ADAPT
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2020 ANNUAL REVIEW

CUSTOMER STORY — ADAPTING

Growing business during a crisis

An ANZ customer for more than 50 years, fellahamilton has been in the business of Australian women's fashion since the early 1970s.

Today, the company is managed by David Hamilton (son of the eponymous founder) and his wife, Sharon Hamilton, CEO.

When the COVID-19 pandemic first hit Australia in March, times were challenging.

Photo credit: Simon Schluter, The Age

Within the first few weeks of lockdowns, they had to let go of employees at their Moorabbin factory and retail stores nationally were shut.

However, shortly after, a doctor friend of Sharon's asked her to make a scrub set, as there was a limited supply of Personal Protective Equipment (PPE).

Sharon recalls the moment demand for their washable, hospital-grade PPE started snowballing and a new direction for the business appeared in 'fellahealthwear'.

"I'm a pharmacist by profession, with many friends in the medical industry. After the first request, I received another, and another, and now we're making and distributing thousands of scrubs and gowns to GPs, dentists and hospitals. We've hired back all of our staff and have never been busier," says Sharon.

David credits the move into making PPE to his wife's optimistic nature and tendency to 'think outside the box'.

"Changing direction wasn't easy," says David. "It needed us to have intestinal fortitude and complete dedication to what we thought was the right move for our business."

"The road ahead is going to be tough. While we're doing well at the moment, we are uncertain about what the future holds, so we need to remain adaptable and agile in response to what may come next from the pandemic."

CONTENTS

2020 performance snapshot

60c
Dividend for 2020 per share

$3.8b
Cash profit[1]

6.2%
Cash return on equity[1]

11.3%
Common equity Tier 1 Capital[3]

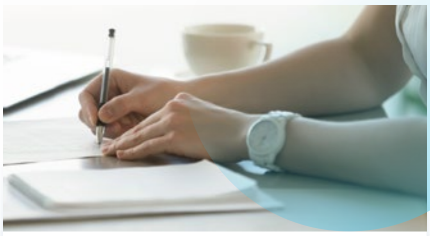
$9.08b
funded and facilitated in sustainable solutions since 2019

$20.04
Net tangible assets per share[2]

132.7c
Cash earnings per share[1]

$139.5m
in community investment[4]

>61,000
people have been reached through our financial wellbeing programs, MoneyMinded and Saver Plus[7]



~1.8m
customer accounts remediated[5]

33.4%
of women in leadership[6]

1. On a cash profit (continuing operations) basis. Excludes non-core items included in statutory profit and discontinued operations included in cash profit. It is provided to assist readers in understanding the result of the ongoing business activities of the Group. For further information on adjustments between statutory and cash profit refer to page 56. **2.** Equals shareholders' equity less preference share capital, goodwill, software and other intangible assets divided by the number of ordinary shares. **3.** APRA Level 2. **4.** Figure includes forgone revenue of $105 million, being the cost of providing low or fee free accounts to a range of customers such as government benefit recipients, not-for-profit organisations and students. **5.** Refers to Australian customer accounts in the last 12 months. **6.** Measures representation at the Senior Manager, Executive and Senior Executive levels. Includes all employees regardless of leave status but not contractors (who are included in Full Time Equivalents (FTE)). **7.** Includes individuals who have participated in more than one program or product (for example, people who have participated in MoneyMinded as part of Saver Plus are counted twice as they are included in both the MoneyMinded and Saver Plus totals).

Our 2020 reporting suite

About this Annual Review

This Annual Review contains key sections from our 2020 Annual Report. It includes information on our financial and non-financial performance, providing readers with a holistic view of the Australia and New Zealand Banking Group Limited's[1] performance. The complete 2020 Annual Report is available at anz.com/shareholder/centre.

KPMG provides limited assurance over Environment, Social and Governance (ESG) content[2] within this Annual Review. A copy of KPMG's limited assurance report is contained in the ANZ 2020 ESG Supplement.

This review covers all ANZ operations worldwide over which, unless otherwise stated, we have control for the financial year commencing on 1 October 2019 and ending 30 September 2020. Monetary amounts in this document are reported in Australian dollars, unless otherwise stated.

Reporting suite

We produce a suite of reports to meet the needs and requirements of a wide range of stakeholders, including shareholders, customers, employees, regulators, non-government organisations and the community. In 2021 we intend to review our disclosures to ensure they are meeting the evolving needs of our stakeholders. Specifically, we will consider whether there are additional reporting frameworks or metrics we could use to enhance our disclosures. In this respect we are closely watching work underway by key sustainability disclosure bodies to develop a coherent and comprehensive corporate reporting system in which existing sustainability standards and frameworks complement financial accounting principles.

Our 2020 Corporate Governance Statement discloses how we have complied with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 3rd edition' and is available at anz.com/corporategovernance.

Our ESG Supplement complements our Annual Report, providing stakeholders with more detailed ESG disclosures, including: performance against our ESG targets and approach to our priority areas of fair and responsible banking, financial wellbeing, environmental sustainability and housing. In response to stakeholder feedback, for the first time, we are releasing our ESG Supplement at the same time as the Annual Report.

The following documents are available at anz.com/shareholder/centre:

- News Release
- Consolidated Financial Report, Dividend Announcement & Appendix 4E
- Results Presentation and Investor Discussion Pack
- The Company Financial Report
- Principal Risks and Uncertainties Disclosure
- APS 330 Pillar III Disclosure
- Climate-related Financial Disclosures

We are continually seeking to improve our reporting suite and welcome feedback on this review. Please address any questions, comments or suggestions to investor.relations@anz.com.

2020 ANNUAL REPORT
anz.com/annualreport

2020 ESG SUPPLEMENT
anz.com/cs

2020 CLIMATE-RELATED FINANCIAL DISCLOSURES
anz.com/shareholder/centre

2020 CORPORATE GOVERNANCE STATEMENT
anz.com/corporategovernance

1. Group: Australia and New Zealand Banking Group Limited (the Company) and the entities it controlled at the year end and from time to time during the financial year (together, the Group).
2. ESG content includes the following sections: 2020 performance snapshot, What matters most, COVID-19 – protecting our customers, employees and the community, Becoming a fairer and more responsible bank, Our customers, Our people, Our community, Our approach to climate change and ESG metrics on page 72.

What matters most

Through our annual materiality assessment we engage with internal and external stakeholders to inform our identification of ESG risks and opportunities. We seek to identify those issues that have the most potential to impact our ability to operate successfully and create value for our shareholders and other stakeholders.

We use the assessment to inform our strategy, ESG targets and external reporting.

In 2019 our materiality assessment was focused on issues arising from the Royal Commission. This year we returned to a broader focus, with an emphasis on the 'social' aspects of ESG, and specifically our support for customers, employees and the community in response to COVID-19.

The bank's response was well regarded by external stakeholders, with several commenting how the banking sector has responded to the pandemic has helped to improve community trust lost during the Royal Commission. They did note, however, that despite the positive steps taken since the Royal Commission, trust should remain a key focus and its recovery is fragile.

Both external and internal stakeholder groups identified **fairness and ethical conduct**, **financial wellbeing** and **customer experience** as priorities. Some external stakeholders also highlighted the importance of continuing to act on **climate change**, while internal stakeholders emphasised the importance of **fraud and data security**.

FAIRNESS AND ETHICAL CONDUCT: a strong corporate culture, known for ethics, values, fairness and transparency. Simple and understandable products and communications (i.e. product disclosure, including bank fees and charges) and appropriate hardship/collections policies.

FINANCIAL WELLBEING: promoting and enabling access to safe and affordable products and services, particularly lower-income and vulnerable customers. Work with cross-sector partners to help customers, employees and the broader community meet current financial commitments and needs, and improve their financial resilience.

CUSTOMER EXPERIENCE: delivering value and improved customer experience through appropriate financial products and services for all customers, small business and retail.

CLIMATE CHANGE: managing the business risks and opportunities associated with climate change. Includes the role we play in supporting our customers to transition to a low carbon economy.

FRAUD AND DATA SECURITY: policies and processes in place to prevent fraud and protect customer data and privacy. Includes customer access to personal data.

WE ASKED EXTERNAL STAKEHOLDERS:

What is one action ANZ could take to enhance its reputation as a fair and ethical organisation?

THEY SAID:

— 1 Support customers through times of hardship

— 2 Continue to resolve issues raised in the Royal Commission

— 3 Link executive remuneration and performance metrics to broader ESG considerations

— 4 Lead on sustainable finance

These insights were presented to the executive Ethics and Responsible Business Committee and the Board Ethics, Environment, Social and Governance Committee and helped to inform the development of our ESG targets, as well as our continued response to COVID-19, including our customer Statement of Intent (see page 8).

Our material ESG issues are 'mapped' to the bank's material risks on pages 52-53.

Supplementary disclosures

The full list of our material ESG issues, as well as the key steps in the materiality assessment process, is discussed in our 2020 ESG Supplement available at anz.com/cs.

Detailed information on other ways in which we have engaged with stakeholders is also included in the 2020 ESG Supplement.

Chairman's message

COVID-19 has had a profound impact on all our lives. Whether it is the devastating loss of lives, the crippling of some businesses and impact on livelihoods, limitations placed on social activities and the way we are working – 2020 will be remembered for generations.

ANZ has of course not been spared from the effects of the pandemic. Our full-year statutory profit of $3.6 billion was down 40% – levels not seen since the height of the Global Financial Crisis.

Looking through the immediate impact of COVID-19, the fundamental drivers of our business continued to perform well.

We are fortunate the actions taken by our management team over many years to simplify and improve our operations have the bank well positioned to support our customers as well as supporting economic recovery.

Despite the challenges facing the broader economy, the Board was pleased to declare a final dividend of 35 cents. This is on top of the interim dividend announced in August, taking the total payout to 60 cents per share.

Given the uncertain environment, we put aside $2.7 billion for possible future credit losses. This takes ANZ's total credit provision reserves to $5.9 billion.

We also continued to simplify the business through the year. On 31 January, we completed the previously announced sale of our OnePath Pensions and Investments business to IOOF Holdings Limited and in September we completed the sale of UDC Finance in New Zealand to Shinsei Bank Limited.

During the most recent quarter, we announced the sale of 1,300 offsite Australian ATMs to Armaguard. While we will continue to operate our 900 ATMs at our branches around Australia, this was another step in achieving our overall goal to be simpler, more efficient and better managed.

Supporting customers

For ANZ, 2020 will ultimately be defined by how we stepped up to support our customers and the community through this devastating global pandemic.

Almost overnight businesses that were once thriving enterprises were restricted from operating, families lost their main source of income and millions faced economic uncertainty, and our thoughts are with those who have been directly impacted.

I'm proud of the way our bank, under the leadership of our Chief Executive Shayne Elliott, has risen to support our customers and I can assure shareholders ANZ will continue to play a crucial role in the economic recovery of Australia and New Zealand.

David Gonski, AC

Already we have provided loan payment deferrals for more than 142,000 home loans and business loans in Australia and New Zealand. This approach has provided customers with the time they need to recover while also protecting the interests of shareholders.

While it's an impossible task to provide an accurate outlook for the future, I remain optimistic about our prospects given the positive way governments in our key markets, particularly in Australia and New Zealand, have responded to the challenges of COVID-19.

Fortunately, we already are seeing the early signs of recovery, particularly in those parts of our business less impacted by COVID-19. In Western Australia, for instance, our card data shows spending on 'dining & takeaway' was up around 18% on the previous year. Clearly there are still more challenges ahead but these early signs provide us with a level of confidence about the actions taken so far.

Executive remuneration

We know how we reward our most senior people is important for many shareholders. The Chair of our Human Resources Committee, Ilana Atlas, AO, has provided more detail in the Remuneration Report. However, I can guarantee shareholders the Board spent a great deal of time evaluating the performance of the management team and deciding how to reward them appropriately.

The Board was pleased with the performance this year and was particularly impressed with the way the bank responded to the challenges presented by COVID-19. However, given the impact the pandemic has had on our shareholders, customers and the broader community, the Board exercised its discretion by applying a 50% reduction to the variable remuneration for our executive team, including our Chief Executive.

The Board also determined there would be no fixed remuneration increases for any of its Disclosed Executives, including the Chief Executive Officer, for the coming year.

Board succession

As you may know, my time at ANZ came to an end at the finalisation of this year's result on 28 October. At that date I had been a director for more than 11 years, originally serving between 2002 and 2007, and then returning as Chair in 2014.

Serving as ANZ's Chairman will always be a highlight of my corporate career. Reflecting on my time here, I am most proud to have played a role in choosing Shayne Elliott to be our Chief Executive and to work with him to establish his talented leadership team. I know I am leaving ANZ in good shape under this strong leadership and I will be keenly monitoring ANZ's progress.

I am also delighted Paul O'Sullivan has succeeded me as Chairman. Paul is an outstanding company director who has already made a strong contribution to the Board. He has my absolute confidence.

Finally, I would like to thank shareholders for their support over the years and acknowledge the efforts of our 39,000 people who have been working hard for our customers, shareholders and the broader community.

David Gonski, AC Chairman

Message from Paul O'Sullivan

I am honoured to succeed David Gonski as the new Chairman of ANZ. The bank has a proud 185-year history and I look forward to contributing to its continued success.

While there will be much to consider in the coming year as economies recover from the COVID-19 pandemic, my focus as Chairman will be to continue the work we have been doing over many years to improve our operations and simplify the bank, particularly through digital and technological innovation.

The Board will also pay close attention to our business growth strategy in the constantly changing landscape in which we operate. Looking at how we will ensure success and improved financial performance in the long-term will be of critical importance.

Finally, I'd like to take this opportunity to acknowledge the enormous contribution David has made and thank him on behalf of all shareholders for his hard work and leadership over the last seven years as Chair.

David steered the Board through some challenging times and helped build an organisation with a strong focus on governance, accountability, improved culture and enhanced customer outcomes.

His efforts to strengthen and champion the bank's work in the area of Environment, Social and Governance (ESG), especially with respect to social and economic inclusion and climate change, is a legacy of which he should be very proud.

Paul D O'Sullivan

Shayne Elliott

CEO's message

We could never have forecast 2020, a year that started with devastating bushfires in Australia and was followed by waves of a terrible, global pandemic that continues to spread. We still cannot predict its course but we do remain confident we can deal with its impacts.

Our thoughts are with those who have suffered from these events. We need only look at some of the country towns impacted by bushfires or the empty city streets to know these crises have struck at the heart of our community.

We want our customers to know we will continue to do all we can to support them through the tough times. Fortunately we have never been in better shape to support all our stakeholders through what will be one of history's periods of great volatility.

While the Chairman's message has provided an overview of our financial performance, I would reiterate we were pleased with how the business performed in difficult trading conditions.

As a bank, we entered 2020 in robust condition. We have a strong balance sheet with record levels of capital and liquidity.

The work done over several years to simplify the bank means we now focus only on the things that matter, our people are more engaged than ever and we are able to quickly adapt to the challenges the future holds.

While COVID-19 has impacted many parts of our business, we have not sat idle. Times of crisis are when the best companies build for the future in a prudent and disciplined manner. We invested record levels to build a better bank for our customers and staff, while continuing to closely manage costs.

In Australia, we achieved strong growth in our targeted home loan segments with above system growth in the owner-occupier market, driven particularly by the refinancing market. Deposits remained strong as customers took a sensible approach to managing their household balance sheet. We also saw an accelerated shift away from the use of cash due to the pandemic and we introduced new processes to help customers move to online banking.

Times of crisis are when the best companies build for the future in a prudent and disciplined manner.

The work done over many years to simplify and refocus the Institutional business proved beneficial in a market defined by high levels of liquidity, low interest rates and geopolitical tensions. Increased volatility led to strong activity in Global Markets which again performed well and demonstrated the benefits of a diversified business. As Australia's leading international bank, we remain well positioned to assist domestic companies doing business in Asia as the global economy improves.

COVID-19 appears contained in New Zealand and we remain well positioned to benefit from its subsequent economic recovery.

While it was a tough revenue environment, given low interest rates and a focus on reducing or simplifying fees, we have maintained market leadership in our targeted segments: home loans, deposits and KiwiSaver.

Given the critical role data, insights and automation will play over the coming years, particularly as we respond to the challenges of COVID-19 and the daily uncertainty that brings, we also made changes to the executive team with the addition of Emma Gray to the new role of Group Executive Data and Automation. This will be a critical role in the continued digital transformation of ANZ.

One of the most pleasing aspects of 2020 has been how our people have responded to the challenge. We were able to successfully move 95 per cent of our non-branch employees to working productively from home where they were able to support our customers at a time of significant stress. Employee engagement is at record levels. I've been amazed at their dedication and I'm proud to call them my colleagues.

Climate change

This year we have released an updated Climate Change Statement that outlines our approach and strengthened commitments in support of a global transition to net zero carbon emissions.

We understand the impact – positive and negative – our financing has on climate change. We have been working hard on making a meaningful difference while supporting long-standing customers who are making the transition to a low carbon future. Over the last five years, we have reduced our lending to thermal coal mining by almost 70 per cent and increased our direct lending to renewables by 63 per cent.

Our 2020 Climate Change Statement focuses on three main areas.

First, we will help our customers by encouraging them to identify climate risks and opportunities, create transition plans and report publicly on their progress.

Second, we will support the transition of industries to a low carbon future so they can help grow the economy. A key element for ANZ is we will no longer directly finance new assets across the thermal coal value chain and will exit all directly financed coal-fired power stations and thermal coal mines by 2030.

Thirdly, we will reduce our own impact by managing and reducing emissions from our operations. We will do this by accelerating our emission reductions by sourcing 100 per cent of the electricity needed for our business operations from renewables by 2025.

Vale Will Bailey

I would also like to acknowledge the passing of our former Chief Executive Officer Will Bailey in August this year.

Having started as a teller in the Oakleigh branch of the old ES&A bank in 1950, Will served as CEO between 1984 and 1992. He was a mentor to many future ANZ leaders and made a significant contribution in building the ANZ we all know today.

One of Will's major legacies was modernising the bank, introducing automation and computerisation – and some technology still in use today. In fact, ANZ opened Australia's first 'electronic branch' in 1985 under his stewardship. On behalf of everyone at ANZ, I'd like to pass on our condolences to his wife Dorothy and his family and friends.

Finally, I would like to acknowledge again the terrific work of our 39,000 people across the world. From our service centres in Bangalore and Manila through to our contact centres in Australia and branches in New Zealand, they have all done a great job for customers in very difficult circumstances despite competing priorities over this long, arduous period.

Shayne Elliott, Chief Executive Officer

COVID-19 – protecting our customers, people and community

While our decisions in responding to the COVID-19 pandemic have had a short-term financial impact – on earnings, profitability and shareholder value – our focus is on the long-term. A healthy and sustainable community is in everyone's best interests.

Throughout the pandemic we have sought to balance the needs of all stakeholders. Our approach has been guided by four key principles:

Protect what matters

Adapt to the changing environment

Engage with stakeholders

Prepare for the future

These principles informed our 'Statement of Intent' (available on anz.com), which outlines support for customers impacted financially by the pandemic and our commitment to work with them on a solution that is respectful, fair and appropriate.

Our customers

In March we announced our initial support package for retail and business customers, offering the option of deferring loan repayments for a period of six months on a range of products, including home, personal and business loans.

We received over 137,000 applications for hardship assistance in Australia alone.

In July we updated our support package for customers continuing to experience financial difficulty due to COVID-19. Additional assistance options (depending on the customer's circumstances) included loan restructuring (for example, an interest only period) or an extension of the deferral period until 31 March 2021.

Customers with loan repayment deferrals have been proactively contacted by phone, SMS and/or email/letter to ensure they understand the impacts of their loan relief and identify if they need further support.

Our people

From early March we moved employees to work-at-home arrangements, split teams and introduced greater distance between those employees performing essential functions in the office. By late April approximately 95% of our non-branch employees had adapted to working from home.

Any employee concerned about their safety while working from home (for example, due to domestic and family violence), could elect to work in the office.

We also introduced 10 days' of paid coronavirus-related special leave, and provided a one-off payment to junior and mid-level employees as a contribution towards working from home work expenses.

To protect our people still working in, or returning to the office, we have put in place multiple controls to minimise the risk of exposure to COVID-19 in the workplace, including thermal screening; physical distancing markers; enhanced cleaning protocols; and robust incident notification, response and management processes.

Across Australia and New Zealand we have over 1.5 million home loans.

Of our ~1 million home loans in Australia, **~95,000 have received deferrals** on their loan repayments since March 2020, with ~74,000 deferred loans active at 30 September.

Of our ~529,000 home loans in New Zealand, **~24,000 have received deferrals** on their loan repayments since March 2020, with ~16,000 deferred loans active at 30 September.

Of our ~236,000 business loans in Australia, **~23,000 have received deferrals** on their loan repayments since March 2020, with ~20,000 deferred loans active at 30 September.

To support the wellbeing of our people we are providing coaching and digital resources through our employee intranet and new 'HealthyMe' app. Our Employee Assistance Program also remains available to our people and their immediate family members.

Finally, we are providing enhanced support for employees displaced from their roles due to redundancy. This has included putting in place a program for impacted employees, which provides them with unlimited coaching and workshops to help them find new careers and support their financial and emotional wellbeing.

Our community

We have worked closely with our community partners throughout the pandemic – from adapting the way we deliver our financial literacy programs to our senior executives engaging weekly with NGOs, consumer advocates and financial counsellors to ensure we are acting responsibly and responsively to real world conditions.

In Australia, we donated $1.5m to the Brotherhood of St Laurence, The Smith Family and the Financial Counselling Foundation – for education, employment, aged care and financial counselling programs targeted at disadvantaged people affected by COVID-19.

We donated a total of NZ$2 million to Women's Refuge, Age Concern New Zealand, the NZ Salvation Army, Red Cross and other local charities in the Pacific to support those most affected by the crisis.

We also directed $8.4 million of unclaimed remediation monies to our key community partners to, among other things, help expand their programs online. COVID-19 has highlighted the need for diverse and sustainable ways to deliver services to vulnerable families. One of our partners, The Smith Family, will use the funds to further digitise their programs so they can continue to support the education of around 58,000 students online.

Improving the lives of vulnerable Australians during COVID-19

We have worked together with the Brotherhood of St Laurence (BSL) to adapt shared community programs so participants can continue receiving support during COVID-19.

In response to the pandemic, we transitioned Saver Plus, a matched savings and financial education program developed by ANZ and BSL, to digital delivery. This enabled over 2,000 participants to remain on the program by completing financial education online instead of attending in person workshops.

Between March and September 2020, we provided over $520,000 towards laptops and tablets, enabling digital access for over 1,100 families and individuals to support remote schooling and learning.

We were also one of the employers that continued to provide employment opportunities for refugees and asylum seekers through BSL's Given the Chance work placement program. "This has been very much appreciated by BSL, and for the participants it has provided security and stability in a time when many areas of their lives are out of control", BSL's Executive Director Conny Lenneberg says.

When children moved to remote learning, many of the families supported by The Smith Family through their Learning for Life program struggled to help their children with schoolwork. This was due to a range of factors including some having low education levels themselves, limited technical confidence and skills, or having English as a second language. In addition, digital inclusion issues such as a lack of devices and internet access further affected some students. The educational support and learning programs The Smith Family provides, with our help, is now needed more than ever, as children and young people from disadvantaged backgrounds are at higher risk of falling behind due to the pandemic.

"We are incredibly grateful for the generosity and ongoing support of ANZ, who enable us to continue helping children and families in need, not just through this challenging time but into the future as well."

Dr Lisa O'Brien, Chief Executive Officer, The Smith Family

Supporting women in a time of crisis

Established in the 1970s, Women's Refuge is New Zealand's largest nation-wide organisation supporting women and children experiencing domestic and family violence.

During the COVID-19 lockdowns many women have needed help to get through the crisis, with the pandemic exacerbating family violence in some households.

In March 2020, we donated NZ$500,000 to the Women's Refuge, a community organisation that ANZ New Zealand has had a long-standing relationship with.

Dr Ang Jury, CEO of Women's Refuge commented on the impact the crisis was having, saying, "we've been overwhelmed with need in recent weeks. Unfortunately for some, there is not a safe place to self-isolate for long periods of time."

The funds from ANZ have meant that women and children can be provided with food, healthcare, communications services and importantly, safe lodging in motels.

"We are incredibly grateful for this donation from ANZ and these funds will help ease the financial pressure our refuges are facing during this time. We are also pleased to be able to direct a portion of the donation to future care and support for women and children," said Dr Jury.

Since 2017, ANZ has made it easier for women referred by Women's Refuge to set up their own bank account, even though they may not have ID or a permanent address.

ANZ NZ CEO Antonia Watson said: "It's important to look out for the most vulnerable in our communities during this time, to not lose sight of their needs, and make sure the people and organisations who support them are well resourced and supported."

About our business

We provide banking and financial products and services to over 8.5 million retail and business customers, and operate across 33 markets.

Our purpose and values

Our expertise, products and services make us a bank. Our people, purpose, values and culture make us ANZ.

Our purpose is to help shape a world in which people and communities thrive. That is why we strive to create a balanced, sustainable society in which everyone can take part and build a better life.

Our values are the foundation of how we work – living our values every day enables us to deliver on our strategy and purpose, strengthen stakeholder relationships and earn the community's trust. All employees and contractors must comply with our Code of Conduct, which sets the expected standards of professional behaviour and guides us in applying our values.

Our values are:

Bringing our purpose to life

We are helping to respond to complex societal issues central to our customers and our business strategy. In particular, we are focusing our efforts on:

FINANCIAL WELLBEING – improving the financial wellbeing of our customers, employees and the community by helping them make the most of their money throughout their lives;

ENVIRONMENTAL SUSTAINABILITY – supporting household, business and financial practices that improve environmental sustainability; and

HOUSING – improving the availability of suitable and affordable housing options for all Australians and New Zealanders.

We are contributing to these challenges by: developing innovative and responsible financial products and services; working with our customers; harnessing the skills of our people; and supporting the communities in which we live and work.

Fundamental to our approach is a commitment to **fair and responsible banking** – keeping pace with the expectations of our customers, employees and the community, behaving fairly and responsibly and maintaining high standards of conduct.

Throughout this report we illustrate how we have embedded purpose into our business strategy, including through our Environment, Social and Governance (ESG) targets and performance objectives.

Supporting sustainable development

We are committed to the United Nations Sustainable Development Goals (SDGs) and believe that business has an important role to play in their achievement. Our ESG targets support 11 of the 17 SDGs.

In 2019 we became a founding signatory to the UN Principles for Responsible Banking. Under the Principles we are required to set at least two targets that address our most significant (potential) positive and negative impacts, aligned with the SDGs and the Paris Climate Agreement. Further information on our progress towards implementing the Principles, including targets we have set, is in our 2020 ESG Supplement available at anz.com/cs.

Our vision and strategy

Our vision and strategy describe *what* we seek to achieve and *how* we will achieve it.

Our vision

Our vision is to build a bank of which we can all be proud – whether you are a customer, a shareholder or an employee – known for:

- delivering value from innovative and convenient banking services that help customers get ahead in life – improving their financial wellbeing
- building the best and most diverse team of people, regardless of where they ultimately work
- showing leadership on important issues, and doing the right thing, even when it comes at a cost
- delivering consistently strong financial results for our shareholders, with a balance between growth and return, short-and long-term results

Our strategy

Our strategy is to help improve the financial wellbeing of our customers, having the right people who listen, learn and adapt; putting the best tools and insights into their hands and; focusing on those few things that really add value to customers, and doing them right the first time.

In particular, we want to help customers:

- save for, buy and own a liveable home
- start or buy and grow their business and adopt sustainable business practices
- move capital and goods around the region and adopt sustainable business practices.

In doing so, we seek to improve the financial wellbeing of our customers, people and communities by helping them make the most of their money throughout their lives; supporting household, business and financial practices that improve environmental sustainability; and improving the availability of suitable and affordable housing options for all Australians and New Zealanders.

