2023 BASEL III PILLAR 3 DISCLOSURE

AS AT 30 SEPTEMBER 2023

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 2023. 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 2023 financial year (2023) 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 2023 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 Group Holdings Limited 2023 Annual Report.

Establishment of a new group organisational structure

On 3 January 2023, Australia and New Zealand Banking Group Limited (ANZBGL) established by a scheme of arrangement, a non-operating holding company, ANZ Group Holdings Limited (ANZGHL), as the new listed parent holding company of the ANZ Group and implemented a restructure to separate ANZ's banking and certain non-banking businesses into the ANZ Bank Group and ANZ Non-Bank Group (Restructure). The ANZ Bank Group comprises ANZBGL and the majority of its businesses and subsidiaries that were held in ANZBGL prior to the Restructure. The ANZ Non-Bank Group comprises banking-adjacent businesses developed or acquired by the ANZ Group, to focus on bringing new technology and banking-adjacent services to the ANZ Group's customers, and a separate service company.

The APS 330 disclosure has been prepared on the level 2 basis being ANZ Bank HoldCo as the head of ANZ's Level 2 banking group following the restructure (formerly ANZBGL for prior years).

Bodies that oversee Remuneration

The ultimate responsibility for the sound and prudent management of remuneration at ANZ rests with the ANZGHL and ANZBGL Boards (the Board). The Board is assisted in overseeing remuneration matters, including adherence to ANZ remuneration policies and practices, by the ANZ Group Human Resources Committee (HRC). ANZBGL has delegated authority to the HRC to also act as the remuneration committee of ANZBGL, and the HRC reports to the ANZBGL Board, as well as the ANZGHL Board.

As at 30 September 2023, the HRC consisted of five members, all of whom are independent Non-Executive Directors[1]. The HRC met five times during the 2023 financial year. There were no changes to HR Committee Chair or Member fees for the 2023 financial year.

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 ANZBGL Performance and Remuneration Policy, which forms part of the ANZ Group Performance and 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.

The ANZBGL Performance and Remuneration Policy applies to all ANZBGL employees globally, including:

- **Senior Managers[2]**
  Senior Managers (at the ANZBGL level) are the Responsible Person roles as detailed in ANZBGL's Performance and Remuneration Policy. ANZ's current Responsible Persons are the CEO, Group Executive Committee (ExCo) members and Group General Manager Internal Audit (GGM IA). For 2023, ANZ had a total of 11 Senior Manager roles (12 individuals due to movement in roles); 20 roles[3] in 2022 (19 individuals due to movement in roles).
- **Material Risk Takers[2]**
  Material Risk Takers (MRTs) (at the ANZBGL level) are any other persons (not covered by the Senior Manager definition above), whose activities, individually or collectively, may have a material potential impact on ANZ's risk profile, performance and long-term soundness, as determined by the Board Risk Committee. For 2023, ANZ had a total of 42 MRT roles (43 individuals due to movement in roles); 29 roles[3] in 2022 (30 individuals due to movement in 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 2023, ANZ's HK branch had a total of 13 Senior Management and Key Personnel roles (14 individuals due to movement in roles); 13 roles in 2022 (16 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 NewZealand (NZ) Performance and Remuneration Policy.

[3] 2022 Senior Manager/MRT roles (at the ANZBGL level) as defined in the ANZBGL Remuneration Policy in effect in 2022 (under APRA's Prudential Standard *CPS 510 Governance*) and 2023 as defined in the ANZBGL Performance and Remuneration policy in effect in 2023 (under *CPS 511 Remuneration*). This change has led to a reduction in the number of roles classified as Senior Managers and increase in the number of roles classified as MRTs since 2022.

