

2016

**BASEL III
PILLAR 3
DISCLOSURE**

AS AT 30 SEPTEMBER 2016

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) ADI Prudential Standard (APS) 330: Public Disclosure as applicable to ANZ;
- 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; and
- Article 450 of the Capital Requirements Regulation (CRR) and the Prudential Regulation Authority's (PRA's) Senior Management Arrangements, Systems and Controls sourcebook (SYSC) 19A.3.12A R as applicable to ANZ Bank (Europe) Limited (ANZBEL).

This disclosure was prepared as at 30 September 2016. 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 2016 financial year (2016) remuneration disclosures of Australia and New Zealand Banking Group Limited (ANZ), as required by the Australian Prudential Regulation Authority (APRA) ADI Prudential Standard (APS) 330: Public Disclosure;
- the 2016 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); and
- the 2016 remuneration disclosures of ANZ, relating to employees identified as United Kingdom (UK) Remuneration Code Staff (UK Code Staff) for ANZ Bank (Europe) Limited (ANZBEL), as required by the remuneration disclosure requirements of Article 450 of the Capital Requirements Regulation (CRR) and the Prudential Regulation Authority's (PRA's) Senior Management Arrangements, Systems and Controls sourcebook (SYSC) 19A.3.12A R.

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 2016 Annual Report.

Bodies that oversee Remuneration

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

The HRC met six times during the 2016 financial year. Committee fees for the HRC chair for the 2016 financial year were AUD 57,000 and for HRC members were AUD 29,000.

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 ANZ Remuneration Policy.

The ANZ Remuneration Policy applies to all ANZ employees globally, including:

- **Senior Managers**
Senior Managers (at the Australia and New Zealand Banking Group Limited level) are the Responsible Person roles as detailed in ANZ'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 2016, ANZ had a total of 26 Senior Manager roles (33 individuals due to movement in roles); 22 roles in 2015 (23 individuals due to movement in roles).
- **Material Risk Takers**
Material Risk Takers (MRT) (at the Australia and New Zealand Banking Group Limited 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 the financial soundness of ANZ. For ANZ these are Senior Executives who can influence the Group's capital, funding and liquidity, market risk, underwriting risk, and/or credit and counterparty risk. For 2016 ANZ had a total of 9 Material Risk Taker roles (11 individuals due to movement in roles); 7 roles in 2015 (7 individuals).
- **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 2016, ANZ's HK branch had a total of 11 Senior Management and Key Personnel roles (13 individuals due to movement in roles); (11 roles in 2015 (12 individuals)).
- **ANZBEL UK Code Staff**
With respect to ANZ's UK operations for ANZBEL, UK Code Staff employees include:
 - Senior Management and Risk Takers (relative to the UK operations for ANZBEL) – Senior Management includes those performing Significant Influence Functions. Risk Takers includes those whose professional activities have a material impact on the firm's

risk profile. For 2016, ANZ's UK operations for ANZBEL had a total of 6 Senior Management and Risk Taker roles (6 roles in 2015).

As at 30 September 2016, the HRC consisted of four members, all of whom are independent Non-Executive Directors¹.

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 advisors, when required.

During 2016, management commissioned information, which was provided to the HRC, from external advisors including Aon Hewitt, Ashurst, Ernst & Young, Herbert Smith Freehills, Korn Ferry Hay Group, McLagan, Mercer Consulting (Australia) Pty Ltd and PricewaterhouseCoopers. Information received from external advisors related to market data and market practice information, legislative requirements and interpretation of governance and regulatory requirements.

Design and Structure of Remuneration Processes

The ANZ 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 ANZ's Remuneration Policy requirements, the ANZ Remuneration Policy has adopted specific country addendums 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;
- 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 New Zealand, UK, HK and Indonesia based employees; and
- Engagement of remuneration consultants.

