



atm



# TOGETHER

2014 SHAREHOLDER REVIEW

# TOGETHER

## 2014 SHAREHOLDER REVIEW



### MOBILE

Wherever you see this icon, it's one of our many mobile solutions, bringing banking to wherever customers are.



### TABLET

Taking business, banking and transactions away from the desk with more control than ever before.



### ONLINE

All of our online services, making sure our community has access to the information it needs, whenever it's needed.



### EFTPOS

Electronic retail transactions are now more convenient than ever before.



### SPECIALIST

Our mobile lending force understands the importance of face-to-face communication and the value of convenience.

## ACKNOWLEDGMENTS

Thanks to all the ANZ staff who volunteered to take part in the photoshoots for this review. Their cooperation and willingness to take part (especially considering the very early mornings) are great examples of the commitment our team has to the spirit of collaboration.

Those who came together were:

Sharma de Abrew, Adam Atawneh, Phoebe Bao, Doung Bui, John Cha, Em Coy, Selasi Dorcoo, Ashish Jeena, Dhavinder Jeet Sidhu, Darren Lim, Elsa Yim, Lynn Lim, Nicole Kelly, Nicole Kuol, Nasrin Laila, Elisa Li-causi, Bob Liu, Marg McKay, Cheryl Miller, Sarah Ng, Darien Nurhadi, Beth Patino, Yolande Powrie, Ueidiiane Reis, Natalie Robbins, Gus Robertson, Mei Ling Sampson, Kevin Sharkie, Chris Slade, Didar Singh, Reg Starling, Julie Toop, Melanie Treloar, Rost Vashevnik.

Also thanks to John Kakavelis at Aix Cafe, 24 Centre Place, Melbourne.

## ABOUT THIS DOCUMENT

The 2014 Shareholder Review provides an overview of ANZ's strategic direction and financial and non-financial performance for 2014. Our work promoting money management skills among disadvantaged groups remains our priority community investment focus.

All information contained within this document is for the year ended 30 September 2014 unless otherwise stated. All figures are in Australian dollars unless otherwise stated.

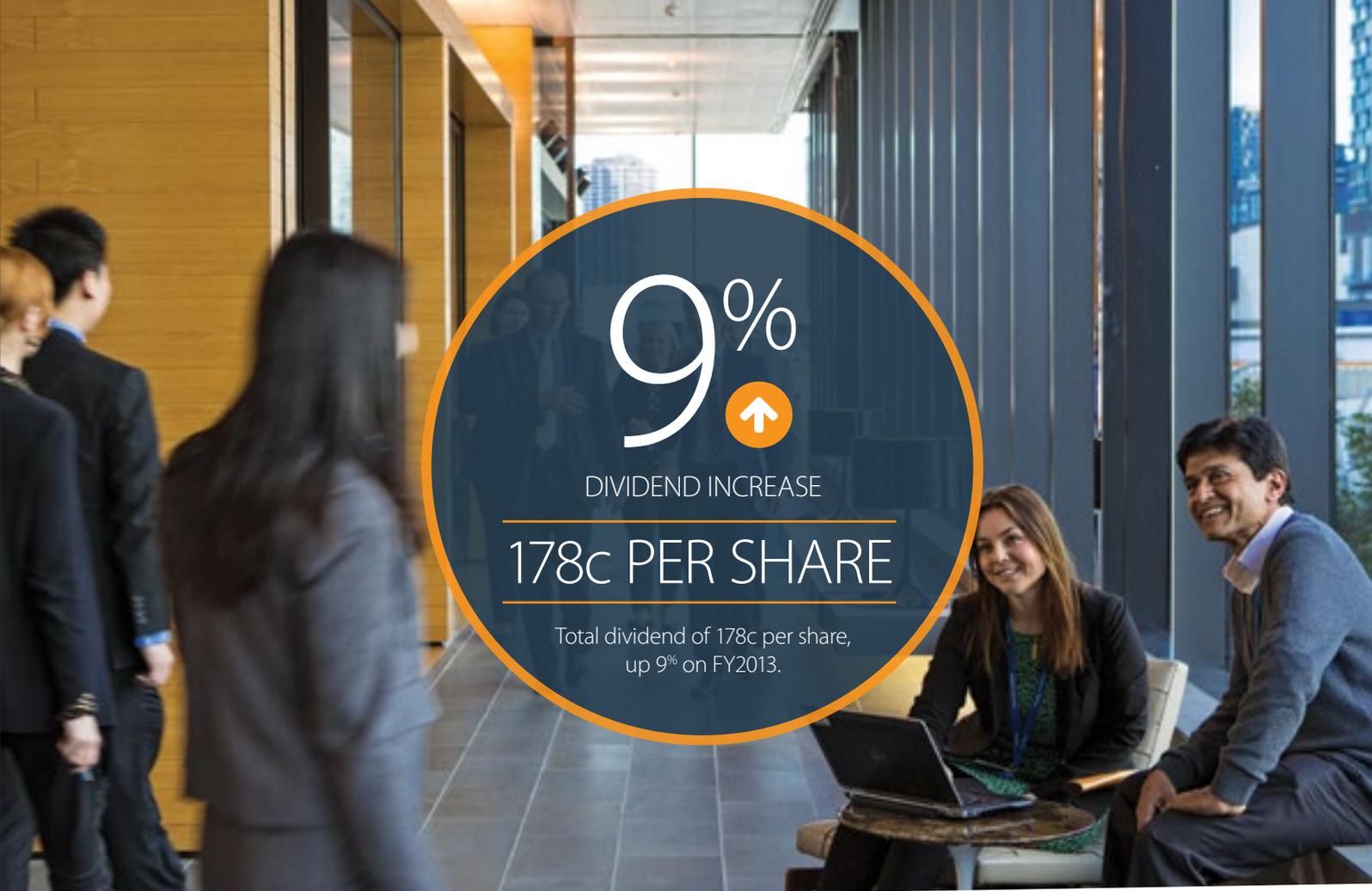
## MORE INFORMATION

General information on ANZ can be obtained from our website: [anz.com](http://anz.com). Shareholders can visit our Shareholder Centre at [shareholder.anz.com](http://shareholder.anz.com).

ANZ Corporate Governance – for information about ANZ's approach to Corporate Governance and to obtain copies of ANZ's Constitution, Board/Board Committee Charters, Shareholder Charter, Codes of Conduct and Ethics and summaries of other ANZ policies of interest to shareholders and stakeholders, visit [anz.com/governance](http://anz.com/governance).

### Australia and New Zealand Banking Group Limited ABN 11 005 357 522

This Shareholder Review (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".



9%  
↑

DIVIDEND INCREASE

178c PER SHARE

Total dividend of 178c per share,  
up 9% on FY2013.

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THE SPIRIT  
LIVES  
2014 - 2018



## OUR SHARED HISTORY

During World War I, ANZ understood the importance of supporting Anzac and what has become known as the Anzac Spirit.

ANZ made sure that staff who volunteered for the military did not take on a financial burden in addition to risking their lives. The bank added to former employees' military income to match that of their employment under the bank.

Women were first employed by the bank during this period, filling the gaps left by the men who enlisted.

WWI remains a big part of ANZ's history. Honour boards commemorating the dead are on continuous display at our flagship Collins

These links to our heritage connect us to who we are and shape the way we progress.

Street branch, reminding us of the sacrifices made to protect the region.

We are very proud that ANZ is in a position to keep the past and present together over the period of the Anzac Centenary. ANZ will be providing \$10 million to the Anzac Centenary Public Fund commemorating 100 years of Anzac and supporting a number of national Anzac Centenary projects, amongst which is the refurbishment of the Shrine of Remembrance in Melbourne.

These links to our heritage connect us to who we are and shape the way we progress.

» ANZ will have displays and information available for our shareholders to view at our Annual General Meeting venue (Melbourne Convention Centre) prior to and following the meeting on 18 December 2014. Photographs of the day will be available on [shareholder.anz.com](http://shareholder.anz.com). The displays will be travelling around the country in 2015.



# TOGETHER



## 2014 IN REVIEW

"Together" is a word that means a lot more to us than simply a partnership. It's more than just working with our customers to help them save, build their businesses and embark on new ventures.

To us, "together" means the support that we provide to make that work easier.

To us, "together" means the support that we provide to make that work easier. It's about being part of the team that the people and organisations we work with can rely on to provide better ways to save, build or innovate. It's helping

them to be more efficient and spend more time on what's important to them.

This year we focused on the roles ANZ plays as facilitators, connectors and expeditors. In this review we're developing a social perspective on the bank's actions and the flow-on effects to individuals, businesses and governments throughout the region.

The improvements might have come from our new Smart ATMs – saving people time at a branch – or our international transfer systems, which are designed to make sure money gets where it needs to be faster than ever before.

ANZ's vision of social banking is to make distance more manageable and put more time in the hands of people who need it most.

# ANZ IS EXECUTING A FOCUSED STRATEGY TO BUILD THE BEST CONNECTED, MOST RESPECTED BANK ACROSS THE ASIA PACIFIC REGION.



## GOAL

ANZ is executing a focused strategy to build the best connected, most respected bank across the Asia Pacific region. This goal is based on our belief that the future of our home markets of Australia and New Zealand are increasingly linked to the fast growing region of Asia through trade, capital and wealth flows. We also believe that people want a bank that understands their specific needs, and increasingly can meet these needs in more than one market through a variety of means. By building a Super Regional bank, ANZ

By building a Super Regional bank, ANZ can better serve our customers and achieve superior financial returns over the longer term.

can better serve our customers and achieve superior financial returns over the longer term. ANZ's aspiration is to have 25 to 30% of ANZ Group profit after tax sourced from Asia Pacific, Europe and America revenues by 2017. ANZ has made good progress towards this goal.

## ACHIEVEMENTS

We continue to build stronger positions in our home markets of Australia and New Zealand. This year another 106,000 retail and commercial clients joined our bank in Australia, contributing to solid market share gains, while our focus on serving ANZ customers sees us protecting more customers than ever through our Wealth business. Customer satisfaction improved in all our segments, including Institutional where we regained the number one Lead Bank position as measured by the Peter Lee survey<sup>1</sup>. In New Zealand, we saw further productivity benefits from our Simplification program, along with market share gains in key cities and an improvement in customer satisfaction.

Our Institutional business in Asia continues to grow quickly, focused on the fast-growing cross-border trade and capital flows, and is today ranked as the fourth largest regional Institutional bank by the Greenwich Asia survey<sup>2</sup>. Revenue has consistently grown at double-digit rates, with a compound annual growth rate of 23% over the past five years. Cross-border revenues grew at 9% for the year, and profit was up 25%. The Division's revenue mix has diversified substantially, with

<sup>1</sup> Peter Lee Associates 2014 Large Corporate and Institutional Relationship Banking survey, Australia

<sup>2</sup> Greenwich Associates 2013 Asian Large Corporate Banking Study



# STRATEGY & PERFORMANCE



## PROGRESSING

more significant contributions from Foreign Exchange, Trade and Cash Management and Debt Capital Markets.

