

Statement by ANZ Chief Risk Officer Nigel Williams to The Australian Financial Review in relation to Federal Court applications by Patrick O'Connor and Etienne Alexiou

14 January 2016

Mr O'Connor and Mr Alexiou were dismissed in 2015 for serious breaches of ANZ's Code of Conduct, Policies and Values.

Mr O'Connor's dismissal related to abuse of a company-issued credit card and both Mr O'Connor's and Mr Alexiou's dismissals related to highly inappropriate and offensive electronic communication. ANZ will be vigorously defending both their court applications.

Appropriate conduct, compliance with ANZ policies and respect for others is paramount at ANZ. Where there is evidence that someone has not acted in a way that is consistent with our Code of Conduct and policies, we will take appropriate disciplinary action. This includes formal warnings, dismissal and, where relevant for more senior staff, bonuses being clawed back.

Mr O'Connor and Mr Alexiou have also made allegations about some existing and former staff at ANZ. We are committed to investigating all cases that are brought to our attention either through our own management and monitoring or those raised by current or former staff.

In relation to the applications filed with the Federal Court, all matters raised have either been investigated or are under current investigation. We have already identified that many of the allegations made in both claims are not accurate and these inaccuracies will become apparent as the matters proceed through the court system.

We have more than 1,000 staff in our Global Markets business in total who are working responsibly in line with our values and our Code of Conduct. These staff members work hard for our customers and they are highly valued contributors.

We understand that these claims come at a time where there is community concern about behaviours in some financial markets businesses around the world. For ANZ, this also includes an investigation by ASIC into the Australian Bank Bill Swap Rate market.

Regulatory compliance is not negotiable at ANZ. We have been working hard to ensure we have the right culture at the bank. In this regard, ANZ actions taken recently within Global Markets include:

- Professional Conduct Training for all trading and sales staff addressing our Code of Conduct and ethics.
- Distributing behaviours "do's and don'ts" including internal awareness campaign.
- Zero Tolerance Training for all markets staff highlighting unacceptable behaviour including case studies.
- Appointing Culture Champions to role model behaviours and to drive cultural change.

Mr O'Connor and Mr Alexiou's claims are difficult to read for all of us at ANZ but common sense says their behaviours are not consistent with our Code of Conduct and cannot be tolerated.

We want to be known as a bank with a strong focus on culture, ethics and fairness that our staff and customers can be proud of. We will continue to take the appropriate action to support and build our reputation for corporate responsibility.