays).
If a transaction is made at another bank, there may be a delay of several days before your account is credited with your deposit.

eBank transactions will generally be processed to the recipients account by the next business day, provided they are made before 4.30 pm (EST) Monday to Friday (excluding public holidays). Transactions made after this time will generally be processed by the second business day.

BPAY (same day) transactions will generally be processed to the recipients account by the next business day provided they are made before 4.30pm (EST) Monday to Friday (excluding national and public holidays).

Transactions made after this time will generally be processed by the second business day.

Note: This disclaimer of liability does not restrict any other provisions contained in any other part of the PDS, which limit the banks liability. We may vary cut-off times at any time. Temporary changes may be done without notice. Permanent changes will be advised to you.

Processing of Debits and Credits

A Debit or credit to an account is taken to be made on the date assigned to it (effective date), which may be different to the date we processed it. Any debit from, or credit to, an account will be made by us in accordance with our usual practice and in the case of credits, made in anticipation of the receipt of funds, subject to receipt of such available funds. In the event that such funds are not received or any payment is reversed, we may debit the account with an amount representing funds that are not actually received for value at the anticipated time or the reversed payment.

We may adjust debits and credits to the account and the account balance. We may also make consequential changes, including to interest amounts. Subject to any relevant legislation, we may:

- Block your account (which will prevent you from operating your account); and/or
- Refuse to process a transaction or entry.

If we exercise such a right and you suffer loss or damage and/or there is a breach of your contract with a third party, we will not be liable.

Providing Credit on Business or Personal transaction accounts

LBA does not agree to provide any credit in respect of your account without prior written agreement and this is dependent on the type of account you have. Credit by agreement may be available through a Home Equity Maximiser Facility, a Business Overdraft Facility or a Laiki Maximiser facility. It is a condition of all LBA accounts that you must not overdraw your account (that is bring your account into a debit balance) without prior arrangements being made and agreed with LBA. If you request a withdrawal or payment from your account which would overdraw your account or exceed it's agreed credit limit, LBA may, in its discretion, allow the withdrawal or payment to be made on the following terms:

- interest (at the unarranged overdrawing rate) will be charged on the overdrawn amount at the highest rates charged by LBA in respect of similar over drawings at the time. Please refer to the Interest Rate PDS.

This is only charged if you overdraw your account or exceed the agreed credit limit*;*

- a Referral Fee may be charged for LBA agreeing to honour the transaction which resulted in the overdrawn amount *(refer to Fees and Charges PDS);*
- interest on debit balances is calculated on the daily balance and charged monthly in arrears;
- the overdrawn amount, any interest on that amount and the Referral Fee will be debited to your account;
- you must immediately repay the overdrawn amount and pay any accrued interest on that amount and the Referral Fee upon the amount being debited to your account; and
- If we do allow the account to become overdrawn or to exceed any overdraft limit, any resulting debit balance does not constitute the offering of, or increase to, an overdraft facility for that amount.
- The Bank may lodge a default file report with a credit reporting agency when your accounts are overdrawn and become overdue for more than 60 days from the date your notice expires.. If we report your default to a credit reporting agency your credit rating may be affected and you may have difficulty obtaining finance in the future.

  The Privacy Act (1988) allows us to give to a credit reporting agency personal information about you including:
  - that credit has been applied for and the amount (you acknowledge that you will be treated as having applied for credit if you make a transaction which overdraws your account);
  - permitted information about you which will allow you to be identified;
  - if the account is overdrawn, that we are a current credit provider to you;
  - details of payments that become overdue for more than 60 days and for which collection action has commenced;
  - details of cheques, over $100, drawn by you which have been dishonoured more than once;
  - that in our opinion you have committed a serious credit infringement;
  - that payments are no longer overdue;
  - that the credit provided to you by us has been paid or discharged.

If you are having financial difficulties

If you overdraw your account, there may be times when repaying this debt becomes difficult. Should this happen, you should inform LBA as soon as possible to discuss options that may be available to you.

