



# CONNECTED

2013 SHAREHOLDER REVIEW

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## ABOUT THIS DOCUMENT

The 2013 Shareholder Review provides an overview of ANZ's strategic direction and financial and non-financial performance for 2013.

Our work promoting money management skills among disadvantaged groups remains our priority community investment focus.

All information contained within this document is for the year ended 30 September 2013 unless otherwise stated.

All figures are in Australian dollars unless otherwise stated.

### MORE INFORMATION

General information on ANZ can be obtained from our website: [anz.com](http://anz.com).

Shareholders can visit our Shareholder Centre at [shareholder.anz.com](http://shareholder.anz.com).

ANZ Corporate Governance – Policies, Charters, Codes of Conduct and Ethics:

Information regarding ANZ Corporate Governance – including information about the Board, Board-related charters, the Group Codes of Conduct and Ethics, the Conduct and Ethics Policy Framework (including Fraud Policy, Anti-Bribery and Anti-Corruption Policy, Whistle-blower Protection Policy, Equal Opportunity, Bullying and Harassment Policy, Health and Safety Policy), the ANZ Constitution, ANZ Shareholder Charter and other related items – can be accessed on the ANZ website: [anz.com/governance](http://anz.com/governance).

# CONNECTED

## 2013 SHAREHOLDER REVIEW



A top four listed company on ASX with over 468,000 shareholders.



Total dividend of 164c per share, up 13% on 2012.



**Dow Jones  
Sustainability Indexes**

ANZ has been named as the global banking sector leader in the 2013 Dow Jones Sustainability Index (DJSI) for the sixth time in seven years.

## CONTENTS

ANZ's Global Brand .....	4	Global Wealth .....	18
Strategy & Performance .....	5	Global Technology, Services & Operations .....	20
Financial & Non-Financial Performance .....	6	2013 Non-Financial Performance Overview .....	22
Chairman's Message .....	8	Five Year Summary .....	24
CEO's Message .....	10	Non-Executive Directors Remuneration .....	26
Australia .....	12	Remuneration Overview .....	27
International & Institutional Banking .....	14	Non-Statutory Remuneration .....	28
New Zealand .....	16	Contacts & Important Dates .....	30



## CONTINUING TO BUILD ANZ'S GLOBAL BRAND

Over the past three years, ANZ has built one of the region's leading brands reflected in ANZ's brand value increasing by 72% to US\$5.8 billion (Brand Finance Banking Top 500) and ANZ being named the most valued banking brand in Australia in 2013.

This has been achieved through the introduction of an integrated and consistent brand communication platform across the region, the continued success of ANZ's distinctive advertising program featuring Patrick Jane (Simon Baker) from the *Mentalist* and a renewed focus on leveraging major sponsorships such as the Australian Open and Shanghai Rolex Masters.

In 2013, ANZ's association with tennis saw it reach 300 million viewers worldwide during the Australian Open – the

Grand Slam of the Asia Pacific region – and a further 70 million viewers at the Shanghai Rolex Masters, of which ANZ is a Diamond Partner as part of a new five year partnership.

ANZ's sponsorship of the Shanghai Rolex Masters also extends to the ANZ Junior Tennis Program, a community program which has enabled hundreds of local children in Shanghai to learn the great sport of tennis.

As we look to 2014, ANZ will continue to develop its global brand campaign and we remain committed to delivering on our brand promise of helping our customers, staff, shareholders and communities progress. □

» ABOVE: Shanghai Masters Junior Tennis Clinics

## STRATEGY AND PERFORMANCE

Our aim is to be the best connected, most respected bank across the Asia Pacific region.

### GOAL

ANZ is executing a focused strategy to build the best connected, most respected bank across the Asia Pacific region.

This goal is based on our belief that the future of our home markets of Australia and New Zealand are increasingly linked to the fast growing region of Asia through trade, capital and wealth flows. We also believe that people want a bank that understands their specific needs, and increasingly can meet these needs in more than one market through a variety of means.

By building a 'super-regional' bank, ANZ can better serve our customers and achieve superior financial returns over the longer term.

ANZ's aspiration is to have 25 to 30% of ANZ Group profit after tax sourced from Asia Pacific, Europe and America, revenues by 2017. ANZ has made good progress towards this goal.

### ACHIEVEMENTS

In 2013, management continued to focus on balancing the need for investment to meet the needs of our customers and drive longer-term growth, and the need to generate attractive returns for our shareholders in the near-term.

We are building stronger positions in our home markets of Australia and New Zealand, led by solid market share gains in Australian Retail and Commercial, emerging productivity benefits from our program of simplification in New Zealand, and improved penetration of Wealth products into our existing customer base.

Our Institutional business in Asia is growing quickly, focused on the fast-growing cross-border trade and capital flows, with particular emphasis on regional treasury centres like Hong Kong and Singapore, and products like Cash Management, Trade, Foreign Exchange and Debt

Capital Market. Returns in our Asian retail business are improving, with a focus on productivity, and building our deposit base and our brand across the region.

Our operations strategy is delivering economies of scale, speed to market and a stronger control environment, resulting in lower unit costs, better quality and lower risk. More generally, our business risk profile improved, with a continuing shift to investment-grade clients and shorter tenor Trade Finance, and greater earnings diversification across products and geographies.

Finally, we focused on strengthening management depth and the alignment between business, operations, support and technology.

### PROGRESSING

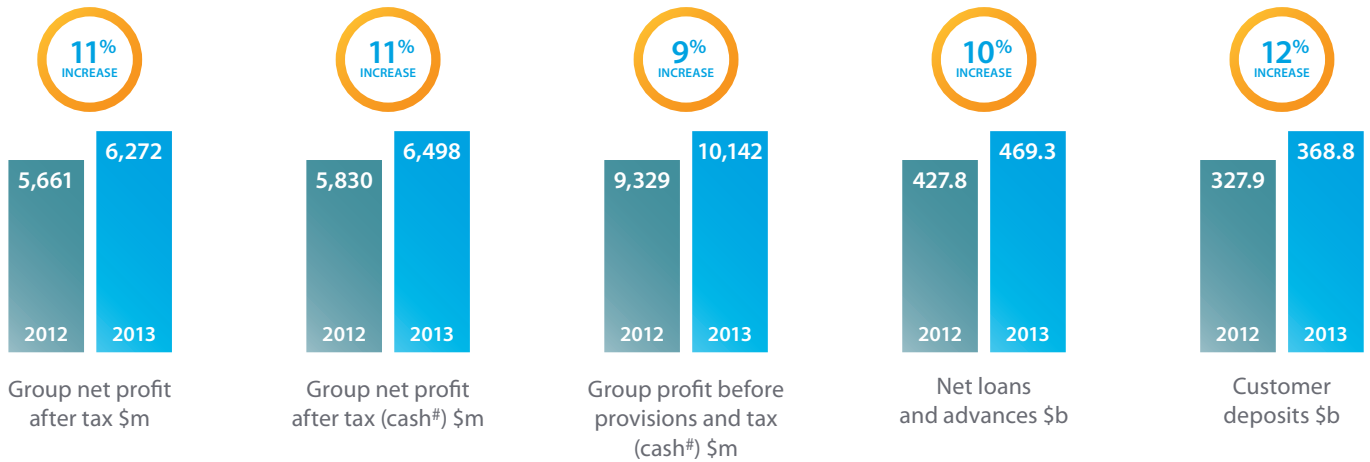
We are committed to delivering above-peer earnings growth with strong capital and expense disciplines, targeting further productivity improvements over the next three years while increasing return on equity from current levels.

This will be achieved by strengthening our position in Australia and New Zealand, growing in Asia and sharing common technology, processes, products and services that are designed with our customers in mind. □



» ANZ Your World blog – [yourworld.anz.com](http://yourworld.anz.com)

# FINANCIAL HIGHLIGHTS



## ACHIEVEMENTS

- » Delivered a record cash profit of \$6.5 billion, up 11% on 2012. Statutory profit also up 11%.
- » Fully Franked total dividend for FY13 to 164 cents per share.
- » Total Shareholder Return of 31.5%.
- » Return on Equity (cash#) 15.3%.
- » Named the global banking sector leader in the 2013 Dow Jones Sustainability Index for the sixth time in seven years.
- » We achieved a disclosure score of 92 out of 100 for our 2013 CDP<sup>^</sup> climate change disclosure.
- » Since 2010, we have been carbon neutral across our operations.



One of the 20 largest banks globally by market capitalisation.



Common Equity Tier 1 ratio of 8.5%\*

We are a member of:



We actively participate in:



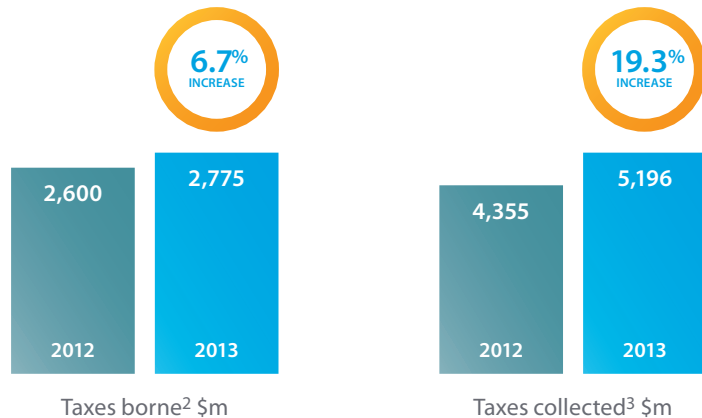
# Statutory profit has been adjusted to exclude non-core items to arrive at cash profit and has been provided to assist readers to understand the results for the ongoing business activities of the Group.  
<sup>^</sup> CDP was formerly known as the Carbon Disclosure Project.  
 \* Measured under APRA Basel 3 prudential capital standards.

