



5 October 2016

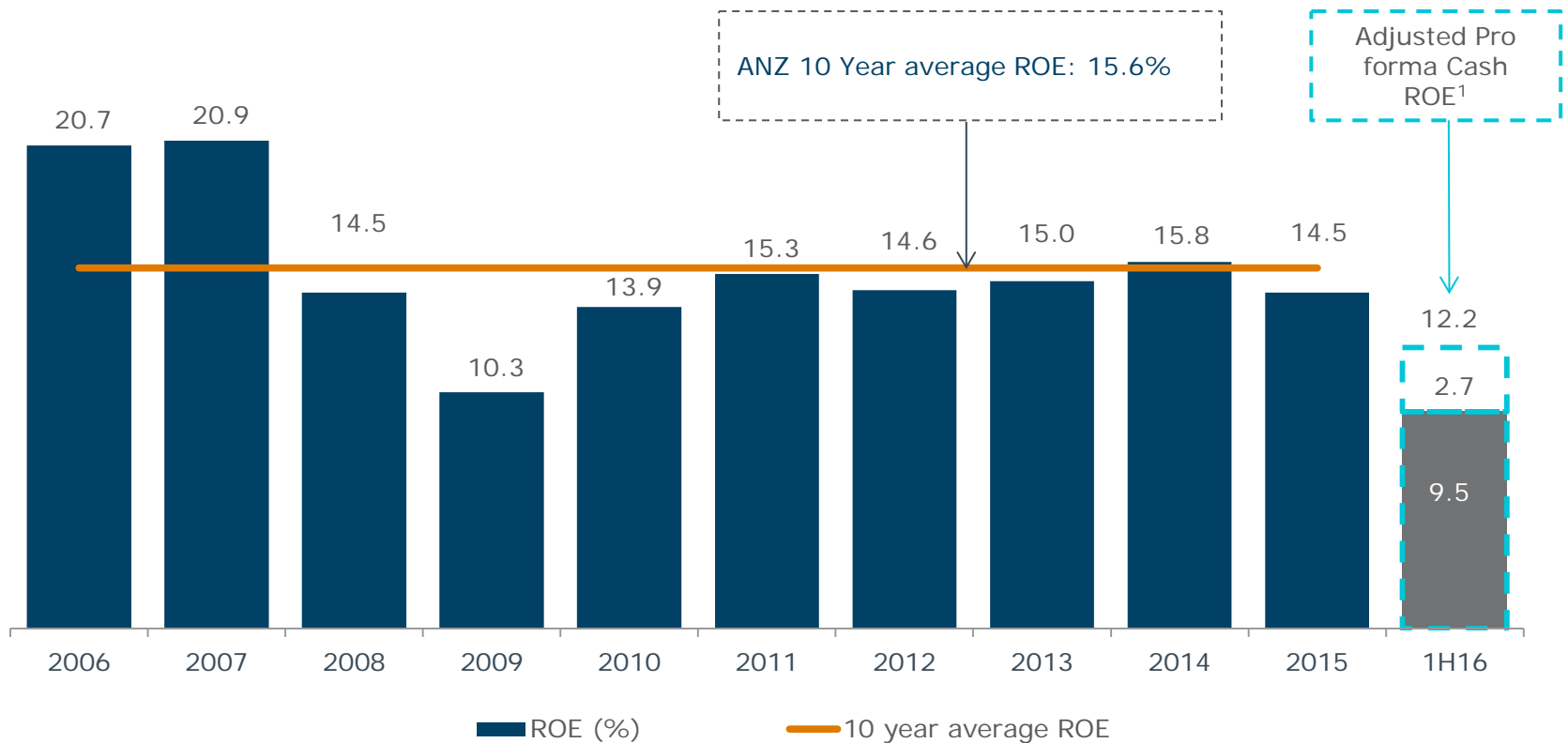
ANZ APPEARANCE SUPPORTING MATERIALS

Prepared for House of Representatives
Standing Committee on Economics

Public

STATUTORY RETURNS ON EQUITY (ROE)

Annual Statutory ROE (%)



Notes:

ROE is on Statutory Basis except where noted

1. Adjusted Proforma refers to Cash ROE adjusted to remove the impact of Specified Items: the impacts of capitalised software changes, restructuring expenses and sale of Esanda Dealer Finance portfolio. Further detail provided in the ANZ 1H16 Consolidated Financial Report page 14.