During 2023, the HRC and management received information from the following external advisors: Aon, Ashurst, Deloitte, EY, Guerdon Associates, Herbert Smith Freehills, PayIQ Executive Pay 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 Performance and Remuneration Policy (read in conjunction with the ANZ Group Performance and 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 Performance and Remuneration Policy requirements, the ANZBGL Performance and Remuneration Policy has adopted specific country addendums or a local/country specific policy (e.g. New Zealand (NZ) who operate under the ANZ NZ Performance and 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 (in-year adjustment, further deferral, malus and clawback) of variable 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 Performance and Remuneration Policy is to support the achievement of ANZBGL's purpose and strategy through ANZ's performance and remuneration arrangements, in line with the ANZ Group Reward Principles and applicable legal and regulatory requirements. Our Reward Principles guide ANZ's Group Performance and Remuneration Framework and are central to the ANZ Group Performance and Remuneration Policy. Their purpose is to drive the alignment of the Performance and Remuneration Framework with ANZ's business plan, strategic objectives, and risk management framework. Our Reward Principles support the achievement of ANZ's purpose and strategy by:

- attracting, motivating and keeping great people;
- rewarding our people for doing the right thing having regard to our customers and shareholders;
- focusing on how things are achieved (our behaviours (supported by our Values and Code of Conduct), culture and risk) as much as what is achieved (outcomes against objectives);
- being fair and simple to understand; and
- in relation to Third Party Service Providers, identifying and mitigating material conflicts to the objectives of the Performance and Remuneration Framework that may result from the remuneration arrangements with Third Party Service Providers.

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 Board approved the ANZBGL Performance and Remuneration Policy in late 2022 to ensure compliance with APRA's Prudential Standard *CPS 511 Remuneration* (which came into effect from 1 January 2023) and to also reflect changes to ANZ's policy framework resulting from the new group organisational structure. A review of the ANZBGL Performance and 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.

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

The 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 variable remuneration 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 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 (including performance against ANZ's Group Performance Framework);
- the quality of our result and operating environment;
- the shareholder experience in the financial year (e.g. shareholder returns and dividend comparison with prior periods);
- our Reward Principles (e.g. attracting, motivating and keeping great people).

Under the 2023 ANZ 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 includes 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, sustainability 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 Group outcomes.

Individual performance is assessed against ANZ's Values (behaviours), delivery of Banking Executive Accountability Regime (BEAR) obligations and ANZ's risk and compliance standards; 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.

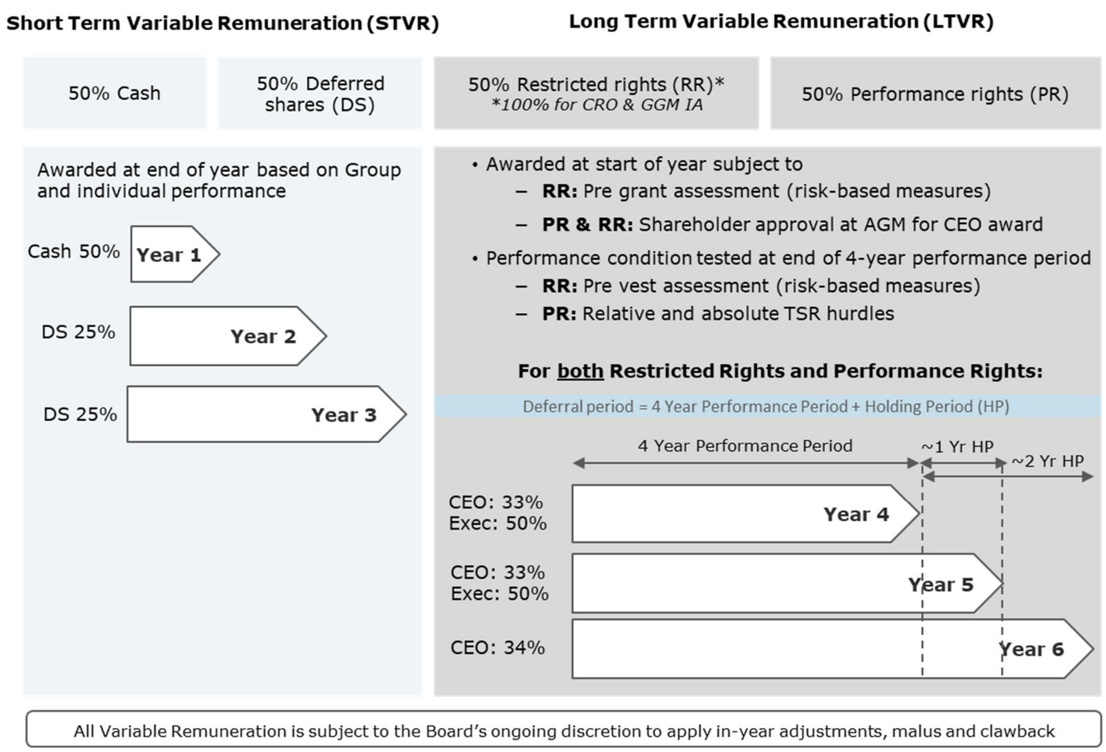
The key considerations informing the proportion of remuneration delivered as deferred remuneration include relevant regulatory requirements, market practice (locally, internationally and by role/business), risk management (e.g. time horizon of risk), and our accountability and consequence framework (which provides ANZ with on-going and absolute discretion to downward adjust variable remuneration – including to zero).