# NON-FINANCIAL HIGHLIGHTS

- » Employee engagement increased to 72%, from 70%.
- » 38.7% women in management.
- » Over 89,000 hours volunteered by employees, up from almost 87,000 in 2012.
- » \$65.1 million contributed to communities (\$15.1 million in direct community investment and at least \$50<sup>1</sup> million through foregone revenue).
- » Over 47,000 employees across 33 countries.
- » An estimated 240,000 people have now benefitted from ANZ's financial education program, MoneyMinded.

## ECONOMIC CONTRIBUTION

The economic contributions we make to society is greater than financial profits. We create jobs, pay salaries and invest in the skills of our people. We also pay taxes in the countries where we operate, support businesses in our supply chain and provide products that satisfy the needs of our customers.



## ECONOMIC INDICATORS \$M 2013

### ECONOMIC VALUE GENERATED:

Revenues (\$m) 34,315

### ECONOMIC VALUE DISTRIBUTED:

Operating costs (excluding employment) (\$m) 3,479

Employee wages and benefits (\$m) 4,757

Payments to providers of funding<sup>4</sup> (\$m) 22,130

<sup>1</sup> The cost of providing low or fee free accounts to government benefit recipients and waiving fees in response to emergencies and hardship.

<sup>2</sup> Taxes borne: immediate cost to ANZ; impact to the profit and loss account and includes income tax, GST/VAT and employment taxes (excluding superannuation contributions).

<sup>3</sup> Taxes collected: No cost to ANZ. Collected from customers, suppliers and employees etc. on behalf of the revenue authorities.

<sup>4</sup> Payment to providers of funding includes all amounts pertaining to dividends paid to shareholders, interest payments made to depositors, interest on all forms of debt and borrowings as well as dividends due to preferred shareholders.



## CHAIRMAN'S REPORT

### A MESSAGE FROM JOHN MORSCHEL

I am pleased to report that ANZ's statutory profit after tax for the 2013 financial year was \$6.3 billion up 11%. This is a strong performance, the result of a distinctive long-term strategy focused on growth in our domestic franchises in Australia, New Zealand and the Pacific, and targeted expansion in Asia.

The final dividend of 91 cents brings the total dividend for the year to 164 cents per share fully franked, an increase of 13%. This will see us pay out \$4.5 billion to shareholders, largely retail shareholders and superannuation funds.

ANZ is also delivering for shareholders over the medium term. Our total shareholder return for the past five years was 121%. This compares to 110% for the S&P/ASX 200 Banks Accumulation Index and 13% for the S&P/ASX200 Index as a whole.

We continue to operate from a strong financial position. ANZ is one of the best capitalised banks in the world with an increasingly high-quality balance sheet. A measure of this financial strength is that ANZ remains one of a small number of banks with a AA credit rating from all three ratings agencies.

### DELIVERING OUR STRATEGY

There continue to be significant growth opportunities for ANZ in our home markets of Australia and New Zealand.

At the same time, Asia is now the key driver of global economic growth and the key driver of Australia and New Zealand's growth. Our strategy involves a focus on profitable expansion in Asia through an integrated network connecting customers with faster growing trade, capital and wealth flows into and across the region. ANZ is the only Australian bank positioned to fully benefit from Asia's growth.

The growth of our business in Australia, New Zealand and Asia Pacific is being supported by an enterprise approach to building the business on common platforms and processes to reduce unit costs, complexity and risk, and to improve our customer's experience.

ANZ's performance and the progress we made in delivering our strategy in 2013 are detailed in this Shareholder Review.

Notably, ANZ was again assessed the global banking sector leader in the Dow Jones Sustainability Index (DJSI). This is the sixth year in the past seven that we have received this assessment. Building sustainability into the way we do business supports delivery of our strategy.

### BOARD CHANGES

During the year, we completed a board transition with two directors, David Meiklejohn and Greg Clark, due to retire at the 2013 Annual General Meeting. Paula Dwyer joined the board in 2012 as part of a succession plan for David Meiklejohn and this year Graeme Liebelt joined to succeed Greg Clark. Graeme was previously Chief Executive Officer at Orica, a leading global mining services company.

On behalf of shareholders I would like to express our thanks to David and Greg for their enormous contribution to the board over the past nine years.

### OUTLOOK

As we enter the 2014 financial year, the major economies in the United States, Europe and Japan are gradually strengthening. In emerging Asia growth rates are expected to remain above those in the major developed economies. China is well positioned with growth expected to be around 7.5% in 2014.

However, there continues to be volatility in global markets. In recent months this has been seen in response to an expectation that the US will begin to tighten monetary policy and the political impasse over the US fiscal position.

Australia and New Zealand remain in a strong position with improving consumer and business confidence and strong trade and investment links with Asia. The Australian and New Zealand economies are both expected to expand by around 2.5% in 2014.

ANZ's super regional strategy means we are well-placed to benefit from the resilience of our home markets and the growth in Asia. Together with the expense and capital management disciplines we have in place, it means we are positioned to continue to deliver growth and performance to our shareholders in 2014. Finally, I would like to acknowledge the hard work and dedication of our management and staff who achieved so much in 2013. I would also like to express my thanks to my fellow Directors for their commitment and support during the year.

John Morschel, Chairman



## BOARD OF DIRECTORS

This information sets out Board Committee memberships as at 30 September 2013. Full biography details can be found on our website: [anz.com/about-us/our-company/executive/board-of-directors](http://anz.com/about-us/our-company/executive/board-of-directors)



### John Morschel

Chairman  
DipQS, FAICD  
Director since October 2004.  
Chairman since March 2010.  
Ex officio member of all committees.



### Greg Clark

Chair of Technology Committee  
BSc (Hons), PhD, FAPS, FTSE  
Director since February 2004.  
Member of the Risk and Human Resources Committees.



### Paula Dwyer

BCom, FCA, SF Fin, FAICD  
Director since April 2012.  
Member of the Audit, Human Resources and Risk Committees.



### Peter Hay

Chair of Governance Committee  
LLB (Melb), FAICD  
Director since November 2008.  
Member of the Audit and Human Resources Committees.



### Lee Hsien Yang

MSc, BA  
Director since February 2009.  
Member of the Risk, Human Resources and Technology Committees.



### Graeme Liebelt

BEc (Hons), FAICD, FTSE, FAIM  
Director since July 2013.  
Member of the Risk, Human Resources and Technology Committees.



### Ian Macfarlane, AC

Chair of Risk Committee  
BEc (Hons), MEc, Hon DSc (Syd), Hon DSc (UNSW), Hon DCom (Melb), Hon DLitt (Macq), Hon LLD (Monash)  
Director since February 2007.  
Member of the Governance and Audit Committees.



### David Meiklejohn, AM

Chair of Audit Committee  
BCom, DipEd, FCPA, FAICD, FAIM  
Director since October 2004.  
Member of the Technology and Risk Committees.



### Michael Smith, OBE

Chief Executive Officer, Executive Director  
BSc (Hons) (City Lond), Hon LLD (Monash)  
Chief Executive Officer since 1 October 2007.



### Alison Watkins

Chair of Human Resources Committee  
BCom, FCA, SF Fin, FAICD  
Director since November 2008.  
Member of the Audit and Governance Committees.



## CEO'S REPORT

### A MESSAGE FROM MICHAEL SMITH

ANZ delivered a strong, high quality performance in 2013 demonstrating that our super regional strategy is creating a better bank for customers and a better bank for shareholders. Total shareholder return in 2013 was 32%.

Some highlights include the market share growth we achieved in key customer segments, particularly in Australia and Asia. Good progress was made with our focus on productivity which saw a further improvement in the cost-to-income ratio. We also invested \$1.3 billion in Australia, New Zealand and Asia Pacific to produce growth and returns for the longer-term.

#### DIVISIONAL PERFORMANCE\*

Looking at our Divisional performance, we continued to grow the already large franchises we have in our home markets of Australia and New Zealand.

In the Australia Division profit was up 11% with the strongest overall growth of the major Australian banks across home lending, deposits and credit cards. We also gained market share in commercial banking. Customer acquisition and loyalty is being driven through new digital applications such as ANZ goMoney;<sup>TM</sup> Australia's most popular banking app with one million active users.

In the New Zealand Division profit in NZD was up 29% reflecting progress in simplifying the business, improving productivity and building share in core markets. The result also saw a significant improvement in provisions.

In the Global Wealth Division we are focused on cross-sell, simplification and digital innovation. Cash profit was up 36% with a highlight being an 11% increase in Wealth solutions held by ANZ customers.

We also continued our profitable expansion in Asia through an integrated network that connects customers with faster growing regional capital, trade and wealth flows. Our International and Institutional Banking Division grew profit 15%, and Institutional Asia grew profit 28% driven by strong performances in Trade, Markets and Cash Management.

ANZ's balance sheet strengthened in 2013 supported by management actions to create more diversity by product, by customer and by geography; and to provide greater quality and predictability through more exposure to investment grade and multi-national customers.

Significant progress was made with our operations and technology strategy. The outcome was lower unit costs, better management of risk through standardisation, and stronger enterprise standards and controls. Notably, in 2013 we absorbed business volume increases of up to 12% while reducing operations expenses by 10%.

