



## U.S. Investor Website Update

November 13, 2017

### **Court approves ANZ and ASIC settlement over bank trading and the Bank Bill Swap Rate**

On November 10, 2017, ANZ announced the Federal Court of Australia has approved its settlement with the Australian Securities and Investments Commission (ASIC) in relation to attempted unconscionable conduct and also compliance controls in the Australian interbank BBSW market.

In a Statement of Agreed Facts lodged with the Federal Court, ANZ has acknowledged that, in the course of trading on the BBSW market, a small number of traders attempted to engage in unconscionable conduct on ten dates between September 2010 and February 2012. ANZ also did not have in place adequate policies and systems to monitor trading and communications of its BBSW traders.

There has been no allegation by ASIC of collusion between ANZ and other institutions.

ANZ Chief Risk Officer Nigel Williams said: "We know our customers and the community expect better from us and we apologise for both the attempted unconscionable conduct and our inability to prevent or detect the behaviour."

Since 2015, ANZ has significantly changed the way it manages its Markets business, including new policies and systems as well as introducing extensive training for all its traders.

As part of the resolution, ANZ has agreed to a A\$10 million penalty. ANZ has also agreed to make a payment of A\$20 million to a Financial Consumer Protection Fund and a A\$20 million payment toward ASIC's costs.

ANZ has also agreed to enter into an enforceable undertaking with ASIC, where an independent expert will be appointed to review controls, policies, training and monitoring of BBSW trading.

As previously announced, the financial impact of the agreement was reflected in the 2017 Financial Year results and was largely covered by the provisioning held as at March 31, 2017.