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### Details of Filing

Document Lodged: Statement of Agreed Facts  
File Number: VID734/2021  
File Title: AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION v  
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED  
(ACN 005 357 522)  
Registry: VICTORIA REGISTRY - FEDERAL COURT OF AUSTRALIA



*Sia Lagos*

Dated: 8/12/2021 4:55:18 PM AEDT

Registrar

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**FORM 1**  
**RULE 2.13(2)**

**STATEMENT OF AGREED FACTS AND ADMISSIONS**

**FEDERAL COURT OF AUSTRALIA**  
**DISTRICT REGISTRY: VICTORIA**  
**DIVISION: GENERAL**

**No VID of 2021**

**AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION**

Plaintiff

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED**

**(ACN 005 357 522)**

Defendant

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Filed on behalf of the Plaintiff, Australian Securities and Investments Commission

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## **PART I INTRODUCTION**

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1. This Statement of Agreed Facts and Admissions (**SAFA**) is made for the purposes of s 191 of the *Evidence Act 1995* (Cth) jointly by the plaintiff (Australian Securities and Investments Commission (**ASIC**)) and the defendant (Australia and New Zealand Banking Group Limited (**ANZ**)).
2. The SAFA relates to proceedings commenced by ASIC against ANZ by way of an originating process and the supporting affidavit of Jody Maree Marshall dated 8 December 2021 (**Proceedings**). By the Proceedings, ASIC has sought declarations that ANZ contravened particular provisions of the *Australian Securities and Investments Commission Act 2001* (Cth) (**ASIC Act**), the *Corporations Act 2001* (Cth) (**Corporations Act**) and the *National Consumer Credit Protection Act 2009* (Cth) (**NCCP Act**), and orders that it pay pecuniary penalties to the Commonwealth as well as other ancillary orders.
3. This document identifies the facts relevant to each of the contraventions alleged by ASIC and admitted by ANZ for the purpose of the Proceedings. The facts agreed to, and the admissions made, are agreed to and made solely for the purpose of the Proceedings and do not constitute any admission outside of the Proceedings.
4. For the purposes of the Proceedings only, ANZ admits that it contravened:
  - 4.1. ss 12DA(1) and 12DB(1)(e) of the ASIC Act;
  - 4.2. s 912A(1)(a) and (c) of the Corporations Act; and
  - 4.3. s 47(1)(a) and (d) of the NCCP Act,in particular respects as set out in paragraphs 115 to 123 and paragraphs 191 to 199 of this SAFA.

## **PART II SUMMARY OF CONDUCT AND CONTRAVENTIONS**

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### **Contravening conduct and customer detriment**

5. ANZ's Breakfree package was introduced in 2003 (**Breakfree Package**). Customers who took up a Breakfree Package (**Breakfree Customers**) paid an annual fee to ANZ. In exchange for that annual fee, Breakfree Customers were entitled to fee waivers and interest rate discounts on eligible ANZ products, including home loans, credit cards and transaction accounts (**Breakfree Benefits**). The Breakfree Package also entitled Breakfree Customers to bonus interest, discounts or fee waivers on optional ancillary products (**Breakfree Ancillary Benefits**). ANZ collected \$1,986,036,500 in annual package fees from customers who held the Breakfree Package from 1 October 2003 to 30 September 2021, including approximately \$118,000,000 charged to Breakfree Customers the subject of proposed contraventions in these Proceedings.

6. ANZ has offered offset accounts since the mid-1990s (**Offset Accounts**). Customers with Offset Accounts (**Offset Customers**) are entitled to reductions in the interest charged on eligible home and commercial loans linked to an ANZ Offset Account, calculated by reference to the balance in their Offset Account (**Offset Benefits**).
7. Over the period from the mid-1990s to 22 September 2020 (for Offset Customers) and March 2003 to 30 September 2021 (for Breakfree Customers) (**Relevant Period**), ANZ failed to apply all applicable Breakfree Benefits, Breakfree Ancillary Benefits or Offset Benefits to approximately 580,447 customer accounts in accordance with the applicable terms and conditions (the **Breakfree Benefits Issues, Breakfree Ancillary Benefits Issues and Offset Benefits Issues**, respectively). These failures meant that not all customers received the Breakfree Benefits, Breakfree Ancillary Benefits or Offset Benefits to which they were entitled during the Relevant Period.
8. ANZ has made or is in the process of making remediation payments totalling \$199,491,339.03 to customers impacted by the Breakfree Benefits Issues, Breakfree Ancillary Benefits Issues and Offset Benefits Issues. This figure comprises the amounts charged in error, interest and compensation reflecting the time value of money (**TVM**). The payments made or to be made by ANZ comprise:<sup>1</sup>
  - 8.1. a total amount of \$135,748,300.42 paid or payable to 396,719<sup>2</sup> Breakfree Customer accounts;
  - 8.2. a total amount of approximately \$8,370,000.00 paid to approximately 15,200 Breakfree Customer accounts who acquired car loans to which a Breakfree Ancillary Benefit was not applied, together with an estimated further \$43,500,000 to be paid to approximately 73,300 Breakfree Customer accounts that did not receive other Breakfree Ancillary Benefits; and
  - 8.3. a total amount of \$11,873,038.61 paid to 183,728<sup>3</sup> Offset Customer accounts.
9. The Court may impose penalties for ANZ's conduct in contravention of the ASIC Act over the six-year period beginning 10 December 2015 (the **Penalty Period**). ANZ remediated or is in the process of remediating customers adversely impacted by the Breakfree Benefits Issues and the Offset Benefits Issues during the Penalty Period as follows:

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<sup>1</sup> Remediation figures in respect of the Breakfree Benefits Issues and Breakfree Ancillary Benefits Issues reflect a combination of remediation already paid to customers and ANZ's best estimate as at 30 November 2021 of remediation to be paid to customers who have not yet received remediation payments. In respect of the Breakfree Ancillary Benefits Issues, remediation is at an early stage. As paragraph 8.2 states, \$8.37 million of a currently estimated \$51.87 million has been paid. The remaining remediation figures are subject to change based on further analysis.

<sup>2</sup> The basis on which this figure has been calculated is set out in footnote 19.

<sup>3</sup> The basis on which this figure has been calculated is set out in footnote 28.

- 9.1. Breakfree Customers were remediated or will be remediated in the amount of \$28,217,290.60<sup>4</sup> (including interest and TVM). The average loss of benefits to each adversely affected customer during the Penalty Period was \$279.82<sup>5</sup> (including interest but excluding TVM); and
  - 9.2. Offset Customers were remediated in the amount of \$3,525,837.24<sup>6</sup> (including interest but excluding TVM). The average loss of benefits to each adversely impacted Offset Customer during the Penalty Period was \$42.31<sup>7</sup> (including interest but excluding TVM).
10. In respect of the Breakfree Ancillary Benefits Issues, ANZ's remediation is ongoing and proceeding in cohorts, with each cohort focusing on an affected product or products. The cohort which ANZ has so far remediated relates to car loan customers who did not receive Breakfree Ancillary Benefits in relation to their car loan establishment fee (**Car Loans Establishment Fee Benefit**) and who were impacted before 1 December 2015. It is not yet possible to estimate with precision the impacts to customers within the Relevant Period or the Penalty Period. At this time, ANZ estimates that the impact to Breakfree Customers within the Relevant Period is approximately \$51.87 million inclusive of TVM and interest (corresponding to approximately 88,500 adversely affected customer accounts) and the impact to Breakfree Customers within the Penalty Period is in the approximate range of \$7 million to \$14 million inclusive of TVM and interest (corresponding to a range of approximately 10,800 to 23,600 adversely affected customer accounts).

### Causes of the contravening conduct

11. The contravening conduct summarised in paragraphs 7 to 10 above was the result of ANZ's failure over the Relevant Period to maintain systems and processes that were adequate to administer the Breakfree Benefits, Breakfree Ancillary Benefits and Offset Benefits in all scenarios. ANZ also failed to conduct adequate monitoring or analysis of its systems and processes to identify instances of customers not receiving Breakfree Benefits, Breakfree Ancillary Benefits or Offset Benefits.
12. ANZ's systems and processes for administering Breakfree Benefits and Breakfree Ancillary Benefits were inadequate because they were substantially reliant on manual inputs that were susceptible to human error and were subject to controls that were incompletely understood (beyond a few key employees) and inconsistently applied by ANZ staff. ANZ's systems and processes for administering Offset Benefits were inadequate because the interaction between ANZ's different systems for calculating interest on loans, processing transactions relating to Offset Accounts, and calculating Offset Benefits resulted in customers

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<sup>4</sup> See footnote 9. This figure will be updated prior to the hearing of this matter.

<sup>5</sup> See footnote 9. This figure will be updated prior to the hearing of this matter.

<sup>6</sup> See footnote 9. This figure will be updated prior to the hearing of this matter. This figure also includes goodwill payments of \$33,651.48 in relation to the Accrued Offset Benefit issue (defined at paragraph 141).

<sup>7</sup> See footnote 9. This figure will be updated prior to the hearing of this matter.

not receiving Offset Benefits in several circumstances, and ANZ had no adequate process for effectively identifying and addressing these instances.

13. During the Relevant Period, ANZ made attempts to correct identified deficiencies in its systems and processes for administering Breakfree Benefits, Breakfree Ancillary Benefits and Offset Benefits. While ANZ did implement system and process improvements in an attempt to address such deficiencies, thereby reducing the occurrence of the Breakfree Benefits Issues, Breakfree Ancillary Benefits Issues and Offset Benefits Issues over the Relevant Period, those improvements did not identify and address all instances of customers not receiving their benefits.
14. Based on information provided to and obtained by it, ASIC accepts that ANZ's conduct constituting the contraventions was not dishonest, deliberate or intentional.

### **Contraventions of the Corporations Act, ASIC Act and NCCP Act**

15. During the Relevant Period, ANZ represented to customers when they signed up for the Breakfree Package (from 2003 onwards) or opened an Offset Account (from the mid-1990s onwards) that ANZ had, and would continue to have, adequate systems and processes to provide the benefits to which the customers were entitled. Because of the deficiencies in ANZ's systems and processes for administering the benefits, these representations were false or misleading when made and, by no later than the commencement of the Penalty Period, were not based on reasonable grounds.
16. ANZ, by its conduct during the Relevant Period in making representations about the adequacy of its systems and processes to Breakfree Customers:
  - 16.1. made a false or misleading representation that services have benefits, in contravention of s 12DB(1)(e) of the ASIC Act, on 396,719 occasions, including 69,620 occasions during the Penalty Period;
  - 16.2. engaged in misleading or deceptive conduct, or conduct that was likely to mislead or deceive, in contravention of s 12DA(1) of the ASIC Act, on 396,719 occasions, including 69,620 occasions during the Penalty Period;
  - 16.3. breached its general obligation to comply with financial services laws, in contravention of s 912A(1)(c) of the Corporations Act, each time it contravened ss 12DA(1) and 12DB(1)(e) of the ASIC Act; and
  - 16.4. breached its general obligation to comply with credit legislation, in contravention of s 47(1)(d) of the NCCP Act, each time it contravened ss 12DA(1) and 12DB(1)(e) of the ASIC Act.
17. ANZ, by its conduct during the Relevant Period in making representations about the adequacy of its systems and processes to Offset Customers:



- 17.1. made a false or misleading representation that services have benefits, in contravention of s 12DB(1)(e) of the ASIC Act, on 183,728 occasions, including 84,407 occasions during the Penalty Period;
  - 17.2. engaged in misleading or deceptive conduct, or conduct that was likely to mislead or deceive, in contravention of s 12DA(1) of the ASIC Act, on 183,728 occasions, including 84,407 occasions during the Penalty Period;
  - 17.3. breached its general obligation to comply with financial services laws, in contravention of s 912A(1)(c) of the Corporations Act, each time it contravened ss 12DA(1) and 12DB(1)(e) of the ASIC Act; and
  - 17.4. breached its general obligation to comply with credit legislation, in contravention of s 47(1)(d) of the NCCP Act, each time it contravened ss 12DA(1) and 12DB(1)(e) of the ASIC Act.
18. ANZ, by its conduct in failing to maintain and monitor to an adequate standard its systems and processes for administering Breakfree Benefits, Breakfree Ancillary Benefits and Offset Benefits, breached:
- 18.1. its obligation as a financial services licensee to do all things necessary to ensure that the services covered by its licence were provided efficiently, honestly and fairly, in contravention of s 912A(1)(a) of the Corporations Act; and
  - 18.2. its obligation as the holder of an Australian credit licence to do all things necessary to ensure that the credit activities authorised by its licence were engaged in efficiently, honestly and fairly, in contravention of s 47(1)(a) of the NCCP Act.

**Overview of the account errors**

19. The below table sets out, for each of the account errors that resulted in adversely impacted Breakfree Customers not receiving Breakfree Benefits<sup>8</sup> and adversely impacted Offset Customers not receiving Offset Benefits: the relevant time period; the total number of accounts adversely affected and associated amounts ANZ has paid or will pay by way of remediation to customers (over the course of both the Relevant Period and the Penalty Period); and cross-references to paragraphs of the SAFA that address each of the errors.

<b>Error</b>	<b>Period<sup>9</sup></b>	<b>Accounts affected</b>	<b>Remediation amount paid or payable by ANZ</b>
<i>Breakfree Benefits Issues</i>			

<sup>8</sup> As noted above at paragraph 10, it is not yet possible to provide estimates for Breakfree Ancillary Benefits.

<sup>9</sup> Figures in this table that are described as referable to the Penalty Period in fact relate to the period from 1 December 2015. Prior to the hearing of this matter, the parties will agree and provide updated remediation figures based on the period from 10 December 2015.

Error	Period <sup>9</sup>	Accounts affected	Remediation amount paid or payable by ANZ
<b>Mortgage Breakfree and Offset Remediation Project (MBORP)</b> (SAFA [57]–[75])	<b>Relevant Period:</b> 23 May 2006 <sup>10</sup> – 1 February 2014	93,300	\$48,000,000 <sup>11</sup> Includes interest and TVM
	<b>Penalty Period:</b> N/A	N/A	N/A
<b>Continuing Breakfree Issues</b> (SAFA [78]–[89])	<b>Relevant Period:</b> 23 May 2006 <sup>12</sup> – 30 Sept 2021	259,440	\$74,654,840.77 Includes interest and TVM
	<b>Penalty Period:</b> 10 Dec 2015– 30 Sept 2021	71,682	\$19,598,237.78 Includes interest and TVM
<b>Standard and Special Offers scenarios</b> (SAFA [95]–[97])	<b>Relevant Period:</b> 1 May 2013– 1 Dec 2020	28,142	\$11,371,301.18 Includes interest and TVM
	<b>Penalty Period:</b> 10 Dec 2015– 1 Dec 2020	23,447	\$8,278,795.03 Includes interest and TVM
<b>Fixed Rate scenarios</b> (SAFA [98]–[102])	<b>Relevant Period:</b> 27 Feb 2012– 6 May 2021	3,000	\$1,080,000 Excludes interest and TVM
	<b>Penalty Period:</b> 10 Dec 2015– 6 May 2021	ANZ unable to provide at this time	ANZ unable to provide at this time
<b>Additional Scenarios</b> (SAFA [106]–[108])	<b>Relevant Period:</b> 13 Nov 2012– 30 April 2021	12,837	\$642,158.47 Includes interest and TVM
	<b>Penalty Period:</b> 10 Dec 2015– 30 April 2021	2,479	\$340,257.79 Includes interest and TVM
<b>Breakfree Subtotal (Relevant Period):</b>			\$135,748,300.42
<b>Breakfree Subtotal (Penalty Period):</b>			\$28,217,290.60
<i>Offset Benefits Issues</i>			
<b>Backdated Transactions issue</b> (SAFA [143]–[157])	<b>Relevant Period:</b> Mid 1990s– 1 Sept 2019	134,671 (does not include accounts affected before 30 Mar 2009) <sup>13</sup>	\$4,158,320.43 Includes interest and TVM
	<b>Penalty Period:</b> 10 Dec 2015– 1 Sept 2019	67,238	\$1,473,381.18 Includes interest but excludes TVM

<sup>10</sup> See paragraph 56 below.

<sup>11</sup> The impact and account figures for MBORP are rounded.

<sup>12</sup> See paragraph 56 below.

<sup>13</sup> As noted in paragraph 201, this figure also does not include customers whose accounts were closed between 30 March 2009 and 30 June 2009.

Error	Period <sup>9</sup>	Accounts affected	Remediation amount paid or payable by ANZ
<b>Rejected Transactions issue</b> (SAFA [158]–[167])	<b>Relevant Period:</b> Mid 1990s– 17 Aug 2015	32,999 (does not include accounts affected before 1 May 2008)	\$5,121,588.11 Includes interest and TVM
	<b>Penalty Period:</b> N/A	N/A	N/A
<b>Accrued Offset Benefit issue</b> (SAFA [168]–[186])	<b>Relevant Period:</b> 8 May 2015– 22 Sept 2020	16,058	\$2,593,130.07 Includes interest and TVM
	<b>Penalty Period:</b> 10 Dec 2015– 22 Sept 2020	15,304	\$2,167,974.57 Includes interest and TVM
<b>Offset Subtotal (Relevant Period):</b>			\$11,873,038.61
<b>Offset Subtotal (Penalty Period):</b>			\$3,641,355.75
<b>Breakfree &amp; Offset Total</b>		<i>Relevant Period</i>	\$147,621,339.03
		<i>Penalty Period</i>	\$31,858,646.35

20. In addition to the above remediation amounts paid or payable to adversely affected Breakfree Customers and Offset Customers, ANZ anticipates making remediation payments to approximately 88,500 customer accounts adversely affected by the Breakfree Ancillary Benefits Issues in an amount currently estimated to total approximately \$51.87 million inclusive of TVM and interest.

#### **Breakfree Package errors**

21. Although there are limitations on the availability of data to substantiate the occurrence of Breakfree Package errors prior to 2006, the errors are likely to have dated back to the inception of the Breakfree Package in 2003. ANZ first identified in 2009 that shortcomings in its systems and processes were resulting in a proportion of Breakfree Customers not receiving certain Breakfree Benefits, in the form of interest rate discounts on their home loans (**Breakfree Interest Rate Discount Issue**). This discovery led ANZ in 2014 to pay approximately \$48 million in compensation to about 93,300 affected customers. In 2011, ANZ also identified limitations in its systems and processes relating to Breakfree Ancillary Benefits and considered adjusting its approach to the provision of Breakfree Ancillary Benefits.
22. In 2012 and 2013, ANZ implemented certain system enhancements in an effort to identify and address the Breakfree Interest Rate Discount Issue, as well as other instances of Breakfree Customers not receiving their full Breakfree Benefits. While these enhancements were intended to address, and were to some extent effective in reducing, the occurrence of the Breakfree Interest Rate Discount Issue and other issues with the Breakfree Package, they did not address all scenarios involving Breakfree overcharging or prevent further instances of Breakfree Customers not receiving all of their benefits between May 2013 and

September 2021 (the **Continuing Breakfree Issues**). ANZ did not detect the Continuing Breakfree Issues until March 2017.

23. In 2012, ANZ changed its terms and conditions and ceased offering Breakfree Ancillary Benefits in relation to some products. While these changes were implemented to address the occurrence of the Breakfree Ancillary Benefits Issues, further investigation into the Breakfree Ancillary Benefits Issues in 2018 and 2019 identified that the issues continued. On 16 August 2019, ANZ notified these ongoing issues to ASIC as a breach required to be reported under s 912D of the Corporations Act.
24. Between 2017 and 2021, ANZ identified further errors in its systems and processes for administering Breakfree Benefits that resulted in a proportion of customers not receiving all of their Breakfree Benefits. These errors affected customer accounts to which ANZ did not correctly apply the applicable standard interest rate discount or advertised special offer rate (**Standard and Special Offers scenarios**); Breakfree Customers with fixed rate home loans (**Fixed Rate scenarios**); and certain other Breakfree Customers who did not receive fee waivers or the full interest rate discount in circumstances where they should have (**Additional Scenarios**). ANZ has notified these matters to ASIC as breaches required to be reported under s 912D of the Corporations Act.

#### **Offset Account errors**

25. From the mid-1990s to 1 September 2019, a proportion of Offset Customers did not receive all of their Offset Benefits as a result of ANZ's systems not recognising balance changes in a customer's Offset Account on non-business days for the purposes of calculating Offset Benefits (the **Backdated Transactions issue**).
26. From the mid-1990s, Offset Benefits were rejected and those Offset Benefits were not provided to Offset Customers in two specific situations that continued until 7 May 2015 and 17 August 2015 (together, the **Rejected Transactions issue**).
27. From 8 May 2015, as a result of changes ANZ made to its systems that had the effect of resolving the Rejected Transactions issue, customers did not receive Offset Benefits when they made payments during an interest cycle that reduced their loan balance to zero and were sufficient to pay off some or all of the accrued interest (the **Accrued Offset Benefit issue**). This error continued until 22 September 2020.

### **PART III THE PARTIES**

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28. ASIC is a body corporate which was established by s 7 of the *Australian Securities Commission Act 1989* (Cth) and continues by operation of s 261 of the ASIC Act. It is entitled to sue by reason of s 8 of the ASIC Act.

29. ANZ is a major Australian bank and is one of the six largest listed companies by market capitalisation in Australia. ANZ reported a net profit of \$6.16 billion (after tax) for the financial year ending 30 September 2021. As at 30 September 2021, ANZ's market capitalisation was approximately \$79.5 billion, and its total assets were approximately \$978.9 billion.
30. At all times between 22 March 1995 and 1 October 2003, ANZ was the holder of Australian Securities Dealer Licence number 86807, issued pursuant to s 784 of the Corporations Act (as in force prior to 11 March 2002) (**Securities Dealer Licence**). By that Securities Dealer Licence, ANZ was authorised to (among other things) deal in securities.
31. At all times since 1 October 2003, ANZ has been the holder of Australian Financial Services Licence number 234527 issued pursuant to s 913B of the Corporations Act (**AFSL**). By that AFSL, ANZ was and is authorised to (among other things) deal in financial products, including deposit products.
32. At all times since 1 March 2011, ANZ has been the holder of Australian Credit Licence number 234527 issued pursuant to s 38 of the NCCP Act (**Credit Licence**). By that Credit Licence, ANZ was and is authorised to (among other things) deal in credit products, including home-lending products.
33. ANZ has engaged constructively with ASIC in advance of these Proceedings being commenced, including by making early admissions in relation to its conduct as set out in this document.

## **PART IV AGREED FACTS AND ADMISSIONS**

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### **A. BREAKFREE BENEFITS ISSUES**

#### **Overview of the Breakfree Package**

34. Unless stated otherwise, the facts set out below in this Section A of Part IV of this SAFA relate to the following periods:
  - 34.1. between March 2003 and 30 September 2021 (**Breakfree Relevant Period**); and
  - 34.2. between 10 December 2015 and 30 September 2021 (**Breakfree Penalty Period**).
35. The Breakfree Package was first offered by ANZ in 2003. The Breakfree Package was central to ANZ's home loan offering and had wide customer uptake. As at 30 September 2021, more than 1.42 million customers have taken up more than 840,000 Breakfree Packages.
36. The Breakfree Package entitled Breakfree Customers, in exchange for the payment of an annual fee, to Breakfree Benefits in the form of an interest rate discount and waivers of certain fees or charges for eligible home lending products, eligible transaction accounts and an eligible credit card account. The

applicable interest rate discount varied depending on the standard discount tiers applicable, the availability of special offers at the relevant time, and the particular circumstances of the customer. The Breakfree Package also entitled Breakfree Customers to the Breakfree Ancillary Benefits on optional products.

37. In taking up the Breakfree Package, each Breakfree Customer entered into a contract with ANZ, governed by the ANZ Breakfree Terms and Conditions (the **Breakfree Terms and Conditions**). On each occasion that a Breakfree Customer took up the Breakfree Package, ANZ issued documents setting out the Breakfree Terms and Conditions (**Breakfree Contractual Documents**) to the customer. On each occasion that ANZ amended the Breakfree Terms and Conditions, Breakfree Customers who held a Breakfree Package at that time were notified of the amendment.
38. Relevant statements made within the Breakfree Contractual Documents include those set out in **Schedule 1**, which identifies updates to the Breakfree Contractual Documents during the Breakfree Relevant Period.
39. The Breakfree Benefits involved the application of benefits to eligible ANZ products that were linked to the customer's Breakfree Package (**Relevant Breakfree Products**). Relevant Breakfree Products included home lending products, deposit accounts and credit card accounts. The Relevant Breakfree Products were governed by the ANZ terms and conditions that ordinarily applied to those products.
40. During the Breakfree Relevant Period, ANZ did not apply Breakfree Benefits for certain Breakfree Customers in relation to 29 Relevant Breakfree Products. These instances occurred because ANZ's systems and processes for administering Breakfree Benefits were substantially manual and the controls associated with the processes were inadequate to prevent or detect relevant errors in the application of Breakfree Benefits. **Schedule 2** sets out the Relevant Breakfree Products. **Schedule 3A** identifies the Breakfree Benefits that were not always applied to Relevant Breakfree Products in circumstances where they should have been applied.
41. Breakfree Customers were required to pay an 'annual ANZ Breakfree Package Fee'. Between December 2009 and January 2016 the annual fee was \$375. From February 2016 onwards, the annual fee was \$395. During the period from 1 October 2003 to 30 September 2021, ANZ collected \$1,986,036,500 in annual package fees from customers who held the Breakfree Package, including approximately \$118,000,000 charged to Breakfree Customers the subject of proposed contraventions in these Proceedings.
42. The Breakfree Ancillary Benefits available to Breakfree Customers changed over time. **Schedule 3B** lists all Breakfree Ancillary Benefits offered to Breakfree Customers since the inception of the Breakfree Package in 2003, their periods of operation and any relevant grandfathering arrangements.
43. One type of ancillary benefits available to customers over the Breakfree Relevant Period entitled customers to receive discounts on premiums for home loan

protection insurance, home insurance, landlord insurance and car insurance by requesting or opting in to receive such benefits (**Insurance Ancillary Benefits**).

44. From November 2012, the Breakfree Terms and Conditions referred to in paragraph 37 above and Schedule 1 referred customers to ANZ's website for details of the Breakfree Ancillary Benefits.

#### **Overview of systems and processes used to apply Breakfree Benefits**

45. The systems and processes for setting up and administering the Breakfree Package were highly complex. They involved multiple systems, mostly manual processes and multiple hand-offs between ANZ staff members, all of which could, and for a proportion of customers did, lead to errors in the application of Breakfree Benefits.
46. ANZ had three different systems that could be used to originate loans: the Customer Account Processing System (**CAP**) (which was also the processing system for, and repository of, home lending transactions, regardless of the system on which they were originated), Mortgage Origination System (**MOS**) (which was used for broker and mobile lender-originated loans) and Retail Lending System (**RLS**) (a newer system which was rolled out progressively during the Breakfree Relevant Period and has developed over time into ANZ's principal home lending origination platform). Each system had different processes for setting up a customer's Breakfree Package.

#### **Origination process for new loans**

47. Each loan origination system required a lender to manually identify a loan as a Breakfree loan. This designation would trigger the application of fee waivers and, for loans originated in RLS, the applicable interest rate discount and fee waivers to the loan.
48. The method by which a lender would identify a loan as a Breakfree loan was different for each system:
  - 48.1. following MBORP, for loans originated in CAP:
    - 48.1.1. lenders were required to manually enter the correct Breakfree identifier (known as a solicitation identifier or **SOL ID**) in the application. While the standard process was for a SOL ID to be applied to automate the application of certain benefits, this information was optional to enter because not all ANZ customers took out the Breakfree Package. There were three SOL IDs relating to the Breakfree Package. The SOL ID was designed to trigger fee waivers for nominated home loan accounts. If lenders did not enter a SOL ID at the application stage, Breakfree customers would not have received fee waivers for their home loan account (unless the error was detected by ANZ through Mortgage Sales Compliance (**MSC**) reports or otherwise);

- 48.1.2. for ANZ Standard Variable Rate and ANZ Equity Manager loans, each SOL ID identified a range for the applicable interest rate discount that could be applied to the loan. Lenders were then required to manually enter the correct interest rate discount within that range. A warning message would display where the amount was outside the range but could be overridden by the lender. Breakfree Customers would not receive the correct interest rate discount when this figure was not manually entered by lenders correctly (unless the error was detected by ANZ through MSC reports or otherwise); and
  - 48.1.3. for ANZ Fixed Rate loans, where any SOL ID was applied, a default interest rate discount of -0.15% was applied;
  - 48.2. for MOS, the method was the same as for CAP, save that the credit assessor was responsible for flagging that a home loan application was for a loan eligible for Breakfree Benefits and manually applying the correct interest rate discount. Customers would not receive the correct interest rate discount when this figure was not manually entered by lenders correctly (unless the error was detected by ANZ through MSC reports or otherwise); and
  - 48.3. for RLS, lenders had to identify the loan application as one eligible for Breakfree Benefits by selecting the Breakfree Package and any campaign or special offer. RLS then automatically applied the relevant standard or special offer interest rate discount and the relevant fee waivers to the loan, which meant fewer manual steps were required to apply those Breakfree Benefits.
49. For loans originated in each of the three systems, lenders were then required to submit the loan application form and the Breakfree application form to ANZ's 'Fulfilment Team' for further processing. The Fulfilment Team would then set up the Breakfree Package in ANZ's system, link the package to the customer's nominated credit card and transaction account, and apply the fee waivers associated with those accounts. In some circumstances, lenders did not properly complete and submit the application form, or the Fulfilment Team did not correctly process the application forms. This scenario also resulted in customers not receiving their Breakfree Benefits.

#### ***Loan renewal process***

- 50. Customers could also renew their home loans that were already linked to the Breakfree Package and eligible for Breakfree Benefits. The application of Breakfree Benefits under this scenario involved a different process than that required for new loans.
- 51. For loan renewal activities occurring when a customer changed an aspect of their loan (for example, where there was an increase to the loan amount), ANZ generally used its CAP system. In certain circumstances, the SOL ID was not retained in CAP and the lender was required to re-enter the SOL ID. Customers



would not receive their Breakfree Benefits where lenders did not re-enter the relevant SOL ID in CAP. There was no specific notification generated by CAP prompting ANZ staff to manually re-enter the SOL ID.

52. For loan renewals processed through CAP, where the SOL ID was retained or manually re-entered, a warning message would alert lenders to consider the interest rate discount if the discount entered was outside the range for the SOL ID applied to the loan. The alert could be overridden by the lender, and lenders were still required to manually input the correct interest rate discount. Customers would not receive the correct interest rate discount where lenders did not manually enter it correctly.

#### ***Opt-in to the Breakfree Package after drawdown***

53. Customers could also opt into the Breakfree Package after drawing down on their existing home loan. Where a customer made an application in those circumstances, the lender was responsible for submitting an internal request for the interest discount to be applied to the customer's original loan. The lender was also required to submit the Breakfree application form to the Fulfilment Team, which was responsible for manually setting up the package in CAP, linking accounts to the Breakfree Package and applying fee waivers. Customers would not receive their fee waivers where the lender did not properly complete or submit applications, or where the Fulfilment Team did not receive them, process them correctly, or action them.

#### ***Breakfree Ancillary Benefits***

54. The administration of the Breakfree Ancillary Benefits was generally the responsibility of the ANZ teams which administered the product to which the benefit related. With the exception of some products that were administered in CAP (such as personal loans), the systems and processes for applying the Breakfree Ancillary Benefits were therefore different from the systems referred to in paragraphs 45 to 53 above, but still shared many of the same complexities. These included the use of multiple systems, manual processes and the involvement of different staff members, all of which could, and in a proportion of cases did, lead to errors in the application of Breakfree Ancillary Benefits.

#### **2009-2014: Issues first identified with the Breakfree Package**

55. In about mid-2009, during a review of the Breakfree Package, ANZ identified that its systems and processes did not always apply interest rate discounts in accordance with the Breakfree Terms and Conditions as set out in the Breakfree Contractual Documents provided to Breakfree Customers. As a result, certain Breakfree Customers did not receive interest rate discounts on their home lending products to which they were entitled under the Breakfree Terms and Conditions (**Breakfree Interest Rate Discount Issue**). In June 2010, ANZ notified the matter in writing to ASIC as a breach required to be reported under s 912D of the Corporations Act.