The primary objectives of the ANZ Remuneration Policy are:

- creating and enhancing value for all ANZ stakeholders;
- emphasising the 'at risk' components of total rewards to increase alignment with shareholders and encourage behaviour that supports the long term financial soundness and the risk management framework of ANZ, and the delivery of superior long term total shareholder returns;
- differentiating rewards in line with ANZ's culture of rewarding for outperformance and demonstration of behaviours aligned with ANZ's values (Integrity, Collaboration, Accountability, Respect and Excellence); and
- providing a competitive reward proposition to attract, motivate and retain the highest quality individuals in order to deliver ANZ's business and growth strategies.

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 ANZ Remuneration Policy in its current form was first introduced in February 2010 to comply with APRA's Prudential Standard (CPS) 510: Governance. An effectiveness review of the ANZ 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 HRC last reviewed the ANZ Remuneration Policy in February 2016 with minor updates approved by the Board at the time. The HRC and Board have determined that the ANZ Remuneration Policy and its specific country addendums remain appropriate for their intended purpose and are compliant.

¹ ANZ Board Chairman is an ex-officio member of the Committee and does not receive a Committee member fee.

Remuneration at ANZ

ANZ's short term incentive spend is adjusted each year to reflect ANZ's performance outcomes, and is approved by the Board. 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 with regard to local market practices and affordability.

Variable remuneration: ANZ's variable remuneration opportunity provides relevant employees with "at risk" reward component(s) designed to drive performance in the short term and the medium to long term.

The Board has on-going and absolute discretion to adjust unvested performance-based variable remuneration downwards, or to zero at any time.

Adjustments may occur to assist in protecting the financial soundness of ANZ or if the Board subsequently considers that, having regard to information which has come to light after the grant of deferred remuneration, the deferred remuneration was not justified.

The Board also has on-going and absolute discretion to withhold vesting until the Board has considered any information that may impact the vesting.

For UK Code Staff, where remuneration has vested (and during the retention period) 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.

ANZ may determine that, having considered all relevant factors including the proximity of the employee to the failure of risk management and the level of responsibility, it is reasonable to recover some or all of the vested variable remuneration, within a seven year period from the date of the award. The employee will be required to repay the amount determined by ANZ.

Each year the mix of cash and equity an individual receives varies, as the value of the variable remuneration increases or decreases, to reflect individual, business and ANZ overall performance outcomes for the year.

An individual's variable remuneration may comprise a short term incentive² opportunity and a long term incentive³ opportunity, or a blended short and long term incentive opportunity.

For UK Code Staff, the ratios between fixed and variable remuneration do not exceed 1:1.

ANZ Employee Reward Scheme (ANZERS) and Total Incentive Performance Plan (TIPP)

ANZERS and TIPP are designed to align performance to ANZ's strategic objectives and annual operating plan, fairly reward employees and encourage outperformance without encouraging undue risk taking.

ANZ operates two main incentive plans that cover the majority of employees:

- ANZ Employee Reward Scheme (ANZERS) – is the standard discretionary incentive plan operating across ANZ.
- Total Incentives Performance Plan (TIPP) – is the discretionary incentive plan operating for specific Institutional Product and Relationship employees in the Institutional division globally.

To determine and approve the annual short term incentive pools, the Board assesses performance against a balanced scorecard of measures.

For 2016, the key performance measures under each of the balanced scorecard categories used to assess performance for ANZERS are provided below. ANZ has used a balanced scorecard approach for a number of years.

High Performing

- Revenue
- Economic profit
- Return on equity (ROE)
- Cash earnings per share (EPS)

Most Respected

- Workforce diversity
- Employee engagement
- Senior leaders as role models of our values

Well Managed

- Maintain strong credit rating
- Core funding ratio (CFR)
- Cost to income ratio
- Number of repeat adverse internal audit ratings

² Also referred to as Annual Variable Remuneration (AVR).

³ Also referred to as Long Term Variable Remuneration (LTVR).

