2022 Basel III Pillar 3 Disclosure

As at 30 September 2022

APS 330: Remuneration Disclosure

Important notice

This document has been prepared by Australia and New Zealand Banking Group Limited (ANZ) to meet its disclosure obligations under:

- the Australian Prudential Regulation Authority (APRA) Authorised Deposit-taking Institutions Prudential Standard (APS) 330: Public Disclosure as applicable to ANZ; and
- the Hong Kong Monetary Authority (HKMA) Supervisory Policy Manual CG-5: Guideline on a Sound Remuneration System (HKMA Guidelines) as applicable to ANZ's Hong Kong (HK) branch.

This disclosure was prepared as at 30 September 2022. ANZ has a continuous disclosure policy, under which ANZ will immediately notify the market of any material price sensitive information concerning the Group, in accordance with legislative and regulatory disclosure requirements.

Remuneration Disclosure

Basis of Disclosure

This document presents:
- the 2022 financial year (2022) remuneration disclosures of Australia and New Zealand Banking Group Limited (ANZ), as required by the Australian Prudential Regulation Authority (APRA) Authorised Deposit-taking Institutions Prudential Standard (APS) 330: Public Disclosure; and
- the 2022 remuneration disclosures of ANZ, relating to ANZ's Hong Kong (HK) branch as required by the Hong Kong Monetary Authority (HKMA) Supervisory Policy Manual CG-5: Guideline on a Sound Remuneration System (HKMA Guidelines).

The disclosures contained in this document are based on information that is consistent with information provided to ANZ's external auditor. However, the information provided is for regulatory disclosure purposes, rather than statutory financial reporting disclosures, and may not be comparable to other information disclosed by ANZ. Additional information on ANZ's remuneration policies and structures is contained in the ANZ 2022 Annual Report.

Bodies that oversee Remuneration

The ultimate responsibility for the sound and prudent management of remuneration at ANZ rests with the ANZ Board (Board). The Board is assisted in overseeing remuneration matters, including adherence to ANZ remuneration policies and practices, by the Board Human Resources Committee (HRC).

As at 30 September 2022, the HRC consisted of five members, all of whom are independent Non-Executive Directors[1]. The HRC met seven times during the 2022 financial year. Committee fees for the HRC chair for the 2022 financial year were increased from AUD 57,000 to AUD 65,000 per annum effective 1 April 2022 and for HRC members were increased from AUD 29,000 to AUD 32,500 per annum effective 1 April 2022, following a market review.

The purpose, powers and duties of the HRC are set out in the HRC Charter. The HRC pays particular attention to the remuneration of the senior executive population, the highest paid individuals, individuals who could have a material impact on ANZ's financial soundness, the remuneration structures of individuals who perform a risk and financial control role, and adherence to the Australia and New Zealand Banking Group Limited Remuneration Policy (ANZBGL Remuneration Policy).

The ANZBGL Remuneration Policy applies to all ANZ employees globally[2], including:

- **Senior Managers**
  Senior Managers (at the ANZ level) are the Responsible Person roles as detailed in ANZBGL's Remuneration Policy. ANZ's current Responsible Persons are the CEO, Group Executive Committee (ExCo) members and other key roles identified in ANZ's Fit and Proper Policy. For 2022, ANZ had a total of 20 Senior Manager roles (19 individuals due to movement in roles); 19 roles in 2021 (21 individuals due to movement in roles). A new remuneration structure has been implemented for the CEO, ExCo and GGM IA effective in 2022 and this will be included in ANZBGL's new Performance and Remuneration Policy in 2023.

- **Material Risk Takers**
  MRTs (at the ANZ level) are any other persons (not covered by the Senior Manager definition above), for whom a significant portion of total remuneration is based on performance and whose activities, individually or collectively, may affect ANZ's financial soundness as determined by the Board Risk Committee. For 2022, ANZ had a total of 29 MRT roles (30 individuals due to movement in roles); 29 roles in 2021 (no movement in individuals who held these MRT roles).

- **HK branch**
  With respect to ANZ's HK branch:
    - Senior Management and Key Personnel (relative to the HK branch) – Senior Management includes those who are responsible for oversight of firm-wide strategy or activities or those of material business lines. Key Personnel includes those whose duties or activities involve the assumption of material risk or the taking on of material exposures. For 2022, ANZ's HK branch had a total of 13 Senior Management and Key Personnel roles (16 individuals due to movement in roles); 12 roles in 2021 (13 individuals due to movement in roles).