56. In 2010, ANZ established a project that subsequently became known as the Mortgage Breakfree and Offset Remediation Project (**MBORP**). MBORP was designed to, among other things, identify, repair and remediate accounts that, from 23 May 2006, had not received Breakfree interest rate discounts by reason of the Breakfree Interest Rate Discount Issue. The Breakfree Interest Rate Discount Issue may have occurred prior to 23 May 2006 and resulted in a proportion of Breakfree Customers during that period not receiving Breakfree Benefits to which they were entitled. However, ANZ did not introduce an identifier for Breakfree Packages until 23 May 2006 and, due to the resulting data limitations, was unable to identify affected Breakfree Customers prior to that date.
57. ANZ identified, as part of MBORP, that the causes of benefits (such as interest rate discounts and fee waivers) not being applied included the following:
  - 57.1. the Breakfree Package had multiple variations and associated interest rate discounts available to different Breakfree Customers at different times, which made it complex for ANZ to administer;
  - 57.2. unclear and numerous benefits and eligibility criteria for Breakfree Packages;
  - 57.3. limited system controls in ANZ's then main mortgage origination systems (CAP and MOS), which required Breakfree interest rate discounts to be manually entered and allowed them to be manually overridden;
  - 57.4. automatically generated reports intended to identify instances which required correction so that the affected customer received Breakfree Benefits to which they were entitled (**exception reports**) were not clearly embedded into 'business-as-usual' processes;
  - 57.5. manual steps and implementation processes for the application of Breakfree Benefits not being performed;
  - 57.6. no ongoing review of the operational effectiveness of the Breakfree Package; and
  - 57.7. controls not being embedded into the risk framework for the Breakfree Package.

***Early attempts to address issues and consideration of automated solutions***

58. Between 2010 and early 2014, MBORP attempted to fix Breakfree Benefits Issues then known to ANZ by identifying and implementing system and process fixes for the Breakfree Package, both in relation to interest rate discounts and other benefits (such as fee waivers). These system and process fixes were not, however, effective in addressing all of the circumstances in which customers did not receive their Breakfree Benefits and were not adequate to ensure that all Breakfree Customers received all of their Breakfree Benefits.

#### *MBORP's consideration of an automated solution*

59. From about August 2010 to early 2011, as part of MBORP, ANZ considered investing in an automated solution to address known issues in relation to the Breakfree Package that had led to a proportion of Breakfree Customers not receiving Breakfree Benefits. However, in about January 2011, ANZ decided not to invest in such a solution. ANZ decided that an automated solution was not necessary because:
- 59.1. ANZ was in the process of implementing a new home loan origination platform, later known as RLS, that would, once more fully implemented, automate aspects of the administration of the Breakfree Package; and
  - 59.2. ANZ considered the solutions that were being developed by MBORP, as described below at paragraphs 64 to 71, were adequate to resolve the known issues associated with the Breakfree Package.
60. The minutes of a meeting of the MBORP Steering Committee held on 28 January 2011 record the meeting attendees acknowledging that '[RLS] will not solve the Breakfree issue as some of the Breakfree pricing gaps are post origination'. The minutes also record a staged timeline for the rollout of RLS, with the last stage having a target date of the end of 2014. Attendees at this meeting included senior members of the Home Loans and Compliance teams.

#### *MBORP's consideration of Breakfree Ancillary Benefits*

61. In around 2011, as part of MBORP, some consideration was given to the Breakfree Ancillary Benefits and to limitations with the existing systems and processes to administer those benefits. The MBORP Steering Committee supported a proposal to remove a number of the benefits, given the need for uplift to systems, processes and governance in respect of them, and, for the remaining benefits, to clarify that customers were required to request the benefits and to take other steps to improve their governance and administration.
62. ANZ did not conduct a broader remediation of Breakfree Ancillary Benefits as part of MBORP because, for some products, available data did not appear to enable the identification of affected Breakfree Customers and, for other products, there was limited evidence of customer detriment. This decision was made on the condition that any customer who complained about errors in respect of Breakfree Ancillary Benefits would be remediated.

#### ***Improvements implemented by ANZ and their effectiveness***

63. In about November 2012, ANZ updated the Breakfree Terms and Conditions in an attempt to reduce their complexity and increase their accessibility for customers. The updates consisted of simplifying the discounting structure, package benefits and eligibility criteria. The updates also included the changes in respect of the Breakfree Ancillary Benefits referred to in paragraph 61 above.

### *System enhancements*

64. During 2012 and 2013, ANZ made changes and enhancements to its systems directed at ensuring that customers received Breakfree Benefits, including:
  - 64.1. introducing two additional SOL IDs, which were designed to enable the better management of Breakfree interest rate discounts;
  - 64.2. implementing interest rate margin parameters in CAP and MOS, which displayed a warning message to alert the user when a margin was not entered or the margin applied was outside of the pre-defined value range of the SOL ID;
  - 64.3. the automatic application of a -0.15% margin discount on eligible fixed rate loans in RLS; and
  - 64.4. the automation of certain fee waivers in CAP and MOS, according to the SOL ID applied to the account.<sup>14</sup>
  
65. Despite the implementation of these enhancements which increased the level of automation or guidance for staff, the processes ANZ used to administer the Breakfree Package remained susceptible to human error because they continued to rely on manual inputs. In particular:
  - 65.1. staff setting up a Breakfree Package in CAP or MOS were required to select the correct SOL ID (from the three available SOL IDs) and, once the correct SOL ID was applied, were required to manually enter the correct interest rate discount within the pre-defined value range. Error messages alerting staff to an interest rate discount outside of that range could be overridden;
  - 65.2. the automatic application of the -0.15% interest rate discount in RLS relied on staff to manually identify the application as a Breakfree application; and
  - 65.3. in CAP and MOS, the automation of certain fee waivers also relied on the manual application of a SOL ID.
  
66. In relation to the Breakfree Ancillary Benefits, with the exception that some products were administered in CAP, there were different systems and processes to administer each of the benefits after November 2012. These included processes to identify and record entitlement to the Breakfree Ancillary Benefits and for those entitlements to be actioned. However, there were manual elements to those processes, and there were also limited post-application controls to validate that the customer was receiving the appropriate benefit.

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<sup>14</sup> Another loan origination system, RLS (as defined in paragraph 46) already automatically applied fee waivers. To the extent necessary, the coding in RLS was aligned at this time with the new controls introduced in CAP and MOS.

67. Accordingly, after 2012, ANZ's systems and processes for administering the Breakfree Benefits and Breakfree Ancillary Benefits remained susceptible to human error. As a result, they were not always effective to identify customers entitled to Breakfree Benefits and Breakfree Ancillary Benefits and to ensure that the benefits were applied to accounts and, for ongoing benefits, maintained over time.

#### *Exception reports*

68. In about April 2013, ANZ introduced a series of new exception reports, which extracted data from ANZ's systems and were designed to detect when customers were not receiving Breakfree Benefits in certain scenarios so that the benefits could be provided. In particular, the exception reports were designed to detect:
- 68.1. some missing and/or incorrect fee waivers on home loans, transaction accounts and credit cards;<sup>15</sup>
  - 68.2. incorrect Breakfree Package set up (such as no linked loans or transaction accounts); and
  - 68.3. credit cards not linked to a Breakfree Package.
69. The effectiveness of the exception reports in identifying instances of customers not receiving Breakfree Benefits was dependent on manual review and processing, which was susceptible to human error. The exception reports also had limitations in their application, making them incapable of detecting all circumstances in which customers were not receiving their Breakfree Benefits.

#### *Mortgage Sales Compliance reports*

70. In about June 2013, ANZ also changed the definitions contained in an existing exception report, known as the MSC report. The MSC report was designed to monitor, for loans originated in CAP or MOS, whether customers were receiving the applicable Breakfree interest rate discount and to identify any incorrectly charged loan approval fees that should have been waived. The purpose of the changes was to assist the MSC team to better detect where customers were potentially not receiving the correct standard or special offer interest rate discount under the Breakfree Package and to provide those benefits to the customers.
71. The MSC reports were not designed to detect all circumstances where an incorrect interest rate may have been applied to loans eligible for Breakfree Benefits, including loans linked to a Breakfree Package after drawdown, loans originated in RLS (prior to enhancements in 2017), and loans that were not identified as eligible for a Breakfree Package during setup. The MSC reports were dependent on manual review and processing, which was, at times, susceptible to human error. Prior to 2016, where an error was identified in an MSC report as requiring manual correction, there was no process to subsequently check that the error had been corrected. As a loan only appeared

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<sup>15</sup> Loan administration charge, credit facility fee, account service fee, annual credit card fee and additional cardholder fee.

in the MSC report in the month it was originated, it would not appear in a subsequent report if the error had not been corrected. As a result, the MSC reports did not detect all further instances of customers not receiving their Breakfree Benefits.

### ***Remediation of the Breakfree Interest Rate Discount Issue***

72. Between 2010 and early 2014, with the assistance of an external consultant, ANZ created a series of rules that were used to both identify accounts that did not have the applicable Breakfree interest rate discount and calculate remediation payments. These rules were validated by the external consultant in late 2012. The MBORP team subsequently developed detailed business and technical requirements to enable it to conduct the remediation, including the repair of accounts which remained impacted.
73. During 2014, impacted accounts were repaired by re-setting the interest rate margin and/or linking eligible loan accounts to the Breakfree Package within the CAP system.
74. In 2014, ANZ made remediation payments in relation to approximately 93,300 accounts which had not received the applicable interest rate discounts over the period between 23 May 2006 and February 2014, totalling approximately \$48 million, including compensation reflecting TVM. As noted above at paragraph 56, ANZ had insufficient data to enable it to identify any affected customers between 2003 and 23 May 2006.
75. In about 2013, ANZ identified an issue in relation to customers not receiving their fee waivers under the Breakfree Package. These instances were detected through the exception reporting introduced as part of MBORP. In 2014, ANZ separately conducted a further remediation program in relation to customers with open accounts who did not receive their Breakfree fee waivers as part of their Breakfree Benefits.<sup>16</sup> ANZ is addressing limitations in relation to this remediation, as described further below at paragraph 127.

### **2013-2021: Further issues identified with the Breakfree Package**

76. The steps taken during MBORP prevented and/or detected and addressed multiple instances where Breakfree Customers (including new customers after that time) would not otherwise have received Breakfree Benefits by reason of the Breakfree Interest Rate Discount Issue. However, as noted above, ANZ's systems and processes for the application of Breakfree Benefits still involved a number of manual processes, and were dependent on the effective application of exception and MSC reporting controls to detect and address issues, which were susceptible to human error. ANZ also did not identify or foresee during MBORP all of the scenarios in which Breakfree Customers were not receiving Breakfree Benefits.

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<sup>16</sup> This remediation involved payments of approximately \$1.3 million to approximately 11,000 customers.

77. As a result, after May 2013, ANZ's systems and processes continued to be inadequate to identify all instances of customers not receiving their Breakfree Benefits. These were the **Continuing Breakfree Issues**. As described further below, ANZ did not identify the Continuing Breakfree Issues until March 2017.

***Identification of the Continuing Breakfree Issues (2017)***

78. In the period between ANZ's implementation of enhancements to its systems and controls in 2012 and 2013 and the identification of the Continuing Breakfree Issues in March 2017, ANZ conducted reviews and assessments of the Breakfree Package. With the exception of an end-to-end process review conducted in 2013, these reviews were targeted to specific issues with the Breakfree Package. None of the reviews or assessments identified the Continuing Breakfree Issues or involved substantive analysis of customer data with a view to identifying errors.
79. As part of the reviews that were undertaken, ANZ identified the risk that Breakfree Customers may not receive some or all of their Breakfree Benefits, including as a result of ANZ's dependency in administering the Breakfree Package on manual processes that were not always effective in that they were susceptible to error. ANZ also identified some limitations on controls and areas for improvement, including in the design and implementation of exception reporting, which was intended to prevent a recurrence of the Breakfree Benefits Issues.
80. Between 2013 and March 2017, ANZ did not establish periodic reviews or audits that were directed to evaluating or substantively assessing the effectiveness of the manual processes for administering the Breakfree Package. ANZ did not perform any substantive data analysis to detect issues with the Breakfree Package outside of its established processes.
81. In about March 2017, ANZ identified, from a sample of approximately 50 accounts held by Breakfree Customers, that about 10% did not have a loan administration charge waiver applied, and a smaller percentage had no Breakfree interest rate discount applied.
82. Between March 2017 and October 2017, ANZ undertook investigations to understand the scope and causes of customers not receiving Breakfree Benefits. These investigations included obtaining data to conduct expanded sample testing and undertaking data analysis.
83. As a result of these investigations, on 5 October 2017, ANZ notified ASIC of the Continuing Breakfree Issues in writing as a breach required to be reported under s 912D of the Corporations Act.

***ANZ's efforts to rectify the Continuing Breakfree Issues (2017-2019)***

84. In the second half of 2017, ANZ undertook three reviews of the Breakfree Package to identify areas for improvement in ANZ's systems and processes:

- 84.1. in September 2017, ANZ assessed the effectiveness of controls put in place through the MBORP initiative. This review identified that a number of controls were not working as effectively as they should have been and that MBORP had not considered a number of processes associated with establishing and maintaining the Breakfree Package. This report was provided to, among others, senior members of the Home Loans team;
  - 84.2. in November 2017, ANZ undertook an 'end-to-end review', which identified over 90 issues with its existing processes for establishing and maintaining the Breakfree Package and proposed a number of solutions, including further exception reports, expanding the scope of the MSC Reports and increasing the use of RLS. In 2020, ANZ conducted another end-to-end review, as described below at paragraph 103, which identified further gaps in ANZ's processes for administering the Breakfree Package; and
  - 84.3. in December 2017, ANZ's Assurance function undertook a product review to assess whether there were any other potential issues or gaps associated with customers receiving their Breakfree Benefits. The product review identified, among other things, that the Breakfree Package was a very complex product offering that was difficult for ANZ to deliver. The review was provided to, among others, a senior member of the Home Loans team.
85. Following these reviews, ANZ implemented the following measures designed to prevent further occurrences of the Breakfree Benefits Issues:
- 85.1. from early 2018, the Breakfree Fulfilment Team began using enhanced exception reports to more effectively detect circumstances where loan approval fees, credit facility fees, account service fees and annual credit card fees had not been waived;
  - 85.2. from about February 2018, ANZ developed exception reports which detected additional circumstances where customers may not have received their Breakfree Benefits. These exception reports were introduced from May 2018, and were monitored and refined before being finalised by the end of June 2018. The reports identified circumstances where loan accounts were linked to the Breakfree Package but did not have a SOL ID, or where home loan accounts were linked to a Breakfree Package but were not receiving a Breakfree interest rate discount in certain instances;
  - 85.3. ANZ put in place further oversight of the actioning of the exception reports;
  - 85.4. a master exception report was introduced, which was run on about a quarterly basis. The master exception report was designed to test the effectiveness of the relevant monthly exception reports and to detect any issues not addressed by those reports;



- 85.5. a monthly Breakfree Operations/Product forum was established to enable process improvements to be identified and facilitate discussions in relation to the Breakfree Package; and
- 85.6. the monthly MSC reports, which were previously only used for CAP and MOS applications, were modified to include Breakfree Package applications originated in RLS.
86. The application of the exception reports referred to above addressed both new and existing scenarios in which customers were not receiving their fee waivers under the Breakfree Package. In relation to interest rate discounts, the exception reports primarily focused on new loans and particular trigger events (such as renewals and loans added to the Breakfree Package after drawdown) for existing loans. Where a trigger event occurred, existing customers had the interest rate discount applied as part of business-as-usual processes.
87. Where ANZ did not apply the interest rate discount to a customer's loan as part of this process or ANZ did not identify that an interest rate discount had not been applied because of deficiencies with its exception reporting process, ANZ applied the interest rate discount as part of the remediation process, as described further below.
88. Between April and September 2019, ANZ enhanced the existing forensic reports and introduced two new exception reports for the purpose of preventing further occurrences of the Breakfree Benefits Issues.
89. As at about November 2017, approximately 40% of loans set up as part of ANZ's Australia Branch Network were originated through RLS. RLS automates the application of the applicable interest rate discount and fee waivers on the home loan where the Breakfree Package and any applicable special offer discount are selected by the ANZ staff member, thereby reducing the risk of manual errors. As a result of a project to further expand the functionality of RLS, and efforts to promote RLS to ANZ frontline lenders, RLS was used to originate approximately 85% of ANZ loans in the period between June 2020 and May 2021.

***Identification of further issues with Breakfree Ancillary Benefits (2018-2019)***

90. Despite the changes to ANZ's offering of Breakfree Ancillary Benefits made in about November 2012, from 2013, ANZ was aware of the risk that Insurance Ancillary Benefits and financial planning Breakfree Ancillary Benefits (**Financial Planning Ancillary Benefits**) would not be applied according to their terms and conditions. ANZ considered at the time that this risk was being managed by existing processes and staff training. However, during this period Breakfree Insurance Ancillary Benefits and Financial Planning Ancillary Benefits were not always being applied.
91. In about early 2018, ANZ began making inquiries into the application of Breakfree Ancillary Benefits. On 16 August 2019, ANZ notified ASIC of the Breakfree Ancillary Benefits Issue in writing as a breach required to be reported under s 912D of the Corporations Act.

**Rectification of issues with ongoing Ancillary Benefits (2018-2021)**

92. ANZ has undertaken or will undertake the following rectification steps in relation to the Breakfree Ancillary Benefits offered to eligible customers after November 2012:

92.1. in July 2018, ANZ implemented enhanced controls that confirmed whether eligible customers had received the Financial Planning Ancillary Benefits. These controls had the effect of addressing the issue of the Financial Planning Ancillary Benefits not being applied from that time; and

92.2. in June 2021, ANZ introduced an exception reporting control relating to some Insurance Ancillary Benefits, which was designed to detect instances of non-application of the benefits for eligible customers. This had the effect of addressing the issue of those Insurance Ancillary Benefits not being applied for customers affected from 1 January 2021 onwards. For any further instances of eligible customers not receiving their benefits that are detected each month, customers will have their premium adjusted within the month that they are identified.

93. [REDACTED]

94. [REDACTED]

**Standard and Special Offers and Fixed Rate scenarios (2020)**

*(a) Standard and Special Offers scenarios*

95. In about February 2020, ANZ identified that the applicable standard interest rate discount or an advertised special offer rate under the Breakfree Package was not always being applied to customer accounts correctly. This resulted in a proportion of customers receiving a discount less than the applicable discount. Customers were impacted by these **Standard and Special Offers scenarios** from 1 May 2013 (with earlier instances having been remediated as part of MBORP). ANZ reported the Standard and Special offers scenarios to ASIC in writing in December 2020 as a breach required to be reported under s 912D of the Corporations Act.

96. The Standard and Special Offers scenarios continued to affect a proportion of customers following the implementation of the measures described above at paragraphs 85 and 86 because ANZ assumed in the rectification and remediation of the Continuing Breakfree Issues that a customer who was receiving at least the minimum Breakfree interest rate discount had the correct interest rate

discount applied. The MSC reporting was designed to detect instances where the correct level of discount was not applied, but was not effective to, and/or did not, address every such instance.

97. In December 2020, these scenarios were addressed by amendments to the MSC report. The MSC report was designed to detect interest rate discount issues relating to new customers and, where a trigger event (such as a renewal) had occurred, existing customers receiving an incorrect discount. ANZ intends that other impacted customers will have their correct discount applied as part of the remediation process described below at paragraphs 124 to 128. In addition, in April and May 2021, ANZ ceased to offer special offer discounts and simplified the standard discount tiers to further reduce the risk of errors in the application of Breakfree interest rate discounts.<sup>17</sup>

*(b) Fixed Rate scenarios*

98. In about October 2020, as part of the end-to-end review described below at paragraph 103, ANZ identified that customers with a fixed rate home loan and total eligible ANZ lending did not always receive the applicable interest rate discount when:
- 98.1. the customer took up the Breakfree Package after entering into a fixed rate loan; or
  - 98.2. the fixed rate loan was refixed for an additional period.
99. These **Fixed Rate scenarios** occurred from February 2012 (when fixed loans first became eligible for a Breakfree interest rate discount). ANZ reported the Fixed Rate scenarios to ASIC in writing in February 2021 as a breach required to be reported under s 912D of the Corporations Act.
100. The Fixed Rate scenarios continued to impact customers following the implementation of the measures described above at paragraphs 85 and 86 because:
- 100.1. where customers took up the Breakfree Package after entering into a fixed rate loan, ANZ systems operated on the basis that the Breakfree interest rate discount was not applicable, including because it was necessary within ANZ's systems to break the fixed loan to apply a new interest rate, which triggered early repayment charges (**ERCs**). For that reason, ANZ did not have a procedure in place to re-price the existing loan and waive any potential ERCs in these circumstances; and
  - 100.2. in relation to loans that were re-fixed for an additional period, there was a coding gap in one of the exception reports introduced in 2018, which resulted in instances of Breakfree Customers not receiving interest rate discounts on fixed loans not being detected.

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<sup>17</sup> In August 2021, ANZ enhanced the logic of the MSC reporting to reflect the simplification of these pricing tiers and identify any customers affected by the Standard and Special Offers scenarios from May 2021.

101. To address the scenario described above at paragraph 98.1, ANZ updated the Breakfree Terms and Conditions to specify that, in relation to a fixed rate loan, an 'eligible loan account' is:

Eligible for interest rate discount only if linked to an ANZ Breakfree Package before the fixed term commences (otherwise the discount will only apply from the commencement of the variable term).

102. In December 2020, ANZ also addressed the scenario where customers did not always receive their interest rate discount when the fixed rate loan was fixed for an additional period (paragraph 98.2) by making changes to the MSC reports. This change enabled the MSC report to identify instances where customers were not receiving their interest rate discount so that they could be refunded. ANZ intends that customers with existing fixed rate loans will have the correct interest rate discount applied on the earlier of the expiry of their fixed rate loan or as part of the remediation process (as discussed at paragraphs 124 to 128 below).

### ***The Breakfree Package end-to-end review (2020)***

103. In late 2020, ANZ conducted a further end-to-end review of the Breakfree Package and associated processes to identify and address any remaining gaps in systems or processes connected with the Breakfree Package (**2020 E2E Review**).

104. The 2020 E2E Review identified over 100 process improvement opportunities and corresponding recommended actions. The findings of the 2020 E2E Review included the following:

104.1. the 'package setup and maintenance has multiple hand-offs and manual steps and variability depending on the origination channel / system', which 'inevitably leads to complexity';

104.2. action taken on the basis of forensic reports designed to identify errors was highly manual and dependent on staff capacity, with the consequence that some reports (which were understood by ANZ not to detect issues involving customer detriment) had not been acted upon since early 2020;

104.3. the MSC reports were determined to be ineffective as part of the August 2018 key control testing, and the exception reporting suite did not identify all scenarios in which a customer would not receive their interest rate discount under the Breakfree Package, although work to address these findings was underway;

104.4. beyond a key ANZ employee, there was a lack of deep knowledge or understanding within ANZ of the purpose of forensic reports, which 'ma[de] it difficult to identify key underlying trends and/or drive process improvement opportunities', as well as 'a heavy reliance on 1-2 key [subject-matter experts] in the Home Loans tribe for an advanced understanding of the Breakfree package – how it operates, its key risks/issues, historical performance and controls';

104.5. ANZ had more than '130 documents across 3 sources ... detailing how [to conduct] Breakfree ... package setup, maintenance and closure', with 'inconsistent levels of accuracy and/or change management'; and

104.6. there was 'an opportunity to increase oversight of the risk performance of the package', and a 'reliance on one or two key [subject-matter experts] onshore who understand the Breakfree package generally and forensic reports specifically'.

105. ANZ has implemented rectification measures and process improvements to address issues in ANZ's systems and processes (including the scenarios identified in 2020 and 2021 as explained in paragraphs 97, 102 and 106). By 4 October 2021, ANZ completed all 44 of the high-priority recommendations arising from the 2020 E2E review and implemented additional measures, including measures to strengthen actions already undertaken.<sup>18</sup>

***Additional Scenarios identified after the end-to-end review (2021)***

106. As a result of the 2020 E2E Review and as part of addressing its recommendations, in 2021, ANZ identified further instances where customers did not receive Breakfree Benefits. These **Additional Scenarios** have an estimated combined customer impact of approximately \$642,158.47 over the period from 2012 to 30 April 2021. The customers who did not receive Breakfree Benefits in this period as a result of the Additional Scenarios included the following:

106.1. customers to whom loan approval fees or valuation administration fees were incorrectly charged but not refunded because of limitations on the mortgage sales compliance process;

106.2. customers who had a fee waiver implemented as part of a 'business-as-usual' process (for example, where the customer contacted an ANZ branch) but were not refunded for occasions where they had been incorrectly charged the fee in the past;

106.3. customers who had been permitted, in ANZ's discretion, to link an additional transaction account to their package, but did not receive fee waivers for the additional account and/or refunds when fee waivers were incorrectly charged; and

106.4. customers with an Equity Manager Account (**EMA**) who had decreased their limit and, in particular circumstances, were entitled to an additional Breakfree interest rate discount as a result.

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<sup>18</sup> As part of the implementation of the recommendations from the 2020 E2E Review, ANZ identified that the functionality of the new unlinked report implemented in June 2021 should be extended to include unlinked credit cards. This was implemented through a new report introduced in September 2021. Initially, this report only identified Breakfree packages opened since 1 September 2021. A further enhancement to this report was implemented by the end of October 2021 to extend the report to detect all Breakfree packages regardless of open date. Other priority steps relating to the application of Breakfree Benefits were implemented on or before the end of August 2021. ANZ has informed ASIC that it is also implementing an enhancement to a forensic report implemented from a recommendation from the end-to-end review. This enhancement will be implemented by the end of November 2021.

107. On 26 July 2021, ANZ notified ASIC of the Additional Scenarios in writing as a breach required to be reported under s 912D of the Corporations Act.
108. The Additional Scenarios where customers were incorrectly charged occurred because of limitations in ANZ's exception reporting controls, which ANZ has addressed through improvements to exception reporting between May and June 2021. These improvements include a comprehensive fee report designed to identify instances of fees charged under the Breakfree Package and not refunded, and enable those fees to then be refunded.

109.



#### **Breakfree Package system and process errors**

110. Over the Breakfree Relevant Period (including the Breakfree Penalty Period), ANZ failed to apply the Breakfree Benefits to certain Relevant Breakfree Products, as required by the Breakfree Terms and Conditions, with the consequence that ANZ:
- 110.1. charged a proportion of Breakfree Customers fees on certain Relevant Breakfree Products that it was not entitled to charge under the Breakfree Terms and Conditions; and
  - 110.2. charged a proportion of Breakfree Customers interest on home lending products at rates higher than those it was entitled to charge under the Breakfree Terms and Conditions.
111. Over the Breakfree Relevant Period ANZ failed to apply Breakfree Benefits to Relevant Breakfree Products as required by the Breakfree Terms and Conditions, which affected 396,719 Breakfree Customer accounts. As a result, ANZ has made or is in the process of making remediation payments totalling \$135,748,300.42, inclusive of amounts charged in error, interest, and compensation reflecting TVM.
112. These failures arose out of ANZ's continuing failure over the Breakfree Relevant Period to:
- 112.1. maintain adequate systems and processes to apply Breakfree Benefits to customer accounts; and
  - 112.2. conduct adequate monitoring or analysis of its systems and processes relating to the Breakfree Package and therefore not identifying in a timely way instances of customers not receiving Breakfree Benefits.

113. In particular:

- 113.1. from about 2003, ANZ's systems and processes for setting up and administering the Breakfree Package were highly complex and substantially manual (and therefore susceptible to error);
- 113.2. the Breakfree Package had unclear and numerous benefits and eligibility criteria that were difficult to administer in an environment reliant on multiple systems and manual data entry;
- 113.3. ANZ's controls associated with the processes described above at sub-paragraph 113.1 indicated a lack of 'deep knowledge/ understanding of the purpose of Breakfree exception reports', were substantially manual and not always applied, and were inadequate to prevent or detect errors in the application of Breakfree Benefits;
- 113.4. ANZ failed to design or implement controls associated with the processes described above at sub-paragraph 113.1 that were adequate to prevent or detect errors in the application of Breakfree Benefits;
- 113.5. after ANZ identified issues with the application of Breakfree interest rate discounts in 2009, ANZ did not successfully identify or address all scenarios in which customers were not receiving Breakfree Benefits or implement processes adequate to ensure the correct application of Breakfree Benefits over time;
- 113.6. between 2014 and March 2017, ANZ did not identify the continuation or recurrence of errors in the application of Breakfree Benefits; and
- 113.7. in the four years after ANZ discovered, in March 2017, that a proportion of Breakfree Customers were continuing not to receive Breakfree Benefits, steps taken by ANZ to rectify its systems and processes failed to identify or address these instances comprehensively, with the consequence that a proportion of Breakfree Customers continued not to receive Breakfree Benefits until September 2021.

## **Representations**

114. During the Breakfree Relevant Period:

- 114.1. on each occasion that ANZ issued the Breakfree Contractual Documents to a Breakfree Customer who opened the Breakfree Package and who subsequently did not receive Breakfree Benefits; and
- 114.2. on the first occasion during the Breakfree Penalty Period that ANZ sent an updated version of the Breakfree Contractual Documents to a Breakfree Customer who was an existing Breakfree Customer at the start of the Breakfree Penalty Period and who subsequently did not receive Breakfree Benefits,

ANZ made implied representations that it had, and would continue to have, adequate systems and processes in place to administer Breakfree Benefits on Relevant Breakfree Products (as applicable) in accordance with the Breakfree Contractual Documents (collectively, **Breakfree Representations**), being 396,719<sup>19</sup> occasions during the Breakfree Relevant Period and 69,620 occasions during the Breakfree Penalty Period.

## Admissions

115. The Relevant Breakfree Products were each a financial product within the meaning of s 12BAA of the ASIC Act. The Breakfree Benefits were each a financial service within the meaning of s 12BAB(1)(g) of the ASIC Act.
116. The Breakfree Representations were made in trade or commerce in connection with the supply of financial services, within the meaning of s 12DB(1) of the ASIC Act and s 12DA(1) of the ASIC Act.
117. The Breakfree Representations each made implied representations that the services had benefits within the meaning of s 12DB(1)(e) of the ASIC Act.
118. Further to the matters referred to in paragraphs 112 to 113 above, the Breakfree Representations were false or misleading within the meaning of s 12DB(1)(e) of the ASIC Act and misleading or deceptive within the meaning of s 12DA(1) of the ASIC Act.
119. The Breakfree Representations each made implied representations with respect to a future matter within the meaning of s 12BB(1) of the ASIC Act. They were misleading, within the meaning of s 12BB(1) of the ASIC Act, in that, by no later than the commencement of the Breakfree Penalty Period, and further to the matters referred to in paragraphs 112 to 113 above, ANZ did not have reasonable grounds for making the representations.
120. By making each Breakfree Representation, ANZ:
  - 120.1. made a false and/or misleading representation in contravention of s 12DB(1)(e) of the ASIC Act; and
  - 120.2. engaged in misleading or deceptive conduct, or conduct that was likely to mislead or deceive, in contravention of s 12DA(1) of the ASIC Act.
121. On each occasion that ANZ contravened s 12DA(1) of the ASIC Act and on each occasion that ANZ contravened s 12DB(1)(e) of the ASIC Act, as set out above at paragraph 120, ANZ breached its general obligation to comply with financial services laws in contravention of s 912A(1)(c) of the Corporations Act.

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<sup>19</sup> This number has been calculated by summing the accounts impacted in particular remediation cohorts. The same account may have remediated in multiple cohorts and therefore counted multiple times. Moreover, where a customer was remediated in respect of multiple accounts associated with a particular Breakfree package, the customer will be counted for each account.



122. On each occasion that ANZ contravened s 12DA(1) of the ASIC Act and on each occasion that ANZ contravened s 12DB(1)(e) of the ASIC Act, as set out above at paragraph 120, ANZ breached its general obligation to comply with credit legislation in contravention of s 47(1)(d) of the NCCP Act.

123. By its conduct in:

123.1. failing to maintain adequate systems and processes to apply Breakfree Benefits or Breakfree Ancillary Benefits to customer accounts; and

123.2. failing to conduct adequate monitoring or analysis of its systems and processes and therefore not identifying in a timely way instances of customers not receiving Breakfree Benefits or Breakfree Ancillary Benefits,

ANZ breached:

123.3. its obligation to do all things necessary to ensure that the financial services covered by its financial services licence were provided efficiently, honestly and fairly, and thereby contravened s 912A(1)(a) of the Corporations Act; and

123.4. its obligation to do all things necessary to ensure that the credit activities authorised by its Australian credit licence were engaged in efficiently, honestly and fairly, and thereby contravened s 47(1)(a) of the NCCP Act.

### **Remediation of the Continuing Breakfree Issues**

124. On about 10 November 2017, ANZ began determining the scope for the remediation project in relation to the Continuing Breakfree Issues. ANZ has conducted the remediation in progressive stages for particular cohorts of customers. ANZ's practice is to notify customers of the Breakfree Benefits Issues at or around the time they receive their remediation payment. ANZ paid remediation to its first cohort of customers impacted by the Continuing Breakfree Issues in around July 2018.