Our operations strategy is delivering economies of scale, speed to market and a stronger control environment, resulting in better quality, lower unit costs, and lower risk. As a consequence of our approach, this year we again delivered positive 'operating jaws', with Operations costs down 3% while absorbing an 8% increase in transaction volumes.

More generally, our business risk profile continues to improve as we shift to investment-grade clients and shorter tenor Trade Finance, and greater earnings diversification across products and geographies. Combined with a benign risk environment, these improvements saw a further fall in provision charges and the loan loss rate across the Bank.

Finally, we focused on strengthening the alignment between business, operations, support and technology through the creation of our Global Operations and Technology business, and invested over \$46.3 million in training and development for our staff.

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

Our operations strategy is delivering economies of scale, speed to market and a stronger control environment.

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

FINANCIAL HIGHLIGHTS

\$7.1  
BILLION

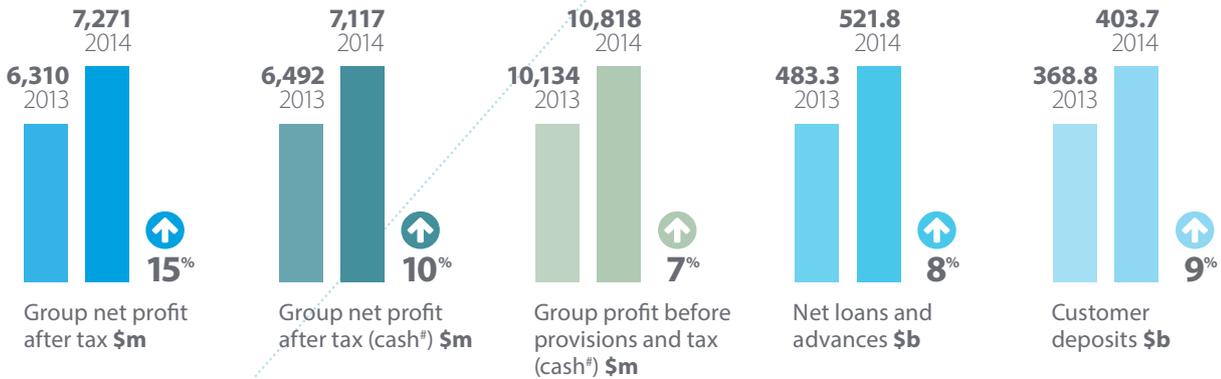
39.2%<sup>1</sup>

WOMEN IN  
MANAGEMENT



RECORD  
CASH PROFIT

Delivered a record cash profit of \$7.1 billion, up 10% on 2013  
Statutory profit also up 15%



TOTAL  
SHAREHOLDER  
RETURN OF  
6%

RETURN  
ON EQUITY  
(CASH<sup>#</sup>)  
15.4%

178 CENTS PER SHARE  
FULLY FRANKED TOTAL DIVIDEND  
FOR FY14 TO 178 CENTS PER SHARE

<sup>#</sup> ANZ adjusts statutory profit for certain non-core items to calculate Cash Profit which measures the result for the ongoing activities of the Group.



# HIGHLIGHTS SUMMARY

## NON-FINANCIAL HIGHLIGHTS



Member of DJSI World, DJSI Asia Pacific and DJSI Australia



We achieved a CDP 2014 climate disclosure score of 98 out of 100.

<sup>1</sup> Includes all employees regardless of leave status and includes casuals but not contractors (which are included in FTE).

<sup>2</sup> This is the approximate number of people who have benefited from ANZ's MoneyMinded financial education program since 2003.

<sup>3</sup> Full time equivalent employees.

<sup>4</sup> Figure includes foregone revenue of \$58 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.

<sup>5</sup> Project Finance commitments refers to ANZ's lending commitments as at 30 September 2014 to renewable energy projects made only on a non or limited recourse basis to the ultimate sponsors. This figure does not include ANZ lending made to renewable energy projects that may be funded under corporate debt facilities or through other lending products.

<sup>6</sup> In Australia, Retail and Commercial complaints.



## A MESSAGE FROM DAVID GONSKI, AC

I am pleased to report that ANZ's statutory profit after tax for the 2014 financial year was \$7.3 billion, up 15%. Excluding non-core items, cash profit was \$7.1 billion, up 10%.

The final dividend of 95 cents was up 14% on the Interim Dividend bringing the total dividend for the year to 178 cents per share fully franked, an increase of 9%. This will see us pay out a record \$4.9 billion to shareholders for this year.

ANZ remains strongly capitalised and the quality of our balance sheet continues to improve. Our common equity tier one capital ratio ended the year at 8.8% well positioned ahead of the new capital levels currently required of Domestic Systemically Important Banks.

### REGULATION

The Financial System Inquiry in Australia has created a vigorous discussion about regulation and in particular about capital and loss absorbency. Significant steps have already been taken to strengthen banking since the global financial crisis and this has built on what was already a very sound, well regulated and well-supervised financial system in Australia.

While outcomes from the inquiry are not yet clear, we believe recommendations that combine strong regulatory and supervisory frameworks and market-based disciplines will deliver the best balance between financial stability and economic efficiency.

Everyone benefits from a well-capitalised, well-managed banking system – consumers, shareholders and taxpayers. There is however a real cost to the economy of regulation and policy settings that are too conservative and it is not in Australia's best interests for the financial system to become globally uncompetitive.

### BOARD CHANGES

Two long standing directors David Meiklejohn and Greg Clark retired at the Annual General Meeting in December 2013 as part of a succession plan that previously saw Paula Dwyer and Graeme Liebelt join the board. Both David and Greg gave significant service to ANZ over many years and I thank them for their contribution.

I was pleased to re-join the ANZ board this year and to succeed John Morshel as your Chairman in May. John made an enormous contribution to ANZ as a director and as Chairman, and on

\$4.9  
BILLION  
TO OUR  
SHAREHOLDERS



behalf of shareholders and all at ANZ, I thank him for his outstanding service.

We also made two other appointments to the board as part of our succession process. John (JT) Macfarlane, a former corporate banker, joined the board following Peter Hay's retirement. Ilana Atlas, an experienced company director and banking executive, also joined the board following Alison Watkins' decision to step down having accepted a new executive role. Both Peter and Alison also made significant contributions to our board and to ANZ, and on behalf of shareholders I also acknowledge their service.

### CORPORATE SUSTAINABILITY

ANZ has an important role to play within the communities in which we operate. Our longstanding investment in building the money management skills and savings capabilities of people across our region is an integral part of ANZ's Corporate Sustainability Framework.

More than 294,000 people have participated in our flagship financial literacy program MoneyMinded since 2003 and this year we extended the reach of this program by launching MoneyMinded online. We have also made banking more accessible in rural and remote areas of the Pacific, with our mobile banking application ANZ goMoney™.

At a time when governments around the world are examining the most effective ways to mitigate climate change, some of our stakeholders view our financing of fossil fuel industries as a key risk. While ANZ is not a major emitter of greenhouse gases, many of our large corporate customers are and we are therefore committed to supporting our customers to transition to a lower-carbon economy. I would encourage shareholders to read our forthcoming Corporate Sustainability Review in which we outline our position on climate change and our response to these issues in more detail.





# CHAIRMAN'S REPORT

## OUTLOOK

We expect 2015 to present similar opportunities for ANZ to those in 2014 with a continuation of a stable credit environment.

In Australia and New Zealand the consumer sector remains relatively buoyant and we expect a gradual transition to business led growth. Asia's economies are set to maintain their position as the world's best performing region.

We believe the environment, ANZ's strategy and the strength of its customer franchise mean the bank is well positioned to maintain its momentum and to deliver growth and value to shareholders over the medium term.

David Gonski, Chairman



## BOARD OF DIRECTORS

Details of Directors in office as of 30 September 2014 are set out below. Full biography details can be found on our website: [shareholder.anz.com/our-company/board-of-directors](http://shareholder.anz.com/our-company/board-of-directors)

LEFT TO RIGHT SEATED:

**David Gonski, AC**  
Chairman  
BCom, LLB, FAICD(Life), FCPA

**Ian Macfarlane, AC**  
BEd (Hons), MEd, Hon DSc *Syd.*, Hon DSc *UNSW*, Hon DCom *Melb.*, Hon DLitt *Macq.*, Hon LLD *Monash*

LEFT TO RIGHT STANDING:

**Lee Hsien Yang**  
MSc, BA

**Graeme Liebelt**  
BEd (Hons), FAICD, FTSE, FAIM

**Ilana Atlas**  
BJuris (Hons), LLB (Hons), LLM

**Michael Smith, OBE**  
BSc (Hons) *City Lond.*, Hon LLD *Monash*  
Chief Executive Officer and Executive Director

**Paula Dwyer**  
BCom, FCA, SF Fin, FAICD

**John Macfarlane**  
BCom, MCom (Hons)



## A MESSAGE FROM MICHAEL SMITH, OBE

6%  
TOTAL  
SHAREHOLDER  
RETURN



ANZ's performance in 2014 demonstrates consistent execution of our super regional strategy with strong growth in Australia, New Zealand and Asia Pacific. This is continuing to create a better bank for customers – whether big, small, retail or corporate – and a better bank for shareholders.

In the six years since the GFC, we have transformed ANZ into a bank that's more customer focused, more regionally diversified, more efficient and more sustainable.

### **STRONGER IN AUSTRALIA AND NEW ZEALAND**

We have strengthened our position in our major domestic markets in Australia and New Zealand through consistent market share gains.

A key measure of our success continues to be our growth in customer numbers. During 2014 we have added 106,000 net new customers across Retail and Commercial in Australia. We have also achieved the number two position in Retail customer satisfaction in Australia<sup>1</sup> and in New Zealand our brand consideration is at a historic high.

We are also investing heavily in growth in Australia and New Zealand. This includes digital and mobile transformation, the broader Banking on Australia program and our New Zealand transformation program.

### **HIGH QUALITY GROWTH IN ASIA**

We have invested strongly in our business in Asia Pacific through profitable expansion of an integrated network that connects customers with Asia's faster growing regional capital, trade and wealth flows.

This has established a unique competitive position in Asia and that business is now at a stage of maturity that we can deliver both high quality growth and improved returns.

Our regional connectivity is delivering significant outcomes for our customers. We are gaining a greater share of our clients' financial institutions wallet and growing numbers of multi-country clients. Once again we were ranked in the Top Four Corporate Banks in Asia as recognised by Greenwich Associates<sup>2</sup>.

### **PRODUCTIVITY**

We now have a well-established enterprise approach to delivering more control and greater efficiency through standardised processes and systems, consolidating like teams, more straight-through processing and more convenient online self-service.

This has seen us deliver double digit productivity growth in operations and a more consistent, higher quality customer experience. This saw the ANZ's cost to income ratio fall to 44.7% during 2014.

### **CORPORATE SUSTAINABILITY**

Each year we set public sustainability targets which reflect the commitments made in our Corporate Sustainability Framework and support the delivery of our business strategy. We have three sustainability priority areas: sustainable development, diversity and inclusion and financial inclusion and capability.

We have made good progress against the majority of our 2014 sustainability targets. Some targets however, such as representation of women in management, remain a challenge. In the coming year we are focusing on a range of initiatives to support our commitment to achieve gender balance, including increasing opportunities for flexible working.