Best Connected

- Growth in products per customer
- Growth in cross-border revenue

Customer Driven

- Customer satisfaction (based on external survey outcomes)

Performance measures within each of the division's balanced scorecards are strategically aligned to the performance measures within the ANZ balanced scorecard.

In determining the incentive pool for TIPP, the Board takes into consideration performance against a balanced scorecard of measures. The TIPP balanced scorecard considers a range of Financial, Customer, Risk, Process and People measures.

Individual performance metrics, which form part of an individual's annual objectives, are tailored to reflect the nature of the role.

Individual remuneration outcomes are discretionary and linked to both ANZ and individual performance outcomes for all employees. Each individual's performance is assessed at year end against their agreed balanced scorecard of financial and non-financial objectives. Demonstration of the ANZ Values and an assessment of compliance, risk management and behaviour forms a fundamental aspect of the performance assessment. Risk and Compliance input is a critical part of the assessment process in determining the performance of ANZ and in ensuring that individual remuneration has been appropriately assessed with regard to risk. Individual reward outcomes are then determined, taking into consideration both the individual's performance and the performance of ANZ overall. Awards may be below, at or above the individual's target opportunity.

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.

For the CEO and ExCo for 2016, variable remuneration is delivered as follows.

Delivered as	CEO	ExCo	Deferral period
Cash	50% of short term incentive	33% of variable remuneration	n/a
Deferred shares or share rights	50% of short term incentive	33% of variable remuneration	Pro rata vesting in equal tranches over four years
Performance rights ⁴	100% of long term incentive	34% of variable remuneration ⁵	Three years

Incentives are delivered in cash up to the mandatory deferral threshold. The HRC regularly 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.

In 2015 and 2016, for Senior Executives and the participants in TIPP, short term and long term incentives are combined. Incentive payments are delivered in cash up to AUD 80,000. Mandatory deferral applies to 60% of payments exceeding AUD 80,000⁶ and this is deferred evenly over three years. For Senior Executives, the amount deferred for three years will be delivered as a blend of performance rights⁷ and ANZ deferred equity (shares or share rights) subject to time and Total Shareholder Return (TSR) hurdles. If the hurdles are not met the awards lapse. The equity remains at risk and can be adjusted downwards any time prior to the vesting date.

⁴ A face value methodology is used to determine the number of performance rights allocated to the CEO and ExCo. 2016 performance rights granted in 2017 are divided into two tranches: Tranche 1 (75%) ANZ TSR relative to a select financial services comparator group and Tranche 2 (25%) ANZ TSR against ANZ Compound Annual Growth Rate (CAGR) TSR target set by the Board. 2015 performance rights granted in 2016 were divided into three equal tranches: Tranche 1 ANZ TSR relative to a select financial services comparator group, Tranche 2 ANZ TSR relative to a comparator group comprising companies making up the S&P/ASX50 index as at 18 November 2015 and Tranche 3 ANZ TSR against ANZ CAGR TSR target set by the Board.

⁵ Deferred share rights for the CEO, instead of performance rights, to ensure greater impartiality and independence of this role.

⁶ Or the local equivalent for overseas individuals. Mandatory deferral is subject to a minimum deferral amount of AUD 18,000 (or the local equivalent).

⁷ 2016 performance rights granted in 2017 are delivered as one tranche subject to ANZ TSR relative to a select financial services comparator group. 2015 performance rights granted in 2016 were delivered as two equal tranches: Tranche 1 ANZ TSR relative to a select financial services comparator group and Tranche 2 ANZ TSR relative to a comparator group comprising companies making up the S&P/ASX50 index as at 18 November 2015.

In 2015 and 2016, for participants in ANZERS⁸ deferral applies to 50% of short term incentive payments exceeding AUD 100,000⁹. Half the deferred equity is deferred for one year and half is deferred for two years; the deferred equity remains at risk, and can be adjusted downwards at the discretion of the Board until the vesting date.