125. ANZ's remediation program is ongoing in relation to the Continuing Breakfree Issues, and not all customers have been notified or remediated. ANZ anticipates completing the remediation at around the start of 2022. As part of the remediation process, ANZ is confirming whether Breakfree Benefits have been correctly applied to accounts as part of business-as-usual processes, including exception reporting, and, where they have not been, applying those benefits going forward.

126. ANZ estimates that, including payments already made, the total remediation amount for the remediation of Breakfree Benefits Issues will be approximately \$135,748,300.42, including interest and compensation reflecting TVM, in respect of approximately 396,719 accounts. Of this amount, approximately \$13,093,459.65 is yet to be remediated as at the date of this SAFA. The table at paragraph 19 shows the breakdown of this figure across each of the Breakfree Benefits Issues.

127. In respect of the Continuing Breakfree Issues, this figure includes remediation of approximately \$35.19 million (including interest and compensation reflecting the TVM) to address deficiencies identified in ANZ's remediation program implemented in 2014 (referred to in paragraph 74 above). That program sought to remediate customers who did not receive fee waivers before May 2013 or April 2014 (depending on the type of fee waiver).
128. As at 26 August 2021, ANZ has paid money to charity in respect of 177 accounts, in the amount of \$22,083.74, where it has been unable to pay those accounts because:
- 128.1. in relation to accounts owned by a former customer, ANZ has been unable to locate an address of the customer, executor or administrator to which a cheque could be sent based on ANZ's records and/or inquiries of an external address validation agency;<sup>20</sup> or
- 128.2. the customer did not have an open, eligible ANZ account and the remediation amount was less than \$5.00 or \$15.00.<sup>21</sup>

### **Ongoing remediation**

129. In some instances, as a result of time taken in ANZ's remediation program and limitations in the data ANZ has or uses to identify affected customers, Breakfree Customers impacted by ANZ's conduct have yet to be remediated and may not receive a remediation payment until sometime in 2022 or 2023. It may not be possible for ANZ to identify (and therefore remediate) some affected customers because of limitations in ANZ's data.

### **Remediation of the Breakfree Ancillary Benefits Issues**

130. ANZ began determining the scope for the remediation project in relation to the Breakfree Ancillary Benefits Issues in about October 2019. ANZ is conducting the remediation in cohorts, with each cohort focusing on an affected product or products. For all cohorts, the remediation will, as far as practicable, cover the period from March 2003 to the date the benefit is applied to the account or the benefit is no longer applicable. ANZ is targeting completion of the overall remediation program by late-2023.
131. ANZ intends that the remediation will consider as far as practicable the whole period that benefits were available to or held by customers and it expects that:
- 131.1. for the Breakfree Ancillary Benefits which ceased to be offered to any customer from or before November 2012, remediation will only be required up until the date the benefit ceased to be available;

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<sup>20</sup> Additionally, in one case the customer informed ANZ that they would not bank the remediation cheque provided.

<sup>21</sup> In the case of remediation on or after 1 September 2019, the remediation amount threshold was \$5.00. In the case of remediation prior to 1 September 2019 and after 8 April 2021, the remediation amount threshold was \$15.00.

131.2. for the Financial Planning Ancillary Benefits, remediation will only be required up until 1 July 2018, being the date on which the control referred to in paragraph 92.1 was introduced;

131.3. for some of the Insurance Ancillary Benefits, remediation will only be required up until 30 December 2020, being the date on which the exception reporting control referred to in paragraph 92.2 was introduced; and

131.4.



132. ANZ has made remediation payments to customers adversely affected by the Car Loans Establishment Fee Benefit between March 2003 and November 2012. ANZ has made payments (by electronic transfer or cheque) of approximately \$8.37 million, including compensation reflecting TVM, to approximately 15,200 impacted accounts. ANZ currently estimates that, including payments already made in respect of the Car Loans Establishment Fee Benefit cohort, the total remediation amount for the Breakfree Ancillary Benefits Issues will be approximately \$39.9 million excluding interest and TVM (approximately \$51.87 million inclusive of TVM and interest), in respect of approximately 88,500 accounts. ANZ has not yet extracted and analysed all necessary data from its own systems or obtained relevant data from third-party insurers and accordingly the value of remediation and number of impacted accounts is likely to increase.

### **Customer detriment resulting from conduct**

133. As a result of the matters referred to above, Breakfree Customers holding 396,719 accounts were detrimentally affected in that they were charged fees or interest in circumstances where they should not have been because of their entitlement to Breakfree Benefits. ANZ charged fees and interest in error to a total of 396,719 Breakfree Customer accounts, and has remediated or will remediate these customers a total amount of \$135,748,300.42, inclusive of amounts charged in error, interest and compensation reflecting TVM. In addition to these amounts, ANZ has remediated or will remediate an estimated 80,000 Breakfree Customer accounts \$39.9 million excluding interest and TVM (approximately \$51.87 million inclusive of TVM and interest), in respect of the Breakfree Ancillary Benefits Issues. As stated at paragraphs 128 to 129, some adversely affected Breakfree Customers will not be remediated because of data limitations or inability to identify the customer.

134. During the Breakfree Penalty Period, customers holding 97,608 accounts<sup>22</sup> were detrimentally affected in that they were charged a total of \$24,792,633.23<sup>23</sup> in

<sup>22</sup> See footnote 9. This figure will be updated prior to the hearing of this matter.

<sup>23</sup> See footnote 9. This figure will be updated prior to the hearing of this matter.

fees and interest that they should not have been charged because of their entitlement to Breakfree Benefits.

135. The Breakfree Customers incurred financial loss (up until the date they were remediated) as a result of the contravening conduct because they did not have the benefit of the funds for which they were incorrectly charged.

## **B. OFFSET BENEFITS ISSUES**

### **Overview of Offset Benefits**

136. Unless stated otherwise, the facts set out below in this Section B of Part IV of this SAFA relate to the following periods:

136.1. from about the mid-1990s to 22 September 2020 (**Offset Relevant Period**); and

136.2. between 10 December 2015 and 22 September 2020 (**Offset Penalty Period**).

137. From the mid-1990s, ANZ has offered transactional Offset Accounts, which could be linked to a home or business loan account. This entitled Offset Customers to a reduction in the interest payable on their loan account each day by an amount calculated by applying the loan interest rate to the balance of the linked Offset Account. These benefits are known as Offset Benefits.
138. Interest on ANZ home and commercial loan accounts accrues on a daily basis and is applied to the loan account at the end of each interest cycle period (typically monthly). Offset Benefits also accrue daily in the Product Set-off sub-system (**PSO**), which calculates the applicable Offset Benefit adjustment at the end of each business day (as described in paragraph 144.3 below). At the end of each interest cycle period, accrued Offset Benefits are applied to reduce the accrued interest on linked loan accounts. Any remaining accrued interest is then capitalised to the loan.
139. In opening an Offset Account, each customer entered into a contract with ANZ, governed by ANZ's terms and conditions in relation to Offset Accounts and home or business loan accounts (the **Offset Terms and Conditions**). On each occasion that an Offset Customer opened an Offset Account, ANZ issued documents setting out the Offset Terms and Conditions (the **Offset Contractual Documents**) to the customer. On each occasion that ANZ amended the Offset Terms and Conditions, Offset Customers who held an Offset Account at that time were notified of the amendment.
140. Relevant statements made within the Offset Contractual Documents are set out in **Schedule 4**, which identifies updates to the Offset Contractual Documents during the Offset Relevant Period.
141. From the time that ANZ's offset products were first offered in about the mid-1990s, ANZ's systems did not accurately calculate and apply the full extent of

Offset Benefits to linked loan accounts in the circumstances and for the periods described below:

- 141.1. from the mid-1990s to 1 September 2019, balance changes on non-business days were not recognised when calculating Offset Benefit amounts on those days. This is known as the **Backdated Transactions issue**;
- 141.2. from the mid-1990s, Offset Benefits were rejected and did not flow to a customer in specific situations known as 'Loan Balance is Zero' scenario, which affected customers until 17 August 2015, and the 'Transaction Amount Invalid' scenario, which affected customers until 7 May 2015. Together, these scenarios are known as the **Rejected Transactions issue**; and
- 141.3. from 8 May 2015 to 22 September 2020, after the Rejected Transactions issue was resolved by changes to ANZ's systems, in certain circumstances customers did not receive their Offset Benefit in whole or part where a payment was made during an interest cycle which reduced the balance of the loan to zero and was sufficient to pay off some or all of the accrued interest. This is known as the **Accrued Offset Benefit issue**.

Collectively, these issues constitute the **Offset Benefits Issues**.

142. The Offset Benefits Issues impacted all ANZ home and commercial lending products for which Offset Accounts were available over the Offset Relevant Period. **Schedule 5A** identifies the affected home lending products and **Schedule 5B** identifies the affected commercial lending products (**Relevant Offset Products**).

#### **Backdated Transactions issue**

143. The Backdated Transactions issue arose from differences between the operation of ANZ's loan and Offset Account technological sub-systems.
144. ANZ has different sub-systems within its CAP system. The Integrated Loans Processing sub-system (**ILS**) deals with loan accounts. The Integrated Deposit sub-system (**IDS**) and PSO deal with Offset Accounts and the calculation of Offset Benefits, respectively:
  - 144.1. ILS calculates the interest due on the outstanding balance of a loan by recognising transactions which occur on business and non-business days;
  - 144.2. IDS processes transactions (deposits and withdrawals) relating to Offset Accounts which occur on business and non-business days and updates account balances; and
  - 144.3. PSO calculates the applicable Offset Benefit adjustment at the end of each business day using balances drawn from IDS and ILS.

145. The differences in the operation of PSO, IDS and ILS meant that over the Offset Relevant Period:
- 145.1. if a home or business loan customer made a deposit into an Offset Account on a non-business day, the customer's Offset Benefit, until the next business day, continued to be calculated on the basis of the (lower) balance of the Offset Account on the business day prior to the deposit; and
  - 145.2. conversely, if a customer made a withdrawal from their Offset Account on a non-business day, their Offset Benefit continued to be calculated on the basis of the (higher) balance of the Offset Account on the business day prior to the withdrawal. It was more common for customers to make withdrawals on non-business days.
146. There were certain other scenarios where transactions (including interest rate changes) on either a loan account or a linked Offset Account were backdated in the sense that ANZ's sub-systems did not recognise that the effective date of the transaction was prior to the date on which it was posted by ANZ, for the purpose of the Offset Benefit calculations. ANZ addressed those scenarios by updating its Offset Contractual Documents, as described further below at paragraphs 153 to 155. Customers who were adversely impacted by these other scenarios were remediated as part of the remediation described in paragraphs 201 to 207 below.

***Identification of the Backdated Transactions issue***

147. In about October 2010, as a result of work undertaken in the context of MBORP, ANZ became aware of the effect of backdated transactions on Offset Account balances, including that the lack of alignment between PSO, IDS and ILS meant that transactions backdated on one system did not automatically flow through to the others. At this time, ANZ also became aware that an exception report existed that detected instances where manual adjustments were or might be required for backdated transactions (the **Backdated Transactions Exception Report**), and that the report was not, at that time, being used by ANZ to identify and adjust customer entitlements.
148. Between about October and December 2010, ANZ considered implementing an automated solution to address the Backdated Transactions issue as part of MBORP. However, in December 2010, ANZ's understanding, based on analysis of a sample of Backdated Transactions data, was that '99% of transactions worked in the customer's favour, and the impact of the interest calculation was likely to be immaterial'. On that basis ANZ decided that no further action was required. The attendees at the meeting at which this decision was made included senior members of the Home Loans, Compliance and Retail Products teams. At this time, ANZ did not take any further steps to investigate the Backdated Transactions issue or put in place any systems or processes to address it.
149. On two further occasions in 2011 and 2013, ANZ, through MBORP, considered the impact of the Backdated Transactions issue in the context of designing a remediation program for customers whose Offset Accounts were not being

properly linked to an eligible loan (the **Unlinked Offsets Remediation Program**). ANZ's consideration of the matter on these occasions did not lead ANZ to take further steps to prevent the recurrence of the issue. In February 2013, ANZ decided to pay additional remediation in the amount of approximately \$1.80 to each adversely impacted customer in the Unlinked Offsets Remediation Program because of the effect of the Backdated Transactions issue. That amount reflected an estimate of what ANZ understood to be the benefit a customer might have received as a result of backdated transactions that worked in their favour, had their Offset Account been linked to their loan over the period.

150. In about 2014, ANZ engaged an external legal firm to conduct a privileged review of parts of ANZ's systems against certain terms and conditions relating to certain products. ANZ received a report from the privileged review in May 2016, which was prepared for the dominant purpose of ANZ obtaining legal advice. There were further communications involving the Home Lending, technology and/or legal teams referring to backdated transactions, including privileged communications. The Backdated Transactions issues were identified in or about May 2016. ANZ then undertook further investigations into the matter for the dominant purpose of obtaining legal advice.
151. On 16 October 2017, ANZ notified ASIC of the matter in writing as a breach required to be reported under s 912D of the Corporations Act.

***Fixes for the Backdated Transactions issue***

152. ANZ has implemented two changes to address the Backdated Transactions issue:
  - 152.1. an update to the Offset Terms and Conditions; and
  - 152.2. a system change designed to prevent recurrence of the issue.

***Offset Terms and Conditions update***

153. The update to the Offset Terms and Conditions took effect from 1 July 2019 for new customers and from 2 September 2019 for existing customers. Thereafter and until 2 June 2020, the relevant systems continued to calculate a customer's offset amount in the same manner described in paragraph 145.
154. The update to the Offset Terms and Conditions stated:

You should note that, for the purposes of calculating the offset amount for any given day, a transaction will be treated as effective on the date on which it is processed to your ANZ Home Loan Offset account or your linked ANZ loan, as applicable, unless we determine otherwise.
155. ANZ notified existing customers of its update to the Offset Terms and Conditions by issuing updated Offset Contractual Documents between May and July 2019.

### *System change*

156. In about March 2018, ANZ commenced designing the system change to address the Backdated Transactions issue. In May 2019 and August 2019, ANZ rolled out two pilot programs to test the system change on 20 staff accounts and 2,500 external customer accounts.
157. On 2 June 2020, ANZ implemented the system change for the Backdated Transactions issue across all customer cohorts. The system change enhanced PSO so that any backdated transaction on an offset or loan account is reviewed on the next business day to determine whether the Offset Benefit applied to a customer's loan account needs to be adjusted. Following this review, an interest adjustment is generated for the transaction to ensure that, at the next interest charge date, any interest charged accurately reflects the full amount of the customer's Offset Benefit. In parallel, ANZ implemented an exception report on 2 June 2020 to monitor the system change and verify that it is working as intended. The exception report has identified one possible case related to backdated transactions in the six months prior to the date of this SAFA, which resulted in \$1.82 being remediated to the customer. A system enhancement has been made to cater for this scenario.

### **Rejected Transactions issue**

158. The Rejected Transactions issue was identified by ANZ in May 2016 and arose from differences in the processing patterns within ILS and PSO over the Offset Relevant Period, which resulted in customer Offset Benefits being 'rejected' and not offsetting interest on the linked loan account for a particular interest cycle. This arose in two scenarios, known as 'Transaction Amount Invalid' and 'Loan Balance is Zero'. ANZ notified ASIC of the matter in writing on 16 October 2017 as a breach required to be reported under s 912D of the Corporations Act.

### ***Transaction Amount Invalid***

159. Prior to 8 May 2015, the Transaction Amount Invalid issue arose in certain circumstances where a customer's Offset Benefit was greater than or equal to the amount of the calculated interest on their loan for the relevant interest cycle period. This principally arose where all of the following features were present:
- 159.1. the monthly interest on a loan was due to be charged on a business day following a weekend or public holiday;
  - 159.2. a customer made a loan repayment on a non-business day before the loan interest was charged; and
  - 159.3. the loan balance was either fully offset by the balance in the Offset Account or the Offset Benefit exceeded the calculated interest on the loan after the repayment was taken into account.
160. The Transaction Amount Invalid issue may arise in other circumstances and ANZ has remediated all customers identified in a rejected transactions report



produced by its CAP system. The additional Transaction Amount Invalid scenarios which ANZ has identified are where a customer's Offset Benefit was greater than or equal to the amount of the calculated interest on the customer's loan:

- 160.1. due to a backdated credit transaction to a loan account, including a loan payment or repayment;
  - 160.2. due to a backdated interest rate change or backdated interest adjustment which affected the amount of interest accrued to a customer's account; or
  - 160.3. in circumstances where the loan balance was reduced to zero due to a payment and then increased to a positive balance during the same interest cycle.
161. Under all of these circumstances, the full amount of the Offset Benefit adjustment was rejected by ANZ's systems and no Offset Benefit adjustment was applied to the loan for that interest cycle. This issue was addressed by the system change described in paragraph 164 below.
162. Prior to 9 May 2015, where a home or business loan account with a linked Offset Account was affected by the Transaction Amount Invalid issue, there was a process in place for an ANZ staff member to check an automatically generated rejected transaction report and manually apply an interest adjustment to a customer's loan account to ensure they received their full Offset Benefit. In approximately 87% of instances across the remediation period for the Transaction Amount Invalid issue, this process resulted in ANZ identifying and applying an interest adjustment equal to the interest charged in error. The average amount refunded to these customers when the adjustment was applied is estimated to have been \$482.39. There was no equivalent process in place for the Loan Balance is Zero scenario.

***Loan Balance is Zero***

163. Prior to 18 August 2015, the Loan Balance is Zero issue arose where a customer paid down to zero a home or business loan balance during the course of an interest cycle but did not close the loan account. Where this occurred, ILS would check for a loan balance prior to applying the customer's Offset Benefit and, because the loan balance was zero, ILS would not apply the Offset Benefit to the accrued interest for the part of the month prior to the date the loan was paid down to zero, which was then capitalised to the loan at the end of the interest cycle.

***System changes***

164. On 8 May 2015, a system change was implemented as part of an initiative to automate the interest offset accrual process on loan products to improve the accuracy and integrity of the monthly interest accrual reported in ANZ's general ledger. As a result of this system change, transactions were no longer rejected after that date in the Transaction Amount Invalid scenario.

165. On 18 August 2015, ANZ implemented a further system change to address issues with the May 2015 system change referred to in paragraph 164 above by removing a loan balance check. As part of the August 2015 system change, ILS was updated and no longer checked for a loan balance prior to applying an Offset Benefit adjustment. This change meant that, from that date, transactions were no longer rejected in the Loan Balance is Zero scenario.
166. While ANZ's system changes had the effect of addressing the Rejected Transactions issue, ANZ was not aware of the issue at the time and the system changes were not addressed to correcting that issue. As noted above in paragraph 158, the Rejected Transactions issue was identified in May 2016, approximately a year after the system change in relation to the Transaction Amount Invalid scenario took effect. Following ANZ's system changes, a proportion of customers did not receive their Offset Benefit or full Offset Benefit in a scenario known as the Accrued Offset Benefits issue, as described from paragraph 168 below.
167. In about 2018, ANZ conducted an investigation that concluded that there had been no recurrence of Transaction Amount Invalid and Loan Balance is Zero errors following the system changes referred to in paragraphs 164 and 165 above.

#### **Accrued Offset Benefit issue**

168. The system changes described in paragraphs 164 and 165 above meant that Offset Benefits were no longer entirely rejected in the Transaction Amount Invalid and Loan Balance is Zero scenarios and were no longer reported in ANZ's report on the Rejected Transactions issue. However, following those system changes, customers still did not receive all or part of their Offset Benefits in specific scenarios where interest was capitalised to a loan out of the ordinary interest cycle for the account. The scenarios were:
- 168.1. where a customer made a payment that was sufficient to both pay down the loan in full and pay some, but not all, of the accrued interest on the loan mid-cycle (in which case, interest was capitalised out of cycle to the extent of the part payment); and
- 168.2. where a customer made a payment that was sufficient to both pay down the loan and the accrued interest in full.
169. In those scenarios, ANZ's CAP system did not apply the Offset Benefit when interest was capitalised to the loan out of cycle. At the end of the interest cycle, the Offset Benefit was only applied to any accrued interest that remained unpaid. The customer therefore did not receive some (for the scenario in paragraph 168.1 above) or all (for the scenario in paragraph 168.2 above) of the Offset Benefit to which they were entitled for that interest cycle. The balance of the Accrued Offset Benefit was not applied or otherwise credited back to customers, even though these customers would have received an Offset Benefit equal to the full Accrued Offset Benefit (up to the amount of accrued interest prior to partial payment), had no payment been made mid-cycle. These scenarios principally

arose where the customer made the payment without the assistance of ANZ staff.

170. Additionally, a proportion of customers did not receive the Offset Benefit to which they were entitled as a result of errors that arose when ANZ staff manually processed loan renewals, payouts and other processes using the same CAP systems. Some customers who contacted ANZ to arrange the payout or renewal of their loan did not receive their full Offset Benefit if an ANZ staff member did not follow the correct procedural steps when renewing a loan or assisting a customer to pay out a loan. In these circumstances, ANZ's systems and processes either did not automatically apply the correct Accrued Offset Benefit or did not prevent or correct a staff member's failure to apply the correct Accrued Offset Benefit.
171. Following the system change described in paragraph 164, from 8 May 2015 to 18 August 2015, the Accrued Offset Benefit issue only arose where the customer's loan account had a non-zero balance at the end of the interest cycle.<sup>24</sup> Where the account had a zero balance, the entire Offset Benefit was rejected (by reason of the Loan Balance is Zero issue). Those cases form part of the Rejected Transactions issue described above in paragraphs 158 to 163 above.
172. Following the system change described in paragraph 165, from 18 August 2015, the Accrued Offset Benefit issue also arose where the customer's loan account had a zero balance at the end of the interest cycle. This meant that instead of the entire Offset Benefit being rejected by reason of the zero balance, the Offset Benefit would not be applied to the extent the accrued interest had been paid by the customer mid-cycle (as part of a payment that paid the loan balance down to zero).

#### **Identification**

173. ANZ's system testing in relation to the changes to CAP in May and August 2015 did not identify the Accrued Offset Benefit issue.
174. The testing in relation to the May 2015 system change involved verifying that offset transactions were no longer rejected by the ILS sub-system where the value of the Offset Benefit exceeded the amount of interest accrued on a customer's loan. The testing in relation to the August 2015 system change was undertaken to confirm that the change would have its intended effect; that is, that offset transactions would no longer be rejected by the ILS sub-system where the loan balance was zero at the end of an interest cycle. This testing was limited in scope and was focused on verifying that transactions would be correctly reflected in the CAP general ledger. The testing was not capable of identifying the Accrued Offset Benefit issue, which had arisen by this time.
175. Between June 2016 and October 2019, ANZ received six customer complaints in relation to the incorrect application of Offset Benefits. ANZ did not conduct further

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<sup>24</sup> Prior to May 2015, the entire Offset Benefit was rejected for Transaction Amount Invalid in this scenario, and forms part of the Rejected Transactions issue described above at paragraphs 159 to 162 above.

investigations to determine whether the issue was possibly systemic or whether other customer accounts had been adversely affected.

176. As noted at paragraph 167 above, in about 2018, ANZ undertook an investigation to confirm the effectiveness of the system changes that had been implemented to address the Rejected Transactions issue. The investigation was not designed for the purpose of, and did not identify the Accrued Offset Benefit issue. ANZ identified the Accrued Offset Benefit issue following an increase in the number of imbalances in CAP's accounting general ledger, which was first observed on about 19 February 2019 by an ANZ employee in the context of routine general ledger checks. The increase in general ledger imbalances was caused by a change in system parameters, unrelated to Offset Benefits, which ANZ implemented around that time. Before the parameter change, the occurrence of the Accrued Offset Benefit issue would not have been expected to cause a general ledger imbalance. The issue was raised with ANZ's technology team and work was undertaken between February and April 2019 to understand the cause of the general ledger imbalances and to develop a solution to address them.
177. Between April 2019 and November 2019, ANZ undertook further investigation into the Accrued Offset Benefit issue to understand its cause and potential customer impact. On 15 July 2019 an event was raised in ANZ's Compliance and Operational Risk System regarding the Accrued Offset Benefit issue and, on 16 October 2019, a further event was raised to address the issue as it related to business loans.
178. ANZ notified ASIC of the Accrued Offset Benefit issue in writing on 15 November 2019 as a breach required to be reported under s 912D of the Corporations Act.

***Fixes for the Accrued Offset Benefit issue***

*Interim solution*

179. Between November 2019 and February 2020, ANZ designed an exception report that could be used as part of an interim solution for the Accrued Offset Benefit issue. The exception report used CAP data to identify and reimburse to customers the amount of any unapplied Offset Benefit. The exception report was reliant on the implementation of a fix for the Backdated Transactions issue and could not be operationalised until that fix was implemented (which ANZ then anticipated would occur in February 2020 but which ultimately occurred in June 2020).
180. Following a pilot in August 2020 and a rollout to retail customers on 2 September 2020, on 23 September 2020 ANZ implemented the interim solution. The relevant exception report was initially run weekly to detect new instances of the Accrued Offset Benefit issue and to enable the manual processing of a reimbursement of any overcharged interest within a period of approximately one week.<sup>25</sup> The

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<sup>25</sup> Prior to 9 April 2021, 73 affected customers were unable to be refunded by the interim solution where they had closed their offset account prior to the weekly exception report being run. Following 9 April 2021, the interim solution has reimbursed all unprocessed Offset Benefits.

exception report is now run fortnightly as a check that no further Accrued Offset Benefit issues have occurred.

181. Through this interim solution, as at 24 August 2021, ANZ has made payments (including by electronic transfer and sending cheques) refunding \$266,938.49 to 3,546 customer accounts that were impacted by the Accrued Offset Benefit issue prior to implementation of the final system change on 18 June 2021.<sup>26</sup>

#### *System solution*

182. ANZ has also implemented changes to the coding of CAP so that the Offset Benefit will be applied to accrued interest in both loan payout and renewal scenarios. This system solution was implemented for loan renewals on 30 October 2020 and 4 December 2020.
183. The system solution implemented on 30 October 2020 enhanced CAP so that it automatically applied the Offset Benefit where a loan was renewed and given a new account number. This had the effect of reducing occurrences of the Accrued Offset Benefit issue where staff failed to apply all or some of the Offset Benefit in this scenario.
184. The system solution implemented on 4 December 2020 fixed an issue that arose from the implementation of the system change to address the Backdated Transactions issue. This system solution also addressed the remaining occurrences of the Accrued Offset Benefit issue, which arose when ANZ staff failed to manually apply all or some of the Offset Benefit to accrued interest on a loan prior to renewing the loan (regardless of whether the renewal involved the provision of a new account number).
185. The system solution was implemented for loan payout scenarios on 18 June 2021 and took effect on 19 June 2021. This fix addressed the manual errors described in paragraph 170 above by automating the application of Offset Benefits through CAP in certain circumstances (such that manual errors were minimised) and by preventing ANZ staff from completing manual processes in CAP until an Offset Benefit had been fully applied.
186. Since the implementation of the June 2021 system change, the exception report has detected seven instances where a customer has not received the correct Offset Benefit in an infrequent scenario where: (1) the customer pays out their loan on a non-business day; and (2) the customer's Offset Account needs to be de-linked from their loan and the customer's Offset Benefit is manually applied the next business day as part of this process. In this scenario, as the result of how ANZ's systems interact and process payments, the customer's Offset Benefit is manually applied after interest has already capitalised to the loan and,

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<sup>26</sup> These figures include refunds of: (a) a total of \$18,356.84 paid to 220 customers who appeared on exception reports that were run after the final system change was implemented and who received the relevant payment/renewal prior to the final system change but whose relevant interest cycle ended after that date; and (b) a total of \$942.24 paid to 33 customers that were in fact false positives but were refunded on the basis of the exception report in the interests of efficiency, and were later identified as not having been affected by the Accrued Offset Benefit issue.

as such, the interest is not reduced by the customer's applicable Offset Benefit. Customers affected by this scenario are identified via the exception report and refunded within a short time. As at 16 November 2021, seven customers have been affected by this scenario and refunded a total amount of \$806.25 via the interim solution.<sup>27</sup> ANZ has informed ASIC that it will continue to use the interim solution to monitor the system changes and verify that they are working as intended. ANZ intends to remediate all adversely impacted customers identified through the interim solution, regardless of the cause of the overcharging.

### **Offset system and process errors**

187. Over the Offset Relevant Period (including the Offset Penalty Period), ANZ failed to apply Offset Benefits to Relevant Offset Products held by adversely impacted Offset Customers, as required by the Offset Terms and Conditions. As a result, ANZ charged adversely impacted Offset Customers interest on loan accounts at rates higher than those it was entitled to charge pursuant to the Offset Terms and Conditions as they existed from time to time. The remediation amounts paid by ANZ to impacted Offset Customers are set out in the table in paragraph 19.

188. These errors arose out of ANZ's failure over the Offset Relevant Period to:

188.1. maintain adequate systems and processes to apply Offset Benefits to adversely impacted Offset Customers; and

188.2. conduct adequate monitoring or analysis of its systems and processes to identify in a timely way instances of adversely impacted Offset Customers not receiving Offset Benefits.

189. In particular, in relation to:

189.1. the Backdated Transactions issue:

189.1.1. from at least 2010, ANZ knew that backdated transactions were not automatically processed and that a Backdated Transactions Exception Report existed but was not being used to adjust a customer's Offset Benefit to reflect the effective date of transactions;

189.1.2. ANZ did not take action to refund adversely impacted customers based on the information generated by its Backdated Transactions Exception Report or, after identifying that ANZ staff were not acting on the report, implement any other process to identify and address backdated transactions that resulted in customers not receiving the full extent of their Offset Benefits;

189.1.3. ANZ did not identify the issue until May 2016; and

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<sup>27</sup> This amount is not included in the figure in paragraph 181 above.

189.1.4. ANZ did not introduce a change to the Offset Terms and Conditions to address the Backdated Transactions issue until July 2019 for new customers and September 2019 for existing customers, and did not implement a system change to prevent the recurrence of the Backdated Transactions issue until June 2020;

189.2. the Rejected Transactions issue:

189.2.1. in approximately 13% of cases from 2008 onwards, ANZ did not have a fully effective process for identifying and refunding Offset Customers who were affected by the Transaction Amount Invalid scenario;

189.2.2. ANZ did not have any process to identify instances where Offset Customers were affected by the Loan Balance is Zero scenario;

189.2.3. ANZ's system changes in May 2015 and August 2015 that had the effect of resolving the Rejected Transactions issue also resulted in a proportion of Offset Customers continuing not to receive Offset Benefits as a result of the Accrued Offset Benefit issue; and

189.2.4. ANZ did not identify the issue until May 2016;

189.3. both the Backdated Transactions and Rejected Transactions issues:

189.3.1. since the mid-1990s, ANZ's systems did not always correctly administer Offset Benefits;

189.3.2. in the period between July 2009 and 2014, ANZ did not undertake any audits or reviews to identify whether ANZ's sub-systems were operating together properly to apply Offset Benefits to Offset Customers in accordance with the Offset Terms and Conditions; and

189.3.3. it would have been difficult for customers to identify that they had been overcharged interest in circumstances where the calculation of Offset Benefits is technical and customers typically rely on their institutions to correctly calculate and apply the benefit each month;

189.4. the Accrued Offset Benefits issue:

189.4.1. ANZ did not undertake any testing of the system changes implemented in May 2015 and August 2015 that could have identified the Accrued Offset Benefit issue at the time it arose in May 2015, or shortly thereafter; and

189.4.2. ANZ did not identify the issue until 2019.

## Representations

190. During the Offset Relevant Period:

190.1. on each occasion that ANZ issued the Offset Contractual Documents to a customer who opened an Offset Account and who subsequently did not receive Offset Benefits to which the customer was entitled under the Offset Contractual Documents; and

190.2. on the first occasion during the Offset Penalty Period that ANZ sent an updated version of the Offset Contractual Documents to an Offset Customer who was an existing Offset Customer at the start of the Offset Penalty Period and who subsequently did not receive Offset Benefits,

ANZ made implied representations that it had, and would continue to have, adequate systems and processes to administer Offset Benefits on Relevant Offset Products (as applicable) in accordance with the Offset Contractual Documents (collectively, **Offset Representations**), being 183,728<sup>28</sup> occasions during the Offset Relevant Period and 84,407 occasions during the Offset Penalty Period.

## Admissions

191. The Relevant Offset Products were each a financial product within the meaning of s 12BAA of the ASIC Act. The Offset Benefits were each a financial service within the meaning of s 12BAB(1)(g) of the ASIC Act.

192. The Offset Representations were made in trade or commerce in connection with the supply of financial services, within the meaning of s 12DB(1) of the ASIC Act and s 12DA(1) of the ASIC Act.

193. The Offset Representations were each implied representations that services had benefits within the meaning of s 12DB(1)(e) of the ASIC Act.

194. Further to the matters referred to in paragraphs 188 to 189 above, the Offset Representations were false or misleading within the meaning of s 12DB(1)(e) of the ASIC Act and misleading or deceptive within the meaning of s 12DA(1) of the ASIC Act.