#### CORPORATE SUSTAINABILITY

In 2013 we also made progress with our approach to Corporate Sustainability. By building sustainability into our business we can ensure that we achieve

the greatest benefits for our customers, shareholders, people and communities. We have three areas of particular focus:

- » **Sustainable development.** Integrating social and environmental considerations into our business decisions, products and services to help our customers achieve their sustainability ambitions and deliver long term value for all our stakeholders.
- » **Diversity and inclusion.** Building the most diverse and inclusive workforce of any major bank in our region to help us innovate, identify new markets, connect with customers and make better, more informed decisions.
- » **Financial inclusion and capability.** Building the financial capability of people across our region to promote financial inclusion and progression of individuals and communities.

#### BUILDING ON OUR MOMENTUM

Our super regional strategy is a long term strategy and our momentum in 2013 means we are confident ANZ can continue to perform well in the coming years.

We have set clear priorities within the bank to improve the customer experience, to diversify revenues, to drive productivity and to increase shareholder returns. As a result, we have set new targets to reduce the cost-to-income ratio from 44.8% to below 43% by the end of 2016 and to achieve a return on equity of above 16% over the same period.

These targets reflect the confidence we have that our super regional strategy can deliver on its promise to achieve market-leading outcomes for our shareholders, our customers and for the community.

Michael Smith, CEO

\* All figures on a cash basis unless noted otherwise.

## MANAGEMENT BOARD

Full biography details can be found on our website:

[anz.com/about-us/our-company/executive/management](http://anz.com/about-us/our-company/executive/management)



**Michael Smith**

Chief Executive Officer and Executive Director since 1 October 2007.



**Susie Babani**

Group Managing Director, Human Resources



**Phil Chronican**

Chief Executive Officer, Australia



**Alistair Currie**

Chief Operating Officer



**Shayne Elliott**

Chief Financial Officer



**Andrew Géczy**

Chief Executive Officer, International & Institutional Banking



**David Hisco**

Chief Executive Officer, New Zealand



**Graham Hodges**

Deputy Chief Executive Officer



**Joyce Phillips**

CEO Global Wealth and Group Managing Director, Marketing, Innovation and Digital



**Gilles Planté**

CEO Asia Pacific



**Anne Weatherston**

Chief Information Officer



**Nigel Williams**

Chief Risk Officer



**AUSTRALIA**  
**PHILIP CHRONICAN**  
**CEO, AUSTRALIA**

1.1 million customers now registered to use ANZ's popular mobile banking application ANZ goMoney.™

**BUSINESS PROFILE**

Australia is ANZ's largest market and we serve approximately six million retail and commercial customers through our network of around 800 branches, 193 business centres, our 24-hour contact centre, 2,700 ATMs and leading online and mobile banking platforms. We are making good progress on Banking on Australia, our five-year \$1.5 billion investment program to make banking easier and put our customers in control. This includes building capabilities to help us deliver a more insightful and connected experience for our customers and our people, as well as leveraging the local and international connectivity of ANZ's Super Regional network.

**BUSINESS HIGHLIGHTS\***

- » Delivered a strong financial performance, with profit before provisions up 13% and cash profit up 11%.
- » Achieved above system growth<sup>1</sup> in Housing Lending, Household Deposits and Consumer Cards and grew Traditional Banking market share from 12.4%<sup>2</sup> to 14.4%<sup>3</sup> over the three years to August 2013<sup>2</sup>.
- » Reduced customer complaints by 10%<sup>4</sup> and returned Retail MFI<sup>5</sup> Customer Satisfaction to above 80% levels<sup>6</sup>.
- » Acquired 30,000 net new Corporate & Commercial Banking customers and grew Corporate & Commercial Banking Lending by 7% and Deposits by 4%.
- » Good progress on our Banking on Australia program:

- 1.1 million customers now registered to use ANZ's popular mobile banking application, ANZ goMoney™ with 53 million transactions valued at more than \$29 billion conducted this year.
- Transformed 74 branches with our new open plan design and technologies and rolled out 201 ANZ Smart ATMs.
- Deployed 1,200 iPads to Corporate & Commercial frontline bankers to improve productivity and bring the whole of ANZ's Super Regional capabilities to our customers.
- Launched the award winning ANZ Fastpay™ merchant facility application, allowing small business customers to complete credit and debit card transactions on the go, with around 7,000 active users.
- Provided over 170,000 hours of training to our frontline staff, enabling insight led conversations with our customers and better service.
- Launched the ANZ Financial Hardship microsite, enabling customers to apply for financial hardship assistance online.
- » ANZ's progress with our customers and the community was recognised through awards including:
  - Money magazine Business Bank of the Year 2013.
  - CANSTAR Best Value Australia Agribusiness Award.
  - MoneySmart Week Outstanding Achievement award for our MoneyMinded adult financial literacy program. □

FINANCIAL PERFORMANCE (\$M)	2013	2012	MOVT %
Operating income	7,867	7,356	7%
Operating expenses	(2,951)	(3,002)	-2%
Profit before credit impairment and income tax	4,916	4,354	13%
Provision for credit impairment	(820)	(642)	28%
Profit before income tax	4,096	3,712	10%
Income tax expense and non-controlling interest	(1,223)	(1,114)	10%
Profit after tax	2,873	2,598	11%
Total assets	274,533	256,805	7%
Contribution to group earnings	44%	45%	

\* All figures on a cash basis unless noted otherwise. <sup>1</sup> Based on APRA statistics excluding the impact of the sale of Origin Mortgage Management Services. <sup>2</sup> Source: Roy Morgan Research. Base: Australia population aged 14+, traditional banking consumer market (Deposits, Mortgages, Credit Cards & Loans), 12 months to August 2010. <sup>3</sup> Source: Roy Morgan Research. Base: Australia population aged 14+, traditional banking consumer market (Deposits, Mortgages, Credit Cards & Loans), 12 months to August 2013. <sup>4</sup> Monthly average of customer complaints recorded, reduced by 10% in FY13 against second half of FY12. <sup>5</sup> Main Financial Institution <sup>6</sup> Source: Roy Morgan Research. Base: ANZ Main Financial Institution Customers, aged 14+, 6 months to September 2013.



## BUILDING MONEY MANAGEMENT SKILLS AND SAVINGS

### CASE STUDY

For 10 years we have invested significantly in financial inclusion research, partnerships and programs to support people to build their money management skills and savings. This aligns with our brand promise “helping people progress”.

Shafan, who moved to Australia three years ago, had never saved. After completing our Saver Plus program, Shafan has been steadily putting aside savings towards his home deposit.

Saver Plus is one of the longest running,

largest matched savings programs in the world. Participants receive financial education, personal coaching and matched savings up to \$500. Over 5,000 people have participated in Saver Plus this year.

“I feel a great sense of achievement and am very proud and confident,” said Shafan. “Without Saver Plus, I am not sure I could have achieved this.”

Our other two financial education programs are MoneyMinded, Australia’s most widely-used adult financial literacy

program and MoneyBusiness, which is designed to build money management skills, confidence and a savings culture among Indigenous Australians.

As part of ANZ’s “Banking on Australia” \$1.5 billion investment program, we have committed \$20 million to help further build money management skills and savings for vulnerable Australians and support our local communities to progress. □

» Shafan Monsoor, Saver Plus Participant



## INTERNATIONAL & INSTITUTIONAL BANKING

**ANDREW GÉCZY**  
**CEO, INTERNATIONAL & INSTITUTIONAL BANKING**



<sup>1</sup> Source: Peter Lee Associates: 2013 Large Corporate and Institutional Relationship Banking survey for the Australian market.

### BUSINESS PROFILE

International and Institutional Banking (IIB) has a global focus on large multi-national companies and institutions with sophisticated needs, along with a fast-growing Commercial business and a Retail business serving affluent and emerging affluent customers in Asia Pacific.

The division is spearheading ANZ's super regional banking strategy, with a growing presence and capability across Australia, New Zealand and 31 markets in Asia Pacific, Europe and America (APEA). We now serve more than 2.07 million Institutional, Commercial and Retail customers.

Our goal is to help deliver on ANZ's aspiration to have APEA sourced revenue drive 25 to 30% of group profit by 2017, and to continue to grow our Institutional business in Australia and New Zealand.

### BUSINESS HIGHLIGHTS\*

- » Delivered a strong financial performance with cash profit up 15%.
- » FX turnover grew 35% helping drive 11% growth in the Global Markets division in line with a strong customer demand.
- » Added local loan syndications capability in Indonesia and Japan, and enhanced USD Debt Capital Markets credentials in Asia leading to a 300% increase in volume.
- » Short-dated trade lending grew 27%, underpinning 6% growth in profit in Transaction Banking.
- » Delivering super-regional to clients, cross border income is now 35% of Institutional customer revenue.
- » Recognised as a top four bank in Asia through the Greenwich Large Corporate Banking Survey 2013.
- » ANZ China obtained an A+ long term credit rating with a stable outlook from Standard & Poor's, acknowledging the business' strategic importance to the Group's expansion plans.
- » In December 2012, ANZ became the first Australian bank to receive approval to establish a presence in Myanmar and in April 2013 obtained the necessary licence to open a representative office. The expansion takes the number of markets in which ANZ operates to 33 globally.
- » Demonstrated our commitment to being the best connected, most respected bank in the region – with ANZ voted the No.1 provider of FX services in Asia Pacific by financial institutions as well as the best FX provider in Australia by both financial institutions and corporate treasurers, according to Asiamoney's 2013 FX Poll.
- » Ranked the No.1 bookrunner for syndicated loans in G3 currencies in Asia Pacific (excluding Japan) according to Thomson Reuters.
- » Moved to equal No.1 position for overall market penetration and maintained the No.2 rank for the Relationship Strength Index in the 2013 Large Corporate and Institutional Relationship Banking survey<sup>1</sup>.
- » Introduced ANZ goMoney™ to increase banking opportunities to people in Papua New Guinea, Samoa and the Solomon Islands.
- » Piloted ANZ's flagship financial education program MoneyMinded to communities in Singapore, Philippines and Taiwan.
- » Trained 392 IIB staff in Hong Kong, Singapore, Brisbane, Sydney, Melbourne, Perth and Auckland in social and environmental opportunities and risk management, through the Sustainability Leadership Program delivered in partnership with WWF Australia. □

\* All figures on a cash basis unless noted otherwise.