INTEREST CALCULATIONS

Interest will only accrue while the account is in credit, and will be charged when the account is in debit. The rates of interest are determined based on prevailing market rates, adjusted by margins to incorporate the bank's profit margin, the Bank's fixed and variable business costs and any associated risks. The rates of interest offered may vary from time to time (and subsequently the margins) due to changed market conditions.

- The current interest rate that applies can be found by referring to the Interest Rate PDS. Changes may be made to the interest rates and types of interest paid and are at the discretion of LBA. *Please refer to the Interest Rate PDS.*

Interest will be calculated on the daily closing balance of your account. The daily interest rate is the annual rate divided by the number of calendar days in a year.

Foreign Currency
For USD, EUR, JPY and CHF Foreign Currency Transaction Accounts, interest is calculated daily on the credit balance on a 360 day basis and credited to the account monthly.
For GBP and NZD Foreign Currency Transaction Accounts, interest is calculated daily on the credit balance on a 365 day basis and credited to the account monthly.

Cut-Off Times relating to deposits into Foreign Currency accounts
When foreign currency accounts are opened or deposits are made, daily cut-off times apply to locking in exchange rates for each particular currency. If the account is opened or a deposit is made after the cut-off time, your exchange will be effected on the following business banking day.
For Accounts opened in EUR, USD, GBP and CHF cut-off time is 3.00pm (EST).
For Accounts opened in JPY and NZD, the cut-off time is 11.30am (EST).

Example.

- *If you open a EUR Foreign Currency term deposit account after 3.00pm (EST), your funds will not commence earning interest until the following business banking day and you will be issued with a term deposit certificate at this time.*
- *If you make a deposit to your NZD Foreign Currency transaction account, after 11.30am (EST) your funds will not commence earning interest until the following business banking day.*

Payment of interest for all types of term deposits

At the time you make your Term Deposit, you can arrange for your interest to be:

- Automatically capitalised i.e. it can be reinvested together with the original Term Deposit.
- Automatically credited to another LBA account in the same currency.

Interest Types

Accounts can have either banded or 'split' tier rates of interest, tiered rates of interest on the whole balance, flat rate interest on the whole balance or be a non-bearing interest account.

Banded tiered rate of interest

Means that different rates of interest apply to different parts of your account balance. For example, the interest paid on that part of your balance between $50,000 and $99,999 may be different from the interest paid on the first $49,999. Banded tiered rates of interest are paid on Express Accounts, S-Zone Accounts, Retirement Deeming Accounts and Business Cheque Accounts.

Tiered rate on the whole balance

Means you will earn different rates of interest depending on the balance of your account. This means that if the balance in your account is above a certain level, then a higher rate of interest will be paid on the whole balance. Tiered rates on the whole balance are paid on Essential Saver Accounts, Cash Management Accounts, Apex Accounts, Foreign Currency Transaction Accounts and Laiki Smart Saver Accounts.

Flat rate on the whole balance

Means that you will earn one rate of interest on your entire balance on your account. Flat rate on the whole balance is paid on the Laiki Smart Net Account.

Non-Bearing rate of interest

Means that your account will not earn any interest at all. Laiki Easy Life Account is a non-interest bearing account.

Term Deposits have specific terms relating to interest calculation and when interest is credited. Please refer to the Term Deposit section for details.

Deposit interest is calculated and credited as follows:

- For Express Account, Retirement Deeming Account, Cash Management Account, Apex Account, Laiki Smart Saver Account and Business

Cheque Account, interest is calculated daily on the credit balance and credited to the account monthly.

e.g. Daily Interest $= \frac{\text{Daily closing balance}}{365} \times \frac{\text{Interest rate}}{100}$

- For Essential Saver Account and S-Zone Account, interest is calculated daily on the credit balance and credited to the account quarterly on the last business day of March, June, September and December.

  e.g. Daily Interest $= \frac{\text{Daily closing balance}}{365} \times \frac{\text{Interest rate}}{100}$

- For USD, EUR, JPY and CHF Foreign Currency Transaction Accounts, interest is calculated daily on the credit balance on a 360 day basis and credited to the account monthly.

  e.g. Daily Interest $= \frac{\text{Daily closing balance}}{360} \times \frac{\text{Interest rate}}{100}$