Strategic Imperatives

- Create a simpler, better capitalised, better balanced bank
- Build a superior experience for our people and customers in order to compete in the digital age
- Focus our efforts where we can carve out a winning position
- Drive a purpose and values-led transformation of the bank

Strategy

Improving the financial wellbeing of customers...

- ...looking to save for, buy and own a home
- ...looking to start, buy and grow a business
- ...looking to move capital and goods around the region

- ...with people who listen, learn and adapt
- ...with the best tools and insights

...with flexible and resilient digital infrastructure that supports great customer experience at lower cost

Creating value for our stakeholders

- Decent returns for shareholders
- Great experience for customers
- Engaged, adaptable and capable employees
- Improved financial wellbeing, housing and environmental sustainability outcomes for customers and communities

How we create value

By transforming our business – embedding a purpose and values-led culture and simplifying our products and services – we aim to create long-term value for all of our stakeholders.

Our value creation model outlines how we create value for our key stakeholders through our business activities, and identifies the inputs – or value drivers – that we rely on to enable us to deliver that value and meet our strategic objectives.

OUR OPERATING ENVIRONMENT

The risks and opportunities in our operating environment impact our ability to create value.

Social and economic impacts of COVID-19 pandemic

Limited credit growth

Regulatory oversight and stakeholder scrutiny

Technological changes

Demographic changes

Increasing importance of ESG

Globalisation

OUR VALUE DRIVERS

CUSTOMERS
Trusted relationships with over 8.5 million retail, business and Institutional customers.

FINANCE
Access to capital through customer deposits, debt and equity investors and wholesale markets enables us to run our operations and execute our strategy.

PEOPLE
Employees and contractors with the key competencies and right behaviours to deliver our strategy.

RISK MANAGEMENT
Reducing the risk of doing business for our customers and the bank, with systems and processes that are less complex, less prone to error and more secure.

TECHNOLOGY AND DATA CAPABILITIES
Flexible, digital-ready infrastructure to provide great customer experience, agility, scale and control.

COMMUNITY AND RELATIONSHIPS
Strong stakeholder relationships are essential to our brand and reputation.

OUR BUSINESS ACTIVITIES

Operating across 33 markets, we provide banking and financial products and services to individual and business customers.

Through our business activities we deliver the following outputs:

- we provide transaction banking services
- we hold deposits for our customers
- we lend money to our retail, business and institutional customers
- we help customers mitigate and manage financial risks
- we support customers with trade and capital flows
- we provide wealth management products
- we provide advisory services
- we invest in our people to build a diverse and inclusive workforce
- we collaborate with partners to build capacity and improve financial wellbeing
- we pay taxes in the countries within which we operate
- we pay dividends to our shareholders

1. On a cash profit (continuing operations) basis. Excludes non-core items included in statutory profit and discontinued operations included in cash profit. It is provided to assist readers in understanding the result of the ongoing business activities of the Group. For further information on adjustments between statutory and cash profit refer to page 56. **2.** Equals shareholders' equity less preference share capital, goodwill, software and other intangible assets divided by the number of ordinary shares. **3.** Figure includes forgone revenue of $105 million, being the cost of providing low or fee-free accounts to a range of customers such as government benefit recipients, not-for-profit organisations and students. **4.** Total taxes borne by the Group, includes unrecovered GST/VAT, employee related taxes and other taxes. Inclusive of discontinued operations. **5.** Includes individuals who have participated in more than one program or product (for example, people who have participated in MoneyMinded as part of Saver Plus are counted twice as they are included in both the MoneyMinded and Saver Plus totals).

SHAREHOLDER VALUE

Deliver decent returns enabling shareholders to meet goals

132.7 cents earnings per share[1]

6.2% cash return on equity[1]

60 cents dividend per share for 2020 with an interim dividend of 25 cents and a final dividend of 35 cents, both fully franked

$20.04 net tangible assets per share[2]

CUSTOMER VALUE

Improve the financial wellbeing of our customers

Provide funding for lending, helping customers to own homes and start and grow businesses and assist businesses to transact, trade and invest across our region

Great customer experience through flexible and resilient digital infrastructure

19,839 FTE supporting our retail and commercial customers, providing $353 billion in home lending and $91billion in business lending (Australia and New Zealand)

5,291 FTE supporting our Institutional customers, providing $158 billion in lending

Custodians of $552 billion of customer deposits across the business

EMPLOYEE VALUE

Build a resilient, adaptable and inclusive workforce with a strong sense of purpose and ethics

86% employee engagement (up from 77% in 2019)

Employed 919 people from under-represented groups (since 2016)

$4.9 billion in employee salaries and benefits

Increasing the skills and capabilities of our people providing almost 970,000 hours of training

COMMUNITY VALUE

Connect with, and invest in, the communities in which we operate to support growth, deliver services and develop opportunity

Invested $139.5 million in the community[3]

$2.3 billion in taxes paid to government[4]

> 61,000 people have been reached through our financial wellbeing programs MoneyMinded and Saver Plus[5]

Our operating environment

The COVID-19 pandemic has fundamentally changed the external environment in which we operate, and we are adapting in response. A summary of the key external risks currently affecting our business and our response to them is outlined below.

RISKS	OPPORTUNITIES
Social and economic impacts of COVID-19 • Many customers are financially impacted by the pandemic, and need to adapt to a new environment	• Responding to customer circumstances, by providing financial support and information • Working cooperatively with government on policies to see our customers through the COVID-19 pandemic and into a period of growth
Limited credit growth • An economic contraction, lower business confidence and higher unemployment is limiting credit growth, and many customer loans have been deferred	• Maintaining our focus on core banking services to improve customer outcomes, together with efficient allocation of capital and resources
Regulatory oversight and stakeholder scrutiny • Challenges arising from regulatory expectations and higher community standards and expectations	• Rebuilding trust by 'doing what we say' • Working cooperatively with regulators, government and NGOs • Supporting our customers, employees and the community through the COVID-19 pandemic and ensuing recovery period
Technological changes • Increased competition from digitally enabled competitors • Increased cyber attacks and attempted fraud • Changed employment proposition due to stay-at-home restrictions	• Faster deployment of new and improved digital services, products and processes will help meet customer needs for safe and secure banking • Providing staff with appropriate technology, tools and equipment to work productively from home during the pandemic and its aftermath
Demographic changes • Demand for new home lending and some other bank products may diminish, particularly as population growth stalls as a result of the pandemic • Growing need for more affordable and accessible housing in the market	• Delivering attractive housing products and services to grow market share • Partnering with business, government and NGOs to provide innovative and practical models for the development of affordable housing
Increasing importance of ESG • Failure to meet our ESG commitments and related social expectations could lead to customer and community impacts and reduced shareholder value impacts	• Strengthening our ESG standards, policies, processes, products and services and disclosures • Growth of sustainable finance products and services
Globalisation • The COVID-19 pandemic and changing geopolitical environment has hurt global prosperity and cooperation, threatening flows of trade, investment and people. This may challenge supply chains and productivity across our geographies	• Continued strength of traditional exports, development of new markets and economic recovery provides business opportunities in Australia and the region

Banking through times of change

Much about the world has changed since ANZ started out as the Bank of Australasia in 1835.

In the 1800s and early 1900s, customers used only their 'home' branch, with tellers recording account details in a ledger book using a quill and inkwell.

By the 1920s, Burroughs ledger machines – akin to typewriters or early adding machines – were used for calculations, replacing mental arithmetic.

Then, in around the 1960s, passbook accounts were designed with 'black light' signature panels giving customers the freedom to bank outside of their home branch.

Fast forward to 2020, and we have more than three million customers using our mobile banking app to check account balances, view transactions, and send and receive money.

The COVID-19 pandemic has accelerated the shift to digital banking, with more of our customers looking to digital solutions – be it online or via their mobile phones – to enable them to do their banking from the safety of their home.

Changing the way we do things to meet the needs of our customers isn't new for ANZ.

More than 100 years ago, the Spanish Flu pandemic also led to the closure of state borders, placing restrictions on banking services.

Staff in ANZ's Tweed Heads branch in NSW came up with an innovative way to ensure money and cheques were still able to flow, using a cigar box and some rope to transport the contents across the river to the Queensland border at Coolangatta.

Now in 2020, we continue to adapt the ways in which we deliver products and services to our customers.

With the majority of non-branch staff working remotely from home for much of the year, we had to implement digital solutions for almost every aspect of customer engagement – from accepting electronic signatures on bank documents, to holding virtual customer meetings and events via phone or video calls.

Over the years, despite the challenges in our operating environment, serving customers and providing essential banking services has been our priority.

Becoming a fairer and more responsible bank

We continue to act in response to the 'spirit and letter' of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (the Royal Commission).

Last year we developed an integrated response ('roadmap') to act on:

- the lessons we identified from our misconduct and failures to meet community standards and expectations; and
- the themes raised in our 2018 APRA Self-Assessment report across culture, governance and accountability.

While there has been significant focus this year on the impacts of COVID-19, we recognise the importance of delivering on our roadmap. Work on the roadmap has continued to deliver better outcomes for our customers, our people and other stakeholders.

We remain committed to learn from our failures and build a bank that is worthy of the trust and respect of our customers and the community.

Integrated response to the Royal Commission and the APRA Self-Assessment

Our Royal Commission and Self-Assessment Oversight Group monitors the progress with our roadmap. The Oversight Group is co-chaired by our Deputy CEO and Chief Risk Officer and provides regular updates on our progress to the Executive Committee and the Board.

Our roadmap has five focus areas: Culture; Governance and Accountability; Management of Operational Risk; Remediation; and Simplification. Executive Committee members have 'ownership' of each focus area.

Delivering on our roadmap will give us confidence that the lessons of the Royal Commission and the themes raised in our Self-Assessment report have been acted on.

Royal Commission

We made 16 commitments as part of our response to the Royal Commission, to improve the treatment of retail customers, small businesses and farmers in Australia.

- We have completed 11 commitments to date. We have taken action on distressed agricultural loans; remuneration of front line staff; the Retail Banking Remuneration Review (Sedgwick) recommendations; culture and governance; and reporting on remediation of existing failures.
- Of the remaining five commitments, four are dependent on the finalisation of related legislation, and one is ongoing as we continue to assess our culture and respond where changes are required.
- We provide public updates on our progress to implement the Royal Commission recommendations to the House of Representatives Standing Committee on Economics. Our most recent update as at 21 August 2020 is available on anz.com.

Many of the recommendations in the Royal Commission's final report require legislative change. We continue to engage constructively with government, regulators and industry as they respond to these.

APRA Self-Assessment

Our roadmap is a multi-year program with defined success measures and targets in place for each of the five focus areas. These are regularly reviewed and updated to ensure they remain relevant.

Governance and Accountability – The Board has committed to maintain effective oversight of management's implementation of the roadmap and receives quarterly updates.

- Our Banking Executive Accountability Regime (BEAR) outputs have assisted to clarify and strengthen accountability. BEAR implementation is aligned with our three lines of defence and embedded within our governance, control and risk management arrangements.
- We introduced a strengthened Accountability and Consequence Framework in June 2019, with expanded public disclosure of senior management consequences. The first annual effectiveness review of the Framework was completed in February 2020, with enhancements implemented.

Culture – We are working towards our aspirational culture and creating an environment where employees are motivated and 'speak up', when they see something wrong. Our Board and the executive Enterprise Culture Steering Group provide oversight.

- We promote a strong 'speak up' culture. Our most recent internal employee engagement survey showed an uplift of 5% (from 69% to 74%) in response to the question 'I can raise issues and concerns in ANZ without fear of reprisals or negative consequences'.
- We changed how we financially reward, recognise and manage the performance of our people to reduce the risk of outcomes that are not in our customers' best interests, and to support collaboration, team performance and encourage long-term thinking. Variable remuneration is now a smaller part of take-home pay.

- We are building leadership capability to have regular and better quality performance and coaching conversations, focusing on outcomes and behaviours.
- We care about our customers. Our Royal Commission commitments improve the treatment of retail customers, small businesses and farmers in Australia.
- Our Dispute Resolution Principles aim to help us be more accountable and transparent. We reviewed and updated our principles in November 2019. The principles apply to our people and our representatives when managing individual retail and small business customer complaints, disputes and litigation in Australia. The principles are available on anz.com.
  - The dedicated Indigenous telephone service we established in May 2019 has answered 6,641calls since inception, with an average speed to answer of 62 seconds as at 30 September 2020.
  - We committed to the Australian Financial Complaints Authority's (AFCA) 'look back' under its new limits, and to fully cooperate with AFCA as it resolves disputes. We established a dedicated team responsible for investigating legacy complaints, which could be lodged with AFCA until 30 June 2020. 179 legacy complaints were lodged, of which 134 have been closed. The remaining 45 cases are at various stages of the AFCA process and we remain committed to resolving these where possible.

Management of Operational Risk – We continue to invest in a simplified operating environment, improved strength of systems and processes, improved control effectiveness, and improved risk capability.

Remediation – Our customer remediation program continues. An update on our progress is included on page 21 of this report.

Simplification – We have taken strategic action to simplify our business, products and processes. For example, we completed the sale of our New Zealand asset finance business, UDC Finance, in September 2020; and we completed the sale of our Pensions and Investments business to IOOF Holdings Limited on 31 January 2020.

Strengthening our approach to human rights

We recognise our business activities can have human rights impacts. To manage these impacts we embed our expectations across our business activities and relationships via group-wide policies, training programs, and customer and supplier screening tools and policies.

This year we commenced a review to strengthen our human rights policies and processes, aligning our approach more closely with the UN Guiding Principles on Business and Human Rights. This has included a review of our minimum standards for business customer grievance mechanisms and community engagement, which we expect to complete in 2021. Our approach is being informed by a working group of external stakeholders, including NGOs, academics, trade unions, customers, industry associations and human rights consultants.[1]

Modern slavery

We are preparing our first statement in response to the Australian Modern Slavery Act.

Modern slavery is serious exploitation of people which undermines or deprives them of their freedom including forced labour, deceptive recruiting and child labour.

The Australian legislation requires us to identify, assess and manage risks in our business operations and supply chain.

We have identified three key areas in which to improve our practices:

- building awareness of modern slavery through training and education;
- policy and process improvements; and
- enhancing our due diligence.

Further detail on our approach to human rights is in our 2020 ESG Supplement available at anz.com/cs.

1. Their involvement does not infer endorsement of the outcomes of this review or other work carried out by ANZ.

Our customers

Supporting our customers through the Australian bushfires and COVID-19 pandemic has been our primary focus this year, but we have not lost sight of our longer-term priorities – to help improve the financial wellbeing of our customers and to increase access to more affordable and sustainable homes.

We are seeking to ensure our products are suited to our customers' needs and meeting expectations. We are implementing digital banking solutions designed to improve financial wellbeing, and protecting customers from those seeking to take criminal advantage of the shift to digital banking. We are listening to customers and managing complaints, taking steps to remediate when necessary and learning from our mistakes. And we are supporting innovative housing delivery models across the private, public and not-for-profit sectors to increase the availability and affordability of homes in Australia and New Zealand.

Supporting customers during difficult times

Financial relief packages were implemented quickly to support customers affected by the bushfires that devastated parts of Australia over the summer months. This included the ability to suspend loan and credit card repayments, temporary interest rate relief, and early access to term deposit funds without incurring fees.

Specialised ATMs were deployed to impacted centres, and hardship support was provided through referrals and funding to community counselling services. Proactive contact was made with small business customers in affected areas and through our insurance partner QBE, prioritisation was given to claims, including emergency payments and temporary accommodation costs.

See page 8 for information on how we are supporting our customers during the COVID-19 pandemic. For discussion on the specific supports available to customers experiencing vulnerability see our 2020 ESG Supplement available at **anz.com/cs.**

Product suitability

We are helping our customers better understand how to get more value from their products – such as by showing them how to adjust their use of a particular product, or identifying when there may be an alternative product better suited to their needs. Our Product Suitability team develops and manages a number of customer contact programs to support improved customer outcomes and enhance customers' financial wellbeing. Program results are reported quarterly to the Board.

Improving customer experience through digital innovation

We need to ensure our customers can rely on us to provide them with secure remote access to banking products and services.

Digital platforms such as mobile and internet banking make it possible for customers to serve themselves, anywhere, anytime and we are adapting the way we operate to respond to our customers' changing banking habits.

The COVID-19 pandemic has accelerated the shift to digital banking, with mobile phone banking our fastest growing channel. We have provided additional education and support for customers using digital channels for the first time this year, with 300 extra staff retrained and deployed to assist.

In Australia, the ANZ App is helping 3.2 million customers stay on top of their day-to-day banking.

2–4A.M.

51,000 LOGINS

Peak usage on the ANZ App is between 4–6pm, and even during our quietest time between 2–4am, we see an average of 51,000 logins

2–3A.M.

10,000 CUSTOMERS

Peak usage for internet banking is between 1–2pm, and during our quietest time between 2–3am, we serve almost 10,000 customers.

Over the last 12 months we have rolled out several new self-service features to the ANZ App, including the ability to open new accounts, activate a card, set or change a card PIN and temporarily block and unblock a card to protect an account from theft and fraud. To date, more than 22,000 new accounts have been opened, 760,000 debit and credit cards have been activated, 807,700 card pins have been set or changed, and 45,300 temporarily block and unblock card requests have been processed through the ANZ App.

The ANZ App won Money Magazine's Mobile Banking App of the Year 2020

HIGHLIGHT — INCREASING THE VALUE CUSTOMERS RECEIVE FROM OUR PRODUCTS

Our **Concession Account Suitability program** contacts customers in receipt of eligible Centrelink or Veterans' Affairs benefits with an offer to move to a low-cost basic bank account. To date we have contacted more than 335,000 customers (210,000 this year) with more than 14,600 taking up the offer to move to a basic account. From 19 March to 22 July the program was paused as we shifted our focus to supporting customers impacted by COVID-19.

Our **Persistent Credit Card Debt program** identifies and contacts credit card customers who are carrying persistent debt[1] on their card to help them pay their debt faster. Customers are offered financial education, and the opportunity to close their card and repay the remaining debt at a lower interest rate. To date, we have contacted 18,195 customers with 1,450 customers taking up the offer. This program was also paused while we focused on supporting customers impacted by COVID-19.

We are implementing digital solutions designed to make banking easier and improve the financial wellbeing of our customers.

In Australia, we launched the 'set a savings goal' feature in the ANZ App to help customers better manage their money and develop savings habits. Customers receive personalised in-app notifications, encouraging them to set a goal, stay on track and celebrate milestones along the way. One in 10 active App users has set a goal this year. There are now more than 240,800 active or achieved goals in the App, with 24% of these saving for a house, followed by a holiday (17%).

In New Zealand, we introduced several new self-service features to ANZ goMoney and internet banking, including fixed-rate rollovers. Customers with an existing fixed-term home loan or flexi home loan, who want to fix their rate, can now request a personalised rate for their loan facility and term (based on current market rates) without needing to call us or visit a branch. One third of all home loan fixed-rate requests are now completed digitally.

We also implemented customer alerts to mobile phones, letting customers know when they receive a deposit or have a low balance, assisting them to manage their finances.

Protecting our customers in a digital world

We have seen a significant increase in malicious emails seeking to take advantage of our customers, with cyber criminals capitalising on more internet traffic during the COVID-19 pandemic. Malicious email tactics include those that claim to have links to maps of virus outbreaks and related information, tricking people into downloading malicious software.

The threat landscape is changing at a rapid pace, and we have responded in kind, moving to leverage automation, machine learning and advanced analytics. We invest heavily in our cyber security capability, and remain in a strong position to keep our systems, data and customers safe from the increasing pace, scale and sophistication of cyber attacks.

Our threat intelligence and 24/7 Security Operations Centre analyses millions of data events every day to help keep customers, employees and the bank safe online. As malicious campaigns are identified, we implement targeted, automated capability to block them.

During a 30 day period near the start of the pandemic we blocked around 550,000 COVID-19-themed emails, and during July 2020 we blocked over 12 million malicious emails alone, an increase of more than 8 million emails compared to October 2019.

In the context of the changing threat landscape, ANZ did report a major security event to the Reserve Bank of New Zealand and the Australian Prudential Regulation Authority in the financial year 2020, as a result of a distributed denial of service[2] attack in New Zealand. While this attack was similar to what was experienced by other organisations, we were able to proactively detect the activity and mitigate the risks through preventative security controls, resulting in minimal disruption to our operations and customer services, and no impact to customer data.

HIGHLIGHT — MAKING SMALL BUSINESS LENDING EASIER

This year we launched ANZ Online Business Lending. The platform provides conditional approval for up to $200,000 in unsecured lending in as little as 20 minutes and access to funds within four days. Customers using ANZ Online Business Lending have access to fixed-and variable-term loans as well as overdraft facilities.

As the economy recovers from the impacts of COVID-19, helping small businesses to access capital in a fast and convenient way is critical.

According to Mark Hand, ANZ's Group Executive, Australia Retail and Commercial Banking, "While the current economic crisis will be devastating for some businesses, there has also been a great deal of resilience and some will be able to come out the other side even stronger. We're also starting to see new businesses being created to meet emerging customer needs.

"This sophisticated new technology is deeply integrated with ANZ's existing platforms to provide our customers with a quick, simple and secure lending experience so they can spend more time running and growing their business."

1. Where for at least the last 12 months a credit card has over 80% of the credit utilised and the customer has been paying 2–3% of the outstanding balance on average each month.
2. A distributed denial of service (DDoS) attack is an attempt to make an online service unavailable by overwhelming it with traffic.

CHALLENGE — SCAM ASSIST

During the COVID-19 pandemic we have seen an increase in customers falling victim to scams, particularly remote access and investment scams. Digital fraud attempts have also increased.

In addition, we have seen a number of customers trying to supplement lost earnings through investments purported to be high-yield options, such as crypto-currencies.

In 2020, our Australian Scam Assist team investigated over 5,000 individual scams impacting our Australian Retail and Commercial customers and recovered approximately $25 million on behalf of some of those impacted.

As an industry, we face significant challenges in helping our customers not fall victim to scams. We work with law enforcement agencies, collaborating on a number of operations to identify and disrupt Australian based actors, particularly via the Fintel Alliance. Efforts to break-up criminal syndicates are focused on three key actions: customer and employee education; improved detection capabilities; and ongoing support of law enforcement disruption activities.

NET PROMOTER SCORE

AUSTRALIA

Retail: ranked 3rd[1]
(up from 4th at end of 2019)

Commercial: ranked 4th[2]
(down from equal 3rd at end of 2019)

Institutional: ranked 1st[3]
(no change from 2019)

NEW ZEALAND

Retail: ranked 4th[4]
(no change from 2019)

Commercial and agricultural: ranked 5th[5]
(no change from 2019)

Institutional: ranked 1st[6]
(no change from 2019)

Measuring customer experience

One of the ways we measure the experience of our customers is through our strategic Net Promoter Score (NPS). NPS enables us to gauge whether we are meeting customer needs and expectations and how we are performing relative to peers. It is measured by asking customers how likely they are to recommend ANZ (on a 0–10 scale) and is calculated by subtracting the percentage of detractors (those who give a score of 0–6) from the percentage of promoters (those who give a 9 or 10).

While our performance relative to peers improved for our Australian Retail customers, we failed to improve relative to peers for our Australian Commercial and New Zealand Retail and Commercial customers. Our Institutional ranking remains at number one in both Australia and New Zealand.

Managing customer complaints

Internal Dispute Resolution (IDR) plays a vital role in protecting customers. Fair and robust IDR assists with recognising and fixing problems that arise, both at an individual customer level and across the business. It allows us to 'hear' where changes need to be made and serves to inform us when we are not meeting customer or community expectations.

In 2019 we commenced a program to review and improve our IDR policies, systems and practices, with program updates provided to the Board and ASIC. Capability and quality improvement initiatives support our objectives of fair, consistent and well communicated complaint outcomes to our customers.

A foundational element of the IDR program was the establishment of a Customer Resolution portfolio in early 2020, which is dedicated to working with our customers when they have a problem:

- senior executive leadership and complaint management expertise has been introduced to drive IDR uplift, along with supporting governance, data, analytics and transformation capabilities.
- the portfolio has been focused on improving the way we handle our customers' complaints in order to solve complaints earlier and improve the overall complaint resolution timeframes. Additional complaint handling staff have been also recruited to support timely complaint resolution.
- we appointed a Vulnerable Customer Lead to continue the development of the Divisional vulnerable customer strategy and provide an important link as we support our customers during the COVID-19 pandemic and other life changing events.

1. Roy Morgan Single Source, Australian population aged 14+, Main Financial Institution, six-month rolling average to September 2020. Ranking based on the four major Australian banks. **2.** DBM Business Atlas. Base: Commercial Banking (<$100 million annual turnover) Main Financial Institution customers. Six-month average to September 2020. Ranking based on the four major Australian banks. **3.** Peter Lee Associates, 2020 Large Corporate and Institutional Relationship Banking surveys, Australia. **4.** Retail Market Monitor, Camorra Research, six-month rolling average to September 2020. Ranking based on the five major New Zealand banks. **5.** Business Finance Monitor, TNS Kantar Research. Base: Commercial ($3 million – $150 million annual turnover) and Agricultural (>$500,000 annual turnover) customers. Four-quarter rolling average to Q3 2020. **6.** Peter Lee Associates, Large Corporate and Institutional Relationship Banking surveys, New Zealand 2020, ranked against the Top 4 competitors.

Improving our IDR practices

We are continually trying to find ways in which we can encourage feedback in order to provide better experiences and fair outcomes for customers. Some of the improvements we are working on include:

- development of a new and improved complaints recording and management system
- establishment of a Systemic Issues Management function with a focus on using complaint data and advanced techniques such as machine learning and artificial intelligence to identify issues early
- continued investment in the capability of our people and the efficiency of our processes to help customers resolve their complaints as quickly as possible.

Further information on customer complaint management is in our 2020 ESG Supplement available at anz.com/cs.

Customer remediation

We are delivering on our commitment to fair, responsible and efficient customer remediation.

In an effort to fix our past mistakes as quickly as possible, we have increased remediation staffing levels significantly since 2018. Across the Group there are now over 1,200 staff working on customer remediation, with approximately half in dedicated remediation teams.

Our Australian Responsible Banking team is resolving identified fee or interest discrepancies with over 5.2 million Retail and Commercial customer accounts. Since April 2018, we have refunded approximately $223 million across approximately 2.9 million customer accounts[7].

Our pace of remediation has been steadily increasing and over the last 12 months we have remediated approximately 1.8 million customer accounts, compared to approximately 1.1 million over the 18 months to September 2019.[8]

In Australia, we have an education program to share 'lessons learnt' and to highlight to staff the impacts on customers when we fail to get it right. The program is aimed at raising awareness and fostering a culture where employees are clear on the role they play in delivering quality customer outcomes and safeguarding our customers' interests.

The Group's customer remediation activities are regularly reviewed by the Board. Directors are provided an overview of the status of remediation matters; regulator engagement; repayments and provisioning; and reviews underway to identify new matters.

Assisting potentially vulnerable customers to access their money

At the start of the COVID-19 pandemic around 7,000 of our customers only held a passbook account at ANZ. These accounts do not have the option of an ATM card or access to internet or phone banking. Customers with these accounts are typically over 70 years old with their pension income paid into this account.

We recognised that our customers may have had difficulty accessing their money in the event of a temporary branch closure, or if they wanted to self-isolate. Our bankers were able to reach over 5,000 of these customers to check in on them considering their specific vulnerability during the COVID-19 pandemic. We also sent letters with information on everyday accounts with a Visa debit card that can be used for online/phone shopping, and ATM/store withdrawals. It also includes access to internet banking and no monthly account service fees.

We developed a new process enabling customers to open an everyday account from their home entirely over the phone. We also implemented a technology change to enable passbook customers to establish a recurring transfer by phone to automatically transfer regular income, such as pension payments, from their passbook account to their new everyday account.

More than **500** of these **7,000** customers chose to open an everyday account.

Over **100** of our passbook customers set up a recurring transfer to move their pension income into their everyday account.