UK Code Staff who are subject to the Code requirements and do not meet the 'de minimis' rule¹⁰ are eligible to participate in ANZ's incentive plans where applicable for their role, and payments will be made in accordance with the Code requirements as below:

1. If total variable remuneration is equal to or greater than GBP 500,000 then:
 - a. 60% will be deferred over three years and vest on a pro-rata basis at the end of each year. Payments will be made 50% in cash and 50% in equity. The equity will be subject to a retention period of 6 months following each vesting date; and
 - b. the remaining 40% will be paid 50% in equity and 50% in cash. The equity will be subject to a retention period of 6 months from the date of the award.
2. If total variable remuneration is less than GBP 500,000 then:
 - a. 40% will be deferred over three years and vest on a pro-rata basis at the end of each year. Payments will be made 50% in cash and 50% in equity. The equity will be subject to a retention period of 6 months following each vesting date; and
 - b. the remaining 60%, will be paid 50% in equity and 50% in cash. The equity will be subject to a retention period of 6 months from the date of the award.

The equity will remain subject to clawback during the retention period.

For UK Code Staff who are Senior Executives, the amount deferred for three years will be delivered as 50% hurdled performance rights and 50% deferred equity.

Long term incentives (LTI)

The long term incentive plan is delivered in equity, which provides alignment of a significant portion of an individual's remuneration to sustained growth in shareholder value over the longer term.

To further align an individual's remuneration with ANZ's actual performance outcomes, ANZ determines LTI grants after the end of the performance year to which the grant relates (i.e. grants made during 2016 related to performance during the bank financial year 2015).

All long term incentive equity is deferred for three years and remains at risk, and can be adjusted downwards, until vesting.

Equity granted to individuals in roles below the level of Senior Executive is delivered as ANZ deferred equity (shares or share rights) subject to a time based hurdle only.

Current and Future Risks

ANZ has an Enterprise-wide risk management framework which takes into account a range of risks managed within ANZ, both at the Enterprise level and individual business level.

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

To ensure consistent monitoring year on year, the Board considers performance against a balanced scorecard of measures to determine the incentive pools. This helps to ensure that the incentive pools are shaped by risk considerations. The CRO reviews and provides input to the Board/HRC on incentive pools taking into consideration the risk and return tradeoffs.

The ANZ Remuneration Policy through the risk management framework ensures the design, monitoring, measurement and remuneration outcomes occur within the broader framework of ANZ's risk management targets and thresholds.

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

⁸ And for 2015 for the CEO and ExCo, but excluding Senior Executives whose deferral arrangements are described in the prior paragraph.

⁹ Or the local equivalent for overseas individuals. Mandatory deferral is subject to a minimum deferral amount of AUD 25,000 (or the local equivalent).

¹⁰ Certain requirements of the UK's PRA Remuneration Code relating to the structure of an individual's remuneration do not apply to a member of UK Code Staff who meets the 'de minimis' rule. This is where variable is less than 33% of total remuneration and total remuneration is less than GBP 500,000.

Individual incentive awards are made on the basis of a risk adjusted view of both financial and non-financial performance. However, if the assessment of performance subsequently proves to be inaccurate or incorrect, the unvested deferred awards can be adjusted downward by the Board.

Quantitative Disclosures for ANZ Senior Managers and Material Risk Takers

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

Table 1 (APS 330, Table 21 (h) and 21 (j)): Remuneration - fixed, variable and other remuneration (AUD)

Table 1 provides a view of how remuneration is paid or communicated to individuals. Consistent with the Remuneration Report Awarded Remuneration Disclosure table approach:

- Fixed remuneration relates to amounts for/paid during the financial year.
- 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 STI for the financial year and also the accounting expense of prior year STI and LTI 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 Material Risk Taker deferred remuneration is deferred into equity, except for one role which is also classified as UK Code Staff for whom part of deferred remuneration is received as deferred cash. Deferred cash is not disclosed below for this role to ensure confidentiality.