Sustainability will continue to be a key focus as we drive performance improvements across the business to ensure we are effectively managing our most material, social and environmental opportunities and risks.

### **REACHING A TIPPING POINT**

We continue to operate in a tough, highly competitive environment where banking faces a number of challenges. There are also big shifts redefining the global economy and customer expectations are changing as they embrace the convenience of digital and mobile financial

<sup>1</sup> Roy Morgan Research. Base: ANZ Main Financial Institution Customers, aged 14+, based on 6 months to September for each year.

<sup>2</sup> Top 4 Corporate Bank in Asia (as recognised by Greenwich Associates 2013 Asia Large Corporate Banking Study).



# CEO'S REPORT



solutions. We have to be ahead of the curve by ensuring ANZ is future ready in every part of our business. I believe however we are now at a tipping point where our strategy, the transformation of our business since the financial crisis and the energy of our people can create an even more successful future for ANZ.

Michael Smith, OBE  
Chief Executive Officer

## MANAGEMENT BOARD

Details of Management Board Members in office as of 30 September 2014 are set out below. Full biography details can be found on our website: [shareholder.anz.com/our-company/management-board](http://shareholder.anz.com/our-company/management-board)

### RIGHT TO LEFT SEATED:

**Michael Smith, OBE**  
Chief Executive Officer and Executive Director since 1 October 2007

**Andrew Géczy**  
Chief Executive Officer, International & Institutional Banking

### RIGHT TO LEFT FRONT ROW:

**Gilles Planté**  
CEO Asia Pacific

**Graham Hodges**  
Deputy Chief Executive Officer

**Susie Babani**  
Chief Human Resources Officer

**Joyce Phillips**  
CEO Global Wealth & Group Managing Director, Marketing, Innovation and Digital

**Philip Chronican**  
Chief Executive Officer, Australia

**David Hisco**  
Chief Executive Officer, New Zealand

### RIGHT TO LEFT BACK ROW:

**Shayne Elliott**  
Chief Financial Officer

**Alistair Currie**  
Chief Operating Officer

**Nigel Williams**  
Chief Risk Officer



**PHILIP CHRONICAN**  
CEO, AUSTRALIA

**BUSINESS PROFILE**

ANZ services more than five million Australian customers across our retail and commercial businesses. We focus on understanding our customers' goals and making banking easier to put them firmly in control of their finances.

**\$1.5 BILLION**  
**INVESTMENT**  
**BANKING ON AUSTRALIA**

Two years into our Banking on Australia strategy and five-year \$1.5 billion investment, we continue to transform our business to meet an increasing demand for mobile and digital banking.

Our range of award-winning online and mobile banking applications, along with our Smart ATMs, give our customers more options for convenient banking.

We also continue to deliver an improved customer experience through extensive staff training and the transformation of our distribution channels, including 760 branches, 200 business centres and seven-day-a-week contact centres. This is backed by the international connectivity and capability of ANZ's network.



Launched the Real Time Customer Feedback program providing a 'closed loop' feedback program for home loan customers.



**REDEYE APPS**  
**CASE STUDY**

RedEye Apps is a technology company digitising engineering blue-prints for large infrastructure projects globally. The first company of its kind, RedEye Apps provides a cloud based engineering drawing management solution that enables easy and secure access to files and data, anywhere and at any time.

Headquartered in Brisbane, RedEye Apps has grown significantly since its inception in 2012. Recently RedEye Apps established offices in Houston (USA) and is attracting strong interest from global mining, oil and gas, power and water industries.

RedEye Apps CEO and Co-founder Wayne Gerard: "In a world of changing technologies and digital innovation, RedEye is providing our clients with a unique service which has given us the opportunity to quickly expand internationally. Having an Australian-based bank with specialist knowledge and existing global operations has greatly helped ease our transition into a global market."

**BUSINESS HIGHLIGHTS<sup>1</sup>**

**PROFIT INCREASE**

Delivered a strong financial performance, with NPAT up 7%.

**ABOVE SYSTEM GROWTH**

Grown Home Lending at above system levels for 19 consecutive quarters<sup>2</sup>.

**IMPROVED COST MANAGEMENT**

Helping more customers with their needs while delivering a lower cost to serve with improved Cost to Income (CTI) at 37.2%.

**REDUCED CUSTOMER COMPLAINTS**

Reduced customer complaints by 8.7%<sup>3</sup> and improved Retail customer satisfaction, obtaining a score of 82.6%<sup>4</sup>.

**INCREASED CUSTOMER BASE**

Acquired 27,000 net new Corporate & Commercial Banking customers and doubled our lending pledge for small business customers to \$2 billion.

<sup>1</sup> All figures on a cash basis unless noted otherwise.

<sup>2</sup> Source: APRA Monthly Banking Statistics 12 months to 30 September 2014.

<sup>3</sup> Retail and Commercial complaints.

<sup>4</sup> Source: Roy Morgan Research. Base: ANZ Main Financial Institution Customers aged 14+, six months to September 2014.

<sup>5</sup> Based on final quarter FY14 transactions.



# AUSTRALIA

atm

Since 2013 we have introduced 772 ANZ Smart ATMs offering 24-hour access to a greater range of banking services.



\$4 million annual investment in financial literacy. In FY14, more than 36,500 people participated in MoneyMinded and more than 5,400 in Saver Plus.



Our award winning ANZ FastPay™ merchant application is now available for small business customers to complete credit and debit transactions on Android and IOS.



Our ANZ goMoney™ mobile banking application attracts an average of 1 million customers daily<sup>5</sup>, with transactions exceeding \$100 billion since launch.

» PICTURED: Wayne Gerard CEO & Co-founder RedEye Apps



Revised our Customer Charter, setting out the standards and experience our retail customers can expect from ANZ.

## FINANCIAL PERFORMANCE (\$M)

	2014	2013	MOVT %
Operating income	8,228	7,860	5
Operating expenses	(3,057)	(2,967)	3
Profit before credit impairment and income tax	5,171	4,893	6
Credit impairment charge	(819)	(820)	
Profit before income tax	4,352	4,073	7
Income tax expense and non-controlling interest	(1,304)	(1,215)	7
Profit after tax	3,048	2,858	7
Total assets	290,726	274,325	6
Contribution to group earnings	43%	44%	



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

**BUSINESS PROFILE**

ANZ's goal to build a Super Regional bank by growing our business across the APEA region, while maintaining our market leading position in our home markets of Australia and NZ, is spearheaded by the International and Institutional Banking (IIB) division.

ANZ aims to be the best bank for customers that have trade or capital flows in Asia Pacific, Australia, New Zealand and beyond. IIB provides borderless solutions for our business and retail customers across the region.

IIB is the only ANZ business division represented in all 33 markets. Following a growth agenda for the past five years, IIB now services more than two million retail and institutional customers with 138 branches, 580 ATMs and 8,000 staff.

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



**A LEADING REGIONAL BANK**

The most Australian of the international banks and the most international of the Australian banks.

This unique position was recognised when ANZ was named a Top 4 Corporate Bank in Asia in the Greenwich Large Corporate Banking Study<sup>1</sup>. In addition a No.1 ranking was achieved in the Peter Lee Associates Large Corporate Relationship Banking Surveys in Australia and New Zealand<sup>2,3</sup> where ANZ was rated No.1 for both Lead Bank penetration and for the Relationship Strength Index (RSI). Our 595 score in the Australian program is the highest score recorded.



**FINANCIAL PERFORMANCE (\$M)**

	<b>2014</b>	<b>2013</b>	<b>MOVT %</b>
Operating income	7,015	6,580	7
Operating expenses	(3,215)	(2,985)	8
Profit before credit impairment and income tax	3,800	3,595	6
Credit impairment charge	(215)	(317)	-32
Profit before income tax	3,585	3,278	9
Income tax expense and non-controlling interest	(894)	(846)	6
Profit after tax	2,691	2,432	11
Total assets	342,880	296,122	16
Contribution to group earnings	38%	37%	

<sup>1</sup> Greenwich Associates 2013 Asian Large Corporate Banking Study.  
<sup>2</sup> Peter Lee Associates 2014 Large Corporate and Institutional Relationship Banking Survey, Australia.  
<sup>3</sup> Peter Lee Associates 2014 Large Corporate and Institutional Relationship Banking Survey, New Zealand.  
<sup>4</sup> All figures on a cash basis unless noted otherwise.  
<sup>5</sup> Euromoney 2014 FX Survey.



# INTERNATIONAL & INSTITUTIONAL BANKING



Making banking more accessible: more than 102,000 customers registered for ANZ goMoney™ in the Pacific.

## BUSINESS HIGHLIGHTS<sup>4</sup>

### 24% GROWTH

Expansion into Asia continues to deliver superior growth, with 15% growth in lending driving a 24% increase in APEA cash profit.

### 7% GROWTH

ANZ has achieved 7% growth in foreign exchange (FX) and was placed second<sup>5</sup> overall for services in Asian currencies and FX services during the Asian time zone.

### 14% GROWTH

Strong Global Loan lending growth of 14% together with benign credit conditions delivered cash profit growth in Global Loans of 14%.

### 11% CASH PROFIT

Delivered a strong financial performance in tough trading conditions, with cash profit up 11%.

### INCREASED FINANCIAL LITERACY

7,310 participants in our MoneyMinded program across Asia Pacific.



## DRIVING GREATER FINANCIAL & OPERATIONAL EFFICIENCY CASE STUDY

ANZ was recognised as best in class by customers for foreign exchange (FX) in the 2014 Asiamoney FX Poll.

International and Institutional Banking concluded its first Bank Payment Obligation (BPO) transaction on behalf of Chinese agricultural giant customer COFCO International. COFCO is one of the largest agriculture, food and beverage groups in China with annual turnover of \$US12.12 billion.

Speaking about the new development ANZ's IIB CEO Andrew Géczy said, "BPO is arguably the most promising innovation in trade finance in the last decade. We are proactively engaging clients in strategic conversations on how BPO can help them drive greater financial and operational efficiency in dealing with their counterparties, with their banks and within their own organisation."

BPO makes it faster, more reliable and more convenient for customers to trade using data set matching

against a baseline to establish a BPO, instead of the manual checking and verification for paper documents for example under Letters of Credit.

BPO benefits both the customer and the Bank. COFCO's trade transaction was turned around much faster than it would have been using paper documentation, bringing forward cash flows and reducing processing costs and also saving our customer time.

ANZ continues to outpace the competition in offering customers innovative new products, cementing our place as the leading Trade Bank. Our ability to take a differentiated value proposition to COFCO has enhanced our reputation in an ever-more competitive banking landscape.



**DAVID HISCO**  
CEO, NEW ZEALAND

### BUSINESS PROFILE

ANZ New Zealand is the largest bank in New Zealand with a financial relationship with around one in two New Zealanders. Customers are served through our market-leading network of full-service branches (coverage has increased to 85% – the largest of all banks), our multi-channel contact centre and more ATMs than any other bank, along with New Zealand’s largest internet and mobile banking services.