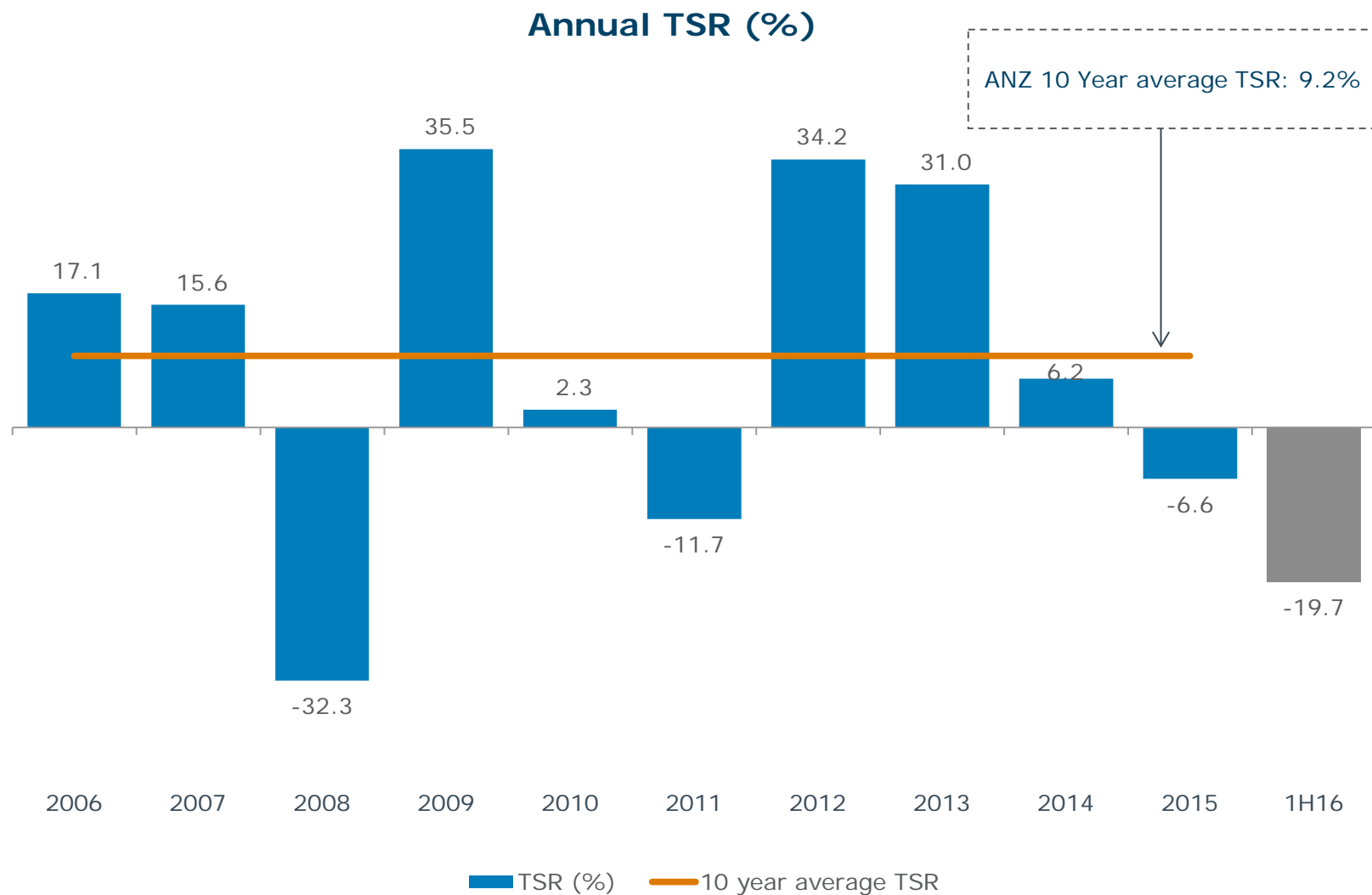
Cash ROE 1H16 = 9.7%

Sources:

ROE: Company filings, Statutory basis

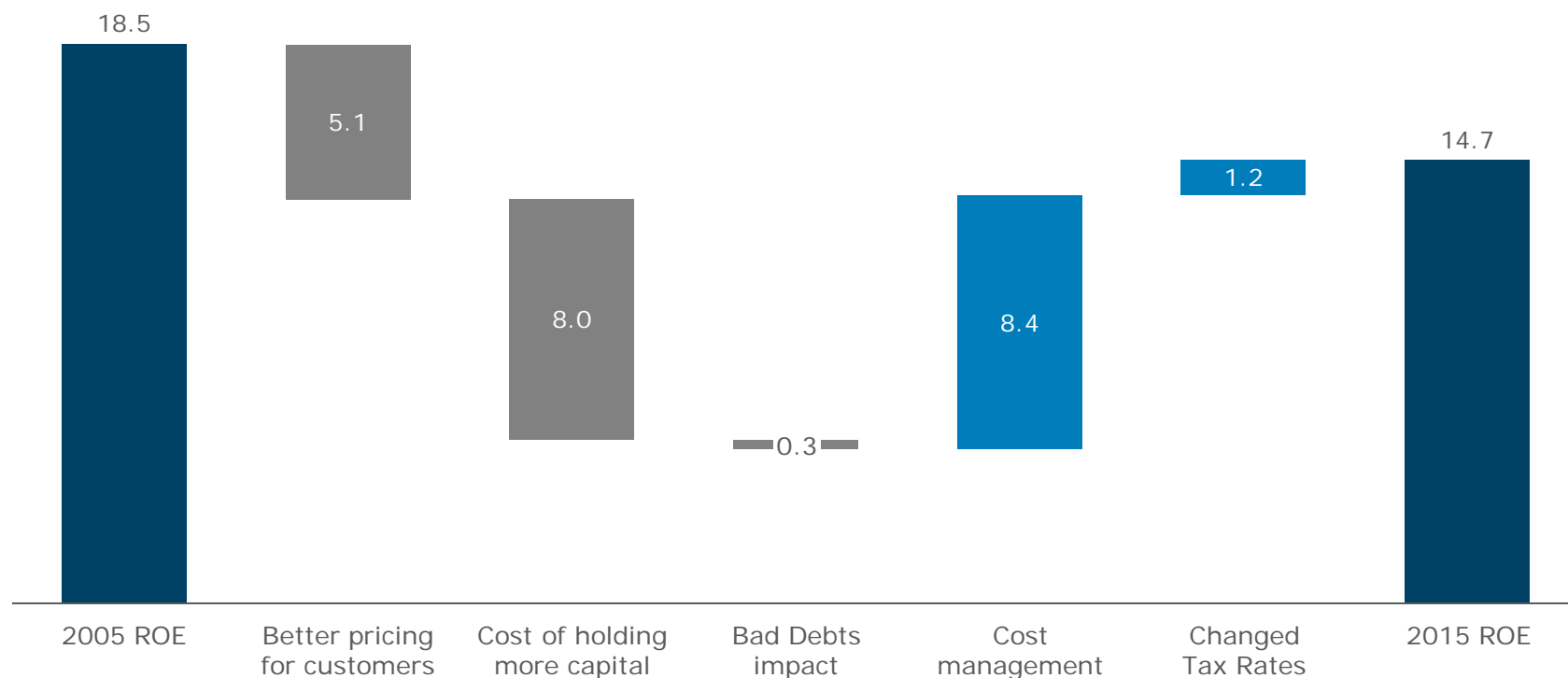
ANZ TOTAL SHAREHOLDER RETURNS (TSR)

TSR COMBINES SHARE PRICE APPRECIATION AND DIVIDENDS PAID TO SHOW THE TOTAL ANNUAL RETURN TO SHAREHOLDERS OF ANZ



Notes: TSR is on a Simple Annualised Average basis pre tax based on ANZ's Financial Year
Sources: TSR: Bloomberg, ANZ

