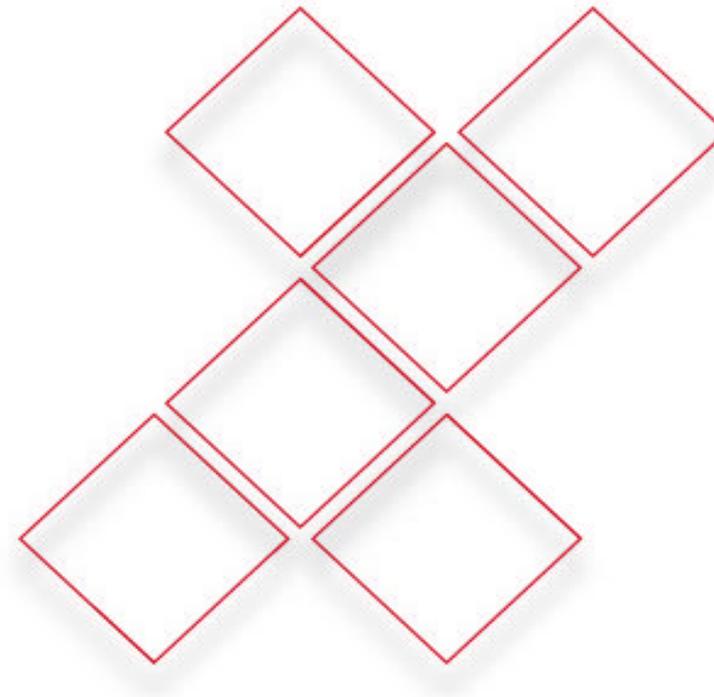


ANZ: Financial Literacy & Inclusion Global Benchmarking Report

Report summary



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Introduction

- ANZ commissioned The Corporate Citizenship Company (TCCC) to benchmark the bank's efforts to promote financial literacy in Australia against those of other leading banks around the world.
- We used ANZ's four-pronged approach as the framework, and the London Benchmarking Group (LBG) model to provide a common assessment base.
- The report presents the results, which are informed by in-depth analysis of publicly available information about the programs and activities being operated by banks in different countries
- This is a summary of the report, which is available in full on the ANZ.com website.

Methodology

- We assembled information on each bank by:
 - Reviewing published material
 - Interrogating websites
 - Drawing from independent commentary
 - Interviewing key staff from banks, academic, consumer, and industry organisations
- Mindful of ANZ's commitment to having the report in the public domain, we have only included materials and references that are attributable.
- We then applied the LBG *input > output > impact* model to different financial literacy services and programs being offered by the 12 leading banks in these areas.
- The information has been collated into a common format and is available separately to this report

Banks surveyed

Bank*	Headquarter Country	Operating income AUS\$	Employee numbers
ANZ	Australia	\$17.5bn	28,755
Bank of America	USA	\$19bn	175,365
Barclays	UK	\$33.2 bn	78,000
BMO Group	Canada	\$10.3bn	33,953
Citigroup	USA	\$107bn	300,000
Commonwealth Bank	Australia	\$10.5bn	36,300
HBOS	UK	\$24.2bn	67,000
National Australia Bank	Australia	\$13bn	43,517
Rabobank	The Netherlands	\$16.1bn	56,324
RBS group	UK	\$25.7bn	136,600
Standard Bank	South Africa	\$5.2bn	29,105
Westpac	Australia	\$12.9bn	21,677

* It should be noted that this information was accurate according to publicly available company documents at the time of research. It is not necessarily reflective of situations after June 2005.

Simple products and services

- Barclays in the UK was the bank credited by external sources with having achieved most in simplifying its standard products and services. Rabobank in The Netherlands provides the best examples of making its facilities accessible to groups that are often excluded or neglected in the provision of banking services, specifically elderly and disabled people.
- ANZ measured well against all the banks assessed in terms of accessible banking products and commitment to clear marketing. Independent external commentators also said that ANZ's products are ahead of its Australian competitors. They also said that in terms of being accessible and open to dialogue in the interests of addressing these issues they are better.
- This said, both internal and external sources acknowledged that there is still more for ANZ to do to provide across the board truly leading examples of best practice in relation to simple products and services.