7. In certain instances:
- we make a payment to one of our community partners in lieu of a payment to a customer account. As at 30 September 2020 payments were made to ~238k accounts totalling $744k
- we pay the customer via cheque. As at 30 September 2020 cheques had been issued for ~521k accounts totalling ~$59m. A portion of the cheques remain unpresented
- we offer certain customers access to payment via a payment portal. As at 30 September 2020 offers to access payment via payment portal have been issued for ~10k accounts totalling ~$379k
- we transfer payments through a process for unclaimed monies (includes payments for de-registered companies). As at 30 September 2020 payments transferred via this process have been made for ~2k accounts totalling ~$1m.

8. The matter is considered complete when all customer payments have been processed. In some cases, remediation teams may continue to close out non-customer payments, documentation and governance requirements beyond this point.

Improving the availability of suitable and affordable housing

Housing-related lending is a key activity of the bank. We lend to home owners and investors, and for property development and infrastructure. We believe we can play a role in helping improve the availability and affordability of housing, including support for innovative housing delivery models across the private, public and not-for-profit sectors.

At the end of 2018 we committed to **fund and facilitate $1 billion of investment by 2023 to deliver around 3,200 more affordable, secure and sustainable homes to buy and rent in Australia**. We have exceeded this target.[1]

In addition to the $1.02 billion of investment in Australia, we have also funded and facilitated around NZ$1.35 billion to support the delivery of social and sustainable housing across New Zealand.

We have continued to build our housing supply pipeline through direct engagement with our clients (new and existing), supporting innovative models to finance new supply.

This year we have:

- jointly arranged two additional bond issuances for the Commonwealth's National Housing Finance and Investment Corporation (NHFIC), including the largest social bond for housing in Australia ($562 million)
- arranged bonds for Kāinga Ora (Housing New Zealand Corporation) to support the delivery of more social and sustainable housing (jointly NZ$1 billion; solely NZ$300 million)
- supported the first Assemble Model, designed to bridge the gap between renting and owning a home to market[2]
- invested in the development of a Specialist Disability Accommodation (SDA) pipeline
- helped build the case for institutional investment in long-term rental housing through the backing of a range of 'build-to-hold' projects.

We have committed to increase our target to fund and facilitate $10 billion of investment by 2030 to deliver more affordable, accessible and sustainable homes to buy and rent in Australia and New Zealand.

HOUSING — DELIVERING ACCESSIBLE HOUSING OPTIONS TO MARKET

As part of the roll-out of the National Disability Insurance Scheme (NDIS) in Australia the government has contributed funding to Specialist Disability Accommodation (SDA) to encourage investment in the development of new high-quality housing for eligible people.

Our Corporate and Institutional Health team is developing its expertise and capacity to ensure our ability to support this much needed housing supply to market. The benefits to help deliver better connection and opportunity for people in SDA are key drivers of our interest in investing in this emerging asset class.

Over the course of this year, ANZ has provided credit approved commitments in excess of $100 million to the SDA sector and closed its first transactions, partnering with our clients to deliver SDA housing and to aid them to grow a pipeline of new homes across the country.

We have also worked with our existing property clients to facilitate the inclusion of SDA as a pre-sale element in their property developments. This has allowed them to partner with developer, Summer Housing, to include disability housing in mixed developments, providing residents with access to services and supports.

Our support is broader than debt capital, with the Summer Foundation receiving a 2019/20 ANZ Community Grant to support the roll-out of their Tenancy Matching service.

"I am thrilled to be assisting people to navigate their own housing journey, courtesy of the ANZ Community Foundation, which funded a Summer Foundation project to deliver housing workshops in Tasmania for people with disability and their families," said Liz Ellis, Summer Foundation convenor.

The workshops helped participants to identify where they wanted to live and to consider their specific housing needs and preferences. They also provided guidance on the different housing models available – including SDA (through the NDIS) and affordable housing.


Summer Housing project

1. Due to the lag between financing and commencement of development, number of homes will be audited and disclosed once projects have been delivered. 2. The Assemble Model is a new 'build-to-rent-to-own' hybrid model that bridges the gap between renting and owning a home. It offers residents a five-year lease with the option to purchase their home at the end of the lease. The purchase price is fixed from the start of the lease, giving residents a set goal to save towards and mitigating the risk of being priced out of the market during the rental period.

HOUSING — INVESTING IN SOCIAL AND AFFORDABLE HOUSING IN NEW ZEALAND

Following the wellbeing bonds we arranged for Housing New Zealand Corporation in 2019, this year we jointly led NZ$1 billion of bond issuances and a sole placement of NZ$300 million for Kāinga Ora – Homes and Communities, to deliver an additional 8,000 new public housing and transitional housing places. All new homes will be built to 6 Homestar, meaning they will far exceed Building Code (NZ) standards for warmth, dryness and health.

As part of Kāinga Ora's ongoing build program, already more than 3,000 public housing homes have been built with this rating around New Zealand. Not only are these new homes warm and dry, they also contribute to improved financial wellbeing of tenants, with energy savings estimated to be NZ$570 per household every year.

Kāinga Ora brings together the KiwiBuild Unit, Housing New Zealand and its development subsidiary HLC, and is designed to enable a more cohesive approach to delivering the government's priorities for housing and urban development in New Zealand.

In the last 12 months, we have lent over **$60b**, helping more than **170,000** customers in Australia buy a home.

In the last 12 months, we have lent over **NZ$18b**, helping more than **55,000** customers in New Zealand buy a home.

LINKS TO 2020 GROUP PERFORMANCE FRAMEWORK

Despite the serious challenges faced by the banking sector and community this year, our actions over previous years to simplify and strengthen the bank provided us with the capacity to support our customers at a time of need and strengthen our long-term relationships. While the focus has been on assisting customers in need, there has also been opportunity to build new customer relationships and enable more digital services that have been especially valued in a restricted COVID-19 environment. Institutional performance in key customer satisfaction/relationship strength surveys continued to be a highlight, and a new online payments experience has been processing ~1 million payments daily and providing digital self-service for Institutional customers.

See section 4.5.3 of the Remuneration report for more details.

CUSTOMER STORY — ADAPTING

Opportunities arise in challenging times

Mount Zero Olives is a small, family-owned and operated business in the Grampians in regional Victoria, producing and processing certified organic olives, olive oil and table fruit.

They also partner with local growers to produce a range of pulses and grains. Supplying predominantly to restaurants throughout Australia, the business has been hit hard by the COVID-19 pandemic.

General Manager, Richard Seymour recalls the moment he first realised they were in for tough times.

"I have a really vivid memory of when the pin was pulled on the Melbourne Grand Prix in March and I knew we were in for a world of change."

An ANZ customer for almost two decades, Richard found himself drawing on his strong relationship with the bank, developing a roadmap to guide the business through the pandemic.

"With the help of ANZ and our business advisor, we put together a vision which saw us quickly pivot to engaging directly with customers through an online platform. In a matter of months, we've been able to grow what was around 5% of direct sales to customers, to around 35%."

Mount Zero's customers have always valued its sense of brand, the foundation of which, according to Richard, is its proud heritage as a family business that values sustainability and supports 'local'.

"This has really resonated with our customers during the pandemic, as they've been able to reach out to a business directly that was already quite tangible to them, and not just a paper wrapper on a product on a supermarket shelf. They know who we are, where we are from and what we stand for, and they've supported us for these reasons."

"As horrible as the outlook is for many small businesses due to the pandemic, it has presented an opportunity to drive change and come out stronger on the other side, and for that, we're really grateful," says Richard.

Our divisions
Australia Retail and Commercial

"This year has been an extremely tough time for our customers. We know not every business will survive but we also know there is opportunity for others. We will be working closely with our customers – no matter their situation – to understand their need and to find solutions that will help them succeed in the future."

Mark Hand, Group Executive Australia Retail and Commercial Banking

Operating environment

Between drought, bushfires and COVID-19 it has been a tough year for the economy and many of our customers.

Unprecedented levels of fiscal stimulus have so far sheltered Australia from the worst economic impacts and some areas of the economy are seeing opportunity, such as online retail, home exercise equipment and pet supplies.

Retail customers are accelerating their shift to online and mobile banking, limiting branch visits and moving away from cash, credit cards and personal loans. Instead they've been saving more, reducing debt and refinancing their mortgages.

Although Australia is yet to return to normal activity, businesses are increasingly adapting to the new environment. Many of our commercial customers have proactively managed costs, been conservative with capital, and innovated during this crisis.

While we face headwinds from the economic contraction, lower business confidence and higher unemployment, we are focused on supporting our customers, adapting to the changing environment, and preparing for a more digital future.

Strategy and focus

Our goal is to be a simpler, more efficient, well-managed business, that is the bank of choice for Australian home owners and business owners. Our priorities are to continue to fix our past mistakes, grow strategically and sustainably, reshape our business for a post-COVID world and prepare for a digitally-enabled and highly automated future. We are investing in the business through the economic cycle while continuing to reduce costs to a more sustainable level.

Fixing past mistakes and returning money owed to customers quickly remains an important focus. Since April 2018 we have remediated approximately 2.9 million customer accounts and issued refunds of approximately $223 million.

We further simplified the business, including by introducing a more targeted approach in the Financial Advice business to focus on affluent and high net worth clients, and announced the sale of 1,300 offsite ATMs to Armaguard.

Across our branch network, we invested heavily to open digital branches providing customers with new self-service options, including smart (deposit taking) ATMs and business cash deposit machines. We also restored momentum in the home loan book growing it by ~$10 billion in the year to $275 billion.

We launched our new Online Business Lending platform providing small businesses with conditional approval for up to $200,000 in unsecured lending in as little as 20 minutes, and access to funds within four days.

Performance highlights

Our response to the shifting environment has had a very real short-term financial impact – on revenue, profitability and returns. Cash profit declined by 27% in 2020 compared to the prior year. Through continued discipline, costs remain well managed, flat year on year.

Mortgage sales volumes are back to 2017 levels, and Retail and Commercial deposits are up by $12.7 billion and $13.9 billion respectively. With lower levels of demand for credit, commercial lending was flat.

In response to the pandemic we have provided assistance to our retail and commercial customers, including deferrals on home loans, personal loans, credit cards, business loans and asset finance as well as temporary overdraft increases. Around 95,000 home loans and 23,000 business loans received repayment deferrals. We also increased the size of our hardship team and, diverted branch staff to support the 65% increase in customer calls for support.

We contributed to communities through our bushfire financial relief package for customers, donated more than $1 million to support customers and communities impacted by the fires, and extended our special paid leave for employees who volunteer in emergency services.

We received a number of awards, including Money Magazine's Mobile Banking App of the Year, ANZ Canstar's Small Business Bank of the Year Award for the third consecutive year and Agribusiness Bank of the Year Award. ANZ Private Bank won a number of awards, notably ranking #1 in four categories in Euromoney's peer-voted Private Banking and Wealth Management 2020 Survey, including Best Overall.

Institutional

"In Institutional, our global network positioned us well to move quickly to respond to the pandemic and support our valued, long-term customers. We also mobilised our digital channels to manage a sharp rise in transaction volumes, while working closely with our customers to keep them cyber-safe."

Mark Whelan,
Group Executive Institutional

Operating conditions

The external environment was challenging in 2020, particularly in the second half as COVID-19 impacted the global economy and supply chains. The pandemic led to sharply lower levels of activity in every geography and many sectors, and introduced significant uncertainty about the future for our Institutional customers. These immediate challenges were also conflated with disruptive structural change and geopolitical issues.

At the same time, these disruptions resulted in strong activity in our markets and lending businesses, which responded swiftly to market volatility and unprecedented demand for liquidity. With a presence in 33 markets globally, our diverse business was prepared to support our customers and staff in our home markets and internationally.

The pandemic has increased competition, and record low interest rates continue to narrow margins and place pressure on revenue. Slower global demand and competition led to lower trade finance volumes and revenues. In the face of these conditions, Institutional continues to sharpen its focus on the right customers in priority sectors and further invest in digital, data and automation to strengthen the business.

Strategy and focus

In 2016, Institutional laid out a strategy to build the best bank for clients moving goods and capital across the region. Our aim was to be simpler for our customers and employees, resilient through the cycle and increase return on equity. We became more targeted and focused on customers who would benefit from regional growth, had a link to our home markets, valued our network and were in industries where ANZ had strong expertise.

Four years on, this strategy is well progressed. We have reshaped the business, diversified our revenue streams with greater emphasis on lower capital-intensive products, consistently reduced operating costs, and strengthened our culture, while clearly establishing our position as the leading relationship bank in the region.

In the early days of the pandemic we were able to move quickly to support our key customers, and in the 6 months to end-March provided $16 billion[1] in additional lending globally. We maintained a disciplined approach to pricing for risk and capital management, and undertook rigorous stress testing to manage credit risk. Lending volumes declined in the second half as global capital market conditions improved, enabling customers to access debt and equity markets and repay bank debt. Credit Risk Weighted Assets ended the year broadly flat.

Through the pandemic, our digital channels came to the fore, and payment volumes increased 9.4% year on year. We supported hundreds of customers working from home by providing secure remote access via web and mobile, and helped reduce customer net losses from fraud by 62%.

We were recognised for supporting our customers, and we maintained our leading market positions across key geographies (#1 in Australia and New Zealand[2], #5 in Asia[3] for market penetration). This included #1 for overall relationship quality in Asia[3] and #1 for Net Promoter Score in Australia and New Zealand[2].

Performance highlights

Institutional continued to deliver the benefits of a simpler, more disciplined and resilient business in 2020, delivering 1% cash profit growth compared to the prior year despite tougher economic conditions. Net loans and advances declined 4% after peaking in the middle of the year, while customer deposits grew 3%.

The results demonstrated the value of customer, product and geographic diversification within the business. In a low interest rate environment, Transaction Banking and Corporate Finance revenue declined in 2020, down 15% and 1% respectively. Markets revenue increased by 49%, as customers sought to manage their financial risks amidst heightened volatility in Global Markets.

Geographically, lower profit in Australia was offset in Asia Pacific, Europe & America and New Zealand, mainly due to higher markets revenue as customers managed foreign exchange, interest rate, credit and commodity price risks.

The Division's focus on productivity contributed to another year of cost reduction, with lower full time equivalent staff, property efficiencies and reduced discretionary spend. Credit charges increased with tougher economic conditions and lower forecast economic growth, however, the credit quality of the book remains strong.

Through 2020, ANZ Institutional helped arrange the largest social bond by an Australian issuer for the National Housing Finance and Investment Corporation, as well as $72 billion in funding for the Australian Government's COVID-19 support package.

1. Institutional Gross Loans and Advances excluding FX and Markets **2.** Peter Lee Associates 2020 Large Corporate and Institutional Relationship Banking surveys, Australia & New Zealand. **3.** Greenwich Associates 2019 Asian Large Corporate Banking study

New Zealand

"As New Zealand's largest bank, we've been in a unique position to assist thousands of businesses and many more individuals through what has been a tough year for many. Despite a challenging year, I'm proud that we've been able to continue to support our customers, our communities and our people."

Antonia Watson, Chief Executive Officer New Zealand

Operating conditions

Throughout the COVID-19 pandemic New Zealand's economy remained in an enviable position relative to many others.

The housing market responded to record low home loan rates, while being shielded from the economic slowdown by the mortgage payment deferral scheme and the government's wage subsidy scheme.

Surveyed business activity indicators have increased since February 2020, now at similar levels to pre-pandemic, brightening the outlook for near-term growth.

However, uncertainty, rising unemployment and winding down of income support measures will cause some discomfort, and the impact of the closed border will play a role in the economy for some time. Helpfully, and providing some offset, New Zealand's export prices are holding up, indicated by ongoing resilience in export prices relative to other commodities and strong operational models in our core industries.

The Reserve Bank of New Zealand has taken a medium-term outlook with a current focus on quantitative easing.

They confirmed increased capital requirements, originally due to start taking effect from July 2020, have been delayed by at least one year.

Business focus

We remain committed to delivering great customer experiences and outcomes.

ANZ New Zealand implemented key government-led initiatives in response to COVID-19 and a major program of reduced fees, charges and interest rates.

ANZ led the waiving of Merchant Service Fees on existing customers' contactless debit capability for a limited time and permanently reduced them after the COVID-19 lockdown.

Since the pandemic we have provided financial help to around 43,000 personal, home and business loan customers through repayment deferrals, restructures or adjustments, covering lending of around NZ$27 billion.

Data and digital initiatives included the launch of our electronic verification and use of data to identify customers who may be experiencing hardship.

We continued refining our physical presence to fewer, improved branches and reduced hours for selected regional branches, enabling an efficient and simplified operating model. ANZ New Zealand is part of an industry-led trial for banking hubs in regional areas.

We completed the sale of UDC Finance Limited to Shinsei Bank in line with our simplification strategy.

We announced the Bonus Bonds Business would close to new investment and that we intend to start winding up the scheme by the end of October 2020.

In the environmental space, ANZ provided public submissions to government, completed New Zealand's first sustainability-linked loan and arranged the country's first inflation-linked sustainability bond.

We aided farmers' decision-making through proprietary digital tools including our dairy and red meat dashboards and a geospatial tool that analyses weather, soil and contour data.

Performance highlights

Despite difficult conditions, we maintained a leading position in core banking products with ~31% share of mortgages and ~33% share of households deposits (August 2020) and ~22% share of KiwiSaver (June 2020).

Net loan and advances were flat for the year, underlying[1] net loans and advances grew by 3%, driven by home lending growth of 6%, and the housing market has remained reasonably resilient.

Customer deposits grew 9% aided by inflows from the government's wage subsidy scheme and increased system liquidity following quantitative easing measures from the RBNZ.

Revenue was impacted by interest-margin pressure from record low interest rates, simplifying and reducing fees, and a range of fee waivers initiated to support customers.

Higher credit impairment charges had a material impact on our results with a substantial increase in collective provisions, recognising the possible impacts of future economic and operating conditions.

Despite a trying year, our staff continued to play a role in their communities. Many helped to plant more than 25,000 trees across New Zealand as part of our partnership with Sustainable Coastlines, and volunteered over 6,000 hours.

Our payroll giving scheme allocated over NZ $650,000 to 60 charities, and staff donating to the ANZ New Zealand Staff Foundation grew from 24.5% to 25.9%.

ANZ donated a total of NZ$2m to Women's Refuge, Age Concern New Zealand and the Salvation Army's foodbank network to support people through COVID-19, and NZ$1m to grassroots cricket and netball clubs and initiatives nation wide.

1. Adjusting for the sale of UDC

Our people

Much of our focus this year has been on mobilising resources to support the changing needs of our customers and business during the COVID-19 pandemic.

While we have continued to develop the culture, capabilities and behaviours needed to deliver our strategy, our top priority has been to protect our people, keeping them safe and well. As discussed on pages 8–9, our Group-wide COVID-19 response plan includes supports for vulnerable employees, employees working from home and those on the frontline supporting our customers.

Mobilising our resources to meet demand

During March we began to experience a dramatic increase in calls to our dedicated hardship team in Australia. We received around four years worth of hardship applications in the space of only three months as almost 94,000[1] customers impacted by COVID-19 sought assistance.

In response, we developed COVID-19 'Talent Mobility Principles', the purpose of which was to ensure we had 'the right people, in the right locations, at the right time', to meet customer and community needs during the pandemic.

A campaign was run across Australia, New Zealand and India to help employees self-identify their skills and desire to move into critical areas of the business, such as our Customer Contact Centre. Over 1,000 hours of customised virtual training was delivered to over 700 staff across our Customer Service Operations team and branches to assist them to move temporarily to in-demand roles. We have also recruited approximately 185 new hardship consultants and provided over 23,000 hours of training to our Customer Connect (Hardship) team to ensure ongoing support for our customers on a COVID-19 assistance package.

EMPLOYEE STORY — LIFE BEYOND THE BRANCH

The 'Beyond the Branch' program was launched earlier this year and assists branch employees to move to business areas requiring additional resources to meet increased customer demand as a result of COVID-19.

We benefit from transferring our branch employees' customer focus and experience to the areas of greatest customer need – including our Customer Contact Centre, Customer Service Operations and Customer Resolution – and employees benefit from the opportunity to diversify their skillset and broaden their career.

The program involves:

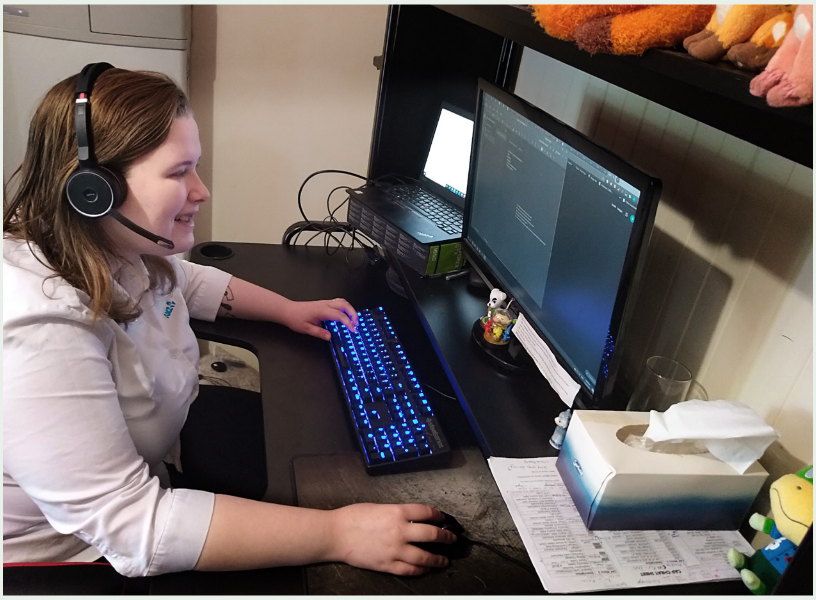
- identifying the in-demand roles that are a match for branch employees;
- distributing these roles across Australia, rather than having them based in our Melbourne head office;
- actively promoting and providing visibility of the opportunities; and
- soliciting the support of senior branch staff to advocate for the program and actively support people moving into these roles.

Many branch employees have moved into the Collections and Hardship team as part of the program. We have also set up 'hubs' in Western Australia, with Queensland and New South Wales soon to follow, so as to 'tap into' the capability of branch staff outside of Victoria.

Solarah Jupp has recently moved from a branch into the Collections and Hardship team.

"I originally applied for 'Beyond the Branch' as I believed the roles suited my skillset and I was really looking for a new challenge. Going through this experience has meant the world to me – it has broadened my career horizons far beyond what I could have thought possible in branch. I feel excited for the future and I'm looking forward to the next challenge."

As at 30 September, 197 'Beyond the Branch' roles have been filled, with roles available in every state in Australia.



1. Requests for COVID-19 assistance received between 1 March 2020 and 31 May 2020.

Employee engagement

In April, our **engagement result increased to 86%** (up from the 77% in 2019), with increases across all areas of the bank. This is a testament to the resilience of our people and their ability to adapt to the new pressures and challenges presented by COVID-19.

up 9 points

94% of employees said ANZ is supporting them during the pandemic, and 95% said senior leaders have been communicating effectively.

In response to COVID-19 we launched the '**Team Health Check'**, a new team wellbeing survey, and we continue to run regular pulse surveys to measure engagement – results have remained relatively stable since April.

Culture

The success of our strategy is dependent on embedding a culture focused on delivering great customer outcomes, making things simpler and always learning. This work is underpinned by our purpose and values.

We are taking steps to improve our culture and are enhancing how we track and measure our progress. Our Enterprise Culture Steering Group (ECSG), chaired by the CEO and whose membership includes other members of the Executive Committee, plays a critical role in guiding our efforts by helping us to understand our cultural strengths and development areas.

This year the ECSG has considered the way our organisational culture has changed during COVID-19, including the opportunities and risks created by the pandemic – for example, cross-team collaboration and a focus on execution were identified as strengths that have enabled us to deliver positive customer outcomes.

Culture assessments

Our Internal Audit group has continued to conduct culture reviews throughout the year, supporting businesses and functions to understand their culture and impact on ANZ's aspirational and risk culture.

Assessments are undertaken through a combination of quantitative and qualitative analysis, including surveys, focus groups and interviews. Since 2016, we have conducted nearly 2,000 focus groups and interviews and more than 25,000 employees have participated in culture surveys.

Once complete, a report on cultural themes, including underlying issues and related impacts, is provided to the business. The business must then develop an action plan to mitigate any identified cultural challenges. The plan is monitored and the effectiveness of the actions in shifting towards the desired culture is reviewed before it is 'closed'.

Internal Audit completed 18 culture reviews in 2020, 11 of which were re-assessments. Actions undertaken to address cultural challenges have generally been effective, particularly where leaders have taken ownership of outcomes. There are some reoccurring themes with respect to challenges, and we are seeking to tackle these through initiatives focused on leadership engagement and change programs; networking sessions to improve collaboration and role clarity across functions; and career development opportunities such as secondments and 'job shadowing'.

Accountability and Consequence Framework

In 2020, we continued to strengthen and embed the Accountability and Consequence Framework (A&CF). The Consequence Review Group (CRG), which is chaired by the CEO, supports the Board in monitoring the implementation and ongoing effectiveness of ANZ's A&CF, being cognisant of its impact on the culture of ANZ. The CRG reviews material events, accountability and the application of suitable consequences where appropriate. See section 6 of the Remuneration report for more details.

Changes to remuneration

As part of the Group's Reimagining Reward program effective 1 October 2019, we made adjustments to the remuneration mix for staff, which included replacing individual variable remuneration for around 80% of employees with variable remuneration based on the overall performance of the Group. These changes respond to many of the concerns about 'bonus culture' raised in the final report of the Royal Commission, and form part of the wide-ranging reforms for 2020 regarding how we reward, recognise and manage the performance of employees.

We are implementing the recommendations from Stephen Sedgwick's 'Retail Banking Remuneration Review', which is focused on strengthening the alignment of retail bank incentives, sales practices and good customer outcomes. Recommendations ANZ is delivering independently are now 100% complete and were implemented ahead of the October 2020 deadline. We will continue to work with industry to progress the remaining recommendations. Management provides regular updates to the Board Human Resources Committee on progress.

OUR NEW WAYS OF LEADING

Be curious — Create shared clarity — Empower people — Connect with empathy — Grow people selflessly

Building workforce capability

To help our leaders support their teams through COVID-19, we provided additional guidance aligned to two of our desired leadership behaviours (referred to as our 'New Ways of Leading'), 'Creating Shared Clarity' and 'Empowering People'. We want our people leaders to display these behaviours in order to inspire and engage their teams, helping them to deliver on the bank's strategic imperatives. When we surveyed our people in July, we saw an increase in leaders modelling all of these behaviours.

We introduced a 'Leading Through Change' program for our 7,500 people leaders in July, to help them lead with confidence and optimism during this period of ongoing and accelerated change. On completion, leaders are provided with new tools to support themselves and their teams to improve focus, adapt faster and be more productive.

We have also introduced a simpler and more flexible approach to performance management. This includes giving employees the ability to create and document meaningful performance and growth objectives in our new People+ system.

We are continuing to develop priority capabilities aligned with our strategy and aimed at 'future-proofing' our workforce – data and engineering are two key capabilities on which we are focused.

We have recruited more than 500 software and systems engineers over the course of the year. The COVID-19 pandemic has had little effect on supply of this capability in the market and critical engineering talent remains scarce. In response, we are investing in innovative recruitment strategies and have a dedicated team working on talent marketing, proactive sourcing, and continuous improvement of the recruitment approach.

We have continued to invest in the capabilities of our people through the provision of training and development programs. Almost 970,000 hours of learning were delivered in 2020, including over 530,000 hours of compliance training. Our Way of Learning (OWL), our digital social learning platform, enabled employees to access learning materials relevant to their current roles and future career aspirations while working from home. The ability to access digital content anywhere, anytime and on any device led to a 29% increase in self-directed content access across the bank.

Diversity and inclusion

We want our workforce to reflect the communities we serve and believe that leveraging the diversity of our people will drive innovation, making us a better bank for our customers.

As we come to the end of our current suite of public diversity and inclusion targets, we have been reflecting on our progress and challenges.