195. The Offset Representations each made implied representations with respect to a future matter within the meaning of s 12BB(1) of the ASIC Act. They were misleading, within the meaning of s 12BB(1) of the ASIC Act, in that, by no later than the commencement of the Offset Penalty Period, and further to the matters referred to in paragraphs 188 to 189 above, ANZ did not have reasonable grounds for making the representations.

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<sup>28</sup> This number has been calculated by combining the number of impacted accounts across the Rejected Transactions, Backdated Transactions and Accrued Offset Benefit issues. The same account may have been impacted in multiple ways and time periods and been counted multiple times as a result.



196. By making each Offset Representation, ANZ:
- 196.1. made a false and/or misleading representation in contravention of s 12DB(1)(e) of the ASIC Act; and
  - 196.2. engaged in misleading or deceptive conduct, or conduct that was likely to mislead or deceive, in contravention of s 12DA(1) of the ASIC Act.
197. On each occasion that ANZ contravened s 12DA(1) of the ASIC Act and on each occasion that ANZ contravened s 12DB(1)(e) of the ASIC Act, as set out above at paragraph 196, ANZ breached its general obligation to comply with financial services laws in contravention of s 912A(1)(c) of the Corporations Act.
198. On each occasion that ANZ contravened s 12DA(1) of the ASIC Act and on each occasion that ANZ contravened s 12DB(1)(e) of the ASIC Act, as set out above at paragraph 196, ANZ breached its general obligation to comply with credit legislation in contravention of s 47(1)(d) of the NCCP Act.
199. By its conduct in:
- 199.1. failing to maintain adequate systems and processes to apply Offset Benefits to adversely impacted Offset Customer accounts; and
  - 199.2. failing to conduct adequate monitoring or analysis of its systems and processes and therefore not identifying in a timely way instances of adversely impacted Offset Customers not receiving Offset Benefits,
- ANZ breached:
- 199.3. its obligation to do all things necessary to ensure that the financial services covered by its financial services licence were provided efficiently, honestly and fairly, and thereby contravened s 912A(1)(a) of the Corporations Act; and
  - 199.4. its obligation to do all things necessary to ensure that the credit activities authorised by its Australian credit licence were engaged in efficiently, honestly and fairly, and thereby contravened s 47(1)(a) of the NCCP Act.

### **Remediation of the Offset Benefit Issues**

200. ANZ conducted separate remediation programs in relation to the Backdated Transactions, Rejected Transactions and Accrued Offset Benefit issues. ANZ has paid remediation to customers affected by Offset Benefits Issues in tranches. ANZ's practice is to notify customers of the issue at or around the time they receive their remediation payment. Each remediation program is described in further detail below.

### **Remediation of the Backdated Transactions issue**

201. ANZ remediated customers impacted by the Backdated Transactions issue between 30 March 2009 and 1 September 2019, unless a customer's account was closed between 30 March 2009 and 30 June 2009 (inclusive). ANZ set the end date of the remediation period as 1 September 2019, on the basis that the updated Offset Terms and Conditions became effective for existing customers on 2 September 2019, as described above.
202. ANZ has not identified data which would enable the remediation of impacted customers prior to 30 March 2009. As a result, customers who were impacted by the Backdated Transactions issue from the mid-1990s to 29 March 2009, and who did not receive Offset Benefits as a result, have not been (and cannot be) remediated for backdated transactions occurring during that period, and ANZ is unable to identify such customers or estimate the extent of loss to such customers.
203. In about February 2019, ANZ began determining a proposed remediation scope. ANZ commenced remediation of the first cohort of customers impacted by the Backdated Transactions issue in about June 2020.
204. ANZ estimates that approximately 964,000 customer accounts were potentially affected by the Backdated Transactions issue between 30 March 2009 and 1 September 2019. Of those 964,000 accounts, 134,671 accounts did not have Offset Benefits applied in circumstances where they should have been applied.<sup>29</sup> The remaining approximately 829,000 accounts were impacted by the Backdated Transactions issue in a favourable or neutral way, as in the case of accounts falling within the scenario set out in paragraph 145.2 above.
205. On 31 August 2021, ANZ completed remediating the last tranche of customers impacted by the Backdated Transactions issue.
206. ANZ has made payments (including by electronic transfer and sending cheques) totalling \$4,158,320.43 including compensation reflecting TVM to 134,671 adversely impacted accounts.
207. Of the amounts remediated as at 26 August 2021:
  - 207.1. \$18,977.83 has been paid to charity in respect of 13,921 accounts, comprising:
    - 207.1.1. 13,900 accounts where the customer no longer had an open, eligible ANZ account and the remediation amount was less than \$5.00;
    - 207.1.2. 21 former customer accounts where ANZ was unable to locate an address of the customer, executor or administrator to which a

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<sup>29</sup> There were 67 accounts which were remediated in both the second and third cohort(s) of the Backdated Transactions remediation.

cheque could be sent based on ANZ's records and/or inquiries of an external address validation agency; and

207.2. \$20,413.84 has been or will be paid to ASIC's Unclaimed Money in respect of 329 accounts for deregistered companies.

***Remediation of the Rejected Transactions issue***

208. ANZ has remediated customers affected by the Rejected Transactions issue in the seven years prior to the effective date of the two system changes that prevented the recurrence of the two components of the issue (described at paragraphs 164 and 165). ANZ identified this period having regard to ANZ's record-keeping obligations under the Corporations Act and ASIC's Regulatory Guide 256.
209. Based on this remediation scope, ANZ has remediated customer accounts adversely affected by the Rejected Transactions issue:
- 209.1. between 1 May 2008 and 8 May 2015 for the Transaction Amount Invalid scenario; and
- 209.2. between 1 August 2008 and 18 August 2015 for the Loan Balance is Zero scenario.
210. ANZ has not identified data that can be used to identify customers adversely impacted by the Rejected Transactions issue prior to 19 September 2003. As a result, ANZ is unable to estimate the extent of loss to customers who were impacted by the Rejected Transactions issue in the period from the mid-1990s to 19 September 2003.
211. As described above, ANZ paid remediation to customers affected by the Rejected Transactions issue in tranches. Between February 2018 and April 2018, ANZ commenced determining the scope of the remediation program for customers adversely affected by the Rejected Transactions issue. In November 2018, ANZ commenced remediation to the first cohort of adversely affected customers. On 29 July 2020, ANZ completed its remediation for those affected customers within the scope of ANZ's remediation program.
212. ANZ has made payments (including by electronic transfer and sending cheques) totalling \$5,121,588.11 to 32,999 customer accounts adversely affected by the Rejected Transactions issue over the periods described above at paragraph 209.<sup>30</sup>
213. As at 26 August 2021, \$91,731.36 had been paid to charity in respect of 4,330 accounts including where:

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<sup>30</sup> There were 426 accounts which were remediated in both the original cohort(s) of the Rejected Transactions remediation and the further cohort of customers remediated in 2020.

213.1. the customer did not have an open, eligible ANZ account and the remediation amount was less than \$5.00;<sup>31</sup>

213.2. ANZ has been unable to locate an address of the customer, executor or administrator to which a cheque could be sent based on ANZ's records and/or inquiries of an external address validation agency; or

213.3. where a cheque sent by ANZ has been unrepresented after at least 15 months and the remediation amount is less than \$500.

214. As at 26 August 2021, \$164,957.55 has been paid to ASIC's Unclaimed Money in respect of 146 accounts for deregistered companies and accounts where cheques sent by ANZ have been unrepresented after at least 15 months and the remediation amount is at least \$500.

#### ***Remediation of the Accrued Offset Benefits issue***

215. ANZ paid remediation to customers affected by the Accrued Offset Benefits issue in tranches. In around March 2020, ANZ commenced determining the scope of the remediation program for customers adversely affected by the Accrued Offset Benefits issue. In September 2020, ANZ paid remediation to the first cohort of adversely affected customers. ANZ completed the final remediation payment run on 30 July 2021.

216. Overall, ANZ has made payments (including by electronic transfer and sending cheques) totalling \$2,593,130.07, including compensation reflecting TVM, to 16,058 customer accounts. These values do not include amounts paid into customer accounts as reimbursements under the interim solution (as referred to in paragraph 181 above).

217. ANZ has also paid money to charity in respect of 1,128 accounts in the amount of \$85,064.39, where it has been unable to pay those accounts because:

217.1. in relation to accounts owned by a former customer, ANZ has been unable to locate an address of the customer, executor or administrator to which a cheque could be sent based on ANZ's records and/or inquiries of an external address validation agency; or

217.2. the customer did not have an open, eligible ANZ account and the remediation amount was less than \$5.00.

218. ANZ has also paid \$11,887.29 as Unclaimed Money to ASIC in respect of 14 accounts.

#### **Customer detriment resulting from conduct**

219. As a result of the matters referred to above, Offset Customers holding 183,728 accounts were detrimentally affected in that they were charged interest on loans

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<sup>31</sup> For customers remediated prior to September 2019, payment was made to charity in these circumstances where the remediation amount was less than \$15.00.

in circumstances where they should not have been because of their entitlement to Offset Benefits. ANZ charged \$9,017,326 in interest in error to a total of 183,728 Offset Customer accounts, and has remediated these customers a total of \$11,873,038.61, inclusive of interest and compensation reflecting TVM. As stated at paragraphs 207, 213 to 214 and 217 to 218 above, some adversely affected Offset Customers were not remediated because ANZ was unable to identify the customer's current contact details.

220. During the Offset Penalty Period, Offset Customers holding 82,542<sup>32</sup> accounts were detrimentally affected in that they were charged a total of \$3,153,814.11<sup>33</sup> in interest that they should not have been charged because of their entitlement to Offset Benefits.

221. The Offset Customers incurred financial loss (up until the date they were remediated) as a result of the contravening conduct because they did not have the benefit of the funds for which they were incorrectly charged.

## **PART V RELIEF**

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222. ANZ and ASIC jointly seek the declarations and orders set out in the accompanying Originating Process. The parties jointly submit that a penalty totalling \$25 million payable by ANZ is an appropriate penalty for the admitted contraventions.

Date: 8 December 2021



Jody Marshall AGS lawyer  
for and on behalf of the Australian Government Solicitor  
Lawyer for the Plaintiff



Mark Bradley, Ashurst  
Lawyer for the Defendant

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<sup>32</sup> See footnote 9. This figure will be updated prior to the hearing of this matter.

<sup>33</sup> See footnote 9. This figure will be updated prior to the hearing of this matter.

## Schedule 1 – Breakfree Representations as identified in the Breakfree Contractual Documents

**Legend:**

Blue underlined text – Document was amended to include this text

~~Red strikethrough text~~ – Document was amended to remove this text

No change = Document remained the same in the next version

Date	Relevant extract
Feb 2003 <sup>34</sup>	<p><b>18 ANZ Breakfree Benefits</b></p> <p>Your ANZ Breakfree Benefits are as follows.</p> <p><b>18.1 Customer Service</b></p> <p>ANZ will provide you with:</p> <p>...</p> <ul style="list-style-type: none"> <li>• an annual obligation free financial ‘check-up’ by your ANZ Manager, where you request it.</li> </ul> <p><b>18.2 Mandatory Mortgage Lending Accounts</b></p> <p><i>Interest Rate Discounts</i></p> <p>ANZ Breakfree interest rate discounts are not available in conjunction with any other ANZ special offer or interest rate discount.</p> <p>Subject to the ‘Interest Rate Exception’ set out below, ANZ will charge interest on any Mandatory Mortgage Lending Account that is an ANZ Standard Variable Rate Home Loan, ANZ Standard Variable Rate Residential Investment Loan, Equity Manager facility or Home Equity Loan:</p> <ol style="list-style-type: none"> <li>1. of individual loan size amounts between \$150,000 and \$249,999 at an annual interest rate that is ANZ’s indicator rate for the applicable type of loan less a margin of up to 0.50% p.a. (as agreed with ANZ)</li> <li>2. of individual loan size amounts of \$250,000 or more at an annual interest rate that is ANZ’s indicator rate for the applicable type of loan less a margin of up to 0.60% p.a. (as agreed with ANZ) <ul style="list-style-type: none"> <li>– on and from the day you become an ANZ Breakfree Package Holder if the account is nominated as a Mandatory Mortgage Lending Account in accordance with clause 3</li> <li>– on and from the day the account becomes a Mandatory Mortgage Lending Account under clause 4.</li> </ul> </li> </ol> <p>...</p>

<sup>34</sup> The Breakfree package was first launched in March 2003, however, the Breakfree Terms and Conditions were first issued in February 2003. February 2003 is used in Schedules 1 to 3 as the relevant start date for consistency with that document.

Date	Relevant extract
	<p data-bbox="421 274 981 300"><i>ANZ loan products ineligible for Rate Discounts</i></p> <p data-bbox="421 316 1406 341">The following products are excluded from the interest rate discounts detailed above:</p> <ul data-bbox="421 357 1034 584" style="list-style-type: none"> <li data-bbox="421 357 833 383">• ANZ Money Saver Home Loans</li> <li data-bbox="421 395 1034 421">• ANZ Money Saver Residential Investment Loans</li> <li data-bbox="421 434 801 459">• ANZ Easy Start Home Loans</li> <li data-bbox="421 472 999 497">• ANZ Easy Start Residential Investment Loans</li> <li data-bbox="421 510 806 536">• ANZ Fixed Rate Home Loans</li> <li data-bbox="421 549 1003 574">• ANZ Fixed Rate Residential Investment Loans</li> </ul> <p data-bbox="421 596 645 622"><i>Loan Approval Fee</i></p> <p data-bbox="421 638 1671 663">ANZ will not charge a Loan Approval Fee on any of your Mandatory Mortgage Lending Accounts provided:</p> <ul data-bbox="421 679 2007 810" style="list-style-type: none"> <li data-bbox="421 679 1984 737">• the account is nominated as a Mandatory Mortgage Lending Account in accordance with clause 3 and the fee becomes due on or after you become an ANZ Breakfree Package Holder</li> <li data-bbox="421 750 2007 807">• the account becomes a Mandatory Mortgage Lending Account in accordance with clause 4 and the fee becomes due on or after the account becomes a Mandatory Mortgage Lending Account.</li> </ul> <p data-bbox="421 826 752 852"><i>Loan Administration Charge</i></p> <p data-bbox="421 868 2033 925">If any of your Mandatory Mortgage Lending Accounts is a Money Saver Home Loan or a Money Saver Residential Investment Loan, ANZ will not charge the Loan Administration Charge, provided:</p> <ul data-bbox="421 941 2024 1072" style="list-style-type: none"> <li data-bbox="421 941 2024 999">• the facility is nominated as a Mandatory Mortgage Lending Account in accordance with clause 3 and the fee becomes due on or after you become an ANZ Breakfree Package Holder</li> <li data-bbox="421 1011 1989 1069">• the facility becomes a Mandatory Mortgage Lending Account in accordance with clause 4 and the fee becomes due on or after the facility becomes a Mandatory Mortgage Lending Account.</li> </ul> <p data-bbox="421 1088 636 1114"><i>Credit Facility Fee</i></p> <p data-bbox="421 1129 1966 1187">If any of your Mandatory Mortgage Lending Accounts is an ANZ Equity Manager facility, ANZ will not charge the Credit Facility Fee, provided:</p> <ul data-bbox="421 1203 2024 1334" style="list-style-type: none"> <li data-bbox="421 1203 2024 1260">• the facility is nominated as a Mandatory Mortgage Lending Account in accordance with clause 3 and the fee becomes due on or after you become an ANZ Breakfree Package Holder</li> <li data-bbox="421 1273 1989 1331">• the facility becomes a Mandatory Mortgage Lending Account in accordance with clause 4 and the fee becomes due on or after the facility becomes a Mandatory Mortgage Lending Account.</li> </ul>

Date	Relevant extract
	<p>...</p> <p><i>Renegotiation Fees – housing loans converting or renegotiating</i></p> <p>The Renegotiation Fee will be waived once per package per annum for any of your Mandatory Mortgage Lending Accounts if the account becomes a Mandatory Mortgage Lending Account in accordance with clause 3 or 4, and the Renegotiation Fee becomes due within 12 months of this, and/or within each subsequent 12 month period.</p> <p>A loan renegotiation includes any of the following on a Mandatory Mortgage Lending Account:</p> <ul style="list-style-type: none"> <li>• requests for an increase in lending (this includes requests to increase an existing loan or requests for a Supplementary Home Loan or Supplementary Residential Investment Loan)</li> <li>• requests to split or restructure a loan</li> <li>• requests to change the security or borrowers</li> <li>• requests to convert or change loan product type</li> <li>• requests to consolidate loans or restructure lending arrangements</li> <li>• requests to extend or convert to an interest only period or fixed rate term</li> </ul> <p>...</p> <p><b>18.3 Mandatory Transaction Account</b></p> <p><i>Fee waiver on ANZ Access Advantage Accounts</i></p> <p>ANZ will not charge any monthly account servicing fee under your Mandatory Transaction account that is an ANZ Access Advantage account:</p> <ul style="list-style-type: none"> <li>• nominated as the Mandatory Transaction Account in accordance with clause 3 if the fee becomes due on or after the day you become an ANZ Breakfree Package holder</li> <li>• that becomes the Mandatory Transaction Account in accordance with clause 4 if the fee becomes due on or after the day that the account becomes your Mandatory Transaction Account.</li> </ul> <p><i>Fee waiver on ANZ One Accounts</i></p> <p>ANZ will not charge any monthly account servicing fee under your Mandatory Transaction account that is an ANZ One account:</p> <ul style="list-style-type: none"> <li>• nominated as the Mandatory Transaction Account in accordance with clause 3 if the fee becomes due on or after the day you become an ANZ Breakfree Package holder</li> <li>• the account becomes the Mandatory Transaction Account in accordance with clause 4 if the fee becomes due on or after the day that the account becomes your Mandatory Transaction Account.</li> </ul>



Date	Relevant extract
	<p><b>18.4 Mandatory Gold Credit Card Accounts</b></p> <p>ANZ will waive the Annual Account Fee:</p> <ul style="list-style-type: none"> <li>• under your Mandatory Gold Credit Card Account nominated in accordance with clause 3 if the fee becomes due on or after you become an ANZ Breakfree Package holder; or</li> <li>• under any Gold Credit Card Account that becomes your Mandatory Gold Credit Card Account in accordance with clause 4 if the fee becomes due on or after the account becomes your Mandatory Gold Credit Card Account.</li> </ul> <p>ANZ will credit your Mandatory Gold Credit Card Account with a proportionate rebate of an Annual Account Fee that you paid before becoming an ANZ Breakfree Package Holder. This rebate will refer to the period following you becoming an ANZ Breakfree Package Holder. The Annual Account Fee waiver applies to one Gold Credit Card Account only.</p> <p>Under the ANZ Breakfree Package, one additional cardholder fee for Qantas ANZ Visa Gold will be waived where it is your Mandatory Gold Credit Card Account.</p> <p>...</p> <p><b>18.5 Personal Loans</b></p> <p>Subject to the 'Interest Rate Exception' set out below, if ANZ approves an ANZ Standard Variable Rate Personal Loan of at least \$5000 for a term of at least 12 months for you and you have nominated in writing that this loan is to attract benefits under the ANZ Breakfree Package:</p> <ul style="list-style-type: none"> <li>• ANZ will not charge a Loan Approval Fee or any Loan Administration Charge in relation to your personal loan</li> <li>• subject to the following exception, ANZ will charge interest on your personal loan at the standard rate for an ANZ Standard Variable Rate Personal Loan (being ANZ's indicator rate plus a risk margin) less a discount of 0.50% per annum.</li> </ul> <p><i>Interest Rate Discount exception</i></p> <p>If, at any time, the discounted interest rate applicable to an ANZ Standard Variable Rate Personal Loan under this clause 18.5 is higher than the rate that would apply if you were not entitled to ANZ Breakfree Benefits, ANZ will calculate interest on that loan account at the rate that would apply if you were not entitled to ANZ Breakfree Benefits.</p> <p>You may not obtain these benefits in relation to more than one ANZ Standard Variable Rate Personal Loan at any one time.</p> <p>You make the nomination to apply these benefits to an ANZ Standard Variable Rate Personal Loan by telling your ANZ Manager in writing. If more than one of you signed the same ANZ Breakfree Application Form, you must all sign the nomination.</p>

**18.6 ANZ Progress Saver account**

ANZ will pay additional interest of 0.25% per annum on the base rate on one ANZ Progress Saver Account held by you that you nominate to receive this benefit. You make this nomination by telling your ANZ Manager in writing. If more than one of you signed the same ANZ Breakfree Application Form, you must all sign this nomination.

**18.7 International Transactions**

ANZ will reduce by 50% its issuing fees for:

- the purchase of overseas drafts
- outward telegraphic transfers from Australia to any overseas destination

applied for by you at any ANZ branch.

**18.8 Margin Lending**

*Interest Rate Discounts*

ANZ Breakfree interest rate discounts are not available in conjunction with any other ANZ special offer or interest rate discount.

Subject to the 'Interest Rate Discount Exception' set out below, ANZ will charge interest on any standard variable rate ANZ Margin Lending facility:

- for loans with an outstanding balance greater than \$25,000, at an annual interest rate that is ANZ's published Standard Variable Rate for the Margin Lending facility, less a margin of 0.35% p.a.

Subject to the 'Interest Rate Discount Exception' set out below, ANZ will charge interest on any standard variable rate ANZ Margin Lending Instalment Gearing facility:

- for loans with an outstanding balance greater than \$10,000, at an annual interest rate that is ANZ's published Standard Variable Rate for the Margin Lending facility, less a margin of 0.35% p.a.

*Minimum equity contributions*

A Margin Lending facility of \$25,000 requires a minimum equity contribution of \$10,800.

An ANZ Margin Lending Instalment Gearing facility of \$10,000 requires a minimum contribution of \$4,300 and minimum monthly personal contribution of \$250 together with a minimum monthly ANZ Margin Lending contribution of \$300.

*Applicable fees*

A cancellation fee of \$220 will apply in the event that the ANZ Margin Lending Instalment Gearing facility is terminated within 12 months of the initial contribution.

An account-keeping fee of \$20 per month applies for any facility where the minimum loan balance is not met.

*Interest Rate Discount exception*

Date	Relevant extract
	<p>If, at any time, the discounted interest rate applicable to any Margin Lending facility under the 'Interest Rate Discounts' section of this clause is higher than the rate that would apply if you were not entitled to ANZ Breakfree Benefits, ANZ will calculate interest on that account at the rate that would apply if you were not entitled to ANZ Breakfree Benefits.</p> <p><b>18.9 ANZ Car Loans</b></p> <p>If you:</p> <ul style="list-style-type: none"> <li>• apply for and have your ANZ Car Loan application approved for a loan amount of at least \$10,000</li> <li>• advise the ANZ sales consultant at the time of application that this loan is part of your ANZ Breakfree Package</li> </ul> <p>the standard Loan Establishment Fee for your ANZ Car Loan will be waived.</p> <p>This benefit only applies to one ANZ Car Loan at any one time. The Loan Establishment Fee will not be reimbursed if it has already been paid by you.</p> <p>ANZ Car Loans are provided by Esanda Finance Corporation Limited ABN 64 004 346 043, a wholly owned subsidiary of ANZ.</p> <p><b>19 Other Benefits</b></p> <p>As an ANZ customer who holds one or more of the Mandatory Accounts, you may obtain the following benefits:</p> <p><b>19.1 ANZ Assured</b></p> <p>If you have or apply for an ANZ Assured facility with a limit of \$1,000 and you remain an ANZ Breakfree Package Holder, ANZ will not charge an ongoing Credit Facility Fee.</p> <p>Standard interest rates apply.</p> <p><b>19.2 Estate Planning</b></p> <p>Where permitted by law to do so, ANZ Executors &amp; Trustee Company Limited ABN 33 006 132 332:</p> <ul style="list-style-type: none"> <li>• will provide initial estate planning advice at no extra cost (detailed plan and product fees may apply)</li> <li>• will provide basic Will preparation at no extra cost (when ANZ Executors &amp; Trustee Company Limited is the executor or co-executor).</li> </ul> <p><b>19.3 ANZ Branded Insurance</b></p> <p><i>ANZ Home Insurance</i></p> <p>ANZ will provide you with the following benefits in relation to your ANZ Home Insurance:</p> <ul style="list-style-type: none"> <li>• 15 months insurance cover for the price of 12 months in the first year when you first take out ANZ Home Insurance</li> <li>• 10% loyalty discount off the premium for the renewal of your ANZ Home Insurance policy</li> <li>• an introductory discount of \$25 off the first annual premium on ANZ Home Insurance (building or contents cover)</li> </ul>

Date	Relevant extract
	<ul style="list-style-type: none"> <li>• an introductory discount of \$50 off the first annual premium on ANZ Home Insurance (building &amp; contents).</li> </ul> <p><i>ANZ Residential Investment Property Insurance (for Landlords)</i></p> <p>ANZ will provide you with the following benefits in relation to your ANZ Residential Investment Property Insurance (for Landlords):</p> <ul style="list-style-type: none"> <li>• 15 months insurance cover for the price of 12 months in the first year when you first take out ANZ Residential Investment Property Insurance (for Landlords)</li> <li>• 10% loyalty discount off the premium for the renewal of your ANZ Residential Investment Property Insurance (for Landlords) policy</li> <li>• an introductory discount of \$25 off the first annual premium on ANZ Residential Investment Property Insurance (for Landlords) building cover.</li> </ul> <p><i>ANZ Health Insurance</i></p> <p>ANZ will provide you with the following benefits relating to your ANZ Health Insurance policy:</p> <ul style="list-style-type: none"> <li>• the waiver of one month's premium in the first year that you take out ANZ Health Insurance policies</li> <li>• dedicated customer telephone and fax lines to process applications, claims and queries relating to ANZ Health Insurance policies</li> <li>• a no obligation 'Annual Check-Up' of your health insurance needs.</li> </ul> <p><i>ANZ Mortgage Protection Insurance</i></p> <p>When you take out an ANZ Mortgage Protection Insurance policy, you will receive 10% off the total premium costs.</p> <p><b>19.4 Additional Gold Credit Card Benefits</b></p> <p>ANZ will not charge you the following fees on your Mandatory Gold Credit Card:</p> <ul style="list-style-type: none"> <li>• issuing fees on AUD and foreign currency travellers cheques purchased through ANZ</li> <li>• encashment fee on foreign currency travelers cheques purchased through ANZ.</li> </ul>
Dec 2003	<p><b><del>18-16</del> ANZ Breakfree Benefits</b></p> <p>Your ANZ Breakfree Benefits are as follows.</p> <p><b><del>18-16.1</del> Customer Service</b></p> <p>[No change]</p> <p><b><del>18-2-16.2</del> Mandatory Mortgage Lending Accounts</b></p>

### *Interest Rate Discounts*

[No change]

#### **~~18.3~~ 16.3 Mandatory Transaction Account**

~~Fee Waiver on ANZ Access Advantage Accounts~~ [Fee waiver on your ANZ Access Advantage account or your ANZ One account](#)

ANZ will not charge any monthly account servicing fee under your Mandatory Transaction account that is an ANZ Access Advantage account or an ANZ One account:

- nominated as the Mandatory Transaction Account in accordance with clause 3 if the fee becomes due on or after the day you become an ANZ Breakfree Package Holder
- that becomes the Mandatory Transaction Account in accordance with clause 4 if the fee becomes due on or after the day that the account becomes your Mandatory Transaction Account.

#### ~~Fee Waiver on ANZ One Accounts~~

~~ANZ will not charge any monthly account servicing fee under your Mandatory Transaction account that is an ANZ One account:~~

- nominated as the Mandatory Transaction Account in accordance with clause 3 if the fee becomes due on or after you become an ANZ Breakfree Package Holder
- the account becomes the Mandatory Transaction Account in accordance with clause 4 if the fee becomes due on or after the day that the account becomes your Mandatory Transaction Account.

#### **~~18.4~~ 16.4 Mandatory Gold Credit Card Accounts**

ANZ will waive the Annual Account Fee  [& Reward Program Fee \(excluding Sphere\)](#):

- under your Mandatory Gold Credit Card Account nominated in accordance with clause 3 if the fee becomes due on or after you become an ANZ Breakfree Package Holder
- under any ANZ Gold Credit Card Account that becomes your Mandatory Gold Credit Card Account in accordance with clause 4 if the fee becomes due on or after the account becomes your Mandatory Gold Credit Card Account.

ANZ will credit your Mandatory Gold Credit Card Account with a proportionate rebate of an Annual Account Fee that you paid before becoming an ANZ Breakfree Package Holder. This rebate will refer to the period following you becoming an ANZ Breakfree Holder.

The Annual Account Fee waiver applies to one ANZ Gold Credit Card Account only.

Under the ANZ Breakfree Package, one additional cardholder fee and additional cardholder reward program fee for ~~Qantas~~ ANZ [Frequent Flyer](#) Visa Gold [and Telstra Visa Gold](#) will be waived where it is your Mandatory Gold Credit Card Account.

...

#### **168.5 Personal Loans**

[No change]

#### *Interest Rate Discount exception*

If, at any time, the discounted interest rate applicable to an ANZ Standard Variable Rate Personal Loan under this clause 168.5 is higher than the rate that would apply if you were not entitled to ANZ Breakfree Benefits, ANZ will calculate interest on that loan account at the rate that would apply if you were not entitled to ANZ Breakfree Benefits.

You may not obtain these benefits in relation to more than one ANZ Standard Variable Rate Personal Loan at any one time.

You make the nomination to apply these benefits to an ANZ Standard Variable Rate Personal Loan by telling your ANZ Manager in writing. If more than one of you signed the same ANZ Breakfree Application Form, you must all sign the nomination.

#### **168.6 ANZ Progress Saver account**

ANZ will pay additional interest of 0.250% per annum on the bonus rate ([where eligible](#)) on one ANZ Progress Saver Account held by you that you nominate to receive this benefit.

You make this nomination by telling your ANZ Manager in writing. If more than one of you signed the same ANZ Breakfree Application Form, you must all sign this nomination.

#### **168.7 International Transactions**

[No change]

#### **168.8 Margin Lending**

##### *Interest Rate Discounts*

ANZ Breakfree interest rate discounts are not available in conjunction with any other ANZ special offer or interest rate discount.

Subject to the 'Interest Rate Discount Exception' set out below, ANZ will charge interest on any standard variable rate ANZ Margin Lending facility:

- for loans with an outstanding balance greater than \$25,000, at an annual interest rate that is ANZ's published Standard Variable Rate for the Margin Lending facility, less a margin of 0.35% p.a.

Subject to the 'Interest Rate Discount Exception' set out below, ANZ will charge interest on any standard variable rate ANZ Margin Lending [Regular Geared Savings Plan](#) ~~Instalment Gearing~~ facility:

- for loans with an outstanding balance greater than \$405,000, at an annual interest rate that is ANZ's published Standard Variable Rate for the Margin Lending [Regular Geared Savings Plan](#) facility, less a margin of 0.35% p.a.

##### *Minimum equity contributions*

A Margin Lending facility of \$25,000 requires a minimum equity contribution of \$10,800714.

An ANZ Margin Lending [Regular Geared Savings Plan](#) ~~Instalment Gearing~~ facility of \$405,000 requires a minimum contribution of \$2,5004,300 and minimum monthly personal contribution of \$250 together with a minimum monthly ANZ Margin Lending contribution of \$3500.

