

News Release

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ANZ and ACCC reach settlement over Singapore submissions for Malaysian Ringgit derivatives trading

ANZ today announced it has reached an agreed settlement with the Australian Competition and Consumer Commission in relation to conduct associated with Non-Deliverable Forward FX contracts for the Malaysian Ringgit undertaken in Singapore during 2011.

In a Statement of Agreed Facts lodged with the Australian Federal Court, ANZ has acknowledged three employees based in Singapore engaged in conduct that contravened Australia's Competition and Consumer Act. ANZ has agreed the employees unsuccessfully attempted to influence the setting of benchmark rates used to settle NDF contracts for the Malaysian Ringgit on 10 occasions in 2011. The three employees involved are no longer employed by ANZ.

As part of the resolution with the ACCC, ANZ has agreed to a \$9 million penalty that remains subject to Court approval.

The matter was previously investigated by the Monetary Authority of Singapore (MAS) which completed a review and supervisory action in 2013 involving 20 banks operating in Singapore.

The MAS investigation found no conclusive evidence that FX benchmarks, used to settle NDF contracts, had been successfully influenced. ANZ, along with other banks, was required to set aside additional statutory reserves with MAS and undertook a remediation program to address deficiencies associated with FX benchmark submissions. The Association of Banks in Singapore (ABS) has also enhanced the governance framework for the ABS benchmark contribution process to ensure robustness and transparency.

ANZ Chief Risk Officer Nigel Williams said: "We have an obligation to ensure our people, both here in Australia and overseas, comply with the law at all times.

"While there is no evidence that FX benchmarks in Singapore were successfully influenced, we accept responsibility and apologise for the actions of our former employees. We have made significant improvements to our compliance, training and monitoring systems to ensure this does not happen again," Mr Williams said.

The improvements made to compliance systems since the MAS investigation include:

- Enhancing internal policies and procedures with respect to the submission of benchmark rates to the ABS.
- Conducting additional training for all sales and trading staff.
- Implementing internal measures to reduce the risk of any conflicts of interest arising between sales, structuring and trading staff.
- Implementing surveillance of communications to identify irregularities.
- Independent audits of ANZ's compliance controls within its markets business.

The ACCC has acknowledged ANZ's cooperation and the bank's preparedness to resolve the Commission's investigation from an early stage.

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