- For and GBP and NZD Foreign Currency Transaction Accounts, interest is calculated daily on the credit balance on a 365 day basis and is credited to the account monthly.

  e.g. Daily Interest $= \frac{\text{Daily closing balance}}{365} \times \frac{\text{Interest rate}}{100}$

- For AUD, NZD and GBP Term deposits, interest is calculated daily on the opening balance of your account and accrues daily at the fixed interest rate for the term of your deposit divided by 365. It is paid at maturity (or monthly if the 12 month, monthly interest product is chosen).

  $$\text{Interest} = \text{amount Invested} \times \text{rate \% per annum} \times \frac{\text{number of days}}{365}$$

- For USD and EUR Term Deposits, interest is calculated on the opening balance of your account and accrues daily at the fixed interest rate for the term of your deposit divided by 360 and paid at maturity.

$$\text{Interest} = \frac{\text{amount}}{\text{Invested}} \times \frac{\text{rate \%}}{\text{per annum}} \times \frac{\text{number of days}}{360}$$

Examples of how interest is calculated on different types of accounts			
Product Type	Daily closing account balance	Interest rate (p.a.)	Monthly interest accrued
Express Account[1]	$100,000	($0 - $4,999) 0.70% ($5,000 - $9,999) 1.40% ($10,000 - $19,999) 1.65% ($20,000 - $49,999) 2.05% ($50,000 - $99,999) 2.60% ($100,000 +)[2] 3.00%	$179.59
Cash Management Account	$100,000	5.75%	$479.17
AUD Term Deposit[3]	$100,000	6.50%	$541.67

1 Interest is paid monthly on an Express Account
2 Interest is paid based on banded tiered rates.
3 Assumed 12 month term paid at maturity

The interest rates quoted in the example are subject to change. Monthly Interest Accrued is based on a 30 day month, although interest is in fact calculated on the actual daily closing account balance, for convenience these interest calculations are based on an average daily closing account balance. These examples are illustrative only and should not be relied upon as indicative of actual amounts payable.

- For Solicitor and Real Estate Agent Trust Accounts, interest is calculated daily on the credit balance and paid monthly on a 365 day basis. Any interest paid on the account will be paid to the appropriate State governing body at the rate agreed or required by the relevant government authority in accordance with the relevant legislation. (Different rates of interest are payable depending upon whether you are a Solicitor or a Real Estate Agent). Current rates may be obtained by ringing 1300 888 700.

$$\text{e.g. Daily Interest} = \frac{\text{Daily closing balance}}{365} \times \frac{\text{Interest rate}}{100}$$

- Deposit interest is not paid on the Home Loan Offset Account or Home Loan Offset Basic Account.
  The whole balance of the Home Loan Offset Account or Home Loan Offset Basic Account will be used to offset the home loan's outstanding balance for interest calculation purposes. This reduces the interest you pay, so you can pay off your loan sooner.
  e.g. For each day when there is a credit balance in your Home Loan Offset Account or Home Loan Offset Basic Account, your interest charge for this day on your linked loan will be reduced by an 'offset amount'. The 'offset amount' for that day is calculated as follows:
  1. Take the balance of the offset account
  2. Take the interest rate currently applicable to your loan and multiply it by the offset percentage of your offset account, which is 100% i.e. the whole balance of your account.
  3. Multiply 1. and 2. and divide the result by 365 (being the number of days in the year)
  4. Equals the offset amount for that day.

  Worked Dollar example:
  Step 1: $50,000.00

  Step 2: 6.50% x 100%

  Step 3: $\frac{\$50{,}000.00 \times 6.50\%}{365}$

  Step 4: = $8.90

ADDITIONAL INFORMATION REGARDING TERM DEPOSITS

YOU WILL NOT BE ISSUED WITH A STATEMENT OF THE ACCOUNT.

Notice of Maturity- Renewal Notice

- We will contact you in writing before the term of your deposit ends (matures) so that you may advise us in writing of your instructions. On the maturity date you can:
    - make a full withdrawal
    - reinvest the funds for the same term or a different term
    - change the amount that you wish to reinvest by making a partial withdrawal or by adding funds (provided you maintain the minimum balance requirement of $1000) without incurring a 'reduction amount'.

