

27 October 2016

Committee Secretary  
Standing Committee on Economics  
PO Box 6021  
Parliament House  
Canberra ACT 2600

Dear Committee Secretary

**Standing Committee on Economics - Review of Australia's Four Major Banks  
Clarifications to Evidence**

ANZ wishes to provide three clarifications to the evidence given at the October 5 2016 hearing of the Committee.

***OnePath customers affected by regulatory breaches***

At page 3 of the draft Hansard transcript, Mr Elliott and Mr Hodges discuss the number of OnePath customers affected by various regulatory breaches.

We note that, as of today, approximately 1.5 million customers of OnePath have been identified as being affected by such breaches. We note that customers may be affected by two or more breaches. As such, the number of unique customers impacted may be less than 1.5 million.

The increase from the 1.3 million customers identified in the March 2016 Australian Securities and Investments Commission (ASIC) press release is due to the identification of additional affected customers through our remediation processes.

In relation to the approximately 1,400 customers that were identified as being affected by specific superannuation breaches, we note that this number has subsequently increased to 2,500.

All increases have been notified to the relevant regulator, being ASIC and/or the Australian Prudential Regulation Authority.

***Financial planners reported to ASIC***

At page 7 of the draft Hansard transcript, Mr Elliott noted 45 financial planners have been reported to ASIC over the last year. Further, at page 17 of the draft Hansard transcript, Mr Elliott states that the total population of the financial planners is more like 2,000.

We note that during the past 12 months, ANZ has reported 17 advisers to ASIC.

Prior to that, in September 2015, ANZ reported a total of 42 advisers to ASIC as Serious Compliance Concerns as part of ASIC's Advice Compliance Project, involving the four major banks and AMP. ASIC's request through the Advice Compliance Project related to a 6½ year period from 1 January 2009 to 7 July 2015.



A further three advisors, which are included in the 17 noted above, were subsequently reported to ASIC as part of this project. As such, 45 advisors were reported to ASIC under the project.

This means a total of 59 advisors have been reported to ASIC for the period of 1 January 2009 to 5 October 2016.

Over the same period, ANZ and its subsidiary financial advice licensees (Millennium3, Financial Service Partners and RetireInvest) had authorised a total of approximately 3,000 advisors. Accordingly, the advisors reported to ASIC represent approximately 2% of the total authorised advisors over the period.

### ***ANZ lending in the Oswald matter***

At pages 9-11 of the draft Hansard transcript, Mr Elliott and Mr Hodges discuss ANZ's commercial dealings with Mr and Mrs Oswald, the completion of the Burrup Fertiliser plant and the drawdown on ANZ's facilities.

ANZ extended additional loans to Mr Oswald and interests associated with Mr and Mrs Oswald in 2005 and 2006.

We note that the construction of the Burrup Fertiliser plant was completed and operation of the plant commenced in mid-2006.

After Mr Oswald made an admission as to the forgery of key security documents on 9 December 2009, ANZ did not extend any further credit to Mr Oswald or interests associated with Mr and Mrs Oswald.

ANZ obtained further security from Mr Oswald and his wife in December 2009 and February 2010. This security replaced the forged security given for credit extended to Mr Oswald and interests associated with Mr and Mrs Oswald prior to the admission of forgery.

Yours sincerely

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