[1] The ANZ Board Chairman is an ex-officio member of the Committee and does not receive a Committee member fee.
[2] Except employees within ANZ Bank New Zealand Limited and its subsidiaries, who are covered by the ANZ New Zealand (NZ) Remuneration Policy.

Throughout the course of the year the HRC has made all remuneration-related decisions and recommendations to the Board independently of management. The HRC also has free and unfettered access to ANZ employees and to relevant external providers, when required.

During 2022, the HRC and management received information from the following external providers: Aon, Ashurst, EY, Mercer Consulting (Australia) Pty Ltd and PricewaterhouseCoopers. This information related to market data, market practices, analysis and modelling, legislative requirements and the interpretation of governance and regulatory requirements.

Design and Structure of Remuneration Processes

The ANZBGL Remuneration Policy provides the HRC and management with a consistent framework for managing remuneration and remuneration-related matters. Where overseas legislative/regulatory requirements for foreign-owned financial services companies exceed the ANZBGL Remuneration Policy requirements, the ANZBGL Remuneration Policy has adopted specific country addendums or a local/country specific policy (e.g. New Zealand (NZ) who operate under the ANZ NZ Remuneration Policy) to apply the local legislative requirements to any impacted employees in the relevant jurisdiction.

ANZ's remuneration framework addresses:

- Remuneration mix and market positioning;
- Fixed and variable remuneration;
- Downward adjustment (malus) of deferred remuneration;
- Shareholding guidelines and hedging prohibitions;
- Independence of Risk and Financial Control Personnel;
- Requirements for other ANZ APRA Regulated Entities and Registered Superannuation Entity Licensees and NZ, France, Germany, United Kingdom (UK), HK, Indonesia and China based employees; and
- Engagement of remuneration consultants.

The objective of the ANZBGL Remuneration Policy is to shape ANZ's remuneration strategies and initiatives in line with the ANZ Reward Principles and applicable legal requirements. Our Reward Principles support the achievement of ANZ's purpose and strategy through programs that:

- Attract, motivate and keep great people;
- Reward our people for doing the right thing having regard to our customers and shareholders;
- Focus on how things are achieved (values, culture and risk) as much as what is achieved (performance); and
- Are fair and simple to understand.

Performance and remuneration outcomes for all Risk and Financial Control Personnel are determined by the appropriate reporting manager within these functions directly, and not the business that the individual supports. This ensures individuals are remunerated independently of the business they oversee.

The ANZBGL Remuneration Policy in its current form was first introduced in February 2010 to comply with APRA's Prudential Standard CPS 510: Governance (CPS 510). A review of the ANZBGL Remuneration Policy is conducted by management on an annual basis and the outcomes are reviewed by the HRC and Board to ensure that it remains appropriate for its intended purpose, and is compliant with the APRA Prudential Standard and the specific overseas legislative/regulatory requirements for foreign-owned financial services companies where relevant. The Board approved a range of updates to the ANZBGL Remuneration Policy throughout the 2022 calendar year to incorporate the remuneration structure changes for the CEO, ExCo and GGM IA, and to ensure compliance with APRA's new Prudential Standard CPS 511 Remuneration (which comes into effect from 1 January 2023).

Remuneration at ANZ

Individual remuneration at ANZ is comprised of fixed remuneration and variable remuneration.

Fixed remuneration

Fixed remuneration is designed to reward individuals for their skills and experience, and the accountability of their role. Fixed remuneration is reviewed annually to ensure ANZ's remuneration remains competitive in the markets in which it operates, having regard to local market practices and affordability.

Variable remuneration

ANZ Incentive Plan (ANZIP) is the variable remuneration plan operating across ANZ and is designed to align performance to ANZ's strategic objectives and annual operating plan, fairly reward our people for doing the right thing having regard to our customers and shareholders, and align remuneration with prudent risk taking providing relevant employees with 'at-risk' reward component(s) designed to drive performance in both the short-term and medium to long-term. The Board decides the CEO's variable remuneration outcomes separately from the ANZIP pool to help mitigate potential conflicts of interest.

ANZ's variable remuneration is designed to take into account the following:

- The outcomes of business activities;
- The risks related to the business activities taking into account, where relevant, the cost of the associated capital;
- The time necessary for the outcomes of those business activities to be reliably measured;
- The delivery of outcomes that are fair and ethical and in the best interests of our customers, whilst aligned to ANZ's behaviours and values, purpose and Code of Conduct; and
- Applicable legal and regulatory (including prudential) requirements.