If for any reason LBA does not have any instructions from you as to what should happen to your funds at maturity, LBA will reinvest them in the same type of Term Deposit, at the rate of the interest we are prepared to pay for similar deposits as at the maturity date of your original deposit (in this paragraph "original" deposit means the deposit which is to be reinvested). The interest rate upon renewal may differ considerably from the interest rate, which previously applied. You may contact us to obtain the applicable interest rate on the date of maturity. Normally LBA will ask you at the time you make your Term Deposit for instructions about what to do with your funds at maturity.

Re-investment

We will issue you a Certificate of Re-investment letter, should your funds be re-invested. This will confirm your Term Deposit details.

Early Repayments

Normally you are unable to withdraw the term deposit at any time prior to when the term has ended, unless we agree. Any request for withdrawals must be made in writing.

If the bank agrees to repay all or part of your deposit prior to the end of the term, then the whole balance must be withdrawn, unless we agree otherwise. *(If it is a partial withdrawal the remaining funds may be invested in a new Term Deposit for an agreed term at a rate applicable at the time).*

For AUD Term Deposits -

Early repayments attract a reduction in the return generated for the depositor. The reduction is calculated as follows:

Deposit amount x 2% x N/365 (Where N stands for the remaining days until the maturity of the Term Deposit). The reduction amount is deducted from the sum of the Term Deposit balance and accrued interest.

NOTE: *Early repayments can result in Nil payments of interest or even reductions in your principal due to termination costs.*

Example of Term Deposit Early Repayment:

Interest normally received for a 12 month Term Deposit for $100,000 held until the maturity date	**Principal Balance of Term Deposit x Interest Rate p.a**	**Yearly Interest**
	$100,000 **x** 5.50%	= $5,500
Amount returned is reduced by the Term Deposit being repaid 6 months early	**Principal Balance of Term Deposit x 2% x N/365**	**Reduction Amount p.a.**
	$100,000 **x** (2% x 182.5/365)	= $1000
Interest received for a Term Deposit that has been repaid early	**Interest to date – Reduction**	**Amount received after reduction**
	$5,500 - $1000	= $4,500

Note: This example is illustrative only and should not be relied upon as indicative of actual interest amounts received.

- The Term Deposit in this example is for 12 months with interest paid at maturity.
- The interest amount for the early repayment is pro-rata depending at what stage the Term Deposit is repaid.

For Foreign Currency Term Deposits -
At the time of the request, LBA will determine the interest rate we are willing to pay on the total amount of the Foreign Currency term deposit. A reduction in interest or principal will also be incurred and will depend on the following:

- The Foreign Currency held;
- The amount of the Term Deposit;
- Prevailing foreign currency interest rates in the market;
- The percentage of the original term elapsed;
- Costs incurred by us as a consequence of terminating the Foreign Currency Term Deposit early or making a partial withdrawal.

NOTE: *Early withdrawals can result in Nil payments of interest or even reductions in your principal due to termination costs.*

Upon Maturity or Early withdrawal you may request disbursement of funds via various methods including:

- Cash;
- Transfer to another LBA account;
- Transfer to another bank account;
  Note: A fee for the transfer is payable, please refer to the Fees and Charges PDS.
- LBA Bank Cheque;
  Note: A fee for the issuing of a Bank Cheque is payable, please refer to the Fees and Charges PDS.

IMPORTANT INFORMATION

The bank will debit your account from time to time with any applicable Government charges or duties, which are levied for account activity. They will be shown on your account statement. These charges may vary according to State or Territory. Please refer to the Fees and Charges PDS.

Dormant Accounts

LBA has in place additional internal system controls, which restrict transactions on accounts as follows:

- Business Cheque Accounts - after 90 days of inactivity
- All other Transaction Accounts - after 220 days of inactivity

This is to protect your inactive accounts and may prevent you from using certain methods of accessing your money, such as using your Laiki VISA Debit Card. You will need to contact the bank to re-activate your account in order to allow transactions to be processed properly.

