



ONLINE BANKING POLICY

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Online Banking Policy

1. Objectives

The main objective of this Policy is to establish guidelines for the Bank's Online banking System. This document outlines the policies and procedures for the effective delivery of TDB's Online banking services.

2. Goals of Online Banking

The main goal of Online Banking is to provide an easy and effective way for our clients to access their account information anytime, 24 hours and seven days a week and from any place with internet access. It allows our clients to effectively manage their money, keep track of their finances as well as make transactions from the comfort of their home or office.

3. Basic Online Banking Services

Online Banking enables a client to perform all routine transactions.

The following basic services are offered to our Online Banking customers:

- (a) view account information, balances and transactions;
- (b) view and print bank statements; and
- (c) transfer funds between designated accounts within the Bank.

4. Authority

The Manager Operations will serve as the Online Banking Coordinator. This person will have an understanding and working knowledge of the elements of Online Banking including related transactions. Responsibilities will include overview and assistance in development and implementation of new Online Banking products.

The Online Banking Unit currently falls under the responsibility of Manager Operations, but this situation will be further reviewed subject to progress with the Bank's expansion programme (ie ATM, EFTPOs services, Mobile Banking).

5. Terms and Conditions for Online Banking

Online Banking Users are advised to read the Online Banking Terms and Conditions before they register and use Online Banking.

The Bank's Online Banking Terms and Conditions govern the use of the Bank's Online Banking service.

6. Hoax emails

All financial institutions have always been a target by criminals to try and defraud money from the institutions and or their customers. Although they may appear genuine, these emails are fraudulent and have not been sent by the Bank.

TDB will not use emails to request from customers to disclose confidential banking information such as user access IDs and passwords.

7. Reporting

The Online Banking system should generate sufficient reporting to satisfy daily monitoring and control of transactions and activities. Additionally, appropriate reports should be generated that provide the necessary information to track the effectiveness of the program.

The Online Banking Officer will report Online Banking activities to the Manager Operation daily and monthly.

8. Security

Reports are to be generated by the IT department and monitored for irregular or suspicious events or activity. The following types of risk are some areas which will be monitored daily:

- (a) daily unauthorized user accessing information;
- (b) daily Transaction flow; and
- (c) loss of data integrity.

The Online Banking Officer will report Online Banking activities to the Manager Operations daily and monthly.

Any findings of any suspicious transactions or activities must be immediately reported to the CFO through Manager Operations. Actions should be given to identify incidents or suspicious transactions within 24 hours and reporting to NRBT. The NRBT will report suspicious transactions to the appropriate authorities, such as Tonga Police or the Ministry of Labour and Commerce.

9. Access Suspended/Blocked

For security purposes, access to Online Banking services will be suspended after 3 unsuccessful login attempts. Clients will need to contact the Bank if access is suspended or blocked. The Bank will process a request for a new password within 24 hours.

10. Online Banking Connection

The Online Banking services will be automatically logged off after **2 minutes**, should the client forget to log off. Despite this, the customer is advised to log off immediately after using Online Banking and not to rely on the automatic log off feature.

11. Disconnection of Online access

For security purposes the Bank will have a limited period for accounts with no online activity. The maximum period for inactivity recorded on any account will be **30 days**. After this period, the online access by the client to Online Banking will be disconnected.

The Online Banking Officer will be required to follow up with a customer who has not used Online Banking for 30 days before disconnecting their access. They can be granted a further 30 days if requested, but the customer will have to provide reasons for the inactivity.

12. Fund Transfer Limit

The limit for total fund transfers using Online banking will be:

Business Customers - TOP\$50,000 per account per day

Personal Customers - TOP\$2,000 per account per day

For a fund transfer, payment or transaction that may exceed the daily limit, the client must:

- (a) provide a written request to the TDB by email or letter, advising of the transaction with the details (ie amount of payment, account involved and effective date). The request will instruct TDB to assess temporary increase of the Online Banking Limit for the day only to effect transaction then reduce Limit back to normal; or
- (b) provide an authorization letter with instructions for TDB to process fund payment.

For acceptance of email instructions an email indemnity for that client should be in place so that he or she can be allowed to use email as an authentic verification advising the transaction details and requirements of AML.

13. Joint Account Fund Transfers - Authorised Signatories

For Business account/s with 2 signatories, fund transfer, payment or transaction must be initiated and authorized by any of the authorized signatories in order to effect the transaction.

For Personal Joint account(s) with 2 signatories, a fund transfer, payment or transaction must be initiated and authorized by any of the authorized signatories in order to effect the transaction.

14. Confirmation of Fund Transfer/Payment request by email

The Bank will not action without prior confirmation by phone on any customer email request for a fund transfer or payment. The Bank must confirm with the customer by phone the email request before processing the transfer or payment.

15. Security & Software

The Bank views all matters of security with utmost importance and will implement a number of security measures to protect the client's dealings with TDB. For further details, refer to TDB's **Online Banking Security Policy**.

16. Internet Service Provider – ISP

The Tonga Telecommunication Company – TCC is the Internet Service Provider for the Tonga Development Bank providing the internet connection and communications services within the country and worldwide. TDB offers mobile and internet banking solutions with a new web site www.tdb.to, with all connections in and out placed through TCC.

17. Website Access

Online Banking can be accessed through the Bank's website. Any user who browses and uses this website accepts to comply with and be bound by the **TDB's Online Banking Terms & Conditions of Use**, which together with our privacy policy and other policies govern the Bank's relationship with a customer in relation to Bank's website.

18. Internal Audit and Compliance

The Internal Auditor and Compliance Officer will conduct a review of Online Banking on a quarterly basis. A report will be rendered to the Board through ALCO and the Audit Committee.

19. Policy Review

The Online Banking Policy is to be reviewed on a regular basis by the Manager Operations. Recommendations of the Manager Operations will be provided to the CEO and revisions will be confirmed by the Board of Directors annually (or earlier) if warranted.