As part of the design methodology, the following components are considered:

- Measures of performance;
- The mix of forms of remuneration (such as fixed and variable components, and cash and equity-related benefits); and
- The timing of when the individual becomes eligible to receive payment.

ANZIP has two key components:

- **Group Performance Dividend (GPD):**
  - All permanent ANZ employees (excluding the CEO, ExCo and the Group General Manager Internal Audit (GGM IA)), will be eligible to receive a GPD subject to meeting minimum standards of performance and behaviour.
  - The GPD is determined and allocated based on Group performance only.

- **At Risk Pay (ARP):**
  - A small proportion of permanent ANZ employees will be eligible to receive an additional discretionary allocation of variable remuneration based on Division, business and individual performance, subject to meeting minimum standards of performance and behaviour.

For MRTs who are also France, Germany or UK MRTs, the ratios between fixed and variable remuneration do not exceed 1:1.

To determine and approve the ANZIP variable remuneration pool (which includes the GPD and ARP components), the Board considers a range of factors – it is not a formulaic outcome. Considerations include:

- the balance between financial and non-financial performance (includes performance against ANZ's Group Performance Framework and consideration of cash profit and economic profit outcomes), and the long-term (strengthening the bank);
- the balance of stakeholder needs and impacts (e.g. shareholders, customers and employees);
- the current environment, the quality of results and our Reward Principles.

Under the 2022 Group Performance Framework, performance against expectations was evaluated using a range of objective indicators and subjective considerations including management input on work undertaken, evidence of outcomes realised and lessons learned, and with consideration given to the operating, regulatory and competitive environment. The Group Performance Framework is structured around ANZ's Group Strategic Priorities and include the following key performance categories:

- **Risk (modifier 0% to 110%)** – measurement is supported by a range of risk indicators such as regulatory breaches, audit issues, risk culture survey results, progress in delivering regulatory commitments, surveys of corporate reputation sentiment and breaches of primary metrics in the Group Risk Appetite Statement;
- **Customer (35% weight)** – includes indicators focused on enhancing experiences and outcomes for our customers, such as service turnaround times, resolution of complaints, delivery of innovative customer solutions, and measures of customer satisfaction and perception;
- **People and Culture (30% weight)** – includes indicators related to workforce, engagement, diversity and capability.
- **Financial Discipline and Operational Resilience (35% weight)** – includes returns, cost discipline, and operational resilience indicators.

Performance objectives within each division are strategically aligned to the Group Performance Framework, including dedicated Group Performance weightings to reinforce the importance of collective accountability and contribution to the Group outcomes.
Individual performance is assessed based on both behaviours relating to ANZ's Behaviours, ANZ's Values, ANZ's Code of Conduct and the Banking Executive Accountability Regime (BEAR); and outcomes delivered against objectives. Where appropriate, adjustments will be made to an individual's performance assessment and variable remuneration outcome, to reflect conduct which does not meet expected standards.