DYNAMICS AFFECTING AUSTRALIAN BANK INDUSTRY RETURNS ON EQUITY



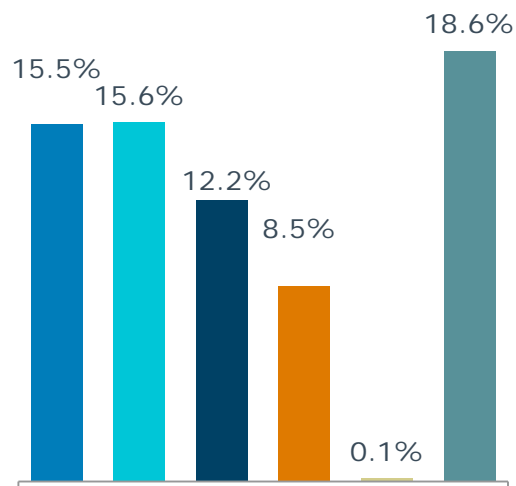
Notes: ROE based on cash earnings (Statutory ROE FY15 = 14.5% as per previous chart)

Note that the absolute contribution of individual drivers varies depending on the order of changes, but the relative contributions are comparable. Further, productivity has been aided by increased asset prices (i.e. a larger denominator)

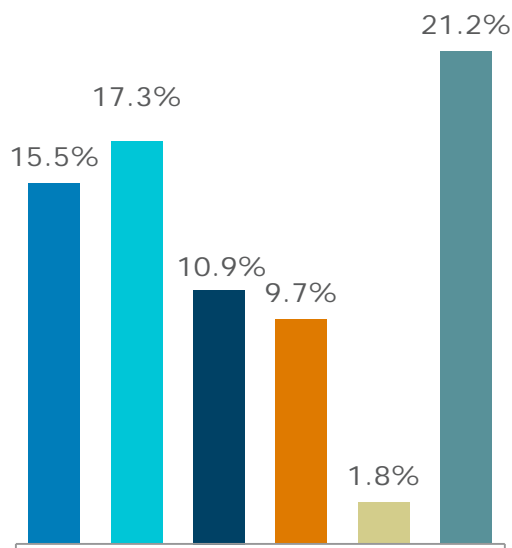
Sources: Company filings, Cash basis

STATUTORY RETURNS ON EQUITY – AUSTRALIAN BANKS, AUSTRALIAN INDUSTRY AND OFFSHORE PEERS

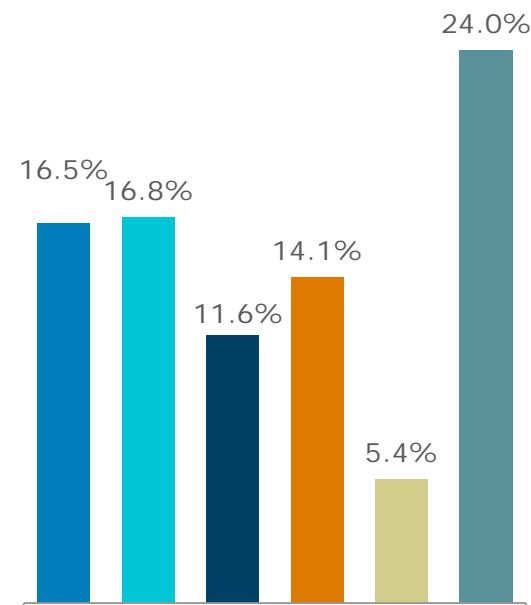
1 Year ROE



5 Year Average ROE



10 Year Average ROE



■ Big 4 Australian Banks

■ Comparable Commercial US Banks

■ Major Canadian banks

■ Comparable Commercial UK Banks

■ Major Scandinavian Banks

■ ASX Industry Champions

Notes:

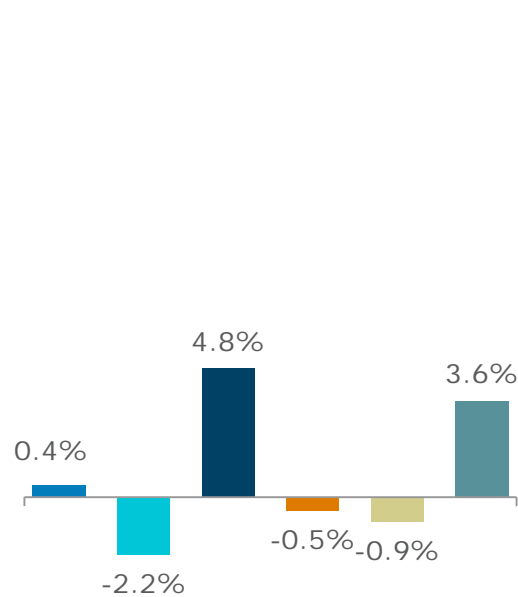
Simple arithmetic average of latest full year data. Canadian banks: Bank of Montreal, Royal Bank of Canada, Canadian Imperial Bank of Commerce, Toronto-Dominion Bank and Bank of Nova Scotia. Scandinavian banks: Danske Bank, DNB, SEB, Nordea and Swedbank. US banks: US Bank and Wells Fargo. UK banks: HSBC, Lloyds Bank and Royal Bank of Scotland. ASX Industry Champions: Telstra, BHP, RIO, CSL and Wesfarmers