Our Women in Leadership objective focuses our effort on the categories with the lowest levels of female representation, being our Senior Executive, Executive and Senior Manager populations of the bank. This work is the key to closing our gender pay gap.

Both our Key Management Personnel and Group Executive Committee are now gender balanced. The representation of Women in Leadership[1] increased this year to 33.4 % (up from 32.5% as at September 2019), falling short of our target of 34.1% by the end of 2020. Our progress is monitored monthly by the CEO and the Group Execution and Performance Committee, and will remain a focus.

Over the last four years we have launched our Spectrum Program – a tailored program to support autistic individuals into the workforce – and our Return to Work Program for people who have taken a career break. We have welcomed new employee networks including Cultural Diversity & Inclusion, Faith and Mental Health & Wellbeing and been recognised as a leading employer for LGBTIQ+ inclusion, inclusion of people with disability and women. We are developing our second 'Stretch' Reconciliation Action Plan (RAP), reflecting and building on the lessons learnt from our previous RAPs.

We have promoted the participation of people from under-represented groups in our workforce, including Aboriginal and Torres Strait Islander peoples, people with disability and refugees. Challenging conditions, including most recently the COVID-19 pandemic, have impacted our goal of recruiting >1000 people from under-represented groups. We recruited 185 people from under-represented groups in 2020, bringing the total recruited since 2016 to 919.

We are currently finalising our new Diversity and Inclusion strategy and it will inform our approach and commitments for 2021 and beyond.

Our new Diversity and Inclusion Policy is available at **anz.com/corporate governance.**

LINKS TO 2020 GROUP PERFORMANCE FRAMEWORK

In a challenging year, significant capacity and attention was focused on managing through COVID-19 and the Australian bushfires, however, strong progress was still made on key priorities including embedding our new reward framework, building strategic and leadership capabilities, and strengthening governance, accountability and culture. Highlights include a nine point increase in our employee engagement score, reflecting our strong support for employees and clear senior leader communication during the pandemic, as well as the enablement of significant increases in our remote working capacity.

See section 4.5.3 of the Remuneration report for more details.

1. Measures representation at the Senior Manager, Executive and Senior Executive levels. Includes all employees regardless of leave status but not contractors (who are included in FTE).

Building financial wellbeing in the Pacific

According to participants surveyed in the 2019 MoneyMinded Impact Report, almost 50% of people in Fiji and Kiribati frequently run short of money for food and other regular expenses.

To help improve this situation ANZ has partnered with the United Nations Development Programme (UNDP) to deliver its adult financial education programs, MoneyMinded and Business Basics.

The program will be delivered to female small business owners in rural areas across Fiji, Kiribati, Solomon Islands, Tonga, and Vanuatu.

Deputy Team Leader for Inclusive Growth at the UNDP Pacific Office in Fiji, Patrick Tuimalealiifano, said the partnership is more than just balancing a budget.

"A big part of our work is on helping women in low income households to have financial security and control over their future and the future of their families.

"Building financial literacy and business acumen translates into confidence and over time we start seeing these women emerge as community leaders, entrepreneurs and successful businesswomen.

The MoneyMinded program is helping Pacific people create a positive vision for their future," he said.

ANZ Regional Executive Pacific, Tessa Price, said the partnership with UNDP enables ANZ MoneyMinded to reach deeper into rural communities and target different groups of people, particularly women.

"We've already done a lot of work with a number of different groups, including seasonal workers who receive MoneyMinded training before they travel to Australia and New Zealand. This partnership with the UNDP means we will be reaching straight to the heart of rural communities and to women who are at the heart of the household," she said.

Our community

Strong relationships with our stakeholders and the broader community is one of our key value drivers. We are supporting the communities in which we live and work to recover from the bushfires that devastated parts of Australia earlier this year, and through the COVID-19 pandemic.

We are investing in the community through our financial literacy programs, as well as through local partnerships with the not-for-profit sector, sponsorship, grants, and staff volunteering and workplace giving.

In 2020:

20.5% of our employees volunteered over **66,000 hours** to community organisations, we matched employee donations, collectively **contributing almost $3.9 million** to charitable organisations in Australia, New Zealand and Fiji **investing a total $139.5 million** in the community[1]

Financial wellbeing

Helping improve the financial wellbeing of our customers is core to our strategy.

We have in particular demonstrated a long-term commitment to helping disadvantaged people build money management skills and savings capabilities through our financial inclusion programs.

Being in control of personal and household finances generates improved long-term financial health and wellbeing, community connectedness and social participation. More broadly, it also contributes to the social and economic development of communities.

Our financial inclusion programs

Saver Plus was developed by ANZ and the Brotherhood of St Laurence in 2003, and is co-funded by ANZ and the Australian Government.

Program participants open an ANZ savings account, set a savings goal and save towards it regularly over 10 months while also attending MoneyMinded financial education sessions. On reaching their goal, savings are matched by ANZ dollar for dollar, up to $500, which must be spent on education.

Since 2003, Saver Plus has helped more than 47,770 lower-income Australians save over $24 million to support their own and their children's educational needs, with ANZ providing over $19 million in matched funds.

MoneyMinded supports adults with low levels of financial literacy and those on lower incomes across 15 markets, including Australia and New Zealand. It is delivered by community partner organisations in Australia and New Zealand, and a mix of community organisations and ANZ employees in Asia and the Pacific.

MoneyBusiness has been operating since 2005 and is designed to build the money management skills and confidence of Aboriginal and Torres Strait Islanders. Since inception, it has reached over 82,520 participants and has been delivered in over 320 communities through either Australian Government-funded service providers or ANZ's partners.

"I am in control of my life and my money for the first time since having children. Thank you to Saver Plus for being a part of that positive journey in getting my life and happiness back!"

Saver Plus participant

1. Figure includes forgone revenue of $105 million, being the cost of providing low or fee free accounts to a range of customers such as government benefit recipients, not-for-profit organisations and students.

LINKS TO 2020 GROUP PERFORMANCE FRAMEWORK

We have continued to regain community trust following the Royal Commission, and while we know this year has been difficult for many people, we have had the opportunity prove the value we provide to the community. Our focus on our purpose and values, combined with strong governance and leadership, has enabled us to help support the community. While across the industry community sentiment scores have fluctuated during the year, in the RepTrak survey ANZ led for the majority of 2020 and was ranked second based on July to September results. We achieved an A- rating in the 2019 CDP climate change assessment, the leading score for Australian banks.

See section 4.5.3 of the Remuneration report for more details.

Supporting Australia's rural and regional communities

Since 2003, we have been helping build vibrant and sustainable rural communities through our Seeds of Renewal financial grants program, administered by the Foundation for Rural and Regional Renewal (FRRR).

The program has provided more than $5 million to help over 800 community groups. In 2020 we again donated $250,000 to enable local community programs that support the ongoing prosperity of regional Australia.

Bushfire relief – helping communities rebuild

In January 2020, we donated $1 million to support our customers and the communities affected by bushfires, including $300,000 to volunteer fire services across New South Wales, Victoria and South Australia.

We also matched a further $100,000 of employee donations to volunteer fire services, and allocated $500,000 to support local community services as well as home loan customers who lost their homes to bushfires and suffered ongoing financial hardship.

Our $50 billion sustainable finance target now includes $1 billion specifically for funding and facilitating initiatives that support customers and communities impacted by disasters. Capital may be allocated for weather related events (such as bushfires, floods and cyclones) or to build resilience against non-weather related disasters such as pandemics.

Workplace giving

Our workplace giving program enables employees in Australia to make contributions to around 30 charity partners – many of which operate in areas aligned to our priority areas of financial wellbeing, environmental sustainability and housing – through regular pre-tax payroll deductions. Donations are 'double matched' – for every dollar donated by an employee (up to $5,000 per employee in a tax year) through the program, ANZ donates two dollars.

Our employees in New Zealand and Fiji can also donate through payroll to their respective staff foundations (charitable trusts that provide small grants) and ANZ double matches donations.

Volunteering

Our Volunteer Leave Policy, which applies to permanent, regular and fixed-term employees provides for at least one day of paid volunteer leave each year.

This year we also made available extended special paid leave for employees who volunteer in emergency services to ensure they were financially supported while they served their community during the bushfire season.

Contribution to public policy

We seek to contribute constructively to public policy formation and understand the perspectives of our community's elected representatives, policymakers and regulators. We contribute to policy formation on business, economic, social and environmental issues affecting our customers and shareholders.

We are also a member of a number of industry associations that contribute to public policy debate and formation.

In 2020, our key membership payments included:

Australian Banking Association
$3,258, 203

Business Council of Australia
$93,500

New Zealand Bankers' Association
NZ $309,079

Business New Zealand
NZ $40,250

We understand that our stakeholders are interested in the position we take on issues such as data security, privacy and climate change, and our membership of industry associations that develop policies and undertake advocacy on these issues.

This year, in response to stakeholder feedback, we reviewed the alignment of ANZ's policy position on climate change with those of our industry associations. The outcomes of this review will be on **anz.com/shareholder**.

We have also committed to review our memberships of industry associations at least every three years. The results of any such review, including any material changes to our position, will be publicly disclosed.

Community organisation receives funding boost with Seeds of Renewal grant

In 2020, ANZ announced a grant of $15,000 to a NSW community organisation, 'North Coast Community College' for an Indigenous land management employment pathway project. The money contributed to strengthening economic participation and employment related activities for Aboriginal communities through the establishment of a training program run as a social enterprise.

Our approach to climate change

We support the Paris Agreement's goal of transitioning to net zero emissions by 2050 and are committed to playing our part.

We understand the impact – positive and negative – our financing has on climate change. Through our lending decisions, we support companies and projects that contribute to reducing emissions and that are resilient to a changing climate. We are confident we can do this in parallel with supporting strong economic growth.

Through our disclosures, we seek to provide investors and other stakeholders with information enabling them to assess the adequacy of our approach to climate change and our ability to manage the associated risks and opportunities.

This year we released an updated Climate Change Statement (available on **anz.com/cs**) that outlines our approach and strengthened commitments in support of a global transition to net zero emissions. We are focused on lowering emissions in key sectors, in a way that carefully considers the potential for community impacts and how we can mitigate these.

IN SUPPORTING THE 2050 GOAL, OUR APPROACH IS TO:

Help our customers by encouraging them to identify climate risks and opportunities, create transition plans and report publicly on their progress

Support transitioning industries to help grow the economy

Reduce our own impact by managing and reducing emissions from our own operations

Engaging with 100 of our largest emitting business customers on their transition plans

We have engaged with 83 of our largest emitting business customers to support them to establish, and where appropriate, strengthen existing low carbon transition plans. This engagement will inform the development of a model that can be applied across our customer base.

Within each industry our customers have different starting points. Through customer discussions and reviews of public disclosures we are developing a better understanding of our customers' preparation for, and management of, their climate-related risks and opportunities. Insights we have gained from customer conversations include:

Energy: our engagement in this sector has initially focused on customers with thermal coal operations; however, we are broadening this to include our largest oil and gas producing customers. While the impacts of COVID-19 have affected short-term demand, some customers are continuing to see strong demand for high-quality, low-cost Australian thermal coal for use in high efficiency, lower emissions (HELE) plants across Asia; their strategy is focused on developing high quality thermal coal assets and they are committed to improving their external disclosures.

Other customers have undertaken scenario analysis (aligned with recommendations of the Financial Stability Board Taskforce on Climate-related Financial Disclosures (TCFD)), revealing that some of their commodities will not perform well under a low carbon transition; in response, they are limiting expenditure on thermal coal (with most capital directed to maintenance rather than expansion), or seeking to divest those assets. Some companies are starting to set firmer targets to work with their suppliers and customers to seek to reduce the emissions associated with the use of their mining commodities, ie 'Scope 3' emissions.

Transport: a key customer in the airline sector has committed to carbon neutral growth from 2020 and halving 2005 emissions from international flights by 2050. This aligns with the goals of the international aviation sector.

Buildings: a number of customers have established and are now implementing net zero by 2030 carbon targets that will be achieved largely through improved energy efficiency and onsite solar installations.

This is the fourth year we have reported using the TCFD. For detailed information see 'ANZ 2020 Climate-related Financial Disclosures' on anz.com/annualreport

Our progress on the TCFD

	OUR PROGRESS TO DATE	FOCUS AREAS – 2021/22	BEYOND 2020 VISION
GOVERNANCE	• Board Risk Committee oversees management of climate-related risks • Board Ethics, Environment, Social and Governance Committee approves climate-related objectives, goals and targets • Ethics and Responsible Business Committee (executive management) oversees our approach to environment, social and governance (ESG) and reviews climate-related risks and opportunities	• Align with regulatory guidance on climate-related risk governance, including stress testing of selected portfolios	• An enhanced risk management framework that anticipates potential climate-related impacts, and associated regulatory requirements
STRATEGY	• Climate Change Statement (available on anz.com) reaffirms support for the Paris Agreement goals and transition to a net zero carbon economy • Managing the net zero carbon transition focuses on an orderly and just transition that gives careful consideration to the impacts on communities • Participated in a United Nations Environment Program Finance Industry (UNEP FI) working group on TCFD scenario analysis that issued recommendations and methods to assess portfolio transition and physical risks • Low carbon products and services within our Institutional business focused on climate-related opportunities • Analysis of flood-related risks for our home loan portfolio in a major regional location of Australia • Test-pilot of socio-economic indicators showing financial resilience of home loan customers with respect to flood risk	• Extending analysis of flood-related risks to incorporate bushfire and other risks relating to retail customers • Include climate risk reference in lending guidance documents for relevant industry sectors, used by our front line bankers	• ANZ business strategy more closely aligned to a resilient and sustainable economy that supports the Paris Agreement and UN Sustainable Development Goals
RISK MANAGEMENT	• Climate change risk added to Group and Institutional Risk Appetite Statements • Climate change identified as a Principal Risk and Uncertainty in our UK Disclosure and Transparency Rules (DTR) Submission • Guidelines and training provided to over 1,000 of our Institutional bankers on customers' transition plan discussions • Enhanced financial analysis and stronger credit approval terms applied to agricultural property purchases in regions of low average rainfall or measured variability • New agribusiness customers assessed for financial resilience and understanding of rainfall and climate trends in their area, and water budgets considered if irrigating	• Supporting 100 of our largest emitting customers to develop and disclose their transition plans • Customer engagement to identify customer or sector-specific transition or physical risks, focused on corporate and Institutional customers • Develop an enhanced climate risk management framework that strengthens our governance and anticipates potential climate-related impacts and associated regulatory requirements	• Further integrate assessment of climate-related risks into our Group Risk management framework • Standard discussions with business customers include climate-related risks and opportunities • Assessment of customer transition plans part of standard lending decisions and portfolio analysis
METRICS AND TARGETS	• Support 100 of our largest emitting customers to establish or strengthen low carbon transition plans by 2021, with metrics developed to track progress • New metrics to enable our progress to be tracked in reducing 'financed emissions', beginning with two key sectors: commercial property and power generation. Metrics are tailored to each sector (eg. carbon emissions per square metre of net lettable space for commercial property) and disclosed every 12 months • \$50 billion target to fund and facilitate sustainable solutions by 2025 • Target to procure 100% renewable electricity for ANZ's operations by 2025 • Ongoing emissions reduction targets for ANZ energy use aligned with the Paris Agreement goals	• Complete transition plan engagement with high emitting customers and consider how to integrate into customer assessments • Set targets to reduce metrics for 'financed emissions' for key sectors towards a net zero goal by 2050 • Consider expanding new metrics for measuring impact of our progress on environmental sustainability to other key sectors	• Continue to evolve our reporting with leading practices to measure the alignment of our lending with the Paris Agreement goals • Reduce ANZ's operational emissions in line with the decarbonisation trajectory of the Paris Agreement goals

We are supporting household, business and financial practices that improve environmental sustainability. One way we do this is through encouraging and supporting 100 of our largest emitting customers to establish, and where appropriate, strengthen existing low carbon transition plans, by 2021.

CUSTOMER STORY ENVIRONMENTAL SUSTAINABILITY

Supporting Wesfarmers to transition to net zero emissions

Headquartered in Western Australia and with around 107,000 employees, Wesfarmers Limited is one of Australia's largest listed companies, with diversified operations spanning across almost 30 retail and industrial businesses.

Better known for its consumer brands such as Bunnings, Kmart and Officeworks, it also has interests in fertilisers, chemicals and in the energy sector.

In September this year, it announced an accelerated agenda to set and achieve net zero emissions for its retail operations by 2030, and its industrial businesses by 2050. This is on top of existing 2025 emissions reduction targets.

Naomi Flutter, an Executive General Manager at Wesfarmers said its climate action was driven by a commitment to contributing positively to the global goal of achieving net zero emissions by 2050.

"For us, transitioning to achieve net zero emissions from our business is about doing what's right and good for the environment, and we want to step up and contribute in a responsible way. It's also what our customers believe in and want from us, and so from that perspective it also makes good business sense."

To achieve its goals, Naomi says Wesfarmers is pulling on numerous levers to significantly reduce its emissions.

"We're investing heavily in energy efficiencies in our retail businesses through new technology, solar panels and LED lighting. And in our industrial business we're investing in catalyst technologies to reduce emissions intensity."

Wesfarmers has banked with ANZ since the 1980s and we are supporting the company in its transition journey.

"We value the role ANZ plays as a key banking partner – especially with respect to the open and constructive dialogue we have with them on our transition agenda," says Naomi.

New Zealand's agribusinesses leading the way on transition planning

Greenhouse Gas Emissions (GHG) from the food and fibre sector, (and its associated waste) account for around half of New Zealand's total emissions.[1]

Synlait Milk Limited is working hard to reduce emissions in line with its commitment to the Paris Agreement goals.

According to Hamish Reid, Director of Sustainability and Brand at Synlait, "we need to act now and we need to be bold. It's both a matter of mitigating climate-related risks and at the same time, seizing opportunities to reimagine all aspects of our business and value chain."

Synlait is implementing a range of initiatives to reduce emissions and deliver long-term financial benefits.

Targets relating to climate, welfare, water and waste have been set – including an off-farm[2] 50% reduction in GHG emissions per kg of product by 2028, and an on-farm 35% reduction in GHG emissions per kg of milk solids by 2028.

Within its on-farm certification program, Lead With Pride™, educational resources and milk price incentives are being offered to its farmer suppliers to implement best practice GHG mitigation techniques. It has also recently opted for an energy and emissions efficient electrode boiler, rather than the traditional coal-fired boiler, to run its fresh milk and cream facility in Canterbury, NZ.

Synlait has been an ANZ customer since 2000, when the company's founders bought their first few Canterbury dairy farms, before then expanding into processing in 2008. In 2019, ANZ arranged and funded a NZ$50 million sustainability linked loan which has supported Synlait's sustainability agenda.

"ANZ enabled us to enter into an ESG linked loan, sending two strong signals to our stakeholders. First, that leading banks today recognise that sustainability performance results in lower risk, and second, that sustainability performance can lead to financial benefits. Having a diversity of like-minded partners accompanying us in our transition is critical for us to achieve our goals," says Hamish.

Another customer ANZ is assisting with its transition towards a low carbon future is Silver Fern Farms Limited.

Since 2018, the grass-fed red meat processing and exporting company has reduced its GHG emissions by 8%, and reduced its fossil fuel usage by 12% since 2017. It is targeting a 30% reduction on 2005 levels of the GHG emissions intensity of its operations per tonne of product before 2030.

"We've taken a number of steps to embed sustainability within our company, from being the first red meat processor to certify our carbon footprint in New Zealand, to having strong Board involvement in our sustainability agenda, to incorporating sustainability and climate reporting into our parent co-operative's external disclosures," says Justin Courtney, Head of Communications and Sustainability from Silver Fern Farms.

Silver Fern Farms uses a 'whole of farm' system approach to reduce carbon in the supply chain as a way to enhance the natural, biodiverse farming environments in New Zealand.

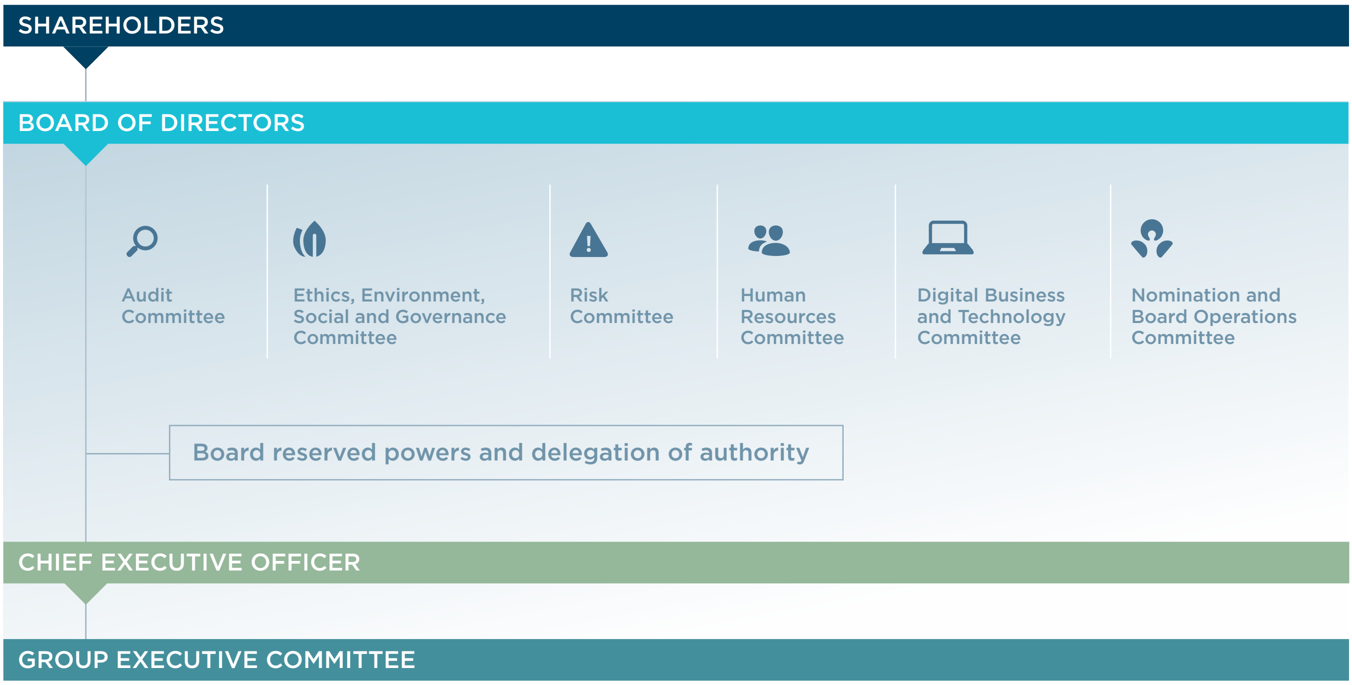
"In addition to our own initiatives, such as sourcing animals from farms rich in biodiversity and sourcing electricity from 100% renewable sources, we're proactively working with suppliers to better understand their carbon footprints and where the opportunities lie to reduce and optimise carbon absorption on their farms," says Justin.

The engagement with our largest emitting customers on their transition plans is a top priority for ANZ, as we seek to support them to manage the climate-related risks and opportunities. Synlait and Silver Fern Farms are just two out of the 100 customers we are engaging with on their transition plans.

1. www.mpi.govt.nz/protection-and-response/environment-and-natural-resources/emissions-trading-scheme/agriculture-and-greenhouse-gases/ **2.** On-farm: Synlait's farmer suppliers (scope 3). Off-farm: Synlait's own manufacturing processes (scope 1 and 2) and non-farm scope 3 emissions.

Governance

Corporate Governance Framework



Board of Directors

ANZ's strong governance framework provides a solid structure for effective and responsible decision-making within the organisation.

The Board is responsible for the oversight of ANZ and its sound and prudent management, with specific duties as set out in its charter available at anz.com/corporategovernance.

There are six principal Board Committees – the Audit Committee, the Ethics, Environment, Social and Governance Committee, the Risk Committee, the Human Resources Committee, the Digital Business and Technology Committee and the Nomination and Board Operations Committee.

Each Committee has its own charter setting out its roles and responsibilities. At management level, the Group Executive Committee comprises ANZ's most senior executives. There is a delegations of authority framework that clearly outlines those matters delegated to the CEO and other members of senior management.

For further detail on ANZ's governance framework see our 2020 Corporate Governance Statement available at anz.com/corporategovernance.

Full biography details can be found on our website at anz.com/directors and on pages 44–48 of this review.

PAUL O'SULLIVAN

Chairman, Independent Non-Executive Director

SHAYNE ELLIOTT

Chief Executive Officer, Executive Director

ILANA ATLAS, AO

Independent Non-Executive Director

PAULA DWYER

Independent Non-Executive Director

JANE HALTON, AO PSM

Independent Non-Executive Director

RT HON SIR JOHN KEY, GNZM AC

Independent Non-Executive Director

GRAEME LIEBELT

Independent Non-Executive Director

JOHN MACFARLANE

Independent Non-Executive Director

Directors' meetings

The number of Board, and Board Committee, meetings held during the year and each Directors' attendance at those meetings are set out below:

	Board		Risk Committee		Audit Committee		Human Resources Committee		Ethics, Environment, Social and Governance Committee		Digital Business and Technology Committee		Special Committee of the Board[1]		Nominations and Board Operations		Shares Committee[1]	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
PAUL O'SULLIVAN	11	11	5	5			5	5			5	5			1	1		
ILANA ATLAS, AO	14	14			8	8	6	6	5	5					1	1	1	1
PAULA DWYER	14	14	7	7	8	8	6	6							1	1		
SHAYNE ELLIOTT	14	14															2	2
DAVID GONSKI, AC[2]	14	14	7	7	8	8	6	6	5	5	6	6			1	1	3	3
JANE HALTON, AO PSM	14	14					6	6	5	5	6	6			1	1		
RT HON SIR JOHN KEY, GNZM AC	14	14	7	7					5	5	6	5			1	1		
GRAEME LIEBELT	14	14	7	7	8	8	6	6							1	1		
JOHN MACFARLANE	14	14	7	7	8	8					6	6			1	1		

Column A Indicates the number of meetings the Director was eligible to attend as a member. **Column B** Indicates the number of meetings attended. The Chairman became an ex-officio member of the Risk, Audit, Human Resources, Ethics, Environment, Social and Governance, Digital Business and Technology and Nomination and Board Operations Committees on 28 October 2020, upon David Gonski's retirement. With respect to Committee meetings, the table above records attendance of Committee members. Any Director is entitled to attend these meetings and from time to time Directors attend meetings of Committees of which they are not a member. **1.** The meetings of the Special Committee of the Board and Shares Committee as referred to in the table above include those conducted by written resolution. **2.** David Gonski retired as Chairman and as a Non-Executive Director on 28 October 2020.

Executive Committee

Below from left to right

1 —— Emma Gray
Group Executive Data and Automation
Joined the Executive Committee on 1 May 2020

2 —— Maile Carnegie
Group Executive Digital and Australia Transformation
Joined the Executive Committee on 27 June 2016.

3 —— Farhan Faruqui
Group Executive International
Joined the Executive Committee on 1 February 2016.

4 —— Gerard Florian
Group Executive Technology
Joined the Executive Committee on 30 January 2017.

5 —— Alexis George
Deputy Chief Executive Officer and Group Executive Wealth Australia
Joined the Executive Committee on 1 December 2016.

6 —— Kathryn van der Merwe
Group Executive Talent and Culture
Joined the Executive Committee on 1 May 2017.

7 —— Kevin Corbally
Group Chief Risk Officer
Joined the Executive Committee on 19 March 2018.

8 —— Mark Whelan
Group Executive Institutional
Joined the Executive Committee* on 20 October 2014.

9 —— Antonia Watson
Chief Executive Officer New Zealand
Joined the Executive Committee on 17 June 2019.

10 —— Shayne Elliott
Chief Executive Officer
(appointed CEO on 1 January 2016).
Joined the Executive Committee* on 1 June 2009.

11 —— Michelle Jablko
Chief Financial Officer
Joined the Executive Committee on 18 July 2016.

