



June 1st, 2018

Citi's response regarding CDPP action

Sydney, Australia: Citigroup Global Markets Australia Pty Limited ("Citi") confirms that it received notice yesterday from the Commonwealth Director of Public Prosecutions ("CDPP") that it intends to prosecute Citi following a referral by the Australian Competition and Consumer Commission ("ACCC") for alleged criminal contraventions of cartel provisions.

The allegations involve an area of financial markets activity that has not been considered by any Australian court or addressed in any regulatory guidance notes previously published by the ACCC or the Australian Securities and Investments Commission (ASIC). This is a highly technical area and if the ACCC believes there are matters to address, these should be clarified by law or regulation or consultation.

Citi steadfastly denies the allegations made against it, and certain employees, by the CDPP in relation to Citi's role as a joint underwriter of the A\$2.5 billion equity placement conducted by the Australia and New Zealand Banking Group ("ANZ") in August 2015. Citi will vigorously defend these allegations on behalf of itself and its employees.

Underwriting syndicates exist to provide the capacity to assume risk and to underwrite large capital raisings, and have operated successfully in Australia in this manner for decades. In the transaction in question, ANZ raised important equity capital through the underwriting arrangement with the syndicate of banks, including Citi. Citi and its employees acted with integrity and without any bad intent in fulfilling the obligations of this underwriting agreement. As required by the Market Integrity Rules, Citi also effectively participated in orderly capital markets to ensure that the required outcomes for ANZ and its shareholders were achieved.

The allegation put by the ACCC, through the CDPP, is that the joint underwriters reached an understanding with respect to the disposal of less than one per cent of ANZ's outstanding ordinary shares. Any such allegation should be considered in the context that ANZ's shares are bought and sold freely by thousands of shareholders in volumes representing hundreds of millions of dollars every business day, including for the period in question.

ENDS

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