



Media Release

Corporate Communications

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ANZ curtails transactions with countries subject to US economic sanctions

Following a review of its compliance with United States economic sanctions and discussions with US regulators, ANZ today announced it had curtailed financial transactions with US sanctioned countries and taken further action to ensure compliance with US sanction regulations.

The review found no breach of Australian Government or United Nations economic sanctions, and no breach of Australian law.

The review began in early 2006 after an ANZ trade finance transaction was blocked. ANZ immediately initiated an investigation and also engaged Deloitte to conduct a review of transactions and US sanction compliance practices.

The review covered more than 330,000 trade finance transactions for Australian and international clients between 2001 and 2006. Of those transactions, a small number - 42 in total - involved parties from US sanctioned countries and remain under review.

US sanctions are based on the US Government's foreign policy and national security goals, and involve complex rules that vary broadly in scope depending on the sanctions program. ANZ has however made full voluntary disclosures to US financial regulators regarding the transactions and remains in discussion with US regulators regarding the matter. ANZ has also briefed Australian and New Zealand regulators on its disclosures to US regulators.

ANZ Managing Director Debt and Transaction Services Mr Chris Cooper said: "While US sanction regulations are complex, compliance with all applicable regulation is central to the way we run ANZ. We are taking this matter seriously and have curtailed transactions with US sanctioned countries, and put in place remedial sanction compliance measures to put this matter right."

Some of the key actions taken by ANZ over the past 12 months include:

- Curtailing financial transactions with US sanctioned countries.
- Strengthening management and compliance oversight including new approval procedures, additional sanction compliance resources and further sanction compliance awareness training.
- Technology investments to upgrade ANZ's automated sanction filters and stricter controls on manual overrides of transactions flagged by automated screening.

ANZ disclosure follows the recent completion of its review and the voluntary disclosure to US regulators. ANZ does not expect any material financial impact associated with the matter.

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