12 —— Mark Hand
Group Executive Australia Retail and Commercial Banking
Joined the Executive Committee on 15 May 2018.

*previously known as Management Board.

Full biography details can be found on our website at anz.com/exco.

Board areas of focus

The Board and its Committees engage in key strategic, governance and oversight activities each year. The list below is not a comprehensive list of all the matters but is illustrative to provide stakeholders with an insight into some of the key matters considered by the Board during the year.

CRISIS MANAGEMENT

Over the year, Australia and the world has faced many crises, and the Board and its Committees have played an active role in providing oversight of the impact of and ANZ's response to, them, including the bushfires in Australia and the COVID-19 pandemic.

In relation to the Australian bushfires, this included reviewing ANZ's customer relief response, the impact to our customers, staff and the economy generally, ANZ's public commitments and contributions, and ANZ's next steps to support ongoing resilience for communities affected by this and future disasters. In addition to this, the Board attended a bushfire marketplace where ANZ hosted at its Melbourne Head Office small business customers and their peers who had been impacted by the devastating bushfires in Victoria where customers sold their goods and services.

In relation to the COVID-19 pandemic, the Board adopted a multi-faceted approach utilising the range of its Committees as well as discussions at the Board itself. At the onset of the pandemic, Directors received a weekly informal briefing as to developments, supplemented with more detailed discussions at Board and Committee meetings.

Key topics of those discussions included:

- the measures put in place to support our customers, customer take up of those measures, ANZ's delivery of those measures and ongoing communications with impacted customers;
- the impact of the pandemic on the economy (domestic and international, looking at both the immediate and longer-term impacts of the pandemic), on various industries, and ANZ's risk approach to them, including risk appetite settings;
- discussions regarding the impact of the pandemic on the financial performance and position of the Group, including in relation to capital requirements and the payment of dividends to shareholders;
- the impact of the pandemic on ANZ's people, and the different geographic responses undertaken in the jurisdictions ANZ operates in, the steps ANZ was taking to protect and support its people and to prepare and equip them for operating remotely, including looking at the potential cultural impacts this may have.

The Board also had numerous discussions in relation to geopolitical matters and their potential impact on ANZ's operations.

RISK, REGULATION AND REPUTATION

The Board and its Committees also continued overseeing the important work being carried out by Management to implement the lessons learnt from the Royal Commission, progress against ANZ's self-assessment roadmap, as well as ANZ's approach to improving organisational and risk culture.

In addition, the Board continued its oversight of customer remediation, highlighting the importance to the Group of redressing customers when things go wrong and providing oversight of prevention and detection activities.

The Board and its Committees also had detailed and regular updates in relation to interactions with regulators around the world, including ASIC, APRA, AUSTRAC, AFCA, RBNZ, FMA and MAS. Directors also met with key regulators during the course of the year with the purpose of maintaining constructive and two-way dialogue.

The Board and its Committees also had numerous meetings in relation to developing ANZ's Compliance Strategy, its approach to the management of non-financial risks, risk appetite settings and the triennial independent review of ANZ's approach to compliance with APRA Prudential Standard CPS 220 "Risk Management".

The Board and its Committees also discussed key environmental and social risk matters, including ANZ's approach to climate change, reviewing and approving ANZ's Climate Change Statement, reviewing ANZ's industry association alignment with climate policy and changes to Modern Slavery and Human Rights laws.

ENGAGEMENT

In addition to the informal briefings around the COVID-19 pandemic, meetings with regulators and attending the bushfire marketplace outlined above, the Directors continued their approach to meeting with customers, staff and investors, both in person and virtually.

This included having a virtual session with all of ANZ's Country Heads to discuss topical matters impacting their businesses.

A subset of Directors played an active role in attending meetings with Management throughout the year to actively engage and challenge their approach to stress testing the portfolio against severe but plausible events to inform risk appetite setting and capital planning processes.

Prior to the pandemic, the Board had established regular meetings in diverse geographic areas with a view to maximising interactions with customers, staff and other stakeholders. It is envisaged that this will continue when the environment allows it. During the financial year, the Board held physical meetings in Melbourne, Sydney and Brisbane.

STRATEGY AND THE FUTURE

The Board and its Committees continued to focus on longer-term strategic matters. Directors participated in an annual Board strategy session utilising internal and external experts to challenge and provide different points of view to assist the Board and Management in setting the strategic direction of the Group.

The Board received regular updates on the implementation of the Group's strategy from the Chief Executive Officer, and corresponding updates from Risk and Internal Audit in relation to their assessments of the risks associated with Management's approach to implementing the strategy.

The Board also received numerous updates in relation to the strategic approach to digitally transform its Australian Retail and Commercial business.

Finally, the Board carried out succession planning in respect of the Chairman, with the Board appointing Paul O'Sullivan to succeed David Gonski, following his retirement on 28 October 2020.

Directors' qualifications, experience and special responsibilities

As at the date of this review, the Board comprises seven Non-Executive Directors and one Executive Director, the Chief Executive Officer. David Gonski was Chairman and a Non-Executive Director from 2014 until his retirement in October 2020. The names of the current Directors, together with details of their qualifications, experience and special responsibilities are set out below.

- Audit Committee
- Ethics, Environment, Social and Governance Committee
- Risk Committee
- Human Resources Committee
- Digital Business and Technology Committee
- Nomination and Board Operations Committee

Paul O'Sullivan

CHAIR

MEMBER

POSITION

Chairman, Independent Non-Executive Director

QUALIFICATIONS

BA (Mod) Economics, Advanced Management Program of Harvard

RESPONSIBILITIES

Chairman since October 2020 and a Non-Executive Director since November 2019.

Paul is an ex-officio member of all Board Committees and Chair of the Ethics, Environment, Social and Governance Committee and the Nomination and Board Operations Committee.

CAREER

Paul has experience in the telecommunications and oil and gas sectors, both in Australia and overseas. He has held senior executive roles with Singapore Telecommunications (Singtel) and was previously the CEO of Optus. He has also held management roles with the Colonial Group and the Royal Dutch Shell Group in Canada, the Middle East, Australia and United Kingdom.

RELEVANT OTHER DIRECTORSHIPS

Chairman: Singtel Optus Pty Limited (from 2014, Director from 2004) and Western Sydney Airport Corporation (from 2017).

Director: Coca-Cola Amatil (from 2017), Telkomsel Indonesia (from 2010) and St Vincent's Health Australia (from 2019).

RELEVANT FORMER DIRECTORSHIPS HELD IN LAST THREE YEARS INCLUDE

Former Director: Healthscope Limited (2016–2019) and National Disability Insurance Agency (2017–2020).

Age | 60 years **Residence** | Sydney, Australia

Shayne Elliott

POSITION

Chief Executive Officer and Executive Director

QUALIFICATIONS

BCom

RESPONSIBILITIES

Chief Executive Officer and Executive Director since 1 January 2016.

CAREER

Shayne has over 30 years' experience in banking in Australia and overseas, in all aspects of the industry. Shayne joined ANZ as CEO Institutional in June 2009, and was appointed Chief Financial Officer in 2012.

Prior to joining ANZ, Shayne held senior executive roles at EFG Hermes, the largest investment bank in the Middle East, which included Chief Operating Officer. He started his career with Citibank New Zealand and worked with Citibank/Citigroup for 20 years, holding various senior positions across the UK, USA, Egypt, Australia and Hong Kong.

Shayne is a Director of the Financial Markets Foundation for Children and a member of the Australian Banking Association, the Business Council of Australia and the Australian Customs Advisory Board.

RELEVANT OTHER DIRECTORSHIPS

Director: ANZ Bank New Zealand Limited (from 2009) and the Financial Markets Foundation for Children (from 2016).

Member: Business Council of Australia (from 2016), the Australian Banking Association (from 2016, Chairman 2017-2019) and the Australian Customs Advisory Board (from 2020).

Age | 56 years **Residence** | Melbourne, Australia

Ilana Atlas, AO

CHAIR

MEMBER

POSITION

Independent Non-Executive Director

QUALIFICATIONS

BJuris (Hons), LLB (Hons), LLM

RESPONSIBILITIES

Non-Executive Director since September 2014. Ilana is Chair of the Human Resources Committee and is a member of the Audit Committee, Ethics, Environment, Social and Governance Committee and the Nomination and Board Operations Committee.

CAREER

Ilana brings a strong financial services background and legal experience to the Board. Ilana was a partner at law firm Mallesons Stephen Jaques (now King & Wood Mallesons), where in addition to her practice in corporate law, she held a number of management roles in the firm including Executive Partner, People and Information, and Managing Partner. She also worked at Westpac for 10 years, where her roles included Group Secretary and General Counsel and Group Executive, People, where she was responsible for human resources, corporate affairs and sustainability. Ilana has a strong commitment to the community, in particular the arts and education.

RELEVANT OTHER DIRECTORSHIPS

Chairman: Coca-Cola Amatil Limited (from 2017, Director from 2011) and Jawun (from 2017, Director from 2014).

Director: Paul Ramsay Foundation (from 2017).

Member: Panel of Adara Partners (from 2015).

RELEVANT FORMER DIRECTORSHIPS HELD IN LAST THREE YEARS INCLUDE

Former Director: OneMarket Limited (2018-2019), Westfield Corporation Limited (2014–2018), Human Rights Law Centre Ltd (2012–2017) and Treasury Corporation of New South Wales (2013–2017).

Former Fellow: Senate of the University of Sydney (2015–2019).

Age | 66 years **Residence** | Sydney, Australia

Directors' qualifications, experience and special responsibilities continued

Paula Dwyer

CHAIR

MEMBER

POSITION

Independent Non-Executive Director

QUALIFICATIONS

BCom, FCA, SF Fin, FAICD

RESPONSIBILITIES

Non-Executive Director since April 2012. Paula is Chair of the Audit Committee and is a member of the Risk Committee, Human Resources Committee and Nomination and Board Operations Committee.

CAREER

Paula has extensive experience in financial markets, corporate finance, risk management and investments, having held senior executive roles at Calibre Asset Management, Ord Minnett (now J P Morgan) and at Price Waterhouse (now PricewaterhouseCoopers). Her career as a company director spans financial services, investment, insurance, healthcare, gambling and entertainment, fast moving consumer goods, property and construction and retailing sectors. Paula has a strong interest in education and medical research, having served as a member of the Geelong Grammar School Council and the Business and Economics Faculty at the University of Melbourne and as Deputy Chairman of Baker IDI.

RELEVANT OTHER DIRECTORSHIPS

Chairman: Tabcorp Holdings Limited (from 2011, Director from 2005), Kin Group Advisory Board (from 2014) and Allianz Australia Limited (from 2020, Director from 2019).

Director: Lion Pty Ltd (from 2012).

Member: Kirin International Advisory Board (from 2012) and Australian Government Takeovers Panel (from 2017).

RELEVANT FORMER DIRECTORSHIPS HELD IN LAST THREE YEARS INCLUDE

Former Chairman: Healthscope Limited (2014-2019).

Age | 60 years **Residence** | Melbourne, Australia

Jane Halton, AO PSM

CHAIR

MEMBER

POSITION

Independent Non-Executive Director

QUALIFICATIONS

BA (Hons) Psychology, FIPAA, Hon. FAAHMS, Hon. FACHSE, Hon. DLitt, FAIM , FAICD

RESPONSIBILITIES

Non-Executive Director since October 2016. Jane is Chair of the Digital Business and Technology Committee and is a member of the Human Resources Committee, Ethics, Environment, Social and Governance Committee and Nomination and Board Operations Committee.

CAREER

Jane's 33 year career in the public service includes the positions of Secretary of the Australian Department of Finance, Secretary of the Australian Department of Health, Secretary for the Department of Health and Ageing, and Executive Co-ordinator (Deputy Secretary) of the Department of the Prime Minister and Cabinet. She brings to the Board extensive experience in finance, insurance, risk management, information technology, human resources, health and ageing and public policy. She also has significant international experience.

Jane has contributed extensively to community health through local and international organisations including the World Health Organisation and National Aboriginal and Torres Strait Islander Health Council.

RELEVANT OTHER DIRECTORSHIPS

Chairman: Vault Systems (from 2017), Coalition for Epidemic Preparedness Innovations (Norway) (from 2018, Member from 2016) and Council on the Ageing Australia (from 2017).

Director: Clayton Utz (from 2017) and Crown Resorts Limited (from 2018).

Member: Executive Board of the Institute of Health Metrics and Evaluation at the University of Washington (from 2007) and National COVID-19 Commission Advisory Board (from 2020).

Adjunct Professor: University of Sydney and University of Canberra.

Council Member: Australian Strategic Policy Institute (from 2016).

Age | 60 years **Residence** | Canberra, Australia

RT Hon Sir John Key, GNZM AC

MEMBER

POSITION

Independent Non-Executive Director

QUALIFICATIONS

BCom, DCom (Honoris Causa)

RESPONSIBILITIES

Non-Executive Director since February 2018. Sir John is a member of the Ethics, Environment, Social and Governance Committee, Risk Committee, Digital Business and Technology Committee and Nomination and Board Operations Committee.

CAREER

Sir John was Prime Minister of New Zealand from 2008 to 2016, having commenced his political career in 2002. Sir John had a long career in international finance, primarily for Bankers Trust in New Zealand and Merrill Lynch in Singapore, London and Sydney. He was previously a member of the Foreign Exchange Committee of the Federal Reserve Bank of New York (from 1999 to 2001).

Sir John was made a Knight Grand Companion of the New Zealand Order of Merit in the 2017 Queen's Birthday Honours. In 2017 Sir John became a Companion of the Order of Australia for advancing the Australia-New Zealand bilateral relationship.

RELEVANT OTHER DIRECTORSHIPS

Chairman: ANZ Bank New Zealand Limited (from 2018, Director from 2017).

Director: Palo Alto Networks (from 2019).

RELEVANT FORMER DIRECTORSHIPS HELD IN LAST THREE YEARS INCLUDE

Former Chairman: The International Democratic Union (2014–2018).

Former Director: Air New Zealand Limited (2017-2020).

Age | 59 years Residence | Auckland, New Zealand

Graeme Liebelt

CHAIR

MEMBER

POSITION

Independent Non-Executive Director

QUALIFICATIONS

BEc (Hons), FAICD, FTSE, FIML

RESPONSIBILITIES

Non-Executive Director since July 2013. Graeme is Chair of the Risk Committee and is a member of the Audit Committee, Human Resources Committee and Nomination and Board Operations Committee.

CAREER

Graeme brings to the Board his experience of a 23-year executive career with Orica Limited (including a period as Chief Executive Officer), a global mining services company with operations in more than 50 countries. He has extensive international experience and a strong record of achievement as a senior executive, including in strategy development and implementation. Graeme is committed to global trade and cooperation, as well as community education.

RELEVANT OTHER DIRECTORSHIPS

Chairman: Amcor Limited (from 2013, Director from 2012)

Director: Australian Foundation Investment Company Limited (from 2012) and Carey Baptist Grammar School (from 2012).

RELEVANT FORMER DIRECTORSHIPS HELD IN LAST THREE YEARS INCLUDE

Former Chairman: DuluxGroup Limited (2018–2019, Director from 2016).

Age | 66 years Residence | Melbourne, Australia

Directors' qualifications, experience and special responsibilities continued

John Macfarlane

MEMBER

POSITION

Independent Non-Executive Director

QUALIFICATIONS

BCom, MCom (Hons)

RESPONSIBILITIES

Non-Executive Director since May 2014. John is a member of the Audit Committee, Risk Committee, Digital Business and Technology Committee and Nomination and Board Operations Committee.

CAREER

John is one of Australia's most experienced international bankers having previously served as Executive Chairman of Deutsche Bank Australia and New Zealand, and CEO of Deutsche Bank Australia. John has also worked in the USA, Japan and PNG, and brings to the Board a depth of banking experience in ANZ's key markets in Australia, New Zealand and the Asia Pacific. He is committed to community health, and is a Director of the Aikenhead Centre of Medical Discovery Limited (from 2016).

RELEVANT OTHER DIRECTORSHIPS

Director: Colmac Group Pty Ltd (from 2014), AGInvest Holdings Limited (MyFarm Limited) (from 2014, Chairman 2014–2016), Balmoral Pastoral Investments (from 2017) and L1 Long Short Fund (from 2018).

RELEVANT FORMER DIRECTORSHIPS HELD IN LAST THREE YEARS INCLUDE

Former Director: St Vincent's Institute of Medical Research (2008–2019) and Craigs Investment Partners Limited (2013-2020).

Age | 60 years   Residence | Melbourne, Australia

Company Secretaries' qualifications and experience

Currently there are two people appointed as Company Secretaries of the Company. Details of their roles are contained in the Corporate Governance Statement.

Their qualifications and experience are as follows

Ken Adams

POSITION

Group General Counsel

QUALIFICATIONS

BA, LLB, LLM

Ken joined ANZ as Group General Counsel in August 2019, having assisted ANZ with major legal issues for over 10 years. Prior to ANZ, Ken was a Partner of Freehills and later Herbert Smith Freehills for 21 years, and for 6 years was a member of the Herbert Smith Freehills Global Board. Ken is one of Australia's leading commercial lawyers with significant experience in class actions, and complex problems requiring strategic and multi-disciplinary analysis. He holds a Master of Laws from the University of Melbourne and is a co-author of *Class Actions in Australia*.

Simon Pordage

POSITION

Company Secretary

QUALIFICATIONS

LLB (Hons), FGIA, FCG (CS, CGP)

Simon joined ANZ in May 2016. He is a Chartered Secretary and Chartered Governance Practitioner and has extensive company secretarial and corporate governance experience. From 2009 to 2016 he was Company Secretary for Australian Foundation Investment Company Limited and a number of other listed investment companies. Other former roles include being Deputy Company Secretary for ANZ and Head of Board Support for Barclays PLC in the United Kingdom.

He is a formal brand ambassador for, and is a former National President and Chairman of, Governance Institute of Australia, and is a member and former Chairman of its National Legislation Review Committee. Simon is committed to the promotion and practice of good corporate governance, and regularly presents on governance issues.

Risk management

2020 has seen the external operating environment dramatically impacted by a number of events, notably the COVID-19 pandemic, the effects of which continue to unfold. The strength of the ANZ Risk Management Framework has underpinned our response to the crisis. It has provided the flexibility to adapt to the rapidly changing environment while maintaining sound risk management practices.

Our progress

This year we have continued to invest in our Risk Management Framework, processes and systems which has further strengthened our ability to respond to changes in our existing risks but also deal with new risks that have been introduced through the increasingly complex external environment, with particular focus on the areas outlined below:

COVID-19

In response to the COVID-19 pandemic, we developed a range of support measures to assist employees and customers, and to maintain safe and secure operations. The risk management function contributed to the successful execution of this support, including through:

- Enactment of our Business Continuity Plan enabling our operations to respond swiftly to the changing environment without material disruption to critical business services. This allowed us to continue operating through the pandemic by:
  - scaling of remote working capacity, enabling the majority of non-branch employees to work productively from home
  - ensuring no material impacts on critical business services
  - remaining agile and able to adapt to changing conditions in line with government restrictions.
- Continued partnering with our businesses to protect the bank by:
  - prioritising the re-rating of the Wholesale book, with re-ratings complete for 93% of our total Institutional portfolio, 74% of our total Commercial Australia portfolio, and 83% of our New Zealand Commercial & Agri portfolios; and
  - undertaking a series of industry deep dives and stress tests across our portfolios to assess potential credit outcomes.
- Investment in systems, providing:
  - enhanced data analytics to better analyse and observe customer behaviour
  - an improved collections and hardship platform that enables customers to manage their arrears online while facilitating holistic conversations with customers about their financial situation.

Culture and conduct

- We recognise that an ethical culture is a pre-determinant for us to deliver on our strategy, and that in order to prevent unfair customer outcomes we need to be able to identify and understand any behavioural misalignment in order to take corrective action. This year, to further enhance how we measure, monitor and manage conduct risk, we have explored the use of behavioural science techniques to improve compliant behaviour and will look to apply the methodology more broadly in the coming year.
- In order to align with ANZ's aspirational culture, priorities for this year have continued to focus on transforming behaviours through: focusing on 'speak-up'; continuing to strengthen our Accountability and Consequence Framework; fortifying leadership; further embedding the new remuneration, recognition and performance management framework; listening and responding to our people; and fostering an 'always learning' culture.
- Risk culture (as a critical component of our organisational culture) remains an important focus for the organisation. In addition to targeted initiatives created to enhance elements of our risk culture, our evolution to a more explicit and simple approach to the management and measurement of risk culture will allow us to more easily monitor progress towards our desired risk culture state, and assess the effectiveness of our actions.

Non-financial risk

We are continuing to improve the way in which we manage our obligations and operational risks, following the redesign and simplification of our non-financial risk framework in 2019. Our Compliance and Operational Risk Strategy provides a comprehensive, proactive and well-planned approach to improving ANZ's management of non-financial risk, guided by our purpose and contributing to the bank's strategic priority to improve the financial wellbeing of our customers.

Financial crime

Protecting the Australian banking system from criminal use is one of our most important roles. We continue to invest in our financial crime risk management program to ensure we regularly assess and manage our financial crime risks. Our program is designed to be compliant with our financial crime obligations and we report information that is useful to government authorities to disrupt financial crime. Further information is in our 2020 ESG Supplement available at anz.com/cs.

Emerging risks

The risk landscape is continually evolving and we are therefore constantly reviewing issues to consider their materiality to the bank's operations.

Three risks that continue to evolve and that we seek to better understand are:

Geopolitical risk: We continue to closely monitor and support our businesses to manage ongoing geopolitical tensions and uncertainty.

Cybersecurity risk: Our approach to mitigating cybersecurity risk involves a range of controls relying on people, technology and process and we are continually testing our defences internally and through independent third parties. For further detail on our approach to cybersecurity risk refer to pages 19 to 20.

Climate change risk: The financial risks associated with climate change remain a key focus. Developing an enhanced risk management framework that anticipates potential climate-related impacts, and associated regulatory requirements is a priority. We have set a new ESG target to develop this enhanced framework by FY22. For further detail on our approach to climate-related financial risk refer to pages 34 to 35.

Our Risk Management Framework

The Board is responsible for establishing and overseeing the Group's Risk Management Framework (RMF). The Board has delegated authority to the Board Risk Committee (BRC) to develop and monitor compliance with the Group's risk management policies. The Committee reports regularly to the Board on its activities. The key pillars of the Group's RMF include:

- the Risk Appetite Statement (RAS), which sets out the Board's expectations regarding the degree of risk that the Group is prepared to accept in pursuing its strategic objectives and its operating plan; and
- the Risk Management Statement (RMS), which describes the Group's strategy for managing risks and a summary of the key elements of the RMF that give effect to that strategy. The RMS includes: a description of each material risk; and an overview of how the RMF addresses each risk, with reference to the relevant policies, standards and procedures. It also includes information on how the Group identifies, measures, evaluates, monitors, reports and then either controls or mitigates material risks.

The Group operates a Three Lines-of-Defence Model in regard to risk management that helps embed a culture where risk is everyone's responsibility. The business – as the first line of defence – has day to day ownership of risks and controls and is accountable for identifying and managing its own risks. The Group Risk function is the second line of defence, providing a strong and independent oversight of the work undertaken to manage the risk, as well as developing and maintaining the RMF. The final line of defence is Internal Audit and includes independent assurance that evaluates the adequacy and effectiveness of both first and second line risk management approaches.

The governance and oversight of risk, while embedded in day-to-day activities, is also the focus of committees and regular forums across the bank (see diagram next page). The committees and forums discuss and monitor known and emerging risks, reviewing management plans and monitoring progress to address known issues.

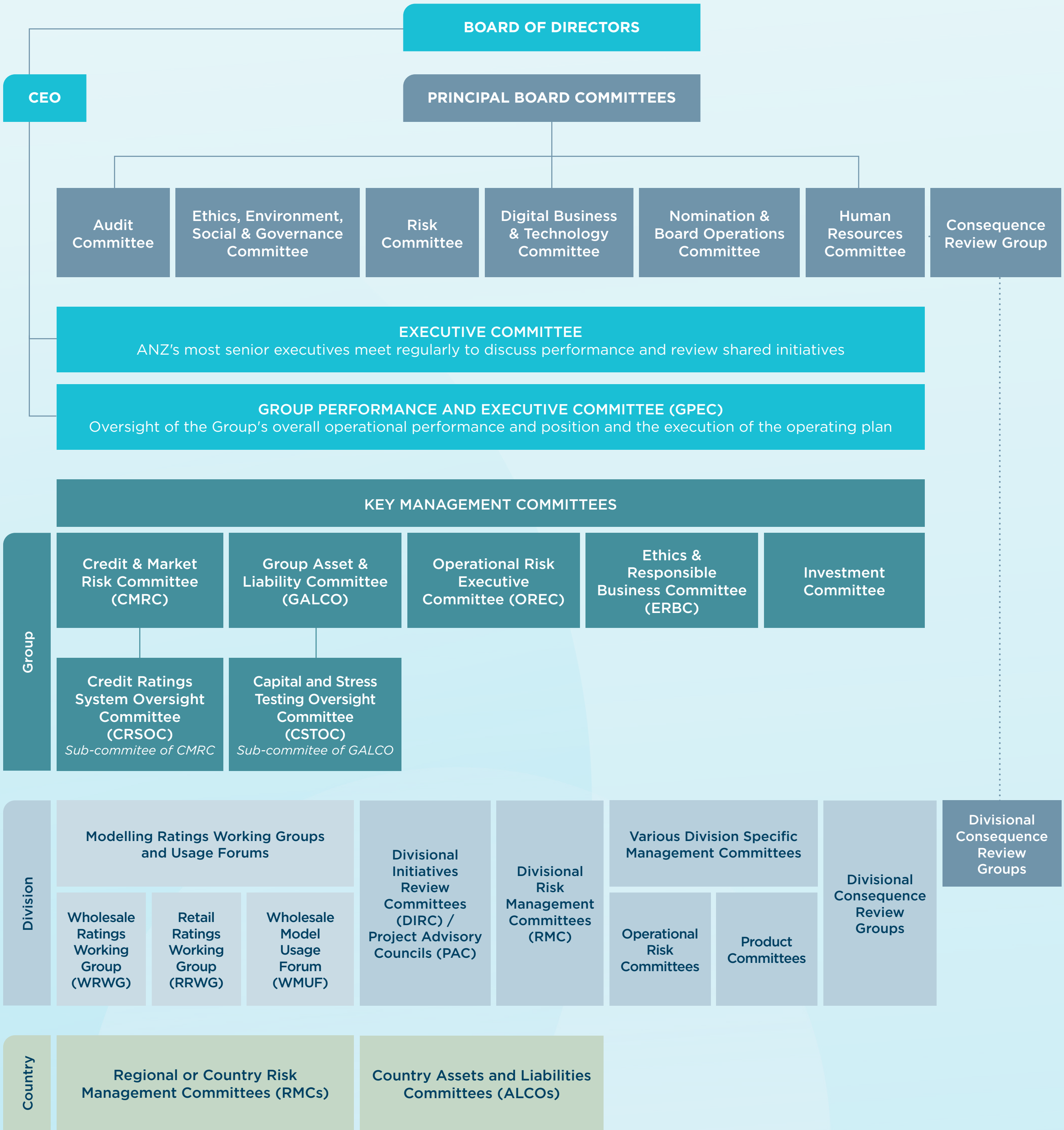
"The strength and adaptability of the bank's risk function has played a key role in helping navigate the organisation through the current changing environment."

Kevin Corbally, Chief Risk Officer

LINKS TO 2020 GROUP PERFORMANCE FRAMEWORK

COVID-19 introduced a range of both new and increased risks for ANZ, our employees and our customers. Our existing strong Risk Management Framework enabled us to respond well to these risks. We have continued to develop and improve our financial and operational resilience and have maintained our focus on managing risk controls, demonstrating accountability for fixing issues in a timely and sustainable manner. Strong progress continues on risk culture maturity, evidenced in employee engagement scores, with 'Leaders accountable for risk' (87%) – up on 2019, and 'Raise issues without fear of reprisal' (74%) – also up on 2019.