Delivery of variable remuneration

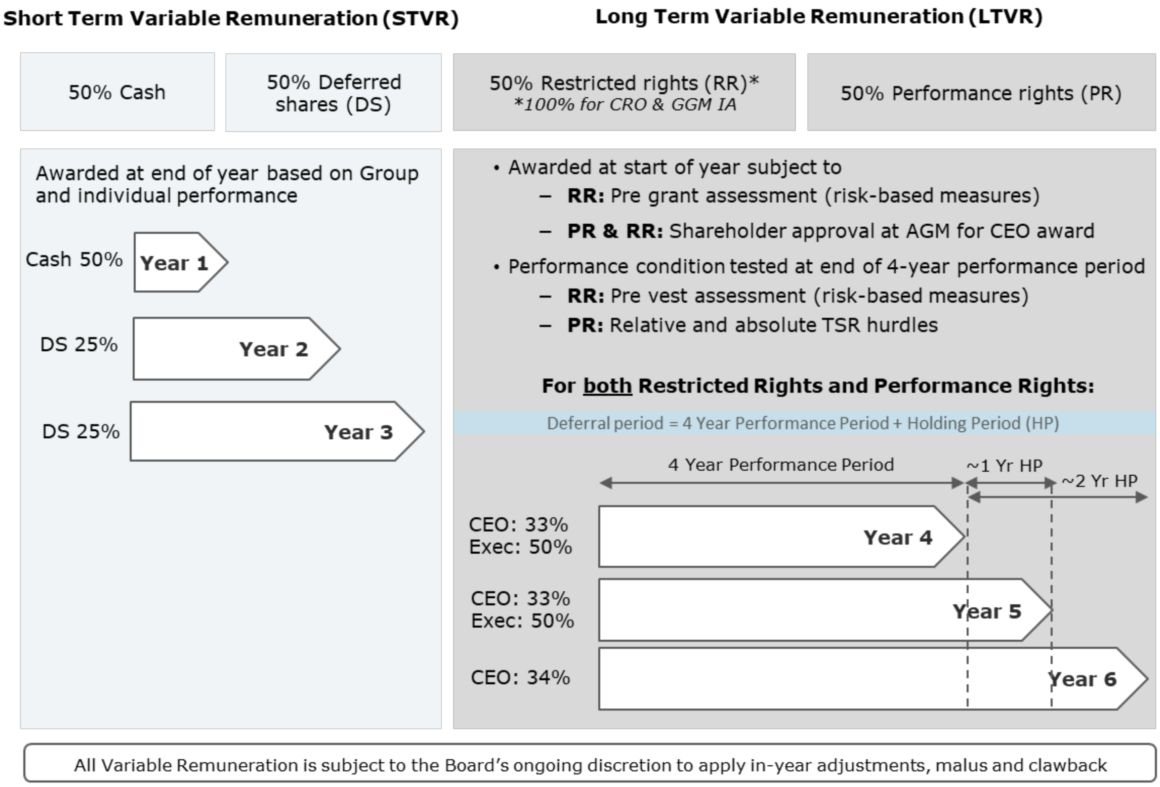
Mandatory deferral of a significant portion of variable remuneration places an increased emphasis on having a variable structure that is flexible, continues to be performance linked, has significant retention elements and aligns the interests of employees to shareholders to deliver against strategic objectives. The key considerations informing the proportion of remuneration delivered as deferred remuneration include relevant regulatory requirements, market practice (locally, internationally and by role/business), risk management (e.g. time horizon of risk), and our accountability and consequence framework (which provides ANZ with on-going and absolute discretion to downward adjust variable remuneration – including to zero).

CEO, ExCo and GGM IA

A detailed review of how ANZ rewards its CEO, ExCo and GGM IA has been undertaken, driven by the introduction of a new Prudential Standard CPS 511 *Remuneration*. As a result, the Board approved changes to the executive remuneration framework, effective for the 2022 financial year.

As illustrated below, variable remuneration under the new framework for the CEO, ExCo and GGM IA is delivered as follows:

- Short Term Variable Remuneration (STVR) as 50% cash and 50% shares deferred equally over years[2] 2 and 3; and
- Long Term Variable Remuneration (LTVR) as:
  - Restricted Rights (RR) and Performance Rights (PR) equally weighted and deferred over year 4 (33%), year 5 (33%) and year 6 (34%) for the CEO;
  - RR and PR equally weighted and deferred over year 4 (50%) and year 5 (50%) for ExCo (excluding CRO); and
  - RR only, deferred over year 4 (50%) and year 5 (50%) for the CRO and GGM IA.



No 2022 LTVR awards have been made, as we transition to awarding LTVR at the start of the 2023 year under the new framework. The introduction of Restricted Rights ensures that LTVR provides material weight to non-financial measures (as required under CPS 511), as well as supporting long-term alignment with shareholders. The purpose of the pre grant assessment is to determine whether any reduction should be made to the RR award value and is primarily based on outcomes in the prior financial year, vs the pre vest assessment which determines whether the RR amount awarded should vest in full and is based on outcomes over the four year performance period.

[2] where Year 1 is the 2022 financial year.

Additional information on the executive remuneration framework is contained in the 2022 ANZ Annual Report.

Other Employees

Variable remuneration is delivered in cash up to the mandatory deferral threshold. In 2022:

- If an employee's variable remuneration is below AUD100,000 (or local currency equivalent), then the variable remuneration is paid in cash.
- If an employee's variable remuneration is at or exceeds AUD100,000, then 60% mandatory deferral will apply to the entire variable remuneration award.
    - Of the variable remuneration award:
        - 40% will be paid in cash (no deferral);
        - 20% will be deferred as ANZ equity for 1 year;
        - 20% will be deferred as ANZ equity for 2 years; and
        - 20% will be deferred as ANZ equity for 3 years.

The HRC reviews the thresholds at which mandatory deferral is applied, the quantum of variable remuneration which is subject to deferral and the time period over which deferral occurs.

France, Germany and UK MRTs

Under Capital Requirements Directive (CRD) V there are specific requirements for remuneration outcomes starting from 2022 for France, Germany and the UK.