No guaranteed bonuses, sign-on awards or termination payments have been paid/granted in the financial year to Senior Management or Material Risk Takers, except for one role who received a relocation benefit upon termination. The termination payment has not been disclosed below for this role to ensure confidentiality.

	Financial Year 2016	
	Senior Management	Material Risk Takers
Number of people	33	11
Fixed remuneration (cash – non-deferred) AUD '000	22,839	4,855
Variable remuneration		
Number of people	25	9
Cash (non-deferred) AUD '000	9,016	4,204
Shares and share-linked instruments (deferred) AUD '000	16,396	5,724
	Financial Year 2015	
	Senior Management	Material Risk Takers
Number of people	23	7
Fixed remuneration (cash – non-deferred) AUD '000	21,053	8,221
Variable remuneration		
Number of people	22	7
Cash (non-deferred) AUD '000	14,476	6,509
Shares and share-linked instruments (deferred) ¹⁰ AUD '000	21,342	9,143

Table 2 (APS 330, Table 21 (i) and 21 (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 2016 (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 lapse, 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 Manager and Material Risk Taker deferred remuneration is deferred into equity, except for one role which is also classified as UK Code Staff for whom part of deferred remuneration is received as deferred cash. Deferred cash is not disclosed below for this role to ensure confidentiality.

	Financial Year 2016	
	Senior Management	Material Risk Takers
Deferred remuneration paid out		
Vested shares and share-linked instruments \$'000	19,841	5,315
Outstanding deferred remuneration		
Unvested shares and share-linked instruments \$'000	99,499	22,703
Deferred remuneration reductions		
Total reductions due to ex post explicit adjustments \$'000	(33,848)	(1,027)
Total reductions due to ex post implicit adjustments \$'000	(4,898)	(1,498)
	Financial Year 2015	
	Senior Management	Material Risk Takers
Deferred remuneration paid out		
Vested shares and share-linked instruments \$'000	20,159	13,362
Outstanding deferred remuneration		
Unvested shares and share-linked instruments \$'000	89,640	22,890
Deferred remuneration reductions		
Total reductions due to ex post explicit adjustments \$'000	(23,194)	-
Total reductions due to ex post implicit adjustments \$'000	(4,101)	(2,702)

Quantitative Disclosures for ANZ HK branch

The following quantitative disclosures are provided with reference to the ANZ 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 (k) and (m)): 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 have been paid/granted/awarded in the financial years 2016 and 2015 to Senior Management and Key Personnel for the ANZ HK branch.

Financial Year 2016	
HK Senior Management and Key Personnel	
Number of people	13
Fixed remuneration (cash – non-deferred) HKD '000	25,146
Variable remuneration	
Number of people	10
Cash (non-deferred) HKD '000	7,173
Cash (deferred) HKD '000	-
Shares and share-linked instruments (deferred) HKD '000	4,681
Total variable remuneration HKD '000	11,854
Total Remuneration HKD '000	37,000
Financial Year 2015	
HK Senior Management and Key Personnel	
Number of people	12
Fixed remuneration (cash – non-deferred) HKD '000	29,335
Variable remuneration	
Number of people	10
Cash (non-deferred) HKD '000	10,343
Cash (deferred) HKD '000	-
Shares and share-linked instruments (deferred) HKD '000	7,940
Total variable remuneration HKD '000	18,283
Total Remuneration HKD '000	47,618

Table 4 (HKMA CG-5 (h), (i), (j), (l)): 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 2016 (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 lapse, due to performance conditions not being met and/or due to cessation of employment.