Following the successful merger of ANZ and The National Bank in 2012, we have continued to reduce costs and build a simpler, more productive business. By leveraging our strong financial position and scale, we have grown market share in home loans, credit cards, KiwiSaver and commercial lending, and are advancing strongly towards our ultimate goal of creating New Zealand’s best bank.



Streamlining of products and simplification of customer processes have pushed brand consideration to number one among the major banks.



Financial literacy: continued to progress our partnership with the Solomon Group Education and Training Academy to deliver MoneyMinded to more than 500 participants.

### BUSINESS HIGHLIGHTS<sup>1</sup>

#### 10% PROFIT INCREASE

Delivered a strong financial performance with cash profit up 10% and CTI down 2.4% to 41.1%.

#### GROWTH OF SHARE IN KEY MARKETS

Delivered market share growth for five consecutive halves in home loans (up 23 basis points in FY14 to 30.71% as at September) and above market growth in cards, life insurance and KiwiSaver. Our commercial book has also significantly outperformed the market (up 137 basis points in FY14 to 30.91% market share, as at September).

#### ROE UP 1.6%

Continued to create shareholder value with return on equity up by 1.6% to 15.9%.

#### COMMUNITY INVESTMENT

Invested more than \$A2.7 million through our community investment program including employee volunteering, workplace giving and donations. A further \$A26 million was provided in the form of foregone revenue<sup>2</sup>.

### FINANCIAL PERFORMANCE (NZ\$M)

	2014	2013	MOVT %
Operating income	2,744	2,679	2
Operating expenses	(1,129)	(1,166)	-3
Profit before credit impairment and income tax	1,615	1,513	7
Credit impairment charge	9	(46)	Large
Profit before income tax	1,624	1,467	11
Income tax expense and non-controlling interest	(454)	(407)	12
Profit after tax	1,170	1,060	10
Total assets	100,346	95,465	5
Contribution to group earnings <sup>4</sup>	15%	14%	

<sup>1</sup> All figures on a cash basis unless noted otherwise.

<sup>2</sup> 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.

<sup>3</sup> McCulley Research (major banks only). As at 30 September 2014, respondents saying they would choose or seriously consider ANZ for their next banking service.

<sup>4</sup> Calculated on an AUD basis.



# NEW ZEALAND



Supported the rebuild of quake-hit Christchurch with the announcement of plans to locate hundreds of staff in a new Canterbury Corporate Office in the heart of the CBD. ANZ was the first bank to reopen in the Christchurch rebuild zone following the earthquake.



Built further on our industry-leading support for the agri sector, launching a new Farm Development Package, Pasture Productivity Loan and an assistance package for flood-hit Northland farmers. This support was recognised when ANZ won CANSTAR Agribusiness Bank of the Year for a third consecutive year.

» PICTURED: Zahabia Barot, ANZ customer

## SIMPLIFYING BANKING FOR FOREIGN STUDENTS CASE STUDY



Education is New Zealand's fifth largest export, worth NZ\$2.6 billion. ANZ is supporting the government's aim to double this by 2025, introducing payment innovations and using its Super Regional presence to help institutions attract foreign students.

Under its unique Funds Transfer Scheme collaboration with Immigration New Zealand, ANZ helps Chinese, Indian, Sri Lankan and Filipino students to prove they have funds for New Zealand living expenses, making it simpler to get a visa and transfer money.

In India students can pay tuition fees in Rupees from local accounts through ANZ. Since FY13 these innovations have contributed to a doubling in the number of Indian students opening ANZ accounts before moving to New Zealand.

Zahabia Barot said, "it took just one phone call and an email to ANZ to open my accounts and transfer money to New Zealand for a year's living expenses, all from the comfort of home before leaving India. I can't imagine how difficult this would be without ANZ's support."



**JOYCE PHILLIPS,**  
CEO, GLOBAL WEALTH

**BUSINESS PROFILE**

Global Wealth provides a range of innovative solutions for customers across the region to make it easier for them to connect, protect and grow their wealth.

Global Wealth serves over 2.3 million customers and manages \$61 billion in investment and retirement savings. Customers can access ANZ's wealth solutions through teams of highly qualified financial planners and advisers, innovative digital platforms, ANZ Private Bankers and ANZ branches and direct channels.

Global Wealth is focusing on initiatives to help customers engage with their wealth. This includes delivering new digital solutions and physical environments, new options for the self-directed customer and transforming advice.



**FINANCIAL PERFORMANCE (\$M)**

	2014	2013	MOVT %
Operating income	1,744	1,526	14
Operating expenses	(1,026)	(955)	7
Profit before credit impairment and income tax	718	571	26
Credit impairment charge	2	(4)	Large
Profit before income tax	720	567	27
Income tax expense and non-controlling interest	(195)	(96)	Large
Profit after tax	525	471	11
Contribution to group earnings	7%	7%	

**BUSINESS HIGHLIGHTS<sup>1</sup>**

**STRONG FINANCIAL PERFORMANCE**

Global Wealth profit grew by 11% with revenue increasing by 14%.

**UNDERLYING BUSINESS GROWTH**

We have experienced underlying growth across all business lines: 10% growth in Retail and Direct Life inforce premiums, 12% growth in average Funds Under Management, while Private Bank customer deposits grew by 20%.

**DELIVERING INNOVATION**

Innovations designed to help our customers better connect with their financial futures have been delivered during the year. These include the ANZ Grow Centre and the Grow by ANZ digital app (see case study for more detail).

**STRATEGIC PARTNERSHIPS**

A new partnership was formed with Swiss Private Bank Vontobel, extending our suite of global investment solutions.

<sup>1</sup> All figures on a cash basis unless noted otherwise.



# GLOBAL WEALTH

## HELPING CUSTOMERS CONNECT, PROTECT AND GROW THEIR WEALTH CASE STUDY



Global Wealth is passionate about helping people connect, protect and grow their wealth and we've developed Grow – a series of innovations across the physical, digital and advice space to help our customers better connect with their financial future.

The ANZ Grow Centre is a new destination which blends digital tools with the physical wealth specialist, so we can help customers with everything from their mobile device to financial advice. In the Centre, customers can download apps, learn how to manage their wealth online, access specialist support and advice, and attend free daily seminars on topics ranging from maximising savings, to investing in property to pension changes and the global economic outlook.

Grow by ANZ, our new digital app, allows customers to connect with their wealth and banking all in one place. Using Grow by ANZ customers can consolidate their superannuation into ANZ Smart Choice Super, trade shares online, manage their banking and access information about insurance. Launched in July 2014, Grow by ANZ is one of the top five financial apps in the Apple iTunes store with a 4+ star rating and was recently named the Best Mobile Trading App at the 2014 Australian Mobile & App Design Awards.

Through Grow innovations, Global Wealth is helping customers build their confidence and knowledge to make better financial choices for their future wellbeing.



ANZ Smart Choice Super has been awarded 5 stars by Canstar in every superannuation category



ANZ is the No.1 KiwiSaver provider in New Zealand with 24% share of Funds Under Management.



**ALISTAIR CURRIE**  
CHIEF OPERATING OFFICER



95% of home loan applications assessed in less than 24 hours

### BUSINESS PROFILE

Global Technology, Services & Operations is the delivery division for the bank, responsible for the delivery of technology, shared services and operations and processing eight million transactions daily across our global footprint. The division is also responsible for major transformation projects and ANZ's commercial and branch property portfolio.

We are delivering the next generation of enterprise platforms that will underpin further growth and improve banking for our customers globally.

Our Regional Delivery Network with key locations in Melbourne, Wellington, Bangalore, Manila, Chengdu and Suva, plus integrated operations in dozens of other countries, provides us with unmatched scale, flexibility and business continuity.

We have continued to drive productivity across ANZ and to focus on improving quality in all areas, which has delivered a better customer experience and has translated into strong, sustainable bottom line improvements.

» PICTURED: Nigel Adams, Global Head of Payments and Cash Operations



## BUILDING A WORLD-CLASS, CUSTOMER-FOCUSED PAYMENTS CAPABILITY CASE STUDY

ANZ has accelerated deployment of a Global Payments capability focused on driving greater resilience and standardisation across our regional network. As part of our ongoing enterprise transformation plans, our global payments platform is delivering improvements in process automation and straight-through-processing. This, combined with proactive business activity monitoring for payments, is enabling better load balancing and visibility of payments processing across our Regional Delivery Network.

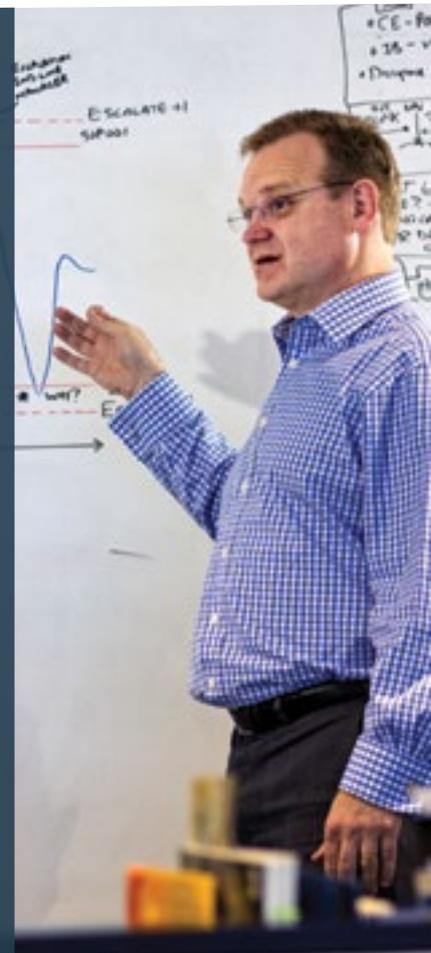
Our global payments platform has been activated in 10 countries across Asia adding significant processing scale to support anticipated future business growth. This proven ability to absorb future customer growth across our network, at progressively lower unit cost, is a key objective of our enterprise plan.

Our real time business activity monitoring capability also allows our skilled staff across

our Regional Delivery Network to gain critical insights into the minute-by-minute customer flows within our global payments environment. This greatly enhances our ability to respond rapidly to any localised business disruption by alerting staff to immediately re-balance work around the Regional Delivery Network seamlessly, with no impact to our customers.

Our global payments platform has also earned ANZ the 2014 Asian Banker Technology Implementation award for Regional Payments Solutions, recognising best practices for technology implementation as well as commending the delivery of regional connectivity for our customers.

This example of our enterprise approach is delivering more resilient operational processes, higher levels of operational productivity leading to lower support costs and the simplification of our global payments systems across the group.





# GLOBAL TECHNOLOGY, SERVICES & OPERATIONS

## BUSINESS HIGHLIGHTS<sup>1</sup>

### TECHNOLOGY



\$174b in transactions were processed through *ANZ Transactive*, our global cash and trade platform for Corporate and Institutional clients now available in 17 countries.

#### No.20 WORLD RANKING

Global FX business is now ranked No.20 in the world for transaction processing by volume.

### SERVICES



64% reduction in payment errors and faster processing of cross-border payments resulted from our world class payments command centre and new enterprise platform for global payments and cash management, now in 10 countries.

### OPERATIONS



Standardising reconciliations processes freed 30,000 hours of branch capacity.