CEO, ExCo and GGM IA

Following a detailed review of how ANZ rewards its CEO, ExCo and GGM IA, driven by the introduction of APRA's Prudential Standard *CPS 511 Remuneration*, the Board approved changes to the executive remuneration framework, effective for the 2022 financial year - 2023 is the second financial year operating under this framework.

As illustrated below, variable remuneration 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[4] 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.



If the CEO receives above target STVR, the amount above target will be delivered as 40% cash and 60% deferred shares (20% year 4, 20% year 5, 20% year 6) to ensure compliance with the minimum deferral requirements with respect to BEAR and APRA's Prudential Standard *CPS 511 Remuneration*.

The first award of LTVR under the new remuneration structure was made at the start of the 2023 financial year for ExCo / GGM IA (Nov 2022) and the CEO (Dec 2022 post AGM), and it was awarded at full opportunity. LTVR was not awarded in 2022, due to the transition from awarding LTVR at the beginning of the year rather than at the end.

The RR component of the 2023 LTVR was subject to a pre grant assessment by the Board which determined that the award should be made at full value (i.e., no reduction); and it will also be subject to a pre vest assessment by the Board of non-financial measures at the end of the four-year performance period to determine whether the RR should vest in full.

[4] Where Year 1 is the performance year (e.g. 2023 is Year 1 in respect to 2023 STVR).

The design of RR 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, while the pre vest assessment determines whether the RR amount awarded should vest in full and is based on outcomes over the four-year performance period.

Additional information on the executive remuneration framework is contained in the 2023 ANZGHL Annual Report.

Other Employees

Variable remuneration is delivered in cash up to the mandatory deferral threshold. For variable remuneration awards related to financial year 2023:

- If an employee's variable remuneration is below AUD100,000 (or local currency equivalent), then the variable remuneration is paid in cash (with no deferral).
- If an employee's variable remuneration is at or exceeds AUD100,000, then:
  - 40% will be paid in cash (with no deferral);
  - the remaining 60% will be deferred equally over years[5] 2, 3 and 4 (as ANZ equity).

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.

[5] Where Year 1 is the performance year (e.g. 2023 is Year 1 in respect to 2023 variable remuneration).

France MRTs, Germany MRTs and UK MRTs

Under Capital Requirements Directive (CRD) V there are specific requirements for remunerationoutcomes 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 exceptionof 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 Performance and Remuneration Policy, including any mandatory deferral arrangements that will otherwise apply.

<table>
<tr><th rowspan="2"></th><th colspan="6">France, Germany & UK MRTs[6]</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>

[6] 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".

Downward adjustment

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). 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.

The downward adjustment options specified in #1 to #3 below are applicable to all employees, while clawback (#4) in 2023 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 (up to two years from vesting / payment or a longer period as determined by Board discretion, policy or applicable law). 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 (EAG) (which operates under the delegated authority of the HRC) for other employees, considers whether any further deferral/freezing, malus, or clawback should be applied.