See section 4.5.3 of the Remuneration report for more details.


BOARD OF DIRECTORS
CEO
PRINCIPAL BOARD COMMITTEES
Audit Committee
Ethics, Environment, Social & Governance Committee
Risk Committee
Digital Business & Technology Committee
Nomination & Board Operations Committee
Human Resources Committee
Consequence Review Group
EXECUTIVE COMMITTEE
ANZ's most senior executives meet regularly to discuss performance and review shared initiatives
GROUP PERFORMANCE AND EXECUTIVE COMMITTEE (GPEC)
Oversight of the Group's overall operational performance and position and the execution of the operating plan
KEY MANAGEMENT COMMITTEES
Group
Credit & Market Risk Committee (CMRC)
Group Asset & Liability Committee (GALCO)
Operational Risk Executive Committee (OREC)
Ethics & Responsible Business Committee (ERBC)
Investment Committee
Credit Ratings System Oversight Committee (CRSOC)
Sub-commitee of CMRC
Capital and Stress Testing Oversight Committee (CSTOC)
Sub-commitee of GALCO
Division
Modelling Ratings Working Groups and Usage Forums
Wholesale Ratings Working Group (WRWG)
Retail Ratings Working Group (RRWG)
Wholesale Model Usage Forum (WMUF)
Divisional Initiatives Review Committees (DIRC) / Project Advisory Councils (PAC)
Divisional Risk Management Committees (RMC)
Various Division Specific Management Committees
Operational Risk Committees
Product Committees
Divisional Consequence Review Groups
Divisional Consequence Review Groups
Country
Regional or Country Risk Management Committees (RMCs)
Country Assets and Liabilities Committees (ALCOs)

Key material risks

The material risks facing the group per the group's Risk Management Statement, and how these risks are managed, are summarised below. Note as part of the annual review of our Risk Management Strategy we have removed reputational risk as a key material risk. We recognise that reputational risk is largely a consequence of the impact of other material risks. Reputational consequences are therefore mitigated through the appropriate management of other material risks.

Risk type	Description	Managing the risk	Material ESG issues[1]
Capital Adequacy Risk	The risk of loss arising from the Group failing to maintain the level of capital required by prudential regulators and other key stakeholders (shareholders, debt investors, depositors, rating agencies, etc.) to support ANZ's consolidated operations and risk appetite.	We pursue an active approach to Capital Management through ongoing review, and Board approval, of the level and composition of our capital base against key policy objectives.	
Compliance Risk	The risk of failure to act in accordance with laws, regulations, industry standards and codes, internal policies and procedures and principles of good governance as applicable to the Group's businesses.	Key features of how we manage Compliance Risk as part of our Operational Risk and Compliance Framework include: • centralised management of key obligations, and emphasis on identifying changes in regulations and the business environment, so as to enable us to proactively assess emerging compliance risks and implement robust reporting and certification processes. • recognition of incident management as a separate element to enhance ANZ's ability to identify, manage and report on incidents/breaches in a timely manner. • the Whistleblower Protection Policy allowing employees and contractors to make confidential, anonymous submissions regarding concerns relating to accounting, internal control, compliance, audit and other matters.	
Credit Risk	The risk of financial loss resulting from: • a counterparty failing to fulfil its obligations; or • a decrease in credit quality of a counterparty resulting in a financial loss Credit Risk incorporates the risks associated with us lending to customers who could be impacted by climate change or by changes to laws, regulations, or other policies adopted by governments or regulatory authorities, including carbon pricing and climate change adaptation or mitigation policies.	Our Credit Risk framework is top down, being defined by credit principles and policies. Credit policies, requirements and procedures cover all aspects of the credit life cycle — for example: transaction structuring, risk grading, initial approval, ongoing management and problem debt management, as well as specialist policy topics.	
Liquidity and Funding Risk	The risk that the Group is unable to meet its payment obligations as they fall due, including: • repaying depositors or maturing wholesale debt; or • the Group having insufficient capacity to fund increases in assets.	Key principles in managing our Liquidity and Funding Risk include: • maintaining our ability to meet liquidity 'survival horizons' under a range of stress scenarios to meet cash flow obligations over a short-to-medium term horizon; • maintaining a strong structural funding profile; and • maintaining a portfolio of high-quality liquid assets to act as a source of liquidity in times of stress.	

Risk type	Description	Managing the risk	Material ESG issues[1]
Market Risk	The risk to the Group's earnings arising from: • changes in any interest rates, foreign exchange rates, credit spreads, volatility, and correlations; or • fluctuations in bond, commodity or equity prices.	Our risk management and control framework for Market Risk involves us quantifying the magnitude of market risk within the trading and balance sheet portfolios through independent risk measurement. This identifies the range of possible outcomes, the likely timeframe, and the likelihood of the outcome occurring. Then we allocate an appropriate amount of capital to support these activities.	
Operational Risk	The risk of loss and/or non-compliance with laws resulting from inadequate or failed internal processes, people and/or systems, or from external events. This definition includes legal risk, and the risk of reputation loss, or damage arising from inadequate or failed internal processes, people and systems, but excludes strategic risk.	We operate a three-lines-of-defence model to manage Operational Risk, with each line of defence having defined roles, responsibilities and escalation paths to support effective communication and effective management of our operational risk. We also have ongoing review mechanisms to ensure Operational Risk and Compliance Framework continues to meet organisational needs and regulatory requirements.	
Strategic Risk	Risks that affect or are created by an organisation's business strategy and strategic objectives. Strategic risk might arise from making poor strategic business decisions, from the sub-standard execution of decisions, from inadequate resource allocation, or from a failure to respond well to changes in the business environment.	We consider and manage strategic risks through our annual strategic planning process, managed by the Executive Committee and approved by the Board. Where the strategy leads to an increase in other Key Material Risks (e.g. Credit Risk, Market Risk, Operational Risk) the risk management strategies associated with these risks form the primary controls.	
Technology Risk	The risk of loss and/or non-compliance with laws resulting from inadequate or failed internal processes, people and systems or from external events impacting on IT assets, including the compromise of an IT asset's confidentiality, integrity or availability.	Technology Risk is managed in accordance with ANZ's Operational Risk and Compliance Framework, which is consistent with the management of Operational Risk.	

Fairness and ethical conduct

Fraud and data security

Customer experience

Corporate governance

Digital innovation

For further information about the principal risks and uncertainties that the Group faces, see our "Principal Risks and Uncertainties" disclosure available at **anz.com/shareholder/centre.**

1. See page 3 for information on our material ESG issues

Performance overview

GROUP PERFORMANCE

The results of the Group's operations and financial position are set out on pages 54-71. Page 11 outlines the Group's strategy and pages 10-27 describes in further detail the Group's prospects in terms of future financial position and performance. Discussion of our approach to risk management, including a summary of our key material risks is outlined on pages 49-53.

Statutory profit after tax for the year ended 30 September 2020 decreased 40% on the prior year to $3,577 million. Statutory return on equity is 5.9% and statutory earnings per share is 126.4 cents, a decrease of 40% on prior year.

GROUP PROFIT RESULTS

	2020		2019	
Income Statement	Statutory $m	Cash $m	Statutory $m	Cash $m
Net interest income	14,049	14,049	14,339	14,339
Other operating income	3,588	3,703	4,446	4,690
Operating income	17,637	17,752	18,785	19,029
Operating expenses	(9,383)	(9,383)	(9,071)	(9,071)
Profit before credit impairment and income tax	8,254	8,369	9,714	9,958
Credit impairment charge	(2,738)	(2,738)	(794)	(795)
Profit before income tax	5,516	5,631	8,920	9,163
Income tax expense	(1,840)	(1,872)	(2,609)	(2,678)
Non-controlling interests	(1)	(1)	(15)	(15)
Profit after tax from continuing operations	3,675	3,758	6,296	6,470
Profit/(Loss) after tax from discontinued operations	(98)	(98)	(343)	(309)
Profit for the year	3,577	3,660	5,953	6,161

The Group uses cash profit, a non-IFRS measure, to assess the performance of its business activities. It is an industry-wide measure which enables comparison with our peer group. We calculate cash profit by adjusting statutory profit for non-core items. In general, it represents the financial performance of our core business activities. We use cash profit internally to set targets and incentivise our Senior Executives and leaders through our remuneration plans.

Refer to page 56 for adjustments between statutory and cash profit.

Cash profit is not subject to audit by the external auditor. Our external auditor has informed the Audit Committee that adjustments between statutory and cash profit have been determined on a consistent basis across each of the periods presented.

As a result of the sale of our OnePath pensions and investment (OnePath P&I) and aligned dealer groups (ADG) businesses to IOOF Holdings Limited and our life insurance business to Zurich Financial Services Australia, the financial results of these businesses and associated Group reclassification and consolidation impacts are treated as discontinued operations from a financial reporting perspective (refer to page 67).

CORONAVIRUS (COVID-19)

The ongoing COVID-19 pandemic is causing major disruptions to community health and economic activity with wide-ranging impacts across many business sectors in Australia, New Zealand and globally. Additionally, many of the Group's customers have been impacted by the COVID-19 pandemic. As a result, during the year the Group launched support packages for retail and commercial customers in Australia and New Zealand, including the option of an up to six-month loan repayment deferral. The Group is continuing to work with customers impacted by COVID-19 to restructure loans and in some circumstances will provide an extension to loan repayment deferrals for a further period.

Regulators and governments have implemented a broad range of measures to promote financial stability in response to COVID-19. Those measures implemented by governments and regulators in Australia and New Zealand include financial assistance packages for homeowners and businesses, liquidity and funding initiatives to strengthen the banking system, and regulatory changes to capital requirements.

The ongoing COVID-19 pandemic has also increased the estimation uncertainty in the preparation of the financial statements. The Group has made various accounting estimates for future events in the financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at 30 September 2020 and that the Group believes are reasonable under the circumstances. There is a considerable degree of judgement involved in preparing these estimates. The underlying assumptions are also subject to uncertainties which are often outside the control of the Group. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in the financial statements.

While pervasive across the financial statements, the estimation uncertainty is predominantly related to expected credit losses where the Group recognised a credit impairment charge of $2.7 billion pre-tax in the year ended 30 September 2020, the fair value measurement and recoverable amount assessments of non-financial assets where the Group recognised an impairment charge of $815 million in respect of two of the Group's Asian associate investments and an impairment charge of $77 million in respect of goodwill. For further details of these estimation uncertainties refer to the detailed notes in the financial statements. The ramifications of COVID-19 continue to be uncertain and it remains difficult to predict the impact or duration of the pandemic.

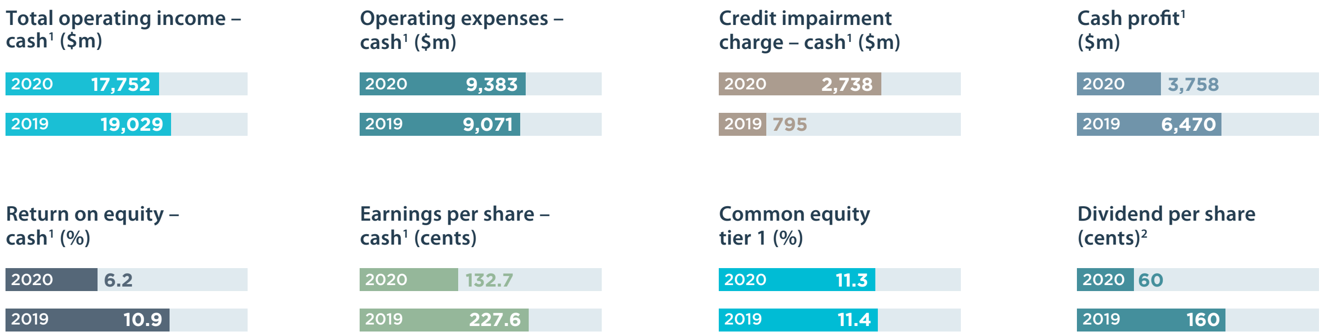
ACCOUNTING STANDARDS ADOPTED

During the September 2020 full year, the Group adopted AASB 16 *Leases* (AASB 16) and applied a modified retrospective transition approach in recognising all leases (except for leases of low value assets and short term leases) on the balance sheet based on the present value of remaining lease payments as of 1 October 2019. Consequently on 1 October 2019 the Group recognised an increase in lease liabilities of $1.7 billion, a right-of-use lease asset of $1.6 billion, an increase in deferred tax assets of $37 million and a net reduction to opening retained earnings of $88 million. For further details on key requirements and impacts of the changes refer to Note 1 of the consolidated financial statements.

The Group early adopted AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform from 1 October 2019. The standard modifies certain hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by interest rate benchmark reform. For further details on interest rate benchmark reform refer Note 1 of the consolidated financial statements.

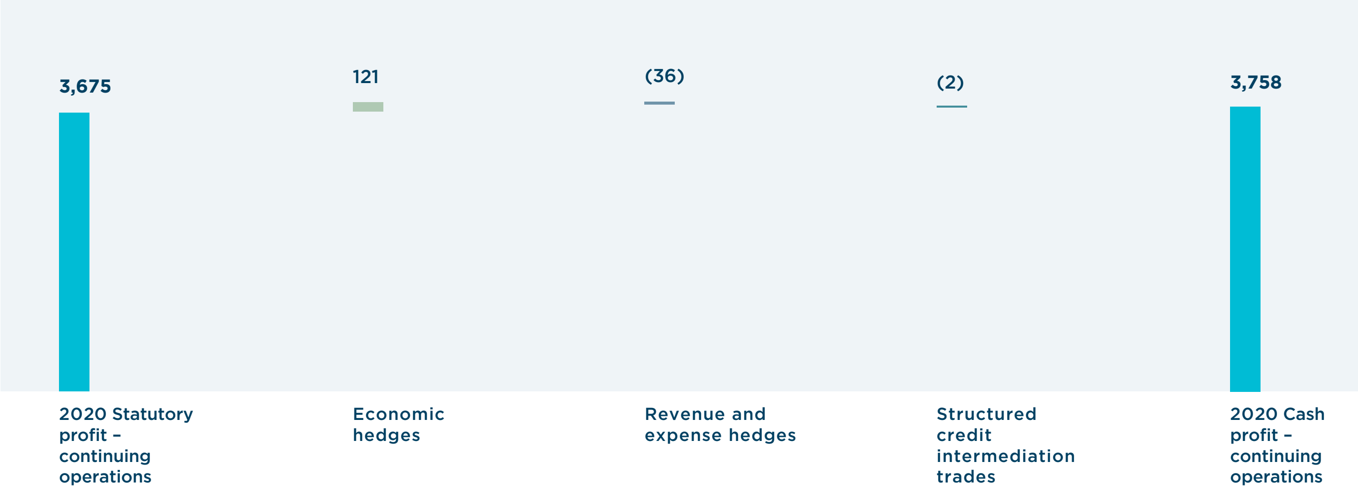
CONTINUING OPERATIONS

We believe cash profit from continuing operations is a particularly important performance measure as we continue to strategically reposition ourselves to create a simpler, better capitalised, better balanced and more agile bank. Key measures of our financial position and performance are set out below.



1. Information has been presented on a cash profit from continuing operations basis. Discontinued operations are detailed on page 67.
2. The Directors propose a final dividend of 35 cents fully franked for Australia tax purposes (30% tax rate) and carry New Zealand imputation credits of NZD 4 cents per ordinary shares.

ADJUSTMENTS BETWEEN STATUTORY AND CASH PROFIT[1]



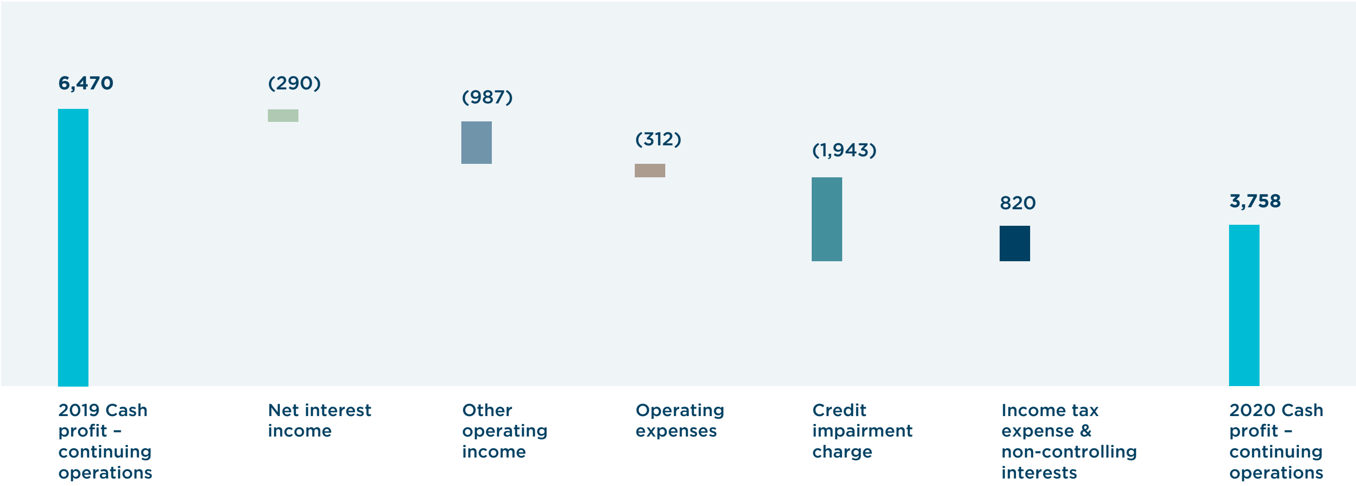
Description of adjustments between continuing operations statutory profit and cash profit:

Adjustment	Reason for the adjustment
Economic hedges 2020: $121 million 2019: $118 million Revenue and expense hedges 2020: ($36) million 2019: ($19) million	The Group enters into economic hedges to manage its interest rate and foreign exchange risk which, in accordance with accounting standards, result in fair value gains and losses being recognised within the Income Statement. ANZ removes the fair value adjustments from cash profit since the profit or loss resulting from the hedge transactions will reverse over time to match with the profit or loss from the economically hedged item as part of cash profit. This includes gains and losses arising from derivatives not designated in accounting hedge relationships but which are considered to be economic hedges, including hedges of foreign currency debt issuances and foreign exchange denominated revenue and expense streams, primarily NZD and USD (and USD correlated), as well as ineffectiveness from designated accounting hedges.
Structured credit intermediation trades 2020: ($2) million 2019: ($2) million	ANZ entered into a series of structured credit intermediation trades prior to the Global Financial Crisis with eight US financial guarantors. This involved selling credit default swaps (CDSs) as protection over specific debt structures and purchasing CDS protection over the same structures. ANZ has subsequently exited its positions with six US financial guarantors. The remaining two portfolios with a $0.3 billion notional value are being monitored with a view to reducing the exposures when ANZ deems it cost effective relative to the perceived risk associated with a specific trade or counterparty.
Revaluation of policy liabilities – OnePath Life (NZ) 2020: nil 2019: $77 million	When calculating policy liabilities, the projected future cash flows on insurance contracts are discounted to reflect the present value of the obligation, with the impact of changes in the market discount rate each period being reflected in the Income Statement. ANZ includes the impact on the re-measurement of insurance contracts attributable to changes in market discount rates as an adjustment to statutory profit to remove the volatility attributable to changes in market interest rates which reverts to zero over the life of insurance contracts. With the sale completion of the OnePath Life (NZ) Ltd business this adjustment is no longer required.

1. Information has been presented on a cash profit from continuing operations basis. Discontinued operations are detailed on page 67.

GROUP CASH PROFIT PERFORMANCE

Cash profit performance and the analysis thereof has been presented on a cash profit from continuing operations basis. Discontinued operations are described on page 67.



	2020 $m	2019 $m	Movt
Net interest income	14,049	14,339	-2%
Other operating income	3,703	4,690	-21%
Operating income	17,752	19,029	-7%
Operating expenses	(9,383)	(9,071)	3%
Profit before credit impairment and income tax	8,369	9,958	-16%
Credit impairment charge	(2,738)	(795)	244%
Profit before income tax	5,631	9,163	-39%
Income tax expense	(1,872)	(2,678)	-30%
Non-controlling interests	(1)	(15)	-93%
Profit after tax from continuing operations	3,758	6,470	-42%

Cash profit from continuing operations decreased $2,712 million (42%) compared with the 2019 financial year.

- net interest income decreased $290 million (-2%) largely due to lower interest rates and competitive pressures resulting in a 13 basis point decrease in the net interest margin, partially offset by 6% growth in average interest earning assets. The lower net interest margin reflects lower earnings on capital, customers switching to principal and interest home loans in Australia and from variable to fixed loans in both Australia and New Zealand, a higher proportionate growth in the lower margin Institutional business and the impacts of growth in liquid assets due to increased system liquidity, partially offset by favourable short-term funding costs and growth in at-call deposits. The increase in average interest earning assets reflects the impact of foreign currency translation movements and growth in the Institutional banking portfolio, increases in average trading and investment securities and increases in average cash and other liquid assets.
- other operating income decreased $987 million (-21%) largely as the result of the impairment of Asian associates of $815 million, a reduction associated with divestments of $342 million, a decrease in net fee and commission income of $252 million excluding divestment impacts, a reduction in share of associates' profit of $107 million, and a $79 million decrease due to widening credit spread impacts on loans measured at fair value in Institutional. This was partially offset by higher Markets Other operating income of $598 million.
- operating expenses increased $312 million (3%) primarily due to an accelerated software amortisation charge of $197 million, lease-related items of $85 million, higher restructuring expenses of $84 million, goodwill impairments of $77 million and higher compliance spend. This was partially offset by lower customer remediation of $164 million within operating expenses, and productivity benefits.
- credit impairment charges increased $1,943 million largely due to additional collectively assessed credit impairment charges for the expected impact of COVID-19.

LARGE/NOTABLE ITEMS INCLUDED IN CASH PROFIT FROM CONTINUING OPERATIONS

Within continuing cash profit, the Group recognised a number of large/notable items. The impact of these items on a post-tax basis is as follows:

Gain/(Loss) on sale of divestments	2020 $m	2019 $m
OnePath Life NZ Ltd (OPL NZ)	-	157
ANZ Royal Bank (Cambodia) Ltd (Cambodia JV)	-	10
PNG Retail, Commercial and SME	-	1
Paymark	-	37
UDC Finance (UDC)	(34)	-
Divested business results[1]		
OnePath Life NZ Ltd (OPL NZ)	-	10
ANZ Royal Bank (Cambodia) Ltd (Cambodia JV)	-	11
PNG Retail, Commercial and SME	-	7
Paymark	-	4
UDC Finance (UDC)	57	71
Other large/notable items		
Customer remediation	(279)	(475)
Accelerated software amortisation	(138)	-
Asian associates impairments	(815)	-
Asian associate AASB 9 adjustment	(66)	-
Lease-related items	(72)	-
Royal Commission legal costs	-	(10)
Restructuring	(115)	(54)
Goodwill write-off	(77)	-

1. For business results that relate to completed divestments, comparative information has been restated for large/notable items included in the 2020 financial year.

Description of large/notable items:

Item	Description
Gain/(Loss) on sale of divestments	The 2020 financial year included a loss on sale upon completion of the sale of UDC. The 2019 financial year included a gain on sale upon completion of the sale of OPL NZ, Paymark, Cambodia JV, and PNG Retail, Commercial and SME businesses.
Divested business results	The 2020 financial year includes the divested business results of UDC (comparative information restated). The 2019 financial year also included the divested business results of the Cambodia JV, OPL NZ, PNG Retail, Commercial and SME, and Paymark.
Customer remediation	Customer remediation includes provisions for expected refunds to customers, remediation project costs and related customer and regulatory claims, penalties and litigation outcomes.
Accelerated software amortisation	Accelerated amortisation charge arising from the revised application of the Group's software amortisation policy to reflect the shorter useful life of software caused by rapidly changing technology and business requirements. Refer to Note 20 Goodwill and Other Intangible Assets of the consolidated financial statements for further details.
Asian associates impairments	During the 2020 financial year, the Group recognised an impairment in respect of two of the Group's investments to adjust their carrying values in line with their value-in-use calculations (refer Note 26 Investments in Associates of the consolidated financial statements).
Asian associate AASB 9 adjustment	When the Group adopted AASB 9 Financial Instruments on 1 October 2018, an estimate of PT Panin's transition adjustment was recognised through opening retained earnings to align accounting policies. PT Panin adopted AASB 9 during the current financial year recognising a transition adjustment in retained earnings. The adjustment represents the Group's equity accounted share of the transition adjustment net of the previous transition adjustment.
Lease-related items	During the 2020 financial year, the Group recognised charges associated with the adoption of the new lease accounting standard on 1 October 2019. Comparative information has not been restated for the adoption of the new lease accounting standard.
Royal Commission legal costs	External legal costs associated with responding to the Banking Royal Commission.
Restructuring	Restructuring charges largely related to business and property changes in Australia Retail and Commercial division.
Goodwill write-off	Pacific division: The impact of COVID-19 on the economies of the Pacific has been significant and is expected to take some time to recover. Goodwill of $50 million was impaired. No further impairment was required on the carrying value of other assets in the Pacific. New Zealand division: As a result of changes in the economic environment and outlook, the Group has announced its intention to begin winding up the Bonus Bonds business in New Zealand no later than 31 October 2020. As a result, the Group wrote off the associated goodwill of $27 million.

ANALYSIS OF CASH PROFIT PERFORMANCE

Net interest income

	2020 $m	2019 $m	Movt
Net interest income[1]	14,049	14,339	-2%
Average interest earning assets[2]	862,882	813,219	6%
Average deposits and other borrowings[2]	679,336	638,380	6%
Net interest margin (%) - cash[1,2]	1.63	1.76	-13bps

1. Includes the major bank levy of -$406 million (2019: -$363 million).
2. Average balance sheet amounts include assets and liabilities of continuing operations reclassified as held for sale.

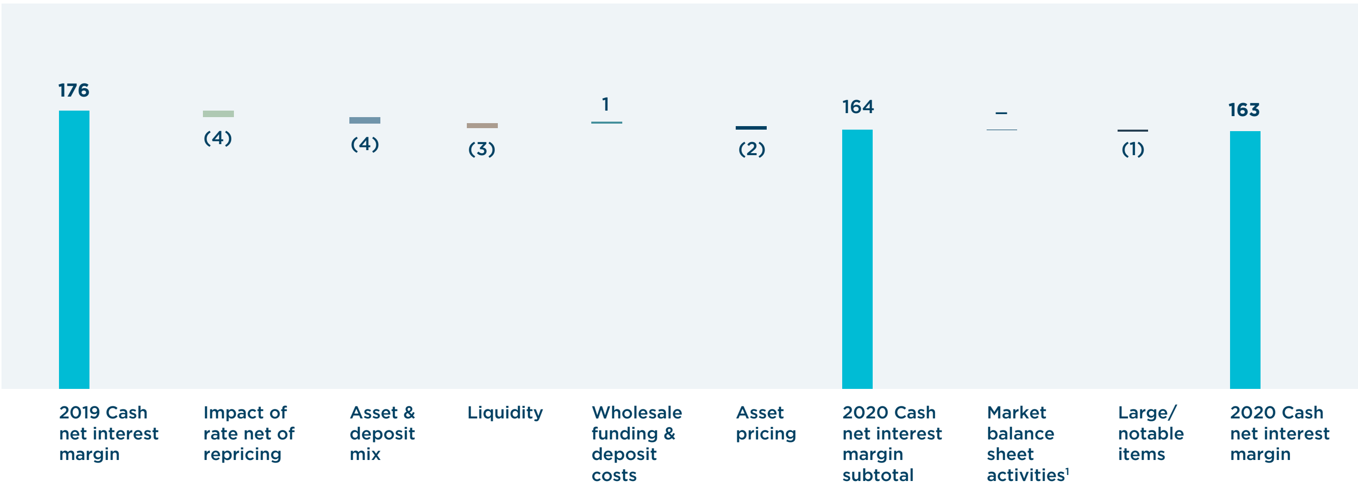
Net interest income decreased $290 million (-2%) largely due to lower interest rates and competitive pressures, partially offset by 6% growth in average interest earning assets.