#### 12% PRODUCTIVITY GAINS

Productivity gains of 12% came from process improvements and cost management.

## SUSTAINABILITY HIGHLIGHTS



» We exceeded our group-wide greenhouse gas emissions-reduction target, bringing emissions associated with our global premises electricity use down by 5% from 2013 levels<sup>2</sup>.

» Our greenhouse gas emissions from air travel reduced by 15%<sup>3</sup>.

» We set six new environmental targets for 2015-2017, covering our most material environmental impact areas group-wide.

» To improve the social and environmental performance of our supply chain, we screened 343 of our riskiest suppliers against our Supplier Code of Practice (SCOP)<sup>4</sup>.

<sup>1</sup> All figures on a cash basis unless noted otherwise.

<sup>2</sup> In accordance with the Australian Government regulatory reporting year the period covered is 1 July 2013 to 30 June 2014.

<sup>3</sup> As compared to our 2011 environmental target baseline.

<sup>4</sup> Screening is focused on the five ANZ risk categories (Governance and Compliance; Ethical Business Practices; Environment Management; Occupational Health and Safety and Workplace Relations).



# SUSTAINABLE DEVELOPMENT

## 2014 NON-FINANCIAL PERFORMANCE OVERVIEW

A SUMMARY OF OUR PERFORMANCE AGAINST OUR 2014 SUSTAINABILITY TARGETS



## PILOTING SUSTAINABILITY WORKSHOPS FOR OUR CUSTOMERS IN VIETNAM CASE STUDY



ANZ is committed to supporting our customers to manage their environmental, social and governance risks and opportunities. With this goal in mind, International and Institutional Banking delivered its first customer sustainability workshops in Ho Chi Minh City, Vietnam in September 2014. The workshops, hosted by ANZ's local banking team, brought together current and prospective customers, non-government organisations (NGOs) and ANZ bankers to talk about what sustainability means in a Vietnam business context. Challenges in the local market include environmental impacts from the manufacturing and hydropower sectors and labour rights issues concerning fair pay, working hours and health and safety.

Independently facilitated, the workshops enabled participants to share the challenges and opportunities that arise when managing social and environmental impacts in their business. The first workshop brought together customers from the textiles and apparel industry, and the second involved customers in the agricultural industry, including rubber and coffee producers who supply to well-known international companies. Participants shared examples of best practice in topics such as water efficiency, employee health and safety, employee engagement and forestry management.

Customers took away some practical steps to improve their sustainability performance, including the benefits of improved disclosure of their social and environmental performance to their employees and external stakeholders. During the workshops, NGOs were also able to share their view with our customers of what 'good performance' means.

The workshops helped to raise awareness of the connection between good management of social and environmental impacts and business performance. Reflecting our commitment to building lasting partnerships with our customers, the workshops also helped to build closer relationships with a number of prospective customers.

**COMMITMENT**

INTEGRATE SOCIAL AND ENVIRONMENTAL CONSIDERATIONS INTO OUR BUSINESS DECISIONS, PRODUCTS AND SERVICES TO HELP OUR CUSTOMERS ACHIEVE THEIR SUSTAINABILITY OBJECTIVES.



**Pilot Sustainability workshops in one 'developed' and one 'emerging' Asian market to better understand and support mid-size corporate customers managing social and environmental risks and opportunities.**

Two workshops were held in Hong Kong: the first covering a range of sustainability topics and the second focused on "Energy efficiency and carbon footprint manufacturing".

Two workshops were held in Vietnam: the first focused on sustainability issues in the Textile & Apparel sector and the second on sustainability issues in Agriculture.



**Increase employee awareness of our Sustainability agenda to better equip key banking staff to engage with clients on social and environmental issues.**

- a) The Corporate Sustainability Framework was included in the ANZ Essentials Induction program from 1 April 2014.
- b) 1,333 online completions of the Social and Environmental Risk training course.
- c) 263 employees have completed the Sustainability Leadership Program.



**Drive ongoing improvement in our decision making by undertaking a comprehensive review of our sensitive sector policies.**

Two sensitive sector policies, Energy and Extractives Industries, have been reviewed. This commitment will be carried over into FY15.



**To help mitigate climate change we will increase the proportion of lower-carbon (gas and renewables) power generation lending in our Project Finance business by 15-20% by 2020.**

This is a long-term target and we remain on-track at 67%, against a 2011 baseline of 59%.

Portfolio summary: gas fired 23%, coal fired 33%, renewables 44%.

**PERFORMANCE KEY:**



**ACHIEVED**



**PARTIALLY ACHIEVED OR IN PROGRESS**



**DID NOT ACHIEVE**

More details on specific performance are included in ANZ's 2014 Corporate Sustainability Review.



# DIVERSITY & INCLUSION

## 2014 NON-FINANCIAL PERFORMANCE OVERVIEW

A SUMMARY OF OUR PERFORMANCE AGAINST OUR 2014 SUSTAINABILITY TARGETS



## CREATING AN INCLUSIVE & ACCESSIBLE WORKPLACE CASE STUDY

Building a more accessible and inclusive workplace has benefits beyond reflecting the diversity of the communities in which we operate – it can also help us to think about customer service from a wider variety of perspectives.

Emily, an Esanda Customer Service Consultant, has an acquired brain injury, the side effects of which include epilepsy and difficulty making complex decisions.

“Having an acquired brain injury and working through the rehabilitation process really knocks your confidence,” said Emily. “It was a huge comfort to know that I could start a recruitment process at ANZ with my disability on the table and openly accepted.”

“Since being at ANZ I have found all my managers have been very understanding and accommodating in terms of my particular needs. My workstation has been specifically tailored and appropriate tools and resources have been made available to me.”

Another side effect of Emily’s injury is slower than average thought processing, which she was conscious could impact on her call handling times. In an effort to counteract this, Emily created ‘cheat sheets’ with system short cuts that she posted next to her workstation. This enabled her to focus on her conversation with the customer, while not being distracted by having to remember complex system and process details. So useful were these ‘cheat sheets’ that her colleagues have also started using them and they have been rolled out in training sessions for collections employees in New Zealand. Emily’s efforts to improve the customer experience have been recognised within ANZ and she has won several ‘customer-centricity’ awards.

“My confidence has gone through the roof,” explains Emily. “Now I know that the extra work that I do – thinking about and examining processes to find ways to make them as simple as possible for me personally – has translated into real value for ANZ’s customers.”



## COMMITMENT

BUILD THE MOST DIVERSE AND INCLUSIVE WORKFORCE OF ANY MAJOR BANK IN OUR REGION TO HELP US INNOVATE, IDENTIFY NEW MARKETS, CONNECT WITH CUSTOMERS AND MAKE MORE INFORMED DECISIONS FOR OUR BUSINESS.

“ My confidence has gone through the roof. Emily, ANZ employee



**Employ 230 people through our traineeships, graduate program and permanent employment from disadvantaged and under-represented groups to enhance diversity and support economic and social inclusion in our communities.**

ANZ employed 253 people from disadvantaged and under-represented groups. While we exceeded goals for employment of people with a disability and refugee opportunities through our Given the Chance program, we fell short of our indigenous recruitment goals.



**Ensure key products and services and communication provided via our internet, mobile phone banking and telephone banking services are developed with reference to best practice accessibility standards (Australia<sup>1</sup>).**

ANZ is working through this requirement, with mobile phone banking and telephone banking services satisfying accessibility requirements; ANZ goMoney™, GROW, FastPay™ and ANZ Shield have been developed in line with accessibility standards. Scope exists for improvement of accessibility of anz.com.



**Achieve 80% favourable perceptions of 'Involvement and Empowerment' in our staff survey as a measure of our progress in building a diverse and inclusive workforce.**

Favourable perceptions of 'Involvement and Empowerment' remained steady year-on-year at 78%.



**Increase the representation of women in management by 1% compared to FY13 and achieve gender balance in our key recruitment, talent and leadership programs.**

ANZ fell short of our goal, with representation of women in management increasing from 38.7% to 39.2%. All key recruitment, talent and leadership programs were gender balanced.

PERFORMANCE KEY:



ACHIEVED



PARTIALLY ACHIEVED OR IN PROGRESS



DID NOT ACHIEVE

More details on specific performance are included in ANZ's 2014 Corporate Sustainability Review.

<sup>1</sup> Web Content Accessibility Guidelines (WCAG 2.0).



# FINANCIAL INCLUSION & CAPABILITY

## 2014 NON-FINANCIAL PERFORMANCE OVERVIEW

A SUMMARY OF OUR PERFORMANCE AGAINST OUR 2014 SUSTAINABILITY TARGETS



**Continue to build the money management skills of an estimated 45,000 people through delivery of MoneyMinded across the Region.**

We estimate our flagship Group program MoneyMinded reached over 54,000 people across the region in FY14.



**Incorporate MoneyMinded training into induction programs for new recruits across our Bangalore, Manila and Suva hubs to equip our staff with essential life skills.**

MoneyMinded training was incorporated into induction programs and 2,242 people were trained.



**Build the money management skills and savings capabilities of people, by enrolling at least 4,750 people in our Saver Plus matched savings program in Australia.**

5,461 new participants were recruited to Saver Plus in FY14.



**Train retail customer-facing staff in Australia to ensure they are able to show our customers how to simplify their banking utilising digital channels such as Internet Banking, ANZ goMoney™, Smart ATMs, EFTPOS and BPAY.**

Retail customer-facing employees in Australia have completed the Easy Ways to Bank training module. The Easy Ways to Bank program has now become business as usual.



**Continue to promote financial inclusion and innovative services by delivering Mobile Phone Banking to at least 200,000 customers in the Pacific.**

A cumulative total of 102,000 customers have registered for ANZ goMoney™ in the Pacific since launch (more than 58,000 are new to bank). Below target due to a high turnover of sales agents; a strategy is being implemented to rebuild the sales force.



Simple changes to my life helped me to manage my finances on a day to day basis.

Reona, MoneyMinded participant



## COMMITMENT

BUILD THE FINANCIAL CAPABILITY OF PEOPLE ACROSS OUR REGION TO PROMOTE FINANCIAL INCLUSION AND PROGRESSION OF INDIVIDUALS AND COMMUNITIES.



## HELPING FAMILIES TO SAVE IN FIJI CASE STUDY

Reona and her husband wanted to buy a home for their young family but were nervous about whether they could afford a mortgage.

"We had a lot of doubts and questions racing through our minds," said Reona.

MoneyMinded helped point Reona in the right direction. She learnt how to manage her personal finances more effectively and recognised that her family's spending and saving habits had to change.

"The hardest part of my journey after participating in the MoneyMinded program was accepting that changes needed to be made – it was tough!" said Reona. "As we pressed on, the hole in our 'money bucket' got smaller and we became more confident."

"I'm not ashamed to walk around the supermarket with

my calculator at hand to ensure that I don't exceed my family budget for the week!"

Seven months after attending MoneyMinded, Reona's family were the proud owners of their very first home.

"Simple changes to my life helped me to manage my finances on a day to day basis and also secure a financial future for myself and my loved ones," said Reona.

Reona is more committed than ever to setting budgets for her family and sticking to it.