Sources:

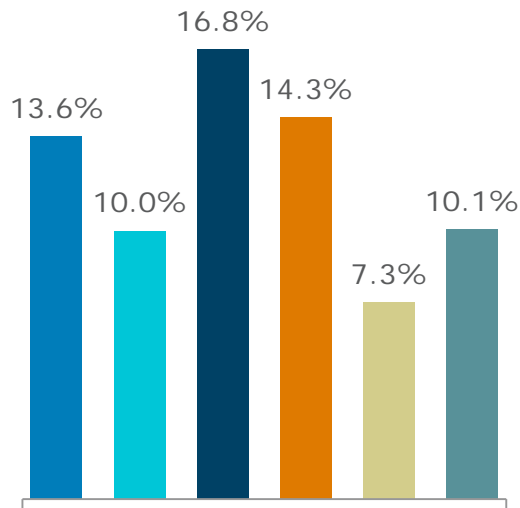
ROE: Company fillings, Statutory basis, ANZ analysis

TOTAL SHAREHOLDER RETURNS – AUSTRALIAN BANKS, AUSTRALIAN INDUSTRY AND OFFSHORE PEERS

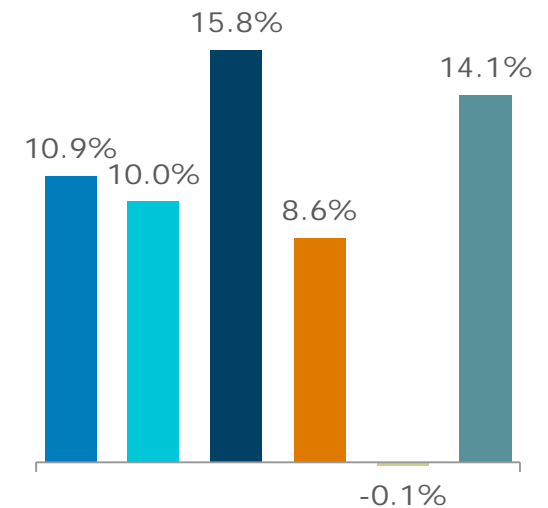
1 Year TSR



5 Year Average TSR



10 Year Average TSR



- Big 4 Australian Banks
- Major Canadian banks
- Major Scandinavian Banks
- Comparable Commercial US Banks
- Comparable Commercial UK Banks
- ASX Industry Champions

