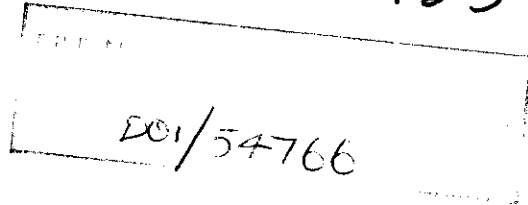


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TELEPHONE +61 2 9921 8888 FACSIMILE +61 2 9921 8123

17 December 2001

N 90963



Mr Tim Grimwade
General Manager
Adjudication Branch
Australian Competition and Consumer Commission
PO Box 1199
DIXON ACT 2602

Dear Mr Grimwade

Third Line Forcing Notification - AMP Bank Limited

I enclose a third line forcing notification lodged by AMP Bank Limited ('AMP Bank'), under section 93(1) of the *Trade Practices Act*, and a cheque for \$1,000 for lodgement.

AMP Bank is proposing to offer its customers, and prospective customers, various incentives in respect of its banking services, on condition that its customers acquire, or will acquire, goods or services from another company within the AMP group. The incentives include free or discounted financial planning, the waiving of fees on various accounts, and optional benefits attached to various financial products. No lessening of competition will arise as the services are provided by a single economic unit.

Please note the notification has a confidential document annexed. I would be grateful if the confidentiality of that annexure could be maintained.

If you require any further information, please contact me on (02) 9921 4482.

Yours faithfully

MINTER ELLISON


Ross Patterson
Partner



Contact: Dr Ross Patterson (02) 9921 4482 ross.patterson@minterellison.com
Our reference: SRHP

MINTER ELLISON GROUP AND ASSOCIATED OFFICES

SYDNEY MELBOURNE BRISBANE CANBERRA ADELAIDE PERTH GOLD COAST
AUCKLAND WELLINGTON CHRISTCHURCH HONG KONG SHANGHAI JAKARTA
BANGKOK NEW YORK LONDON

FORM G

COMMONWEALTH OF AUSTRALIA
Trade Practices Act 1974 - Sub-section 93(1)
**EXCLUSIVE DEALING
NOTIFICATION**

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with sub-section 93(1) of the *Trade Practices Act* 1974, of particulars of conduct or of proposed conduct of a kind referred to in sub-section 47(2), (3), (4), (5), (6) or (7), or paragraph 47(8)(a), (b) or (c) or (9)(a), (b), (c) or (d) of that Act in which the person giving notice engaged or proposes to engage.

1. (a) **Name of person giving notice:**

AMP Bank Limited ACN 081 596 009 ('AMP Bank').

(b) **Short description of business carried on by that person:**

AMP Bank conducts the business of supplying business and consumer banking services.

(c) **Address in Australia for service of documents on that person:**

Edward Kok, Senior Legal Counsel, AMP Bank Limited, Level 9, 20 Hunter Street, Sydney, New South Wales, 2000.

2. (a) **Description of the goods or services in relation to the supply or acquisition of which this notice relates:**

The services which AMP Bank provides to which this notice relates are:

- (i) credit cards;
- (ii) home loans;
- (iii) deposit products accounts (including cash management accounts and term deposits);
- (iv) internet banking services.

(b) **Description of the conduct or proposed conduct:**

AMP Bank proposes to offer various incentives in respect of its banking services, including credit cards, home loans, savings accounts and internet banking services, on condition that its customers acquire, or will acquire, goods or services from another AMP group company or other AMP group companies as listed in the attached Schedule 1.

The incentive will be a discount, allowance, rebate or credit and will be in the form of:

- (i) offering discounts to existing customers such as offering waived fees and charges on home loans or deposit products or credit cards; and/or
- (ii) offering improved or enhanced product features such as bonus interest rates on deposit accounts or reduced interest rates on credit mortgage accounts or reduced interest rates on credit cards.

3. (a) **Class or classes of persons to which the conduct relates:**

The conduct relates to actual and potential AMP Bank customers.

(b) **Number of those persons:**

(i) **At present time:**

See confidential annexure.

(ii) **Estimated within the next year:**

See confidential annexure.

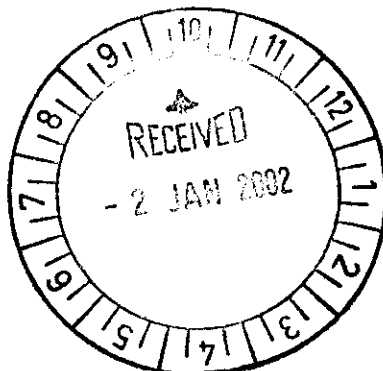
(c) **Where number of persons stated in item 3(b)(i) is less than 50, their names and addresses:**

Not applicable.

4. **Name and address of person authorised by the person giving this notice to provide additional information in relation to this notice is:**

Edward Kok, Senior Legal Counsel, AMP Bank Limited, Level 9, Hunter Street, Sydney, New South Wales, 2000.