Unclaimed monies accounts

If you do not operate your account for seven years and there is $500 or more in your account, LBA is required by law to send your money to the Government as unclaimed money, whereby it does not earn any interest.

While you can reclaim any money that has been sent to ‘unclaimed monies’ at any time by lodging a claim at your branch, LBA suggests you operate your account regularly to avoid any inconvenience. If you intend lodging a claim, we will need to verify your identity as well as provide us with your account documents. Processing your claim may take three months.

Disruption to service

When planning transactions please allow sufficient time for processing. You should bear in mind that occasionally a banking service may be disrupted. A 'disruption' is where a service is temporarily unavailable or where a system or equipment fails to function in a normal or satisfactory manner. LBA will correct any incorrect entry that is made in your account as a result of a disruption and will adjust any fees or charges that have been applied as a result of that incorrect entry. To the maximum extent permitted by law, LBA will not be liable for any loss or damage, including consequential loss or damage, suffered because of a disruption. This disclaimer of liability does not apply to internet banking transactions *(Refer to Terms and Conditions for Internet Banking PDS).*

*This is an addition to, and does not restrict, any other provisions contained in this Product Disclosure Statement, which limits LBA's liability.

Combating money laundering, counter-terrorism financing, tax evasion and other criminal activity

LBA must meet its regulatory and compliance obligations relating to anti-money laundering and counter financing of terrorism. To do this we will be increasing the levels of control and monitoring. LBA may, from time to time, require additional information from you in order to comply with anti-money laundering and counter terrorism financing laws and regulations. If this information is not supplied to LBA, we reserve the right to block/cancel/ modify any accounts you may hold with LBA or to refuse to provide you with any banking service.

You declare and undertake to LBA that the payment of Monies, in accordance with your instructions, will not breach any laws in Australia or any other country. You owe LBA a duty of care and agree to not do anything, which may facilitate any fraud, forgery or other illegal act.

You agree to provide LBA with any additional information that LBA reasonably requires to comply with any laws in Australia or any other country.

You agree LBA, where legally obliged to do so, may disclose the information gathered to regulatory and/or law enforcement agencies, other banks, other members of the Laiki/Marfin Banking Group, service providers or to other third parties.

You agree LBA may delay, block or refuse to make a payment if LBA believes on reasonable grounds that making a payment may breach any law or sanctions in Australia or any other country and LBA will not incur any liability to you if it does so. You must not initiate or conduct a transaction that may be in breach of Australian law or a law in any other country.

Change of Personal Details

You must notify LBA promptly of any changes to your personal details. LBA will not be responsible for any errors or losses associated with account changes where LBA has not received prior notice, as we rely on accurate information from you.

Our right to combine accounts

LBA can combine the balances of two or more of your accounts, even if the accounts are at different branches or in joint names. This may happen when one of your accounts is overdrawn or is in debit and another is in credit. This means that the credit balance in one account can be used to repay to LBA the debit balance in another account. LBA will promptly inform you if it has combined any of your accounts. LBA need not notify you in advance. You should not treat your accounts as combined unless LBA has agreed to such an arrangement.

Closing your LBA account

You or any other authorised person can close your account at any time upon request at any LBA branch.

Termination Value when your account balance is in credit
The credit balance of your account plus deposit interest, if any, less any accrued account fees and Government charges applicable to the closing date, will be paid to you. Monthly fees will apply even though the account has been open for only part of a calendar month.

Termination value when your account contains uncleared funds
If the account is holding unclear funds at the time of your request to close the account, these will not be released until the funds are cleared. We reserve the right not to close any account if there are any liabilities (actual or contingent) owing to us.

An account with cheque access may only be closed once all outstanding cheques have been presented. LBA reserves the right to return any cheques presented for payment after the account has been closed.

Any unused cheque book, passbook or electronic card, which operates the account, must be returned to LBA before closure of the account.

Termination value when your account is in debit
If your account is in debit, the balance plus any accrued debit interest, fees and Government charges applicable to the closing date will be payable by you to LBA.

