

ABOUT OUR BUSINESS

OUR PURPOSE

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

One of our key strategic priorities is to drive a purpose and values-led transformation of the bank and our progress towards this is discussed throughout this report.

OUR CULTURE AND VALUES

Our values are the foundation of how we work and how we bank. We recognise that we must live our values every day if we are to execute our strategy successfully and earn back the community's trust.

To support our strategic priority to drive a purpose and values-led transformation of the bank, this year we refreshed our values with input from more than 1,000 employees. Our values, which include a strong focus on speaking up and respectfully disagreeing, are supported by our Code of Conduct and Ethics. It is a requirement that all employees comply with the Code, which contains eight guiding principles and sets the standards for the way we do business at ANZ.

We care about:



INTEGRITY



COLLABORATION



ACCOUNTABILITY



RESPECT



EXCELLENCE

OUR CORPORATE SUSTAINABILITY FRAMEWORK

Our Corporate Sustainability Framework supports our business strategy and is aligned with the bank's purpose. The Framework has three key areas of focus:

- Sustainable Growth
- Social and Economic Participation
- Fair and Responsible Banking

which are discussed further on page 20.



Founded in 1835 and headquartered in Australia, we provide banking and financial products and services to individual and business customers, operating across 34 markets.

OUR DIVISIONS

Our business is structured across the following divisions:

Australia: comprises the Retail and the Corporate and Commercial Banking business units, providing a full range of banking services.

Institutional: services global institutional and business customers located in Australia, New Zealand, Asia, Europe, America, Papua New Guinea and the Middle East across three product sets: Transaction Banking, Loans & Specialised Finance and Markets.

New Zealand: comprises the Retail (including wealth management services) and Commercial business units providing a full range of banking services.

Wealth Australia: provides investment, superannuation, insurance and financial advice services.

Asia Retail & Pacific: comprises the Asia Retail and Pacific business units, connecting customers to specialists for their banking needs.

Digital banking: leads the strategic development and delivery of a superior digital experience for the bank's customers and staff.

These divisions are supported by Group-wide functions including Technology, Services & Operations and Group Centre.

For information on the performance of the above divisions see page 21 of the 2017 Annual Report.



~8 million
Retail, commercial and institutional customers



44,896
Full-time equivalent employees



\$86.9 billion
Market capitalisation



520,000+
Shareholders. **58%¹** of ANZ's shares are held by Institutional investors and the remaining **42%¹** by Retail investors.

ANZ is listed on the Australian Securities Exchange (ASX) with a secondary listing on the New Zealand Exchange (NZX).

¹ Based on beneficial ownership.

OUR INTERNATIONAL PRESENCE

Australia

New Zealand

International

Asia

Cambodia, China, Hong Kong, India, Indonesia, Japan, Laos, Malaysia, Myanmar, the Philippines, Singapore, South Korea, Taiwan, Thailand, Vietnam

Europe

France, Germany, United Kingdom

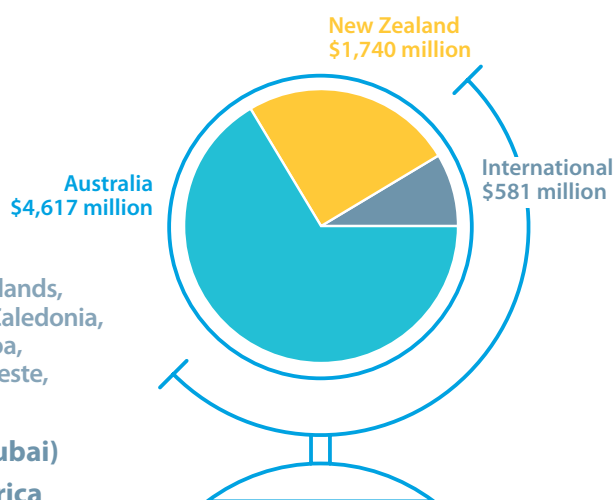
Pacific

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

Middle East U.A.E. (Dubai)