### INCREASING BANKING OPPORTUNITIES FOR CUSTOMERS IN THE PACIFIC CASE STUDY

Customers in Papua New Guinea, Samoa and the Solomon Islands are now able to do their banking using their mobile phones, accessing cash services through accredited and trained ANZ goMoney™ merchants.

Up to 75% of people in the region don't have access to traditional banking services, but around 85% of people aged 15 to 60 own a mobile phone.

Glenda Kenga in Port Moresby, Papua New Guinea, was one of the first customers to register with ANZ goMoney™. Previously "unbanked," she now pays for goods and deposits and withdraws money at the ANZ goMoney™ merchant just across the road from her market stall. Customers can

also buy mobile phone credit, transfer money and check their account balance and transaction history.

Promoting financial inclusion in the Pacific is a priority for ANZ, particularly for customers in remote and rural areas. Since launching ANZ goMoney™ in the region in June 2013, 36,748 customers have registered. □

» ABOVE: John Camble and Jacobeth Tomeme with a customer.

FINANCIAL PERFORMANCE (\$M)	2013	2012	MOVT %
Operating income	6,564	6,427	2%
Operating expenses	(2,970)	(3,069)	-3%
Profit before credit impairment and income tax	3,594	3,358	7%
Provision for credit impairment	(317)	(451)	-30%
Profit before income tax	3,277	2,907	13%
Income tax expense and non-controlling interest	(847)	(796)	6%
Profit after tax	2,430	2,111	15%
Total assets	296,524	267,467	11%
Contribution to group earnings	37%	36%	



## NEW ZEALAND

**DAVID HISCO**  
**CEO, NEW ZEALAND**

Customers  
are now  
seeing  
faster and  
smoother  
approvals  
processes.

### BUSINESS PROFILE

In New Zealand, ANZ has been through the biggest change in its more than 170 years in the country.

In October 2012 the bank completed its merger of ANZ and The National Bank by putting all customers onto one computer platform – probably New Zealand's largest business technology project.

Since then the "new" ANZ has moved rapidly to take advantage of the one brand and system for all its customers. Market share in key areas such as mortgages and small business banking has increased, customer consideration has lifted, staff engagement is at a record high and the cost to income ratio of the business has dropped.

Customers are now seeing faster and smoother approvals processes and service and have access to more specialists than ever before.

In the community ANZ continued to make a difference to the lives of many New Zealanders – from the drought relief package for farmers and the sponsorship of many initiatives across economy-critical industries, to the donations and support given to hundreds of charities and non-government organisations nationwide.

All of this means that ANZ is performing better than it ever has in a financial and non-financial sense, with still more to come in future.

### BUSINESS HIGHLIGHTS\*

- » Created over 250 full service branches – the most of any bank – servicing about 82% of New Zealand with a presence in eight more communities nationwide. ANZ now also has the most ATMs, 706, and the most mobile mortgage managers, 75. There are now 31 Insurance Specialists and 14 Wealth Specialists supporting frontline teams.
- » Some 53% of ANZ branches now have a Business Banking Manager, adding 5,500 new business banking customers and opening 10,000 start-up accounts.
- » Sale of EFTPOS New Zealand.
- » Upgraded our market leading mobile banking app ANZ goMoney™ to over 1 million customers.

- » As leaders in the agri sector we've created an in-depth online information hub for customers that highlights products, insights and local people to support their businesses. Thanks to ANZ some 360 people established their first farming business during the year. As a result of all this, ANZ has won CANSTAR Agribusiness of the Year for a second consecutive year.
- » Published industry leading and award winning plain English investment statements so customers can more easily understand what is happening with their investments. An ANZ retirement hub – FutureWise – has been set up online to help customers plan for their retirement and customers can check their KiwiSaver accounts online.
- » Launched an online ANZ insurance hub to help customers better understand recent changes to how insurances are calculated.
- » Supported the government's migrant investor scheme to help investors apply for entry to New Zealand.
- » Launched ANZ Transactive Mobile for Android and iPhone devices allowing customers to remotely monitor real-time account balances, view current and prior-day transactions, approve and release payments, and obtain dynamic FX rates.
- » Partnered with the Solomon Group Education and Training Academy to deliver MoneyMinded, ANZ's flagship financial education programme.
- » Released our third "ANZ Financial Knowledge and Behaviour Survey" with the Commission for Financial Literacy and Retirement Income following previous research in 2005 and 2009. □

\* All figures on a cash basis unless noted otherwise.



## IDENTIFYING GROWTH OPPORTUNITIES FOR OUR CUSTOMERS CASE STUDY

An ANZ New Zealand project has identified a combination of farming practices that successfully generate high performing, environmentally sustainable and profitable dairy farms. These farms employ a formal decision making process, clear objectives, a focus on profit and costs, maximum growth, minimal waste and a risk mitigation strategy.

The findings are helping our dairy customers understand how to increase profitability and address economic and environmental challenges through applying intensive farming technologies. Commercial & Agri employee Edwina Askew commented “The project has helped us better understand the industry and look at how we can provide services relevant to future demand.”

New Zealand’s agricultural exports are predicted to increase by NZ\$550 billion over the next 40 years. Dairy, New Zealand’s biggest industry, faces economic and environmental challenges impacting on continued growth. Many of New Zealand’s 8,000 dairy farms are considering ways to intensify their production methods.

The “High profit low footprint” project supports our sustainable development framework– integrating social and environmental considerations into business decisions, products and services to help customers achieve their sustainability ambitions and deliver long term value for stakeholders. Following the research we have amended staff training and are now looking at product developments to assist dairy farmers to maximise opportunities for business growth. □

FINANCIAL PERFORMANCE (\$NZD)	2013	2012	MOVT %
Operating income	2,678	2,699	-1%
Operating expenses	(1,155)	(1,366)	-15%
Profit before credit impairment and income tax	1,523	1,333	14%
Provision for credit impairment	(46)	(191)	-76%
Profit before income tax	1,477	1,142	29%
Income tax expense and non-controlling interest	(409)	(315)	30%
Profit after tax	1,068	827	29%
Total assets	95,771	92,475	4%
Contribution to group earnings	14%	11%	





## GLOBAL WEALTH

**JOYCE PHILLIPS**  
CEO, GLOBAL WEALTH

We protect people today and help them build a better tomorrow.

### BUSINESS PROFILE

ANZ Global Wealth is focused on helping our customers across the region progress by delivering innovative and compelling financial solutions that enable them to actively engage in growing and protecting their wealth.

ANZ Global Wealth serves over two million customers and manages \$59 billion in investment and retirement savings (FUM) in Australia and New Zealand. Customers can access ANZ's Wealth solutions through teams of highly qualified financial planners and advisers, innovative online and mobile platforms, ANZ Private Bankers and ANZ's branch network.

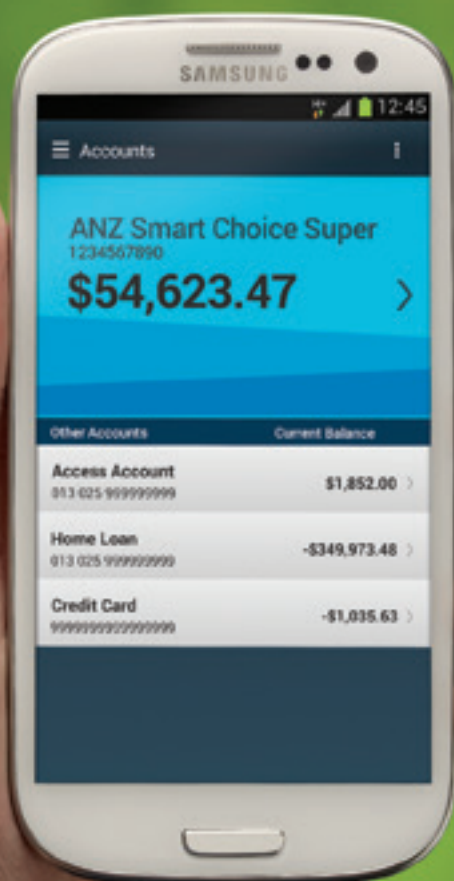
### BUSINESS HIGHLIGHTS\*

- » Solid financial performance: Global Wealth grew profit 36%, with income up 5% and costs down 2%.
- » Underlying business growth: Overall FUM has grown 13% with retail life insurance in-force premiums up 10%. These results were driven by strong productivity improvements in ANZ and aligned planner channels. Retail Insurance lapse rates have also responded to retention initiatives and lapse rates in the Australian business remain lower than the industry average.
- » Innovative solutions growing our customer base: During the year, we introduced ANZ Smart Choice Super, an innovative superannuation solution that was awarded Outstanding Value in all life stages by Canstar. There are now more than 50,000 ANZ Smart Choice Super customers.
- » Market leader in New Zealand: ANZ is market leader in the provision of retirement solutions via Kiwi Saver, growing FUM in 2013 by 51%.
- » Responding to regulatory reforms: ANZ Global Wealth invested significant resource and time responding to government regulatory reform in wealth management including FoFa and Stronger Super reforms. A significant milestone was APRA's approval of ANZ's MySuper licence in September for ANZ Smart Choice Super.
- » Delivery of our FY13 Accessibility Inclusion Plan target.