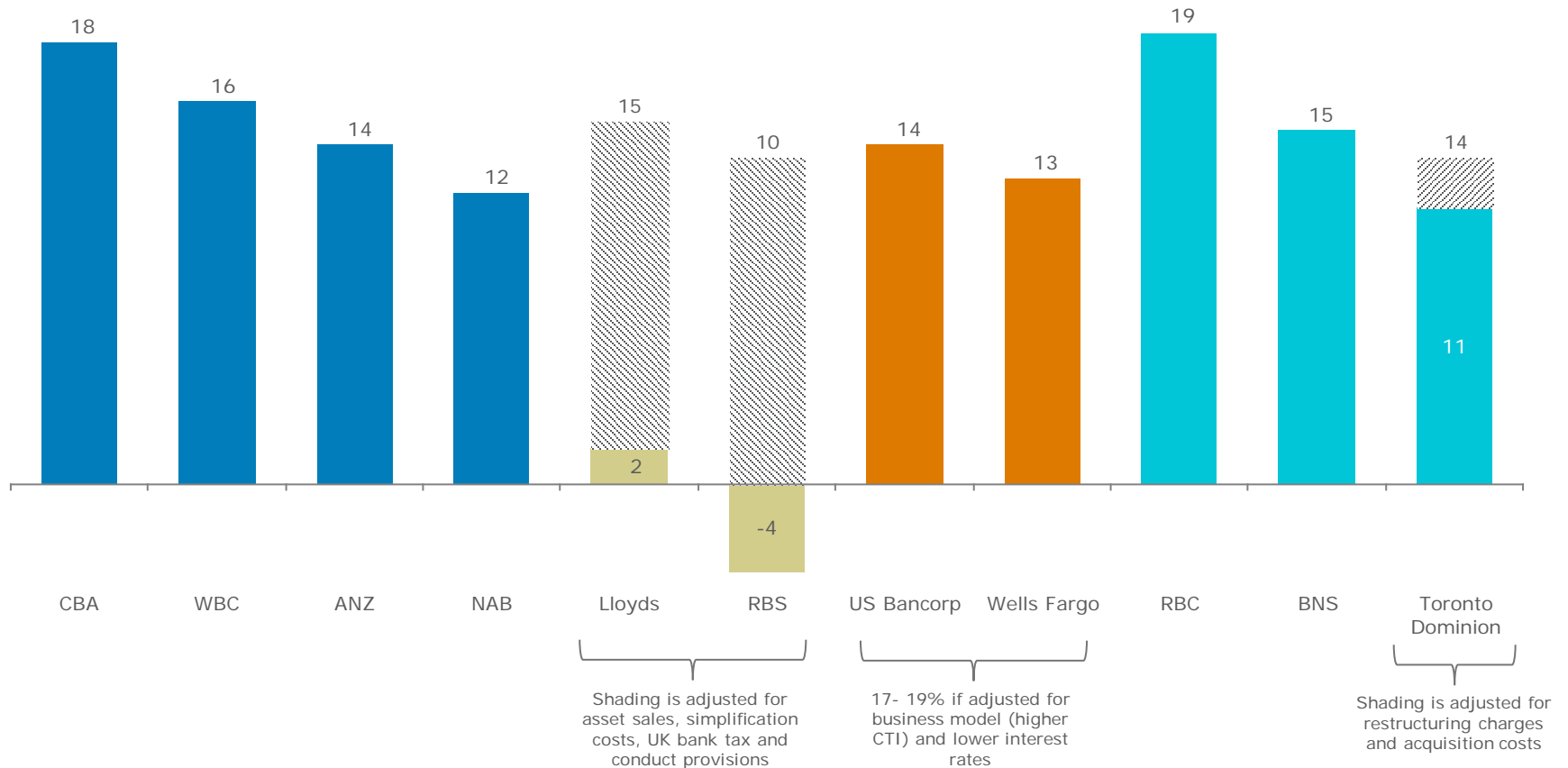
Notes: Simple arithmetic average of latest full year data. Canadian banks: Bank of Montreal, Royal Bank of Canada, Canadian Imperial Bank of Commerce, Toronto-Dominion Bank and Bank of Nova Scotia. Scandinavian banks: Danske Bank, DNB, SEB, Nordea and Swedbank. US banks: US Bank and Wells Fargo. UK banks: HSBC, Lloyds Bank and Royal Bank of Scotland. ASX Industry Champions: Telstra, BHP, RIO, CSL and Wesfarmers

Sources: TSR: Bloomberg, ANZ, simple annualised average

UNDERLYING RETURNS OF GLOBAL PEERS SIMILAR TO BIG 4 AUSTRALIAN BANKS

RETURNS ADJUSTED FOR BUSINESS MODEL, CONDUCT COSTS AND LEVIES

Return on average ordinary equity (FY15, %)



Notes:

Australian banks based on cash earnings

UK banks based on both statutory and underlying earnings (adjusted for regulatory taxes and significant conduct fines)

