



ASIC
Australian Securities &
Investments Commission

CEU final compliance report by ASIC

ASIC's final report dated **25 October 2024** on compliance with the s93AA ASIC Act court enforceable undertaking given by the **Australia and New Zealand Banking Group Limited** ACN 005 357 522 (**ANZ**) dated 20 November 2017.

Terms used in this report have the same meaning as in the 20 November 2017 court enforceable undertaking (**CEU**).

Undertakings	Report on compliance
Engagement of Independent Expert CEU paragraphs 3.2 and 3.3	1. ANZ agreed to the appointment by ASIC of PricewaterhouseCoopers (PwC) as the Independent Expert (IE) in accordance with the requirements specified in the CEU. ASIC appointed PwC as the IE on 9 May 2018.
BBSW Program CEU paragraphs 3.6 and 3.7	2. On 8 August 2018, ANZ submitted its BBSW Program to ASIC and the IE in accordance with the requirements and timeframe specified in the CEU.
Assessment of the BBSW Program CEU paragraphs 3.8 and 3.8(a)	3. The IE conducted its assessment of the effectiveness of the BBSW Program to prevent, detect and respond to matters set out in the CEU, in accordance with the requirements and timeframe specified in the CEU.
Expert Report CEU paragraph 3.8(b)	4. On 9 November 2018, the IE submitted its Expert Report to ASIC and ANZ in accordance with the requirements specified in the CEU. 5. The Expert Report set out the IE's findings from the Assessment of the BBSW Program under paragraph 3.8(a). In summary, the Expert Report: <ul style="list-style-type: none">a. identified deficiencies in the BBSW Program; andb. made recommendations for actions, that in the opinion of the IE, would be necessary for ANZ to

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	implement to rectify the deficiencies identified in the Expert Report.
Final BBSW Program CEU paragraph 3.9	6. On 11 March 2019, ANZ submitted its Final BBSW Program to ASIC and the IE in accordance with the requirements and extended timeframe specified in the CEU.
Further Expert Report CEU paragraph 3.10	7. On 25 March 2019, the IE submitted its Further Expert Report to ASIC and ANZ in accordance with the requirements and extended timeframe specified in the CEU. 8. The Further Expert Report set out the IE’s findings from the assessment of the Final BBSW Program including the IE’s opinion on whether the ANZ Final BBSW Program rectified deficiencies in the program that were identified in the Expert Report.
Terms of Final BBSW Program CEU paragraph 3.11	9. On 22 April 2020, ASIC and ANZ agreed on the terms of the Final BBSW Program.
Implementation of Final BBSW Program CEU paragraph 3.12(b)	10. On 31 July 2020, ANZ implemented the Final BBSW Program in full and within the timeframes specified in the Final BBSW Program.
Written confirmation of implementation of Final BBSW Program CEU paragraph 3.13	11. On 14 August 2020, ANZ provided written confirmation to ASIC and the IE that: (a) the Final BBSW Program has been fully implemented; and (b) it believes the Final BBSW Program is effective, to the extent reasonably possible, to address the matters set out at paragraph 3.6(a);

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	<p>signed by ANZ’s Group Treasurer, the Managing Director of Global Markets and the Group Chief Risk Officer, in accordance with the requirements and timeframe specified in the CEU.</p>
<p>Implementation Expert Report CEU paragraph 3.14</p>	<p>12. On 24 November 2020, the IE submitted its Implementation Expert Report to ANZ and ASIC in accordance with the timeframe and requirements of the CEU.</p> <p>13. The Implementation Expert Report sets out the IE’s findings on the outcome of the IE’s assessment of the effectiveness of ANZ’s implementation of the Final BBSW Program.</p>
<p>CEU Variation by letter agreement</p>	<p>14. ASIC and ANZ agreed to a variation, which was executed on 13 April 2021 by letter agreement (CEU Variation by letter agreement). The CEU Variation by letter agreement builds flexibility into paragraphs 3.15 and 3.18 of the CEU by adding in the words “or such later date as may be agreed by ASIC and ANZ” to the paragraphs.</p>
<p>Internal Review Report CEU paragraph 3.15</p>	<p>15. On 11 October 2021, 11 October 2022 and 9 October 2023, ANZ provided copies of Internal Review Reports to ASIC and the IE, as agreed with ASIC in accordance with the requirements of the CEU.</p> <p>16. The Internal Review Reports documented the results of ANZ’s internal review of the current operation of the Final BBSW Program (including any material changes).</p>
<p>Annual Expert Report CEU paragraph 3.16</p>	<p>17. On 20 December 2021, 15 December 2022 and 15 December 2023, the IE provided Annual Expert Reports to ANZ and ASIC, as agreed between ASIC and ANZ, in accordance with the requirements of the CEU.</p>