Net interest margin reduced 13 bps due to the impact of central bank rate cuts on low rate deposits, earnings on capital and replicated deposits net of repricing. This was also impacted by customers switching to principal and interest home loans in Australia and from variable to fixed loans in both Australia and New Zealand, higher proportionate growth in the lower margin Institutional business, the impacts of growth in liquid assets due to increased system liquidity, partially offset by favourable short-term funding costs and growth in at-call deposits.

Average interest earning assets increased $49.7 billion (6%) reflecting growth in the Institutional banking portfolio, growth in liquid assets and trading securities in Markets, higher central bank cash balances, higher collateral and the impact of foreign currency translation movements.

Average deposits and other borrowings increased $41.0 billion (6%) driven by growth in all divisions but particularly in the Institutional and Australia Retail and Commercial divisions, and the impact of foreign currency translation movements.

GROUP NET INTEREST MARGIN FROM CONTINUING OPERATIONS (bps)



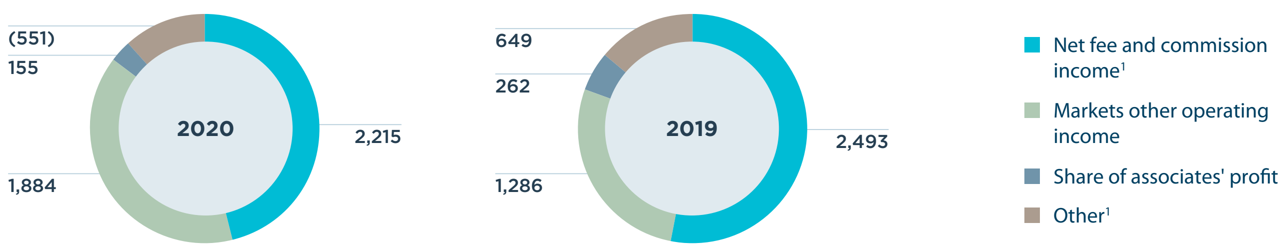
1. Market Balance Sheet activities includes the impact of discretionary liquid assets and other Balance Sheet activities.

Other operating income

	2020 $m	2019 $m	Movt
Net fee and commission income[1]	2,215	2,493	-11%
Markets other operating income	1,884	1,286	47%
Share of associates' profit	155	262	-41%
Other[1]	(551)	649	large
Total cash other operating income	3,703	4,690	-21%

	Total increase/ (decrease) $m	Movt	Explanation
Net fee and commission income[1]	(278)	-11%	Net fee and commission income decreased primarily due to lower volume related fees due to the impact of COVID-19, reduction or removal of fees, loss of income from divested businesses, partially offset by lower customer remediation impacting Net fee and commission income.
Markets other operating income	598	47%	Markets other operating income increased across Franchise Trading, Franchise Sales and Balance Sheet Trading. This was primarily due to increased customer sales flows and improved trading conditions, particularly in International, as customers sought Markets risk management products.
Share of associates' profit	(107)	-41%	Share of associates' profit decreased by $107m of which $68 million relates to the Group's equity accounted share of PT Panin's transition adjustment on its adoption of AASB 9. The equity accounted share of profits decreased by $10 million for PT Panin and $24 million for AmBank.
Other[1]	(1,200)	large	Other decreased primarily due the impairment of the Asian associates of $815 million, the impact of divested businesses of $318 million and $79 million in Institutional division related to widening credit spread impacts on loans measured at fair value.
Total cash other operating income from continuing operations	(987)	-21%	

OTHER OPERATING INCOME ($m)



[1] Excluding Markets.

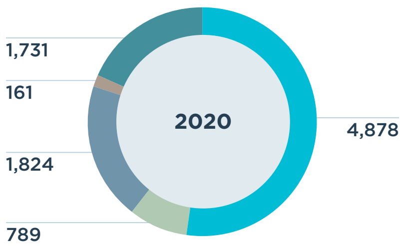
Operating expenses

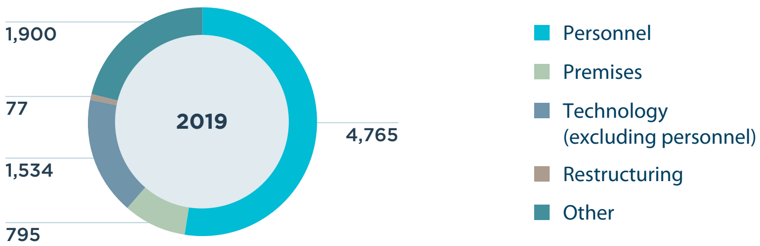
	2020 $m	2019 $m	Movt
Total cash operating expenses from continuing operations[2]	9,383	9,071	3%
Full time equivalent staff (FTE) from continuing operations	37,506	37,588	0%
Average full time equivalent staff (FTE) from continuing operations	37,728	37,480	1%

Operating expenses increased by $312 million (3%). Key drivers:

- personnel expenses increased $113 million (2%) largely driven by higher investment spend in the New Zealand and Australia Retail and Commercial divisions, higher customer remediation costs of $80 million, wage inflation and adverse foreign currency translation movements. This was partially offset by lower variable remuneration and lower business as usual expenses, including reduced employee leave balances.
- premises expenses decreased $6 million (-1%) largely driven by lower premises expense in our International network, partially offset by a change in accounting treatment associated with the new leasing standard (comparatives not restated).
- technology expenses (excluding personnel) increased $290 million (19%) largely as a result of accelerated amortisation of $197 million due to a change in application of the software amortisation policy, a change in accounting treatment associated with the new leasing standard (comparatives not restated), an increase in investment spend and customer remediation ($13 million).
- restructuring expenses increased $84 million largely related to business and distribution changes in the Australia Retail and Commercial division.
- other expenses decreased $169 million (-9%) largely due to lower customer remediation of $257 million and lower travel expenses, partially offset by higher investment spend and Goodwill write-offs of $77 million in Pacific and New Zealand divisions.

OPERATING EXPENSES ($m)

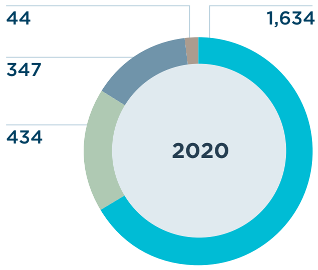


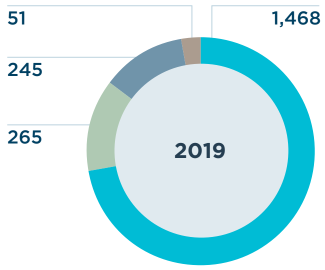


Credit impairment

	2020	2019	Movt
Collectively assessed credit impairment charge/(release) ($m)	1,717	17	large
Individually assessed credit impairment charge ($m)	1,021	778	large
Credit impairment charge ($m)	2,738	795	large
Gross impaired assets ($m)	2,459	2,029	21%
Credit risk weighted assets ($b)	360.0	358.1	1%
Total allowance for expected credit losses (ECL) ($m)	5,899	4,190	41%
Individually assessed as % of gross impaired assets	36.2%	40.1%	
Collectively assessed as % of credit risk weighted assets	1.39%	0.94%	

GROSS IMPAIRED ASSETS BY DIVISION ($m)

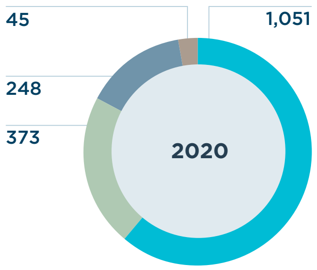


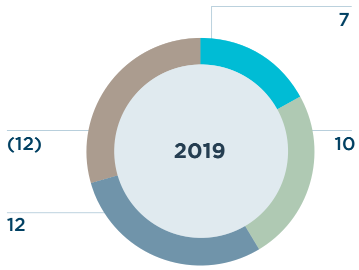


Australia Retail and Commercial
Institutional
New Zealand
Pacific
TSO and Group Centre

Gross impaired assets increased $430 million (21%) driven by the Institutional division ($169 million), Australia Retail and Commercial division ($166 million) and New Zealand division ($102 million). The increase in the Institutional division primarily relates to impairments on a small number of single name exposures. The Australia Retail and Commercial division increase was driven by home loans with a combination of the implementation of a more market responsive collateral valuation methodology and impairments as 90 days past due exposures increased, combined with impairments on a small number of single name exposures in the commercial portfolio. The increase in the New Zealand division is driven by impairments on a small number of single name commercial exposures.

COLLECTIVELY ASSESSED CREDIT IMPAIRMENT CHARGE ($m)

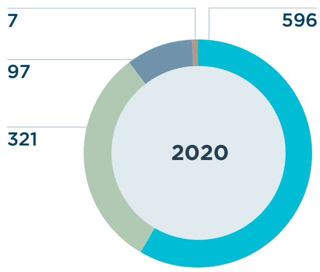


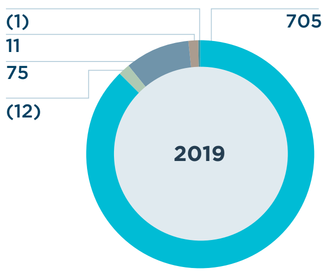


Australia Retail and Commercial
Institutional
New Zealand
Pacific
TSO and Group Centre

The collectively assessed credit impairment charge increased by $1,700 million primarily driven by a $1,044 million increase in the Australia Retail and Commercial division, a $363 million increase in the Institutional division and a $236 million increase in the New Zealand division. The significant increases across all divisions are due to forward-looking assessments of the impacts of the COVID-19 pandemic driven by the deterioration in the economic outlook as well as management adjustments to recognise the risk of credit quality deterioration expected to emerge as COVID-19 stimulus and support programs ease.

INDIVIDUALLY ASSESSED CREDIT IMPAIRMENT CHARGE ($m)

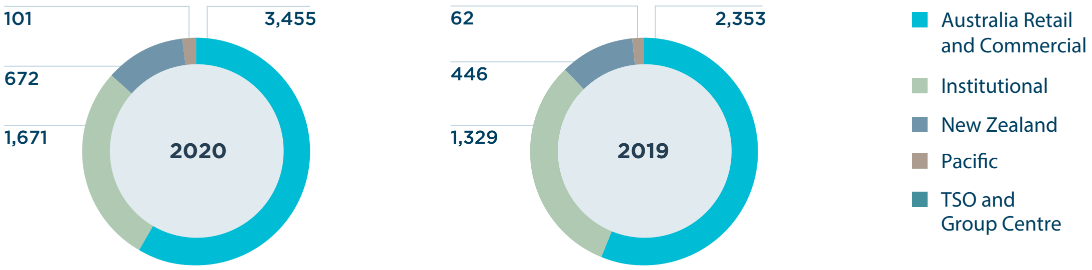




Australia Retail and Commercial
Institutional
New Zealand
Pacific
TSO and Group Centre

The individually assessed credit impairment charge increased by $243 million primarily due to a single name impairment in the Institutional division. This was partially offset by improved delinquencies in the Australia Retail portfolios combined with ongoing lower portfolio growth in the unsecured portfolio, and lower provisions in the Commercial portfolio.

TOTAL ALLOWANCE FOR EXPECTED CREDIT LOSSES ($m)



During the September 2020 year the collectively assessed allowance for expected credit losses increased by $1,632 million. This was attributable to changes in economic outlook including impact of scenario weights of $1,018 million, COVID-19 related management adjustments of $592 million, changes in risk of $61 million and a change in portfolio composition of $46 million, partially offset by reductions from foreign exchange and divestments of $85 million.

During the September 2020 year, there was a net increase in the individually assessed allowance for expected credit losses of $77 million.

COVID-19 loan assistance packages offered to customers[1]

Since March 2020, the Group has offered various forms of assistance to customers to counteract the impact of COVID-19 on the ability of customers to meet their loan obligations. The assistance provided has included arrangements such as temporary deferral of principal and interest repayments, replacing principal and interest with interest only repayments, and extension of loan maturity dates.

The Group does not consider that when a customer is first provided assistance, all other things being equal, that there has been a Significant Increase in Credit Risk (SICR) and a consequent impact on ECL when assessing provisions. Subsequent to take-up, customers have been contacted to discuss available options once the packages reach their end date. Additional information on the customer's financial position and ability to recommence their loan repayments is used to assist in classification of customers into risk categories. Customers in higher risk categories, and those that have requested a deferral extension have been classified as having a SICR. The Group continues to work with our customers on arrangements in respect of their loan obligations once the assistance package has ceased.

The categories of assistance packages provided and the amounts outstanding as at 30 September 2020 are noted in the following table:

Assistance package category	Australia Geography At 30 September 2020 $m	New Zealand Geography At 30 September 2020 $m	Total At 30 September 2020 $m
Loan deferral package			
Retail	26,117	3,705	**29,822**
Commercial and other	8,989	193	**9,182**
Interest only			
Retail	126	2,287	**2,413**
Commercial and other	33	494	**527**
Term extensions			
Retail	3	611	**614**
Commercial and other	24	66	**90**
Total	35,292	7,356	**42,648**
Retail	26,246	6,603	**32,849**
Commercial and other	9,046	753	**9,799**
Total	35,292	7,356	**42,648**

1. COVID-19 loan deferral packages are available to customers if either their loan repayments are less than 30 days past due, or if their repayments are less than 90 days past due but were up to date at 1 March 2020.

DIVISIONAL PERFORMANCE

2020	Australia Retail and Commercial	Institutional	New Zealand	Pacific	TSO and Group Centre	Group
Net interest margin	2.59%	0.76%	2.26%	3.10%	n/a	1.63%
Operating expenses to operating income	45.1%	43.9%	44.8%	106.2%	n/a	52.9%
Cash profit from continuing operations ($m)	2,337	1,854	1,017	(62)	(1,388)	3,758
Net loans and advances ($b)	339.4	157.6	116.6	1.9	1.6	617.1
Customer deposits ($b)	234.6	223.3	91.0	3.5	-	552.4
Number of FTE	14,078	5,291	5,761	1,113	11,263	37,506

2019	Australia Retail and Commercial	Institutional	New Zealand	Pacific	TSO and Group Centre	Group
Net interest margin	2.59%	0.82%	2.33%	3.75%	n/a	1.76%
Operating expenses to operating income	43.2%	50.6%	38.8%	64.7%	n/a	47.7%
Cash profit from continuing operations ($m)	3,195	1,828	1,399	59	(11)	6,470
Net loans and advances ($b)	331.9	164.5	116.7	2.1	0.1	615.3
Customer deposits ($b)	208.0	217.3	83.4	3.5	(0.4)	511.8
Number of FTE	13,903	5,468	6,121	1,086	11,010	37,588

DIVISIONAL PERFORMANCE

Australia Retail and Commercial

Lending volumes increased in the September 2020 half driven by successful home loan growth, partially offset by lower consumer demand for unsecured borrowing and increased customer repayments following fiscal and regulatory stimulus and a low interest rate environment. Net interest margin was flat as the headwinds from official cash rate decreases on low customer rate deposits and earnings on capital, unfavourable lending mix from proportionately more growth in lower margin home loans compared to higher margin unsecured lending were offset by home loan repricing benefits, lower funding costs and a favourable deposit mix impact. Other operating income decreased driven by lower credit card and international transaction volumes driven by COVID-19 impacts and fee removals. Operating expenses were flat with higher investment spend, higher restructuring expenses, additional charges for lease-related items, accelerated amortisation due to changes in application of the software policy and inflationary increases being offset by productivity benefits and lower remediation expenses. Credit impairment charges increased driven by collectively assessed credit impairment charges for the expected impact of COVID-19.

Institutional

Average lending volumes increased against the prior period. Customer deposits increased in Transaction Banking, partially offset by decreases in the other businesses. Net interest margin ex-Markets decreased mainly due to the impact of low interest rates on deposit margins. Other operating income increased due to higher Markets income, partly offset by lower volume related fee income in the transaction banking business with a subdued international trade environment. Operating expenses decreased as a result of lower personnel costs, lower discretionary spend, lower property charges and lower remediation expenses, partly offset by accelerated amortisation due to changes in application of the software policy and additional charges for lease-related items. Credit impairment charges increased due to higher collectively assessed credit impairment charge for the expected impact of COVID-19 and an increase in individually assessed credit impairment charges in Transaction Banking.

New Zealand

Lending ended flat against the prior period impacted by the sale of UDC at the end of the year. Customer deposit volumes grew across all portfolios while funds under management increased during the period. Net interest margin decreased mainly due to lower interest rates compressing deposit margins. Other operating income decreased primarily driven by fee changes and lower volume related fee income and fee waivers due to the impact of COVID-19. Operating expenses increased due to higher investment spend on compliance projects, goodwill write-off related to the Bonus Bonds business, accelerated amortisation due to changes in application of the software policy, and increased restructuring charges. Credit impairment charges increased driven by higher collectively assessed credit impairment charges for the expected impact of COVID-19.

Pacific

Operating income for the Pacific division declined from the prior year due to the impact of COVID-19. Costs were higher largely due to a goodwill write-off. Credit impairment charges increased driven by higher collectively assessed credit impairment charges for the expected impact of COVID-19.

TSO and Group Centre

The 2020 financial year included the impairment of the Asian associates and a loss on sale of UDC. The 2019 financial year included the gain on sale of OnePath Life (NZ), Paymark, Cambodia JV and PNG Retail, Commercial and SME.

DISCONTINUED OPERATIONS

The financial results of the divested Wealth Australia businesses and associated Group reclassification and consolidation impacts are treated as discontinued operations from a financial reporting perspective.

The comparative Group Income Statement and Statement of Comprehensive Income have been restated to show discontinued operations separately from continuing operations in a separate line item 'Profit/(Loss) from discontinued operations'.

- Sale to IOOF Holdings Limited (IOOF)

  On 17 October 2017, the Group announced it had agreed to sell its OnePath P&I and ADGs businesses to IOOF. The aligned dealer groups business consists of ADGs that operate under their own Australian Financial Services licences. The sale of the ADGs completed on 1 October 2018 and the OnePath P&I business completed on 31 January 2020.

- Sale to Zurich Financial Services Australia (Zurich)

  On 12 December 2017, ANZ announced that it had agreed to the sale of its life insurance business to Zurich and regulatory approval was obtained on 10 October 2018. The transaction was completed on 31 May 2019.

Included in the 'Cash loss from discontinued operations' is:

- a $18 million loss on disposal ($13 million loss after tax) was recognised in the September 2020 full year attributable to sale completion costs. The September 2019 full year included a $23 million loss ($81 million loss after tax) attributable to sale related adjustments and write-downs, the reversal of the life-to-date cash profit adjustments on the revaluation of policy liabilities sold to Zurich, partially offset by the recycling on sale completion of gains previously deferred in equity reserves; and
- customer remediation which includes provisions for expected refunds to customers and related remediation costs associated with inappropriate advice or services not provided in the pensions and investments and life insurance businesses. An amount of $126 million pre-tax, $96 million post tax was recognised in the 2020 financial year (2019: $241m pre-tax, $207 million post-tax).

Explanation of adjustments between statutory profit and cash profit

- Treasury shares adjustment

  ANZ shares held by the Group in Wealth Australia discontinued operations are deemed to be Treasury shares for accounting purposes. Dividends and realised and unrealised gains and losses from these shares are reversed as they are not permitted to be recognised as income for statutory reporting purposes. In deriving cash profit, these earnings are included to ensure there is no asymmetrical impact on the Group's profits because the Treasury shares are held to support policy liabilities which are revalued through the Income Statement. With the sale completion of the life insurance business to Zurich, there are no ANZ shares held by the Group in discontinued operations

- Revaluation of policy liabilities

  When calculating policy liabilities, the projected future cash flows on insurance contracts are discounted to reflect the present value of the obligation, with the impact of changes in the market discount rate in each period being reflected in the Income Statement. ANZ includes the impact on the re-measurement of the insurance contract attributable to changes in market discount rates as an adjustment to statutory profit to remove the volatility attributable to changes in market interest rates which reverts to zero over the life of the insurance contract. With the sale completion of the life insurance business to Zurich, the 2019 financial year includes the reversal of the life-to-date cash profit adjustments on the revaluation of policy liabilities sold, reducing cash profit by $15 million from discontinued operations.

	2020 $m	2019 $m
Statutory profit/(loss) from discontinued operations	(98)	(343)
Adjustments between statutory profit and cash profit	-	34
Treasury shares adjustment	-	(11)
Revaluation of policy liabilities	-	45
Cash profit/(loss) from discontinued operations	(98)	(309)

FINANCIAL POSITION OF THE GROUP – INCLUDING DISCONTINUED OPERATIONS

Condensed balance sheet

	As at		
	2020 $b	2019 $b	Movt
Assets			
Cash / Settlement balances owed to ANZ / Collateral paid	129.7	100.3	29%
Trading and investment securities	144.3	126.9	14%
Derivative financial instruments	135.3	120.7	12%
Net loans and advances	617.1	615.3	0%
Assets held for sale	-	1.8	-100%
Other	15.9	16.1	-1%
Total assets	1,042.3	981.1	6%
Liabilities			
Settlement balances owed by ANZ / Collateral received	31.5	18.8	68%
Deposits and other borrowings	682.3	637.7	7%
Derivative financial instruments	134.7	121.0	11%
Debt issuances	119.7	129.7	-8%
Liabilities held for sale	-	2.1	-100%
Other	12.8	11.0	16%
Total liabilities	981.0	920.3	7%
Total equity	61.3	60.8	1%

- Cash/Settlement balances owed to ANZ/Collateral paid increased $29.4 billion (+29%) driven by an increase in balances with central banks, increased overnight inter-bank deposits, and an increase in short term reverse repurchase agreements, partially offset by foreign currency translation movements.
- Trading and investment securities increased $17.4 billion (+14%) primarily driven by an increase in liquid assets in Markets, partially offset by the impact of foreign currency translation movements.
- Derivative financial assets and liabilities increased $14.6 billion (+12%) and $13.7 billion (+11%) respectively as interest rate and foreign exchange movements resulted in higher derivative volumes and fair values, particularly in interest rate and foreign exchange swap products.
- Net loans and advances increased $1.8 billion (+0%), driven by growth in home loans in the Australia Retail and Commercial division (+$10.1 billion) and New Zealand division (+$4.4 billion), partially offset by lower credit volumes in other products as a result of the ongoing impacts of COVID-19 in the Institutional (-$4.1 billion) and Australia Retail and Commercial (-$1.6 billion) divisions, higher credit provisions (-$1.5 billion) as a result of the ongoing impacts of COVID-19, the sale of the UDC business in New Zealand division in September 2020 (-$3.4 billion) and foreign currency translation movements.
- Deposits and other borrowings increased $44.6 billion (+7%) driven by increased customer deposits in the Australia Retail and Commercial division (+$26.6 billion), Institutional division (+$11.8 billion), and New Zealand division (+$7.8 billion) and drawdown of the RBA Term Funding Facility (TFF) (+$12 billion). This was partially offset by a reduction in certificates of deposit (-$4.0 billion), commercial paper issued (-$2.7 billion) and the impact of foreign currency translation movements.
- Debt issuances decreased $10.0 billion (-8%) driven by lower senior debt issuances. Funding was partially replaced by the RBA TFF, which is classified as Deposits and other borrowings.

Funding

	2020 $b	2019 $b
Customer liabilities	561.3	521.4
Wholesale funding	277.5	270.3
Shareholders' equity	61.3	60.8
Total funding	900.1	852.5
Net Stable Funding Ratio	124%	116%

The Group targets a diversified funding base, avoiding undue concentration by investor type, maturity, market source and currency.

$13.2 billion of term wholesale debt with a remaining term greater than one year as at 30 September 2020 was issued during the year.

In March 2020, the RBA announced a Term Funding Facility (TFF) for the banking system. The RBA is providing a three-year secured funding facility to ADIs at a fixed rate of 0.25%. APRA has determined that the TFF qualifies for inclusion in determining the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

ADIs can obtain initial funding of up to 3% of their existing credit outstanding to Australian households and businesses. ADIs have access to additional funding if they increase lending to small and medium-sized businesses. As at 30 September 2020, ANZ had drawn $12 billion from its initial TFF allowance of $12 billion and had drawn $0 billion from its additional TFF allowance of $6 billion.

Liquidity

	Full year average	
	2020	2019
Total liquid assets ($b) [1]	213.9	188.4
Liquidity Coverage Ratio (LCR) [1]	139%	140%

1. Full year average, calculated as prescribed per APRA Prudential Regulatory Standard (APS 210 Liquidity) and consistent with APS 330 requirements.

The Group holds a portfolio of high quality unencumbered liquid assets in order to protect the Group's liquidity position in a severely stressed environment, as well as to meet regulatory requirements. High Quality Liquid Assets comprise three categories, with the definitions consistent with Basel 3 LCR:

- highest-quality liquid assets (HQLA1): Cash, highest credit quality government, central bank or public sector securities eligible for repurchase with central banks to provide same-day liquidity.
- high-quality liquid assets (HQLA2): High credit quality government, central bank or public sector securities, high quality corporate debt securities and high quality covered bonds eligible for repurchase with central banks to provide same-day liquidity.
- alternative liquid assets (ALA): Assets qualifying as collateral for the Committed Liquidity Facility (CLF) and other eligible securities listed by the Reserve Bank of New Zealand (RBNZ).

The Group monitors and manages the size and composition of its liquid assets portfolio on an ongoing basis in line with regulatory requirements and the risk appetite set by the Board.

COVID-19 has impacted the normal operations of financial markets including funding markets, however the actions of governments globally and central banks including the RBA, RBNZ and the US Federal Reserve have provided significant liquidity support to the system and financial markets generally. ANZ's liquidity measures have remained above regulatory requirements throughout this period.

Capital management

	2020	2019	Movt
Common Equity Tier 1 (Level 2) - APRA Basel 3	11.3%	11.4%	
Credit risk weighted assets ($b)	360.0	358.1	1%
Total risk weighted assets ($b)	429.4	417.0	3%
APRA Leverage ratio	5.4%	5.6%	

APRA, under the authority of the Banking Act 1959, sets minimum regulatory requirements for banks including what is acceptable as regulatory capital and provides methods of measuring the risks incurred by the Bank.

The Group's Common Equity Tier 1 ratio was 11.3% based on APRA Basel 3 standards, exceeding APRA's minimum requirements. It decreased 2 bps as cash earnings and divestments were offset by the impact of dividends during the year.

At 30 September 2020 the Group's APRA leverage ratio was 5.4% which is above the 3.5% proposed minimum for internal ratings based approach ADI (IRB ADI) which includes ANZ.

Dividends

Our financial performance allowed us to propose that a final dividend of 35 cents be paid on each eligible fully paid ANZ ordinary share, bringing the total dividend for the year ended 30 September 2020 to 60 cents per share. This represents a dividend payout ratio of 45.3% of cash profit from continuing operations.

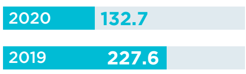
The proposed 2020 final dividend of 35 cents per share will be fully franked for Australian taxation purposes, and carry New Zealand imputation credits of NZD 4 cents per ordinary share. It will be paid on 16 December 2020 to owners of ordinary shares at close of business on 10 November 2020 (record date).

ANZ has a Dividend Reinvestment Plan (DRP) and a Bonus Option Plan (BOP) that will operate in respect of the proposed 2020 final dividend. For the 2020 final dividend, ANZ intends to provide shares under the DRP and BOP through the issue of new shares.

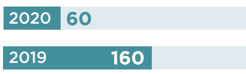
Further details on dividends provided for or paid during the year ended 30 September 2020 are set out in Note 5 of the consolidated financial statements.

Shareholders Returns

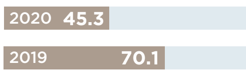
Earnings per share – cash[1] (cents)



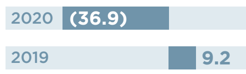
Dividend per share (cents)



Dividend payout ratio[1] (%)



Total shareholder return (%)



1. Information has been presented on a cash profit from continuing operations basis. Discontinued operations are detailed on page 67.