United States of America

EARNING COMPOSITION BY GEOGRAPHY



5-YEAR SUMMARY

Financial performance¹	2017	2016	2015	2014	2013
Net interest income (\$m)	14,872	15,095	14,616	13,797	12,772
Other operating income (\$m)	5,617	5,482	5,921	5,781	5,619
Operating expenses (\$m)	(9,448)	(10,422)	(9,378)	(8,760)	(8,257)
Profit before provisions and income tax (\$m)	11,041	10,155	11,159	10,818	10,134
Credit impairment charge (\$m)	(1,199)	(1,956)	(1,205)	(989)	(1,197)
Income tax expense and non-controlling interest (\$m)	(2,904)	(2,310)	(2,738)	(2,712)	(2,445)
Cash/Underlying profit ¹ (\$m)	6,938	5,889	7,216	7,117	6,492
Adjustments to arrive at statutory profit ¹ (\$m)	(532)	(180)	277	154	(182)
Profit attributable to shareholders of the Company (\$m)	6,406	5,709	7,493	7,271	6,310
Financial position					
Assets (\$m)	897,326	914,869	889,900	772,092	702,995
Net Assets ¹ (\$m)	59,075	57,927	57,353	49,284	45,603
Common Equity Tier 1 (%)	10.6	9.6	9.6	8.8	8.5
Common Equity Tier 1 – Internationally Harmonised Basel III ² (%)	15.8	14.5	13.2	12.5	12.7
Return on average ordinary equity ^{3,4} (%)	11.0	10.0	14.5	15.8	15.0
Return on average assets ⁴ (%)	0.7	0.6	0.9	1.0	0.9
Cost to income ratio ¹ (%)	46.1	50.6	45.7	44.7	44.9
Shareholder value — ordinary shares					
Total return to shareholders (%)	13.1	9.2	(7.5)	5.9	31.5
Market capitalisation (\$m)	86,948	80,886	78,606	85,235	84,450
Dividend (cps)	160	160	181	178	164
Share price — 30 September closing price (\$)	29.60	27.63	27.08	30.92	30.78
Other information					
Number of shareholders ⁵	522,425	545,256	546,558	498,309	468,343

¹ Since 1 October 2012, the Group has used cash profit as a measure of the result of the ongoing business activities of the Group enabling shareholders to assess Group and divisional performance against prior periods and against peer institutions. For 2013-2017 statutory profit has been adjusted for non-core items to arrive at cash profit. Cash profit is not audited; however, the external auditor has informed the Audit Committee that the adjustments have been determined on a consistent basis across each period presented.

² Internationally Comparable methodology applied for 2015 to 2017 aligns with APRA's information paper entitled International Capital Comparison Study, (13 July 2015). Basel Internationally Comparable ratios do not include an estimate of the Basel I capital floor requirement.

³ Average ordinary equity excludes non-controlling interests and preference shares.

⁴ Return on average ordinary equity and average assets have been calculated on a statutory basis, consistent with the last five years.

⁵ Excludes employees whose only ANZ shares are held in trust under ANZ employee share schemes.

