

ANZ TERMS & CONDITIONS

Australian Government Deposit Guarantee Scheme | December 09

BACKGROUND

A. On 12 October 2008, the Commonwealth of Australia (**Government**) announced arrangements for an Australian Government Deposit Guarantee for eligible authorised deposit taking institutions (**AGDG**).

B. On 24 October 2008, the Government announced details of the fees applicable to the AGDG, which are:

- > Deposits of up to and including A\$1 million will be guaranteed at no charge, and
- > From 28 November 2008, a fee will apply to obtain the benefit of the guarantee for the balance of deposits above A\$1 million (subject to the changes outlined in paragraph D below). Under the AGDG, and subject to certain terms and conditions, the Government will guarantee moneys deposited in accounts held by you with ANZ where the amount of such moneys is in excess of AUD\$1 million.

C. Deposits with ANZ up to and including AUD\$1 million are automatically guaranteed by the Government for the period prescribed under Part II, Division 2AA of the Banking Act 1959 (Cth) at no charge.

D. On 1 April 2009, the Government announced further changes in relation to Statutory Trust Accounts. The fee is waived for Statutory Trust Accounts which are defined as:

- > deposit accounts which are required by a law of the Commonwealth, a State or a Territory to be established and maintained by a party (the account-holder) for the purpose of holding moneys on trust for another party or parties; where
- > interest or equivalent payments are required by law to be paid into a special fund administered by a government instrumentality or agent to be used for a public purpose, rather than being payable to the account-holder or the beneficiary or beneficiaries of the trust (or related parties).

These Terms and Conditions set out how the fee waiver will apply and whether you need to make an Application to ANZ.

The Government has advised that the AGDG will be effective from 28 November 2008 through to 12 October 2011. The Government will review the guarantee during this three (3) year period.

VARIATION TO ANZ PRODUCT TERMS AND CONDITIONS

These Terms and Conditions apply to customers who obtain the benefit of the AGDG, and will form part of and must be read in conjunction with the terms and conditions which currently apply to each eligible deposit account held by you with ANZ (**product terms and conditions**).

Application of AGDG

The AGDG only applies to eligible ANZ deposit accounts:

- > held by you (including your share of any joint accounts);
- > which are at call or have a maturity of up to 60 months; and
- > where the moneys held in relation to each of the eligible ANZ deposit accounts in aggregate exceed AUD\$1 million (Deposits) per customer.

For a full list of eligible ANZ deposit accounts, refer to www.anz.com.

The AGDG applies to Deposits held in foreign currency. In determining the value of Deposits held in foreign currency for the purposes of the AGDG, you should convert the value of moneys on deposit with the current exchange rate published by the Reserve Bank of Australia (RBA), as displayed on the RBA's website at www.rba.gov.au.

For the avoidance of doubt, Deposits to the value of AUD\$1 million are automatically guaranteed by the Government for the period prescribed under Part II, Division 2AA of the Banking Act 1959 (Cth) at no charge.

APPLICATION OF GUARANTEE

To obtain the benefit of the AGDG, you must complete the Application. If your Deposit is a Statutory Trust Account, please refer to the next section for details on how the AGDG applies. The Application requires you to advise ANZ of the value of the Deposits you want to have guaranteed by the Government under the AGDG.

- > **Value of Deposits under your Guarantee:** While ANZ may provide you with information about your accounts and Deposits, ANZ is not responsible for determining the value of Deposits to be guaranteed, or which may be eligible to be guaranteed under the AGDG or the term of the guarantee which may be appropriate for you.
- > **Term of your Guarantee:** The term of your Guarantee cannot exceed the term specified by the Government for the AGDG, as may be extended by the Government from time to time.

Your Guarantee under the AGDG will come into effect once you've submitted a correctly completed and executed Application and this has been processed by ANZ. Applications must be received by 4pm Australian Eastern Standard Time (AEST) to be processed on the same day. Any Application received after 4pm AEST will be processed on the next business day.