For a France MRT, Germany MRT or UK MRT, their variable remuneration is structured in compliance with the following requirements, depending on the MRT category.
Each of the minimum variable remuneration requirements set out in the table below, with the exception of the 'clawback period' row, will not normally apply:

- Individual Proportionality - to a France MRT, Germany MRT and UK MRT whose total annual variable remuneration is no more than: (a) one third of the MRT's total annual remuneration; and (b) in the case of France and Germany, EUR 50,000 or, in the case of the UK, GBP 44,000; or
- Firm wide Proportionality - where, as a consequence of the size of the balance sheet and/or the relevant structure and/or activities of a regulated business, the regulated business is permitted, under applicable local rules and/or guidance, to determine that the relevant requirements do not need to be applied to the relevant France MRTs, Germany MRTs and UK MRTs.

These exclusions do not impact the applicability of the remainder of the ANZBGL Remuneration Policy, including any mandatory deferral arrangements that will otherwise apply.

<table>
<tr><th rowspan="2"></th><th colspan="6">France, Germany & UK MRTs[2]</th></tr>
<tr><th colspan="2">(a) UK MRT - Prudential Regulation Authority (PRA) Senior Manager</th><th>(b) UK MRT - Financial Conduct Authority (FCA) Senior Manager & UK Leadership Team</th><th colspan="2">(c) UK MRT - Risk Manager (as designated by ANZ by reference to specific identification criteria)</th><th>(d) UK MRT - Others, France MRTs, Germany MRTs</th></tr>
<tr><td>Deferred amount</td><td colspan="6">(a) At least 60% for variable remuneration that:
(i) is equal to, or greater than, GBP 500,000; or
(ii) in the case of the UK regulated business, is awarded to a director of the firm; and
(b) at least 40% for variable remuneration that is not captured by (a).</td></tr>
<tr><td>Equity vs. cash</td><td colspan="6">The deferred and non-deferred portions will be paid at least 50% in equity with the remaining amount paid in cash.</td></tr>
<tr><td>Vesting period for deferred portion</td><td>Higher paid
7 years from award with no vesting until 3 years after award, vesting no faster than on a pro-rata basis thereafter.</td><td>Non-higher paid
5 years from award, vesting no faster than on a pro-rata basis.</td><td>5 years from award, vesting no faster than on a pro-rata basis.</td><td>Higher paid
5 years from award, vesting no faster than on a pro-rata basis.</td><td>Non-higher paid
4 years from award, vesting no faster than on a pro-rata basis.</td><td>4 years from award, vesting no faster than on a pro-rata basis.</td></tr>
<tr><td>Vesting period for non-deferred portion</td><td colspan="6">Vests immediately at grant.</td></tr>
<tr><td>Retention period</td><td colspan="6">Equity, both deferred and non-deferred portions, will be subject to a retention period of 12 months from the date of vesting.</td></tr>
<tr><td>Malus</td><td colspan="6">All unvested awards are subject to reduction, including to zero, using malus.</td></tr>
<tr><td>Clawback</td><td colspan="6">All vested awards will be subject to recovery using clawback</td></tr>
<tr><td>Clawback period</td><td colspan="6">Higher paid
7 years from award for all variable remuneration. Can be increased to <u>at least</u> 10 years where the firm or regulatory authority (including overseas) has started an investigation into facts or events that the firm considers could potentially lead to clawback were it not for the expiry of the clawback period.

Non-higher paid (regardless of Individual or Firm proportionality thresholds)
7 years from award for any deferred portion and 1 year from award for the non-deferred portion.</td></tr>
</table>

[2] An MRT is considered to be "higher paid" if: (a) their annual variable remuneration exceeds 33% of their total remuneration; or (b) their total remuneration exceeds GBP 500,000. The concept of "higher paid" is a UK-only concept and all non-UK MRTs will be considered to be "non-higher paid".

China MRTs
To ensure compliance with the China Banking and Insurance Regulatory Commission Supervisory Guidelines on Sound Compensation of Commercial Banks [Yin Jian Fa (2010) No.14], deferral arrangements for MRTs who are also classified as China MRTs are as followed:

For the most senior China MRT roles	If the deferred percentage of variable remuneration, as calculated in accordance with ANZ's standard deferral arrangements is: • at or exceeds 50% of variable remuneration, then ANZ's standard deferral arrangements apply; or • is less than 50% then mandatory deferral will apply as follows: o 50% will be paid in cash (no deferral); and o 50% will be deferred as ANZ equity evenly over 1, 2 and 3 years.
For other China MRT roles	If the deferred percentage of variable remuneration, as calculated in accordance with ANZ's standard deferral arrangements is: • at or exceeds 40% of variable remuneration, then ANZ's standard deferral arrangements apply; or • is less than 40% then mandatory deferral will apply as follows: o 60% will be paid in cash (no deferral); and o 40% will be deferred as ANZ equity evenly over 1, 2 and 3 years.