### Industry Awards:

- » 2013 CANSTAR Outstanding Value Awards for ANZ Smart Choice Super.
- » 2013 CANSTAR Outstanding Value Awards for:
  - ANZ Home Insurance for the fifth consecutive year.
  - ANZ Direct Life Insurance.
  - OneCare for Life Insurance for the sixth consecutive year.
  - ANZ Smart Choice Pension for the second consecutive year.
- » 2013 Money Management/DEXX&R Adviser Choice Risk Awards: Risk Company of the Year for the fourth year running.
- » Money magazine's 2013 'Best Featured Pension Product' for OneAnswer Frontier.
- » New Zealand Morningstar Award 2013 in the International Equity Category. □

\* All figures on a cash basis unless noted otherwise.



## REDEFINING THE WAY AUSTRALIANS PLAN AND SAVE FOR THEIR RETIREMENT CASE STUDY

In November 2012, ANZ launched an innovative superannuation solution – ANZ Smart Choice Super – which provides an easy, convenient, low cost way for Australians to make the most of their superannuation and manage and build their wealth.

ANZ Smart Choice Super allows customers to view their superannuation on their mobile devices and features Australia’s lowest retail fees,<sup>1</sup> allowing customers to save more for their retirement.

Since its launch, around 50,000 Australians have opened an ANZ Smart Choice Super account, with 90 per cent of these customers now viewing their superannuation balance online at least once a month. Over 60 per cent of ANZ Smart Choice Super customers are under the age of 35.

Annual statements are online – avoiding traditional paper-based statements and quarterly member updates are delivered via an innovative e-book – allowing members to access interactive content, education and tools.

From late 2013, ANZ’s employer clients will also be able to offer ANZ Smart Choice Super, enabling more Australians to benefit from ANZ’s innovative, low cost superannuation solution and save more for their retirement. □

FINANCIAL PERFORMANCE (\$M)	2013	2012	MOVT %
Operating income	1,510	1,440	5%
Operating expenses	(944)	(967)	-2%
Profit before credit impairment and income tax	566	473	20%
Provision for credit impairment	(4)	(4)	0%
Profit before income tax	562	469	20%
Income tax expense and non-controlling interest	(93)	(123)	-24%
Profit after tax	469	346	36%
Contribution to group earnings	7%	6%	

<sup>1</sup> Research conducted by SuperRatings Pty Ltd, holder of Australian Financial Services Licence No. 311880. Analysis current as at July 2013, and limited to the member, administration and investment management fees of 314 retail, industry and government super funds. In conducting the analysis, the ANZ Smart Choice Super – 1960’s diversified investment option has been compared against the main Balanced option of products contained within the SuperRatings database. Data used in the research from sources considered reliable. It is not guaranteed to be accurate or complete. For a copy of the SuperRatings research call 13 12 87 or go to [www.anz.com/superfeesgraph](http://www.anz.com/superfeesgraph).



## GLOBAL TECHNOLOGY, SERVICES & OPERATIONS

**ALISTAIR CURRIE**  
CHIEF OPERATING OFFICER

Establishing the next generation of digital platforms to transform customer and staff experience.

### BUSINESS PROFILE

Global Technology, Services & Operations is ANZ's delivery division responsible for the delivery of technology, shared services and operations throughout our global footprint, including from our major delivery hubs in Melbourne, Wellington, Bangalore, Manila, Chengdu and Suva. The division is also responsible for major transformation projects and ANZ's commercial and branch property portfolio.

Over the past year the division has continued to drive forward its agenda of simplification and standardisation, accelerating achievement of the Group's super regional strategy. This includes a focus on high quality, reliable and cost effective delivery of services and operations, and establishing the next generation of digital platforms to transform customer and staff experience.

### BUSINESS HIGHLIGHTS\*

#### Technology

- » Successfully completed New Zealand's biggest technology project with the integration of our in-country core banking systems.
- » ANZ Transactive – our digital cash, trade and liquidity solution – rolled out to more customers and made available on smartphones and tablets in 2013. Advanced features were also deployed to Singapore, Hong Kong, Vietnam and Cambodia, with further markets scheduled for 2014.
- » Launched ANZ goMoney™ in more countries across the Asia-Pacific, demonstrating our strong commitment to financial inclusion for isolated communities across the region while also driving business growth.
- » Payment outages decreased significantly, down 60% during 2013, as we continued our focus on reliable, robust and secure technology infrastructure.

- » Launched FastPay enabling Australian small businesses to process same day settlement of card payments via an iPhone or iPad.
- » Commenced the Australian rollout of advanced branch technology, including Smart ATMs supporting instant crediting of cash, automated Teller Cash Recyclers, and video conferencing to better connect our customers with specialists.

#### Services

- » ANZ continued to review sustainability in our supply chain, screening around 300 suppliers on their social, ethical, and environmental issues management performance in line with our Supplier Code of Practice.
- » Renegotiation of key supplier contracts across technology, telecommunications, banking and professional services delivered over \$180 million in savings during FY13.
- » Partnered with ANZ suppliers to identify energy reduction opportunities as part of our focus on sustainable supply chain management for the bank. For example, we expanded our strategic partnership with print suppliers through the purchase of carbon neutral paper.
- » Opened ANZ Tower in Sydney, with a 6 Star Green Star design rating<sup>1</sup> making it a world leader in environmental sustainability - adding to our global portfolio of leading sustainability properties.
- » Committed \$1.2 million in energy efficient lighting across four commercial offices, with 30% savings in lighting energy worth around \$0.3 million per annum. This has contributed to a broader reduction in energy and gas consumption across our offices and branch network in Australia and New Zealand delivering \$1.5 million per annum in energy cost savings from 2011 levels.

\* All figures on a cash basis unless noted otherwise.

## Operations

- » Operations productivity increased 18%, with transaction volumes increasing and overall operations delivery cost decreasing.
- » Further strengthened our business continuity capabilities with multiple outage simulations across our network of delivery hubs. Further demonstrated our resilience during the Manila floods and Wellington earthquakes by maintaining high levels of service throughout.
- » Delivered ANZ's MoneyMinded financial education program to over 800 people across the hubs community, with plans to train a further 1,200 people in FY14. This program better equips individuals to manage their personal finances and also builds the commercial and financial acumen of staff by instilling a core understanding of money management, planning and budgeting.
- » Improved processes and initiatives to lower print usage, reducing business as usual paper consumption in Australia and New Zealand by 900 tonnes; roughly 180 million sheets of A4 paper per annum.
- » Continued to build on our diverse workforce in the hubs by embracing diversity in our recruitment approach, work environments and employee value propositions. □

## IMPROVING CUSTOMER EXPERIENCE, REDUCING COST AND ENVIRONMENTAL IMPACT THROUGH OFFICE CONSOLIDATION CASE STUDY



In Sydney, five of our CBD locations were consolidated into two, providing new customer-facing facilities to a higher standard, achieving productivity efficiencies and improving our environmental performance.

The new ANZ Tower, housing the majority of our Sydney based staff, has been designed to a 6 Star Green Star rating<sup>1</sup> from the Green Building Council of Australia and offers modern, open plan, flexible workspace for staff to interact and collaborate, as well as providing a range of customer suites.

The building design applies new technologies to deliver operational and environmental benefits, such as:

- » The building features solar panels, light sensors, extensive LED lighting and has a tri-generation power system designed to lower overall carbon footprint.
- » Sustainable materials have been used throughout the fit-out, for example, carpeting from recycled material.

ANZ Tower is the latest of our sustainability-designed properties, complementing our 6 Star Green Star rated<sup>1</sup> global headquarters, ANZ Centre in Melbourne, and our regional headquarters at Ocean Financial Centre Singapore – one of the first buildings in Southeast Asia to receive a Platinum level LEED certification<sup>2</sup>. □

<sup>1</sup> Green Building Council of Australia base building rating.

<sup>2</sup> LEED Core & Shell certification v2.0 as awarded by the U.S. Green Building Council.