For MRTs who are also France MRTs, Germany MRTs, or UK 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 Performance and 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 ANZ's 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 modifier), and economic profit (a risk-adjusted financial measure). This helps to ensure that the variable remuneration pool is shaped by risk considerations. The CRO, Chief Financial Officer and Group Executive Talent & Culture 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 modifier 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 design of LTVR RR for the 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. Having a risk-based focus reflects the intent of *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 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 ANZBGL Senior Managers and Material Risk Takers

The following quantitative disclosures are provided with reference to the ANZBGL Performance and Remuneration Policy and current practices, and include individuals who met the definitions of ANZBGL Senior Manager or MRT at any stage during the 2023 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 2023 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[7] or termination/severance payments[8] have been paid/granted in the financial year to Senior Management or MRTs.

	Financial Year 2023	
	Senior Management	MRTs
Number of people	12	43
Fixed remuneration (cash – non-deferred) AUD '000	13,159	26,855
Variable remuneration		
Number of people	12	41
Cash (non-deferred) AUD '000	5,451	15,510
Cash (deferred) AUD '000	-	627
Shares and share-linked instruments (non-deferred) AUD '000	-	698
Shares and share-linked instruments (deferred) AUD '000	21,712	22,848

	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

[7] Compensation for bonus forgone or equity forfeited from the previous employer are not classified as sign-on awards.
[8] 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 2023 (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.

All Senior Managers and MRT deferred remuneration was deferred into equity, except for 3 UK-based employees in 2022 and 4 UK-based employees in 2023, who receive their variable remuneration half in equity and half in cash in accordance with UK regulatory requirements.

	Financial Year 2023	
	Senior Management	MRTs
Deferred remuneration paid out		
Vested cash AUD ’000	-	653
Vested shares and share-linked instruments AUD ’000	6,942	18,480
Outstanding deferred remuneration		
Unvested cash $’000	-	925
Unvested shares and share-linked instruments AUD ’000	56,732	42,543
Deferred remuneration reductions		
Total reductions due to ex post explicit adjustments AUD ’000	(4,025)	-
Total reductions due to ex post implicit adjustments AUD ’000	(563)	(794)

	Financial Year 2022	
	Senior Management	MRTs
Deferred remuneration paid out		
Vested cash AUD ’000	-	212
Vested shares and share-linked instruments AUD ’000	12,977	13,614
Outstanding deferred remuneration		
Unvested cash AUD ’000	-	1,169
Unvested shares and share-linked instruments AUD ’000	39,819	24,892
Deferred remuneration reductions		
Total reductions due to ex post explicit adjustments AUD ’000	(3,978)	(520)
Total reductions due to ex post implicit adjustments AUD ’000	(2,644)	(1,116)

Quantitative Disclosures for ANZ HK branch

The following quantitative disclosures are provided with reference to the ANZBGL Performance and 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[9] or termination/severance payments[10] have been paid/granted/awarded in the financial years 2023 and 2022 to Senior Management and Key Personnel for the ANZ HK branch.

	Financial Year 2023
	HK Senior Management and Key Personnel
Number of people	14
Fixed remuneration (cash – non-deferred) HKD '000	37,255
Variable remuneration	
Number of people	14
Cash (non-deferred) HKD '000	8,470
Cash (deferred) HKD '000	-
Shares and share-linked instruments (deferred) HKD '000	11,363
Total variable remuneration HKD '000	19,833
Total Remuneration HKD '000	57,088

	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

9 Compensation for bonus forgone or equity forfeited from the previous employer are not classified as sign-on awards.
10 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 2023 (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 2023
	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	17,177
Vested outstanding deferred remuneration (Shares and share-linked instruments) HKD '000	-
Awarded deferred remuneration HKD '000	7,768
Paid out/vested deferred remuneration HKD '000	6,242
Remuneration reductions	
Deferred remuneration reduced through performance adjustments HKD '000	-
Total reductions due to ex post explicit adjustments HKD '000	-
Total reductions due to ex post implicit adjustments HKD '000	(56)
Total outstanding deferred remuneration exposed to ex post explicit and/or implicit adjustments HKD '000	17,177
Total outstanding retained remuneration exposed to ex post explicit and/or implicit adjustments HKD '000	-

	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	-

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