FIVE YEAR SUMMARY

		2020[1] $m	2019[1] $m	2018[1] $m	2017[1] $m	2016 $m
Financial performance - cash[2]						
Net interest income		**14,049**	14,339	14,514	14,875	15,095
Other operating income		**3,703**	4,690	4,853	4,941	5,499
Operating expenses		**(9,383)**	(9,071)	(9,401)	(8,967)	(10,439)
Profit before credit impairment and income tax		**8,369**	9,958	9,966	10,849	10,155
Credit impairment charge		**(2,738)**	(795)	(688)	(1,199)	(1,956)
Income tax expense		**(1,872)**	(2,678)	(2,775)	(2,826)	(2,299)
Non-controlling interests		**(1)**	(15)	(16)	(15)	(11)
Cash profit from continuing operations[2]		**3,758**	6,470	6,487	6,809	5,889
Cash profit/(loss) from discontinued operations		**(98)**	(309)	(682)	129	n/a
Cash profit		**3,660**	6,161	5,805	6,938	5,889
Adjustments to arrive at statutory profit[2]		**(83)**	(208)	595	(532)	(180)
Profit attributable to shareholders of the Company		**3,577**	5,953	6,400	6,406	5,709
Financial position						
Assets		**1,042,286**	981,137	943,182	897,326	914,869
Net assets		**61,297**	60,794	59,405	59,075	57,927
Common Equity Tier 1		**11.3%**	11.4%	11.4%	10.6%	9.6%
Common Equity Tier 1 – Internationally Comparable Basel 3[3]		**16.7%**	16.4%	16.8%	15.8%	14.5%
Return on average ordinary equity (statutory)[4]		**5.9%**	10.0%	10.9%	11.0%	10.0%
Return on average assets (statutory)		**0.3%**	0.6%	0.7%	0.7%	0.6%
Cost to income ratio (cash)[2]		**53.8%**	49.5%	52.0%	46.1%	50.7%
Shareholder value – ordinary shares						
Total return to shareholders (share price movement plus dividends)		**-36.9%**	9.2%	0.6%	13.1%	9.2%
Market capitalisation		**48,839**	80,842	80,979	86,948	80,886
Dividend (cents)		**60**	160	160	160	160
Franked portion	– interim	**100%**	100%	100%	100%	100%
	– final	**100%**	70%	100%	100%	100%
Share price	– high (dollars)	**$28.67**	$29.30	$30.80	$32.95	$29.17
	– low (dollars)	**$14.10**	$22.98	$26.08	$25.78	$21.86
	– closing (dollars)	**$17.22**	$28.52	$28.18	$29.60	$27.63
Share information (per fully paid ordinary share)						
Earnings per share (cents) (statutory)		**126.4**	210.0	221.6	220.1	197.4
Dividend payout ratio (statutory)		**47.6%**	76.2%	72.1%	73.4%	81.9%
Net tangible assets per ordinary share[5]		**$20.04**	$19.59	$18.47	$17.66	$17.13
No. of fully paid ordinary shares issued (millions)		**2,840**	2,835	2,874	2,937	2,927
Dividend reinvestment plan (DRP) issue price						
	– interim	**$18.06**	$27.79	$27.76	$28.80	$24.82
	– final	**-**	$25.03	$26.03	$29.02	$28.16
Other information						
No. of employees (full time equivalents)		**38,579**	39,060	39,924	44,896	46,554
No. of shareholders		**553,171**	506,847	509,238	522,425	545,256

1. During 2018, part of Wealth Australia and TSO and Group Centre division was classified as a discontinued operation. 2017 comparatives have been restated accordingly. 2016 has not been restated. All ratios are presented on a Group basis inclusive of discontinued operations across all periods.
2. Cash profit excludes non-core items included in statutory profit and is provided to assist readers in understanding the result of the ongoing business activities of the Group. Cash profit is not audited; however, the external auditor has informed the Audit Committee that the adjustments have been determined on a consistent basis across each period presented, and the adjustments for the sale impact of Shanghai Rural Commercial Bank (SRCB) in 2018 and 2017 are appropriate.
3. Internationally Comparable Methodology applied for 2016–2020 aligns with APRA's information paper entitled 'International Capital Comparison Study' (13 July 2015). Basel Internationally Comparable ratios do not include an estimate of the Basel I capital floor requirement.
4. Average ordinary equity excludes non-controlling interests and preference shares.
5. Equals shareholders' equity less preference share capital, goodwill, software and other intangible assets divided by the number of ordinary shares

Five year summary (continued)	2020	2019	2018	2017	2016
Fair and Responsible Banking					
Net Promoter Score Ranking (relative to peers)					
Australia Retail[1]	3	4	3	4	2
Australia Commercial[2]	4	3	3	4	4
Australia Institutional[13]	1	1	1	2	1
New Zealand Retail[4]	4	4	4	4	4
New Zealand Commercial and Agricultural[5]	5	5	5	5	5
New Zealand Institutional[6]	1	1	1	3	1
Code of conduct					
Breaches[7]	569	784	1,114	1,443	1,408
Investigations resulting in termination	93	151	226	262	254
Whistleblower reports	157	156	137	121	71
Financial Wellbeing					
Help enable social and economic participation of 1 million people by 2020 (cumulative total)[8]	1,070,930	998,474	889,135	550,361	453,054
Employees					
Employee engagement (%)[9]	86	77	73	72	74
Total Women in Leadership (%)[10]	33.4	32.5	32.0	31.1	29.9
Community					
Total community investment ($m)	139.5	142.2	136.9	131.1	89.8
Volunteer hours	66,402	134,930	124,113	113,127	113,071
Employee volunteering participation rate (%)[11]	20.5	42.4	34.6	29.4	-
Sustainable solutions AU$50 billion target[12]					
Total funded or facilitated towards:					
Environmental sustainability ($ billion)	7.57	7.60	4.65	4.51	2.37
Housing ($ billion)[13]	1.45				
Other social ($ billion)[14]	0.06				
Environmental Sustainability					
Environmental footprint					
Total scope 1 & 2 GHG emissions (tCO_2e)	134,093	156,568	171,012	180,993	193,569
Total scope 1,2 & 3 GHG emissions (tCO_2e)	203,700	250,857	266,906	273,216	299,224
Project finance portfolio[15]					
Renewables (%)	87	83	76	70	63
Coal (%)	5	9	13	16	19
Gas (%)	7	8	10	13	18
Project finance commitment to renewable energy ($m)	1,501	1,371	1,076	1,141	875
Average emissions intensity of generation financed					
Australia (tCO_2e/Mwh generated)	0.40	0.54	0.66	0.58	0.62
Outside Australia (tCO_2e/Mwh generated)	0.01	0.02	0.08	0.24	0.16

1. Roy Morgan Single Source, Australian population aged 14+, Main Financial Institution, six month rolling average to Sep'16, Sep'17, Sep'18, Sep'19 & Sep'20. Ranking based on the four major Australian banks. **2.** DBM Business Atlas. Base: Commercial (<$100 million annual turnover) Main Financial Institution customers. Six month average to Sep'16, Sep'17, Sep'18, Sep'19 & Sep'20. Ranking based on the four major Australian banks. **3.** Peter Lee Associates, 2020 Large Corporate and Institutional Relationship Banking surveys, Australia. **4.** Retail Market Monitor, Camorra Research, six month rolling average to Sep'16, Sep'17, Sep'18, Sep'19 & Sep'20. Ranking based on the five major New Zealand banks. **5.** Business Finance Monitor, TNS Kantar Research. Base: Commercial ($3 million – $150 million annual turnover) and Agricultural (>$500K annual turnover) customers. Four quarter rolling average to Q3'16, Q3'17, Q3'18, Q3'19 & Q3'20. Ranking based on the five major New Zealand commercial / agricultural banks. **6.** Peter Lee Associates Large Corporate and Institutional Relationship Banking surveys, New Zealand 2016 - 2020, ranked against the Top 4 competitors (in 2016 rank based on question 'which bank would you most likely to recommend'). **7.** Resulting in a formal consequence or the employee leaving ANZ **8.** Target commenced in 2016. Performance includes people helped through our initiatives to support financial wellbeing, including our financial inclusion, employment and community programs, and targeted banking products and services for small business and retail customers. Refer to the 2020 ESG Supplement for methodology. **9.** The 2017 engagement survey was run as a pulse survey sent to 10% of the bank's employees with a 57% response rate. **10.** Measures representation at the Senior Manager, Executive and Senior Executive levels. Includes all employees regardless of leave status but not contractors (which are included in FTE). **11.** Commenced reporting in 2017. **12.** 2016 –2019 figures represent annual contributions towards ANZ's 2020 $15bn sustainable solutions target, which had an environmental focus. In 2020, ANZ set a new 2025 $50bn target with an expanded focus on environmental sustainability, housing and financial wellbeing. **13.** Commenced reporting in 2020. **14.** Commenced reporting in 2020. Includes Green, Social, Sustainability Bond transactions issued by Financial Institutions that align to SDG 6, 7, 9, 11, 12 and 13 and indirectly align to Financial Wellbeing. **15.** Breakdowns for 2020, 2018 and 2017 do not total to 100% due to rounding.

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Remuneration overview

The following pages provide a summary of the remuneration for our Key Management Personnel (KMP): Non-Executive Directors (NEDs), Chief Executive Officer (CEO) and Disclosed Executives. In this section we have included the remuneration tables that shareholder feedback has told us are of the most interest. The full Remuneration Report is contained in the Annual Report from page 74 onwards, and includes details of our remuneration strategy and framework, and the remuneration practices that apply to KMP. The report can be accessed via the ANZ website at anz.com/annualreport.

NED REMUNERATION

The Human Resources (HR) Committee reviewed NED fees for 2020 and determined not to increase Chairman, NED or Committee fees except for the Digital Business and Technology Committee Chair fee (which increased from $35,000 to $45,000) in recognition of the significant increase in workload of the Committee Chair.

2020 STATUTORY REMUNERATION – NEDS

		Short-term NED benefits		Post-employment	
	Financial year	Fees[1] $	Non monetary benefits $	Super contributions[1] $	Total remuneration[2] $
Current Non-Executive Directors					
D Gonski[1]	**2020**	**803,824**	**-**	**21,176**	**825,000**
	2019	639,351	-	20,649	660,000
I Atlas[1]	**2020**	**323,324**	**-**	**21,176**	**344,500**
	2019	275,851	-	20,649	296,500
P Dwyer[1]	**2020**	**354,326**	**-**	**10,674**	**365,000**
	2019	296,351	-	20,649	317,000
J Halton[1]	**2020**	**307,824**	**-**	**21,176**	**329,000**
	2019	246,058	-	20,649	266,707
J Key[1, 3]	**2020**	**279,824**	**-**	**21,176**	**301,000**
	2019	229,131	-	20,649	249,780
G Liebelt[1]	**2020**	**342,324**	**-**	**21,176**	**363,500**
	2019	294,851	-	20,649	315,500
J Macfarlane[1]	**2020**	**297,324**	**-**	**21,176**	**318,500**
	2019	249,851	-	20,649	270,500
P O'Sullivan[4]	**2020**	**243,331**	**-**	**19,207**	**262,538**
Total of all Non-Executive Directors	**2020**	**2,952,101**	**-**	**156,937**	**3,109,038**
	2019	2,231,444	-	144,543	2,375,987

1. Year-on-year differences in fees relate to the 20% reduction to the Chairman fee and the NED member fees in 2019 (as a consequence of a decision taken by the Directors that their fees should reflect shared accountability for the failures highlighted by the Royal Commission), changes in Committee memberships and changes to the superannuation Maximum Contribution Base. From 1 January 2020 to 30 June 2020, P Dwyer elected to receive all payments in fees and therefore did not receive superannuation contributions during this period. **2.** Long-term benefits and share-based payments do not apply for the NEDs. **3.** In addition to the fees shown above that J Key received as a NED for Australia and New Zealand Banking Group Limited (ANZBGL), as Chairman for ANZ Bank New Zealand Limited J Key also received a total of NZD 391,000 in 2020 and NZD 382,950 in 2019. **4.** P O'Sullivan commenced as a NED on 4 November 2019, so 2020 remuneration reflects a partial service year.

CEO AND DISCLOSED EXECUTIVES' REMUNERATION

YEAR-ON-YEAR REMUNERATION AWARDED

These tables show a year-on-year comparison of remuneration awarded to the CEO and Disclosed Executives for the 2018, 2019 and 2020 performance periods. Remuneration awarded includes any cash payments (e.g. fixed remuneration and cash variable remuneration) and the value of deferred shares and performance rights awarded for the year but which have not yet vested (i.e. the value was not received during the year).

CEO

	Financial year	Fixed remuneration $	AVR[1] cash $	AVR[1] deferred shares $	Total AVR[1] $	Threshold vesting: LTVR[2] performance rights $	Threshold vesting: Total remuneration awarded $	Full vesting: LTVR[2] performance rights $	Full vesting: Total remuneration awarded $	AVR[1] as % of: Target opportunity	AVR[1] as % of: Maximum opportunity
CEO											
S Elliott	2020	2,500,000	625,000	625,000	1,250,000	1,750,000	5,500,000	3,500,000	7,250,000	50%	33%
	2019	2,100,000	750,000	750,000	1,500,000	2,100,000	5,700,000	4,200,000	7,800,000	71%	48%
	2018	2,100,000	875,000	875,000	1,750,000	1,400,000	5,250,000	2,800,000	6,650,000	83%	56%

1. Annual Variable Remuneration. **2.** Long Term Variable Remuneration.

The 2020 LTVR has not yet been awarded to the CEO, approval will be sought from shareholders at the 2020 Annual General Meeting (AGM). Note the CEO's 2018 LTVR award was significantly reduced as a result of the matters raised in the Royal Commission relating to conduct issues and associated reputational damage (as previously disclosed).

DISCLOSED EXECUTIVES

	Financial year	Fixed remuneration $	VR[1] cash $	VR[1] deferred shares $	Threshold vesting: VR[1] performance rights[2] $	Threshold vesting: Total remuneration awarded $	Full vesting: VR[1] performance rights[2] $	Full vesting: Total remuneration awarded $	VR[1] as % of: Target opportunity	VR[1] as % of: Maximum opportunity
Current Disclosed Executives										
M Carnegie	2020	1,200,000	409,200	409,200	421,600	2,440,000	843,200	2,861,600	52%	34%
	2019	1,000,000	495,000	495,000	510,000	2,500,000	1,020,000	3,010,000	75%	50%
	2018	1,000,000	528,000	528,000	544,000	2,600,000	1,088,000	3,144,000	80%	53%
K Corbally	2020	1,100,000	429,000	429,000	442,000	2,400,000	442,000	2,400,000	66%	44%
	2019	950,000	478,500	478,500	493,000	2,400,000	493,000	2,400,000	85%	57%
	2018 (6.5 months in role)	486,000	164,835	164,835	169,830	985,500	169,830	985,500	83%	55%
G Florian	2020	1,075,000	371,250	371,250	382,500	2,200,000	765,000	2,582,500	52%	35%
A George	2020	1,100,000	363,000	363,000	374,000	2,200,000	748,000	2,574,000	50%	33%
	2019	1,000,000	528,000	528,000	544,000	2,600,000	1,088,000	3,144,000	80%	53%
	2018 (12 months/4.5 months as Deputy CEO)	876,000	354,750	354,750	365,500	1,951,000	731,000	2,316,500	61%	41%
M Hand	2020	1,200,000	462,000	462,000	476,000	2,600,000	952,000	3,076,000	58%	39%
	2019 (9 months as Disclosed Executive)	726,000	198,000	198,000	204,000	1,326,000	408,000	1,530,000	41%	28%
M Jablko	2020	1,100,000	363,000	363,000	374,000	2,200,000	748,000	2,574,000	50%	33%
	2019	1,000,000	544,500	544,500	561,000	2,650,000	1,122,000	3,211,000	83%	55%
	2018	1,000,000	577,500	577,500	595,000	2,750,000	1,190,000	3,345,000	88%	58%
K van der Merwe	2020	850,000	330,000	330,000	340,000	1,850,000	680,000	2,190,000	59%	39%
A Watson[3]	2020	1,015,599	334,681	334,681	344,822	2,029,783	689,645	2,374,605	50%	33%
	2019 (3.5 months in role)	219,440	170,255	113,504	-	503,199	-	503,199	65%	43%
M Whelan	2020	1,200,000	363,000	363,000	374,000	2,300,000	748,000	2,674,000	46%	31%
	2019	1,200,000	874,500	874,500	901,000	3,850,000	1,802,000	4,751,000	110%	74%
	2018	1,200,000	717,750	717,750	739,500	3,375,000	1,479,000	4,114,500	91%	60%

1. Variable Remuneration. **2.** Deferred share rights for the Chief Risk Officer (CRO). **3.** Paid in NZD and converted to AUD.

2020 VARIABLE REMUNERATION AWARDED

This table shows the variable remuneration awarded to the CEO and Disclosed Executives for the year ending 30 September 2020. The average 2020 VR outcome for Disclosed Executives was 36% of maximum opportunity (ranging from 31% to 44%). Despite good performance these outcomes were deemed by the Board to better reflect the impact of the current economic conditions.

CEO AND DISCLOSED EXECUTIVES

Maximum opportunity

S Elliott[1]	AVR $1,250,000	$625,000	$625,000		**33%** of max
+ LTVR $3,500,000 performance rights face value at full vesting (subject to shareholder approval at the 2020 AGM)					
M Carnegie	VR $1,661,600	$409,200	$409,200	$843,200	**34%** of max
K Corbally[2]	VR $1,300,000	$429,000	$429,000	$442,000	**44%** of max
G Florian	VR $1,507,500	$371,250	$371,250	$765,000	**35%** of max
A George	VR $1,474,000	$363,000	$363,000	$748,000	**33%** of max
M Hand	VR $1,876,000	$462,000	$462,000	$952,000	**39%** of max
M Jablko	VR $1,474,000	$363,000	$363,000	$748,000	**33%** of max
K van der Merwe	VR $1,340,000	$330,000	$330,000	$680,000	**39%** of max
A Watson	VR $1,359,006	$334,681	$334,681	$689,645	**33%** of max
M Whelan	VR $1,474,000	$363,000	$363,000	$748,000	**31%** of max

Cash | Deferred shares or deferred share rights | Performance rights face value at full vesting[3]

1. Variable remuneration for the CEO = AVR + LTVR. **2.** CRO receives deferred share rights instead of performance rights. **3.** Divide by two to convert to face value at threshold vesting for performance rights.

2020 ACTUAL REMUNERATION RECEIVED

This table shows the remuneration the CEO and Disclosed Executives actually received in relation to the 2020 performance year as cash, or in the case of prior equity awards, the value which vested in 2020.

CEO AND DISCLOSED EXECUTIVES

	Fixed remuneration $	Cash variable remuneration $	Total cash $	Deferred variable remuneration which vested during the year[1] $	Other deferred remuneration which vested during the year[1] $	Actual remuneration received $	Deferred variable remuneration which lapsed/forfeited during the year[1, 2] $
CEO and Current Disclosed Executives							
S Elliott	2,500,000	625,000	3,125,000	597,362	-	3,722,362	(3,768,401)
M Carnegie	1,200,000	409,200	1,609,200	276,999	-	1,886,199	(241,617)
K Corbally	1,100,000	429,000	1,529,000	247,891	-	1,776,891	(135,003)
G Florian	1,075,000	371,250	1,446,250	141,723	-	1,587,973	-
A George	1,100,000	363,000	1,463,000	222,997	-	1,685,997	(117,474)
M Hand	1,200,000	462,000	1,662,000	335,786	-	1,997,786	(196,368)
M Jablko[3]	1,100,000	363,000	1,463,000	326,785	195,305	1,985,090	(241,617)
K van der Merwe	850,000	330,000	1,180,000	125,309	-	1,305,309	-
A Watson[4]	1,015,599	334,681	1,350,280	289,148	-	1,639,428	(90,473)
M Whelan	1,200,000	363,000	1,563,000	570,684	-	2,133,684	(1,374,281)

1. The point in time value of previously deferred remuneration granted as shares/share rights and/or performance rights is based on the one day Volume Weighted Average Price (VWAP) of the Company's shares traded on the ASX on the date of vesting or lapsing/forfeiture multiplied by the number of shares/share rights and/or performance rights. **2.** The lapsed/forfeited values relate to the performance rights we awarded in November/December 2016 which lapsed in November/December 2019 due to the performance hurdles not being met. **3.** Other deferred remuneration for M Jablko relates to previously disclosed compensation for deferred remuneration forfeited as a result of joining ANZ. **4.** Paid in NZD and converted to AUD.

Important dates for shareholders[1]

MAY 2021

5 May	Half Year Results Announcement
10 May	Interim Dividend Ex-Date
11 May	Interim Dividend Record Date
12 May	DRP/BOP/Foreign Currency Record Date

JULY 2021

1 July	Interim Dividend Payment Date

OCTOBER 2021

14 October	Closing date for receipt of Director Nominations
28 October	Annual Results Announcement

NOVEMBER 2021

8 November	Final Dividend Ex-Date
9 November	Final Dividend Record Date
10 November	DRP/BOP/Foreign Currency Record Date

DECEMBER 2021

16 December	Final Dividend Payment Date
16 December	Annual General Meeting (Adelaide)

OUR INTERNATIONAL PRESENCE AND EARNING COMPOSITION BY GEOGRAPHY[2]

INTERNATIONAL

ASIA
China
Hong Kong
India
Indonesia
Japan
Laos
Malaysia
Myanmar
The Philippines
Singapore
South Korea
Taiwan
Thailand
Vietnam

PACIFIC
American Samoa
Cook Islands
Fiji
Guam
Kiribati
New Caledonia
Papua New Guinea
Samoa
Solomon Islands
Timor-Leste
Tonga
Vanuatu

EUROPE
France
Germany
United Kingdom

MIDDLE EAST
United Arab Emirates (Dubai)

UNITED STATES OF AMERICA

1. If there are any changes to these dates, the Australian Securities Exchange will be notified accordingly. **2.** On a Cash profit (continuing operations) basis. Excludes non-core items included in statutory profit and discontinued operations included in cash profit. It is provided to assist readers in understanding the result of the ongoing business activities of the Group. For further information on adjustments between statutory and cash profit refer to page 56.

Contacts

REGISTERED OFFICE

ANZ Centre Melbourne
Level 9, 833 Collins Street
Docklands VIC 3008 Australia

Telephone: +61 3 9273 5555
Facsimile: +61 3 8542 5252

Company Secretary: Simon Pordage

INVESTOR RELATIONS

Level 10, 833 Collins Street
Docklands VIC 3008 Australia

Telephone: +61 3 8654 7682
Facsimile: +61 3 8654 8886
Email: investor.relations@anz.com
Web: shareholder.anz.com

Group General Manager Investor Relations: Jill Campbell

COMMUNICATIONS AND PUBLIC AFFAIRS

Level 10, 833 Collins Street
Docklands VIC 3008 Australia

Telephone: +61 2 6198 5001
Email: Tony.Warren@anz.com

Group General Manager Communications and Public Affairs: Tony Warren

SHARE AND SECURITIES REGISTRAR AUSTRALIA

AUSTRALIA

Computershare Investor Services Pty Ltd
GPO Box 2975
Melbourne VIC 3001 Australia

Telephone within Australia: 1800 11 33 99
International Callers: +61 3 9415 4010
Facsimile: +61 3 9473 2500
Email: anzshareregistry@computershare.com.au

Austraclear Services Limited
20 Bridge Street
Sydney NSW 2000 Australia
Telephone:1300 362 257

JAPAN

Japan Securities Depository Center, Incorporated
1-1, Nihombashi Kayabacho 2-chome,
Chuo-ku, Tokyo 103-0025 Japan

Telephone: +81-3-3661-0161 (Main) / +81-3-3661-7193 (Book-Entry Transfer Department)

LUXEMBOURG

Deutsche Bank Luxembourg S.A.
2, Boulevard Konrad Adenauer
L-1115 Luxembourg, Luxembourg

Telephone: +352 4 21 22 656

NEW ZEALAND

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142 New Zealand

Telephone: 0800 174 007
Facsimile: +64 9 488 8787

UNITED KINGDOM

Computershare Investor Services PLC
The Pavilions Bridgwater Road
Bristol BS99 6ZZ UK

Telephone: +44 870 702 0000
Facsimile: +44 870 703 6101

UNITED STATES

The Bank of New York Mellon
240 Greenwich St, Floor 7E
New York, NY 10286 USA

Telephone: +1 1800 254 2826

BNY Mellon Shareowner Services
PO Box 505000
Louisville, KY 40233-5000 USA

USA Toll Free Telephone:
1888 269 2377
Telephone for International Callers:
1201 680 6825
Web:
www-us.computershare.com/investor
Email: shrrelations@bnymellon.com

Deutsche Bank Trust Company Americas
60 Wall Street, 24th Floor Mailstop
NYC 60-2407
New York, NY 10005 USA

Telephone: +1 212 250 2500

GERMANY

Deutsche Bank Aktiengesellschaft
COO Global Markets Operations
Schuldschein Operations
Mainzer Landstr. 11-174
60272 60329 Frankfurt am Main Germany

Telephone: +49 69 910 31441
Facsimile: +49 69 910 85025
Email: GTO-FFT.SDO@db.com

MORE INFORMATION

General Information on ANZ can be obtained from our website: anz.com. Shareholders can visit our Shareholder Centre at anz.com/shareholder/centre. ANZ Corporate Governance: For information about ANZ's approach to Corporate Governance and to obtain copies of ANZ's Constitution, Board/Board Committee Charters, Code of Conduct and summaries of other ANZ policies of interest to shareholders and stakeholders, visit anz.com/corporategovernance. Australia and New Zealand Banking Group Limited ABN 11 005 357 522.

This Annual Review has been prepared for Australia and New Zealand Banking Group Limited ("the Company") together with its subsidiaries which are variously described as: "ANZ", "Group", "ANZ Group", "the Bank", "us", "we" or "our".

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

Founding Signatory of:
UNEP FINANCE INITIATIVE | PRINCIPLES FOR RESPONSIBLE BANKING

CDP
DISCLOSURE INSIGHT ACTION

WGEA
Employer of Choice for Gender Equality

50 years as a Brand, 185 years as a Bank

On 1 October 1970, in what was then the largest merger in Australian banking history, ANZ Bank Ltd merged with the English, Scottish and Australian Bank Limited to form Australia and New Zealand Banking Group Limited – the modern ANZ.

1835

A NEW BANK

The Bank of Australasia opens in Sydney.

1887

WOMEN IN THE WORKFORCE

Bank of Australasia employs its first female typist, believed to be the first woman employed by an Australian bank. Mary Switte was appointed to the position of 'lady typewriter'.

1951

ANZ BEGINS

In London, the Bank of Australasia merges with the Union Bank of Australia to form ANZ Bank Limited.

1970

MERGER WITH ES&A

ANZ Bank Limited merges with the English, Scottish and Australian Bank to become Australia and New Zealand Banking Group Limited.

1996

CONNECTED

anz.com launches, followed closely by phone banking and internet banking.

2003

NATIONAL BANK OF NEW ZEALAND

ANZ Bank Limited acquires National Bank of New Zealand from Lloyds TSB.

2010

ANZ GOMONEY™ LAUNCHES

ANZ is the first bank in Australia to offer customers a mobile-to-mobile payment application.

2012

BRINGING IT ALL TOGETHER

National Bank of New Zealand integrates into the ANZ brand.

2016

APPLE PAY AND ANDROID PAY

With the launch of Apple Pay and Android Pay, ANZ customers in Australia now able to make tap and go payments wherever contactless payments accepted.

2020

COVID-19 SUPPORT PACKAGE

ANZ launches an unprecedented support package for small business and home loan customers with the potential to inject $6 billion into the Australian economy and assist in the recovery from the COVID-19 crisis.

The evolution of the ANZ brand

We are adapting to the changing environment, protecting our people, customers and shareholders, engaging proactively with our stakeholders and, together, preparing for the future.

shareholder.anz.com

Australia and New Zealand Banking Group Limited (ANZ) ABN 11 005 357 522.