Sustainability performance	2017	2016	2015	2014	2013
CUSTOMERS					
Net Promoter Score Ranking (relative to peers)					
Australia Retail ¹	4	2	4	4	3
Australia Corporate & Commercial ²	4	4	4	3	3
Australia Institutional ³	2	1	-	-	-
New Zealand Retail ⁴	4	4	5	5	5
New Zealand Corporate & Commercial ⁵	4	4	4	4	4
New Zealand Institutional ⁶	3	1	-	-	-
Digitally active customers					
Australia (%) ⁷	61	60	58	55	-
New Zealand (%) ⁸	65	62	59	-	-
PEOPLE					
FTE ⁹	44,896	46,554	50,152	50,328	49,866
Employee Engagement (%) ¹⁰	72	74	76	73	72
Total Women in Management (%)	41.5	41.5	40.4	39.2	38.7
Investment in learning & development (\$M) ¹¹	45.9	50.8	58.7	46.3	46
COMMUNITY					
Total community investment (\$million) ¹²	131.1	89.8	74.8	75.6	65.1
Volunteer hours	113,127	113,071	108,142	101,801	89,289
MoneyMinded — estimated number of people reached	>76,000	>60,900	>67,000	>54,000	>40,000
Saver Plus — number of people reached	4,074	4,649	2,826	5,461	>5,000
ENVIRONMENT					
Scope 1 & 2 emissions					
Australia (tCO ₂ -e)	126,881	136,751	147,499	154,922	163,206
New Zealand (tCO ₂ -e)	6,992	7,910	9,189	10,008	11,955
APEA (tCO ₂ -e)	47,120	48,908	52,843	47,347	44,984
Total (tCO₂-e)	180,993	193,569	209,531	212,277	220,145
Total scope 1,2 & 3 GHG emissions (tCO ₂ -e)	273,216	299,224	335,085	322,820	329,146
Project finance portfolio¹³					
Renewables (%)	70	63	60	44	39
Coal (%)	16	19	18	33	34
Gas (%)	13	18	22	23	27
Project finance commitment to renewable energy (\$M)	1,141	875	881	835	-

¹ Roy Morgan Research Single Source, Australian population aged 14+, Main Financial Institution, six month rolling average to Sep'13, Sep'14, Sep'15, Sep'16 & Sep'17. Ranking based on the four major Australian banks. Definition: On a 10pt advocacy scale (where 1 is Very Unlikely and 10 Very Likely), bank's Main Financial Institution (MFI) customers rate their likelihood to recommend their MFI to a friend or colleague. Net Promoter Score = % Promoters (score 9-10) - % Detractors (score 1-6). Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld.

² DBM Business Financial Services Monitor. Base: Corporate & Commercial Banking (<\$500m annual turnover) customers. Data based on 6 month average to Sep'13, Sep'14, Sep'15, Sep'16 & Sep'17. Ranking based on the four major Australian banks. Definition: On an 11pt advocacy scale (where 0 is Extremely Unlikely and 10 Extremely Likely), bank's Main Financial Institution (MFI) customers rate their likelihood to recommend their MFI to others for business banking. Net Promoter Score = % Promoters (score 9-10) - % Detractors (score 0-6). Net Promoter Score® is a trademark of Bain & Co Inc., Satmetrix Systems, Inc., and Mr Frederick Reichheld.

³ Peter Lee Associates Large Corporate and Institutional Relationship Banking surveys, Australia 2016-17, ranked against the Top 4 competitors.

⁴ Retail Market Monitor, Camorra Research, Sep'13, Sep'14, Sep'15, Sep'16 & Sep'17 (monthly).

⁵ Business Finance Monitor, TNS Kantar Research, Q3'13, Q3'14, Q3'15, Q3'16 & Q3'17 (quarterly).

⁶ Peter Lee Associates Large Corporate and Institutional Relationship Banking surveys, New Zealand 2016-17, ranked against the Top 4 competitors (in 2016 rank based on question 'which bank would you be most likely to recommend').

⁷ Roy Morgan Research Single Source, proportion of ANZ customers aged 14+ conducted internet banking using ANZ App or Website in last 4 weeks, 12 months rolling average to Sep'13, Sep'14, Sep'15, Sep'16 & Sep'17.

⁸ Proportion of ANZ customers who have used ANZ Internet Banking or ANZ goMoney at least once in the last 90 days. 12 months to Sep'15, Sep'16 and Sep'17. 2016 value has been restated.

⁹ Full-time equivalent employees, as disclosed in the 2017 Annual Report.

¹⁰ The 2017 engagement survey was run as a pulse survey sent to 10% of the bank's employees with a 57% response rate. Previously, we have measured employee engagement by sending a survey to all employees.

¹¹ From 2015 this includes learning and development cost base (ie. salary and on-costs of employees within learning and development cost centre).

¹² Includes foregone revenue, 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.

¹³ Breakdown for 2017 does not total to 100% due to rounding.