##### *Applicable fees*

Date	Relevant extract
	<p><del>A cancellation fee of \$220 will apply in the event that the ANZ Margin Lending Instalment Gearing Facility is terminated within 12 months of the initial contribution.</del></p> <p>An account-keeping fee of \$20 per month applies for any facility where the minimum loan balance is not met.</p> <p><i>Interest Rate Discount exception</i></p> <p>[No change]</p> <p><b>168.9 ANZ Car Loans</b></p> <p>If you:</p> <ul style="list-style-type: none"> <li>• apply for and have your ANZ Car Loan application approved for a loan amount of at least \$10,000, <a href="#">and</a></li> <li>• advise the ANZ sales consultant at the time of application that this loan is part of your ANZ Breakfree Package</li> </ul> <p>the standard Loan Establishment Fee for your ANZ Car Loan will be waived.</p> <p>This benefit only applies to one ANZ Car Loan at any one time. The Loan Establishment Fee will not be reimbursed if it has already been paid by you.</p> <p>ANZ Car Loans are provided by Esanda Finance Corporation Limited ABN 64 004 346 043, a wholly owned subsidiary of ANZ.</p> <p><b>179 Other Benefits</b></p> <p>As an ANZ customer who holds one or more of the Mandatory Accounts, you may obtain the following benefits:</p> <p><b>179.1 ANZ Assured</b></p> <p>[No change]</p> <p><b>179.2 Estate Planning</b></p> <p>Where permitted by law to do so, ANZ Executors &amp; Trustee Company Limited ABN 33 006 132 332 <a href="#">will provide</a>:</p> <ul style="list-style-type: none"> <li>• ANZ Breakfree package holders with a discount of 10% on the cost of basic will preparation.</li> <li>• will provide initial estate planning advice at no extra cost (detailed plan and product fees may apply)</li> <li>• will provide basic Will preparation at no extra cost (when ANZ Executors &amp; Trustee Company Limited is the executor or co-executor).</li> </ul> <p><b>179.3 ANZ Branded Insurance</b></p> <p><i>ANZ Home Insurance</i></p> <p>ANZ will provide you with the following benefits in relation to your ANZ Home Insurance:</p> <ul style="list-style-type: none"> <li>• 15 months insurance cover for the price of 12 months in the first year when you first take out ANZ Home Insurance</li> <li>• 10% loyalty discount off the premium for the renewal of your ANZ Home Insurance policy</li> </ul>

Date	Relevant extract
	<ul style="list-style-type: none"> <li>• an introductory discount of \$25 off the first annual premium on ANZ Home Insurance (building or contents cover)</li> <li>• an introductory discount of \$50 off the first annual premium on ANZ Home Insurance (building &amp; contents).</li> <li>• 10% loyalty discount off the premium for the renewal of your ANZ Home Insurance policy</li> </ul> <p><i>ANZ Residential Investment Property Insurance (for Landlords)</i></p> <p>ANZ will provide you with the following benefits in relation to your ANZ Residential Investment Property Insurance (for Landlords):</p> <ul style="list-style-type: none"> <li>• 15 months insurance cover for the price of 12 months in the first year when you first take out ANZ Residential Investment Property Insurance (for Landlords)</li> <li>• 10% loyalty discount off the premium for the renewal of your ANZ Residential Investment Property Insurance (for Landlords) policy</li> <li>• an introductory discount of \$25 off the first annual premium on ANZ Residential Investment Property Insurance (for Landlords) building cover</li> <li>• 10% loyalty discount off the premium for the renewal of your ANZ Residential Investment Property Insurance (for Landlords) policy.</li> </ul> <p><i>ANZ Health Insurance</i> [No change]</p> <p><i>ANZ Mortgage Protection Insurance</i> [No change]</p> <p><b>17.4 Additional Gold Credit Card Benefits</b></p> <p>ANZ will not charge you the following fees on your Mandatory Gold Credit Card:</p> <ul style="list-style-type: none"> <li>• issuing fees on AUD and foreign currency travellers cheques purchased through ANZ</li> <li>• encashment fee on foreign currency travellers cheques purchased through ANZ.</li> </ul>
Mar 2005	<p><b>16 ANZ Breakfree Benefits</b></p> <p>Your ANZ Breakfree Benefits are as follows.</p> <p><b>16.1 Customer Service</b></p> <p>[No change]</p> <p><b>16.2 Mandatory Mortgage Lending Accounts</b></p> <p><i>Interest Rate Discounts</i></p> <p>ANZ Breakfree interest rate discounts are not available in conjunction with any other ANZ special offer or interest rate discount.</p>



Date	Relevant extract
	<p>Subject to the 'Interest Rate Exception' set out below, ANZ will charge interest on any Mandatory Mortgage Lending Account that is an ANZ Standard Variable Rate Home Loan, ANZ Standard Variable Rate Residential Investment Loan, Equity Manager facility or Home Equity Loan:</p> <ol style="list-style-type: none"> <li>1. of individual loan size amounts between \$150,000 and \$249,999 at an annual interest rate that is ANZ's indicator rate for the applicable type of loan less a margin of up to 0.50% p.a. (as agreed with ANZ)</li> <li>2. of individual loan size amounts of \$250,000 or more at an annual interest rate that is ANZ's indicator rate for the applicable type of loan less a margin of up to 0.60% p.a. (as agreed with ANZ)</li> <li>3. <a href="#">up to a 0.60% p.a discount off Standard Variable Rate ANZ Home Loans, Residential Investment Loans, Home Equity Loans and Equity Manager facilities where a customer has a combined lending of \$500,000 or more (as agreed with ANZ)</a></li> </ol> <ul style="list-style-type: none"> <li>• on and from the day you become an ANZ Breakfree Package Holder if the account is nominated as a Mandatory Mortgage Lending Account in accordance with clause 3; <a href="#">or</a></li> <li>• on and from the day the day the account becomes a Mandatory Mortgage Lending Account in under clause 4.</li> </ul> <p>...</p> <p><i>ANZ loan products ineligible for <a href="#">Interest Rate Discounts</a></i></p> <p>[No change]</p> <p><i>Loan Approval Fee</i></p> <p>ANZ will not charge a Loan Approval Fee on any of your Mandatory Mortgage Lending Accounts provided:</p> <ul style="list-style-type: none"> <li>• the account is nominated as a Mandatory Mortgage Lending Account in accordance with clause 3 and the fee becomes due on or after you become an ANZ Breakfree Package Holder; <a href="#">or</a></li> <li>• the account becomes a Mandatory Mortgage Lending Account in accordance with clause 4 and the fee becomes due on or after the account becomes a Mandatory Mortgage Lending Account.</li> </ul> <p><i>Loan Administration Charge</i></p> <p><a href="#">In respect of any</a> <del>If any of your Mandatory Mortgage Lending Accounts is a</del> Money Saver Home Loan or a Money Saver Residential Investment Loan, ANZ will not charge the Loan Administration Charge, provided:</p> <ul style="list-style-type: none"> <li>• the facility is nominated as a Mandatory Mortgage Lending Account in accordance with clause 3 and the fee becomes due on or after you become an ANZ Breakfree Package Holder; <a href="#">or</a></li> <li>• the facility becomes a Mandatory Mortgage Lending Account in accordance with clause 4 and the fee becomes due on or after the facility becomes a Mandatory Mortgage Lending Account.</li> </ul> <p><i>Credit Facility Fee</i></p>

Date	Relevant extract
	<p>If <del>In respect any of your Mandatory Mortgage Lending Accounts is</del> an ANZ Equity Manager facility, ANZ will not charge the Credit Facility Fee, provided:</p> <ul style="list-style-type: none"> <li>the facility is nominated as a Mandatory Mortgage Lending Account in accordance with clause 3 and the fee becomes due on or after you become an ANZ Breakfree Package Holder; <a href="#">or</a></li> <li>the facility becomes a Mandatory Mortgage Lending Account in accordance with clause 4 and the fee becomes due on or after the facility becomes a Mandatory Mortgage Lending Account.</li> </ul> <p>...</p> <p><i>Renegotiation Fees – housing loans converting or renegotiating</i></p> <p>You are entitled to one free loan renegotiation <a href="#">per package</a> per annum for any of your Mandatory Mortgage Lending Accounts if the account becomes a Mandatory Mortgage Lending Account in accordance with clause 3 or 4, and the renegotiation fee becomes due within 12 months of this, and/or within each subsequent 12 month period.</p> <p>A loan renegotiation includes any of the following on a Mandatory Mortgage Lending Account:</p> <ul style="list-style-type: none"> <li>requests for an increase in lending (this includes requests to increase an existing loan or requests for a Supplementary Home Loan or Supplementary Residential Investment Loan)</li> <li>requests to split or restructure a loan</li> <li>requests to change the security or borrowers</li> <li>requests to convert or change loan product type</li> <li>requests to consolidate loans or restructure lending arrangements.</li> </ul> <p>...</p> <p><b>16.3 Mandatory Transaction Account</b></p> <p><i>Fee waiver on your ANZ Access Advantage account-or your ANZ One account</i></p> <p>ANZ will not charge any monthly account servicing fee under your Mandatory Transaction account that is an ANZ Access Advantage account or an ANZ One account:</p> <ul style="list-style-type: none"> <li>nominated as the Mandatory Transaction Account in accordance with clause 3 if the fee becomes due on or after the day you become an ANZ Breakfree Package holder; <a href="#">or</a></li> <li>that becomes the Mandatory Transaction Account in accordance with clause 4 if the fee becomes due on or after the day that the account becomes your Mandatory Transaction Account.</li> </ul> <p><b>16.4 Mandatory Gold Credit Card Accounts</b></p>

Date	Relevant extract
	<p>ANZ will waive the Annual Account Fee &amp; Rewards and Services Fee (excluding Sphere):</p> <ul style="list-style-type: none"> <li>• <del>under your</del> on one Mandatory Gold Credit Card Account nominated in accordance with clause 3 if the fee becomes due on or after you become an ANZ Breakfree Package holder; <u>or</u></li> <li>• <u>on one</u> ANZ Gold Credit Card Account that becomes your Mandatory Gold Credit Card Account in accordance with clause 4 if the fee becomes due on or after the account becomes your Mandatory Gold Credit Card Account.</li> </ul> <p>ANZ will credit your Mandatory Gold Credit Card Account with a proportionate rebate of an Annual Account Fee that you paid before becoming an ANZ Breakfree Package holder. This rebate will refer to the period following you becoming an ANZ Breakfree <u>Package</u> Holder.</p> <p>The Annual Account Fee <u>&amp; Rewards Program Services Fee</u> waiver applies to one Gold Credit Card Account only.</p> <p>Under the ANZ Breakfree Package, one additional cardholder fee and additional cardholder <del>reward program fee</del> <u>Rewards Program Services Fee</u> for ANZ Frequent Flyer Visa Gold <u>and ANZ Rewards Telstra</u> Visa Gold will be waived where it is your Mandatory Gold Credit Card Account.</p> <p>...</p> <p><b>16.5 Personal Loans</b></p> <p>Subject to the 'Interest Rate Exception' set out below, if ANZ approves an ANZ Standard Variable Rate Personal Loan of at least \$5000 for a term of at least 12 months for you and you have nominated in writing that this loan is to attract benefits under the ANZ Breakfree Package:</p> <ul style="list-style-type: none"> <li>• ANZ will not charge a Loan Approval Fee or any Loan Administration Charge in relation to your Personal Loan</li> <li>• subject to the following exception, ANZ will charge interest on your <u>Personal Loan</u> at the standard rate for an ANZ Standard Variable Rate Personal Loan (being ANZ's <u>Personal Loan index indicator</u> rate plus a <del>risk</del> margin) less an <u>interest rate</u> discount of 0.50% per annum.</li> </ul> <p><i>Interest Rate Discount exception</i></p> <p>If, at any time, the discounted interest rate applicable to an ANZ Standard Variable Rate Personal Loan <del>under this clause 16.5</del> is higher than the rate that would apply if you were not entitled to ANZ Breakfree Benefits, ANZ will calculate interest on that loan account at the <u>lower</u> rate <del>that would apply if you were not entitled to ANZ Breakfree Benefits</del>.</p> <p>You may not obtain these benefits in relation to more than one ANZ Standard Variable Rate Personal Loan at any one time.</p> <p>You make the nomination to apply these benefits to an ANZ Standard Variable Rate Personal Loan by telling your ANZ Manager in writing. If more than one of you signed the same ANZ Breakfree Application Form, you must all sign the nomination.</p>

**16.6 ANZ Progress Saver account**

[No change]

**16.7 International Transactions**

[No change]

**16.8 Margin Lending**

*Interest Rate Discounts*

ANZ Breakfree interest rate discounts are not available in conjunction with any other ANZ special offer or interest rate discount.

Subject to the 'Interest Rate Discount Exception' set out below, ANZ will charge interest on any nominated standard variable rate ANZ Margin Lending facility:

- for loans with an outstanding balance greater than \$25,000, at an annual interest rate that is ANZ's published Standard Variable Rate for the Margin Lending facility, less a margin of 0.35% p.a.

Subject to the 'Interest Rate Discount Exception' set out below, ANZ will charge interest on any standard variable rate ANZ Margin Lending Regular Geared Savings Plan facility:

- for loans with an outstanding balance greater than \$5,000, at an annual interest rate that is ANZ's published Standard Variable Rate for the Margin Lending Regular Geared Savings Plan facility, less a margin of 0.35% p.a.

[You may make this nomination by telling your ANZ Manager in writing. If more than one of you signed the same ANZ Breakfree Application Form, you must all sign this nomination.](#)

*Minimum equity contributions*

[No change]

*Applicable fees*

[No change]

*Interest Rate Discount exception*

If, at any time, the discounted interest rate applicable to any Margin Lending facility under the 'Interest Rate Discounts' section of this clause is higher than the rate that would apply if you were not entitled to ANZ Breakfree Benefits, ANZ will calculate interest on that account at the lower rate ~~that would apply if you were not entitled to ANZ Breakfree Benefits.~~

**16.9 ANZ Car Loans**

[No change]

**17 Other Benefits**

As an ANZ customer who holds one or more of the Mandatory Accounts, you may obtain the following benefits:

### **17.1 ANZ Assured**

[No change]

### **17.2 Estate Planning**

~~Where permitted by law to do so, ANZ Executors & Trustee Company Limited ABN 33 006 132 332 will provide:~~

- ANZ Breakfree package holders with a discount of 10% on the cost of basic will preparation.

### **17.2.3 ANZ Branded Insurance**

#### *ANZ Home Insurance*

ANZ will provide you with the following benefits in relation to your ANZ Home Insurance:

- 15 months insurance cover for the price of 12 months in the first year when you first take out ANZ Home Insurance
- an introductory discount of \$25 off the first annual premium on ANZ Home Insurance (building or contents cover)
- an introductory discount of \$50 off the first annual premium on ANZ Home Insurance (building & contents).
- 10% [per annum](#) loyalty discount off the premium for the renewal of your ANZ Home Insurance policy

#### *ANZ Residential Investment Property Insurance (for Landlords)*

ANZ will provide you with the following benefits in relation to your ANZ Residential Investment Property Insurance (for Landlords):

- 15 months insurance cover for the price of 12 months in the first year when you first take out ANZ Residential Investment Property Insurance (for Landlords)
- an introductory discount of \$25 off the first annual premium on ANZ Residential Investment Property Insurance (for Landlords) building cover
- 10% [per annum](#) loyalty discount off the premium for the renewal of your ANZ Residential Investment Property Insurance (for Landlords) policy.

#### *ANZ Health Insurance*

ANZ will provide you with the following benefits relating to your ANZ Health Insurance policy:

- the waiver of one month's premium in the first year that you take out ANZ Health Insurance [plus a 5% per annum discount on your premium policies](#)
- dedicated customer telephone and fax lines to process applications, claims and queries relating to ANZ Health Insurance policies
- a no obligation 'Annual Check-Up' of your health insurance needs [upon request](#).

#### *ANZ Mortgage Protection Insurance*

Date	Relevant extract
	<p>When you take out an ANZ Mortgage Protection Insurance policy, you will receive 10% off the total premium costs.  <a href="#">Not applicable in conjunction with any other discounts or offers.</a>  <a href="#">ANZ Car Insurance</a>  <a href="#">When you take out an ANZ Car Insurance policy, you will receive 5% p.a. off the premium. Not applicable in conjunction with any other discounts or offers.</a></p> <p><b>17.34 Additional Gold Credit Card Benefits</b>  ANZ will not charge you the following fees on your Mandatory Gold Credit Card:</p> <ul style="list-style-type: none"> <li>• issuing fees on AUD and foreign currency travellers' cheques purchased through ANZ</li> <li>• encashment fee on foreign currency travellers cheques purchased through ANZ.</li> </ul>
<p><b>July 2005</b></p>	<p><b>16 ANZ Breakfree Benefits</b>  Your ANZ Breakfree Benefits are as follows.</p> <p><b>16.1 Customer Service</b>  [No change]</p> <p><b>16.2 Mandatory Mortgage Lending Accounts</b>  <i>Interest Rate Discounts</i>  ANZ Breakfree interest rate discounts are not available in conjunction with any other ANZ special offer or interest rate discount.  Subject to the 'Interest Rate Exception' set out below, ANZ will charge interest on</p> <p>(A) any Mandatory Mortgage Lending Account that is an ANZ Standard Variable Rate Home Loan, ANZ Standard Variable Rate Residential Investment Loan, Equity Manager facility or Home Equity Loan:</p> <ol style="list-style-type: none"> <li>1. of individual loan size amounts between \$150,000 and \$249,999 at an annual interest rate that is ANZ's indicator rate for the applicable type of loan less a margin of up to 0.50% p.a. (as agreed with ANZ)</li> <li>2. of individual loan size amounts of <a href="#">between \$250,000 or more and \$699,999</a> at an annual interest rate that is ANZ's indicator rate for the applicable type of loan less a margin of up to 0.60% p.a. (as agreed with ANZ)</li> <li>3. <del>up to 0.60% p.a. discount off Standard Variable Rate ANZ Home Loans, Residential Investment Loans, Home Equity Loans and Equity Manager facilities</del> where a customer has combined lending of \$500,000 or more <a href="#">at an annual interest rate that is ANZ's indicator rate for the applicable type of loan less a margin of up to 0.60% p.a.</a> (as agreed with ANZ)</li> </ol> <p>(B) <a href="#">any Mandatory mortgage Lending Account that is an ANZ Standard Variable Rate Home Loan or Standard Variable Rate Residential Investment Loan:</a></p>

Date	Relevant extract
	<ol style="list-style-type: none"> <li>1. <a href="#">of individual loan size amounts of \$700,000 or more at an annual interest rate that is ANZ's indicator rate for the applicable type of loan less a margin of up to 0.70% p.a. (as agreed with ANZ)</a></li> <li>2. <a href="#">where a customer has combined lending of \$700,000 or more at an annual interest rate that is ANZ's indicator rate for the applicable type of loan less a margin of up to 0.70% p.a. (as agreed with ANZ)</a></li> </ol> <ul style="list-style-type: none"> <li>• on and from the day you become an ANZ Breakfree Package Holder if the account is nominated as a Mandatory Mortgage Lending Account in accordance with clause 3; or</li> <li>• on and from the day the day the account becomes a Mandatory Mortgage Lending Account in under clause 4.</li> </ul> <p>...</p> <p><i>ANZ loan products ineligible for Interest Rate Discounts</i></p> <p>[No change]</p> <p><i>Loan Approval Fee</i></p> <p>[No change]</p> <p><i>Loan Administration Charge</i></p> <p>[No change]</p> <p><i>Credit Facility Fee</i></p> <p>[No change]</p> <p>...</p> <p><i>Renegotiation Fees – housing loans converting or renegotiating</i></p> <p>[No change]</p> <p>...</p> <p><b>16.3 Mandatory Transaction Account</b></p> <p>Fee waiver on your ANZ Access Advantage account-or your ANZ One account</p> <p>ANZ will not charge any monthly account servicing fee under your Mandatory Transaction account that is an ANZ Access Advantage account or an ANZ One account:</p> <ul style="list-style-type: none"> <li>• nominated as the Mandatory Transaction Account in accordance with clause 3 if the fee becomes due on or after the day you become an ANZ Breakfree Package <a href="#">holder</a>; or</li> <li>• <del>on one ANZ Gold Credit Card Account</del> that becomes the Mandatory Transaction Account in accordance with clause 4 if the fee becomes due on or after the day that the account becomes your Mandatory Transaction Account.</li> </ul>

#### **16.4 Mandatory Gold Credit Card Accounts**

ANZ will waive the Annual Account Fee & Rewards Program Services Fee (excluding Sphere):

- on one Mandatory Gold Credit Card Account nominated in accordance with clause 3 if the fee becomes due on or after you become an ANZ Breakfree Package holder; or
- on one ANZ Gold Credit Card Account that becomes your Mandatory Gold Credit Card Account in accordance with clause 4 if the fee becomes due on or after the account becomes your Mandatory Gold Credit Card Account.

ANZ will credit your Mandatory Gold Credit Card Account with a proportionate rebate of an Annual Account Fee that you paid before becoming an ANZ Breakfree Package ~~Holder~~ Holder. This rebate will refer to the period following you becoming an ANZ Breakfree Package Holder.

The Annual Account Fee & Rewards and Services Fee waiver applies to one Gold Credit Card Account only.

Under the ANZ Breakfree Package, one additional cardholder fee for ANZ Frequent Flyer Visa Gold and ANZ Rewards Visa Gold will be waived where it is your Mandatory Gold Credit Card Account.

...

#### **16.5 Personal Loans**

[No change]

*Interest Rate Discount exception*

[No change]

#### **16.6 ANZ Progress Saver account**

ANZ will pay a package bonus interest rate on one nominated ~~additional interest of 0.50% per annum on the bonus rate (where eligible) on one ANZ~~ Progress Saver Account held by you ~~that you nominate to receive this benefit.~~ The Package bonus interest rate as at July 2005 is 5.00% p.a. but subject to change (see [www.anz.com](http://www.anz.com) for current rate). To earn bonus interest a deposit of at least \$10 and no withdrawals must be made per month. Month commences from account opening date. Package bonus interest rate is not available in conjunction with other offers.

You can nominate your Progress Saver account to receive this benefit ~~make this nomination~~ by telling your ANZ Manager in writing. If more than one of you signed the same ANZ Breakfree Application Form, you must all sign this nomination.

#### **16.7 International Transactions**

[No change]

#### **16.8 Margin Lending**

*Interest Rate Discounts*

ANZ Breakfree interest rate discounts are not available in conjunction with any other ANZ special offer or interest rate discount.



Date	Relevant extract
	<p>Subject to the 'Interest Rate Discount Exception' set out below, ANZ will charge interest on any <a href="#">nominated</a> standard variable rate ANZ Margin Lending facility:</p> <p>...</p> <p><i>Minimum equity contributions</i> [No change]</p> <p><i>Applicable fees</i> [No change]</p> <p><i>Interest Rate Discount exception</i> [No change]</p> <p><b>16.9 ANZ Car Loans</b> [No change]</p> <p><b>17 Other Benefits</b> As an ANZ customer who holds one or more of the Mandatory Accounts, you may obtain the following benefits:</p> <p><b>17.1 ANZ Assured</b> [No change]</p> <p><b>17.2 ANZ Branded Insurance</b> <i>ANZ Home Insurance</i> ANZ will provide you with the following benefits in relation to your ANZ Home Insurance:</p> <ul style="list-style-type: none"> <li>• 15 months insurance cover for the price of 12 months in the first year when you first take out ANZ Home Insurance</li> <li>• an introductory discount of \$25 off the first annual premium on ANZ Home Insurance (building or contents cover)</li> <li>• an introductory discount of \$50 off the first annual premium on ANZ Home Insurance (building &amp; contents).</li> </ul> <p><a href="#">ANZ will provide you with the following on-going benefit in relation to your ANZ Home Insurance:</a></p> <ul style="list-style-type: none"> <li>• 10% per annum loyalty discount off the premium for the renewal of your ANZ Home Insurance policy</li> </ul> <p><i>ANZ Residential Investment Property Insurance (for Landlords)</i> ANZ will provide you with the following benefits in relation to your ANZ Residential Investment Property Insurance (for Landlords):</p>

Date	Relevant extract
	<ul style="list-style-type: none"> <li>• 15 months insurance cover for the price of 12 months in the first year when you first take out ANZ Residential Investment Property Insurance (for Landlords)</li> <li>• an introductory discount of \$25 off the first annual premium on ANZ Residential Investment Property Insurance (for Landlords) building cover</li> </ul> <p><a href="#">ANZ will provide you with the following on-going benefit in relation to your ANZ Residential Investment Property Insurance (for Landlords):</a></p> <ul style="list-style-type: none"> <li>• 10% per annum loyalty discount off the premium for the renewal of your ANZ Residential Investment Property Insurance (for Landlords) policy.</li> </ul> <p><i>ANZ Health Insurance</i> [No change]</p> <p><i>ANZ Mortgage Protection Insurance</i> [No change]</p> <p><i>ANZ Car Insurance</i> [No change]</p> <p><b>17.3 Additional Gold Credit Card Benefits</b> [No change]</p>
Sep 2005	<p><b>16 ANZ Breakfree Benefits</b> Your ANZ Breakfree Benefits are as follows:</p> <p><b>16.1 Customer Service</b> [No change]</p> <p><b>16.2 Mandatory Mortgage Lending Accounts</b></p> <p><b>Interest Rate Discounts</b> ANZ Breakfree interest rate discounts are not available in conjunction with any other ANZ special offer or interest rate discount. Subject to the 'Interest Rate Discount Exception' set out below, ANZ will charge interest on:</p> <p>A. any Mandatory Mortgage Lending Account that is an ANZ Standard Variable Rate Home Loan, ANZ Standard Variable Rate Residential Investment Loan, Equity Manager facility or Home Equity Loan:</p> <ol style="list-style-type: none"> <li>1. of individual loan size amounts between \$150,000 and \$249,999 at an annual interest rate that is ANZ's indicator rate for the applicable type of loan less a margin of up to 0.50% p.a. (as agreed with ANZ)</li> </ol>

Date	Relevant extract
	<p>2. of individual loan size amounts of between \$250,000 and \$699,999 at an annual interest rate that is ANZ's indicator rate for the applicable type of loan less a margin of up to 0.60% p.a. (as agreed with ANZ)</p> <p>3. where a customer has combined lending of <del>\$500,000</del> <u>\$250,000</u> or more at an annual interest rate that is ANZ's indicator rate for the applicable type of loan less a margin of up to 0.60% p.a.(as agreed with ANZ).</p> <p>B. any Mandatory mortgage Lending Account that is an ANZ Standard Variable Rate Home Loan or Standard Variable Rate Residential Investment Loan:</p> <p>1. of individual loan size amounts of \$700,000 or more at an annual interest rate that is ANZ's indicator rate for the applicable type of loan less a margin of up to 0.70% p.a. (as agreed with ANZ)</p> <p>2. where a customer has combined lending of \$700,000 or more at an annual interest rate that is ANZ's indicator rate for the applicable type of loan less a margin of up to 0.70% p.a. (as agreed with ANZ)</p> <ul style="list-style-type: none"> <li>• on and from the day you become an ANZ Breakfree Package Holder if the account is nominated as a Mandatory Mortgage Lending Account in accordance with clause 3; or</li> <li>• on and from the day the day the account becomes a Mandatory Mortgage Lending Account in under clause 4.</li> </ul> <p>...</p> <p><i>ANZ loan products ineligible for Interest Rate Discounts</i></p> <p>[No change]</p> <p><i>Loan Approval Fee</i></p> <p>[No change]</p> <p><i>Loan Administration Charge</i></p> <p>[No change]</p> <p><i>Credit Facility Fee</i></p> <p>[No change]</p> <p>...</p> <p><i>Renegotiation Fees – housing loans converting or renegotiating</i></p> <p>[No change]</p> <p>...</p> <p><b>16.3 Mandatory Transaction Account</b></p> <p>[No change]</p>

**16.4 Mandatory Gold Credit Card Accounts**

[No change]

...

**16.5 Personal Loans**

[No change]

*Interest Rate Discount exception*

[No change]

**16.6 ANZ Progress Saver account**

[No change]

**16.7 International Transactions**

[No change]

**16.8 Margin Lending**

*Interest Rate Discounts*

[No change]

*Minimum equity contributions*

[No change]

*Applicable fees*

[No change]

*Interest Rate Discount exception*

[No change]

**16.9 ANZ Car Loans**

[No change]

**17 Other Benefits**

As an ANZ customer who holds one or more of the Mandatory Accounts, you may obtain the following benefits:

**17.1 ANZ Assured**

[No change]

**17.2 ANZ Branded Insurance**

*ANZ Home Insurance*

Date	Relevant extract
	<p>ANZ will provide you with the following benefits in relation to your ANZ Home Insurance <a href="#">in the first year of your policy</a>:</p> <ul style="list-style-type: none"> <li>• 15 months insurance cover for the price of 12 months <del>in the first year</del> when you first take out ANZ Home Insurance</li> <li>• an introductory discount of \$25 off the first annual premium on ANZ Home Insurance (building or contents cover)</li> <li>• an introductory discount of \$50 off the first annual premium on ANZ Home Insurance (building &amp; contents).</li> </ul> <p>ANZ will provide you with the following on-going benefit in relation to your ANZ Home Insurance:</p> <ul style="list-style-type: none"> <li>• 10% per annum loyalty discount off the premium for the renewal of your ANZ Home Insurance policy</li> </ul> <p><i>ANZ Residential Investment Property Insurance (for Landlords)</i></p> <p>ANZ will provide you with the following benefits in relation to your ANZ Residential Investment Property Insurance (for Landlords) <a href="#">in the first year of your policy</a>:</p> <ul style="list-style-type: none"> <li>• 15 months insurance cover for the price of 12 months <del>in the first year</del> when you first take out ANZ Residential Investment Property Insurance (for Landlords)</li> <li>• an introductory discount of \$25 off the first annual premium on ANZ Residential Investment Property Insurance (for Landlords) building cover</li> </ul> <p>ANZ will provide you with the following on-going benefit in relation to your ANZ Residential Investment Property Insurance (for Landlords):</p> <ul style="list-style-type: none"> <li>• 10% per annum loyalty discount off the premium for the renewal of your ANZ Residential Investment Property Insurance (for Landlords) policy.</li> </ul> <p><i>ANZ Health Insurance</i> [No change]</p> <p><i>ANZ Mortgage Protection Insurance</i> [No change]</p> <p><i>ANZ Car Insurance</i> [No change]</p> <p><b>17.3 Additional Gold Credit Card Benefits</b> [No change]</p>
Dec 2005	<p><b>16 ANZ Breakfree Benefits</b> Your ANZ Breakfree Benefits are as follows.</p>

Date	Relevant extract
	<p><b>16.1 Customer Service</b> [No change]</p> <p><b>16.2 Mandatory Mortgage Lending Accounts</b> <i>Interest Rate Discounts</i> [No change] ... <i>ANZ loan products ineligible for Interest Rate Discounts</i> [No change] <i>Loan Approval Fee</i> [No change] <i>Loan Administration Charge</i> [No change] <i>Credit Facility Fee</i> [No change] ... <i>Renegotiation Fees – housing loans converting or renegotiating</i> [No change] ...</p> <p><b>16.3 Mandatory Transaction Account</b> [No change]</p> <p><b>16.4 Mandatory Gold Credit Card Accounts</b> <a href="#">16.4.1 New Breakfree Packages from 1 December 2005</a> <a href="#">ANZ will waive the Annual Account Fee:</a></p> <ul style="list-style-type: none"> <li>• on one Mandatory Gold Credit Card Account nominated in accordance with clause 3 if the fee becomes due on or after you become an ANZ Breakfree Package holder; or</li> <li>• On one Gold Credit Card Account that becomes your Mandatory Gold Credit Card Account in accordance with clause 4 if the fee becomes due on or after the account becomes your Mandatory Gold Credit Card Account.</li> </ul>

Date	Relevant extract
	<p><a href="#">ANZ will credit your Mandatory Gold Credit Card Account with a proportionate rebate of an Annual Account Fee that you paid before becoming an ANZ Breakfree Package Holder. This rebate will refer to the period following you becoming an ANZ Breakfree Package Holder.</a></p> <p><a href="#">The Annual Account Fee &amp; Rewards and Services Fee waiver applies to one Gold Credit Card Account only.</a></p> <p><a href="#">Under the ANZ Breakfree Package, one additional cardholder fee for ANZ Frequent Flyer Visa Gold will be waived where it is your Mandatory Gold Credit Card Account.</a></p> <p>...</p> <p><a href="#">16.4.2 Breakfree packages opened pre-December 2005</a></p> <p>ANZ will waive the Annual Account Fee &amp; Rewards Program Services Fee (excluding Sphere):</p> <ul style="list-style-type: none"> <li>• On one Mandatory Gold Credit Card Account nominated in accordance with clause 3 if the fee becomes due on or after you become an ANZ Breakfree Package holder;</li> <li>• On one ANZ Gold Credit Card Account that becomes your Mandatory Gold Credit Card Account in accordance with clause 4 if the fee becomes due on or after the account becomes your Mandatory Gold Credit Card Account.</li> </ul> <p>ANZ will credit your Mandatory Gold Credit Card Account with a proportionate rebate of an Annual Account Fee that you paid before becoming an ANZ Breakfree Package Holder. This rebate will refer to the period following you becoming an ANZ Breakfree Package Holder.</p> <p>The Annual Account Fee &amp; Rewards and Services Fee waiver applies to one Gold Credit Card Account only.</p> <p>Under the ANZ Breakfree Package, one additional cardholder fee for ANZ Frequent Flyer Visa Gold and ANZ Rewards Visa Gold-will be waived where it is your Mandatory Gold Credit Card Account.</p> <p>...</p> <p><b>16.5 Personal Loans</b></p> <p>[No change]</p> <p><i>Interest Rate Discount exception</i></p> <p>[No change]</p> <p><b>16.6 ANZ Progress Saver account</b></p> <p>[No change]</p> <p><b>16.7 International Transactions</b></p> <p>[No change]</p>

**16.8 Margin Lending**

*Interest Rate Discounts*

[No change]

*Minimum equity contributions*

[No change]

*Applicable fees*

[No change]

*Interest Rate Discount exception*

[No change]

**16.9 ANZ Car Loans**

[No change]