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	<p>18. The Annual Expert Reports reported on the outcome of the IE’s assessment of the effectiveness of the Final BBSW Program as then in operation (and including any material changes) to prevent, detect and respond to the matters set out at paragraph 3.6(a) of the CEU.</p>
<p>Costs CEU paragraph 3.17</p>	<p>19. ANZ paid the costs of the IE appointed by ASIC.</p>
<p>Attestation CEU paragraph 3.18</p>	<p>20. On 24 June 2022, 29 June 2023 and 29 February 2024, as agreed with ASIC in accordance with the requirements of the CEU, the Group Chief Risk Officer, provided attestations to ASIC stating that:</p> <p>(a) they have taken reasonable steps to satisfy themselves that ANZ’s systems and controls in place to ensure the effectiveness of the Final BBSW Program (including any material changes) are appropriate and adequate to effectively prevent, detect and respond to the matters set out at paragraph 3.6(a): and</p> <p>(b) nothing has come to his or her attention during the previous 12 months to suggest that the Final BBSW Program (including any material changes) is not appropriate, to the extent reasonably possible, to address the matters set out at paragraph 3.6(a).</p>
<p>Compulsory compliance training for current and former Relevant Employees CEU paragraph 3.20</p>	<p>21. In accordance with the requirements and timeframe specified in the CEU, ANZ has provided confirmations to ASIC it has:</p> <p>(a) arranged for each Relevant Employee to participate in a program of compliance training conducted by an appropriately qualified training provider focused on compliance with the Corporations Legislation in respect of trading on markets for fixed income products and the issuance and trading of Prime Bank Bills;</p>

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	<p>(b) undertook a review of the remuneration arrangements of each Relevant Employee, including the appropriateness of their base salary bonus settings and ANZ’s entitlement to clawback and withhold bonuses in the event of misconduct;</p> <p>(c) considered, taking into account the Relevant Employees’ historical work performance, conduct and training results in paragraph 3.20(a), the suitability of each Relevant Employee for their existing role including whether it might be appropriate to redeploy them to a different role; and</p> <p>(d) designed and implemented a specific program to monitor the activities of the Relevant Employees including:</p> <ul style="list-style-type: none"> (i) ongoing spot auditing, at least fortnightly in frequency, by the compliance team of each Relevant Employees to identify any inappropriate behaviour in respect of the issuance and trading of Prime Bank Bills; and (ii) regular reporting to ASIC of the monitoring and spot auditing of the Relevant Employees; and (iii) clear consequences for any inappropriate behaviour in respect of the issuance or trading of Prime Bank Bills including consequences to remuneration, without limitation, the deferral of bonuses for a period of 12 months during which the ongoing spot audits in paragraph 3.20(d)(i) do not identify any inappropriate trading activity.
<p>Community Benefit Payment</p> <p>CEU paragraph 3.21</p>	<p>22. On 21 May 2018, ANZ made payment to the total amount of A\$20 million to Ecstra Foundation Limited (ACN 625 525 162) to support initiatives that advance financial literacy and capabilities among Australian consumers of financial products and services. The payment was made in accordance with the requirements specified in the CEU and within the timeframe agreed upon by ASIC.</p>

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<p>Costs</p> <p>CEU paragraph 3.22</p>	<p>23. ANZ paid the costs of its compliance with this enforceable undertaking.</p>
<p>All documents and information</p> <p>CEU paragraph 3.23</p>	<p>24. ANZ provided all documents and information requested by ASIC from time to time for the purpose of assessing ANZ's compliance with the terms of the enforceable undertaking (except for material over which there is reasonably a claim by ANZ of legal professional privilege).</p>