"The saving goals I developed when I started MoneyMinded, which I still keep with me, are a constant reminder to keep my future plans in sight."

ANZ introduced the MoneyMinded program to Fiji in 2010. Since that time, more than 3,929 Fijians have been through the program.



PERFORMANCE KEY:



ACHIEVED



PARTIALLY ACHIEVED OR IN PROGRESS



DID NOT ACHIEVE

More details on specific performance are included in ANZ's 2014 Corporate Sustainability Review.



# LICENCE TO OPERATE

## 2014 NON-FINANCIAL PERFORMANCE OVERVIEW

A SUMMARY OF OUR PERFORMANCE AGAINST OUR 2014 SUSTAINABILITY TARGETS

### PERFORMANCE KEY:

-  **ACHIEVED**
-  **PARTIALLY ACHIEVED OR IN PROGRESS**
-  **DID NOT ACHIEVE**

More details on specific performance are included in ANZ's 2014 Corporate Sustainability Review.

## OUR PEOPLE

WE ARE BUILDING A VALUES-LED, VIBRANT, DIVERSE AND INCLUSIVE WORKFORCE WHERE OUR PEOPLE HAVE THE OPPORTUNITY TO LEARN AND PROGRESS THEIR CAREERS WITH US.



**Monitor our employees' perceptions of Values-led leadership, targeting a score of 73% in our annual My Voice Survey.**

Favourable perceptions of 'values-based leadership' remained steady year-on-year at 71%.



**Achieve 74% employee engagement in our annual My Voice survey, as a measure of our progress in creating an inspired and energised workforce.**

Employee engagement improved to 73% from 72% in 2013.



**Continue our long term commitment to reducing Lost Time Injury Frequency Rate (LTIFR) in Australia and New Zealand (targeting 5-10% per annum), and stay under an LTIFR of 1.0 in India and APEA countries.**

Australia's LTIFR<sup>1</sup> is 1.97, up 9% (target not achieved). However, Australian Lost Time Injuries (LTI<sup>2</sup>) are down by 6% to 72. Over the last 9 years there has been a year on year average reduction in LTIFR of 6.7% against the 2005 baseline. Over the same period we have seen an ongoing reduction in LTI from 182 to 72. All other regions have achieved the target: New Zealand's LTIFR is 1.77, down 29%. India's LTIFR is 0.10 (under 1.0). APEA countries are 0.88 (under 1.0).

## OUR CUSTOMERS

WE PROVIDE OUR CUSTOMERS WITH BANKING THAT IS SIMPLE TO UNDERSTAND, DELIVERED IN A RESPONSIBLE MANNER BY OUR PEOPLE, IN ACCORDANCE WITH THE HIGHEST STANDARDS OF INTEGRITY.



**Review our suite of assistance options for customers facing hardship, with a focus on alleviating those facing long-term hardship (Australia).**

Review of assistance options has been completed. New long-term assistance option (>12 months) has been rolled out for unsecured lending.



**Resolve 90% of Retail customer complaints within five business days. (Australia & New Zealand)**

**Australia:** As at 30 September 2014, 90% of Retail customer complaints were resolved within five business days<sup>3</sup>.

**New Zealand:** As at 30 September 2014, 86% of Retail complaints were resolved within five business days.



### Increase customer satisfaction in the Commercial, Institutional and Retail Divisions.

**Commercial (Aus):** Marginal reduction from previous year; ranked equal third amongst the four major banks<sup>4</sup>. **Retail (Aus):** Increased to 82.6% in 2014 from 80.2% in 2013<sup>5</sup>; ranked second among the four major banks. **Institutional (Aus):** ANZ ranked No.1 for overall satisfaction with products and services<sup>6</sup>. **Commercial (NZ):** No change from previous year (87%); ranked 4th overall<sup>6</sup>. **Retail (NZ):** Increased to 85%; ranked 5th overall<sup>7</sup>. **Institutional (NZ):** ANZ ranked No.1 for overall satisfaction with products and services<sup>8</sup> and has occupied this position for the last two years.

## OUR COMMUNITY

WE ACTIVELY ENGAGE WITH AND INVEST IN COMMUNITIES WHERE WE OPERATE TO HELP BUILD OPPORTUNITY AND PROSPERITY.



**Further support the communities in which we operate, by volunteering 100,000 hours Group-wide.**

ANZ staff contributed 101,801 hours to community volunteering activities across the Group.

## OUR SUPPLIERS

WE MANAGE THE SOCIAL AND ENVIRONMENTAL IMPACTS OF OUR PROCUREMENT DECISIONS AND WORK IN PARTNERSHIP TO INFLUENCE THE SOCIAL, ENVIRONMENTAL AND GOVERNANCE PERFORMANCE OF OUR SUPPLY CHAIN.



**Screen our most material suppliers as identified by our spend and suppliers' potential risk.**

Suppliers have undergone an initial screen<sup>9</sup> and risk profiling against requirement of ANZ's SCOP. 343 riskiest suppliers have been identified and further screened<sup>10</sup> against public databases for any known violations relevant to our SCOP.



**Evaluate the screening findings and suppliers' stated compliance with our Supplier Code of Practice.**

Following screening, five suppliers were identified as highest risk. 47 suppliers were found to be higher than normal risk in at least one of our SCOP categories.



**Where our screening and its evaluation identifies suppliers not operating in line with the SCOP, we will enable suppliers reasonable time to develop credible remediation plans prior to reviewing the relationship and report on our progress.**

Operational risk assessments and treatment plans have been completed for our five highest risk suppliers. Progress will be tracked via a new on-line SCOP attestation and monitoring solution in FY15.

## OUR ENVIRONMENT

WE HAVE A DIRECT IMPACT ON THE ENVIRONMENT THROUGH OUR OPERATIONS AND ARE COMMITTED TO MANAGING AND REDUCING THE CONSEQUENCES OF OUR BUSINESS DECISIONS.



**Achieve a Group-wide absolute greenhouse gas (GHG) reduction target of 3% for emissions associated with our premises electricity use.**

Our global GHG emissions (scope 2 – electricity) target (2013-2014) was achieved. GHG emissions reduced by 5% in 2014<sup>11</sup> compared to the prior year, exceeding our target of a 3% reduction.



**Deliver on our three year GHG, premises energy, commercial waste, water, paper and air travel targets in Australia and New Zealand.**

10 of 13 targets for 2011-2014 have been achieved. NZ has achieved all targets and the Global Travel target has been achieved. In Australia, three targets have not been met:

**Australian GHG emissions:** We achieved a reduction of 10.4% (-26,000 tCO<sub>2</sub>) against our target of a reduction of 12% over 2011-2014. This is primarily due to higher than forecast growth in data centre emissions that has accompanied the sharp increase in use of mobile banking applications.

**Australian Energy:** We achieved a reduction of 1% against our target of 12% over 2011-2014. Energy usage reductions in commercial buildings and retail branches were offset by increases in data centres.

**Australian Customer Paper:** We achieved a reduction of 5% against our target of 10% over 2011-2014. Customer paper usage fell in 2012 and 2013 but rose in 2014 by around 400 tonnes due to once-off printing of information for customers for legislative purposes.

<sup>1</sup> Lost Time Injury Frequency Rate (LTIFR) is the number of Lost Time Injuries (LTIs) per million hours worked. <sup>2</sup> A Lost Time Injury (LTI) is where an ANZ employee is kept from attending a complete normal work day following the day in which a work-related incident occurred, or a cumulative condition is reported. <sup>3</sup> Retail and Commercial complaints. <sup>4</sup> DBM Business Financial Services Monitor. Base: ANZ Main Financial Institution Customers, Commercial Banking (most businesses <\$100m annual turnover), based on 6 months to September for each year. <sup>5</sup> Roy Morgan Research. Base: ANZ Main Financial Institution Customers, aged 14+, based on 6 months to September for each year. <sup>6</sup> Peter Lee Associates 2014 Large Corporate and Institutional Relationship Banking Survey, Australia. <sup>7</sup> Camorra Research Retail Market Monitor (2014). The Nielsen Company Consumer Finance Monitor (excludes National Bank brand from 2009). Base: ANZ main bank customers aged 15+, rolling 6 months moving average to September. Based on responses of excellent, very good and good. <sup>8</sup> Peter Lee Associates 2014 Large Corporate and Institutional Relationship Banking Survey, Australia/New Zealand. <sup>9</sup> External screening is conducted by Briefcase Analytics. <sup>10</sup> 'Further screening' is focused on the five ANZ risk categories (Governance and Compliance; Ethical Business Practices; Environment Management; Occupational Health and Safety and Workplace Relations). <sup>11</sup> FY14 refers to the GHG data for the year ended 30 June 2014.

## FINANCIAL

### FIVE-YEAR SUMMARY 2010 – 2014

	2014	2013 <sup>2</sup>	2012	2011	2010
<b>FINANCIAL PERFORMANCE<sup>1</sup></b>					
Net interest income (\$m)	13,797	12,772	12,110	11,500	10,862
Other operating income (\$m)	5,781	5,619	5,738	5,385	4,920
Operating expenses (\$m)	(8,760)	(8,257)	(8,519)	(8,023)	(6,971)
Profit before provisions and income tax (\$m)	10,818	10,134	9,329	8,862	8,811
Credit impairment charge (\$m)	(989)	(1,197)	(1,258)	(1,220)	(1,820)
Income tax expense and non-controlling interest (\$m)	(2,712)	(2,445)	(2,241)	(2,175)	(1,966)
Cash / Underlying profit <sup>1</sup> (\$m)	7,117	6,492	5,830	5,467	5,025
Adjustments to arrive at statutory profit <sup>1</sup> (\$m)	154	(182)	169	112	524
Profit attributable to shareholders of the Company (\$m)	7,271	6,310	5,661	5,355	4,501
<b>FINANCIAL POSITION</b>					
Assets (\$m)	772,092	702,995	642,127	604,213	531,703
Net Assets (\$m)	49,284	45,603	41,220	37,954	34,155
Common Equity Tier 1 <sup>3</sup> (%)	8.8	8.5	8.0	8.5	8.0
Common Equity Tier 1 – Internationally Comparable Basel 3 (%) <sup>4</sup>	12.7	12.7	11.6	n/a	n/a
Return on average ordinary equity <sup>5</sup> (%)	15.8	15.0	14.6	15.3	13.9
Return on average assets (%)	1.0	0.9	0.9	0.9	0.9
Cost to income ratio <sup>1</sup> (%)	44.7	44.9	47.7	47.5	44.2
<b>SHAREHOLDER VALUE - ORDINARY SHARES</b>					
Total return to shareholders (%)	5.9	31.5	35.4	(12.6)	1.9
Market capitalisation (\$m)	85,235	84,450	67,255	51,319	60,614
Dividend (cps)	178	164	145	140	126
Share price – 30 September closing price (\$)	30.92	30.78	24.75	19.52	23.68
<b>OTHER INFORMATION</b>					
Points of representation <sup>6</sup>	1,220	1,274	1,337	1,381	1,394
Number of shareholders <sup>7</sup>	498,309	468,343	438,958	442,943	411,692

**\$13,797  
MILLION**

**NET INTEREST  
INCOME**

The 27% increase over five years represents our strong investment strategy.