# 2013 NON-FINANCIAL PERFORMANCE OVERVIEW

THE TABLE BELOW SHOWS OUR PERFORMANCE AGAINST OUR 2013 TARGETS

TARGET		COMMENTARY ON PERFORMANCE
<b>RESPONSIBLE PRACTICES</b>		
Implement across Australia our hardship awareness tools, which will help customers in distress by enabling our staff to identify at risk customers, and offer them targeted advice and support. <b>Application:</b> Australia	✓	Almost 700 frontline staff trained and multiple initiatives launched to support customers, including the introduction of an online application process and dedicated financial hardship website.
Improve customer satisfaction and achieve the No.1 or 2 position amongst major banks in our core markets for our Retail, Commercial and Institutional businesses. <b>Application:</b> Australia and New Zealand	✗	<b>Australia:</b> Satisfaction improved in our Retail and Commercial businesses. Retail satisfaction <sup>1</sup> growth was the strongest of the major banks; however, we did not achieve our target. Institutional moved to (equal) No.1 position for overall market penetration and maintained the No.2 rank for the Relationship Strength Index (RSI) in the 2013 Large Corporate and Institutional Relationship Banking survey. <sup>2</sup> <b>New Zealand:</b> Retail <sup>3</sup> performance declined from 89% in 2012 to 84%, due to changes related to merging the ANZ and National Bank Brands. Maintained Commercial <sup>4</sup> performance and No. 1 position for market penetration and RSI in Institutional.
Resolve 90% of customer complaints within five business days. <b>Application:</b> Australia <sup>5</sup> and New Zealand	✗	<b>Australia:</b> Target achieved <b>New Zealand:</b> Resolution rate 78%
Increase the proportion of lower-carbon (gas and renewables) power generation lending in our Project Finance book by 15-20% by 2020. <b>Application:</b> Project and Structured Finance	✓	This is a long term target and we are 'on track'. Gas-fired 27%, Coal-fired 34%, Renewables 39%.
Improve our ability to manage social & environmental risks by specialised training for a further 1,000 lending staff and train 200 senior staff in our Sustainability Leadership Program. <b>Application:</b> Group	✗	<b>Social &amp; Environmental Risk Training:</b> 997 <b>2013 Sustainability Leadership Program:</b> 392
Protect the health and safety of our staff by reducing Lost Time Injury Frequency Rate (LTIFR) by 10% in Australia, 5-10% in New Zealand, and maintaining LTIFR of below 1 per million hours worked in our International business. <b>Application:</b> Group	✗	<b>Australia:</b> Lost Time Injury Frequency Rate (LTIFR) rose 16%, however, for the last 8 years, ANZ has achieved a year on year average reduction of 9%, against the 2005 baseline (see table page 25). <b>New Zealand:</b> LTIFR rose 48%. This is partly due to increased awareness of the need to report incidences (see table page 25). <b>International business:</b> Target met.
Screen and report on the agreement of our key suppliers with ANZ's Supplier Code of Practice, and report on engagement and remediation activities. <b>Application:</b> Institutional Business	✓	Approximately 300 suppliers across IT, HR and Travel categories screened against ANZ's Supplier Code of Practice, with 41 identified as potential higher risk. Work is now underway to review their policies and agree actionable remediation plans.
<b>BUILDING FINANCIAL CAPABILITY</b>		
Increase reach of Australia's largest financial education and savings program, MoneyMinded, by a further 40,000 participants. <b>Application:</b> Group	✓	We have reached more than an estimated 40,000 participants this year.
Enrol at least 4,750 people in our Saver Plus program in Australia to achieve our 2014 target of 14,250. <b>Application:</b> Australia	✓	We have enrolled more than 5,000 participants in Saver Plus.
<b>BRIDGING URBAN AND RURAL DIVIDES</b>		
Help increase financial inclusion by introducing mobile phone banking in Papua New Guinea, Vanuatu, Samoa and Solomon Islands with a view to reaching 50,000 customers in 2013. <b>Application:</b> Pacific	✗	We have launched mobile phone banking in Papua New Guinea, Samoa and Solomon Islands resulting in more than 36,000 mobile phone banking customers. Below target due to a delayed launch in Vanuatu.
Reduce the cost of remittances by increasing customer usage of our lower cost Pacific Money Transfer Card. <b>Application:</b> Pacific	✗	We have not met this target; actions have been implemented to increase customer usage.
Further support for the communities we operate in by volunteering 100,000 hours globally. <b>Application:</b> Group	✗	We achieved 89,289 hours volunteered, approximately 90% of target.

TARGET		COMMENTARY ON PERFORMANCE
<b>EDUCATION &amp; EMPLOYMENT OPPORTUNITIES</b>		
Improve employee engagement to a target rate of 73% in 2013, with a long term target of 83%. <b>Application:</b> Group	⊘	Our Engagement index assessment increased from 70% in 2012 to 72% in 2013. Employees are more satisfied, proud of ANZ, more likely to refer the organisation to others, and more of our people intend to stay with ANZ.
Improve perceptions of "values-based leadership" to 70%, with a long term target of 80%. <b>Application:</b> Group	✓	We exceeded our target of 70% on perceptions of values-based leadership as measured in the employee "My Voice" survey, reporting a 4% increase from 67% in 2012 to 71% in 2013.
Achieve a 1% increase in the representation of women in management in 2013, with a medium term goal of 40% and a long term target of 45% representation. <b>Application:</b> Group	⊗	The overall percentage of women in management is at 38.7% <sup>6</sup> . We did not meet our 1% improvement target (38.8%). A low employment growth environment, a skew towards male external recruits particularly at entry level management, together with challenges accessing balanced candidate pools in some business areas and some geographies, has slowed our progress. Improvements in particular occurred at senior management from 28.1% to 30.6%.
Help increase the social and economic inclusion of traditionally excluded groups and those from disadvantaged backgrounds, by offering 230 roles through traineeships, graduate program and permanent employment. <b>Application:</b> Group	✓	We employed 231 staff including: 68 additional employees with disability, 13 employees via the "Given the Chance" refugee employment program, 160 Indigenous people of which 92 were trainees.
Play a leadership role in advancing women in society and improving cultural diversity in business through high profile business, government and community partnerships. <b>Application:</b> Group	✓	ANZ participates in the Male Champions of Change (MCOC) initiative convened by the Australian Sex Discrimination Commissioner, Chief Executive Women and Melbourne Business School's Gender Equality Project. We are a founding member of the annual Sustaining Women in Business conference and the Diversity Council of Australia. In 2013 we launched the Plus One Pledge, Supplier Multiplier and enhanced external reporting as part of our involvement in MCOC. We remain an Employer of Choice with the Workplace Gender Equality Agency and our external reporting is recognised as best practice by Women on Boards.
<b>SUPPORTING URBAN SUSTAINABILITY</b>		
Establish performance baseline and set a global energy reduction target. <b>Application:</b> Group	✓	FY14 target endorsed as an absolute Group-wide Greenhouse Gas (GHG) reduction target of 3% for emissions associated with our premises' electricity usage.
Achieve our 2013 environmental target <sup>7</sup> in Australia and New Zealand: greenhouse gas, premises energy, commercial waste, water, paper and air travel. <b>Application:</b> Australia and New Zealand	⊘	<b>Australia Energy:</b> A 7% reduction in energy from our Retail and Commercial sites has been offset by 23% increase in Data Centres. Energy Audits are underway in the Data Centres to mitigate future increases. <b>Australian GHG emissions:</b> The 9% reduction across retail and commercial properties has been offset by increases in Travel and Data Centres year-on-year. <b>NZ Customer Paper:</b> Customer paper increased by 29% associated with the one-off rebranding exercise. Excluding the rebranding exercise, customer paper decreased 15% against the base line.
Reduce customer paper use by making electronic statements and communications available to Retail and Commercial customers in Australia and New Zealand. <b>Application:</b> Australia and New Zealand	⊘	<b>New Zealand:</b> Paper statements reduced by approximately 4.8 million. <b>Australia:</b> Online statements progressing through systems testing, pilot launch date in Nov 13, with a full roll-out to Retail and Commercial customers in early 2014.

**PERFORMANCE KEY:** ✓ ACHIEVED ⊘ PARTIALLY ACHIEVED OR IN PROGRESS ⊗ DID NOT ACHIEVE

<sup>1</sup> Source: Roy Morgan Research. Base: ANZ Main Financial Institution customers, aged 14+, 6 months to September 2013 compared to 6 months to September 2012. <sup>2</sup> Source: Peter Lee Associates: 2013 Large Corporate and Institutional Relationship Banking survey, Australia and New Zealand. <sup>3</sup> Source: Camorra Research Retail Market Monitor. Base: ANZ main bank customers aged 15+, rolling 6 months moving average to September. Based on responses of excellent, very good and good. <sup>4</sup> Source: TNS, Business Finance Monitor. Base: ANZ main bank customers with \$5m - \$150m turnover, rolling 12 months moving average to September. Based on responses of excellent, very good and good. <sup>5</sup> Retail & Commercial complaints recorded, excluding those made to the Financial Ombudsman. <sup>6</sup> This is an adjustment from the prior reporting years and now includes people on parental leave. <sup>7</sup> Against 30 September 2011 base line.

# FIVE-YEAR SUMMARY

## FINANCIAL

### FIVE-YEAR SUMMARY 2009–2013

	2013	2012	2011	2010	2009
<b>FINANCIAL PERFORMANCE<sup>1</sup></b>					
Net interest income <sup>2</sup> (\$m)	12,772	12,110	11,500	10,862	9,890
Other operating income <sup>2</sup> (\$m)	5,606	5,738	5,385	4,920	4,477
Operating expenses (\$m)	(8,236)	(8,519)	(8,023)	(6,971)	(6,068)
Profit before provisions and income tax (\$m)	10,142	9,329	8,862	8,811	8,299
Provision for credit impairment (\$m)	(1,197)	(1,258)	(1,220)	(1,820)	(3,056)
Income tax expense and non-controlling interest (\$m)	(2,447)	(2,241)	(2,175)	(1,966)	(1,471)
Cash / Underlying profit <sup>1</sup> (\$m)	6,498	5,830	5,467	5,025	3,772
Adjustments to arrive at statutory profit <sup>1</sup> (\$m)	(226)	(169)	(112)	(524)	(829)
Profit attributable to shareholders of the Company (\$m)	6,272	5,661	5,355	4,501	2,943
<b>FINANCIAL POSITION</b>					
Assets <sup>2,3</sup> (\$m)	702,991	642,127	604,213	531,703	476,987
Net Assets (\$m)	45,615	41,220	37,954	34,155	32,429
Common Equity Tier 1 <sup>4</sup> (%)	8.5	8.0	8.5	8.0	9.0
Common Equity Tier 1 – Internationally Harmonised Basel 3 <sup>5</sup> (%)	10.8	10.0	n/a	n/a	n/a
Return on average ordinary equity <sup>6</sup> (%)	14.9	14.6	15.3	13.9	10.3
Return on average assets <sup>2,3</sup> (%)	0.9	0.9	0.9	0.9	0.6
Cost to income ratio <sup>1</sup> (%)	44.8	47.7	47.5	44.2	42.2
<b>SHAREHOLDER VALUE – ORDINARY SHARES</b>					
Total return to shareholders (%)	31.5	35.4	-12.6	1.9	40.3
Market capitalisation (\$m)	84,450	67,255	51,319	60,614	61,085
Dividend (cps)	164	145	140	126	102
Share price – 30 September closing price (\$)	30.78	24.75	19.52	23.68	24.39
<b>OTHER INFORMATION</b>					
Points of representation <sup>7</sup>	1,274	1,337	1,381	1,394	1,352
Number of shareholders <sup>8</sup>	468,343	438,958	442,943	411,692	396,181