**17 Other Benefits**

As an ANZ customer who holds one or more of the Mandatory Accounts, you may obtain the following benefits:

**17.1 ANZ Assured**

[No change]

**17.2 ANZ Branded Insurance**

*ANZ Home Insurance*

[No change]

*ANZ Residential Investment Property Insurance (for Landlords)*

[No change]

*ANZ Health Insurance*

[No change]

*ANZ Mortgage Protection Insurance*

[No change]

*ANZ Car Insurance*

[No change]

**17.3 Additional Gold Credit Card Benefits**

ANZ will not charge you the following fees on your Mandatory Gold Credit Card:



Date	Relevant extract
	<ul style="list-style-type: none"> <li>issuing fees on AUD and foreign currency travellers' cheques purchased through <a href="#">an ANZ branch in Australia</a>.</li> </ul>
Jan 2006	<p><b>16 ANZ Breakfree Benefits</b> Your ANZ Breakfree Benefits are as follows.</p> <p><b>16.1 Customer Service</b> [No change]</p> <p><b>16.2 Mandatory Mortgage Lending Accounts</b> <i>Interest Rate Discounts</i></p> <p>ANZ Breakfree interest rate discounts are not available in conjunction with any other ANZ special offer or interest rate discount.</p> <p><del>Subject to the 'Interest Rate Exception' set out below, ANZ will charge interest on:</del></p> <p><del>A) any Mandatory Mortgage Lending Account that is an ANZ Standard Variable Rate Home Loan, ANZ Standard Variable Rate Residential Investment Loan, Equity Manager facility or Home Equity Loan:</del></p> <ol style="list-style-type: none"> <li><del>1. of individual loan size amounts between \$150,000 and \$249,999 at an annual interest rate that is ANZ's indicator rate for the applicable type of loan less a margin of up to 0.50% p.a. (as agreed with ANZ)</del></li> <li><del>2. of individual loan size amounts of between \$250,000 and \$699,999 at an annual interest rate that is ANZ's indicator rate for the applicable type of loan less a margin of up to 0.60% p.a. (as agreed with ANZ)</del></li> <li><del>3. where a customer has a combined lending of \$500,000 or more at an annual interest rate that is ANZ's indicate rate for the applicable type of loan less a margin of up to 0.60% per annum (as agreed with ANZ)</del></li> </ol> <p><del>B) any Mandatory Mortgage Lending Account that is an ANZ Standard Variable Rate Home Loan or Standard Variable Rate Residential Investment Loan:</del></p> <ol style="list-style-type: none"> <li><del>1. of individual loan size amounts of \$700,000 or more at an annual interest rate that is ANZ's indicator rate for the applicable type of loan less a margin of up to 0.70% p.a. (as agreed with ANZ)</del></li> <li><del>2. where a customer has a combined lending of \$700,000 or more at an annual interest rate that is ANZ's indicate rate for the applicable type4 of loan less a margin of up to 0.60% per annum (as agreed with ANZ)</del></li> </ol> <ul style="list-style-type: none"> <li>on and from the day you become an ANZ Breakfree Package Holder if the account is nominated as a Mandatory Mortgage Lending Account in accordance with clause 3; or</li> <li>from the day the day the account becomes a Mandatory Mortgage Lending Account in under clause 4.</li> </ul> <p><a href="#">Details of current interest rate discounts are set out in the ANZ Breakfree Features and Benefits flyer which is available from any ANZ branch or on <a href="http://www.anz.com">www.anz.com</a>. Please note, these interest rate discounts are subject to the 'Interest Rate Discount Exception' set out</a></p>

Date	Relevant extract
	<p><a href="#">below.</a></p> <p>...</p> <p><i>ANZ loan products ineligible for Interest Rate Discounts</i></p> <p>[No change]</p> <p><i>Loan Approval Fee</i></p> <p>[No change]</p> <p><a href="#">Valuation Administration Fee</a></p> <p><a href="#">ANZ will waive the Valuation Administration Fee for a total of 3 times per package per annum for any of your Mandatory Mortgage Lending Accounts if the account becomes a Mandatory Mortgage Lending Account in accordance with clause 3 or 4, and the Valuation Administration Fee becomes due within 12 months of this, and/or within each subsequent 12 month period.</a></p> <p><i>Loan Administration Charge</i></p> <p>[No change]</p> <p><i>Credit Facility Fee</i></p> <p>[No change]</p> <p>...</p> <p><i>Renegotiation Fee – <del>housing home or residential investment</del> loans converting or renegotiating</i></p> <p><del>You are entitled to one free loan renegotiation</del> The Renegotiation Fee will be waived once per package per annum for any of your Mandatory Mortgage Lending Accounts if the account becomes a Mandatory Mortgage Lending Account in accordance with clause 3 or 4, and the Renegotiation Fee becomes due within 12 months of this, and/or within each subsequent 12 month period.</p> <p>A loan renegotiation <a href="#">or conversion</a> includes, <a href="#">but is not limited to</a>, any of the following on a Mandatory Mortgage Lending Account:</p> <ul style="list-style-type: none"> <li>• requests for an increase in lending (this includes requests to increase an existing loan or requests for a Supplementary Home Loan or Supplementary Residential Investment Loan)</li> <li>• requests to split or restructure a loan</li> <li>• requests to change <a href="#">the</a> security, <del>of</del> borrowers <a href="#">or guarantors</a></li> <li>• requests to convert or change loan product type</li> <li>• requests to consolidate loans or restructure lending arrangements</li> <li>• requests to extend or convert to an interest only period or fixed rate term</li> </ul> <p>...</p>

Date	Relevant extract
	<p><b>16.3 Mandatory Transaction Account</b> [No change]</p> <p><b>16.4 Mandatory Gold Credit Card Accounts</b> <i>16.4.1 New Breakfree Packages from 1 December 2005</i> [No change]</p> <p>...</p> <p><b>16.4.2 Breakfree packages opened pre-December 2005</b> [No change]</p> <p><a href="#"><u>16.4.3 Reward Points and Qantas Frequent Flyer Points</u></a> <a href="#"><u>Reward Points and Bonus Reward Points accrue in accordance with the ANZ Rewards Visa Rewards Program Terms and Conditions (please call 13 22 73 for a copy).</u></a></p> <p>An ANZ Frequent Flyer Visa Gold Account Holder must be a member of the Qantas Frequent Flyer program to earn and redeem Qantas Frequent Flyer points. A joining fee applies. Membership of the Qantas Frequent Flyer program is subject to the Terms and Conditions of the Qantas Frequent Flyer program. Points and Bonus Points accrue in accordance with the ANZ Frequent Flyer Visa Reward Terms and Conditions (please call 13 22 73 for a copy). Limits apply to the number of points you can earn in a monthly statement cycle. Please refer to <a href="http://qantas.com/frequentflyer">qantas.com/frequentflyer</a> or call the Qantas Frequent Flyer Service Centre on 13 11 31 for a copy.</p> <p>...</p> <p><b>16.5 Personal Loans</b> [No change] <i>Interest Rate Discount exception</i> [No change]</p> <p><b>16.6 ANZ Progress Saver account</b> [No change]</p> <p><b>16.7 International Transactions</b> [No change]</p>

## **16.8 Margin Lending**

### *Interest Rate Discounts*

[No change]

### *Minimum equity contributions*

A Margin Lending facility of \$205,000 requires a minimum equity contribution of \$6,66740,714.

An ANZ Margin Lending Regular Geared Savings Plan facility of \$5,000 requires a minimum contribution of \$2,500 and minimum monthly personal contribution of \$250 together with a minimum monthly ANZ Margin Lending contribution of \$500.

### *Applicable fees*

[No change]

### *Interest Rate Discount exception*

[No change]

## **16.9 ANZ Car Loans**

[No change]

## **17 Other Benefits**

As an ANZ customer who holds one or more of the Mandatory Accounts, you may obtain the following benefits:

### **17.1 ANZ Assured**

[No change]

### **17.2 ANZ Branded Insurance**

#### *ANZ Home Insurance*

[No change]

#### *ANZ Residential Investment Property Insurance (for Landlords)*

[No change]

#### *ANZ Health Insurance*

ANZ will provide you with the following benefits relating to your ANZ Health Insurance policy:

- the waiver of one month's premium in the first year that you take out ANZ Health Insurance plus a 5% per annum discount on your premium
- dedicated customer telephone and fax lines to process applications, claims and queries relating to ANZ Health Insurance policies
- a no obligation 'Annual Check-Up' of your health insurance needs [upon request](#).

Date	Relevant extract
	<p><i>ANZ Mortgage Protection Insurance</i> [No change]</p> <p><i>ANZ Car Insurance</i> [No change]</p> <p><b>17.3 Additional Gold Credit Card Benefits</b> [No change]</p>
<p><b>Aug 2006</b></p>	<p><b>16 ANZ Breakfree Benefits</b> Your ANZ Breakfree Benefits are as follows.</p> <p><b>16.1 Customer Service</b> [No change]</p> <p><b>16.2 Mandatory Mortgage Lending Accounts</b> <i>Interest Rate Discounts</i> [No change]</p> <p>...</p> <p><i>ANZ loan products ineligible for Interest Rate Discounts</i> [No change]</p> <p><i>Loan Approval Fee</i> [No change]</p> <p><i>Valuation Administration Fee</i> [No change]</p> <p><i>Loan Administration Charge</i></p> <p>In respect of any Money Saver Home Loan, or a Money Saver Residential Investment Loan, <a href="#">Easy Start Home Loan or a Easy Start Residential Investment Loan</a>, ANZ will not charge the Loan Administration Charge, provided:</p> <ul style="list-style-type: none"> <li>• the facility is nominated as a Mandatory Mortgage Lending Account in accordance with clause 3 and the fee becomes due on or after you become an ANZ Breakfree Package Holder; or</li> <li>• the facility becomes a Mandatory Mortgage Lending Account in accordance with clause 4 and the fee becomes due on or after the facility becomes a Mandatory Mortgage Lending Account.</li> </ul>

Date	Relevant extract
	<p><i>Credit Facility Fee</i> [No change] ...</p> <p><i>Renegotiation Fee –home or residential investment loans converting or renegotiating</i> [No change] ...</p> <p><b>16.3 Mandatory Transaction Account</b> [No change]</p> <p><b>16.4 Mandatory Gold Credit Card Accounts</b> 16.4.1 <i>New Breakfree Packages from 1 December 2005</i> [No change] ...</p> <p><b>16.4.2 Breakfree packages opened pre-December 2005</b> [No change]</p> <p>16.4.3 <i>Reward Points and Qantas Frequent Flyer Points</i> [No change] ...</p> <p><b>16.5 Personal Loans</b> [No change] <i>Interest Rate Discount exception</i> [No change]</p> <p><b>16.6 ANZ Progress Saver account</b> [No change]</p> <p><b>16.7 International Transactions</b> [No change]</p>

## **16.8 Margin Lending**

### *Interest Rate Discounts*

[No change]

### *Minimum equity contributions*

[No change]

### *Applicable fees*

[No change]

### *Interest Rate Discount exception*

[No change]

## **16.9 ANZ Car Loans**

[No change]

## **17 Other Benefits**

As an ANZ customer who holds one or more of the Mandatory Accounts, you may obtain the following benefits:

### **17.1 ANZ Assured**

[No change]

### **17.2 ANZ Branded Insurance**

#### *ANZ Home Insurance*

[No change]

#### *ANZ Residential Investment Property Insurance (for Landlords)*

[No change]

#### *ANZ Health Insurance*

ANZ will provide you with the following benefits relating to your ANZ Health Insurance policy:

- the waiver of one month's premium in the first year [for ANZ Breakfree members who ~~that you~~](#) take out a new ANZ Health Insurance Policy plus a 5% per annum discount on your premium from the second year onwards
- dedicated customer telephone and fax lines to process applications, claims and queries relating to ANZ Health Insurance policies
- a no obligation 'Annual Check-Up' of your health insurance needs upon request.

[Offer is not available in conjunction with any other offer and only to new members of BUPA Australia Health Pty Ltd.](#)

*ANZ Mortgage Protection ~~Insurance~~*

Date	Relevant extract
	<p>When you take out an ANZ Mortgage Protection <del>Insurance</del> policy, you will receive 10% off the total premium costs.            Not applicable in conjunction with any other discounts or offers.</p> <p><i>ANZ Car Insurance</i>            [No change]</p> <p><b>17.3 Additional Gold Credit Card Benefits</b>            [No change]</p>
Sep 2006	<p><b>16 ANZ Breakfree Benefits</b>            Your ANZ Breakfree Benefits are as follows.</p> <p><b>16.1 Customer Service</b>            [No change]</p> <p><b>16.2 Mandatory Mortgage Lending Accounts</b>  <i>Interest Rate Discounts</i>            [No change]</p> <p>...</p> <p><i>ANZ loan products ineligible for Interest Rate Discounts</i>            [No change]</p> <p><i>Loan Approval Fee</i>            [No change]</p> <p><i>Valuation Administration Fee</i>            [No change]</p> <p><i>Loan Administration Charge</i></p> <p>In respect of any Money Saver Home Loan, or a Money Saver Residential Investment Loan, Easy Start Home Loan or <del>a</del> Easy Start Residential Investment Loan, ANZ will not charge the Loan Administration Charge, provided:</p> <ul style="list-style-type: none"> <li>• the facility is nominated as a Mandatory Mortgage Lending Account in accordance with clause 3 and the fee becomes due on or after you become an ANZ Breakfree Package Holder; or</li> <li>• the facility becomes a Mandatory Mortgage Lending Account in accordance with clause 4 and the fee becomes due on or after the facility becomes a Mandatory Mortgage Lending Account.</li> </ul>



Date	Relevant extract
	<p><i>Credit Facility Fee</i> [No change] ...</p> <p><i>Renegotiation Fee –home or residential investment loans converting or renegotiating</i> [No change] ...</p> <p><b>16.3 Mandatory Transaction Account</b> [No change]</p> <p><b>16.4 Mandatory Gold Credit Card Accounts</b> 16.4.1 <i>New Breakfree Packages from 1 December 2005</i> [No change] ...</p> <p><b>16.4.2 Breakfree packages opened pre-December 2005</b> [No change]</p> <p>16.4.3 <i>Reward Points and Qantas Frequent Flyer Points</i> [No change] ...</p> <p><b>16.5 Personal Loans</b> [No change] <i>Interest Rate Discount exception</i> [No change]</p> <p><b>16.6 ANZ Progress Saver account</b> [No change]</p> <p><b>16.7 International Transactions</b> [No change]</p>

**16.8 Margin Lending***Interest Rate Discounts*

[No change]

*Minimum equity contributions*

[No change]

*Applicable fees*

[No change]

*Interest Rate Discount exception*

[No change]

**16.9 ANZ Car Loans**

[No change]

**17 Other Benefits**

As an ANZ customer who holds one or more of the Mandatory Accounts, you may obtain the following benefits:

**17.1 ANZ Assured**

[No change]

**17.2 ANZ Branded Insurance***ANZ Home Insurance*

[No change]

*ANZ Residential Investment Property Insurance (for Landlords)*

[No change]

*ANZ Health Insurance*

ANZ will provide you with the following benefits relating to your ANZ Health Insurance policy:

- the waiver of one month's premium in the first year for ANZ Breakfree members who take out a new ANZ Health Insurance Policy, plus a 5% per annum discount on your premium from the second year onwards
- dedicated customer telephone and fax lines to process applications, claims and queries relating to ANZ Health Insurance policies
- a no obligation 'Annual Check-Up' of your health insurance needs upon request.

Offer is not available in conjunction with any other [discount or](#) offer and [is](#) only [available](#) to new members of BUPA Australia Health Pty Ltd.

Date	Relevant extract
	<p><i>ANZ Mortgage Protection</i> [No change]</p> <p><i>ANZ Car Insurance</i> [No change]</p> <p><b>17.3 Additional Gold Credit Card Benefits</b> [No change]</p>
July 2007	<p><b>16 ANZ Breakfree Benefits</b> Your ANZ Breakfree Benefits are as follows.</p> <p><b>16.1 Customer Service</b> [No change]</p> <p><b>16.2 Mandatory Mortgage Lending Accounts</b> <i>Interest Rate Discounts</i> [No change]</p> <p>...</p> <p><i>ANZ loan products ineligible for Interest Rate Discounts</i> [No change]</p> <p><i>Loan Approval Fee</i> [No change]</p> <p><i>Valuation Administration Fee</i> [No change]</p> <p><i>Loan Administration Charge</i></p> <p>In respect of any Money Saver Home Loan, Money Saver Residential Investment Loan, Easy Start Home Loan, <del>or</del> Easy Start Residential Investment Loan, <a href="#">Fixed Rate Home Loan</a> or <a href="#">Fixed Rate Residential Investment Loan</a>, ANZ will not charge the Loan Administration Charge, provided:</p> <ul style="list-style-type: none"> <li>the facility is nominated as a Mandatory Mortgage Lending Account in accordance with clause 3 and the fee becomes due on or after you become an ANZ Breakfree Package Holder; or</li> </ul>

Date	Relevant extract
	<ul style="list-style-type: none"> <li>the facility becomes a Mandatory Mortgage Lending Account in accordance with clause 4 and the fee becomes due on or after the facility becomes a Mandatory Mortgage Lending Account.</li> </ul> <p><i>Credit Facility Fee</i> [No change]</p> <p>...</p> <p><i>Renegotiation Fee – home or residential investment loans converting or renegotiating</i> [No change]</p> <p>...</p> <p><b>16.3 Mandatory Transaction Account</b> Fee waiver on your ANZ <a href="#">Equity Manager facility, ANZ</a> Access Advantage account or your ANZ One account ANZ will not charge <a href="#">the annual credit facility fee or</a> any monthly account servicing fee under your Mandatory Transaction account that is an ANZ <a href="#">Equity Manager facility, ANZ</a> Access Advantage account or an ANZ One account (<a href="#">as applicable</a>):</p> <ul style="list-style-type: none"> <li>nominated as the Mandatory Transaction Account in accordance with clause 3 if the fee becomes due on or after the day you become an ANZ Breakfree Package holder; or</li> <li>that becomes the Mandatory Transaction Account in accordance with clause 4 if the fee becomes due on or after the day that the account becomes your Mandatory Transaction Account.</li> </ul> <p><b>16.4 Mandatory <a href="#">Eligible Gold</a> Credit Card Accounts</b> <del>16.4.1 New Breakfree Packages <a href="#">Credit cards</a>: from 1 December 2005</del></p> <p>ANZ will waive the Annual Account Fee:</p> <ul style="list-style-type: none"> <li>on one Mandatory <a href="#">Eligible Gold</a> Credit Card Account nominated in accordance with clause 3 if the fee becomes due on or after you become an ANZ Breakfree Package holder; or</li> <li>on one <a href="#">Mandatory Eligible Gold</a> Credit Card Account that becomes your <del>Mandatory Gold Credit Card Account</del> in accordance with clause 4 if the fee becomes due on or after the account becomes your Mandatory <a href="#">Eligible Gold</a> Credit Card Account.</li> </ul> <p>ANZ will credit your Mandatory <a href="#">Eligible Gold</a> Credit Card Account with a proportionate rebate of an Annual Account Fee that you paid before becoming an ANZ Breakfree Package Holder. This rebate will refer to the period following you becoming an ANZ Breakfree Package Holder.</p> <p>The Annual Account Fee waiver applies to one <a href="#">Mandatory Eligible Gold</a> Credit Card Account only.</p> <p>Under the ANZ Breakfree Package, one <del>a</del>Additional <del>e</del>Cardholder <del>f</del>Fee for ANZ Frequent Flyer Visa <a href="#">Gold or ANZ Frequent Flyer Visa</a></p>

Date	Relevant extract
	<p><a href="#">Platinum</a> will be waived where it is your Mandatory <a href="#">Eligible Gold</a> Credit Card Account.</p> <p>...</p> <p><b><del>16.4.2 Breakfree packages opened pre-December 2005</del></b></p> <p><del>ANZ will waive the Annual Account Fee &amp; Rewards Program Services Fee (excluding Sphere):</del></p> <ul style="list-style-type: none"> <li>• on one Mandatory Gold Credit Card Account nominated in accordance with clause 3 if the fee becomes due on or after you become an ANZ Breakfree Package holder; or</li> <li>• on one ANZ Gold Credit Card Account that becomes your Mandatory Gold Credit Card Account in accordance with clause 4 if the fee becomes due on or after the account becomes your Mandatory Gold Credit Card Account.</li> </ul> <p><del>ANZ will credit your Mandatory Gold Credit Card Account with a proportionate rebate of an Annual Account Fee that you paid before becoming an ANZ Breakfree Package Holder. This rebate will refer to the period following you becoming an ANZ Breakfree Package Holder.</del></p> <p><del>The Annual Account Fee &amp; Rewards Program Services Fee waiver applies to one Gold Credit Card Account only.</del></p> <p><del>Under the ANZ Breakfree Package, one additional cardholder fee and additional cardholder Rewards Program Services Fee for ANZ Frequent Flyer Visa Gold and ANZ Rewards Visa Gold will be waived where it is your Mandatory Gold Credit Card Account.</del></p> <p><b>16.4.23 Reward Points and Qantas Frequent Flyer Points</b></p> <p>[No change]</p> <p>...</p> <p><b>16.5 Personal Loans</b></p> <p>[No change]</p> <p><i>Interest Rate Discount exception</i></p> <p>[No change]</p> <p><b>16.6 ANZ Progress Saver account</b></p> <p>ANZ will pay a package bonus interest rate on one nominated Progress Saver account held by you. <del>The package bonus interest rate as at December 2005 is 5.00% p.a. but subject to change (see <a href="http://www.anz.com">www.anz.com</a> for current rate).</del></p> <p><a href="http://www.anz.com">For the current package bonus interest rate, please see <a href="http://www.anz.com">www.anz.com</a>.</a></p> <p>To earn bonus interest a deposit of at least \$10 and no withdrawals must be made per month. Month commences from account opening date. Package bonus interest rate is not available in conjunction with other offers.</p>

Date	Relevant extract
	<p>You can nominate your Progress Saver account to receive this benefit by telling your ANZ Manager in writing. If more than one of you signed the same ANZ Breakfree Application Form, you must all sign this nomination.</p> <p><b>16.7 International Transactions</b> [No change]</p> <p><b>16.8 Margin Lending</b> <i>Interest Rate Discounts</i> [No change] <i>Minimum equity contributions</i> [No change] <i>Applicable fees</i> [No change] <i>Interest Rate Discount exception</i> [No change]</p> <p><b>16.9 ANZ Car Loans</b> [No change]</p> <p><b>17 Other Benefits</b> As an ANZ customer who holds one or more of the Mandatory Accounts, you may obtain the following benefits:</p> <p><b>17.1 ANZ Assured</b> [No change]</p> <p><b>17.2 ANZ Branded Insurance</b> <i>ANZ Home Insurance</i> <a href="#">ANZ will provide you with 13 months insurance cover for the price of 12 months in the first year of your insurance policy. The bonus one month offer is given at the end of the first 12 months. This offer is not available in conjunction with any other ANZ Insurance package or promotional discount or offer.</a> <del>ANZ will provide you with the following benefits in relation to your ANZ Home Insurance in the first year of your policy:</del></p> <ul style="list-style-type: none"> <li>• 15 months insurance cover for the price of 12 months when you first take out ANZ Home Insurance</li> <li>• an introductory discount of \$25 off the first annual premium on ANZ Home Insurance (building or contents cover)</li> </ul>

Date	Relevant extract
	<ul style="list-style-type: none"> <li>an introductory discount of \$50 off the first annual premium on ANZ Home Insurance (building &amp; contents)</li> </ul> <p><del>ANZ will provide you with the following on-going benefit in relation to your ANZ Home Insurance:</del></p> <ul style="list-style-type: none"> <li>10% per annum loyalty discount off the premium for the renewal of your ANZ Home Insurance policy.</li> </ul> <p><del>ANZ Landlord Insurance ANZ Residential Investment Property Insurance (for Landlords)</del></p> <p><del>ANZ will provide you with 13 months insurance cover for the price of 12 months in the first year of your insurance policy. The bonus one month offer is given at the end of the first 12 months. This offer is not available in conjunction with any other ANZ Insurance package or promotional discount or offer.</del></p> <p><del>ANZ will provide you with the following benefits in relation to your ANZ Residential Investment Property Insurance (for Landlords) in the first year of your policy:</del></p> <ul style="list-style-type: none"> <li>15 months insurance cover for the price of 12 months when you first take out ANZ Residential Investment Property Insurance (for Landlords)</li> <li>an introductory discount of \$25 off the first annual premium on ANZ Residential Investment Property Insurance (for Landlords) building cover</li> </ul> <p><del>ANZ will provide you with the following on-going benefit in relation to your ANZ Residential Investment Property Insurance (for Landlords):</del></p> <ul style="list-style-type: none"> <li>10% per annum loyalty discount off the premium for the renewal of your ANZ Residential Investment Property Insurance (for Landlords) policy.</li> </ul> <p><i>ANZ Health Insurance</i> [No change]</p> <p><i>ANZ Mortgage Protection</i> [No change]</p> <p><i>ANZ Car Insurance</i></p> <p><del>ANZ will provide you with a 5% discount on your first year premium for ANZ Car Insurance. This offer is not available in conjunction with any other ANZ Insurance package or promotional discount or offer.</del></p> <p><del>When you take out an ANZ Car Insurance policy, you will receive 5% p.a. off the premium. Not applicable in conjunction with any other discounts or offers.</del></p> <p><b>17.3 Additional <i>Gold</i> Credit Card Benefits</b></p> <p>ANZ will not charge you the following fees on your Mandatory <a href="#">Eligible Gold</a> Credit Card <a href="#">Account</a>:</p>

Date	Relevant extract
	<ul style="list-style-type: none"> <li>issuing fees on AUD and foreign currency travellers' cheques purchased through an ANZ branch in Australia.</li> </ul>
Feb 2008	<p><b>16 ANZ Breakfree Benefits</b> Your ANZ Breakfree Benefits are as follows.</p> <p><b>16.1 Customer Service</b> [No change]</p> <p><b>16.2 Mandatory Mortgage Lending Accounts</b> <i>Interest Rate Discounts</i> [No change] ... <i>ANZ loan products ineligible for Interest Rate Discounts</i> The following products are excluded from the interest rate discounts detailed above:</p> <ul style="list-style-type: none"> <li>ANZ Money Saver Home Loans</li> <li>ANZ Money Saver Residential Investment Loans</li> <li>ANZ Easy Start Home Loans (<a href="#">No longer offered</a>)</li> <li>ANZ Easy Start Residential Investment Loans (<a href="#">No longer offered</a>)</li> <li>ANZ Fixed Rate Home Loans</li> <li>ANZ Fixed Rate Residential Investment Loans</li> </ul> <p><i>Loan Approval Fee</i> [No change]</p> <p><i>Valuation Administration Fee</i> [No change]</p> <p><i>Loan Administration Charge</i> In respect of any Money Saver Home Loan, Money Saver Residential Investment Loan, Easy Start Home Loan (<a href="#">No longer offered</a>) Easy Start Residential Investment Loan (<a href="#">No longer offered</a>), Fixed Rate Home Loan or Fixed Rate Residential Investment Loan, ANZ will not charge the Loan Administration Charge, provided:</p> <ul style="list-style-type: none"> <li>the facility is nominated as a Mandatory Mortgage Lending Account in accordance with clause 3 and the fee becomes due on or after you become an ANZ Breakfree Package Holder; or</li> </ul>



Date	Relevant extract
	<ul style="list-style-type: none"> <li>• the facility becomes a Mandatory Mortgage Lending Account in accordance with clause 4 and the fee becomes due on or after the facility becomes a Mandatory Mortgage Lending Account.</li> </ul> <p><i>Credit Facility Fee</i> [No change]</p> <p>...</p> <p><i>Renegotiation Fee – home or residential investment loans converting or renegotiating</i> [No change]</p> <p>...</p> <p><b>16.3 Mandatory Transaction Account</b> [No change]</p> <p><b>16.4 Mandatory Eligible Credit Card Accounts</b></p> <p><i>16.4.1 Breakfree Package Credit cards:</i> ANZ will waive the Annual Account Fee:</p> <ul style="list-style-type: none"> <li>• on one Mandatory Eligible Credit Card Account nominated in accordance with clause 3 if the fee becomes due on or after you become an ANZ Breakfree Package holder; or</li> <li>• on one Mandatory Eligible Credit Card Account that becomes your mandatory credit card account in accordance with clause 4 if the fee becomes due on or after the account becomes your Mandatory Eligible Credit Card Account.</li> </ul> <p>ANZ will credit your Mandatory <b>Gold</b> Eligible Credit Card Account with a proportionate rebate of an Annual Account Fee that you paid before becoming an ANZ Breakfree Package Holder. This rebate will refer to the period following you becoming an ANZ Breakfree Package Holder.</p> <p>The Annual Account Fee waiver applies to one Mandatory Eligible Credit Card Account.</p> <p>Under the ANZ Breakfree Package, one Additional Cardholder Fee for ANZ Frequent Flyer Visa Gold will be waived where it is your Mandatory Eligible Credit Card Account.</p> <p>...</p> <p><i>16.4.2. Reward Points and Qantas Frequent Flyer Points</i> [No change]</p> <p>...</p>

**16.5 Personal Loans**

[No change]

*Interest Rate Discount exception*

[No change]

**16.6 ANZ Progress Saver account**

ANZ will pay a package bonus interest rate on one nominated Progress Saver account held by you. [The minimum balance requirement to hold an ANZ Progress Saver account is \\$10](#). For the current package bonus interest rate, please see [www.anz.com](http://www.anz.com).

To earn bonus interest a deposit of at least \$10 and no withdrawals must be made per month. Month commences from account opening date. Package bonus interest rate is not available in conjunction with other offers.

