

# News Release

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## Update on investigations into Australian Markets business

ANZ today provided an update on the progress of its ongoing investigations into potential trading and conduct issues in parts of its Markets business.

The update concerns three separate but related matters: data reporting processes; allegations around a 2023 bond transaction; and conduct and behavioural matters primarily within its Sydney dealing room.

ANZ Chief Executive Shayne Elliott said: "With the assistance of external counsel, we are investigating these issues with the urgency expected and the Group Board continues to supervise this work closely.

"We have been very clear with our people. Where we find any evidence of wrongdoing, those involved will be held accountable and action will be taken. The Board will also lead a process to ensure consequences will be applied to senior executives, both past and present, including myself, where appropriate" Mr Elliott said.

### Data reporting

ANZ advised the Australian Office of Financial Management (AOFM) in August 2023 it had submitted incorrect monthly secondary bond turnover data for the FY22-23 year. This error came to light before the required year-end sign-off on the accuracy of the data supplied.

Data errors were caused by a range of issues including process and data extraction errors on ANZ's part. This resulted in the incorrect inclusion of transactions that should have been omitted as well as double counting of some transactions.

ANZ acknowledges this is an unacceptable failure. It is also investigating whether it should have reported this issue to the Australian Securities and Investments Commission (ASIC) earlier than it did and will engage with ASIC further on this matter.

Mr Elliott said: "We have also reviewed recent data submissions provided to relevant customers and although there will be ongoing work, we don't believe we have material issues with the data we have submitted.

"However, as an additional precaution, I have asked our internal audit team to review the governance and control frameworks supporting the production of similar submissions to customers and report its findings to the Board.

"I have personally apologised to the Chief Executive at AOFM for ANZ's failures. We are significantly enhancing our governance process around this data, including building a separate validation tool and increasing training for relevant staff. We had already strengthened our breach reporting process through system improvements," Mr Elliott said.

### ASIC investigation into AOFM transaction

As previously advised, ASIC is investigating ANZ's execution of a 2023 issuance of 10-year Treasury Bonds by AOFM. ANZ is cooperating fully with ASIC's investigation which is expected to take some months.

ANZ's external counsel has engaged independent experts to analyse trading data in relation to this issue. This independent experts' work remains ongoing.

ANZ's own preliminary analysis has not identified any evidence of market manipulation. ANZ, however, does not have all the information that ASIC has, and this position will be reviewed in coming months.

### **Conduct and behaviour issues**

In addition to our own internal investigation, ANZ has engaged specialist external counsel to investigate allegations of inappropriate conduct and behaviour primarily within the Sydney dealing room.

While the external investigation remains ongoing, there have been employment outcomes for several employees including suspension, termination and a formal warning. Management changes in the Sydney dealing room have also been made.

Mr Elliott added: "My immediate priority is to ensure the investigations are completed in a timely manner, that action is taken against any individuals who have not met the required standards and that the necessary steps are taken to ensure these conduct failures do not re-occur. Importantly, we are not limiting our reviews and will address any conduct that is not in line with our expectations," Mr Elliott said.

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