If your account has either a nil or debit balance, and there have been no transactions (except for Government charges and fees) on the account for more than three months, then LBA may close your account without notice.

LBA may exercise its discretion to close an account due to unsatisfactory conduct or for any other reason it considers appropriate. In this event, LBA will notify you in writing at the address shown on its records and will forward a bank cheque for the net credit balance of the account.

If your account is closed for any reason, you agree to notify all payees with whom you have authorised Direct Debits on that closed account.

If, upon closure there are any liabilities owing to us in relation to the account, these shall become immediately due and payable. The terms and conditions shall continue in full force and effect until all those liabilities have been fully discharged.

Staff benefits on deposit and transactions products

LBA staff are eligible for monthly reward bonuses for exceeding specific product sales targets for LBA products. The amount of this monthly bonus will depend on volume sold, however it will generally never exceed $1000.

Bank fees and charges

All LBA accounts are subject to specific account related fees and charges. Other general fees and charges may also apply to your account for other services or account activity.

The bank will debit your account from time to time with any relevant fees and charges. LBA may waive fees under certain approved conditions.

If LBA fails to collect a fee to which it is entitled, LBA has not waived its right to collect the fees previously due or it's right to collect fees for future transactions of the same nature.

Account fees (excluding some ATM fees) are debited to your account on the first business day of each calendar month or upon account closure. The fees relate to account activity for the previous month. Some fees for ATM use are debited to your account on the day (or the next business day) that the transaction took place.
For information about specific account fees and charges (including the types of transactions you can make, monthly withdrawal quotas and specific fee amounts) please refer to the Fees and Charges PDS.

PRIVACY POLICY

Introduction

We at Laiki are committed to protecting the privacy and security of the personal information that you entrust to us. Maintaining your trust and confidence is of the utmost importance in our banking relationship. This policy applies both to current clients of LBA and to applicants for any service, irrespective of whether their application may be accepted or rejected.

The purpose of this Privacy Policy is to inform you as to:

- The personal information that is collected from you.
- The purpose for which the personal information is held.
- Whether the personal information may be shared or used by others in the course of our banking operations.
- The manner by which you can complain to us should you feel there has been a breach of the privacy and security of any of personal information that you have given us.

We refer to “personal information” within the text of our policy to mean non-public personal information or financial information that personally identifies you or your account.

Personal Information we collect:

We collect personal information in the normal course of our business in order to:

- Assess your application for any credit products or other services that you may request off us.
- Administer and better serve the accounts or credit products that you hold with us.
- Comply with any law in force from time to time.

The information we collect includes:

Name, address, phone and fax numbers, TFN’s, email, employment, citizenship, date of birth (age), marital status, means of personal identification (i.e. passport, driver’s license, etc) dependents, the purpose of any credit product that you may apply for, assets, liabilities, income and other financial commitments.

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

Once you have opened an account with us, to effectively administer your account and better serve you, we also collect, maintain and monitor details or your transactions and balances of your accounts.

Purpose for Holding And Who May Use Your Personal Information:

We use the personal information collected about you for a variety of internal purposes related to the financial products, credit products or services we provide you.

Your personal information may also be used by us to support, promote and realise our transaction relations. Through this we may offer you other products and services that will enhance our relationship with you.

Opting out of product promotions

You can opt at any time not to receive any marketing from us about new products. If you do opt out, we will continue to provide information in relation to your existing accounts only, including new features or products related to these accounts.

Our other uses of your personal information may include the bank's regular and necessary business functions such as internal audit investigations, performance reporting, research, product development and planning.

We may release your personal information about you where there is a duty to do so, without obtaining your prior consent to disclose that information, by law or where the interests of the bank require disclosure. We will not sell or disclose your information to any individual or organisation for marketing purposes.

We may engage outside individuals or organisations to provide support services for the Bank. In the course of providing the support service they may have access to your personal information. That access is strictly limited to the performance of the support service that we have requested or contracted to be provided. They are not allowed to use your personal information for their own personal or business related purposes.

Storage and Security of your Personal Information

We make every effort to maintain administrative, electronic, physical and procedural safeguards to store and protect the confidentiality of your personal information and to ensure it is accurate, current and confidential.

