

2012 STAKEHOLDER ENGAGEMENT TABLE

CUSTOMERS	
2012 MAIN ISSUES ARISING	PRIMARY METHODS OF ENGAGEMENT
<ol style="list-style-type: none"> 1. Interest rates (Australia). This issue was relevant to 2012 Interest Rate announcements. 2. Reducing complexity and duplication (New Zealand). 3. Providing better cross-border connectivity within Asia and between Asian countries and the Pacific, Australia and New Zealand (Asian countries). 4. Improving access to banking and providing simple, convenient, easy to understand and affordable banking solutions (Pacific countries). 	<ul style="list-style-type: none"> • anz.com • Newsletters and other correspondence • Customer Advocate office • ANZ's Customer Experience Forum • 'Your Say' online customer panel • Customer research • Stakeholder forums • Advertising campaigns.
ANZ RESPONSE	
<ol style="list-style-type: none"> 1. Bank funding costs are now less directly related to movements in the RBA's cash rate. In addition to changes in the cash rate, the price we pay for customer deposits and for the domestic and international wholesale funding that we rely on to continue to lend to customers, have become increasingly important since the global financial crisis. We now review our variable home loan and small business interest rates separately to RBA announcements. 2a. Continued to progressively reduce duplication and simplify our New Zealand business by creating one approval process for customers, one set of products and one technology platform. 2b. Announced that after 10 years of operating ANZ and The National Bank in New Zealand, the two brands would progressively be brought together as ANZ. This move further strengthens ANZ in the New Zealand market, making it easier for us to connect customers across its global network. 3a. Launched the Transactive Asia Strategic (TAS) program with the goal to deliver an integrated web-based cash management platform, called ANZ Transactive – Cash Asia, for our clients across Asia. 3b. Opened new bank branches (Mongkok, Hong Kong) and sub-branches (Guangzhou, China) and upgraded existing branches (Raffles Place, Singapore) to improve our customers' access to banking. 3c. Provided access to Chinese renminbi (RMB) to customers across segments with a wide range of RMB products including Markets, trade, deposits and bonds, onshore from our branches in Mainland China and offshore out of Hong Kong. 4a. Prepared for the launch of 'ANZ Complete', a new retail deposit product offering across the Pacific that provides customers with a simplified range of products, replacing most of ANZ Pacific's current transaction and savings products. 4b. In preparation for the 2013 launch of mobile phone banking, we trained staff and installed technology in Samoa, Papua New Guinea, Solomon Islands and Vanuatu (launching progressively throughout these countries in 2013). This new channel will provide banking services to people who have previously been unable to access banking services (majority living in remote and rural locations) and will provide a convenient channel for customers to do their banking. 	

2012 STAKEHOLDER ENGAGEMENT TABLE (continued)

EMPLOYEES (INCLUDING UNIONS)	
2012 MAIN ISSUES ARISING	PRIMARY METHODS OF ENGAGEMENT
<ol style="list-style-type: none"> 1. Organisational restructuring. 2. Expiry of Enterprise Agreements (Australia, NZ and Pacific); ie collective agreements that set minimum employment conditions for applicable employees. 3. In Fiji, the introduction of Essential National Industries (Employment) Decree (ENI) that did not allow ANZ to recognise or deal with the staff union. 	<ul style="list-style-type: none"> • Discussions between employees and line managers • Participation in 'Town Hall' meetings with senior executives and other large scale briefings (eg Super Regional Speakers Series) • Updating and responding to enquiries via ANZ Intranet 'Max' • Posting on internal online forum 'CEO Chat' • Discussions between Finance Sector Union (FSU), global employee relations team and ANZ senior executives.
ANZ RESPONSE	
<ol style="list-style-type: none"> 1a. Consulted with staff, led by CEO Australia and senior executive team, explaining the likely impact on staffing numbers. 1b. Introduced assistance measures, including the extension of our \$10 million New Career Training Fund and Past Employee Care Fund to support people directly impacted. 1c. Undertook regular communication and consultation with the FSU throughout the organisational restructuring, including at the planning stage. 1d. Helped FSU communicate with its members and other interested staff. 2a. Developed new Enterprise Agreements in Australia, New Zealand and other Pacific countries to provide certainty for ANZ and our staff regarding pay and conditions for the next two to three years. 2b. Provided regular updates to employees regarding negotiations with the union, along with feedback channels for staff to ask questions or comment on proposals. 3. Assisted Fiji employees to set up a staff collective association to enable employees to regularly engage with senior business representatives on organisational changes. Enterprise Agreement discussions and other activities were typically performed by the Fiji union prior to enactment of the ENI Decree. 	