**\$49,284  
MILLION**

**NET ASSETS**

Our expanded net asset value results from dynamic growth in Asia.

**\$85,235  
MILLION**

**MARKET  
CAPITALISATION**

Our strong market position locates us perfectly for our medium to long term goals.

<sup>1</sup> Since 1 October 2012, the Group has used cash profit as a measure of the result of the ongoing business activities of the Group enabling shareholders to assess Group and divisional performance against prior periods and against peer institutions. For 2012-2014 statutory profit has been adjusted for non-core items to arrive at cash profit. For 2010 and 2011 statutory profit has been adjusted for non-core items to arrive at underlying profit, which like cash profit, is a measure of the ongoing business performance of the Group but used somewhat different criteria for the adjusting items. Neither cash profit nor underlying profit are audited; however, the external auditor has informed the Audit Committee that the adjustments have been determined on a consistent basis across each period presented.

<sup>2</sup> During the year the Group adopted certain new Accounting Standards and 2013 comparative information has been restated in line with the requirements of the standards. <sup>3</sup> Calculated in accordance with APRA Basel 3 requirements for 2012-2014. Comparatives for 2010-2011 are calculated on a Basel 2 basis. <sup>4</sup> Previously disclosed International Harmonised capital ratios (Internationally Harmonised Basel 3) have been replaced with Internationally Comparable capital ratios as per the methodology in the "Australian Bankers' Association: International comparability of capital ratios of Australia's major banks" (August 2014) report prepared by PWC Australia. The 2012 and 2013 ratios have been restated for change in methodology to Internationally Comparable capital ratios. <sup>5</sup> Average ordinary equity excludes non-controlling interests and preference shares. <sup>6</sup> Includes branches, offices, representative offices and agencies. <sup>7</sup> Excludes employees whose only ANZ shares are held in trust under ANZ employee share schemes.

## NON-FINANCIAL

# FIVE-YEAR SUMMARY



### FIVE-YEAR PERFORMANCE SUMMARY 2010 – 2014

	2014	2013	2012	2011	2010
<b>OUR CUSTOMERS</b>					
Retail customer satisfaction					
» Australia <sup>1</sup> (%)	82.6	80.2	76.0	79.8	79.9
» New Zealand <sup>2</sup> (%)	85	84	89	88	86
Institutional Relationship Strength Index ranking <sup>3</sup>					
» Australia	1	2	2	1	1 (equal)
» New Zealand	1	1	1	1	1
<b>OUR PEOPLE</b>					
Total employees (FTE)	50,328	49,866 <sup>4</sup>	48,239	50,297	47,099
Employee engagement survey results (%)	73	72	70	70	64
Total women in management (%) <sup>5</sup>	39.2	38.7	37.8	38.2	38.4
Investment in learning and development (\$m)	46.3	46.0	46.2	59.4	51.0
Lost Time Injury Frequency Rate <sup>6</sup>					
» Australia	1.97	1.8	1.5	2.1	2.2
Australia <sup>7</sup>	0.95	0.7	1.2	1.5	1.7
» New Zealand	1.77	2.5	0.9	1.8	2.2
» APEA <sup>8</sup>	0.88	0.7	0.3	–	–
» India	0.1	0.1	0.3	0.0	0.0
<b>OUR COMMUNITIES</b>					
Volunteer hours	101,801	89,289	86,758	91,410	90,651
<b>OUR ENVIRONMENT<sup>9</sup></b>					
GHG emissions (tonnes CO <sub>2</sub> -e) <sup>10</sup>					
» Australia	154,922	163,206	163,912	166,717	170,299
» New Zealand	10,008	11,955 <sup>11</sup>	13,363	11,843	12,429
» Asia Pacific, Europe and America	47,347	44,984 <sup>12</sup>	30,957	30,189	22,725
Paper consumption (tonnes per FTE) <sup>13</sup>					
» Australia	0.184	0.163	0.163	0.167	0.211
» New Zealand	0.107	0.129 <sup>14</sup>	0.155	0.125	0.148

<sup>1</sup> Roy Morgan Research. Base: ANZ Main Financial Institution Customers, aged 14+, based on 6 months to September for each year. <sup>2</sup> Camorra Research Retail Market Monitor (2014). The Nielsen Company Consumer Finance Monitor (excludes National Bank brand from 2009). Base: ANZ main bank customers aged 15+ rolling 6 months moving average to September. Based on responses of excellent, very good and good. <sup>3</sup> Peter Lee Associates 2014 Large Corporate and Institutional Banking Relationship Survey, Australia/New Zealand. <sup>4</sup> During 2014 the Group migrated onto a single global HR platform. In doing so, the Group revised and standardised the measure of FTE and this resulted in an increase in FTE. Comparative information has been restated. <sup>5</sup> Includes all employees regardless of leave status and includes casuals but not contractors (which are included in FTE). <sup>6</sup> Lost time injury frequency rate, the number of lost time injuries per million hours worked. <sup>7</sup> LTIFR claims: an Australian financial industry benchmarking measure which includes LTIs that result in claims. This measure is not applicable in other countries. <sup>8</sup> APEA started to calculate LTIFR in 2011. <sup>9</sup> In 2013 we changed our environmental reporting year to 1 July - 30 June to align to environmental regulatory reporting requirements. Prior years' data is reported in the previous 1 October - 30 September year. <sup>10</sup> Scope 1 & 2. A full GHG profile (scope 1, 2 & 3) will be available on anz.com. <sup>11</sup> Figure restated from what was reported last year due to updating of estimated data to actual data and finalisation of emission factors. <sup>12</sup> From 2013 onwards we have included India in our reported emissions from Asia Pacific, Europe and America. Comparative information has been restated for FY13. <sup>13</sup> Includes paper consumed in offices and for customer printing. <sup>14</sup> Reported number relates to business as usual paper and does not include paper associated with a one off rebranding initiative completed in 2013.

The Board is responsible to shareholders for the governance of ANZ. It approves the strategic direction, financial objectives and appropriate risk appetite for the organisation and oversees ANZ's operations and financial performance.

Financial Year	CURRENT NON-EXECUTIVE DIRECTORS											
	D Gonski <sup>1</sup>		I Atlas <sup>2</sup>		P Dwyer		HY Lee		G Liebelt <sup>3</sup>		I Macfarlane	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
NED fees and non monetary Benefits (\$)	383,559		3,995		320,524	297,500	296,973	280,000	300,764	70,000	319,473	314,500
Superannuation Guarantee Contribution (\$)	11,837		380		18,027	16,796	18,027	16,796	18,027	4,444	18,027	16,796
Total Remuneration (\$)	395,396		4,375		338,551	314,296	315,000	296,796	318,791	74,444	337,500	331,296

<sup>1</sup> D Gonski commenced as a Non-Executive Director on 27 February 2014 and as Chairman on 1 May 2014 so 2014 remuneration reflects amounts received for the partial service for the 2014 year.

<sup>2</sup> I Atlas commenced as a Non-Executive Director on 24 September 2014 so 2014 remuneration reflects amounts received for the partial service for the 2014 year.

<sup>3</sup> G Liebelt commenced as a Non-Executive Director on 1 July 2013 so 2013 remuneration reflects amounts received for the partial service for the 2013 year.

<sup>4</sup> J Macfarlane commenced as a Non-Executive Director on 22 May 2014 so 2014 remuneration reflects amounts received for the partial service for the 2014 year.

<sup>5</sup> J Morschel retired as Chairman on 30 April 2014 so 2014 remuneration reflects amounts received for the partial service for the 2014 year. Non monetary benefits relate to car parking and gifts on retirement. \$90,959 was paid to J Morschel on retirement in relation to his entitlements accrued in prior years under the closed ANZ Directors' Retirement Scheme.

<sup>6</sup> G Clark retired as a Non-Executive Director on 18 December 2013 so 2014 remuneration reflects amounts received for the partial service for the 2014 year. Non monetary benefits relate to gifts on retirement. \$123,990 was paid to G Clark on retirement in relation to his entitlements accrued in prior years under the closed ANZ Directors' Retirement Scheme.



## REMUNERATION OVERVIEW

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

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



# NON-EXECUTIVE DIRECTORS REMUNERATION

FORMER NON-EXECUTIVE DIRECTORS												TOTAL OF ALL NON-EXECUTIVE DIRECTORS	
J Macfarlane <sup>4</sup>		J Morschel <sup>5</sup>		G Clark <sup>6</sup>		P Hay <sup>7</sup>		D Meiklejohn <sup>8</sup>		A Watkins <sup>9</sup>		2014	2013
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
103,109		476,955	780,336	68,704	300,000	179,757	302,500	77,725	321,485	186,261	312,500	2,717,799	2,978,821
7,557		13,331	16,796	4,444	16,796	11,138	16,796	4,444	16,796	11,208	16,796	136,447	138,812
110,666		490,286	797,132	73,148	316,796	190,895	319,296	82,169	338,281	197,469	329,296	2,854,246	3,117,633

<sup>7</sup> P Hay retired as a Non-Executive Director on 30 April 2014 so 2014 remuneration reflects amounts received for the partial service for the 2014 year. Non monetary benefits relate to gifts on retirement.

<sup>8</sup> D Meiklejohn retired as a Non-Executive Director on 18 December 2013 so 2014 remuneration reflects amounts received for the partial service for the 2014 year. Non monetary benefits relate to office space, car parking and gifts on retirement. \$96,545 was paid to D Meiklejohn on retirement in relation to his entitlements accrued in prior years under the closed ANZ Directors' Retirement Scheme.

<sup>9</sup> A Watkins retired as a Non-Executive Director on 30 April 2014 so 2014 remuneration reflects amounts received for the partial service for the 2014 year. Non monetary benefits relate to gifts on retirement.

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

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

The following summary has been prepared to provide shareholders with a view of remuneration structure and how remuneration was paid or communicated to the CEO and Disclosed Executives for 2013 and 2014 and includes:

- » the actual amounts of grants made in respect of the years 2013 and 2014;
- » any amounts which had to be deferred in respect of the years 2013 and 2014; and
- » the actual amounts received in respect of the years 2013 and 2014.

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

The following table provides a summary of the remuneration for the Chief Executive Officer (CEO) and Disclosed Executives.