Our employees are trained and both our employees and agents are required to safeguard your personal information and can only access your personal information for purposes related to your business with the Bank.

Contact us for Accessing and Correcting your personal information held by LBA or for Privacy Complaints

Subject to the provisions of the Privacy Act, you may access your personal information at any time by asking to do so at any LBA branch. LBA may charge you a reasonable fee for access. You may have access to the extent that the bank is required or is authorised to refuse access to that record under the applicable provisions of any law of the Commonwealth.

If at any time you believe we have acted in a way that is inconsistent with this policy in the manner by which we dealt with your personal information or if you identify any inaccuracy or need to update or access details of your personal information, please visit your nearest branch. You may also contact the Privacy Section of our Bank on 1300 888 700 or even address your privacy complaint in writing to:

Customer Relations - Privacy Section
Laiki Bank (Australia) Ltd
GPO Box 4288
Sydney NSW 2001

Transfer of Information Overseas:

We are part of the Laiki/Marfin Banking Group operating in a number of countries. The Head Office is based in Cyprus. LBA is required by Head Office to provide it with details of its banking activities in Australia. It will be necessary therefore, in certain cases, to transfer personal information about you to our Head Office or other branches within the Laiki/Marfin Group. Laiki will do all things necessary to protect the confidentiality of your personal information.

Consent:

If you object to our use of your personal information for the purposes set out in this statement, including providing the Laiki/Marfin Banking Group with your personal information, then you should not sign any documentation that we have requested of you which includes your personal information. If however you sign such documentation then we shall act on the basis that your signature to such documentation constitutes as explicit consent to our use of your personal information for those purposes.

If you give LBA personal information about someone else, please show them a copy of this clause so that they may understand the manner in which their personal information may be used or disclosed by LBA in connection with your dealings with LBA.

Absence of relevant personal information:

Should you decline to provide us with the information requested, we would not be in a position to assist you with our banking services. Laiki reserves the right to refuse to provide you with banking services if you have not provided the required information.

NOTIFICATION - CHANGES TO FEES AND CHARGES, TERMS AND CONDITIONS, INTEREST RATES AND THE PDS

LBA may make changes to the features of your account from time to time. The table below sets out how and when LBA will notify you of changes to your account. You agree that LBA may notify you of certain changes by advertisement in major local or national newspapers. Advance notice may not be given where a change has to be made to restore or maintain the security of our systems or of individual accounts.

LBA may make the following changes:

If we…	**Minimum number of days notice** before the change takes effect except that such notice is not required where you cannot reasonably be located or you have engaged in the transaction or procured the service anonymously.	**Method of notice**
Introduce a new fee or charge (other than a government charge)	30 days	In writing
Government charges	In advance of the change, or as soon as practicable afterwards, unless the charge has been publicised by a government or representative body.	In writing, or by press advertisement in national or local media (unless the introduction or variation is publicised by a government, government agency or representative body).
Increase an existing fee or charge	30 days	In writing, or by press advertisement in national or local media
Change the method by which interest is calculated or the frequency with which interest is debited or credited	30 days	In writing, or by press advertisement in national or local media
Change the interest rate	No later than the day of change (Except where the government has already publicised the introduction or variation or if the interest rate is linked to money market rates or some other external reference rate, changes to which we cannot notify you of in advance).	In writing, or by press advertisement in national or local media
Change any other term or condition, the name of interest rates, accounts or brochures.	Day of change	In writing, or by press advertisement in national or local media

Vary the minimum balance to which an Account Keeping Fee applies	30 days	In writing, or by press advertisement in national or local media
Changes affecting your liability for electronic transactions	20 days	In writing
Transaction limits on account access	20 days	In writing

Note:
From time to time we may publish material promoting special offers provided by Laiki Bank. This material may include special deals and/or banking benefits. Laiki Bank reserves the right to withdraw these benefits or to vary them. The right is also reserved to vary the terms and conditions applicable to the availability of any such benefits.

LAIKI BANK (AUSTRALIA) LIMITED

Telephone **1300 888 700**

Facsimile **1300 888 710**