

Mortgage Offset Account Conditions of Use

*The Customer Owned Banking Code of Practice applies
to this Account*

*Regional Australia Bank Account & Access Facilities Conditions of
Use also apply to the Mortgage Offset Account.*

Important Information:

1. The Mortgage Offset Account can only be offset against a Mortgage Offset home loan if the Account and the home loan are in the name of the same person or persons.
2. The Mortgage Offset Account provides 100% offset against your Mortgage Offset Loan.
3. The Mortgage Offset Account has a maximum of eight (8) account and sub accounts that will be used in the method of calculation of interest against the Mortgage Offset Loan Account. This will mean that:
 - (a) Interest is calculated on the daily balance of your Mortgage Offset Account and charged to the Mortgage Offset Loan Account monthly; and
 - (b) There will be no minimum monthly balance to maintain in your Mortgage Offset Accounts or sub accounts
4. No interest will accrue to your Mortgage Offset Account even when the loan is repaid.
5. Our acceptance of your application to open a Mortgage Offset Account operates as a variation of the method of calculation of interest under your home loan contract as follows:
 - (a) The Mortgage Offset Loan Account is a variable interest only Home Loan. See Regional Australia Bank's current interest rate brochure for the Mortgage Offset Loan interest rate;
 - (b) When calculating interest on your home loan, the unpaid balance used for the calculation of interest will be reduced by the Offset Balance; and
 - (c) Regional Australia Bank calculates the Offset Balance by multiplying the balance of your Mortgage Offset Account and sub accounts, at the end of the day, by the offset rate. We may vary the offset rate from time to time but must give you 20 days notice before the variation becomes effective.

Note: The current Mortgage Offset rate is contained in Regional Australia Bank's Loan Interest Rates brochure. This can be found by visiting regionalaustraliabank.com.au

6. The Mortgage Offset Account is only available to owner occupied homes.

Date Taking effect: 29 October 2012