Dated: 5th December 2001



Signed by:

Edward Kok
Senior Legal Counsel

Edward Kok
Senior Legal Counsel
AMP Bank Limited
(ABN 15 081 596 009)

**SUBMISSION BY AMP BANK LIMITED
IN SUPPORT OF A NOTIFICATION UNDER SECTION 93(1)
OF THE TRADE PRACTICES ACT 1974**

1. Background

- 1.1 AMP Bank, and the companies listed in Schedule 1, are part of the AMP group of companies and are all subsidiaries of AMP Limited.
- 1.2 AMP Bank wishes to enhance its competitive position in the consumer banking market and, therefore, has developed initiatives to make its services more attractive to consumers. One such initiative is the provision of bundled AMP group discounted products to targeted consumers as outlined in **Form G**.
- 1.3 As AMP Bank is a relatively new competitor in the banking market, it is seeking to increase its market share, and, as such, its competitiveness in that market. It believes that by offering bundled AMP group discounted products it can increase its customer base in the banking market.

2. Market

- 2.1 The market to which the proposed offer relates is the market in Australia for the provision of banking services to consumers.

3. Analysis of the Conduct

- 3.1 The conduct described in **Form G** is exclusive dealing within section 47(6) of the *Trade Practices Act*, AMP Bank submits that there is no likely detriment to the public resulting from that conduct.
- 3.2 Consumers can acquire banking services from a number of entities in the market, all of which compete vigorously for the provision of these services. Consequently, there are a large number of competitive packages (bundled and unbundled) available to the public in respect of banking services at any given time.
- 3.3 The terms and conditions of AMP Bank's proposed offer will be fully explained to customers. Some customers may not wish to participate in the proposed offer because they do not wish to obtain goods or services from other AMP companies. Those customers who choose not to take up the bundled offer will still be able to acquire the products, the subject of the offer, from AMP Bank, but will not be able to receive the discount, rebate or credit offered only with the bundled offer.
- 3.4 The proposed conduct offers significant benefits to consumers by giving them the opportunity to obtain credits, rebates or discounts in relation to AMP Bank products if they acquire goods or services from other companies within the AMP group.
- 3.5 The bundled offer involves services which are supplied by related bodies corporate and therefore the proposed offer will have no detrimental effect on competition in the relevant market, as the services are supplied by a single economic unit.



4. Conclusion

- 4.1 For the reasons stated above, AMP Bank submits that the proposed bundling arrangements provide benefits to the public (in the form of a discount, credit or rebate) and will have no anti-competitive effect and therefore no public detriment.

A handwritten signature in black ink, consisting of a stylized 'L' shape followed by a horizontal line and a small flourish.

Approved for Public Register and
to be published on the Internet

☒ YES / NO

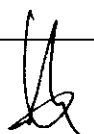
[Signature]

211102

but NOT
Confidential
Annexure
marked
on page 5
which is
CONFIDENTIAL

SCHEDULE 1

| Company | Services to which the offer relates |
|--|--|
| AMP Superannuation Limited ABN 31 008 414 104 | Superannuation <ul style="list-style-type: none"> ▪ Personal Superannuation ▪ Corporation Superannuation ▪ Eligible Rollover Funds ▪ Pensions |
| AMP Life Limited ABN 84 079 300 379 | Life Insurance <ul style="list-style-type: none"> ▪ Whole of Life & Endowment ▪ Term Life ▪ Trauma and Disability Insurance ▪ Annuities and Pensions ▪ Income Continuation ▪ Business Expense Overheads |
| AMP Henderson Global Investors Limited ABN 59 001 777 591 | Managed Investments <ul style="list-style-type: none"> ▪ AMP Investment Funds ▪ AMP Monthly Income Funds ▪ Listed Property Trust |
| Australian Securities Administration Limited ABN 83 002 905 197 | Investor Directed Portfolio Services <ul style="list-style-type: none"> ▪ Wrap Account Services such as AMP Investment Solution |
| AMP GI Distribution Pty Limited ABN 40 098 080 810 | General Insurance Distribution of and advice on AMP branded insurance including: <ul style="list-style-type: none"> ▪ Motor Vehicle Insurance ▪ Home Building & Contents Insurance ▪ Pleasure craft insurance |



| Company | Services to which the offer relates |
|--|---|
| | <ul style="list-style-type: none"> ▪ Public liability insurance ▪ Business Insurance ▪ Professional indemnity insurance ▪ Directors and officers insurance ▪ Workers Compensation ▪ Pet Insurance ▪ Marine Insurance |
| AMP Financial Planning Pty Limited ABN 89 051 208 327 | Financial Planning <ul style="list-style-type: none"> ▪ Securities advice and dealing services including electronic advice service. |
| AMP Shopping Centres Pty Ltd ABN 13 001 595 955 | Shopping Centre Vouchers |
| AMP Limited ABN 49 079 354 519 | My Portfolio <ul style="list-style-type: none"> ▪ On line service which enable the customer to view on-line a summary of their AMP product holdings and also non-AMP products. |
| GIO Finance Limited ABN 62 002 812 704 | <ul style="list-style-type: none"> • Commercial Real Estate Finance • Construction Finance |
| AMP Plus Limited ABN 20 064 490 446 | <ul style="list-style-type: none"> • Securities advice and dealing services including electronic advice service. |