ANZ will issue a written confirmation of your Guarantee within 21 days. The confirmation will contain an AGDG reference number which you will need for any future dealings with ANZ regarding your Guarantee.

You will not be required to take any further action for your Guarantee to come into effect other than as set out in these Terms and Conditions.

APPLICATION OF GUARANTEE - STATUTORY TRUST ACCOUNTS

The benefit of the AGDG and the Guarantee fee waiver for Statutory Trust Accounts will apply as follows:

- (a) For deposit balances held in ANZ Statutory Trust Accounts that are governed by the following ANZ terms and conditions:
 - > Institutional Financial Services ("IFS") and Corporate Product Disclosure Statement ("PDS") - Terms and Conditions for Statutory Trust Accounts
 - > ANZ Business Banking - Statutory Trust Accounts Terms and Conditions,
the AGDG and the Guarantee fee waiver will apply automatically from 1 May 2009 (with no action required from you); and

- (b) For deposit balances held in any other ANZ deposit accounts that meet the definition of 'Statutory Trust Account' as set out in paragraph D above, account holders must notify ANZ by completing an ANZ AGDG Application before the AGDG and Guarantee fee waiver will be effective. The Application can be found at: <http://www.anz.com/aus/editorial/government-depositguarantee.asp>

Please note that a written confirmation of your Guarantee will not be issued by ANZ in respect of the Statutory Trust Accounts outlined in this section.

AMENDING YOUR GUARANTEE

You may:

- > change the selected value of Deposits under your Guarantee;
- > change the selected period of your Guarantee; or
- > change the nominated account to be debited any fees,

at any time by completing the Application. The changes requested by you will come into effect once you've submitted a correctly completed and executed Application and this has been processed by ANZ. These changes must be received by 4pm Australian Eastern Standard Time (AEST) to be processed on the same day. Any Application received after 4pm AEST will be processed on the next business day. For Non-Statutory Trust Accounts, ANZ will send you confirmation within 21 days setting out the amended details of your Guarantee. It is your responsibility to ensure that the details contained in the confirmation are accurate and notify ANZ if any further alterations are required.

FEE

A fee (where applicable) is payable in accordance with these Terms and Conditions and at the rate advised from time to time by the Government. Details of the current fee rate are set out below.

The fee will be debited from your account nominated in the Application and the direct debit form (where applicable) on the last day of each calendar month (**the Guarantee fee**).

The nominated account must be a transaction or savings account from which ANZ is authorised and able to debit fees.

The Guarantee fee is payable, and will be debited from your nominated account, in Australian dollars.

The Guarantee fee is calculated as follows:

The value of Deposits nominated by you to be covered under the Guarantee x the applicable ADI Fee Schedule rate x the number of calendar days in the month for which you are covered under your Guarantee/365 days.

ADI FEE SCHEDULE (as at May 2009)	
Long Term Credit Rating of ANZ	Fee (per annum)
AAA to AA-	0.70%
A+ to A-	1.00%
BBB+ and below and unrated	1.50%

Please note that in some overseas jurisdictions, government taxes or charges may apply in addition to the Guarantee fee.

The percentage rate is subject to change if ANZ's long term credit rating changes. ANZ's long term credit rating is available on www.anz.com.

ANZ may amend the fees associated with customers obtaining the benefit of the AGDG after providing you with written notice or by press advertisement published in a newspaper circulating in your State or Territory.

On termination of the Guarantee (refer to the section headed "Termination of your Guarantee" below), ANZ will pro rata the Guarantee fee to be charged for the calendar month.

NOTIFICATION

By completing an Application and submitting it to ANZ, you agree to ANZ charging the Guarantee fee (where applicable as set out in these Terms and Conditions) in accordance with these Terms and Conditions and, to the extent that there may be any requirement in any ANZ product terms and conditions to provide notice for the introduction of a fee, you acknowledge and agree to waive these requirements in relation to the Guarantee fee. You agree to irrevocably waive, in favour of ANZ, any right you may have to claim any notice period longer than is provided in accordance with these Terms and Conditions.