Thought leadership

- Citigroup has invested heavily in addressing issues related to financial literacy. It has demonstrated leadership in advancing thinking on these issues at a global level and shown a consistency of approach locally. Barclays is the bank that has done the most to advance both thinking and action on financial literacy in a single market, namely the UK, and its efforts put it ahead of other banks assessed worldwide.
- ANZ has demonstrated a leadership position promoting financial literacy in its own market. If this were supplemented by more relevant engagement in New Zealand particularly, it would improve its profile as a leader on financial literacy issues and public policy at an international level.

Innovative programs

- BMO Group in Canada, through the creation and operation of its *Aboriginal Banking Unit*, has shown best practice for the sector in working to support indigenous communities. Citigroup is cited because it is meeting its commitments to supporting financial literacy and inclusion programs in all its markets.
- ANZ's innovative programs received impressive praise from its partner organisations and other stakeholders, and early reviews point to significant success, particularly *Saver Plus* and *Money Minded*. It is early days for several programs, notably the *Money Business* initiative, which is targeted to support indigenous communities

Financially fit workforce

- Westpac meets the most criteria in supporting a *financially fit workforce*. It has taken seriously the commitment to training its employees on their own personal financial matters and successful programs around employee engagement and volunteering have sprung from this. RBS Group has similarly invested considerably in supporting its workforce to promote financial literacy, in part as a means of engaging with its employees.
- ANZ is investing serious resource in this area. In terms of addressing the financial literacy needs of its employees it is really only Westpac and ANZ among the banks assessed that are doing this to any notable degree. A number of banks make good use of financial literacy programs to support employee engagement. Although ANZ has a strong and credible employee volunteering programme, its efforts are not as aligned with broader company strategy as some of the other banks reviewed.

In summary

- **ANZ's progress on financial literacy has been achieved by:**
 - Simplifying its own products and services and disseminating information about financial literacy issues, helping to make banking services more accessible and more manageable for the general public.
 - Engaging with government and specific, issues-focussed organisations to help advance thinking and set the public agenda on financial literacy and inclusion in Australia.
 - Developing targeted programs and community partnerships that will not only directly support currently disadvantaged individuals and communities, but should also provide models of best practice for other interested companies, both within and outside the banking sector.
 - Training and supporting its own workforce, demonstrating awareness of the importance of understanding finance throughout society.

Conclusions

- **Financial literacy is an issue that is set to become ever more important as the access to and use of banks and financial services increasingly both reflect and determine levels of social inclusion.**
- **ANZ measures well against leading banks addressing financial literacy and inclusion around the world. It can and will continue to provide a leadership role for its domestic market and peer companies on these issues, as Barclays has done in the UK.**
- **From an international perspective, ANZ is demonstrating approaches that marks it as a leader among banks addressing financial literacy and inclusion, but it needs to maintain its commitments and build upon them over time.**

Conclusions

- **Communicating its successes and, when they occur, shortcomings, will not only help generate the recognition its programs deserve, it will also help to provide valuable lessons for the industry and other financial literacy actors around the world.**
- **For now, the imperative should be to continue and extend its existing range of programs and to build upon the achievements it has made to-date.**
- **Consistency, commitment, and a successful track record of addressing an issue over time will ultimately demonstrate and determine corporate leadership.**

About this work and TCCC

- The *financial literacy and inclusion global benchmarking report* was commissioned by ANZ in May 2005. The work was undertaken by TCCC between then and August 2005. To ensure that the research that underpinned this benchmarking was of a comparable nature, we have not included information that was made publicly available after June 2005.
- The Corporate Citizenship Company is a specialist adviser to corporations on a wide range of corporate responsibility and sustainability matters worldwide. We seek to help companies improve their economic, social and environmental performance and report on it globally. We have conducted benchmarking studies for companies and groups of companies from all major business sectors and coordinate the London Benchmarking Group (LBG), the international standard for measuring and reporting on corporate community investment.
- Our clients include Diageo, HBOS, HSBC, IFC, Unilever, and Vodafone
- More information about us is available at www.corporate-citizenship.com



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