2012 STAKEHOLDER ENGAGEMENT TABLE (continued)

INVESTORS	
2012 MAIN ISSUES ARISING	PRIMARY METHODS OF ENGAGEMENT
<p>These issues are common to the banking sector</p> <ol style="list-style-type: none"> 1. Capital efficiency and returns. 2. Income Growth Outlook. 3. Productivity. 4. Credit Quality. 	<ul style="list-style-type: none"> • Interim and full year results briefings • Strategy briefings and other market updates • Annual General Meeting.
ANZ RESPONSE	
<ol style="list-style-type: none"> 1. Undertook a number of initiatives aimed at improving the capital efficiency of the ANZ Group, including the sale of Visa shares and Origin mortgage business and removing the discount on the Dividend Reinvestment Plan. 2. Continued to diversify our sources of revenue by geography, customer and product, to ensure a more sustainable level of income growth. 3. Continued to expand the capabilities of regional support hubs to bring greater scale and efficiency to our back office operations and free up frontline staff to spend more time with customers. 4. Maintained a disciplined and conservative approach to the management of credit risk. 	

AUSTRALIAN GOVERNMENT AND REGULATORS	
2012 MAIN ISSUES ARISING	PRIMARY METHODS OF ENGAGEMENT
<ol style="list-style-type: none"> 1. Prudential regulation. 2. Future of Financial Advice and Superannuation Reforms. 3. Privacy reforms. 4. Free trade agreements. 	<ul style="list-style-type: none"> • Senior executives meeting with senior law makers, officials and regulators • Participation in industry engagement/forums • Responding to: <ul style="list-style-type: none"> - Parliamentary Committee Inquiries and other Government and regulatory consultations - Government requests for information and technical advice.
ANZ RESPONSE	
<ol style="list-style-type: none"> 1. Continued to engage with regulators to advocate for globally consistent application of prudential regulation in Australia to ensure we are not disadvantaged relative to our international peers. 2. Worked with industry bodies and a broad range of political stakeholders to advocate for regulation which enables us to continue to provide access to low-cost financial advice. 3. Worked with Government to ensure privacy legislation delivered high level of privacy protections while preserving efficient delivery of services through our international operations hubs. 4. Provided submissions and met with negotiators to seek the removal of barriers to our expansion in target markets through free trade agreements. 	

2012 STAKEHOLDER ENGAGEMENT TABLE (continued)

OTHER GOVERNMENTS AND REGULATORS ACROSS OUR REGIONS	
2012 MAIN ISSUES ARISING	PRIMARY METHODS OF ENGAGEMENT
<ol style="list-style-type: none"> Continuing regulatory reform at national and international level to address a variety of matters including: <ul style="list-style-type: none"> market conduct and customer suitability privacy, data protection, and information security depositor protection. Ongoing compliance with prudential regulation. 	<ul style="list-style-type: none"> Regular meetings with officials and regulators by Country CEOs Providing information and technical advice on international practices to regulators in developing countries upon request or proactively Responding to regulatory consultations Managing regulator reviews and examination.
ANZ RESPONSE	
<ol style="list-style-type: none"> Continued open and constructive dialogue with regulators to ensure full understanding of their needs, expectations, and concerns, and to update them on ANZ performance, strategy and practices. Continued strong preparation for periodic reviews and examinations undertaken by regulators as part of their normal supervision of ANZ's operations, and active remediation of any issues arising to ensure ongoing compliance. 	

NON GOVERNMENT ORGANISATIONS	
2012 MAIN ISSUES ARISING	PRIMARY METHODS OF ENGAGEMENT
<ol style="list-style-type: none"> Identified a need for a single policy that incorporates all relevant information for managers of customers with hydroelectric power in their portfolio. Finance to the energy sector, including coal fired power generation. 	<ul style="list-style-type: none"> Direct meetings with non government organisations Issue-specific and environmental scanning Broad range of meetings across our region to understand issues of NGO interest or concern and to explain bank's position.
ANZ RESPONSE	
<ol style="list-style-type: none"> Introduced Hydro Power Policy to guide decision making when considering financing dams. Our Energy Policy now includes specific commitments to only support new coal-fired power plants that demonstrate the capacity for improved carbon emissions performance over time (such as being able to add carbon capture and storage facilities when the technology is available). 	

2012 STAKEHOLDER ENGAGEMENT TABLE (continued)

SUPPLIERS	
2012 MAIN ISSUES ARISING	PRIMARY METHODS OF ENGAGEMENT
<ol style="list-style-type: none"> 1. Continuing globalisation of our supply chain. 2. Supplier Code of Practice (SCOP) compliance. 	<ul style="list-style-type: none"> • Participation in Industry and Supplier forums • Release and review of supplier 'Requests for Proposal'
ANZ RESPONSE	
<ol style="list-style-type: none"> 1. Developed strategies to manage social and environmental risks in our supply chain, eg Supplier Forums in Asia and staff workshops in Asia, Australia and New Zealand. 2. Increased the scale of our Supplier Code of Practice (SCOP) auditing to identify and remediate reputational risk. 	