CEO AND CURRENT DISCLOSED EXECUTIVES	M Smith <sup>3</sup> Chief Executive Officer		P Chronican <sup>4</sup> Chief Executive Officer, Australia		A Currie <sup>5</sup> Chief Operating Officer		S Elliott <sup>6</sup> Chief Financial Officer	
	2014	2013	2014	2013	2014	2013	2014	2013
Financial Year								
<b>FIXED</b>								
Remuneration <sup>1</sup> (\$)	3,150,000	3,150,000	1,300,000	1,300,000	1,000,000		1,250,000	1,250,000
Non monetary benefits (\$)	170,019	145,681	15,938	15,669	15,938		20,663	15,669
<b>SHORT TERM INCENTIVE</b>								
Cash (\$)	2,050,000	2,050,000	925,000	1,050,000	950,000		1,300,000	1,300,000
Deferred as equity (\$)	1,950,000	1,950,000	825,000	950,000	850,000		1,200,000	1,200,000
Total (\$)	4,000,000	4,000,000	1,750,000	2,000,000	1,800,000		2,500,000	2,500,000
As of target (%)	127	127	112	128	150		167	167
As of maximum opportunity <sup>2</sup> (%)	63		56		75		83	
<b>LONG TERM INCENTIVE</b>								
Total (deferred as equity) (\$)	3,400,000	3,150,000	700,000	700,000	750,000		800,000	1,000,000
<b>TOTAL REMUNERATION</b>								
Received (\$)	5,370,319	5,345,681	2,240,938	2,365,669	1,965,938		2,570,663	2,565,669
Deferred as equity (\$)	5,350,000	5,100,000	1,525,000	1,650,000	1,600,000		2,000,000	2,200,000
Total (\$)	10,720,019	10,445,681	3,765,938	4,015,669	3,565,938		4,570,663	4,765,669

<sup>1</sup> Fixed Remuneration was unchanged year on year for Disclosed Executives, with the exception of D Hisco, G Hodges and N Williams. The difference for A Géczy year on year reflects partial service as a Disclosed Executive in 2013.

<sup>2</sup> The possible range of STI is between 0 and 2 times target STI. The actual STI received is dependent on ANZ and individual performance. Anyone who received less than 100% of target forfeited the rest of their STI entitlement. The minimum value is nil and the maximum value is what was actually paid.

<sup>3</sup> M Smith - Non monetary benefits include car parking, life insurance and taxation services. In 2014 equity to the value of \$2,335,900 vested in respect of previously disclosed deferred STI granted in November 2011 and November 2012. Deferred LTI which was granted in December 2010 and previously disclosed, lapsed in December 2013. The 2014 LTI relates to the proposed LTI grant, subject to approval by shareholders at the 2014 Annual General Meeting. LTI of \$3,150,000 for FY13 equated to 201,086 performance rights which based on the 1 week VWAP at the start of the performance period (22 November 2013) had a face value of \$6,383,495 as approved by shareholders at the 2013 Annual General Meeting.

<sup>4</sup> P Chronican - Non monetary benefits include car parking and taxation services. In 2014 equity to the value of \$1,014,170 vested in respect of previously disclosed deferred STI granted in November 2011 and November 2012. Deferred LTI which was granted in November 2010 and previously disclosed, lapsed in November 2013. LTI of \$700,000 for FY13 equated to 48,275 performance rights which based on the 1 week VWAP at the start of the performance period (22 November 2013) had a face value of \$1,532,495.

<sup>5</sup> A Currie - The Chief Operating Officer role is a Disclosed Executive role for the first time effective 1 October 2013 as it meets the definition of Key Management Personnel. Non monetary benefits include car parking and taxation services. In 2014 equity to the value of \$933,222 vested in respect of deferred STI granted in November 2011 and November 2012, and equity to the value of \$1,082,546 vested in respect of deferred LTI granted in November 2010.

<sup>6</sup> S Elliott - Non monetary benefits include car parking and taxation services. In 2014 equity to the value of \$952,637 vested in respect of previously disclosed deferred STI granted in November 2011 and November 2012. Deferred LTI which was granted in November 2010 and previously disclosed, lapsed in November 2013. LTI of \$1,000,000 for FY13 equated to 68,965 performance rights which based on the 1 week VWAP at the start of the performance period (22 November 2013) had a face value of \$2,189,301.



# NON-STATUTORY REMUNERATION

<b>A Géczy<sup>7</sup></b> Chief Executive Officer, International & Institutional Banking		<b>D Hisco<sup>8</sup></b> Chief Executive Officer, New Zealand		<b>G Hodges<sup>9</sup></b> Deputy Chief Executive Officer		<b>J Phillips<sup>10</sup></b> CEO, Global Wealth, Group Managing Director, Marketing, Innovation & Digital		<b>N Williams<sup>11</sup></b> Chief Risk Officer	
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
1,250,000	50,000	1,165,493	1,000,000	1,050,000	1,000,000	1,000,000	1,000,000	1,250,000	1,000,000
337,718	–	430,342	411,398	19,166	27,404	5,500	5,500	18,551	248,328
900,000	–	1,150,083	1,050,000	800,000	675,000	900,000	700,000	950,000	850,000
800,000	–	1,050,082	950,000	700,000	575,000	800,000	600,000	850,000	750,000
1,700,000	–	2,200,165	2,000,000	1,500,000	1,250,000	1,700,000	1,300,000	1,800,000	1,600,000
113	–	157	167	119	104	142	108	120	133
57	–	79	–	60	–	71	–	80	–
800,000	625,000	699,260	699,200	500,000	500,000	700,000	500,000	750,000	750,000
<b>2,487,718</b>	<b>50,000</b>	<b>2,745,918</b>	<b>2,461,398</b>	<b>1,869,166</b>	<b>1,702,404</b>	<b>1,905,500</b>	<b>1,705,500</b>	<b>2,218,551</b>	<b>2,098,328</b>
1,600,000	625,000	1,749,342	1,649,200	1,200,000	1,075,000	1,500,000	1,100,000	1,600,000	1,500,000
4,087,718	675,000	4,495,260	4,110,598	3,069,166	2,777,404	3,405,500	2,805,500	3,818,551	3,598,328

<sup>7</sup> **A Géczy** - Commenced in role 16 September 2013 so fixed remuneration reflects amounts received for the partial service for the 2013 year. Non monetary benefits include relocation expenses and car parking. LTI of \$625,000 for FY13 equated to 43,102 performance rights which based on the 1 week VWAP at the start of the performance period (22 November 2013) had a face value of \$1,368,277.

<sup>8</sup> **D Hisco** - Effective 2014, D Hisco received a 5% AUD increment and his remuneration was then fixed in NZD using the average exchange rate for FY13. His 2014 remuneration value in the table represents his NZD remuneration converted to AUD at the average exchange rate for FY14. Non monetary benefits includes expenses related to his relocation to New Zealand, car parking and taxation services. In 2014 equity to the value of \$1,203,589 vested in respect of previously disclosed deferred STI granted in November 2011 and November 2012. Deferred LTI which was granted in November 2010 and previously disclosed, lapsed in November 2013. LTI of \$699,200 for FY13 equated to 48,220 performance rights which based on the 1 week VWAP at the start of the performance period (22 November 2013) had a face value of \$1,530,749. D Hisco was also eligible to receive shares to the value of \$800 in relation to the Employee Share Offer in December 2013.

<sup>9</sup> **G Hodges** - Non monetary benefits include car parking and taxation services. In 2014 equity to the value of \$733,666 vested in respect of previously disclosed deferred STI granted in November 2011 and November 2012. Deferred LTI which was granted in November 2010 and previously disclosed, lapsed in November 2013. LTI of \$500,000 for FY13 equated to 34,482 performance rights which based on the 1 week VWAP at the start of the performance period (22 November 2013) had a face value of \$1,094,635.

<sup>10</sup> **J Phillips** - Non monetary benefits include taxation services. In 2014 equity to the value of \$643,058 vested in respect of previously disclosed deferred STI granted in November 2011 and November 2012. Deferred LTI which was granted in 2010 and previously disclosed, lapsed in November 2013. LTI of \$500,000 for FY13 equated to 34,482 performance rights which based on the 1 week VWAP at the start of the performance period (22 November 2013) had a face value of \$1,094,635.

<sup>11</sup> **N Williams** - Fixed remuneration was increased in October 2013 in light of market competitive remuneration levels for this role, and in recognition of his more seasoned contribution. This has been the only adjustment to his fixed remuneration since his appointment to the role in December 2011. Non monetary benefits include car parking and taxation services. In 2014 equity to the value of \$806,482 vested in respect of deferred STI granted in November 2011 and November 2012 and equity to the value of \$676,587 vested in respect of deferred LTI granted in November 2010. LTI of \$750,000 for FY13 equated to 27,603 deferred share rights which based on the 1 week VWAP at the start of the performance period (22 November 2013) had a face value of \$876,260.



# CONTACTS & DATES

## HANDY CONTACTS

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Corporate Affairs: Gerard Brown

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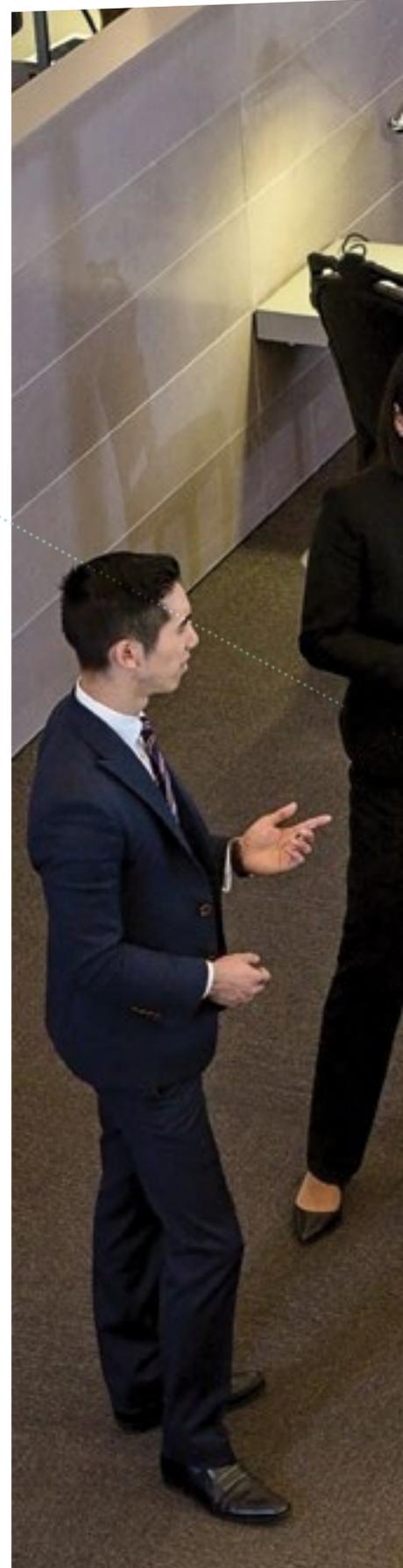
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www.citi.com/adr

## OUR INTERNATIONAL PRESENCE:

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





## IMPORTANT DATES FOR SHAREHOLDERS<sup>1</sup>

### MAY 2015

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5th  
Interim Results  
Announcement

8th  
Interim Dividend  
Ex-Date

12th  
Interim Dividend  
Record Date

13th  
DRP/BOP/Foreign  
Currency Election Date

### JULY 2015

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1st  
Interim Dividend  
Payment Date

### OCTOBER 2015

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29th  
Annual Results  
Announcement

### NOVEMBER 2015

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6th  
Final Dividend  
Ex-Date

10th  
Final Dividend  
Record Date

11th  
DRP/BOP/Foreign  
Currency Election Date

### DECEMBER 2015

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16th  
Final Dividend  
Payment Date

17th  
Annual General  
Meeting (Adelaide)

<sup>1</sup>If there are any changes to these dates, the Australian Securities Exchange will be notified accordingly.