~~You can nominate your Progress Saver account to receive this benefit by telling your ANZ Manager in writing. If more than one of you signed the same ANZ Breakfree Application Form, you must all sign this nomination.~~

**16.7 International Transactions**

[No change]

**16.8 Margin Lending**

*Interest Rate Discounts*

[No change]

*Minimum equity contributions*

[No change]

*Applicable fees*

[No change]

*Interest Rate Discount exception*

[No change]

**16.9 ANZ Car Loans**

[No change]

**17 Other Benefits**

As an ANZ customer who holds one or more of the Mandatory Accounts, you may obtain the following benefits:

**17.1 ANZ Assured**

[No change]

**17.2 ANZ ~~Branded~~ Insurance**

Date	Relevant extract
	<p><i>ANZ Home Insurance</i> [No change]</p> <p><i>ANZ Landlord Insurance</i> [No change]</p> <p><i>ANZ Health Insurance</i> [No change]</p> <p><i>ANZ Mortgage Protection</i> [No change]</p> <p><i>ANZ Car Insurance</i> [No change]</p> <p><b>17.3 Additional Credit Card Benefits</b></p> <p>ANZ will not charge you the following fees on <a href="#">a Gold or Platinum credit card account</a> <del>your Mandatory Eligible Credit Card Account</del>:</p> <ul style="list-style-type: none"> <li>• issuing fees on AUD and foreign currency travellers' cheques purchased through an ANZ branch in Australia.</li> </ul>
May 2008	<p><b>16 ANZ Breakfree Benefits</b></p> <p>Your ANZ Breakfree Benefits are as follows.</p> <p><b>16.1 Customer Service</b> [No change]</p> <p><b>16.2 Mandatory Mortgage Lending Accounts</b></p> <p><i>Interest Rate Discounts</i> [No change]</p> <p>...</p> <p><i>ANZ loan products ineligible for Interest Rate Discounts</i></p> <p>The following products are excluded from the interest rate discounts detailed above:</p> <ul style="list-style-type: none"> <li>• ANZ Money Saver Home Loans (<a href="#">no longer offered</a>)</li> <li>• ANZ Money Saver Residential Investment Loans (<a href="#">no longer offered</a>)</li> <li>• ANZ Easy Start Home Loans (<a href="#">no longer offered</a>)</li> </ul>

Date	Relevant extract
	<ul style="list-style-type: none"> <li>• ANZ Easy Start Residential Investment Loans (<a href="#">no longer offered</a>)</li> <li>• ANZ Fixed Rate Home Loans</li> <li>• ANZ Fixed Rate Residential Investment Loans</li> <li>• ANZ Simplicity PLUS Home Loans</li> <li>• ANZ Simplicity PLUS Residential Investment Loans</li> </ul> <p><i>Loan Approval Fee</i> [No change]</p> <p><i>Valuation Administration Fee</i> [No change]</p> <p><i>Loan Administration Charge</i> In respect of any <del>Money Saver</del> <a href="#">Standard Variable Rate</a> Home Loan, <del>Money Saver</del> <a href="#">Standard Variable Rate</a> Residential Investment Loan, <del>Easy Start</del> <a href="#">Money Saver</a> Home Loan (<a href="#">no longer offered</a>) <del>Easy Start</del> <a href="#">Money Saver</a> Residential Investment Loan (<a href="#">no longer offered</a>), <a href="#">Easy Start Home Loan</a> (<a href="#">no longer offered</a>), <a href="#">Easy Start Residential Investment Loan</a> (<a href="#">no longer offered</a>), Fixed Rate Home Loan or Fixed Rate Residential Investment Loan_ANZ will not charge the Loan Administration Charge, provided:</p> <ul style="list-style-type: none"> <li>• the facility is nominated as a Mandatory Mortgage Lending Account in accordance with clause 3 and the fee becomes due on or after you become an ANZ Breakfree Package Holder; or</li> <li>• the facility becomes a Mandatory Mortgage Lending Account in accordance with clause 4 and the fee becomes due on or after the facility becomes a Mandatory Mortgage Lending Account.</li> </ul> <p><i>Credit Facility Fee</i> [No change] ...</p> <p><i>Renegotiation Fee – home or residential investment loans converting or renegotiating</i> [No change] ...</p> <p><b>16.3 Mandatory Transaction Account</b> [No change]</p> <p><b>16.4 Mandatory Eligible Credit Card Accounts</b> 16.4.1 Breakfree Package Credit cards:</p>

Date	Relevant extract
	<p>[No change]</p> <p>...</p> <p><i>16.4.2.Reward Points and Qantas Frequent Flyer Points</i></p> <p>[No change]</p> <p>...</p> <p><b>16.5 Personal Loans</b></p> <p>[No change]</p> <p><i>Interest Rate Discount exception</i></p> <p>[No change]</p> <p><b>16.6 ANZ Progress Saver account</b></p> <p>[No change]</p> <p><b>16.7 International Transactions</b></p> <p>[No change]</p> <p><b>16.8 Margin Lending</b></p> <p><i>Interest Rate Discounts</i></p> <p>[No change]</p> <p><del>Minimum equity contributions</del></p> <p><del>A Margin Lending facility of \$20,000 requires a minimum equity contribution of \$6,667.</del></p> <p><del>An ANZ Margin Lending Regular Geared Savings Plan facility of \$5,000 requires a minimum contribution of \$2,500 and minimum monthly personal contribution of \$250 together with a minimum monthly ANZ Margin Lending contribution of \$500.</del></p> <p><i>Applicable fees</i></p> <p>[No change]</p> <p><i>Interest Rate Discount exception</i></p> <p>[No change]</p> <p><b>16.9 ANZ Car Loans</b></p> <p>[No change]</p>

Date	Relevant extract
	<p><b>17 Other Benefits</b></p> <p>As an ANZ customer who holds one or more of the Mandatory Accounts, you may obtain the following benefits:</p> <p><b>17.1 ANZ Assured</b></p> <p>If you have or apply for an ANZ Assured facility with a limit of \$1,000 and you remain an ANZ Breakfree Package Holder, ANZ will not charge an ongoing Credit Facility Fee.</p> <p>Standard interest rates apply. <a href="#">Interest rate is subject to change.</a></p> <p><b>17.2 ANZ Insurance</b></p> <p><i>ANZ Home Insurance</i></p> <p>[No change]</p> <p><i>ANZ Landlord Insurance</i></p> <p>[No change]</p> <p><i>ANZ Health Insurance</i></p> <p>[No change]</p> <p><i>ANZ Mortgage Protection</i></p> <p>[No change]</p> <p><i>ANZ Car Insurance</i></p> <p>[No change]</p> <p><b>17.3 Additional Credit Card Benefits</b></p> <p>[No change]</p>
Oct 2008	<p><b>16 ANZ Breakfree Benefits</b></p> <p>Your ANZ Breakfree Benefits are as follows.</p> <p><b>16.1 Customer Service</b></p> <p>[No change]</p> <p><b>16.2 Mandatory Mortgage Lending Accounts</b></p> <p><i>Interest Rate Discounts</i></p> <p>[No change]</p> <p>...</p>

Date	Relevant extract
	<p><i>ANZ loan products ineligible for Interest Rate Discounts</i></p> <p>The following products are excluded from the interest rate discounts detailed above:</p> <ul style="list-style-type: none"> <li>• ANZ Money Saver Home Loans (no longer offered)</li> <li>• ANZ Money Saver Residential Investment Loans (no longer offered)</li> <li>• ANZ Easy Start Home Loans (no longer offered)</li> <li>• ANZ Easy Start Residential Investment Loans (no longer offered)</li> <li>• ANZ Fixed Rate Home Loans</li> <li>• ANZ Fixed Rate Residential Investment Loans</li> <li>• ANZ Simplicity PLUS Home Loans</li> <li>• ANZ Simplicity PLUS Residential Investment Loans</li> </ul> <p><a href="#"><u>Loans approved under ANZ's low documentation (Lo Doc) policy which have a loan to value (LVR) ratio greater than 60% are excluded from the interest rate discounts.</u></a></p> <p><i>Loan Approval Fee</i> [No change]</p> <p><i>Valuation Administration Fee</i> [No change]</p> <p><i>Loan Administration Charge</i> [No change]</p> <p><i>Credit Facility Fee</i> [No change]</p> <p>...</p> <p><i>Renegotiation Fee – home or residential investment loans converting or renegotiating</i> [No change]</p> <p>...</p> <p><b>16.3 Mandatory Transaction Account</b> [No change]</p> <p><b>16.4 Mandatory Eligible Credit Card Accounts</b></p>

Date	Relevant extract
	<p><b>16.4.1 Breakfree Package Credit cards:</b>  ANZ will waive the Annual Account Fee:</p> <ul style="list-style-type: none"> <li>• on one Mandatory Eligible Credit Card Account nominated in accordance with clause 3 if the fee becomes due on or after you become an ANZ Breakfree Package holder; or</li> <li>• on one Mandatory Eligible Credit Card Account that becomes your mandatory credit card account in accordance with clause 4 if the fee becomes due on or after the account becomes your Mandatory Eligible Credit Card Account.</li> </ul> <p>ANZ will credit your Mandatory Eligible Credit Card Account with a proportionate rebate of an Annual Account Fee that you paid before becoming an ANZ Breakfree Package Holder. This rebate will refer to the period following you becoming an ANZ Breakfree Package Holder.</p> <p>The Annual Account Fee waiver applies to one Mandatory Eligible Credit Card Account.</p> <p>Under the ANZ Breakfree Package, one Additional Cardholder Fee for ANZ Frequent Flyer Visa Gold <a href="#">or ANZ Frequent Flyer Visa Platinum</a> will be waived where it is your Mandatory Eligible Credit Card Account.</p> <p>...</p> <p><b>16.4.2. Reward Points and Qantas Frequent Flyer Points</b>  Reward Points and Bonus Reward Points accrue in accordance with the applicable Rewards Program Terms and Conditions (please call 13 22 73 for a copy).</p> <p>An ANZ Frequent Flyer Visa Gold <a href="#">or ANZ Frequent Flyer Visa Platinum</a> Account Holder must be a member of the Qantas Frequent Flyer program to earn and redeem Qantas Frequent Flyer points. A joining fee applies. Membership of the Qantas Frequent Flyer program is subject to the Terms and Conditions of the Qantas Frequent Flyer program. Points and Bonus Points accrue in accordance with the ANZ Frequent Flyer Visa Reward Terms and Conditions (please call 13 22 73 for a copy). Limits apply to the number of points you can earn in a monthly statement cycle.</p> <p>Please refer to <a href="http://qantas.com/frequentflyer">qantas.com/frequentflyer</a> or call the Qantas Frequent Flyer Service Centre on 13 11 31 for a copy.</p> <p>...</p> <p><b>16.5 Personal Loans</b>  [No change]  <i>Interest Rate Discount exception</i>  [No change]</p> <p><b>16.6 ANZ Progress Saver account</b>  [No change]</p>



**16.7 International Transactions**

[No change]

**16.8 Margin Lending**

*Interest Rate Discounts*

[No change]

*Applicable fees*

[No change]

*Interest Rate Discount exception*

[No change]

**16.9 ANZ Car Loans**

[No change]

**17 Other Benefits**

As an ANZ customer who holds one or more of the Mandatory Accounts, you may obtain the following benefits:

**17.1 ANZ Assured**

[No change]

**17.2 ANZ Insurance**

*ANZ Home Insurance*

[No change]

*ANZ Landlord Insurance*

[No change]

*ANZ Health Insurance*

[No change]

*ANZ Mortgage Protection*

[No change]

*ANZ Car Insurance*

[No change]

**17.3 Additional Credit Card Benefits**

[No change]

Date	Relevant extract
July 2009 – Dec 2009	No substantive change (minor change reflected in footnote) <sup>35</sup>
Jan 2010	<p><b>16 ANZ Breakfree Benefits</b>  Your ANZ Breakfree Benefits are as follows.</p> <p><b>16.1 Customer Service</b>  [No change]</p> <p><b>16.2 Mandatory Mortgage Lending Accounts</b>  <i>Interest Rate Discounts</i>  ANZ Breakfree interest rate discounts are not available in conjunction with any other ANZ special offer or interest rate discount. Details of current interest rate discounts are set out in the <a href="#">ANZ Home and Investment Loans brochure</a> <del>ANZ Breakfree Features and Benefits flyer</del> which is available from any ANZ branch or on <a href="http://www.anz.com">www.anz.com</a>. Please note, these interest rate discounts are subject to the 'Interest Rate Discount Exception' set out below.</p> <p>...</p> <p><i>ANZ loan products ineligible for Interest Rate Discounts</i>  [No change]</p> <p><i>Loan Approval Fee</i>  [No change]</p> <p><i>Valuation Administration Fee</i>  [No change]</p> <p><i>Loan Administration Charge</i>  [No change]</p> <p><i>Credit Facility Fee</i>  [No change]</p> <p>...</p> <p><i>Renegotiation Fee – home or residential investment loans converting or renegotiating</i></p>

<sup>35</sup> In July 2009, text under cl 16.4.2 amended as follows: Points and Bonus Points accrue in accordance with the ANZ Frequent Flyer [Visa](#) Reward Terms and Conditions (please call 13 22 73 for a copy).

Date	Relevant extract
	<p>[No change]</p> <p>...</p> <p><b>16.3 Mandatory Transaction Account</b></p> <p>[No change]</p> <p><b>16.4 Mandatory Eligible Credit Card Accounts</b></p> <p>16.4.1 Breakfree Package Credit cards:</p> <p>[No change]</p> <p>...</p> <p>16.4.2. Reward Points and Qantas Frequent Flyer Points</p> <p>[No change]</p> <p><b>16.5 Personal Loans</b></p> <p>[No change]</p> <p><i>Interest Rate Discount exception</i></p> <p>[No change]</p> <p><b>16.6 ANZ Progress Saver account</b></p> <p>[No change]</p> <p><b>16.7 International Transactions</b></p> <p>[No change]</p> <p><b>16.8 <del>Margin</del> <u>Investment</u> Lending</b></p> <p><i>Interest Rate Discounts</i></p> <p>ANZ Breakfree interest rate discounts are not available in conjunction with any other ANZ special offer or interest rate discount.</p> <p>Subject to the 'Interest Rate Discount Exception' set out below, ANZ will charge interest on any nominated standard variable rate <del>ANZ Margin Lending facility</del> <u>ANZ Share Investment Loan, ANZ E*TRADE Share Investment Loan or ANZ Regular Geared Savings Plan</u>:</p> <ul style="list-style-type: none"> <li>• for loans with an outstanding balance greater than \$20,000, at an annual interest rate that is ANZ's published Standard Variable Rate for the Margin Lending facility, less a margin of 0.35% p.a.</li> </ul> <p><del>Subject to the 'Interest Rate Discount Exception' set out below, ANZ will charge interest on any standard variable rate ANZ Margin Lending Regular Geared Savings Plan facility:</del></p>

Date	Relevant extract
	<ul style="list-style-type: none"> <li>for loans with an outstanding balance greater than \$5,000, at an annual interest rate that is ANZ's published Standard Variable Rate for the <del>Margin Lending Regular Geared Savings Plan</del> <a href="#">Investment Lending</a> facility, less a margin of 0.35% p.a.</li> </ul> <p>You may make this nomination by telling your ANZ Manager in writing. If more than one of you signed the same ANZ Breakfree Application Form, you must all sign this nomination.</p> <p><i>Applicable fees</i></p> <p>An account-keeping fee of \$20 per month applies for any facility where the minimum loan balance <del>is not met</del> <a href="#">of \$20,000 for ANZ Share Investment Loans and ANZ E*TRADE Share Investment Loans or \$5,000 for ANZ Regular Geared Savings Plan is not met.</a></p> <p><i>Interest Rate Discount exception</i></p> <p>[No change]</p> <p><b>16.9 ANZ Car Loans</b></p> <p>If you:</p> <ul style="list-style-type: none"> <li>apply for and have your ANZ Car Loan application approved for a loan amount of at least <del>\$40,000</del> <a href="#">7,500</a>, and</li> <li>advise the ANZ sales consultant at the time of application that this loan is part of your ANZ Breakfree Package</li> </ul> <p>the standard Loan Establishment Fee for your ANZ Car Loan will be waived.</p> <p>This benefit only applies to one ANZ Car Loan at any one time. The Loan Establishment Fee will not be reimbursed if it has already been paid by you.</p> <p><del>ANZ Car Loans are provided by Esanda Finance Corporation Limited ABN 64 004 346 043, a wholly owned subsidiary of ANZ.</del></p> <p><b>17 Other Benefits</b></p> <p>As an ANZ customer who holds one or more of the Mandatory Accounts, you may obtain the following benefits:</p> <p><b>17.1 ANZ Assured</b></p> <p>[No change]</p> <p><b>17.2 ANZ Insurance</b></p> <p><i>ANZ Home Insurance</i></p> <p>[No change]</p> <p><i>ANZ Landlord Insurance</i></p> <p>[No change]</p>

Date	Relevant extract
	<p><i>ANZ Health Insurance</i> [No change]</p> <p><i>ANZ Mortgage Protection</i> [No change]</p> <p><i>ANZ Car Insurance</i> [No change]</p> <p><b>17.3 Additional Credit Card Benefits</b> [No change]</p>
<b>Mar 2010 – Dec 2010</b>	No substantive change (minor changes reflected in footnote) <sup>36</sup>
<b>Jan 2011</b>	<p><b>16 ANZ Breakfree Benefits</b> Your ANZ Breakfree Benefits are as follows.</p> <p><b>16.1 Customer Service</b> [No change]</p> <p><b>16.2 Mandatory Mortgage Lending Accounts</b> <i>Interest Rate Discounts</i> [No change]</p> <p>...</p> <p><i>ANZ loan products ineligible for Interest Rate Discounts</i></p>

<sup>36</sup> The following minor changes were made during this period:

- In March 2010, text under cl 16.4.1 amended as follows: Under the ANZ Breakfree Package, ~~one the~~ Additional Cardholder Fee for ANZ Frequent Flyer ~~Visa~~ Gold, ~~or~~ ANZ Frequent Flyer ~~Visa-Gold~~ Platinum ~~or ANZ Rewards Gold~~ will be waived where it is your Mandatory Eligible Credit Card Account.
- In October 2010, text under cl 16.4.1 amended as follows: Under the ANZ Breakfree Package, the Additional Cardholder Fee for ~~ANZ Frequent Flyer Gold~~, ~~ANZ Platinum~~, ANZ Frequent Flyer Platinum or ANZ Rewards ~~Gold-Platinum~~ will be waived where it is your Mandatory Eligible Credit Card Account.  
Any Rewards Program Services Fees are not waived as part of the ANZ Breakfree package.  
~~ANZ Frequent Flyer-Visa Platinum is not available at the point of application.~~
- In November 2010, text under cl 16.4.2 amended as follows: An ANZ Frequent Flyer ~~Visa-Gold or ANZ Frequent Flyer-Visa~~ Platinum Account Holder must be a member of the Qantas Frequent Flyer program to earn and redeem Qantas Frequent Flyer points.

Date	Relevant extract
	[No change] <i>Loan Approval Fee</i>
	[No change] <i>Valuation Administration Fee</i>
	[No change] <i>Loan Administration Charge</i>
	[No change] <i>Credit Facility Fee</i>
	[No change] ...
	<i>Renegotiation Fee – home or residential investment loans converting or renegotiating</i>
	[No change] ...
	<b>16.3 Mandatory Transaction Account</b>
	[No change]
	<b>16.4 Mandatory Eligible Credit Card Accounts</b>
	<i>16.4.1 Breakfree Package Credit cards:</i>
	[No change] ...
	<i>16.4.2. Reward Points and Qantas Frequent Flyer Points</i>
	[No change]
	<b>16.5 Personal Loans</b>
	[No change] <i>Interest Rate Discount exception</i>
	[No change]
	<b>16.6 ANZ Progress Saver account</b>
	[No change]

**16.7 International Transactions**

[No change]

**16.8 Investment Lending**

*Interest Rate Discounts*

[No change]

*Applicable fees*

[No change]

*Interest Rate Discount exception*

[No change]

**16.9 ANZ Car Loans**

[No change]

**17 Other Benefits**

As an ANZ customer who holds one or more of the Mandatory Accounts, you may obtain the following benefits:

**17.1 ANZ Assured**

[No change]

**17.2 ANZ Insurance**

*ANZ Home Insurance*

[No change]

*ANZ Landlord Insurance*

[No change]

*ANZ Health Insurance\**

ANZ will provide you with the following benefits relating to your ANZ Health Insurance policy:

- the waiver of one month's premium in the first year for ANZ Breakfree members who take out a new ANZ Health Insurance Policy, plus a 5% per annum discount on your premium from the second year onwards
- dedicated customer telephone and fax lines to process applications, claims and queries relating to ANZ Health Insurance policies
- a no obligation 'Annual Check-Up' of your health insurance needs upon request.

Offer is not available in conjunction with any other discount or offer and is only available to new members of BUPA Australia Health Pty Ltd.

Date	Relevant extract
	<p><a href="#">*ANZ Health Insurance is no longer offered by ANZ. ANZ Health Insurance Breakfree benefits apply to existing ANZ Breakfree members only.</a></p> <p><i>ANZ Mortgage Protection</i> [No change]</p> <p><i>ANZ Car Insurance</i> [No change]</p> <p><b>17.3 Additional Credit Card Benefits</b> [No change]</p>
Feb 2012	<p><b>16 ANZ Breakfree Benefits</b> Your ANZ Breakfree Benefits are as follows.</p> <p><b>16.1 Customer Service</b> [No change]</p> <p><b>16.2 Mandatory Mortgage Lending Accounts</b> <i>Interest Rate Discounts</i> ANZ Breakfree interest rate discounts are not available in conjunction with any other ANZ special offer or interest rate discount. Details of current interest rate discounts are set out <a href="http://www.anz.com">on www.anz.com</a> or are <del>in the ANZ Home and Investment Loans brochure, which is available from any ANZ branch. or on www.anz.com. Please note, these interest rate discounts are subject to the 'Interest Rate Discount Exception' set out below.</del></p> <p>...</p> <p><i>ANZ loan products ineligible for Interest Rate Discounts</i> The following products are excluded from the interest rate discounts detailed above:</p> <ul style="list-style-type: none"> <li>● ANZ Money Saver Home Loans (no longer offered)</li> <li>● ANZ Money Saver Residential Investment Loans (no longer offered)</li> <li>● ANZ Easy Start Home Loans (no longer offered)</li> <li>● ANZ Easy Start Residential Investment Loans (no longer offered)</li> <li>● ANZ Fixed Rate Home Loans</li> <li>● ANZ Fixed Rate Residential Investment Loans</li> </ul>



Date	Relevant extract
	<p>Loans approved under ANZ's low documentation (Lo Doc) policy which have a loan to value ratio (LVR) greater than 60% are excluded from the interest rate discounts.</p> <p>...</p> <p><b>16.4 Mandatory Eligible Credit Card Accounts</b></p> <p><i>16.4.1 Breakfree Package Credit cards:</i></p> <p>ANZ will waive the Annual Account fee:</p> <ul style="list-style-type: none"> <li>• on one Mandatory Eligible Credit Card Account nominated in accordance with clause 3 if the fee becomes due on or after you become an ANZ Breakfree Package holder; or</li> <li>• on one Mandatory Eligible Credit Card Account that becomes your mandatory credit card account in accordance with clause 4 if the fee becomes due on or after the account becomes your Mandatory Eligible Credit Card Account.</li> </ul> <p>ANZ will credit your Mandatory Eligible Credit Card Account with a proportionate rebate of an Annual Account Fee that you paid before becoming an ANZ Breakfree Package Holder. This rebate will refer to the period following you becoming an ANZ Breakfree Package Holder.</p> <p>The Annual Account Fee waiver applies to one Mandatory Eligible Credit Card Account.</p> <p>Under the ANZ Breakfree Package, the Additional Cardholder Fee for <del>ANZ Platinum, ANZ Frequent Flyer Platinum or ANZ Rewards Platinum will be waived where it is your</del> <a href="#">any</a> Mandatory Eligible Credit Card Account <a href="#">will be waived</a>.</p> <p>Any Rewards Program Services Fees are not waived as part of the ANZ Breakfree package.</p> <p><i>16.4.2. Reward Points and Qantas Frequent Flyer Points</i></p> <p>[No change]</p> <p><b>16.5 Personal Loans</b></p> <p>[No change]</p> <p><i>Interest Rate Discount exception</i></p> <p>[No change]</p> <p><b>16.6 ANZ Progress Saver account</b></p> <p>[No change]</p> <p><b>16.7 International Transactions</b></p> <p>[No change]</p>

## **16.8 Investment Lending**

### *Interest Rate Discounts*

[No change]

### *Applicable fees*

[No change]

### *Interest Rate Discount exception*

[No change]

## **16.9 ANZ Car Loans**

[No change]

## **17 Other Benefits**

As an ANZ customer who holds one or more of the Mandatory Accounts, you may obtain the following benefits:

### **17.1 ANZ Assured**

[No change]

### **17.2 ANZ Insurance**

#### *ANZ Home Insurance*

You can receive a 10% discount on premium for the first year you take out a policy. ~~ANZ will provide you with 13 months insurance cover for the price of 12 months in the first year of your insurance policy. The bonus one month offer is given at the end of the first 12 months.~~

This offer is not available in conjunction with any other ANZ ~~h~~ insurance package or promotional discount or offer.

#### *ANZ Landlord Insurance*

You can receive a 10% discount on premium for the first year you take out a policy. ~~ANZ will provide you with 13 months insurance cover for the price of 12 months in the first year of your insurance policy. The bonus one month offer is given at the end of the first 12 months.~~

This offer is not available in conjunction with any other ANZ Insurance package or promotional discount or offer.

#### *ANZ Health Insurance*

[No change]

#### *ANZ Mortgage Protection*

When you take out an ANZ Mortgage Protection policy, you will receive 10% off the total premium cost. This offer is not available ~~Not applicable~~ in conjunction with any other ANZ insurance package or promotional discounts or offers.

#### *ANZ Car Insurance*

Date	Relevant extract
	<p>You can receive a 5% discount on premium for the first year you take out a policy. <del>ANZ will provide you with a 5% discount on your first year premium for ANZ Car Insurance.</del> This offer is not available in conjunction with any other ANZ Insurance package or promotional discount or offer.</p> <p><b>17.3 Additional Credit Card Benefits</b></p> <p>ANZ will not charge you the following fees on a <del>Gold or</del> Platinum credit card account:</p> <ul style="list-style-type: none"> <li>issuing fees on AUD and foreign currency travellers' cheques purchased through an ANZ branch in Australia.</li> </ul>
Nov 2012	<p><u><b>8 Breakfree Benefits</b></u><sup>37</sup></p> <p>...</p> <p><u><b>2. Nominated Transaction Account</b></u></p> <p><u>The credit facility fee or any monthly account servicing fee in relation to one Nominated Transaction Account will be waived.</u></p> <p><u><b>3. Nominated Loan Account Interest Rate Discounts</b></u></p> <p><u>Interest rate discounts will apply to Nominated Loan Accounts which meet the Minimum Lending Criteria when the account is linked to the ANZ Breakfree Package.</u></p> <p><u>The level of discount will be determined by the Total Mortgage Lending calculated at the date the account is linked to the ANZ Breakfree Package.</u></p> <p><u>Interest rate discounts and Minimum Lending Criteria are available on anz.com/breakfree or at any ANZ branch. These are current at publication and no notice will be given of changes.</u></p> <p><u>When a Nominated Loan Account has an interest rate discount applied, it will apply from the date the account is linked to ANZ Breakfree, until:</u></p> <ul style="list-style-type: none"> <li><u>the account ceases to be a Nominated Account due to clauses 3 and 5 (substitution, delinking or cancellation);</u></li> <li><u>there is a Renegotiation of the account; or</u></li> <li><u>ANZ chooses to re-assess eligibility for Breakfree Benefits and notifies the Package Holders.</u></li> </ul> <p><u><b>4. Nominated Loan Account Fee Waivers</b></u></p> <p><u>The following fees will be waived on any Nominated Loan Account:</u></p> <ul style="list-style-type: none"> <li><u>a Loan Approval Fee which becomes due on or after the loan is linked to ANZ Breakfree;</u></li> </ul>

<sup>37</sup> Terms regarding Breakfree Benefits were updated to remove the terms that are extracted prior to November 2012 and to replace with them with those extracted in this version of the Breakfree Contractual Documents (as reflected in the blue text).

Date	Relevant extract
	<ul style="list-style-type: none"> <li>• <a href="#">any Valuation Administration Fee;</a></li> <li>• <a href="#">any Loan Administration Charge;</a></li> <li>• <a href="#">any Credit Facility Fee in respect of an Equity Manager Facility; and</a></li> <li>• <a href="#">any Renegotiation Fee.</a></li> </ul> <p><a href="#">Other fees and charges may apply in relation to your Nominated Loan Accounts, including in respect of a Renegotiation. Please refer to the ANZ Personal Banking General Fees &amp; Charges booklet.</a></p> <p><b><a href="#">5. Nominated Credit Card Fee Waiver</a></b></p> <p><a href="#">The following fees will be waived in relation to the Nominated Credit Card Account:</a></p> <ul style="list-style-type: none"> <li>• <a href="#">the Annual Account Fee; and</a></li> <li>• <a href="#">the Additional Cardholder fee (while the primary card holder is a Package Holder).</a></li> </ul> <p><a href="#">Rewards Program Services Fees are not waived as part of ANZ Breakfree and benefits under those programs accrue in accordance with the applicable product terms.</a></p> <p><b><a href="#">6. Other Breakfree Benefits</a></b></p> <p><a href="#">Package Holders may be entitled to certain additional benefits or special offers for other products advertised from time to time. These may have their own eligibility criteria and terms and conditions.</a></p> <p><a href="#">To receive any other Breakfree Benefit a Package Holder must make a request to ANZ. If ANZ accepts that a Package Holder is eligible, it will process the request as soon as reasonably practicable and the benefit will apply from the date processing is completed.</a></p> <p><a href="#">ANZ is not obliged to give written notice of the offer or withdrawal of these benefits.</a></p> <p><a href="#">You can find all current Breakfree Benefits at <a href="http://anz.com/breakfree">anz.com/breakfree</a>.</a></p>
<p><b>Oct 2016 – 1 Sep 2019</b></p>	<p>No change</p>
<p><b>2 Sep 2019</b></p>	<p><b><a href="#">8</a> <a href="#">7</a> <b><a href="#">Breakfree Benefits</a></b></b></p> <p><a href="#">This clause describes the benefits applying in respect of an ANZ Breakfree Package, subject to clause 6.<sup>1</sup> [footnote 1 reads: 'While the fees and charges referred to in this section will be waived, other fees and charges may apply to the Nominated accounts, as set out in applicable terms and conditions']</a></p> <p>...</p> <p><b><a href="#">2. Nominated Transaction Account <a href="#">Fee Waivers</a></a></b></p> <p>The <a href="#">Monthly Account Service Fee or Credit Facility Fee (as applicable)</a> <del>or any monthly account servicing fee in relation to one</del></p>

Date	Relevant extract
	<p><del>Nominated Transaction Account</del> will be waived <a href="#">in relation to the Nominated Transaction Account</a>.</p> <p><a href="#">Only fees that become due on or after the date that the Nominated Transaction Account is linked to the ANZ Breakfree Package will be waived.</a></p> <p><b>3. Nominated Loan Account Interest Rate Discounts</b></p> <p>Interest rate discounts <del>will</del> <a href="#">may</a> apply to Nominated Loan Accounts <del>which meet the Minimum Lending Criteria when the account is linked to the ANZ Breakfree Package.</del></p> <p>The level of discount <a href="#">applying to a particular Nominated Loan Account</a> will be determined by <a href="#">reference to</a> the Total Mortgage Lending <a href="#">of the holder(s) of that Nominated Loan Account as calculated</a> at the date the account is linked to the ANZ Breakfree Package <del>(or, if there is a Renegotiation of the Nominated Loan Account, when the changes to the Nominated Loan Account resulting from the Renegotiation are processed by ANZ).</del></p> <p><a href="#">Details of the current interest rate discounts offered by ANZ under the ANZ Breakfree Packages generally, and the Total Mortgage Lending requirements to be satisfied in order to obtain those discounts are available from any ANZ branch or <a href="#">anz.com/breakfree</a>.</a></p> <p><del>Interest rate discounts and Minimum Lending Criteria are available on <a href="#">anz.com/breakfree</a> or at any ANZ branch. These are current at publication and no notice will be given of changes.</del></p> <p>When a Nominated Loan Account has an interest rate discount applied, it will apply from the date the account is linked to <a href="#">the ANZ Breakfree Package</a> <del>(or, if there is a Renegotiation of the Nominated Loan Account, when the changes to the Nominated Loan Account resulting from the Renegotiation are processed by ANZ)</del>, until:</p> <ul style="list-style-type: none"> <li>• <del>the account ceases to be a Nominated Account due to clauses 3 and 5 (substitution, delinking or cancellation);</del></li> <li>• <a href="#">the account is delinked from the ANZ Breakfree Package or the ANZ Breakfree Package is cancelled; or</a></li> <li>• there is a Renegotiation <del>(or, if applicable, further Renegotiation)</del> of the account; <del>or</del></li> <li>• <del>ANZ chooses to re-assess eligibility for Breakfree Benefits and notifies the Package Holders.</del></li> </ul> <p><b>4. Nominated Loan Account Fee Waivers</b></p> <p>The following fees will be waived <a href="#">in relation to each</a> <del>on any</del> Nominated Loan Account <a href="#">(as applicable)</a>:</p> <ul style="list-style-type: none"> <li>• a Loan Approval Fee <del>which becomes due on or after the loan is linked to ANZ Breakfree;</del></li> <li>• any Valuation Administration Fee;</li> <li>• any Loan Administration Charge;</li> <li>• any Credit Facility Fee <del>in respect of an Equity Manager Facility;</del> and</li> <li>• any Renegotiation Fee.</li> </ul> <p><del>Other fees and charges may apply in relation to your Nominated Loan Accounts, including in respect of a Renegotiation. Please refer to</del></p>

Date	Relevant extract
	<p><del>the ANZ Personal Banking General Fees &amp; Charges booklet.</del></p> <p><u>Only fees that become due on or after the date that the Nominated Loan Account is linked to the ANZ Breakfree Package will be waived.</u></p> <p><b>5. Nominated Credit Card Fee Waiver</b></p> <p>The following fees will be waived in relation to the Nominated Credit Card Account:</p> <ul style="list-style-type: none"> <li>• the Annual Account Fee; and</li> <li>• the Additional Cardholder fee <del>(while the primary card holder is a Package Holder).</del></li> </ul> <p><u>Only fees that become due on or after the date that the Nominated Loan Account is linked to the ANZ Breakfree Package will be waived.</u></p> <p>Rewards Program Services Fees are not waived as part of ANZ Breakfree <u>Package</u> and benefits under those programs accrue in accordance with the applicable product terms <u>and conditions</u>.</p> <p><b>6. Other Breakfree Benefits</b></p> <p>Package Holders may be entitled to <u>apply for</u> certain additional benefits <u>in respect of their ANZ Breakfree Package from time to time, including under any special offer relating generally to ANZ Breakfree Packages advertised by ANZ, or special offers for other products advertised from time to time.</u> These may have their own eligibility criteria and terms and conditions. <u>ANZ is not obliged to give written notice of the offer or withdrawal of such additional benefits.</u></p> <p>To receive any <u>additional benefit in respect of their ANZ Breakfree Package, other Breakfree Benefit</u> a the Package Holders must make a request to ANZ <u>in the form approved by ANZ.</u> If ANZ accepts that <u>the Package Holders are entitled to the benefit</u> a <del>Package Holder is eligible</del>, it will process the request as soon as reasonably practicable and the benefit will apply from the date processing is completed. <del>ANZ is not obliged to give written notice of the offer or withdrawal of these benefits.</del></p> <p><del>You can find all current Breakfree Benefits at anz.com/breakfree.</del></p> <p><u>Details of current benefits offered in relation to ANZ Breakfree Packages generally are available from any ANZ branch or at anz.com/breakfree.</u></p>
30 Sep 2019 – 30 Sep 2021	No change

## Schedule 2 – Relevant Breakfree Products from February 2003 to 30 September 2021

No.	Account type	Period in use
<b>Eligible Transaction Accounts</b>		
1.	ANZ Access Advantage Account	February 2003 – 30 September 2021
2.	ANZ One account	February 2003 – 30 September 2021
3.	ANZ Equity Manager Facility	February 2003 – 30 September 2021
<b>Eligible Loan Account<sup>38</sup></b>		
4.	ANZ Standard Variable Rate Home Loan	February 2003 – 30 September 2021
5.	ANZ Fixed Rate Home Loan	February 2003 – 30 September 2021
6.	ANZ Standard Variable Rate Residential Investment Loan	February 2003 – 30 September 2021
7.	ANZ Fixed Rate Residential Investment Loan	February 2003 – 30 September 2021
8.	ANZ Equity Manager Facility	February 2003 – 30 September 2021
9.	ANZ Money Saver Home Loan	February 2003 – October 2012
10.	ANZ Money Saver Residential Investment Loan	February 2003 – October 2012
11.	ANZ Easy Start Home Loan	February 2003 – October 2012
12.	ANZ Easy Start Residential Investment Loan	February 2003 – October 2012
13.	ANZ Supplementary Loan	February 2003 – October 2012
14.	ANZ Home Equity Loan	February 2003 – October 2012
15.	ANZ Simplicity PLUS Home Loan	May 2008 – September 2008
16.	ANZ Simplicity PLUS Residential Investment Loan	May 2008 – September 2008

<sup>38</sup> ANZ had discretion during the Breakfree Relevant Period to accept an existing loan account as eligible to be nominated by a customer for the purposes of the Breakfree package.