<sup>1</sup> Since 1 October 2012, the Group has used Cash Profit as a measure of the result of the ongoing business activities of the Group enabling shareholders to assess Group and divisional performance against prior periods and against peer institutions. For 2013 and 2012 statutory profit has been adjusted for non-core items to arrive at Cash Profit. For 2009 – 2011 statutory profit has been adjusted for non-core items to arrive at Underlying Profit, which like Cash Profit, is a measure of the ongoing business performance of the Group but used somewhat different criteria for the adjusting items. Neither Cash Profit nor Underlying Profit are audited; however, the external auditor has informed the Audit Committee that the adjustments have been determined on a consistent basis across each period presented. <sup>2</sup> The reporting treatment of derivative related collateral posted/received and the associated interest income/expense changed in 2012 and 2011 comparatives were restated. The 2009 and 2010 comparative information has not been restated. <sup>3</sup> The 2010 year onwards includes assets resulting from the acquisition of ANZ Wealth Australia, OnePath NZ, Landmark Financial Services and certain assets from the Royal Bank of Scotland. <sup>4</sup> Calculated in accordance with APRA Basel 3 requirements for 2013 and 2012. Comparatives for 2009 to 2011 are calculated on an APRA Basel 2 basis. <sup>5</sup> ANZ's interpretation of the regulations documented in the Basel Committee publications "Basel III: A global regulatory framework for more resilient banks and banking systems" (June 2011) and "International Convergence of Capital Measurement and Capital Standards" (June 2006). <sup>6</sup> Average ordinary equity excludes non-controlling interests and preference shares. <sup>7</sup> Includes branches, offices, representative offices and agencies. <sup>8</sup> Excludes employees whose only ANZ shares are held in trust under ANZ employee share scheme.



## NON-FINANCIAL

### FIVE-YEAR PERFORMANCE SUMMARY 2009–2013

	2013	2012	2011	2010	2009
<b>OUR CUSTOMERS</b>					
<b>Retail customer satisfaction</b>					
» Australia <sup>1</sup> (%)	80.2	76.0	79.8	79.9	76.5
» New Zealand <sup>2</sup> (%)	84	89	88	86	86
<b>Institutional Relationship Strength Index ranking<sup>3</sup></b>					
» Australia	2	2	1	1 (equal)	2
» New Zealand	1	1	1	1	3
<b>OUR PEOPLE</b>					
Total employees (FTE)	47,512	48,239	50,297 <sup>4</sup>	47,099	37,687
Employee engagement survey results (%)	72	70	70	64	66 <sup>5</sup>
Total women in management (%) <sup>6</sup>	38.7	37.8	38.2	38.4	36.8
Investment in learning and development (\$m)	46.0	46.2	59.4	51.0	46.5
<b>Lost Time Injury Frequency Rate</b>					
» Australia	1.8	1.5	2.1	2.2	1.9
Australia <sup>7</sup>	0.7	1.2	1.5	1.7	1.4
» New Zealand	2.5	0.9	1.8	2.2	1.5
» APEA <sup>8</sup>	0.7	0.3	–	–	–
» India <sup>9</sup>	0.1	0.3	0.0	0.0	0.60
<b>OUR COMMUNITIES</b>					
Volunteer hours	89,289	86,758	91,410	90,651	58,097
<b>OUR ENVIRONMENT</b>					
<b>GHG emissions (tonnes CO<sub>2</sub>-e)<sup>10</sup></b>					
» Australia <sup>11</sup>	163,206 <sup>16</sup>	163,912 <sup>12,16</sup>	166,717 <sup>12</sup>	170,299	161,985
» New Zealand	11,828 <sup>13,16</sup>	13,363 <sup>12,16</sup>	11,843 <sup>12</sup>	12,429	13,700
» Asia Pacific, Europe and America	26,627 <sup>13,16</sup>	30,957 <sup>12,16</sup>	30,189	22,725	–
<b>Paper consumption (tonnes per FTE)<sup>14</sup></b>					
» Australia	0.163 <sup>16</sup>	0.163 <sup>16</sup>	0.167	0.211	0.178
» New Zealand	0.129 <sup>15,16</sup>	0.155 <sup>16</sup>	0.125	0.148	0.146

<sup>1</sup> Source: Roy Morgan Research. Base: ANZ Main Financial Institution Customers, aged 14+, based on 6 months to September for each year. <sup>2</sup> Camorra Research Retail Market Monitor (2013). The Nielsen Company Consumer Finance Monitor (2012, 2011, 2010, 2009). 2009 – 2012 excludes National Bank brand. Base: ANZ main bank customers aged 15+, rolling 6 months moving average to September. Based on responses of excellent, very good and good. <sup>3</sup> Source: Peter Lee Associates 2013 Large Corporate and Institutional Relationship Banking Survey, Australia & New Zealand. <sup>4</sup> 2011 FTE numbers adjusted to include APEA contractors. <sup>5</sup> Interim survey and change in provider; 2009 results onwards are not comparable with previous years. <sup>6</sup> This is an adjustment from the prior reporting years and now includes people on parental leave. <sup>7</sup> LTIFR only includes LTIs that result in claims. <sup>8</sup> APEA started to calculate LTIFR in 2011. <sup>9</sup> India started to calculate LTIFR in 2009. <sup>10</sup> Scope 1 & 2 only. A full GHG profile (scope 1, 2 & 3) will be available on anz.com. <sup>11</sup> Australia 2013 GHG emissions have been assured by KPMG. 2013 GHG data for NZ and APEA is pending external verification. A full, verified environmental report will be available on anz.com. <sup>12</sup> Figure updated based on actual reported data and updated emission factors for New Zealand. <sup>13</sup> 2013 GHG data for NZ and APEA is pending external verification. A full, verified environmental report will be available on anz.com. <sup>14</sup> Includes both office and print (customer) paper. <sup>15</sup> Reported number relates to business as usual paper and does not include paper associated with a one-off rebranding initiative completed in 2013. <sup>16</sup> The reporting year for 2012 and 2013 GHG and Paper per FTE is 1 June – 31 July. This is an adjustment from the prior reporting years period of 1 Oct to 30 Sept to align to environmental regulatory reporting requirements.

## NON-EXECUTIVE DIRECTORS' REMUNERATION

THE BOARD IS RESPONSIBLE TO SHAREHOLDERS FOR THE GOVERNANCE OF ANZ. IT APPROVES THE STRATEGIC DIRECTION, FINANCIAL OBJECTIVES AND APPROPRIATE RISK APPETITE FOR THE ORGANISATION AND OVERSEES ANZ'S OPERATIONS AND FINANCIAL PERFORMANCE.

CURRENT NON-EXECUTIVE DIRECTORS	FINANCIAL YEAR	SHORT-TERM NED BENEFITS (\$)	POST-EMPLOYMENT (\$)	TOTAL REMUNERATION (\$)
J Morschel	2013	780,336	16,796	797,132
	2012	775,000	15,949	790,949
G Clark	2013	300,000	16,796	316,796
	2012	300,000	15,949	315,949
P Dwyer <sup>1</sup>	2013	297,500	16,796	314,296
	2012	136,250	8,061	144,311
P Hay	2013	302,500	16,796	319,296
	2012	302,500	15,949	318,449
H Lee	2013	280,000	16,796	296,796
	2012	280,000	15,949	295,949
G Liebelt <sup>2</sup>	2013	70,000	4,444	74,444
I Macfarlane	2013	314,500	16,796	331,296
	2012	314,500	15,949	330,449
D Meiklejohn	2013	321,485	16,796	338,281
	2012	321,322	15,949	337,271
A Watkins	2013	312,500	16,796	329,296
	2012	312,500	15,949	328,449
TOTAL OF ALL NON-EXECUTIVE DIRECTORS	2013	2,978,821	138,812	3,117,633
	2012	2,742,072	119,704	2,861,776

<sup>1</sup> P Dwyer commenced as a Non-Executive Director on 1 April 2012 so remuneration reflects amounts received for the partial service for the 2012 year.

<sup>2</sup> G Liebelt commenced as a Non-Executive Director on 1 July 2013 so remuneration reflects amounts received for the partial service for the 2013 year.

## REMUNERATION OVERVIEW

THE FOLLOWING PROVIDES A SUMMARY OF THE REMUNERATION FOR THE CHIEF EXECUTIVE OFFICER (CEO) AND DISCLOSED EXECUTIVES – KEY MANAGEMENT PERSONNEL\*.