STATEMENTS

ANZ will issue you with a monthly statement confirming the amount of both your Guarantee and the Guarantee fee which has been charged to your nominated account. Statements will not be sent for Statutory Trust Accounts that have been automatically guaranteed.

You are responsible for reviewing your statement and must notify us immediately if:

- > the value of Deposits covered is not correct;
- > you wish to amend the level of cover or term of cover; or
- > you wish to nominate a new ANZ account from which the Guarantee Fee is to be debited.

TAX

ANZ recommends that you obtain independent taxation advice.

TERMINATION OF YOUR GUARANTEE

ANZ will automatically terminate your Guarantee once the selected term of your Guarantee (as detailed in the confirmation) has expired. ANZ will issue a statement confirming cancellation.

You can at any point instruct ANZ to terminate your Guarantee before the end of your selected term by providing ANZ with a cancellation notice. Termination will be effective immediately after receipt of a correctly completed and executed cancellation notice by ANZ and a statement will be issued within 21 days confirming your cancellation and evidencing the pro rata Guarantee fee to be charged for the calendar month.

Your Guarantee will automatically terminate at the expiration of the term specified by the Government for the AGDG (as may be extended by the Government from time to time). Upon termination a statement will be issued by ANZ confirming termination and evidencing the pro rata Guarantee fee to be charged for the calendar month.

Non-payment of Guarantee fee: If ANZ is unable for any reason to debit the Guarantee fee from your nominated fee account after one attempt, ANZ will terminate the Guarantee by giving you 14 days written notice. It is your responsibility to ensure that there are sufficient funds in your nominated account and to advise ANZ of any changes to the nominated account to enable the Guarantee fee to be paid. Statements confirming cancellation of the Guarantee will not be sent for Statutory Trust Accounts.

Should you subsequently wish to reinstate the Guarantee, you will be required to complete a new Application.

LIABILITY

ANZ will not provide advice on the term of, or value of Deposits to be included under, your Guarantee. ANZ will not be held liable should you instruct us to guarantee Deposits which are either in excess or short of your overall deposit holdings. ANZ will not provide advice on whether an account meets the definition of 'Statutory Trust Account' set out in paragraph D, and is therefore eligible for the fee waiver. ANZ will not be liable if you have applied for the fee waiver in circumstances where the account does not meet the definition of 'Statutory Trust Account', or the fee waiver should have been applied but you have not completed an Application as required by these Terms and Conditions.

ALTERATIONS TO THESE TERMS AND CONDITIONS

From time to time, the Government may alter the terms and conditions applicable to the AGDG. Where these alterations affect your Guarantee, ANZ will communicate these changes to you in writing or by press advertisement (as appropriate).

ANZ may also amend these Terms and Conditions by giving you written notice or by press advertisement.

CLAIMS UNDER THE AGDG SCHEME

If you are entitled to claim under the AGDG, you must complete a claim form. This form is available from the Government website: www.guaranteescheme.gov.au and should be completed in accordance with any requirements prescribed by the Government.

You will not be entitled to claim in excess of the value of your Deposits irrespective of the level nominated under your Guarantee.

MISCELLANEOUS

Other terms and conditions, including those implied by law, apply. To the extent of any inconsistency, these Terms and Conditions shall prevail to the extent permitted by law.

You should read these Terms and Conditions and all relevant information provided to you and ask ANZ about any issues that concern you. Further information regarding the AGDG is available from the Government website at www.guaranteescheme.gov.au.

In these Terms and Conditions:

- > a reference to any legislation or regulation or to a provision of any legislation or regulation, includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it; and
- > a reference to “you” includes your successors, executors and assigns.