Financial Year 2016	
HK Senior Management and Key Personnel	
Deferred remuneration	
Unvested outstanding deferred remuneration (Shares and share-linked instruments) HKD '000	15,255
Vested outstanding deferred remuneration (Shares and share-linked instruments) HKD '000	-
Awarded deferred remuneration HKD '000	3,803
Paid out/vested deferred remuneration HKD '000	5,604
Remuneration reductions	
Deferred remuneration reduced through performance adjustments '000	-
Total reductions due to ex post explicit adjustments HKD '000	(902)
Total reductions due to ex post implicit adjustments HKD'000	(1,067)
Total outstanding deferred remuneration exposed to ex post explicit and/or implicit adjustments HKD'000	15,255
Total outstanding retained remuneration exposed to ex post explicit and/or implicit adjustments HKD'000	-

	Financial Year 2015
	HK Senior Management and Key Personnel
Deferred remuneration	
Unvested outstanding deferred remuneration (Shares and share-linked instruments) HKD '000	15,279
Vested outstanding deferred remuneration (Shares and share-linked instruments) HKD '000	-
Awarded deferred remuneration HKD '000	3,809
Paid out/vested deferred remuneration HKD '000	7,516
Remuneration reductions	
Deferred remuneration reduced through performance adjustments '000	-
Total reductions due to ex post explicit adjustments HKD '000	-
Total reductions due to ex post implicit adjustments HKD'000	(1,640)
Total outstanding deferred remuneration exposed to ex post explicit and/or implicit adjustments HKD'000	15,279
Total outstanding retained remuneration exposed to ex post explicit and/or implicit adjustments HKD'000	-

Quantitative Disclosures for ANZBEL UK Code Staff

The following quantitative disclosures are provided with reference to the ANZ Remuneration Policy and current practices, and include individuals who met the definition of ANZBEL UK Code Staff who are Senior Management at any stage during the financial year.

Table 5 (CRR Article 450 1(g)): Remuneration – by business area (GBP)

	Financial Year 2016
	ANZBEL Senior Management and Risk Takers
Number of people	6
Total remuneration GBP '000	1,953

Table 6 (CRR Article 450 1(h(i), h(ii), h(iv), h(v) and h(vi))): Remuneration - fixed, variable and other remuneration (GBP)

Table 7 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 sign-on awards or termination/severance payments have been paid/granted/awarded in the financial year to ANZBEL UK Code Staff who are Senior Management.

	Financial Year 2016
	ANZBEL Senior Management and Risk Takers
Number of people	6
Fixed remuneration (cash – non-deferred) GBP '000	1,246
Variable remuneration	
Number of people	3
Cash (non-deferred) GBP '000	212
Cash (deferred) GBP '000	109
Shares and share-linked instruments (non-deferred) GBP '000	212
Shares and share-linked instruments (deferred) GBP '000	174
Total variable remuneration GBP '000	707
Total Remuneration GBP '000	1,953

Table 7 (CRR Article 450 1(h(iii) and h(iv))): Deferred remuneration (GBP)

Values have been calculated using a 1-day volume weighted average price (VWAP) of ANZ shares on vesting date (paid out)/30 September 2016 (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 lapse, due to performance conditions not being met and/or due to cessation of employment.

	Financial Year 2016
	ANZBEL Senior Management and Risk Takers
Deferred remuneration	
Unvested outstanding deferred remuneration GBP '000	768
Vested outstanding deferred remuneration GBP '000	-
Awarded deferred remuneration GBP '000	553
Paid out/vested deferred remuneration GBP '000	480
Deferred remuneration reduced through performance adjustments GBP '000	-

Table 8 (CRR Article 450 1(i): Remuneration by band (GBP)

Table 8 provides a breakdown of the number of ANZBEL UK Code Staff who are Senior Management and Risk Takers who have been remunerated EUR 1 million or more for the financial year.

Total remuneration has been calculated including fixed remuneration, allowances, variable remuneration in relation to the performance year, and fees for Non-Executive Directors. Bands have been converted using a rate of 1 EUR = 0.8652.

	Financial Year 2016
	Number of people
Deferred remuneration	
865 – 1,299 GBP '000 (1m – 1.5m EUR)	0

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