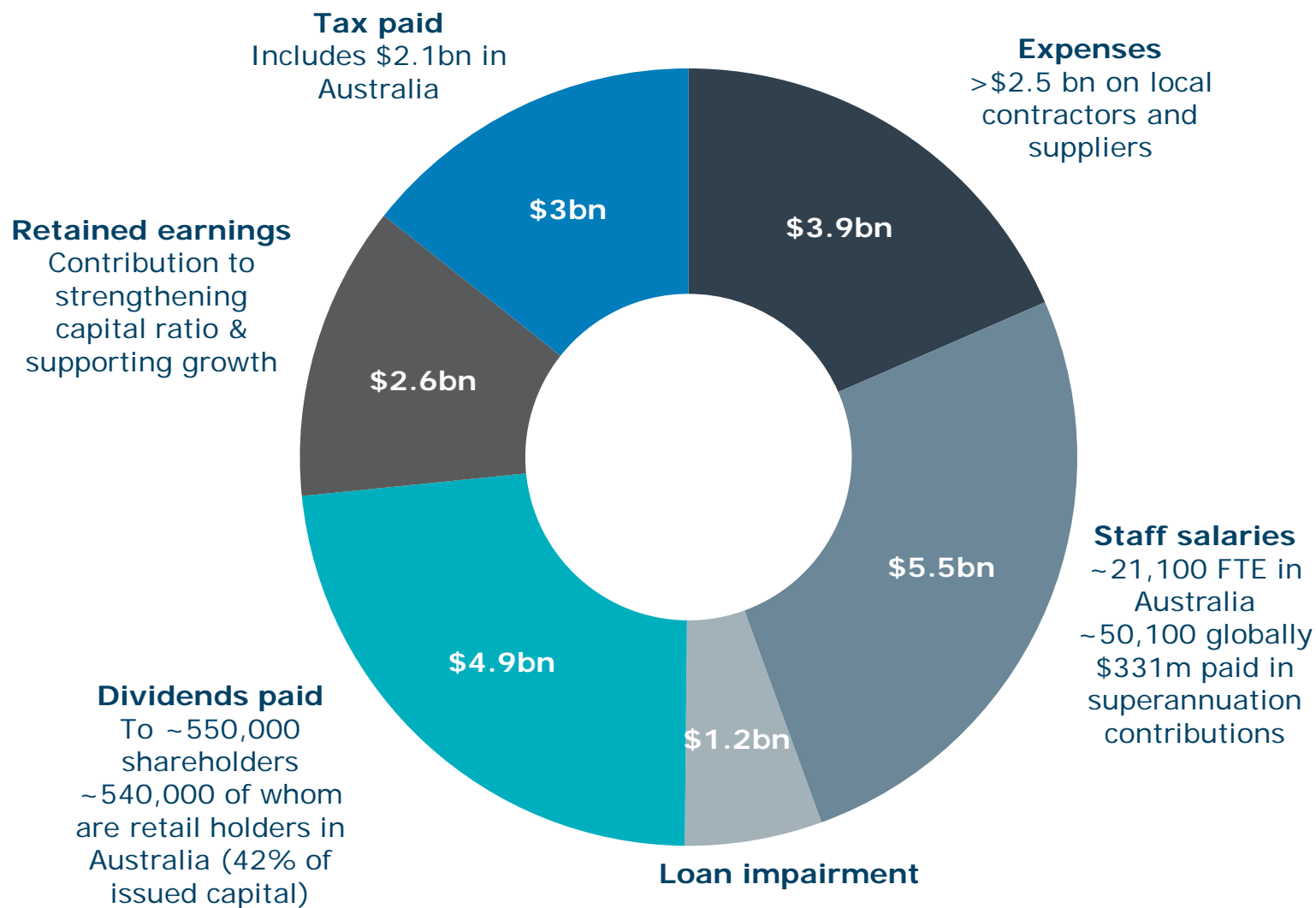
Canadian banks are as reported (with the exception of Toronto Dominion which also reports an adjusted return on equity)

Sources:

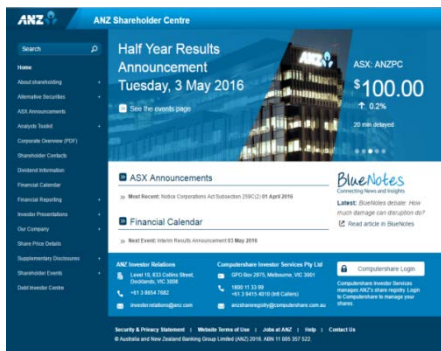
Company filings, ANZ analysis

ANZ – ALLOCATION OF OPERATING INCOME

FY15 Operating Income \$20.5bn (\$12.9bn in Australia)



Further Information



Our Shareholder information

shareholder.anz.com

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