Downward adjustment
The Board can exercise its discretion to apply a number of downward adjustment options as a consequence (in accordance with applicable law and any terms and conditions provided). The Board may choose to exercise the following options or a combination of these at any time, but will always consider their use if any of the circumstances specified by Prudential Standard CPS 511 Remuneration occur. Further, if an Accountable Executive of ANZ has failed to comply with their accountability obligations under the BEAR, their deferred remuneration will be reduced by an amount that is proportionate to the failure, as required by BEAR.

The downward adjustment options specified in #1 to #3 below are applicable to all employees, while clawback (#4) in 2022 is currently limited to select employees (primarily the CEO, ExCo and GGM IA, and some senior employees in jurisdictions where clawback regulations apply):

1. **In year adjustment,** the most common type of downward adjustment, which reduces the amount of variable remuneration an employee may have otherwise been awarded for that year.
2. **Further deferral/freezing** delays the decision to pay/allocate variable remuneration, or further defers the vesting of deferred remuneration or freezes vested/unexercised shares and rights. This would typically only be considered where an investigation is pending/underway.
3. **Malus** is an adjustment to reduce the value of all or part of deferred remuneration before it has vested. Malus is used in cases of more serious performance or behaviour issues. Any and all variable remuneration we award or grant to an employee is subject to ANZ's on-going and absolute discretion to apply malus and adjust variable remuneration downward (including to zero) at any time before the relevant variable remuneration vests.
4. **Clawback** is the recovery of variable remuneration that has already vested or been paid. This would typically only be considered if the other types of downward adjustment/other consequences are considered inadequate given the severity of the situation.

Before any scheduled vesting of deferred remuneration, the Board (for the CEO, Disclosed Executives and other specified roles) and/or the Enterprise Accountability Group (which operates under the delegated authority of the HR Committee) for other employees, considers whether any further deferral, malus, or clawback should be applied.

For MRTs who are also France, Germany, UK or China MRTs, where remuneration has vested (and during the retention period for France, Germany or UK MRTs) and:
- the employee participated in or was responsible for conduct which resulted in significant losses to the firm, or failed to meet appropriate standards of fitness or propriety (or both); or
- there is reasonable evidence of employee misbehaviour or material error; or
- the firm or the relevant business unit (or both) suffers a material failure of risk management;

the Board has the on-going and absolute discretion to recover and/or request repayment of vested variable remuneration in any circumstance that it determines is reasonable.

Current and Future Risks

ANZ has a Group-wide risk management framework which provides the methodology and tools required to deal with the full range of risks managed within ANZ, both at the Group level and individual business level, and provides the means to prepare for emerging risks.

Risk appetite is set using both qualitative and quantitative measures across the major risk classes including liquidity, market, capital adequacy, credit and non financial risk (including risks with operational, compliance, conduct or technology drivers) to ensure business objectives and performance are measured and monitored on a risk-adjusted basis and within appetite.

The ANZBGL Remuneration Policy ensures the design, monitoring, measurement and determination of remuneration outcomes occur with consideration against the risk management framework.

The design and operation of all variable remuneration plans are required to adhere to a set of policy principles and governance standards which require the approval of the Finance, Risk, and Talent and Culture functions.

In determining remuneration outcomes, risk measures are considered in multiple ways including:

- The Board considers performance against a number of factors to determine the ANZIP variable remuneration pool, including the Group Performance Framework (which includes risk as a multiplier), and economic profit (a risk-adjusted financial measure). This helps to ensure that the variable remuneration pool is shaped by risk considerations. The CRO and Chief Financial Officer review and provide input to the Board/HRC on the ANZIP variable remuneration pool.
- Senior Managers and MRTs have risk objectives or risk as a multiplier in their individual performance scorecard. Behaviours also assessed based on ANZ's values, and risk / compliance standards (including the BEAR). A risk adjusted view of performance is considered, including performance against any financial and non-financial elements relevant to each individual's role.
- The introduction of LTVR Restricted Rights (RR) in the new remuneration structure for CEO, ExCo and GGM IA, ensures that LTVR provides material weight to non-financial measures (as required under APRA's Prudential Standard *CPS 511 Remuneration*), as well as supporting long-term alignment with shareholders. The Board was very considered in working through the appropriate measures for RR. A holistic assessment of measures across STVR and LTVR components was considered to reduce the risk of a 'double impact' to remuneration outcomes. Having a risk-based focus reflects the intent of the new Prudential Standard CPS 511 Remuneration in ensuring remuneration arrangements appropriately incentivise individuals to prudently manage risks.
- Determining accountability and applying consequences where appropriate. The Board can exercise its discretion to apply a number of downward adjustment options as part of consequence management (in accordance with applicable law and any terms and conditions provided), as outlined in the Downward adjustment section. The Enterprise Accountability Group (EAG) is the primary governance mechanism for the operation of ANZ's Accountability and Consequence Framework, operating under the delegated authority of the HRC. Considerations regarding accountability and consequences for ANZ's most senior executives are considered and determined by the HR Committee and Board.

Quantitative Disclosures for ANZ Senior Managers and Material Risk Takers

The following quantitative disclosures are provided with reference to the ANZBGL Remuneration Policy and current practices, and include individuals who met the definitions of ANZ Senior Manager or MRT at any stage during the 2022 financial year.

Table 1 (APS 330, Table 22 (h) and 22 (j)): Remuneration - fixed, variable and other remuneration (AUD)

Table 1 provides a view of how remuneration is paid or communicated to individuals, and is consistent with the Variable Remuneration Awarded and Actual Remuneration Received tables in the 2022 Remuneration Report.

Specifically, fixed remuneration relates to amounts for/paid during the financial year and variable remuneration relates to the communicated cash and equity values for the financial year.

This approach has been chosen over the Statutory Remuneration Disclosure approach (i.e. the inclusion of cash variable remuneration for the financial year and also the accounting expense of prior year variable remuneration share-based payments in the financial year) as it provides greater transparency to the value communicated to individuals for the financial year.

All Senior Manager and MRT deferred remuneration is deferred into equity except for MRTs who are also France, MRTs or UK MRTs, who receive deferred remuneration 50% in cash and 50% in equity.

No guaranteed bonuses, sign-on awards or termination/severance payments[4] have been paid/granted in the financial year to Senior Management or MRTs, except for one newly appointed MRT who received a one-off conditional deferred equity award. The value of this specific award has not been disclosed below to ensure confidentiality.

	Financial Year 2022	
	Senior Management	MRTs
Number of people	19	30
Fixed remuneration (cash – non-deferred) AUD ’000	18,054	17,280
Variable remuneration		
Number of people	15	28
Cash (non-deferred) AUD ’000	7,104	7,327
Cash (deferred) AUD ’000	-	360
Shares and share-linked instruments (non-deferred) AUD ’000	-	540
Shares and share-linked instruments (deferred) AUD ’000	8,467	10,540

	Financial Year 2021	
	Senior Management	MRTs
Number of people	21	29
Fixed remuneration (cash – non-deferred) AUD ’000	20,292	16,319
Variable remuneration		
Number of people	19	29
Cash (non-deferred) AUD ’000	10,114	8,471
Cash (deferred) AUD ’000	-	417
Shares and share-linked instruments (non-deferred) AUD ’000	-	626
Shares and share-linked instruments (deferred) AUD ’000	21,577	13,228

[4] Non-contractual items.

Table 2 (APS 330, Table 22 (i) and 22 (k)): Deferred remuneration exposed to implicit and explicit adjustments (AUD)

Values have been calculated using a 1-day volume weighted average price (VWAP) of ANZ shares on vesting date (paid out)/30 September 2022 (outstanding), multiplied by the number of shares/rights (face value). Reductions are determined comparing these values to the allocation value at grant. All outstanding deferred remuneration is exposed to ex post explicit and implicit adjustments.

Explicit adjustments reflect lapses, due to performance conditions not being met and/or due to cessation of employment. Implicit adjustments reflect share price reductions in the value of equity from grant.

In 2022 and 2021, all Senior Managers and MRT deferred remuneration was deferred into equity, except three UK-based employees who receive their variable remuneration half in equity and half in cash in accordance with UK regulatory requirements.