A MORE DETAILED REMUNERATION REPORT IS CONTAINED IN THE ANNUAL REPORT FROM PAGE 28 ONWARDS. THE REPORT CAN BE ACCESSED VIA THE ANZ WEBSITE [ANZ.COM/ANNUALREPORT](http://ANZ.COM/ANNUALREPORT) AS WELL AS IN HARD COPY.

ANZ's remuneration framework is designed to focus our people on creating and enhancing value for our shareholders and other stakeholders. We aim to ensure there is a strong alignment between the short and long-term interests of both our shareholders and the executive team.

There are three components to remuneration – Fixed Remuneration, Short Term Incentive (STI) and Long Term Incentive (LTI). In the case of the CEO, his remuneration opportunity is split evenly between the three components. In the case of Disclosed Executives, a significant portion of their remuneration is 'at risk' with the outcomes differing from executive to executive. Refer to the Annual Report, page 32, for a detailed description of the 'Composition of Remuneration at ANZ'.

The following summary has been prepared to provide shareholders with a view of remuneration structure and how remuneration was paid or communicated to the CEO and Disclosed Executives for 2012 and 2013 and includes:

- » The actual amounts of grants made in respect of the years 2012 and 2013;
- » Any amounts which had to be deferred in respect of the years 2012 and 2013; and
- » The actual amounts received in respect of the years 2012 and 2013.

\* The term Key Management Personnel is defined under the Corporations Act.

» Ivan Lendl, ANZ Tennis Ambassador.



# NON-STATUTORY REMUNERATION TABLE

CEO AND CURRENT DISCLOSED EXECUTIVES	FINANCIAL YEAR	FIXED		CASH (\$)
		REMUNERATION <sup>1</sup> (\$)	NON MONETARY BENEFITS (\$)	
M Smith <sup>3</sup> Chief Executive Officer	2013	3,150,000	145,681	2,050,000
	2012	3,150,000	121,900	1,900,000
P Chronican <sup>4</sup> Chief Executive Officer, Australia	2013	1,300,000	15,669	1,050,000
	2012	1,300,000	7,590	850,000
S Elliott <sup>5</sup> Chief Financial Officer	2013	1,250,000	15,669	1,300,000
	2012	1,187,000	40,853	1,100,000
A Géczy <sup>6</sup> Chief Executive Officer, International & Institutional Banking	2013	50,000	-	-
D Hisco <sup>7</sup> Chief Executive Officer, New Zealand	2013	1,000,000	411,398	1,050,000
	2012	1,000,000	309,757	900,000
G Hodges <sup>8</sup> Deputy Chief Executive Officer	2013	1,000,000	27,404	675,000
	2012	1,000,000	13,789	650,000
J Phillips <sup>9</sup> Chief Executive Officer, Global Wealth and Group Managing Director, Marketing, Innovation and Digital	2013	1,000,000	5,500	700,000
	2012	580,000	5,500	377,000
N Williams <sup>10</sup> Chief Risk Officer	2013	1,000,000	248,328	850,000
	2012	790,000	32,675	533,250

<sup>1</sup> Fixed remuneration was unchanged for Disclosed Executives year on year. The difference for S Elliott year on year reflects his promotion in 2012 where remuneration was increased to reflect expanded responsibilities. The differences for J Phillips and N Williams year on year reflects partial service as a Disclosed Executive in 2012.

<sup>2</sup> The possible range of STI is between 0 and 2 times target STI. The actual STI received is dependent on ANZ and individual performance (refer to Section 6.2.1, Short Term Incentive (STI) of the 2013 Remuneration Report for more details). Anyone who received less than 100% of target forfeited the rest of their STI entitlement. The minimum value is nil and the maximum value is what was actually paid.

<sup>3</sup> M Smith - The 2013 LTI relates to the LTI grant that is proposed for 2013, subject to approval by shareholders at the 2013 Annual General Meeting. The 2012 LTI relates to the LTI grant approved by shareholders at the 2012 Annual General Meeting. Non monetary benefits include car parking, life insurance and taxation services. In 2013 equity to the value of \$2,054,542 vested in respect of previously disclosed deferred STI granted in 2010 and 2011. In addition, equity to the value of \$6,419,352 vested in respect of previously disclosed deferred LTI granted in 2007, as approved by shareholders.

<sup>4</sup> P Chronican - Non monetary benefits include car parking and taxation services. In 2013 equity to the value of \$712,255 vested in respect of previously disclosed deferred STI granted in 2010 and 2011. In addition, equity to the value of \$1,440,697 vested in respect of deferred LTI granted in 2009.

<sup>5</sup> S Elliott - 2012 fixed remuneration represents what was paid during the year (an increase to \$1,250,000 occurred at date of promotion, 1 March 2012 - this figure has been referenced to calculate 2012 STI as a % of target). Non monetary benefits include car parking and taxation services. In 2013 equity to the value of \$588,926 vested in

STI				LTI	TOTAL REMUNERATION		
DEFERRED AS EQUITY (\$)	TOTAL (\$)	AS % OF TARGET	AS % OF MAXIMUM OPPORTUNITY <sup>2</sup>	TOTAL (DEFERRED AS EQUITY) (\$)	RECEIVED (\$)	DEFERRED AS EQUITY (\$)	TOTAL (\$)
1,950,000	4,000,000	127	63	3,150,000	5,345,681	5,100,000	10,445,681
1,800,000	3,700,000	117		3,150,000	5,171,900	4,950,000	10,121,900
950,000	2,000,000	128	64	700,000	2,365,669	1,650,000	4,015,669
750,000	1,600,000	103		650,000	2,157,590	1,400,000	3,557,590
1,200,000	2,500,000	167	83	1,000,000	2,565,669	2,200,000	4,765,669
1,000,000	2,100,000	140		1,200,000	2,327,853	2,200,000	4,527,853
-	-	-	-	625,000	50,000	625,000	675,000
950,000	2,000,000	167	83	699,200	2,461,398	1,649,200	4,110,598
800,000	1,700,000	142		500,000	2,209,757	1,300,000	3,509,757
575,000	1,250,000	104	52	500,000	1,702,404	1,075,000	2,777,404
550,000	1,200,000	100		500,000	1,663,789	1,050,000	2,713,789
600,000	1,300,000	108	54	500,000	1,705,500	1,100,000	2,805,500
319,000	696,000	100		290,000	962,500	609,000	1,571,500
750,000	1,600,000	133	89	750,000	2,098,328	1,500,000	3,598,328
454,250	987,500	104		474,000	1,355,925	928,250	2,284,175

respect of previously disclosed deferred STI granted in 2010 and 2011. In addition, equity to the value of \$995,424 vested in respect of deferred LTI granted in 2009.

<sup>6</sup> **A Géczy** - A Géczy commenced in role 16 September 2013 so fixed remuneration reflects amounts received for the partial service for the 2013 year.

<sup>7</sup> **D Hisco** - Non monetary benefits includes expenses related to his relocation to New Zealand, car parking and taxation services. In 2013 equity to the value of \$680,264 vested in respect of deferred STI granted in 2010 and 2011. In addition, equity to the value of \$796,335 vested in respect of deferred LTI granted in 2009.

<sup>8</sup> **G Hodges** - Non monetary benefits include car parking and taxation services. In 2013 equity to the value of \$530,208 vested in respect of previously disclosed deferred STI granted in 2010 and 2011. In addition, equity to the value of \$995,424 vested in respect of previously disclosed deferred LTI granted in 2009.

<sup>9</sup> **J Phillips** - J Phillips commenced in role on 1 March 2012 so 2012 remuneration (fixed, STI and LTI) reflects amounts received for partial service for that year. Non monetary benefits include taxation services. In 2013 equity to the value of \$461,408 vested in respect of previously disclosed deferred STI granted in 2010 and 2011. In addition, equity to the value of \$895,892 vested in respect of previously disclosed LTI granted in 2009.

<sup>10</sup> **N Williams** - N Williams commenced in role on 17 December 2011 so 2012 remuneration (fixed, STI and LTI) reflects amounts received for the partial service for that year. Non monetary benefits include relocation expenses, car parking and taxation services. In 2013 equity to the value of \$731,254 vested in respect of previously disclosed deferred STI granted in 2010 and 2011. In addition, equity to the value of \$531,318 vested in respect of previously disclosed LTI granted in 2009.

## HANDY CONTACTS

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### OUR INTERNATIONAL PRESENCE:

- » Australia
- » New Zealand
- » Asia - Cambodia, China, Hong Kong, India, Indonesia, Japan, Korea, Laos, Malaysia, Myanmar, the Philippines, Singapore, Taiwan, Thailand, Vietnam
- » Europe
- » Pacific - American Samoa, Cook Islands, East Timor, Fiji, Guam, Kiribati, New Caledonia, Papua New Guinea, Samoa, Solomon Islands, Tonga, Vanuatu
- » Middle East
- » United Kingdom
- » United States of America

## IMPORTANT DATES FOR SHAREHOLDERS\*

\* If there are any changes to these dates, the Australian Securities Exchange will be notified accordingly.

DATE	EVENT
1 May 2014	Interim Results Announcement
8 May 2014	Interim Dividend Ex-Date
14 May 2014	Interim Dividend Record Date
1 July 2014	Interim Dividend Payment Date
31 October 2014	Annual Results Announcement
6 November 2014	Final Dividend Ex-Date
12 November 2014	Final Dividend Record Date
16 December 2014	Final Dividend Payment Date
18 December 2014	Annual General Meeting (Melbourne)



» Group CEO, Mike Smith, CEO Global Wealth, Joyce Phillips and CEO China, Charles Li are joined by ANZ Tennis Ambassador, Rod Laver and participants of the ANZ Junior Tennis program in Shanghai.