No.	Account type	Period in use
<b>Eligible Credit Card Account<sup>39</sup></b>		
17.	ANZ Gold	February 2003 – September 2010
18.	Telstra Visa Gold	February 2003 – February 2005
19.	Qantas ANZ Visa Gold	February 2003 – November 2003
20.	ANZ Rewards Visa Gold	March 2005 – September 2010
21.	ANZ Frequent Flyer Gold	December 2003 – September 2010
22.	ANZ Frequent Flyer Platinum	July 2007 – 30 September 2021
23.	ANZ Platinum	October 2010 – 30 September 2021
24.	ANZ Low Rate Platinum	November 2012 – April 2018
25.	ANZ Rewards Platinum	October 2010 – 30 September 2021
26.	ANZ Low Rate	28 May 2018 – 30 September 2021
27.	ANZ Rewards Black	28 May 2018 – 30 September 2021
28.	ANZ Frequent Flyer Black	28 May 2018 – 30 September 2021
29.	ANZ Rewards Travel Adventure	28 May 2018 – 30 September 2021

<sup>39</sup> ANZ had discretion to accept any ANZ credit account as eligible to be nominated by a customer for the purposes of the Breakfree Package.



**Schedule 3 – Breakfree Benefits and Breakfree Ancillary Benefits not applied to affected customer accounts between February 2003 and 30 September 2021**

**Schedule 3A – Breakfree Benefits not applied to affected customer accounts between February 2003 and 30 September 2021**

No.	Breakfree Benefit	Value of Breakfree Benefit required to be applied but not applied	Period benefit not applied
<b>Nominated Transaction Account</b>			
1.	Account servicing fee waiver	\$5 or \$10 per month <sup>40</sup>	February 2003 – September 2021
<b>Nominated Loan Accounts</b>			
2.	Loan approval fee waiver	\$500 [January 2006 to July 2008] or \$600 [February 2003 to December 2005 and August 2008 to September 2021] <sup>41</sup>	February 2003 – September 2021
3.	Renegotiation fee waiver	\$200 or \$350	February 2003 – September 2021
4.	Valuation administration fee waiver	\$100 or \$150 up to 3 times annum [until 12 November 2012] or \$150 [from November 2012 to September 2021]	January 2006 – September 2021
5.	Loan administration charge waiver	\$5, \$8 or \$10 per month	February 2003 – September 2021
6.	Credit facility fee	\$150 per annum	February 2003 – September 2021
7.	Interest rate discount	Special rate (varied over the Relevant Period)	February 2003 – September 2021
<b>Nominated Credit Card Accounts</b>			
8.	Annual fee waiver	a. ANZ Low Rate Platinum: \$99	November 2012 – 27 May 2018
		b. ANZ Low Rate: \$58	28 May 2018 – 30 September 2021
		c. ANZ Gold: \$87	February 2003 – September 2010
		d. Telstra Visa Gold: \$57	February 2003 – February 2005
		e. Qantas ANZ Visa Gold: \$95	February 2003 – November 2003

<sup>40</sup> A \$5 monthly account servicing fee waiver applied to the ANZ Access Advantage Account and a \$10 monthly account servicing fee waiver applied to the ANZ One Account. There was no monthly account servicing fee applicable to the ANZ Equity Manager account.

<sup>41</sup> For the ANZ Supplementary Loan, a separate loan approval fee waiver of \$100 (from February 2003 to February 2005), \$200 (March 2005 to December 2005) or \$350 (January 2006 to September 2021) applied.

No.	Breakfree Benefit	Value of Breakfree Benefit required to be applied but not applied	Period benefit not applied
		f. ANZ Rewards Visa Gold: \$57 [2005 to February 2010], \$74 [March 2010 to September 2010]	March 2005 – September 2010
		g. ANZ Frequent Flyer Gold: \$95 [2003 to June 2009], \$140 [July 2009 to September 2010]	December 2003 – September 2010
		h. ANZ Platinum: \$87	October 2010 – 30 September 2021
		i. ANZ Frequent Flyer Platinum: \$240	July 2007 – 30 September 2021
		j. ANZ Rewards Platinum: \$94 [2013 to March 2016], \$40 [from March 2016 to June 2018]	October 2010 – 30 September 2021
		k. ANZ Frequent Flyer Black: \$370	28 May 2018 – 30 September 2021
		l. ANZ Rewards Travel Adventures: \$170	28 May 2018 – 30 September 2021
		m. ANZ Rewards Black: \$320	28 May 2018 – 30 September 2021
9.	Additional card holder fee waiver	\$10 per annum	February 2003 – September 2021

**Schedule 3B – Breakfree Ancillary Benefits not applied to affected customer accounts from February 2003 to 30 September 2021**

***Currently available benefits***

No.	Product	Benefit	Benefit first offered
1.	Mortgage Protection Insurance / Home Loan Protection Insurance <sup>42</sup>	Annual Premium Discount	February 2003
2.	Home Insurance	First Year Premium Discount	February 2003
3.	Landlord Insurance	First Year Premium Discount	February 2003
4.	Car Insurance	First Year Premium Discount	March 2005
5.	Financial Planning	One off discount of up to \$550.00 (inclusive of GST) on Advisor Service Fee	February 2015

***Previously available benefits***

No.	Product	Ancillary Benefit	Period offered	Current grandfathering arrangements (if any)
1.	ANZ Progress Saver	Bonus Interest Rates Additional Interest Rates	February 2003 – November 2012	Breakfree Customers entitled to continue to receive the benefit while they hold the account
2.	Personal Loans	Interest rate discount. Loan Approval Fee and Loan Administration Charge waivers	February 2003 – November 2012	Breakfree Customers entitled to continue to receive the benefit while they hold the personal loan
3.	Car Loans	Establishment fee waivers	February 2003 – November 2012	Not applicable (no further establishment fees charged so no fee waiver necessary)
4.	Margin Loans	Interest rate discount	February 2003 – November 2012	Breakfree Customers entitled to continue to receive the benefit while they hold the

<sup>42</sup> ANZ Mortgage Protection Insurance was replaced by ANZ Home Loan Protection Insurance in 2020.

No.	Product	Ancillary Benefit	Period offered	Current grandfathering arrangements (if any)
				margin loan
5.	E*Trade Share Investment Loans	Interest rate discount	January 2010 – November 2012	Breakfree Customers entitled to continue to receive the benefit while they hold the investment loan
6.	Telegraphic Transfers and Drafts	Fee discount on telegraphic transfers	February 2003 – November 2012	Not applicable (as telegraphic transfers and drafts decommissioned and so no fees charged for which a discount would be applied)
7.	ANZ Assured Facilities	Credit facility fee waiver	February 2003 – March 2018 (or January 2021 in respect of products taken out before March 2018)	Not applicable
8.	Financial Planning	Fee free first consultation with ANZ financial planner (No Obligation consultation with ANZ Financial Adviser)	February 2003 – November 2012	Not applicable as this has been replaced with discount on Advisor Servicing Fee
		One off discount of up to \$220.00 (inclusive of GST) on Advisor Service Fee for advice services on life insurance	November 2012 – February 2015	Not applicable as this has been replaced with \$550 discount on Advisor Servicing Fee
9.	Estate Planning	Free initial estate planning advice (plan and product fees may apply)	February 2003 – March 2005	Not applicable (Estate Planning no longer offered)
		Discount on fee for basic Will preparation (when ANZ Executors & Trustee Co Ltd is executor or co-executor)		
10.	Health Insurance	Premium waived for first month of insurance policy	February 2003 – January 2011	Not applicable (Health Insurance no longer offered)

No.	Product	Ancillary Benefit	Period offered	Current grandfathering arrangements (if any)
		Discount on subsequent premiums payable	March 2005 – October 2012	Breakfree Customers entitled to continue to receive the benefit while they hold the health insurance product

## Schedule 4 – Offset Representations as identified in the Offset Contractual Documents

**Legend:**

Blue underlined text – Document was amended to include this text

~~Red strikethrough text~~ – Document was amended to remove this text

No change = Document remained the same in the next version

### Schedule 4A – Offset Representations as identified in the Offset Contractual Documents (Retail Customers)

Date	Relevant extract
<b><i>ANZ Consumer Lending Terms and Conditions</i></b>	
<b>Aug 2003</b>	<p>The offset amount is calculated in the following way:</p> <ol style="list-style-type: none"> <li>11. take the balance of the offset account;</li> <li>12. take the interest rate currently applicable to your loan and multiply if by the offset percentage for your offset account. Unless your Letter of Offer says otherwise, the offset percentage is 100%; and</li> <li>13. multiply 1 and 2 then divide the result by 365 (i.e. the number of days in a year).</li> </ol> <p>An example:</p> <ol style="list-style-type: none"> <li>14. \$5,000.00</li> <li>15. 0.073 (i.e. 7.3%p.a.) x 100% = 0.073</li> <li>16. <math>\frac{\\$5,000.00 \times 0.073}{365}</math> = the daily offset amount.</li> </ol>
<b>Apr 2005 – Jun 2011</b>	No change
<b>Nov 2011</b>	<p>The “<u>offset amount</u>” is calculated in the following way:</p> <ol style="list-style-type: none"> <li>17. take the balance of the <u>ANZ Home Loan</u> <del>o</del>Offset account;</li> <li>18. take the interest rate currently applicable to your loan and multiply if by the offset percentage for your offset account. Unless your Letter of Offer says otherwise, the offset percentage is 100%; and</li> <li>19. multiply 1 and 2 then divide the result by 365 (i.e. the number of days in a year).</li> </ol>

Date	Relevant extract
	<p>An example:</p> <p>20. \$5,000.00</p> <p>21. 0.073 (i.e. 7.3%p.a.) <del>X</del> 100% = 0.073</p> <p>22. <math>\frac{\\$5,000.00 \times 0.073}{365}</math> = the daily offset amount.</p>
<b>Feb 2012</b>	<p>The “offset amount” is calculated in the following way:</p> <ol style="list-style-type: none"> <li>1. take the balance of the ANZ Home Loan Offset account, <u>or the balance of the linked loan, whichever is lower; and</u></li> <li>2. take the interest rate currently applicable to your loan and multiply it by the offset percentage for your offset account. Unless your Letter of Offer says otherwise, the offset percentage is 100%; and</li> <li>3. multiply 1 and 2 then divide the result by 365 (i.e. the number of days in a year).</li> </ol> <p>An example:</p> <ol style="list-style-type: none"> <li>1. \$5,000.00</li> <li>2. 0.073 (i.e. 7.3%p.a.) X 100% = 0.073</li> <li>3. <math>\frac{\\$5,000.00 \times 0.073}{365}</math> = the daily offset amount</li> </ol>
<b>May 2012</b>	<p>The “offset amount” is calculated <del>in the following way as follows:</del></p> <ol style="list-style-type: none"> <li>1. <del>T</del>take the balance of ANZ <del>Home Loan Offset</del> One account, or the balance of the <del>linked</del> loan, whichever is <del>lower less; and;</del></li> <li>2. <del>T</del>take the interest rate <del>that</del> currently <del>applicable</del> applies to your loan and multiply it by the offset percentage <del>of your ANZ One account for your offset account, which</del> (U<del>nless you're the L</del>etter of O<del>ffer for your loan</del> says otherwise), <del>the offset percentage is 100%; and</del></li> <li>3. <del>M</del>ultiply <del>the figures from</del> 1 and 2 <del>and then</del> divide the result by 365 (<del>being i.e.</del> the number of days in <del>the a</del> year).</li> </ol> <p>An example:</p>

Date	Relevant extract
	<ol style="list-style-type: none"> <li>1. \$5,000.00</li> <li>2. <u>7.3% p.a. (i.e. 0.073) (i.e. <del>7.3% p.a.</del>)</u> x 100% = 0.073</li> <li>3. <math>\frac{\\$5,000.00 \times 0.073 - (\\$5,000 \times 0.073)}{365}</math> = the daily offset amount.</li> </ol>
Mar 2013 – Mar 2019	No change
<b><i>ANZ Saving and Transaction Products Terms and Conditions / Product Disclosure Statements</i></b>	
May 1996	ANZ will apply your daily account balances of \$2,000 or more towards the effective reduction in the following day's balance of the ANZ loan that is linked to your ANZ Home Loan Interest Saver account. On days when your account balance is less than \$2,000, there is no effective reduction in your linked ANZ loan. If the balance in your ANZ Home Loan Interest Saver account is more than the amount owing on your linked loan, there is no interest or credit earned on the excess balance.
Sep 1996	No change
Feb 1997	ANZ has not located a complete version of these terms and conditions.
Nov 1997	<p><del>ANZ will apply your daily account balances of \$2,000 or more towards the effective reduction in the following day's balance of the ANZ loan that is linked to your ANZ Home Loan Interest Saver account. The minimum offset threshold is \$2000 and the balance to be offset against your loan balance is 100%. This means that</del> On days when <u>the balance of your ANZ Home Loan Interest Saver account is less than \$2,000 or more your loan interest for the following day will be calculated on your loan balance for that day less the previous day's balance of your ANZ Home Loan Interest Saver account.</u> <del>, there is no effective reduction in your linked ANZ loan. If the balance in your ANZ Home Loan Interest Saver account is more than the amount owing on your linked loan, there is no interest or credit earned on the excess balance.</del></p>



Date	Relevant extract
<p><b>May 1998</b></p>	<p><del>The minimum offset threshold is \$2000 and the balance to be offset against your loan balance is 100%. This means that on days where the balance of your ANZ Home Loan Interest Saver account is \$2000 or more your linked loan interest for that day less the previous day's balance of your ANZ Home Loan Interest Saver account.</del></p> <p><u>The "offset amount" for that day is calculated as follows:</u></p> <p><u>Formula</u></p> <ol style="list-style-type: none"> <li><u>1. Take the balance of the offset account.</u></li> <li><u>2. Take the interest rate currently applicable to your loan and multiply it by the offset percentage for your offset account.</u></li> <li><u>3. Multiply 1. and 2. and divide the result by 365. (being number of days in the year)</u></li> </ol> <p><u>Example</u></p> <ol style="list-style-type: none"> <li><u>1. \$5000</u></li> <li><u>2. <math>0.067 (6.7\% \text{ p.a}) * 100\% = 0.067</math></u></li> <li><u>3. <math>\frac{5000 \times 0.067}{365} = \text{the offset amount for that day}</math></u></li> </ol>
<p><b>Jan 1999</b></p>	<p>The "offset amount" for that day is calculated as follows:</p> <p>Formula</p> <ol style="list-style-type: none"> <li>1. Take the balance of the offset account.</li> <li>2. Take the interest rate currently applicable to your loan and multiply it by the offset percentage for your offset account, <u>which is 100%.</u></li> <li>3. Multiply 1. and 2. and divide the result by 365 (being number of days in the year)</li> </ol>

Date	Relevant extract
	<p>Example</p> <ol style="list-style-type: none"> <li>1. \$5000</li> <li>2. 0.067 (6.7% p.a) * 100% = 0.067</li> <li>3. <del><math>\frac{5000 \times 0.067}{365}</math></del> <math>\frac{\\$5,000 \times 0.067}{365}</math> = the offset amount for that day</li> </ol>
<b>Oct 2001</b>	<p>The “offset amount” for that day is calculated as follows:</p> <p>Formula</p> <ol style="list-style-type: none"> <li>1. Take the balance of the offset account.</li> <li>2. Take the interest rate currently applicable to your loan and multiply it by the offset percentage for your offset account, which is 100%.</li> <li>3. Multiply 1. and 2. and divide the result by 365 (being number of days in the year)</li> </ol> <p>Example</p> <ol style="list-style-type: none"> <li>1. \$5000</li> <li>2. 0.067 (6.7% p.a) * 100% =0.067</li> <li>3. <del><math>\frac{\\$5,000 \times 0.067}{365}</math></del> <math>\frac{\\$5000 \times 0.067}{365}</math></li> </ol> <p>= the offset amount for that day</p>
<b>June 2002</b>	<p>The “offset amount” for that day is calculated as follows:</p> <p>Formula</p> <ol style="list-style-type: none"> <li>1. Take the balance of the offset account.</li> <li>2. Take the interest rate currently applicable to your loan and multiply it by the offset percentage for your offset account, which is 100%.</li> </ol>

Date	Relevant extract
	<p>3. Multiply 1. and 2. and divide the result by 365 (being number of days in the year)</p> <p><i>Example</i></p> <p>1. \$5,000</p> <p>2. 0.067 (6.7% p.a) * 100% = 0.067</p> <p>3. <math>\frac{(\\$5,000 \times 0.067)}{365}</math> <del><math>\frac{\\$5000 \times 0.067}{365}</math></del></p> <p>= the offset amount for that day</p>
<b>Dec 2002</b>	<p>The “offset amount” for that day is calculated as follows:</p> <p>Formula</p> <p>1. Take the balance of the offset account <a href="#">(or, if less, the balance of the loan)</a>.</p> <p>2. Take the interest rate currently applicable to your loan and multiply it by the offset percentage for your offset account, which is 100%.</p> <p>3. Multiply 1. and 2. and divide the result by 365 (eing number of days in the year).</p> <p><i>Example</i></p> <p>1. \$5,000</p> <p>2. 0.067 (6.7% p.a) x 100% = 0.067</p> <p>3. <math>(\\$5,000 \times 0.067)/365</math></p> <p>= the offset amount for that day</p>
<b>Aug 2003 – Nov 2009</b>	No change
<b>Dec 2009</b>	<p><del>The</del> <a href="#">We work out the</a> ‘offset amount’ for that day <del>is calculated</del> as follows:</p> <p>1. Take the balance of the <del>offset</del> account <del>(or, if less,</del> the balance of the loan, <a href="#">whichever is less</a>).</p>

Date	Relevant extract
	<p>2. Take the interest rate <u>that</u> currently <del>applicable</del> <u>applies</u> to your loan and multiply it by the offset percentage <del>for</del> <u>of</u> your offset account, which is 100%.</p> <p>3. Multiply <u>the figures from</u> 1 and 2 and divide the result by 365 (being <u>the</u> number of days in the year).</p> <p><i>Example</i></p> <p>1. \$5,000</p> <p>2. <del>0.067 (6.7% p.a)</del> <u>6.7% (0.067)</u> x 100% = 0.067</p> <p>3. (\$5,000 x 0.067) <del>÷</del> <u>÷</u> 365 = the offset amount for that day</p>
<p><b>Apr 2010 – Feb 2012</b></p>	<p>No change</p>
<p><b>May 2012</b></p>	<p>We work out the 'offset amount' <del>for that day</del> as follows:</p> <p>1. Take the balance of the <u>ANZ One</u> account or the balance of the <u>ANZ</u> loan, whichever is less.</p> <p>2. Take the interest rate <del>which that</del> currently applies to your <u>ANZ</u> loan and multiply it by the offset percentage of your <del>offset</del> <u>ANZ One</u> account, which (<u>unless the letter of offer for your ANZ loan says otherwise</u>) is 100%.</p> <p>3. Multiply the figures from 1 and 2 and divide the result by 365 (being the number of days in the year).</p> <p><u>An E</u>-example</p> <p>1. \$5,000</p> <p>2. <del>6.7% (0.067) x 100% = 0.067</del> <u>7.3% p.a. (i.e. 0.073) x 100% = 0.073</u></p> <p>3. (\$5,000 x <del>0.067</del> <u>0.073</u>) ÷ 365 = the <u>daily</u> offset amount <del>for that day</del></p>
<p><b>Aug 2012 – Mar 2019</b></p>	<p>No change</p>

Date	Relevant extract
<p><b>Sep 2019</b></p>	<p>We work out the 'offset amount' <del>for that day</del> <u>a particular day</u> as follows:</p> <ol style="list-style-type: none"> <li>1. Take the balance of the ANZ <del>One Home Loan Offset</del> account or <del>the balance</del> of the <u>your linked</u> ANZ loan (<u>as determined in the manner described below</u>), whichever is less, <u>for that day</u>.</li> <li>2. Take the interest rate that <del>currently</del> applies to your <u>linked</u> ANZ loan <u>on that day</u> and multiply it by the offset percentage of your ANZ <del>One Home Loan Offset</del> account, which (unless the letter of offer for your ANZ loan says otherwise) is 100%.</li> <li>3. Multiply the figures from 1 and 2 and divide the result by 365 (being the number of days in <u>a non-leap</u> <del>the</del> year).</li> </ol> <p>An Example</p> <ol style="list-style-type: none"> <li>1. \$5,000</li> <li>2. 7.3% p.a. (i.e. 0.073) x 100% = 0.073</li> <li>3. (\$5,000 x 0.073) ÷ 365 = <del>the daily offset amount</del> <u>\$1 (the offset amount for that day)</u></li> </ol> <p><u>You should note that, for the purposes of calculating the offset amount for any given day, a transaction will be treated as effective on the date on which it is processed to your ANZ Home Loan Offset account or your linked ANZ loan, as applicable, unless we determine otherwise.</u></p> <p><u>Each interest charge that would otherwise be debited to your linked ANZ loan will be reduced by the aggregate accrued offset amounts for each day in the period over which that interest charge accrued. Any excess accrued offset amounts are then lost, and so will not reduce any further interest charge subsequently calculated for that period or any later period.</u></p>
<p><b>Sep 2019 – Jun 2020</b></p>	<p>No change</p>

**Schedule 4B – Offset Representations identified in the Offset Contractual Documents (Business Customers)**

Date	Relevant extract
<b><i>ANZ Business Transaction Accounts Terms and Conditions / Product Disclosure Statements</i></b>	
<b>Jul 1999</b>	<p>The “offset percentage” is 100%. The “offset amount” for that day is calculated as follows;</p> <p>Formula</p> <ol style="list-style-type: none"> <li>1. Take the balance of the offset account.</li> <li>2. Take the interest rate currently applicable to your linked loan and multiply it by the offset percentage for your offset account.</li> <li>3. Multiply 1 and 2 and divide by 365 (being the number of days in the year)</li> </ol> <p>Example:</p> <ol style="list-style-type: none"> <li>1. \$8,000</li> <li>2. <math>0.0675(6.75\% \text{ p.a.}) * 100\% = 0.0675</math></li> <li>3. <math>(\\$8,000 * 0.0675) / 365 = \text{offset amount for that day.}</math></li> </ol>
<b>Oct 2000 – Mar 2019</b>	No change
<b>Jul 2019</b>	<p><u>We work out</u> the ‘offset amount’ for <u>a particular</u> <del>that</del> day <del>is calculated</del> as follows:</p> <ol style="list-style-type: none"> <li>1. Take the balance of the offset account <u>or of your linked ANZ loan (as determined in the manner described below), whichever is less, for that day.</u></li> <li>2. Take the interest rate that <del>currently</del> applies <del>able</del> to your linked <u>ANZ</u> loan <u>on that day</u> and multiply it by the offset percentage for your offset account, <u>which is 100%.</u></li> <li>3. Multiply the figures from 1 and 2 and divide <u>the result</u> by 365 (being the number of days in <u>a non-leap</u> <del>the</del> year)</li> </ol> <p>An example:</p> <ol style="list-style-type: none"> <li>1. <u>\$85,000</u></li> <li>2. <del><math>0.0675(6.75\% \text{ p.a.}) * 100\% = 0.0675</math></del> <u><math>7.3\% \text{ p.a. (i.e. } 0.073) \times 100\% = 0.073</math></u></li> </ol>

Date	Relevant extract
	<p>3. <math>(\\$5,000 \times 0.073) \div 365 = \\$1</math> (the offset amount for that day) <del><math>(\\$8,000 \times 0.0675) / 365 =</math> offset amount for that day.</del></p> <p><u>You should note that, for the purposes of calculating the offset amount for any given day, a transaction will be treated as effective on the date on which it is processed to your offset account or your linked ANZ loan, as applicable, unless we determine otherwise.</u></p> <p><u>Each Interest charge that would otherwise be debited to your linked ANZ loan will be reduced by the aggregate accrued offset amounts for each day in the period over which that interest charge accrued. Any excess accrued offset amounts are then lost, and so will not reduce any further interest charge subsequently calculated for that period or any later period.</u></p>
<b>Sep 2019 – Jun 2020</b>	No change
<b>Home Loan in a Company Name: Specific Conditions of Use</b>	
<b>Sep 2003</b>	<p>The “offset amount” for that day is calculated as follows:</p> <p>Formula</p> <ol style="list-style-type: none"> <li>1. Take the balance of the offset account.</li> <li>2. Take the interest rate currently applicable to your loan and multiply it by the offset percentage for your offset account.</li> <li>3. Multiply 1. and 2. and divide the result by 365 (being number of days in the year).</li> </ol> <p>The Offset percentage is 100%.</p> <p>Example</p> <ol style="list-style-type: none"> <li>1. \$5000</li> <li>2. 0.067 (6.7% p.a. * 100% = 0.067)</li> <li>3. <math>\frac{\\$5,000 \times 0.067}{365}</math></li> </ol> <p>= the offset amount for that day</p>

Date	Relevant extract
	If you default on your loan ANZ may at any time and without prior notice to you transfer or apply the whole or any part of the credit balance of your offset account in payment of the whole or any part of your loan account. ANZ also reserves the right at any time to block access to your offset account.
<b>Feb 2004 – Oct 2016</b>	No change
<b><i>Residential Investment Loan in a Company Name: Specific Conditions of Use</i></b>	
<b>Aug 2003</b>	<p>The “offset amount” for that day is calculated as follows:</p> <p>Formula</p> <ol style="list-style-type: none"> <li>1. Take the balance of the offset account.</li> <li>2. Take the interest rate currently applicable to your loan and multiply it by the offset percentage for your offset account.</li> <li>3. Multiply 1. and 2. and divide the result by 365 (being number of days in the year).</li> </ol> <p>The Offset percentage is 100%.</p> <p>Example</p> <ol style="list-style-type: none"> <li>1. \$5000</li> <li>2. 0.067 (6.7% p.a. * 100% = 0.067)</li> <li>3. <math>\frac{\\$5,000 * 0.067}{365}</math></li> </ol> <p>= the offset amount for that day</p> <p>If you default on your loan ANZ may at any time and without prior notice to you transfer or apply the whole or any part of the credit balance of your offset account in payment of the whole or any part of your loan account. ANZ also reserves the right at any time to block access to your offset account.</p>



Date	Relevant extract
May 2008 – Nov 2016	No change

## Schedule 5 – Relevant Offset Products between mid-1990s and 22 September 2020

### Schedule 5A – Loan products eligible to be linked to transactional Offset Accounts for application of Offset Benefits

No.	Account type	Period eligible to be linked <sup>43</sup>
<b><i>Home loans to personal customers<sup>44</sup></i></b>		
1.	Variable rate ANZ owner occupied Home Loan / ANZ Standard Variable Rate Home Loan	May 1996 – 22 September 2020
2.	ANZ One Year Fixed Rate Home Loan (advanced from 2 March 1998) <sup>45</sup>	May 1996 – 22 September 2020
3.	ANZ Easy Start Loan / ANZ Easy Start Home Loan	September 1996 – January 2008*
4.	ANZ Home Improvement Loan	May 1996 – December 2009 <sup>46</sup>
5.	ANZ Residential Land Loan	September 1996 – 22 September 2020
6.	ANZ Supplementary Loan	May 1996 – November 2002
7.	ANZ Standard Variable Rate Supplementary Loan	December 2002 – 22 September 2020
8.	ANZ One Year Fixed Rate Supplementary Loan	December 2002 – 22 September 2020
9.	ANZ Residential Investment Loan – Variable Rate / ANZ Variable Rate Residential Investment Loan	November 1997 – 22 September 2020
10.	ANZ One Year Fixed Rate Residential Investment Loan (advanced from / drawn after 2 March 1998) <sup>47</sup>	May 1998 – 22 September 2020
11.	ANZ Easy Start Residential Investment Loan	June 2002 – January 2008*

<sup>43</sup> Periods of eligibility have been determined based on the available terms and conditions. Products marked with an asterisk were grandfathered as at the last date listed in this column, and customers who held the loan at the time of grandfathering and continued to do so as at 22 September 2020 remained eligible to link applicable offset accounts as at that date.

<sup>44</sup> From terms and conditions dated 31 October 2016, ANZ had discretion to treat any other loan as a loan eligible to be linked to a transactional offset account.

<sup>45</sup> From terms and conditions dated May 2012, product was stated to 'exclud[e] Interest in Advance Loan'.

<sup>46</sup> This product ceased to be offered to new customers in May 2014 and was decommissioned in June 2014. The terms and conditions between December 2009 and June 2014 do not expressly refer to this product being eligible to be linked to an offset account; however, it appears that it remained eligible until June 2014.

<sup>47</sup> From terms and conditions dated May 2012, product was stated to 'exclud[e] Interest in Advance Loan'.

No.	Account type	Period eligible to be linked <sup>43</sup>
12.	ANZ Residential Investment Land Loan	June 2002 – 22 September 2020
<b>Loans to business customers<sup>48</sup></b>		
13.	ANZ Standard Variable Rate Business Mortgage Loan / ANZ Business Loan (Variable Rate)	At least July 1999 – 22 September 2020
14.	ANZ Variable Rate Home Loan in a Company Name / ANZ Standard Variable Rate Home Loan in a Company Name	September 2003 – 22 September 2020
15.	ANZ Money Saver Home Loan in a Company Name	September 2003 – January 2004
16.	ANZ Fixed Rate Home Loan in a Company Name <sup>49</sup>	September 2003 – 22 September 2020
17.	ANZ Variable Rate Residential Investment Loan in a Company Name	August 2003 – 22 September 2020
18.	ANZ Fixed Rate Residential Investment Loan in a Company Name <sup>50</sup>	August 2003 – 22 September 2020
19.	ANZ Agri Finance Loan	August 2011 – 22 September 2020
20.	ANZ Variable Business Loan / ANZ Business Loan (Variable Rate)	28 October 2015 – 22 September 2020

<sup>48</sup> From terms and conditions dated 2 July 2019, ANZ had discretion to treat any other loan as a loan eligible to be linked to a transactional offset account.

<sup>49</sup> Loan product eligible for linked Offset account if fixed for one year.

<sup>50</sup> Loan product eligible for linked Offset account if fixed for one year.

**Schedule 5B – Transactional Offset Accounts eligible to be linked to loans for application of Offset Benefits**

No.	Account type	Period eligible to be linked <sup>51</sup>
<b><i>ANZ Home Loan Offset Accounts</i></b>		
1.	ANZ Home Loan Interest Saver	May 1996 – January 2008 <sup>52</sup>
2.	ANZ One	May 1998 – 22 September 2020
<b><i>ANZ Business Offset Accounts</i></b>		
3.	ANZ Business Mortgage Loan Offset Account	July 1999 – 22 September 2020
4.	ANZ Agri Finance Offset Account	August 2011 – 22 September 2020
5.	ANZ Business Offset Account	28 October 2015 – 22 September 2020

<sup>51</sup> Periods of eligibility have been determined based on the available terms and conditions

<sup>52</sup> This product ceased to be offered to new customers in 2008. It was partially decommissioned in around 2018/2019, although some grandfathered customers continued to hold the product as at 22 September 2020.