	Financial Year 2022	
	Senior Management	MRTs
Deferred remuneration paid out		
Vested cash $'000	-	212
Vested shares and share-linked instruments $'000	12,977	13,614
Outstanding deferred remuneration		
Unvested cash $'000	-	1169
Unvested shares and share-linked instruments $'000	39,819	24,892
Deferred remuneration reductions		
Total reductions due to ex post explicit adjustments $'000	(3,978)	(520)
Total reductions due to ex post implicit adjustments $'000	(2,644)	(1,116)

	Financial Year 2021	
	Senior Management	MRTs
Deferred remuneration paid out		
Vested cash $'000	-	166
Vested shares and share-linked instruments $'000	12,092	10,888
Outstanding deferred remuneration		
Unvested cash $'000	-	883
Unvested shares and share-linked instruments $'000	56,031	31,596
Deferred remuneration reductions		
Total reductions due to ex post explicit adjustments $'000	(15,016)	(507)
Total reductions due to ex post implicit adjustments $'000	(2,556)	(1,275)

Quantitative Disclosures for ANZ HK branch

The following quantitative disclosures are provided with reference to the ANZBGL Remuneration Policy and current practices, and include individuals who met the definition of Senior Management and Key Personnel for ANZ HK branch at any stage during the financial year.

Table 3 (HKMA CG-5): Remuneration - fixed, variable and other remuneration (HKD)

Table 3 provides a view of how remuneration is paid or communicated to individuals:

- Fixed remuneration relates to amounts for/paid during the financial year.
- Variable remuneration relates to the communicated cash and equity values (fair value) for the financial year.

No guaranteed bonuses, sign-on awards or termination/severance payments[5] have been paid/granted/awarded in the financial years 2022 and 2021 to Senior Management and Key Personnel for the ANZ HK branch.

	Financial Year 2022
	HK Senior Management and Key Personnel
Number of people	16
Fixed remuneration (cash – non-deferred) HKD '000	35,897
Variable remuneration	
Number of people	14
Cash (non-deferred) HKD '000	6,783
Cash (deferred) HKD '000	-
Shares and share-linked instruments (deferred) HKD '000	8,231
Total variable remuneration HKD '000	15,041
Total Remuneration HKD '000	50,911

	Financial Year 2021
	HK Senior Management and Key Personnel
Number of people	13
Fixed remuneration (cash – non-deferred) HKD '000	33,302
Variable remuneration	
Number of people	13
Cash (non-deferred) HKD '000	6,773
Cash (deferred) HKD '000	-
Shares and share-linked instruments (deferred) HKD '000	7,834
Total variable remuneration HKD '000	14,607
Total Remuneration HKD '000	47,909

[5] Non-contractual items.

Table 4 (HKMA CG-5): Deferred remuneration (HKD)

Values have been calculated using a 1-day volume weighted average price (VWAP) of ANZ shares on vesting date (paid out)/30 September 2022 (outstanding), multiplied by the number of shares/rights (face value). Reductions are determined comparing these values to the allocation value at grant.

Performance adjustments reflect lapses, due to performance conditions not being met and/or due to cessation of employment.

	Financial Year 2022
	HK Senior Management and Key Personnel
Deferred remuneration	
Unvested outstanding deferred remuneration (Cash) HKD '000	-
Unvested outstanding deferred remuneration (Shares and share-linked instruments) HKD '000	15,266
Vested outstanding deferred remuneration (Shares and share-linked instruments) HKD '000	-
Awarded deferred remuneration HKD '000	9,567
Paid out/vested deferred remuneration HKD '000	8,683
Remuneration reductions	
Deferred remuneration reduced through performance adjustments '000	(118)
Total reductions due to ex post explicit adjustments HKD '000	(118)
Total reductions due to ex post implicit adjustments HKD'000	(612)
Total outstanding deferred remuneration exposed to ex post explicit and/or implicit adjustments HKD'000	15,266
Total outstanding retained remuneration exposed to ex post explicit and/or implicit adjustments HKD'000	-

	Financial Year 2021
	HK Senior Management and Key Personnel
Deferred remuneration	
Unvested outstanding deferred remuneration (Cash) HKD '000	-
Unvested outstanding deferred remuneration (Shares and share-linked instruments) HKD '000	16,859
Vested outstanding deferred remuneration (Shares and share-linked instruments) HKD '000	-
Awarded deferred remuneration HKD '000	5,503
Paid out/vested deferred remuneration HKD '000	6,442
Remuneration reductions	
Deferred remuneration reduced through performance adjustments '000	(132)
Total reductions due to ex post explicit adjustments HKD '000	(132)
Total reductions due to ex post implicit adjustments HKD'000	(411)
Total outstanding deferred remuneration exposed to ex post explicit and/or implicit adjustments HKD'000	16,859
Total outstanding retained remuneration exposed to ex post explicit and/or implicit adjustments HKD'000	-

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